California





Nathaniel Lucey

Summary Judgment and Costs Granted

The Ericksen Firm is happy to report another successful outcome for one of its clients. The Ericksen Firm represented a bankruptcy attorney whose former client filed a lawsuit against her after the Bankruptcy Court dismissed his bankruptcy action and barred him from re-filing a further bankruptcy petition for two years. The former client alleged that the attorney failed to properly advise him that his prior concealment of funds from his creditors might jeopardize his Chapter 7 bankruptcy. In his lawsuit against his bankruptcy counsel, Plaintiff alleged that had she advised him that his concealment of funds from his creditors could have resulted in a dismissal of his case, he would have waited to file bankruptcy until such time as his wrongdoing would not have result in a dismissal. Plaintiff claimed that he was entitled to damages equal to all the debts that would have otherwise been discharged in his failed bankruptcy.

Nathaniel Lucey, a Partner in Ericksen's San Francisco/Silicon Valley office filed a summary judgment motion Court arguing that the plaintiff did not experience any actual damages as a result of the bankruptcy dismissal. Ericksen's motion pointed out that plaintiff's recoverable damages would not be the total amount of debt that would have been discharged. Such an outcome would result in a windfall for the plaintiff, since a successful bankruptcy would not have resulted in payment of his debts.

Instead, Ericksen's motion argued that plaintiff's damage would only be the amount of debt the plaintiff was compelled to pay to his creditors that otherwise would have been discharged. In his deposition, plaintiff admitted that, after the dismissal of his bankruptcy, his creditors never compelled him to pay the debts he sought to discharge. In fact, his creditors never took any steps to compel payment of the debts after he filed his petition. Based on these admissions, the court concluded that plaintiff had no damages and granted Mr. Lucey's motion for summary judgment and awarded costs.

The parties to the action have requested the Firm keep their names confidential.