

# **Bond Case Briefs**

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## **BANKRUPTCY - PUERTO RICO**

### **In re Financial Oversight and Management Board for Puerto Rico**

**United States District Court, D. Puerto Rico - May 3, 2023 - B.R. - 2023 WL 3213960**

Financial Oversight and Management Board for Puerto Rico brought adversary proceeding to disallow bondholders' proofs of claim for amounts due pursuant to trust agreement with Puerto Rico Electric Power Authority (PREPA).

Bondholders counterclaimed for declaratory judgment. Numerous entities were allowed to intervene. Parties moved for summary judgment, and the United States District Court for the District of Puerto Rico granted the motions in part and denied in part.

Bondholders and official committee of unsecured creditors filed motions requesting certification of the court court's summary judgment order for immediate appeal.

The District Court held that:

- Immediate appeal of summary judgment order would not materially advance the progress of the case or proceeding;
- Summary judgment order did not involve a question of law as to which there was no controlling decision; and
- Summary judgment order did not involve a matter of public importance.

Immediate appeal of Bankruptcy Court's order granting in part and denying in part summary judgment motions would not materially advance the progress of the case or proceeding, as may warrant appeal of interlocutory orders under Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), in adversary proceeding brought by Financial Oversight and Management Board for Puerto Rico seeking to disallow bondholders' proofs of claim for amounts due pursuant to trust agreement with Puerto Rico Electric Power Authority (PREPA); appeals would most efficiently be handled comprehensively, based upon final orders, and simultaneously, rather than piecemeal.

Bankruptcy Court's order granting in part and denying in part summary judgment motions did not involve a question of law as to which there was no controlling decision, as may warrant immediate appeal of interlocutory orders under Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), in adversary proceeding brought by Financial Oversight and Management Board for Puerto Rico seeking to disallow bondholders' proofs of claim for amounts due pursuant to trust agreement with Puerto Rico Electric Power Authority (PREPA); holdings from summary judgment order that parties sought to challenge were predominantly the application of settled law to interpretation of the trust agreement.

Bankruptcy Court's order granting in part and denying in part summary judgment motions did not involve a matter of public importance, as may warrant immediate appeal of interlocutory orders under Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), in adversary proceeding brought by Financial Oversight and Management Board for Puerto Rico seeking to

disallow bondholders' proofs of claim for amounts due pursuant to trust agreement with Puerto Rico Electric Power Authority (PREPA); parties requesting certification of summary judgment order for immediate appeal did not support their conclusory assertions of public importance with respect to the advancement of jurisprudence, nor did they support their assertion that the decision would affect a large number of jobs or other vital interests in a community.