

THE AMERICAN LAWYER

APRIL 2006

ALM

THE CORPORATE SCORECARD 2006

BANKRUPTCY

ALL EYES ON DETROIT

IN OCTOBER A SWIFTLY UNFOLDING financial scandal sent futures and commodities brokerage Refco Inc. hurtling into bankruptcy. Hemorrhaging customers by the day, Refco sought a timely deal to shore up its eroding asset base. Within a month a team of Skadden, Arps, Slate, Meagher & Flom attorneys led by restructuring partner J. Gregory Milmoie engineered a \$323 million sale of Refco's customer accounts and other assets to Man Financial, Inc., the brokerage unit of British hedge fund Man Group PLC.

The deal that reinforced Refco also cemented Skadden as the top debtor's counsel of 2005. The firm handled six of the year's top 30 filings as measured by asset value, ranking it ahead of Kirkland & Ellis and Jones Day, which handled four and three, respectively.

Bankruptcy and restructuring lawyers described last year as a generally slow one, although work picked up significantly in the last quarter. Refco, with assets valued at more than \$33 billion, led a quintet of late-year filings that dwarfed all others over the past two years. Those five cases shared a common venue: New York's Southern District, which strengthened its position as the go-to court for big Chapter 11 filings.

The airline industry was again the most conspicuous participant in the restructuring arena. On September 14 Delta Air Lines, Inc., and Northwest Airlines Corporation both filed for Chapter 11, with a combined asset value just under \$36 billion. For bankruptcy counsel, Delta turned to Davis Polk & Wardwell, while Northwest tapped Cadwalader, Wickersham & Taft. Two weeks later, US Airways Group, Inc., represented by

Arnold & Porter, emerged from Chapter 11, and Kirkland helped UAL Corporation's United Air Lines end its three-year bankruptcy a month into 2006.

On the emergences side, Reliance Group Holdings, Inc., led the rankings with \$12.6 billion in assets, as Debevoise & Plimpton helped lead the company out of a four-year stay in Chapter 11. (All of the top ten emergences were handled by different firms.)

In 2006, Milmoie says, restructuring attorneys will be keeping a close eye on the auto industry. Three of the ten largest Chapter 11 filings of 2005 were of automotive suppliers, and Dana Corporation filed in March 2006. Speculation continues about whether General Motors Corporation will follow. If it does, it could have a ripple effect on hundreds of supplier companies—and the lawyers who represent them. —MICHAEL ANEIRO

Largest Bankruptcies Filed, 2005

Assets (In Millions)	Filing Date	Company and Description	Jurisdiction	Debtor's Counsel	Creditors Committee Counsel
\$33,333	Oct. 2005	Refco Inc. Brokerage Services	Southern District of New York	Skadden	Milbank, Tweed; Trott & Duncan
27,216	Dec. 2005	Calpine Corporation Power Company	Southern District of New York	Kirkland & Ellis	AKIN GUMP STRAUSS HAUER & FELD
21,801	Sept. 2005	Delta Air Lines, Inc. Airline	Southern District of New York	Davis Polk	AKIN GUMP STRAUSS HAUER & FELD Lytle Soulé; Foley & Lardner ¹ ; Farella Braun ¹
16,593	Oct. 2005	Delphi Corporation Automotive Parts Manufacturer	Southern District of New York	Skadden	Latham & Watkins; Warner Stevens
14,042	Sept. 2005	Northwest Airlines Corporation Airline	Southern District of New York	Cadwalader	Otterbourg, Steindler; Jenner & Block ¹
3,197	May 2005	Collins & Aikman Corporation Automotive Parts Manufacturer	Eastern District of Michigan	Kirkland & Ellis	AKIN GUMP STRAUSS HAUER & FELD
2,846	Feb. 2005	Tower Automotive, Inc. Automotive Parts Manufacturer	Southern District of New York	Kirkland & Ellis	AKIN GUMP STRAUSS HAUER & FELD Jones Day
2,619	Feb. 2005	Winn-Dixie Stores, Inc. Food Retailer	Southern District of New York ²	Skadden; King & Spalding	Milbank, Tweed; Akerman Senterfitt
1,108	Aug. 2005	ASARCO LLC Copper Mining	Southern District of Texas	Baker Botts	Reed Smith; Fulbright & Jaworski; Stutzman, Bromberg
1,043	Jan. 2005	American Business Financial Services, Inc. Mortgage and Loan Provider	District of Delaware	Blank Rome	Greenberg Traurig; Moses and Singer; Landis Rath

Source: BankruptcyData.com

¹ Served as retiree creditors committee counsel

² The case was transferred to the Middle District of Florida in April 2005.

THE CORPORATE SCORECARD 2006

BANKRUPTCY

Largest Emergences, 2005

Assets (In Millions)	Filing Date	Company and Description	Jurisdiction	Debtor's Counsel	Creditors Committee Counsel
\$12,598	June 2001	Reliance Group Holdings, Inc. Insurance Provider	Southern District of New York	Debevoise & Plimpton	Orrick; White & Case; Spencer Gage
8,349	Sept. 2004	US Airways Group, Inc. Airline	Eastern District of Virginia	Arnold & Porter	Vovys, Sater; Otterbourg, Steindler; Thelen Reid ¹
2,693	July 2003	Loral Space & Communications Ltd. Satellite Communications	Southern District of New York	Weil, Gotshal	AKIN GUMP STRAUSS HAUER & FELD
2,031	Nov. 2004	Trump Hotels & Casino Resorts, Inc. ² Hotel and Casino Operator	District of New Jersey	Latham & Watkins	N/A
1,890	Mar. 2003	Spiegel, Inc. ³ Apparel and Home Furnishings Retailer	Southern District of New York	Shearman & Sterling	Perdue, Brandon; Chadbourne & Parke; McMillan Binch; Zuckerman Spaeder
1,814	June 2004	Pegasus Satellite Communications, Inc. Satellite Communications	District of Maine	Sidley Austin	Pierce Atwood; AKIN GUMP STRAUSS HAUER & FELD
889	Dec. 2004	Oxford Automotive, Inc. ⁴ Automotive Parts Manufacturer	Eastern District of Michigan	Pepper Hamilton	Jaffe Raitt; Halperin Battaglia; Erman Teicher ¹
806	May 2003	Penn Traffic Company Food Retailer	Southern District of New York	Paul, Weiss	Otterbourg, Steindler
749	Dec. 2004	Trico Marine Services, Inc. Oil Shipper	Southern District of New York	Kirkland & Ellis	N/A
687	Sept. 2004	Internet Corporation Automotive Parts Manufacturer	Eastern District of Michigan	Foley & Lardner	Jaffe Raitt; Lindahl Gross ¹

Source: BankruptcyData.com

¹ Retiree creditors committee counsel

² Name changed to Trump Entertainment Resorts, Inc.

³ Name changed to Eddie Bauer Holdings Inc.

⁴ Name changed to Oxford Automotive Europe

This article is reprinted with permission from the April 2006 edition of THE AMERICAN LAWYER.

© 2006 ALM Properties, Inc. All rights reserved. Further duplication without permission is prohibited. For information, contact ALM Reprint Department at 800-888-8300 x6111 or visit www.almreprints.com. #001-06-06-0009



1.866.AKIN LAW akingump.com