



## U.S. DISTRICT COURT RULES IN FAVOR OF CERTAIN FIRST LIEN NOTEHOLDERS REPRESENTED BY HSG

09.11.2025

**N**ew York—In a case being closely watched by the financial community, Judge Randy Crane of the U.S. District Court for the Southern District of Texas indicated at a September 11 status conference that he will reverse an earlier Bankruptcy Court decision invalidating part of the Incora/Wesco 2022 secured uptier exchange, describing the exchange as "perfectly proper and appropriate". The Bankruptcy Court had held a trial that spanned over thirty trial days and lasted approximately six months. The District Court's ruling, based on that trial record, vindicates the position of certain first lien noteholders of Wesco, represented by HSG, whose recoveries had been substantially impaired by the Bankruptcy Court's rulings.

HSG served as lead trial counsel for the first lien noteholders. The trial team was led by partner Benjamin Heidlage and included partner Neil Lieberman, counsel Kevin Benish, and associates, Spence Colburn, Sarah Maher, Thomas Ritz, Samuel Thorpe, and Patrick Woods. The appeal was led by cocounsel Paul Clement of Clement & Murphy.

### ATTORNEYS

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### PRACTICE AREAS

Bankruptcy & Restructuring Litigation