

BANKRUPTCY AND
BUSINESS REORGANIZATIONS



DUVAL & STACHENFELD LLP®

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The Bankruptcy and Business Reorganizations Practice Group
can help you navigate through these uncertain times
and maximize your ability to achieve your goals.



DUVAL & STACHENFELD LLP BANKRUPTCY AND BUSINESS REORGANIZATIONS PRACTICE GROUP

When a business is faced with the uncertainties presented by a bankruptcy or restructuring, it is often overwhelmed by a myriad of challenges that inevitably follow. The attorneys in Duval & Stachenfeld LLP's Bankruptcy and Business Reorganizations Practice Group possess the experience needed to successfully guide clients through these exceedingly complex situations.

In light of the current economic environment, many businesses are in distress while simultaneously some are searching for the next great opportunity. Regardless of your company's current situation, the Bankruptcy and Business Reorganizations Practice Group can help you navigate through these uncertain times and maximize your ability to achieve your goals. Our lawyers' in-depth knowledge of both the legal issues facing our clients, as well as their business objectives, enables our clients to receive a level of service unparalleled by larger law firms, at costs that are in line with our clients' financial interests.

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Our Bankruptcy and Business Reorganizations Practice Group attorneys have addressed the difficulties affecting numerous industries, including retail, real estate, telecommunications, financial services, aviation, technology and manufacturing. Our Group has excelled in achieving client success in the following areas of bankruptcy practice¹:

- Acquisitions of assets from distressed entities or bankruptcy estates
- Alternatives to bankruptcy, including workouts, restructurings, acquisitions and financings
- Complex bankruptcy litigation
- Committee representations, including committees of unsecured creditors, equity security holders and retirees
- Debtor representations
- Debtor-in-possession financing
- Involuntary bankruptcies
- Lender liability litigation
- Foreclosures, including under the Uniform Commercial Code
- Reorganization and liquidation plans
- State law remedies, including enforcement of judgments
- Structuring financings, real estate transactions and commercial transactions to address or anticipate bankruptcy and insolvency issues

¹ Attorney Advertising. Prior results do not guarantee a similar outcome.



In addition, through the creation of our **Distressed Real Estate Practice Group**, we have positioned ourselves to be the ultimate law firm for distressed real estate with talented lawyers in critical areas; namely, real estate, bankruptcy and litigation. We handle distress and insolvency matters for real estate and corporate clients and represent both distressed clients and clients attempting to capitalize upon distressed markets and transactions.

Representative Clients

Clients who look to us for advice in bankruptcy or restructuring situations include major investment funds, investment banks, public companies, retail companies, energy companies and real estate companies such as:

Angelo, Gordon & Co., L.P.
Energy Corporation
Houlihan, Lokey, Howard & Zukin, Inc.
Imperium Partners Group
J. C. Penney Company, Inc.
Kmart Corporation
NorthStar Capital, Inc.
TJS Partners

Background of the Bankruptcy and Business Reorganizations Practice Group

The experience of the lawyers in the Bankruptcy and Business Reorganizations Practice Group makes the Firm the ideal choice for clients involved in

bankruptcy/insolvency matters. Members of the Bankruptcy and Business Reorganizations Practice Group have a proven track record of successfully steering clients through the uncertainties of restructuring and the Chapter 11 bankruptcy process.² Our lawyers are highly versatile and are accustomed to serving as both transactional and litigation attorneys in dealing with financially distressed businesses or real estate. The Group is skilled in developing and implementing strategies for debtors, creditors, lenders or acquirers, and routinely negotiates consensus among competing interests – but if circumstances require it, our bankruptcy lawyers are equally adept in engaging in litigation through trial and appeals in order to achieve the client's desired result.

Backgrounds of the Leaders of Our Bankruptcy and Business Reorganizations Practice Group

Kirk Brett (formerly of Schulte Roth & Zabel and Katten Muchin Rosenman) is the chair of the Firm's Bankruptcy and Business Reorganizations Practice Group. Mr. Brett has represented clients having a variety of positions, interests and goals in cases covering a vast number of industries. As a result, Mr. Brett is equally skilled in representing clients in transactional matters as well as in litigation. He has represented Chapter 11 debtors and creditors' committees in large and complex bankruptcy cases involving entities in the fields of telecommunications, manufacturing, transportation, retail and real estate. Mr. Brett has also represented other interested parties in bankruptcy cases and out-of-court workouts. He routinely advises venture capital and hedge funds, landlords, tenants, creditors, officers and directors in

² Prior results do not guarantee a similar outcome.



distress situations. In this capacity, Mr. Brett has been actively involved in some of the country's largest and most complex bankruptcy cases.

