

No. 26-____

IN THE
Supreme Court of the United States

6525 BELCREST ROAD, LLC,
Petitioner,

v.

DEWEY, L.C.,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

This Court held that state law creates and defines property interests in bankruptcy, so that no party receives "a windfall merely by reason of the happenstance of bankruptcy." *Butner v. United States*, 440 U.S. 48, 55 (1979). A creditor's claim must also reflect its right to payment under nonbankruptcy law. *Travelers Cas. & Sur. Co. of Am. v. Pac. Gas & Elec. Co.*, 549 U.S. 443, 450 (2007). Only the holder of a right to payment may assert it, and the claimant bears the burden of proof. *Raleigh v. Ill. Dep't of Revenue*, 530 U.S. 15, 20 (2000).

Prepetition, a creditor assigned "all right, title and interest" in a ground lease to a third party, keeping only a right to rent through a date certain. Yet, the creditor filed a proof of claim as "lessor" for rejection damages measured by the remaining 24-year term. The courts below allowed the full § 502(b)(6) cap, holding that 11 U.S.C. § 101(5) accelerated all future rents, including rents that, under the assignment and state law, belonged to the transferee. That holding conflicts with *Butner* and *Travelers* and departs from Fourth and Sixth Circuit precedent measuring a lessor's claim under state law before applying the cap.

The question presented is:

Whether 11 U.S.C. § 101(5) determines whether an assignor or assignee of a commercial real-property lease has standing to assert a claim for lease rejection damages, and in what amount under § 502(b)(6), or whether those questions must be determined by state law and the parties' assignment pursuant to § 502(b)(1), *Butner*, and *Travelers*.

**PARTIES TO THE PROCEEDING
AND RULE 29.6 STATEMENT**

Petitioner 6525 Belcrest Road, LLC is a Maryland limited liability company that was the debtor in the bankruptcy court, the debtor-appellant in the district court, and the debtor-appellant before the court of appeals.

Respondent Dewey, L.C. is a Maryland limited liability company that was the claimant in the bankruptcy court, the appellee in the district court, and the appellee before the court of appeals.

6525 Belcrest Road, LLC is not a publicly held corporation. No publicly held corporation owns 10% or more of its membership interests.

RELATED PROCEEDINGS

Pursuant to this Court's Rule 14.1(b)(iii), the following proceedings are directly related to this case:

In re 6525 Belcrest Road, LLC, No. 25-1643-bk (2d Cir.) (summary order entered May 12, 2026);

6525 Belcrest Road, LLC v. Dewey, L.C., No. 23 Civ. 11205 (DEH) (S.D.N.Y.) (opinion and order entered June 4, 2025);

In re 6525 Belcrest Road, LLC, No. 21-10968 (MEW) (Bankr. S.D.N.Y.) (decision entered December 7, 2023).

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PETITION FOR A WRIT OF CERTIORARI

Petitioner, 6525 Belcrest Road, LLC, respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit.

OPINIONS BELOW

The summary order of the United States Court of Appeals for the Second Circuit (App. 1a) is unreported. The opinion and order of the United States District Court for the Southern District of New York (App. 10a) is unreported. The decision of the United States Bankruptcy Court for the Southern District of New York (App. 28a) is unreported.

JURISDICTION

The bankruptcy court entered its decision on December 7, 2023. The district court affirmed on June 4, 2025. The court of appeals affirmed by summary order on May 12, 2026. On August 5, 2026, Petitioner was granted an extension of time to file its petition through and including October 9, 2026. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

The following provisions are reproduced in the Appendix to this petition at App. 94a:

11 U.S.C. § 101(5) (definition of “claim”)

11 U.S.C. § 101(10) (definition of “creditor”)

11 U.S.C. § 365 (executory contracts and unexpired leases)

11 U.S.C. § 501(a) (filing of proofs of claim)

11 U.S.C. § 502(a), (b)(1) and (b)(6) (allowance of claims; cap on lessor’s lease rejection damages)

Federal Rule of Bankruptcy Procedure 3001(b), (c), (e)(1), and (f)

INTRODUCTION

This Court established four foundational principles governing the allowance of claims in bankruptcy. State law, not federal bankruptcy law, creates and defines the property interests at stake in a bankruptcy proceeding. *Butner v. United States*, 440 U.S. 48, 55 (1979). A creditor’s claim must reflect its right to payment under applicable nonbankruptcy law. *Travelers Cas. & Sur. Co. of Am. v. Pac. Gas & Elec. Co.*, 549 U.S. 443, 450 (2007). Only the entity that actually holds the right to payment under applicable law has standing to assert that right. *See* Fed. R. Bankr. P. 3001(e)(1); *see also Sessions v. Morales-Santana*, 582 U.S. 47, 57 (2017) (“A party must assert his own legal rights and cannot rest his claim to relief on the legal rights of third parties”). And, the burden of proving the claim rests with the claimant. *Raleigh v. Ill. Dep’t of Revenue*, 530 U.S. 15, 20 (2000). Together, these principles ensure that no party may assert a claim that it does not own and that

no creditor receives more through the bankruptcy process than it is entitled to receive outside of bankruptcy; i.e., no party may obtain “a windfall merely by reason of the happenstance of bankruptcy,” *Butner*, 440 U.S. at 55. The decisions from the lower courts disregarded all four foundational principles.

A creditor that assigned “all right, title and interest” in a ground lease to a third party—transferring its status as landlord under state law—and retained only a contractual right to receive rent revenue through a date certain ending approximately 11 months after the lease was rejected, was awarded lease rejection damages measured by the full 24-year remaining lease term on a lease that it no longer owned. The transferor-creditor achieved this result by falsely filing a proof of claim as “lessor” by concealing from the debtor and the court the assignment documents that revealed it was no longer the landlord. Nevertheless, each court below allowed the transferor-creditor lease rejection damages at the full statutory cap of \$2,602,119.73—more than three times what its reserved eleven-month rent interest would support. The courts examined the assignment but treated the effective bankruptcy acceleration under 11 U.S.C. § 101(5) as dispositive of what the term “accrued” meant in a private Maryland contract, without determining the scope of the creditor’s retained rights or its actual damages under nonbankruptcy law or requiring it to sustain its burden of persuasion at trial.

