Table of Contents

Volume 1

CHAP	TER 1. BASIC CONCEPTS AND
DEFIN	IITIONS
§ 1:1	Overview
§ 1:2	Solvency—Key indicium of fraudulent transfer
§ 1:3	Types of fraudulent transfers
§ 1:4	Fraudulent transfer analysis—Later events
§ 1:5	—Step-transaction doctrine
§ 1:6	Related preference payments
§ 1:7	Applicable laws and statutes
§ 1:8	—Common law
§ 1:9	—Uniform Fraudulent Conveyances Act
§ 1:10	—Bankruptcy Code
§ 1:11	—Uniform Fraudulent Transfers Act
§ 1:12	Uniform Voidable Transactions Act (2014)
§ 1:12.50	Contempt for nonpayment of debt
§ 1:13	Operative definitions
§ 1:14	—Property
§ 1:15	—Asset
§ 1:16	—Must be an asset of the debtor
§ 1:17	—Asset must have value—Injury to creditor required
§ 1:18	——Property having no value
§ 1:19	—Transfer of exempt property
§ 1:20	—Definition of "transfer"
§ 1:21	— Effective date of transfer
§ 1:22	—Definition of creditor, claim, and debt
§ 1:23	— —Future creditor
§ 1:24	— United Kingdom and other view of "future creditor"
§ 1:25	—Existence of a claim
§ 1:26	——Successor liability
§ 1:27	Transferee liability IRC § 6901
§ 1:28	Operative definitions—Insider status and "affiliate"
§ 1:29	Definition of "Person" and other definitions provided for by the new Uniform Voidable transactions Act

CHAPT	ER 2. CATEGORIES OF	
FRAUD	OULENT TRANSFERS	227
§ 2:1	Types of fraudulent transfers	
§ 2:2	Actual fraudulent intent	
§ 2:3	—Determining presence of fraudulent intent	
§ 2:4	—Scope of voidable fraudulent transfer—Includes	
	hinder and delay	
§ 2:5	—Mixed motivation transactions	
§ 2:6	—Badges of fraud	
§ 2:7	—Insolvency	
§ 2:8	——Assets	
§ 2:9	— —Going concern vs. liquidation value	
§ 2:10	— — Determination of the value of assets	
§ 2:11	— —Liabilities	
§ 2:12	— —Assessment of debts—From debtor's view	
§ 2:13	— — —Ongoing future obligations	
§ 2:14 [Res	erved]	
§ 2:15	Constructive fraud	
§ 2:16	—Causal connection required	
§ 2:17	—Reasonably equivalent value	
§ 2:18	——Amount received	
§ 2:19	——"Bargained for" element as affecting	
§ 2:20	— —Value to creditor	
§ 2:21	—Common situations where the issue of adequacy of consideration arises—Stock redemption	
§ 2:22	——Executory contract	
§ 2:23	——Antecedent debt	
§ 2:24	——Bonuses and severance payments	
§ 2:25	——Gambling	
§ 2:26	——Ponzi scheme	
§ 2:27	——Sales compelled by economic necessity	
§ 2:27.33	State court settlement as reasonably equivalent value	
§ 2:27.66	Return of excess proceeds of a tax sale pursuant to the taking clause of the United States Constitution and equivalent state constitutional provisions	
§ 2:28	Constructive fraud—Common situations where the issue of adequacy of consideration arises—Charitable contributions	
§ 2:29	"Indirect benefit rules"	
§ 2:30	Constructive fraud—Transfer by persons in business with unreasonably small assets	
§ 2:31	—Transfers by persons about to incur debt	

§ 2:31.50	Transfers made etc. relative to a creditor whose claim arose before the transfer was made at a time the transferor was insolvent or thereby rendered	
6 0 00	insolvent	
§ 2:32	Constructive fraud—Common types of transfers	
§ 2:33	— — Intrafamily transfers	
§ 2:34	— — Transfers supported by valid consideration	
§ 2:35	——Fraudulent transfers in divorce	
§ 2:36	——Services rendered	
§ 2:37	—Corporate transactions	
§ 2:38	——Leveraged buyouts	
§ 2:39	——Payment to shareholders in LBOs protected	
§ 2:40	— Key customers	
§ 2:41	—Transfers to partnerships and UFTA insider transactions	
§ 2:42	Common types of transfers—Claims in	
	bankruptcy—Certain employment contracts to insiders and others	
§ 2:43	— — —Avoidance as actual and constructive fraud	
§ 2:44	— — Key-Employee Retention Plan (KERP) ($\S 503(c)(1)$)	
§ 2:45	———Severance payments to insiders (§ 503(c)(2))	
§ 2:46	———Payments outside the ordinary course of business, etc	
§ 2:47	Conflict of laws	
§ 2:48	—Choice of law in state and federal courts	
§ 2:49	Real property	
§ 2:50	—Tangible personal property	
§ 2:51	—Intangible personal property	
§ 2:51.33	Internal affair doctrine conflict of laws related to corporations, LLCs etc.	
§ 2:51.66	Conflict of laws—Charging order; limited	
	partnerships and LLCs	
§ 2:52	—Nonspecific designation of law in agreement does	
	not necessarily control	
§ 2:52.33	—Compulsory arbitration	
§ 2:52.66	—Forum selection	
§ 2:53	—Bankruptcy vs. state law	
	TER 3. FRAUDULENT TRANSFER	S —
	ITOR REMEDIES	501
§ 3:1	Creditor/bankruptcy trustee remedies	
§ 3:2	—Bankruptcy Code	
§ 3:3	—Property subject to avoidance as a fraudulent	
	transfer as property of the estate/extraterritorial application of 11 U.S.C.A. § 548	

