



## Juan Verdugo García

Partner

Madrid

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### **Restructuring and Insolvency**

#### **Dispute Resolution: Litigation and Arbitration**

Banking and Finance

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Juan Verdugo is partner of Garrigues' Restructuring and Insolvency practice since 2011. His multidisciplinary profile enables him to offer top-level advice in special situations or "special sits" (insolvencies, restructuring plans, debt restructuring, operational restructuring, downsizing & relocations, debt-to-equity and loan-to-own deals, acquisition of distressed businesses and business units within insolvency proceedings).

He has more than 10 years of experience in debt market transactions, advising funds and financial institutions on sell-side and buy-side of non-performing loans portfolios ("NPLs"), single names and the entire on boarding process for loan recovery, in particular the more complex and special workouts that require a more innovative approach.

With an in-depth knowledge of the secondary debt market, he is a regular advisor to the main credit servicers and funds on regulatory aspects such as registration, supervision and sanctions.

Juan has a superb track record with the enforcement of securities packages, claw-back actions and avoidance claims, and he has collected major successes defended big court cases where liability of directors were on the spotlight.

## **Experience**

Juan manages some of the most high-profile insolvency proceedings in Spain, defending the interests of industrial companies, financial institutions, investment banks, insurers, property developers, construction companies, private equity firms and hedge funds.

He has amassed a wealth of experience in refinancing distressed businesses, the purchase and valuation of unsecured and secured NPLs portfolios, the acquisition of debt from banking syndicates ('distressed debt trading') and the purchase of companies or assets subject to insolvency proceedings. Also worthy of note is his experience in the area of cross-border insolvencies and in advising foreign investors on bids to acquire a controlling stake in distressed companies ('loan-to-own').

With a brilliant past and present as a litigator, he specialises in the enforcement of security packages, the defence of clawback actions and, most recently, has successfully defended major court cases involving the liability of directors and partners for decisions taken in the 'twilight zone' (scenarios of financial and operational difficulties).

- In 2014 he acted as lead advisor to the buyer of the **first large portfolio of NPLs sold in Spain (c. €1 billion)** which included failed positions in prime hotel assets and operating businesses ("Proyecto Amazona").
- In 2016, according to the Financial Times, a team led by Juan Verdugo closed the **most innovative restructuring deal in Spain** ("Financial Times Innovative Lawyers Awards 2016"), bringing a Spanish industrial champion to viability through a partial spin-off of its business.
- In 2018, he achieved a **major media success for the NPL market**, unifying the criteria of the General Directorate of Registries and Notaries to accelerate the return on investment of funds buying NPLs.
- In 2019, the impact of Juan's legal innovation, which **created a new standard and improved the competitiveness and attractiveness of the Spanish NPL market**, was recognised by the Financial Times (Financial Times Innovative Lawyers Awards 2019), which awarded the project led by Juan Verdugo the first prize in the Legal Expertise category ("Creating a New Standard").
- During 2019 to 2021, he advised on the orderly closure, relocation and sale of the **Spanish business of tour operator Thomas Cook**, leading the restructuring and insolvency proceedings of the group's Spanish companies.
- In 2020 advised on the **financial restructuring of the leading Spanish aviation, rescue and firefighting services operator**, which included a €100 million bond issue.
- In 2022 advised the **main Spanish credit servicers** on their pioneering consultation with the Bank of Spain on European credit servicing regulations, which was resolved favourably leaving servicers temporarily out of the registration obligation.
- In 2023 he was the leading counsel for negotiating, approving and **sanctioning Spain's first restructuring plan**, which included **class composition, cross-class cramdown** and **DIP financing**, making a leading retail business viable and saving c. 400 jobs.

He regularly contributes articles to Spanish financial newspapers (Expansión, El Economista) and international publications (Financier Worldwide, The European Lawyer, Legal Week, Legal Business and Euromoney).

## Academic background

- Bachelor of Law with Honours (Universidad de Valladolid, Spain).
- Specialist Diploma in Insolvency Law (Universidad Pontificia Comillas, ICADE).
- Specialist Course in Insolvency Law (Madrid Bar Association).
- Doctorate studies in Public Law and Economy (Universidad de Valladolid).
- New Technologies Expert (General Council of Spanish Lawyers).

## Teaching activity

- Permanent lecturer in the Insolvency Law Forum (Karnov, Aranzadi-La Ley).
- Lecturer in the Master in Corporate Restructuring (Madrid Bar Association).

## Memberships

- Founding member of the Spanish chapter of the Turnaround Management Association (**TMA Spain**).
- Member of the Expert Panel for the "Closing a Business" and "Getting Credit" reports (**World Bank**).

