

**PRESENTED AT**

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## **Important Old(er) Cases**

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**U.S. Bankruptcy Court, Eastern District of Texas**

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## IMPORTANT OLD(ER) CASES

Topic	Court	Case Name	Citation	Summary / Notes
Adequate Protection	Sup. Ct.	<i>United Sav. Ass'n of Texas v. Timbers of Inwood Forest Assocs., Ltd.</i>	484 U.S. 365 (1988)	Lack of adequate protection of an "interest in property" of a secured creditor is grounds for relief from the automatic stay under § 362(d)(1). A creditor's "interest in property," however, refers only to the creditor's security interest/lien without reference to the right to immediate possession of the collateral upon default. Therefore, an undersecured creditor is not entitled to the payment of interest during the pendency of the stay as adequate protection of its right to otherwise pursue immediate foreclosure or possession of the collateral upon default outside of bankruptcy.
Automatic Stay	Sup. Ct.	<i>Citizens Bank of Md. v. Strumpf</i>	516 U.S. 16 (1995)	Financial institution's post-petition imposition of "administrative hold" on debtor's account to preserve setoff rights does not violate the automatic stay of § 362(a).
Avoidance Actions	Sup. Ct.	<i>BFP v. Resolution Trust Corp.</i>	511 U.S. 531 (1994)	"Reasonably equivalent value" for foreclosed property is the price in fact received at the foreclosure sale (even if less than fair market value outside of a forced-sale context), so long as all of the requirements of the applicable State's foreclosure laws have been complied with. Therefore, in the absence of non-compliance with such laws, a prepetition transfer of property effectuated by foreclosure is not avoidable as a constructively fraudulent transfer under § 548(a)(1)(B).
	5 <sup>th</sup> Circuit	<i>Hinsley v. Boudloche (In re Hinsley)</i>	201 F.3d 638 (5 <sup>th</sup> Cir. 2000)	"Intangible, non-economic benefits, such as preservation of marriage, do not constitute reasonably equivalent value" for purposes of considering whether a prepetition transfer of assets between spouses (such as a community property partition agreement) is constructively fraudulent under the Texas Uniform Fraudulent Transfer Act (applying § 544(b) or § 548(a)(1)(B)).
Conversion	Sup. Ct.	<i>Marrama v. Citizens Bank of Mass.</i>	549 U.S. 365 (2007)	The seemingly unfettered right of an individual debtor to convert his/her case from Chapter 7 to Chapter 13 pursuant to § 706(a) is subject to the limitation of § 706(d) that a case may not be converted to another chapter "unless the debtor may be a debtor under such chapter." And pursuant to the exception of § 706(d), as well as the broad authority granted by § 105(a), a court may deny conversion to Chapter 13 based upon the debtor's bad faith conduct in connection with pursuing bankruptcy relief.

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