

Financial Restructuring and Bankruptcy

Our Financial Restructuring and Bankruptcy Group helps financial institutions, unsecured creditors, businesses and investors navigate the challenges and opportunities that arise out of the ebbs and flows of the credit and real estate markets. Our experience with a variety of complex, high-stress workout situations allows us to 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. Our lawyers have the unique experience of representing both debtors and creditors, providing us with deep understanding of the priorities and motivations of opposing parties and the industry at large. We rely on these collective skills to deliver practical and creative solutions.

We provide financial restructuring, bankruptcy-related services, and asset recovery to secured lenders/creditors, unsecured trade creditors, distressed businesses, trustees, insurers, property receivers and lessors. Members of the group have received bankruptcy trustee appointments, including under Chapter 11 and Subchapter V.

Our group has extensive experience in all aspects of:

- bankruptcy-related proceedings and litigation
- Liquidations
- loan enforcement actions
- credit workouts/restructurings
- receivership proceedings
- the sale and purchase of distressed loans or businesses
- borrower liquidations.

Our lawyers serve in leadership roles in organizations addressing industry issues such as the Turnaround Management Association (TMA), the International Women's Insolvency and Restructuring Confederation (IWIRC) and the American Bankruptcy Institute (ABI). Our team also is involved with development and execution of events such as the Eastern District of Pennsylvania Bankruptcy Conference and the IWIRC Leadership Summit.

PRACTICE CONTACT

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RELATED PRACTICES

Corporate and Securities

Finance

Real Estate

Trusts and Estates

RELATED INDUSTRIES

Financial & Investment Services

Healthcare

Insurance

Technology

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, Restructurings, Foreclosures and Asset Recovery

We 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 loan modifications, extensions, restructurings, forbearances, discounted pay-offs and sales of loans or participation interests.

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 rules governing the foreclosure process, including the strategic use of receiverships to sell or preserve collateral value.

Our lawyers are equally skilled in enforcing loans by confession of judgment, if available, or pursuing 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. Conversely, if a confessed judgment has been improperly entered, we can defend enforcement.

We also 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 turmoil in capital markets can saddle financial institutions with excess debt on their balance sheets, it also creates opportunities for investors to capitalize on market instability. Consequently, expedient sales and purchases of distressed assets has become an attractive strategy. 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 our network of relationships with institutional lenders, servicers and special servicers, underwriters, investors, insurers and funds, as well as real estate owners and operators. Our clients appreciate our skill in managing intercreditor relationships in helping them navigate distressed deals.

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 loan sale agreements, perform due diligence, negotiate terms of sale agreements and consummate 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 due diligence regarding loans documents and collateral.

We have represented numerous entities in bankruptcy that have sold their assets through Section 363 sales. 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 relevant transaction documents, but also drafting the pleadings filed in the bankruptcy proceedings to permit consummation of a sale or purchase to our clients' benefit. This may include court orders approving the sale and bidding procedures, we ensure that our client understands the process, considers all contingencies and has the best possible opportunity to be the successful bidder at an auction sale.

Creditor and Interested Party Representations

Our lawyers have substantial experience advising secured and unsecured creditors, Creditors Committees, and insurers seeking to enforce their rights and protect their claims in bankruptcy proceedings. 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 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 relief might adversely affect their claim, collateral or rights and advise on appropriate action to mitigate their risks.

We represent numerous insurance companies in complex bankruptcy cases filed in 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.

In addition, our group 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, including moving to compel payment of post-petition administrative rent or to obtain relief from the automatic bankruptcy stay; 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 seeks to sell assets that serve as collateral for our client's claims, we participate in that process on behalf 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 net proceeds to which they are entitled and that any administrative expenses incurred are minimal and reasonable to our clients.

Debtor Representations

We have substantial experience advising distressed businesses as they evaluate options, including Chapter 11 reorganization, Chapter 7 liquidation and out-of-court workouts. 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.

Litigation

Our group represents defendants in preferential transfer and fraudulent conveyance avoidance actions, and breach of fiduciary duty, filed by debtors or trustees in Chapter 7 or 11 bankruptcy cases. We aggressively defend avoidance claims by seeking to have them dismissed or favorably settled. We often 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.

