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## ALERT UPDATE: NONDEBTOR RELEASE PROHIBITION ACT OF 2021

To Our Clients and Friends:

We previously reported on the introduction by certain Democrat members of Congress of proposed legislation (H.R.4777, *Nondebtor Release Prohibition Act of 2021* (the “NRPA”)) to amend the Bankruptcy Code to prohibit non-consensual third party releases and provide for the dismissal of bankruptcy cases filed after the implementation of a divisional merger transaction (such as the so-called “Texas two-step” transaction). Recently, the House Judiciary Committee voted 23-17 to recommend that the NRPA be considered by the full House of Representatives. A full House vote has not yet been scheduled. The analogous Senate version of the NRPA (S.2497) is still being considered by the Senate Judiciary Committee.



*Gibson Dunn lawyers are available to assist with any questions you may have regarding these issues. For further information, please contact the Gibson Dunn lawyer with whom you usually work, any member of the firm’s Business Restructuring and Reorganization practice group, or the following authors:*

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