



John J. Stockdale, Jr., Partner
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PRACTICES

Bankruptcy
Business and Transaction Law
Commercial Litigation
Debtor/Creditor Law
Real Estate

John J. Stockdale, Jr. practices in the areas of bankruptcy, debtor/creditor, real estate, business transactions and related litigation. John has represented clients in business and personal bankruptcies, buy and sell side business and commercial transactions and workouts; real estate transactions and foreclosures; and debt collection and defense. John has represented clients in a variety of industries including, without limitation, building trades, food service, and retail.

John focuses his practice on small and mid-size businesses. He understands and has special insight into the issues affecting those businesses because, for the twelve (12) years prior to joining Schafer and Weiner, he owned and operated a publishing company providing business valuation and lost profits case law reports to attorneys and accountants. John is a member of the American Bankruptcy Institute and a member of Michigan State Bar, Business Law Section.

ADMISSIONS & QUALIFICATIONS

State Bar of Michigan, 2008

U.S. District Court, Eastern District of Michigan, 2008

U.S. District Court, Western District of Michigan, 2012

John has also been admitted *pro hac vice* in courts across the United States including South Carolina, Iowa, Texas, and California.

EDUCATION

Thomas M. Cooley Law School, J.D., summa cum laude, 2008

The Citadel, the Military College of South Carolina, B.A., 1992

SEMINARS

John is an adjunct professor at Western Michigan University's Thomas M. Cooley Law School, where he teaches secured transactions.

Additionally, John presented on the following topics at the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division's Chapter 11 Roundtable on November 4, 2016: (1) filing requirements when a debtor owns a subsidiary or affiliated business (FRBP 2015.3 and Form 26); (2) investing debtor-owned funds (11 U.S.C. 345); and (3) the effect of listing "unknown" on a debtor's schedules.

John has presented to the Michigan Association of Certified Public Accountants on recent court decisions involving business valuation and damage calculations. Most recently, John was a panelist at the Michigan Association of Certified Public Accountants' Anti-Fraud, Litigation & Business Valuation, and Mergers & Acquisitions Conference in Livonia, Michigan on May 24, 2016. John presented on the topic of *Skepticism from Audits, to Forensics, to Valuation*, which discussed an accounting expert's application of skepticism concepts in business valuation and bankruptcy matters.

PUBLICATIONS

Unpaid FICA in Chapter 11: Navigating the Minefield, 38 Michigan Business Law Journal (Spring 2018)

Applying Claim Preclusion in Michigan: A Call for Clarity, 36 Michigan Business Law Journal 1 (Spring 2016)

In re Till: Efficient Markets and the Prime-Plus Formula in 'Cram-Down' Interest Rate Cases, *The Value Examiner*, January/February, 2013

Analyzing a Professional's Personal Goodwill under Chapter 7 of the Bankruptcy Code: Just Whose Asset Is It? BVR's Guide to Personal v Enterprise Goodwill (BVR 2010)

Temple v United States: More Negative Treatment for the Quantitative Marketability Discount Model, *Michigan Tax Lawyer*, State Bar of Michigan, Fall, 2006

REPORTED CASES

United States v. Central Processing Services, LLC (In re Central Processing Services, LLC), 2020 U.S. Dist. Lexis 49387 (E.D. Mich. 2020)

United States v. Central Processing Services (In re Central Processing Services, LLC), 2020 U.S. Dist. Lexis 171061 (E.D. Mich. 2020)

United States v. Central Processing Services (In re Central Processing Services, LLC), 2020 U.S. Dist. Lexis 171260 (E.D. Mich. 2020)

In re Central Processing Services, LLC, 611 B.R. 563 (Bankr. E.D. Mich. 2019)

In re Central Processing Services, LLC, 606 B.R. 710 (Bankr. E.D. Mich. 2019)

In re Central Processing Services, LLC, 607 B.R. 625 (Bankr. E.D. Mich. 2019)

DPT Holdings, LLC v. VLF Auto., 2019 Mich. Cir. Lexis 824 (Oakland County Circuit Court)

SKG International, Inc. v. SKG Italia, S.p.A., et al, 2017 U.S. Dist. Lexis 100647 (E.D. Mich. 2017)

In re St. James Nursing & Physical Rehab. Ctr., Inc., 559 B.R. 186 (Bankr. E.D. Mich. 2016)

In re Associated Community Services, Inc., 520 B.R. 650 (Bankr. E.D. Mich. 2014)

