

UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Ronald H. Sargis

Bankruptcy Judge
Modesto, California

October 22, 2015 at 2:00 p.m.

-
1. [15-90109](#)-E-11 NATIONAL EMERGENCY MEDICAL SERVICES CONTINUED STATUS CONFERENCE RE: VOLUNTARY PETITION 2-6-15 [[1](#)]

Debtor's Atty: David C. Johnston

The Status Conference is continued to ~~XXXXXXXXXXXXXX~~.

Notes:

Continued from 7/23/15

Operating Reports filed: 8/12/15; 9/14/15

OCTOBER 22, 2015 STATUS CONFERENCE SUMMARY

This bankruptcy case was filed on February 6, 2015. No proposed disclosure statement and proposed plan have been filed. The September 2015 Monthly Operating Report (Dckt. 68) is summarized as follows:

| | September 2015 | Case Filing through September 2015 |
|--|----------------|------------------------------------|
| Cash Receipts | \$33,394 | \$284,601 |
| Total Disbursements | (\$25,590) | (\$236,245) |
| Excess/(Deficiency) or Receipts over Disbursements | \$7,804 | \$48,356 |
| End of Month Cash Balance | \$52,943 | \$52,943 |

The Debtor in Possession revenue for the estate consists of Membership Dues. Debtor in Possession reports having disbursed commencement through September 2015, (\$30,174) for "Legal & Professional Services." The other significant expenses are real property rent of (\$9,410); payroll taxes of (\$49,628), salary expenses of (\$97,689); and "Torren's Indemnification & BK Indemnification of (\$6,392).

JULY 23, 2015 STATUS CONFERENCE SUMMARY

October 22, 2015 at 2:00 p.m.

The Debtor in Possession reports that the plan will be filed shortly, with a small percentage dividend to creditors holding general unsecured claims. The designated representative of the Debtor in Possession is in his own bankruptcy case in Kentucky.

The "professional fees" are the contract fees for legal services provided to members, not the Debtor.

NAGE creditor reports that the attorney providing the services for the members is also a creditor, and it is not clear whether any payments being received are for the pre-petition debt.

Review of June 2015 Monthly Operating Report (Dckt. 61)

The Monthly Operating Report states that since the commencement of this case the Debtor in Possession has generated \$181,000 in cash receipts. From this (\$154,099) has been disbursed. Several of the largest disbursements are: (\$60,291) for salary, (\$31,533) for payroll taxes, and (\$18,524) for legal and professional services. However, the court has not approve the payment of any legal or professional fees by the Debtor in Possession.

There is an additional expense item under taxes for "Torren's Indemnification" in the amount of (\$6,092).

MARCH 5, 2015 STATUS CONFERENCE SUMMARY

The Debtor commenced this Chapter 11 case on February 6, 2015. The court has granted the Debtor an extension until March 6, 2015, to file its Schedules, Statement of Financial Affairs, and other documents required for the prosecution of a Chapter 11 case. Order, Dckt. 17.

Status Report - Filed March 2, 2015

The Debtor in Possession reports that the Debtor is a labor union for specified medical personnel. After protracted litigation with another labor organization, a judgment was entered against the Debtor. The Chapter 11 case was filed to prevent the prevailing creditor from levying on the union dues held by Debtor.

The Debtor in Possession reports that it is cooperating with the U.S. Trustee to provide the required documents. Further, that it intends to file a proposed plan by June 6, 2015 (approximately 120 days after the commencement of the bankruptcy case).

Defendant does not consent to the Bankruptcy court's rendering of a final judgment pursuant to *Stern v. Marshall*, 131 S. Ct. 2594 (2011) and the cases decided thereafter involving the Bankruptcy Court's Article III jurisdiction." *Id.*, ¶¶ 3, 4, and 5.

Federal Rule of Bankruptcy Procedure 7012(b) requires that "A responsive pleading shall admit or deny an allegation that the proceeding is core or non-core. If the response is that the proceeding is non-core, it shall include a statement that the party does or does not consent to entry of final orders or judgment by the bankruptcy judge."

