

## MVP: O'Melveny's John J. Rapisardi

By Tracey Read

*Law360 (September 14, 2022, 2:02 PM EDT)* -- John J. Rapisardi of O'Melveny & Myers LLP has served since 2017 as lead counsel for all Puerto Rico government agencies in the commonwealth's bankruptcy case, and the island's \$120 billion restructuring plan recently received a federal judge's approval, earning Rapisardi a spot among Law360's 2022 Bankruptcy MVPs.

### ***HIS BIGGEST CHALLENGE THIS YEAR:***

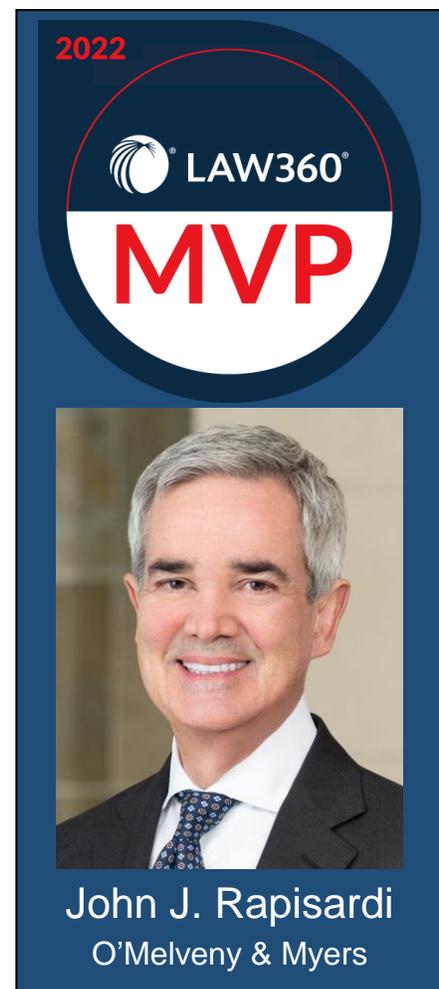
Rapisardi identified all sorts of factors that have made the Puerto Rico case — the largest municipal restructuring in U.S. history — so complicated.

"I've been in the restructuring business for 40 years," he said. "And in the context of Chapter 11 restructurings, there's a predictable start, middle and finish. What was different about Puerto Rico was there were so many uncertain elements that were thrown into the mix."

For starters, he and his eight team members were grappling with the untested Puerto Rico Oversight, Management, and Economic Stability Act, or PROMESA, which the U.S. enacted in 2016 to establish a financial oversight board, a process for restructuring debt, and faster procedures to approve critical infrastructure projects.

"Within that context, consider what happened over those five years," Rapisardi said. "Puerto Rico was hit with a Category 5 hurricane, which devastated the island. It had its governor resign due to a political crisis. Another governor was appointed, but then a new governor was voted into office. So we had three different executive administrations that we had to deal with in the aftermath of the hurricane. And on top of that, we had earthquake swarms. And on top of that, we had a pandemic."

"When you look at your most complex restructurings on record, they pale in comparison to the complexities that we had to face and successfully overcome," he said.



On Jan. 18, U.S. District Judge Laura Taylor Swain approved the comprehensive plan to help Puerto Rico begin its economic recovery.

#### ***HIS PROUDEST MOMENT:***

The oversight board in the Puerto Rico restructuring was adamant about cutting public pensions for retirees. But Rapisardi's team went on record in three successive administrations saying they would oppose pension cuts, and the board eventually backed down after years of fighting over the issue.

The board believed the cuts were necessary to be fiscally prudent. The attorneys successfully argued the cuts would actually do more harm than good as a fiscal matter, because they would add to the cost of welfare and drive more people off the island.

"My father was a police officer — a dedicated public servant for many years," Rapisardi said. "I knew how important my father's pension was, and the thought of cutting just 1% from pensions would really cause a lot of consternation, especially in Puerto Rico, where the cost of living is very high and there is a very high poverty rate on islands. So that was [very satisfying] for me personally."

#### ***WHY HE BECAME A BANKRUPTCY ATTORNEY:***

Rapisardi clerked for Edward J. Ryan, the former chief bankruptcy judge of the Southern District of New York, from 1983 to 1985.

Judge Ryan used to say that bankruptcy was the last area of the law where you're the jack of all trades, Rapisardi recalled.

"In bankruptcy law, you are involved in every discipline of the law — corporate issues, tax issues, antitrust labor law issues, environmental law issues," Rapisardi said. "It's fascinating. As a bankruptcy lawyer, you really have to be a quick study and really understand these various disciplines."