RC Leasing v. Viking Medical Supply, 2014 Mich. Cir. Lexis 105 (Oakland County Circuit Court)

In re D & W, Ltd., LLC, 467 B.R. 427 (Bankr. E.D. Mich. 2012)

REPRESENTATIVE MATTERS

Chapter 11 Bankruptcies

In re BCDG, LP (Bankr. S.D. Iowa 2016) (Counsel for Unsecured Creditors Committee), John represented the unsecured creditors committee in this chapter 11 case involving the quick sale of six McDonalds franchises in Des Moines, Iowa. First, John successfully negotiated a \$170,000 contribution to the unsecured creditors from the purchaser of the franchises. Then, John negotiated with the various creditor consistencies to craft and confirm a consensual plan of liquidation that brought in an additional \$183,000 from the senior secured lender and reduced the claim pool from \$12 million to \$4.1 million. John's efforts ensured that the unsecured creditors received a meaningful distribution where the debtor did not contemplate any distribution to the unsecured creditors in this bankruptcy case.

In re St. James Nursing & Physical Rehab. Ctr., Inc. (Bankr. E.D. Mich. 2016) (Counsel for Debtor) John successfully represented the debtor throughout the chapter 11 reorganization case of this nursing home through a contested confirmation hearing involving nine objections to confirmation.

In re Associated Community Services, Inc. (Bankr. E.D. Mich. 2014) (Counsel for Debtor) John represented a telephone call center having more than 800 employees throughout the chapter 11 process from preparing first day motions through confirmation of a plan of reorganization. This case involved significant corporate restructuring including relocating the business operations during the bankruptcy case. Additionally, the case involved millions of alleged unpaid withholding tax liabilities which were successfully negotiated to permit secured and priority tax payments to exceed the five-year maximum set by the bankruptcy code. Moreover, John successfully opposed a class action claim reducing the unsecured creditors pool by \$10,000,000.

In re Electric Transportation Engineering Corporation (Bankr. D. Ariz. 2014) (Counsel for Unsecured Creditors Committee) John assisted the committee by providing advice on the intersection between securities law exemptions and exemptions from securities laws available under the Bankruptcy Code. This advice was provided in connection with taking the debtor private pursuant to a contemplated plan of reorganization.

In re Acme Acres (Bankr. E.D. Mich. 2013) (Counsel for Debtor) John represented four related corporate debtors in these administratively consolidated chapter 11 cases. The debtors sought bankruptcy to resolve \$1 million in pension fund withdrawal and contribution claims asserted by the Central States Southeast and Southwest Pension Fund arising after the debtors' collective bargaining agreement expired. Prior to filing, John negotiated the terms of the plan of reorganizations with the debtors' secured lender, which was memorialized in a plan support agreement. After extensive litigation with the Pension Fund, including an evidentiary hearing on confirmation of the plan of reorganization, the debtors' plan of reorganization was confirmed that provided a 13% payment to the Pension Fund.

In re Small Plates Detroit, LLC (Bankr. E.D. Mich. 2011) (Counsel for Debtor). John represented a local restaurant throughout its bankruptcy process. In addition to working with its creditors, John successfully prepared and argued sale procedures and sale motions, which resulted in the sale of the restaurant business to an unrelated company free and clear of liens, claims and encumbrances. This case was resolved through a structured dismissal that resulted in payments to certain prepetition secured creditors after a surcharge for payment of certain Chapter 11 expenses.

In re Bing Construction Company (Bankr. E.D. Mich. 2011) (Counsel for Debtor) John assisted an Oakland County residential builder wind down its operations through a liquidating Chapter 11 after its principal's death. John assisted the debtor with shedding its unprofitable building contracts and worked with the building trades and property owners to complete other construction projects. John worked with the debtor, its financial adviser and the unsecured creditors committee to propose and confirm a liquidating plan over the

objections of materialmen and subcontractors, which included allegations of fraud and breach of the Michigan Builders Trust Fund Act.

In re Metals in Time, Inc., (Bankr. E.D. Mich. 2010), (Counsel for Debtor). John represented a high-end retail jeweler throughout its bankruptcy process from drafting first day motions to successfully implementing Chapter 11 liquidating plan, which sold the debtor's business to a related party for the assumption of heavily discounted bank debt. This representation also involved appearing in the Bankruptcy Court for the Central District of California in connection with efforts to remove a California state court lawsuit to the Michigan bankruptcy court.

