

Dan Lowenthal Helps Patterson Build Its Bankruptcy Practice

By David McLaughlin



The law firm of Patterson Belknap Webb & Tyler LLP once had just a single bankruptcy attorney in its ranks, but with the credit crisis deepening and corporate defaults expected to spike, it turned to Dan Lowenthal to help build the practice.

Lowenthal, who helped probe Enron Corp.'s off-balance sheet entities in the wake of the energy giant's collapse, moved to New York-based Patterson last month from Thelen Reid Brown Raysman & Steiner LLP, where he was a partner in the firm's restructuring group.

Lowenthal joins Patterson's longtime bankruptcy attorney David Dykhouse. The firm also just hired an associate for the group. Lowenthal said Patterson is committed to growing the practice and is well suited to representing court-appointed trustees and examiners in bankruptcy cases as well as creditors committees, clients that Lowenthal has represented throughout his career.

"We think given our clientele and certain opportunities we can present to the market ... that this presents a great opportunity," he said. "Any opportunity is a challenge also, and we're ready to roll up our sleeves and show what we can do."

Law firms across the country are ramping up their restructuring practices as the sluggish economy and collapsed housing market spells trouble for debt-heavy companies. With once-easy access to debt now cut off, restructuring teams are bracing for more work.

"We're in for another round," Lowenthal said. "We're starting to see it already, and it's just a matter of time to see more."

Lowenthal represented Harrison Goldin, one of the examiners in the Enron bankruptcy, and helped investigate its special-purpose-entity transactions involving Bank of America, Royal Bank of Canada, UBS and accounting firm KPMG.

He's also proud of his work representing banks in the bankruptcy of The Bennett Funding Group Inc., an equipment leasing business. Richard Breeden, the court-appointed trustee in the case and a former chairman of the Securities and Exchange Commission, challenged whether the banks perfected their security interests. Lowenthal went up against Breeden and won, a decision that was affirmed by the district court.

"It was a big deal for the banks. It was worth millions of dollars," he said. "It was very gratifying to come in and do that."

Lowenthal's foray into bankruptcy law came in the early 1990s when he worked on Continental Airlines' second bankruptcy case. He and a colleague also filed an involuntary bankruptcy petition against Fundamental Brokers Inc. after winning a lawsuit for employees who hadn't been paid by the company. He says he enjoys working on the real-time problems in a bankruptcy case that need to be dealt with quickly.

"There are key issues that impact the survival of the business at the time," he said. "That can make it very exciting and challenging and also rewarding." *DBR*

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