

M. Douglas Flahaut

COUNSEL

Doug is Counsel in the Bankruptcy & Financial Restructuring group.



Practices

Bankruptcy & Financial Restructuring

Languages

Spanish

Education

University of California, Los Angeles,
School of Law JD, Corporate Law
Specialization, 2006

London School of Economics and Political
Science MSc, Philosophy (merit), 2003

Walla Walla College BA, Modern
Languages (cum laude), 2002

Offices

Los Angeles

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Doug focuses on business reorganizations, representation of chapter 7 and chapter 11 trustees, representation of creditors, preference litigation, and related business litigation matters. Doug is certified as a Business Bankruptcy Specialist by the American Board of Certification.

Client Work

Individual Chapter 11 Debtor (name withheld)

Doug confirmed a chapter 11 plan in an individual chapter 11 case where the debtor had over \$40 million in personal liability. Impressively, the confirmed plan provided that creditors would be paid a quarter of 1 percent (.0025) of their allowed claims over 5 years!

The Walking Company

Doug assisted in Arent Fox's representation of an \$80 million, publicly-traded retailer of specialty footwear in a highly successful and rapidly-executed chapter 11 reorganization that resulted in full payment of all unsecured creditors; a \$10 million recapitalization of the company; the renegotiation of significant lease obligations; and the preservation of all of the company's stores, substantially all of its employees, and its management team. This reorganization was selected as the chapter 11 Reorganization of the Year (Lower Middle Market) by *The M&A Advisor*.

Right Start Acquisition Company and Baby Style, Inc.

Doug represented the official committee of unsecured creditors and was instrumental in successfully confirming the committee's liquidating plan. Doug represented the liquidating trust post-confirmation in the prosecution of more than 30 adversary proceedings aimed at recovering over \$1.3 million in preferential transfers and successfully resolved all matters by way of final judgment or settlement within 12 months.

In re NGTV, Inc.

Doug was part of the Arent Fox team that successfully sold the intellectual

property and litigation assets of the estate for the chapter 7 trustee over the vigorous objections of a secured creditor and structured the sale such that unsecured creditors would receive a distribution even though secured debt far exceeded the sales proceeds.

In re New Meatco Provisions, LLC

Doug was responsible for filing and prosecuting over 70 adversary proceedings seeking to recover preferential transfers. In the course of a little over a year, Doug was successful in reaching a final resolution of 60 of those actions resulting in recoveries for the estate of over \$1.1 million.

In re Wrightwood Guest Ranch, LLC

Arent Fox represented the chapter 11 Trustee in case where the principal asset was a \$9 million piece of real property in Wrightwood, CA. Doug was responsible for briefing and arguing an appeal to the Ninth Circuit Court of Appeals that was successful and resulted in the published decision. *In re Wrightwood Guest Ranch, LLC*, 896 F.3d 1109 (9th Cir. 2018).

Preference Defense Cases (multiple)

Doug excels at representing businesses and individuals who have been sued for recovery of an alleged preferential transfer or transfers under Section 547 of the Bankruptcy Code. Because of his extensive experience prosecuting these actions from the Plaintiff's side, Doug knows how best to defend a preference action and has been successful in settling or otherwise resolving preference actions on very favorable terms, often for 10-20% of the amount sought in the complaint.

Previous Work

During 2008 and 2009 Doug served as a judicial law clerk to Judges Peter H. Carroll and Robert N. Kwan of the United States Bankruptcy Court for the Central District of California. He also served as a staff attorney for the Ninth Circuit Bankruptcy Appellate Panel.

Prior to his clerkships, Doug was an associate at a boutique litigation law firm in Southern California. He litigated complex civil disputes, including a fight for control of a large family-owned corporation that was successfully removed to Bankruptcy Court. Doug also successfully litigated a specific performance action for the turnover of a \$5 million commercial property.

Professional Activities

Doug is the President of the James T. King Bankruptcy Inn of Court for the 2018-2019 year. He is also an active member of the California Bankruptcy Forum, the American Bankruptcy Institute, the Turnaround Management Association, and the Federal Bar Association.

Publications, Presentations & Recognitions

- "Economic Agglomeration And Bankruptcy In The Retail Sector: The Domino Effect," *CRF News*, Credit Research Foundation, 3rd Qtr. 2016 (co-author George Angelich).
- Certified Business Bankruptcy Specialist, American Board of Certification (www.abcworld.org).
- Martindale Hubbell AV Preeminent Peer Review Rating (2013-2018).
- Up-And-Coming 100: 2018 Southern California Rising Stars List.
- 2013-2018 Southern California Rising Star, Super Lawyers Magazine.
- American Bankruptcy Institute's 2019 Battleground West, "Looking for the Remote: Structuring Enforceable Bankruptcy-Remote, Special-Purpose

- Entities in Commercial Real Estate Finance," March 28, 2019 (speaker).
- California Bankruptcy Forum, 2016 Program Book Co-Chair.
 - *INSOL International*, "The Arcapita Bankruptcy: A Primer in Jurisdiction, International Comity, and the Presumption of Extraterritoriality", August 10, 2018 (co-author).
 - Association of Insolvency & Restructuring Advisors' 32nd Annual Bankruptcy & Restructuring Conference, *Plan Negotiation Strategies That Work*, June 9, 2016 (speaker).
 - *Los Angeles Daily Journal*, "Expectations Matter in Dismissing Bankruptcy Cases", November 9, 2015 (author).
 - Pincus Professional Education, *Business Bankruptcy Chapter 11 Essentials and More*, September 19, 2014 (speaker).
 - California Bankruptcy Forum, *Where the Rubber Hits the Gold: Claims and Claim Objections* (producer), May 17, 2014.
 - *The Bankruptcy Strategist*, "Triggering Event Test" December 2014 (co-authored with Aram Ordubegian).
 - Southern California Bankruptcy Inn of Court, *Retention, Payment, and Getting Out*, March 13, 2012 (speaker).
 - Pincus Professional Education Webinar, *Business Bankruptcy Boot Camp: Chapter 11 Demystified*, September 2010 (speaker).
 - Southern California Bankruptcy Inn of Court, *Bankruptcy Ethics Presentation*, October 5, 2010 (speaker).
 - *Leo A. Deegan Inn of Court Biddle Book Award 2008* - Recognized for demonstrating outstanding leadership, both in the Inn as well as in the legal profession.

Published Decisions

- *Imagine Fulfillment Servs., LLC v. DC Media Capital, LLC (In re Imagine Fulfillment Servs., LLC)*, 489 B.R. 136 (Bankr. C.D. Cal. 2013).
- *In re Wrightwood Guest Ranch, LLC*, 585 B.R. 600 (C.D. Cal. 2018)
- *Reid and Heller, APC v. Laski (In re Wrightwood Guest Ranch, LLC)*, 896 F.3d 1109 (9th Cir. 2018)

Life Beyond the Law

Doug is fluent in Spanish and has a working knowledge of French. In his free time, he enjoys exploring the Mojave, mountaineering, and fishing.

Bar Admissions

California
Montana

Court Admissions

US District Court, Northern District of California
US District Court, Central District of California
US District Court, Southern District of California
US District Court, Eastern District of California
US District Court, District of Montana
US Bankruptcy Court, Northern District of Texas (pro hac vice)
US Court of Appeals, 9th Circuit
US Court of Appeals, Federal Circuit

