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Binder & Binder can start liquidating

Lindsay Rittenhouse

Binder & Binder-The National Social Security Disability Advocates (NY) LLC has received the go-ahead to implement its liquidation plan.

According to debtor counsel Andrew Behlmann of Lowenstein Sandler LLP, Judge Robert D. Drain of the U.S. Bankruptcy Court for the Southern District of New York in White Plains on Tuesday Sept. 13, confirmed the disability claims firm's liquidation plan, which calls for a sale of its assets.

"We are pleased that the court has approved the Chapter 11 plan, subject to the debtors submitting the final form of transaction documents and confirmation order once agreed upon by the various parties in interest," Behlmann said.

Binder & Binder has assisted more than 300,000 people in getting payments from the Social Security Administration and Department of Veterans Affairs. Drain approved the firm's disclosure statement at an Aug. 2 hearing.

The confirmed plan provides for "an orderly, controlled wind-down of [the company's] existing businesses over an extended three-year period," court documents said.

Binder & Binder will settle all existing disability cases under programs operated by the Social Security Administration and the Department of Veterans Affairs, monetize its other assets and fund distributions to the holders of allowed claims, according to the plan.

Priority nontax claims will be paid full in cash.

Claims related to debtor-in-possession financing, amounting to \$21.5 million, also will be paid in full, with all accrued and unpaid interest as of the effective date. U.S. Bancorp (USB) and Capital One Financial Corp. (COF) are owed \$11.6 million and \$9.9 million, respectively, the plan said.

Holders of alternative DIP facility claims, totaling \$950,000, will be paid up to \$600,000 in cash.

Other secured creditors, owed \$24 million, will be paid in full in cash or receive the collateral securing their claims.

The largest unsecured creditor, Stellus Capital Management LLC, owed \$16.7 million, will receive an initial \$1 million in cash. Beginning on Jan. 31, 2017, Stellus will receive monthly installments of \$50,000 until its claim is paid in full.

The plan calls for the remainder of unsecured creditors, owed a total of about \$6 million, to receive a pro rata share of an \$800,000 cash pool.

Equity holders will be wiped out.

Binder & Binder will partially fund payments through the sale of the firm's intellectual property, including trademarks, symbols and copyrights.

Binder & Binder filed for Chapter 11 on Dec. 18, 2014, blaming the federal government. The firm said it faced headwinds after program administrators put in tougher standards to evaluate disability payment requests, slowing cases and revenue. The 2013 government shutdown and federal sequestration also caused delays and financial distress for the debtor.

Cassandra M. Porter, Kenneth A. Rosen and Nicholas Blaine Vislocky of Lowenstein Sandler are also debtor counsel.

Jeffrey Corneau, Tracy L. Klestadt, Maeghan J. McLoughlin and Fred Stevens of Klestadt Winters Jureller Southard & Stevens LLP represent the official committee of unsecured creditors.

<http://pipeline.thedeal.com/tdd/ViewArticle.dl?id=13727535>

---- **Index References** ----

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