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

Representation of Trustees and Other Professionals

Members of our group represent - and serve as - bankruptcy trustees, financial advisors, trustees of liquidating trusts and other professionals in bankruptcy cases. We 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

Appointed Chapter 11 Trustee by the Bankruptcy Court for the Southern District of New York, successfully closing a Chapter 11 bankruptcy sale and removal of a shareholder of a defaulted borrower from a New York City property

Represented the Committee of Unsecured Creditors, Phoenix Payment Systems, Inc., U.S. Bankruptcy Court, District of Delaware, 2014

Represented senior mezzanine lender group in stopping the foreclosure of the senior mortgage and the subsequent 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

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

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

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

Represented a 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

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

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

CASES & DEALS

White and Williams Team Completes Complex Sale Leaseback of Seven Properties
4.15.21

White and Williams Secures Summary Judgment in Involuntary Bankruptcy Dispute
8.29.19

NEWS

Heidi Sorvino Recognized as One of the 2026 Lawdragon 500 Leading Global Bankruptcy & Restructuring Lawyers
Lawdragon 500, 3.17.26

Super Lawyers Names Five White and Williams LLP Attorneys to its Metro New York Lists
Super Lawyers, 11.7.25

White and Williams LLP is Honored to be Recognized Among the 2026 Best Law Firms Ranked by Best Lawyers®
Best Lawyers®, 11.6.25

Best Lawyers® Recognizes 40 White and Williams Lawyers
8.21.25

Heidi Sorvino Recognized as One of the 2025 Lawdragon 500 Leading Global Bankruptcy & Restructuring Lawyers
7.2.25

White and Williams Partner, Heidi Sorvino, Recognized as a Trailblazer by ABF Journal
5.19.25

White and Williams Launches the Restructuring Perspectives Blog
4.3.25

White and Williams Appoints Financial Restructuring and Bankruptcy Practice Group Leadership
1.22.25

Best Lawyers® Recognizes 49 White and Williams Attorneys
8.15.24

White and Williams Attorney, Andrew E. Arthur, Selected to American Bankruptcy Institute Diversity and Inclusion Mentoring Program
4.12.24

Best Lawyers® Recognizes 45 White and Williams Lawyers
Firm News, 8.18.23

Heidi Sorvino Named as one of the 2023 Leading Bankruptcy and Financial Restructuring Lawyers by Lawdragon
News, 6.17.23

White and Williams recognized with Multiple Honorees in the Chambers 2023 USA Guide
6.9.23

Congratulations to all of our 2023 Attorneys Named as Super Lawyers and Rising Stars
5.25.23

Best Lawyers® Recognizes 40 White And Williams Lawyers
Firm News, 8.18.22

Congratulations 2022 DE, MA, NJ, NY and PA Super Lawyers and Rising Stars
7.13.22

Christopher Graham Quoted in Article on Russia's Tussle with Bondholders
BNN Bloomberg, 6.7.22

Chambers USA 2022 Ranks White and Williams as a Leading Law Firm
6.1.22

Christopher Graham Joins White and Williams in New York City
1.6.22

Heidi Sorvino Elected President of TMA New York City Chapter
1.5.22

White and Williams Announces 15 Lawyer Promotions
1.3.22

White and Williams Ranked in Top Tiers of "Best Law Firms"
11.5.21

White and Williams Welcomes Ten New Associates
11.4.21

White and Williams Lawyers Recognized as Super Lawyers and Rising Stars
11.1.21

Best Lawyers® Recognizes 38 White and Williams Lawyers
8.19.21

Chambers USA 2021 Ranks White and Williams as a Leading Law Firm
5.20.21

Heidi Sorvino Appointed President-Elect of the Turnaround Management Association's New York City Chapter
1.4.21

PUBLICATIONS

Court Denies Injunction in Battle of Titans of New York Real Estate and Allows UCC Sale of Pledged Equity Interests to Proceed
Real Estate Alert, 1.29.26

