

IN THE SUPREME COURT OF THE STATE OF NEVADA

PERRY CHAMANI,

Appellant,

vs.

THOMAS MACKAY AND NORMA
JEAN MACKAY, A MARRIED COUPLE;
VIRGINIA JONES, AN INDIVIDUAL;
LAS VEGAS FIRST REALTY, A
NEVADA CORPORATION; THE
MACKAY GROUP, INC., A NEVADA
CORPORATION; AND EQUUS
FINANCIAL CORPORATION, A
NEVADA CORPORATION,

Respondents.

No. 47550

FILED

SEP 20 2006

JANETTE M. BLOOM
CLERK OF SUPREME COURT
BY *J. Richards*
CHIEF DEPUTY CLERK

ORDER DISMISSING APPEAL

Counsel for respondent Las Vegas First Realty ("First Realty") has filed a "Notice of Automatic Stay," informing this court that First Realty has filed "a voluntary petition for relief under Title 11, Chapter 7 of the United States Code." The filing of a bankruptcy petition operates to stay, automatically, the "continuation" of any "judicial . . . action . . . against the debtor." 11 U.S.C. § 362(a)(1). An appeal, for purposes of the automatic stay, is considered a continuation of the action in the trial court. Consequently, an appeal is automatically stayed if the debtor was the defendant in the underlying trial court action. See Ingersoll-Rand Financial Corp. v. Miller Mining, Co. Inc., 817 F.2d 1424 (9th Cir. 1987). It appears that respondent first Realty was a defendant below. Therefore, this appeal is stayed pursuant to the automatic stay provisions of federal bankruptcy law.

Given the applicability of the automatic stay, this appeal may linger indefinitely on this court's docket pending final resolution of the bankruptcy proceedings. Accordingly, we conclude that judicial efficiency will be best served if this appeal is dismissed without prejudice. Because a dismissal *without prejudice* will not require this court to reach the merits of this appeal and is not inconsistent with the primary purposes of the bankruptcy stay—to provide protection for debtors and creditors—we further conclude that such dismissal will not violate the bankruptcy stay.¹ See Independent Union of Flight Attendants v. Pan American World Airways, Inc., 966 F.2d 457, 459 (9th Cir. 1992) (holding that the automatic stay does not preclude dismissal of an appeal so long as dismissal is “consistent with the purpose of the statute [11 U.S.C. §362(a)”]; Dean v. Trans World Airlines, Inc., 72 F.3d 754, 755 (9th Cir. 1995) (holding that a post-bankruptcy petition dismissal will violate the automatic stay “where the decision to dismiss first requires the court to consider other issues presented by or related to the underlying case”).

Accordingly, we dismiss this appeal. This dismissal is without prejudice to appellant's right to move for reinstatement of this appeal upon either the lifting of the bankruptcy stay or final resolution of the

¹ The automatic stay provides a debtor “with protection against hungry creditors” and gives it a “breathing spell from its creditors” by stopping all collection efforts. Dean v. Trans World Airlines, Inc., 72 F.3d 754, 755 (9th Cir. 1995). Further, it assures creditors “that the debtor's other creditors are not racing to various courthouses to pursue independent remedies to drain the debtor's assets.” Id. At 755-6.

bankruptcy proceedings, if appellant deems such a motion appropriate at that time.

It is so ORDERED.

Becker, J.
Becker

Hardesty, J.
Hardesty

Parraguirre, J.
Parraguirre

cc: Hon. Kenneth C. Cory, District Judge
William F. Buchanan, Settlement Judge
Law Offices of Richard McKnight, P.C.
Lewis Brisbois Bisgaard & Smith, LLP
Rawlings Olson Cannon Gormley & Desruisseaux
Clark County Clerk