§ 3:4	—Reimbursable creditor attorney's fees in bankruptcy
§ 3:5	—UFCA remedies
§ 3:6	—UFTA/UVTA remedies compared to UFCA
§ 3.0 § 3:7	Prejudgment attachment
-	—Injunctive relief
§ 3:8	
§ 3:9	—Grupo does not affect injunctive relief under UFTA/UVTA
§ 3:10	Remedies beyond those specifically allowed under the UFTA/UVTA and UFCA
§ 3:11	—Damages
§ 3:12	—Punitive damages
§ 3:13	——States where punitive damages not allowed
§ 3:14	— —State allows punitive damages on basis of UFTA provisions
§ 3:15	——States imposing punitive damages on general legal principles
§ 3:16	—Attorney's fees
§ 3:17	Conspiracy or aiding and abetting
§ 3:17.25	UCC Article 4A preemption of claims against
3 0.1120	certain financial institutions
§ 3:17.50	Breach of Fiduciary Duty
§ 3:18	Conspiracy or aiding and abetting—Conspiracy
§ 3:19	Does Conspiracy require tort or merely a wrong
§ 3:20	Conspiracy or aiding and abetting—Aiding and abetting
§ 3:21	—Damages required to proceed on conspiracy theory
§ 3:22	Officer and shareholder liability
§ 3:23	Postpetition attorney's fees and interest and
	prejudgment interest
§ 3:24	Concepts related to fraudulent transfers
§ 3:25	Concepts relate to fraudulent transfers—
	Subordination, equitable subordination and
	recharacterizing debt into equity
§ 3:26	Concepts related to fraudulent transfers—Equitable subordination and recharacterizing debt into equity—Recharacterizing "debt" into equity
§ 3:27	——Subordination and equitable subordination
§ 3:28	Concepts relating to fraudulent transfers—
3 0.20	Equitable subordination and recharacterizing debt into equity—Equitable subordination—No-fault
§ 3:29	— ————————————————————————————————————
	securities of the debtor under Section 510(b)
§ 3:30	Concepts related to fraudulent transfers—
₩ - · · - •	Deepening insolvency

Table of Contents

8	3:31	— —As a tort or theory of damages	
§	3:32	— —Basis of liability against insiders	
§	3:33	——Basis of liability against lenders	
	3:34	——Standing to bring the claim	
	3:35	— —Fraudulent transfer as a remedy	
	3:36	——Equitable subordination as a remedy	
-	3:37	11 U.S.C.A. § 549—Avoidance of post-petition	
v		transfers	
§	3:37.16	Postpetition perfection of liens allowed under § 546(b)	
§	3:37.32	Treatment of avoidance of property subject to security agreement covering after acquired	
		property, e.g., a floating lien, 11 U.S.C.A. § 552	
2	3:37.48	—The general rule	
	3:37.64	—The general rule—The exception to the general rule 11 U.S.C.A. § 552(b)(1)	
2	3:37.80	—The general rule—Exceptions for rents to use	
8	5.57.00	property and similar payments—11 U.S.C.A. § 552(b)(2)	
§	3:37.96	Treatment of avoidance of property subject to	
		security agreement covering after acquired	
		property, e.g., a floating lien, 11 U.S.C.A. § 552,	
		Avoidance claims as proceeds under § 552(b)	
-	3:38	Other causes of action	
§	3:39	—Contribution	
		ER 4. TRANSFER DEFENSES AND	
F	PROTE	ICTION 86	33
Ş	4:1	Transferee defenses and protections	
-	4:2	Protection for good-faith transferee for value	
	4:3	—UFTA/UVTA and UFCA	
-	4:4	—Bankruptcy Code	
-	4:5	—Burden of proof to establish defense	
-	4:6	Payments to debtor that reduce recovery from	
-		transferee	
	4:7	Initial transferee	
§	4:8	—Liability of initial transferee in bankruptcy contrasted with state law	
§	4:9	—Subsequent transferees	
§	4:10	—Identity of initial transferee	
§	4:11	——Person who controls entity not initial transferee	
§	4:12	An intended beneficiary treated same as initial	
		transferee	

§ 4:14	Good-faith requirement
§ 4:15	Good-faith in a Securities Investor Protection Act
	("SIPA") bankruptcy—Same standard applies
§ 4:16	Without knowledge of the voidability
§ 4:17	For value
§ 4:18	Innocent party defenses
§ 4:19	Salvaging part of avoidable transaction
§ 4:20	Denial of claim under 11 U.S.C.A. § 502(d)
§ 4:21	Statute of limitations
§ 4:22	—State law—Commencement of period—Transfer or judgment?
§ 4:23	—UFTA statute of limitations designed to be
3 1.20	limitation of repose
§ 4:24	—One-year period—Reasonable discovery
§ 4:25	—Ways to extend limitations period
§ 4:26	——Extending the limitations period under § 546
	and other tolling concepts
§ 4:27	— Extending the limitations period under § 108
§ 4:28	— —Aiding and abetting and conspiracy
§ 4:29	 Resulting trust may extend limitations period
§ 4:30	—Bankruptcy trustee super creditor status—IRS claim
§ 4:31	———Saving statutes, renewal statutes and extension statutes
§ 4:32	—Amending complaint, relation back
§ 4.32 § 4:33	—Continuing concealment under § 727
§ 4.33 § 4:34	—Time for recovery action against transferee in
\$ 1.01	bankruptcy
§ 4:35	Limitations on U.S. government claims
§ 4:36	Rooker-Feldman Doctrine
§ 4:36.12	USSC narrows scope of Rooker-Feldman
§ 4:36.16	Post-Exxon Mobil embrace of independent claim
	exception
§ 4:36.20	Clear cases
§ 4:36.24	General rule—Typical situation is not binding
§ 4:36.27	Seventh Circuit retains "inextricably intertwined" analysis
§ 4:36.33	Reasonable opportunity to raise the issue in state court—Second leg of Seventh Circuit's analysis
§ 4:36.36	Post-Exxon Mobil Evolution to independent claims not subject to Rooker-Feldman—aka "the source-of-the-injury test."
§ 4:36.48	Ninth Circuit's combination of independent claims/ "the source-of-the-injury test" and two-step inextricably intertwined/reasonable opportunity analysis

