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Restructuring & Debt Capital Solutions Group Bulletin

Cumulus Media's Prepackaged Plan Confirmed Over U.S. Trustee's Third-Party Release Objection

On April 15, 2026, the U.S. Bankruptcy Court for the Southern District of Texas confirmed the prepackaged chapter 11 plan of Cumulus Media Inc. (the "Company"), a leading audio-first media company operating 393 radio stations, the Westwood One network, and the Cumulus Podcast Network. As described in our [April bulletin](#), the plan reduces the Company's funded indebtedness by approximately \$592 million. The plan was confirmed with overwhelming creditor support and the Company expects to emerge from chapter 11 after obtaining FCC approval.

The sole contested issue at confirmation was an objection by the U.S. Trustee challenging the plan's third-party release provisions. The U.S. Trustee argued that state law governs consent and that failure to opt out is insufficient to manifest consent. The Company countered that federal law applies, consistent with the February 2026 decision by the District Court for the Southern District of Texas in *In re the Container Store*, which upheld opt-out releases as consensual under federal law. Judge Pérez overruled the objection, finding the releases fell "squarely within" the Container Store framework—they were integral to the lender concessions enabling full unsecured recovery, and the opt-out process was prominently noticed.

The Container Store decision is on appeal to the Fifth Circuit. That appeal could yield binding circuit-level guidance on whether opt-out mechanisms constitute valid consent post-*Purdue* and establish the applicable legal standard for evaluating creditor consent to third-party releases.

Delaware District Court Holds that *Purdue* Does Not Bar Nonconsensual Nondebtor Releases in Chapter 15 Cases

In *In re Crédito Real S.A.B. de C.V. SOFOM, E.N.R.*, the Delaware District Court held that a bankruptcy court may

Did You Know...

- *Chambers Europe* recognized Paul, Weiss in the "Restructuring/Insolvency" category, highlighting the firm's bench and its representation of "directors, creditors and investors in the full range of restructuring work."
- Restructuring & Debt Capital Solutions Deputy Head [Alice Eaton](#) was named a finalist by *IFLR's* Women in Business Law Americas Awards for Restructuring & Insolvency Lawyer of the Year. The awards recognize top women legal practitioners breaking new ground in their areas of expertise.
- Restructuring & Debt Capital Solutions Co-Head [Brian Hermann](#) will receive the American Jewish Committee's Financial Services Division's National Human Relations Award. The annual recognition honors leaders distinguished by their professional, philanthropic and community service accomplishments.
- Partner [Chris Hopkins](#) was recognized as a 2026 "Outstanding Young Restructuring Lawyer" by *Turnarounds & Workouts* for his work advising 23andMe, Rite Aid Corporation and Party City.
- Partner [Kai Zeng](#) was named one of *Financial News's* "Rising Stars of European Finance" for helping grow Paul, Weiss's European restructuring practice and acting at the forefront of European restructuring.
- Partners [Billy Clareman](#), [Brian Hermann](#), [Chris Hopkins](#) and [Sung Pak](#) spoke at PLI, Marsh, Turnaround Management Association and Wharton School events, respectively, discussing liability management transactions, debtor-in-possession financing and special situations.
- [Brian Hermann](#) and [Lauren Bilzin](#) discussed Paul, Weiss's restructuring practice in a *Vault* "Practice Perspectives" Q&A, highlighting the department's collegial nature and the balanced mix of creditor and debtor work that the firm regularly handles, among other topics. [Read the Q&A.](#)

enforce nonconsensual nondebtor releases contained in a foreign restructuring plan recognized under chapter 15, notwithstanding the Supreme Court’s decision in *Harrington v. Purdue Pharma LP* prohibiting such releases in chapter 11 plans. An unsecured creditor appealed a bankruptcy court order recognizing a Mexican concurso proceeding and enforcing its prepackaged plan, which released claims—including for fraud and intentional wrongdoing—held by third parties against nondebtors. The creditor argued that *Purdue* provided a “roadmap” for interpreting chapter 15’s catch-all provisions and that enforcement of the releases was “manifestly contrary” to U.S. public policy. The court rejected both arguments.

It found that *Purdue* addressed a narrow statutory question applicable only to chapter 11 and had “no bearing” on chapter 15 recognition, emphasizing the “fundamental structural and functional differences” between the two chapters. The court further held that the public policy exception under Section 1506 is narrow, applying only where foreign relief poses a genuine threat to core U.S. constitutional or statutory rights, and that *Purdue* did not establish that nonconsensual third-party releases violate U.S. public policy. This decision confirms that *Purdue* does not prevent parties from seeking—and, where appropriate, obtaining—enforcement of nonconsensual nondebtor releases in foreign restructuring plans recognized under chapter 15.

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