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SCHENCK, PRICE, SMITH & KING LLP DELIVERS SUCCESSFUL OUTCOME FOR SECURED LENDER IN HIGH-STAKES CHAPTER 11 CASE

By: Franklin Barbosa, Jr., Esq.

Schenck, Price, Smith & King, LLP successfully represented a secured lender serving as both debtor-in-possession (DIP) and pre-petition receivables financing lender in the Chapter 11 bankruptcy of a major New Jersey hospitality and timeshare operator, Flagship Resort Development Corporation. The matter was led by **Franklin Barbosa, Jr.** and **James A. Dempsey**, who guided the client through complex pre-bankruptcy strategy and high-pressure bankruptcy negotiations.

The firm advised on the structuring and protection of an eight-figure DIP and receivables financing facility, negotiated critical lender protections, and oversaw the strategic assumption and transfer of the receivables platform as part of a comprehensive sale and value maximization process. SPSK played a key supporting role in securing Bankruptcy Court approval of the DIP financing, continued pre-petition receivables financing, and sale of substantially all of the debtor's assets through a Section 363 and plan-based process. The sale transaction successfully closed, resulting in full repayment of the client's DIP loan and the assumption of its receivables line by the successful purchaser.

This result was achieved amid significant challenges, including a contested plan confirmation process involving objections from the U.S. Trustee and class-action plaintiffs asserting claims under the New Jersey Real Estate Timeshare Act. Through decisive advocacy, strategic negotiation, and a relentless focus on client outcomes, the firm preserved and maximized the lender's economic position despite substantial challenges.

Schenck, Price, Smith & King, LLP's knowledge of the Bankruptcy Code, extensive experience with complex financing structures, and strong relationships within the New Jersey bankruptcy

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community enabled the client to achieve a successful and efficient resolution under demanding circumstances.

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