

CLIENT ALERT

SDNY Finds that Syndicated Bank Loans are not Securities, but Questions of Arranger Liability Remain

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A widely anticipated legal decision in *Kirschner v. JPMorgan Chase Bank, N.A., et al.*, 17-cv-6334 (PGG) (SDNY) has confirmed the loan market's view that syndicated bank loans are not securities. Although the significance of the securities law portion of the *Kirschner* opinion should not be understated, the opinion does not answer whether, and under what circumstances, an arranger may be held liable for fraud in connection with misstatements or omissions in the underwriting process or offering materials.

In this client alert, attorneys Jon Kibbe, Julia Lu, Rachel Mechanic and Margaret Meyers provide an update on the closely watched *Kirschner* case and discuss the questions that remain in regards to arranger liability.

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