

Bankruptcy Law 'Trumps' the National Labor Relations Act in Casino Reorganization Case

In a case of first impression, the Third U.S. Court of Appeals recently ruled that federal bankruptcy courts may extinguish a Chapter 11 employer's obligations under an expired collective bargaining agreement pursuant to Section 1113 of the Bankruptcy Code where such relief is necessary to permit reorganization, reports **Buchanan Ingersoll & Rooney PC**.

The case is *In re: Trump Entertainment Resorts*, 2016 WL 191926 (3d Cir. 2016).

"The Trump Entertainment case is significant for employers in reorganization, because it eliminates the need for union negotiations to reach an actual impasse before new terms can be implemented and, perhaps more importantly, it avoids the possibility that the NLRB could file a claim during the bankruptcy proceeding that would overturn a change in the employees' terms and conditions of employment," the firm **writes**.

Read the article.