American Bar Association Section of Litigation, Bankruptcy and Insolvency Litigation Committee

NEWS & DEVELOPMENTS

Fifth Circuit Rules in Villegas v. Schmidt

The Fifth Circuit Court of Appeals recently decided (by decision entered on May 28, 2015) that the *Barton* doctrine (which requires a plaintiff that wants to sue a trustee to seek leave of the court that appointed such trustee) applies irrespective of whether the underlying claims at issue are claims over which the bankruptcy court lacks final adjudicative authority under *Stern v*. *Marshall*. The Fifth Circuit also determined that the putative plaintiff cannot avoid seeking the leave of the bankruptcy court by filing its action directly in the supervisory court, such as the district court. Read a copy of the Fifth Circuit's decision in *Villegas v. Schmidt*.

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