

Carter Ledyard Partner James Gadsden Helps Lead City Bar's Efforts to Enact the Uniform Voidable Transactions Act in New York

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On Friday, December 6, 2019, in the culmination of a five year process, New York Governor Andrew Cuomo signed legislation supported by the New York City Bar Association, adopting the Uniform Voidable Transactions Act in New York. New York became the 21st state to enact this modernization of what was formerly known as "fraudulent conveyances" or "fraudulent transfers" law. Carter Ledyard Partner James Gadsden served as chair of the subcommittee of the City Bar's committee on Commercial and Uniform State Laws, which, with the Committee on Bankruptcy and Corporate Reorganization, led the City Bar's efforts urging enactment of the legislation and was the principal draftsman of the City Bar's report approving the legislation. It is expected that the enactment of the new Uniform Act, which will become effective in April of 2020, will have a substantial, beneficial impact on transactions governed by New York law or litigated in its courts.

Voidable transactions law provides a remedy to creditors who are injured by what are referred to as "actual" or "constructive" voidable transfers by an individual or business—dispositions of property or obligations incurred with actual intent to hinder, delay, or defraud creditors or not for fair consideration while insolvent. The Bar Association's effort in New York succeeded in having New York adopt the current version of the Uniform Act, approved by the Uniform Law Commissioners in 2014, that updates a Uniform Act proposed by the Commissioners in 1918 and enacted in New York in 1925.

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