## **UNITED STATES BANKRUPTCY COURT**

Eastern District of California

Honorable Ronald H. Sargis Bankruptcy Judge Sacramento, California

## April 16, 2014 at 2:30 p.m.

1. <u>13-34223</u>-E-13 NAOMI LEBUS <u>14-2049</u> LEBUS V. MCCARTHY ET AL STATUS CONFERENCE RE: COMPLAINT 2-6-14 [1]

Plaintiff's Atty: Pro Se Defendant's Atty: Nick I. Iezza

No Tentative Ruling:

Adv. Filed: 2/6/14 [jury demand] Answer: none

Nature of Action:

Notes:

[KAS-1] Motion to Dismiss Plaintiff's Adversary Complaint filed 3/6/14 [Dckt 7], set for hearing 4/24/14 at 1:30 p.m.

## SUMMARY OF COMPLAINT

The Plaintiff-Debtor, who is the Chapter 13 Debtor in Case No. 13-34223, has filed the Complaint in this Adversary Proceeding in which the Prayer requests that the court issue a Judgment for Quite Title. Dckt. 1. No Chapter 13 Plan as been confirmed in the bankruptcy case and the Trustee has pending a Motion to Dismiss the Chapter 13 case, which is set for hearing on April 16, 2014. The court denied confirmation of the Plaintiff-Debtor's original plan, noting that there was no provision for payments of any claims. Chapter 13 Plan, 13-34223 Dckt. 12.

After reviewing the Complaint, the court summarizes the allegations and requested relief as follows:

A. Plaintiff-Debtor asserts that she owns real property located on Jordan Road in Douglas City.

B. One of the Defendant's is the chief executive officer of First Bank, and is responsible for the Bank's actions.

C. The sole "cause of action" is a "complete lack and want of Standing to bring foreclosure due to nullity of the original loan, ab initio."

D. Plaintiff purchased the Property in September 2006.

E. The Note executed by Plaintiff has been sold, assigned, and transferred a number of times.

F. The Deed of Trust purporting to secure the Note was not concurrently assigned with the transfers of the Note.

G. The Deed of Trust is "Invalid," "Null," and "Void (ab initio)" as to First Bank.

H. There was a "Severance," "Bifurcation," or "Separation" of the Note from the Deed of Trust by the failure to assign the Deed of Trust with the Note.

I. Because the Note was assigned, the Note has been paid and the Deed of Trust must be reconveyed.

J. The Complaint cites to case law stating that the Note and Deed of Trust cannot be separated and it always follows the Note.

K. The transfer of the Note, without an assignment of the Deed of Trust, separated the Note from the Deed of Trust.

#### Motion to Dismiss

First Bank has filed a pleading entitled "MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS PLAINTIFF'S ADVERSARY COMPLAINT FOR FAILURE TO STATE A CLAIM OR ALTERNATIVELY FOR A MORE DEFINITIVE STATEMENT; REQUEST FOR JUDICIAL NOTICE." Dckt. 7. Federal Rule of Civil Procedure 7(b) and Federal Rule of Bankruptcy Procedure 7007 require that the a motion state with particularity the grounds upon which relief is requested and the demand for relief. Local Bankruptcy Rule 9004-1 and the Revised Guidelines for Preparation of Documents requires that the motion, points and authorities, each declaration, and the exhibits (which can be combined into one document) be filed as separate pleadings.

The Memorandum of Points and Authorities does not support any Motion to Dismiss. The pleading expressly states that the Points and Authorities is in support of a separate motion (which the court presumes that Movant would prepare in conformity with the Federal Rule of Civil Procedure, Federal Rule of Bankruptcy Procedure, Local Bankruptcy Rules, and the Revised Guidelines for Preparation of Documents). Though a hearing date has listed for April 24, 2014, there is no motion filed with the court. FN.1.

FN.1. The court double checked to see if the pleading titled "Notice of Motion" was also a motion. However, it does not state with particularity any grounds upon which relief is based.

