No. 22-1079

IN THE
Supreme Court of the United States

TRUCK INSURANCE EXCHANGE,

Petitioner,

v.

KAISER GYPSUM COMPANY, INC., ET AL.,

Respondents.

On Writ Of Certiorari
To The United States Court Of Appeals
For The Fourth Circuit

BRIEF FOR DEBTOR-SIDE RESPONDENTS

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QUESTION PRESENTED

In the Chapter 11 bankruptcy below, the debtors proposed a reorganization plan that the bankruptcy court, district court, and Fourth Circuit agreed would neither increase the obligations nor impair the rights of the debtors' insurer. The insurer nevertheless sought to object that the plan did not *increase* its rights, demanding a provision that would mandate special disclosure requirements for asbestos claimants in post-bankruptcy tort litigation. The courts below each determined that the insurer lacked a right to object under 11 U.S.C. § 1109(b): Because the plan left the insurer no worse off, it was not a "party in interest" authorized to object to the plan.

This Court granted certiorari to resolve:

"Whether an insurer with financial responsibility for a bankruptcy claim is a 'party in interest' that may object to a Chapter 11 plan of reorganization." Pet. i.

RULE 29.6 STATEMENT

Kaiser Gypsum Company, Inc., Hanson Permanente Cement, Inc., and Lehigh Hanson, Inc. (now known as Heidelberg Materials US, Inc.), are all indirect, wholly owned subsidiaries of publicly traded Heidelberg Materials AG, a German company.

Heidelberg Materials AG owns HeidelbergCement International Holding GmbH, which owns Heidelberg Materials Holding S.à.r.l., which owns Heidelberg Materials UK Holding Limited, which owns Lehigh UK Limited, which owns Hanson Limited, which owns HeidelbergCement UK Holding II Limited, which owns Lehigh B.V., which owns Heidelberg Materials US, Inc. (f/k/a Lehigh Hanson, Inc.), which owns Hanson Devon Designated Activity Company (Hanson Devon). Hanson Devon owns Essex NA Holdings LLC, which as the general partner, holds a 1% partnership share, of HNA Investments. Hanson Devon is also a limited partner, and owns the remaining 99% partnership share, of HNA Investments. HNA Investments owns HBMA Holdings LLC, which owns KH 1 Inc., which owns Hanson Permanente Cement, Inc., which owns Kaiser Gypsum Company, Inc.

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

CASES

STATUTES

OTHER AUTHORITIES

INTRODUCTION

When Congress enacted 11 U.S.C. § 1109(b), under which a "party in interest" may object to a Chapter 11 reorganization plan, it did not break new ground. From the enactment of the first federal bankruptcy act in 1898 until now, Congress has tied various rights in a bankruptcy to "party in interest" status. And both historically and today, that term has been understood to cover a limited universe of entities—those whose rights or obligations are directly affected by the bankruptcy, like debtors and creditors.

Truck Insurance Exchange seeks to upend this consensus. Urging this Court to break with over a century of bankruptcy law, Truck redefines "party in interest" to mean anyone "with Article III standing." Pet. Br. 28. In doing so, Truck does not mention, let alone rebut, the presumption against extending a statutory right to be heard to the fringes of Article III. It barely engages with the traditional understanding of "party in interest" in bankruptcy, relegating the use of the term in Chapter 11's immediate predecessor to a one-sentence footnote. Pet. Br. 30 n.2. Instead, Truck insists its revisionist reading is necessary to "effect Congress's policy" of "broad participation." Pet. Br. 20. But crafting bankruptcy policy is a job for Congress, and Truck's purpose-based approach in any event fails on its own terms. As this Court has explained, the focus of Chapter 11 is aiding debtors and their creditors, not the cornucopia of characters that may fear a collateral injury from a reorganization plan. Indeed, given that Article III requires only but-for causation, the roster of possible Chapter 11 hecklers under Truck's theory is virtually endless.

Ultimately, Truck seeks to collapse Section 1109(b) into Article III because only that framework would give it a shot at qualifying as a "party in interest." Having long ago written insurance policies with no aggregate cap on coverage, Truck now finds itself required to indemnify Kaiser Gypsum Company and Hanson Permanente Cement (the Debtors) against every covered asbestos claim. So when the Debtors sought Chapter 11 relief, Truck saw a chance to get a better deal. Invoking Section 1109(b), it objected to the Debtors' reorganization plan—not on the ground that it made Truck any worse off, but because it did not create *new* procedures Truck thought might limit its exposure in future tort suits. All three courts below saw through this ploy, agreeing that Truck could not attack a reorganization plan that left its position *unchanged*. Truck therefore invokes Article III cases to contend that it has lost "'a chance to obtain'" a "benefit." Pet. Br. 35. But by such logic, Section 1109(b) would also allow any Truck *employee* to intervene, based on a fear of losing his job because the plan lacks measures to mitigate Truck's large financial exposure. That cannot be the law.

Joining the fray, the United States instead insists that not even Article III standing is necessary to object; rather, all that is required is some ongoing contract with the debtor. But while entities have long been treated as "parties in interest" if a plan *rejected* (breached) their executory contracts (making them *creditors*), the mere *existence* of such a contract—something held by every one of a debtor's employees, among many others—has never been a ticket into a reorganization. This Court should reject these novel theories and affirm.

STATEMENT OF THE CASE

A. Legal Background

1. Chapter 11 of the Bankruptcy Code (11 U.S.C.) "strikes a balance between a debtor's interest in reorganizing and restructuring its debts and the creditors' interest in maximizing the value of the bankruptcy estate." *Fla. Dep't of Rev. v. Piccadilly Cafeterias, Inc.*, 554 U.S. 33, 51 (2008). To that end, it provides a vehicle for the debtor and its creditors "to negotiate a plan that will govern the distribution of valuable assets from the debtor's estate" while usually keeping the debtor's business operating. *Czyzewski v. Jevic Holding Corp.*, 580 U.S. 451, 455 (2017).

The Chapter 11 process begins with the filing of a petition, which "creates a bankruptcy estate" that consists "of all the debtor's assets and rights" and provides "the pot out of which creditors' claims are paid." *Mission Prod. Holdings v. Tempnology, LLC*, 139 S. Ct. 1652, 1658 (2019). The debtor then negotiates with its creditors as well as its equity-security holders toward the goal of "confirmation of a reorganization plan." *Piccadilly Cafeterias*, 554 U.S. at 37 n.2. The plan specifies how the creditors and equity-security holders will be treated and, if confirmed, discharges the debtor from its pre-confirmation debts. 11 U.S.C. §§ 1123-29, 1141(d)(1).

To be confirmed, a plan must satisfy the Code's demands, which generally contemplate acceptance by "every affected class of creditors." *U.S. Bank Nat'l Ass'n ex rel. CWCapital Asset Mgmt. v. Vill. at Lakeridge*, 583 U.S. 387, 389 (2018); *see* 11 U.S.C. § 1129. By contrast, a debtor need not secure the buy-in of unimpaired creditors—such as those with claims

satisfied under the plan—as they are "conclusively presumed to have accepted." 11 U.S.C. § 1126(f); *see* 7 Collier on Bankruptcy ¶ 1124.03 (16th ed. 2024) (Collier) (creditor not "impaired" if plan "provides that the debtor will fulfill the prepetition obligation").

2. Section 524(g) authorizes a special Chapter 11 plan allowing a debtor "to establish a trust" to which it "may channel future asbestos-related liability." *Ortiz v. Fibreboard Corp.*, 527 U.S. 815, 860 n.34 (1999). Specifically, a debtor can "obtain a channeling injunction that diverts all asbestos claims, current and future, to a trust established by the debtor's reorganization plan and funded by the debtor." Pet.App.4a; *see* 11 U.S.C. § 524(g)(1)-(2).

This relief addresses "two related problems" flowing from "the long latency period of asbestos disease." *In re W.R. Grace & Co.*, 13 F.4th 279, 283 & n.1 (3d Cir. 2021). *First*, it allows "the debtor, who would otherwise face an unknown but potentially large number of future claims, to emerge from bankruptcy as an economically viable entity." Pet.App.4a. *Second*, it protects claimants, who would be "ill-served" if companies facing asbestos liability were "forced into liquidation" and thus could not "satisfy claims." H.R. Rep. No. 103-835, at 41 (1994). That is especially true for "future claimants," who "may not know of their claims until years after the bankruptcy." Pet.App.4a.

To safeguard the interests of all "claimants," as well as "asbestos companies" seeking a "'fresh start,'" the Code sets "high standards" for Section 524(g) relief. H.R. Rep. No. 103-835, at 40-41. These include 75% supermajority approval by current claimants, court appointment of a representative for future

claimants, and plan approval from the district court (not just the bankruptcy court). 11 U.S.C. § 524(g)(2), (4). For a variety of reasons, these demands often lead to "years of contentious negotiations and litigation" before a plan is confirmed. *In re W.R. Grace & Co.*, 729 F.3d 311, 315 (3d Cir. 2013) (10 years); *see, e.g.*, *Mt. McKinley Ins. Co. v. Pittsburgh Corning Corp.*, 518 B.R. 307, 312-14 (W.D. Pa. 2014) (13 years).

3. Although the focus of a Chapter 11 case is aiding debtors and their creditors, the Bankruptcy Rules provide that a "court may permit any interested entity to intervene" if "cause" is shown. Fed. R. Bankr. P. 2018(a). The court may restrict intervention to a "specified matter." *Id.*

In addition to this permissive-intervention provision, the Bankruptcy Rules and Code contain various mandatory-intervention provisions. One permits the U.S. Trustee to "raise," "appear," and "be heard on any issue in any case or proceeding under" the Code. 11 U.S.C. § 307. Others address the intervention of entities ranging from labor unions, Fed. R. Bankr. P. 2018(d); to state commissions, 11 U.S.C. § 1164; to the SEC, *id.* § 1109(a).

