
Cullen and Dykman Successfully Confirms Chapter 11 Plan for Construction Contractor Based on \$17.5 Million Dollar Settlement with the Port Authority

January 6, 2017

The Firm recently confirmed a plan of liquidation in a multi-debtor, cross-border Chapter 11 bankruptcy proceeding of a construction contractor in the United States Bankruptcy Court for the Southern District of New York. On behalf of a Canadian company that held the contract for concrete construction on the One World Trade Center Project and the U.S. subsidiary that performed the concrete construction work on the One World Trade Center Project, Cullen and Dykman negotiated a \$12.3 million settlement of the debtors' multi-million dollar damages claim against the Port Authority, which settlement proceeds provided the source of funding under the confirmed plan. First, the Firm took advantage of the broad discovery tools available in the Bankruptcy Court to obtain key documents from the Port Authority related to the debtors' damages claim against the Port Authority. Next, Cullen and Dykman was successful in seeking to have the claim adjudicated by the Bankruptcy Court rather than the Port Authority's internal arbiter under a contractual dispute resolution clause that would have given a Port Authority employee absolute discretion to determine the merits of the claim without affording the contractor an opportunity for due process. Finally, following months of mediation, Cullen and Dykman negotiated the \$12.3 million settlement with the Port Authority that is the cornerstone of the debtors' chapter 11 plan. Using the proceeds of this settlement to propose a chapter 11 plan, Cullen and Dykman successfully confirmed a multi-debtor chapter 11 plan that provides a significant return to creditors and equity-holders with the full support of the debtors' creditor body.

Practices

- Bankruptcy and Creditors' Rights

Industries

- Business Reorganization and Financial Restructuring

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