

**FIRM NEWS**

## District Court Dismisses Lawsuit Against Black Diamond and Spectrum

**September 6, 2016**

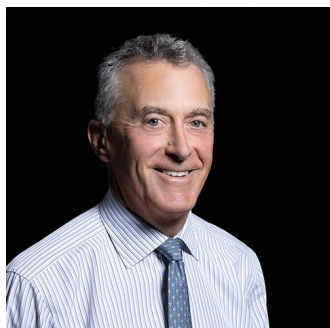
For more than four years, Schulte has represented BDCM Opportunity Fund II, Black Diamond Management LLC and Spectrum Investment Partners LP in a litigation against Yucaipa Cos. Ltd. regarding their investment in Allied Systems Holdings Inc. On Sept. 2, 2016, finding there was “no plausible basis” for Yucaipa’s claims against the three firms under the Racketeer Influenced and Corrupt Organization Act, the U.S. District Court in Delaware dismissed the \$175-million lawsuit against Schulte’s clients. This is the latest in a slew of court victories for Black Diamond and Spectrum in their litigation with Yucaipa.

Schulte first filed a suit on behalf of the alternative asset management firms in December 2011, challenging the 2009 amendments that gave Yucaipa uninhibited control over Allied and its debt. Schulte then assisted Black Diamond and Spectrum in filing involuntary bankruptcy cases against Allied in May 2012, and later that year, the New York court granted summary judgment in favor of Black Diamond and Spectrum. In December 2013, Allied consummated the sale of substantially all of its assets. The Bankruptcy Court then approved a Chapter 11 plan in December 2015 in the Allied cases that allows for the creation of a litigation trust to continue the prosecution of claims against Yucaipa on behalf of the debtors’ estates and their creditors. Schulte will be representing the trust in connection with that litigation.

Partners Adam Harris and Robert Ward represented BDCM Opportunity Fund II, Black Diamond Management LLC and Spectrum Investment Partners LP in the victory.

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## Related People



**Adam  
Harris**

Partner  
New York



**Robert  
Ward**

Of Counsel  
New York

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## Practices

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