Most relevant here, Section 1109(b) provides that a "party in interest, including the debtor, the trustee, a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee, may raise and may appear and be heard on any issue in a case under this chapter." Along with granting automatic entry into a case, with no need for a motion and no opportunity for judicial discretion, "'party in interest" status confers a wide range of "important" powers. Collier ¶ 1109.02[3][a].

Among other things, a party in interest may object to a plan's confirmation (or seek to undo a plan), propose its own plan, pursue the removal of a debtor-in-possession and request the appointment (or removal) of a trustee, and move to convert the reorganization into a liquidation or dismiss it. 11 U.S.C. §§ 1104-05, 1112, 1121(c), 1128(b), 1144, 1185.

B. Procedural History

1. By 2016, the Debtors were facing an onslaught of asbestos-related lawsuits. They had been named in over 38,000 since 1978, with 14,000 pending and untold future ones waiting in the wings. Pet.App.5a. On top of these suits (and the punitive-damage awards they threatened), the Debtors were staring down liabilities from a host of environmental claims as well. Pet.App.43a-45a. They accordingly filed for Chapter 11 relief that year. Pet.App.5a.

After four years of negotiations with creditors, government actors, insurers, and the court-appointed fiduciaries for current and future asbestos claimants, the Debtors filed a proposed Plan of Reorganization. Pet.App.5a. It would settle all non-asbestos-related liabilities, such as the environmental claims (for about $70 million). Pet.App.8a. It also would fully satisfy all claims of general unsecured creditors, such as the unpaid deductibles owed to the Debtors' insurers. *Id.* The only impaired creditors remaining would be the asbestos claimants. *Id.* For them, the Plan would create a $50 million Section 524(g) trust funded by the Debtors and their parent, along with a channeling injunction to protect the Debtors from future claims, including efforts to obtain punitive damages. Pet.App.5a-6a.

In addition, the Debtors would assign to the trust their rights under insurance policies issued by petitioner Truck, their primary insurer from the 1960s to 1983. Pet.App.6a, 42a-43a. These policies, as confirmed by nearly 20 years of litigation, require Truck to defend and indemnify the Debtors in all asbestos-related personal-injury cases arising from this period, even "groundless, false, or fraudulent" ones, and even if the Debtors become bankrupt or insolvent. Pet.App.6a, 17a, 42a-43a; J.A.539, 547. And although the policies generally cap coverage at $500,000 per claim, after deductible, and exclude punitive damages, they lack *aggregate* limits. Pet.App.6a. Accordingly, Truck had obligated itself to defend and indemnify the Debtors against *every* covered asbestos claim, giving them the unusual asset of "effectively unlimited insurance." Pet.App.63a; J.A.384.

Under the Plan, the trust would pay the deductibles for insured claims on which there was liability. Pet.App.6a-7a. Claimants, however, would continue to sue in the tort system to first determine liability and recover insurance proceeds. Pet.App.7a, 234a. Insured claims "would still be subject to all" of Truck's "pre-petition coverage defense rights," and the Debtors would remain bound to their duties under the policies, which included a standard "assistance and cooperation" clause. Pet.App.16a-18a, 95a, 230a-231a. For any claim on which there was liability, Truck, per its policies, would not have to pay any portion over $500,000 (which excess-insurance policies covered and a claimant could pursue with the trust). *See* Pet.App.6a n.2; J.A.431. In short, the Plan would keep "Truck in its pre-petition position." Pet.App.24a.

The Plan further provided that any holders of uninsured claims could pursue relief directly from the trust through an administrative process without involving the tort system. Pet.App.7a; *see* J.A.333. As part of that process, each claimant would submit to the trust certain disclosures and authorizations, which, for a defined set of "extraordinary" claims, could include information about their claims against other asbestos trusts. Pet.App.7a; *see* J.A.427-31 (describing disclosure requirements). Although the Plan had not initially included these requirements, the Debtors added them after the bankruptcy court agreed with the United States that such measures might be necessary for confirmation. *See* Pet.App.7a n.3; Bankr. Ct. Dkts. 1299, 1364. Once they were added, the government did not object to confirmation or otherwise further participate.

2. The Plan won approval from 100% of the asbestos claimants (the only creditors who could vote) and had "the unanimous support" of all other entities involved in the bankruptcy (including excess insurers), "save one." Pet.App.8a. The lone holdout was Truck, which had proposed its own plan. *Id.*; *see* J.A.1-103. Truck's plan, which no one else supported, included provisions such as a channeling injunction for Truck alone and new annual caps on its payments. J.A.30-31, 48-53. The bankruptcy court rejected this as "patently unconfirmable," "not proposed in good faith," and inconsistent with "the 524(g) standards." J.A.119.

While pressing its alternative, Truck sent the Debtors a letter asserting that the Plan appeared to be "in violation of the Debtors' duty to cooperate and assist." Pet.App.9a (cleaned up). Truck took issue with

the Plan's lack of a requirement for "holders of *insured* claims … to provide the same disclosures and authorizations" in the tort system demanded of certain "holders of *uninsured* claims" in the administrative process. Pet.App.8a. Insisting this difference was a "collusive" invitation for "fraudulent" claims, Truck threatened to refuse coverage for every asbestos lawsuit going forward. J.A.549-51.

Because Truck's threat would subvert the Plan's confirmation by sabotaging a key asset of the trust, the Debtors amended the Plan to include a finding that their conduct in bankruptcy did not violate their Truck policies. Pet.App.9a. Upon plan confirmation, this "Plan Finding" would be preclusive, so Truck could not relitigate the issue in each post-bankruptcy lawsuit. *See* Pet.App.22a n.9.

3. At the confirmation hearing, Truck made three primary objections: (1) the Plan Finding would impermissibly alter Truck's policy rights; (2) the Plan was not filed in good faith as 11 U.S.C. § 1129(a)(3) commands, including for the reasons alleged in Truck's letter; and (3) the trust did not satisfy Section 524(g)'s requirements. Pet.App.9a-10a. Unpersuaded, the bankruptcy court recommended that the district court confirm the Plan. Pet.App.10a-11a.

The bankruptcy court ruled Truck could not raise these objections because it was not a "party in interest" under Section 1109(b). J.A.387. Although Truck had been "a creditor" due to unpaid deductibles, the Plan ensured it would "be paid a hundred cents on the dollar" on that claim. J.A.375. Instead, Truck's objections stemmed from its role "as an insurer." *Id.* And from that perspective, Truck "gains no

advantages under this plan, but it also loses nothing," as the Plan "returns" it to the tort system with "all of its rights and defenses intact." J.A.388. Truck's contrary view was "based on a false premise" that the policies gave it control over the Debtors' conduct in their own bankruptcy. J.A.376-77. In truth, Truck was here "because decades ago [it] improvidently wrote an unlimited insurance policy" and, "having paid out huge sums of money based on that decision," would like "to improve that deal and use this case to limit its financial exposure." J.A.387-88.

In the alternative, the court held Truck's objections to the Plan failed on the merits. J.A.382-86. For example, Truck's charge of bad faith was a mixture of "conjecture," "assumption," and "speculat[ion] as to future events" in state tort proceedings. J.A.385.

4. On *de novo* review, the district court adopted the bankruptcy court's findings and conclusions and confirmed the Plan. Pet.App.11a. It agreed Truck was not a "party in interest," because the Plan "neither increases Truck's obligations nor impairs its prepetition contractual rights." Pet.App.95a. Rather, it "simply restores Truck to its position immediately" before the petition, "as if the Debtors' bankruptcy had never occurred." *Id.* The court likewise rejected Truck's objections on the merits "in their entirety." Pet.App.96a. And it denied Truck's request to stay the confirmation order pending appeal. Pet.App.11a.

5. The Fourth Circuit also denied a stay. *Id.* While the appeal was pending, the Plan was substantially consummated, with the Debtors fully paying Truck's claim for deductibles. C.A. Dkt. 58-2, at 4.

The Fourth Circuit then affirmed, agreeing Truck was not a "party in interest." Pet.App.26a. Drawing on Section 1109(b)'s list, the court determined that "party in interest" encompasses those with "'a legally protected interest that could be affected by a bankruptcy proceeding.'" Pet.App.15a. Under that framework, "a debtor's insurer" could qualify if the plan "sufficiently affects" its "rights." Pet.App.16a. And to do that, the plan had to "increase the insurer's pre-petition obligations or impair [its] pre-petition policy rights." *Id.* Otherwise, the plan would be "insurance neutral," and the insurer would be unable "to challenge" it. *Id.*

Applying this framework, the court agreed the Plan did not affect Truck's legal rights as an insurer but merely left it "in the same position as it was pre-bankruptcy." *Id.* The court first rejected Truck's argument that the Plan Finding altered its purported "contractual rights" to have the Debtors agree to a plan with its desired disclosure measures. Pet.App.17a. As the court explained, those rights "never existed" under the policies "in the first place." *Id.* Rather, under state contract law, the assistance-and-cooperation clause only required the Debtors' assistance in individual tort suits. Pet.App.17a-22a.

The Fourth Circuit likewise rejected Truck's theory that the Plan's lack of its desired measures governing litigation of claims harmed its rights as an insurer by facilitating "fraudulent claims … in the tort system." Pet.App.23a. Again, Truck "was not entitled to those measures before the bankruptcy proceeding." *Id.* The Plan therefore did not alter the "pre-bankruptcy" status quo but "merely retain[ed] Truck's decades-old pre-petition coverage obligations (and defenses)." *Id.*

In other words, the gravamen of Truck's objection was not that the Plan *harmed* it, but that the Plan did not *help* it. That the Plan did not seek to newly "limit Truck's potential liability exposure in the tort system," however, "provide[d] no basis" to make Truck a party in interest. *Id.* Otherwise, Truck would be able to use the bankruptcy to try to "expand the Debtors' obligations under the policies." *Id.*

Finally, the Fourth Circuit refused to allow Truck to fall back on its status as a creditor "prior to confirmation of the Plan." Pet.App.24a. Given that Truck's "only claim" (for unpaid deductibles) had been "fully satisfied," it lacked "Article III standing to press its objections" to the Plan "as a creditor" on appeal. Pet.App.25a. Truck thus could not combine its alleged "interests as an *insurer*" (as to whether the Plan altered its policy rights, which it had "Article III standing to raise … on appeal") with its prior "status *as a creditor*." Pet.App.17a n.7, 25a.

