

HUNTERS AND GATHERERS

BANKRUPTCY PROFESSIONALS CONTINUE TO SCRATCH FOR BUSINESS IN A VERY TOUGH MARKET. SOME STRATEGIES WORK BETTER THAN OTHERS

BY SHANNON D. MURRAY

Bigger is better. That's the primal drive behind many mergers, not least the law firms. Consider the combination of Palo Alto, Calif.-based Cooley Godward LLP, with its 440 lawyers, and Kronish Lieb Weiner & Hellman LLP, a 110-lawyer New York firm. The deal, which closed Oct. 1, created

Cooley Godward Kronish LLP.

What's the logic? The merger gave the larger Silicon Valley law firm a foothold in New York, particularly in bankruptcy, a specialty of Kronish Lieb. There's something of a countercyclical logic discernible here. Bankruptcy is now slow, and Cooley's tech

business—it specializes in life sciences, venture capital and high technology—is humming along; when tech hits the wall, bankruptcy may help pay the bills. The old Cooley hardly made a blip in bankruptcy. The new firm, Cooley Godward Kronish, ranks No. 8 among all law firms, with 169 cases as of Dec. 31. Last quarter, predecessor firm Kronish Lieb also ranked eighth, with 170 cases. Cooley wasn't ranked at all.

Who's above Cooley Godward Kronish in The Deal's bankruptcy league tables? Leading the ranking is White & Case LLP (516 cases), followed by Duane Morris LLP (275) and Holland & Knight LLP (256). The ranking measures active cases, which include all debtor, creditor and other cases as of Dec. 31.

Cooley Godward Kronish attorney Lawrence C. Gottlieb—formerly of Kronish Lieb—came in at No. 10 among bankruptcy lawyers, with 83 active assignments in the fourth quarter. In the previous quarter, he was ranked in the same position with 84 cases. Gottlieb has a way to go to

Gottlieb ready to climb as the market warms



TOP BANKRUPTCY LAW FIRMS

Law Firm	No. of active cases	Percent U.S.	Percent non-U.S.
1 White & Case LLP	516	11%	89%
2 Duane Morris LLP	275	100	0
3 Holland & Knight LLP	256	100	0
4 Greenberg Traurig LLP	221	100	0
5 Reed Smith LLP	205	100	0
6 Latham & Watkins LLP	203	95	5
7 Weil, Gotshal & Manges LLP	191	98	2
8 Cooley Godward Kronish LLP	169	100	0
9 Kelley Drye & Warren LLP	165	99	1
10 Winston & Strawn LLP	164	99	1
11 Ballard Spahr Andrews & Ingersoll LLP	154	100	0
12 Morgan, Lewis & Bockius LLP	153	100	0
13 Skadden, Arps, Slate, Meagher & Flom LLP	145	100	0
14 Pachulski, Stang, Ziehl, Young, Jones & Weintraub LLP	140	100	0
15 Saul Ewing LLP	137	100	0
16 Blank Rome LLP	135	99	1
17 Young Conaway Stargatt & Taylor LLP	133	99	1
18 Akin Gump Strauss Hauer & Feld LLP	131	100	0
19 Wilmer Cutler Pickering Hale and Dorr LLP	127	100	0
20 Jones Day	121	99	1
21 Arent Fox PLLC	115	100	0
22 Alston & Bird LLP	114	99	1
23 King & Spalding LLP	111	100	0
24 Nixon Peabody LLP	108	100	0
25 Kaye Scholer LLP	100	99	1
26 Gibson, Dunn & Crutcher LLP	98	98	2
27 Rattet, Pasternak & Gordon Oliver LLP	96	100	0
28 Orrick, Herrington & Sutcliffe LLP	85	98	2
Schulte Roth & Zabel LLP	85	99	1
29 Willkie Farr & Gallagher LLP	80	99	1
30 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo PC	75	100	0
31 Morrison & Foerster LLP	73	100	0
32 Anderson Kill & Olick PC	70	100	0
Pillsbury Winthrop Shaw Pittman LLP	70	99	1
33 Stutman, Treister & Glatt PC	69	99	1
34 Vedder, Price, Kaufman & Kammholz PC	67	100	0
35 Lowenstein Sandler PC	62	100	0
36 Cleary Gottlieb Steen & Hamilton LLP	61	98	2
37 Richards, Layton & Finger PA	59	98	2
Clifford Chance LLP	58	90	10
Katten Muchin Rosenman LLP	58	98	2
38 LeBoeuf, Lamb, Greene & MacRae LLP	58	100	0
Proskauer Rose LLP	58	100	0
Sidley Austin LLP	58	100	0
39 Bingham McCutchen LLP	55	98	2
Winstead Sechrest & Minick PC	55	100	0
40 Jenner & Block LLP	50	100	0
41 Chadbourne & Parke LLP	48	92	8
42 Kirkland & Ellis LLP	47	100	0
43 O'Melveny & Myers LLP	41	100	0
44 Simpson Thacher & Bartlett LLP	37	100	0
45 Kramer Levin Naftalis & Frankel LLP	36	100	0
46 Ropes & Gray LLP	35	100	0
47 Pepper Hamilton LLP	34	97	3
48 Debevoise & Plimpton LLP	33	97	3
49 Ashby & Geddes PA	31	100	0
Dechert LLP	31	97	3
50 Morris, Nichols, Arsht & Tunnell LLP	30	100	0
Stroock & Stroock & Lavan LLP	30	100	0

