

Mere Possession of Debtor's Property is Not a Stay Violation

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You are in possession of property belonging to a Chapter 11 debtor. The debtor is threatening to seek sanctions from the Bankruptcy Court if you do not release the property. Must you surrender the property to the debtor?

When a company commences a bankruptcy case, Bankruptcy Code section 362(a) imposes a wide-ranging injunction against various acts, including acts to obtain possession of the debtor's property or to exercise control over the debtor's property. The automatic stay's intent is to...

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