SUMMARY OF ARGUMENT

I. In bankruptcy law, the term "party in interest" has traditionally covered those whose rights or obligations are directly affected by a proceeding. That was true under the first federal bankruptcy act; it was true under the first general corporate-reorganization statute; and it was true under Chapter 11's immediate predecessor. It was also how this Court understood the term elsewhere in the U.S. Code. When Congress enacted Section 1109(b) against this background in 1978, its use of "party in interest" presumably carried forward this settled meaning.

Statutory context confirms this understanding. Limiting "party in interest" to those whose rights or obligations are directly affected by a reorganization both tracks Section 1109(b)'s examples and avoids rendering various provisions of the Code superfluous.

II. Truck nevertheless insists anyone with Article III standing is a "party in interest." But this Court presumes that Congress does not extend a statutory right to be heard to the outer bounds of Article III, and nothing suggests Section 1109(b) is the rare exception. Truck does not rebut that presumption through its generalist dictionaries, cases undercutting its position, tendentious readings of statutory history, and appeals to policy.

The government, by contrast, does not key "party in interest" to Article III, which it claims poses no barrier to objecting to a plan. Rather, the government contends that any party to an executory contract with the debtor qualifies. But while there is a party in interest—a *creditor*—if the plan *rejects* such a contract, the sheer *presence* of an agreement does

nothing to trigger Section 1109(b). After all, virtually any corporate debtor will enter bankruptcy with a vast assortment of ongoing contracts, with everyone from its attorneys down to its internet service provider. If any one of those entities is a "party in interest," the term might as well mean anyone with Article III standing.

III. Truck is not a "party in interest," because the Plan leaves it in the same spot it was before the Debtors' bankruptcy. The Plan neither impairs its rights nor increases its obligations; it just fails to *improve* Truck's position from the *status quo ante*. But that is no basis for butting into another's bankruptcy, any more than the possibility that a law someday may benefit an individual means he can intervene to defend it.

Nor can Truck meddle in this Chapter 11 case just because it was creditor of the Debtors *before* they paid its claim for deductibles under the Plan. Truck's status as a *former* creditor gives it no basis under Section 1109(b) or Article III to seek reversal of the judgment below. And in any event, other provisions of the Code would preclude Truck from objecting to the Plan regardless of its party-in-interest status.

ARGUMENT

I. SECTION 1109(B) GRANTS A RIGHT TO OBJECT TO A PLAN ONLY TO THOSE WHOSE RIGHTS OR OBLIGATIONS ARE DIRECTLY AFFECTED BY THE PLAN.

Truck accepts (Pet. Br. 19, 42) that, to object to the Plan's confirmation, it must show that "Congress has authorized" it to be heard. *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 128 (2014). In particular, it seeks to invoke the rights of a "party in interest" under 11 U.S.C. § 1109(b). Only those "with a direct stake" in a reorganization, however, qualify for this role. Collier ¶ 1109.02[3][b].

A. Section 1109(b) retains the traditional understanding of "party in interest."

Although the Code never defines "party in interest," the term's lineage stretches back to at least the "first Federal Bankruptcy Act," from 1898. *Puerto Rico v. Franklin Cal. Tax-Free Tr.*, 579 U.S. 115, 123 (2016). Over the next 80 years, courts and commentators understood this term to mean an entity whose rights or obligations were directly affected by a case, a view that tracked this Court's reading in another context. When Congress enacted Section 1109(b) in 1978, "the term presumably carried forward the same meaning," for "'if a word is obviously transplanted from another legal source … it brings the old soil with it.'" *Hall v. Hall*, 138 S. Ct. 1118, 1128 (2018).

1. The term "party in interest" has a considerable pedigree in bankruptcy law. The 1898 Act, for example, directed that "parties in interest" could object to the "allowance" of "claims." Pub. L. No. 55-541, § 57(d), 30 Stat. 544, 560 (1898). Under this

provision, which was read to refer "to those who have an interest in the res," it was "not enough" that one's "rights may be incidentally affected by the proceeding." *In re Sully*, 152 F. 619, 620 (2d Cir. 1907). Instead, party-in-interest status was reserved for those with "a direct interest in the administration of the bankrupt's estate." *Bankruptcy—Parties in Interest*, 20 HARV. L. REV. 570, 570-71 (1907). Thus, "alleged debtors of the bankrupt" could not object, even if the bankruptcy might harm "their defense" in a later suit by the trustee. *Sully*, 152 F. at 620.

That understanding extended to the Nation's first general corporate-reorganization statute: Section 77B, added to the Bankruptcy Act in 1934. Pub. L. No. 73-296, 48 Stat. 911. Section 77B(f), for example, authorized "any party in interest" to propose "changes and modifications" to a plan. 48 Stat. at 919. That term "plainly refer[red] to creditors, stockholders, or other persons having claims against, or interests in, the company or its property." *In re Paramount-Publix Corp.*, 12 F. Supp. 823, 827 (S.D.N.Y. 1935), *rev'd on other grounds*, 85 F.2d 596 (2d Cir. 1936). A risk that a plan could "imperil" one's interests, by contrast, did not make one "a proper party to the reorganization." *Com. Cable Staffs' Ass'n v. Lehman*, 107 F.2d 917, 919, 921 (2d Cir. 1939) (L. Hand, J.). Thus, a creditor "of a debtor's subsidiary" was "not a party in interest." 6 Collier on Bankruptcy ¶ 9.25, at 1709 n.2 (14th ed. 1977) (1977 Collier) (citing *Commercial Cable*).

2. This understanding of the term "party in interest" continued in Section 77B's successor—Chapter X of the Chandler Act, enacted in 1938 and in force for 40 years. Pub. L. No. 75-696, ch. X, 52 Stat. 840, 883-905 (1938); *see* U.S. Br. 26. In particular,

Section 207 allowed a court "for cause shown" to "permit a party in interest to intervene generally or with respect to any specified matter." 52 Stat. at 894.

Yet "virtually all parties in interest" were already listed in the immediately preceding section, 206. Jacob I. Weinstein, The BANKRUPTCY LAW OF 1938, at 229 (1938); *see In re South State St. Bldg. Corp.*, 140 F.2d 363, 366-67 (7th Cir. 1943) (Minton, J.) (similar); *Brown v. Gerdes*, 321 U.S. 178, 185 n.7 (1944) (citing Weinstein). Under Section 206, "[t]he debtor, the indenture trustees, and any creditor or stockholder of the debtor" had "the right to be heard on all matters in a proceeding under this chapter." Ch. X, § 206, 52 Stat. at 893-94. The "parties in interest" listed in Section 206 thus encompassed parties to "executory contracts of the debtor" that were "reject[ed]"—because "rejection" was a post-petition breach, leaving the "injured" counterparty a "creditor." *Id.* §§ 116(1), 202, 52 Stat. at 885, 893-94; *see* 1977 Collier ¶ 9.24, at 1705 n.5. They further included a creditor or stockholder acting through a committee or other representatives, including an indenture trustee. *See* Ch. X, §§ 106(8), 209, 52 Stat. at 883, 895.

In short, "actual parties in interest" beyond the debtor consisted almost entirely of the "creditors and stockholders" listed in Section 206. Weinstein, *supra*, at 192. And because Section 206's "right to be heard" was "'substantially indistinguishable'" from a "'right to intervene,'" those it covered had no reason to seek to intervene under Section 207. 1977 Collier ¶ 9.23, at 1695 n.24; *see In re Flour Mills of Am., Inc.*, 27 F. Supp. 559, 561 (W.D. Mo. 1939) (vacating § 207 intervention orders for creditor committees, because § 206 covered them).

This left a narrow scope for Section 207 to operate. *See* Bankr. R. 10-210(b), adv. comm. note (considering "the statutory application" of § 207 "somewhat unclear") (reproduced at 11 U.S.C. App., at 1445 (1976)). But to the extent courts recognized an unenumerated "party in interest" under it, they applied "the ordinary rules of intervention." *Seaboard Terminals Corp. v. W. Maryland Ry. Co.*, 108 F.2d 911, 914-15 (4th Cir. 1940); *see In re Fed. Facilities Realty Tr.*, 220 F.2d 495, 501 (7th Cir. 1955) (similar).

Traditionally, including when the Chandler Act was enacted, the "interest" required "to intervene" in a case was "a direct interest, by which the intervening party is to obtain immediate gain or suffer loss by the judgment which may be rendered." *Smith v. Gale*, 144 U.S. 509, 518 (1892) (addressing territorial rule); *see* Caleb Nelson, *Intervention*, 106 VA. L. REV. 271, 309-10 & n.165 (2020) (discussing this view, accepted by "'the overwhelming majority of the Courts'"). Thus, "'a person not a party to a suit'" could only "'appear in it'" if he had "'an interest in the results of the litigation of a direct and immediate character.'" James W. Moore & Edward H. Levi, *Federal Intervention I: The Right to Intervene and Reorganization*, 45 YALE L.J. 565, 581 n.2 (1936).

That remained this Court's understanding when Congress enacted Section 1109(b): The "'interest'" necessary for intervention under Rule 24(a)(2) was "obviously" a "significantly protectable interest," *Donaldson v. United States*, 400 U.S. 517, 531 (1971)—that is, "a direct and concrete interest that is accorded some degree of legal protection," *Diamond v. Charles*, 476 U.S. 54, 75 (1986) (O'Connor, J., concurring in part and in the judgment) (*Diamond*).