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2. <u>13-24745</u>-E-13 LORI SWAIN <u>14-2055</u> SWAIN V. GREEN TREE SERVICING, LLC ET AL STATUS CONFERENCE RE: COMPLAINT 2-17-14 [1]

Plaintiff's Atty: Peter G. Macaluso Defendant's Atty: unknown

Adv. Filed: 2/17/14 Answer: none

Nature of Action: Declaratory judgment

Tentative Ruling: The Status Conference is XXXXXXXXXXXXXXX.

Notes:

Plaintiff's Status Conference Statement filed 4/7/14 [Dckt 8]

APRIL 16, 2014 STATUS CONFERENCE

#### SUMMARY OF COMPLAINT

The Complaint names Green Tree Servicing, LLC and BAC Home Loans Servicing, LP as defendants. The Complaint asserts that BAC Home Loans Servicing, LP fails to honor promises relating to loan modifications.

The court has concerns with respect to this Complaint beginning with the naming of BAC Home Loans Servicing, LP as a defendant. It is common knowledge in this court that in 2011 that limited partnership was merged into Bank of America, N.A. Bank of America, N.A. is not named as a defendant in the Adversary Proceeding. Green Tree Servicing, LLC is identified as a loan servicer. FN.1.

FN.1. The California Secretary of State lists BAC Home Loans Servicing, LP's legal status as cancelled. <u>http://kepler.sos.ca.gov/.</u>

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The Complaint alleges that here is a controversy between Plaintiff and the Defendants about the status of a permanent loan modification. The Complaint runs 115 paragraphs in length, 21 pages long, and contains a number of historical recitations. It generically asks for "actual damages," punitive damages," statutory damages," "declaratory relief," and "attorneys' fees." The court has difficulty in identifying the "(2) short and plain statement of the claim showing that the pleading is entitled to relief and (3) a demand for the relief sought..." Fed. R. Civ. P. 8(a), Fed. R. Bank. P. 7008. 3. <u>08-24574</u>-E-13 EARL/CATHERINE BROWN <u>14-2029</u> BROWN ET AL V. CHASE HOME FINANCE, LLC CONTINUED STATUS CONFERENCE RE: COMPLAINT 1-22-14 [1]

Plaintiff's Atty: Peter G. Macaluso Defendant's Atty: unknown

Adv. Filed: 1/22/14 Answer: none

Nature of Action: Validity, priority or extent of lien or other interest in property Declaratory judgment

Notes:

Continued from 3/19/14. If no answer or other responsive pleading filed, if the entry of default has not been requested by 3/28/14, or if the Motion for Entry of Default Judgment has not been filed by the 4/19/14 continued hearing, the court shall dismiss the Complaint without prejudice for failure of Plaintiff to prosecute the Adversary Proceeding.

Request for Entry of Default by Plaintiff [Chase Home Finance, LLC] filed 3/28/14 [Dckt 13]; Order setting hearing for 4/16/14 at 10:00 a.m. filed 4/4/14 [Dckt 15]

#### SUMMARY OF COMPLAINT

In the Complaint Plaintiff-Debtor asserts that having completed her Chapter 13 Plan, Chase Home Finance, LLC must reconvey a deed of trust which secured its claim in her bankruptcy case. Bankr. E.D. Cal. No. 08-24574.

A search of the California Secretary of State's database reveals that Chase Home Finance, LLC's status is listed cancelled. See California Secretary of State, Business Search, <u>http://kepler.sos.ca.gov/.</u> This listing also states that the jurisdiction of Chase Home Finance, LLC is Delaware. The Delaware Secretary of State's database requests fees in order to view the status of Chase Home Finance, LLC. See Delaware Secretary of State, Entity Search, <u>https://delecorp.delaware.gov/tin/GINameSearch.jsp.</u>