Defendant has an affirmative duty to "admit or deny that the proceeding is core or non-core." Fed. R. Bankr. P. 7012(b) [emphasis added]. The Answer appears to attempt to evade this simple pleading requirement by stating that Defendant does not "consent to the bankruptcy court rendering a 'final judgment' as to state law issues." Merely referencing "state law issues" is not a response as required by Federal Rule of Bankruptcy Procedure 7012(b).

The court reads the full response in Paragraphs 3, 4, and 5 of the Answer to state that Defendant concurs with the allegation that a proceeding to determine claims arising under 11 U.S.C. § 547 and recovery pursuant thereto as provided in 11 U.S.C. § 550 are "core proceedings" for which the bankruptcy judge issues all orders and the final judgment.

Defendant does not consent at this time to the bankruptcy judge issuing orders or a final judgment for potential future non-core claims which may be amended into the Complaint for this Adversary Proceeding.

The court shall issue a Pre-Trial Scheduling Order setting the following dates and deadlines:

a. The Plaintiff alleges that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334 and 157(a), (b), and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (E), and (O). Complaint 3,4, Dckt. 1.

In the Answer, Defendant admits the allegations in paragraphs 3 and 4 of the Complaint that the bankruptcy court "possesses jurisdiction over 11 U.S.C. §§ 547 and 550 actions. Answer ¶¶ 3,4, and 5; Dckt. 14. Though the response in Paragraphs 3, 4, and 5 of the Answer, Defendant concurs with the allegation that a proceeding to determine claims arising under 11 U.S.C. § 547 and recovery pursuant thereto as provided in 11 U.S.C. § 550 are "core proceedings" for which the bankruptcy judge issues all orders and the final judgment.

Defendant does not consent at this time to the bankruptcy judge issuing orders or a final judgment for potential future non-core claims which may be amended into the Complaint for this Adversary Proceeding.

b. Initial Disclosures shall be made on or before **November 20, 2015**.

c. Expert Witnesses shall be disclosed on or before **January 15, 2016**, and Expert Witness Reports, if any, shall be exchanged on or before **March 18, 2016**.

October 22, 2015 at 2:00 p.m.

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d. Discovery closes, including the hearing of all discovery motions, on **May 31, 2016**.

e. Dispositive Motions shall be heard before **July 15, 2016**.

f. The Pre-Trial Conference in this Adversary Proceeding shall be conducted at **2:00 p.m. on September 15, 2016**.

3. [12-92723-E-7](#) JOHN/KRISTINE ROBINSON
[13-9004](#)
GRANT BISHOP MOTORS, INC. V.
ROBINSON, IV ET AL

PRE-TRIAL CONFERENCE RE:
COMPLAINT OBJECTING TO DEBTORS'
DISCHARGE AND DISCHARGEABILITY
OF DEBTS AND TURNOVER OF
PROPERTY
1-17-13 [[1](#)]

Plaintiff's Atty: Steven S. Altman
Defendant's Atty: William M. Woolman

Adv. Filed: 1/17/13
Answer: 2/15/13

Nature of Action:
Objection/revocation of discharge
Dischargeability - false pretenses, false representation, actual fraud
Dischargeability - fraud as fiduciary, embezzlement, larceny
Dischargeability - willful and malicious injury
Dischargeability - other

The Pre-Trial Conference is Continued to ~~XXXXXX~~.

Notes:

Scheduling Order [6/4/15 dckt 97]-
Disclose experts/exchange reports by 7/21/15
Supplemental experts disclosed by 8/10/15
Non-Expert close of discovery 8/28/15
Expert close of discovery 8/28/15

Report on Adversary Proceeding Status Conference filed 8/24/15 [Dckt 105]

Joint Motion for Dismissal of Portion of Adversary Claims (Objection to Debtors' Discharge) Closure of Case and Entry of Order filed 9/30/15 [Dckt 108], set for hearing 10/22/15 at 10:30 a.m.

