Proving Solvency: Defending Preference and Fraudulent Transfer Litigation

February 2007

Litigating solvency can be a complicated endeavor. This article provides a general road map for proving solvency in the defense of preference and fraudulent transfer litigation. The three common measures of solvency are discussed: the "balance sheet" test; the "unreasonably small capital" test; and the "ability to pay debts" test. The article also provides practical suggestions for defense counsel.

Related Files

- Read the full article from The Business Lawyer

Related Lawyers

- Robert J. Stearn

Related Practices

- Bankruptcy & Corporate Restructuring