

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
LOUISIANA

In re: Dynamic Industries Saudi Arabia Limited

In re Dynamic Industries · No. 25-1381 · Decided March 27, 2026

SUMMARY

The United States District Court for the Eastern District of Louisiana affirmed bankruptcy court orders denying counsel’s motion to withdraw and motion for reconsideration. The court held that withdrawal without substitute counsel could prejudice collection efforts and enforcement of an outstanding attorney-fee judgment against a corporate creditor. The court concluded that the bankruptcy court did not abuse its discretion.

CASE DETAILS

COURT	United States District Court for the Eastern District of Louisiana
WRITING FOR THE COURT	William J. Crain
JURISDICTION	United States District Court for the Eastern District of Louisiana
DECIDED	March 27, 2026
DOCKET	25-1381
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from United States Bankruptcy Court for the Eastern District of Louisiana orders denying counsel's motion to withdraw and motion to reconsider that denial.
STANDARD OF REVIEW	The court reviews bankruptcy-court conclusions of law de novo, findings of fact for clear error, and mixed questions of law and fact de novo. A ruling on withdrawal of counsel is reviewed for abuse of discretion.
PRECEDENTIAL VALUE	Unknown; district court order affirming bankruptcy court orders.
PARTIES	J. Stephen Simms, Catherine M. Benson v. Dynamic Industries Saudi Arabia Limited

TOPICS

- bankruptcy
- chapter 7
- appellate procedure
- standard of review
- remedies

PRACTICE AREAS

Bankruptcy

Federal appellate procedure

Civil procedure

QUESTIONS PRESENTED

1. Whether the bankruptcy court abused its discretion by denying counsel's motion to withdraw without substitute counsel while an outstanding attorney-fee-and-cost award and compliance proceedings remained unresolved.
2. Whether the bankruptcy court properly denied reconsideration of its withdrawal ruling.

HOLDINGS

1. The bankruptcy court did not abuse its discretion by denying counsel's motion to withdraw because withdrawal without substitute counsel could prejudice DISA's efforts to collect the outstanding fee-and-cost award and disrupt the bankruptcy court's compliance assessment.
2. The bankruptcy court properly denied reconsideration of its order denying withdrawal because the asserted characterization of the fee-and-cost award as a judgment rather than sanctions did not eliminate the risk of prejudice or the need for counsel during compliance proceedings.

KEY QUOTATIONS

“Attorney withdrawal is “entrusted to the sound discretion of the court and will be overturned on appeal only for an abuse of that discretion.””

“The court must assure that the prosecution of the lawsuit is not disrupted by the withdrawal of counsel.”

“The court has a substantial interest in seeing its orders and judgments executed.”

FACTUAL BACKGROUND

The bankruptcy court dismissed an involuntary chapter 7 petition filed against Dynamic Industries Saudi Arabia Limited and awarded DISA attorney fees and costs under 11 U.S.C. § 303(i). Counsel for the petitioning creditors sought to withdraw after two creditors settled and the remaining creditor, Ultra Deep Picasso Pte. Ltd., terminated counsel. Counsel requested withdrawal without substitute counsel and provided Ultra's contact information in Singapore. The bankruptcy court denied withdrawal because the fee-and-cost award remained outstanding, compliance proceedings were pending, and Ultra, a corporation, could not represent itself.

PROCEDURAL HISTORY

Ultra Deep Picasso Pte. Ltd., Zakher Marine Saudi Company Limited, and Stanford Marine LLC filed an involuntary chapter 7 petition against Dynamic Industries Saudi Arabia Limited. After the bankruptcy court dismissed the petition, it awarded DISA attorney fees and costs under 11 U.S.C. § 303(i). Counsel for the petitioning creditors later sought to withdraw without substitute counsel, but the bankruptcy court denied withdrawal and denied reconsideration because the outstanding fee-and-cost award and related compliance proceedings could prejudice DISA and be disrupted by withdrawal. The district court affirmed.