Plaintiff's Pre-Trial Conference Statement filed 10/13/15 [Dckt 113]

4. [15-90429-E-7](#) JOSE SANCHEZ
[15-9053](#) RHS-1
DUBLIN AUTOMOTIVE GROUP, INC.
V. SANCHEZ

ORDER TO SHOW CAUSE
10-9-15 [7]

Plaintiff's Atty: Alan D. Eighmay
Defendant's Atty: unknown

Adv. Filed: 7/23/15
Answer: none

Nature of Action:
Dischargeability - false pretenses, false representation, actual fraud
Dischargeability - willful and malicious injury

The Order to Show Cause is ~~XXXXXXXXXXXXXXXX~~ and the Adversary Proceeding ~~XXXXXXXXXXXXXXXX~~.

Notes:

Order to Show Cause re failure to prosecute.

OCTOBER 22, 2015 HEARING

This Adversary Proceeding was commenced on July 23, 2015. The answer or other responsive pleading was due within thirty days of the July 23, 2015 issuance of the Summons. Dckt. 3. No answer or other responsive pleading has been filed. No certificate of service of the Complaint and Summons has been filed by Plaintiff Dublin Auto Group, Inc.

The California State Bar website reports that all three attorneys listed in the upper left hand corner of the first page of the Complaint as counsel for Plaintiff have a status of active and able to practice law.

In light of the perceived lack of prosecution of this Adversary Proceeding, the court issued an order to show cause why this Adversary Proceeding should not be dismissed. Further, the court ordered Alan Eighmay, the first attorney listed as counsel for Plaintiff, to appear at the October 22, 2015 hearing, no telephonic appearance authorized. Order to Show Cause, Dckt. 7.

At the October 22, 2015 hearing ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~.

5. [15-90429-E-7](#) JOSE SANCHEZ
[15-9053](#)
DUBLIN AUTOMOTIVE GROUP, INC.
V. SANCHEZ

CONTINUED STATUS CONFERENCE RE:
COMPLAINT
7-23-15 [[1](#)]

Plaintiff's Atty: Alan D. Eighmay
Defendant's Atty: unknown

Adv. Filed: 7/23/15
Answer: none

Nature of Action:
Dischargeability - false pretenses, false representation, actual fraud
Dischargeability - willful and malicious injury

The Status Conference is ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~.

Notes:

Continued from 10/1/15 to be heard in conjunction with Order to Show Cause.

SUMMARY OF COMPLAINT

Dublin Automotive Group, Inc., dba Turlock Chrysler, Dodge, Jeep, Ram, Plaintiff, seeks to have the court determine that claims relating to the Defendant-Debtor's purchase of a vehicle be determined nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A) and (B) and § 523(a)(6).

SUMMARY OF ANSWER

No answer has been filed by Defendant-Debtor

NO ENTRY OF DEFAULT

Plaintiff has not requested the Clerk of the Court enter Defendant-Debtor's default.

FINAL BANKRUPTCY COURT JUDGMENT

The Complaint alleges that this Adversary Proceeding has been filed to obtain relief pursuant to 11 U.S.C. § 523(a)(2) and (6). Further, that this is a core proceeding to determine the dischargeability of a debt as provided in 28 U.S.C. § 157(b)(2)(J). Though not expressly stated, federal court jurisdiction for relief sought pursuant to 11 U.S.C. § 523 exists pursuant to 28 U.S.C. § 1334 and § 157, and the referral to this court by the United States District Court for the Eastern District of California. This is a core proceeding arising under 11 U.S.C. § 523(a)(2) and (6).

6. [08-91933-E-7](#) BULMARO/MARIA PALAFOX
[15-9017](#) RHS-1
MCGRANAHAN ET AL V. MI HOGAR,
LLC

ORDER TO SHOW CAUSE
10-21-15 [[35](#)]

Tentative Ruling: The Order to Show Cause was properly set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(3). Consequently, the Debtor, Creditors, the Trustee, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offers opposition to the motion, the court will set a briefing schedule and a final hearing unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion.

Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter.

