

Client Alert: Landlords Beware: Termination of a Distressed Tenant's Lease May Be Voidable In Bankruptcy

Publications

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By: Angela Allen

On March 11, 2016, the Seventh Circuit ruled that a distressed company's termination of a lease pursuant to an agreement with its landlord and the relinquishment of its leasehold interest to its landlord constituted "transfers" that may be avoidable as fraudulent transfers and preferences under the Bankruptcy Code. The decision, *Official Comm. Of Unsecured Creditors v. T.D. Invs. I, LLP (In re Great Lakes Quick Lube LP, 816 F.3d 482 (7th Cir. 2016))*, serves as a cautionary tale for landlords dealing with distressed tenants.

Read the full alert here.

Related Attorneys



Angela Allen

Partner
aallen@jenner.com
+1 312 840 7218

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