

Bankruptcy & Distressed Litigation

Polsinelli's Bankruptcy & Distressed Litigation attorneys understand there are times when vigorous litigation is the only way to protect a client's interest and times when negotiation is more prudent. Our team represents every clients' interest, from adversary proceedings to mediations or negotiations to pending litigation so the client can focus on their business.

We also assist with internal investigations and independent directors and special committees. We provide clients with a thoughtful evaluation of potential claims and causes of action that may exist in a distressed situation or develop a plan to defend such claims. Our team of professionals encompasses attorneys from numerous different skill sets who work collaboratively to provide our clients with a practical and realistic bankruptcy or distressed litigation plan. We utilize other practices in the firm to provide the client with the most focused and cost-effective litigation strategy possible.

Our attorneys have represented clients in all aspects of bankruptcy litigation, including:

- Director and Officer Liability Claims
- Breach of Fiduciary Duty/Aiding and Abetting Breach of Fiduciary Duty
- Internal Investigations, Independent Directors, and Special Committees
- Business Divorce
- Fraudulent Transfers and Preferential Transfers
- Piercing the Corporate Veil
- Corporate Negligence and Malfeasance
- Ponzi Schemes, Fraud and Misrepresentation
- Equitable Subordination & Recharacterization
- Claims Objections & Contested Matters
- Valuation Trials and Confirmation
- Dismissals and Conversions
- Trustee and Examiner Litigation

Matters

- Lead counsel to Creditors' Committee in Chapter 11 bankruptcy case of Connections Community Support Programs, Inc.

- *Lucky's Market Parent Company, LLC* – Serve as lead counsel to Debtors in their Chapter 11 Cases, which included an extensive internal investigation of potential claims and causes of action, as well as litigation with landlords and vendors over administrative claims and assignability issues.
- *Hoag Urgent Care Jointly Administered Debtors* – Serve as lead counsel successfully defending against fraudulent conveyance, joint venture, breach of fiduciary duty, and third-party beneficiary claims against the Master Lessor and Licensor of Debtors and Affiliates as well as pursuing counterclaims for breach of subleases and guaranties and obtaining judgments against Debtors' Owners and Affiliates. This representation involves numerous appeals in the Bankruptcy Appellate Panel, United States District Court and the United States Court of Appeals for the Ninth Circuit, all resulting in judgments in the clients' favor.
- *JMO Wind Down, Inc. (f/k/a Jumio, Inc.) Liquidating Trust* – Serve as lead counsel to Liquidating Trust in asserting breach of fiduciary duty and aiding and abetting breach of fiduciary duty claims against the former officers and directors of the company, a start-up online identification verification company with high-profile, high-net-worth investors.
- *Sportco Holdings, LLC* – Served as lead litigation counsel to Chapter 11 Debtors in a contested confirmation process where substantively consolidation and 1129 factors were heavily litigated and tried. After a successful confirmation trial, a trust was established to pursue claims against the former equity owners of the company.
- *Simplicity* – Represented the Creditors' Committee and then the Chapter 7 Trustee in asserting several causes of action, including breach of contract, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, fraudulent transfer, and preference.
- *Ultimate Escapes* – Represented the Committee, and then the Plan Administrator, in asserting breach of fiduciary duty and aiding and abetting breach of fiduciary claims against the former insider officers and directors of the company was a vacation club. The firm also prosecuted preference actions on behalf of the Trust.
- *Energy Future Holding Corp. et al.* – Represent the Committee as regulatory, conflicts, and Delaware bankruptcy counsel in one of the largest Chapter 11 bankruptcy cases ever filed. This representation includes complex and contested issues regarding the investigation into the extent, validity, and perfection of approximately \$47 billion in debt, fraudulent transfer issues related to the largest LBO in history, and valuation issues that were case determinative.
- *Saab* – Served as counsel to the Saab Dealer Network in involuntary Chapter 11 bankruptcy against Saab Cars North America, then counseled Creditors' Committee and, post-confirmation, the Liquidating Trustee. Polsinelli engaged in claims administration litigation resulting in a very favorable return for unsecured creditors, including claims for breach of fiduciary duty against the former officers and directors.
- *Indianapolis Downs* – Served as special litigation counsel to the Chapter 11 Debtors, which included vigorously defending allegations of trademark infringement that would have resulted in a \$30 million administrative claim. Polsinelli also represented the Debtors on appeal of the settlement order and was involved in investigating potential insider cause of action.
- *Residential Capital, LLC* – Successfully represented the lead plaintiffs of a class action of over 44,000 members in Residential Capital, LLC's Chapter 11 bankruptcy proceeding. The lead plaintiff also sat on the official Committee of unsecured creditors of Residential Capital, LLC, and the Trust established to satisfy class claims.
- *Open Range Communications* – Successfully represented the Committee, and then the Chapter 7 Trustee, in asserting several causes of action, including lender liability, failure to fund, equitable subordination, recharacterization, breach of fiduciary duty, and aiding and abetting breach of fiduciary duty, breach of contract, fraudulent transfer, and preference.
- *Crossroads Wireless* – Represented the Committee, and then the Liquidating Trustee, in prosecuting numerous causes of action, including piercing the corporate veil, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, fraudulent transfer, misrepresentation, and preference. Obtained a significant distribution to creditors.
- *Interstate Bakeries/IBC* – Represented the Committee and then the Trust in prosecuting numerous causes of action for preferential transfers, fraudulent transfers, and breach of fiduciary duty against directors and officers of the company, which was previously known as Hostess. This litigation resulted in a meaningful recovery for the Trust.

