

Q&A With Choate's John Ventola

Law360, New York (April 25, 2013, 3:00 PM ET) -- John F. Ventola is a partner in Choate Hall & Stewart LLP's finance group in Boston, where he represents clients in loan workouts, financing transactions, and restructurings and bankruptcies, including cash collateral disputes, equitable subordination/recharacterization, Section 363 sales and contested plans of reorganization. He is also co-chairman of the firm's hiring committee and summer program.

Ventola was named one of the world's leading bankruptcy attorneys by *Guide to the World's Leading Insolvency and Restructuring Lawyers*. He is recognized as a leader in his field by Chambers USA and Best Lawyers in America and is a Massachusetts Super Lawyer. He is active in the Commercial Finance Association, the American Bankruptcy Institute, the Turnaround Management Association and the Bankruptcy Section of the Boston Bar Association.

Q: What is the most challenging case you have worked on and what made it challenging?

A: Probably the High Voltage Engineering case, where my firm represented the Chapter 11 Trustee. The debtor had thousands of employees and operations throughout the U.S., Europe and Asia. When we first got involved, it appeared the case was administratively insolvent. But we were able to help the trustee stabilize the case and conduct a series of going concerns sales of the debtor's various divisions. Ultimately, we paid all creditors in full and made a large distribution to equity holders, and a vast number of jobs were preserved.

I worked with lawyers, regulators and other professionals in a host of different countries, which was challenging to say the least, but it was also one of the most rewarding experiences of my career.

Q: What aspects of your practice area are in need of reform and why?

A: There is a growing consensus in my industry that Chapter 11 practice in general needs a fundamental overhaul. In theory, the goal of a Chapter 11 case is to confirm a plan of reorganization. In reality, there is not even an attempt to reorganize in most cases; Chapter 11 has become almost entirely a mechanism for the sale of assets or other types of liquidation. Bankruptcy professionals and judges have done a great job making the process work in a lot of cases, but there is just too large of a gap between what the statute says and what happens in the real world.

There are many reasons why Chapter 11 practice has developed this way, so there is no easy fix. But a lot of bankruptcy specialists and academics are working on ways to modernize the Bankruptcy Code and, hopefully, give debtors and their stakeholders more options.

Q: What is an important issue or case relevant to your practice area and why?

A: The Bankruptcy Code has special provisions related to licenses of intellectual property, but there is a fair bit of confusion over what qualifies as intellectual property or whether other parts of the Code also protect the rights of certain types of licensees. The Courts have struggled over these issues and some splits have emerged.

Intellectual property rights, of course, can be extremely valuable even when the debtor is not a technology company. Lenders and investors have to pay close attention to whether the value attributed to those rights will be preserved in a bankruptcy.

Q: Outside your own firm, name an attorney in your field who has impressed you and explain why.

A: Steve Katz, a lawyer at our client Babson Capital. Steve is intellectually curious and loves to debate complex bankruptcy issues, but he is also extremely practical and results-oriented. It's a great combination and something I strive to achieve.

Q: What is a mistake you made early in your career and what did you learn from it?

A: I am from the Boston area, so my natural assumption as a new lawyer was that the best way to win an argument was to yell louder than everybody else. It soon dawned on me that yelling was not necessarily as effective as I thought. I also realized that in bankruptcy cases you usually need to have some allies if you want to achieve your client's goals. Not everyone, I learned, wants to team up with the loudest guy in the room. So I now I try to yell only when absolutely necessary.

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