Below is the court's tentative ruling, rendered on the assumption that there will be no opposition to the motion. If there is opposition presented, the court will consider the opposition and whether further hearing is proper pursuant to Local Bankruptcy Rule 9014-1(f)(2)(iii).

Local Rule 9014-1(f)(3) Motion.

Correct Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Chapter 7 Trustee, Plaintiff's counsel, and Office of the United States Trustee on October 21, 2015. By the court's calculation, 1 days' notice was provided.

The Order to Show Cause was properly set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(3). The Debtor, Creditors, the Trustee, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. At the hearing -----
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The Order to Show Cause is ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~.

On October 21, 2015, the court issued an Order to Show Cause why the court should not impose compensatory sanctions on Mi Hogar, LLC ("Plaintiff"). Dckt. 36. Specifically, the court ordered:

IT IS ORDERED that Mi Hogar, LLC, through its counsel of record Thomas E. Marrs, shall appear at 2:00 p.m. on October 22, 2015, at the United States Bankruptcy Court, Modesto, California, and show cause why the court should not impose \$300.00 in compensatory sanctions for the failure to properly and adequately plead with respect to federal court

jurisdiction, the core and non-core claims, and consent or non-consent to the bankruptcy judge determining the non-core claims.

The hearing on the Order to Show Cause shall be conducted in conjunction with the already scheduled continued Status Conference in this Adversary Proceeding for the same date and time, with Telephonic Appearance permitted (and encouraged for out of town counsel in light of the modest amount of corrective sanctions at issue).

BACKGROUND

The court has reviewed the Complaint and Answer filed in this Adversary Proceeding. The Complaint alleges that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334 and 157(b)(2), and 11 U.S.C. §§ 549 and 550; and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(E)(F) and (H). Complaint ¶ 2, Dckt. 1. The Complaint states a claim asserting that \$73,173.34 of unclaimed monies held by the State of California is property of the bankruptcy estate.

The allegation of federal court jurisdiction response in the Answer filed by Mi Hogar, LLC ("Defendant") in this Adversary Proceeding is stated as follows:

"The allegations of Paragraph 2 constitute a legal argument or legal conclusion to which no response is required. To the extent that a response is required to the allegations set forth in Paragraph 2, Defendant lacks sufficient information or belief to admit or deny, and on that basis denies each and every allegation."

Answer ¶ 2, Dckt. 31.

Federal Rule of Bankruptcy Procedure 7012(b) requires that "A responsive pleading shall admit or deny an allegation that the proceeding is core or non-core. If the response is that the proceeding is non-core, it shall include a statement that the party does or does not consent to entry of final orders or judgment by the bankruptcy judge."

Contrary to the contention that Defendant need not plead a dispute to an allegation of federal court subject matter jurisdiction, such a response is required.

Further, Defendant has an affirmative duty to "admit or deny that the proceeding is core or non-core." Fed. R. Bankr. P. 7012(b) [emphasis added]. The Answer appears to attempt to evade this simple pleading requirement by stating, "Defendant [and apparently Defendant's counsel] lacks sufficient information or belief to admit or deny..." Answer, ¶ 2.

Defendant having failed to comply with the basic pleading requirements of Federal Rule of Bankruptcy Procedure 7012(b), the court continues the Status Conference and orders Defendant to file an amended answer which complies with Federal Rule of Civil Procedure 12 and Federal Rule of Bankruptcy Procedure 7012. Once filed, the court can then determine what issues, if any, exist with

respect to the claims asserted in this proceeding being core or non-core.

The pleading of core and non-core proceedings, and the requirement to expressly plead consent or non-consent to the Article I bankruptcy judge issuing orders and the final judgment for non-core claims is essential to the proper exercise of federal judicial power by bankruptcy judges and district court judges. Article I bankruptcy judges issue orders and final judgments for all core proceedings and non-core proceedings in which the parties consent. 28 U.S.C. §§ 1334 and 157(a) and the referral of bankruptcy cases and all related matters to the bankruptcy judges in this District (ED Cal. Gen Order 182, 223). See also *Wellness International Network, Ltd. v. Sharif*, ___ U.S. ___, 135 S. Ct. 1932, 191 L. Ed. 2d 911 (2015).

