Financial institutions, unsecured creditors, businesses and investors face significant challenges, as well as opportunities, as a result of the ebbs and flows of the credit and real estate markets. The Financial Restructuring and Bankruptcy Group is well qualified to help clients navigate the challenges and opportunities that have arisen out of this challenging environment. Because of our experience with a variety of complex, high-stress workout situations, we can provide timely legal and business guidance, as well as market insight, to clients seeking to restructure, foreclose, liquidate, sell, buy or workout distressed loans and the underlying collateral.

The Financial Restructuring and Bankruptcy Group provides financial restructuring, asset recovery and bankruptcy-related services to secured lenders/creditors, trade creditors, distressed businesses, trustees, insurers, property receivers and lessors. Our group has extensive experience in all aspects of negotiations, liquidations, loan enforcement actions, credit workouts/restructurings, receivership proceedings, the sale and purchase of distressed loans or businesses, borrower liquidations and bankruptcy-related proceedings and litigation. We focus on creating and implementing practical, cost-effective solutions and strategies for reaching client goals, whether it be a prompt foreclosure proceeding, restructuring, forbearance agreement or other workout transaction.

We represent our clients in the creditor-debtor arena nationwide, with a concentration on matters in the jurisdictions of Delaware, New York, Pennsylvania and New Jersey. Our offices, including Wilmington, New York, Philadelphia, Cherry Hill and Boston are ideally suited for handling matters, especially bankruptcy proceedings, throughout the mid-Atlantic region. Our Delaware office is located three floors above the Delaware Bankruptcy Court. We also act as local counsel for clients seeking representation in bankruptcy proceedings venued in New York and Delaware.

**Practice Contacts**

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212.631.4417  
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**Related Practices**

Corporate and Securities  
Finance  
Real Estate  
Tax and Estates

**Practice Highlights**

- Provide business and legal guidance along with market insight
- Service secured lenders and creditors, distressed businesses, trustees, insurers, property receivers, lessors and trade creditors
- Act as local counsel for clients seeking representation in bankruptcy proceedings

**LOAN MODIFICATIONS AND RESTRUCTURINGS**

We regularly advise financial institutions, as well as public and private investors, regarding strategies for consensual restructurings and alternatives to litigation of non-performing credit facilities and structured finance transactions. We represent clients as lenders or co-lenders, agents,
participants and loan purchasers and investors in connection with distressed mortgage or asset-based loans, mezzanine loans and CMBS investments. We have extensive experience in efficiently negotiating and documenting complex or standard loan modifications, extensions, restructurings, forbearances, discounted pay-offs and sales of loans or participation interests.

**FORECLOSURES AND ASSET RECOVERY**

Whether enforcing consensual liens on real or personal property, or enforcing judgments obtained through litigation, we routinely prosecute judicial foreclosures and execution sales in state and federal courts. We have significant experience in navigating the specialized and often arcane rules governing the foreclosure process, including the strategic use of receiverships to sell collateral or preserve collateral value during the foreclosure process.

Our lawyers are equally skilled in enforcing loans by confession of judgment, if available, or pursuing regular civil actions to obtain judgments on notes or guarantees. If a confessed judgment is challenged through a petition to open or strike, we will vigorously defend the judgment.

We also regularly represent financial institutions and investors in enforcing lenders’ security interests against various types of personal property, including pledged stock and other equity interests, equipment, inventory, accounts receivable, patents, trademarks and other general intangibles. We have substantial experience in liquidating personal property either through judicial proceedings or non-judicially through public auctions or private sales under Article 9 of the Uniform Commercial Code.

**STRUCTURED FINANCE WORKOUTS AND DISPOSITIONS**

While the recent turmoil in the capital markets has saddled financial institutions with excess securitized debt on their balance sheets, it has also created new opportunities for investors with the vision and resources to capitalize on market instability. Consequently, expedient sales and purchases of distressed structured assets has become an attractive strategy. Our ability to manage the intricacies of various structured products makes us uniquely positioned to help clients navigate the challenges that have arisen out of this lingering distress. We combine experience in securitization, derivatives, real estate, bankruptcy and distressed asset dispositions to provide legal and business guidance, as well as market insight, to clients that focus on structured debt opportunities. Further, we can often expedite clients’ ventures by drawing on their network of relationships with institutional lenders, servicers and special servicers, underwriters, investors, insurers and funds, as well as real estate owners and operators.

