

## Bankruptcy Group Of The Year: Kramer Levin

By **Elise Hansen**

*Law360 (December 2, 2020, 3:14 PM EST)* -- From working with municipalities and states' attorneys general in Purdue Pharma's bankruptcy, to representing a diverse bondholder group in offshore driller Valaris' Chapter 11 case, Kramer Levin Naftalis & Frankel LLP's restructuring work last year earned it a spot among Law360's Bankruptcy Practice Groups of the Year.

Approximately 39 lawyers in New York and another five in Paris make up Kramer Levin's restructuring practice, which works with a range of clients such as creditor committees, bondholders and distressed municipal bondholders, as well as companies undergoing restructuring themselves.

The group accounts for more than 10% of the firm in terms of headcount, but also benefits from the expertise of colleagues in other practice groups, such as tax, litigation and real estate. The group also boasts a handful of bankruptcy-specific litigators, which partner Stephen Zide highlighted as a strategic advantage.

"Having litigators who exclusively litigate bankruptcy issues, we've found, has been extremely helpful and effective in bankruptcy court," he said, citing the nuances of bankruptcy court rules as well as the credibility the group has been able to build with judges.

The group has also developed expertise in mass torts, such as those involving opioid maker Purdue Pharma LP and the Boy Scouts of America, said partner Rachael Ringer.

In the sprawling suits involving Purdue, Kramer Levin is representing a committee of 10 states' attorneys general, six municipalities, a plaintiffs committee and a Native American tribe.

"Our group was able to negotiate a settlement structure, over a year ago now, that really served as a framework for the Chapter 11 cases," Ringer said. More recently, the groups hammered out how some of the government entities would use the funds to help abate the opioid crisis in their states, she said.

"It was a lot of work that went into [those negotiations], and it was something very positive coming out of that mediation," Ringer said.



Representing attorneys general — many of whom have been litigating the underlying issues for years — has also been a unique experience, she said.

"It's definitely unique from your run-of-the-mill creditors committee representation," Ringer said. "We bring the bankruptcy expertise to bear, but it's been a very collaborative process with our clients."

The firm is also representing a group of bondholders in Valaris' bankruptcy case. The offshore drilling contractor sought Chapter 11 protection in August with about \$7.1 billion in debt.

Valaris had many bondholder groups, each possessing different rights, but were ultimately able to come together and negotiate a restructuring support agreement before Valaris' Chapter 11 filing, Zide said.

"It has been very complex, very nuanced, and there have been a lot of developments along the way," he said. "It was quite a development, where you have numerous groups merging into one. You don't really see that very often."

The restructuring support agreement contemplates a \$500 million debtor-in-possession loan and about \$500 million in exit financing, according to Valaris' early court filings.

But the deal still faces opposition from some of Valaris' revolving credit lenders, Zide noted.

"It's going to be quite a contentious case," he said. "Maybe it will get resolved; people are working to see if that could happen. But right now we've got a very exciting case going forward."

Looking ahead, the firm hopes to build on its work of the last several years, including its representation of committees and distressed hedge funds, said partner Douglas Manna. The group is also looking to tap into a growing number of alternative players in the space, he said.

"Our goal is to build and expand our relationships into non-traditional distressed spaces, whether it's [collateralized loan obligations] or others," Manna said. "I think they will become, in the next wave, much larger players than they were in the last wave."

The group's momentum also comes amid a flood of bankruptcies triggered by the pandemic, which could continue to affect the restructuring landscape for years, said Zide.

"I think it's going to be a very active market in the next couple years in restructuring," he said. "I think we're pretty well positioned to play a meaningful role in some of the significant restructurings that are going to be coming around the bend."

--Editing by Adam LoBelia.