The failure to comply with this basic pleading requirement may occur through inadvertence or could be part of an improper litigation strategy. As in *Wellness International*, a party could choose to litigate before the bankruptcy judge, and then, on the eve of trial, assert that it is a non-core proceeding, derail the trial process, and impose unnecessary costs and expenses on the bankruptcy court, district court, and opposing parties. Even if inadvertent, such a failure to address the issue as required and raise it later can result in a significant waste of time and resources.

The failure of Defendant to comply with Federal Rule of Civil Procedure 12(b) and Federal Rule of Bankruptcy Procedure 9012(b) has resulted in the court having to continue the Status Conference. This failure necessitates the Plaintiff-Trustee's counsel having to waste one hour of time in having to attend the non-productive October 22, 2015 Status Conference.

Pursuant to Federal Rule of Bankruptcy Procedure 9011(c)(1)(B) the court issued this Order to Show Cause for Defendant and Defendant's counsel to show how the Answer complies with the requirements for proper pleading of jurisdiction, core and non-core matters, and consent or non-consent to the bankruptcy judge issuing orders and the judgment for non-core claims.

Additionally, Defendant and Defendant's counsel to show why the court should not order the payment of \$300.00 in corrective sanctions to be paid to the Plaintiff-Trustee to compensate the bankruptcy estate for incurring 1.2 hours of legal fees for attending the October 22, 2015 Status Conference which the court has been required to continue because of Defendant's failure to comply with the requirements of Federal Rule of Civil Procedure 12(b) and Federal Rule of Bankruptcy Procedure 7012(b).

The court has issued this Order to Show Cause on October 21, 2015, and set the hearing for the October 22, 2015 Status Conference so that counsel for Defendant, who is already required to attend the October 22, 2015 Status Conference, may address this issue at the same time. Given the limited nature of the issue, one-day notice is proper and sufficient notice for the hearing. 11 U.S.C. § 102(1). This will save Defendant and Defendant's counsel from having to spend multiple hours of additional time traveling to Modesto for a separate hearing on the Order to Show Cause - which cost in fees and attorneys time would well exceed the modest corrective sanction of \$300.00. The court computes the corrective sanction estimating a \$250.00 hourly rate (which is less than Plaintiff-Trustee counsel's usual rate) and 1.2 hours of wasted time.

APPLICABLE LAW

Bankruptcy Courts have the jurisdiction to impose sanctions. *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 395 (1990); *Miller v. Cardinale (In re DeVille)*, 631 F.3d 539, 548-49 (9th Cir. 2004). The court also has the inherent civil contempt power to enforce compliance with its lawful judicial orders. *Price v. Lehtinen (In re Lehtinen)*, 564 F.3d 1052, 1058 (9th Cir. 2009); see also 11 U.S.C. § 105(a).

Federal Rule of Bankruptcy Procedure 9011 imposes obligations on both attorneys and parties appearing before the bankruptcy court. This Rule covers pleadings file with the court. If a party or counsel violates the obligations and duties imposed under Rule 9011, the bankruptcy court may impose sanctions, whether pursuant to a motion of another party or sua sponte by the court itself. These sanctions are corrective, and limited to what is required to deter repetition of conduct of the party before the court or comparable conduct by others similarly situated.

A Bankruptcy Court is also empowered to regulate the practice of law before it. *Peugeot v. U.S. Trustee (In re Crayton)*, 192 B.R. 970, 976 (B.A.P. 9th Cir. 1996). The authority to regulate the practice of law includes the right to discipline attorneys who appear before the court. *Chambers v. NASCO, Inc.* 501 U.S. 32,43 (1991); see also *Lehtinen*, 564 F.3d at 1058.

The primary purpose of a civil contempt sanction is to compensate losses sustained by another's disobedience to a court order and to compel future compliance with court orders. *Knupfer v. Lindblade (In re Dyer)*, 322 F.3d 1178, 1192 (9th Cir. 2003). The contemtor must have an opportunity to reduce or avoid the fine through compliance. *Id.* The court's authority to regulate the practice of law is broader, allowing the court to punish bad faith or willful misconduct. *Lehtinen*, 564 F.3d at 1058. However, the court cannot issue punitive sanctions pursuant to its power to regulate the attorneys or parties appearing before it. *Id.* at 1059.

