

PUBLICATIONS

District Court Cautiously Affirms Five-Year Old Purdue Preliminary Injunction

The Bankruptcy Strategist

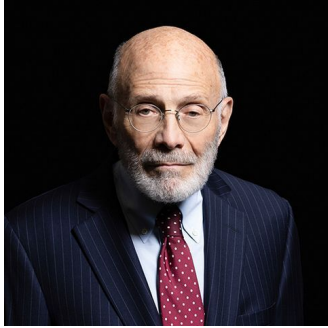
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In his latest article for *The Bankruptcy Strategist* titled, “District Court Cautiously Affirms Five-Year Old Purdue Preliminary Injunction,” Schulte Roth & Zabel of counsel Michael L. Cook discusses why the district court affirmed the 37th extension of a preliminary injunction in the *Purdue Pharma* case, providing a new judicial rationale for bankruptcy court injunctions. According to the court, the Court of Appeals had never before fixed the standard for reviewing these injunctions.

“The ‘elephant in the room’ is that the [Purdue] Preliminary Injunction has been in effect for a very, very long time.” *In re Purdue Pharma L.P.*, 2024 WL 4894349, *10 (S.D.N.Y. Nov. 26, 2024). The district court cautiously, if not reluctantly, affirmed the bankruptcy court’s extension of the Nov. 6, 2019 “Preliminary Injunction” entered in the *Purdue* case on Nov. 1, 2024 under Bankruptcy Code (Code) §105(a) and Fed.R.Bankr.P. 7065. That injunction enjoined “what the [Code §362(a)] automatic stay could not”: (a) enforcement of governmental “regulatory or police powers”; and (b) a third party’s actions against the debtor’s insiders. *Id.* at *2.

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