

## → Municipal and Public Entity Restructuring

Sheppard Mullin is at the forefront of municipal restructurings, both in and out of court. For over 30 years our lawyers have represented major creditors and played central roles in literally every significant municipal restructuring during that time. Our partner Lawrence Larose is consistently named by Legal 500 as a “Leading Lawyer” in this practice area and in 2018 he was inducted into The Legal 500 Hall of Fame.

We are one of only a handful of firms with extensive experience in proceedings under Chapter 9 of the United States Bankruptcy Code, including the following:

- Orange County, California –served as co-counsel to the Official Pool Participants Committee and counsel to the Schools Subcommittee in this milestone Chapter 9 case. We did extensive work on issues relating to Chapter 9, tax, litigation, municipal finance, government contracts, insurance and legislation. Ultimately achieved close to a 100% recovery for our constituents on billions of dollars of claims.
- Detroit, Michigan –represented the lead creditor in this case, the largest Chapter 9 proceeding ever filed. They were instrumental in litigating first impression issues such as the priority of General Obligation Bonds and Revenue Bonds.
- Jefferson County, Alabama –represented the largest bond insurer in this case and were instrumental in crafting a first of its kind settlement and consensual plan of adjustment that was funded by the public finance market.
- Vallejo, Stockton and San Bernardino, California –represented bond insurers in each of these Chapter 9 cases and were instrumental in litigating issues of first impressions and crafting consensual plans.

In addition to our unparalleled Chapter 9 expertise, our lawyers are active in numerous matters involving the restructuring of debt issued by the Commonwealth of Puerto Rico, including:

- COFINA –represented a group of investment funds in negotiating and consummating a historic restructuring of over \$17 billion of obligations issued by this instrumentality of Puerto Rico.
- General Obligation and Other Debt –currently representing a group of investment funds in the possible restructuring of other Puerto Rico debt.
- City of San Juan –represented the capital city of Puerto Rico in successfully contesting a restructuring proposal issued by the Government Development Bank.

We also represented major creditors in the out-of-court restructuring of debt issued by Hartford, Connecticut, Atlantic City, New Jersey, Harrisburg and Scranton, Pennsylvania and Woonsocket, Rhode Island.

Our lawyers are also experts in the law and regulation affecting municipal bond insurers and bond insurance policies.

Our public finance experience exceeds 30 years and has involved more than 250 bond issues and \$10 billion of bonds, certificates of participation and debentures and over 100 default or potential default situations. With municipal bond issuers and investors increasingly concerned about credit ratings and default risk, we are also

experts in creating and analyzing structured municipal debt.

When necessary, we represent clients on bankruptcy appeals in the district courts, before the Bankruptcy Appellate Panel, the Circuit Courts of Appeal and the Supreme Court of the United States. Our proven track record and deep expertise in bankruptcy appellate matters has allowed us to offer the best possible solutions to our clients.

## Recent Articles

- "Cities In Distress: Are There True Alternatives To Ch. 9?," Expert Analysis, Law360, July 13, 2018
- "Michigan Statutory Lien Bill – A Clarification of Existing Law," The Bond Buyer, October 26, 2015
- "Learning the Lessons of Chapter 9," The Bond Buyer, September 14, 2015
- "State Bankruptcies: Cure-All or Bad Medicine for Muni Market?, Dow Jones Daily Bankruptcy Review, February 9, 2012
- "Municipal Credit Enhancement: Does It Survive Chapter 9?," New York Law Journal, February 7, 2012
- "Lessons from the Bench: Drafting Municipal Bond Documents," New York Law Journal, December 9, 2010
- "Chapter 9 - California and Federal Bankruptcy Law/Relative Bargaining Positions," June 29, 2012

## Matters

- Orange County, California –served as co-counsel to the Official Pool Participants Committee and counsel to the Schools Subcommittee in this milestone Chapter 9 case. We did extensive work on issues relating to Chapter 9, tax, litigation, municipal finance, government contracts, insurance and legislation. Ultimately achieved close to a 100% recovery for our constituents on billions of dollars of claims.
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- Our lawyers are active in numerous matters involving the restructuring of debt issued by the Commonwealth of Puerto Rico, including:
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  - General Obligation and Other Debt –currently representing a group of investment funds in the possible restructuring of other Puerto Rico debt.
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