

## TRANSEASTERN LITIGATION UPDATE

On September 5, 2014, the District Court granted the Liquidation Trustee's Motion to Reopen and Lift Stay. The Court noted that more than two years had passed since the Eleventh Circuit's decision, which had directed the District Court to review the remedies ordered by the bankruptcy court. The District Court rejected the Transeastern Lenders' argument that the Court should continue the stay pending the Supreme Court's decision in *Wellness International Network, Ltd. v. Sharif*, No. 13-935, concluding that such further delay was "not appropriate." Instead, the Court lifted the stay and ordered that the parties submit short supplemental briefs addressing (i) the impact of recent settlements, including with the Lien Term Loan Lenders and certain Transeastern Lenders, and (ii) the impact of the Supreme Court's decision in *Executive Benefits Insurance Agency v. Arkison* ("*Bellingham*"), 134 S.C. 2165 (2014).

On October 1, 2014, the parties filed supplemental briefs addressing the questions identified by the District Court. Soon afterward, the Court scheduled a hearing for November 20, 2014 and informed the parties that they should be prepared to argue the issues identified in the supplemental briefs.

