

Rising Star: Kelley Drye's Jason Adams

By **Stewart Bishop**

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Working on behalf of creditors of GT Advanced Technologies Inc., Kelley Drye & Warren LLP's Jason R. Adams helped secure a key \$439 million settlement with Apple Inc. of claims surrounding a failed sapphire production partnership, heading off a wave of litigation and landing him on Law360's Bankruptcy Rising Stars list.

The 39-year-old Rising Star has become a key part of Kelley Drye's expansion of its creditor committee practice and has earned a reputation as an innovative practitioner with a diverse skill set, according to the firm. He joined Kelley Drye as an associate in 2008 and was named special counsel in 2012, and has had a hand in some of the most high-profile bankruptcies in the country in recent years, including GT, Caesars Entertainment Operating Co. Inc. and Residential Capital LLC.

Despite having a longstanding ambition to work as a commercial litigator, Adams said he "luckily fell into" restructuring work early in his career at the New York office of Torys LLP and has never looked back.

"It keeps you on your toes, which is a great thing, and it keeps you constantly learning and exploring new areas of the law. The work never gets stale," Adams said in an interview.

When bankruptcy work was scarce in the early and mid-2000s, Adams said he gained invaluable experience by branching out to do transactional and lending work. The skills he learned during those years have become "essential" to his restructuring practice, he said.

"I use those skills every single day in my practice," Adams said. "Not only do I think it's a benefit, but I think it's something that all restructuring lawyers should do."

Last year, Adams and Kelley Drye were selected out of dozens of law firms to represent the creditors' committee of GT, after a soured sapphire venture with Apple caused GT's abrupt descent into Chapter



Jason Adams

11, which wiped out some \$1.4 billion in market value. The two companies had teamed up in an ambitious project for Apple to finance GT's entry into the sapphire production business, but things went sideways once the technology proved unworkable.

Apple was sitting on "billions of dollars" in potential breach of contract and intellectual property claims from the failed venture, that threatened the bankruptcy from point one. Without a compromise, GT's prospects for reorganization looked dim.

"It was one of the most critical issues for the creditors in the case, and certainly for the debtors as well," Adams said.

Once a healthy company, GT poured some \$900 million into the Apple venture. With no revenues coming in to the company, more than 2,000 furnaces financed by Apple sat idle in a Mesa, Arizona, production facility, and GT was barred from selling them under an exclusivity provision it signed with Apple.

After a long and tedious negotiating process, Adams was able to work with Apple and GT to broker a deal for GT to sell its sapphire furnaces and institute a loan repayment plan with Apple, while at the same time limiting Apple's claim to those furnaces, allowing other creditors to look to the rest of the company for recovery.

"There were definitely times when it looked like this could devolve into litigation, which would have probably killed this company, but luckily we got to a deal that worked for everyone," Adams said. "We really had to appeal to both sides' better senses."

In another a contentious and closely watched bankruptcy proceeding, Adams and Kelley Drye served as special litigation counsel to UMB Bank NA as trustee to junior secured noteholders owed over \$2.1 billion in the bankruptcy of Residential Capital LLC.

In the midst of a hard-fought, multi-phase trial in which ResCap and the creditors' committee had claimed the junior secured noteholders were unsecured, Adams and Kelley Drye were able to help close a deal in connection with the plan process that gave the noteholders a 100 percent recovery on the principal amount of their claims, plus \$128 million in post-petition fees and expenses.

"I know the noteholders were extremely happy with the result; it certainly wasn't the full amount they thought they were entitled to ... but it wound up I think being a great success," Adams said. "It was really a great example of a lot of law firms and a lot different interests working together."

As far as advice to other young lawyers looking to have a successful career in restructuring work, Adams said in addition to finding good mentors, diverse experience is the name of the game. He encouraged young attorneys to work on as many varied projects as humanly possible.

"That means going out to different practice areas in your firm and seeking the opportunity to do something that you know will be beneficial to your practice," he said.

--Editing by Emily Kokoll.