

Highlights to 2025 Edition

A divided Court rejects the immunity set by the Sackler family as a condition for its contribution to the Purdue Pharma Chapter 11 reorganization. Many questions about the application of Chapter 11 plans to non-debtors remain. *Harrington v. Purdue Pharma L.P.*, 144 S.Ct. 2071 (2024) is discussed at § 15:94.

A unanimous Court held that 11 U.S.C.A. § 1109(b) included the insurer as a party in interest of the debtor under the facts of the particular case. *Truck Ins. Exchange v. Kaiser Gypsum Co., Inc.* 608 U.S. 268, 144 S.Ct.1414 (2024) is discussed at § 15:95.

Cases are divided over sovereign immunity as a defense when the I.R.S. receives a tax payment that should be avoided as a fraudulent transfer. *United States v. Miller*, 2025 WL 906502 (March 26, 2025) holds that sovereign immunity remains a jurisdictional bar to recovery. The case is discussed at § 15:25.

In the Matter of GFS Industries, LLC, 99 F.4th 223 (5th Cir. 2024) joins the Fourth Circuit in holding that the corporate debtor choosing Subchapter V is subject to the exceptions to discharge otherwise limited to individual debtors and widening the split with numerous bankruptcy court decisions holding to the contrary. The case is discussed at § 12:24.

Lee v. U.S. Bank Natl. Assoc., 102 F.4th 1177 (11th Cir. 2024) rules that the mortgage on the debtor's home with 43 acres leased for farming was still only residential. The case is discussed at § 13:10.

A make-whole provision is the equivalent of interest and not allowable, but in the solvent Chapter 11 bankruptcy of *In re Hertz Corporation, et. al.* 120 F.4th 1181 (3rd Cir. 2024) paying shareholders instead violated the absolute priority rule. The case is discussed at § 12:17.

A local rule which mandated vesting of the property in the Chapter 13 debtor at the final decree violated the statutory rights of the debtor. *Trantham v. Tate*, 112 F.4th 223 (4th Cir. 2024) is discussed at §§ 13:3 and 13:15.