We have the resources and experience to deliver a full range of advice to help clients respond effectively to distressed structured loans. Because of our familiarity with complex, high-stress workout situations coupled with an understanding of deal structure and strategies for investors and sellers of distressed structured assets, we are able to provide clients with comprehensive and innovative solutions in this evolving environment.

**DISTRESSED LOAN AND ASSET SALES**

Our group has extensive experience in the purchase and sale of commercial loans, participation interests and assets securing loans. We prepare the loan sale agreements, perform due diligence, negotiate the terms of the sale
agreements and consummate a closing such that our clients’ loans are sold to third parties. In addition, we represent purchasers of such loans. In that regard, we perform the same functions but with an emphasis on the due diligence regarding the loans documents and the collateral to insure that our clients are receiving what they contemplated receiving, both in terms of documentation, perfection of liens and collateral.

We have represented numerous entities in bankruptcy that have sold their assets through a Section 363 sale process, which allows debtors to sell assets free and clear of liens and encumbrances. We have also represented numerous purchasers of such assets. In these instances, we add value to the transaction by not only negotiating the asset purchase agreement and drafting and reviewing all of the relevant transaction documents, but also reviewing the pleadings filed in the bankruptcy proceedings. This may include court orders approving the sale and bidding procedures, to insure that our client understands the process, considers all contingencies and has the best possible opportunity to be the successful bidder at an auction sale.

**BANKRUPTCY – CREDITOR REPRESENTATIONS**

Our lawyers have substantial experience in advising secured and unsecured creditors and Creditors Committees seeking to enforce their rights and protect their claims in bankruptcy proceedings as well as out-of-court restructurings and liquidations. We help secured and unsecured creditors file and recover their claims in the bankruptcy proceedings. We also help secured creditors protect their collateral from a diminution in value or waste, and/or obtain relief from the automatic stay in order to exercise their rights and remedies by foreclosing on, or taking possession of, their collateral. We also monitor the progress of the bankruptcy proceedings to advise our clients if any proposed plan of reorganization, or other relief sought during the bankruptcy proceeding, might adversely affect their claim, collateral or rights and help them take appropriate action to mitigate such risks.

Our group also represents shopping center/mall owners, property receivers and other landowners in bankruptcy cases filed by national and regional retail tenants. We protect their client-landlord’s rights during the tenant’s bankruptcy proceeding. This includes, moving to compel payment of post-petition administrative rent or to obtain relief from the automatic bankruptcy stay to evict the tenant; objecting to motions to extend the time to assume or reject leases, or to assume and assign leases and proposed cure amounts; objecting to store closing, going out of business or lease assumption/rejection procedures motions; objecting to motions to sell assets and assume and assign related leases; or filing proofs of claim for landlords to recover lease rejection damage claims.

To the extent that the debtor, or a trustee appointed to represent the estate of a bankrupt entity, seeks to sell assets that serve as collateral for our client’s claims, we participate in that process on behalf of our clients by either objecting to the sale or making sure that the terms of the sale are satisfactory to our clients. We help ensure the price is satisfactory, that our clients receive all of the net proceeds to which they are entitled and that any administrative expenses incurred in connection with the disposition of the collateral are minimal and reasonable to our clients.

**BANKRUPTCY – DEBTOR REPRESENTATIONS**

Our lawyers have substantial experience in advising distressed businesses from a broad array of industries as they evaluate their options, including Chapter 11 reorganization, Chapter 7 liquidation and out-of-court workouts. As businesses face difficult decisions, the Bankruptcy Code provides opportunities to obtain a breathing spell from pending
litigation, restructure existing financial obligations and seek relief from burdensome contracts and leases.

