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Bankruptcy and Restructuring

The Bankruptcy and Restructuring group is an interdisciplinary practice that brings the firm's strong depth of talent in the areas of bankruptcy and creditors' rights, lending, litigation, private equity and securities, real estate and healthcare to bear in bankruptcy cases and a myriad of other settings where the solvency of a party is an issue.

Our Bankruptcy and Restructuring team brings considerable experience, having handled engagements for every kind of constituency participating in business bankruptcy cases, including:

- Debtors in possession
- Official committees and informal creditor groups
- Litigation and liquidation trustees
- Institutional lenders
- Private equity funds
- Asset purchasers
- Trade creditors
- Landlords and lessors
- Owners and managers of Chapter 11 debtors
- Unions
- Avoidance action defendants
- Purchasers and sellers of bankruptcy claims and loans to distressed companies

The firm has particularly strong experience in bankruptcy cases in the healthcare industry. Farrell Fritz attorneys have represented numerous official committees of

unsecured creditors and owners and management groups in bankruptcy cases of hospitals, nursing homes and other healthcare providers.

Just as frequently, Farrell Fritz handles engagements in insolvency matters outside the bankruptcy context, such as:

- Loan workouts
- Access to capital or refinancing outside of a bankruptcy
- UCC Article 9 sales
- Prosecuting and defending commercial mortgage loan foreclosures
- Obtaining and enforcing money judgments
- Winding down of insolvent businesses without bankruptcy relief
- Receiverships, including serving as counsel for federal equity receivers
- Assignments for the benefit of creditors

Farrell Fritz regularly counsels lenders – including commercial banks, real estate funds, REITS, indenture trustees and investors in distressed situations – with respect to defaulted loans, loan restructurings and workouts both in and out of bankruptcy. The firm routinely represents buyers and sellers in their acquisition or disposition of distressed real estate and other assets.

The Bankruptcy and Restructuring Group represents clients in the trading market for par and distressed bank loans and general unsecured claims against Debtors. In connection with loan trading, the firm counsels clients from the initial due diligence through the closing of the trade, and often continues such representation through the implementation of strategies relating to the restructuring of the acquired debt. The firm's knowledge in areas such as private equity, securities law, tax considerations and ERISA law allows Farrell Fritz to provide guidance with respect to all facets of acquiring and holding the financial asset.

Farrell Fritz partner Marty Bunin represents committees in Chapter 11 cases, including resort hotels, manufacturers, service businesses and owners of real estate. Additionally, Marty is a mediator in bankruptcy and bankruptcy-related disputes in the Southern District of New York and elsewhere.

Farrell Fritz partner Peter Zlotnick serves as a federal equity receiver in consumer fraud federal equity receiverships for the Federal Trade Commission, and the firm has represented Peter as his counsel in connection with several recent receivership cases.

Representative Engagements

- Representation of a Hudson Valley regional medical center in its acquisition of a Westchester hospital from bankruptcy.
 - Representation of the Official Committee of Unsecured Creditors and then
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Liquidating Trustee in the chapter 11 cases of a national provider of school bus transportation services.

- Representation of a global nutritional supplement manufacturer/distributor in its purchase of substantially all the assets of a major U.S. competitor for approximately \$371 million in the competitor's bankruptcy case.
- Defense of selling shareholder against multi-million dollar fraudulent conveyance and breach of fiduciary claims arising from leveraged buyout.
- Obtaining case dismissal or relief from the automatic stay for purchasers of mortgage loans in numerous single asset real estate bankruptcy cases.
- Obtaining dismissal of equitable subordination lawsuit for institutional lender in involuntary bankruptcy case.
- Prosecution of portfolio of collection demands and lawsuits against healthcare institutions resulting in collection of millions of dollars for client.
- Representation of hedge funds in connection with the purchase and sale of over \$500MM face amount claims against various Lehman Brothers entities in their Chapter 11 bankruptcy cases.
- Representation of hedge funds on the purchase and sale of LLC interests of a distressed oil & gas company.
- Representation of major broker-dealer on the purchase and sale of loans to a distressed coal company.
- Representation of hedge funds on the liquidation of securities acquired through various restructurings.
- Serving as liquidating receiver (Peter Zlotnick) and counsel for the receiver in the The Tax Club, Inc. receivership case commenced by the Federal Trade Commission.