

Committees

Overview

Our Bankruptcy, Restructuring & Insolvency attorneys have a wealth of experience in representing ad hoc and official committees in bankruptcy cases for unsecured creditors, bondholders and other constituencies in a wide variety of contexts. We have represented committees in cases involving aggregate claims under \$10 MM and in cases with aggregate claims in excess of \$2.5 B.

When preparing for a committee representation, our attorneys will assess both the short and long-term matters the committee will want to take into consideration. We are accustomed to navigating the committee in their fiduciary roles in such matters and formulating strategies for the best plan based on the particular circumstances. We are also particularly adept in accommodating the preferences of members having multiple disparate interests into a single, unified approach.

In certain situations, committee activities may involve the prosecution of lawsuits against directors and officers of the debtor for breaches of fiduciary duties, self-dealing and fraudulent transfers, while other contexts may require close coordination between the committee, the debtor, senior lenders and/or other major interest groups. Since restructuring discussions typically begin between a debtor and its senior lenders (and/or regulatory authorities) and because an official committee is typically formed well after the discussions are in an advanced stage, a committee almost always requires fast and decisive action to evaluate the financial and operational landscape, other legal issues facing the debtor and whether the committee can dispute the enforceability of claims of greater priority, in order to maximize recoveries. The size of the Bankruptcy, Restructuring & Insolvency practice group and the broad-based experience of the attorneys in our group gives us the ability to quickly investigate the issues and provide the committee with a recommendation of the appropriate course of action to allow the committee to timely asserts its position.

Experience

Insurance Representation

Represented the Official Committee of Unsecured Creditors of Life Partners Holdings, Inc., filed in the Northern District of Texas. The debtor filed Chapter 11 after entry of a \$47 MM judgment in favor of the SEC. Life Partners involved more than 22,500 investors holding interests in more than 3,500 life insurance policies with an aggregate face value exceeding \$2.4 B. This was one of the largest fraud cases in Texas. The committee worked with the Chapter 11 trustee, who was appointed after management was removed, to develop a joint Chapter 11 plan, which was confirmed after a 5-week contested confirmation hearing. This was the first "life settlement" company to successfully emerge from bankruptcy with a confirmed Chapter 11 plan.

Health Care Representation

Represented the Official Committee of Unsecured Creditors of Gainesville Hospital District d/b/a North Texas Medical Center, filed in the Eastern District of Texas. The debtor is a rural hospital district created in 1975 by the Texas legislature, and it owns and operates the hospital located in Gainesville, Texas. The debtor filed Chapter 9 to restructure and refinance its outstanding obligations and liabilities, and thus avoid closing the hospital. The hospital serves as the primary and acute care center for Cooke County, Texas.

Agriculture Representation

Represented the Official Committee of Unsecured Creditors of BFN Operations LLC, filed in the Northern District of Texas. The debtor and its affiliates were one of the five largest growers and wholesalers of container-grown shrubs, trees, perennials, roses and groundcovers in the United States. The debtors owned or leased six facilities located across the United States, totaling 3,577 acres, and they employed approximately 1,600 employees.

Automotive Services Representation

Represented the Official Committee of Unsecured Creditors of Heartland Automotive Holdings, Inc., filed in the Northern District of Texas. The debtor and its affiliates were the largest franchisees of Jiffy Lube International, Inc. and operated 438 quick-oil change stores across the United States.

Hospitality Representation

Represented the Official Committee of Unsecured Creditors of The Oceanaire Texas Restaurant Company, L.P., filed in the Northern District of Texas. The debtors operated a chain of high-end seafood restaurants.

Telecommunication Representation

Represented the Official Committee of Unsecured Creditors of SmarTalk Teleservice, Inc. and 18 subsidiaries, filed in the District of Delaware. The debtors were leading providers of prepaid telecommunications and wireless communication products and services, controlling approximately 25% of the domestic market for prepaid land-line products and services. The claims filed in the case aggregated in excess of \$1 B.

Waste Management Representation

Represented the Official Committee of Unsecured Creditors of GNI Group, Inc. and its affiliates, filed in the Southern District of Texas. The debtors were a large chemical and hazardous waste disposal business.

Manufacturing Representation

Represented the Official Committee of Unsecured Creditors of Quail Piping Products, Inc., filed in the Northern District of Texas. The debtor was a leading manufacturer and seller of plastic piping products serving several market segments.

Health Care Representation

Represented the Official Committee of Unsecured Creditors of Horizon Pharmacies, Inc., filed in the Northern District of Texas. The debtor was a public corporation with more than 40 pharmacy locations in 16 states, as well as a number of related operations.

Retail Representation

Represented the Official Committee of Unsecured Creditors of Home Interiors & Gifts, Inc., filed in the Northern District of Texas. The debtor was one of the largest distributors of art and decorating products in North America.

Construction Representation

Represented the Official Committee of Unsecured Creditors of CEI Roofing, Inc. and 27 of its affiliates, filed in the Northern District of Texas. The debtors were the nation's leading comprehensive provider of commercial roofing solutions, including new roof constructions, replacement or restoration of existing roofing systems and maintenance services.

Retail Representation

Represented the Official Committee of Franchisees of Color Tile, Inc., filed in the District of Delaware. Although the corporate-owned stores were closed, through the efforts of the committee most of the independently-owned and operated franchised stores remained in operation using the Color Tile trade name and trademarks.

Practice Leaders



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Related People

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Related Practices

Bankruptcy, Restructuring & Insolvency
Asset Acquisitions
Creditors
Debtors
Cross-Border Insolvency
Fraud & Asset Recovery
Insolvency Litigation
Trustees
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Financial Services
Construction
Energy
Health Care
Hospitality
Insurance
Manufacturing
Real Estate
Retail
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Transportation

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In The News: SEC Cites 'Misleading' Life Partners Release In Trustee Bid