We guide clients through the bankruptcy planning and filing process and provide assistance with selling their business or assets in bankruptcy, addressing employment-related issues, bringing avoidance actions or other litigation or accomplishing an orderly wind-down. We also help distressed businesses explore alternatives to bankruptcy, including negotiating loan modification and forbearance agreements with their secured and unsecured creditors and implementing orderly out-of-court workouts.

**BANKRUPTCY – INSURER REPRESENTATIONS**

Our group represents numerous insurance companies in many complex bankruptcy cases filed in various courts throughout the country by policy-holders facing asbestos, environmental and other mass tort liabilities. In such cases, we protect the clients’ rights under their policies, related agreements, settlement agreements and collateral through plan objections, prosecution and defense of adversary proceedings, filing claims and motions for payment of premiums and other post-petition insurance obligations and, where appropriate, post-petition settlements.

**BANKRUPTCY – AVOIDANCE AND OTHER LITIGATION**

Our group regularly represents defendants in preferential transfer and fraudulent conveyance avoidance actions, breach of fiduciary duty, filed by debtors or trustees in Chapter 7 or 11 bankruptcy cases. We provide a cost-effective defense of these claims, whether the amounts at issue are relatively small or substantial. Our lawyers aggressively defend avoidance claims by seeking to have them dismissed or favorably settled based upon a variety of defenses. For example, we often can assert the ordinary course of business, subsequent new value and other defenses to eliminate or reduce liability for a preference claim. We also have resolved many avoidance claims through mediation.

In addition to avoidance actions, we regularly defend former directors and officers of companies in bankruptcy against allegations of negligence, fraud and breach of fiduciary duty. We also frequently defend lenders, suppliers, vendors and other creditors in adversary proceedings relating to breach of contract, property turnover and other claims.

**BANKRUPTCY – REPRESENTATION OF TRUSTEES AND OTHER PROFESSIONALS**

Members of our group regularly represent bankruptcy trustees, financial advisors, the trustees of liquidating trusts and other professionals in bankruptcy cases. We routinely obtain the appointment of professionals, represent them during the proceedings, prepare fee applications, resolve disputes regarding the payment of their fees, and negotiate litigation and liquidating trust agreements on their behalf. We have prosecuted preference and other avoidance actions and resolved claims objections on behalf of bankruptcy trustees to maximize the recoveries of unsecured creditors.

**Representative Matters**

- Committee of Unsecured Creditors, Phoenix Payment Systems, Inc., U.S. Bankruptcy Court, District of Delaware, 2014
- Represented senior mezzanine lender group in sale of the group’s $300 million debt position in the capital structure that financed the $5.4 billion acquisition by Tishman Speyer and Blackrock Realty of Stuyvesant Town – Peter Cooper Village, an 80-acre apartment complex located in the Lower East side of Manhattan
Additional matters related to Loan Modifications and Restructuring

- Represented a large commercial lender in liquidating its defaulted multi-family real estate portfolio through foreclosure, note sales and deed-in-lieu transactions

Additional matters related to Foreclosures and Asset Recovery

- Represented Chapter 11 debtor which sold substantially all its assets to its secured creditor who is also an owner of the debtor with a small carve-out provision for unsecured creditors and administrative expenses

Additional matters related to Distressed Loan and Asset Sales

- Served as Delaware counsel for the administrative agent on a $325 million revolving credit facility for the debtors in the WCI Communities, Inc. Chapter 11 bankruptcy, and the pre-petition lender in connection with its $75 million term loan with the WCI debtors

Additional matters related to Bankruptcy - Creditor Representations

- Represented computer-based simulation training company as debtor in Chapter 11 proceedings in Eastern District of Pennsylvania; successfully transferred venue of breach of contract litigation from Connecticut to Bankruptcy Court, extended automatic stay protection to debtor’s principal and rejected burdensome office space lease

Additional matters related to Bankruptcy - Debtor Representations

- Represented investment funds in multi-party, multi-tranche workout and liquidation relating to $5 billion of class “A” office properties