Thus, a "taxpayer's interest" in stopping his former employer from disclosing records to the IRS implicating his tax liability was not enough "to intervene" in a suit between the government and the employer. *Donaldson*, 400 U.S. at 531.

On the eve of the Code, then, "the right to intervene in the reorganization case" by an unenumerated party in interest required "'a direct interest'" in the case. 1977 Collier ¶ 9.25, at 1713 & n.15. For example, someone with "an interest in the property in the possession of the debtor and in the custody of the court … who seeks to establish certain rights thereto"—such as by asserting ownership—could qualify. *Id.* at 1713; *see Seaboard Terminals*, 108 F.2d at 914-15. By contrast, one with a "collateral[]" stake—such as "a minority stockholder of another corporation collaterally interested in the settlement of certain claims by the debtor"—was "not an interested party within § 207." 1977 Collier ¶ 9.25, at 1709 n.2 (citing *South State Street*); *see In re Engineers Oil Props. Corp.*, 72 F. Supp. 989, 990 (S.D.N.Y. 1947) (holding, based on Sections 206 and 207, that company withholding funds from debtor and objecting to plan and turnover order had "no interest in the monies withheld" and thus "no standing to object").[1]

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[1] Under the Chapter X Bankruptcy Rules, adopted in 1973, Rule 10-210(b) let a court permit "any interested person" to intervene for cause. The Advisory Committee recognized this term reached persons "other than a party in interest." Even then, its one example of cause was having "an interest in property of the debtor being dealt with by the plan." Bankr. R. 10-210(b) & advisory comm. note (11 U.S.C. App., at 1444-45).

3. During this period, this Court applied a similar understanding to a provision of the Transportation Act of 1920 allowing "any party in interest" to seek to enjoin the unlawful construction of certain railroads. Pub. L. No. 66-152, ch. 91, § 402, 41 Stat. 456, 478; *see* Pet. Br. 22-26; U.S. Br. 19. To qualify as a "'party in interest,'" a plaintiff had to show that the construction would either "seriously threaten[]" its "definite legal right" or risk "directly and adversely affect[ing] [its] welfare." *W. Pac. Cal. R. Co. v. S. Pac. Co.*, 284 U.S. 47, 51-52 (1931). Correspondingly, those only "indirectly and consequentially affected" by the railroad's construction could not qualify as "'part[ies] in interest.'" *L. Singer & Sons v. Union Pac. R.R. Co.*, 311 U.S. 295, 304 (1940). Thus, merchants trying to stop the extension of a railroad to a nearby city, to prevent the creation of a rival market and a consequent loss of business, did not qualify. *Id.*

Of course, as the government emphasizes, the term "'party in interest'" need not bear the "same meaning in *all* statutory contexts," including the 70-odd federal statutes using the term outside the Bankruptcy Code. U.S. Br. 19 n.2. But these decisions confirm that the term was commonly understood to cover only those directly affected.

4. "When Congress used the … same language" in Section 1109(b), "it presumptively was aware of the longstanding judicial interpretation of the phrase and intended for it to retain its established meaning." *Lamar, Archer & Cofrin, LLP v. Appling*, 584 U.S. 709, 721-22 (2018). Indeed, this Court "'will not read the Bankruptcy Code to erode past bankruptcy practice absent a clear indication that Congress intended such a departure.'" *Hamilton v. Lanning*,

560 U.S. 505, 517 (2010). So if Congress wanted Section 1109(b)'s use of "party in interest" to carry an "unusual" meaning that broke with bankruptcy practice, intervention rules, and this Court's reading of the same term elsewhere, it "would have said so expressly." *Id.* Instead, Section 1109(b) just combined the catchall use of "party in interest" in Section 207 with the primary "parties in interest" listed or incorporated in Section 206's right to be heard.

B. Statutory context confirms "party in interest" retains its settled meaning.

Statutory context cements the conclusion that Congress in Section 1109(b) did not abandon the traditional view of "party in interest."

Section 1109(b) provides that a "party in interest, including the debtor, the trustee, a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee," may be heard in a Chapter 11 case. These examples—carried forward from the provision's predecessor—offer "illustrative applications of the general principle which underlies" the meaning of "party in interest." *Alabama v. North Carolina*, 560 U.S. 330, 341 (2010) (cleaned up).

Their common denominator is "someone who has a legally recognized interest in the debtor's assets" or represents someone who does. *In re C.P. Hall Co.*, 750 F.3d 659, 661 (7th Cir. 2014); *see* U.S. Br. 20 (agreeing the examples have "interests in property of the estate" or "represent those that do"). The debtor (and any trustee), its shareholders, and its creditors have a direct interest in the estate's assets, and committees of creditors or shareholders represent those having

that interest, as does an indenture trustee. *See* 11 U.S.C. §§ 101(5), (10), (13), (17), and (28)-(29); 1102-1103. Thus, Section 1109(b) ensures those with a "direct" interest in a case can protect it "directly or through an appropriate representative." Collier ¶ 1109.01[1].

The upshot is that Section 1109(b) does not cover anyone who merely "may suffer collateral damage from a ruling in a bankruptcy proceeding." *Hall*, 750 F.3d at 661. These entities may have a real-world interest in how a reorganization plays out, but that is not akin to a direct stake of the sort held by debtors and creditors.

Moving beyond Section 1109(b), the Code's view of government watchdogs confirms that party-in-interest status is reserved for entities with a direct interest similar to a debtor's or creditor's. Under Section 1109(b)'s neighboring subsection, the SEC "may raise and may appear and be heard on any issue." 11 U.S.C. § 1109(a). And under Section 307, the U.S. Trustee may do the same. These separate provisions are necessary because neither government watchdog is a "'party in interest' under section 1109(b)." Collier ¶ 1109.03[2]-[3]. While they have an "interest" of sorts, tied to their "public duties," they lack "any personal, financial or pecuniary interest in the property in the custody of the federal court." *SEC v. U.S. Realty & Imp. Co.*, 310 U.S. 434, 460 (1940). Indeed, treating them as "parties in interest" would leave Sections 1109(a) and 307 "largely redundant," not to mention other provisions "that specify that certain actions may be taken either by a party in interest *or* the United States trustee." Collier ¶ 1109.03[2]; *see, e.g.*, 11 U.S.C. § 1112(b).

II. THE REVISIONIST READINGS ADVANCED BY TRUCK AND THE GOVERNMENT LACK MERIT.

Truck and the government nevertheless urge this Court to break new ground and adopt an expansive reading of "party in interest" without a foothold in text or tradition. Truck would push Section 1109(b) to the limits of Article III, never acknowledging, much less overcoming, the presumption against such a reading. And while the government nominally does not go that far, its alternative theory—that "party in interest" includes anyone with an executory contract with the debtor, down to the contractor servicing its vending machines—is just as flawed and in ways even broader.

A. Article III standing is not enough.

Although Truck insists that party-in-interest status is "coextensive with Article III," Pet. Br. 2, the inquiry starts from the opposite presumption. Truck never comes close to proving that Section 1109(b) is the exception to the rule.

1. Even if Section 1109(b) could be "[r]ead literally" to say that the right to be heard "is available to anyone who can satisfy the minimum requirements of Article III," it would be "'unlikel[y] that Congress meant'" to create such an "expansive" right. *Lexmark*, 572 U.S. at 129. Instead, courts "presume" that a right to be heard in court, even one couched in "broad language," is available only to those "whose interests 'fall within the zone of interests protected by the law invoked.'" *Id.* For example, a law requiring an agency to hold "'on the record' hearings" is "obviously enacted to protect … the parties to the proceedings," so an injured "reporter[]" could not use it to sue the agency. *Lujan v. Nat'l Wildlife Fed'n*, 497 U.S. 871, 883 (1990)

Because Congress "legislates against the background of the zone-of-interests limitation," this test "applies unless it is expressly negated." *Lexmark*, 572 U.S. at 129 (cleaned up); *see Warth v. Seldin*, 422 U.S. 490, 500, n.12 (1975) ("considerations closely related to the question whether a person in the litigant's position would have a right of action" govern non-plaintiffs). Although Truck accepts that this limitation applies, it never mentions the resulting presumption against reading a statute to hit Article III's outer bounds. Pet. Br. 19, 42; *see Hall*, 750 F.3d at 661. And Section 1109(b) is particularly unsuited to be the rare statute "requiring only the bare minimum of Article III standing." *Lexmark*, 572 U.S. at 137.

When Congress wants to displace the zone-of-interests test, it knows how to do so. The Religious Freedom Restoration Act, for example, states it is "'governed by the general rules of standing *under article III*,'" expressly negating "non-Article III" restrictions. *Hobby Lobby Stores, Inc. v. Sebelius*, 723 F.3d 1114, 1155 (10th Cir. 2013) (en banc) (Gorsuch, J., concurring), *aff'd*, 573 U.S. 682 (2014). Likewise, the one time this Court deemed a statutory right to reach "the full extent permitted under Article III," Congress had used language of "remarkable breadth"—namely, "'any person.'" *Bennett v. Spear*, 520 U.S. 154, 164-65 (1997). Section 1109(b)'s "party in interest" language, by contrast, is a "more restrictive formulation[]." *Id.* at 165.[2]

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[2] This Court has suggested that the Fair Housing Act also might "'reach[] as far as Article III permits'" but stopped short of holding it is that sort of "legal anomaly." *Bank of Am. Corp. v. City of Miami*, 581 U.S. 189, 198-99 (2017).

