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# Hughes Hubbard & Reed

## Hughes Hubbard Advising Chapter 11 Trustee in Kentucky Owl Restructuring Proceedings

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### Highlights

- Hughes Hubbard is advising the Chapter 11 trustee of Kentucky Owl LLC, an affiliate of Stoli Group, in its restructuring proceedings.
- The firm guided the trustee in seeking court approval to hire an inventory broker to sell more than 35,000 barrels of aging bourbon in efforts to maximize creditor recoveries.

Hughes Hubbard is advising the Chapter 11 trustee appointed to run the chapter 11 case filed in late 2024 by Kentucky Owl, a bourbon brand affiliated with Stoli Group. Recently, Hughes Hubbard assisted the trustee in securing the bankruptcy court's approval to hire an inventory broker to help sell more than 35,000 barrels of Kentucky Owl bourbon.

In an application filed on April 20, Kentucky Owl's Chapter 11 trustee, Claudia Springer, asked Judge Scott W. Everett of the U.S. Bankruptcy Court for the Northern District of Texas to approve the hiring of Time and Tasks as a broker to assist in monetizing its inventory, and in maximizing recoveries for creditors as the case moves toward liquidation.

If approved, Time and Tasks would receive reduced commission rates to help market and sell Kentucky Owl's premium barrel inventory, which Springer described as time-sensitive and highly valuable due to aging and market demand.

"Ms. Springer is tasked with maximizing the value of the estate for its creditors," Katie Coleman told Law360 regarding the request. "Ms. Springer plans to start selling inventory as soon as the Court gives her the green light to do so."

The request follows the court-ordered separation of Kentucky Owl's bankruptcy from Stoli's case. In February, both companies were placed under Chapter 11 trustees after plan negotiations stalled, and lenders argued liquidation within Chapter 11 would yield greater value than a Chapter 7 conversion.

Law360 reported on the proceedings.

The Hughes Hubbard team representing the Chapter 11 trustee includes Coleman, Christopher Gartman and Jeff Margolin.

## **Related People**



**Kathryn A. Coleman**



**Chris Gartman**



**Jeffrey S. Margolin**

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