DISCUSSION

XXXXXX

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 Order to Show Cause having been presented to the court, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Order to Show Cause is **xxxx**.

7. [08-91933-E-7](#) [15-9017](#) BULMARO/MARIA PALAFOX
MCGRANAHAN ET AL V. MI HOGAR,
LLC

CONTINUED STATUS CONFERENCE RE:
COMPLAINT
5-29-15 [[1](#)]

Plaintiff's Atty: Steve S. Altman; Ezra N. Goldman
Defendant's Atty: Kelly L. Pope; Thomas E. Marrs

Adv. Filed: 5/29/15
Answer: 9/8/15

Nature of Action:
Declaratory judgment

The Status Conference is continued to 2:00 p.m. on December 1, 2015. Defendant Mi Hogar, LLC shall file an amended answer on or before November 1, 2015, which complies with Federal Rule of Civil Procedure 12 and Federal Rule of Bankruptcy Procedure 7012.

Notes:

Continued from 8/20/15

[MH-1] Order denying motion to dismiss filed 8/24/15 [Dckt 30]

Answer to Complaint filed 9/8/15 [Dckt 31]

SUMMARY OF COMPLAINT

The Plaintiff-Trustee has filed the Complaint (Dckt. 1) naming Mi Hogar, LLC, a defunct California limited liability company, as the defendant. The Complaint alleges that prior to commencing their bankruptcy case Debtor purchased a home in Modesto, California. EMC Mortgage provided the financing for the purchase, and Alliance Title Company conducted the escrow.

Alliance Title, for unknown reasons, retained \$73,174.00 in escrow from the purchase price.

Alliance Title was part of Mercury Title Company, which filed its own bankruptcy case in 2009.

Alliance Title, at some point in time, turned the \$73,174.00 over to the California State Controller.

The Trustee asserts that the money was funded into escrow by the Debtors, through the money they borrowed from EMC Mortgage.

The Trustee is informed that Mi Hogar LLC has filed a competing claim with the California State Controller.

SUMMARY OF ANSWER

Defendant Mi Hogar, LLC denies each and every allegation of the Complaint based either on the lack of knowledge or information, on information and belief, or that the allegations are a statement of a legal conclusion for which no response is required, except for one denial. Defendant states Sixteen affirmative defenses, none of which are on information or belief.

FINAL BANKRUPTCY COURT JUDGMENT

The Complaint alleges that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334 and 157(b)(2), and 11 U.S.C. § 549 and 550; and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(E)(F) and (H). Complaint ¶ 2, Dckt. 1. The Complaint states a claim asserting that \$73,173.34 of unclaimed monies held by the State of California are property of the bankruptcy estate.

The allegation of federal court jurisdiction response in the Answer, in this Adversary Proceeding are stated as follows:

"The allegations of Paragraph 2 constitute a legal argument or legal conclusion to which no response is required. To the extent that a response is required to the allegations set forth in Paragraph 2, Defendant lacks sufficient information or belief to admit or deny, and on that basis denies each and every allegation."

Answer ¶ 2, Dckt. 31.

Federal Rule of Bankruptcy Procedure 7012(b) requires that "A responsive pleading shall admit or deny an allegation that the proceeding is core or non-core. If the response is that the proceeding is non-core, it shall include a statement that the party does or does not consent to entry of final orders or judgment by the bankruptcy judge."

Contrary to the contention that Defendant need not plead a dispute to an allegation of federal court subject matter jurisdiction, such a response is required.

Further, Defendant has an affirmative duty to "admit or deny that the **proceeding** is core or non-core." Fed. R. Bankr. P. 7012(b) [emphasis added]. The Answer appears to attempt to evade this simple pleading requirement by stating, "Defendant [and apparently Defendant's counsel] lacks sufficient information or belief to admit or deny..." Answer ¶ 2.

