Bailey Wins in Bankruptcy

On February 27, 2020, Evans Bailey's client was awarded a summary judgment in a case alleging the violation of the automatic stay before Judge Tamara Mitchell in the Bankruptcy Court for the Northern District of Alabama. The Debtor alleged that the defendant, Evans' client, violated the automatic stay when it settled claims with the Debtor's property insurer after the insurer had made payments directly to the Debtor on his property insurance policy in violation of the standard mortgagee clause in the policy. The Court found that the amounts paid because of a violation of the mortgagee clause in the policy were not property of the Debtor's estate. It also found the Debtor had suffered no damages because the amounts paid to the Defendant were used, in part, to satisfy the Debtor's mortgage with the Defendant. Johnson v. Apex Mortgage, A.P. No. 18-00178-TOM (Bankr. N.D. Ala.).