Dated: August 03, 2026
The following is SO ORDERED:

Jimmy L. Croom
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
EASTERN DIVISION

In re

RURAL CONNECT, LLC, **Case No. 26-10328**

Debtor. **Chapter 11**

Rural Connect, LLC,
Plaintiff,
v. **Adv. Proc. No. 26-5024**

Educational Broadband, LLC,
Defendant

MEMORANDUM OPINION RE: AMENDED NOTICE OF REMOVAL

On September 20, 2024, Educational Broadband Corporation ("EBC") filed a complaint against Rural Connect, LLC ("RC"), in the United States District Court for the Western District of Tennessee (Case No. 1:24-cv-1206) ("District Court Action"). EBC filed its complaint as a federal diversity action and sought recovery for breach of contract and unjust enrichment, appointment of a receiver, specific performance, and injunctive relief.

On January 12, 2026, RC's attorneys filed a motion for leave to withdraw as counsel in the District Court Action. The District Court entered an order granting that motion on January 13, 2026, and gave RC twenty-eight days to inform the court of new counsel. RC did not comply with that order and on February

18, 2026, EBC filed a motion seeking entry of default pursuant to Federal Rule of Civil Procedure 55 based on RC's failure to obtain new counsel. The District Court clerk entered a notice of default against RC on February 19, 2026.

RC filed a chapter 11 bankruptcy petition on March 5, 2026. On April 28, 2026, RC filed a Notice of Removal of the District Court Action with this Court. (ECF No. 1.) Due to technical issues with how the notice was filed, the bankruptcy court clerk's office requested RC file an amended notice, which RC did on April 30, 2026. (ECF No. 3.) RC did not cite a statutory basis for the removal, but instead stated it was filing its Notice of Removal pursuant to Federal Rule of Bankruptcy Procedure 9027(a)(2)(C).

EBC filed a Statement of Nonconsent to Removal and to the Entry of Final Orders or Judgment by the Bankruptcy Court on May 13, 2026. (ECF No. 5.) EBC filed a Motion to Remand on May 19, 2026. (ECF No. 6.)

The Court conducted a hearing on the Amended Notice of Removal and EBC's response thereto on July 9, 2026. At the conclusion of the hearing, the Court took the matters under advisement.

There are two removal statutes available to parties in bankruptcy cases: (1) the general removal statute found in 28 U.S.C. § 1441(a); and (2) the bankruptcy removal statute found in 28 U.S.C. § 1452(a). *Things Remembered v. Petrarca*, 516 U.S. 124, 129, 116 S. Ct. 494, 497 (1995) ("There is no express indication in § 1452 that Congress intended that statute to be the exclusive provision governing removals and remands in bankruptcy.") Section 1441 provides for removal of pending state court civil actions:

> Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or the defendants, to the district court of the United States for the district and division embracing the place where such action is pending.

28 U.S.C.S. § 1441(a). Section 1452 is broader and provides for removal of a claim or cause of action from state or federal court:

> (a) A party may remove any claim or cause of action in a civil action other than a proceeding before the United States Tax Court or a civil action by a governmental unit to enforce such governmental unit's police or regulatory power, to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title [28 USCS § 1334].

28 U.S.C.S. § 1452(a); see also Fed. R. Bankr. P. 9027(a)(1) (emphasis added) ("A notice of removal must be filed with the clerk for the district and division where the state or *federal* civil action is pending.); *Quality Tooling v. United States*, 47 F.3d 1569, 1572 (Fed. Cir. 1995) ("We conclude that 28 U.S.C.

§ 1452 is not limited by its terms to removing a claim from a state court, and that the transfer [from the Court of Federal Claims to the bankruptcy court] was properly authorized.");

The vast majority of courts "have concluded that 28 U.S.C. § 1452 does not permit removal of cases from federal district court to bankruptcy court." *Curtis v. Shpak* (*In re Curtis*), 571 B.R. 441, 445 (B.A.P. 9th Cir. 2017) (collecting cases). Courts adhering to this view typically cite two reasons for their conclusion. "[F]irst, the plain language of the statute does not support a contrary conclusion[.]" *Id.* Second, allowing a party to remove an action pending in district court to bankruptcy court "would jeopardize the district courts' referral authority regarding bankruptcy matters and undermine 28 U.S.C. § 157 which gives district courts the authority to withdraw cases from the bankruptcy courts." *In re Sharif*, 407 B.R. 316, 320 (Bankr. N.D. Ill. 2009).

"The plain language of 28 U.S.C. § 1452 does not authorize removal to a bankruptcy court; rather, it authorizes removal 'to the district court for the district where such civil action is pending,' if the district court has jurisdiction under 28 U.S.C. § 1334." *United States v. Mikhov*, 645 B.R. 609, 615 (S.D. Ind. 2022) (citing *In re Curtis*, 571 B.R. at 445). Thus, "it is illogical to interpret [§ 1452(a)] to authorize removal *from* a district court *to* the district court in the same district." *Id.* at 615 (citations omitted); *Mitchell v. Fukuoka Daiei Hawks Baseball Club* (*In re Mitchell*), 206 B.R. 204, 209 (Bankr. C.D. Calif. 1997) ("It seems to be a tautology to talk about 'removing' an action already pending in a federal district court to that *same* federal district court where the action is already pending.); see also *Onewoo Corp. v. Hampshire Brands, Inc.*, 566 B.R. 136, 143 (Bankr. S.D.N.Y. 2017) ("Section 1452(a), by its terms, refers to a removal of cases "to" the district court. Cases that hold that a removal may be effected by a bankruptcy court rely on the notion that the bankruptcy court is a unit of the district court under Section 151 of Title 28. Those cases hold that the bankruptcy court therefore is acting as the district court for purposes of exercising the removal power granted in Section 1452(a). However, the whole idea of removal is that a case is being taken from a *different* court."). Given the statute's clear language and the majority's logical analysis of the issue, this Court agrees that § 1452(a)'s plain language does not authorize removal of a matter pending in a federal district court to bankruptcy court.[1]

