

Order

Michigan Supreme Court
Lansing, Michigan

March 20, 2024

Elizabeth T. Clement,
Chief Justice

ADM File No. 2021-50

Brian K. Zahra

David F. Viviano

Addition of Rule 2.421
of the Michigan Court
Rules

Richard H. Bernstein

Megan K. Cavanagh

Elizabeth M. Welch

Kyra H. Bolden,

Justices

On order of the Court, notice of the proposed changes and an opportunity for comment in writing and at a public hearing having been provided, and consideration having been given to the comments received, the following addition of Rule 2.421 of the Michigan Court Rules is adopted, effective May 1, 2024.

[NEW] Rule 2.421 Notice of Bankruptcy Proceedings

- (A) **Applicability.** This rule applies to all state court actions in which a party is a named debtor in a bankruptcy proceeding under 11 USC 101 *et seq.*
- (B) **Party Subject to Bankruptcy Proceeding.** Any party in a state court action who is a named debtor in a bankruptcy proceeding must
 - (1) file a notice of the bankruptcy proceeding in the state court action no later than 3 days after becoming subject to such bankruptcy proceeding, and
 - (2) serve the notice on all other parties in the state court action as provided in MCR 2.107.
- (C) **Other Parties.** If a party to a state court action learns that another party in such action is a named debtor in a bankruptcy proceeding and notice of the bankruptcy proceeding in subrule (B) has not previously been filed and served by the debtor, then such party may
 - (1) file a notice of the bankruptcy proceeding in the state court action, and
 - (2) serve the notice on all other parties in the state court action as provided in MCR 2.107.
- (D) **Notice Contents.** Notice of a bankruptcy proceeding filed under this rule must, at a minimum, include all of the following:

- (1) name(s) of the debtor(s) described in subrule (A);
 - (2) the court name and case number(s) of the bankruptcy proceeding(s); and,
 - (3) if available, the name, telephone number, physical address, and email address for the debtor's attorney in the bankruptcy proceeding(s).
- (E) Effect of Notice. If a notice is filed under this rule, the court may hold in abeyance any further proceedings and may schedule a status conference to consider the administrative closure of all or a portion of the state court action. To the extent that all or a portion of the state court action is administratively closed under this subrule or otherwise, it may be reopened if, on the motion of a party or on the court's own initiative, the court determines that the automatic stay has been lifted, removed, or otherwise no longer impairs adjudication of all or a portion of the state court action.
- (F) This rule does not abridge, enlarge, or in any way modify existing rights and procedures under federal law, including bankruptcy proceedings under 11 USC 101 *et seq.*

Staff Comment (ADM File No. 2021-50): The addition of MCR 2.421 provides a process for filing a notice of a bankruptcy proceeding that affects a state court action.

The staff comment is not an authoritative construction by the Court. In addition, adoption of a new rule or amendment in no way reflects a substantive determination by this Court.



I, Larry S. Royster, Clerk of the Michigan Supreme Court, certify that the foregoing is a true and complete copy of the order entered at the direction of the Court.

March 20, 2024

Clerk