The consequences of this holding extend well beyond this case. If § 101(5) can substitute for the claimant’s

evidentiary burden and override state-law property interests, then any creditor asserting a “right to payment”—no matter how attenuated by assignment, transfer, or contractual limitation—can claim the full measure of damages that belong to a third party that actually holds the underlying interest. Moreover, if the decisions below are allowed to stand, Federal Rule of Bankruptcy Procedure 3001(e)(1)—which provides that when a claim has been transferred before a proof of claim is filed, “only the transferee...may file a proof of claim”—will be rendered meaningless and the claims allowance process that this Court has held should protect both debtors and creditors alike is reduced to a mere rubber stamp.

STATEMENT

A. The Ground Lease

In 1998, Dewey, L.C. (“Dewey”) entered into a Ground Lease with the owner of the “Metro III” office building in Hyattsville, Prince George’s County, Maryland. [C.A. App. 0555, 1353–1381]. The Ground Lease covered 7.9 acres of uncovered vehicular parking across the street from the Metro III building (the “Leased Premises”). [App. 31a]. The tenant agreed to pay base rent of no less than \$690,000 per year, plus taxes and utility charges as “Additional Rent,” for a term ending June 30, 2045. [App. 11a, 31a]. Petitioner, 6525 Belcrest Road, LLC (“Belcrest” or “Petitioner”) subsequently acquired the Metro III building and assumed the tenant’s obligations under the Ground Lease. [C.A. App. 0555].

Section 6.1 of the Ground Lease gave Dewey the right to designate “Permanent Substituted Leased Premises” in lieu of the original parking lot — including two nearby parking garages known as Garage A and Garage B, even though the owners of those garages were not signatories to the Ground Lease. [C.A. App. 1358; App. 11a–12a]. At all relevant times, Garage A was owned by New Town Parking, LLC (“New Town”), and Garage B was subleased by New Town Metro I, LLC (“New Town Metro”); both were affiliates of The Bernstein Companies. [C.A. App. 0619–0621, 1729].

B. The Assignment and Amended Assignment

Dewey decided to develop the Leased Premises and sought to relocate Belcrest’s parking to Garages A and B. [C.A. App. 0557]. On February 14, 2019, Dewey and New Town entered into an “Assignment and Assumption of Parking Lease” (the “Assignment”), pursuant to which Dewey agreed to assign to New Town “all of [Dewey’s] right, title and interest in and to the” Ground Lease as of the “Transfer Date.” [C.A. App. 0557, 1389–1442; App. 12a]. The Assignment provided that the Transfer Date would be “not less than thirty (30) days following the date of the Exchange Notice” for the new parking facilities [C.A. App. 1389–1442]. The Assignment also provided that all rents payable after the Transfer Date were to belong to New Town. [App. 34a].

On April 28, 2021, Dewey and New Town executed a “First Amendment to Assignment and Assumption of Parking Lease” (the “Amended Assignment”). [C.A.

App. 1443–1448]. The Amended Assignment made two critical changes. First, it redefined the “Transfer Date” to occur upon New Town’s receipt of notice of a favorable outcome in arbitration proceedings then pending between Dewey and Belcrest, rather than on the date specified in the Exchange Notice. [C.A. App. 1443]. Second, it created a separate “Revenue Transfer Date,” defined as the date of the final, non-appealable approval of two Detailed Site Plans that would allow Dewey to commence construction on the Leased Premises. [C.A. App. 1444]. Section 4 of the Amended Assignment provided that “[i]rrespective of the actual Transfer Date,” all parking revenue “that is accrued prior to the Revenue Transfer Date, paid or unpaid as of the Revenue Transfer Date, if any, shall be retained by and/or delivered to Assignor upon payment.” [C.A. App. 1444].

The parties agree that the Revenue Transfer Date occurred on August 30, 2022. [App. 13a].

C. Concealment of the Assignment Documents and The Transfer Date

When Dewey and New Town entered into the Assignment in February 2019, their principals decided to conceal it from Belcrest because they did not want to “stir a hornets nest.” [C.A. App. 1682]. Dewey commenced arbitration seeking a declaration that its Exchange Notice was valid (the “Arbitration”). [C.A. App. 1585–1601]. On May 18, 2021, the arbitrator issued his final summary judgment order in Dewey’s favor, holding that the Exchange Notices were valid and the parking

substitution was permitted. [C.A. App. 1602–1610]. The bankruptcy court found that the Transfer Date occurred on May 18, 2021 — a finding unchallenged on appeal. [App. 59a]. Thus, pursuant to the Amended Assignment, Dewey’s Ground Lease, and all of Dewey’s rights, title and interests thereunder were transferred to New Town on May 18, 2021, except for Dewey’s contractual right to rent through to the Revenue Transfer Date of August 30, 2022.

In June 2022, Dewey, for the first time, provided Belcrest with copies of the Assignment Agreement and the Amended Assignment. [App. 55a]

D. Bankruptcy Filing and Lease Rejection

On May 19, 2021, one day after the Transfer Date of the Ground Lease under the Amended Assignment, Belcrest filed a voluntary Chapter 11 petition in the United States Bankruptcy Court for the Southern District of New York. [C.A. App. 0555]. On September 14, 2021, Belcrest filed a motion to reject the Ground Lease, which the bankruptcy court granted effective October 1, 2021. [App. 52a–53a]. Belcrest paid Dewey all post-petition rent through September 30, 2021. [C.A. App. 0099]

E. Dewey’s Proof of Claim

Dewey filed an initial proof of claim on September 9, 2021, and filed amended proofs of claim on October 5, 2021, and November 2, 2021. [C.A. App. 0556, 1192–1352]. The final amended proof of claim, designated as Claim No. 5-3, was in the principal amount of

\$2,724,544.42, which included lease rejection damages calculated at \$2,602,119.73 for three years of base rent, real estate taxes and utilities (the § 502(b)(6) statutory cap). [C.A. App. 0556, 1192–1273]. Dewey also sought pre-petition rent arrears of \$98,612.50, and an arbitration cost award of \$23,812.19. [C.A. App. 0556, 1192–1273].

In each of its three proofs of claim, Dewey identified itself as the “lessor” under the Ground Lease, even though the Ground Lease was transferred and was assigned to New Town effective May 18, 2021. Dewey also calculated its alleged damages for future rent through the end of the lease term on June 30, 2045 [C.A. App. 1192–1352]. Dewey did not attach or disclose the Assignment or Amended Assignment to any of its proofs of claim, claiming a right to lease rejection damages as if the Ground Lease was never assigned. [C.A. App. 1192–1273, 1274–1352, 2996–3038].

