

## PUBLICATIONS

## Trend Watch: The Safety Of Reorganization Financing

July 9, 2012

Chapter 11 creditors' committees and debtors continue to challenge lenders' prepayment premiums, commitment fees and post-bankruptcy interest claims in reorganization cases. Nevertheless, courts regularly reject these challenges in well-reasoned decisions. This article focuses on two recent decisions: *In re Fleetwood Enterprises Inc.* (9th Cir. BAP June 5, 2012) (held, lenders' commitment paid by Chapter 11 debtors pursuant to court order not subject to "turnover") and *In re Madison 92nd Street Associates LLC* (Bankr. S.D.N.Y. June 5, 2012) (overruled debtor's challenges to lender's (a) prepayment premium and (b) calculation of postpetition, pendency interest).

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## Practices

**BUSINESS REORGANIZATION**

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