

**Attorneys
Partner**

- James A. Janowitz
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Pryor Cashman Represents Lions Gate Films, Inc. in Efforts to Purchase Terminator Film Series

Pryor Cashman LLP represented Lions Gate Films Inc., a leading international producer and distributor of motion pictures and video products, in its attempt to purchase all rights to make further sequels, prequels and remakes in *The Terminator* series of films, television programs and other video productions. The rights were held by Halcyon Co. (formerly Halcyon Holding Group LLC) and ten affiliated companies, all of which are debtors in jointly-administered bankruptcy cases pending in the U.S. Bankruptcy Court in Los Angeles.

The debtors produced *Terminator: Salvation (T4)* after purchasing the rights several years ago, but subsequently experienced financial distress and disputes with their lender that caused them to seek bankruptcy. Before the debtors commenced the bankruptcy sale process, the lender and the debtors engaged in extensive litigation concerning the extent, validity and priority of the lender's secured claim.

Lions Gate was declared by the Bankruptcy Court to be the "stalking horse" for the bankruptcy auction process, in which several other bidders came forward and participated. The competitive auction ultimately resulted in the sale of *The Terminator* assets to the debtors' lender through a credit bid of its secured claim exercised under a last-minute settlement of its disputes with the debtors. Lions Gate, however, is entitled to receive a break-up fee approved by the Bankruptcy Court in consideration of the sale of the assets pursuant to the lenders' competing bid. The Bankruptcy Court approved the sale pursuant to an order entered on March 3, 2010.

The Pryor Cashman team included Partners James A. Janowitz, chair of the firm's Entertainment Group, Karen Robson, a member of that group, Richard Levy Jr., Chair of the firm's Bankruptcy, Restructuring and Creditor's Rights Group, and Richard S. Frazer, a member of the firm's Corporate Law Group.