

Warshaw Burstein Wins Bankruptcy Court Ruling for Loft Law Tenants

July 6, 2018 -- Warshaw Burstein has won a major victory in U.S. Bankruptcy Court by successfully opposing the debtor's motion to sell a Lower Manhattan building "free and clear" of the rights and interests of statutory tenants protected under the New York State Loft Law.

This ruling is significant because it is a decision of first impression on the rights of Loft Law tenants in bankruptcy proceedings. The court held that a proposed sale of the property, under Section 363 of the U.S. Bankruptcy Code, cannot be used as a means of depriving them their statutory possessory rights.

In the July 2 ruling, U.S. Bankruptcy Judge Robert E. Grossman of the Eastern District of New York in Central Islip, held that the statutory tenants have possessory rights granted to them under the Loft Law, which the Debtor cannot disturb under § 363 of the Bankruptcy Code. Thus, the court denied the Debtor's motion to sell the property.

The building is located at 99 Vandam Street in Lower Manhattan near the Holland Tunnel. The case is *In re Bridge Associates of SOHO, Inc.* (E.D.N.Y., Case Number 8-18-71159-reg)

Warshaw Burstein partners Bruce H. Wiener and Slava Hazin represented the Loft Law tenants.

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