Defendant having failed to comply with the basic pleading requirements of Federal Rule of Bankruptcy Procedure 7012(b), the court continues the Status Conference and orders Defendant to file an amended answer with complies with Federal Rule of Civil Procedure 12 and Federal Rule of Bankruptcy Procedure 7012. Once filed, the court can then determine what issues, if any, exist with respect to the claims asserted in this proceeding being core or non-core.

At the Status Conference Defendant responded xxxxxxxxxxxxxxxxx.

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 Status Conference having been conducted by the court, Defendant Mi Hogar, LLC's answer failing to comply with the requirements of Federal Rule of Bankruptcy Procedure 7012(b) to affirmatively plead whether the claims in the proceeding are core or non-core, and whether consent for non-core proceedings is give by Defendant, and failing to plead whether federal subject matter jurisdiction exists or does not exist as required by Federal Rule of Civil Procedure 12(b) and Federal Rule of Bankruptcy Procedure 7012(a) and upon review of the pleadings, the court having to continue the Status Conference for Defendant to file an amended answer with addresses the federal jurisdiction, core and non-core proceedings, and consent required responses, and good cause appearing,

IT IS ORDERED that the Status Conference is continued to 2:00 p.m. on December 1, 2015.

IT IS FURTHER ORDERED that the Defendant Mi Hogar, LLC, shall file and amended answer or before November 1, 2015, which complies with the requirements of Federal Rule of Civil Procedure 12(b) and Federal Rule of Bankruptcy Procedure 7012 for pleading federal court jurisdiction, core and non-core proceedings, and consent or non-consent to the bankruptcy judge issuing orders and the judgment for non-core claims.

8. [15-90087-E-7](#) DIOLINDA MACHADO
[15-9016](#)
MACHADO V. MACHADO

CONTINUED STATUS CONFERENCE RE:
COMPLAINT
5-15-15 [[1](#)]

Plaintiff's Atty: Anthony D. Johnston
Defendant's Atty: Pro Se

Adv. Filed: 5/15/15
Answer: 6/22/15

Nature of Action:
Dischargeability - other
Dischargeability - false pretenses, false representation, actual fraud
Dischargeability - willful and malicious injury
Dischargeability - fraud as fiduciary, embezzlement, larceny

Notes:

Continued from 7/23/15

SUMMARY OF COMPLAINT

Mary Machado, individually and as Trustee, ("Plaintiff") seeks to have debt determined nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A), (a)(4), (a)(6), and (a)(7). Defendant-Debtor is a family member of Plaintiff with whom there is alleged to have been a confidential relationship. It is alleged that Plaintiff qualifies for protection pursuant to California Welfare and Institutions Code § 15610.27 (elder protection).

It is alleged that Defendant-Debtor forged Plaintiff's signature on a deed to transfer real property from a trust to Plaintiff's name individually so as to fraudulently obtain secured loans in Plaintiff's name. It is further alleged that Defendant-Debtor forged Plaintiff's signature to: (1) obtain surrender value payments on three life insurance policies, and (2) obtain financing to purchase a vehicle.

It is further alleged that Defendant-Debtor forged Plaintiff's signature to purportedly refinance Plaintiff's property and diverted the loan proceeds. Additionally, that Defendant-Debtor fraudulently used Plaintiff's bank accounts to withdraw money therefrom.

SUMMARY OF ANSWER

The Defendant-Debtor has filed a pro se answer, checking the box that Defendant-Debtor denies the allegations of the Complaint, other than procedural facts relating to the filing of the bankruptcy petition.

FINAL BANKRUPTCY COURT JUDGMENT

The Complaint alleges that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334 and 157(b)(2), and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I), seeking a determination of

nondischargeability of debt arising under the Bankruptcy Code. Complaint 1,2, Dckt. 1. In her Answer, Diolinda Machado ("Defendant-Debtor") does not specifically deny the allegations of jurisdiction and core proceedings. Answer, Dckt. 8. The determination of the dischargeability of debt arises under the Bankruptcy Code and is a core proceeding for which the bankruptcy judgment issues the orders and final judgment. To the extent that any issues in this Adversary Proceeding are "related to" matters, the parties consented on the record to this bankruptcy court entering the final orders and judgement in this Adversary Proceeding as provided in 28 U.S.C. § 157(c)(2) for all issues and claims in this Adversary Proceeding referred to the bankruptcy court.