Norman Kinel (formerly of Dreier LLP and Sidley Austin) has over 26 years experience practicing bankruptcy law. He has been involved in some of the largest and most complex bankruptcy cases in the country, representing debtors, creditors, bondholders, trustees and committees of creditors, equity holders and retirees. Mr. Kinel is well known for his expertise and success in all aspects of complex bankruptcy litigation – against some of the leading law firms and attorneys in the country – including contested confirmations of plans, the automatic stay, DIP financing, cash collateral and adequate protection issues, assumption and rejection of executory contracts and unexpired leases, exclusivity, substantive consolidation, prosecution and defense of officer and director liability actions, actions to recover fraudulent conveyances and preferential transfers and bankruptcy appeals. He also has extensive experience in sales of assets and mergers in the bankruptcy context.

Full biographies of the Bankruptcy and Business Reorganization Practice Group's partners are available on the Firm's website (www.dsllp.com).

Representative Engagements

Members of the Firm have represented parties in some of the most noteworthy bankruptcy cases in recent years. These include:

Representation of Committees

- **360networks (USA) Inc.** (New York, NY). Represented Official Committee of Unsecured Creditors in one of the largest telecommunications cases ever filed.
- **Adelphia Communications Corporation** (New York, NY). Represented Official Committee of Equity Security Holders in one of the largest bankruptcy cases ever filed.
- **Ameritel Communications, Inc.** (New York, NY). Represented Official Committee of Unsecured Creditors.
- **Atlantic Express** (New York, NY). Represented Official Committee of Unsecured Creditors.
- **Clark Material Handling Co.** (Wilmington, DE). Represented Official Committee of Unsecured Creditors.
- **Erie World Entertainment** (New York, NY). Represented Official Committee of Unsecured Creditors.
- **ETS Payphones** (Wilmington, DE). Represented Official Committee of Unsecured Creditors.
- **Hedstrom Holdings, Inc.** (Wilmington, DE). Represented Official Committee of Unsecured Creditors.
- **Lone Star Industries, Inc.** (White Plains, NY). Represented Official Retirees' Committee.
- **People's Pottery, Inc.** (Wilmington, DE). Represented Official Committee of Unsecured Creditors.

- **Public Service Company of New Hampshire** (Manchester, NH). Represented Official Committee of Equity Security Holders.
- **Rockefeller Center Properties** (New York, NY). Represented Official Committee of Unsecured Creditors.
- **The Singer Company, N.V.** (New York, NY). Represented Unofficial Retirees' Committee.
- **This End Up Furniture, Inc.** (Wilmington, DE). Represented Official Committee of Unsecured Creditors.

Representation of Debtors

- **The 1031 Tax Group, LLC** (New York, NY). Represented “qualified intermediary” Chapter 11 debtors in bankruptcy resulting from improper diversion of over \$150 million in customer funds.
- **1776 Plaza Associates, L.P.** (Rockville, MD). Represented Chapter 11 debtor in reorganization of real estate limited partnership.
- **Accessory Place** (New York, NY). Represented Chapter 11 debtor in fashion accessories retailing business.
- **Amnex, Inc.** (New York, NY). Represented Chapter 11 debtor in publicly-traded integrated telecommunications business.
- **The Athlete’s Foot Stores, LLC** (New York, NY). Represented nationwide athletic footwear and apparel retailer as Chapter 11 debtor.
- **Federal Mogul, Inc.** (Wilmington, DE). Represented major automotive equipment manufacturer/supplier as Chapter 11 debtor.

- **Mechanical Rubber Products Corp.** (Poughkeepsie, NY). Represented rubber products manufacturer in its Chapter 11 proceedings.
- **Robotic Vision Systems, Inc.** (Manchester, NH). Represented publicly held company engaged in the manufacture of machine vision and automatic identification as Chapter 11 debtor.
- **Rocky Mountain Helicopters, Inc.** (Salt Lake City, UT). Represented largest provider of emergency air ambulance services in the United States as Chapter 11 debtor.
- **Unified Data Products Corporation.** (Manchester, NH). Represented custom forms manufacturer as Chapter 11 debtor.

