

Bankruptcy MVP: Ropes & Gray's Gregg Galardi

By **Andrew Strickler**

Law360, New York (December 12, 2016, 1:14 PM EST) -- The Gawker Media bankruptcy saga dominated the news this year, putting lead Gawker counsel Gregg Galardi of Ropes & Gray LLP in the center of the action and among Law360's 2016 Bankruptcy MVPs.

With Gawker as his primary focus since his arrival at the firm's New York office in February, Galardi said only some of the many twists and turns of the case were immediately apparent at the outset.

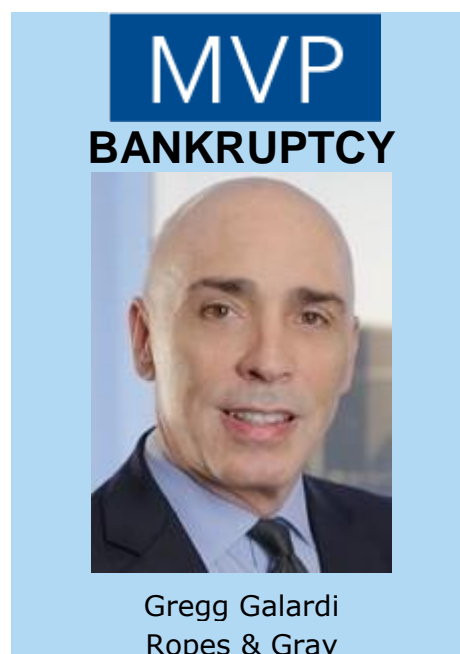
But with the end of the year in sight and a Chapter 11 approval date this week, Galardi said the matter has moved into any number of areas, including free speech and third-party litigation funding, rarely touched by bankruptcy practitioners.

"It's been amazing to see how someone could litigate with a media company and actually put a successful company out of business," Galardi said, referring to a \$140 million judgment against the company and the involvement of billionaire Peter Thiel, who funded Hulk Hogan's invasion of privacy suit.

"People may say the jury made that decision, but we still feel the judgment was incorrect and if it were not for the bankruptcy, we'd still be litigating it and that the judgment would have been eventually overturned," Galardi said.

Already an experienced bankruptcy partner when he made the move from DLA Piper, Galardi has further distinguished himself as leader of the Ropes & Gray team that negotiated Gawker Media's unusual journey through Chapter 11.

Just hours after a Florida court ruled that former pro wrestler Hogan could begin asserting liens on Gawker Media LLC's assets to secure the \$140 million awarded in a suit over the publishing of a sex tape, the company filed for bankruptcy protection.



In addition to complications involving valuation of U.S. entities and a Hungarian subsidiary of Gawker parent Gawker Media Group Inc., the matter presented a series of challenges, including other pending lawsuits and the threat of more post-sale.

The Gawker plan submitted in September would limit possible recoveries by Hogan and others, pending the outcome of other lawsuits and appeals.

Gawker Media and its founder and former CEO, Nick Denton, have agreed to pay \$31 million plus a share of the proceeds from the website's bankruptcy sale to end Hogan's claims.

As part of the deal, Galardi and his client are also seeking a blanket release of liability for former Gawker writers in the event re-publication of articles triggers further suits. In a separate effort now on the shelf pending the court's Chapter 11 signoff, Gawker Media has also asked for leave to investigate whether its creditors are being funded by Thiel, who has said he funded Hogan's suit to punish Gawker for outing him as gay.

"It is a media company, and it's important to try to protect the writers," Galardi said. Even after the purchase of Gawker Media by Spanish-language media company Univision, "it wouldn't be impossible for someone two years from now to say I'm going to sue a writer for something they wrote at Gawker ... and they'd have no one to back them up."

Galardi joined Ropes & Gray from DLA Piper, where he was co-chair of the firm's global restructuring practice. Prior to that, he spent more than two decades at Skadden Arps Slate Meager & Flom LLP.

He's previously represented hedge fund Standard General in its acquisition of RadioShack assets, teen retailer Delia's and CIT Group Inc. in the largest-ever prepackaged bankruptcy.

Since his arrival at Ropes & Gray, Galardi has also played a key role in the firm's representation of the official committee of unsecured creditors of Sabine Oil & Gas Corp. in connection with debtors' Chapter 11 cases.

On behalf of the committee, the Ropes & Gray team conducted a full investigation of a major merger transaction that occurred seven months prior to the Sabine bankruptcy filing. When the committee objected to confirmation of the Chapter 11 plan, Galardi assisted in the standing dispute and represented the committee at the confirmation hearing.

Meanwhile, Galardi is also focused on expanding the firm's strength in creditor-side matters into more debtor-side matters through new engagements and Ropes & Gray's existing private equity clients. That effort will be helped, he said, by the firm's many interoffice and practice teams.

"I know a lot of people say this, but Ropes really is an incredibly collegial place that takes a much more team approach to clients than a lot of firms, and I get to be on a lot of teams with a lot of clients," he said.

--Editing by Jack Karp.