

## ATTORNEYS

Brian S. Fraser

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## "The Dustbin of History? Second Circuit Makes Clear that Champerty Won't Impede the Rights of Secondary Purchasers" by Brian Fraser

January 13, 2010

In a case of great significance to the United States secondary loan market, on January 11, 2010, the U.S. Court of Appeals for the Second Circuit firmly established that the ancient doctrine of "champerty" – originally a prohibition on the transfer of litigation claims – has no further relevance to transactions in the loan market that are governed by New York law. In particular, a loan purchaser's intent to enforce rights through litigation does not render the purchase of the loan and related litigation claims unlawful champerty under New York law.

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