

Bond Case Briefs

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BANKRUPTCY - MICHIGAN

In re Syncora Guarantee Inc.

United States Court of Appeals, Sixth Circuit - July 2, 2014 - F.3d - 2014 WL 2959242

Monoline insurer sought relief from automatic stay for release of casino tax revenues to it that were owed to debtor municipality. The bankruptcy court denied insurer's motion. Insurer appealed. The District Court stayed insurer's appeal after the bankruptcy court later certified its decision for direct appeal to the Court of Appeals and the Court of Appeals granted the petition. The district court then denied insurer's motion for reconsideration. Insurer petitioned for writ of mandamus.

The Court of Appeals held that insurer was entitled to order for district court to adjudicate its appeal.

Insurer was entitled to petition for writ of mandamus to order from Court of Appeals for district court to adjudicate its appeal of bankruptcy court's denial of its motion for relief from automatic stay to recover casino tax revenues that were owed to debtor municipality, since district court had stayed appeal which threatened to deprive Court of Appeals of opportunity to consider merits of appeal over whether substantial revenue stream was rightly considered property of bankruptcy estate and it also presented specter that insurer might be forced to abandon its appeal and instead to seek appellate review of bankruptcy court's decision in form of emergency motion for stay of confirmation plan.