Additional matters related to Structured Finance Workouts and Dispositions

- Represented the trustee in the formation of a litigation trust to prosecute and distribute the proceeds of malpractice litigation arising from a failed Gulf-Coast condominium project

Additional Matters Related to Bankruptcy - Trustees and Other Professionals

News

Congratulations 2019 DE, NJ and PA Super Lawyers and Rising Stars
May 16, 2019

White and William Sponsors Eastern District of Pennsylvania Bankruptcy Conference 30th Annual Forum
January 24, 2019
White and Williams Earns Tier 1 Rankings from U.S. News "Best Law Firms" 2019  
November 1, 2018

12th Annual Coverage College Features Current Trends and State of the Insurance Claims Industry  
October 23, 2018

Congratulations 2018 DE, MA, NJ, NY and PA Super Lawyers and Rising Stars  
October 18, 2018

Best Lawyers Recognizes Twenty White and Williams Lawyers  
August 15, 2018

White and Williams Hosts 2018 IWIRC Leadership Summit  
July 27, 2018

White and Williams Sponsors the Eastern District of Pennsylvania Bankruptcy Conference  
*Convene at the Cira Center (Philadelphia, PA)* | January 18, 2018

Congratulations 2017 DE, MA, NJ, NY and PA Super Lawyers and Rising Stars  
November 11, 2017

White and Williams Earns National "Best Law Firm" Rankings from US News  
November 1, 2017

Heidi Sorvino Joins White and Williams New York Office  
April 3, 2017

White and Williams Elects Four Lawyers to Partnership, Promotes Six Associates to Counsel  
January 6, 2017

Coverage College Celebrates Its 10th Anniversary  
September 22, 2016

Sorvino Comments on New York Bankruptcy Court Ruling in Sabine Oil & Gas Case  
*Reuters* | March 8, 2016

Sorvino Comments on Impact of Distressed Exploration and Production Companies on Midstream Sector  
*Natural Gas Pipeline* | February 23, 2016

Commercial Litigator and Bankruptcy Lawyer Joins White and Williams  
October 22, 2013

Congratulations 2013 New York Super Lawyers and Rising Stars  
*Super Lawyers Magazine* | September 13, 2013

Sorvino Comments on Hostess Brands Bankruptcy Mediation  
*CNN Money* | November 20, 2012
White and Williams Continues Growth of New York Office with Addition of Prominent Litigation and Bankruptcy Lawyer
October 9, 2012

Bankruptcy Partners Represent White and Williams at Regional Bankruptcy Workshop
August 4, 2012

Two Business Lawyers Serve on Committee for Annual Bankruptcy Conference
January 20, 2012

Firm Sponsors and Participates in IMN Real Estate Subordinated Debt Origination & Investment Forum
November 29-30, 2011

Eight Lawyers Admitted to U.S. District Court for Eastern District of PA
November 15, 2011

Sorvino Comments on General Motors Critical Vendors List
CNN Money | June 22, 2009

Sorvino Comments on General Motors Bankruptcy Judge Appointment
San Diego Union-Tribune | June 1, 2009

Sorvino Weighs in on Obama's Involvement in the Chrysler Bankruptcy
Globe and Mail | April 30, 2009

Sorvino Discusses Impact of Mall Titan's Chapter 11 Filing
Wall Street Journal | April 17, 2009

Sorvino Discusses the Importance of Chapter 11 for Distressed Businesses
Reuters | April 2, 2009

Sorvino Comments on Distressed Mall Giant, General Growth
Wall Street Journal | March 31, 2009

Sorvino Weighs in on Automotive Industry Bankruptcy Crisis
CNN Money | March 30, 2009

Sorvino Comments on Financial Crisis
Reuters | February 10, 2009

Publications

Delaware Bankruptcy Court Sustains Objection to Claim on a Note Transferred in Violation of Anti-Assignment Restriction
Financial Restructuring and Bankruptcy Alert | June 22, 2018

