

UNITED STATES BANKRUPTCY COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA, NORTHERN DIVISION

HVI Cat Canyon, Inc. v. GLR LLC, GRL LLC, and Randeep S.
Grewal

HVI Cat Canyon · No. 9:25-ap-01038-MB; bankruptcy case no. 9:19-bk-11573-MB · Decided April 30, 2026

SUMMARY

The United States Bankruptcy Court for the Central District of California grants Plaintiffs' motion to remand a removed California state-court action. The court holds that removal of the First Cause of Action was untimely under Federal Rule of Bankruptcy Procedure 9027(c)(3), while removal of the newly added Second Cause of Action was timely. The court also concludes that the contractual and quasi-contractual claims do not arise under or arise in the Bankruptcy Code, and addresses equitable remand considerations.

CASE DETAILS

COURT	United States Bankruptcy Court for the Central District of California, Northern Division
WRITING FOR THE COURT	Marit R. Barash
JURISDICTION	United States Bankruptcy Court for the Central District of California, Northern Division
DECIDED	April 30, 2026
DOCKET	9:25-ap-01038-MB; bankruptcy case no. 9:19-bk-11573-MB
DISPOSITION	remanded
PROCEDURAL POSTURE	UBS AG removed a California Superior Court civil action to the bankruptcy court for a second time. The plaintiffs moved for remand.
STANDARD OF REVIEW	The court exercised statutory and equitable discretion under 28 U.S.C. § 1452(b) to determine whether remand was warranted.
PRECEDENTIAL VALUE	unpublished
PARTIES	UBS AG v. GLR LLC, GRL LLC, Randeep S. Grewal

TOPICS

- bankruptcy
- civil procedure
- breach of contract
- unjust enrichment
- remedies

PRACTICE AREAS

bankruptcy

bankruptcy jurisdiction

removal and remand

contracts

commercial litigation

QUESTIONS PRESENTED

1. Whether removal of the breach-of-contract claim was timely under Federal Rule of Bankruptcy Procedure 9027(c)(3) after the claim had previously been removed and remanded.
2. Whether removal of the newly added money-had-and-received claim was timely.
3. Whether the amended complaint arose under or arose in the bankruptcy case for purposes of 28 U.S.C. § 1334(b).
4. Whether the bankruptcy court had related-to jurisdiction because the outcome could conceivably affect the bankruptcy estate through UBS's asserted indemnity claim.
5. Whether the civil action should be remanded on equitable grounds under 28 U.S.C. § 1452(b).

HOLDINGS

1. Federal Rule of Bankruptcy Procedure 9027(c)(3) measures removal timeliness separately for each claim or cause of action, and a claim previously asserted in the original complaint cannot be removed again after the applicable thirty-day period has expired merely because it appears in an amended complaint.
2. Removal of a genuinely new cause of action added by an amended complaint is timely when filed within thirty days after the removing party receives the amended complaint.
3. Contractual and quasi-contractual claims under California law do not arise under the Bankruptcy Code or arise in a bankruptcy case merely because their factual background involves bankruptcy events, bankruptcy orders, or anticipated bankruptcy-law defenses.
4. The bankruptcy court had related-to jurisdiction because the litigation could conceivably affect the bankruptcy estate through UBS's asserted indemnity claim if estate assets became available for distribution.
5. A bankruptcy court may remand a proceeding over which it has related-to jurisdiction on any equitable ground, and the equitable factors overwhelmingly favored remand of this state-law dispute to the California Superior Court.

