



Creditors beware: the Ordinary Course of Business defense is not so ordinary

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What is the "ordinary course of business" defense?

The answer is not as simple as it may seem. Creditors usually believe that nothing they have done falls outside of the ordinary course of business, and the necessary question is simply whether your business dealings with the debtor changed during the 90 days prior to the debtor's bankruptcy filing. Not surprisingly, the U.S. Bankruptcy Code requires a more complicated analysis with respect to the applicability of the ordinary course of business defense.

For more information, read my alert, *Defending a preference action: the Ordinary Course of Business defense*.



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