DISPOSITION

affirmed

CASES CITED

- In re Killebrew, 888 F.2d 1516, 1519 (5th Cir. 1989)
- In re Nat'l Gypsum Co., 208 F.3d 498, 504 (5th Cir. 2000)
- Gowdy v. Marine Spill Response Corp., 925 F.3d 200, 204 (5th Cir. 2019)
- In re Yorkshire, LLC, 540 F.3d 328, 331 (5th Cir. 2008)
- EEOC v. Amy's Country Candles, LLC, No. 17-6565, 2019 WL 2469740, at *1 (E.D. La. June 13, 2019)
- Broughten v. Voss, 634 F.2d 880, 882-83 (5th Cir. 1981)
- Southwest Express Co., Inc. v. Interstate Commerce Commission, 670 F.2d 53, 55 (5th Cir. 1982)

OPINION

In re: Dynamic Industries Saudi Arabia Limited

PER CURIAM.

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF LOUISIANA

IN RE: DYNAMIC INDUSTRIES CIVIL ACTION

SAUDI ARABIA LIMITED

NO: 25-1381

SECTION: C (4)

ORDER AND REASONS

Before the Court is the appeal of orders of the United States Bankruptcy Court for the Eastern District of Louisiana, denying a motion to withdraw as counsel and denying a motion to reconsider that ruling. 22-10823, Rec. Doc. 73 and 97. The orders are AFFIRMED.

FACTUAL AND PROCEDURAL HISTORY

Ultra Deep Picasso Pte. Ltd., Zakher Marine Saudi Company Limited, and Stanford Marine LLC initiated chapter 7 involuntary bankruptcy proceedings against Dynamic Industries Saudi Arabia Limited (DISA). The relationship between DISA and the petitioning creditors stems from a contract to oversee an oil pipeline replacement project in the Kingdom of Saudi Arabia. DISA subcontracted the petitioning creditors to perform work associated with that project. The bankruptcy court dismissed the involuntary petition. 22-10823, Rec. Doc.

28. DISA moved for attorney fees and costs. 22-10823, Rec. Doc. 31. The bankruptcy court awarded attorney fees pursuant to 11 U.S.C. § 303(i). 22-10823, Rec. Doc. 46. The petitioning creditors were assessed \$130,441.78 (\$128,176.50 for attorney fees and \$2,265.28 for costs). 22-10823, Rec. Doc. 59. An order was signed to this effect on April 28, 2023. Attorneys J. Stephen Simms and Catherine M. Benson represented the petitioning creditors. 22-10823, Rec.

Docs. 7 and 42. An Unopposed Motion for Leave to Withdraw as Counsel was filed by Simms and Benson. 22-10823, Rec. Doc.

72. The attorneys submitted that Zakher Marine Saudi Company Limited and Stanford Marine LLC both settled with DISA. The only remaining creditor is Ultra Deep Picasso Pte. Ltd. The attorneys further stated that Ultra terminated them as counsel. Thus, they asked to withdraw and provided contact information for Ultra in Singapore. The court held a status conference with Simms and counsel for DISA. It confirmed the attorneys were seeking to withdraw without substitute counsel. The court noted a corporation cannot represent itself. Because the order requiring payment of DISA's attorney fees and costs was unresolved, the motion to withdraw was denied. 22-10823, Rec. Doc. 73. A hearing was then set to assess compliance with the order. 22-10823, Rec. Doc. 74. Simms and Benson filed a Motion and Memorandum Pursuant to Bankr. R. 9023 and 9024 for this Court to Reconsider and Revise its Order Denying the Unopposed Motion for UDP Counsel to Withdraw (Dkt. 73) and Vacate Its Order for Hearing Referring to "Sanctions" (Dkt. 74). 22-10823, Rec. Doc. 83. The attorneys sought reconsideration of their withdrawal motion and pointed out the award of attorney fees and costs was referred to by the court as "sanctions." They argued there are no "sanctions," just a "judgment" for attorney fees and costs, which can be executed upon. They further argued that DISA did not oppose the withdrawal request and there is no meaningful purpose for continuing their representation. The attorneys asked the court to reconsider their motion to withdraw. The bankruptcy court denied the motion to reconsider. 22-10823, Rec. Doc.