§ 4	4:36.60	plaintiff's federal suit, in effect, is an end-run	
		around a final state-court judgment	
-	4:36.72	-	
§ 4	4:36.75	5 Pre-Exxon Mobil Fraud exception embraced by Ninth Circuit; Sixth Circuit follows post-Exxon Mobil	
§ 4	4:36.80	Circuits embracing the independent claim exception have likely embraced the fraud exception sub silentio	
§ 4	4:36.84	In Bankruptcy Court	
§ 4	4:36.96		
§ 4	4:37	Securities and transactions that implicate financial markets	
§ 4	4:38	—Application of § 546(e) to illegal transactions	
§ 4	4:39	—Settlement payments, securities contracts and margin payments	
§ 4	4:40	—covered entity/qualifying participant	
_	4:41	—Transactions shielded from setoff	
§ 4	4:42	—Swap agreements	
-	4:43	—Forward commodity contract	
§ 4	4:44	Other securities transactions not subject to the automatic stay (§§ 555, 556, 557, 559, 560 and 561)	
§ 4	4:45	Other defenses	
§ 4	4:46	Priority among creditors	
_		PTER 5. PREFERENCES AND	
P	REF	FERENTIAL PAYMENTS	1273
§ !	5:1	Avoidable preference payments	
§ !	5:2	—Creditor	
§	5:3	— —Unsecured creditors	
§	5:4	—Debt	
§ !	5:5	—Antecedent	
§ !	5:6	—Insolvency	
§ !	5:7	—Effective date of transfer for antipreference	
§	5:8	—Creditor must receive more	
	5:9	—Assumption of contracts—Creditor does not receive more	
§	5:10	—Amount of preference	
	5:11	—Must be "an interest of the debtor in property"	
-	5:12	—Must be property of the estate—Converting nonestate property into preference payment	
§ !	5:13	Exceptions	

§ 5:14	·	
§ 5:15	——Incurred in the ordinary course of the business or	
	financial affairs of the debtor and creditor—11	
§ 5:16	U.S.C.A. § 547(c)(2)	
8 9:10	— —Transfer made in the ordinary course of business or financial affairs—11 U.S.C.A. § 547(c)(2)(A)	
§ 5:17	 — Transfer made according to ordinary business 	
	terms—11 U.S.C.A. § 547(c)(2)(B)—Post-2005	
0 = 10	Bankruptcy Act cases	
§ 5:18	———Pre-2005 Bankruptcy Act cases	
§ 5:19	—New consideration or value	
§ 5:20	——New value	
§ 5:21	——Contemporaneous	
§ 5:22	—Purchase money loan/security interests	
§ 5:23	—Exception for subsequent unsecured advances	
§ 5:24	No net improvement for the holder of a floating lien on inventory and receivables—11 U.S.C.A. § 547(c)(5)	
§ 5:25	Exceptions—Fixing of a statutory lien	
§ 5:26	Alimony, Support, and Maintenance—11 U.S.C.A. § 547(c)(7)	
§ 5:27	Exceptions—Small transfers: 11 U.S.C.A. § 547(c)(8)	
§ 5:28	—Nonconsumer small transfers: 11 U.S.C.A. § 547(c)(9)	
§ 5:29	—Schedule payments established through approved credit counseling	
§ 5:30	—Other exceptions—Earmarking exception	
§ 5.30 § 5:31	Recoupment and setoff compared	
§ 5.31 § 5:32		
	Recoupment and federal toyog	
§ 5:33	—Recoupment and federal taxes	
§ 5:34	Setoff Provide right of setoff	
§ 5:35	—Broad right of setoff	
§ 5:36	—Waiver of the right to setoff	
§ 5:37	—Mutuality requirement	
§ 5:38	——Same capacity	
§ 5:39	—Time claim arises	
§ 5:40	—Section 553 limitations on setoffs	
§ 5:41	—Postpetition setoffs	
§ 5:42	—Setoff discretionary	
§ 5:43	—Setoff of federal tax refund	
§ 5:44	Effect of § 502(d)	
§ 5:45	"Deprizio waiver"	
§ 5:46	Procedural aspects of preferential payments	
§ 5:47	Criminal restitution	
СНА	PTER 6. SPECIAL CONCERNS FOR	
LAW	YERS	1557
§ 6:1	Civil liability to clients, creditors and others	200.

§ 6:2	—Wrongful conduct	
§ 6:3	Receipt of fraudulent funds	
§ 6:4	Other sources of attorney liability	
§ 6:5	—Sanctions and liability in connection with	
	bankruptcy	
§ 6:6	—Duty to advise on preservation of assets	
§ 6:7	——Duty to shield against liability	
§ 6:8	——Broader general duty to protect assets	
§ 6:9	—Potential concern for lawyers—Obligations imposed on debt relief agencies (11 U.S.C.A. § 526)	
§ 6:10	Liability for failure to advise on disclaimer	
§ 6:11	Attorney defenses	
§ 6:12	—Liability to client—In pari dilecto	
§ 6:13	—Unclean hands	
§ 6:14	—Attorneys can rely on statements of client	
§ 6:15	Attorney-client privilege not applicable to defense	
§ 6:16	Minimizing liability	
§ 6:17	Criminal liability	
§ 6:18	—Bankruptcy related crimes	
§ 6:19	—Fraud in connection with foreign persons	
§ 6:20	—Congress's failed attempt to impose liability for elder self-impoverishment	
§ 6:21	Potential criminal liability related to self-settled asset protection trusts	
§ 6:22	—Applicable criminal law	
§ 6:23	—Liability for aiding and abetting	
§ 6:24	—No retroactive application of criminal law	
§ 6:25	—Liability under RICO	
§ 6:26	Ethical considerations	
§ 6:27	—Model rules of professional conduct	
§ 6:28	—Fraud in general	
§ 6:29	—Violation of fraudulent transfer laws	
§ 6:30	—Proper counseling on fraud related matters	
§ 6:31	—Third-party considerations	
CHA	PTER 7. SPECIAL	
CIRC	CUMSTANCES	1639
§ 7:1	Special circumstances	
§ 7:2	Gifts	
§ 7:3	—Valid gifts	
§ 7:4	——Statutory rules regarding gifts	
§ 7:5	——Statutes altering the change-of-possession	
~	requirement	
§ 7:6	—Presumption of gift	