In Rhodes v. JPMorgan Chase Bank, N.A., 2012 U.S. Dist. LEXIS 158988 n1 (S.D. Fla. Nov. 6, 2012) the court noted that Defendant JPMorgan Chase Bank, N.A. stated that it is successor by merger to Chase Home Finance, LLC, doing business as Chase Home Mortgage. Similarly, in JPMorgan Chase Bank, N.A. v. Romine, 2013-Ohio-4212 (Ohio Ct. App., Sept. 26, 2013) the court noted that "Chase Home Finance, LLC thereafter merged with [JPMorgan Chase Bank, N.A.]." In JPMorgan Chase Bank, NA v. Carroll, 2013-Ohio-5273 (Ohio Ct. App., Dec. 2, 2013) Plaintiff JPMorgan Chase Bank, N.A. filed the affidavit of Michael Brown, JPMorgan Chase Bank, N.A.'s Vice President, in which he stated,

In my capacity as Vice President, I have access to [JPMorgan's] business records, maintained in the ordinary

course of regularly conducted business activity, including the business records for and relating to [Glenn Carroll's] loan. These records include the historic records of Chase Home Finance LLC, which merged with [JPMorgan] effective May 1, 2011.

More recently in *Reynolds v. JPMorgan Chase Bank, N.A.*, 2014 U.S. Dist. LEXIS 4503 (M.D. Ga. Jan. 14, 2014), the court noted that "[a]mong the defendants in that case was Chase Home Finance, LLC, which was succeeded by merger with JPMorgan. See, e.g., Doc. 4-4 at 2; *Harris v. Chase Home Finance*, *LLC*, 524 F. App'x 590, 591 (11th Cir. 2013)."

#### MOTION TO EXTEND TIME FOR JPMORGAN CHASE BANK, NA TO RESPOND

On April 11, 2014, JPMorgan Chase Bank, N.A., identifying itself as a "Defendant," filed a Motion for an enlargement of time for it to file a responsive pleading to the Complaint. In the Motion JPMorgan Chase Bank, N.A. asserts that it is the successor by merger to Chase Home Finance, LLC.

#### NO SUBSTITUTION OF PARTY

It appears that Plaintiff-Debtor, having named the incorrect party as a defendant, and JPMorgan Chase Bank, N.A., not a party named to the Adversary Proceeding, are content with proceeding with litigation on an inaccurate Complaint. No Party has requested that JPMorgan Chase Bank, N.A. be joined as the real party in interest pursuant to Federal Rule of Civil Procedure 19(a) and Federal Rule of Bankruptcy Procedure 7019, the dismissal of Chase Home Finance, LLC, or the amendment of the Complaint to state a claim against JPMorgan Chase Bank, N.A.

As drafted, JPMorgan Chase Bank, N.A. is left litigating in an Adversary Proceeding in which no claims are stated against it. There is no reason for the Parties to conduct such "tentative" litigation, and then after the fact decide that they want, or oppose, a *post hoc* amendment of the Complaint or substitution of a real party in interest.

The potential for such "disagreements" appears to be a real possibility in this case. Already JPMorgan Chase Bank, N.A.'s counsel is accusing Plaintiff's counsel of reneging on a agreement. Motion to Extend Time, Pg. 5:9-10 Dckt. 20.

The Motion to Extend Time appears to fail to comply with the basic requirements under the Local Bankruptcy Rules, and the requirements for the preparation of documents and electronic filing in the Eastern District of California. pleading requirements under the Federal Rules of Civil Procedure. A motion must state with particularity the grounds upon which the relief is requested. Fed. R. Civ. P. 7(b); Fed. R. Bankr. 7007. Pursuant to Local Bankruptcy Rule 9004-1 and the Revised Guidelines for Preparation of Documents, the motion, points and authorities, each declaration, and the exhibits document are filed as separate pleadings. This rule and requirement exists for several reasons. First, the motion must clearly state the grounds upon which the relief is requested - not hidden among arguments, extensive citations and quotations, speculation, conjecture, and objections. It is not the court's job to determine what should be teased out from a motion-points and authorities documents as what the movant really states as the grounds, state that for the movant, and then rule on those grounds developed by the court for movant. Second, the court works in a near paperless environment. When attorneys mash together one big electronic file which is a motiondeclaration #1-declaration #2-points and authorities-request for judicial notice-exhibits, it renders it an unworkable electronic document to be used by the court. The court will not sift through hundreds of electronic pages of one document to try and cross reference a statement made in a motion, with a reference in a declaration, that ties in an exhibit, for which a request for judicial notice is relevant. Rather, when the documents are properly prepared and filed, the court can open the motion electronic document in one tile on the computer screen and have the declaration and exhibits open in other tiles on the same or multiple screens.

