

## Insolvency and Restructuring Update - October 15, 2009

October 15, 2009 | Client Update

On October 13, in the chapter 11 cases of homebuilder TOUSA, Inc. and its subsidiaries, Judge John K. Olson of the United States Bankruptcy Court of the Southern District of Florida avoided as fraudulent transfers the liens and underlying debt obligations incurred by certain of TOUSA's subsidiaries in connection with \$500 million of secured loans made six months prior to the bankruptcy filing. The proceeds of the loan facilities were used to fund a litigation settlement of TOUSA and another subsidiary (that was not an obligor on the loans).

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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