



M. Douglas Flahaut

PARTNER

Doug is a Partner in the Bankruptcy & Financial Restructuring group.



Practices

[Financial Restructuring & Bankruptcy](#)

Languages

Spanish

Education

University of California, Los Angeles, School of Law, JD, Corporate Law Specialization, 2006

London School of Economics and Political Science, MSc, Philosophy (merit), 2003

Walla Walla College, BA, Modern Languages (cum laude), 2002

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Doug serves as Subchapter V Trustee in the Central District of California and is a recognized expert and frequent speaker on the topic of Subchapter V reorganizations. In addition to serving as a Trustee he focuses his practice on business reorganizations, out-of-court workouts, representation of chapter 7 and chapter 11 trustees, representation of creditors, preference litigation, and related business litigation matters. Doug is certified as a Business Bankruptcy Specialist by the American Board of Certification.

Client Work

Barley Forge Brewing Company

Doug led a successful chapter 11 sale process for a popular craft brewery in Orange County. Since this case, Doug has been involved in multiple craft beer and wine cases as well as hospitality cases and has built up expertise in the food and beverage space.

G-Star Jeans

Doug successfully led one of the largest Subchapter V cases in the Central District of California from petition to confirmed plan in less than four months. Among other things, the reorganization allowed the company to quickly and efficiently reject about half of its leases and right size around its profitable stores.

Individual Chapter 11 Debtor (name withheld)

Doug confirmed a chapter 11 plan in an individual chapter 11 case where the debtor had over \$40 million in personal liability. Impressively, the confirmed plan provided that creditors would be paid a quarter of 1 percent (.0025) of their allowed claims over 5 years!

Custom Blinds and Components

Doug successfully confirmed the small business chapter 11 plan over the vigorous objection of a contentious litigation creditor after a contentious evidentiary hearing (trial). The confirmed plan allowed the business to restructure its debts and save many jobs.

The Walking Company

Doug assisted in ArentFox Schiff's representation of an \$80 million, publicly-traded retailer of specialty footwear in a highly successful and rapidly executed chapter 11 reorganization that resulted in full payment of all unsecured creditors; a \$10 million recapitalization of the company; the renegotiation of significant lease obligations; and the preservation of all of the company's stores, substantially all of its employees, and its management team. This reorganization was selected as the chapter 11 Reorganization of the Year (Lower Middle Market) by *The M&A Advisor*.

Right Start Acquisition Company and Baby Style, Inc.

Doug represented the official committee of unsecured creditors and was instrumental in successfully confirming the committee's liquidating plan. Doug represented the liquidating trust post-confirmation in the prosecution of more than 30 adversary proceedings aimed at recovering over \$1.3 million in preferential transfers and successfully resolved all matters by way of final judgment or settlement within 12 months.

In re NGTV, Inc.

Doug was part of the ArentFox Schiff team that successfully sold the intellectual property and litigation assets of the estate for the chapter 7 trustee over the vigorous objections of a secured creditor and structured the sale such that unsecured creditors would receive a distribution even though secured debt far exceeded the sales proceeds.

In re Younessi

Doug was successful on appeal at the Bankruptcy Appellate Panel on behalf of a large creditor regarding a novel issue with respect to plan modification and its effect on appellate rights. *In re Younessi*, 601 B.R. 815 (9th Cir. BAP 2019).

In re Wrightwood Guest Ranch, LLC

ArentFox Schiff represented the chapter 11 Trustee in the case where the principal asset was a \$9 million piece of real property in Wrightwood, CA. Doug was responsible for briefing and arguing an appeal to the Ninth Circuit Court of Appeals that was successful and resulted in the published decision. *In re Wrightwood Guest Ranch, LLC*, 896 F.3d 1109 (9th Cir. 2018).

In re New Meatco Provisions, LLC

Doug was responsible for filing and prosecuting over 70 adversary proceedings seeking to recover preferential transfers. In the course of a little over a year, Doug was successful in reaching a final resolution of 60 of those actions resulting in recoveries for the estate of over \$1.1 million.

