



# RUSSELL MILLS CO-AUTHORS DBA HEADNOTES PIECE ON BANKRUPTCY PREFERENCE DEMANDS

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**Partner Russell W. Mills co-authored the Dallas Bar Association *Headnotes* article titled, “Your Client Receives a Preference Demand – What to Do Now.” The piece examines the situation in which a creditor who is owed money from a bankrupt debtor can nonetheless be sued to recover monies that were previously paid to that creditor. Since demands for the return of these payments or “preferential transfers” are common in bankruptcies, the authors urge “it is important for all practitioners to have a basic understanding of the elements and defenses available for these claims.”**

In the article, Mills and co-author, Kent Love, detail both the fundamental elements for recovery of a preferential transfer and also the most common defenses available under Section 547 of the Bankruptcy Code. They suggest that counsel who receive these demands be proactive by engaging skilled bankruptcy professionals to undertake a more thorough analysis and initiate settlement discussions. In conclusion, they observe that this strategy can “often significantly reduce or even eliminate preference liability, thereby avoiding expensive litigation.” The piece was part of *Headnotes*' annual survey of selected topics in bankruptcy law.

Full text of the article is found in the July 2018 edition of *Headnotes*, and can be viewed on the publication's website by clicking [here](#).

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Russell W. Mills