

UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT

Jaramillo v. Dill

No. 20-2049, United States Court of Appeals for the Tenth Circuit (March 22, 2021)

SUMMARY

****Key Legal Topics:**** Constitutional mootness in bankruptcy appeals; standing of equity holders in Chapter 7 proceedings; recusal of bankruptcy judge; settlement approval. ****Holdings:**** The Tenth Circuit dismissed the appeal as constitutionally moot because the bankruptcy case was closed, all assets had been distributed, and no meaningful relief could be granted. The court did not reach the issues of appellate standing or equitable mootness. ****Key Concepts:**** A bankruptcy appeal is constitutionally moot if the court can fashion no meaningful relief; here, the settlement had been consummated, the estate fully administered, and the case closed, leaving no possibility of real-world effect from reversal.

CASE DETAILS

COURT	United States Court of Appeals for the Tenth Circuit
WRITING FOR THE COURT	Moritz; Baldock; Eid
JURISDICTION	Federal
DECIDED	March 22, 2021
DOCKET	20-2049
DISPOSITION	dismissed
PROCEDURAL POSTURE	Appeal from the United States District Court for the District of New Mexico affirming the bankruptcy court's orders.
PRECEDENTIAL VALUE	unpublished
PARTIES	Rick Jaramillo; Steven Duran v. Craig Dill, Chapter 7 Trustee

TOPICS

- bankruptcy
- chapter 7
- mootness
- standing
- appellate jurisdiction

PRACTICE AREAS

- Bankruptcy
- Appellate

QUESTIONS PRESENTED

1. Whether the appeal is constitutionally moot because the bankruptcy case has been fully administered and no meaningful relief can be granted.

HOLDINGS

1. The appeal is constitutionally moot because the court can fashion no meaningful relief; the bankruptcy case is closed, the settlement has been consummated, and all funds have been distributed.

KEY QUOTATIONS

“We thus conclude the appeal is constitutionally moot and must be dismissed for lack of jurisdiction.” (at 7)

“The crucial question is whether granting a present determination of the issues offered will have some effect in the real world.” (at 6)

“A bankruptcy appeal is constitutionally moot if the court can fashion no meaningful relief.” (at 6)

FACTUAL BACKGROUND

Railyard Company, LLC was formed to construct and operate a multi-unit building at an abandoned rail station near Santa Fe. The building was built on land owned by the City of Santa Fe and leased to Railyard. Railyard defaulted on a bridge loan, and the parties became embroiled in litigation. Railyard filed for Chapter 11 bankruptcy, which was later converted to Chapter 7. The Chapter 7 Trustee moved to approve a settlement with the City. Appellants, members and managers of Railyard, objected and moved to recuse the bankruptcy judge. The bankruptcy court struck the objection for lack of standing and approved the settlement. The district court affirmed. The Trustee consummated the settlement and distributed all assets. The bankruptcy case was closed.

PROCEDURAL HISTORY

The bankruptcy court denied a motion to recuse and struck the appellants' objection to a settlement for lack of standing, and approved the settlement. The district court affirmed. Appellants appealed. The Trustee consummated the settlement and the bankruptcy case was closed. The appeal is now before the Tenth Circuit.

DISPOSITION

dismissed

CASES CITED

- Rio Grande Silvery Minnow v. Bureau of Reclamation, 601 F.3d 1096 (10th Cir. 2010)
- Search Mkt. Direct, Inc. v. Jubber (In re Paige), 584 F.3d 1327 (10th Cir. 2009)
- Citizens for Responsible Gov't State Pol. Action Comm. v. Davidson, 236 F.3d 1174 (10th Cir. 2000)
- Golfland Ent. Ctrs., Inc. v. Peak Inv., Inc. (In re BCD Corp.), 119 F.3d 852 (10th Cir. 1997)
- EEOC v. CollegeAmerica Denver, Inc., 869 F.3d 1171 (10th Cir. 2017)
- C.W. Mining Co. v. Aquila, Inc. (In re C.W. Mining Co.), 636 F.3d 1257 (10th Cir. 2011)
- Ledbetter v. City of Topeka, 318 F.3d 1183 (10th Cir. 2003)

- C.O.P. Coal Dev. Co. v. C.W. Mining Co. (In re C.W. Mining Co.), 641 F.3d 1235 (10th Cir. 2011)
- Citizen Ctr. v. Gessler, 770 F.3d 900 (10th Cir. 2014)
- Brown v. Buhman, 822 F.3d 1151 (10th Cir. 2016)

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