

BANKRUPTCY ^{UP}DATE

June 17, 2015

If someone else would like to receive these ^{UP}dates, please send an e-mail to Mary_Frederickson@sdb.uscourts.gov.

CLN Decision

You can use the link in the "Links" section below to view the following decision:

Allred v. Nickeson (In re Nickeson)

Issues: (1) Whether the debtor's transfer of his majority ownership interest in a farm corporation was actually fraudulent under 11 U.S.C. § 548(a)(1)(A) and 11 U.S.C. § 544(b) and S.D.C.L. § 54-8A-4(a)(1)? (2) Whether the transfer of the debtor's interest was constructively fraudulent under 11 U.S.C. § 548(a)(1)(B) and 11 U.S.C. § 544(b) and S.D.C.L. § 54-8A-4(a)(2)? (3) Whether the Chapter 7 trustee is permitted, under 11 U.S.C. § 550(a), to recover for the benefit of the estate the interest transferred by the debtor?

Rulings: (1) Yes, several badges of fraud were present and no "legitimate supervening purpose" for the debtor's transfer of his interest in the farm corporation was shown; (2) Yes, the value of the interest transferred by the debtor greatly exceeded the value the debtor received in exchange for his interest; (3) Yes, the Chapter 7 trustee shall recover for the benefit of the estate the interest transferred by the debtor.

Links

[Allred v. Nickeson \(In re Nickeson\)](#)

[Previous Bankruptcy ^{UP}dates](#)

As always, should you have questions regarding this ^{UP}date or anything else concerning your dealings with the Court or the Clerk's office, please let us know.