

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**JOSE GUZMAN, JAIME MERCADO,
BERNARDO MERCADO, CRISANTO
PICHARDO and CELESTINO MERCADO,**)

Plaintiffs,)

v.)

Case No. 10 C 1499

**LAREDO SYSTEMS, INC., LAREDO
SYSTEMS, LLC and ENRIQUE JAIME,**)

Defendants.)

MEMORANDUM ORDER

This Court inherited this action when its good friend and colleague the Honorable Blanche Manning retired from the bench. Before her departure Judge Manning had granted a partial summary judgment in plaintiffs' favor (a judgment as to liability, with the quantification of damages to take place later) based on defendants' violations of the Fair Labor Standards Act, the Illinois Minimum Wage Law and the Illinois Prevailing Wage Act. Because one consequence of Judge Manning's ruling was that the prevailing plaintiffs became entitled under those statutes to recover reasonable attorneys' fees and costs, that subject as well as a determination of the damages sustained by plaintiffs became the focus of this Court's involvement in the case -- and on February 14, 2013 this Court entered a judgment for interim attorneys' fees and costs in the amount of \$179,753.02.

That obligation has never been satisfied by defendants, and when the case was then set for trial in November 2014 on the damages issue and when plaintiffs' counsel contemporaneously filed a motion for a rule to show cause relating to defendants' assertedly contemptuous nonpayment of the February 2013 award, defense counsel advised that one of the

two "Laredo" codefendants¹ -- Laredo Systems, Inc. -- had been dissolved in 2002, while the other -- Laredo Systems LLC -- had just filed for bankruptcy, giving rise to the automatic bankruptcy stay as to that defendant.

Because the status of the individual defendant, Enrique Jaime, was apparently uncertain, this Court set plaintiffs' motion for a rule to show cause over to January 9, 2015. And on that date, defense counsel provided this Court with a photocopy of the Notice of Chapter 7 Bankruptcy case record that reflects Jaime's November 14, 2014 resort to the Bankruptcy Court as well. At that point the automatic bankruptcy stay had thus kicked in as to both existing defendants (the corporation and the individual), depriving this Court of the ability to grant plaintiffs' motion (indeed, the entire case has been stayed). Accordingly that motion (Dkt. No. 149) is denied without prejudice to its possible reassertion if and when either (1) the bankruptcy stay is lifted or (2) such a motion is advanced in an adversary proceeding before the Bankruptcy Court.



Milton I. Shadur
Senior United States District Judge

Date: January 12, 2015

¹ As the caption reflects, those named defendants were Laredo Systems, Inc. and Laredo Systems, LLC.