

## NJ Firm's Bankruptcy Estate Could Sue Insiders, Report Says

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The bankruptcy estate of New Jersey foreclosure firm Zucker Goldman & Ackerman LLC may have grounds to sue its insiders over their interests in a separate company purportedly bankrolled by the firm's funds, according to a report released Tuesday.

The startup and operation of 4S Technologies LLC, a company formed by Zucker Goldberg Managing Member Michael Ackerman, has whittled the amount the firm's creditors can recover under its Chapter 11 plan, said the report by former U.S. Bankruptcy Judge Donald Steckroth of Cole Schotz PC, the bankruptcy examiner whom the creditors committee enlisted to investigate possible claims.

Ackerman formed 4S, a Zucker Goldberg affiliate that was funded by intercompany loans, in 2007. Three years later, Zucker Goldberg took a hit due to the "exponential" increase in the timelines of mortgage foreclosure proceedings and regulatory changes that impacted fee structures. The firm's financials plummeted from \$28 million in assets and \$19.5 million in liabilities in 2009 to \$9.3 million in assets and approximately \$54.2 million in liabilities in 2015, according to the report.

The unsecured creditors committee is represented by David J. Adler and Matthew B. Heimann of McCarter & English LLP.