

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Arden Silverman dba Capital Asset Protection v. Tedder Acquisition,
LLC, et al.

Silverman v. Tedder Acquisition · No. 2:24-cv-06989-MRA-MAA · Decided December 15, 2025

SUMMARY

The United States District Court for the Central District of California orders the parties to show cause why the entire case should not be stayed after Tedder Industries, LLC filed for Chapter 11 bankruptcy. The court explains that the automatic stay applies to claims against Tedder but not to Tedder’s counterclaims or Tax Resolution Plus, Inc.’s crossclaim, while noting the court’s discretion to stay the case in its entirety for judicial economy.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Monica Ramirez Almadant
JURISDICTION	United States District Court for the Central District of California
DECIDED	December 15, 2025
DOCKET	2:24-cv-06989-MRA-MAA
DISPOSITION	other
PROCEDURAL POSTURE	After Defendant and Counter-Complainant Tedder Industries, LLC, formerly Tedder Acquisition, LLC, filed a voluntary Chapter 11 bankruptcy petition and notified the court that the filing triggered the automatic stay, the district court issued an order to show cause why the entire action should not be stayed.
PRECEDENTIAL VALUE	Unknown

TOPICS

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

PRACTICE AREAS

- Bankruptcy
- Civil procedure
- Commercial litigation

QUESTIONS PRESENTED

1. Whether Tedder's Chapter 11 bankruptcy filing automatically stayed all claims and proceedings in the action, including Tedder's counterclaims and Tax Resolution Plus, Inc.'s crossclaim.
2. Whether the district court should exercise its inherent docket-control authority to stay the entire action notwithstanding the limited scope of the automatic stay.

HOLDINGS

1. The automatic stay triggered by Tedder's bankruptcy filing applies to Silverman's claims against Tedder in its capacity as a defendant, but it does not extend automatically to Tedder's counterclaims or Tax Resolution Plus, Inc.'s crossclaim.
2. The court has broad discretion to stay the entire action as an exercise of its inherent authority to control its docket, and ordered the parties to show cause why such a stay should not issue.

KEY QUOTATIONS

“The [automatic] stay does not prevent a plaintiff/debtor from continuing to prosecute its own claims nor does it prevent a defendant from protecting its interests against claims brought by the debtor.”

“The parties are therefore ORDERED TO SHOW CAUSE in writing, within seven (7) days of the issuance of this order, why the Court should not stay the entire case while claims against Tedder are subject to the automatic stay.”

FACTUAL BACKGROUND

Tedder Industries, LLC, formerly known as Tedder Acquisition, LLC, filed a voluntary petition for Chapter 11 bankruptcy protection. Tedder asserted counterclaims in this action, and Tax Resolution Plus, Inc. asserted a crossclaim. The court noted that those claims arose from the same underlying facts and involved the same parties as claims against Tedder that were subject to the bankruptcy automatic stay.

PROCEDURAL HISTORY

Tedder filed a Notice of Bankruptcy Filing on December 11, 2025, reporting a voluntary Chapter 11 petition in the United States Bankruptcy Court for the Southern District of Texas. The district court determined that the automatic stay applied to Silverman's claims against Tedder in its capacity as a defendant but did not automatically stay Tedder's counterclaims or Tax Resolution Plus, Inc.'s crossclaim. The court nevertheless ordered the parties to show cause within seven days why the entire case should not be stayed in the interest of judicial economy.

DISPOSITION

other

CASES CITED

- In re Palmdale Hills Prop., LLC, 423 B.R. 655, 663 (B.A.P. 9th Cir. 2010)

- In re Palmdale Hills Prop., LLC, 654 F.3d 868, 875 (9th Cir. 2011)
- Clinton v. Jones, 520 U.S. 681, 706 (1997)
- Beardsley v. All Am. Heating, Inc., No. C05-1962P, 2007 WL 1521225 (W.D. Wash. May 22, 2007)

OPINION

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA CIVIL MINUTES — GENERAL Case No. 2:24-cv-06989-MRA-MAA Date December 15, 2025 Title Arden Silverman dba Capital Asset Protection v. Tedder Acquisition, LLC, et al. Present: The Honorable MONICA RAMIREZ ALMADANT, UNITED STATES DISTRICT JUDGE Melissa H. Kunig None Present Deputy Clerk Court Reporter Attorneys Present for Plaintiffs: Attorneys Present for Defendants: None Present None Present Proceedings: (IN CHAMBERS) ORDER TO SHOW CAUSE AS TO WHY CASE SHOULD NOT BE STAYED On December 11, 2025, Defendant and Counter-Complainant Tedder Industries, LLC f/k/a Defendant Tedder Acquisition, LLC (“Tedder”) filed a Notice of Bankruptcy Filing.

ECF 137. The Notice indicates that Tedder has filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas. *Id.* at 3. The Notice further indicates that the petition triggers an “automatic stay” in this matter under 11 U.S.C. § 362. A petition for bankruptcy “operates as a stay” as to, *inter alia*, “the commencement or continuation... of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the [bankruptcy case].” 11 U.S.C. § 362(a)(1) (emphasis added). “The policy behind § 362 is to protect the estate from being depleted by creditors’ lawsuits and seizures of property in order to provide the debtor breathing room to reorganize.” *In re Palmdale Hills Prop., LLC*, 423 B.R.

655, 663 (B.A.P. 9th Cir. 2009). “Although the scope of the automatic stay is broad, it does not stay all proceedings.... [T]he automatic stay has been found inapplicable to lawsuits initiated by the debtor.” *Id.*; see also *In re Palmdale Hills Prop., LLC*, 654 F.3d 868, 875 (9th Cir. 2011) (“The [automatic] stay does not prevent a plaintiff/debtor from continuing to prosecute its own claims nor does it prevent a defendant from protecting its interests against claims brought by the debtor.

This is true, even if the defendant’s successful defense will result in the loss of an allegedly valuable claim asserted by the debtor.”) (citation omitted). For these reasons, the automatic stay triggered by Tedder’s bankruptcy filing applies only to its claims against Tedder in its capacity as a defendant in this action—it does not extend to the counterclaims brought by Tedder or the crossclaim brought by Tax Resolution Plus, Inc. Nevertheless, the Court “has broad discretion to stay proceedings as an incident to its power to UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA CIVIL MINUTES — GENERAL Case No. 2:24-cv-06989-MRA-

MAA Date December 15, 2025 Title Arden Silverman dba Capital Asset Protection v. Tedder Acquisition, LLC, et al. control its own docket.” Clinton v. Jones, 520 U.S. 681, 706 (1997).

The Court is mindful that because Tedder’s counterclaims and Tax Resolution Plus, Inc.’s crossclaim arise from the same underlying factual circumstances and involve the same parties as the claims subject to the automatic stay, the interests of judicial economy may be best served by staying this case in its entirety. See Beardsley v. All Am. Heating, Inc., No. C05-1962P, 2007 WL 1521225 (W.D.

Wash. May 22, 2007) (staying entire case where “it would be more efficient to stay the entire case while claims against [some defendants] are subject to the [bankruptcy] automatic stay, rather than to proceed with [the] litigation on a piecemeal basis.”).

The parties are therefore ORDERED TO SHOW CAUSE in writing, within seven (7) days of the issuance of this order, why the Court should not stay the entire case while claims against Tedder are subject to the automatic stay. IT ISSO ORDERED. Initials of Deputy Clerk mku