

NewsRelease

For Immediate Release:

Cadwalader Achieves Trial Victory in Challenge to McKinsey's Bankruptcy Practices

New York, NY, December 23, 2020, Cadwalader's two-year representation of entrepreneur Jay Alix's special purpose entity, Mar-Bow Value Partners, against global consulting giant McKinsey & Company scored a victory yesterday, with McKinsey forced to withdraw in *In re Westmoreland Coal* (S.D. Tex.).

In *Westmoreland*, McKinsey sought employment as a professional consultant to the estate, requesting over \$8 million in fees. Mar-Bow challenged the application on the grounds that McKinsey had failed to comply with critical bankruptcy rules requiring disclosure of potential conflicts of interest. Over eight days of trial earlier this year, McKinsey presented its case. Spearheaded by Cadwalader's Trial Practice Chair, Sean O'Shea, and joined by partners Michael Petrella and Amanda Devereux, the Cadwalader team employed skillful cross-examination, debilitating every one of McKinsey's witnesses. The one-sided trial led presiding Chief Bankruptcy Judge David Jones to severely admonish senior McKinsey executives responsible for the case, remarking that they just "didn't get it."

Following O'Shea's motion for judgment in June, which Judge Jones dubbed "by far the best I have ever heard, just bar none," McKinsey was forced to "settle" the case before Mar-Bow ever put on a single witness in its case. Instead, McKinsey withdrew its application with prejudice and forfeited all of its over \$8 million in claimed fees. Yesterday, Judge Jones accepted McKinsey's surrender, effusively praising O'Shea's courtroom acumen.

The Cadwalader team also included special counsel Matthew Karlan and associate Alex Owings.

About Cadwalader, Wickersham & Taft LLP

Cadwalader, established in 1792, serves a diverse client base, including many of the world's leading financial institutions, funds and corporations. With offices in New York, London, Charlotte and Washington, Cadwalader offers legal representation in antitrust, banking, capital markets, corporate finance, corporate governance, executive compensation, financial restructuring, intellectual property, litigation, mergers and acquisitions, private equity, private wealth, real estate, regulation, securitization, structured finance, tax and white collar defense. For more information, visit www.cadwalader.com.