The court does not leave it for the attorneys to guess when the Federal Rule of Civil Procedure, Federal Rule of Bankruptcy Procedure, Local Bankruptcy Rules, and Revised Guidelines for Preparation of Pleadings will be enforced and when the attorneys "can let it slide." The rules are uniformly and equally applied. For counsel's argument that, "this motion is so simple let me just throw it all together," it most likely is even more simply done in the proper manner under the Rules. Complying with the Rules does not impose any undue or unreasonable burden on counsel.

#### 4. 12-28879-E-11 ANNETTE HORNSBY

CONTINUED STATUS CONFERENCE RE: VOLUNTARY PETITION 5-8-12 [1]

Debtor's Atty: Sunita Kapoor

Notes:

Continued from 1/9/14

Operating Reports filed: 2/3/14 [Dec]; 2/27/14 [Jan]; 3/25/14 [Feb]

#### APRIL 16, 2014 STATUS CONFERENCE

On January 11, 2014, the court filed its order denying approval of the Debtor in Possession's Disclosure Statement. Dckt. 231. It was reported to the court that the Debtor in Possession, in pro se, was prosecuting a claim in state court asserting an ownership interest in real property commonly known as 950 Harrison Street. The Defendants in that state court litigation asserted that summary judgment had been granted Defendants in that action. No further information concerning that litigation has been filed with the court. 5. <u>11-47181</u>-E-7 ARTHURO AGUILAR <u>13-2391</u> SCOTT V. AGUILAR, JR. CONTINUED STATUS CONFERENCE RE: COMPLAINT 12-20-13 [<u>1</u>]

Plaintiff's Atty: Gregory Wayland Defendant's Atty: Scott A. CoBen

Final Ruling: The Court having granted the Motion to Dismiss the Adversary Proceeding as being not timely filed, the Status Conference is continued to 2:30 p.m. on July 9, 2014, as a holding date. No appearance at the April 16, 2014 Status Conference is required.

If no post-dismissal motions are filed on or before May 31, 2014, the Clerk of the Court shall close the file for this Adversary Proceeding and the Status Conference will be removed from the calendar.

Adv. Filed: 12/20/13 Answer: none

Nature of Action: Dischargeability - false pretenses, false representation, actual fraud Dischargeability - fraud as fiduciary, embezzlement, larceny

Notes:

Continued from 2/27/14

The court shall issue a minute order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The Court having granted Defendant's Motion to Dismiss the Adversary Proceeding, and upon review of the pleadings and files in this Adversary Proceeding, and good cause appearing,

**IT IS ORDERED** that the Status Conference is continued to 2:30 p.m. on July 9, 2014, as a holding date.

**IT IS FURTHER ORDERED** that if no further motions are filed in this Adversary Proceeding on or before May 31, 2014, the Clerk of the Court shall close the file for this Adversary Proceeding and the Status Conference will be removed from the calendar.

## 6. <u>14-22186</u>-E-11 HOLISTIC ANIMAL CARE SERVICES, INC. A NEVADA

STATUS CONFERENCE RE: VOLUNTARY PETITION 3-4-14 [1]

Debtor's Atty: C. Anthony Hughes

Notes:

Status Report filed 3/24/14 [Dckt 12]

[JTK-1] Motion for Relief [secured creditor: Scott B. Lee, Trustee of the Elizabeth Aghbashian and Scott Lee Family Trust] filed 3/26/14 [Dckt 14], set for hearing 4/24/14 at 9:30 a.m.

