

# Special Report

## Successful Restructurings – 2011

### Capmark Financial Group Inc.

*Restructuring Firm:* Loughlin Meghji + Company, New York, NY (Mohsin Y. Meghji)

*Lead Counsel:* Dewey & LeBoeuf, New York, NY (Martin J. Bienstock, Michael P. Kessler, and Judy G.Z. Liu)

*Nature of Success:* One of the largest bankruptcies in U.S. history, with over \$20 billion in reported assets. Company operated worldwide, providing loan, mortgage banking, investment, and funds management services. Emerged from bankruptcy on September 30 having completely restructured its operations, including completion of three sales generating more than \$1 billion cash. Plan received overwhelming approval with unsecured creditors recovering about 56 percent of what they were owed.

### Corus Bankshares, Inc.

*Restructuring Firm:* Kinetic Advisors, New York, NY (Sudhin Roy and John Chalus)

*Lead Counsel:* Kirkland & Ellis, Chicago, IL (James Sprayregen, David Seligman, and Jeffrey Gettleman)

*Nature of Success:* Case involved complicated interplay between bankruptcy and banking law in restructuring involving approximately \$7 billion in assets and complex capital structure. One of the few bank holding companies to successfully reorganize after the failure of subsidiary bank. The plan leveraged Corus' cash on hand, potential tax refunds, and valuable tax attributes to allow the business to transform from a bank holding company to a real estate and financial services business.

### DBSD North America, Inc.

*Restructuring Firm:* N/A

*Lead Counsel:* Skadden Arps, New York, NY (Howard Ellin, Sean Doyle, Jay Goffman, Eric Ivester, Ken Ziman, and Sarah Ward)

*Nature of Success:* \$1.4 billion acquisition by DISH Network of 100 percent of the equity of DBSD North America, pursuant to the terms of an Investment Agreement and DBSD's confirmed plan of reorganization. DISH also acquired outstanding unsecured claims in DBSD's chapter 11 case through a tender offer and claims assignment process. DBSD's plan of reorganization, which effectuates the transfer of equity to DISH, is expected to be effective by March 31, 2012 after certain regulatory approvals are received.

### EMAK Worldwide, Inc.

*Restructuring Firm:* Sitrick Brincko Group, Santa Monica, CA (John Brincko and Thora Thoroddsen)

*Lead Counsel:* Irell & Manella, Newport Beach, CA (Jeff Reisner) / Latham & Watkins, Los Angeles, CA (Robert Klyman) / Buchalter Nemer, Los Angeles, CA (Pam Webster)

*Nature of Success:* Major advertising/marketing company filed bankruptcy with little cash, hemorrhaging revenue, and over six significant lawsuits in Delaware and California. Found plan sponsor/investor, settled litigation, and provided 100% recovery for unsecured claims. Exited bankruptcy in less than a year.

### Harry & David Holdings

*Restructuring Firm:* Alvarez & Marsal, New York, NY (Kay Hong) / Rothschild, New York, NY (Neil Augustine)

*Counsel for Debtor:* Jones Day (David Heiman, Cleveland, OH, Brad Erens, Chicago, IL) / *Counsel for UBS:* Paul Hastings, Los Angeles, CA (Jesse Austin III, Atlanta) / *Counsel for Wasserstein & Co.:* Munger, Tolles & Olson, Los Angeles and San Francisco, CA, (Thomas B. Walper, Todd J. Rosen, and Seth Goldman)

*Nature of Success:* Prearranged plan of reorganization required Wasserstein, ad hoc bondholders, Harry & David, and lenders to negotiate entire restructuring in less than 20 days, with future of the company riding on reaching agreement. Included full, expedited trial with PBGC on termination of pension plan that was considered a test case in the industry.

