

Cahill Secures Injunction on Behalf of Orleans Homebuilders to Enforce Certain Provisions of its Confirmed Chapter 11 Plan and to Bar Claims

Date: 11/22/16

Cahill prevailed on behalf of Orleans Homebuilders, Inc., and affiliates (“Orleans”), in a motion brought by Orleans in the United States Bankruptcy Court for the District of Delaware to enjoin New Jersey-based Cooks Bridge Condominium Association (the “Association”) from continuing state court litigation filed after confirmation of Orleans’ Chapter 11 plan of reorganization. The Association had filed an action in New Jersey state court against Orleans and certain former employees who previously served on the condominium board alleging negligence, breach of warranties, and breach of fiduciary duty related to alleged construction defects in certain common elements of its condominium development. Orleans’ motion argued that its confirmed Chapter 11 plan of reorganization bars creditors such as the Association from commencing any litigation against the reorganized debtors or any of their employees.

On November 21st, Judge Kevin J. Carey granted Orleans’ motion, ruling that the Association’s state court action against Orleans and its employees is barred by certain provisions of Orleans’ plan of reorganization and that the Association must immediately discontinue such action with prejudice as to such parties.

Attorney

- Joel H. Levitin