Indeed, the Transportation Act cases Truck invokes prove the point. *See supra* at 20. In holding that an entity was not a "'party in interest'" merely because it was "indirectly and consequentially affected" by construction, the Court made clear that the term does not track Article III's limits. *L. Singer*, 311 U.S. at 304. The directness restriction the Court recognized—essentially a "proximate cause" standard—does not flow from Article III. *Id.* at 301. "Proximate causation is not a requirement of Article III standing," *Lexmark*, 572 U.S. at 134 n.6, which "'requires no more than *de facto* causality,'" *Dep't of Com. v. New York*, 139 S. Ct. 2551, 2566 (2019); *see, e.g.*, *Massachusetts v. EPA*, 549 U.S. 497, 523-25 (2007).

Instead, "proximate causality," like the "zone of interests" limitation, is a "background principle" that cuts against reading a statutory right to reach the limits of "Article III," *Lexmark*, 572 U.S. at 129, and may itself be "an element of the zone-of-interests test," *Holmes v. Sec. Inv. Prot. Corp.*, 503 U.S. 258, 287 n.* (1992) (Scalia, J., concurring in the judgment). And that framework is what these railroad cases were functionally using, before the Court labelled it a zone-of-interests test. *See L. Singer*, 311 U.S. at 302-04 (considering design and purpose of statute and its cause of action); *Lexmark*, 572 U.S. at 125-26 (discussing evolving terminology).

There is no reason to think Congress adopted a *less* demanding standard when it used the *same* language in Section 1109(b). *See Thompson v. N. Am. Stainless, LP*, 562 U.S. 170, 178 (2011) (applying same zone-of-interests framework to different statutes using "'aggrieved'"). That is especially true given that "the categories … explicitly named" indicate Section

1109(b) does not cover the Article III waterfront. *L. Singer*, 311 U.S. at 306 (Frankfurter, J., concurring). Indeed, if Section 1109(b) did so, it would sweep in the SEC and U.S. Trustee, leaving multiple provisions "insignificant, if not wholly superfluous." *TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001); *see U.S. Realty*, 310 U.S. at 458-60 (SEC had standing to intervene in reorganization and appeal); *supra* at 22.

Finally, the notion that Congress adopted an Article III test in a provision addressing intervention is particularly implausible: "There is no obvious reason to treat 'the irreducible constitutional minimum of standing'—the threshold that must be satisfied for Congress even to have the *option* of allowing someone to initiate litigation in federal court—as the key metric" for determining whether a law "authorize[s] intervention in" already-initiated litigation. Nelson, *supra*, at 289 (footnote omitted). Because "so little is required for Article III standing," that is a recipe for "clutter[ing]" cases, *id.* (cleaned up)—especially in bankruptcy, where each case is an "'aggregation of individual controversies'" involving numerous possible litigants. *Bullard v. Blue Hills Bank*, 575 U.S. 496, 501 (2015). The presumption that Congress did not remain at the Article III floor therefore applies with full force.

2. Truck offers no justification for overcoming that presumption here. Neither text nor history nor policy justifies "the extremity of equating" Section 1109(b) "with Article III." *Thompson*, 562 U.S. at 177.

a. Truck begins with a divide-and-conquer campaign across the dictionary, disaggregating "party in interest" and then fusing together its preferred

definitions. Pet. Br. 21-22; *see* U.S. Br. 17-18. Given that "party in interest" bears a "specialized" rather than "ordinary" meaning in this context, Truck's piecemeal reliance on generalist "dictionaries" is beside the point. *United States v. Hansen*, 599 U.S. 762, 773 (2023). And on top of that, the zone-of-interests test cuts against reading dictionary definitions for all they are worth. *See supra* at 23-24. But in any event, Truck's recourse to the dictionary definitions also fails on its own terms.

Start with "party," which, when used in "*party* in interest," means a "person who constitutes or is one of those who compose one or the other of two sides in an action or an affair; one concerned in an affair; a participator." *Webster's New International Dictionary* 1784 (2d ed. 1943) (*Webster's Second*). That does little to answer the question here, which is who can *become* a "participator." If anything, Congress's choice of "*party* in interest"—rather than "interested *entity*" or "interested *person*" as in the Bankruptcy Rules addressing permissive intervention—suggests it did not want an intervention-by-right free-for-all. *See* Fed. R. Bankr. P. 2018(a) & 1983 adv. comm. note (embracing former); *supra* n.1 (earlier committee contrasting a "party in interest" with latter); 11 U.S.C. § 101(15) (defining "entity" to include any "person").

The word "interest" by itself is similarly unilluminating. Although Truck insists it means "concern, or the state of being concerned or affected, esp. with respect to advantage, personal or general," Pet. Br. 22 (quoting *Webster's Second* 1294) (cleaned up), that is only one possible meaning. "Interest" can also mean a "right, title, share, or participation in a thing." *Webster's Second* 1294; *see Black's Law*

Dictionary (5th ed. 1979) ("a right, claim, title, or legal share in something"). History and context reveal the latter is a better fit. *See* U.S. Br. 19 n.2 ("context" can "inform the type of 'interest' needed to qualify as a 'party in interest'").

Indeed, Truck's preferred definition—which ends up equating "party in interest" with "a person that is concerned" about "the proceeding at hand," Pet. Br. 22—proves too much. Merely being "concerned" about a reorganization falls below even the Article III baseline (which itself, says the government, will not pose a barrier to objecting to a Chapter 11 plan, U.S. Br. 31-32). Accordingly, it is unclear why Truck's law-professor *amici* would not qualify as "parties in interest," as they too are "concerned" with the reorganization here. *See* Casey Br. 1 (claiming "strong interest in the correct interpretation" of the Code).

b. Not only does Truck never grapple with the implications of extending Section 1109(b) to all concerned, but it also abandons that position elsewhere in its brief, all but admitting that the term "party in interest" cannot really be disaggregated. *See also* U.S. Br. 13, 16. As Truck later recognizes, that term had a "settled" meaning in 1978 and hence the "'old soil'" canon applies. Pet. Br. 23. But Truck neglects to dig through the bankruptcy soil, *cf.* Pet. Br. 30 n.3, choosing instead to rely exclusively on cases interpreting the Transportation Act (and a related statute incorporating it by reference). Pet. Br. 23-26; *see Alton R.R. Co. v. United States*, 315 U.S. 15, 19-20 (1942). But as discussed, these cases cut *against* Truck. *See supra* at 20, 25.

To the extent Truck acknowledges that a "party in interest" under Section 1109(b) is someone "directly and adversely affected by the reorganization," the parties are in violent agreement—but that framing is *not* "coextensive with … Article III standing." Pet. Br. 26 (cleaned up); *see supra* at 25; *cf.* U.S. Br. 19 (eliding "directly" and omitting *L. Singer*). Truck contends otherwise (Pet. Br. 24) simply because *Western Pacific* mentioned *Massachusetts v. Mellon*, 262 U.S. 447 (1923), in reasoning that a litigant "must possess something more than a common concern for obedience to law" to be a "'party in interest.'" 284 U.S. at 51. But *Western Pacific* "did not undertake to announce an inclusive and exclusive definition" of "'party in interest.'" *L. Singer*, 311 U.S. at 303. And that it recognized a "concern" beneath Article III's floor to be *insufficient* says nothing to suggest that satisfying Article III is *enough* to be a "party in interest." Indeed, there was no dispute in *L. Singer* that the merchants had "an interest in the outcome of the litigation other than the 'common concern for obedience to law.'" *Id.* at 310 (Stone, J., dissenting) (quoting *Mellon*, 262 U.S. at 488). That the railroad construction would "injure the plaintiffs" was not enough, however, because it would not have "any direct or immediate effect." *Id.* at 300-01 (majority).

In any event, even if these railroad decisions somehow supported Truck, there is no reason to suppose Congress incorporated every jot and tittle of them into Section 1109(b). *See supra* at 20; U.S. Br. 19 n.2. For instance, in rejecting the notion that "a 'party in interest'" under the Transportation Act "must possess some clear legal right for which it might ask protection under the rules commonly accepted by

courts of equity," this Court was reasoning not from the term's traditional meaning but from its view of what would serve the particular "Congressional plan for promoting transportation." *L. Singer*, 311 U.S. at 303 (quoting *Western Pacific*, 284 U.S. at 51).

c. Returning to Section 1109(b), Truck says "history" is on its side. Pet. Br. 28. Wrong again.

For instance, Truck maintains that Congress's choice of "party in interest" instead of the "person aggrieved" language in a pre-Code provision addressing appeals "demand[s] that any party with Article III standing be allowed" into a Chapter 11 case. Pet. Br. 27-28. That is a *non-sequitur*, because this Court reads virtually every term—whether "person aggrieved" or "party in interest"—"more narrowly than the outer boundaries of Article III." *Thompson*, 562 U.S. at 177; *see supra* at 23-24.

Similarly, Truck insists that "Congress's expansion over several decades of the right to appear and be heard" in a reorganization proves Section 1109(b) keyed "such rights to the limits of Article III." Pet. Br. 28-31; *see* U.S. Br. 25-27. This theory is doubly flawed.

First, Congress did not expand the *meaning* of "party in interest" but the *rights* that came with being one, from *permissive* intervention to *mandatory* party status. *See supra* at 17-19. It did not alter who *was* a "party in interest" in the first place. Similarly, Congress's decision in Chapter X "to broaden the rights of creditors" (compared to Section 77B) by allowing them "'to be heard on all matters'" rather than in only "two phases of the proceeding," did not alter who *was* a "creditor." *In re Keystone Realty Holding Co.*, 117 F.2d 1003, 1005 (3d Cir. 1941).