Belcrest did not learn of the existence of the Assignment or Amended Assignment until June 2022, when the bankruptcy court ordered Dewey to produce the documents—after Belcrest’s plan of reorganization had already been confirmed. [App. 35a; C.A. App. 1176]. The bankruptcy court found that Dewey’s concealment of the Assignment documents was “improper and inexcusable” and ordered the decision transmitted to the Maryland state bar for consideration of whether disciplinary action was warranted. [App. 69a].

While New Town was transferred and was assigned “all right, title and interest” to the Ground Lease and all rents post-August 30, 2022, it never filed a proof of claim in Belcrest’s bankruptcy case. Before trial, the bankruptcy court directed that it wanted “an affirmative statement from New Town that it was not going to submit its own claim under the Ground Lease.” [C.A. App. 0537, 0545]. In a letter dated April 13, 2023, New Town stated that it “does not claim an interest in, and expressly waives any future claim it may have with respect to, the Claim.” [App. 88a; C.A. App. 0548]. Dewey’s counsel confirmed at the April 4, 2023, hearing that New Town did not transfer or assign any claim under the Ground Lease to Dewey. [C.A. App. 0533, 0535]. No filing evidencing a transfer was made under Federal Rule of Bankruptcy Procedure 3001(e)(1) or (e)(2). [C.A. App. 0533, 0535].

F. The Joint Pretrial Order.

The Joint Pretrial Order confirms that Belcrest contested Dewey’s status as lessor and its standing from the outset. Belcrest contended (1) that the Assignment conveyed landlord-status to New Town, ended privity of estate between Dewey and Belcrest and created privity between New Town and Belcrest, and was governed by Maryland law; (2) that New Town was the only entity able to enforce the Ground Lease and file a rejection-damages claim; and (3) that Dewey bore the burden of proving its standing. [C.A. App. 0550–0551, 0561–0563, 0575–0577].

Belcrest also identified standing as Debtor Issue No. 1 and the amount of Dewey’s Rejection Damages

Claim, *if any*, as Debtor Issue No. 8. [C.A. App. 0593–0594]. Dewey’s own issues asked whether Belcrest was estopped from asserting that Dewey was not the landlord or proper holder of the claim and whether the Court could deem Dewey’s claim amended to reflect New Town as holder. [C.A. App. 0594].

G. The Decisions Below

The Bankruptcy Court. On December 7, 2023, after a full-day trial, the bankruptcy court issued its decision allowing Dewey’s claim at \$2,428,675.83 — representing lease rejection damages at the statutory cap in the amount of \$2,602,119.73, plus pre-petition rent of \$98,612.50 and arbitration expenses of \$23,812.19, reduced by an offset of \$295,868.59 for tax overpayments. [App. 92a].

On the issue of standing, the bankruptcy court held that although the Transfer Date occurred on May 18, 2021 [App. 59a], the Amended Assignment’s separate Revenue Transfer Date provision meant that “the occurrence of a ‘Transfer Date’ did not result in the transfer of all rights that Dewey owned as landlord under the Ground Lease.” [App. 66a]. As a result, the court concluded that Dewey “still owned the Landlord’s rights to receive rent payments from Belcrest.” [App. 67a]. The bankruptcy court’s decision did not cite or reference any Maryland state law.

Regarding damages, the bankruptcy court found that “There was little evidence at trial, and little to no discussion in the parties’ papers, about the actual damages (lost rents) that were caused by the rejection

of the Ground Lease.” [App. 83a]. Nevertheless, it held that the “landlord’s ‘claim’ for lost rents as of the petition date includes all future rents, regardless of whether those future rent claims were matured or contingent” under 11 U.S.C. § 101(5), and that this acceleration established Dewey’s right to claim the full § 502(b)(6) cap of three years’ rent — $\$690,000 \times 3 = \$2,070,000$ in base rent, plus three years of taxes and utilities in the amounts of \$483,490.09 and \$48,629.64 respectively. [App. 82a–86a]. The court did not determine whether Dewey’s recovery was limited to the period of its reserved interest, October 1, 2021, through August 30, 2022, which Belcrest calculated at \$632,500 in base rent, plus any recoverable additional rent. [App. 82a–86a; C.A. App. 0821–0822].

The District Court. On June 4, 2025, the district court affirmed in all respects. [App. 10a–25a]. On standing, the court adopted the bankruptcy court’s analysis that “the specific language of the Amended Assignment Agreement, which provided that Dewey retained all rights to rents under the Lease Agreement until the Revenue Transfer Date, ‘take[s] precedence over any general language in the prior Assignment Agreement.’” [App. 17a]. On damages, the court held that “a claim under Section 101(5) for lost rents under a lease includes all future rents as of the bankruptcy petition date” and that § 502(b)(6) properly capped the claim at three years’ rent. [App. 21a–22a]. The only citation to Maryland state law by the district court related to the interpretative effect to be given to specific contract language as opposed to general language. [App. 17a]

The Second Circuit. On May 12, 2026, the Second Circuit also affirmed. The central focus of the Second Circuit’s decision was on Dewey’s contractual right to receive rents before the Revenue Transfer Date, despite it acknowledging that “Dewey assigned its rights under the ground lease to New Town as of the Transfer Date, which occurred before Belcrest filed for bankruptcy.” [App. 4a]. The court held that because “the pre-petition amendment to the assignment agreement gave Dewey the right to receive Belcrest’s payments for rent that accrued before the Revenue Transfer Date,” and because “[a]ll agree that the Revenue Transfer Date did not occur until after Belcrest became a Chapter 11 debtor,” Dewey “meets the statutory definition of a creditor entitled to file a proof of claim.” [App. 4a–5a]. The court then stated: “We assume, as the bankruptcy court found, that future rents under the ground lease were accelerated upon Belcrest’s bankruptcy petition” and concluded that “[a]ll future rent under the ground lease thus ‘accrued prior to the Revenue Transfer Date.’” [App. 5a–6a].

REASONS FOR GRANTING THE PETITION

The decisions below converted the definition of “claim” in 11 U.S.C. § 101(5) into a rule of allowance. Three courts held that because § 101(5) reaches unmatured rights to payment, and because the petition date fell before the Revenue Transfer Date, a transferor that had assigned away “all right, title and interest” in a ground lease was entitled to lessor’s rejection damages measured by a lease term it no longer owned. None of those courts applied Maryland law to determine what the assignment documents actually entitled the transferor to receive, whether the transferor was the holder of the lessor’s claim when that claim arose, or whether the transferor had carried its burden of proving its own damages. That approach cannot be reconciled with *Butner*, *Travelers*, *Rodriguez*, or *Raleigh*. It departs from the method other courts of appeals use to measure lessor claims. And it reaches every Chapter 11 case in which leased real property has changed hands, in whole or in part, before the petition is filed.

