

# CASE STUDIES

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## Trial Victory Secures Leverage in Negotiation with Opponents Involving a \$100 Million Portfolio of Assets

Bankruptcy Litigation / 2017

**Client industry:** Financial services/multifamily investments

**Type of case:** Bankruptcy litigation

**Court:** U.S. Bankruptcy Court, Arkansas, Eastern District

**Amount in dispute:** \$10+ million

**Result:** Verdict for client

Our client, an asset manager of one of the largest affordable housing investment portfolios, retained the Firm when a General Partner with .01 percent interest in the portfolio placed an asset in bankruptcy to gain leverage in buy-out negotiations. The action threatened the viability of the entity and tax credits delivered over the previous 10 years. The Firm's objective was to dismiss the bankruptcy, enabling our client to regain leverage in negotiations and avoid recapture of tax credits.

We previously served as outside counsel to the asset manager in partnership disputes across multiple jurisdictions. Our long-standing client relationship enabled the Firm to understand the larger business issues at hand and the implication of the asset's bankruptcy across our client's entire portfolio. This previous experience allowed the Firm to proceed with a minimal ramp-up period, which was instrumental in quickly drafting a Motion to Dismiss.

We presented our case in bankruptcy court and cross-examined the first of the General Partner's witnesses. After our first cross-examination, the General Partner opted not to present additional witnesses, many of which had flown in from different parts of the country.

The court granted our Motion to Dismiss the bankruptcy. The General Partner appealed to the district court, which affirmed the decision in all respects. Our client reengaged the General Partner in negotiations regarding disposition of the portfolio; the negotiations were concluded to the benefit of our client.

### LEAD PROFESSIONALS



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