	,
§ 7:7	— —From husband to wife
§ 7:8	— —From wife to husband
§ 7:9	— —From parent to child
§ 7:10	Implied trusts
§ 7:11	—Resulting trusts
§ 7:12	 —Interaction with presumption of gift
§ 7:13	—Constructive trusts
§ 7:13.50	Implied trusts in bankruptcy
§ 7:14	Implied trusts—Transfers for illegal purposes
§ 7:15	—Settlor cannot benefit
§ 7:16	— — Grantor less guilty than grantee
§ 7:17	— —Effect of existence or satisfaction of claim
§ 7:18	Subrogation, equitable subrogation and § 509
§ 7:19	Common estate planning concepts
§ 7:20	Disclaimers and related lapses of powers
§ 7:21	—Effect of disclaimer
§ 7:22	—Disclaimers and tax liens
§ 7:23	— —Extension of <i>Drye</i> to nullify state disclaimer laws
§ 7:24	—Crummey powers and related powers of
8 1.24	appointment
§ 7:25	— —Will the <i>Crummey</i> power render the trust
30	self-settled?
§ 7:26	——Disclaimer instead of lapse or waiver of
	Crummey power
§ 7:27	—Special rule in bankruptcy
§ 7:28	Powers of appointment
§ 7:29	—General power
§ 7:30	—Limited or special powers
§ 7:31	—Retained limited powers
§ 7:32	—Nature power of appointment
§ 7:33	—Bankruptcy
§ 7:34	— —General powers of appointment
§ 7:35	— Testamentary general powers of appointment
§ 7:36	Joint tenancy
§ 7:37	Elder law
§ 7:38	Marital agreements and divorce
§ 7:39	—Marital agreements
§ 7:40	—Divorce
§ 7:41	— —Property division subject to scrutiny
§ 7:42	— —Divorce decree not a bar to bankruptcy court
	and creditors
§ 7:43	——Bankruptcy aspects
§ 7:44	Sovereign immunity

xxviii

 $\ \$ 7:45 Special purpose vehicles, aka, bankruptcy remote entities

Volume 2

	CHAP'	TER 8. TAX AND NONTAX ASPECTS	
(OF PO	NZI SCHEMES	1
§	8:1	Summary of tax and nontax aspects of Ponzi	
_		schemes	
§	8:2	—Distributions from Ponzi scheme as fraudulent	
e	0.0	transfer	
	8:3	—Liability of third parties	
_	8:4	—Circumstance under which claw-back may occur	
Ş	8:4.50	Claw-back from "foreign state" or deemed foreign state (e.g., agency or instrumentality of a foreign state); Effect of the Foreign Sovereign Immunities Act	
§	8:5	Summary of tax and nontax aspects of Ponzi	
		schemes—Exception for common business costs	
§	8:6	—Ponzi scheme presumption	
§	8:7	—Loans—Investors/and ordinary creditors	
§	8:8	Summary of tax and nontax aspects of <i>Ponzi</i> schemes—Legal fees	
§	8:9	—Commissions and other compensation	
§	8:10	—Good faith and for value defense relative to "initial transferee" and "subsequent transferee(s)"	
§	8:11	Summary of tax and nontax aspects of Ponzi schemes—Standing to bring fraudulent transfer claim	
§	8:12	—Impact of Ponzi scheme on exemptions	
§	8:13	—Status of charitable contributions	
§	8:14	—Distributions subject to antipreference rules	
§	8:15	—Tax consequences of a Ponzi scheme Good faith and for value defense relative to "initial transferee" and "first transferee"	
§	8:16	—Tax consequences of a Ponzi scheme—Common law character of the loss	
§	8:17	——Amount of the loss	
§	8:18	— —Timing of the loss	
8	8:19	——Net operating losses	
	8:20	— — Tax consequences of claw-back of profits and	
,		principal/investment; claim of right (IRC § 1341)	
§	8:21	——Amending return for open years	
§	8:22	——Nonapplication of mitigation rules	

