

Rion M. Vaughan

ASSOCIATE

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OVERVIEW

Rion M. Vaughan is a member of the firm's **Banking, Finance and Lending Department** and **Corporate Restructuring & Distressed Assets** Groups. He focuses his practice on representing business and lending institutions focusing on secured transactions, commercial real estate, corporate finance, mergers and acquisitions, corporate reorganizations and liquidations, loan workouts, mortgage foreclosures, and business litigation.

Prior to joining Ruberto, Israel & Weiner, Rion was an associate at McDonald Hopkins, LLC and Zeisler & Zeisler P.C., where he represented debtors, unsecured creditors, and other parties in interest in bankruptcy and other insolvency proceedings. Rion served as a term law clerk in three different U.S. Bankruptcy Courts – for the Honorable John S. Dalis, U.S. Bankruptcy Court for the Southern District of Georgia (2013-2014); for the Honorable Jimmy L. Croom, U.S. Bankruptcy Court for the Western District of Tennessee; and for the Honorable Ann M. Nevins, U.S. Bankruptcy Court for the District of Connecticut.

Rion earned a J.D., *cum laude*, from Boston College Law School and a Bachelor of Arts, *magna cum laude*, from Stonehill College. While in law school, Rion served as a writer and executive editor of the Uniform Commercial Code Reporter-Digest.

TRANSACTIONS

Representative Transactions

- **Commercial Litigation:** Extensively litigated actions in Federal District Court and FINRA arbitration to recover over \$27 million dollars in misappropriated investor funds from parties who were on inquiry notice of the Ponzi scheme but chose to ignore the red flags that any diligent investor would have seen in order to accept the lucrative return promised.
- **Asset Sales:** Marshaled and liquidated assets purchased with defrauded investors' funds including, but not limited to, the intellectual property portfolio of an online gambling company, insider loans, securities class action rights generated from legitimate stock trading activity, and fraudulent transfer actions.
- **Legal Insight:** Established new law in the Second Circuit by incorporating the "rising tide" method of distribution into the Receiver's plan for disbursing recovered funds to Ponzi scheme victims.
- **Out of Court Work-Outs:** Successfully resolved creditors' claims against principals of

PRACTICE AREAS

Banking, Finance & Lending

Corporate Restructuring & Distressed Assets

Franchise Law

EDUCATION

B.A. Stonehill College, *magna cum laude*

J.D. Boston College Law School, *cum laude*

ADMISSIONS

Massachusetts

Illinois

Northern District of Illinois,
Western District of Michigan

District of Connecticut, District
of Massachusetts

insolvent debtors based on personal guarantee of defaulted business loans.

- **Distressed M&A:** Negotiated and drafted forbearance agreements with secured lenders, equity holders, and trade creditors preventing legal action that would have destroyed company's value as a going concern. Worked with investment bankers and officers and directors to draft stock purchase agreement and parallel asset purchase agreement while marketing company to strategic buyers.
- **Collections:** Oversaw the collection efforts of over \$7 million dollars in insider loans and receivables for the benefit of unsecured creditors of a liquidating national grocery distribution co-op.
- **Regulatory Navigation:** Successfully guided nursing home operators through change in ownership receivership proceedings in state and federal court, avoiding over \$15 million in potential liability under governing sale and leaseback agreement. Created and implemented strategies for minimizing the cost of Federally imposed environmental cleanup obligations on chapter 11 debtor manufacturing companies. Personally discovered previously unutilized Texas property tax exemptions leading to a \$2.5 million-dollar savings to the estate.
- **Commercial Litigation:** Developed and pursued litigation against insolvent company's insiders for breaches of fiduciary duties, receipt of fraudulent transfers, and declaratory judgment that nominal "loans" were in fact equity contributions. Drafted memorandum of law in appeal to the Seventh Circuit seeking to overturn lower court's order regarding equitable subordination of insider loans.