

Stinson Achieves Substantial Creditor Recovery in Wellpath Holdings, Inc. Chapter 11 Bankruptcy Case

Press Release

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Stinson LLP successfully represented the statutory unsecured claimholders' committee in confirmation of the plan in the Chapter 11 bankruptcy case of Wellpath Holdings, Inc. and its affiliates, helping to secure what the court described as an "unprecedented" recovery for general unsecured creditors.

Stinson was retained along with Proskauer Rose LLP to represent the Committee. At the outset of the case, Wellpath proposed to pay unsecured creditors between zero and 0.8% on account of their claims, based on a prepetition restructuring agreement with its secured lenders. Wellpath proposed a Chapter 11 plan incorporating those terms; however, after extensive negotiations and motion practice by the Committee, Stinson and the Committee's other professionals obtained a global settlement that could pay general unsecured claimholders greater than 50% recoveries on account of their claims.

The substantial increase in recovery for claimholders represents a monumental improvement from Wellpath's initial offer. Commenting on the potential recoveries of over 50%, Judge Alefredo Pérez stated "we ended up from a recovery standpoint at a place where I never thought we were going to end up at the beginning of the case...that's in my mind an unprecedented result."

The Stinson team, which included a cross-disciplinary team from the firm's bankruptcy & creditors' rights, business litigation and business policyholder insurance coverage practices, was led by Partners [Nick Zluticky](#) and [Zach Hemenway](#). Other team members were Partners [Courtney Harrison](#), [Lucas Schneider](#) and [Christopher Sevedge](#) and attorneys [Ashley Crisafulli](#), [Rebecca Favre](#), [Haley Finch](#), [Rory Gallagher](#), [Edward Jeong](#), [David Lamb](#), [Luke Spurduto](#), [Miranda Swift](#), and [Paul Veazey](#).

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