Includes all debtor, creditor and other assignments within active bankruptcy cases. All cases active as of Dec. 31, 2006

Source: www.BankruptcyInsider.com, law firms

TOP BANKRUPTCY LAWYERS

Lawyer	Law firm	No. of active assignments
1 Leanse, Thomas J.	Katten Muchin Rosenman LLP	346
2 Baehr, Biner	White & Case LLP	257
3 Pollack, David L.	Ballard Spahr Andrews & Ingersoll LLP	235
4 Huben, Brian D.	Katten Muchin Rosenman LLP	209
5 Carr, James S.	Kelley Drye & Warren LLP	180
6 Undritz, Sven-Holger	White & Case LLP	134
7 Meyers, Jeffrey	Ballard Spahr Andrews & Ingersoll LLP	102
8 Waldt, Dean C.	Ballard Spahr Andrews & Ingersoll LLP	89
9 Rosenberg, Robert J.	Latham & Watkins LLP	86
10 Gottlieb, Lawrence C.	Cooley Godward Kronish LLP	83
11 Carroll, Schuyler G.	Arent Fox PLLC	82
12 Anker, Philip	Wilmer Cutler Pickering Hale and Dorr LLP	76
13 Indyke, Jay R.	Cooley Godward Kronish LLP	72
14 Jones, Laura Davis	Pachulski, Stang, Ziehl, Young, Jones & Weintraub LLP	69
15 Seife, Howard	Chadbourne & Parke LLP	68
16 Herman, Neil E.	Morgan, Lewis & Bockius LLP	64
16 Pasternak, Jonathan S.	Rattet, Pasternak & Gordon Oliver LLP	64
17 Gwynne, Kurt F.	Reed Smith LLP	59
18 Monaghan, John J.	Holland & Knight LLP	57
19 Nashelsky, Darren	Morrison & Foerster LLP	54
20 Labate, Robert	Holland & Knight LLP	52
21 Brady, Robert S.	Young Conaway Stargatt & Taylor LLP	51
22 Minuti, Mark	Saul Ewing LLP	49
22 Leibowitz, Gary	Saul Ewing LLP	48
22 Sifen, Andrew I.	Arent Fox PLLC	48
24 Schein, Michael	Mintz, Levin, Cohn, Ferris, Glovsky and Popeo PC	45
24 Gibbs, Charles R.	Akin Gump Strauss Hauer & Feld LLP	44
25 Holden, Jr., Frederick D.	Orrick, Herrington & Sutcliffe LLP	44
26 Neier, David	Winston & Strawn LLP	43
27 Meyerowitz, Jennifer	Alston & Bird LLP	42
27 Glassman, Paul	Greenberg Traurig LLP	41
28 Watson, Jason H.	Alston & Bird LLP	41
28 Wilson, Eric R.	Kelley Drye & Warren LLP	41
28 Bienenstock, Martin J.	Weil, Gotshal & Manges LLP	39
29 Maloney, Mark	King & Spalding LLP	39
29 Collins, Mark D.	Richards, Layton & Finger PA	38
30 Cousins, Scott D.	Greenberg Traurig LLP	38
30 Gelber, Lawrence V.	Schulte Roth & Zabel LLP	37
31 Wender, David	Alston & Bird LLP	37
32 Prezant, Eric S.	Vedder, Price, Kaufman & Kammholz PC	36
33 Milione, Victor	Nixon Peabody LLP	35
33 Honig, David A.	Winston & Strawn LLP	34
34 Riley, Richard W.	Duane Morris LLP	34
34 Xerras, Lynne	Holland & Knight LLP	34
35 Cook, Michael L.	Schulte Roth & Zabel LLP	33
35 Daluz, Tobey M.	Ballard Spahr Andrews & Ingersoll LLP	33
35 Bromley, James L.	Cleary Gottlieb Steen & Hamilton LLP	32
36 Rahl, Jr., J. Andrew	Anderson Kill & Olick PC	32
36 Herschopf, Cathy	Cooley Godward Kronish LLP	31
37 LeMay, David M.	Chadbourne & Parke LLP	31
37 Morse, Duane	Wilmer Cutler Pickering Hale and Dorr LLP	31
37 Fein, Ronald L.	Stutman, Treister & Glatt PC	30
37 Gensburg, Matthew	Greenberg Traurig LLP	30
38 Goldblatt, Craig T.	Wilmer Cutler Pickering Hale and Dorr LLP	30
38 Stein, Grant	Alston & Bird LLP	30
39 Schmudde, Bettina	White & Case LLP	29
40 Boeke, Noel R.	Holland & Knight LLP	28
40 Buckley, Michael	Reed Smith LLP	28
40 Gilhuly, Peter	Latham & Watkins LLP	27
41 Lastowski, Michael R.	Duane Morris LLP	27
41 Levin, Matthew W.	Alston & Bird LLP	27
41 Rosen, Brian S.	Weil, Gotshal & Manges LLP	27
41 Rattet, Robert L.	Rattet, Pasternak & Gordon Oliver LLP	25
41 Sagerman, Eric E.	Winston & Strawn LLP	25
42 Shannon, Brendan L.	Young Conaway Stargatt & Taylor LLP	25
42 Sosland, Martin	Weil, Gotshal & Manges LLP	25
42 Cleary, M. Blake	Young Conaway Stargatt & Taylor LLP	24
43 Fatell, Bonnie G.	Blank Rome LLP	24
43 Holtzer, Gary T.	Weil, Gotshal & Manges LLP	24
43 Nestor, Michael R.	Young Conaway Stargatt & Taylor LLP	24