Publications

March 3, 2026

4th Quarter 2025 Chapter 11, Healthcare and Real Estate Distress Indices

November 11, 2025

3rd Quarter 2025 Chapter 11, Healthcare and Real Estate Distress Indices

August 1, 2025

2nd Quarter 2025 Chapter 11, Healthcare and Real Estate Distress Indices

April 29, 2025

1st Quarter 2025 Chapter 11, Healthcare and Real Estate Distress Indices

February 2025

4th Quarter 2024 Chapter 11, Healthcare and Real Estate Distress Indices

December 16, 2024

Getting Past the Sugar High

Quoted, McKnights

December 12, 2024

Long-term Care Leads Healthcare in Number of Distressed Properties

Quoted, McKnights Senior Living

November 12, 2024

3rd Quarter 2024 Chapter 11, Healthcare and Real Estate Distress Indices

August 15, 2024

Senior care leads in healthcare bankruptcies

Quoted, McKnights Senior Living

August 14, 2024

Senior living and care leads record-breaking distress in healthcare sector bankruptcy filings

Quoted, McKnights Senior Living

July 30, 2024

2nd Quarter 2024 Chapter 11, Health Care and Real Estate Distress Indices

May 30, 2024

Labor costs, federal scrutiny create distress in senior living and care

Quoted, McKnights Senior Living

May 18, 2024

Healthcare sees highest Chapter 11 bankruptcy filings in 15 years: report

Quoted, McKnights Senior Living

April 2024

1st Quarter 2024 Chapter 11, Healthcare and Real Estate Distress Indices

February 1, 2024

4th Quarter 2023 Chapter 11, Healthcare and Real Estate Distress Indices

November 27, 2023

Office Landlords Increasing Pace Of Handing Properties Back To Lenders

Quoted, BisNow

November 26, 2023

More Office Building Landlords Are Giving Properties Back to Lenders

Quoted, CoStar News

November 16, 2023

Bankruptcy filings trend up, with long-term care still showing 'substantial distress'

Quoted, McKnights Senior Living

November 2023

3rd Quarter 2023 Chapter 11, Healthcare and Real Estate Distress Indices

July 2023

2nd Quarter 2023 Chapter 11, Healthcare and Real Estate Distress Indices

April 2023

1st Quarter 2023 Chapter 11, Healthcare and Real Estate Distress Indices

January 2023

4th Quarter 2022 Chapter 11, Healthcare and Real Estate Distress Indices

November 2022

3rd Quarter 2022 Chapter 11, Healthcare and Real Estate Distress Indices

July 2022

2nd Quarter 2022 Chapter 11, Healthcare and Real Estate Distress Indices

October 2021

3rd Quarter 2021 Chapter 11, Healthcare and Real Estate Distress Indices

August 2021

2nd Quarter 2021 Chapter 11, Healthcare and Real Estate Distress Indices

April 1, 2021

1st Quarter 2021 Chapter 11, Healthcare and Real Estate Distress Indices

February 2021

4th Quarter 2020 Chapter 11, Healthcare and Real Estate Distress Indices

November 2020

3rd Quarter 2020 Chapter 11, Healthcare and Real Estate Distress Indices

August 2020

2nd Quarter 2020 Chapter 11, Healthcare and Real Estate Distress Indices

April 1, 2020

1st Quarter 2020 Chapter 11, Healthcare and Real Estate Distress Indices

January 2020

4th Quarter 2019 Chapter 11, Healthcare and Real Estate Distress Indices

November 2019

3rd Quarter 2019 Chapter 11, Healthcare and Real Estate Distress Indices

May 2019

1st Quarter 2019 Chapter 11, Healthcare and Real Estate Distress Indices

March 2019

4th Quarter 2018 Chapter 11, Healthcare and Real Estate Distress Indices

April 3, 2018

Shareholder Todd H. Bartels Co-Authors Quick Evidence Handbook for the American Bankruptcy Institute

April 2018

1st Quarter 2018 Chapter 11, Healthcare and Real Estate Distress Indices

November 2014

3rd Quarter 2014 Chapter 11, Healthcare and Real Estate Distress Indices

September 8, 2014

Part Three: Catching Judge Sontchi's "Flurry of Opinions"

September 4, 2014

Part Two: Catching Judge Sontchi's "Flurry of Opinions"

September 2, 2014

Part One: Catching Judge Sontchi's "Flurry of Opinions"

July 14, 2014

Supreme Court Closes Gap on Stern Claims

June 12, 2014

Anna Nicole Smith Revisited: Supreme Court Closes Gap on "Stern Claims"; Declines to Clarify Jurisdiction for Certain Bankruptcy Litigation Claims