Second, supposing the history did suggest that the meaning of "party in interest" had changed, it would not follow that the 1978 Congress meant to push that term "to the limits of Article III." Pet. Br. 31. Even if Congress had signaled that it was "willing to go, in certain respects, beyond" prior "limits," it would be "simply irrational" to infer it "must have intended *whatever* departures from those … limits advance" participation in a Chapter 11 case. *Am. Exp. Co. v. Italian Colors Rest.*, 570 U.S. 228, 233-34 (2013) (emphasis added). "No legislation pursues its purposes at all costs." *Id.* at 234 (cleaned up).

d. Undaunted, Truck urges a "broad" reading of "party in interest" to effectuate "Congress's policy." Pet. Br. 20; *see* Pet. Br. 44-50; U.S. Br. 22-25. Of course, in "bankruptcy" as elsewhere, "[a]chieving a better policy outcome … is a task for Congress." *Hartford Underwriters Ins. Co. v. Union Planters Bank, N.A.*, 530 U.S. 1, 13-14 (2000). And in any event, "it is far from clear that the policy implications favor petitioner's position." *Id.* at 12.

To start, Truck's revisionist account of Section 1109(b) is unnecessary for its claimed policy of ensuring "courts are provided all of the facts and arguments necessary to make an informed decision." Pet. Br. 48. Other mechanisms already serve this goal.

For example, Congress has tasked the U.S. Trustee as a "watch-dog to prevent fraud, dishonesty, and overreach[]," Pet. Br. 10 (cleaned up), and Truck offers no reason why that office is not up to the job in "the 48 States" in which it exists. *See* U.S. Br. 18; 11 U.S.C. § 307. Instead, Truck protests that the meaning of Section 1109(b) should be enlarged to account for the

handful of jurisdictions "that have no United States Trustee." Pet. Br. 48. But it would be pointless for that tail to wag the dog; the Justice Department may still appear in those jurisdictions to represent the "interests of the United States" under 28 U.S.C. § 517—as it did here, repeatedly. U.S. Br. 19; *see* Bankr. Ct. Dkts. 1299, 1302, 1364, 1367. There is no need to contort Section 1109(b) to deputize legions of private attorneys general to enforce the Bankruptcy Code. *Cf. L. Singer*, 311 U.S. at 304 (declining to read "party in interest" broadly given "permission to sue granted to public authorities").

And if Congress's designated watchdogs fall asleep, Bankruptcy Rule 2018(a) gives courts discretion to permit "any interested entity" to be heard, an intentionally broader term than "party in interest." *Supra* at 27. This is a far better tool than Section 1109(b) for pursuing Truck's policy while "lessening the burden on courts." Pet. Br. 47. It lets courts manage their dockets by confining participation to "specified matter[s]," just as they may with intervention more generally. Fed. R. Bankr. P. 2018(a); *see* Fed. R. Civ. P. 24, 1966 adv. comm. note (noting intervention can come with "conditions or restrictions" to ensure "efficient … proceedings").

Given these tools, there is no reason to give everyone with Article III standing the panoply of powers that come with party-in-interest status. On top of the general right to "be heard on any issue" in a Chapter 11 case—including adversary proceedings, *In re Fin. Oversight & Mgmt. Bd. for Puerto Rico*, 872 F.3d 57, 62-64 (1st Cir. 2017); Collier ¶ 1109.04[1]—a "party in interest" enjoys an array of specific benefits. *See* Pet. Br. 4; *supra* at 5-6. If mere Article III

standing unlocks that arsenal, reorganizations will be "made impossible by crowds of objectors," down to "an employee of" a debtor's insurer "who objects to" a plan "on the ground that it may cost him his job by increasing his employer's potential liabilities." *Hall*, 750 F.3d at 661-62. Arming "'peripheral parties'" to derail a reorganization would therefore "'thwart[] the traditional purpose'" of Chapter 11, *In re Refco Inc.*, 505 F.3d 109, 118 (2d Cir. 2007), which is to protect the interests of a "debtor[]" and its "creditors[]," not the world at large, *Piccadilly Cafeterias*, 554 U.S. at 51.

These are not hypothetical concerns. The roster of "parties in interest," able to participate by right, could come to include everyone from a creditor's disgruntled investors, *Refco*, 505 F.3d at 118; to a debtor's neighbors, *In re Martin Paint Stores*, 207 B.R. 57, 61-62 (Bankr. S.D.N.Y. 1997); to a person wanting "to clear his name" in response to a claimant's allegations, *In re Roman Cath. Church of Archdiocese of Santa Fe*, 2021 WL 4943473, at *2 (Bankr. D.N.M. Oct. 22, 2021). Courts would have to address "myriad objections to confirmation" from "well-funded, very active, and aggressive parties" that, until now, they have filtered out. *In re A.P.I. Inc.*, 331 B.R. 828, 855, 867 (Bankr. D. Minn. 2005), *aff'd*, *One Beacon Ins. Co. v. A.P.I., Inc.*, 2006 WL 1473004 (D. Minn. May 25, 2006). And even if allowing such entities to intervene might promise "immediate convenience" in an particular case, injecting ancillary "controversies" involving "third persons" would, in the long run, "produce practical difficulties of administration outweighing anything gained." *Commercial Cable*, 107 F.2d at 922 (L. Hand, J.).

Truck dismisses such "workability" concerns by asserting that "the Third Circuit" has done fine with the Article III test it supposedly adopted in *In re Global Industrial Technologies, Inc.*, which allowed an insurer to object to a reorganization plan that was documented to have "staggeringly increased" its pre-petition exposure. 645 F.3d 201, 212 (3d Cir. 2011) (en banc). Pet. Br. 44. But the Third Circuit has read *Global* more narrowly than Truck. *See In re Fed.-Mogul Glob. Inc.*, 684 F.3d 355, 379 n.37 (3d Cir. 2012) (insurer's "bare assertions do not rise to the exceptional and well-documented increase in risk we found in *Global*"); *Mt. McKinley*, 518 B.R. at 321, 328-29 (similar); *cf.* Nelson, *supra*, at 294 ("[E]ven if a court *says* that a mere 'injury in fact' is sufficient to establish the 'interest' required … , the court probably does not really mean it."). Truck therefore asks this Court to be the first to open the floodgates.

B. An executory contract is not enough.

Rather than defend Truck's position, the government crafts an alternative that no court, treatise, or other litigant apparently has ever adopted. According to the government, there is no need to settle the "outermost boundaries" of Section 1109(b) now, for it at least covers a party to an executory "contract of the debtor." U.S. Br. 16. This novel understanding of "party in interest" is no more tenable—and no less disruptive—than Truck's.

1. The government at least tries to root its theory in the old soil of Chapter X, asserting that Section 116 "described parties that had executory contracts with a debtor as 'parties in interest.'" U.S. Br. 27. But it omits a crucial detail: That provision concerned "the

rejection of executory contracts." Ch. X, § 116(1), 52 Stat. at 885 (emphasis added). Rejection was what required "notice to the parties to *such contracts* and to *such other parties in interest* as the judge may designate." *Id.* (emphasis added).

That makes sense: If the estate rejects an executory contract, the counter-party has *directly* lost its *legal right* to the debtor's performance. "Of course taking away someone's contractual rights in a bankruptcy proceeding is an injury to which the victim should be allowed to object." *Hall*, 750 F.3d at 662. By such logic, the Fourth Circuit here assumed that, if the Plan *had* "alter[ed] Truck's policy rights" under its insurance contracts, Truck "clearly" would have qualified under Section 1109(b). Pet.App.17a & n.7; *see* Pet.App.22a.

Chapter X elsewhere confirmed as much. It stated that "any person injured by such rejection shall … be deemed a creditor." Ch. X, § 202, 52 Stat. at 893-94. And it said why: The "rejection of an executory contract … shall constitute a breach," generating a claim against the estate. Ch. VII, § 63(a)(9), (c), 52 Stat. at 873-74; *see* Ch. X, § 102, 52 Stat. at 883.

None of this was new. Even before Section 77B, this Court had held that "an adjudication of bankruptcy" resulting in "the equivalent of an anticipatory breach of an executory agreement" entitled the injured counterparty "to prove its claim." *Cent. Tr. Co. of Ill. v. Chicago Auditorium Ass'n*, 240 U.S. 581, 593 (1916); *see* Michael T. Andrew, *Executory Contracts in Bankruptcy: Understanding "Rejection"*, 59 U. COLO. L. REV. 845, 866-78 (1988). And the Code continues this framework. *See* 11 U.S.C. § 365; *Mission Product*, 139 S. Ct. at 1657-58.

So none of this bears on whether *all* parties to executory contracts with the debtor—breached or not—are "parties in interest," with the right to be heard on any issue. It just confirms the unremarkable point that "party in interest" encompasses *creditors*.

2. Ignoring this false foundation, the government offers an analogy for why it should be irrelevant whether a plan "ultimately" "affect[s]" the "parties to the debtor's own contracts." U.S. Br. 21. These entities, it says, are akin to a "creditor," which remains a "party in interest" even if its claim "is ultimately unimpaired." *Id.*

This is false, too. The government ignores that even a creditor cannot object to a plan that leaves its claim unimpaired, meaning "the legal, equitable, and contractual rights to which" the claim "entitles" it are "unaltered." 11 U.S.C. § 1124(1). Section 1126(f) directs that a "holder of a claim" that "is not impaired under a plan" is "conclusively presumed to have accepted the plan." It follows that under the Code "an unimpaired creditor … has no standing to complain" about a plan. *In re Sylmar Plaza, L.P.*, 314 F.3d 1070, 1075 (9th Cir. 2002); *see In re Ultra Petroleum Corp.*, 943 F.3d 758, 761 (5th Cir. 2019) (under § 1126(f), "'unimpaired'" creditors "could not object to the plan"). And because "'the specific governs the general,'" *NLRB v. SW Gen., Inc.,* 580 U.S. 288, 305 (2017), a creditor's general right under Section 1109(b) to be heard must yield to these provisions specific to plans. *See Hartford Underwriters*, 530 U.S. at 8 ("[W]e do not read § 1109(b)'s general provision of a right to be heard as broadly allowing a creditor to pursue substantive remedies that other Code provisions make available only to other specific parties.").

