

Rising Star: Gibson Dunn's AnnElyse Scarlett Gains

By Emily Lever

Law360 (July 17, 2024, 2:03 PM EDT) -- AnnElyse Scarlett Gains of Gibson Dunn & Crutcher LLP has represented ad hoc lender groups for debtors facing off against such companies as Amazon seller Thrasio, podcast company Audacy Inc., chemical manufacturer Venator Materials PLC and drugmaker Akorn Inc., earning her a spot among the bankruptcy law practitioners under age 40 honored by Law360 as Rising Stars.

Why she is a bankruptcy attorney:

Gains entered law school with the goal of being a prosecutor, but developed a passion for bankruptcy and contracts at the University of Illinois College of Law in the classrooms of specialist professors Ralph Brubaker, Robert Lawless and Charles Tabb.

"It was fascinating; I wanted to do criminal law, nothing corporate had ever crossed my mind," Gains said. "I fell in love with the material and that was it."

Her most interesting recent case:

Gains represented an ad hoc group of term loan lenders for generic-drug maker Akorn Inc., which filed for Chapter 11 bankruptcy protection in 2020 following the failure of a \$4 billion merger with Fresenius Kabi AG. In 2023, as the case dragged on and workers filed a complaint under the Worker Adjustment and Retraining Notification Act, devolved into a Chapter 7 liquidation.

"In a series of twists and turns, the company literally just ran out of cash and couldn't operate," Gains said. "I don't think anyone knew what to do because we don't do a lot of [Chapter] 7s."

The ad hoc group led an auction that fetched \$300 million, three times the amount needed to clear Akorn's debt, which Gains described as an "atypical" success that snatched victory from the jaws of defeat.

2024

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**AnnElyse Scarlett
Gains**

Gibson Dunn

Age: 36

Home base: Washington, D.C.

Position: Partner

Law school: University of Illinois
College of Law

First job after law school: Law
clerk for Judge Peter J. Walsh in
the U.S. Bankruptcy Court for the
District of Delaware

"Typically when you go into a 7, you throw your hands up and see what the trustee can get," Gains said.

But the lenders were able to monetize assets, including extant contracts and a Swiss corporate entity.

"You just don't know whether the windy road that you're on is going to be good or bad," Gains said.

"You just have to make the best of it."

What motivates her:

Gains said she thrives off the "energy" and the fast-paced, unpredictable nature of the bankruptcy practice.

"I'm very rarely dealing with a situation or a group or a company where there's a luxury of time and liquidity," Gains said. "Nothing lasts long enough to get bored; we have real pressures and time constraints."

Gains said she finds being a bankruptcy lawyer allows her to learn about a range of different industries and to think about how the global geopolitical context can change the course of a business.

"Every day you wake up and wonder: what world are we living in?" Gains said. "Did the receipts come in? Did something happen in the world that's going to affect our business?"

How her practice will look in 10 years:

While the U.S. Supreme Court's decision to do away with nonconsensual third-party releases in Purdue Pharma LP's bankruptcy has spilled a great deal of ink, Gains said she believes its impact will be limited because it applied to a very specific and fairly rare situation of mass tort bankruptcies.

"People are going to analyze every sentence of that and try to apply that everywhere," Gains said. "You never know because those words are powerful."

"At the same time," she added, "the issue that went up to the Supreme Court is not one that comes up in that many cases."

Gains noted that the high court's decision would not change any already-confirmed plans and explicitly carved out the issue of consensual third-party releases. She said she had dealt with one single case involving nonconsensual third-party releases, the bankruptcy of Millennium Health.

"You're either already working on a case that's already in that mass tort situation," she said, "or you're not."

--As told to Emily Lever. Editing by Michael Watanabe.

Law360's Rising Stars are attorneys under 40 whose legal accomplishments belie their age. A team of Law360 editors selected the 2024 Rising Stars winners after reviewing nearly 1,200 submissions. Attorneys had to be under 40 as of April 30, 2024, to be eligible for this year's award. This interview has been edited and condensed. All Content © 2003-2024, Portfolio Media, Inc.