

Bankruptcy Group Of The Year: Weil

By **Emily Lever**

Law360 (January 30, 2025, 4:03 PM EST) -- Bankruptcy attorneys from Weil Gotshal & Manges LLP steered hospital chain Steward Health Care's \$9 billion bankruptcy and represented Scandinavian Airlines in its restructuring of \$2 billion in debt across the U.S. and Sweden, earning a spot among the 2024 Law360 Bankruptcy Groups of the Year.

Bankruptcy is a major focus of the firm, with 140 attorneys in the practice across offices in New York, London, Paris, Houston, Hong Kong, Frankfurt and Miami.

Notwithstanding recent additions in Paris, Hong Kong, Miami and Houston, the practice maintains its two largest offices in New York and London. The firm's coordination across the latter two offices is becoming increasingly important given that "there have been and will be increasingly large numbers of cross border transactions," practice co-chair Gary Holtzer said.

Among the highest-profile matters the firm handled was the sprawling \$9 billion bankruptcy of Steward Health Care, the biggest physician-owned hospital system in the country. The legal team guided the sale of several hospitals and Steward's physician network, as well as negotiating the transfer of upwards of 15 other hospitals to new management. It also negotiated a settlement with landlord Medical Properties Trust, which will forfeit \$7.5 billion worth of claims.

Steward had an equally tough time outside the courtroom, as news reports of bat-infested ICUs and at least one patient dying for lack of medical equipment drew fire from lawmakers against both Steward and MPT and calls for tighter regulations.

A healthcare bankruptcy like Steward has higher stakes than usual, requiring particular precautions to make sure the debtor continued operating, said co-chair Matt Barr.

"I'm not minimizing representing a company that makes widgets in Kansas, but a company that operates and facilitates hospitals; people are more concerned, rightfully so, about explaining what happened and why it happened," he said.

While Steward's bankruptcy is ongoing, Weil in 2024 wrapped up the bankruptcy of Scandinavian Airlines System, which included a Chapter 11 in the U.S. and a Swedish reorganization that left the airline with \$1.2 billion in exit financing.



Restructuring Scandinavian Airlines' \$2 billion in debt was complicated by geopolitics, from Russia's war on Ukraine throwing a wrench in the airline's flights to Finland, to the company's status as the national airline of Sweden, Norway and Denmark.

"That airline is the connector between Scandinavian countries, so it became very political very quickly," Holtzer said.

In another, more contentious case involving a sovereign nation, the firm also represented the special master in charge of auctioning off the stock of Citgo parent PDV Holding, a U.S. subsidiary of Venezuela's state-owned oil company. The auction of the U.S. company is meant to pay off a \$1.2 billion claim from Crystallex International Corp. against the Venezuelan government for ousting it from a lucrative gold mining project.

"Those creditors are trying to make the asset liable for significant other debts that were never part of the CITGO structure. It's a very interesting situation," Barr said. "It's led to years and years of fighting."

Weil attorneys also kept AMC Entertainment Holdings out of bankruptcy, refinancing \$2.45 billion of debt and securing a creditor settlement. It also represented Chapter 11 debtors like cosmetics company Avon Products, bitcoin miner Core Scientific, and private helicopter operator Air Methods Corp.

Legal teams from Weil also represented an ad hoc group holding more than \$500 million worth of notes in the bankruptcy of education company 2U, and advised SoftBank Vision Fund II-2 LP in WeWork's Chapter 11 case.

--Editing by Adam LoBelia.