

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)

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