

Bankruptcy & Restructuring Group

With one of the largest and most experienced bankruptcy groups in the region, Sullivan & Worcester LLP offers legal services in all aspects of bankruptcy, restructuring, creditors' rights and commercial law. Our extensive and varied experience enables us to help our clients act quickly and decisively to maximize values, and to focus on finding creative and practical solutions to complex problems.

Our lawyers have represented clients in matters involving billions of dollars, including out-of-court workouts and restructurings, as well as contested matters in federal bankruptcy courts in New York, Delaware, Massachusetts and other jurisdictions across the country. Given the breadth and the depth of our restructuring team, we are able to respond effectively to the most complicated issues that arise in debtor-creditor relationships.

In fact, *Chambers USA* 2009 and 2010 recognized our Bankruptcy & Restructuring practice and noted that our bankruptcy lawyers have "no fear when it comes to complex bankruptcy and restructuring work."

As appropriate, we can and do regularly call upon our colleagues in the Real Estate, Financings, Litigation, Corporate and Tax Groups. In all these areas, we have the resources and contacts to represent our clients efficiently wherever necessary.

Corporate Trust and Bondholder Representations

Our bankruptcy lawyers have broad experience representing secured and unsecured bondholders, bondholder committees, indenture trustees and other holders of publicly held and private debt in many of the largest and most complex Chapter 11 cases throughout the United States.

Representative engagements include:

- **Lehman Brothers.** Representing an indenture trustee as a member of the unsecured creditors' committee in the Chapter 11 proceedings of Lehman Brothers Holdings, Inc. and affiliates.
- **Airline Bankruptcies.** Representation of corporate trustees in their capacities as mortgagee, pass-through trustee, subordination agent or indenture trustee in the Northwest Airlines and United Air Lines Chapter 11 proceedings. Responsibilities included management of over 700 aircraft in hundreds of separate aircraft financing transactions, including enforcement of obligations under Sections 363, 365 and 1110 of the Bankruptcy Code, repossessions and foreclosures of collateral, restructuring transactions and litigations involving stipulated loss values, equity squeeze and other indenture provisions and tax indemnity agreements.

Retail Bankruptcies. Representation of indenture trustees in the Chapter 11 proceedings of numerous retail corporations, including Movie Gallery (Hollywood Entertainment), Tower Records, Ames Department Stores, Service Merchandise, Casual Male, Bradlees, Hechinger, Montgomery Ward and Circle K.

■ **Manufacturing and Other Industries.**

Representation of the indenture trustees in the bankruptcy cases of manufacturers (Fruit of the Loom, Converse, Pillowtex/Fieldcrest Cannon, RBX Corporation and Thermodyne), steel and chemicals companies (Acme Metals, LTV Steel, Wheeling-Pittsburgh Steel, Sheffield Steel), waste and energy providers (Costilla Energy, Covanta), communication companies (Excite@Home, Arch Wireless, Worldcom/Williams Telecommunications), automobiles (General Motors, Visteon), and casinos (Station Casinos, Sands Hotel and Casino).

Restructurings, Debtor-In-Possession Loans, Exit Financings and Other Financings

Our attorneys have restructured a wide variety of entities and debt at all levels of the capital structure, from senior secured and second lien loans to mezzanine and subordinated debt financings.

Representative engagements include:

- **Alterra.** With our help, our client provided post-bankruptcy financing of approximately \$70 million through mortgage and sale/leaseback arrangements on facilities in 10 states, and was heavily involved in the plan confirmation proceedings.
- **Syndicated Bank Group.** We assisted this bank group in negotiating a series of forbearance agreements, a cash collateral stipulation and finally, terms of the takeout by the DIP financing. These transactions resulted in payment of 100% of the bank group's debt of approximately \$120 million within 30 days of the bankruptcy filing.
- **Cumberland Farms, Inc.** We advised this national retailer, with annual revenues of approximately \$2.5 billion, in successfully reorganizing interrelated businesses including a chain of approximately 900 convenience stores, 1,700 gasoline stations, a large wholesale and retail petroleum products business, a dairy products bottling and distribution operation and real estate purchase, sale and management operations, and resolved numerous post-confirmation issues with our help.

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- **Various Chapter 11 Debtors or Other Plan Proponents.** Represented various entities in Chapter 11 proceedings, including Possible Dreams (in sale of all of its assets), Boston-Wyman (a 22-restaurant fast food chain), Marathon Technology Corporation (special counsel to obtain post-petition financing), and Medical Resources, Inc. (representing senior noteholders in debt for equity exchange).

Acquisitions and Investments in Distressed Businesses

Our bankruptcy/restructuring lawyers help clients navigate distressed mergers and acquisitions, whether through Section 363 sales, Chapter 11 plans or out-of-court transactions. We represent equity sponsors and other investors in the acquisition of distressed companies or assets, as well as in restructuring portfolio companies or in the disposition of troubled businesses. Our lawyers also focus on advising bond and equity investors on minimizing the risks or damages of fraudulent transfers, subordinations, recharacterizations and breaches of fiduciary duty when extending credit or investing in distressed businesses.

