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2022 DEALMAKERS OF THE YEAR



John Rapisardi

O'Melveny &
Myers, LLP

WHEN CONGRESS PASSED THE PUERTO RICO OVERSIGHT, Management, and Economic Stability Act in 2016 to address the commonwealth's financial crisis, John Rapisardi began visiting the island, with his firm's support, to better understand what was happening. As chair of O'Melveny & Myers' global restructuring practice and a veteran of the government's task force to restructure General Motors and Chrysler, he thought he might be able to help.

He began interviewing lawyers, accountants, economists, professors, businesspeople, even hospital administrators—anyone who could give him a better sense of how Puerto Rico had fallen into crisis and how it could make it through.

Over time, Rapisardi developed a series of memos analyzing the situation, a compendium he referred to as "the phone book." And after he presented what he'd found to the government, he and his team at O'Melveny were hired to represent its interests in early 2017. "Representing the auto task force, I always felt an awesome responsibility to save jobs, and it came at the time of the economic crisis," Rapisardi says. "This had an extra emotional element added to it, compounded by the catastrophes that took place."

Those catastrophes—not just devastating hurricanes and earthquakes, but also a protest-fueled leadership transition and a pandemic—complicated the effort to reduce Puerto Rico's debt to a manageable level and kickstart economic growth. But as the island's creditors and the oversight board managing its budget through the recovery jostled for control, Rapisardi and his team ensured the government (and the people of Puerto Rico) had a seat at the table in the negotiating room and the courtroom.

"This wasn't just any ordinary bankruptcy or restructuring," Rapisardi says. "There were a lot of lives at stake and a lot of suffering that was compounded by everything that happened."

An early court victory rejected the oversight board's appointment of a chief transformation officer, preserving the government's voice in the process. When the board approved a fiscal plan in 2021, it was the first time in six years that the government wasn't forced to reduce expenses, according to Omar Marrero, Puerto Rico's secretary of state and representative before the oversight board.

The restructuring has so far reduced Puerto Rico's debt by more than 50%, shaving away tens of billions while also restoring the territory's credit and preserving pension benefits that had come under attack and threatened to push public retirees into poverty. Marrero says that for Puerto Rico and its people, the best days are now ahead, and Rapisardi and his team were integral in plotting a sustainable path forward.

"We provided the political will," Marrero says. "They provided the legal expertise."

—Ben Seal

O'Melveny