

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:

CERTAIN MATTERS PENDING
BEFORE THE BANKRUPTCY COURT
FOR THE CENTRAL DISTRICT OF
CALIFORNIA

MISC. NO. 2:25-mp-00104-WB

All Chapters

JULIA W. BRAND
Chief U.S. Bankruptcy Judge

ORDER GRANTING IN PART THE UNITED
STATES' OMNIBUS MOTION FOR
ENLARGEMENT OF DEADLINES AND A
STAY OF PROCEEDINGS IN WHICH THE
UNITED STATES GOVERNMENT IS A PARTY
IN LIGHT OF LAPSE OF APPROPRIATIONS

After due consideration of a Motion filed by the United States Attorney for the Central District of California ("Motion") for an enlargement of deadlines and a stay of all hearings, trials and other proceedings before the U.S. Bankruptcy Court for the Central District of California, in which the United States or one of its agencies is a creditor in a bankruptcy case or a plaintiff or defendant in an adversary proceeding, the Court makes the following findings:

1. At the end of the day on September 30, 2025, the federal budget that funded many of the Departments of the United States of America expired and appropriations lapsed.

1 2. The lapse in funding resulted in the furloughing of numerous federal employees, and
2 those employees are prohibited from working, even on a voluntary basis, except in the limited
3 emergency circumstances set forth in 31 U.S.C. § 1342.

4 3. The Court further finds that it is presently unknown when funding will be restored by the
5 U.S. Congress.

6 4. Some of the furloughed employees' duties include preparation and filing of proofs of
7 claim on behalf of the United States of America.

8 5. Some of the furloughed employees' duties include decisions concerning the United
9 States' filing objections to the confirmation of plans in bankruptcy cases.

10 6. The Court further finds that the United States, and its Departments and agencies, is a
11 unitary creditor for purposes of bankruptcy. *In re Turner*, 84 F.3d 1294 (10th Cir. 1996) (The United
12 States is a unitary creditor for setoff purposes).

13 In light of the foregoing findings and to the extent authorized under the Bankruptcy Code, the
14 Federal Rules of Bankruptcy Procedure, or the Local Bankruptcy Rules,

15 IT IS HEREBY ORDERED that the Motion is GRANTED in part, as follows:

16 ORDERED that the United States Attorney for the Central District of California shall notify the
17 Court, in a written filing, within two (2) business days of the date on which governmental funding of
18 the Department of Justice has resumed ("Restoration Notice"); and,

19 ORDERED that the governmental proof of claim bar date is extended, in all cases, as to the
20 United States, including, without limitation, all its departments and agencies (including, but not limited
21 to, the Internal Revenue Service, Small Business Administration, Department of Education, Alcohol
22 and Tobacco Tax and Trade Bureau, and Social Security Administration) until twenty-eight (28) days
23 after the filing of the Restoration Notice; and,

24 ORDERED that requests to continue hearings on Chapter 11 and 13 plan confirmation for cases
25 in which the United States is a creditor shall be liberally granted upon the request of any party,
26 including the Chapter 13 Trustee, when the presiding judge determines that such continuance will not
27 adversely affect the interests of other parties in the particular case; and a stay is granted of all other
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1 hearings, trials, and other proceedings to which the United States is a party, unless the particular judge
2 presiding over the case orders otherwise; and,

3 ORDERED that the United States shall be allowed twenty-one (21) days after the filing of the
4 Restoration Notice to file any objection to confirmation of any Chapter 11 or 13 plan that has been
5 continued by the presiding judge during the lapse in appropriations; and,

6 ORDERED that the United States shall follow the orders of the particular judge presiding over
7 the case in filing any pleading in any Chapter 11 or 13 case; and,


8 ORDERED that the United States is granted an extension of any deadline in all adversary
9 proceedings and contested matters, to which it is a party, until twenty-eight (28) days after the filing of
10 the Restoration Notice; and,

11 ORDERED that this order shall not change the provisions of any previous order that has been
12 entered affecting the United States absent further order by the presiding judge; and,

13 ORDERED that twenty-eight (28) days after the filing of the Restoration Notice, the limited
14 extension of the governmental claims bar date, and the deadline extension and stay in adversary
15 proceedings and contested matters shall all terminate and no longer be in effect.

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24 Date: October 3, 2025

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26 Julia W. Brand
27 United States Bankruptcy Judge
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