[CAH-2] Ex Parte Application of Debtor and Proposed Debtor in Possession to Employ Anthony Hughes L.C. as Bankruptcy Counsel filed 4/7/14 [Dckt 25];

#### STATUS CONFERENCE SUMMARY

## MOTION FOR RELIEF FROM STAY-WAIVER OF STATUTORY DELAYS-SINGLE REAL ESTATE ASSET DETERMINATION-CONSOLIDATION OF CASES-CONVERSION OR DISMISSAL OF CASE

Creditor Scott B. Lee, Trustee, has filed a motion seeking multiple relief in this bankruptcy case. Motion, Dckt. 14. The eighteen page motion wanders through various contentions and allegations, but suffers from some very significant deficiencies. First, law and motion practice in the bankruptcy case does not provide for joining multiple claims for relief into one motion (a contested matter under Fed. R. Bankr. P. 9014). The claim joinder provisions of Federal Rule of Civil Procedure 18 and Federal Rule of Bankruptcy Procedure 7018 are not incorporated into the bankruptcy case law and motion practice by Federal Rule of Bankruptcy Procedure 9014. The reason for this is quiet simple.

Many substantive, case "life and death" matters are determined on 28 days notice in bankruptcy cases. This is compared to the mostly "procedural" matters determined in the law and motion practice in the district court or state superior court. The "life and death" determination of rights are generally made at trial in those courts. The Creditor has lumped together multiple claims into the one Motion.

Secondly, Creditor has only served the Debtor, Attorney for Debtor and the U.S. Trustee with the Motion and supporting pleadings. Certificate of Service, Dckt. 22. Creditor has failed to comply with the basic service and notice requirements of Federal Rule of Bankruptcy Procedure 2002(a), 4001(a), and has failed to provide notice to all of the creditors in the present case and the other bankruptcy case to be consolidated with the present case.

#### STATEMENT OF THE U.S. TRUSTEE

In connection with the Creditor's Motion for Multiple Relief, the U.S. Trustee filed a Statement of Non-Opposition. In the Statement the U.S. Trustee raises some significant issues, which include allegations that,

- I. The president of the Debtor corporation is Carole Ann Baird.
- II. Ms. Baird commenced her voluntary Chapter 7 case on October 22, 2013. Bankr. E.D. Cal. No 13-33618. The Baird Chapter 7 case is open and the assets are being administered by the Chapter 7 Trustee.
- III. Ms. Baird's property included in her Chapter 7 bankruptcy estate included that commonly known as 5441 Hackberry Lane, Sacramento, California. (It appears that the Statement contains a typographical error identifying the street as "Hackleberry.")
- IV. On or about November 17, 2013, Ms. Baird purported to transfer the Hackberry Lane Property to the Debtor, Holistic Animal Care Services, Inc.
- V. Though not referenced in the U.S. Trustee's Statement, on March 5, 2014, the bankruptcy court ordered that the Hackberry Lane Property is abandoned by the Chapter 7 Trustee in the Baird case. 12-33618, Order, Dckt. 87.
- VI. At the meeting of creditors in the present case Ms. Baird testified that Holistic Animal Care Services has no employees and receives no income.
- VII. All secured claims in connection with the present case relate to the Hackberry Property.
- VIII. The Debtor in the present case has three creditors holding general unsecured claims which total \$3,500.00.

March 2014 Report	Iarch 2014 Report		None Filed			
INCOME	Current			Cumulat	ive	
Wages	\$	0		\$	0	
Sales	\$	0		\$	0	
Misc.	<u>\$</u>	<u>1</u>		<u>\$</u>	<u>1</u>	
Total	\$	1		\$	1	
EXPENSES	\$	(5,000)		\$	(2,000)	

#### MONTHLY OPERATING REPORT SUMMARY

PROFIT/(LOSS)	\$	(4,999)		\$ (1,999)	
Specific Expenses					
	R	ent/Mortgage			
		Interest			
		Payroll			
			g		
ACCOUNTS RECEIVABLE					
ACCOUNTS PAYABLE					

