Eric J. Fromme

SENIOR ATTORNEY

Eric is a senior attorney in ArentFox Schiff's Los Angeles Office.



Practices

Financial Restructuring & Bankruptcy
Complex Litigation
— Commercial

Education

Santa Clara University School of Law, JD, cum laude
University of California, Berkeley, BA

Offices

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Eric Fromme is an experienced bankruptcy attorney, litigator and counselor who advises domestic and international clients facing high-stakes challenges. Eric has handled a wide range of litigation including "bet-the-company" litigation involving trade secret, RICO, fraud, business torts, fiduciary duties, corporate governance, and chapter 11 representations and other high-stakes insolvency-related matters including chapter 11 restructurings for U.S. and non-U.S. companies, cross-border insolvency matters, out-of-court restructurings, real and personal property foreclosures, and corporate acquisitions. He also assists private equity funds, hedge funds and other strategic buyers in developing opportunities in the distressed debt arena. A substantial portion of his practice also involves advising boards of directors on corporate governance and fiduciary duty issues and litigation arising therefrom.

Eric has advised clients on, and litigated at the trial and appellate levels, the significant legal issues that arise in today's business climate, ranging from the need to delever a client's balance sheet to defending "bet the company" litigation.

Client Work

Bankruptcy & Financial Restructuring

- Debtor's counsel for Lolli & Pops, Inc., a specialty candy retailer with stores in shopping malls throughout the United States. Eric led the successful sale of Lolli & Pops' assets, preserving the brand and its many stores and jobs.
- Debtor's counsel for the second largest newspaper company in the United States in its prepackaged chapter 11 bankruptcy. Eric oversaw the complex transaction confirming a plan that restructured $1 billion of secured debt.
- Debtor's counsel for Scotia Pacific Company, redwood timber company, in highly contentious litigation against secured bondholders with over $800 million of claims, and in resolving thorny corporate governance and fiduciary issues.
- Counsel for the secured lender and minority equity owner of Traffic Control and Safety

Corporation in its acquisition of the Company out of bankruptcy. Engineered a complicated acquisition of the Company's assets and directed the successful negotiation for a global settlement of all claims, which included breach of fiduciary duty and federal equitable subordination claims against his client.

- Counsel for Westmont Development, Inc. in its acquisition out of bankruptcy of a retirement community located in Riverside, California, involving complicated real estate, federal and state regulatory and Medicare reimbursement issues.
- Debtor's counsel for Ruby's Franchise Systems, Inc., franchisor of the Ruby's Diners brand, in the sale of its assets.
- Counseled the chief executive officer and the chief financial officer of CST Industries, Inc. on their fiduciary duties and employment rights prior to and during the bankruptcy sale of the company, obtaining substantial payments.
- Obtained the release of over $25 million of claims against the parent guarantor and principals of a debtor.
- Lead trial attorney for group of executive and non-executive employees enforcing their employment and severance agreements in bankruptcy, resulting in substantial stock and cash recoveries for his clients.
- Debtor's counsel for construction company in a chapter 11 bankruptcy maximizing the value of the assets, resulting in payment in full of all creditors and the release of all claims against the principals.
- Represented seller of intellectual property portfolio in bankruptcy and resolved substantial claims against his client.
- Represented existing equity holder in maintaining ownership of chapter 11 debtor by negotiating a deal in which his client partnered with a new source of capital and defeated the claims of creditors.
- Debtor's counsel to European-based alumina company in a cross-border restructuring. Implementing the strategy involved litigation in the United States and in a specialized Dutch court of equity.
- Advised a private equity firm in the bankruptcy sale of Nortel Networks, Inc.'s multi-national enterprise solutions business.
- Debtor's counsel to operators of several hundred Disney Stores in the United States and Canada. Led a team of advisors to negotiate with its licensor and to deal with difficult corporate governance issues.
- Counsel to international industrial building materials company in matters relating to potential liability due to exposure to asbestos products.

