



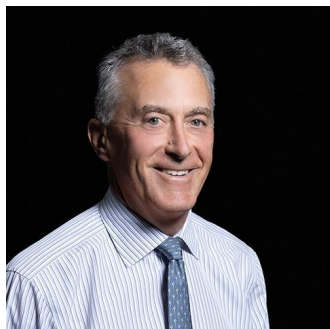
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Bankruptcy Claims Trading Orders: Who Is Watching

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Currently, negotiation and documentation of claims trades remain largely unregulated, with only limited oversight from bankruptcy courts and the U.S. Securities and Exchange Commission. Generally, the bankruptcy court's, or the claims agent's, involvement in claims trading is ministerial, i.e., maintaining the claims register and recording transfers if the form complies with the rule. Only if there is an objection to a claims transfer does the bankruptcy court become involved in the substance of a transfer. Bankruptcy courts do, however, have the ability to control the actual transfer mechanics if a trading order is issued. These orders are increasingly common in large bankruptcy cases and may restrict trading in the debtors' debt and equity securities and claims.

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