Honigman’s Bankruptcy, Reorganization, and Creditor Rights practice group uses a combination of practical advice and sophisticated solutions to deftly navigate clients through the multifaceted, crisis-driven issues that confront troubled companies, their customers, and key constituents. We have earned a distinguished reputation for innovative and strategic thinking, business acumen, and judgment. Among other recognition, two of our bankruptcy attorneys are ranked among the top 10 in the state of Michigan by Chambers USA: America’s Leading Lawyers for Business 2017.

Our Bankruptcy, Reorganization, and Creditor Rights practice offers nationally recognized experience in commercial, troubled-supplier, bankruptcy, insolvency, and secured lending matters. We have extensive experience in sophisticated restructuring transactions, including debtor-in-possession financings, exit financings, bankruptcy sales, and plans of reorganization.

Since we focus on complex commercial and bankruptcy litigation, we regularly appear in bankruptcy courts throughout the Midwest, as well as in New York, Delaware, and other key jurisdictions. Our practice has experience in the pursuit and the defense of the full array of bankruptcy and commercial litigation matters, including contested reorganizations and asset sales; automatic stay litigation; cash collateral disputes; executor contract and lease disputes; claims litigation; time-sensitive supply chain disputes, including claim-and-delivery actions, temporary restraining orders, and preliminary injunction proceedings; pricing; raw material and breach of contract litigation; tooling lien disputes; representation of lenders and other secured creditors in collection matters and other litigation with distressed or insolvent entities; and preference and fraudulent transfer actions. We often organize and lead large national groups of preference defendants in bankruptcy matters located in Delaware, Michigan, and New York.

Honigman represents the world’s largest public corporations as well as smaller family-owned enterprises, commercial lenders, and individuals in complex commercial and bankruptcy matters, including workouts and restructurings, supply chain management, and asset acquisitions and divestitures.

Our firm has a long history of representing creditors’ committees. We were a pioneer in bankruptcies involving mass-tort litigation when we represented the Asbestos Health Claimants’ Committee in the Celotex Corporation’s Chapter 11 bankruptcy. Our development of the mechanisms used to settle complex mass-tort matters led to our appointment as co-counsel to the creditors’ committee in the Dow Corning bankruptcy matter, one of the largest mass-tort cases in history. We have also served as creditors’ committee counsel and subsequent Chapter 7 trustee in the DeLorean Motor Company’s bankruptcy, where we aggressively prosecuted hundreds of adversary proceedings that included claims arising under the Racketeer Influenced and Corrupt Organizations (RICO) Act; claims alleging officer and director misconduct; and preference and fraudulent transfer claims, warranty claims, and collection claims.
We provide the experience, skill, and aggressiveness needed to maximize recoveries to unsecured creditors in bankruptcy matters. Through exacting preparation, sophisticated negotiation, and aggressive litigation, we drive value for creditors.

In the real estate arena, we work closely with landlords, property managers, tenants, and secured creditors to maximize the value of claims and interests in bankruptcy proceedings. Our practice group has extensive experience advising commercial property owners, shopping center owners, and property managers regarding tenant bankruptcies, including obtaining payment of rent, eviction of debtor tenants, negotiation of lease rejection and assumption agreements, enforcement of restrictive-use covenants, recovery of security deposits, and preparing complex lease-rejection damage claims. We also represent tenants with respect to their rights upon the bankruptcy of their landlord, including the retention of possession of the leased premises despite a landlord's bankruptcy.

Honigman advises secured lenders, developers, and borrowers in bankruptcy reorganization plans generally, as well as with property valuation in “debt-for-dirt” plans. We also represented real estate developers in workouts and single-asset bankruptcy matters, where appropriate.