Representation of Secured Creditors/Lessors

- **Adelphia Business Systems, Inc.** (New York, NY). Represented major lessor to the debtor of telecommunications equipment.
- **American International Refinery, Inc.** (Lake Charles, LA). Represented secured creditor in reorganization of petroleum refinery business.
- **Ames Department Stores, Inc.** (New York, NY). Represented holders of first mortgage notes in litigation to lift the automatic stay and obtain adequate protection.
- **AppliedTheory** (New York, NY). Represented secured creditor of web hosting and internet access business, including in multi-year litigation with creditors’ committee.
- **Best Products, Inc.** (New York, NY). Represented secured creditors in litigation to lift the automatic stay and their treatment under the plan of reorganization.

- **Charys Holding Corp.** (Wilmington, DE). Represented secured creditor in reorganization of telecommunications and disaster services business.
- **Chrysler LLC** (New York, NY). Represented various counter-parties to executory contracts with the debtors.
- **Lehman Brothers Holdings Inc.** (New York, NY). Represented institutional creditor in connection with claims arising from derivative transactions with the debtors.
- **MarkAir, Inc.** (Anchorage, AK). Represented secured creditors and lessors of aircraft in Chapter 11 filing of airline.
- **Senior Living Choices, Inc.** (Richmond, VA). Represented institutional investors in confirming a competing plan of reorganization for the debtor.
- **United Merchants & Manufacturers** (New York, NY). Represented secured creditor in reorganization of manufacturing business.
- **U.S. Plastic Lumber** (Miami, FL). Represented secured creditor in reorganization of plastic lumber business.
- **ZymeTx** (Oklahoma City, OK). Represented secured creditor in reorganization of pharmaceutical company.

Representation of Parties in Asset and Stock Sales

- **995 Fifth Avenue Associates** (New York, NY). Represented the acquirer of the debtor's sole asset, The Stanhope Hotel.
- **AlphaStar** (New York, NY). Represented DIP lender supporting acquirer of insurance business.
- **Enron Corp.** (New York, NY). Represented strategic buyer of debtor affiliate engaged in the operation of a paper mill pursuant to a "363 sale."
- **Hagerstown Fiber L.P.** (New York, NY). Represented buyer of all assets of industrial company pursuant to a "363 sale."
- **Integrated Resources, Inc.** (New York, NY). Represented successful acquirer in acquisition under a Chapter 11 Plan.
- **Key3Media** (Wilmington, DE). Represented venture partner as DIP lender and acquirer under a Chapter 11 Plan.
- **SweetSkinz** (Wilmington, DE). Represented an investment fund as a financial buyer of technology business, using loan-to-own strategy and a Chapter 11 plan.

Other Miscellaneous Representations

- **The Claridge Hotel & Casino** (Camden, NJ). Represented indenture trustee in casino Chapter 11 case.
- **Cyberate.com, Provell Inc. and Cross-Media Marketing Corp.** (New York and Brooklyn, NY). Represented major credit card processor in bankruptcies of merchants resulting in potential multi-million dollar exposure to processor.
- **DJK Residential LLC** (New York, NY). Represented member of creditors committee in successfully opposing the terms of a pre-packaged plan of reorganization.
- **Enron Corp.** (New York, NY). Represented foreign and domestic financial institutions in multi-billion



dollar action brought by the debtor in connection with pre-petition redemption of commercial paper.

- **First Central Financial Corp.** (Brooklyn, NY). Represented Chapter 7 trustee in precedent-setting litigation concerning officers and directors liability policies and tax allocation agreements in bankruptcy.
- **FutureLink, Inc.** (New York, NY). Represented landlord in litigation concerning lease rejection claim and right to draw a letter of credit.
- **General Development Corporation** (Miami, FL). Represented indenture trustee in real estate developer Chapter 11 case.
- **Harry Macklowe** (New York, NY). Represented mezzanine lender to major New York City real estate developer in connection with default of over \$7 billion in loans secured by New York City skyscrapers.
- **Kmart Corp.** (Chicago, IL). Represented post-confirmation debtor in litigation against landlord.
- **LTV Corporation** (New York, NY). Represented personal injury claimants against the debtor and the purchaser of certain of its assets in due process and successor liability litigation.
- **McCrory Stores, Inc.** (New York, NY). Represented insurer as administrative expense creditor in connection with the liquidation of retailer.
- **Mirant Corp.** (Fort Worth, TX). Represented investment fund as significant creditor.
- **Musicland Holdings Corp.** (New York, NY). Represented major private equity firm, its officers, directors and affiliates as defendants in two multi-million dollar fraudulent conveyance actions.

