

INVESTIGATIONS FOR BANKRUPTCY LITIGATORS

The Mintz Group regularly helps bankruptcy attorneys — including trustees, creditors’ counsel, and counsel to bankruptcy estates — gather facts at every stage of the bankruptcy process.

In connection with allegations of bankruptcy fraud, in support of solvency analyses, or otherwise in bankruptcy litigation, we uncover hidden assets, test a debtor’s representations as to current financial status, and assist in establishing/refuting other claims and defenses.

Following are representative examples of our bankruptcy-related fact-gathering:

Supporting Litigation

- We assisted a bankruptcy estate in establishing foreign counterparties’ U.S. “footprint” to form the jurisdictional basis for suit in a U.S. Bankruptcy Court.
- On behalf of a bankruptcy trustee, who was appointed after the collapse of a long-running fraud, we investigated professionals who allegedly turned a blind eye to the fraud while collecting significant fees.
- For an insurer of securitizations on specialized sub-prime loans, we conducted an extensive investigation into what led to the bankruptcy of the loan company that originated the underlying debt. We found former employees who alleged a pattern of deception, including the falsification of loan documents, which supported the insurer’s fraudulent conveyance claims against the loan company.

Finding Hidden Assets

- It is a matter of public record that the Mintz Group was retained by the unsecured creditors in Michael Vick’s Chapter 11. In that matter, our assignment was to identify any undisclosed assets owned by, or held for the benefit of, Michael Vick.
- It is a matter of public record that we were appointed by the Simpson Thacher law firm, to search for assets of individuals associated with the bankrupt Bennett Funding.
- We were hired by a telecommunications company that suspected its distributor of hiding assets and then filing for bankruptcy protection in response to litigation commenced by the telecom company. The telecom company assigned the Mintz Group to determine the distributor’s assets pre-dispute, and how they were offloaded in the run-up to bankruptcy.
- Counsel for a judgment creditor received unconfirmed reports that a bankrupt individual was improperly removing valuable art and furnishings from his home. We identified and contacted a former employee of the bankrupt individual, who provided solid evidence of the looting.



Support Solvency Analyses

- On behalf of creditors' counsel, the Mintz Group was asked to investigate at what point a large engineering firm began to be swamped by cost overruns and, in turn, when the firm knew they would have to file for bankruptcy protection.
- By helping establish that a company — which ultimately filed for bankruptcy protection — was solvent at the time of its IPO, we assisted a brokerage firm in defending against investors' fraud claims relative to their purchase of the IPO.

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