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IN THE UNITED STATES DISTRICT COURT

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FOR THE DISTRICT OF ARIZONA

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Nouveau Riche Corporation,

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No. CV 08-1627-PHX-JAT

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Plaintiff,

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ORDER

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vs.

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Cherianne Tree; et al.,

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Defendants.

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On August 10, 2009, Defendant Cherianne Tree filed a notice of filing bankruptcy.

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As a result, the portion of this case against Ms. Tree is automatically stayed. However, the

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case is not automatically stayed as to the other defendants.¹ The Court does not know

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whether either of the other defendants has sought, or received, a bankruptcy stay.

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Also pending is defense counsel’s motion to withdraw. First, the motion cites nothing

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that would give this Court authority to permit withdrawal while the automatic stay is in effect

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¹A bankruptcy court may extend the automatic stay to a proceeding against codefendants of the debtor when the claims against them and the claims against the debtor are inextricably interwoven, presenting common questions of law and fact. *In re Ionosphere Clubs, Inc.*, 111 B.R. 423, 434 (Bankr.S.D.N.Y. 1990) (internal quotations omitted) (dealing with related corporations and shareholders). The party seeking to extend the stay must “affirmatively seek an order from the *bankruptcy court*, which has authority to extend the protections of 362(a) pursuant to its equity powers under section 105.” *C.H. Robinson Company v. Paris & Sons, Inc.*, 180 F.Supp.2d 1002, 1018 (N.D. Iowa 2001) (emphasis added).

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1 as to Cherianne Tree. Second, a corporation cannot appear in Federal Court without counsel.
2 *Rowland v. Cal. Mens Colony, Unit II Men's Advisory Counsel*, 506 U.S. 194, 201-202
3 (1993). Therefore, if the Court permits withdrawal as to Monopoly Concepts, Inc., Plaintiff
4 may seek to strike its answer and default the corporation. Finally, as indicated above, the
5 Court does not know whether the codefendants have sought or received bankruptcy stay
6 protection, and if yes, under what authority this Court could then permit withdrawal.

7 Based on the foregoing,

8 IT IS ORDERED setting a status conference for September 21, 2009 at 11:00 a.m.
9 Cherriane Tree is not required to appear. However, if her counsel seeks to withdraw, counsel
10 must appear and provide authority for withdrawal during a stay. Further, counsel for the
11 other two defendants must be prepared to advise the Court whether a stay has been or will
12 be sought as to those two codefendants. Finally, counsel for the defendants shall advise the
13 clients of this hearing and notify them that they may appear on their own behalf (except the
14 corporation, which must obtain substitute counsel if withdrawal is permitted).

15 DATED this 13th day of August, 2009.

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James A. Teilborg
United States District Judge