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 Gpsum 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)