Proskauer

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

- **Jordan Sazant**
  Associate
- **Paul V. Possinger**
  Partner
- **Philip A. Kaminski**
  Partner