

Table of Contents

Chapter 1: Introduction	1
Venue.....	3
Trustee’s Burden of Proof	3
Defenses to Preference Actions	6
Chapter 2: General Observations	11
Chapter 3: The “Ordinary Course of Business” Defense Under § 547(c)(2)	15
The Statute.....	16
First Circuit	17
Second Circuit	19
Third Circuit.....	20
Fourth Circuit.....	24
Fifth Circuit.....	25
Sixth Circuit	29
Seventh Circuit	34
Eighth Circuit.....	40
Ninth Circuit.....	45
Tenth Circuit	49
Eleventh Circuit.....	51
D.C. Circuit	55
Ponzi Schemes.....	55
Chapter 4: Contemporaneous Exchange	57
The Statute.....	58
First Circuit	58
Second Circuit	60
Third Circuit.....	65
Fourth Circuit.....	71

Fifth Circuit74
Sixth Circuit77
Seventh Circuit79
Eighth Circuit83
Ninth Circuit89
Tenth Circuit95
Eleventh Circuit96
D.C. Circuit99

Chapter 5: New Value..... 101
 The Statute..... 102
 Subsequent Advances of New Value (§ 547(c)(4)) .. 102
 First Circuit 105
 Second Circuit 107
 Third Circuit..... 110
 Fourth Circuit..... 116
 Fifth Circuit..... 117
 Sixth Circuit 119
 Seventh Circuit 121
 Eighth Circuit..... 125
 Ninth Circuit..... 127
 Tenth Circuit 129
 Eleventh Circuit..... 130
 D.C. Circuit 132

Chapter 6: Non-Statutory Defenses 133
 A. Conduit vs. “Initial Transferee” 134
 Second Circuit 135
 Fourth Circuit..... 135
 Fifth Circuit..... 138
 Seventh Circuit 139
 Ninth Circuit..... 140
 Tenth Circuit 143

Eleventh Circuit	144
B. Allowed and Paid Claim as Defense Using § 502(d) ..	148
Delaware Bankruptcy Court (Third Circuit)	148
C. Constructive Trust	150
Second Circuit	150
Ninth Circuit	151
D. Statutory Trusts	152
E. State Law	153
F. Earmarking Doctrine	155
Second Circuit	155
Fifth Circuit	156
Eighth Circuit	157
Ninth Circuit	160
Tenth Circuit	162
Appendix I: Ordinary Course Circuit Comparison	165
Appendix II: New Value Circuit Comparison	169