PUBLICATIONS

Limiting Good-Faith Fraudulent Transfer Defense — Again

April 3, 2015

The U.S. Court of Appeals for the Fifth Circuit, on March 11, 2015, held an advertising firm in a U.S. Securities and Exchange Commission receiver's Texas fraudulent transfer suit liable for $5.9 million that it received in good faith from a Ponzi scheme debtor. *Janvey v. The Golf Channel Inc.*, at *1 (5th Cir. March 11, 2015). In reversing the district court, the Fifth Circuit explained that the defendant's "services furthering a debtor's Ponzi scheme provide no value to the debtor's creditors." *Id.* (citing *Warfield v. Byron,* 436 F.3d 551, 560 (5th Cir. 2006) (held, commissions paid to broker in exchange for obtaining new investments into a Ponzi scheme are voidable even when broker unaware of fraud)). In this article, SRZ partner Michael L. Cook discusses the Fifth Circuit's decision.

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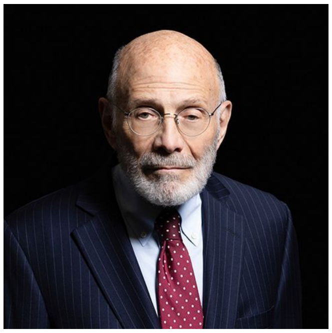

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