

Exit Consents Unlawful Under English Law

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Last week, the English High Court ruled that an “exit consent” used by Anglo Irish Bank to impose losses on subordinated bondholders was invalid under English law and violated the terms of the applicable trust deed. It is the first time that the legality of exit consents has been tested by an English court. Mr Justice Briggs considered the Delaware case of *Katz v Oak Industries Inc*, in which the use of an exit consent was upheld, but declined to follow that case.

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.

Michael Kaplan

+1 212 450 4111
michael.kaplan@davispolk.com

Richard D. Truesdell, Jr.

+1 212 450 4674
richard.truesdell@davispolk.com

Simon Witty

+44 20 7418 1015
simon.witty@davispolk.com

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