

Dealing With Rejection: Are Arbitration Clauses Enforceable After the Underlying Contract is Rejected in Bankruptcy?

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Arbitration provisions are material portions of a contract or purchase order that were bargained for by the parties and allow for a potentially cheaper and quicker resolution to contractual disputes as compared to protracted litigation in state or federal courts. However, what happens to an arbitration provision contained in a contract that was rejected by a contract counterparty that filed for bankruptcy? That is precisely the question that was addressed in a recent opinion from the United States Bankruptcy Court...

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