

Bankruptcy & Creditors' Rights

Hancock Estabrook is an established leader in Central New York in the fields of bankruptcy, creditors' rights and insolvency law. We provide clients with the comprehensive resolution of all issues involving corporate reorganizations, Section 363 sales and acquisitions, commercial debt restructuring, out-of-court workouts, bankruptcy and insolvency litigation. Our clients include financial institutions, secured and unsecured creditors, municipalities, commercial debtors, bond holders, indentured trustees, DIP financing lenders, creditors' committees, examiners, purchasers of distressed businesses, landlords and equity holders.



We represent clients in cases of regional and national significance and appear in bankruptcy courts located throughout New York State and, when necessary, also appear in bankruptcy courts outside New York.

Our Experience

Our bankruptcy and creditors' rights attorneys have extensive experience in many specialized areas, including:

- Negotiating and documenting financing agreements, debt restructurings, loan workouts, cash collateral arrangements and DIP financing agreements.
- Negotiation and litigation of claim treatment in Chapter 11 reorganization plans.
- Acquisition and/or sale of assets of financially distressed companies in and out of Chapter 11.
- Representing secured creditors in automatic stay, adequate protection, cash collateral and "cramdown" litigation. Complex federal and state fraudulent conveyance litigation.
- Representing health care facility receivers in Chapter 11 reorganizations and asset sales.
- Lender liability issues, preference claim analysis and litigation, equitable subordination, substantive consolidation, employee wages, benefits, retention and collective bargaining agreements.
- Transfers of claims against, or interests in, bankrupt entities.
- Tax issues as they relate to insolvency matters, including the taxable treatment of income from the discharge of indebtedness, tax consequences of debt modifications, preserving and exploiting net operating losses and alternative minimum taxes.
- Pre-bankruptcy planning and asset protection.
- Treatment and protection of intellectual property rights in bankruptcy.

We also have broad bankruptcy law experience that extends well beyond the reorganization process. This experience includes the enforcement of creditor remedies, forensic litigation, negotiating voluntary

collateral transfers and planning and supervising sales and auctions of collateral.

Insolvency Cases & Clients

We have been involved in numerous restructuring and reorganization cases in Central New York and throughout the region representing:

- A senior secured lender (with more than \$300 million in claims) involving a large telecommunications debtor. Our attorneys were able to assist in securing the approval of the sale, resulting in a majority of proceeds being paid to the client.
- A DIP lender in a mega-Chapter 11 case. Our attorneys guided the lender through the approval process of a \$125 million DIP loan, resulting in the client's receiving a full payment of the loan.
- A group of more than 50 lending institutions holding \$35 million in secured claims in a Chapter 11 case of a leasing company accused of conducting a massive Ponzi scheme. Our attorneys helped our clients recover significant percentages of claims as a result of the fraud.
- A specialty household goods manufacturer. Assisted in a successful Chapter 11 sale, resulting in the emergence of a viable operating company with significant subsequent growth.
- The Official Committee of Unsecured Creditors in a Chapter 11 case involving the sale of the National Hockey League franchise. Our attorneys obtained a dividend to unsecured creditors of approximately 70% of claims.
- A national marketing firm in negotiating restructured \$8.5 million loan to fund an Employee Stock Ownership Plan (ESOP).
- Various creditors' committees in numerous Chapter 11 cases of health care institutions and regional convenience store operators. Our attorneys were able to ensure the distribution of funds to a body of general unsecured creditors.
- A regional distributor of home heating products. Our attorneys were able to obtain a reduction of the company's indebtedness through the negotiated sale of assets and surrender of collateral, successfully restructuring the remaining indebtedness with terms allowing the company to avoid bankruptcy.
- Multiple receivers of affiliated health care facilities in Chapter 11 reorganization proceedings.

Interdisciplinary Approach

Our bankruptcy and creditors' rights attorneys work closely with attorneys in the Firm's other practice areas, including business, tax, litigation, banking and finance, real estate, environmental, healthcare and labor and employment.

We represent the Firm's lending and business clients as well as creditors and prospective purchasers who retain the Firm for our expertise in these areas. We pride ourselves on our service and prompt responsiveness to all client needs, irrespective of the size or complexity of the engagement.