

Daily Journal

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TOP 40 UNDER 40

For 22 years, the Daily Journal published an annual list of 20 leading California lawyers under age 40. In recent years, we came to realize there was no way 20 people could embody the breadth and depth of legal work being done by California's rising lawyers. They are working on issues affecting technology, health care, energy, criminal justice, civil rights and so much more.

For this list, our 23rd, we selected 40 lawyers. Doubling the size of the list did not diminish the quality

of the lawyers who appear on it. To the contrary. Our editors and reporters considered hundreds of lawyers. They represented every major practice type and specialty. Dozens of top-notch attorneys working on major issues of our time were left on the proverbial cutting room floor.

Our selection process centered on the impact of the lawyer's work. How has it affected the state of the law, a particular sector of industry or society? We also looked

at the candidate's impact on the legal community. Is he or she taking a leadership role within the firm, agency or organization? Are they active in bar groups and public service organizations?

As you read through this supplement, we think you'll agree that California's legal talent is some of the best you'll find anywhere in the world.

—The Editors

TOP 40 Under 40

Teddy M. Kapur

Pachulski Stang Ziehl & Jones LLP

Los Angeles

Practice: Bankruptcy, corporate restructuring

Age: 38

The failure of an Internet startup is old news, but when venture-backed Silicon Valley service provider Homejoy Inc. went under, it was nearly unprecedented.

The online platform connected customers with house cleaners until employee lawsuits over the recurring issue of worker categorization forced it to shutter last July. The company first tried an insolvency proceeding under California law, then reorganized, and the reorganized company then filed for federal bankruptcy protection.

Soon after that, the official committee of unsecured creditors, who allege they are owed \$20 million, retained Kapur, who said there may be only \$2 million in assets available. "The committee interviewed a number of potential counsel," he said.

"I pitched for the case because of the interesting interplay between bankruptcy and the ABC process," he added, naming the state procedure known as assignment for the benefit of creditors. "Usually a company will do one or another."

A federal bankruptcy judge ruled that, despite a challenge by government lawyers, the company as reorganized in the activity-based costing system was eligible for a Chapter 11 bankruptcy filing. "The creditors are concerned. They haven't been paid. We are looking at various avenues of remedy,"



Kapur said. *In re Homejoy (Assignment for the Benefit of Creditors) LLC*, 15-bk-53931 (U.S. Bank. Ct., N.D. Cal., filed Dec. 15, 2015)

Kapur said his firm just landed another big bankruptcy case, that of the sporting goods retailer Sports Authority Inc., whose debts are said to be as much as \$1 billion. "We have one of the largest creditor committee practices in the U.S.," he said.

For the creditors of a bankrupt large county hospital and several rural health clinics in Kentucky, Kapur resolved large claims by Medicare and Medicaid officials, settled with various banks regarding a tax issue, facilitated a sale to a new hospital operator and confirmed a plan of adjustment for the hospital's

debts. The successful outcome preserved access to health care for thousands of rural Kentucky residents, Kapur said.

He enjoys the practice. "I like the combination of law and business, and the chance to help the recovery of an entity in distress," he said. "And there's the interplay of transactional law and litigation, the sales of assets in the marketplace and the challenge of oral argument in court."

He also appreciates the collegiality he finds in bankruptcy practice. "The lawyers are courteous and professional," he said. "The opposition might not have the leverage today but could have the upper hand tomorrow."

— John Roemer