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[1] For a discussion of what types of federal proceedings may be removed to district court pursuant to § 1452(a), see the following cases. *In re Mitchell*, 206 B.R. at 211 (recognizing that proceedings "from federal courts other than district court can be removed to district court" pursuant to 28 U.S.C. § 1452(a), such as the Court of Federal Claims or the Court of Veterans Appeals); *Centrust Sav. Bank v. Love*, 131 B.R. 64, 67 (S.D. Tex. 1991) (recognizing that § 1452(a) allows removal of actions "from courts of the United States other than the United States District Court, like the local courts of the District of Columbia or the territorial courts of Guam.")

Turning to the jurisdictional and constitutional concerns, this Court adopts the analysis set forth by the Bankruptcy Appellate Panel for the Ninth Circuit in *In re Curtis*.

> Numerous cases have held, correctly, that a reading of 28 U.S.C. § 1452 that would permit a matter to be removed from a district court to a bankruptcy court would impermissibly undermine the district court's power to refer matters to the bankruptcy court (or to withdraw the reference). That referral power reflects "the Article III supervision that Congress intended as a remedy for the defects found by the Supreme Court in [*N. Pipeline Const. Co. v. Marathon Pipe Line Co*., 458 U.S. 50, 53, 102 S. Ct. 2858, 2862 (1982)]." *Thomas Steel Corp.*, 101 B.R. at 19-20. Moreover, the Debtors' interpretation would permit the bankruptcy court unreviewable discretion under § 1452(b) to remand a claim or cause of action to the district court. *Id*. See also *In re Sharif*, 407 B.R. at 320 (noting that permitting removal from federal district court to bankruptcy court would jeopardize the district courts' referral authority as well as their power of appellate review of judgments, orders, and decrees of bankruptcy courts under 28 U.S.C. § 158).
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> But we pause here to emphasize a fundamental and crucial point. The determination of the issues raised by Debtors' attempt to remove a matter from district court to bankruptcy court implicates more than a question of statutory interpretation. Similarly, the requirement that district courts refer cases and proceedings to bankruptcy courts before those courts may adjudicate them does not merely designate the district courts as "Article III traffic police" for bankruptcy matters. Rather, the statutory structure implicates issues of the highest constitutional import. The predicate for the referral power is the bedrock principle that the district courts have jurisdiction over bankruptcy cases and proceedings; the bankruptcy court's jurisdiction over such matters is purely and solely derivative of the district court's jurisdiction. And the bankruptcy court's power to hear, or to hear and determine, as the case may be, bankruptcy cases and proceedings is entirely dependent upon the referral by the district court. Any interpretation of a statute that would imply that the bankruptcy courts had jurisdiction of bankruptcy cases and proceedings separate and independent from, or even co-equal to, the jurisdiction granted the Article III courts, or that would interfere with the Article III courts' exercise of that jurisdiction and judicial power through the system of referral to the bankruptcy courts, or that, as here, would permit bankruptcy courts to dispose of matters originating in the district courts in apparent derogation of the power of those courts to control their own proceedings, would be, for the reasons described above, a constitutional non-starter.

In re Curtis, 571 B.R. at 447-48.

A notice of removal that purports to remove a district court action to bankruptcy court pursuant to § 1452(a) is void and of no effect. *Mikhov*, 645 B.R. at 616. "[T]he proper procedure for a party to use to request a district court to transfer a lawsuit pending in that district court to a bankruptcy judge of the same district is for the party seeking the transfer to move the district court to refer that lawsuit to the bankruptcy court for further handling, if there is some reason why it would make sense to have the bankruptcy court take over further handling of the lawsuit from the district court." *In re Mitchell*, 206 B.R. 204, 210 (citations omitted); *In re Curtis*, 571 B.R. at 449 (citing *Thomas Steel*, 101 B.R. at 22; *In* *re Mitchell*, 206 B.R. at 210; *Centrust Sav. Bank v. Love*, 131 B.R. 64, 66 (S.D. Tx. 1991)). Consequently, the Court will enter an order declaring RC's April 30, 2026 Amended Notice of Removal (ECF No. 3) void.

Mailing List

Thomas H. Strawn, attorney for Debtor
Charles Exum, attorney for Educational Broadband, LLC
United States Attorney
Wendy Oliver, Clerk, United States District Court, Western District of Tennessee, Odell Horton Federal Building, 167 North Main Street, Memphis, TN 38103

Dated: August 03, 2026
The following is SO ORDERED:

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Defendant

ORDER DECLARING PLAINITFF'S AMENDED NOTICE OF REMOVAL VOID

For the reasons and authorities set forth in the court's Memorandum Opinion re: the Notice of Removal, the Court hereby declares the Amended Notice of Removal filed on April 30, 2026 (ECF No. 3), **VOID**. The Court further orders that this Adversary Proceeding be closed without prejudice.

Mailing List

Thomas H. Strawn, attorney for Debtor
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