Taxation of Carried Interests: 2017 Tax Act and Supplemental Guidance
Tax Alert | April 24, 2018
Recent Bankruptcy Court Decision Reminds Lenders That Perfection of a Security Interest May Not Be Enough to Protect Funds in a Bank Account
Taking Care of Business | January 3, 2018

Legalized Marijuana Sector Reaches New Highs: Safeguards for Investors and Creditors
Financial Restructuring and Bankruptcy Alert | August 15, 2017

Residential Mortgage Lenders and Servicers Beware of Changes to Rule 3002.1
Financial Restructuring and Bankruptcy Alert | November 30, 2016

Employment Agreement Class Action Waiver Deemed Unenforceable by Delaware Court
Labor and Employment Alert | October 13, 2016

Supreme Court Expands Grounds to Object to Bankruptcy Discharge Based on Fraudulent Transfers by Debtor
Financial Restructuring and Bankruptcy Alert | May 18, 2016

Unsecured Creditor Appeals Delaware Bankruptcy Court Ruling as to Postpetition Interest on an Unsecured Claim
Financial Restructuring and Bankruptcy Alert | December 16, 2015

Form Reform: Major Bankruptcy Form Overhaul Takes Effect December 1, 2015
Financial Restructuring and Bankruptcy Alert | December 1, 2015

Involuntary Bankruptcy Petitions - Use With Caution
Financial Restructuring and Bankruptcy Alert | October 29, 2015

New Uniform Voidable Transactions Act Enacted by Eight States, Four to Consider
Financial Restructuring and Bankruptcy Alert | October 28, 2015

The Fraudulent Transfer (a/k/a Voidable Transactions) Handbook - 2015 Supplement
CreateSpace Independent Publishing Platform; 1 edition | September 30, 2015
How Unsecured Creditors can Benefit from the Stabilizing Effect of Chapter 11
Financial Restructuring and Bankruptcy Alert | March 20, 2015

DE Confirms Robust D&O Protection Despite Company Demise
Law360 | February 10, 2015

The Fraudulent Transfer Handook - 2014 Supplement: A Practical Guide for Lawyers and Their Clients (Volume 2)
CreateSpace Independent Publishing Platform; 1 edition | October 15, 2014

New Jersey Superior Court Sides with Insurers in Dispute Concerning Assignability of Policies
Financial Restructuring Alert | October 10, 2014

New York Bankruptcy Court permits Corzine and Others to Draw Defense Costs From D&O Insurance Proceeds
Bankruptcy Alert | September 8, 2014

Delaware Bankruptcy Court Adopts “Subsequent Advance” Approach Regarding New Value Exception to Avoidance of Preferential Transfers
Bankruptcy Creditors Rights Alert | August 26, 2014

Commercial Construction Lenders Rejoice: The Pennsylvania Legislature Provides a Statutory fix for the “Kessler” Decision
Real Estate and Finance Alert | July 11, 2014

U.S. Supreme Court Limits the Powers of the Nation’s Bankruptcy Courts
Bankruptcy Alert | June 10, 2014

U.S. Supreme Court: Severance Payments are Taxable as Wages for FICA Purposes
Tax Alert | April 1, 2014

U.S. Supreme Court May Upend Nation’s Bankruptcy System
Bankruptcy Alert | January 2, 2014

A Majestic Departure: The Third Circuit Narrows Interpretation Of “Property Of The Estate” Based On Debtor’s Lack Of Control
Financial Restructuring and Bankruptcy Alert | August 21, 2013

Make-Whole Premiums: Good News for Creditors
Real Estate, Finance and Bankruptcy Alert | June 17, 2013

Instruments Under Seal: Those Words Really Can Make a Difference!
Real Estate, Finance and Bankruptcy Alert | June 3, 2013

Borrower’s Objection to Lender’s Application for Receiver Results in Guarantor’s Full Liability on Construction Loan under Non-Recourse Carve-Out Guaranty
Finance Alert | March 4, 2013
NY Federal Court Permits Appointment of Receiver for Hotels Without Lender Having Commenced Foreclosure Action
*Real Estate and Finance Alert | January 15, 2013*

