Bankruptcy & Restructuring

Troubled situations are our specialty.

Our team of seasoned professionals helps clients navigate financial distress by leveraging creative problem-solving in and out of court to recognize opportunities, mitigate risks and maximize recoveries. In partnership with our clients, we have collected more than $100 million over the last fiscal year.

What Sets Us Apart

Our highly regarded team of bankruptcy and restructuring lawyers works across disciplines to advise financial institutions, secured lenders, insurance companies, investment management companies, mutual funds, hedge funds, distressed debt purchasers, lessors, contract counterparties, trade creditors, unsecured creditors and other businesses and individuals in navigating distressed scenarios. Our strength lies in the ability to draw from a firmwide pool of professionals with deep subject-matter knowledge in the fields of healthcare, energy, manufacturing, real estate, insurance, contracting, hospitality, telecommunications, technology, equipment supply, retail and wholesale, among others.

Chambers USA notes our bankruptcy and restructuring practice as “highly regarded for its expertise in bankruptcy litigation, restructuring and distressed sales and acquisitions.” Many of our lawyers are also active members and leaders of industry groups and organizations such as the Eastern District of Pennsylvania Bankruptcy Conference, Turnaround Management Association (TMA) and International Women’s Insolvency & Restructuring Confederation (IWIRC).

Our Services

Our lawyers are well-versed in handling the full range of in- and out-of-court restructurings. With a wealth of experience in creditors’ rights, we counsel clients in the initial stages of workouts and the negotiation of forbearance arrangements and guide clients through the next stages, which may include confession of judgment, foreclosure, receiverships, judgment enforcement, bankruptcies and liquidations.

We are often called on to structure transactions to minimize and mitigate risks, which may include addressing lien perfection and priority, fraudulent conveyance or preference risk, and intercreditor and subordination issues.

Areas of Focus

We regularly counsel our clients in connection with the entire cycle of loans, contracts, distressed relationships and related litigation, including:

- Negotiating and documenting a variety of financing arrangements, including debtor-in-possession financing, the use of cash collateral and exit financing.

- Addressing intercreditor issues, including the negotiation and documentation of intercreditor and subordination agreements.
- Assisting prospective purchasers with performing due diligence, submitting bids and participating in auctions conducted under Section 363 of the U.S. Bankruptcy Code or other distressed scenarios, including Article 9 of the Uniform Commercial Code, receiverships and assignments for the benefit of creditors (ABCs).
- Addressing the unique issues posed by securities contracts, commodities or forward contracts, repurchase agreements, and swap and other derivative contracts in bankruptcy and other insolvency proceedings.
- Maximizing recovery on claims arising in connection with bankruptcy and insolvency proceedings, including compelling payment of post-petition administrative claims, defending challenges to lien scope and priority, setoff and unauthorized post-petition transfer claims.
- Routinely defending adversary proceedings seeking avoidance of preferential and/or fraudulent transfers, negotiating successful settlements of same, and developing strategies to mitigate risk of future avoidance claims.
- Advising creditors in connection with proposed plans of reorganization and liquidation in traditional Chapter 11 and Subchapter V small-business cases, including third-party releases, plan confirmation objections and appeals.
- Enforcing the rights of commercial landlords, vendors, suppliers, licensors/licensees, service providers and other parties in connection with distressed tenants and customers, including in connection with assumption, assignment and rejection of executory contracts and leases and related cure disputes under the Bankruptcy Code, commercial evictions and other exercises of contractual remedies in and out of court.
- Evaluating and defending lender-liability-related claims, including equitable subordination, marshalling of assets, reclamation, and breach of the covenant of good faith and fair dealing.
- Obtaining relief from the automatic stay in a wide variety of contexts, including terminating contracts, pursuing foreclosure or other litigation and/or accessing debtor’s insurance.
- Obtaining and enforcing judgments through confession of judgment, state and federal court litigation, and defending petitions to open or strike confessed judgments.
- Pursuing commercial foreclosures of real and personal property.
- Evaluating the merits of bankruptcy alternatives, including receiverships, Article 9 sales and ABCs.
- Prosecuting and defending all manner of bankruptcy-related litigation.

