

Greenberg Traurig expands in Warsaw and Milan

Greenberg Traurig's European restructuring practice is on a hiring rip, with senior lateral hires in Poland and Italy.

In Warsaw Piotr Nerwiński brings over his team of six from Dentons, and in Milan Riccardo Agostinelli brings two partners and two associates to join Bruno Cova and Corrado Angelelli in the Italian finance and restructuring practice.

Global Turnaround caught up with Nerwiński and Paweł Długoborski to hear about their plans and the state of the Polish market and Agostinelli and Cova to hear the Italian equivalent.

From new money deals to restructurings

Piotr Nerwiński will act as head of Greenberg Traurig's Warsaw project and structured finance practice, after working for the last fifteen years with lenders and sponsors.

"One of the biggest parts of my work has been advising on financing for renewable energy projects," said Nerwiński. "This has gained huge traction in Poland and further afield in central and eastern Europe (CEE)."

"In the past we have worked on the biggest onshore windfarm project in Poland and one of the largest PV portfolios."

And if any of the Polish financings eventually come under pressure, due to changing circumstances, Nerwiński and his colleagues are then ready to help with the restructuring, led by Długoborski, a counsel.

Długoborski said: "I have often worked on new money deals which later have become distressed because of changes in the market. I can then bring that inside knowledge to help with the resulting hybrid out-of-court restructurings."

Nerwiński originally trained as a lawyer with a local Polish firm starting in 2008. He started a ten year stint with Dentons in 2014, which in 2015 included a secondment to the EBRD in London, ending as co-head of banking and finance.

Długoborski also trained with a local firm, starting in 2011, then spent a year with Greenberg Traurig before moving to Clifford Chance for seven years. He then spent spells at Baker McKenzie and Dentons before returning to Greenberg Traurig.

The incoming team also includes Justyna Jamróży, counsel, senior associate Jakub Walawski, associate Małgorzata Czarnecka, and two junior associates, Aleksandra Grześkowiak and Weronika Łakoma.

Both Nerwiński and Długoborski agree:

"Restructuring activity in Poland is on the up."

Such cases are often highly complex, Długoborski added. For instance, while at Clifford Chance he advised one of Poland's biggest transport groups on its three-year-long out-of-court restructuring.

OT Logistics (OTL) is a publicly listed port operator that runs inland waterway transport in Poland and Germany. It is the largest operator of seaports and inland ports in Poland, and it required a comprehensive operational, asset and financial restructuring.

The group had four classes of creditors, he said, including a consortium of commercial lenders, a state bank, holders of publicly traded bonds and holders of privately owned bonds.

The complex deal included a novel inter creditor agreement entered into by a security agent acting for publicly traded bonds. These bondholders were given additional collateral as part of a new comprehensive security structure.



After this part of the restructuring was completed, said Długoborski, he advised OTL on the partial sale of its shareholding in a Croatian sea port operator to a Polish financial investor.

Długoborski's other restructurings include:

- Advising the commercial banks on the financial restructuring of TXM, a company listed on the Warsaw Stock Exchange and owner of a clothing chain and online shopping platform. The deal included dual track out-of-court and in-court instruments, a restructuring agreement with financial creditors and a court arrangement with trade creditors.
- Advising the commercial banks on the out-of-court financial restructuring of Sygnity, a leading company in the IT sector, listed on the Warsaw Stock Exchange. The deal included a restructuring agreement which Microsoft, a key trade creditor of Sygnity, was party to, together with the financial creditors and shareholders of Sygnity.
- Advising TDJ, a Polish family office, on the US\$170 million debt restructuring of the Kopex Group, a key player in the machine manufacturing sector in Poland, listed on the Warsaw Stock Exchange. TDJ was a leading investor in Kopex. The restructuring allowed TDJ to acquire the majority stake in Kopex S.A., which in 2016 was the largest acquisition in the machine manufacturing sector in Poland.

Factors driving a rise in restructurings in Poland

Nerwiński listed a number of factors that were driving a definite uptick in restructurings in Poland;

- 1 "We are heavily reliant on the German auto industry, which is under severe pressure at the moment. A number of companies in the Polish auto sector have already been hit."
- 2 Energy prices have increased
- 3 Financing costs have gone up
- 4 Finally, the "Polish advantage has gone." Labour is no longer relatively cheaper in Poland than western Europe, he said. All this points to a rise in corporate distress.

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Riccardo Agostinelli leads Milan expansion

Riccardo Agostinelli has moved to Greenberg Traurig in Milan to join two other veterans who he has known for many years – Bruno Cova, who worked on Parmalat, amongst many other restructurings, and John Houghton in Greenberg Traurig's London office.

According to Houghton, Agostinelli's experience across both finance and restructuring "aligns with the firm's broader European strategy to develop a full-service practice spanning three key areas: distressed and special situation lending, mainstream restructuring and formal insolvencies.