Pitfalls of Securing Debt With the Assets of a Borrower’s Subsidiaries
*Bankruptcy and Financial Restructuring/Finance Alert | August 27, 2012*

Delaware Bankruptcy Court Dismisses Fraudulent Conveyance Claims for Transfers Made More Than Two Years Before Bankruptcy
*Financial Restructuring and Bankruptcy Alert | April 2, 2012*

Warrants of Attorney to Confess Judgment - Loan Document Amendments
*March 9, 2012*

**Events**

2019 Eastern District of Pennsylvania Bankruptcy Conference
The Borgata (Atlantic City, NJ) | January 25, 2019

UCC Article 9 and Title 11 U.S.C.
PBI Annual Bankruptcy Institute (Philadelphia, PA) | October 24, 2018

UST’s Most Watched List
PBI Annual Bankruptcy Institute (Philadelphia, PA) | October 24, 2018

What's Happening in the Retail Leasing and Lending Market
CRE Finance Council (New York, NY) | May 17, 2018

60 Cases in 90 Minutes
Eastern District of Pennsylvania Bankruptcy Conference (Philadelphia, PA) | January 18, 2018

America’s Brick-and-Mortar Retail Stores – A Vanishing Act in an Online Shopping World
Philadelphia, PA | November 2, 2017

Is Your Chapter 11 Sale Really “Free and Clear”? 
PBI Annual Bankruptcy Institute (Philadelphia, PA) | October 26, 2017

Finance Forum: Current Lending Issues Regarding Environmental Risks and Limited Guaranties
Philadelphia, PA | January 26, 2017

The Chapter 13 is Ending – Now What?
PBI Annual Bankruptcy Institute (Philadelphia, PA) | October 20, 2016

The Changing Landscape of Commercial Loan Documents
Philadelphia, PA | April 7, 2016
Finance Forum: Cybersecurity in Financial Transactions  
Philadelphia, PA | November 12, 2015

Finance Forum: Intercreditor and Subordination Agreements in Real Estate & Commercial Finance  
Philadelphia, PA | April 23, 2015

Finance Forum: Current Developments in Real Estate and Commercial Finance  
Philadelphia, PA | October 7, 2014

Top Commercial Cases of the Year  
Pennsylvania Bar Institute 18th Annual Bankruptcy Institute | October 17, 2013

What Every Lawyer Needs to Know About the Automatic Stay  
Philadelphia, PA | December 5, 2012

Don't Let Bad Get Worse: How to Proceed When a Loan Goes Sideways  
Philadelphia, PA | November 29, 2012

Eastern District of Pennsylvania Bankruptcy Conference’s Great Debate  
November 28, 2012

Amy Vulpio Serves as Panelist and Discusses Non-Recourse Carve Outs  
Eastern District of Pennsylvania Bankruptcy Conference Spring Program | June 7, 2012

Real Estate Loan Restructurings and Loan Workout Solutions  
Real Estate Preferred Equity and Mezzanine Financing Summit (New York, NY) | May 9, 2012

Bankruptcy & Beyond: Healing the Troubled Company  
New York, NY | May 1, 2012

Bank & Financial Institutions Special Asset Executive Conference on Real Estate Workouts  

**Cases & Deals**

White and Williams LLP Helps Land 100% Recovery for Unsecured Creditors of Phoenix Payment Systems, Inc.  
March 17, 2015

Commercial Litigation Team Prevails in Delaware Hearing on Application of Business Judgment Rule  
November 12, 2014

Phoenix Payment Systems, Inc. Closes on Major Court-Approved Asset Sale  
October 23, 2014

Guest-tek Acquisition of iBahn Takes Hotel Technology to a Higher Level  
March 21, 2014
Financial Restructuring and Bankruptcy Group Recovers, Restructures and Works Out Distressed Debt in Excess of $200 Million
January 9, 2012