

Bankruptcy Group Of The Year: Willkie Farr & Gallagher

By **Max Stendahl**



Law360, New York (January 23, 2015, 1:28 PM ET) -- Willkie Farr & Gallagher

LLP's restructuring team flexed its muscles in 2014 by guiding Momentive Performance Materials Inc. through a complex Chapter 11 proceeding and advocating for U.K. pensioners in Nortel Networks' hard-fought bankruptcy case, earning a spot among Law360's Bankruptcy Practice Groups of the Year.

The firm's business reorganization and restructuring department includes approximately 40 full-time lawyers across the globe, including in legal hot spots like New York and London. The growth of the London practice, in particular, has had a domino effect in Europe, boosting the firm's profile in Paris and Frankfurt.

Willkie bolstered its reputation in 2014 with its successful representation of Momentive, which makes silicone and quartz products. The company filed for bankruptcy in April 2014 following negotiations for a plan to slash \$3 billion in debt — a carefully crafted deal that included a \$600 million rights offering and either \$1.3 billion in exit financing or the issuance of replacement cramdown notes to certain senior secured creditors.

On Aug. 26, following a four-day confirmation hearing in New York, a bankruptcy judge approved the cramdown provisions of Momentive's plan, applying a landmark 2004 Supreme Court decision regarding the formula for determining interest rates for secured creditors. If the ruling is upheld on appeal, it could broadly affect how debtors and secured creditors negotiate cramdown provisions in other matters, according to Willkie.

Willkie partner Marc Abrams, who co-chairs the restructuring department, said the Momentive matter showcased the firm's deep bench of litigation partners who also boast bankruptcy expertise.

"A lot of what we bring to the table is based on a very cohesive team approach where we can rely upon lawyers who have extensive experience and legal judgment to put together a very integrated team very quickly," Abrams said. "That's really the hallmark of what makes the Willkie restructuring practice among the superior practices."

In another case involving cooperation among restructuring and litigation partners, Willkie represented the Nortel Networks U.K. Pension Claimants and the U.K. Pension Protection Fund in the defunct telecom's bankruptcy case. The proceeding involved an unprecedented seven-week trial that linked

courtrooms in Delaware and Ontario via Web video in order to allocate \$7.3 billion in proceeds realized from sales of the telecom's assets.

Abrams said Willkie has been able to weather fluctuations in global restructuring activity. Unlike some bankruptcy practices that expand or contract "like an accordion" depending on the business environment, he said, Willkie's team has maintained its healthy size of at least a few dozen lawyers.

"We've never been dead in the water, so to speak," Abrams said.

The bankruptcy group's auspicious year also involved a bit of political wrangling. In June, Willkie client Interfaith Medical Center Inc., a nonprofit hospital in Brooklyn, won confirmation of a Chapter 11 plan, following negotiations with the Dormitory Authority of the State of New York and the state's Department of Health, among other groups.

Willkie partner Matthew Feldman, who co-chairs the restructuring department, said the case required "more political than legal challenges," citing Interfaith's need to win government support for its reorganization.

"That was a very difficult case because it was done in more of a fishbowl than other bankruptcy cases," Feldman said.

Willkie's restructuring department also took on a major case in the gaming industry, representing the Atlantic City Club Casino as special counsel in its Chapter 11 proceeding in New Jersey. Following a competitive two-day auction, the court approved the sale of the company's gaming assets to Tropicana Atlantic City Corp., as well as its sale of real estate assets to Caesars Entertainment Operating Co.

Abrams attributed the firm's success in part to its "hub and spoke" staffing model, in which bankruptcy attorneys are encouraged to reach out to colleagues from other departments, including employee benefits and tax.

"By the time lawyers become more senior partners, they're pretty comfortable in that model," Abrams said.

--Editing by Mark Lebetkin.