## SUMMARY OF SCHEDULES

Real Property Schedule A	FMV	LIENS	
5411 Hackberry Lane	\$600,000	(\$1,269,211)	

Personal Property Schedule B	FMV	LIENS	
Bank Accounts	None		
Accounts Receivable	None		
License – General Business License (License good only for use on the Hackberry Property)	\$200,000		
Automobiles, Vehicles	None		
Office Equipment	None		
Machinery, Fixtures, Equipment	None		
Inventory	None		
Animals	None		
Farming Equipment and Implements	None		
Farm Supplies, Chemicals, Feed	None		

Secured Claims Schedule D	TOTAL CLAIM AMOUNT	FMV	UNSECURED CLAIM PORTION
Foxtail Hills LLC - Hackberry Property	(\$1,186,322)	\$600,000	(\$658,210)
Sacramento County Building Permit - Lien on Hackberry Property for Building Permit Violation	(\$11,000)		
Sacramento County Tax Assessor - Hackberry Property Taxes (Presumed priority over Foxtail Hills LLC Deed of Trust)	(\$71,888)		

PRIORITY UNSECURED CLAIMS SCHEDULE E	TOTAL CLAIM AMOUNT	PRIORITY	GENERAL UNSECURED
None			

GENERAL UNSECURED CLAIMS SCHEDULE F	TOTAL CLAIM AMOUNT	
El Rinkchak & Associates (2012: Construction Drawings to correct permit violation)	(\$450)	
Jesse Cole (2010-2011: Maintenance and Repairs 2010-2011	(\$1,750)	
Sacramento County Utilities (2013)	(\$1,300)	

EXECUTORY CONTRACTS SCHEDULE G		
	Schedule G states: "Business has an pay on-going expenses during penda Post-confirmation, Business will pay plan payments and on-going expense at \$10,000.00 per month."	ncy [sic.] of case. debtor's

<b>INCOME, SCHEDULE I</b> Total Average Monthly Income	
None Filed	

<b>EXPENSES, SCHEDULE J</b> Total Average Monthly Expenses	
None Filed	

## STATEMENT OF FINANCIAL AFFAIRS

Question 1 Income

2014 YTD	None	
2013	None	
2012	None	

## Question 2 Non-Business Income

2014 YTD	None	
2013	None	
2012	None	

## Question 3 Payments within 90 days

Creditor	Amount	Date
	None	

## Payments within one year

Creditor	Amount	Date
	None	

## Question 4 Suites and Litigation

Scott Lee, Trustee v. Caroline Baird, dba Creekside Pet Resort, Inc. (a suspended California Corporation) FN.1.	<ol> <li>Foreclosure</li> <li>Appt of Receiver</li> <li>Damages for Waste</li> </ol>	Sacramento Superior Court, 34- 2013-00151892

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FN.1. A review of the California Secretary of State's on-line service reports that Creekside Pet Resort, Inc.'s corporate status is currently suspended. <u>http://kepler.sos.ca.gov/.</u>

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## Question 9 Payments Relating to Bankruptcy

	Amount	Payor
Hughes Financial Law	\$5,000	Creekside Pet Resort, Inc.

## Question 18 Nature and Name of Business

Name	Nature of Business	
None		

## Question 19 Books, Records, and Financial Statements

Books/Records	Person	Date
Bookkeeper, Accountant	None	
Firms or Individuals Which Have Audited Books and Records	None	
Firms or Individuals in Possession of Books and Records	None	
Financial Institutions to Which Financial Statements Were Provided	None	

# Question 21, 22 Current and Former Partners, Officers, Directors, Shareholders

Thomas Bale	Secretary, Treasurer, Director	0% Stock Ownership
Carole Ann Baird	President	100% Stock Ownership
Thomas Bale	Former President	Terminated March 3, 2014

7.12-34689<br/>-E-7E-7ALLEN HASSANCONTINUED STATUS CONFERENCE RE:<br/>COMPLAINT13-2396COMPLAINTWOLFGRAM ET AL V. HASSAN ET AL12-31-13 [1]

