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Comity and drama: current trends in cross-border insolvencies

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In November 1991, Robert Maxwell — the larger-than-life publishing magnate — mysteriously drowned alongside his yacht. Within months of Maxwell's death, his media empire had collapsed after it became clear that the enterprise was insolvent. But the company faced a major problem: although Maxwell Communications was headquartered in the United Kingdom, the majority of its assets were in the form of stock of subsidiaries in the United States, and the company's management, seeking to remain in control of the insolvency, commenced Chapter 11 proceedings for the group in the US. Fearing personal liability under UK law, the directors then commenced simultaneous insolvency proceedings for the group in the UK. It was unclear which of the two proceedings would control.

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