Representative engagements include:

- **Nashville Senior Living.** Advised a national healthcare and senior living services provider on its successful acquisition of seven senior living facilities out of the bankruptcy of Nashville Senior Living, Inc., over the opposition of certain non-debtor TIC interests being sold by order of the court.
- **Integrated Health Services, Inc. Mariner Post-Acute, Inc. Sun Healthcare Group, Inc.** Our clients, holding leasehold and mortgage interests in approximately 57 real properties located in 13 states, entered into settlements whereby the properties were recovered and the debt resolved within a short time of each company's Chapter 11 filing.
- **Staples, Inc.** With our help, this national office supply chain acquired real estate interests held by various Chapter 11 debtors, including Service Merchandise, Inc. and Rich's Department Stores, Inc., and 41 leaseholds out of the Rickel Home Centers, Inc. bankruptcy alone.

Non-Institutional Creditors and Creditors' Committees/In-Court Dispute Resolution and Out-of-Court Workouts

Our lawyers have represented individual creditors in a wide variety of bankruptcy and restructuring matters, as well as unsecured creditor committees and other committees in official and ad hoc capacities.

Representative engagements include:

- **American Refining Group, Inc. (ARG).** Represented a refinery owner in the bankruptcy case of Chemtura Corporation (SDNY). Our lawyers helped the client to secure a settlement that included \$10 million to fund all future remediation and related

liabilities of the debtor at and around the refinery, and title to a wastewater treatment facility constructed by the debtor on-site to effectuate the remediation. The settlement is believed to be the largest such settlement in the bankruptcy case for any site not owned by Chemtura.

- **Elektrobit Inc.** Representing one of the largest trade creditors, a multinational corporation publicly traded on the Finnish stock exchange (and its domestic subsidiary), in the bankruptcy case of TerreStar Networks Inc. (SDNY), and in civil litigation against the debtor's parent company, TerreStar Corporation, presently pending in the New York Supreme Court. Our work includes advising on the implications of TSN's bankruptcy on the parties' various agreements concerning the design and development of cellular telephones integrating satellite and terrestrial technology and the supply of telephone handsets utilizing the technology.
- **Global Power Equipment Group, Inc., et al.** Represented a publicly traded Canadian power plant contractor as one of the largest creditors in this Delaware bankruptcy of a key equipment supplier. We successfully obtained a completion agreement (securing delivery of critical components of a power station then under construction). In the course of this matter, we also negotiated to resolution various subcontractor payment issues, as well as warranty rights with the debtors' Chinese affiliate, and ultimately, secured a favorable settlement of the client's claims after briefing was complete (and just before the matter was scheduled for oral argument) in the United States Court of Appeals for the Third Circuit.
- **Various Unsecured Creditor Committees.** Represented various committees in Chapter 11 proceedings, including Kendall Square Research Corp. (a leading supercomputer manufacturer), resulting in a 100% distribution to unsecured creditors, and Schmid, Inc. (one of the largest distributors of fine collectibles in the country) in conducting a successful creditors' liquidation of a Chapter 11 case.
- **Ayrshire Electronics.** Acted on behalf of Ayrshire Electronics in debtor/creditor litigation where we prevented the imposition of preliminary injunctions benefiting two plaintiff-creditors who had persuaded the court to impose *ex parte* temporary restraining orders against our client, which had purchased the debtor's assets outside bankruptcy.
- **Ocean Power Corp.** Successfully obtained a decision affirming the rights of secured creditors' payment on a superpriority basis of principal, accrued 15 percent annual interest and attorneys' fees due under debtor-in-possession financing agreement, over the objection of official committee of unsecured creditors.

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- **Cybermedica, Inc.** When this high-tech startup filed for bankruptcy, we obtained disputed D&O coverage and thereafter successfully resolved breach of fiduciary duty and other claims brought against the founder and Chairman of the Board by the Chapter 7 Trustee.

Intellectual Property in Bankruptcy

Our attorneys have extensive experience in preserving and prosecuting intellectual property infringement claims in bankruptcy, protecting and preserving licensee/licensor rights in bankruptcy, and acquiring intellectual property assets from bankruptcy estates.

Representative engagements include:

- **Lernout & Hauspie N.V., Dictaphone Corporation and L&H Holdings.** We represented a U.K. plaintiff in a patent infringement action involving rights to voice recognition software in obtaining a favorable monetary settlement from the Chapter 11 estates of the defendant and its multinational affiliates and, through subsequent asset sales, preserved rights of action against each of the asset purchasers in the event of any future infringement.
- **Aztec Technology Partners.** Representation of the bank syndicate in connection with the foreclosure, bankruptcy and liquidation of secured claims against this Internet and technology company.
- **Arthur D. Little, Inc. (n/k/a Dehon, Inc.).** With our attorneys advising on the bankruptcy process, our client, Altran Technologies S.A., acquired (for approximately \$56 million) certain worldwide intellectual property rights and foreign operations of Arthur D. Little, Inc. out of bankruptcy.

Structured Finance

We represent publicly held REITs and other parties and interests in structuring bankruptcy-remote entities in order to secure hundreds of millions of dollars of bank or other financing.

Representative engagements include:

- **Publicly Held REIT.** Advised a publicly held REIT and its affiliates, which buy, own and lease senior citizen housing, in the creation and/or recycling of 17 "bankruptcy remote" subsidiaries in order to secure a master credit facility valued at approximately \$500 million to be used for general corporate purposes.
- **TIC Sponsor.** Assisted a client in offering 35 undivided tenant-in-common (TIC) interests in real property held through single purpose "bankruptcy remote" Delaware limited liability companies wholly owned by investor members.

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For further information about our Bankruptcy & Restructuring Group, please visit our website at www.sandw.com or contact:

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