

Proskauer Represents Hospitality Investors Trust in \$1.4 Billion Prepackaged Bankruptcy Reorganization

July 14, 2021

July 14, 2021 **(New York, NY)** – Proskauer, a leading international law firm, represented long-time client Hospitality Investors Trust, Inc. (“HIT”), a public, SEC-registered real estate investment trust owning 100 hotels nationwide, in a series of restructuring transactions negotiated with its largest investor, funds managed by Brookfield Asset Management Inc. (“Brookfield”), culminating in a prepackaged chapter 11 bankruptcy proceeding.

Pursuant to these restructuring transactions, Proskauer advised HIT in connection with restructuring more than \$1.4 billion in debt and, through out-of-court negotiations, securing material improvements to the terms of its franchise agreements and hotel management agreements.

When the prepackaged plan of reorganization became effective on June 30, 2021, Brookfield’s \$455 million preferred equity interest in HIT and \$30 million in outstanding debtor-in-position financing provided to HIT was effectively converted into 100% ownership of HIT’s common stock, and the approximately 19,000 otherwise impaired holders of common stock received a novel contingent value right for each share, providing them a potential to share in HIT’s upside after the restructuring transactions were completed.

Proskauer's multi-disciplinary team was led by partners [Steven Lichtenfeld](#) (Real Estate Capital Markets), [Jeff Marwil](#) and [Paul Possinger](#) (Business Solutions, Governance, Restructuring & Bankruptcy), and included special counsel Sam Kardon and senior counsel Steven Fishman (Real Estate Capital Markets), and associates [Jordan Sazant](#), [Joshua Esses](#) and Michael Wheat (Business Solutions, Governance, Restructuring & Bankruptcy), as well as partners [Andy Bettwy](#) (Finance) and [Kate Napalkova](#) (Employee Benefits & Executive Compensation), and associates [Phil Kaminski](#) and [Carolyn Killea](#) (Finance), James Huffman (Employee Benefits & Executive Compensation) and [Francie Kelley](#) (Corporate).

[Related Professionals](#)

- **Andrew Bettwy**
Partner
- **Carolyn Sarif-Killea**
Associate
- **Francie Kelley**
Associate
- **Jordan Sazant**
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- **Philip A. Kaminski**
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- **Steven L. Lichtenfeld**
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