

Secured Creditor Litigation

The Secured Creditor Litigation Practice Group (“SCLPG”) provides our lender clients with the representation they require when their borrowers default under their secured loans. The Group’s expertise is lender representation in federal and state court actions involving, among other things, collateralized loan obligations and guaranties. Its members are knowledgeable in the nuances of state and federal court foreclosures, Uniform Commercial Code Article 9 proceedings and remedies, receiver proceedings and bankruptcy court proceedings.

The SCLPG’s clients include not only traditional banks, financial institutions and investment funds that originate loans, but entities that have purchased loan portfolios. With their experience and the Group’s depth, members of the Group are quickly able to evaluate and assume control over pending litigations when clients purchase such portfolios. When combined with the SCLPG’s knowledge of and experience before most of the judges and justices in the Greater New York/New Jersey area who adjudicate secured loan issues, its members are able to tailor litigation plans to maximize recoveries while minimizing costs. The Group has developed alternative litigation strategies to accelerate asset recovery, and enable its clients to assume control of their collateral’s income flow. With members of the Group practicing before federal and state courts in New York, New Jersey and elsewhere in the Northeast and Middle Atlantic region, the SCLPG is able to provide its clients with multijurisdictional representation. The SCLPG members’ bankruptcy court experience enables them to move effortlessly between bankruptcy and non-bankruptcy courts. As a result, the same attorneys will handle a matter as it moves into and out of bankruptcy court.

At any given time, the Group represents the nation’s leading lenders in dozens of multi-million dollar commercial foreclosure and other asset recovery actions in many state and federal courts, including bankruptcy courts.

Representative Matters

- Representation of a lending consortium in the foreclosure of a \$1 billion acquisition and contraction loan made in connection with the redevelopment of a sports and entertainment complex.
- Representation of a lender in connection with a \$400 million loan to one of the nation’s largest developers of retirement communities in its sixteen administratively consolidated Chapter 11 bankruptcy cases in the Northern District of Texas.
- Representation of various investment funds in connection with the conversion of approximately \$200 million of debt to equity to facilitate the acquisition of a bus manufacturer through a pre-negotiated Chapter 11 process in the U.S. Bankruptcy Court in Delaware.

Sills Cummis & Gross P.C.

- Representation of a lead lender in a \$100 million syndicated loan in a multi-state real estate developer's bankruptcy.
- Representation of a prepetition and DIP lender owed in excess of \$100 million in the bankruptcy of one of the nation's largest paper supply companies in a bankruptcy case pending in the Eastern District of Texas and a related case pending in the District of Delaware.
- Representation of a hedge fund in the foreclosure of a consolidated \$60 million mortgage secured by an assemblage of commercial development properties in the Hudson Yards neighborhood in Manhattan.
- Representation of a major national bank in a multi-state residential real estate project to recover a \$200 million loan, pending in Bankruptcy Court in the District of New Jersey.
- Representation of a life insurance company in the foreclosure of an acquisition, building and project loan in excess of \$95 million secured by a development property (a former hospital) in the Hell's Kitchen neighborhood in Manhattan, and obtained a judgment of foreclosure and sale.
- Representation of agent of participated \$62 million dollar acquisition and construction loan in restructuring and foreclosure of the largest office tower in New Jersey.
- Representation of the first priority lender in the foreclosure of a senior living complex with respect to a first priority \$35 million loan.
- Representation of a large financial institution as a secured creditor of a \$25 million loan in the administratively consolidated Chapter 11 cases of a large residential real estate developer and its affiliates pending in the United States Bankruptcy Court for the District of New Jersey.
- Representation of a financial institution in connection with a negotiated restructuring of \$53 million of credit components, real estate loans and tax-exempt bonds issued by an affiliated group of nursing homes, assisted living and skilled nursing facilities in New York State. The representation required expertise in New York State foreclosure law, health law, tax-exempt financing and governmental issues.
- Successfully defended a major national bank in a lengthy jury trial against allegations of a \$250 million lender liability claim.