

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Corinne Silverberg v. Arbah Hotel Corp. (In re Arbah Hotel Corp.)

Silverberg · No. Civil Action No. 23-20783 (JXN) · Decided March 19, 2026

SUMMARY

The United States District Court for the District of New Jersey affirmed the Bankruptcy Court’s ruling that Corinne Silverberg lacked standing under 11 U.S.C. § 1109(b) to participate in Arbah Hotel Corp.’s Chapter 11 sale proceeding. The court held that Silverberg’s potential future appointment as her father’s guardian created only a contingent interest, while court-appointed guardianship fiduciaries were already representing his property interests. The court also concluded that the sale process was adequately conducted and that any alleged standing error would have been harmless.

CASE DETAILS

COURT	United States District Court for the District of New Jersey
WRITING FOR THE COURT	Julien Xavier Neals
JURISDICTION	United States District Court for the District of New Jersey
DECIDED	March 19, 2026
DOCKET	Civil Action No. 23-20783 (JXN)
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the United States Bankruptcy Court for the District of New Jersey's oral ruling that Appellant lacked standing to participate in the Debtor's Chapter 11 bankruptcy proceeding and from the related approval of the hotel sale.
STANDARD OF REVIEW	Legal conclusions are reviewed de novo and factual findings for clear error. Mixed questions receive the standard applicable to their legal or factual components; predominantly legal questions are reviewed de novo, while predominantly factual questions receive deference.
PRECEDENTIAL VALUE	unpublished
PARTIES	Corinne Silverberg v. Arbah Hotel Corp. d/b/a Meadowlands View Hotel, The View Hotel Inc., View Hotel Inc.

TOPICS

- standing
- chapter 11
- appellate jurisdiction
- guardianships
- harmless error

PRACTICE AREAS

Bankruptcy

Appellate Procedure

Guardianship

QUESTIONS PRESENTED

1. Whether Corinne Silverberg had party-in-interest standing under 11 U.S.C. § 1109(b) based on her prospective appointment as her father's guardian, familial relationship, or asserted insider status.
2. Whether the Bankruptcy Court's standing ruling and sale approval caused a procedural deprivation through inadequate discovery or insufficient opportunity to contest the sale.
3. Whether any error in denying Silverberg standing was harmless in light of the evidentiary sale hearing, competitive bidding, and findings concerning marketing, good faith, notice, and fair value.

HOLDINGS

1. A person who has not yet been appointed guardian and who has no present equity ownership or claim against the bankruptcy estate lacks party-in-interest standing when the asserted interest is contingent on a future guardianship appointment.
2. A presently unappointed prospective guardian has no independent right to participate where a competent state court has appointed fiduciaries with authority to protect and represent the owner's property interests in the Chapter 11 proceeding.
3. Familial relationship to the owner's shareholder or asserted insider status does not itself create a present, legally protected pecuniary interest sufficient for party-in-interest standing under § 1109(b).
4. The record showed adequate procedural opportunities and a fair, evidentiary sale hearing; even assuming error in denying Silverberg party-in-interest status, any error was harmless because it did not affect substantial rights or the sale's outcome.

KEY QUOTATIONS

“A district court has jurisdiction over the final judgments, orders, and decrees of a bankruptcy court.”
(Opinion, Part II)

“Standing is a threshold requirement in bankruptcy cases, as in all federal courts, and a party must first satisfy Article III by demonstrating a concrete and particularized injury that is actual or imminent, fairly traceable to the challenged action, and likely to be redressed by a favorable decision.” (Opinion, Part II)

“The Bankruptcy Court correctly treated Appellant’s interest as contingent and attenuated.” (Opinion, Part III.A)

“Even assuming, arguendo, that the Bankruptcy Court erred in denying Appellant party-in-interest status, any such error would be harmless.” (Opinion, Part III.D)

FACTUAL BACKGROUND

Arbah Hotel Corp. filed a voluntary Chapter 11 petition while a New York guardianship proceeding concerning Steven Silverberg's person and property was pending. The New York court appointed a temporary guardian and

temporary receiver and authorized the receiver to act concerning Steven Silverberg's interests in the Debtor and to pursue a sale subject to Bankruptcy Court approval. Corinne Silverberg, Steven Silverberg's daughter and prospective guardian, objected to the proposed hotel sale, but she had not been appointed guardian, held no present equity interest, asserted no present claim against the bankruptcy estate, and identified no statutory basis for participation. The Bankruptcy Court approved the sale after testimony, marketing evidence, competitive bidding, and an increase of the purchaser's bid to \$24 million.

PROCEDURAL HISTORY

Arbah Hotel Corp. filed a voluntary Chapter 11 petition in the District of New Jersey Bankruptcy Court. Corinne Silverberg, who was not the appointed guardian or receiver for her father, objected to a proposed sale of the Debtor's hotel and related assets. On September 11, 2023, the Bankruptcy Court ruled that she lacked party-in-interest standing under 11 U.S.C. § 1109(b), conducted the sale hearing, and approved the sale after competitive bidding. Silverberg appealed, and the District Court denied the appeal and affirmed the Bankruptcy Court's ruling.

DISPOSITION

affirmed

CASES CITED

- Baron & Budd, P.C. v. Unsecured Asbestos Claimants Comm., 321 B.R. 147, 157 (Bankr. D.N.J.)
- In re IT Group, Inc., 448 F.3d 661, 667 (3d Cir.)
- In re CellNet Data Sys., Inc., 327 F.3d 242, 244 (3d Cir.)
- Chemetron Corp. v. Jones, 72 F.3d 341, 345 (3d Cir.)
- U.S. Bank Nat'l Ass'n v. Vill. at Lakeridge, LLC, 583 U.S. 387, 396, 138 S. Ct. 960, 970 (2018)
- In re 388 Route 22 Readington Holdings, LLC, No. 21-1244, 2023 U.S. Dist. LEXIS 117641, at *17 (D.N.J. July 10, 2023)
- In re Global Indus. Techs., 645 F.3d 201, 210 (3d Cir.)
- In re Combustion Eng'g, Inc., 391 F.3d 190, 214 n.21 (3d Cir.)
- In re Amatex Corp., 755 F.2d 1034, 1042 (3d Cir.)
- In re Refco Inc., 505 F.3d 109, 117 n.9, 118–19 (2d Cir.)
- In re James Wilson Assocs., 965 F.2d 160, 169 (7th Cir.)
- In re Co Petro Mktg. Group, Inc., 680 F.2d 566, 572, 7 C.B.C.2d 128 (9th Cir.)
- Peachtree Lane Assocs. v. Granader (In re Peachtree Lane Assocs.), 188 B.R. 815, 826–27 (N.D. Ill.)
- Unofficial Comm. of Zero Coupon Noteholders v. Grand Union Co., 179 B.R. 56, 59 (D. Del.)
- Ault v. Emblem Corp. (In re Wolf Creek Valley Met. Dist. No. IV), 138 B.R. 610, 615 (D. Colo.)
- In re Public Serv. Co. of New Hampshire, 88 B.R. 546, 555 (Bankr. D.N.H.)
- In re UNR Indus., Inc., 71 B.R. 467, 471 (Bankr. N.D. Ill.)
- Matter of Newman (Steven S.), 77 Misc. 3d 1229(A), 181 N.Y.S.3d 442 (N.Y. Sup. Ct. 2022)

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