

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

Maria Elena Garcia, et al.,

Plaintiffs,

v.

City of Farmersville, et al.,

Defendants.

No. 1:21-cv-00482-KJM-EPG

ORDER

In a previous order, this court directed the parties to meet and confer and file a joint status report on the effect of the bankruptcy proceedings in Case No. 24-90563 pending within the Bankruptcy Court for the Southern District of Texas. ECF No. 194. The court also instructed the parties to meet and confer about the City of Visalia's petition for a declaration that plaintiffs' claims have been dismissed with prejudice. *Id.* The parties have now filed their joint status report. ECF No. 195.

In the joint status report, the City of Farmersville points out without contradiction that the Bankruptcy Court's order applies to "Non-Debtor Defendants" as well as to "Debtor Defendants" in "any lawsuits filed as of the [bankruptcy petition date] in which a Debtor is named as one of the defendants therein." *See id.* at 6–7; Amended Interim Order Enforcing the Automatic Stay at 1 & n.3, *In re Wellpath Holdings, Inc.*, No. 24-90533 (S.D. Tex. Bankr. Nov. 12, 2024), ECF No. 69). Rather than disputing that the bankruptcy court's order applies also to defendants who are

1 not debtors in the bankruptcy case, plaintiffs state in the parties' joint status report that they "will
2 move for relief from the automatic stay and to sever the claims against Wellpath from the claims
3 against the multiple defendants who have not filed for bankruptcy in this case." Joint Status Rep.
4 at 3. Plaintiffs similarly state their intent to "seek relief from the automatic stay by limiting
5 recovery to the amount of the insurance coverage" obtained by Wellpath. *Id.* at 6. Wellpath did
6 not provide a statement, Tulare County agrees with plaintiffs, and the City of Visalia expresses no
7 disagreement with either plaintiffs' or Farmersville's position. *Id.* at 6, 8. The court therefore
8 construes the parties' joint status report as showing the parties agree the automatic stay remains in
9 effect under the Bankruptcy Court's order unless plaintiffs or another party obtain relief from that
10 stay or the Bankruptcy Court otherwise alters its orders.

11 Finally, in the parties' joint report, the City of Visalia states its intent to renew its request
12 for an order of dismissal with prejudice, having exhausted its efforts to meet and confer with
13 plaintiffs' counsel. *See id.* at 7–8. Any such motion must comply with this District's Local
14 Rules, including Rule 230, and this court's standing orders.

15 IT IS SO ORDERED.

16 DATED: January 16, 2025.

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UNITED STATES DISTRICT JUDGE