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## Supreme Court Rules in Favor of WilmerHale Client in Closely Watched Bankruptcy Law Case

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On March 22, 2017, WilmerHale earned a significant victory when the US Supreme Court ruled in favor of the petitioner and WilmerHale client—a group of truck drivers formerly employed by Jevic Transportation Inc.—in *Czyzewski v. Jevic*, finding that so-called "structured dismissals" to end Chapter 11 cases cannot be used in a way that violates the Bankruptcy Code's priority scheme.

On behalf of the truckers, WilmerHale contended that Jevic subverted the US Bankruptcy Code's payment priority scheme when it reached a settlement in 2012 with its financial backers using a structured dismissal technique. The deal resolved the company's Chapter 11 case, but essentially wiped out employees' legal claims over hasty terminations. This case raised a fundamental and, until now, unresolved question of bankruptcy law: whether a bankruptcy court may authorize the distribution of value in a way that conflicts with the US Bankruptcy Code's priority scheme as part of a "structured dismissal" of a bankruptcy case.

The WilmerHale team included Partners [Craig Goldblatt](#) and [Danielle Spinelli](#), who argued the case before the Supreme Court, Special Counsel [Joel Millar](#) and Associate [Jonathan Seymour](#). The firm's co-counsel included Outten & Golden LLP and Loizides PA.