97. It noted a common practice of holding compliance hearings to enforce bankruptcy court orders and judgments. This practice applies whether the award of attorney fees and costs is referred to as a "sanctions order" or a "judgment." The court found that without substitute counsel, DISA will be prejudiced by the withdrawal. Thus, the motion to reconsider was denied. The attorneys appealed. 22-10823, Rec. Doc. 99; 25-1382, Rec. Doc. 1. They argue the disruptive impact of withdrawal is dependent on the stage of the litigation. Here, the case is post-judgment. Thus, the disruption is minimal. Additionally, they argue the bankruptcy court's order is a "judgment" not a "sanctions order." Thus, withdrawal of counsel will not prevent DISA from executing on the judgment.

LAW AND ANALYSIS

This court has appellate jurisdiction pursuant to 28 U.S.C. § 158. The standard of review for a bankruptcy appeal is the same standard used by an appellate court reviewing a district court proceeding. *In re Killebrew*, 888 F.2d 1516, 1519 (5th Cir. 1989). Accordingly, the court reviews the bankruptcy court's conclusions of law de novo, findings of fact for clear error, and mixed question of law and fact de novo. *In re Nat'l Gypsum Co.*, 208 F.3d 498, 504 (5th Cir. 2000). Pursuant to Local Rules of the United States Bankruptcy Court for the Eastern District of Louisiana, "[c]ounsel represents the party for whom he/she appears unless the court permits withdrawal from the case." Rule 2014-1(C)(1). A motion to withdraw "may be denied at the

discretion of the presiding judge.” Rule 2014- 1(C)(3). Attorney withdrawal is “entrusted to the sound discretion of the court and will be overturned on appeal only for an abuse of that discretion.” *Gowdy v. Marine Spill Response Corp.*, 925 F.3d 200, 204 (5th Cir. 2019). A bankruptcy court abuses its discretion when its ruling is based on “an erroneous review of the law or on a clearly erroneous assessment of the evidence.” *In re Yorkshire, LLC*, 540 F.3d 328, 331 (5th Cir. 2008). When evaluating a motion to withdraw, “courts consider factors such as the reason withdrawal is sought, the prejudice the withdrawal may cause to the other litigants, the harm withdrawal may cause to the administration of justice, and the degree to which withdrawal may delay resolution of the case.” *EEOC v. Amy's Country Candles, LLC*, No. 17-6565, 2019 WL 2469740, at *1 (E.D. La. June 13, 2019) (Denying a motion to withdraw as counsel of record in part because “withdrawal could prejudice plaintiff and delay the resolution of this case, because it could disrupt plaintiff’s ability to enforce the terms of the settlement agreement.”). The court must assure that the prosecution of the lawsuit is not disrupted by the withdrawal of counsel. *Broughten v. Voss*, 634 F.2d 880, 882-83 (5th Cir. 1981). Here, the bankruptcy court denied withdrawal because allowing it would prejudice DISA’s collection efforts and the court’s compliance assessment. Ultra, a corporate entity, cannot represent itself. See *Southwest Express Co., Inc. v. Interstate Commerce Commission*, 670 F.2d 53, 55 (5th Cir. 1982). There is no substitute counsel. Rather, the attorneys provided Ultra’s contact information in Singapore. The court expressed concern that if the attorneys withdraw, there is no meaningful way to contact Ultra. This bankruptcy case is not concluded. An order for attorney fees and costs against Ultra is outstanding. The court has a substantial interest in seeing its orders and judgments executed. Under these circumstances, the bankruptcy court did not abuse its discretion in denying withdrawal of counsel.

CONCLUSION

For the foregoing reasons, IT IS ORDERED that the orders of the bankruptcy court are AFFIRMED. New Orleans, Louisiana this 25th day of March 2026 b/ fo

WILLIAM J. CRAIN

UNITED STATES DISTRICT JUDGE