Preference Defense Cases (multiple)

Doug excels at representing businesses and individuals who have been sued for recovery of an alleged preferential transfer or transfers under Section 547 of the Bankruptcy Code. Because of his extensive experience prosecuting these actions from the Plaintiff's side, Doug knows how best to defend a preference action and has been successful in settling or otherwise resolving preference actions on very favorable terms, often for 10-20% of the amount sought in the complaint.

Previous Work

During 2008 and 2009 Doug served as a judicial law clerk to Judges Peter H. Carroll and Robert N. Kwan of the United States Bankruptcy Court for the Central District of California. He also served as a staff attorney for the Ninth Circuit Bankruptcy Appellate Panel.

Prior to his clerkships, Doug was an associate at a boutique litigation law firm in Southern California. He litigated complex civil disputes, including a fight for control of a large family-owned corporation that was successfully removed to Bankruptcy Court. Doug also successfully litigated a specific performance action for the turnover of a \$5 million commercial property.

Professional Activities

Doug is the past President of the James T. King Bankruptcy Inn of Court and is currently serving a three-year term on the Insolvency Law Committee of the Business Law Section of the California Lawyers Association. He is also an active member of The National Association of Bankruptcy Trustees, The Los Angeles Bankruptcy Forum, the American Bankruptcy Institute, the Turnaround Management Association, and the Federal Bar Association.

Recognitions, Presentations, & Publications

Recognitions

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Best Lawyers, Bankruptcy and Creditor Debtor Rights / Insolvency and Reorganization Law (2024)

- Selected to *Daily Journal's* Top 40 Under 40 (2019).
- Martindale Hubbell AV Preeminent Peer Review Rating (2013-2023).
- 2020-2023 Super Lawyer, Super Lawyers Magazine.
- Certified Business Bankruptcy Specialist, American Board of Certification (www.abcwORLD.org).
- Up-And-Coming 100: 2018-2019, Super Lawyers Magazine.
- 2013-2019 Southern California Rising Star, Super Lawyers Magazine.
- *Leo A. Deegan Inn of Court Biddle Book Award 2008* – Recognized for demonstrating outstanding leadership, both in the Inn as well as in the legal profession.
- California Bankruptcy Forum, 2016 Program Book Co-Chair.

Presentations

- CAJP's 2023 Annual Conference, *Demystifying Bankruptcy for Creditors: Comparing Chapters 7, 13, 11 and Subchapter V Filings*, October 22, 2023 (speaker)
- Santa Monica Aleworks, *State of the Industry for Beer and Wine Professionals*, July 26, 2023 (speaker)
- AIRA's 39th Annual Bankruptcy and Restructuring Conference, *Subchapter V*, June 7, 2023 (speaker)
- AIRA's 39th Annual Bankruptcy and Restructuring Conference, *Negotiation: Tools for Success*, June 7, 2023 (speaker)
- Financial Lawyers Conference 2022 Nuts & Bolts, *Small Business Debtor Cases under Subchapter V of Chapter 11*, October 6, 2022 (speaker)
- AIRA's 38th Annual Bankruptcy and Restructuring Conference, *Bankruptcy and the Future Outlook*, June 8, 2022 (speaker)
- AIRA's 38th Annual Bankruptcy and Restructuring Conference, *Third Party Releases: Recent Developments*, June 8, 2022 (speaker)
- NACM's 126th Annual Credit Congress, *Subchapter V: Strategies for Unsecured Creditors to Maximize Value and Key Developments*, June 7, 2022 (speaker)
- The James T. King Bankruptcy Inn of Court, *Bankruptcy Schedule Amendments and Cryptocurrency Issues*, May 11, 2022 (speaker)
- The Credit Research Foundation Forum, *Changes to Subchapter V in Bankruptcy Law*, March 15, 2022 (speaker)
- Cleveland Metropolitan Bar Association, *Final Curtain Call: Entertainment Assets in Bankruptcy*, September 29, 2021 (speaker)
- National Association of Bankruptcy Trustees 2021 Annual Conference, *Financial Analysis: Diagnosis of the "Sick" Company* August 25, 2021, (speaker)
- Association of Insolvency & Restructuring Advisors' 37th Annual Bankruptcy & Restructuring Conference, *The Small Business Reorganization Act of 2019 – An Experiment Towards Success*, June 30, 2021 (speaker).
- Credit Research Foundation, *Subchapter V: Getting the Most Out of Small Business Reorganizations*, March 4, 2021 (speaker)
- Central District Consumer Bankruptcy Attorneys' Association, *One Year Into SBRA: Meet the Subchapter V Trustees*, February 20, 2021 (speaker).
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Association of Insolvency & Restructuring Advisors' 36th Annual Bankruptcy & Restructuring Conference, *Small Business Reorganization Act of 2019: What you Need to Know Going Forward*, June 9, 2020 (speaker).

