

# Chicago Daily Law Bulletin®

VOLUME 165, NO. 112

LAW BULLETIN MEDIA.

## Teamwork, coordination keys to bankruptcies, attorney says

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Chad J. Husnick wanted to be a doctor when he was a little kid. But having built a legal practice centered around corporate restructuring, Husnick views his job as helping “sick companies.”

The 39-year-old Kirkland & Ellis LLP partner can often be found working with his clients who are undergoing some of the largest bankruptcy proceedings in the United States, where the amount of money at stake easily reaches into the billions of dollars.

His clients have included Energy Future Holdings, a Dallas-based energy utility, C&J Energy Services, a Houston-based oil field and well equipment manufacturer, and retailer Toys R Us.

Additionally, Husnick is a lecturer at his alma mater, the University of Chicago Law School, and serves on the founders committee for the University of Chicago Center for Law and Finance.

In a written Q&A with the Daily Law Bulletin, Husnick explained some of the trends he has seen in his practice and shared his thoughts about the habits of his family's newest puppy.

*The following interview has been edited for length and clarity.*

**CDLB:** Bankruptcy proceedings, such as the restructuring of Energy Future Holdings, can involve a large number of



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groups and an even larger amount of paperwork. How do you manage all of that?

**Husnick:** The key to managing a large Chapter 11 case is teamwork and coordination. Clients are often overwhelmed with the volume of work associated with a complex restructuring whether in or out of court, so it is critically important that the various teams at Kirkland (and other professional advisers) are 100% coordinated and moving in the same direction. That can require hundreds of conference calls and thousands of emails but that is how we get stuff done.

**CDLB:** Is it difficult balancing between creditors who might have conflicting ideas as to how much money they think they're owed?

**Husnick:** That's the best part of what I do as a restructuring lawyer — bridging the gap between stakeholders with competing interests. My approach is to identify common interests among stakeholders and use those common interests to drive to a deal. Litigation is a last resort, but sometimes it is necessary to pressure up a situation and reach a deal.

**CDLB:** What role do private equity firms play in these proceedings? There's been a lot of

reporting done about how retailers like Toys R Us being saddled with debt by their private equity owners led to them filing bankruptcy.

**Husnick:** In my experience, private equity funds generally are responsible corporate stewards in distressed situations. As for how the company got into a distressed situation in the first place, I believe the role of private equity funds in causing the distress has been massively overblown.

For every failure, there are many more success stories. Blaming the recent rash of brick-and-mortar retail bankruptcies on private equity is overly simplistic when we are witnessing a historic shift in the retail landscape.

**CDLB:** What kind of trends are you noticing in your field?

**Husnick:** The restructuring world is becoming more and more litigious. Claims and debt trading create different expectations and money-making opportunities. The funds that invest in distressed assets have more risk tolerance by nature and are willing to take litigation risk to protect their interests, especially if there is a perception that making a deal in one matter can prejudice the fund's position in the next situation.

**CDLB:** What are your long-term goals for your legal career?

**Husnick:** I wanted to be a doctor growing up — that didn't quite work out, but I chose the closest practice area in the



Chad J. Husnick

law — fixing sick companies. Every day offers a new opportunity to make a difference for a company and its employees, customers and stakeholders. I want to continue doing what I do for a long, long time.

**CDLB:** What is the first app you use on your smartphone when you wake up in the morning?

**Husnick:** Email then Facebook. Sometimes in the reverse, but always those two apps.

**CDLB:** I understand that, in addition to having a wife and two kids, you also have several animals. What kind of animals do you have and which one do you think is the laziest?

**Husnick:** We currently have three dogs (a Bernese mountain dog and two Cavalier King Charles spaniels), one cat, two large birds, a 450-gallon coral and salt water fish tank, a 100-gallon fresh water fish tank, and a large, year-round koi pond. The laziest animal is by far our newest puppy — Maple Nut.