Plaintiff's Atty: Pro Se Defendant's Atty: unknown

Adv. Filed: 12/31/13 [jury demand] Answer: none

Nature of Action: Recovery of money/property - turnover of property Recovery of money/property - fraudulent transfer Objection/revocation of discharge Dischargeability - fraud as fiduciary, embezzlement, larceny Dischargeability - willful and malicious injury

**Tentative Ruling:** The court having dismissed the Adversary Proceeding without prejudice, **the Status Conference is removed from the Calendar**.

Notes:

Continued from 3/19/14

8.	<u>12-34689</u> -E-7	ALLEN HASSAN	ORDER TO SHOW CAUSE
	<u>13-2396</u>	RHS-1	3-20-14 [ <mark>9</mark> ]
	WOLFGRAM ET AL	V. HASSAN ET AL	

**Notice Provided:** The Order to Show Cause was served by the Clerk of the Court through the Bankruptcy Noticing Center on Plaintiffs and Defendant on March 21, 2014. 26 days notice of the hearing was provided.

## Tentative Ruling: The court's tentative decision is to dismiss the Complaint without prejudice and close the Adversary Proceeding file.

This Adversary Proceeding was commenced in connection with the Chapter 7 bankruptcy case of Defendant Allen Hassan, Bankr. E.D. Cal. 12-34689. The Complaint seeks a determination of nondischargeability of certain debts, and the awarding of compensatory and punitive damages thereon. The claims for liability for the underlying debts do not arise under the Bankruptcy Code or in the bankruptcy case. On February 12, 2014, the court entered its order dismissing the Allen Hassan Chapter 7 case. 12-34689 Dckt. 265. The bankruptcy case having been dismissed, the basis for exercising federal court jurisdiction pursuant to 28 U.S.C. § 1334 for claims arising under the Bankruptcy Code or in the bankruptcy case have terminated. No parties appeared at the March 19, 2014 Status Conference in this Adversary Proceeding.

Therefore, the court ordered that Plaintiffs John Wolfgram and Stephen P. DeBoever, and each of them, to appear to state Opposition, if any, to the court dismissing without prejudice this Adversary Proceeding or abstaining pursuant to 28 U.S.C. § 1334(c)(1) from hearing any further matters in this Adversary Proceeding for each of the following separate and

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independent grounds,

- A. The failure to prosecute the Adversary Proceeding after the dismissal of the Allen Hassan Chapter 7 bankruptcy case;
- B. The dismissal of the Allen Hassan Chapter 7 bankruptcy case having rendered the nondischargeability Complaint moot; or
- C. The dismissal of the Allen Hassan Chapter 7 bankruptcy case being grounds for the court not exercising the 28 U.S.C. § 1334 "related to" federal court jurisdiction arising under Article III of the United States Constitution.

No opposition has been filed to date.

The bankruptcy case having been dismissed, no bona fide basis exists for this court exercising federal court jurisdiction pursuant to 28 U.S.C. § 1334 for the prosecution of the nondischargeability claims and the state law claims for which Plaintiffs seek a nondischargeability determination.

Therefore, the Adversary Proceeding dismissed without prejudice and the Clerk of the Court shall close the Adversary Proceeding file.

The court shall issue a minute order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The hearing on the Order to Show Cause having been conducted by the court, the Defendant's bankruptcy case having been dismissed, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Adversary Proceeding is dismissed without prejudice. The Defendant's bankruptcy case having been dismissed, Complaint filed by Plaintiffs to determine the nondischargeablity in such bankruptcy case is moot. The exercise of federal jurisdiction granted pursuant to 28 U.S.C. § 1334 to determine any related to matters upon which the claim is based is not appropriate. The court abstains pursuant to 28 U.S.C. § 1334(c)(1) from conducting hearings on the claims in this Adversary Proceeding.

The Clerk of the Court shall close the file for this Adversary Proceeding.