

**FIRM NEWS**

## **SRZ Successfully Represents Alfa SAB in Enron Commercial Paper Appeal**

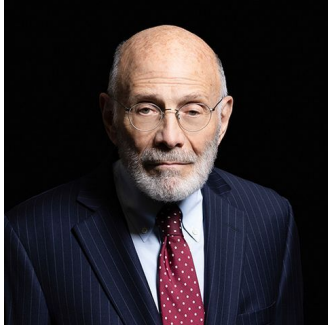
**June 28, 2011**

SRZ successfully represented Alfa SAB de CV, a Mexican holding company, before the Second Circuit Court of Appeals in litigation stemming from the bankruptcy of Enron. Shortly before Enron sought bankruptcy relief in late 2001, it paid out more than \$1.1 billion to retire some of its unsecured commercial paper. Our client received a related payment from its stockbroker, which the Enron Creditors Recovery Corp. sought the return of through a fraudulent transfer and preference complaint. Affirming the District Court's reversal of a bankruptcy court decision, the U.S. Court of Appeals for the Second Circuit found that the Enron litigation trust's complaint should be dismissed. In this decision, the court determined, as a matter of first impression, that the payment was a settlement payment from a stockbroker or financial institution.

Accordingly, the "safe harbor" provision in Bankruptcy Code § 546(e) insulated the payment from preference and fraudulent transfer attack. Our successful representation was led by business reorganization partner Michael L. Cook.

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## Related People



**Michael  
Cook**

Of Counsel  
New York

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## Practices

**BUSINESS REORGANIZATION**

**DISTRESSED DEBT AND CLAIMS TRADING**