

Insolvency and Restructuring Update - June 2, 2009

June 2, 2009 | Client Update

In an important ruling issued on Sunday, May 31, 2009, Bankruptcy Judge Arthur J. Gonzalez in the Southern District of New York approved the sale of Chrysler in exchange for two billion dollars in cash and the assumption of certain liabilities.² In connection with approval of this sale transaction, Judge Gonzalez opined on sub rosa challenges, the ability of a secured lender to object to a transaction if the administrative agent has consented, and the survival of tort claims after assets have been sold pursuant to section 363 of the Bankruptcy Code. The ruling makes it yet easier for debtors to consummate sales under section 363.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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