

## Bankruptcy & Debt Restructuring

### ATTORNEYS

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(Practice Leader)
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### RELATED PRACTICE AREAS

- Litigation

The McConnell Valdés Bankruptcy & Debt Restructuring team provides timely, practical solutions to the challenges, controversies, and crises that creditors of financially distressed companies face.

McConnell Valdés has been involved in some of the biggest and most significant bankruptcy cases in Puerto Rico, including Emérito Estrada Rivera Enterprises, the largest commercial bankruptcy case ever filed in Puerto Rico with claims exceeding \$141 million.

Our counsel encompasses all aspects of federal bankruptcy laws, as well as the workouts negotiations and foreclosures that impact bankruptcies. We also regularly represent secured and unsecured creditors, as well as liquidating trustees, and creditors' committees.

Noted practitioners, our attorneys have forged strong working relationships with key players in the bankruptcy community and local bar. The team is highly regarded for their outstanding legal insight that informs winning strategies. A number of them are named Leading Lawyers by *Chambers and Partners* and are among *The Best Lawyers in Puerto Rico 2016*.

### What We Do

Our significant experience in all aspects of bankruptcy and debt restructuring includes counsel on:

- Relief from stay and preference litigation
- Fraudulent conveyances
- Insolvency and valuation disputes
- Reorganization plans
- Transactions involving bankruptcy considerations
- Secured and unsecured commercial and individual creditors' rights
- Liquidation and reorganization issues in cases involving troubled third parties
- Complex asset structuring
- Collection cases

- Tender liability cases
- Franchise reorganization and liquidation cases
- Negotiate workouts
- Purchases of troubled real estate and natural resource projects
- Acquisitions and new financing of troubled companies and/or their assets

### **REPRESENTATIVE CLIENTS & MATTERS**

- Representation of various financial institutions in a complex collection of monies and mortgage foreclosure action with a lender's liability counterclaim by defendants requesting compensation in the amount of \$35,000,000.00 for the demise of Atilano Cordero, Inc., the main borrower, who operated the Grande Supermarkets throughout Puerto Rico. This action presents unsolved important issues of Puerto Rico contracts and torts laws.
- Coordinated, on behalf of one of Puerto Rico's biggest financial institutions, the liquidation of a retail chain store with the participation of other creditors, debtor, and guarantors. Creditors were repaid a greater percentage of their respective credits had a formal court proceeding been filed for this purpose.
- Creditor Representation of a major telecommunications company in Puerto Rico, in commercial bankruptcies before the U.S. Bankruptcy Court for the District of Puerto Rico. Issues included negotiations of adequate assurance of payment pursuant to Section 366 of the Bankruptcy Code as utility service provider, litigation defense in violations of the automatic stay and litigation of contested matters in contested Chapter 11 plan confirmation hearings.
- Represented franchise company in the \$1,850 million dollar bankruptcy case of its local franchisee owner. Actively participated in the negotiations in the sale of franchisee's assets to investor which prevented local restaurants from shutting down its operations. Protected franchisors' valuable brand, marks, and intellectual property rights and recovered debt from insolvent franchisee. The transactions were consummated within the context of a 363 sale of assets order as part of franchisee's bankruptcy proceedings.
- Representation of a real estate investor, developer and owner of two hotel projects in the bankruptcy case of the projects' construction contractor. We actively participated in the negotiations for the payment outstanding claims by suppliers of labor and materials in the projects against our client, the debtor and the projects' construction insurance company.

- Representation of debtor in reorganization to adjust unsecured debt and allow minimal disruption of ongoing sales and warranty service operation of a car dealership in a Chapter 11 debtor-in-possession case. Due to the firm's resources, and the expedited litigation and negotiation skills of the attorneys handling the matter the Chapter 11 plan of reorganization was totally consummated and a final decree order closing the case was entered in less than 4 months, which is a significantly lower time frame than similar bankruptcy cases locally in the District of Puerto Rico.
- Representation of lender in reorganization of construction company and oversight of post confirmation litigation trust established to recover lost income and damages earmarked to fund plan of reorganization and satisfy in full pre-petition claim in excess of \$6.7 million in reference to overdrawn line of credit.
- Representation of a local bank in workout of participated credit facility with unpaid principal balance of over \$160 million and ultimate asset sale to private investor of a residential project, collateral of the credit facilities. The transactions were consummated within the context of a reorganization plan as part of the bankruptcy proceedings of debtor's parent company.