

# Haynes Boone Secures 100% Recovery for BlockFi Creditors

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September 6, 2024 Richard Kanowitz, Matt Ferris, J. Frasher Murphy, Alexander Grishman, Matthew Frankle, Jordan Chavez, Lauren Sisson

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**PRACTICES** Digital Assets, Blockchain and Cryptocurrency, Restructuring

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Haynes Boone is proud to announce its representation of [BlockFi](#) in bankruptcy proceedings is resulting in a 100 percent recovery for all allowed claims. The firm served as both legal counsel to BlockFi as a debtor-in-possession and then counsel to its plan administrator, a rare and notable status in restructuring proceedings.

In total, the firm's dual role helped lead to the recovery of more than \$1 billion for creditors in the aftermath of the 2022 cryptocurrency market crash.

Haynes Boone initially represented BlockFi in its November 2022 Chapter 11 filing, then transitioned to counsel for Mohsin Y. Meghji of [M3 Partners](#), the plan administrator, following the [September 2023 plan confirmation](#) by the United States Bankruptcy Court District of New Jersey.

Over the course of the proceedings, a multidisciplinary team of 95 lawyers and business professionals from Haynes Boone managed legal issues spanning multiple jurisdictions, including the United States, Bermuda, and Antigua.

The success hinged on two significant transactions. First, the team worked with M3 Partners to settle with FTX in March 2024, and BlockFi received \$874.5 million in claims against FTX and its affiliate Alameda Research.

Following the settlement, Haynes Boone and M3 orchestrated a third-party sale of those claims at a substantial premium to their face value. The sale provided the necessary funds for a timely and successful recovery of 100% of allowed claims to BlockFi creditors.

"These recoveries on customer claims, and the timeline those recoveries will be distributed on, were unimaginable when these cases were filed in November 2022," Meghji of M3 Partners said in a [prepared statement](#).

Restructuring Partners [Richard Kanowitz](#), [Matt Ferris](#), and [Frasher Murphy](#), along with Finance Partners [Alexander Grishman](#) and [Matt Frankle](#) led the large multi-disciplinary team, combining the firm's experience in restructuring law with its deep understanding of the digital asset landscape. Restructuring Associates [Jordan Chavez](#) and [Lauren Sisson](#) were equally instrumental in their leadership of key workstreams necessary for creditor recoveries.

"We're proud we were able to transform a potentially devastating situation into a full recovery for creditors," Kanowitz said. "Our cross-disciplinary approach leaned on experience in restructuring, litigation and digital assets practices to unravel a complex web of international cryptocurrency transactions and regulations."

Haynes Boone's [Restructuring Practice Group](#) handles issues in complex restructurings and Chapter 11 reorganizations for both debtors and lenders. Clients include more than 100 Fortune

500 companies, many major foreign companies, and large financial institutions.

The firm's [Digital Assets, Blockchain and Cryptocurrency Group](#) is a pioneer in the legal industry as one of the only firms to have extensive experience in the financial services and decentralized finance worlds. The group has counseled some of the largest financial institutions and most well-known cryptocurrency players in all aspects of FinTech.