§ 8:23 § 8:24 § 8:25 § 8:26	 — Losses discovered during administration of decedent/victim's estate — Losses by IRAs — Rev. Proc. 2009-20 safe harbor — Tax planning 	
	PTER 9. PROPERTY OF THE	
ESTA		187
	Property of the bankruptcy estate Functional exemption—Exclusion from property of the bankruptcy estate	
§ 9:3	Educational fund excluded from estate	
	—Certain withholding from employees exclude	
CHA	PTER 10. FRAUDULENT TRANSFER	RS
AND	SELF-SETTLED TRUSTS	199
§ 10:1	Fraudulent transfers and self-settled trusts	100
§ 10:2	—Ten-year statute of limitations	
§ 10:3	—Future creditors	
§ 10:4	——Categories of "future creditors" covered	
§ 10:5	—Similar devices	
§ 10:6	—Application of new Act to past trusts	
§ 10:7	—Effect of new law on foreign trusts	
§ 10.7 § 10:7.5	S	
-	company	
§ 10:8	Involuntary bankruptcies	
§ 10:9	—Qualifying creditor(s)	
§ 10:10	—Eligible claims	
§ 10:11	—Generally not paying debts requirement	
§ 10:12	—Creditor bond, costs, and sanctions	
_	PTER 11. PREBANKRUPTCY	
	NNING	289
§ 11:1	Prebankruptcy planning—Generally	
§ 11:2	Bankruptcy and state law allow prebankruptcy planning	
§ 11:3	Use of fraudulent transfer laws to attack	
•	prebankruptcy planning	
§ 11:4	—Relation between ERISA and fraudulent transfer laws	
§ 11:5	 —State fraudulent transfer laws generally not preempted by ERISA 	
§ 11:6	——Laws affecting funding of ERISA plan preempted	
§ 11:7	State statutory restrictions on prebankruptcy planning	

§ 11:8	—Possible federal preemption of state restrictions on exemptions	
§ 11:9	Denial of discharge	
§ 11:10	—Badges of fraud	
§ 11:10 § 11:11	——Pattern of sharp dealing	
§ 11:11 § 11:12	——————————————————————————————————————	
§ 11:12 § 11:13	— — Use of asset for intended exempt purpose	
§ 11:13 § 11:14	— — Ose of asset for intended exempt purpose — —Adequacy of consideration for transferred	
8 11.14	property	
§ 11:15	—Miscellaneous factors used to deny discharge	
§ 11:16	— Fraud directed at a specific creditor	
§ 11:10 § 11:17	——Converting borrowed funds and assets relied on	
3 11.11	by creditors	
§ 11:18	——Conversion of business assets	
§ 11:19	— —Other indicia and factors supporting fraud	
§ 11:10	—Conduct not constituting fraud	
§ 11:21	— —Customary payments	
§ 11:22	——Reliance on attorney	
§ 11:22	— — Miscellaneous conduct not considered fraudulent	
§ 11:24	—Purging the fraudulent taint	
§ 11:24 § 11:25	Denial of exemption under state law	
§ 11:26	Denial of exemption in bankruptcy	
§ 11:20 § 11:27	Dismissal of bankruptcy petition	
§ 11:27 § 11:28	Preferential treatment for residence	
§ 11:20 § 11:29	Summary	
§ 11.25	Summary	
CHAP	TER 12. EXEMPTIONS	363
§ 12:1	Exempt property	
§ 12:2	—Nature of exemptions	
§ 12:3	—Community property	
§ 12:4	—Tracing of funds derived from exempt property	
§ 12:5	—Enforcement of nondischargeable debts after	
	closing	
§ 12:6	Exemptions and liens	
§ 12:7	—Security interests and statutory liens	
§ 12:8	—Judicial lien	
§ 12:9	:9 — Extent of removal—Impairment	
§ 12:10		
§ 12:11	 —Removal of judicial lien requires ownership 	
§ 12:11.50	Validity of lien required under applicable state law	
§ 12:12	Exemptions and liens—Judicial lien—Emanations of Sanderfoot	
§ 12:13	—Exemptions granted under state constitutions	
§ 12:14	—Conflicts of law	
§ 12:15	Denial of exemptions	

	,
§ 12:16	—Exemption denied for abuse curtailed by USSC decision in Law
§ 12:17	—Exemption denied when acquired with fraudulently obtained funds
§ 12:18	—Surcharge of exemptions curtailed
§ 12:19	Exemptions not effective against certain claims/including the "absolute priority rule"
§ 12:20	Exemptions for federal debts, civil and criminal
§ 12:21	State restrictions on exemptions
§ 12:22	—Statutory restrictions
§ 12:23	—State constitutional restrictions
§ 12:24	 — Federal supremacy strikes down state restrictions
§ 12:25	-Effect of retroactive amendments to exemptions
§ 12:26	Exemptions in bankruptcy
§ 12:27	—Qualifying for exemptions in bankruptcy
§ 12:28	—Exemptions in joint cases
§ 12:29	—Moving to state to obtain benefit of exemption
§ 12:30	—Bankruptcy trustee's recovery of exempt property—11 U.S.C.A. § 522(g)
§ 12:31	——Recovery of exempt property by debtor when trustee does not act
§ 12:32	—Validity of state bankruptcy-only exemptions
§ 12:33	—Time limits for objecting to and claiming exemptions
§ 12:34	——Basic time limits and rules
§ 12:35	— Taylor and Schwab decision
§ 12:36	——Does intent controlling?
§ 12:37	——Ambiguity
§ 12:38	— Good faith; affect of Law v. Siegel
§ 12:39	——Common custom
§ 12:40	— —In-kind exemptions
§ 12:41	 — Limiting exemption to value stated
§ 12:42	—Federal exemptions
§ 12:43	— Other federal exemptions
§ 12:44	——Discussion of select federal exemptions
§ 12:45	— — —Homestead
§ 12:46	— — Motor vehicle
§ 12:47	— — —Household furnishings
§ 12:48	— — Tools of the trade
§ 12:49	— — —Unmatured life insurance
§ 12:50	——Proceeds of life insurance policy
§ 12:51	———Health aids
§ 12:52	— — —Personal injury

