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Enforcement of Intercreditor Agreements in Bankruptcy: Cause for Concern?

The Review of Banking & Financial Services on **August 2021**

In a recent bankruptcy decision, *In Re Tribune Co.*, the Third Circuit held that debt subordination agreements need not be "strictly enforced" when confirming a non-consensual chapter 11 plan. In this article, we discuss the *Tribune* case, the relevant debt tranches, the plan and the dispute, as well as the lower court decisions and the Third Circuit ruling. Lastly, the article closes with four reasons why the *Tribune* decision does not represent a "seismic shift" on the enforceability of subordination agreements in bankruptcy.

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