Includes all debtor, creditor and other assignments within active bankruptcy cases. All assignments active as of Dec. 31, 2006

Source: www.BankruptcyInsider.com, law firms

catch No. 1, Thomas J. Leanse of Kat-ten Muchin Rosenman LLP (346 assignments), No. 2 Biner Bähr of White & Case (257) and third-ranked David L. Pollack of Ballard Spahr Andrews & Ingersoll LLP (235).

Gottlieb is optimistic about the merger with Cooley Godward, predicting the firm will climb the league tables “probably more so when bankruptcy really gets hot.” That might take a while, he admits. “There’s so much liquidity, I don’t see [a bank-



Ratner national not regional

ruptcy boom] happening any day now unless there is an absolute big worldwide shock.”

Chad Shandler of Traxi LLC (16 assignments) led the ranks of investment bankers, followed by Henry S. Miller of Miller Buckfire & Co. LLC (14 assignments). Russell Belinsky, who ranked sixth with 10 active assignments, and his colleague, Brent Williams, a managing director of Chanin Capital Partners (who shared the No. 11 spot with J. Gregory Barrow of General Capital Partners LLC, five assignments), showed the most growth quarter over quarter, each adding three assignments. These included representing the unsecured creditors’ committees for Dura Automotive Systems Inc. and Global Power Equipment Group Inc., both of which filed in the U.S. Bankruptcy Court for the District of Delaware in Wilmington. “Delaware is back,” crows Williams. Not that it went very far. Delaware, he says, had a crowded docket in 2000

and 2001, and stayed jammed up as late as 2004. “People were concerned about the volume the court could handle,” Williams says. “But older cases have worked themselves through, and now Delaware has new judges that are well regarded.”

“Delaware is going to be active,” agrees Gottlieb. “Honestly, I wasn’t really fully aware that Delaware had fallen out. I think it just slowed up because bankruptcies slowed.”

Delaware has been a recent hot spot for failed subprime mortgage lenders. Mortgage Lenders Network USA Inc. and ResMAE Mortgage Corp. both filed in Delaware in 2007.

Williams and other advisers say the subprime market will keep them busy, despite concern that the disruption will spread throughout the capital markets. “Will it impact collateralized debt obligations or prime lending?” Williams asks. “Have lenders underestimated the level of defaults that will occur, which is what happened in the subprime market?”

Then, of course, there’s the auto-parts industry, which has provided work to many restructuring professionals. “I think it’s probably past its peak,” Williams says. “But there’s still going to be more activity among some of the smaller suppliers that may not have public debt.”

