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Loan Workout Group Debuts At Cullen And Dykman

By **Adrian Cruz**

Law360 (June 9, 2022, 4:09 PM EDT) -- Cullen and Dykman LLP has launched a new practice group focused on loan workouts, a move the firm attributed to the recent increase in distressed loan activity seen by a number of its banking clients.

The loan workout practice group, led by New York-area partners Thomas R. Slome, Bonnie Pollack and Samit Patel, consists of 20 attorneys from a variety of practice groups such as banking and financial services, bankruptcy, corporate, real estate, taxation and commercial litigation, the firm said in an announcement Wednesday.

Slome told Law360 on Thursday that the firm decided to launch a dedicated practice group to loan restructuring because clients are increasingly in need of services in that area. As a result of factors such as COVID-19 economic fallout, rising inflation and supply shortages stemming from both the pandemic and Russia's invasion of Ukraine, Slome said that the firm's banking clients are experiencing a larger number of distressed loans and finding it more difficult to manage them.

"It's gotten harder and harder for banks to play kick the can down the road or even offload troubled loans at par as used to be common," Slome said.

Slome said that having a dedicated practice group allows the different attorneys to collaborate in a way that produces faster and more efficient service while also giving clients more options to handle different issues that pop up, increasing the likelihood of a positive result.

While the current headcount is 20, Slome said that he expects the group to expand as clients' need for loan workout services continue to grow. He added that clients have so far been enthusiastic about the launch.

"We want to be attentive to the needs of our clients by coordinating all of the workout experience within the firm in a way that we can deliver the necessary services as quickly and efficiently as possible," he said. "That was the impetus for forming one group — to have all the attorneys who have done some workout work in the past coordinate and bring to the table their own unique skills and experiences."

Dealing with distressed loans may include restructuring the loan terms both in and out of court, bankruptcy and litigation. The group's attorneys bring experience working on different types of loans, such as commercial mortgage loans, collateralized loan obligations, construction loans, bridge loans, mezzanine loans and preferred equity investments, the firm said.

"Sometimes the litigation route comes first and acts as a wakeup call for a borrower burying its head in the sand, and then the situation turns into an out-of-court workout," Slome said. "There are countless permutations on how a distressed loan can play out, and we feel that by coordinating among the workout professionals with different skills, we can make sure it all works out favorably to



Thomas R. Slome



Bonnie Pollack



Samit Patel

the lender."

--Editing by Jill Coffey.

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