I. The Decision Below Conflicts With This Court’s Claims-Allowance Precedents

A. Section 101(5) defines what a claim is. It does not decide who owns the claim or how much of it is allowed.

The Bankruptcy Code separates two questions that the courts below merged. Section 101(5) defines a “claim” broadly, as any “right to payment, whether or not such right is . . . fixed, contingent, matured, unmatured, [or] disputed.” 11 U.S.C. § 101(5)(A). The term “right to payment ... usually refer[s] to a right to

payment recognized under state law.” *Travelers*, 549 U.S. at 451. That breadth ensures that every holder of an enforceable obligation may participate in the case. It does not determine whether the claim will be allowed, in what amount, or in whose favor. Those questions are governed by § 502. A filed claim is allowed only if it survives objection, and the court “shall allow” it only “except to the extent that” one of the exceptions in § 502(b) applies, including where the claim is “unenforceable against the debtor . . . under any agreement or applicable law.” 11 U.S.C. § 502(b)(1); *Travelers*, 549 U.S. at 449.

Bankruptcy courts applying this structure have expressly stated that “A ‘claim’ as defined in § 101(5) differs from an ‘allowed claim’ which must be determined in accordance with § 502(b).” *In re Loewen Grp. Int’l, Inc.*, 274 B.R. 427, 438 (Bankr. D. Del. 2002). Although § 101(5) “permits a creditor to assert a claim against the debtor for all amounts owed to him as of the petition date, even if such amounts are unmatured, § 502(b) provides that such claim will only be allowed to the extent the court determines those amounts.” *Id.* What courts loosely call “acceleration” on the petition date is simply a consequence of § 101(5)’s inclusion of unmatured obligations. *See id.* It is a rule about the timing and measurement of the debtor’s obligation. It is not a rule about which of two private parties owns a given slice of that obligation.

Belcrest does not seek disallowance merely because future rent was unmatured, which § 502(b)(1) forbids. It contends that recognizing an unmatured obligation

does not determine which of two private parties owns that obligation under a prepetition assignment.

The courts below used § 101(5), as well as § 101(10), to answer the questions of not only whether a claim exists but also whether the claim is allowed, in what amount, and in whose favor, which are more appropriately questions to be answered under § 502. Without determining who the landlord was under Maryland law, the bankruptcy court held that “the landlord’s ‘claim’ for lost rents as of the petition date includes all future rents,” and then treated that proposition as resolving the separate question of how much of the landlord’s claim belonged to Dewey rather than to New Town. [App. 82a–86a] Indeed, the bankruptcy court expressly stated that it was unnecessary to decide whether Dewey was the landlord. [App. 68a]. The district court adopted that reasoning. [App. 21a–22a] The Second Circuit went further, holding that Dewey had standing because it “meets the statutory definition of a creditor,” and that because future rents were accelerated on the petition date, “[a]ll future rent under the ground lease thus ‘accrued prior to the Revenue Transfer Date.’” [App. 4a–6a] Pursuant to the Second Circuit, the definition of “claim” under § 101(5) did three jobs. It established Dewey’s standing, it determined private contract rights between Dewey and New Town, and it fixed the amount of Dewey’s recovery. The Code assigns none of those jobs to § 101(5).

B. Under *Butner*, *Travelers*, and *Rodriguez*, Dewey’s right to payment is defined by Maryland law and the Amended Assignment, and both limit it to rent through August 30, 2022.

“Property interests are created and defined by state law. Unless some federal interest requires a different result,” those interests must be analyzed in bankruptcy the same way as outside of it. *Butner*, 440 U.S. at 55. The rule exists “to prevent a party from receiving ‘a windfall merely by reason of the happenstance of bankruptcy.’” *Id.* (quoting *Lewis v. Mfrs. Nat’l Bank*, 364 U.S. 603, 609 (1961)). *Travelers* applies the same principle to claims allowance. Creditors’ entitlements in bankruptcy arise in the first instance from the underlying substantive law creating the debtor’s obligation, and § 502(b)(1) makes available “any defense” the debtor would have “under applicable nonbankruptcy law.” 549 U.S. at 450. Similarly, *Rodriguez v. FDIC*, 589 U.S. 132, 136 (2020) reaffirmed that federal courts may not displace state law governing the allocation of property rights among private parties with a judge-made federal rule that the Code does not supply.

Maryland law clearly answers the pertinent questions the courts below did not resolve. First, rent is an incident of the reversion. The assignee of the reversion “is entitled to [rent] accruing after the assignment, where there has been no severance or reservation of the rent, or other just and equitable appropriation.” *Abrams v. Sheehan*, 40 Md. 446, 460 (1874). “When there is a transfer of title, unpaid accrued rent, unless otherwise provided for, belongs

to the person who was the landlord at the time of accrual.” *Antietam-Sharpsburg Museum, Inc. v. William H. Marsh, Inc.*, 252 Md. 265, 267, 249 A.2d 721, 723 (1969); *accord SVAP II Pasadena Crossroads LLC v. Fitness Int’l LLC*, 260 Md. App. 77, 90, 306 A.3d 748, 755–56 (2023). Upon a transfer of the reversion, “the transferor ceases to be the landlord, and the privity of estate between him and the tenant thus com[es] to an end.” 1 Tiffany Real Prop. § 116 (3d ed.). Belcrest invoked that rule in the JPTO, contending that the Assignment and First Amendment were governed by Maryland law and that privity of estate ended between Dewey and Belcrest and arose between New Town and Belcrest. [C.A. App. 0575–0577]. Under Maryland law, then, the default rule is that all rent accruing after May 18, 2021, belonged to New Town, except to the extent of a severance or a reservation. In this regard, the Amended Assignment severed the future rent as of the August 30, 2022 Revenue Transfer Date, entitling Dewey only to the pre-August-2022 rent it expressly reserved.

SVAP II shows how Maryland courts apply that rule to precisely this kind of arrangement. There, a landlord sold the property and assigned “all of [Landlord]’s right, title, and interest” under the lease, while a proration clause allocated rents due before a “Proration Date” to the seller and rents due afterward to the buyer. 260 Md. App. at 88. The tenant argued that the unpaid rents could only be collected by the purchaser-assignee because it was currently the landlord, but the court rejected the argument and held that the seller-assignor could sue for the rents that came due before the Proration Date. *Id.* at 92.

