

FILED & ENTERED

JUN 15 2016

CLERK U.S. BANKRUPTCY COURT
Central District of California
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NOT FOR PUBLICATION

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

LOS ANGELES DIVISION

In re:

BRENNON TY BISHOP and MICHELLE
BISHOP,

Debtors.

Case No. 2:12-bk-16000-RK

Chapter 7

Adv. No. 2:12-ap-01302-RK

ELECTRONIC FUNDS SOLUTIONS, LLC,
as successor-in-interest to RICHARD A.
MARSHACK, Chapter 7 Trustee,

Plaintiff,

**ORDER DENYING MOTION FOR
ISSUANCE OF AN ORDER OF
CONTEMPT**

v.

FEDCHEX, LLC; FEDCHEX RECOVERY,
LLC; ED ARNOLD; RODNEY DAVIS;
FEDCHEX MERCHANT SERVICES;
FEDCHEX/DS GROUP; YELLOW PAGES
DIRECTORY SERVICES, LLC; YELLOW
PAGES 2000, INC.; BSYB, INC.; NICHE
DIRECTORIES, LLC; CONVERGENTDS,
LLC; DIRECT VISION; DS MARKETING;
YK2000; iEXCHANGE,

Defendants.

Pending before the court is the motion of Plaintiff Electronic Funds Solutions
("Plaintiff") for an issuance of an order of contempt against the remaining defendants in

1 this adversary proceeding, Rodney Davis, Ed Arnold, Fedchex Recovery, LLC and
2 Fedchex, LLC (collectively, "Defendants") for violations of the automatic stay pursuant to
3 Federal Rules of Bankruptcy Procedure 9014 and 9020 and 11 U.S.C. § 105(a)
4 ("Motion"). ECF 563. Defendants filed an opposition to the Motion, ECF 571, and
5 Plaintiff filed a reply thereto, ECF 574.

6 On December 2, 2014, at the initial hearing on the Motion, the court authorized the
7 parties to file supplemental briefing on the Motion and set a further hearing on the Motion.
8 Thereafter, Plaintiff filed its supplemental brief, ECF 579, and Defendants filed a
9 response thereto, ECF 582. Defendants then filed further objections to the continued
10 participation of FedChex, LLC in pending proceedings. ECF 594.

11 The hearing on the Motion was continued from time to time to allow the parties to
12 engage in mediation and settlement discussions, to allow Plaintiff's then new counsel,
13 Arent Fox LLP, adequate time to familiarize itself with the adversary proceeding and
14 participate in mediation and settlement discussions, and, after the court later entered an
15 order granting Arent Fox LLP's Motion to Withdraw as Plaintiff's Counsel, ECF 663, to
16 allow Plaintiff additional time to find new counsel. Since at the time of the status
17 conference on the Motion on May 11, 2016, Plaintiff had not retained new counsel, the
18 court stated that it would deny the Motion without prejudice for failure to comply with
19 Local Bankruptcy Rule 9011-2(a). Having considered the moving and opposing papers,
20 the exhibits and declarations attached therein, the parties' oral arguments, and the record
21 before the court, the court hereby denies the Motion without prejudice as follows.

22 Under Local Bankruptcy Rule 9011-2(a), "A . . . limited liability company . . . may
23 not . . . appear without counsel in any case or proceeding" Further, under Local
24 Bankruptcy Rule 9011-3(a), "[t]he violation of, or failure to conform to . . . these rules may
25 subject the offending party or counsel to . . . dismissal of the case or proceeding."
26 Because Plaintiff's counsel withdrew by order entered on February 19, 2016, ECF 633,
27 and Plaintiff did not obtain new counsel by the May 11, 2016 status conference, as stated
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1 on the record at the May 11, 2016 status conference, the court hereby denies the Motion
2 without prejudice for failure to appear with counsel.

3 IT IS SO ORDERED.

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23 Date: June 15, 2016



24 Robert Kwan
25 United States Bankruptcy Judge
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