Rite Aid Files a Thousand Preference Actions
Financial Restructuring and Bankruptcy Alert, 11.5.25

Corporate Transparency Act – FinCEN Narrows Scope of Reporting Requirements and Extends Deadline
Business Department Alert, 3.27.25

Latest Corporate Transparency Act Update from FinCEN: Enforcement Paused, For Now
Business Department Alert, 3.3.25

The \$75 Million Subchapter V Debt Limit Should be Reinstated
American Bankruptcy Institute Journal, 2.21.25

Phoenix-Like: The Corporate Transparency Act Returns, Reporting Requirements Due March 21, 2025
Business Department Alert, 2.21.25

White and Williams NY Office Head Named Bankruptcy Chair
Law360, 1.24.25

Corporate Transparency Act – Supreme Court Weighs In
Business Department Alert, 1.24.25

Corporate Transparency Act Déjà vu – The More Things Change The More They Stay The Same
Beneficial Ownership Information Reporting Requirements Paused (Again)
Client Alert, 12.27.24

Corporate Transparency Act – Fifth Circuit Lifts Preliminary Injunction – FinCEN Extends Deadline to January 13, 2025
Client Alert, 12.26.24

Key Takeaways – Coverage College 2024
12.12.24

Federal Court Suspends Enforcement of the Corporate Transparency Act's Reporting Requirements
(Small Businesses Rejoice Early for the Holidays)
Business Department Alert, 12.9.24

A Funny Thing Happened to My Ground Lease in Bankruptcy Court
Financial Restructuring and Bankruptcy Alert, 11.5.24

SCOTUS Curtails Third-Party Releases, Prospectively Derails Mass Tort Chapter 11 Plans
Financial Restructuring and Bankruptcy Alert, 6.27.24

Heidi Sorvino Recognized as One of the 2024 Lawdragon 500 Leading Global Bankruptcy & Restructuring Lawyers
6.26.24

Supreme Court Endorses Broad Insurer Standing in Bankruptcy Reorganizations
Financial Restructuring and Bankruptcy Alert, 6.6.24

Benefits of Subchapter V Under the Bankruptcy Code to Private Equity Funds in Managing Distressed Assets (Update)
Originally Drafted for EisnerAmper, 5.3.24

U.S. Supreme Court Allows Boy Scouts' Chapter 11 Plan to Move Forward
Pratt's Journal of Bankruptcy Law, 4.3.24

Supreme Court Hits the Brakes on Boy Scouts Chapter 11 Plan
Financial Restructuring and Bankruptcy Client Alert, 2.16.24

Balancing Private Interests and Judicial Oversight
American Bankruptcy Institute Journal, 12.22.23

Arrowood Indemnity – The Latest U.S. Insurer to Enter Liquidation
Insurance Coverage and Bad Faith and Financial Restructuring and Bankruptcy, 11.9.23

Supreme Court Agrees to Consider Standing of Insurers in Chapter 11 Cases
Insurance Coverage and Bad Faith and Financial Restructuring and Bankruptcy, 10.13.23

Third-Party Releases Headed to SCOTUS on Rocket Docket Following Rare Civil Stay of Purdue Pharma Plan Confirmation
Financial Restructuring and Bankruptcy Alert, 8.11.23

State Law Receivership for Commercial Real Estate: UCRERA Becomes Effective in Connecticut
6.26.23

Third-Party Releases Possibly Headed To Scotus Following Purdue Pharma Plan Confirmation
Financial Restructuring and Bankruptcy Alert, 6.6.23

Second Circuit: Not a Party to an Assumed Unexpired Lease? No Cure Claim for You!
Financial Restructuring and Bankruptcy Alert, 4.20.23

Observations on the Banking Crisis of 2023
Financial Restructuring and Bankruptcy Alert, 4.5.23

High Court Holds Imputed Liability for Fraud is Non-Dischargeable Under Bankruptcy Code Section 523
Financial Restructuring and Bankruptcy Alert, 2.23.23

SDNY Revisits Rent Cap Calculations: A Pendulum Shift to the Time Approach
Financial Restructuring and Bankruptcy Alert, 2.16.23

