
Cahill Wins Dismissal Of Trust Litigation for The Bank of New York

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Cahill represented The Bank of New York in litigation brought by investment fund Bluebird Partners after its purchase of Continental Airlines trust certificates. The Bank of New York currently serves as Collateral Trustee for the certificates.

The litigation concerns a \$28.6 million litigation reserve fund established by the Bank of New York in its role as Collateral Trustee in anticipation of claims for legal defense costs by other certificate trustees and their counsel who had been targets of prior litigation brought by Bluebird. Bluebird alleged that the creation and size of the litigation reserve fund diminished and delayed distributions to the certificateholders. In a June 7 ruling, New York State Supreme Court granted Bank of New York's motion for summary judgment, holding as a matter of law that the bank had acted prudently in establishing and administering the litigation reserve fund.

Attorney

- Thomas J. Kavalier