The structure is identical here. The Amended Assignment allocated to Dewey rent “accrued prior to the Revenue Transfer Date” and left everything after that date with New Town as the holder of the reversion. [C.A. App. 1444] Under *SVAP II*, Dewey could collect accelerated rents through the August 30, 2022 Revenue Transfer Date, but it has no claim for accelerated rent from September 1, 2022, through June 30, 2045, as those rents were contractually allocated to New Town as the landlord and assignee of the reversion.

The courts below reached the opposite result only by giving the word “accrued” in a private Maryland contract a federal bankruptcy meaning. The Second Circuit reasoned that because rents were “accelerated upon Belcrest’s bankruptcy petition” pursuant to § 101(5), all the rents “accrued prior to the Revenue Transfer Date.” [App. 5a–6a] Section 101(5), however, reaches only the rights to payment the claimant actually holds, whether matured or unmatured. On the petition date, Dewey’s unmatured right was the one the Amended Assignment reserved to it—rent accruing through August 30, 2022. Rent for every later period was never Dewey’s to collect. Under the Amended Assignment and Maryland law, rent for those later periods would have matured to New Town as holder of the reversion. Even accepting, as the Second Circuit assumed, that the petition accelerated the lessor’s claim, acceleration changes only when a right to payment is measured. It does not change the limits of that right or who owns it, and it cannot convert New Town’s right to future rent into Dewey’s present claim.

Dewey and New Town drafted their allocation in April 2021, as a division of a Maryland rent stream between assignor and assignee. Whether rent for 2040 “accrued” before August 30, 2022, within the meaning of that agreement is a question of Maryland contract and property law. *Butner* forbids answering it with a bankruptcy-law construct that exists only because the tenant filed a petition. And *Rodriguez* forbids filling the gap with a federal rule of decision that the Code does not contain. Nothing in § 101(5), § 101(10), § 365(g), or § 502(b)(6) purports to reallocate rights to future rent between an assignor and an assignee. The courts below improperly created that rule themselves.

The result created by the lower courts is the bankruptcy windfall *Butner* forbids. Had Belcrest assumed the Ground Lease instead of rejecting it, Dewey would have received rent for roughly eleven more months, from October 1, 2021, through August 30, 2022—\$632,500 in base rent, plus any additional rent—and every dollar thereafter would have been paid to New Town. Had Dewey sued for breach in a Maryland court, *Abrams*, *Antietam-Sharpsburg*, and *SVAP II* would have limited Dewey to the rent it had reserved in the Amended Assignment; i.e., the 11 months of rent. However, pursuant to the decisions of the lower courts, Belcrest’s bankruptcy entitled Dewey to three full years of rent, taxes and utilities, increasing its recovery to \$2,602,119.73 “merely by reason of the happenstance of bankruptcy.” *Butner*, 440 U.S. at 55.

C. The courts below relieved Dewey of its burden of proof and persuasion under governing law, a burden *Raleigh* holds is unaltered in bankruptcy.

“[T]he burden of proof is an essential element of the claim itself; one who asserts a claim is entitled to the burden of proof that normally comes with it.” *Raleigh*, 530 U.S. at 21. Bankruptcy does not ordinarily alter the burden imposed by the law governing the underlying obligation. *Id.* at 20–21. Under the claims-objection framework, a properly filed proof of claim is prima facie valid, but once the objector produces evidence negating an essential allegation, “the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence. The burden of persuasion is always on the claimant.” *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173–74 (3d Cir. 1992). That framework applies to a landlord’s rejection-damages claim. *See In re Stock Bldg. Supply, LLC*, 433 B.R. 460, 464 (Bankr. D. Del. 2010); *In re Merry-Go-Round Enters., Inc.*, 241 B.R. 124, 134 (Bankr. D. Md. 1999).

Dewey’s proofs of claim were not prima facie valid. When a claim is based on a writing, Bankruptcy Rule 3001(c) requires the claimant to attach the writing to the claim, and a claimant that fails to do so loses the presumption of validity. *In re Benjamin*, 596 B.R. 789, 795 (Bankr. S.D.N.Y. 2019), *aff’d*, 2020 WL 2832815 (S.D.N.Y. June 1, 2020). Dewey filed three proofs of claim as “lessor” despite having assigned its reversionary interest in the Ground Lease to New Town prior to the petition date. Dewey claimed this false status because it intentionally failed to attach to

its proofs of claim the Assignment and Amended Assignment that reflected its non-landlord status. Furthering its deception, Dewey's proof of claim computed damages through June 30, 2045, as though the Ground Lease had never been assigned and that it was still the landlord. [C.A. App. 1192–1273] When the Assignment and Amended Assignment were finally produced after being compelled by court order in June 2022, they showed that Dewey had conveyed “all right, title and interest” in the Ground Lease before the petition and had reserved only an economic interest in rent through a date determined to be August 30, 2022. [App. 35a; C.A. App. 1176, 1389–1448] That evidence negated the core allegation of each proof of claim, namely that Dewey was the lessor entitled to rent for the remaining term.

Dewey never carried its burden of persuasion at trial and notwithstanding, the bankruptcy court still awarded it the maximum three years of lease rejection damages allowed by § 502(b)(6). [App. 82a–86a] First, even though § 502(b)(6) applies to “the claim of a lessor for damages resulting from the termination of a lease of real property,” the bankruptcy court held “[i]t is not necessary to address Dewey's contentions that it was still the ‘landlord’ prior to awarding lease rejection damages. [App. 68a] That holding skipped a statutory element. Section 502(b)(6) ‘has two predicates: ‘claim of a lessor’ and ‘damages resulting from the termination of a lease of real property.’” *In re Arden*, 176 F.3d 1226, 1229 (9th Cir. 1999). Whether Dewey remained the lessor when the claim arose was therefore not a question the court could set aside; it was an element of the claim on

which Dewey bore the burden of proof. *See Raleigh*, 530 U.S. at 21.

Further, the bankruptcy court awarded Dewey the maximum lease rejection damages under § 502(b)(6) despite finding that “[t]here was little evidence at trial, and little to no discussion in the parties’ papers, about the actual damages (lost rents) that were caused by the rejection of the Ground Lease.” [App. 83a] Section 502(b)(6) is a cap, not an entitlement. A court is required to first determine the lessor’s actual damages under the lease and state law, and only then ask whether those damages exceed the cap. *In re E. Penn Children’s Learning Acad., LLC*, 635 B.R. 243, 250, 252 (Bankr. E.D. Pa. 2021). If a landlord cannot prove its loss at an evidentiary hearing, it is not entitled to recovery. *Merry-Go-Round*, 241 B.R. at 134 (citing *Palmer v. Conn. Ry. & Lighting Co.*, 311 U.S. 544 (1941)).

