

## Business and Commercial Litigation Newsletter

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We are pleased to present the Bernstein Shur Business and Commercial Litigation Newsletter. This month we highlight proposed corporate bankruptcy legislation, as well as other developments that will have an impact on business and commerce. We hope you enjoy the newsletter.

### In the News:

**A bipartisan bill sponsored by leaders of the House Judiciary Committee threatens to limit Delaware's status as the preferred venue for Chapter 11 bankruptcy cases.** The bill would limit venue for Chapter 11 reorganization cases to the federal district where a corporation's principal place of business or assets are located. Current law allows for bankruptcy filings in the state of incorporation, which, for the majority of Fortune 500 companies, is Delaware. Of the 405 public companies with assets above \$500 million seeking bankruptcy protection from 2000 through 2011, Delaware filings accounted for 155 of those large bankruptcies. [Read more about this development.](#)

**U.S. regulators continue their investigation into the failure of MF Global Holdings, Ltd., the brokerage firm that filed for bankruptcy protection this month.** Regulators have turned their attention to up to \$600 million in customer accounts that have gone missing at the firm. Under applicable regulations, brokerages are required to segregate customer accounts and their own funds. Regulators are seeking to determine the cause of the firm's failure, while also tracking down the missing customer funds. Although the investigation remains ongoing, initial reports are that unauthorized transfers of customer accounts to cover the firm's positions may have occurred. [Read more about the story.](#)

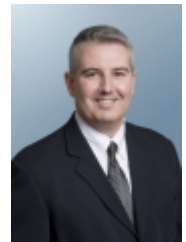
**The SEC modifies reporting rules for advisors to hedge funds and private equity funds as part of new disclosure requirements under the Dodd-Frank financial oversight law.** Pursuant to the final rule adopted by the SEC, the most onerous reporting requirements apply to large funds. Advisors to private equity funds, liquidity funds and hedge funds with assets of more than \$150 million will be required to turn over basic information addressed to investment concentrations on an annual basis. The new measures are designed to provide regulators with more information to determine whether any fund's trading activities pose broader risks to financial markets. [Read about the new requirements.](#)

**Leaders from NBA Players Association announce that the group will disband as a union, allowing members to sue the league on antitrust grounds.** The announcement follows failed contract talks between the NBA and the Players Association regarding disagreements on revenue splits and salary limits for players. The representative of the Players Association indicated that David Boies, the attorney who has handled antitrust matters against Microsoft, has been retained to assist in a suit against the NBA. [Click here for the dispute details.](#)



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