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*Husky International Electronics, Inc. v. Ritz*, No. 15-145

Under Section 523(a)(2)(A) of the Bankruptcy Code, a debt for money obtained by “actual fraud” cannot be discharged through bankruptcy. The Supreme Court has granted certiorari to address the scope of that provision. Ritz, the owner of a manufacturing corporation, purchased goods from Husky International, a supplier, but never paid for them. At around the same time, Ritz orchestrated a fraudulent conveyance from his company to several other entities to avoid paying his debt to Husky. Ritz later declared bankruptcy under Chapter 7 and sought to discharge the debts he owed to Husky. The bankruptcy court, district court, and court of appeals held that the debt was dischargeable, notwithstanding the “actual fraud” bar, because the fraudulent conveyance entailed no actual misrepresentation made by Ritz to Husky. The Court is set to decide whether “actual fraud” requires a false representation.