In addition, when a tenant rejects a lease, “a lessor has a duty to mitigate its damages.” *In re Highland Superstores, Inc.*, 154 F.3d 573, 577 (6th Cir. 1998). The landlord’s obligation to mitigate damages from the breach of a lease is also required under Maryland law. *Cir. City Stores, Inc. v. Rockville Pike Joint Venture Ltd. P’ship*, 376 Md. 331, 357, 829 A.2d 976, 991 (2003). Any successful mitigation then gets applied to the landlord’s actual lease rejection damages prior to applying the statutory cap. *In re Bob’s Sea Ray Boats, Inc.*, 143 B.R. 229, 231 (Bankr. D.N.D. 1992); *see In re Fin. News Network, Inc.*, 149 B.R. 348, 351 (Bankr. S.D.N.Y. 1993) (In calculating its actual damages the landlord added its costs of

reletting the premises and subtracted the reduced rent to be received from the new tenant)

Dewey provided none of the above substantive evidence required to meet its evidentiary burden of proof and persuasion to recover lease rejection damages to the full amount of the § 502(b)(6) cap and the courts below allowed its claim by improperly filling its evidentiary gap with § 101(5). *Raleigh* does not permit a statutory definition to substitute for evidentiary proof.

D. Dewey lacked standing as the holder of the lessor’s claim when that claim arose, and Rule 3001(e)(1) confirms that only the transferee could assert a claim for rent beyond the Revenue Transfer Date.

A claimant must show that it holds the right it asserts. Standing is a “threshold question in every federal case,” (*In re Veal*, 450 B.R. 897, 906 (B.A.P. 9th Cir. 2011)), and the claimant “has the burden of establishing its standing,” (*In re Minbatiwalla*, 424 B.R. 104, 111 (Bankr. S.D.N.Y. 2010)), even when the debtor does not object, (*In re Lippold*, 457 B.R. 293, 295 (Bankr. S.D.N.Y. 2011)). In the Second Circuit’s own bankruptcy courts, a claimant must satisfy constitutional standing, prudential standing, and § 1109(b) together. *In re Celsius Network LLC*, 659 B.R. 850, 863 (Bankr. S.D.N.Y. 2024), *aff’d*, No. 25-1777, 2026 WL 1413031 (2d Cir. May 20, 2026). Prudential standing requires the claimant to assert “its own legal rights and not the legal rights of others.” *Veal*, 450 B.R. at 908. The salient inquiries under prudential standing are: “Was . . . the plaintiff a party to the contract sought to be enforced [or did] it have some

other interest in the contract?” *Id.* Those questions have clear answers here: when the lease rejection claim arose on May 19, 2021, Dewey was no longer a party to the Ground Lease. Its only interest in the Ground Lease was an economic interest in rents before the Revenue Transfer Date via the Amended Assignment.

The claim at issue is a claim for damages for breach of the Ground Lease. Under § 365(g)(1), rejection “constitutes a breach . . . immediately before the date of the filing of the petition.” The petition was filed on May 19, 2021. The bankruptcy court found, and no one challenged on appeal, that the Transfer Date of the Ground Lease, pursuant to the Amended Assignment, occurred on May 18, 2021. [App. 59a] Therefore, on May 19, 2021, when the claim for rejection damages arose, New Town, not Dewey, was the landlord under the Ground Lease, holding the reversion and the leasehold obligations; Dewey was no longer a party to the Ground Lease, nor in privity with Belcrest. The Second Circuit acknowledged that “Dewey assigned its rights under the ground lease to New Town as of the Transfer Date, which occurred before Belcrest filed for bankruptcy” [App. 4a], but nonetheless held that Dewey could assert a claim for all the lessor’s future rents because it held *some* right to the earlier rent stream.

Courts that confront assignments of lease rights reject that result. In *In re Mountainside Fitness Centers of Gilbert, LLC*, a landlord that had assigned “all right, title, and interest” in a lease filed a proof of claim for rent. The court held that if the assignment “terminated all interest [the landlord] had in the

[lease] and the Property, then [the landlord] does not have standing to file a proof of claim.” No. 2:10-bk-23734-CGC, 2012 WL 13397377, *2 (Bankr. D. Ariz. Mar. 7, 2012). The court looked to state law and to the assignment instrument itself to determine what had passed and concluded that the landlord lacked prudential standing by assigning all interest in the lease, except for its right to collect rents, which terminated upon the tenant’s default. *Id.* at *4. *Benyamin* expunged a claim where the claimant could not show that it held the note on the petition date. 596 B.R. at 796. *Minbatiwalla* sustained an objection where the creditor “failed to clearly establish that it was assigned the claim.” 424 B.R. at 113. Each of these courts asked who held the right when the claim arose. The courts below did not.

Federal Rule of Bankruptcy Procedure 3001(e)(1) establishes the same prudential standing principle. “Unless the transfer was made for security, if a claim was transferred before a proof of claim is filed, only the transferee ... may file a proof of claim.” The Rule’s command is mandatory. It identifies the one party who may file a proof of claim. As to all rent accruing after August 30, 2022, the transfer to New Town was complete before Dewey filed its first proof of claim on September 9, 2021 [C.A. App. 0556] and New Town clearly was the transferee of the claim for all rents post-August 30, 2022. In the parties’ JPTO Dewey asked the Court to “deem” its claim amended to reflect that New Town, rather than Dewey, was the holder of the rejection claim if the Court found that Dewey lacked standing. That request implicitly concedes that New Town was the proper claimant and underscores the absence of any transfer of the claim

to Dewey under Rule 3001(e). [C.A. App. 0594]. New Town waived its right to assert a claim, it did not transfer or assign its claim to Dewey, and no filing under Rule 3001(e) was ever made. [App. 88a; C.A. App. 0533, 0535, 0548] While New Town never filed a proof of claim [C.A. App. 0537, 0545] that failure does not grant Dewey the right to assert New Town's claim on its own behalf. A waiver by a party holding a claim, such as New Town, extinguishes the claim and it cannot be asserted by another. The decisions from the courts below allowed Dewey to assert and collect, in its own name, rights that Rule 3001(e)(1) allows only New Town to assert.

