



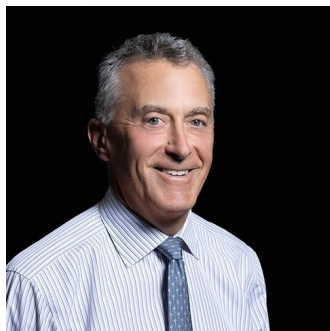
PUBLICATIONS

Secured Lender's Full Credit Bid Barred Later Recovery From Guarantors

June 2013

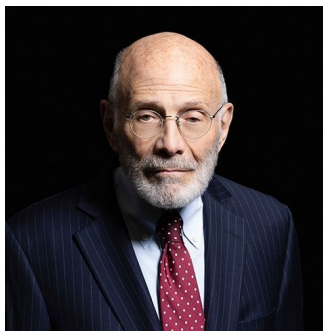
The U.S. Court of Appeals for the Fifth Circuit recently held that a secured lender's full credit bid for a Chapter 11 debtor's assets at a bankruptcy court sale barred any later recovery from the debtor's guarantors. *In re Spillman Development Group, Ltd.*, ___ F.3d ___, 2013WL 757648 (5th Cir. 2/28/13). A "credit bid" allows a creditor to "offset its [undisputed] claim against the purchase price," a right explicitly granted by Bankruptcy Code § 363(k). According to the court, the lender's "credit bid...had the effect of retiring the Senior Indebtedness...."

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