

MVP: Hughes Hubbard's Kathryn Coleman

Law360 (November 26, 2018, 11:12 AM EST) -- Kathryn Coleman of Hughes Hubbard & Reed LLP helped CST Industries and Patriot National Inc. through quick Chapter 11 bankruptcy proceedings last year, earning her a spot as one of Law360's 2018 Bankruptcy MVPs.

HER BIGGEST ACCOMPLISHMENT THIS YEAR:

Coleman's biggest accomplishments this year were getting her clients through Chapter 11 proceedings without "breaking the bank."

"Chapter 11 has become so expensive that middle market companies really can't afford the process," she said. "We use a much smaller team than a lot of firms do, and we were able to come up with a way of getting them through the process without the kind of fees you see in typical cases."

Late in 2017, she helped CST Industries through the process in Delaware, facilitating a sale of the company to Solace Capital Partners, an equity firm based in Los Angeles, just six months after CST filed for Chapter 11.

During the process, CST's largest creditor, Oaktree Capital Management, challenged almost every major aspect of the case, but Coleman was able to negotiate a settlement after filing a lender liability case against Oaktree.

In another case, Coleman served as lead debtors counsel for Patriot National Inc., an insurance services company in Florida, which filed for Chapter 11 amid Securities and Exchange Commission subpoenas and lawsuits against its officers.

Coleman got the court to agree in a decision of first impression to stay nondebtor actions during the bankruptcy and to mediate those actions, ending up with an approved plan for reorganization in March.



“Finding a way to get that done, again, without a lot of unnecessary expense and noise, that was very fulfilling,” she said.

HER BIGGEST CHALLENGE THIS YEAR:

A third bankruptcy case, in which Coleman led representation for Exelco NV — a Belgian diamond distributor — and six of its U.S. affiliates, proved a challenge as Coleman faced the company’s foreign creditors, which fought efforts to have the Chapter 11 proceedings happen in the U.S.

While that case ended with the U.S. cases dismissed, as Exelco did not have the money to keep up the fight to keep the proceedings in the U.S., Coleman said it proved to be a learning experience.

“That was sort of disappointing — it was a lot of hard work, too,” she said. “That was the biggest challenge, trying to find any way to deal with that that didn’t involve spending a lot of money the debtors didn’t have to pursue stay violations.”

WHY SHE IS A BANKRUPTCY ATTORNEY:

“It was kind of by accident,” she said.

Earlier in her career, Coleman said she had been a clerk in a district court, and her judge volunteered to take all the district’s bankruptcy appeals. While Coleman hadn’t taken any bankruptcy-specific classes in law school — she had wanted to be a litigator — she said she soon realized how much more active bankruptcy court was.

“Everything that happened in court was in the bankruptcy cases,” she said. “Everything else moved so slowly that in a year-long clerkship, you couldn’t really see a case from beginning to end.”

Now, she said, she loves it, adding bankruptcy court is a very wide-ranging practice that has her learning about other areas of the law. She said she likes the activity, as well as the opportunity to help companies navigate through their most challenging periods.

HER ADVICE FOR JUNIOR ATTORNEYS:

Coleman said the best thing young attorneys can do is carefully read the facts of any case — in bankruptcy, the facts will drive a case more than anything else, she said — and to find a mentor who will take the time to give them the bigger picture of the cases they work on and how the work they’re doing fits into it.

“It’s like that old story of the two stone workers,” she said. “Somebody comes along and says, ‘What are you guys doing?’ The first one says, ‘I’m building this wall.’ The other one says, ‘I’m building a cathedral.’ The guy who’s building the cathedral is the more fulfilled person.”

When she started out, Coleman said she was mentored by Jonathan Landers, now at Scarola Zubatov Schaffzin PLLC, when he moved to start the San Francisco office of Gibson Dunn & Crutcher LLP.

Landers gave her the opportunity to go to meetings and court hearings and participate more fully in the practice when she was starting out, which was invaluable experience, she said.

“That made a huge difference because you can’t know what bankruptcy lawyers do unless you go and see them doing it,” she said.

— *As told to Mike Curley*

Law360's MVPs are attorneys who have distinguished themselves from their peers over the past year through high-stakes litigation, record-breaking deals and complex global matters. A team of Law360 editors selected the 2018 MVP winners after reviewing nearly 1,000 submissions.

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