

Arnold Bloch Leibler

Lawyers and Advisers

Reconstruction & insolvency



- administrations, receiverships and liquidations
- informal workouts and asset realisations
- litigation and dispute resolution
- moratoria and debt restructuring
- debt trading
- security review and enforcement
- corporate reorganisation and reconstructions
- corporate governance and directors duties
- representing directors and boards in regulatory actions
- regulatory compliance, including *Competition and Consumer Act* and *Corporations Act*
- acquisition and sale of distressed assets
- asset protection



Arnold Bloch Leibler's reputation for providing commercially focused advice and courageously thinking beyond conventional boundaries are the key reasons we are considered a 'go to' firm in the area of reconstruction and insolvency.

Our lawyers are fearless in ensuring they produce the best outcomes for our clients—they think strategically, act quickly and build strong relationships with stakeholders.

Arnold Bloch Leibler has advised on some of Australia's largest and most complex insolvencies that have been instrumental in bringing about changes in insolvency law. In the course of these matters, our lawyers look beyond and question the conventional approach when formulating appropriate and innovative commercial solutions to each insolvency situation.

We are at the cutting edge of insolvency law and Arnold Bloch Leibler has been associated with a number of 'firsts' that have streamlined insolvency practice in Australia. These firsts include: clarifying the role of the court in administration matters, using mediation as a means of dealing with suppliers' retention of title claims in an administration; the equitable categorisation and differentiation of retail leases; gaining approval of a disentanglement agreement in circumstances where claims had not been fully analysed; developing a regime for the payment of administration fees; and arranging the first court-sanctioned webcast of a creditors' meeting.

Our services

Arnold Bloch Leibler's reconstruction & insolvency practice draws on a wide range of experience from relevant disciplines—including dispute resolution, banking and finance, tax, property, employment and commercial law—to deliver smart and commercial solutions.

Additionally, the firm has an unrivalled reputation in representing boards and directors in regulatory actions and defending allegations of white-collar criminal activity, and the firm's competition lawyers play an important role in the divestment of businesses.

Our advice often has a global scope, involving the resolution of complicated cross-border issues.

In particular, the firm provides the following services:

- early and proactive diagnosis of legal issues that may impact on solvency;
- developing workable and commercially realistic solutions to restructure the business with boards, bankers or advisers;
- preparing deeds of company arrangement, schemes of arrangement and informal realisation arrangements;
- restructuring and workout of debts;
- performing detailed security and due diligence reviews to secure and protect assets, including real assets and employee entitlements;
- representing secured and unsecured creditors in enforcement and recovery of antecedent transactions;
- acting for insolvency appointees: administrators, receivers and liquidators; and
- representing directors and boards in actions and investigations by regulators.

Our commercial approach to administration procedures and moratoria, and debt refinancing, maximises the opportunity for the company to remain in existence and thereby increases returns for creditors and shareholders.

We have acted in the voluntary administration of public and private company groups, including: national retailers; telecommunications service providers; minerals, oil and gas explorers; large-scale health care providers; and clothing and textile manufacturers.

Arnold Bloch Leibler acts for secured and unsecured creditors of companies to maximise their return when faced with the insolvency of their clients. We assist borrowers negotiate solutions with their creditors in a cost-effective and timely manner, and regularly act in relation to the acquisition of distressed assets from receivers. We also proactively advise public and private companies on corporate governance, *Corporations Act* and *Competition and Consumer Act* issues to avoid the risks associated with potential insolvency.

Arnold Bloch Leibler is actively involved in public policy advocacy and law reform in the area of reconstruction and insolvency.