- **NRG Energy, Inc.** (New York, NY). Represented creditor and counterparty in \$40 million dispute.
- **Pegasus Satellite Television Inc.** (Portland, ME). Represented acquirer of a significant block of claims.
- **Riverstone Insurance (UK) Limited and Sphere Drake Insurance Limited** (New York, NY). Represented petitioner in Section 304 ancillary case to implement FSMA Part VII transfer.
- **SA Telecommunications** (Wilmington, DE). Represented debtor as special litigation counsel in Chapter 11 case of telecommunications provider.
- **Solutia Inc.** (New York, NY). Represented investment fund as significant creditor.
- **Worldcom, Inc.** (New York, NY). Represented major utility in litigation concerning adequate assurance of future payment.

Additional Background on the Firm

Duval & Stachenfeld LLP is a mid-sized law firm based in New York City that is dedicated to providing service comparable to that provided by the finest professional service firms in the world. The Firm has enjoyed great success since its inception over a decade ago and we are proud to highlight the following:

- We have a multi-faceted litigation department that regularly represents banks and other financial institutions for their litigation needs in both Federal and State Courts as well as servicing the litigation needs of our other practice areas.



- We have one of the most respected and high-profile real estate departments in the U.S. – with approximately 25 full-time real estate lawyers, an incredibly sophisticated practice, and major transactions not only in the United States, but in Korea, China, Japan, Hong Kong, Singapore and other non-U.S. jurisdictions as well.
- We also have practice groups in Corporate, Securities, Mergers and Acquisitions; Corporate Governance; Private Equity; Structured Finance Strategies; Environmental, Climate Change and Sustainability; Tax Exempt Organizations; Tax Exempt Real Estate; In House Counsel Support Services; Entertainment; and International Transactions.
- Over 25 institutional clients regularly come to the Firm to obtain sophisticated legal advice.
- We have high quality attorneys with excellent legal educations. Indeed, three of the Firm’s core practice areas are chaired by Harvard Law School graduates.
- Many of the Firm’s lawyers are from the top law firms in the world. Some have called the Firm a Latham & Watkins spin-off since both founding partners are alumni of that firm, however, our partners and associates also include alumni from firms such as Mayer Brown; Cravath, Swaine & Moore; Willkie Farr & Gallagher; Schulte Roth & Zabel; Dewey & LeBoeuf; Fried, Frank, Harris, Shriver & Jacobson; and Sidley Austin.
- We have a scrupulously observed set of values and principles (available on our website: www.dsllp.com).

These values and principles are the bedrock of the Firm and make our attorneys eager and excited to work at the Firm and to go the extra 10 miles for our clients.

- We seek lawyers who, in their hearts, truly care about other people, including their fellow attorneys, our staff members and our clients. Indeed, our Firm’s hedgehog principle (embodied in our logo) is intended to remind ourselves of the fact that our success directly stems from how we care about our clients, attorneys and staff. These people are much more than just business associates – they are people who genuinely matter to us.
- Most critically, we think of our clients as our partners. When we take on a client, the representation immediately becomes a labor of love. As our credo states: “Our clients are not only our jobs, they are also our hobby.” And our clients regularly laud us for not only performing excellent legal work for them, but also for understanding their business model and giving excellent business/legal advice.
- Finally, our Firm offers a compelling cost alternative for clients that demand stellar legal services, but desire to avoid paying the staggering billing rates that are often encountered at the major firms. Although it is of course not a hard and fast rule, but due to our lower overhead, we are able to provide top-level service to our clients at rates well below large firm billing rates.

The above are only highlights appropriate for this brochure. Further and more detailed information is available in our Firm’s main descriptive materials or on our website (www.dsllp.com). ■

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