

Haynes and Boone Helps Retailer Complete Successful Restructuring

January 19, 2021 Ian Peck, Jarom Yates, Jordan Chavez, Richard Kanowitz, Martha Wyrick, David Staab, David Trausch, Arsalan Muhammad, Aimee Furness, Sakina Foster, Laura Shapiro, Cody Cravens, Paul Amiel, Rachael Williams, Daniel Malone, Kenneth Bezozo, Raquel Alvarenga, Susan Wetzel, Brack Bryant, Christopher Konopka

PRACTICES Restructuring, Chapter 11 Debtor, Retail

A multi-practice Haynes Boone team led by Partner [Ian Peck](#) represented Tuesday Morning, a publicly-held, off price home goods retailer with stores throughout the U.S., in its successful reorganization and emergence from Chapter 11.

“Tuesday Morning worked diligently with our advisors to craft a plan of reorganization that paid our vendor claims in full while protecting our shareholders,” CEO Steve Becker said in a statement. “We are especially pleased that our plan of reorganization has attracted significant new institutional ownership while allowing our shareholders to participate in the upcoming \$40 million rights offering.”

Haynes Boone’s engagement with the company began in March 2020, concurrent with Tuesday Morning’s temporary store closures required to comply with local COVID-19 regulations and to ensure the safety of the company’s customers and employees. To address the unprecedented challenges caused by the pandemic, the Haynes Boone team worked with the company to develop a comprehensive reorganization strategy that included securing two separate loan facilities that provided Tuesday Morning with access of up to \$125 million to finance operations during the bankruptcy case, shedding the company’s less profitable locations through successful store closing sales, and renegotiating the terms of hundreds of store leases at the company’s go-forward locations. These efforts resulted in millions of dollars of savings to the company.

The Haynes Boone team also advised Tuesday Morning in the negotiation and documentation of two exit loan facilities totaling \$150 million and a \$70 million sale-leaseback of certain of the company’s owned real estate. These capital sources, combined with a \$40 million rights offering, will fund the company’s exit from Chapter 11.

In confirming Tuesday Morning’s reorganization plan, Chief Judge Harlin Hale of the U.S. Bankruptcy Court for the Northern District of Texas described Haynes Boone’s efforts as “extraordinary” and the outcome as “wildly successful.”

The cross-sectional Haynes Boone team led by Peck included Restructuring Practice Group team members [Jarom Yates](#), [Jordan Chavez](#), [Rich Kanowitz](#), [Martha Wyrick](#), [David Staab](#), [David Trausch](#), [Arsalan Muhammad](#), Tom Zavala and Kim Morzak. Litigation support was provided by [Aimee Furness](#) and Taylor Robertson. Additional assistance in the reorganization was provided by Finance team members [Sakina Foster](#), Molly Barham, [Laura Shapiro](#), [Cody Cravens](#), and [Paul Amiel](#); Real Estate team members [Brack Bryant](#), [Chris Konopka](#), Kate Ortbahn, and [Sarah Perot](#); Employee Benefits and Labor and Employment team members [Susan Wetzel](#), Melissa Goodman, and [Raquel Alvarenga](#); and Private Equity and Tax lawyers [Rachael Apfel](#), David Lightstone, [Dan Malone](#), AK Bonnet, and [Ken Bezozo](#).

The Haynes Boone Restructuring Practice Group handles issues in large and complex out-of-court financial restructurings and Chapter 11 reorganization cases. *Chambers USA*, *Chambers and Partners*, 2020 ranks the practice as a market leader, and clients describe the lawyers as “business-oriented attorneys.”

Haynes Boone is an international corporate law firm with offices in Texas, New York, California, Charlotte, Chicago, Denver, Washington, D.C., London, Mexico City and Shanghai, providing a full spectrum of legal services in energy, technology, financial services and private equity. With more than 575 lawyers, Haynes Boone is ranked among the largest U.S.-based firms by *The National Law Journal*, *The American Lawyer* and *The Lawyer*. It also was recognized across the board for excellence in the BTI Consulting Group’s 2020 “A-Team” report, which identifies the law firms that in-house counsel commend providing superior client service.