NONPRECEDENTIAL DISPOSITION
To be cited only in accordance with FED. R. APP. P. 32.1

United States Court of Appeals

For the Seventh Circuit
Chicago, Illinois 60604

Submitted October 22, 2024*
Decided October 23, 2024
Amended November 21, 2024

Before

MICHAEL B. BRENNAN, *Circuit Judge*

THOMAS L. KIRSCH II, *Circuit Judge*

CANDACE JACKSON-AKIWUMI, *Circuit Judge*

No. 24-1415

ANDREW L. YOUNG,
Debtor-Appellant,

v.

LAKE COUNTY TREASURER,
Creditor-Appellee.

Appeal from the United States District Court for the Northern District of Indiana, Hammond Division.

No. 2:23-CV-324-PPS

Philip P. Simon,
Judge.

O R D E R

D.A.Y. Investments, LLC filed for bankruptcy protection under Chapter 11. The district court dismissed an appeal of an order that converted the proceeding to

* We have agreed to decide the case without oral argument because the briefs and record adequately present the facts and legal arguments, and oral argument would not significantly aid the court. FED. R. APP. P. 34(a)(2)(C).

Chapter 7, reasoning the party appealing, Andrew Young, lacked standing. Because Young was not pecuniarily affected by the order directed to the limited liability company, he had no standing to appeal it; thus we affirm.

Young and limited liability companies of which he was the sole member (including D.A.Y.) filed for Chapter 11 bankruptcy. The bankruptcy court jointly administered the cases, *see* FED. R. BANKR. P. 1015(b), and the same counsel represented each debtor. The Treasurer in Lake County, Indiana, the creditor, moved to convert each Chapter 11 case into a Chapter 7 proceeding. *See* 11 U.S.C. § 1112. The debtors, including Young, jointly opposed the Treasurer's motions. The bankruptcy court, with the Treasurer's agreement, *see id.* § 1112(b)(3), postponed the motions while the parties litigated discovery disputes and a threshold question related to the motions. Meanwhile, the bankruptcy court held status conferences on the motions at which the same counsel represented all the debtors.

The Treasurer eventually moved for summary judgment on each of its motions to convert. Each debtor, including D.A.Y., opposed their corresponding motion for summary judgment. Young did not join D.A.Y.'s response or oppose the motion for summary judgment directed against D.A.Y., but he attended oral argument on the motions. The bankruptcy court granted the Treasurer's motion for summary judgment and converted D.A.Y.'s bankruptcy proceeding to Chapter 7. D.A.Y. then moved to reconsider. Young did not join that motion, and the bankruptcy court denied it.

Appearing pro se in the district court, Young appealed the bankruptcy court's order against D.A.Y., but D.A.Y. itself did not appeal, and Young represented himself, not D.A.Y. The Treasurer moved to dismiss Young's appeal for lack of standing for two reasons: First, in the bankruptcy court Young did not object to the motion to convert D.A.Y.'s bankruptcy, and second, he was not aggrieved by the order against D.A.Y., a legally distinct limited liability company. The district court granted the Treasurer's motion. Without reaching the second contention, it accepted the first argument that Young lacked standing because he did not join D.A.Y. in opposing summary judgment on the motion to convert D.A.Y.'s bankruptcy. The district court denied Young's motion to reconsider, and he appealed to this court.

This appeal turns on whether Young had standing in the district court to appeal the bankruptcy court's order converting D.A.Y.'s bankruptcy. "Bankruptcy standing is narrower than Article III standing"; only a person "aggrieved" by an order of the bankruptcy court can appeal it. *In re Ray*, 597 F.3d 871, 874 (7th Cir. 2010) (citations omitted). Young is aggrieved only if (1) he attended and objected at a bankruptcy court

proceeding to the proposed order, and (2) he was "affected pecuniarily" by the order. *Id.* (quoting *In re Stinnett*, 465 F.3d 309, 315 (7th Cir. 2006)).

Young's first argument—that he appeared and objected to the motion to convert D.A.Y.'s case—is debatable. He observes that he attended all hearings in the bankruptcy court, he was the only natural-person debtor in the joint proceedings where each debtor opposed the motions to convert, he shared counsel with D.A.Y., and he was its sole member. The Treasurer counters that Young lacks standing because he did not join D.A.Y.'s opposition to the Treasurer's motion for summary judgment on its motion to convert D.A.Y.'s bankruptcy case; nor did Young join D.A.Y.'s motion to reconsider the conversion. Relying on an out-of-circuit case, *see Matter of Point Ctr. Fin., Inc.*, 890 F.3d 1188 (9th Cir. 2018), Young replies that we should overrule our precedent and hold that appearance and objection are not prerequisites to appeal a bankruptcy court's order so long as the order pecuniarily affected him.

We need not reassess the appear-and-object requirement or decide whether Young satisfied it because, even if he did, Young lacks standing to appeal for the reason that the order did not pecuniarily affect him. An order pecuniarily affects him only if it diminishes his property, increases his burdens, or impairs his rights. *In re Ray*, 597 F.3d at 874 (citing *In re Cult Awareness Network, Inc.*, 151 F.3d 605, 608 (7th Cir. 1998)). This rule limits appeals to "only those persons whose interests are directly affected by a bankruptcy order to appeal." *Id.* (quoting *In re Cult Awareness Network*, 151 F.3d at 608).

Young argues that the order directly affected him because, as the sole member of D.A.Y., he lost "inseparable" and "indivisible" rights to the company's assets, including its real estate and cash. But he is incorrect. Under Indiana law, to benefit from the corporate form, a limited liability company like D.A.Y. is distinct from its members. *See Pazmino v. Bose McKinney & Evans, LLP*, 989 N.E.2d 784, 786 (Ind. Ct. App. 2013). Young is "not personally liable for the debts, obligations, or liabilities" of D.A.Y., *see* IND. CODE § 23–18–3–3(a), and he directly owns none of D.A.Y.'s assets, *see Connolly v. Connolly*, 952 N.E.2d 203, 208 (Ind. Ct. App. 2011). Young replies that the conversion order divested him of his membership interest in D.A.Y., and thus conferred standing to sue. His premise is false. Young's membership interest might have decreased in value because of the conversion, but that is an indirect effect of the conversion order, which did not divest him of that interest and thus did not confer standing to sue. *See Rawoof v. Texor Petroleum Co.*, 521 F.3d 750, 757 (7th Cir. 2008) ("[A] shareholder generally cannot sue for indirect harm he suffers as a result of an injury to the corporation.")

Young further argues that his pecuniary interest and right to sue derive from the possibility that he might not later receive income from D.A.Y. or its assets. He cites dicta from a case stating that managers of a debtor corporation might be able to appeal a bankruptcy court's order directed against that corporation if the "managers themselves have been injured pecuniarily." *See In re C.W. Mining Co.*, 636 F.3d 1257, 1266 (10th Cir. 2011). Young seems to assume that the conversion deprived him of conjectured income he might receive in the future, if D.A.Y. successfully reorganizes in its bankruptcy proceeding. But to acquire standing, injuries must be "imminent," not "conjectural." *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560 (1992). Thus, without an immediate pecuniary loss directly from the conversion order itself, Young lacked standing to appeal it in his personal, individual capacity as a member of D.A.Y.

AFFIRMED