Thus, the government would give all counterparties to executory contracts—whom Section 1109(b) does not mention—*greater* rights than creditors, whom Section 1109(b) does name and who are the paradigmatic party in interest. That cannot be right.

In fact, an unimpaired creditor would not even be a "party in interest" for this purpose. While the government assumes (U.S. Br. 20-21) that "anything that *follows* the word 'including' must necessarily be a subset of whatever *precedes* it," that is not always so. *Massachusetts*, 549 U.S. at 556 (Scalia, J., dissenting). Sometimes, "the examples standing alone are broader than the general category, and must be viewed as limited in light of that category." *Id.* at 557 (collecting statutes). "The phrase 'any American automobile, including any truck or minivan,'" for instance, "would not naturally be construed to encompass a foreign-manufactured truck or minivan." *Id.* (cleaned up). Likewise, "[t]he general principle" captured by the term "party in interest"—someone whose rights are directly affected by a case—"carries forward to the illustrative examples … and limits them accordingly, even though in isolation they are broader." *Id.* That reading of Section 1109(b) (although not necessary here) makes more sense than one that gives any creditor, equity-security holder, indenture trustee, or committee unqualified rights to object regardless of whether the plan actually "affects its interests." U.S. Br. 21. Among other things, it makes Sections 1109(b), 1124(1), and 1126(f) a harmonious whole, rather than reading the latter two as "specific" exceptions to the former's "general" rule. At a minimum, it further undermines the government's inference from the term "creditor."

3. The government fares no better in analogizing Truck to Section 1109(b)'s enumerated entities and the traditional meaning of "party in interest" on the ground that its insurance contracts gave it "an actual interest in property of the estate." U.S. Br. 21.

Truck's "rights" under its insurance contracts are not "property of the estate." *Id.* The Code defines "the estate to include the 'interests *of the debtor* in property,'" and "[t]he estate cannot possess anything more than the debtor itself did outside bankruptcy." *Mission Product*, 139 S. Ct. at 1663 (quoting 11 U.S.C. § 541(a)(1)). This scheme governs executory contracts as it does anything else: An "'executory contract' … represents both an asset (the debtor's right to the counterparty's future performance) and a liability (the debtor's own obligations to perform)." *Id.* at 1658. Thus, here, while the estate has the "asset" of *the Debtors'* rights under the insurance policies, it does not have *Truck's* rights under them (which are against the Debtors). *See* Pet.App.6a.

4. In all events, the "absurd consequences" of the government's novel theory are reason enough to reject it. *Thompson*, 562 U.S. at 176. The universe of entities holding contracts with a debtor that "may be interpreted, assigned, *or otherwise affected* by the Chapter 11 proceedings" is vast. U.S. Br. 16 (emphasis added). Any substantial corporate debtor will have executory contracts with a raft of parties ranging from its employees, attorneys, accountants, and independent contractors to the company that stocks the vending machines in its headquarters. Under the government's theory, that vending-machine contractor—even if its contractual rights remained untouched—could blow up the reorganization with

objections. In fact, on the government's view, it would not even need to "establish Article III standing" to do so. U.S. Br. 32. The modesty of the government's position is skin deep.

The government nevertheless asserts that litigants "can be expected to make rational choices" as to whether to seek party-in-interest status and what to do with that power. U.S. Br. 30. That is dubious empirically. Bankruptcy judges are all too familiar with efforts to thwart confirmation by any means necessary, including attempts to raise arguments "going to aspects of the plan that do not by their terms affect the legal or contractual basis of [objectors'] relationships with the Debtor." *A.P.I.*, 331 B.R. at 855. And this case is hardly the first in which a single holdout insurer has dragged out for years a carefully negotiated bankruptcy resolution. *See, e.g.*, *Mt. McKinley*, 518 B.R. at 312-14.

More fundamentally, this Court has never relied on a litigant's self-policing as to "whether its own interests warrant participation" in a federal case, U.S. Br. 30—not under Rule 24, not under the zone-of-interests test, and not under Article III. There is no reason for a different approach here. This Court should not lightly confer the heavy artillery of party-in-interest status on all comers "merely because the Government promise[s]" they will "use it responsibly." *United States v. Stevens*, 559 U.S. 460, 480 (2010).

III. TRUCK IS NOT A "PARTY IN INTEREST."

Under a proper understanding of a "party in interest," Truck cannot qualify. Its asserted injuries as an insurer are contingent and speculative, and its asserted injuries as a creditor are nonexistent.

A. Truck's alleged injuries as an insurer are insufficient.

To qualify as a "party in interest," Truck must show that the Plan "directly affect[s]" a "peculiar interest" it has "the right to" protect. *L. Singer*, 311 U.S. at 304. As the Fourth Circuit correctly held, Truck cannot do so, as the Plan neither "impair[s]" its "policy rights" nor increases its "liability," but "simply maintains Truck in its pre-petition position with all its coverage defenses intact." Pet.App.24a. None of Truck's arguments to the contrary holds water.

1. To start, Truck has abandoned any challenge to the lower courts' uniform conclusion that "the Plan does not impair Truck's policy rights." Pet.App.24a. As they all agreed, the Plan—including its finding that the Debtors complied with Truck's policies during the bankruptcy—preserved "all of" Truck's "rights and defenses," J.A.388, "as if the … bankruptcy had never occurred," Pet.App.95a; *accord* Pet.App.24a. Because nothing is breached, the Plan "leaves unaltered" Truck's "legal, equitable, and contractual rights," akin to an unimpaired creditor. 11 U.S.C. § 1124(1).

Truck nevertheless insists that, by addressing its argument that the Plan impaired its policy rights, "the Fourth Circuit recognized" Truck's status as "a party in interest" and thus should have considered its "other challenges to the plan." Pet. Br. 36; *see* U.S. Br. 27-30. But the court was not treating Truck as a "party in interest" for *some issues and not others*. It was determining whether Truck was a "party in interest" *in the first place*. *See* Pet.App.17a-22a. That is just like a court asking whether a litigant invoking Section 1109(b) is or is not "a creditor." *Cf. In re*

Castro, 503 F. App'x 612, 614-15 (10th Cir. 2012) (so considering to determine whether litigant "was a 'party in interest' under § 362(d)").

Of course, figuring out whether a contractual impairment entitled Truck under Section 1109(b) to object required resolving "the merits" of *its argument for a contractual impairment*, but there is nothing wrong with that. Pet. Br. 36. When it comes to Article III, "the merits and jurisdiction will sometimes come intertwined, and a court can decide all of the merits issues in resolving a jurisdictional question." *Brownback v. King*, 141 S. Ct. 740, 749 (2021) (cleaned up). The same is true for "statutory standing" issues, which "often 'overlap'" with "merits questions." *Steel Co. v. Citizens for a Better Env't*, 523 U.S. 83, 97 n.2 (1998). A failure to establish "proximate cause," for instance, may not only doom a plaintiff's claim on the merits but eliminate his "right to sue under" a statute. *Holmes*, 503 U.S. at 268. So too here.

2. Truck also contends that because the Plan's "channeling injunction" protects the Debtors from future asbestos suits, Truck "stands alone in carrying the financial burden of these claims." Pet. Br. 33. But that was true before, so the legal significance is nil. Truck's *policies*, not *the Plan*, made it "financially responsible" for suits by and liability to the Debtors' "asbestos claimants." Pet. Br. 11.

The Plan, channeling injunction included, does not change that reality: It does not modify the policies' "per-claim limit of $500,000" or "per-claim deductible." *Id.* It does not force Truck to pick up the share of the excess insurers. *See supra* at 7. It does not let the trust prejudice any insured claim. *Cf. In re*

Thorpe Insulation Co., 677 F.3d 869, 885 (9th Cir. 2012). And it does not trigger "an explosion of new claims" for Truck to address. *Global*, 645 F.3d at 214. It just shifts the Debtors' "asbestos-related liabilities—based on events which had already occurred and for which the insurers were already potentially responsible—to the post-confirmation trust." *Federal-Mogul*, 684 F.3d at 379.

3. Yet Truck baldly asserts that the Plan's lack of its desired disclosure measures "*greatly expands* [its] financial exposure," by somehow facilitating "fraudulent claims" post-bankruptcy in the tort system. Pet. Br. 2 (emphasis added); *see* Pet. Br. 31-35. Not only, again, was Truck concededly "not entitled to those measures before the bankruptcy proceeding," Pet.App.23a; *see* Pet. Br. 35, but the bankruptcy court found that the "evidence" for "the potential of … fraud" was "not particularly strong," leaving Truck to "speculate[]." J.A.385. The district court adopted that finding on *de novo* review, likewise dismissing Truck's allegations as "unsupported" and resting "on speculation." Pet.App.64a; *see* Pet.App.11a. And far from disturbing this consensus fact-finding that these accusations were "purely speculative," the Fourth Circuit agreed the Plan did not "alter" Truck's "liability" exposure. Pet.App.11a, 24a. It "in no way alters Truck's pre-bankruptcy" risk of fraud. Pet.App.23a. Truck's strenuous objections notwithstanding, Pet. Br. 34-35, this Court "'cannot undertake to review concurrent findings of fact by two'"—nay, three—"'courts below in the absence of a very obvious and exceptional showing of error,'" *Exxon Co., U.S.A. v. Sofec, Inc.*, 517 U.S. 830, 841 (1996).

Truck has made no such showing. Its theory of future fraud rests on a series of contingencies, including that claimants will pursue fraud in the tort system, that trial courts will not on their own act to root out such abuses and will be unpersuaded by Truck's urgings to do so, and that inappropriate liability (or increased liability) will result. But a "speculative chain of possibilities" of future injury cannot satisfy even Article III, *Clapper v. Amnesty Int'l USA*, 568 U.S. 398, 414 (2013), let alone establish the direct injury necessary to become a "party in interest" under Section 1109(b). *See Diamond*, 476 U.S. at 75-76 ("speculative claim" involving "contingent financial interest" cannot satisfy "*Donaldson*'s requirement" of "a direct and concrete interest" to intervene).

