Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.,* 200 U. S. 321, 337.

# SUPREME COURT OF THE UNITED STATES

Syllabus

## RITZEN GROUP, INC. *v.* JACKSON MASONRY, LLC

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

No. 18–938. Argued November 13, 2019—Decided January 14, 2020

An appeal of right lies from "final judgments, orders, and decrees" entered by bankruptcy courts "in cases and proceedings." 28 U. S. C. §158(a). Bankruptcy court orders are considered final and immediately appealable if they "dispose of discrete disputes within the larger [bankruptcy] case." *Bullard* v. *Blue Hills*, 575 U. S. 496, 501.

Ritzen Group, Inc. (Ritzen) sued Jackson Masonry, LLC (Jackson) in Tennessee state court for breach of a land-sale contract. Jackson filed for bankruptcy under Chapter 11 of the Bankruptcy Code. The state-court litigation was put on hold by operation of 11 U. S. C. §362(a), which provides that filing a bankruptcy petition automatically "operates as a stay" of creditors' debt-collection efforts outside the umbrella of the bankruptcy case. The Bankruptcy Court denied Ritzen's motion for relief from the automatic stay filed pursuant to §362(d). Ritzen did not appeal that disposition. Instead, its next step was to file a proof of claim against the bankruptcy estate. The Bankruptcy Court subsequently disallowed Ritzen's claim and confirmed Jackson's plan of reorganization. Ritzen then filed a notice of appeal in the District Court, challenging the Bankruptcy Court's order denying relief from the automatic stay. The District Court rejected Ritzen's appeal as untimely under 28 U. S. C. §158(c)(2) and Federal Rule of Bankruptcy Procedure 8002(a), which require appeals from a bankruptcy court order to be filed "within 14 days after entry of [that] order." The Sixth Circuit affirmed, concluding that the order denying Ritzen's motion to lift the stay was final under §158(a), and that the 14-day appeal clock therefore ran from entry of that order.

*Held*: A bankruptcy court's order unreservedly denying relief from the automatic stay constitutes a final, immediately appealable order under §158(a). Pp. 6–12.

Syllabus

(a) This Court's application of §158(a)'s finality requirement is guided by the opinion in *Bullard* v. *Blue Hills Bank*, 575 U. S. 496. Addressing repayment plan confirmations under Chapter 13, the Court held in *Bullard* that a bankruptcy court's order rejecting a proposed plan was not final because it did not conclusively resolve the relevant "proceeding." Rather, the proceeding would continue until approval of a plan. *Id.*, at 502. P. 6.

(b) In applying *Bullard*'s analysis here, the key inquiry is "how to define the immediately appealable 'proceeding' in the context of [stay-relief motions]." 575 U. S., at 502. Adjudication of a creditor's motion for relief from the stay is properly considered a discrete "proceeding." A bankruptcy court's order ruling on a stay-relief motion disposes of a procedural unit anterior to, and separate from, claim-resolution proceedings. It occurs before and apart from proceedings on the merits of creditors' claims. And its resolution forms no part of the adversary claims-adjudication process, proceedings typically governed by state substantive law. Relief from bankruptcy's automatic stay thus presents a discrete dispute qualifying as an independent "proceeding" within the meaning of §158(a). *Bullard,* 575 U. S., at 502–505. Pp. 6–8.

(c) Ritzen incorrectly characterizes denial of stay relief as determining nothing more than the forum for claim adjudication and thus a preliminary step in the claims-adjudication process. Resolution of a stay-relief motion can have large practical consequences, however, including whether a creditor can isolate its claim from those of other creditors and go it alone outside bankruptcy or the manner in which adversary claims will be adjudicated. Moreover, bankruptcy's automatic stay stops even nonjudicial efforts to obtain or control the debtor's assets, matters that often do not concern the forum for, and cannot be considered part of, any subsequent claim adjudication. Ritzen errs in arguing that the order should nonetheless rank as nonfinal where, as here, the bankruptcy court's decision turns on a substantive issue that may be raised later in the litigation. Section 158(a) asks whether the order in question terminates a procedural unit separate from the remaining case, not whether the bankruptcy court has preclusively resolved a substantive issue. Finally, rather than disrupting the efficiency of the bankruptcy process, immediate appeal may permit creditors to establish their rights expeditiously outside the bankruptcy process, affecting the relief sought and awarded later in the bankruptcy case. Pp. 8–11.

906 F. 3d 494, affirmed.

GINSBURG, J., delivered the opinion for a unanimous Court.

# SUPREME COURT OF THE UNITED STATES

No. 18–938

RITZEN GROUP, INC., PETITIONER *v.*
JACKSON MASONRY, LLC

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

[January 14, 2020]

JUSTICE GINSBURG delivered the opinion of the Court.

