

Bankruptcy, Reorganization & Creditors' Rights Group

Sullivan & Worcester LLP has extensive experience in all aspects of bankruptcy and commercial law. We pride ourselves in developing creative and practical solutions for our clients.

Our Bankruptcy, Reorganization & Creditors' Rights Group has represented clients in matters involving billions of dollars in various transactions, including out-of-court workouts and restructurings, as well as contested matters in federal bankruptcy courts in Delaware, Massachusetts, New York and other places across the country. Our broad experience and expertise enable us to respond efficiently and effectively to the complex problems posed by troubled companies. As a result, we are able to help our clients act quickly and decisively to maximize values.

In addition to bankruptcy, reorganization and creditors' rights, major areas in which Sullivan & Worcester provides legal services include:

- Employment and labor law matters
- Energy and environmental regulation
- ERISA and compensation matters
- Finance, including secured and unsecured lending
- Government contracts and regulations
- High technology and other new ventures
- Intellectual property
- Investment companies and investment advisors
- Litigation in all courts
- Mergers and acquisitions
- Partnerships and joint ventures
- Public offerings and private placements of equity and debt
- Real estate development, finance and restructuring
- Tax and estate planning

In our work in the bankruptcy area, we regularly call upon the expertise we have available in all of these disciplines. In addition, our New York office enhances our ability to provide services in our nation's commercial capital. Our Washington, D.C. office provides specialized expertise in energy-related matters, in federal legislation and administrative actions and investment company and government contract law. In all these areas, we have the contacts and resources to represent our clients efficiently and effectively wherever necessary.

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REPRESENTATIVE TRANSACTIONS

The following representations that we handled successfully provide a flavor of the type of matters in which our Bankruptcy, Reorganization and Creditors' Rights Group is involved on a regular basis:

Financing:

Alterra Healthcare Corp.

With our help, our client provided post-bankruptcy financing of approximately \$70 million through mortgage and sale/leaseback arrangements on facilities in ten states, and was heavily involved in the plan confirmation proceedings.

Ormet Corporation

We assisted a syndicated bank group in negotiating a series of forbearance agreements, a cash collateral stipulation and finally, terms of the takeout. These transactions resulted in payment of 100% of the bank group's debt of approximately \$120 million within thirty days of the bankruptcy filing.

Acquisitions:

Arthur D. Little, Inc. (n/k/a Dehon, Inc.).

With our attorneys advising on the bankruptcy process, 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.

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 Chapter 11 filing.

Staples, Inc.

The 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 forty-one leaseholds out of the Rickel Home Centers, Inc. bankruptcy alone.

Creditors' Committees:

CML Group, Inc. (parent of Nordic Track, Inc. and Smith & Hawken Ltd.)

The Official Committee of Unsecured Creditors in the Chapter 11 proceeding of CML Group, Inc. negotiated a participation in the sales proceeds of CML's operating entities in order to maximize values and distributions to creditors.

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Kendall Square Research Corp.

The Official Committee of Unsecured Creditors of a leading supercomputer manufacturer conducted a successful creditors' liquidation of a Chapter 11 case, resulting in a 100% distribution to unsecured creditors.

Schmid, Inc.

The Official Committee of Unsecured Creditors of Schmid, Inc., one of the largest distributors of fine collectibles in the country, conducted a successful creditors' liquidation of a Chapter 11 case, resulting in a distribution of approximately 85% for unsecured creditors.

Reorganizations:

Cumberland Farms, Inc.

A national chain with annual revenues of approximately \$2.5 billion successfully reorganized 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.

Marathon Technology Corporation

This software producer, with Sullivan & Worcester acting as special counsel, obtained post-petition financing to complete its new product, using the success of its product offerings to issue new equity and thereby successfully reorganize.

Medical Resources, Inc.

Senior noteholders holding \$80 million of unsecured debt in Chapter 11 case negotiated a plan of reorganization and formulated strategy of reorganization through a debt-for-equity exchange.

Dispute Resolution:

Lernout & Hauspie N.V., Dictaphone Corporation and L&H Holdings

A U.K. plaintiff in a patent infringement action involving rights in voice recognition software obtained 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.

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.

Ongoing Representations:

Our clients have achieved desired outcomes in contested matters and litigation in and outside the bankruptcy courts nationwide, obtaining timely and cost-effective resolution of disputed claims and defending various adversary proceedings.

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For further information about our Bankruptcy, Reorganization & Creditor's Rights practice group, please visit our Web site at www.sandw.com or contact:

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