Representative Matters

- Served as co-counsel to General Motors Corporation in its historic Chapter 11 case and then subsequently as counsel to General Motors LLC (new GM) in matters related to Motors Liquidation Corporation (old GM)
- Served as special counsel to Greektown Holdings LLC (including Greektown Casino) in its Chapter 11 reorganization
- Counseled Awrey Bakeries, Inc.; Jacobson’s Stores, Inc.; John Richards Homes Building Co.; Thorn Apple Valley, Inc.; and A.C. Express in their Chapter 11 bankruptcies
- Represented significant customer and creditor interests in the Chapter 11 cases of Chrysler LLC; Delphi Corporation; Collins & Aikman Corporation; the Dana Corporation; Dura Automotive Systems; Metaldyne Corporation; Tower Automotive; Visteon Corporation; Intermet Corporation; and Lear Corporation
- Served as counsel to the bankruptcy trustees in the Mego Financial Corporation and DeLorean Motor Company matters
- Acted as lead bankruptcy counsel in the matter of Capitol Bancorp Ltd., a bank holding company with a network of banks and bank operations in 10 states and total consolidated assets of approximately $2.0 billion, in its Chapter 11 pre-packaged plan of reorganization
- Represented a directors and officers insurer in bringing an interpleader in a bankruptcy case to determine whether the liquidating trustee or the former officers and directors were entitled to the policy; all of the client's legal fees were reimbursed to it out of the policy proceeds
- Counseled a company whose bank stopped funding and returned payroll in emergency Chapter 11 case, which confirmed a plan in less than six months, selling business as a going concern with payment in full to bank and distribution of approximately 75 cents on the dollar to unsecured creditors
- Represented a manufacturer with $500 million a year in sales as debtor-in-possession
Bankruptcy, Reorganization, and Creditor Rights (Cont)

- Obtained repayment in full of over $100 million in prepetition indebtedness within a year of the commencement of one of the largest bankruptcy cases filed in the U.S. in 1994
- Recovered over $15 million from insiders and former professionals of the corporation for the Chapter 7 trustee of a corporate debtor in litigation
- Represented a directors and officers insurer in bringing an interpleader in a bankruptcy case to determine whether the liquidating trustee or the former officers and directors were entitled to the policy
- Developed the strategy for a Chapter 7 trustee to obtain a consent judgment for $1 million against an insolvent former director and then sued a major international insurance company to collect the judgment; settled case for $750,000
- Sued a former director, who was filing for personal bankruptcy and was also the insurance agent for the company, for wrongfully canceling the company's excess directors and officers insurance policy without proper corporate authority; obtained a $2 million judgment against him and collected $1.2 million from his errors and omissions insurance policy
- Obtained relief from the stay in bankruptcy cases numerous times so claims against a debtor in bankruptcy could be made against the debtor's insurance
- Prosecuted fraudulent conveyance cases where life insurance in which the debtor had an interest was transferred to the insured, obtaining recoveries from both the insurance companies and the insured
- Acted as lead counsel to the Official Committee of Unsecured Creditors; In re Sturgis Iron & Metal Co., Inc., Case No. 08-02966, W.D. of Michigan
- Counselled the official committee of unsecured creditors and successfully obtained confirmation of a joint liquidation plan of reorganization; In re Edscha North America, Case No. 09-39055, N.D of Illinois
- Acted as lead counsel to the official committee of unsecured creditors; successfully avoided secured creditor's liens on substantially all assets; defeated a plan of reorganization proposed by insider; and accomplished a sale of the business at a substantially higher value to the proposed plan; In re Whyco Finishing Technology, Inc., Case No. 08-69940, E.D. of Michigan
- Represented debtors in connection with negotiating a pre-petition Plan Support Agreement and initiating a Chapter 11 proceeding, acted as lead counsel to debtors, conducted a contested evidentiary hearing to obtain approval of a Management Incentive Plan, and conducted a multi-day contested hearing to obtain plan confirmation; In re Energy Conversion Devices, Inc., et al., Case. No. 12-43166, E.D of Michigan (the world's largest manufacturer of flexible solar laminates)
- Acted as lead counsel to major customer; In re Blue Water Automotive Systems, Inc., et al., Case No. 08-43196