Under the Bankruptcy Code, filing a petition for bankruptcy automatically "operates as a stay" of creditors' debt-collection efforts outside the umbrella of the bankruptcy case. 11 U. S. C. §362(a). The question this case presents concerns the finality of, and therefore the time allowed for appeal from, a bankruptcy court's order denying a creditor's request for relief from the automatic stay. In civil litigation generally, a court's decision ordinarily becomes "final," for purposes of appeal, only upon completion of the entire case, *i.e.*, when the decision "terminate[s the] action" or "ends the litigation on the merits and leaves nothing for the court to do but execute the judgment." *Gelboim* v. *Bank of America Corp.*, 574 U. S. 405, 409 (2015) (internal quotation marks omitted). The regime in bankruptcy is different. A bankruptcy case embraces "an aggregation of individual controversies." 1 Collier on Bankruptcy ¶5.08[1][b], p. 5–43 (16th ed. 2019). Orders in bankruptcy cases qualify as "final" when they definitively dispose of discrete disputes within the overarching bankruptcy case. *Bullard* v. *Blue Hills Bank*, 575 U. S. 496, 501 (2015).

The precise issue the Court today decides: Does a creditor's motion for relief from the automatic stay initiate a distinct proceeding terminating in a final, appealable order when the bankruptcy court rules dispositively on the motion? In agreement with the courts below, our answer is "yes." We hold that the adjudication of a motion for relief from the automatic stay forms a discrete procedural unit within the embracive bankruptcy case. That unit yields a final, appealable order when the bankruptcy court unreservedly grants or denies relief.

I

In civil litigation generally, 28 U. S. C. §1291 governs appeals from "final decisions." Under that provision, a party may appeal to a court of appeals as of right from "final decisions of the district courts." *Ibid.* A "final decision" within the meaning of §1291 is normally limited to an order that resolves the entire case. Accordingly, the appellant must raise all claims of error in a single appeal. See *In re Saco Local Development Corp.*, 711 F. 2d 441, 443 (CA1 1983) (Breyer, J.) ("Traditionally, every civil action in a federal court has been viewed as a 'single judicial unit,' from which only one appeal would lie."). This understanding of the term "final decision" precludes "piecemeal, prejudgment appeals" that would "undermin[e] efficient judicial administration and encroac[h] upon the prerogatives of district court judges." *Bullard*, 575 U. S., at 501 (quoting *Mohawk Industries, Inc.* v. *Carpenter*, 558 U. S. 100, 106 (2009); internal quotation marks omitted).

The ordinary understanding of "final decision" is not attuned to the distinctive character of bankruptcy litigation. A bankruptcy case encompasses numerous "individual controversies, many of which would exist as stand-alone lawsuits but for the bankrupt status of the debtor." *Bullard*, 575 U. S., at 501 (internal quotation marks omitted). It is

thus common for bankruptcy courts to resolve discrete controversies definitively while the umbrella bankruptcy case remains pending. Delaying appeals from discrete, controversy-resolving decisions in bankruptcy cases would long postpone appellate review of fully adjudicated disputes. Moreover, controversies adjudicated during the life of a bankruptcy case may be linked, one dependent on the outcome of another. Delaying appeal until the termination of the entire bankruptcy case, therefore, could have this untoward consequence: Reversal of a decision made early on could require the bankruptcy court to unravel later adjudications rendered in reliance on an earlier decision.

The provision on appeals to U. S. district courts from decisions of bankruptcy courts is 28 U. S. C. §158(a). Under that provision, an appeal of right lies from "final judgments, orders, and decrees" entered by bankruptcy courts "in cases and proceedings." *Ibid.* By providing for appeals from final decisions in bankruptcy "proceedings," as distinguished from bankruptcy "cases," Congress made "orders in bankruptcy cases . . . immediately appeal[able] if they finally dispose of discrete disputes within the larger [bankruptcy] case." *Bullard*, 575 U. S., at 501 (quoting *Howard Delivery Service, Inc.* v. *Zurich American Ins. Co.*, 547 U. S. 651, 657, n. 3 (2006)); see *In re Saco Local Development Corp.*, 711 F. 2d, at 444–447. In short, "the usual judicial unit for analyzing finality in ordinary civil litigation is the case, [but] in bankruptcy[,] it is [often] the proceeding." Brief for United States as *Amicus Curiae* 10.

Correct delineation of the dimensions of a bankruptcy "proceeding" is a matter of considerable importance. An erroneous identification of an interlocutory order as a final decision may yield an appeal over which the appellate forum lacks jurisdiction. Conversely, an erroneous identification of a final order as interlocutory may cause a party to miss the appellate deadline.

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