§ 12:53	— — — Unemployment compensation and local	
§ 12:54	public assistance — — Disability, illness, or unemployment	
§ 12:55	benefits — — Veterans' benefits	
§ 12.55 § 12:56		
§ 12.50 § 12:57	— — — Alimony, support, or separate maintenance — — — Retirement and similar plans	
§ 12.57 § 12:58	— — Retirement funds exempt from taxation	
§ 12.50	under IRC	
§ 12:59	——Payment for loss of future earnings	
§ 12:60	— — Wildcard exemption	
§ 12:61	——Potential overlapping exemptions	
§ 12:62	— — Crime victim's reparations	
§ 12:63	—Waiver of exemptions	
§ 12:64	—Use of the bankruptcy trustee's strong-arm	
	powers relative to exemptions	
СНАРТ	ER 13. EXEMPTION FOR	
	EMENT PLANS	600
§ 13:1		629
§ 13:1 § 13:2	Retirement plans ERISA protection for retirement plans	
§ 13.2 § 13:3		
	—Bankruptcy exclusion for interests in retirement plan subject to ERISA	
§ 13:4	—ERISA applicable in state court and nonbankruptcy federal court	
§ 13:5	—Scope of protection for ERISA plans	
§ 13:6	——Spouses and other beneficiaries protected	
§ 13:7	— —ERISA protects against wrongful conduct—	
0	Bad boy clauses invalid	
§ 13:8	——Plans excluded from ERISA coverage	
§ 13:9	—ERISA requirement that one employee be covered	
§ 13:10	—Bankruptcy court's jurisdiction over matters	
9	involving ERISA plans, e.g., payment of fees and	
	adjudication of liability, in connection with plan	
	sponsor's bankruptcy	
§ 13:11	—Disputed other requirements for ERISA protection	
§ 13:12	— —Trust required for ERISA protection	
§ 13:13	——Requirement of antialienation clause and IRC	
3 10.10	qualification	
§ 13:14	Exemption under other federal law	
§ 13:15	—IRC mandated antialienation clause may	
3 10.10	provide indirect protection outside of bankruptcy	
§ 13:16	—IRC plan protected	
•	* *	

§	13:17	—IRC mandated antialienation clause may provide indirect protection—I.R.C. § 457 plans
§	13:18	Prohibited transaction and violation of other IRC rules disqualifies IRC plan and vitiates certain federal and state exemptions
8	13:19	State exemptions
_	13:20	—Statutory exemptions
_	13:21	——State exemption that makes reference to IRC
_	13:22	——State exemptions after distribution
_	13:23	——State exemption for beneficiaries other than
0	10.20	participant
Ş	13:24	——Preemption of state statutes
-	13:25	— — U.S. Supreme Court narrows ERISA
•		preemption
§	13:26	——————————————————————————————————————
§	13:27	——Neutral statutes making no reference to
		ERISA or IRC
_	13:28	—Spendthrift protection
_	13:29	— — Valid trust
_	13:30	— —Antialienation provision
-	13:31	— Prohibition against self-settled trusts
§	13:32	——Self-settled rule under the ninth circuit
§	13:33	— —Control as eliminating spendthrift protection
§	13:34	——Immediate access to trust assets
§	13:35	Individual retirement accounts
§	13:36	—Doubts regarding IRA exemption resolved
§	13:37	—Liberal rollover rules renders distinctions among plans less important
§	13:38	— —Rollover must follow technical rules
§	13:39	State laws relative to retirement plans in bankruptcy
§	13:40	—Bankruptcy exclusion for interests in retirement plan subject to state exemption
§	13:41	—Funds borrowed from retirement plan
§	13:42	—Retirement plan contributions as disposable income in Chapter 13 cases
§	13:42.20	Retirement Plan Contributions as Disposable Income for Chapter 13.—Majority view—all retirement plan contributions are excluded from PDI
§	13:42.40	—Exclusion from PDI limited to contributions made before the petition date—6th Cir. Seafort decision/ Prigge view
§	13:42.60	—Seafort BAP approach—debtor may continue to

xxxiv

	make recurring contributions that were being	
0 10 40 0	made prepetition	
§ 13:42.8		
§ 13:43	State laws relative to retirement plans in	
0 10 44	bankruptcy—Turnover and abandonment	
§ 13:44	Federal exemption	
§ 13:45	Concepts that apply generally to retirement plans	
§ 13:46	—Reasonably necessary standard	
§ 13:47	—Third-party approval requirement	
§ 13:48	Retirement plans not qualified under IRC (nonqualified plans)	
§ 13:49	—Reasons to create nonqualified plans	
§ 13:50	—Types of nonqualified plans	
§ 13:51	—State exemptions covering nonqualified plans	
§ 13:52	— Employment relationship	
§ 13:53	——Separate entity establishes plan	
§ 13:54	——Deferred income until retirement	
§ 13:55	——Restricted access to plan	
§ 13:56	——Plan must administered as a retirement plan	
§ 13:57	—Must retirement fund be accumulated over time	
§ 13:58	——Analysis of Eilbert and its progeny	
§ 13:59	—Spendthrift protection for nonqualified plans	
§ 13:60	Restrictions on nonqualified plans	
§ 13:61	ERISA aspects of nonqualified plans	
§ 13:62	——Funding of nonqualified plans	
§ 13:63	—Secular trusts	
§ 13:64	—Top hat plans	
§ 13:65	— Rabbi trust	
§ 13:66	—Excess benefit plans	
\$ 10.00	—Excess benefit plans	
CHAF	PTER 14. EXEMPTION FOR	
	ESTEAD	811
_	Protection of the home	011
	—Scope of exemption	
	——Types of property that qualify for homestead	
§ 14:4	— Fractional interests	
§ 14:5	Exempt proceeds	
§ 14:6	Protection of the home—Scope of exemption—	
5 11.0	Exemption subject to security interests	
§ 14:7	Prebankruptcy planning	
§ 14:8	Homestead in bankruptcy	
§ 14:9	—Restrictions on homestead in bankruptcy	
§ 14:10	——Section 522(o) conversion of nonexempt assets	
-	into homestead	