Rapisardi's wide-ranging career has included representing textile chemical companies and being asked to lead former President Barack Obama's auto industry task force to rescue and restructure the U.S. auto industry at the height of the global financial crisis.

"It keeps you on your toes, and it forces you to be fresh, and you're always learning about a new area that maybe you haven't been exposed to before," he said. "That's what always interested me about bankruptcy law."

#### ***HIS ADVICE FOR JUNIOR ATTORNEYS:***

Rapisardi said junior attorneys could learn a lot from his own mentor, the late Weil Gotshal & Manges LLP partner Harvey R. Miller, a pioneering figure in the development of U.S. bankruptcy law.

"Harvey always used to say, 'When you're enjoying success, don't get too high. And when you're suffering failure, don't get too low. Just stay in the middle,'" Rapisardi said.

Rapisardi also suggested never getting discouraged, because there will be a lot of letdowns in trying to bring in business in the high-pressure, ultracompetitive bankruptcy environment.

"Stick at it, and really become an expert in the law," he said. "Become an expert in these various industries. Become an expert in bankruptcy law, read up on cases, understand the trends. My goal as a

young lawyer was to basically follow Harvey Miller's lead. He read cases regularly and studied them and knew the law inside out so that when you walked in a room you were supremely confident of yourself."

#### ***OTHER NOTABLE CASES HE'S WORKED ON:***

While Puerto Rico's restructuring took five years, Rapisardi said his work as outside counsel with members of Obama's auto industry task force remarkably took less than a year — an incredibly intense time in which he prepared Chrysler for a bankruptcy filing and ultimately did the same for General Motors.

"It was at the height of the economic crisis of 2008-2009, and you felt as though you were doing something of national importance," he said. "So much was riding on the legal strategy that I was recommending. If General Motors didn't survive, and Chrysler too, it would have had a devastating impact not only on the economy but the national psyche."

Of the workload, Rapisardi said, "It was conference calls with the White House staff and the task force almost every morning at 7 o'clock. It was literally seven days a week, nonstop."

Another career highlight, he said, was working with firm partner Maria DiConza as retained counsel hired by Long Beach, New York, last year to help the city resolve nearly \$500 million in debt and other obligations.

"They were ranked as one of the most distressed municipal entities in New York state. They had a very large judgment by a real estate developer that was rendered over 20 years ago that was accumulating millions of dollars of interest every month," he said. "We had to engage in tough negotiations with them, raising the specter of the possibility of filing Chapter 9. Ultimately, that was not necessary. We were able to successfully negotiate a significant reduction in the judgment, which allowed the city to be put on solid financial footing going forward."

Rapisardi said another interesting case was working with O'Melveny partner Daniel Shamah to represent Standard Amusements, a management company established in 2015 to operate Rye Playland, a historic amusement park in Westchester County, New York.

Standard Amusements filed for Chapter 11 protection to prevent Westchester County from terminating its management agreement to operate Rye Playland, according to O'Melveny. In late 2020, the legal team finalized a reorganization plan that allowed the company to take over operations of Rye Playland in December 2021.

"The county executive who came into office after we had signed the management agreement had stated that he thought Standard Amusements was in breach of the contract and that he was going to bring in a new party to manage Playland," Rapisardi said. "With three days left before the expiration of the management agreement, we filed for Chapter 11. Westchester County mounted a very vigorous attempt to have the Chapter 11 case dismissed. We defeated that motion to dismiss, and we were able to get the county back to the negotiating table to renegotiate the agreement to allow Standard Amusements to stay in place."

#### ***WHAT MOTIVATES HIM:***

Rapisardi pointed to "the next generation" of lawyers as a source of motivation and excitement.

"At this age, as I approach 65, my younger colleagues motivate me," he said. "I take great pride and

pleasure in watching them grow their practices and take up the baton. It's just fun being able to help guide them to develop their careers and help them grow our practice collectively."

He added, "We have a terrific restructuring team, and very creative lawyers younger than me ... bring an element of new vigor and energy. And I think that's a good thing and a healthy thing in succession and getting the next generation ready."

— *As told to Tracey Read.*

*Law360's MVPs of the Year are attorneys who have distinguished themselves from their peers over the past year through high-stakes litigation, record-breaking deals, and complex global matters. A team of Law360 editors selected the 2022 MVP winners after reviewing more than 900 submissions.*

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