

Patton Hahn Discusses Ch. 9 Appeals Opening Doors for Distressed Cities

As San Bernardino's Chapter 9 eligibility ruling heads to the Ninth Circuit and Detroit gears up for its own potential fight, municipal restructuring experts say judges are likely to give the benefit of the doubt to the cities and not the pension funds challenging the bankruptcies. In this Law360 article, Patton Hahn says that lately, most courts have been looking at Chapter 9 eligibility from a more pragmatic standpoint rather than a strictly legal one. Since elected leaders — or an emergency manager, as in Detroit's case — are unlikely to take the plunge into bankruptcy if they have any other more politically attractive alternative, it's difficult for them to fail the good faith test.

"I would be surprised if the Ninth Circuit ends up making it harder for municipalities to file or be determined eligible," Mr. Hahn said.

[Read the Article](#)