

CLEARY CONTRIBUTES TO LATAM AIRLINES' EXIT FROM CROSS-BORDER DEBT RESTRUCTURING

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Cleary Gottlieb has contributed with legal assistance to LATAM Airlines Group, and certain subsidiaries, in their exit from a cross-border debt restructuring before the United States Bankruptcy Court for the Southern District of New York.

The subsidiaries advised were those in Chile, Brazil, Peru, Colombia, Ecuador, the Cayman Islands and the United States. This transaction marks the first of its kind for the airline and represents a bankruptcy with over USD 16 billion in liabilities, involving thirty-eight debtors.

The restructuring involved a series of contested matters, including four multi-billion dollar trial-like hearings in 2022 alone, at each of which the airline obtained approval of a DIP financing structure, as well as its plan and related multi-billion dollar back-up financing arrangements.

This exit marks the successful completion of the airline's reorganisation after more than two and a half years, and its emergence from Chapter 11.

The transaction involved complex and interrelated cross-border issues that have resulted in precedent-setting proceedings in Chile and Colombia, as well as one of the first companies incorporated in Brazil to file for Chapter 11, and a comprehensive restructuring of the airline's fleet.

The advice required harmonising international legal regimes that were often in tension and the dedication of significant resources to overcome challenges and opposition at nearly every major

stage of the case, leading to the confirmation and consummation of a plan of reorganisation broadly supported by the airline's stakeholders that, to date, has raised more than \$8 billion in new money.

Cleary's team was led by partners **Richard Cooper** (pictured left), **Lisa Schweitzer** (pictured centre) and **Luke Barefoot** (pictured right), with support from partners **Duane McLaughlin**, **Adam Brenneman**, **Jeffrey Rosenthal**, **David Herrington**, **Abena Mainoo** and counsel **Kara Hailey**.