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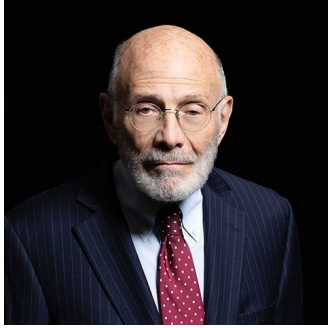
Ninth Circuit Affirms Sale of Trustee's Litigation Claims to Self-Interested Party

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A bankruptcy trustee may sell “avoidance powers to a self-interested party that will abandon those claims, so long as the overall value obtained for the transfer is appropriate,” held the U.S. Court of Appeals for the Ninth Circuit on Jan. 15, 2020. Affirming the lower courts, the Ninth Circuit reaffirmed its prior holding that “a bankruptcy trustee may sell an estate’s avoidance claims to a creditor when ‘the creditor is pursuing interests common to all creditors’ and ‘allowing the creditor to exercise those powers will benefit the remaining creditors.’” In *Silverman v. Birdsell*, the court-approved sale was “expected to result in abandonment of the claims by transferring them to the would-be defendant.” In this article, of counsel Michael Cook discusses the court’s decision in *Silverman* and its relevance.

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