Transactional Matters

Debt Restructure Transaction. During 2019, John assisted a small investment company restructure its debtor-party store's indebtedness. This matter involved the structuring, drafting, and closing (i) a redemption of stock held by the investment company in the party store and (ii) a release and exchange of collateral supporting the investment company's loan to the party store's affiliate.

Business Sale. During 2019, John represented a retiring fifty-percent member of an injection molding business, which serviced the automotive sector, sell his business interest, together with an interest in a related land holding company, to a strategic purchaser.

Member Unit Option Award. During 2018, John represented a spirits manufacturer with awarding a minority interest in the business to the second generation, which managed the retail and back office operations of the business. This engagement included substantially revising the business's limited liability company operating agreement and preparing a member unit option agreement.

Negotiation of Stock Investment. During 2018, John represented a potential investor into a software developer. During this engagement, John negotiated a stock subscription agreement, shareholder agreement, and warrant on behalf of the investor. The transaction did not close when the investor's due diligence was unsatisfactory.

Article 9 Acquisition of Auto Supplier. During 2018, John represented a private equity firm with acquiring the assets of a failing auto supplier. John analyzed various options to complete the proposed acquisition where the debtor-entity was cash poor and beset with judgment creditors. The acquisition of the business assets was accomplished under Article 9 of the Uniform Commercial Code, which allowed the senior lender to quickly foreclose upon and sell the auto supplier's assets to the private equity firm free and clear of junior liens. Additionally, John assisted with the private equity firm's purchase of the auto supplier's real estate through a special purpose entity and its acquisition of the underlying bank debt through a separate special purpose entity.

Business Debt and Industrial Property. During 2018, John assisted a real estate developer with the acquisition and sale of industrial real estate in Grand Rapids, Michigan. This engagement included, among other things, the formation of a single purpose acquisition entity, the purchase of a distressed loan and mortgage from a national bank, structuring and drafting loan and participation agreements to fund the note acquisition, and the preparation of a litigation strategy to obtain on the real estate. After exerting strategic pressure on the owners, John prepared, and the parties executed, a deed in lieu of foreclosure agreement transferring the industrial property to the acquisition vehicle. Shortly thereafter, John assisted the real estate developer sell the industrial real property at a significant profit.

Commercial Real Estate: John assisted the seller successfully close the sale of commercial property in Howell, Michigan in 2017.

Vacant Land. John assisted a non-profit purchaser acquire vacant land in Stockbridge, Michigan from a municipality in 2017.

Article 9 Sale of Truck Body Business: During late-2016, John assisted an aluminum truck-body manufacturer with analyzing various insolvency-related exit strategies. When management identified a purchaser, John worked with lender's counsel and purchaser's counsel to structure a transaction that could be closed quickly while minimizing the purchaser's exposure as a successor. As a result, the business was sold to the purchaser in a sale under Article 9 of the Uniform Commercial Code, whereby a debtor's assets are surrendered to the lender, who then sells them to the purchaser. Since the sale, the business has dissolved under state law.

Business Sale: During 2016, John assisted the seller of a deli-meat distributor to sell part of his business. This engagement involved the negotiation and drafting of purchase documents and seller financing documents.

Negotiation of Employment and Member Option Agreements. During 2015, John assisted a distressed oilfield company negotiate the sale of its business to special purpose vehicle owned by private equity. The transaction included negotiation of former equity's employment agreement including related member unit options in the acquirer as well as negotiation of the acquirer's LLC operating agreement.

OTHER DISTINCTIONS

Selected for inclusion in the *Michigan Super Lawyers*[®] list (2019-2020)

Selected for inclusion in the *Rising Stars*SM list (2009-2018)

Certificates of Merit – Thomas M. Cooley Law School, Bankruptcy, Business Organizations, Property I and II, Taxation, Criminal Law, Civil Procedure I and II, Wills Estates & Trusts, Tax of Business Entities, Torts I and II, and Securities Regulation

President's Achievement Award, 2008

Recipient: Association of Corporate Counsel Scholarship, 2008

Edward H. Rakow Award in Business and Securities Law, Eastern District of Michigan
Federal Bar Association, 2007

Associate Editor, *Thomas M. Cooley Law Review*

Distinguished Student Award, 2007

INTERESTS

In his spare time, John enjoys fishing, table-top gaming and finding and restoring antiques and automobiles.