No court below analyzed Rule 3001(e)(1). That is because Dewey's proofs of claim omitted the documents that would have triggered the analysis. [C.A. App. 1192–1352] When Dewey's counsel was asked at a February 2022 hearing why Dewey was seeking post-petition rent if the Ground Lease had been assigned, counsel stated that "the parties to the Ground Lease were still Belcrest and Dewey." [App. 54a–55a] The documents produced four months later showed otherwise. [App. 35a; C.A. App. 1176] If a transferor may file as "lessor," omit the transfer documents, and then defend the claim on the ground that § 101(5) makes any right to payment sufficient, Rule 3001(e)(1) will be rendered meaningless.

II. The Decision Below Departs From the Approach of Other Courts

A. Other courts of appeals measure a lessor's claim by the lease and state law first and apply § 502(b)(6) only as a ceiling.

The Sixth and Fourth Circuits hold that a lessor's rejection damages "are computed in accordance with the terms of the debtor's lease and applicable state law," and that § 502(b)(6) is applied only afterward, to limit damages that have already been proven. *Highland Superstores*, 154 F.3d at 579 (citing *Butner*); *In re Merry-Go-Round Enters., Inc.*, 180 F.3d 149, 161–62 (4th Cir. 1999) ("Future rent . . . is governed by state law."). Under that approach, state-law limits on the lessor's recovery, including the duty to mitigate, reduce the claim *before* the cap is applied. *Highland Superstores*, 154 F.3d at 577; *Fin. News*, 149 B.R. at 351–52. Bankruptcy courts in several circuits follow the same two-step sequence. *See E. Penn*, 635 B.R. at 250, 252; *Loewen*, 274 B.R. at 438; *see also In re Smith*, 249 B.R. 328, 334 (Bankr. S.D. Ga. 2000) (and cases cited therein from other circuits).

The Second Circuit disregarded that established sequence altogether. It began with the cap, reasoned that acceleration of claims under § 101(5) made the rents for the entire remaining term of the lease immediately available, and awarded Dewey the statutory maximum without determining whether Dewey was a landlord or "lessor" or what Dewey would have recovered under Maryland law. [App. 5a–6a] Under *Highland Superstores* and *Merry-Go-Round*, the first step would have been to ask what rent the claimant could recover under the lease, the

assignment, and Maryland law. That step would have required the lower courts to first determine Dewey's status as landlord as of the date of the petition and its rights to future rents under Maryland law. *See Highland Superstores*, 154 F.3d at 577; *Merry-Go-Round*, 180 F.3d at 161–62.

As previously stated, pursuant to Maryland law, since Dewey assigned its reversionary interest in the Ground Lease to New Town prior to the petition date, Dewey did not hold the status of landlord and had no right to future rents, except as severed and reserved in the Amended Assignment, which permitted it to collect rent only through the Revenue Transfer Date of August 30, 2022. Measured that way, Dewey's recovery would have been limited to the roughly eleven months ending on that date—\$632,500 in base rent, plus any recoverable additional rent—well below the \$2,602,119.73 cap.

B. Other courts require a claimant to prove that it holds the right it asserts, under the governing state law and the assignment documents.

Courts confronting claims asserted after an assignment consistently apply state law to determine who holds the right and require the claimant to prove it. The Fifth Circuit holds that a party must assert its own legal rights and cannot rest a claim on rights that belong to someone else, and that the failure to produce the operative assignment is fatal. *Superior MRI Servs., Inc. v. Alliance Healthcare Servs., Inc.*, 778 F.3d 502 (5th Cir. 2015). A claim may only be asserted by the entity that holds the claim in its own right. *In re Blixseth*, 459 B.R. 444 (Bankr. D. Mont. 2011). The

Ninth Circuit Bankruptcy Appellate Panel requires the court to identify “the applicable substantive law that defines and specifies the wrong, the parties aggrieved, and the redress they may receive.” *Veal*, 450 B.R. at 908. Likewise, *Mountainside Fitness, Lippold, Benyamin*, and *Minbatiwalla* each decided standing by examining the assignment instrument and the governing state law.

The decisions below applied a different rule, namely, a party holding any pre-petition right to payment is a creditor entitled to assert the lessor’s claim, without regard to whether state law and the assignment gave it the particular rights for which it seeks payment. [App. 4a–5a] That rule cannot be squared with the decisions above, each of which would have required Dewey to specifically prove that it held the right to rent from August 30, 2022, through June 30, 2045. The simple irrefutable fact is that Dewey held no such right.

C. The courts conflict over the approach to determining lease rejection damages, and only this Court can resolve the resulting confusion.

Petitioner does not suggest that any court of appeals has decided a case on identical facts. Several of the decisions above are bankruptcy-court decisions, which bear on the question under Rule 10(c) rather than Rule 10(a). But the methodological conflict is real and outcome-determinative. In the Fourth and Sixth Circuits, a lessor’s claim is measured by the lease and state law before the statutory cap applies. In the Second Circuit, after this decision, § 101(5) acceleration fixes both the existence of the claim and

its amount, such that a claimant’s status as a creditor for any portion of the rent entitles it to assert a claim for all future rent. This Court has not hesitated to grant review “to resolve confusion in the lower courts” over how a Code provision operates, *Bartenwerfer v. Buckley*, 598 U.S. 69, 74 (2023), and the confusion here concerns the most basic step in allowing a lessor’s claim: whether the lease and state law are consulted at all before granting a creditor the right to assert all lease rejection damages and before the statutory cap is applied. Because the question arises whenever leased property changes hands before a petition, it will continue to recur, particularly in the Southern District of New York, where a large share of the Nation’s major Chapter 11 cases are filed, until this Court resolves it.

III. The Question Is Important and Recurring, and This Case Is an Ideal Vehicle

A. The question goes to the integrity of the claims-allowance process.

Claims allowance is the mechanism by which the Code distributes a debtor’s limited estate. This Court has repeatedly policed that process to ensure that it reflects nonbankruptcy entitlements and places the burden of proof where it belongs. *Travelers*, 549 U.S. at 449–50; *Raleigh*, 530 U.S. at 20–21; *Butner*, 440 U.S. at 55. Indeed, the very purpose of the § 502(b)(6) cap on lease rejection damages is designed to strike a balance by “prevent[ing] landlords from receiving a windfall over other creditors” by compensating the landlord for his loss while not permitting a claim so large based on a long-term lease that it prevents other creditors from recovering claims against the

estate. *In re PPI Enters. (U.S.), Inc.*, 324 F.3d 197, 207-08 (3d Cir. 2003). Every dollar allowed to a claimant that does not own the underlying right is a dollar taken from creditors that do, or, as here, from a reorganized debtor that committed to pay allowed claims in full. If § 101(5) can substitute for proof of ownership and proof of damages, the allowance process provides no protection at all against a claimant whose “right to payment” has been narrowed by assignment, contractual allocation, and state law.

