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Bankruptcy MVP: Cleary Gottlieb's Richard Cooper

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Richard Cooper

Cleary Gottlieb Steen & Hamilton LLP's Richard Cooper has had a whirlwind year flying back and forth to Latin America for a slew of cross-border restructuring deals, drafting new laws in Puerto Rico and introducing Brazil to debtor-in-possession financing, earning himself a spot on Law360's 2014 list of bankruptcy MVPs.

Cooper, who has been at the firm since he graduated from law school in 1986, cut his teeth on the Pan American Airways bankruptcy in the early 1990s and has since worked on many of the most high-profile restructurings, including Lehman Brothers, Aeromexico and Vitro SAB de CV, the most litigated cross-border Chapter 15 in U.S. history.

Although Cooper has dipped his hand into a fair share of U.S.-based deals, the bulk of his calendar has been filled with work overseas, particularly in Latin America, where restructuring work has grown tremendously since the 2008 financial crisis.

In Puerto Rico, which entered a recession two years before the global crisis hit, Cooper led the Cleary team that worked with Puerto Rican legislators on the Recovery Act, legislation allowing the country's public companies to file for bankruptcy relief, an option they didn't previously have. Without the ability to restructure, they faced a potential legal vacuum, according to Cooper.

"You don't always get the opportunity to draft the statute anew, so that was a real interesting exercise," he said in a recent interview. "I think understanding that it would be challenged, which it was immediately, and trying to understand what the likely constitutional and other legal challenges would be when drafting the statute was a challenge."

During the same time, Cooper saved the Puerto Rico Electric Power Authority from the brink of insolvency by drafting novel agreements with its bank, bond and other creditors, providing the public utility with access to restricted funds and making sure the public continued to receive basic services like water, he said.

The agreements, which were hammered out in a matter of weeks, involved more than 60 percent of PREPA’s $8.3 billion of outstanding bond debt and $800 million of bank debt. Since then, he has also secured additional liquidity, giving vendors and suppliers a sense of confidence that PREPA will be able to pay its bills, according to Cooper.

“We put together a kind of roadmap for getting to restructuring, and there are various milestones along the way,” he said. “One of the important milestones is the delivery of a preliminary business plan in mid-December.”

In a separate but no less complicated deal, Cooper in 2014 also led OGX Petroleo e Gas Participacoes SA through a $6.5 billion restructuring, the largest-ever in Latin America and the first in Brazil to include a debtor-in-possession financing deal.

The oil firm, which had overspent on ships and infrastructure, was almost completely out of cash when Cooper stepped in. The firm filed for bankruptcy in October 2013 after missing a $45 million payment at the beginning of October on $3.6 billion in bonds.

The most challenging part of the case, according to Cooper, was navigating through a complex maze of U.S. and Brazilian law to organize the DIP financing package without precedent.

“That had never been done before in Brazil,” he said. “So there was no precedent for doing what we did, there was no precedent actually for bondholders or creditors to take over the company.”

The company’s restructuring deal received court approval in June.

Cooper, who holds degrees from Duke University, The London School of Economics and Columbia University Law School, lives in New York with his family. When he’s not in the office or on a plane overseas, he said he prefers to spend time outdoors or with his wife and three children, ages 16, 18 and 20.

He also praised his colleagues at Cleary for helping him get to where he is today.

“I could never do half of what I do if I didn’t have a lot of support and people who step up and take on real leadership roles, from young associates to my partners,” he said.

Given the complexity and intensity of his work, that’s no easy task.

In one of his most difficult feats, Cooper this year juggled Australian, Brazilian and U.S. law to guide bondholders of Mirabela Nickel Ltd., an Australian company with a Brazilian mining operation, through a cross-border restructuring after one of the company’s largest customers reneged on its contract.

In a short period of time, Cooper and his team put together a rescue loan for the ailing company, convincing the bondholders to put in money and appoint the equivalent of a receiver to change Mirabela's business plan going forward.

“Getting existing creditors to put in money is a difficult thing to do even in the U.S.,” he said. “To do it in these cross-border conflicts where there aren’t many precedents, the rules are complicated because there are different sets of laws that apply, tend to be very challenging exercises and not for the faint of heart.”

--Editing by Chris Yates.