2 14.11	Costion 500(n) limitation immediate amount of
§ 14:11	——Section 522(p) limitation imposed on amount of exemption for property acquired 1,215 days before
	filing
§ 14:12	——Section 522(q) limit on homestead by debtor
5 14.12	subject to certain criminal and civil liability
§ 14:13	—Effect of debtor's domicile
§ 14:14	—Time to determine homestead
§ 14:15	—Postbankruptcy petition appreciation
§ 14:16	—Joint bankruptcy petition
§ 14:17	—Sale of undivided interest in property
§ 14:18	Excessive mortgages—Chapter 20
§ 14:19	Loss of homestead exemption
§ 14:20	—Abandonment of homestead
§ 14:21	—Fraudulently obtain funds used to acquire
3 - 11-1	homestead
CHAP	TER 15. EXEMPTIONS FOR LIFE
INSII	RANCE, ANNUITIES, AND SOCIAL
	TD T/TX7
§ 15:1	Life insurance
	—Federal exemption
	—State exemption
-	Annuities
§ 15:5	2 0
§ 15:6	v
§ 15:7	
§ 15:8	•
§ 15:9	——Florida's annuity exemption
§ 15:10	— —Texas annuity exemption
§ 15:11	——California's annuity exemption rules
§ 15:12	Social security
CITAD	TER 16. TENANTS BY THE
	RETIES 93
§ 16:1	Jointly held interests
§ 16:2	Tenants by the entireties
§ 16:3	Types of protection
§ 16:4	—Claim against one spouse
§ 16:5	—Joint debt
§ 16:6	—Joint bankruptcy petition
§ 16:7	Sale of entireties property in bankruptcy
§ 16:8	Transfer to spouse
§ 16:9	Treatment in bankruptcy of transfers involving
	entireties property exempt under state law

TTI	\sim
TABLE OF	CONTENTS

§ 16:10	Attempted conversions into exempt entireties property	
§ 16:11		
\$ 10.11	inheritance	
§ 16:12	—Denial of discharge	
CHAF	TER 17. DENIAL OF DISCHARGE	
AND I	NONDISCHARGEABLE DEBTS	979
§ 17:1	Denial of discharge—Nondischargeable debts in bankruptcy	010
§ 17:2	Denial of discharge on grounds of fraud	
§ 17:3	—Actual fraudulent intent	
§ 17:4	—Property of the debtor	
§ 17:5	—Wrongful conduct	
§ 17:6	—Statute of limitations—Continuing concealment	
§ 17:7	Willful and malicious injury	
§ 17:8	—Background	
§ 17:9	—Fraudulent transfer as willful and malicious	
§ 17:10	Debt excepted from discharge for actual fraud—11 U.S.C.A. § 523(a)(2)	
§ 17:11	Costs and punitive damages	
СНАЕ	PTER 18. PROCEDURES	1027
§ 18:1	Standing to bring a fraudulent transfer action	1037
§ 18:1	Reservation of claim in Chapter 11	
§ 18.2 § 18:3	Asserting claims related to fraudulent transfers in	
8 10.0	bankruptcy	
§ 18:4	—Caplin's continuing vitality	
§ 18:5	—Trustee's standing under § 541	
§ 18:6	——Nature of in pari delicto	
§ 18:7	—Trustee's standing under § 544	
§ 18:8	—Application of <i>Caplin</i> 's to § 541 and § 544(a)	
§ 18:9	—Continued vitality of <i>Caplin</i> to "rights and	
\$ 10.0	powers" clause of § 544(a)	
§ 18:10	—Application of <i>Caplin</i> to alter ego claims	
§ 18:10.2		
, 10,10,1	dichotomy	
§ 18:10.7		
§ 18:11	Asserting claims related to fraudulent transfers in	
0	bankruptcy—Alter ego of wrongdoer results in loss of standing	
§ 18:11.7	<u> </u>	
-	Reserved]	
§ 18:13	Parties and necessary parties	
§ 18:14	Trustee/creditor has the burden of proof	

xxxvii

§	18:15	Burden of proof
Š	18:16	Bankruptcy court's jurisdiction
_	18:17	Personal jurisdiction over transferor as way of
Ü		obtaining power over property
§	18:17.50	Separate entity rule
§	18:18	Personal jurisdiction over parties
	18:18.14	Extended jurisdiction over transferee—Due process
§	18:18.28	—Standards for finding general jurisdiction
§	18:18.35	Corporate registration in a state as conferring general jurisdiction
§	18:18.42	Extended jurisdiction over transferee—Specific jurisdiction
§	18:18.56	——Purposeful availment; purposeful direction
§	18:18.70	— —Substantial connection requirement; claim must arise out of or relate to the defendant's forum conduct
ξ	18:18.77	Application of Walden to fraudulent transfer
Ð		claims in Bankruptcy Court; nationwide
		jurisdiction under Rule 7004
Ş	18:18.84	Extended jurisdiction over transferee—Specific
_		jurisdiction—Miscellaneous ways to obtain personal jurisdiction
8	18:18.98	——Continued vitality of "effects test"
-	18:18.99	Effect of internet and e-commerce
-	18:19	Application of alter ego doctrine to obtain personal jurisdiction
§	18:19.50	Conspiracy as a basis of obtaining personal jurisdiction
§	18:20	Right to jury trial
§	18:21	Res judicata, collateral estoppel and issue preclusion
§	18:21.25	Privity
§	18:21.50	Governing law in federal court, including bankruptcy
Ş	18:21.75	Consequences of state judgments
8	18:22	Confirmation of Chapter 11 plan as binding
_	18:23	Discovery—Attorney-client privilege and work product doctrine
§	18:24	Scope—Attorney client privilege and work product rule
§	18:25	Discovery—Communications intended to be disclosed
Ş	18:26	—Crime-fraud exception
	18:27	—Reliance on counsel waiver—at issue doctrine
	18:28	Waiver by inadvertent disclosure and miscellaneous waivers and considerations

