

NOVEMBER 2023

## Restructuring Department Bulletin

### Sandy Hook Families Secure Major Victory Against Alex Jones

The U.S. Bankruptcy Court for the Southern District of Texas ruled that Alex Jones, a right-wing conspiracy theorist, cannot discharge a \$1.1 billion judgment for defamation and emotional distress for which he is liable to the families of the victims of the Sandy Hook Elementary School shooting. The judgment for compensatory and punitive damages against Jones was entered by a Connecticut trial court and a jury for Jones's false claims that the Sandy Hook shooting was a "hoax" and that the victims' families and first responders to the shooting were "actors." After the judgment was entered, Jones and his company, Free Speech Systems, filed for bankruptcy. Paul, Weiss, on behalf of the Sandy Hook families, successfully obtained a ruling from the Bankruptcy Court presiding over Jones's bankruptcy that the judgment is non-dischargeable because, as was fully and fairly litigated in the Connecticut court, Jones's conduct was willful and malicious. The Bankruptcy Code does not discharge a debtor's debts for willful and malicious injury to others. As a result, the Sandy Hook families can pursue Jones personally for recovery of the more than \$1 billion in damages he owes them, notwithstanding his bankruptcy filing.

### Delaware District Court Finds Purchaser Subject to Successorship Bargaining Obligations Under NLRA

In *In re CCX*, the Delaware District Court held that the purchaser of a debtor's assets in bankruptcy "free and clear" of claims and interests was nonetheless subject to successorship bargaining obligations under the National Labor Relations Act ("NLRA"). A successor may generally set terms of employment without bargaining with the union that represented the employees of its predecessor. However, in specific circumstances in which it is "perfectly clear" that the new employer will be retaining the existing employees, the successor employer may have NLRA bargaining obligations. The court found that the buyer's post-sale conduct – which included hiring the majority of the debtor's employees and otherwise satisfied the NLRA's criteria for a "perfectly clear" successor – independently triggered the buyer's bargaining duties under the NLRA. The debtor's bankruptcy sale of assets "free and clear" of claims could therefore not be free and clear of those obligations.

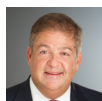
### DID YOU KNOW...

- [Alice Belisle Eaton](#) was recently honored as a [Law360 2023 MVP](#) in the Bankruptcy category. The MVP awards recognize standout attorneys who have made significant contributions to their practice in the past year.
- Restructuring partner [Brian Bolin](#) was recently named to the American Bankruptcy Institute's 2023 list of "40 Under 40" Emerging Leaders in Insolvency Practice, which identifies the top 40 restructuring industry professionals in the U.S. under the age of 40.
- Paul, Weiss was recently [recognized by the Turnaround Management Association](#) for its role representing CHC Group LLC, one of the largest providers of helicopter services, in connection with a comprehensive out-of-court recapitalization transaction involving the reduction of up to \$520 million in funded debt and over \$100 million in new money and other liquidity.

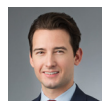
Questions? Please contact any of our Restructuring Partners to discuss these or other topics in greater depth.



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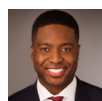
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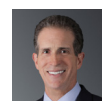
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