- Valcon 2020, "Alix v. McKinsey: 2014 Issues and Ethics," February 28, 2020 (speaker).
- American Bankruptcy Institute's 2019 Battleground West, "Looking for the Remote: Structuring Enforceable Bankruptcy-Remote, Special-Purpose Entities in Commercial Real Estate Finance," March 28, 2019 (speaker).
- Association of Insolvency & Restructuring Advisors' 32nd Annual Bankruptcy & Restructuring Conference, *Plan Negotiation Strategies That Work*, June 9, 2016 (speaker).
- Pincus Professional Education, *Business Bankruptcy Chapter 11 Essentials and More*, September 19, 2014 (speaker).
- Southern California Bankruptcy Inn of Court, *Retention, Payment, and Getting Out*, March 13, 2012 (speaker).
- Pincus Professional Education Webinar, *Business Bankruptcy Boot Camp: Chapter 11 Demystified*, September 2010 (speaker).
- Southern California Bankruptcy Inn of Court, *Bankruptcy Ethics Presentation*, October 5, 2010 (speaker).

Publications

- "Visa Reduces Its Merchant Surcharge Cap to 3% Effective April 15, 2023: Merchants Should Ensure They Are in Compliance to Avoid Fines, Fees and Litigation," *Credit Research Foundation 2Q Credit & Financial Management Review*, July 2023 (co-author).
- "Bankruptcy Remote Entities, Substantive Consolidation, and the Future after Transwest," *The Review of Banking & Financial Services*, July 2019 (author).
- "Economic Agglomeration And Bankruptcy In The Retail Sector: The Domino Effect," *CRF News*, Credit Research Foundation, 3rd Qtr. 2016 (co-author).
- *INSOL International*, "The Arcapita Bankruptcy: A Primer in Jurisdiction, International Comity, and the Presumption of Extraterritoriality", August 10, 2018 (co-author).
- *Los Angeles Daily Journal*, "Expectations Matter in Dismissing Bankruptcy Cases", November 9, 2015 (author).
- California Bankruptcy Forum, *Where the Rubber Hits the Gold: Claims and Claim Objections* (producer), May 17, 2014.
- *The Bankruptcy Strategist*, "Triggering Event Test" December 2014 (co-author).

Published Decisions

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- *Philmont Mgmt. Inc., v. 450 S. Western Ave., LLC (In re 450 S. Western Ave., LLC)*, 633 B.R. 894 (9th Cir. BAP 2021)
 - *Imagine Fulfillment Servs., LLC v. DC Media Capital, LLC (In re Imagine Fulfillment Servs., LLC)*, 489 B.R. 136 (Bankr. C.D. Cal. 2013).
 - *In re Wrightwood Guest Ranch, LLC*, 585 B.R. 600 (C.D. Cal. 2018)
 - *Reid and Heller, APC v. Laski (In re Wrightwood Guest Ranch, LLC)*, 896 F.3d 1109 (9th Cir. 2018)
 - *Diamond Enterprises Ltd. v. Younessi (In re Younessi)*, 601 B.R. 815 (9th Cir. BAP 2019)

Life Beyond the Law

Doug is fluent in Spanish and has a working knowledge of French. In his free time, he enjoys exploring the Mojave, mountaineering, and fishing.

Bar Admissions

[California](#)

[Montana](#)

Court Admissions

[US District Court, Northern District of California](#)

[US District Court, Central District of California](#)

[US District Court, Southern District of California](#)

[US District Court, Eastern District of California](#)

[US District Court, District of Montana](#)

[US Bankruptcy Court, Northern District of Texas \(pro hac vice\)](#)

[US Court of Appeals, 9th Circuit](#)

[US Court of Appeals, Federal Circuit](#)