

Insolvency and Restructuring Update - September 14, 2009

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In a recent decision, Judge Christopher S. Sontchi of the Delaware Bankruptcy Court concluded that “commercially reasonable determinants of value” as referenced in section 562 of the U.S. Bankruptcy Code for purposes of measuring damages resulting from the rejection of a repurchase agreement are not limited to the actual sale or market value of an asset but that a discounted cash flow valuation can also be utilized. Also of note is the court’s analysis of how to value a portfolio of assets in distressed market conditions.

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.

Laureen F. Bedell

+1 212 450 4167
laureen.bedell@davispolk.com

Donald S. Bernstein

+1 212 450 4092
donald.bernstein@davispolk.com

Timothy Graulich

+1 212 450 4639
timothy.graulich@davispolk.com

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