MEDIA MENTIONS

Law360 Highlights Benesch's Seth Kleinman on Impact of Serta Uptier Ruling

JULY 9, 2026

Featured Practices: Restructuring & Bankruptcy

Law360 recently featured Seth Kleinman, Benesch vice chair of the Restructuring & Bankruptcy Practice Group, in its coverage of a significant ruling arising from the Serta Simmons Bedding "uptier" financing dispute. The article examines how a Texas bankruptcy court's decision awarding approximately $400 million to lenders excluded from the controversial transaction could reshape liability management exercises (LMEs), creditor-on-creditor disputes, and restructuring strategies moving forward.

In the article, Seth Kleinman discussed the importance of the ruling for liability management transactions, particularly those structured as cashless exchanges designed to avoid triggering pro rata payment provisions in credit agreements.

"This is really key to a lot of LME transactions, especially uptiers," said Seth Kleinman, chair of Benesch's Special Situations Practice Group. "A lot of folks who structure LMEs were relying on the fact that these were cashless exchanges so as not to trigger pro rata payment."

The decision is expected to draw significant attention from distressed investors, lenders, and restructuring professionals as courts continue to scrutinize the mechanics and contractual foundations of increasingly common liability management transactions.

More: Serta Uptier Ruling Marks Shift On LME Questions - Law360 Bankruptcy Authority