## Distinctions

**Chambers & Partners Europe 2023:** Band 2, Restructuring and Insolvency.

- *"He obtained the best solution for our interests"*
- *"Described by sources as a 'great strategist', Juan Verdugo is well placed to advise Spanish and international companies on fast-track insolvency proceedings and liquidation processes. Clients enthuse: 'He does fantastic work, it is very cutting-edge and allows us to reduce costs and speed up processes'".*
- *"Juan is a firm favourite for Spanish banks and other creditors, who endorse him as 'very talented, firm, serious and pragmatic'".*
- *"He fights for the client, is a strong communicator and is able to adeptly handle all the parties involved in negotiations".*
- *"Fantastic, very responsive and able to use the legal framework very skilfully to arrive at a commercial solution".*
- *"Ability to pinpoint and present crucial arguments to the court in a very convincing manner".*
- *"Capable of having a fantastic interaction with the court and anticipating how the parties will behave".*

**Legal 500 2023:** Leading Individual, Restructuring and Insolvency.

- *"Juan Verdugo is a benchmark in all pre-insolvency or insolvency situations. What makes him stand out is his vast experience, clarity when presenting his advice, extremely high level of technical knowledge, and constant evolution and training. He also has a very good relationship with foreign funds"*
- *"The personal involvement and treatment of the case/situation as his own is what has made us very comfortable working with Juan Verdugo. He has not limited himself to a legal opinion but has contributed ideas and his enormous experience in other key areas such as the approach to negotiations, the search for alternatives to the main actions, the consideration of different scenarios, and so on"*

**IFLR 1000 2022:** Notable Practitioner, Restructuring and Insolvency - Banking.

- *"Amazing, the man-to-go when we have a problem in Spain".*
- *"His work is excellent. Strengths are his vast knowledge and track record, as well as his creativity and problem-solving approach. He goes deep into the detail of problems offering innovative solutions".*

**Who's Who Legal 2023:** Restructuring and Insolvency, Global Guide, Recommended.

- *"Juan is an extremely well regarded practitioner involved in some of the most complex and highest profile insolvency cases in Spain"*

**Best Lawyers 2023:** Banking and Finance Law, Insolvency and Reorganization Law, Litigation.

**Global Restructuring Review 100 2022:** Restructuring & Insolvency, Global leader.

- *"Coming in for particular praise, Verdugo is 'undoubtedly a market leader': He works his legal magic to make clients' dreams come true. He makes the grey areas of restructuring black and white in a way that significantly eases the decision-making process."*

**Lexology "Client Choice" 2022, Restructuring & Insolvency:**

- Client Choice recognizes those law firms partners around the world that stand apart for the excellent client care they provide and the quality of their service. The criteria for this recognition focus on an ability to add real value to clients' business above and beyond the other players in the market. Uniquely, law firms and partners can only be nominated by corporate counsel.

**Financial Times European Innovative Lawyers Awards 2019:** Legal Expertise, Standout, "Creating a New Standard".

- *"Juan proposed a new reading of Spanish law and led interested parties in lobbying for new interpretation of the need for original documentation when acquiring non-performing loans. Previously debt funds acquiring NPLs could not legally enforce the related mortgages without the first certified copy of the loan deed signed by the borrower. The new interpretation allows funds to use a second copy, enabling them to foreclose assets approximately 18 months sooner than before. Huge impact of his legal innovation, which creates a new standard and improves competition and the appeal of the Spanish NPL market, one of the most active in Europe".*

## Publications

### Collective works:

- Transfer of business units and forced-assignment of contracts: shall the counterparties be informed? (Revista de Derecho Concursal y Paraconcursal nº 34, 2021)
- Comments on the articles of the Spanish Recast Insolvency Act (SRIA) (articles 441 to 445, Sepin, 2020)
- Credit servicers and registering in front of Bank of Spain due to Spanish Real Estate Credit Act (Wolters Kluwer, 2020)
- Insolvency avoidance claims and legal standing: the «transfer» of the claim to the creditor and other practical problems (Revista de Derecho Concursal y Paraconcursal nº 30, 2019)
- Cross-guarantees, clawback and countervailing effects: a practical and comparative law approach (Derecho preconcursal y concursal de sociedades mercantiles de capital, Wolters Kluwer, 2018)
- Distressed debt transactions (Derecho práctico de reestructuraciones e insolvencias empresariales, Thomson Reuters Aranzadi, Garrigues Collection, 2017)

