

Bankruptcy MVP: Hughes Hubbard's James Giddens

By **Max Stendahl**

Law360, New York (December 4, 2015, 6:47 PM ET) -- Hughes Hubbard & Reed LLP's James Giddens has helped former customers of defunct Lehman Brothers and MF Global recoup their money and secured billions for other creditors of the collapsed brokerage firms, earning him a spot on Law360's list of Bankruptcy MVPs.

Giddens, who serves as trustee in the Lehman Brothers Inc. and MF Global Inc. cases — the largest and eighth-largest bankruptcies in U.S. history, respectively — is one of 10 attorneys selected as an MVP in the bankruptcy practice area for 2015.

Chairman of Hughes Hubbard's corporate reorganization and bankruptcy group, Giddens is a superstar in the world of brokerage firm liquidations, and his work in the Lehman and MF Global cases has earned him national recognition.

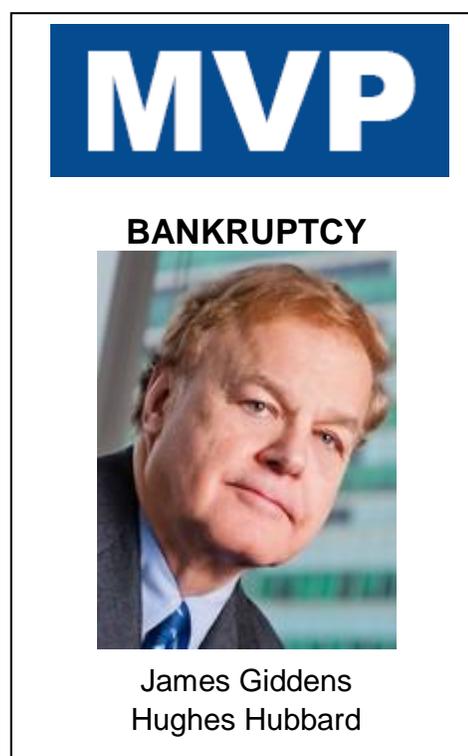
In the Lehman case, former customers have received more than \$106 billion, while former customers of MF Global have received \$6.9 billion, fully satisfying allowed claims.

Giddens secured several significant court rulings in 2015. Hughes Hubbard's Lehman team struck a \$1.28 billion settlement with Barclays PLC stemming from the sale of a brokerage unit to the British bank at the height of the 2008 financial crisis and later won approval to pay nearly \$1.9 billion to unsecured general creditors.

In a ruling with positive implications for the Securities Investor Protection Corp., which helps return money to victims of failed brokerage firms, the Second Circuit found in June that \$44 million in claims against Lehman arising out of so-called repurchase transactions did not qualify for customer protection.

Giddens said in an interview with Law360 that the ruling had cleared up ambiguity in the law.

"These repos are very, very important financial transactions," he said. "They're in the trillions of dollars, and they are essentially the way that banks, hedge funds and other people finance their ongoing



operations on virtually a daily basis.”

Giddens added, “Those are not ordinary brokerage transactions of people just buying shares or securities in their brokerage accounts. It’s a very important distinction and clearly needs to be clarified for the financial community.”

Giddens and his team have also racked up significant victories in the MF Global case, the largest liquidation of a commodities broker in U.S. history. The company, run by Jon Corzine following his term as the governor of New Jersey, collapsed in late 2011 amid allegations that it had mishandled customer funds in a desperate attempt to stay afloat.

In April 2015, Giddens won approval to distribute more than \$480 million to unsecured creditors, and a bankruptcy court later approved a plan to repay such creditors nearly in full, all but completing MF Global’s liquidation.

Previously, in February, a judge denied a request by Corzine and other defendants in multidistrict litigation to obtain documents from Ernst & Young LLP as part of the trustee’s investigation of MF Global’s collapse. That probe culminated in a 275-page report that functioned as an autopsy of the brokerage firm.

Giddens said in the interview that such information, or work product, was “traditionally sacrosanct.”

“It’s very important to accountants or to anyone who acts as an adviser to a trustee,” Giddens said. He added that outside parties like the defendants in the MF Global action “can’t reap the benefits of the trustees’ professionals. They have to have their own people do it.”

--Editing by Christine Chun.