KEY QUOTATIONS

“The relevant question is whether the Amended Complaint contains any claim that was first asserted in the Original Complaint and therefore subject to a removal deadline that has since expired.” (at 5)

“The possibility of these defenses is insufficient to transform a state law contractual or quasi-contractual claim between creditors into a claim “arising under” the Bankruptcy Code.” (at 12)

“The question is whether the “proceeding [by] its nature, could arise only in the context of a bankruptcy case.”” (at 16)

“Bankruptcy courts have broad discretion to remand cases over which they otherwise have jurisdiction on any equitable ground.” (at 23)

FACTUAL BACKGROUND

The plaintiffs asserted California-law claims against UBS concerning Waiver, Release and Discharge Agreements and a related Subordination Agreement arising from transactions involving HVI Cat Canyon, Inc. HVI filed bankruptcy, ultimately became a chapter 7 case, and UBS participated in litigation financing and received distributions from estate assets. After an earlier removal and equitable remand, plaintiffs amended their complaint to retain a breach-of-contract claim and add a money-had-and-received claim based on the Subordination Agreement and UBS's alleged receipt of estate proceeds.

PROCEDURAL HISTORY

The underlying civil action was filed in the Superior Court of California, previously removed to the bankruptcy court in June 2024, and remanded on equitable grounds under 28 U.S.C. § 1452(b). After plaintiffs filed an amended complaint adding a money-had-and-received claim, UBS removed the action again. The bankruptcy court held that removal of the previously asserted breach-of-contract claim was untimely, removal of the new claim was timely, the court had only related-to jurisdiction, and equitable considerations warranted remand of the entire civil action.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The civil action was remanded to the Superior Court of the State of California pursuant to 28 U.S.C. § 1452(b). The order to show cause was discharged, and the remand order was stayed through and including the fifteenth day after entry.

CASES CITED

- In re Ray, 624 F.3d 1124, 1130-35 (9th Cir. 2010)
- Fietz v. Great Western Savings (In re Fietz), 852 F.2d 455, 457 (9th Cir. 1988)
- Pacor, Inc. v. Higgins, 743 F.2d 984, 994 (3d Cir. 1984)
- Executive Benefits Insurance Agency v. Arkison, 573 U.S. 25, 33 (2014)
- Royal Canin U.S.A., Inc. v. Wullschleger, 604 U.S. 22 (2025)
- Rivet v. Regions Bank of Louisiana, 522 U.S. 470, 475-78 (1998)
- Caterpillar Inc. v. Williams, 482 U.S. 386, 392 (1987)
- Franchise Tax Board of California v. Construction Laborers Vacation Trust for Southern California, 463 U.S. 1, 14 (1983)
- Maitland v. Mitchell (In re Harris Pine Mills), 44 F.3d 1431, 1435-38 (9th Cir. 1995)

- Honigman, Miller, Schwartz & Cohn v. Weitzman (In re DeLorean Motor Co.), 155 B.R. 521, 525 (B.A.P. 9th Cir. 1993)
- Travelers Indemnity Co. v. Bailey, 557 U.S. 137, 151 (2009)
- Syngenta Crop Protection, Inc. v. Henson, 537 U.S. 28, 34 (2002)
- In re Enron Corp., 296 B.R. 505, 508 & n.2 (C.D. Cal. 2003)
- In re Cytodyn of New Mexico, Inc., 374 B.R. 733, 738-40 (Bankr. C.D. Cal. 2007)
- Eastport Associates v. City of Los Angeles (In re Eastport Associates), 935 F.2d 1071, 1076 (9th Cir. 1991)
- Schulman v. California (In re Lazar), 237 F.3d 967, 981-82 (9th Cir. 2001)
- In re J.S. Kalama, LLC, No. BK 3:20-BK-41495-MJH, 2025 WL 1078841 (B.A.P. 9th Cir. Apr. 9, 2025)
- Delaware Trust Co. v. Wilmington Trust, N.A., 534 B.R. 500, 513-16 (S.D.N.Y. 2015)
- Camden Systems, LLC v. 409 N. Camden, LLC, 103 Cal. App. 5th 1068, 1082 (2024)
- Tattersalls, Ltd. v. DeHaven, 745 F.3d 1294, 1297 (9th Cir. 2014)
- Blanton v. Anzalone, 813 F.2d 1574, 1577 n.2 (9th Cir. 1987)

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