"This is an approach being replicated in London with the recent appointment of Luke Lado, and in Poland with Piotr and Pawel," said Houghton.

Agostinelli has brought with him two partners and two associates after several years with Molinari Agostinelli, where he was a name partner.

One company Agostinelli has worked with since he started training as a lawyer in 1989 sums up why many restructurings are carried out by the lawyers and bankers who originally worked on the financings being reorganised.

It's the Italian version of Yellow pages – Pagine Gialle. "After a long period with my first firm, Pavia Ansaldo, I was offered the opportunity to launch Ashurst's Italian finance and restructuring practice in 2000, which was very, very exciting," he said. "I was managing partner."

"We worked on many big cases, including putting a 'fronting structure' for RBS and its financing of Pagine Gialle. Then I joined Latham in 2009, heading the finance and restructuring team and working with John Houghton in London (now with Greenberg Traurig) and I worked on the restructuring of Pagine Gialle!

"It was a super complex deal," said Agostinelli. "We used the first English Scheme of Arrangement for an Italian company. It was also the first collapse involving a 'transparent fronting structure' in Italy where the junior bondholders were entirely equitised. The whole thing was incredibly complex and a big success."

In 2014 Agostinelli went on to set up his own firm with Bruno Gattai, which became Gattai, Minoli, Agostinelli. "I was there for seven years, and it was a great success. We did the financing of the Roma football club for Goldman Sachs, and the acquisition of AC Milan.

"The firm grew rapidly to over 150 lawyers, and in 2021 Bruno Gattai wanted a merger, which resulted in Pedersoli Gattai. I opted to join Molinari instead, working on special situations.

"But the focus of the firm was super domestic," he said, and 99 per cent of my work had always been cross border. The majority of big restructurings in Italy are dealing with English or New York law loan documents, for instance. I had previously spent fifteen years with Anglo Saxon firms, so I decided to move my team to Greenberg Traurig."

Agostinelli's team that has moved consists of partners Marco Leonardi and Daniele Migliarucci and associates Alessandro Pallavicini and Cristina Cupolo.

Italy very definitely 'open for business'

Who better than two of the most experienced restructuring lawyers in Italy to comment on the country's legislative framework. We asked Agostinelli and Cova: Are the right restructuring tools available for international stakeholders? And can they rely on the court system for quick, reliable decisions?

In reply, Agostinelli sketched a brief modern history of restructuring law in Italy: "Up to about 2006 there was nothing. You had insolvency law, and that was it.

"This made taking on restructuring work potentially dangerous," he



Riccardo Agostinelli,
Greenberg Traurig

Bruno Cova,
Greenberg Traurig

said. "You were exposing yourself to serious personal liabilities."

There were various changes to the insolvency law, but the most important one was the 2019 restructuring and insolvency Code that went into effect in 2022.

"Now we have very important restructuring tools" he said, "which can be used in a wide range of different situations.

"There is one big problem," he added. "We keep getting amendments to the Code. This September we had the third wave of amendments since it was enacted."

But back to the good news.

The 2022 Code allows you to park a distressed business in a safe harbour, and protect it from creditor action or enforcement while a rescue strategy can be designed and negotiated. This initial phase usually involves the use of an out of court procedure, the *composizione negoziata per la crisi di impresa*.

Then once a plan has been agreed with creditors, you can move on to Phase 2, using a specific restructuring tool, a pre-bankruptcy creditors' composition such as an *accordo di ristrutturazione* or a *concordato preventivo*.

For instance, said Agostinelli, in a recent case they had to restructure a football club's debt, that of Sampdoria. "It was a nightmare dealing with the football association's rules," he said. "However, the Code allowed us to block creditor enforcement, provide DIP financing, talk about a restructuring with creditors in a creative way, and remove power from the previous owner."

"The point is, Italy's restructuring law works.

"This is the message we must hammer home to the international investor community," said Agostinelli.

Too many courts?

You can have the best restructuring laws in the world, but nobody will use them if the court infrastructure isn't fit for purpose. Cova estimates Italy has over 150 separate legal tribunals nationally. Some are immensely sophisticated and well resourced, he said, with Judges with deep experience of large corporate cases, such as Milan. Other tribunals are less so.

Despite, this, said Cova, "the Italian Ministry of Justice can step in to handle a big case."

"A good example was Parmalat," he added. In 2003 Italy's biggest dairy group filed for bankruptcy with over 21 billion euro of debt. The company's home town of Parma had no dedicated insolvency court. In that case the Ministry sent additional judges, and legislators even passed a special insolvency law to deal with the case.

Much of Cova's and Agostinelli's work involves co-operating with overseas restructuring procedures, such as WeWork's Chapter 11. They believe they have the right platform for such work, and that the current legislation is fit for purpose. "Italy is open for business."