### Innkeepers USA Trust

*Restructuring Firm:* Moelis & Co., New York, NY (William Derrough, Zul Jamal, and Steve Moore)

*Lead Counsel:* Kirkland & Ellis, Chicago, IL (James Sprayregen, Anup Sathy, and Brian Lennon)

*Nature of Success:* Complicated capital structure with series of structured financing arrangements in SPes. Required a series of related but independent transactions to be completed as part of the restructuring. Four separate plans of reorganization, each of which was overwhelmingly approved by the respective creditors. Emerged from Chapter 11 following \$1.02 billion sale of 64 hotels, with 90 percent recovery for unsecured lenders.

### Lehman Brothers Holdings Inc. et al.

*Restructuring Firm:* N/A

*Lead Counsel for Lehman:* Weil, Gotshal & Manges, New York, NY (Harvey Miller, Lori Fife, Richard Krasnow, Jacqueline Marcus, Alfredo Pérez, and Robert Lemons) / *Lead Counsel for Lehman Brothers International (Europe):* Davis Polk & Wardwell, New York, NY (Marshall Huebner and Brian Resnick) / *Lead Counsel to Goldman Sachs and other derivative creditors:* Cleary Gottlieb Steen & Hamilton, New York, NY (Thomas Moloney, Sean O'Neal, and Seth Grosshandler)

*Nature of Success:* Largest chapter 11 filing in U.S. history (\$640 billion) with restructuring claims in excess of \$1 trillion; 10,000 derivative contracts and 1.7 million derivative transactions; billions of dollars of real estate assets; and 80 insolvency proceedings of foreign affiliates in 16 different jurisdictions. Plan was approved on December 6, 2011, in just over three years, after a three hour confirmation hearing at which all objections had been resolved. Presiding judge called Lehman "the biggest, the most incredibly complex, the most impossibly challenging international bankruptcy that ever was."

### Local Insight Media

*Restructuring Firms:* Alvarez & Marsal, New York, NY (Scott Brubaker, Richard Jenkins, and Michael Askew) / Lazard Freres, New York, NY (David Kurtz, Ari Lefkovits, and Brendan Hayes)

*Lead Counsel:* Kirkland & Ellis, New York, NY (Rick Cieri, Christopher Marcus, and Ross Kwastieniet)

*Nature of Success:* Restructuring of yellow pages and local search company with 800 directories across 42 states required global settlement among three business silos resulting in consensual elimination of over \$1B of debt and separation of company into three distinct businesses upon emergence. Presiding judge hailed the effort as "a major accomplishment" and "well situated to go forward with success."

### RHI Entertainment, Inc.

*Restructuring Firm:* Conway, Del Genio, Gries & Co., New York, NY (Christine Kim and Robert Del Genio) / Rothschild, New York, NY (Stephen LeDoux and Daniel Gilligan)

*Lead Counsel:* Latham & Watkins, New York, NY (Jan Baker, Rosalie Gray, Jude Gorman, and Adam Ravin)

*Nature of Success:* Successfully rescued leading provider of made-for-television movies and mini-series. \$600 million debt restructured in a pre-packaged plan where general unsecured claims received 100% recovery. Settled numerous and extremely complex film obligations, industry guild obligations, and real estate-related obligations in advance of the pre-packaged plan.

### Travelport Limited and Travelport Holdings Limited

*Restructuring Firm:* N/A

*Lead Counsel:* Skadden Arps, New York, NY (Gregory Ferriccola, Andrea Nicolas, Jay Goffman, Mark Chehi, Eric Ivester, Chris Mallon, Sarah Ward, and Katherine Bristor)

*Nature of Success:* Complex, cross-border financial restructuring hailed as one of the largest successful international restructurings of the year. Involved \$3.8 billion of debt issued by U.S., Bermuda, Cayman, U.K., and other European entities. PIK term loan holders were paid 13.5 percentage points more than benchmark rates for a \$287.5 million term piece. The widest margin on a first-lien loan of more than \$100 million in 2011. Included a dual-tracked, backup prepackaged plan of reorganization.