

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
CALIFORNIA

Coulter Ventures, LLC v. Tru Grit Fitness LLC

Coulter Ventures · No. 3:22-cv-01005-BAS-BGS · Decided March 2, 2023

SUMMARY

The United States District Court for the Southern District of California stayed the action against Tru Grit Fitness LLC after receiving notice that the defendant was subject to a Chapter 11 bankruptcy proceeding. The court ordered the defendant to file status notices every six months regarding the bankruptcy case.

CASE DETAILS

COURT	United States District Court for the Southern District of California
JURISDICTION	United States District Court for the Southern District of California
DECIDED	March 2, 2023
DOCKET	3:22-cv-01005-BAS-BGS
DISPOSITION	other
PROCEDURAL POSTURE	The Court considered Defendant's notification that it had filed for Chapter 11 bankruptcy and sua sponte stayed the action pending resolution of the bankruptcy proceedings.
PRECEDENTIAL VALUE	unpublished district court order

TOPICS

- automatic stay
- chapter 11
- bankruptcy
- civil procedure
- commercial litigation

PRACTICE AREAS

- bankruptcy
- civil procedure
- commercial litigation

QUESTIONS PRESENTED

- Whether Defendant's Chapter 11 bankruptcy filing automatically stayed the pending judicial action under 11 U.S.C. § 362(a).
- Whether the entire action should be stayed pending resolution of the bankruptcy proceedings.

HOLDINGS

1. Under 11 U.S.C. § 362(a), Defendant's filing of a bankruptcy petition automatically stayed this judicial action against the debtor.
2. The action was stayed in its entirety pending resolution of the bankruptcy proceedings.

KEY QUOTATIONS

“Pursuant to 11 U.S.C. § 362(a), the filing of a bankruptcy petition automatically stays a judicial action against the debtor.” (at 2)

“Good cause appearing, the Court STAYS this action in its entirety.” (at 2)

FACTUAL BACKGROUND

Defendant Tru Grit Fitness LLC was subject to a Chapter 11 bankruptcy case in the United States Bankruptcy Court for the District of Nevada. Defendant notified the district court of the bankruptcy filing while this action was pending. The district court concluded that the bankruptcy filing triggered the automatic stay and stayed this action in its entirety.

PROCEDURAL HISTORY

Coulter Ventures, LLC brought this action against Tru Grit Fitness LLC. After Tru Grit notified the Court of its Chapter 11 bankruptcy case pending in the United States Bankruptcy Court for the District of Nevada, the Court stayed the entire action and ordered Defendant to provide status notices every six months.

DISPOSITION

other

CASES CITED

- Gruntz v. County of Los Angeles, 202 F.3d 1074, 1081–82 (9th Cir. 2000) (en banc)