B. The question arises whenever leased real property changes hands before a petition is filed.

Lease rejection claims under § 502(b)(6) arise in virtually every Chapter 11 case involving commercial real property. Sales of leased property, assignments of the reversion, and proration agreements allocating rent between seller and buyer are routine features of commercial real estate. *SVAP II* involved exactly such a clause. 260 Md. App. at 88. Each of those transactions divides the landlord’s rights between two parties. Under the rule adopted in the courts below, whichever party files first, and whichever holds any right to payment on the petition date, may claim the entire capped amount, regardless of what the parties’ agreement and state law provide. The same problem arises outside the lease context whenever a claim has been partly transferred, including assigned mortgage debt and purchased consumer debt. *See Benjamin*, 596 B.R. at 794–96; *Lippold*, 457 B.R. at 295; *Minbatiwalla*, 424 B.R. at 113.

The outcome here also creates an incentive for an assignor to conceal its assignment. Rule 3001(c) requires a claimant to attach the writings on which its claim is based, and Rule 3001(e) provides that only the transferee may file a claim after a transfer. Both depend on truthful disclosure. Even though the bankruptcy court found Dewey's nondisclosure "improper and inexcusable," it still allowed the claim in the full capped amount. [App. 69a, 92a] Under the decision below, a transferor that omits the transfer documents faces no consequence for claim allowance even after the transfer documents surface, because, as the courts below held, § 101(5) alone determines who has the right to assert a claim for lease rejection damages. A rule that produces such a result invites abuse and repetition.

C. This case is an ideal vehicle.

The facts are found or undisputed. Dewey assigned "all right, title and interest" in the Ground Lease. The Transfer Date for the assignment was May 18, 2021, one day before the petition. The Revenue Transfer Date was August 30, 2022, approximately eleven months after rejection. New Town never filed a claim, and no transfer of any claim to Dewey occurred. [App. 13a, 59a, 88a; C.A. App. 0533, 0535, 1389–1448] The questions raised here are purely legal.

The question was pressed and passed upon. Belcrest's position was not raised for the first time on appeal. In the JPTO, Belcrest contended that Dewey was no longer the landlord, that New Town was the only entity that could file a rejection-damages claim, and that Dewey bore the burden of proving standing. [C.A. App. 0575–0577]. At trial and in its post-trial

submission, Belcrest argued that Dewey's recovery was limited to the period of its economic interest, October 1, 2021, through August 30, 2022. [C.A. App. 0988–0990; 1013; 0821–0822] Belcrest pressed the same ownership limitation in the district court and Second Circuit, and each court passed upon it. [App. 4a–6a, 21a–22a, 66a–68a, 82a–88a]

The Second Circuit's waiver footnote does not reach the question presented. The court of appeals declined to consider the argument that future rents under the Ground Lease were not subject to acceleration at all. [App. 5a–6a n.1] The question presented does not depend on that argument. It accepts, as the Second Circuit assumed, that the lessor's claim was accelerated on the petition date, and asks whether acceleration also determines who owns the accelerated claim under the Amended Assignment and Maryland law. Acceleration can advance only the rights Dewey held; it cannot enlarge them. The Second Circuit decided that ownership question on the merits. [App. 4a–6a] JPTO Debtor's Issue No. 8 likewise placed before the bankruptcy court "the amount of Dewey's Rejection Damages Claim, if any." [C.A. App. 0594]. Belcrest's argument that rent after the Revenue Transfer Date never "accrued" to Dewey is "fairly included" within the question presented and the positions Belcrest took below. Sup. Ct. R. 14.1(a); *Bartenwerfer*, 598 U.S. at 75 n.2 (rejecting forfeiture of arguments on appeal where the petitioner's argument was "fairly included" within the question presented and her position in the lower courts); *Yee v. Escondido*, 503 U.S. 519, 534 (1992).

The summary-order disposition does not impede review. The fact that the Second Circuit disposed of this appeal by summary order is not an obstacle to review. This Court has made clear that the non-precedential status of a court of appeals' decision "carries no weight in [its] decision to review the case." *Commissioner v. McCoy*, 484 U.S. 3, 7 (1987) (per curiam). And it also has resolved important Bankruptcy Code questions arising from unpublished appellate dispositions. In *Bartenwerfer*, for example, both the Bankruptcy Appellate Panel and the Ninth Circuit ruled in unpublished decisions, yet the Court granted certiorari "to resolve confusion in the lower courts on the meaning of § 523(a)(2)(A)." 598 U.S. at 74; see *In re Bartenwerfer*, 860 F. App'x 544 (9th Cir. 2021). Likewise, in *MOAC Mall Holdings LLC v. Transform Holdco LLC*, 598 U.S. 288 (2023), this Court granted a petition to review an unpublished Second Circuit summary order arising from a Chapter 11 case in the Southern District of New York, and to decide whether 11 U.S.C. § 363(m) is jurisdictional. So too here, the Second Circuit affirmed "substantially for the reasons given by the district court," endorsing a categorical rule that bankruptcy courts in the Southern District of New York remain free to apply to every assigned-lease claim. [App. 4a]

The question is outcome-determinative. If Dewey's recovery is measured by the rights it retained under Maryland law and the Amended Assignment, its rejection damages are limited to the roughly eleven months ending August 30, 2022, not \$2,602,119.73. Alternatively, if Dewey lacked standing to assert the lessor's claim at all, its claim for rejection damages fails entirely. Either way, the judgment cannot stand.

No alternative ground supports the judgment. The courts below rejected Belcrest's estoppel and unclean-hands defenses, but those rulings do not supply an independent basis for the amount allowed. The allowance rests entirely on the § 101(5) acceleration theory. [App. 5a–6a, 82a–88a]

CONCLUSION

The decisions below allow a party that assigned away “all right, title and interest” in a lease to recover more than three times what it reserved, on the basis of a statutory definition that was never intended to decide who owns a claim for lease rejection damages or how much of it may be allowed on that claim. This Court should grant review to restore the settled rule that claims are measured by the rights afforded under state law and what the parties' agreements actually confer.

Accordingly, the petition for a writ of certiorari should be granted, the judgment vacated, and the case remanded for a determination of Dewey's retained rights under the Amended Assignment and Maryland law.

Respectfully submitted,

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