§ 18:29	Common interest privilege
§ 18:30	Waiver by the bankruptcy trustee
§ 18:31	Waiver in prebankruptcy planning
§ 18:32	Act of production privilege
§ 18:32.25	Litigation privilege
§ 18:32.50	Consent directives; fugitive disentitlement
	doctrine—searching for, e.g., overseas accounts
§ 18:33	Pleading fraud
§ 18:34	Jurisdiction of the Bankruptcy Court; Stern claims and restrictions on jurisdiction
§ 18:34.20	Statutory basis of Bankruptcy Court's jurisdiction
§ 18:34.25	Related to jurisdiction
§ 18:34.30	Supplemental or ancillary jurisdiction
§ 18:34.35	Close nexus test relative to post-confirmation jurisdiction
§ 18:34.40	Abstention
§ 18:34.60	Withdrawal of reference
§ 18:34.80	Stern claims
§ 18:34.90	Consent and waiver to defects in jurisdiction

Volume 3

APPENDICES

Appendix A. State Bankruptcy Exemptions

Appendix A1.	State Bankruptcy Exemptions—Commentary	5
Appendix A2.	State Bankruptcy Exemptions—Alabama (Opt out state)	7
Appendix A3.	State Bankruptcy Exemptions—Alaska	19
Appendix A4.	State Bankruptcy Exemptions—Arizona (Opt out state)	29
Appendix A5.	State Bankruptcy Exemptions—Arkansas	43
Appendix A6.	State Bankruptcy Exemptions—California (Opt out state)	
Appendix A7.	State Bankruptcy Exemptions—Colorado (Opt out state)	57
Appendix A8.	State Bankruptcy Exemptions—Connecticut	97

xxxix

	FRAUDULENT TRANSFERS, PREBANK PLAN AND
Appendix A9.	State Bankruptcy Exemptions—Delaware (Opt out state)
Appendix A10.	State Bankruptcy Exemptions—District of Columbia
Appendix A11.	State Bankruptcy Exemptions—Florida (Opt out state)
Appendix A12.	State Bankruptcy Exemptions—Georgia (Opt out state)
Appendix A13.	State Bankruptcy Exemptions—Hawaii
Appendix A14.	State Bankruptcy Exemptions—Idaho (Opt out state)
Appendix A15.	State Bankruptcy Exemptions—Illinois (Opt out state)
Appendix A16.	State Bankruptcy Exemptions—Indiana (Opt out state)
Appendix A17.	State Bankruptcy Exemptions—Iowa (Opt out state)
Appendix A18.	State Bankruptcy Exemptions—Kansas (Opt out state)
Appendix A19.	State Bankruptcy Exemptions—Kentucky
Appendix A20.	State Bankruptcy Exemptions—Louisiana (Opt out state)
Appendix A21.	State Bankruptcy Exemptions—Maine (Opt out state)
Appendix A22.	State Bankruptcy Exemptions—Maryland (Opt out state)
Appendix A23.	State Bankruptcy Exemptions—Massachusetts

Appendix A24.	State Bankruptcy Exemptions—Michigan
Appendix A25.	State Bankruptcy Exemptions—Minnesota
Appendix A26.	State Bankruptcy Exemptions—Mississippi (Opt out state)
Appendix A27.	State Bankruptcy Exemptions—Missouri (Opt out state)
Appendix A28.	State Bankruptcy Exemptions—Montana (Opt out state)
Appendix A29.	State Bankruptcy Exemptions—Nebraska (Opt out state)
Appendix A30.	State Bankruptcy Exemptions—Nevada (Opt out state)
Appendix A31.	State Bankruptcy Exemptions—New Hampshire
Appendix A32.	State Bankruptcy Exemptions—New Jersey
Appendix A33.	State Bankruptcy Exemptions—New Mexico
Appendix A34.	State Bankruptcy Exemptions—New York (Opt out state)
Appendix A35.	State Bankruptcy Exemptions—North Carolina (Opt out state)
Appendix A36.	State Bankruptcy Exemptions—North Dakota (Opt out state)
Appendix A37.	State Bankruptcy Exemptions—Ohio (Opt out state)
Appendix A38.	State Bankruptcy Exemptions—Oklahoma (Opt out state)
Appendix A39.	State Bankruptcy Exemptions—Oregon
Appendix A40.	State Bankruptcy Exemptions—Pennsylvania

xli

	Fraudulent Transfers, Prebank Plan and F	EXEMPT
		569
Appendix A41.	State Bankruptcy Exemptions—Rhode Island	575
Appendix A42.	State Bankruptcy Exemptions—South Carolina (Opt out state)	
Appendix A43.	State Bankruptcy Exemptions—South Dakota (Opt out state)	583
		597
Appendix A44.	State Bankruptcy Exemptions—Tennessee (Opt out state)	
		603
Appendix A45.	State Bankruptcy Exemptions—Texas	010
Appendix A46.	State Bankruptcy Exemptions—Utah (Opt out state)	613
		663
Appendix A47.	State Bankruptcy Exemptions—Vermont	
		673
Appendix A48.	State Bankruptcy Exemptions—Virginia (Opt out state)	225
		685
Appendix A49.	State Bankruptcy Exemptions—Washington	707
Appendix A50.	State Bankruptcy Exemptions—West Virginia (Opt out state)	707
	•	723
Appendix A51.	State Bankruptcy Exemptions—Wisconsin	729
Appendix A52.	State Bankruptcy Exemptions—Wyoming (Opt out state)	745
		745
Appendix B.	Summary of State Laws That Authorize Self- settled Asset Protection Trusts	759
A	Duratition and Occamions and Chaplist	753
Appendix C.	Practitioner's Overview and Checklist	807
Table of Laws		007
Table of Cases		
Index		