Among investment banks, Chanin shares sixth place with Jefferies & Co. Chanin added four cases in the quarter and Jefferies added five, for a total of 17. They rank behind Houlihan Lokey Howard & Zukin, which shares the top spot with Mesirov Financial Inc. with 31 cases. Traxi follows with 27.

Eric Kurtzman of Los Angeles-based Kurtzman Carson Consultants LLC ranked second with partner Jonathan A. Carson on the non-investment bank professionals list. Kurtzman says half of the firm’s new engagements in the fourth quarter were in the auto sector, including Dura and American Camshaft Specialties Inc.

Two other claims agent executives, Kathy Gerber and Ron Jacobs of New York-based Bankruptcy Services LLC,

were ranked first among non-investment bank professionals, with 107 assignments.

Tinamarie Feil of claims agent BMC Group Inc. in Seattle, came in third with 62 assignments, a gain of 32.

Within bankruptcy cases, claims and noticing agents provide administrative support, such as mailing documents to creditors and establishing Web sites. They’re among the first to be retained in a new filing along with lawyers and financial advisers. “We provide professionals with information to allow them to do their job,” Kurtzman says. “We alleviate the burden that’s normally placed on debtor’s professionals.”

Kurtzman and Carson had 63 active assignments in the fourth quarter. Their firm, KCC, reported 66 active cases, which placed it seventh among non-investment firms, well behind Deloitte Touche Tohmatsu, which ranked first with 360 cases even after losing 120 over the last quarter. PricewaterhouseCoopers LLP ranked second (271), BDO Seidman LLP took third (132) and Bankruptcy Services came in fourth (111).

Usually the debtor employs KCC. However, since the bankruptcy reform law took effect in 2005, the firm has notched more assignments with unsecured creditors’ committees. Section 405 of the legislation expands the committee’s responsibility to share information with the general creditor body.

For all of 2006, KCC had six committee assignments, including Global Power Equipment Group Inc. and Copelands’ Enterprises Inc. The firm even served both debtors and unsecured creditors in bankruptcies such as FLYi Inc. Is this a problem? “The truth is it’s a lot more efficient to use the same claims and noticing agents,” Kurtzman says.

Some debtors, however, resist such arrangements. Debtors pay professional fees of official unsecured creditors’ committees, meaning they might pay KCC twice for the same work.

Among non-investment banks, Atlanta-based GlassRatner Advisory &

Capital Group LLC hasn't yet cracked the top 10, but it did post the largest gain in assignments. GlassRatner ranked 17th with 20 cases for the period ended Dec. 31, compared with two reported cases in the third quarter. Admittedly, says Ian Ratner, last quarter was the first time the firm thoroughly reported its active assignments to The Deal. In five years, GlassRatner has expanded from three professionals to 20, most of them based in Atlanta. "We don't consider ourselves a regional firm. We have a big Southeast footprint from Philadelphia to Miami to Dallas," as well as several cases on the West Coast, Ratner says. GlassRatner does creditor committee work, trustee assignments, expert witness work and forensic accounting.

Ratner was an adviser with Ernst & Young LLP for 18 years before head-

ing up Kroll Inc.'s Atlanta office. Ratner was working for Kroll when he met GlassRatner co-founder Ronald Glass, who was a Chapter 11 trustee in a case.

Ratner says his firm pitches regularly against big players such as FTI Consulting Inc. (fifth, 98 cases) and Alvarez & Marsal LLC (sixth, 75 cases), as well as investment banks, including Navigant Capital Advisors LLC, which is third with 22.

But the boutique tries to differentiate itself, including charging hourly rates that are just below its rivals. "We are also willing to take some risks," Ratner says. "We'll actually work at a fixed-fee or a reduced fee plus a success kicker."

GlassRatner recently moved into south Florida with four professionals, and plans to expand to Chicago, Phoe-

nix and Los Angeles. Its short-term goal: to expand from 20 to 30 people.

Not everyone is expanding in this tough market, though just about everyone is on the hunt for new business. One popular spot: out-of-court restructurings. Bill Lenhart, national director of business restructuring services for BDO Seidman in New York, says the league tables would look very different if out-of-court restructurings were considered. "The world is changing. There's more out-of-court restructurings being done," he says, adding that with so much liquidity in the market, troubled companies can right themselves without filing.

Besides, he adds: "A lot of what's keeping me and my brethren in business is the non-bankruptcy stuff."



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