

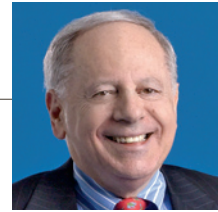
# THE AMERICAN LAWYER

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## TOP TRANSACTIONS LAWYERS 2010

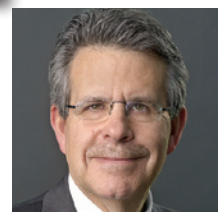


As 2008's nightmare became 2009's bleak new reality, lawyers navigated frozen credit markets and made plenty of trips to bankruptcy court.

## DEALMAKERS OF THE YEAR

*Call it the year of living governmentally.* As was the case a year ago, our latest Dealmakers of the Year mostly worked with failing companies in sectors kept alive by federal IV drips. First among them is the auto industry. The Delphi bankruptcy is the subject of our cover story; elsewhere we discuss General Motors, Ford, Chrysler, and the Obama administration's auto task force. The financial services industry is represented too, in the form of fallout from the commercial real estate and securitization bubbles and wreckage from the credit default swap debacle. Section 363 has a starring role, as do debtor-in-possession bankruptcy arrangements and assertive creditors committees.

This was often grim work: liquidating assets, eliminating product lines, and renegotiating union benefit packages, under the gaze of an impatient nation. But it was also crucial work: As the economy careened toward a crash landing, our dealmakers tried to soften the blow.



*Photographs By  
Paul Godwin*

A smelting company's four-year odyssey through Chapter 11 had more twists than the Rio Grande.

## A TEXAS-SIZE BATTLE

By D.M. Levine

*Expectations were low* in October 2008, when Robert Moore first started representing Grupo Mexico in the bankruptcy of its Asarco LLC smelting and refining subsidiary. Buckling under the weight of an \$8 billion fraud judgment, \$6.5 billion in environmental claims (mostly related to waste dumping), and \$2.65 billion in asbestos claims, Asarco had already been languishing in Chapter 11 for three years in two Texas venues.

Asarco did have a reorganization plan, but it faced big hurdles: a competing proposal, opposition from 16 states and the U.S. Department of Justice, and a hostile bidder that wanted to buy Asarco out of bankruptcy. "Even the client was pessimistic," says Moore, a partner at Milbank, Tweed, Hadley & McCloy. "The dynamic was such that everyone was expecting that we would lose."

The competing proposal came from Asarco's independent board of directors, represented by Chadbourne & Parke and Porter & Hedges. The board's plan would have removed Asarco from Grupo Mexico's control and sold it to Sterlite Industries (India) Ltd. Another wrinkle came from the United Steelworkers union, represented by Cohen Weiss and Simon. A clause in the union's contract stipulated that Grupo Mexico could not sell Asarco without signing a new collective bargaining agreement.

Moore convinced courts in Brownsville and Corpus Christi to reject the union's claim and accept Grupo Mexico's plan, which left Asarco under the parent company's control. The reorganization pays \$3.9 billion to creditors

and settles the remaining environmental and asbestos claims. "I've been through a lot of really big cases," says Moore. "But I've never been in anything that was this—just messy." Everything's bigger in Texas.

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### DEAL IN BRIEF

*Asarco LLC*

ASSETS	\$1.1 billion
FILED	August 2005 ( <i>emerged December 2009</i> )
MILBANK'S ROLE	Debtor's counsel
CREDITORS' COUNSEL	Fulbright & Jaworski; Reed Smith; Stutzman, Bromberg



# Milbank

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