UNITED STATES DISTRICT COURT DISTRICT OF NEVADA

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TRANSFIRST GROUP, INC., et al.,

Plaintiffs,

Case No. 2:17-cv-00487-APG-VCF

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v.

ORDER (1) STAYING CASE, (2) TEMPORARILY STAYING CONTEMPT PROCEEDINGS, AND (3) DENYING WITHOUT PREJUDICE MOTION FOR CLARIFICATION

DOMINIC J. MAGLIARDITI, et al.,

Defendants.

[ECF No. 195]

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Given the bankruptcy filing of Dominic Magliarditi, this case is stayed pending further order of this court or the bankruptcy court. While I could continue with contempt proceedings against defendant Francine Magliarditi, I will temporarily stay those proceedings given the complexities arising from Dominic's bankruptcy filing. Because the plaintiffs contend that all of Francine's property is really Dominic's, it is possible that her property is property of the bankruptcy estate. Indeed, I have previously ruled the plaintiffs are likely to succeed in making that showing. If Francine's property is property of the bankruptcy estate, that could affect the range of contempt sanctions that I may consider against Francine. I therefore vacate the August 22, 2018 contempt hearing and temporarily stay the contempt proceedings.

For similar reasons, I deny Francine's request for clarification regarding the funds she already paid her attorneys or funds she may try to use in the future to pay her attorneys. Funds Francine already used or intends to use in the future may be property of the bankruptcy estate. Those matters are now before the bankruptcy court. Should that court rule that the funds are not part of the estate, and Francine seeks clarification from this court about the use of those funds, she may file a new motion in this case.

¹ See ECF No. 215 at 2 (collecting cases).

Although I am temporarily staying the contempt proceedings against Francine, my preliminary injunction order remains in place. The bankruptcy filing does not negate my order nor is it a license for anyone to violate it. As explained previously, the automatic stay does not bar contempt proceedings against either the debtor or a non-debtor. IT IS THEREFORE ORDERED that this case is **STAYED** pending further proceedings in Dominic Magliarditi's bankruptcy case. IT IS FURTHER ORDERED that the contempt proceedings against defendant Francine Magliarditi are temporarily STAYED and the contempt hearing set for August 22, 2018 is VACATED. IT IS FURTHER ORDERED that defendant Francine Magliarditi's motion for clarification (ECF No. 195) is DENIED without prejudice. DATED this 31st day of July, 2018. ANDREW P. GORDON UNITED STATES DISTRICT JUDGE