

Two important December New York District Court decisions highlight risks in distressed company decision-making

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- Judge Rakoff's *Nine West* decision allowed fiduciary duty claims to proceed against LBO seller directors and officers based on anticipated subsequent transactions by purchaser
- Judge Daniels' *Transocean* decision rejected a bondholder challenge to a debt-for-debt liability management transaction ruling that an internal corporate reorganization did not violate a "successor obligor" provision

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