4. Truck therefore protests that this assessment of its interests "proceeds from the wrong baseline." Pet. Br. 35. In Truck's telling, this Court must "assume" that "the Code requires" its desired disclosure measures, and hence that it was wrongfully "deprived of a chance to obtain a benefit." Pet. Br. 35-36. Whatever the strength of that argument under Article III, *but see TransUnion LLC v. Ramirez*, 594 U.S. 413, 424-30, 435-39 (2021); Br. in Opp. 32-33, it is not enough to establish the direct interest necessary to intervene under Section 1109(b). If the mere assertion that the Code should confer a benefit is sufficient to qualify as a "party in interest," then nothing would stop one of Truck's employees, for instance, from likewise seeking to scuttle the Plan on the theory that the lack of the disclosure measures could injure Truck's bottom-line and thereby cost him his job. That cannot be right, any more than a litigant's assertion

that his "financial interest" "may benefit" from a law's "enforcement" would give him a sufficient "interest" to intervene to defend the law. *Diamond*, 476 U.S. at 76.

Moreover, even spotting Truck its (flawed) premise that Sections 524(g) and 1109(a)(3) of the Code demand these disclosure measures, Truck has never shown that it "comes within the class" of entities these provisions "protect[]." *Lexmark*, 572 U.S. at 137; *see* Pet. Br. 10; Pet.App.25a, 103a-104a. Nor could it. Section 524(g) protects the interests of debtors and asbestos claimants, not non-settling insurers who seek to injure both. *See In re Plant Insulation Co.*, 734 F.3d 900, 912 (9th Cir. 2013) ("Congress has not commanded that the interests of other third parties, such as the Non-Settling Insurers in this case, enter into the calculus" under "Section 524(g)"). And Section 1129(a)(3)'s demand that a plan "be submitted in good faith" just ensures that there is "some relation … between the chapter 11 plan and the reorganization-related purposes that the chapter was designed to serve"—again, the protection of debtors and their creditors, not an insurer seeking to improve a deal it made long ago. *In re Coastal Cable T.V., Inc.*, 709 F.2d 762, 764 (1st Cir. 1983) (Breyer, J.).

5. Ultimately, Truck resorts to name-calling, accusing the Fourth Circuit of applying a "prudential," "judge-made" restriction in "the insurance-neutrality doctrine." Pet. Br. 43-44. But asking "whether [a] plan is 'insurance neutral'" is just a label for whether it "increase[s] the insurer's pre-petition obligations or impair[s] the insurer's pre-petition policy rights." Pet.App.16a. Which is just another way of asking whether an insurer is "directly and adversely affected"—Truck's at-times preferred

formulation of what party-in-interest status requires. Pet. Br. 26 (cleaned up). The "insurance-neutrality doctrine" is thus no more than a term to describe the process of resolving "whether Congress has authorized a party to seek redress from a federal court" under Section 1109(b). Pet. Br. 42. Even Truck's go-to lower-court case employs "the concept of 'insurance neutrality.'" *Global*, 645 F.3d at 212.

Whatever some lower courts have said about "insurance neutrality" is therefore beside the point. *See* Pet. Br. 39, 43. Truck's refrains (Pet. Br. 2, 19, 39) in any event play fast and loose with that caselaw. When the Ninth Circuit spoke of "judicially self-imposed limits on the exercise of federal jurisdiction," it was discussing not insurance neutrality but the "zone of interests" test, *Thorpe,* 677 F.3d at 888, a mis-description this Court corrected in *Lexmark*. And a page before, the Ninth Circuit held a plan that worked "vast changes to the insurance policies" was "not insurance neutral." *Id.* at 887; *see In re Tower Park Props.*, 803 F.3d 450, 458 (9th Cir. 2015) (plan in *Thorpe* "directly affected" insurers' "legal interests"). Likewise, when the Seventh Circuit declined "a literal reading of section 1109(b)," it was discussing not who was a "party in interest" but whether an undisputed one (a "creditor") could be heard on only certain "issue[s]." *Matter of James Wilson Assocs.*, 965 F.2d 160, 169 (7th Cir. 1992). That has nothing to do with whether Truck or anyone else is a "party in interest" in the first place.

B. Truck's status as a fully satisfied creditor is irrelevant.

In a last-ditch attempt to qualify as a "party in interest," Truck briefly contends that, because it was a "creditor" of the Debtors before they fully paid under the Plan its claim for deductibles, it falls within Section 1109(b). Pet. Br. 37-38; *see* U.S. Br. 30-32. This fallback theory is riddled with flaws.

1. To start, it "is not fairly included" in the question presented and therefore not "properly before" the Court—a defect Truck has yet to try to address. *Yee v. City of Escondido*, 503 U.S. 519, 533 (1992); *see* Br. in Opp. 28-30 (flagging problem). This Court granted certiorari to resolve "[w]hether *an insurer with financial responsibility for a bankruptcy claim* is a 'party in interest' that may object to a Chapter 11 plan of reorganization." Pet. i (emphasis added). That is "a different question from" whether a *creditor* whose claim a plan satisfies may object to other aspects of that plan. *Wood v. Allen*, 558 U.S. 290, 304 (2010). Even if the latter were "a question *related*" (or "*complementary*") "to the one … presented," it is not "subsidiary to" it. *Yee*, 503 U.S. at 537. Rather, the two "exist side by side, neither encompassing the other," such that addressing Truck's fallback theory "would not assist in resolving whether" its status as an insurer independently suffices. *Id.*; *see Ohio v. Robinette*, 519 U.S. 33, 38 (1996) (issue that "is a 'predicate to an intelligent resolution' of the question presented" is "'fairly included therein'").

2. Question presented aside, Truck cannot invoke the right "to be heard" in this Court because it is no longer a "creditor" under Section 1109(b). Under the

Plan, the Debtors paid Truck's claim before the decision below. C.A. Dkt. 58-2, at 4; *see* Pet.App.8a, 24a-25a. Because Truck has been paid, it no longer has a "right to payment" (*i.e.*, "a claim") and thus is not a "creditor." 11 U.S.C. § 101(5), (10)(A).

Had the Debtors paid Truck's claim *before* seeking Chapter 11 relief, no one could reasonably contend that its status as a *former* "creditor" would allow it to be heard under Section 1109(b). By the same token, Truck cannot rely on its status as an unpaid creditor at *the start* of the Chapter 11 proceeding to invoke Section 1109(b) *now*. As with Article III standing, a statutory right to be heard must "'persist throughout all stages of litigation.'" *West Virginia v. EPA*, 597 U.S. 697, 718 (2022); *see, e.g.*, *Viking River Cruises, Inc. v. Moriana*, 596 U.S. 639, 663 (2022) (once plaintiff's "individual claim" was "committed to a separate proceeding," she lost "statutory standing to continue to maintain her non-individual claims"); *RMA Ventures Cal. v. SunAmerica Life Ins. Co.*, 576 F.3d 1070, 1073-75 (10th Cir. 2009) (purchase of right of action meant plaintiff could not maintain appeal).

3. Truck at least cannot rely on its former creditor status to invoke this Court's jurisdiction under Article III, because reversing the judgment below would do nothing to redress Truck's (nonexistent) injury as a creditor. To the contrary, by jeopardizing the Plan's validity—including payment of deductibles—it could only make Truck *qua* creditor worse off. And that is fatal to Truck's fallback theory. Truck cannot mix-and-match one interest for Article III (its alleged injury "as an *insurer*") and another for Section 1109(b) (its erstwhile "status *as a creditor*"). Pet.App.25a. Rather, "on any given claim the injury that supplies

constitutional standing must be the same as the injury within the requisite 'zone of interests." *Mountain States Legal Found. v. Glickman*, 92 F.3d 1228, 1232 (D.C. Cir. 1996); *see* Charles Alan Wright et al., 13A *Fed. Prac. & Proc. Juris.* § 3531.7 (3d ed. 2024) ("[T]he same interest must satisfy both tests.").

While Truck protests that this limitation "has no basis in Article III," Pet. Br. 38, that misses the point. This basic principle prevents litigants from evading the zone-of-interests test and thereby enjoying rights Congress never conferred on them. Here, for instance, it "cannot reasonably be assumed that Congress authorized" creditors whose claims have been paid under a plan to leverage their prior creditor status to challenge the plan on unrelated grounds otherwise unavailable. *Lexmark*, 572 U.S. at 130 (cleaned up).

Taking a different tack, the government insists "standing is irrelevant here" because Truck did not "invoke[] the district court's Article III jurisdiction." U.S. Br. 31. But as the government concedes, Truck "must establish its standing to seek *appellate* review," and its only arguable way to do so is "its contract-based payment obligations" as an *insurer*. U.S. Br. 32 n.4 (emphasis added). Truck's Article III status in *the district court* is thus beside the point. *See Wittman v. Personhuballah*, 578 U.S. 539, 544 (2016) (dismissing because, even if appellant had standing when he intervened to defend a law, he lacked "standing now").

4. In all events, Truck's position as a "creditor" does not automatically make it a "party in interest" for challenging the Plan, any more than a Chinese minivan would qualify as an "American automobile" if the latter term was followed by the phrase "including

any minivan." *See supra* at 37. Rather, Truck must show that the Plan will *directly injure* its interests as a creditor—a burden it cannot meet. Whether under Section 1109(b) itself or that general provision as qualified by the specific Sections 1124(1) and 1126(f), a creditor whose claims a Chapter 11 plan will satisfy does not have an interest of the sort Section 1109(b) protects and may not object to the Plan. *See supra* at 36-37.

CONCLUSION

The judgment below should be affirmed.

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