



Supreme Court Says Appeals of Bankruptcy Court Stay Orders Have To Be Speedy, Debtwire, ft. Nancy Hendrickson

January 14, 2020 - Nancy Hendrickson, partner and co-chair of Kaufman Dolowich & Voluck's Financial Services Practice Group, is quoted in Debtwire's coverage of the SCOTUS Ritzen Group v Jackson Masonry case.

The US Supreme Court held that appeals of bankruptcy court orders on requests for stay relief must be made within 14 days of the order's issuance, a decision that is expected to speed up such disputes.

The unanimous decision, penned by Justice Ruth Bader Ginsburg, held that an order "unreservedly" denying a creditor relief from a bankruptcy stay constitutes a "final, immediately appealable order." The decision states that resolution of stay relief - which typically comes when a creditor wants to litigate a dispute outside of bankruptcy court but can't due to the stay automatically afforded debtors that file for bankruptcy - can have "large practical consequences" by giving the creditor an opportunity to handle its claim against a debtor outside of the traditional bankruptcy process.

The court's findings should also serve as guidance for lawyers unfamiliar with bankruptcy court who nonetheless find themselves representing a creditor in a bankruptcy proceeding, according to Nancy Hendrickson, co-chair of Kaufman Dolowich & Voluck's Financial Services Practice Group.

"While this unanimous decision perhaps comes as no surprise to regular bankruptcy practitioners, it is a key practice pointer for attorneys who only occasionally have to foray into bankruptcy court. Most litigators at some point will be faced with a situation where a party files for bankruptcy and brings their case to a screeching halt, and thus will have at least passing knowledge of motions to lift the automatic stay," Hendrickson said.