

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE:

GREGORY JAMES REED

Debtor

Case No. 16-13053

Honorable Nancy G. Edmunds

NOTICE REGARDING DEFENDANTS "REMOVAL" PETITION

On August 23, 2016, Defendants Richard Manson and the Manson Group filed a "notice of removal pursuant to B.R. 9027". Defendants purportedly seek to "remove" a non-core proceeding currently pending in the United States Bankruptcy Court for the Eastern District of Michigan to this Court. See *In re Reed*, Case No. 14-53838 (Bankr. E.D. Mich. 2014). But Bankruptcy Rule 9027 is not the proper procedural mechanism by which to accomplish this goal. Rather, under 28 U.S.C. § 157, Defendants must first move to withdraw the reference from the Bankruptcy Court.¹

A district court may grant discretionary withdrawal of reference "for cause shown." *Id.* at § 157(d). Contrary to Defendants' suggestion, "whether a proceeding is core or non-core will not alone determine whether the proceeding must be withdrawn." *In re Appalachian Fuels, LLC*, 472 B.R. 731, 737 (E.D. Ky. 2012). As the court explained in *Appalachian Fuels*, "a bankruptcy judge may hear non-core proceedings that are otherwise related to a case under title 11. § 157(c)(1). In such proceedings, the bankruptcy judge submits

¹ Under Local Rule 83.50(a)(1), "all cases under Title 11 of the United States Code and any or all proceedings arising under Title 11 or arising in or related to a case under Title 11 are referred to bankruptcy judges."

'proposed findings of fact and conclusions of law to the district court, and any final order or judgment shall be entered by the district judge . . . after reviewing de novo those matters to which any party has timely and specifically objected.'" *Id.* at 738. Nevertheless, until Defendants properly move to withdraw the reference, the Court need not consider this issue any further.

This Order constitutes notice under Local Rule 41.2 of the Local Rules for the Eastern District of Michigan of the Court's intention to transfer this case back to the Bankruptcy Court unless Defendants can demonstrate that the reference should be withdrawn. Defendants must file their motion on or before October 17, 2016.

SO ORDERED.

s/Nancy G. Edmunds
Nancy G. Edmunds
United States District Judge

Dated: October 4, 2016

I hereby certify that a copy of the foregoing document was served upon counsel of record on October 4, 2016, by electronic and/or ordinary mail.

s/Carol A. Bethel
Case Manager