



LAW360

2018 Rising Star Chad Husnick

Kirkland & Ellis LLP's Chad J. Husnick has worked on a slew of huge bankruptcy cases on behalf of big-name companies over his career, including his current role guiding Energy Future Holdings Corp. through massive Chapter 11 proceedings, earning him a spot as one of five bankruptcy law practitioners under age 40 honored by *Law360* as Rising Stars.

What hooked him on bankruptcy work:

Husnick realized early that one thing restructuring offers, which few other practice areas do, is the ability to do both litigation and corporate or transactional work.

"Coming out of law school, one of my strong points was legal writing and that kind of stuff, and so I didn't want to just throw that away," he said. "But at the same time, I always fancied myself as being a corporate attorney. In restructuring, you got to do both."

What motivates him:

Husnick loves delivering value for all stakeholders. When he gets retained by a company facing financial distress, he's learned that there's often some nugget within the company that has value that should be preserved.

"It goes all the way back to the railroad cases," he said, referring

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to the historic railroad bankruptcies that played a role in shaping modern bankruptcy law. "If you have the railroad together, the value of the railroad is certainly worth more than the rails and ties separate, if you liquidate it. So our goal in restructuring is recognizing that the sum of the parts is less than the value of the whole, so we need to preserve the company."

His biggest cases thus far:

From the moment the private equity-owned Energy Future Holdings Corp. announced that it had retained Kirkland for its landmark bankruptcy filing, Husnick was one

of the partners in the mix. The case is ongoing, and Husnick said it continues to be extraordinarily challenging, given not just the \$43 billion size of the debt in the matter but also the complexity of the capital structure.

To make things more complicated, there was a very large tax issue that would have — had the companies been separated in a tax-inefficient manner — triggered a \$6.5 billion cash tax obligation, and there were conflicting needs among the parties.

"A lot of creditors were asserting conflicts and they were pointing fingers at everybody saying,

‘Well the debtor is conflicted,’” he said.

A breakthrough came when he put in place a governance structure.

“By emphasizing and putting in place a protocol where certain conflicts matters were dealt with by the disinterested directors, we were able to create enough momentum because we were able to get the conflicts matter advisers and the disinterested directors themselves — they negotiated resolution of some of the issues that the creditors themselves couldn’t solve,” he said. “That created the momentum.”

Another of Husnick’s most notable tasks has been his current role guiding Toys R Us in its pending high-profile Chapter 11 cases, but with some of the major actions still before the court, he was unable to comment on the matters.

His proudest moment as an attorney:

With all of the different parties in the EFH case pulling in different directions, a big moment came

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for Husnick when he put forward a plan that was not so complex that it hamstrung the stakeholders.

“Truly, what is the proudest moment: It was standing up in front of the judge and being able to deliver a set of plans and a path forward in that case that didn’t trigger the tax but yet was supported by many of the stakeholders,” he said. “I don’t think we succeeded in getting them all on sides but we got most of them there.”

What he likes about working at Kirkland:

Bankruptcy work requires a grasp of a wide variety of skills: the intricacies of the law, the dollars and cents, and an ability to hammer out a deal.

“A lot of this is deal dynamics and the right time to put the right people in the room and get them to engage,

and I think one of the things that our firm, Kirkland, writ large, does best is drive the process forward and know when to call that question,” Husnick said. “And so you can’t always get to a deal but you can almost always get to a deal.”



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