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Bankruptcy Attorneys Dominate At Brown Rudnick

By **Melissa Lipman**

Law360, New York (December 04, 2009) -- With nearly 30 percent of its attorneys devoted to bankruptcy work, Brown Rudnick LLP has the heaviest concentration of bankruptcy lawyers among firms with 100 or more lawyers, according to Law360's 2009 practice area survey.

The firm was out in front of Whiteford Taylor Preston LLP, with 19 percent of its attorney work force devoted to bankruptcy work, and Procopio Cory Hargreaves & Savtich LLP, which rounds out the top three with a little over 18 percent bankruptcy attorneys.

1. Brown Rudnick LLP: 30% of practitioners

With 51 restructuring attorneys, Brown Rudnick tops Law360's list of firms with the highest concentration of bankruptcy attorneys.

Led by Edward Weisfelner, the firm's bankruptcy and corporate restructuring group is part of Brown Rudnick's capital markets department, the largest of the firm's four sections.

In the U.S., the group has members in the firm's New York; Boston; Hartford, Conn.; Providence, R.I.; and Washington offices, though firmwide the bulk of the bankruptcy and restructuring attorneys are in New York, Boston and London.

As the largest practice group and the largest revenue source within the firm, Weisfelner described the group as "a central component part of [Brown Rudnick's] practice" that sends work to the firm's litigation, energy and corporate groups.

The Brown Rudnick group specializes in representing institutional investors in distressed companies, with hedge funds, private equity funds and other sophisticated institutional and individual investors making up the bulk of the group's clientele, Weisfelner said.

The practice group chair has seen a "steady source of work" coming from the telecommunication, gaming, heavy manufacturing and real estate industries, he said, and top current clients include the official creditors committees in some of the largest pending Chapter 11 cases, such as Lyondell Chemical Co., Six Flags Inc. owner Premier International Holdings Inc. and Visteon Corp.

The group likewise represents the official equity committee for bankrupt poultry processor Pilgrim's Pride Inc. and is involved in handling matters for ad hoc creditors committees in the Chapter 11 cases of bankrupt cable company

Charter Communications Inc., embattled mall operator General Growth Properties Inc., technology manufacturer Spansion Inc. and Lehman Brothers Holdings Inc.

The Brown Rudnick bankruptcy practice has seen increased work amid the recession, leading the firm to make a number of lateral partner hires and to add several mid- and senior-level associates. The firm has also maintained the size of its incoming first-year class and has not "pared down to any market degree" its summer associate program, Weisfelner noted.

"We are always looking for the best possible additions to our practice," he said. "Generally we've been hiring opportunistically."

Weisfelener expects the practice to maintain its "integral" role in the firm and its future growth.

2. Whiteford Taylor Preston LLP: 19% of practitioners

About 19 percent of Whiteford Taylor's 154 attorneys are full-time members of the firm's debtor-creditor rights and bankruptcy and business reorganizations department, placing the practice group and its special counsel litigation subgroup second on Law360's list.

Chaired by Paul M. Nussbaum, the group has members in all five of the firm's offices in Delaware, Maryland, northern Virginia and the District of Columbia.

The practice makes up a "significant component" of the firm's overall practice and boasts a special litigation subgroup that has brought national attention to Whiteford Taylor, Nussbaum said.

In addition to the group's general practice handling creditor and debtor rights, bankruptcy filings, and out-of-court restructurings, Whiteford Taylor also works as special counsel to other law firms representing debtors or trustees to handle litigation stemming from directors and officers liability claims of bankruptcy estates, auditor malpractice claims, and large levels of preference or other avoidance actions.

The practice has developed the specialty over the past six to seven years and has sought to market its expertise in the area in recent years, Nussbaum added.

Some of the subgroup's most prominent current and recent efforts include handling the roughly $100 million worth of malpractice claims the special trust for St. Vincent's Medical Centers of New York has against the health care provider's professionals; representing the trustee in the Just For Feet bankruptcy, where the firm has already recovered almost $150 million in directors and officers claims; and winning a $70 million judgment for the trustee in the CNB International Inc. bankruptcy against Lloyds TSB Bank PLC.

The larger group also represents creditors in the Lyondell case, among other matters.

Nussbaum described the bankruptcy practice group as "a substantial contributor to the firm's revenues and ... a integral part of the firm's business and operations success."

The recession has created more work for the bankruptcy group, leading Whiteford Taylor to hire five attorneys, including two partners, for its bankruptcy practice, Nussbaum said.

He added that the group currently felt "very comfortable" with its size as with the "composition and scope" of its practice.

However, Nussbaum said, the the group is "always looking to broaden both the volume of the work we have as well as the geography of our practice."

Moving forward, the group will seek to develop its practice in the firm's newer northern Virginia and Delaware offices and to build on its subgroup, he said.

3. Procopio Cory Hargreaves & Savtich LLP: 18% of practitioners

Making up about 18 percent of Procopio Cory Hargreaves & Savtich LLP's 107 attorneys, the finance, restructuring and bankruptcy group acts as one of the firm's anchors, using its depth and diversity to adapt to the recession by focusing on workouts and enforcements, along with the buying and selling of discounted loans and assets, according to practice group leader Michael Lyon.

As a cross-disciplinary group that draws from the firm's finance, real estate and litigation attorneys, the bankruptcy practice garners roughly 15 percent to 20 percent of the firm's total revenue, according to Lyon, who also heads the California-based firm's real estate group.

With members in the firm's two primary offices in San Diego County and a satellite office in Orange County, the Procopio restructuring practice represents lenders, borrowers, investors, regulators, receivers, trustees, creditor committees, and opportunity or "vulture" funds in bankruptcy and other proceedings.

Among the firm's major recent clients is the Roman Catholic Diocese of San Diego, which filed for Chapter 11 protection amid claims of sexual abuse against the diocese's priests stretching over seven decades.

Rather than expanding in size, Procopio's group has seen a shift in emphasis amid the recession. Attorneys who had focused on real estate transactional work are now doing loan workouts, Lyon said.

"A few years ago, probably as recently as 2006 and 2007, we were still focused on development, acquisitions and loan origination," he said. "Today we are really focused on workouts and enforcement and the purchase and sale of loans and assets at a discount, so we've really shifted quite a bit in the last couple of years."

Lyon expects to see the firm's business — particularly its focus on workouts — to continue to grow over the next two to three years while the credit and capital markets bottom out and make a slow recovery.

Whiteford | Taylor | Preston LLP