- Assessment, conclusion and reopening (Formularios de Derecho Concursal: los escritos de parte imprescindibles para la práctica concursal Ed. Dykinson, 2012)
- Cross-border insolvency (Crisis empresarial y concurso: comentarios legales, Aranzadi, Garrigues Collection, 2010)
- The preservation of the value of the assets available to the creditors ( Crisis empresarial y concurso: comentarios legales, Aranzadi, Garrigues Collection, 2010)
- Insolvency Law in Distress? Towards a Business Restructuring Law (Diario La Ley núm. 7411, La Ley, 2009)
- Out-of-court singular agreements with a petition for insolvency (Revista de Derecho Concursal y Paraconcursal no. 6 ,La Ley, 2007)
- Commentary on the Insolvency Law (Marcial Pons, Garrigues Collection, 2004)

### **Own articles**

- Non-performing loan portfolios (NPLs): the hurdle race towards registration in Spain for buyers and debt servicers (Journal of Restructuring & Insolvency nº 6, 2022)
- Third-party payments and down-stream guarantees: ¿a layer more (or less) of insolvency armour-plating? (Revista de Derecho Concursal y Paraconcursal, 31, 2019)
- Reflections on the ruling by the Directorate-General of Registries and the Notarial Profession of June 28, 2018, on the issue of enforceable copies of public deeds (Revista Aranzadi Doctrina, nº 8, 2018)
- The inclusion of alternative solutions in an agreement does not imply special treatment. Commentary on the Judgment of the First Chamber of the Supreme Court of March 13, 2017 (Revista de Derecho Concursal y Paraconcursal, 27, 2017).
- NPLs: the battle against the elements (El Economista, 2017)
- Sales of loan portfolios: new developments and uncertainties (Expansión, 2016)
- Lifting of attachments in the insolvency proceeding, in Economist & Jurist (published by Difusión Jurídica, 2014)
- Reform of the Insolvency Law: main new developments, in Economist & Jurist (published by Difusión Jurídica, 2011)
- Proof of insolvency in insolvency proceedings, in Cuadernos de Derecho Judicial (published by the General Council of the Judiciary, 2006)
- Report on voluntary insolvency. Insolvency Law 22/2003, of July 9, 2003, in Revista de Derecho Concursal y Paraconcursal no. 2 (published by La Ley, 2005)
- Court fees or fees for exercising the power to seek judicial redress before the civil and judicial review courts, in Actualidad Jurídica (published by Aranzadi, 2003)
- Service of copy pleadings and documents: study of arts. 276 through 278 of the new Civil Procedure Law, in Actualidad Jurídica (published by Aranzadi, 2001)

### **Collective works (published in English):**

- Distress transactions in Spain: a brief investor's guide to financing, asset, share and debt deals (Thomson Reuters, 2019)
- The Restructuring Review (Law Business Research)
- Attachment of assets (Juris Pub, 2018)
- Enforcement of money judgments abroad (Juris Pub, 2018)
- The European Restructuring and Insolvency Guide (IBRD, International Bank for Reconstruction and Development)
- Framework for resolving business crisis in Spain (European Restructuring and Insolvency Guide 2005/2006, Globe White Page)

### **Articles (published in English)**

- Spain: Distress Investors, Covid-19 and a 'Brave New (Insolvency) World' (Global Restructuring Review, 2020)
- Spain: Insolvency Litigation Funding (Global Restructuring Review, 2018)
- Spain: Hurdles when Acquiring or Managing NPLs or REOs Portfolios (Global Restructuring Review, 2017)
- Acquisition of companies going through formal insolvency proceedings in Spain (Financier Worldwide, 2012)
- Spain: Key new legislation introduced by the Insolvency Law Reform (Global Insolvency & Restructuring Review, Euromoney, 2012)
- Objective: Preserving value (Global Insolvency & Restructuring Review, Euromoney, 2011)
- Preference granted to petitioner creditors in insolvency proceedings (Executive View, 2010)
- Swift Spanish Solutions (The European Lawyer, 2009)
- Investing in distressed debt in Spain (Corporate Debt, 2009)
- Spain adjusts its insolvency regime to international trends (Financier Worldwide, 2009)
- Spain: distress investing opportunities and the latest real estate restructuring developments (Financier Worldwide, 2009)
- The role of IPs in Spain (Recovery, R3, 2008)
- Developments in the application of preventive attachment measures under Spain's new Insolvency Law (International Litigation News, IBA Legal Practice Division, 2006)
- A guide to publishing and registering the opening of insolvency proceedings in EU Member States (Eurofenix, INSOL Europe Journal, 2006)