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Successor Liability and Bankruptcy Sales: Can I Look to the Purchaser of My Customer's Business for Payment of My Claim?

Creditor's Rights Toolkit

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Successor liability is a legal doctrine that sometimes permits a creditor to look to a successor entity for payment of its claim. Generally, bankruptcy sales protect purchasers from such claims under Section 363(f) of the Bankruptcy Code, but there are limited exceptions.

This article briefly explains the key issues of successor liability in a bankruptcy sale. To access this article and read other insights from our Creditor's Rights Toolkit, please click here.

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