RESTRUCTURING JEDI

What does an elite restructuring practice do when the economy improves? On Tuesday we asked Kirkland & Ellis young gun Jon Henes (41), finally up for a breather after spending the last two years bringing seven companies out of Chapter 11, including Citadel Broadcasting, Ion Media Networks, and Masonite Corporation, and guiding three others through out-of-court restructurings. Jon says the firm consistently takes a long term view. Having wisely retained all its private equity talent during the downturn and investing in a star public M&A team (remember Daniel Wolf?), he says it’s now perfectly situated for the recovery. Jon joined Kirkland’s restructuring group in ’01, after four years at Weil Gotshal, working closing with bankruptcy legend Harvey Miller. With the dotcom bust, and a pregnant wife by his side, he was recruited by Jamie Sprayregen to join four restructuring attorneys in NYC (to compliment a team of 30 in Chicago). Ten years later, they’re 40 strong in NYC, 100 firm wide, and widely regarded as the top restructuring practice on the planet.

With the Chrysler Building behind, we snapped Jon with his Tronox snow globe deal toy. Tronox is the third-largest producer of titanium dioxide, a pigment used to whiten paints, paper, and, probably even those suspended flakes (that’s why they look so much cleaner than the melting snow piles in front of your office). Jon’s been repping Tronox in Chapter 11 for the last two years and helped structure the deal to raise $270M used to settle environmental claims held by the federal government, 19 states, and the Navajo Nation. He hopes to bring the company out of Chapter 11 this month, saving about 1k jobs. He says the last three years have been filled with extremes in the credit markets. Today, capital markets are so liquid, they make the ocean look dry (they also make it easier for companies to raise capital and avoid bankruptcy). But state insolvencies, driven by unfunded pension and healthcare liabilities, continue to be a problem. If the subject interests you, check out an article. Jon wrote on the subject published yesterday on the CNBC guest blog.
Jon was last year’s honorary chair of the Michael Lynch Memorial Foundation’s 8th Annual Dinner. He became involved with the foundation, established in memory of a NYC firefighter who died while attempting to rescue a woman from WTC Building 4 on 9-11, through Fred Lynch, one of Michael’s brothers, and CEO of Masonite. Jon and Fred built a close friendship during the door manufacturer’s pre-arranged restructuring in ’09. In the photo, Jon is flanked by Jack Lynch (Michael’s father), Rudy Giuliani, Jon’s wife Pam, his son Sam, and Kathleen Lynch (Michael’s mother). Jon tells us he was honored to help raise over $500k (almost twice as much as the previous year) in scholarships for firefighter’s children. This year’s dinner is coming up on March 28th, which will mark the 10th anniversary of 9-11.