

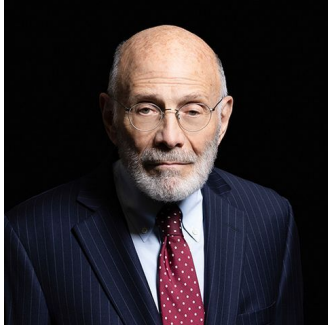
PUBLICATIONS

Tardiness Does Not Warrant Equitable Subordination

July 31, 2014

The United States District Court for the District of Delaware, on July 21, 2014, held that an indenture trustee's late filing of senior claims did not waive the lenders' contractual subordination rights, reversing the bankruptcy court. *In re Franklin Bank Corp., 2014 U.S. Dist. LEXIS 98327* (D. Del. July 21, 2014). Nor did the senior trustee's late filing show inequitable conduct warranting equitable subordination of the tardily filed senior claims to timely filed junior claims. In this article, SRZ partner Michael L. Cook and former SRZ attorney Stephanie Blattmachr discuss the district court's ruling.

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