Receiverships

Receiverships are increasingly used as an alternative to bankruptcy, allowing lenders and other stakeholders to preserve assets and quickly stabilize distressed companies. State-court receiverships in particular can provide lenders and other creditors with more flexibility and a streamlined process, while federal receiverships can be attractive in complex cases involving multiple jurisdictions or government agencies. The securing of a receiver poises the client to maximize recovery on its security interests.

We have represented both secured creditors and receivers in navigating the full spectrum of operational, business and legal needs, including representing secured creditors and receivers in court-supervised sales of receivership assets. By navigating and addressing both the legal and practical challenges of a receivership, we ensure that clients’ interests are protected.

Representative Matters

Receiverships

- Represented the secured creditor in a receivership, resulting in the $24 million sale of a low-income senior housing facility.
- Represented the secured creditor in a receivership, resulting in the $13.5 million sale of inpatient and outpatient substance-abuse treatment facilities.
- Advised the secured creditor in a receivership, resulting in the $22.5 million sale of a partially completed mixed-use residential development.
- Represented a secured lender in connection with the $7 million sale of debt through a receivership related to a partially demolished residential apartment building.

- Represented a secured lender in connection with the $4.5 million sale of debt related to a vacant office property.
- Represented the secured lender in a complex receivership arising out of a series of auto dealerships facing substantial allegations of fraud, mismanagement and misuse of collateral.
- Represented the receiver appointed in a federal court foreclosure action involving a defaulted mortgage loan on a former Rite Aid site in Allentown, Pennsylvania.
- Represented a secured creditor in successfully obtaining the appointment of a receiver over a national medical staffing company and its affiliates, including to obtain stay relief in a series of Chapter 7 filings involving more than 45 affiliated entities organized in more than 30 jurisdictions across the United States.

Out-of-Court Workouts

- Represented secured lenders in connection with multiple out-of-court workouts, including:
  - Securing payment in full of $15 million in loans to skilled nursing facilities in New Jersey.
  - Securing payment in full of $17 million in loans to skilled nursing facilities in New York.
  - Securing payment in full of $6.5 million in loans to a New York nonprofit.
- Represented a bank in connection with its interest as lender in an out-of-court workout of a defaulted commercial real estate loan facility in the Greater Philadelphia region.
- Represent a full-service digital asset investment firm in an ongoing workout to recover payment of a $7.4 million loan involving bitcoin as collateral.

Bankruptcy

- Advised the secured creditor in a bankruptcy proceeding, resulting in the $8 million asset sale of a generic pharmaceutical company.
- Represented a secured lender in Chapter 11 proceedings in a highly visible healthcare bankruptcy, including the extension of a debtor-in-possession facility, resulting in payment in full after an auction of the debtor’s assets.
- Successfully obtained the dismissal of a borrower’s bankruptcy proceedings to enable the secured lender to proceed with sheriff’s sale on commercial real estate.
- Represented limited liability company members in connection with contested buyout and dissolution proceedings.
- Advised a bank in the successful collection of a receivables-backed credit facility.
- Represented a bank in connection with an Article 9 foreclosure.
- Advised creditors and interested parties in Chapter 15 cross-border matters, including cryptocurrency exchange and mass tort insolvencies.

Other Litigation Matters

- Represented a large private company in connection with negotiating settlement and payment of claims in a California bankruptcy case.
- Obtained summary judgment in favor of the petitioning creditor in involuntary bankruptcy proceedings in which the putative debtor sought compensatory damages of nearly $30 million plus punitive damages.
- Advised a mortgage insurer concerning the permissibility of rescinding mortgage insurance policy and prosecuted claims for rescission based upon breach of representation and warranties, resulting in a successful settlement.