Inside spread (l-r)
 Ross Paterson, *Partner*
 Philip Chester, *Partner*
 Michael Dodge, *Partner*
 Paul Rubenstein, *Partner*
 Zaven Mardirossian, *Partner*
 John Mitchell, *Partner*
 Jonathan Milner, *Partner*

Front cover (l-r)
 Leon Zwier, *Partner*
 Jane Sheridan, *Partner*

Landmark matters

Over the years, we have been involved in many significant reconstruction and insolvency matters, including:

- Timbercorp: acting in relation to the effect of the Timbercorp group's insolvency on the managed investment schemes operated by Timbercorp. This highly complex matter involves 35 managed investment schemes, with over 18,000 investors who have invested approximately \$2 billion into the schemes;
- Centro: acting as the Australian agents for the US law firm, Bracewell Giuliani, on behalf of unsecured noteholders in Centro, the retail shopping centre investment organisation, in relation to the corporate workout of the company's financing difficulties;
- Elders: in conjunction with Bracewell & Giuliani on behalf of private placement note holders in Elders in relation to the restructuring of the notes and other debt, which was facilitated by a capital raising and sale of assets;
- One.Tel: acting on behalf of Telstra in relation to the appointment and role of the special purpose liquidator;
- Ansett Airlines: acting as the expert insolvency advisers to assist the administrators of Ansett Airlines in the largest administration in Australia to date. Since the airline's collapse in 2001, we have advised on a wide range of issues, including:
 - obtaining a \$150 million payout from Ansett's parent company, Air New Zealand. This is the largest recovery in Australian corporate insolvency law to date;
 - negotiating with unions to 're-start' the airline and agree to new enterprise agreement arrangements;
 - advising on a dispute with IATA in respect of contractual set-off arrangements that purport to defeat the mandated priority regime set out in Ansett's Deeds of Company Arrangement; and
 - reviewing complex claims arising out of the retrenchment of approximately 12,000 Ansett and regional airline employees;
- Sons of Gwalia: initially advising a group of US-based institutional investors who purchased notes from Sons of Gwalia. The note holders are creditors in the administration of Sons of Gwalia for approximately US\$170 million. Subsequently, we acted as advisers to the Committee of Creditors;
- Investec: in relation to an appeal to a Supreme Court decision regarding the scope of the obligations of the receivers of Glodale, appointed by Investec, regarding the sale of the mortgaged property;
- BOS International (Australia): in relation to the receivership of Record Realty, an ASX-listed property fund to which BOS is the principal lender. This has also involved receivers being appointed to subsidiaries of Record Realty;
- Babcock & Brown: acting on behalf of ANZ Banking Group in relation to its exposure to the Babcock & Brown group;
- ANZ: acting on behalf of ANZ Banking Group and the appointed receivers for Feltex Carpets in relation to the insolvency of Feltex, and in the subsequent sale of Feltex to Godfrey Hirst for \$122 million;
- Newmont Mining: acting in the reconstruction and workout of debts of Newmont's Australian-based subsidiary, Newmont Yandal Mining. The reconstruction involved the foreign parent buying back hedging contracts and senior notes, effectively acquiring approximately \$650 million of the subsidiary's liabilities. This process set a new standard in Australian reconstruction practice; and
- Epic Energy Group: acting in the voluntary administration of four companies within the group, we obtained Federal Court orders to facilitate the conduct of the administrations and, ultimately, the sale process by the group's receivers and managers.



Contacts

If you would like assistance with any reconstruction or insolvency related issues, please contact head of practice in Melbourne, Leon Zwier, on 61 3 9229 9646 or lzwier@abl.com.au. In Sydney, contact Paul Rubenstein on 61 2 9226 7222 or prubenstein@abl.com.au.

Practice areas

Arnold Bloch Leibler offers a range of commercial and corporate advice, including:

- abl private;
- banking & finance;
- commercial & corporate;
- competition;
- litigation & dispute resolution;
- native title & public interest law;
- property & development;
- public companies;
- reconstruction & insolvency;
- taxation;
- technology & intellectual property; and
- workplace advisory.

At Arnold Bloch Leibler, clients are regularly updated on current topics of legal and business interest. For copies of recent publications, or for further information about the firm, please visit the Arnold Bloch Leibler web site at www.abl.com.au.

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