Fourth Circuit Holds That Cooperation Clause Does Not Apply to Insured's Conduct in Negotiating Bankruptcy Plan
Insurance Coverage and Bad Faith Alert, 2.16.23

Benefits of Subchapter V Under the Bankruptcy Code to Private Equity Funds in Managing Distressed Assets
Originally drafted for EisnerAmper, 12.3.22

Federal Rules of Bankruptcy Procedure Amended In Response to Small Business Reorganization Act of 2019
Financial Restructuring and Bankruptcy Alert, 12.2.22

In Session With Bankruptcy Judge Shelley C. Chapman feat. Managing Partner Heidi Sorvino
Podcast Episode, 11.21.22

Second Circuit Finds Willful Stay Violation in Foreclosure Sale of Non-Debtor's Real Property
Financial Restructuring and Bankruptcy Alert, 8.17.22

New York Appellate Court Restores Insurer's Right to Seek Pro Rata Allocation of Settlements Between Insured and Uninsured Periods
Insurance Coverage and Bad Faith and Financial Restructuring and Bankruptcy Alert, 3.23.22

District Court Overturns Purdue Pharma's Chapter 11 Plan and Related Releases of Sackler Family from Opioid Liability Claims
Journal of Bankruptcy Law, February/March 2022

New York Court Permits Asbestos Claimants to Proceed Against Insurers with Buyout Agreements
SUGGESTS CIRCUMSTANCES WHERE SUCH AGREEMENTS MAY CONSTITUTE FRAUDULENT CONVEYANCES
Insurance Coverage and Bad Faith and Financial Restructuring and Bankruptcy Alert, 11.12.21

Commercial Lease Disputes and Renegotiation – A Look Back During the COVID-19 Pandemic
Corporate Disputes Magazine, July - September, 2021

Commercial Lease Disputes and Renegotiation – A Look Back During the COVID-19 Pandemic
Corporate Disputes Magazine, July - September 2021 Issue

COVID-19 Pandemic Preference Amendments to Bankruptcy Code Benefiting Vendors, Customers, Commercial Landlords and Tenants
Financial Restructuring and Bankruptcy Alert, 3.30.21

New York State Enacts Small Business Truth in Lending Law
Finance Alert, 1.12.21

EVENTS

Coverage College 2025
Convene CityView, Philadelphia PA, 10.23.25

Heidi Sorvino Moderates Pathways to Leadership at the 2025 TMA NOW Summit
May 7-8, 2025
(Nashville, TN), 5.7.25

Coverage College 2024
Philadelphia, PA, 10.30.24

Heidi Sorvino Speaks at TMA's Annual Conference in Philadelphia
October 15-18, 2024
Philadelphia, PA, 10.15.24

Heidi Sorvino Presents at IWIRC's 31st Annual Fall Conference
September 17-18, 2024
(Seattle, WA), 9.17.24

Recapitalization: What Works, What Doesn't, and Why
American Bankruptcy Institute: Distressed Real Estate Symposium (Ojai, CA), 5.1.24

SFNet Philadelphia Chapter 2024: 15th Annual Philadelphia Credit & Restructuring Summit
Secured Finance Network (Philadelphia, PA), 3.21.24

White and Williams Sponsors the Eastern District of Pennsylvania Bankruptcy Conference
Convene Cityview (Philadelphia, PA), 4.1.22

Is Your Insured in a Financial Crisis? Not Sure What to Do Next? Part II: Assignments for Benefit of Creditors (ABCs)
Webinar, 12.7.21

Is Your Insured in a Financial Crisis? Not Sure What to Do Next?
Webinar, 11.30.21

Adaptive Reuse & Best Practices in Repositioning Distressed Assets
IMN NYC Distressed CRE Virtual Forum, 1.27.21

The Changing Landscape of Commercial Loan Documents
Philadelphia, PA, 4.7.16

Finance Forum: Cybersecurity in Financial Transactions
Philadelphia, PA, 11.12.15

Finance Forum: Intercreditor and Subordination Agreements in Real Estate & Commercial Finance
Philadelphia, PA, 4.23.15