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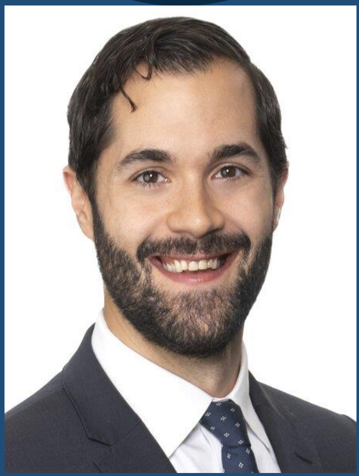
Rising Star: Cleary's Thomas Kessler

By **Emily Lever**

Law360 (August 12, 2026, 4:03 PM EDT) -- Thomas Kessler of Cleary Gottlieb Steen & Hamilton LLP guided airline Azul's Chapter 11 plan as counsel to the ad hoc secured creditor group that sponsored the plan, as well as helped crypto company Genesis repay customers in kind with cryptocurrency to generate $4 billion in creditor recoveries, earning him a spot among the bankruptcy practitioners under age 40 honored by Law360 as Rising Stars.

2026 LAW360 RISING STAR



Thomas Kessler
Cleary

Age: 39
Home base: New York
Position: Partner
Law school: Columbia Law School
First job after law school: Associate at Cleary

Why he is a bankruptcy attorney:

Kessler started at Cleary as a litigator, and like many practicing bankruptcy attorneys had not set out to become one.

While working on a civil litigation matter related to an in-court restructuring for a shipping company, he developed an interest in helping craft restructuring transactions and getting immersed in the practical details of each case.

"There were a million little pieces to each engagement, so I was able to find many little ways to add value to the matter that I was on," Kessler said.

He also appreciated that bankruptcy is less adversarial, and more focused on negotiation,

"By and large we are all just trying to get a deal done at the end of the day, and there is a business-mindedness to it that I like, whereas in civil litigation — or when I have my civil litigator hat on — it's more, 'I win, you lose,'" Kessler said.

Within his bankruptcy practice, Kessler has developed a niche specialization in airline bankruptcies and has worked on at least seven. The world of airline bankruptcy professionals is small, Kessler explains. Most attorneys who work on those cases are specialists because of the regulatory complexity involved, and many trade creditors remain the same from case to case because most airlines use the same aircraft lessors, in-flight entertainment systems and other specialized service providers.

"That practice is not just repeat players in terms of people like me, but also in terms of vendors," Kessler said. "There aren't a ton of industries that operate that way. Not only do I know the business, but I know the companies and what they usually want."

One of his most challenging cases:

Azul was one of the most recent major Latin American airlines to file for bankruptcy, following Gol Linhas Aereas, Aeromexico and others.

Azul filed for Chapter 11 bankruptcy protection in May 2025 with a strategy in place, thanks to a lot of upfront work by the legal team representing the secured creditors holding 65% of Azul's debt, who went on to become the plan sponsors.

Kessler had represented Azul's secured creditors in an out-of-court liability management exercise that had created a complicated capital structure.

"The theory was that that process and the liquidity that it opened up would give the company a runway to get new financing and survive," Kessler said.

But that wasn't enough, and the company prepared for bankruptcy but experienced difficulty getting bridge financing because there was no room for new secured debt, Kessler explained.

"Anything that wasn't nailed down had been liened up," Kessler said.

While the bankruptcy case itself went relatively smoothly, the lead-up to the petition was a series of challenging negotiations within the secured creditor constituency, with Kessler trying to reconcile competing interests between clients.

"What you don't see in those kinds of cases where it looks like everything runs on rails is how hard it is to get to the petition date," Kessler said. "It was a little bit like being a marriage counselor."

Azul entered Chapter 11 with $1.6 billion in debtor-in-possession financing and in February exited Chapter 11 with all first- and second-lien debt equitized, and a combined $2 billion in exit financing, new investments and a new equity offering.

Other major cases:

Kessler was debtor's counsel for Genesis, one of the many casualties of the so-called "crypto winter." But in what turned out to be a blessing in disguise, the case took so long that by the time the debtor got to confirmation, the value of bitcoin had rebounded since the petition date, nearly tripling.

Like all other crypto bankruptcies, the question of how to repay customers revolved around valuation of the cryptocurrency they held. Although the value of a claim is fixed at the petition date, the price of bitcoin had continued to fluctuate, and so the value of customers' claims denominated in bitcoin could be construed in multiple ways.

"I was holding one bitcoin for you; do you have $19,000 claim or a $50,000 claim?" Kessler explained.

Instead of dollarizing the customers' claims and paying them the depreciated value of their cryptocurrency at the time of the filing, the legal team for Genesis created a plan to repay customers in kind.

"We're not going to give them the cash value of their tokens, we're going to give them the bitcoin that they have," Kessler said of the thought process.

While some interpretations of the Bankruptcy Code would have held that Genesis was required to dollarize the claims, the debtor's counsel was able to leverage an investigation launched by the New York attorney general to support its strategy. Genesis settled with the attorney general and obtained an agreement that the restitution it paid to the government would be redirected to creditor distributions.

Genesis was able to distribute the equivalent of $4 billion to creditors, plus another $1.5 billion for lenders via a separate settlement.

Most other bankruptcy cases elected to dollarize, and not only because not dollarizing is a legally novel tactic but because it's more risky, Kessler said: Failure to implement an in-kind distribution and then pivoting to dollarizing is a recipe for creditor discontent.

"Once you've dangled in-kind recovery to creditors, it's hard to get them to vote for your dollarized plan," he said.

How his practice area will change in the next 10 years:

Artificial intelligence will have a huge impact on the bankruptcy sector whether it lives up to boosters' promises or not, Kessler said. Similar to the crypto boom and subsequent winter, AI companies that currently have massive valuations could come crashing down.

"Either it is going to bankrupt whole sectors of the economy, or people are going to see it's just pattern recognition, like SmarterChild back when we used AOL," Kessler said, referring to a chatbot available on AOL Instant Messenger that was decommissioned in 2006.

"Maybe people are going to see that it's not the next industrial revolution, and there will be a wave of bankruptcies for AI companies," he added.

--As told to Emily Lever. Editing by Patrick Reagan.

Law360's Rising Stars are attorneys under 40 whose legal accomplishments belie their age. A team of Law360 editors selected the 2026 Rising Stars winners after reviewing more than 1,100 submissions. Attorneys had to be under 40 as of April 30, 2026, to be eligible for this year's award.