Commercial Litigation

- Trial counsel Intrepid Investment Bankers LLC in breach of contract action to enforce payment of fees earned during bankruptcy case.
- Trial counsel to owner of retail cannabis business in dispute with current and former owners involving breach of fiduciary duties, breach of contract, fraud, and ownership disputes.
- Trial counsel to plaintiff in breach of contract action against City of Riverside.
- Trial counsel to City of Riverside council members in action to prevent their testimony in related action.
- Defended Verio Healthcare, Inc., and its principals in a "bet-the-company" case involving breach of fiduciary duty, theft of trade secrets, wrongful termination, and intentional infliction of emotional distress claims.
- Lead trial attorney for two of the three majority owners of a cannabis retailer in a fight for control of the company involving lawsuits in California and Nevada. Eric achieved a division of the company's assets in his clients' favor while eliminating all secured debt, facilitating his clients' continued success in their new venture.
- Advised multi-national corporation in the resolution of dozens of outstanding lawsuits involving competitors, former employees and customers pending in state and federal courts throughout the United States, freeing client to focus on the growth and profitability of its business.
- Represented business owner who had been defrauded by his business partner who, as part of an attempt to steal his business, filed lis pendens on dozens of his client's properties throughout

California. Eric moved quickly and early, removing all the lis pendens, producing swift and excellent resolution for his client.

- Represented minority shareholder in derivative action of a closely held business in which the majority owner had defrauded his client and diverted corporate assets for his own personal benefit.

Publications, Presentations & Recognitions

Publications

- "Singled Out - Chapter 11 Provides Only Temporary Respite to an Entity in a Single Asset Real Estate Bankruptcy*" Los Angeles Lawyer*
- "Stern v. Marshall Bankruptcy Case: Bombshell or Dud? (Parts I and II)" *Los Angeles Daily Journal*
- "Reorganization for One: Chapter 11 for High Net Worth Individuals" *Los Angeles Daily Journal*
- "Feeling Inadequate? What's Enough, and When Must a Debtor Pay It?" *American Bankruptcy Institute Journal*
- "The European Travelers Guide to Chapter 11" *Daily Bankruptcy Review*

Presentations

- Interest Rates & Valuation, American Bankruptcy Institute, American Bankruptcy Institute, Rocky Mountain Bankruptcy Conference, Salt Lake City, Utah, January 2023
- Bankruptcy & Marijuana, American Bankruptcy Institute, Winter Leadership Conference, Tucson, Arizona, December 2019
- Ethical Issues Involving Disclosure and Retention, American Bankruptcy Institute, VALCON, Las Vegas, Nevada, February 2017
- Negotiating the Terms of the Purchase and Sale, American Bankruptcy Institute, Winter Leadership Conference, 2012
- Complex Financial Restructuring Program Co-Chair, American Bankruptcy Institute, Las Vegas, Nevada; Philadelphia, Pennsylvania, New York, New York, and New Orleans, Louisiana, 2009 to 2023
- Recent Hot Plan Confirmation Issues, American Bankruptcy Institute, Annual Spring Meeting, Washington D.C., April 2011
- What Bankruptcy Lawyers Need to Know About New Requirements for Drafting Disclosure Statements in 2011, Strafford Webinar, Irvine, California2011
- Single Asset Real Estate Status: Slippery Slope to the Fast Track, Orange County Bar Association, Costa Mesa, California, 2008

Recognitions

- *Best Lawyers in America*© 2013-2021
- *Super Lawyers* 2023- 2024

Boards, Memberships & Certifications

Boards

- American Bankruptcy Institute, Board of Directors, Board Member
- American Bankruptcy Institute Organization, Co-Chair, Complex Financial Restructuring Program Committee
- American Bankruptcy Institute, Member of Development Committee
- American Bankruptcy Institute, Chair of Asset Sales Committee (former)
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Orange County Bankruptcy Forum, President (former)

Memberships

- American Bankruptcy Institute, Member
- Turnaround Management Association, Member

Life Beyond the Law

Outside of work, Eric enjoys skiing, running and golfing.

Bar Admissions

California

Court Admissions

US Supreme Court
US Court of Appeals, 9th Circuit
US District Court, Central District of California
US District Court, Eastern District of California
US District Court, Northern District of California
US District Court, Southern District of California