The court shall issue a Pre-Trial Scheduling Order setting the following dates and deadlines:

- a. The Plaintiff alleges that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334 and 157(b)(2), and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I), seeking a determination of nondischargeability of debt arising under the Bankruptcy Code. Complaint 1,2, Dckt. 1. In her Answer, Diolinda Machado ("Defendant-Debtor") does not specifically deny the allegations of jurisdiction and core proceedings. Answer, Dckt. 8. The determination of the dischargeability of debt arises under the Bankruptcy Code and is a core proceeding for which the bankruptcy judgment issues the orders and final judgment. To the extent that any issues in this Adversary Proceeding are "related to" matters, the parties consented on the record to this bankruptcy court entering the final orders and judgement in this Adversary Proceeding as provided in 28 U.S.C. § 157(c)(2) for all issues and claims in this Adversary Proceeding referred to the bankruptcy court.
- b. Initial Disclosures shall be made on or before **October 31, 2015**.
- c. Discovery closes, including the hearing of all discovery motions, on **April 30, 2016**.
- d. Dispositive Motions shall be heard before **June 17, 2016**.
- e. The Pre-Trial Conference in this Adversary Proceeding shall be conducted at **2:00 p.m. on July 7, 2016**.

9. [13-91189](#)-E-11 MICHAEL/JUDY HOUSE
RMY-9

DISCLOSURE STATEMENT FILED BY
JOINT DEBTOR JUDY HOUSE, DEBTOR
MICHAEL HOUSE
9-18-15 [[333](#)]

Tentative Ruling: The Motion to Approve Disclosure Statement has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the respondent and other parties in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered to be the equivalent of a statement of nonopposition. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995).

Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter.

Below is the court's tentative ruling.

Local Rule 9014-1(f)(1) Motion - Hearing Required.

Correct Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Debtor, Debtor's Attorney, creditors, parties requesting special notice, and Office of the United States Trustee on September 21, 2015. By the court's calculation, 31 days' notice was provided. 28 days' notice is required.

The Motion to Approve Disclosure Statement has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the respondent and other parties in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered to be the equivalent of a statement of nonopposition. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995). The defaults of the non-responding parties and other parties in interest are entered.

The court's decision is to approve the Disclosure Statement, with the proposed amendments to the Disclosure Statement.

REVIEW OF THE DISCLOSURE STATEMENT

Case filed: June 25, 2013.

Background:

Michael and Judy House ("Debtor") operate two ranches in the Modesto area. The larger ranch, called "Triumph Ranch," is approximately 50 acres in size and commonly known as 2107 So. Stearns Road, Oakdale, California. The smaller ranch, called "Smith Ranch," is approximately 10 acres and commonly known as 6231 Smith Road, Oakdale, California. Both properties were converted from turkey grow-out operations to chicken grow-out facilities in 2004 and

2005. Debtor leases out the two properties under a long-term commitment with Petaluma Acquisition, LLC (a large poultry producer) for about \$26,000 per month.

In addition to the poultry business, Mrs. House runs a small photography business and Mr. House does part time farm and real estate work, which collectively grosses about \$4,000.00 per month.

Debtor does not have any other significant non-exempt assets. Debtor rents their current home; however, they will move into a house they own that is currently rented by Mr. House's stepsister. One of the houses will need some updating and repairs, but neither house will need rent payments in the future.

Debtor's Disclosure statement provides a chronological list of significant events which occurred during the bankruptcy case:

a. Bankruptcy Proceedings

- i. This court approved the employment of: (A) Robert Yaspan, as counsel for Debtor, on a general retainer agreement as of January 10, 2014; (B) Jeffrey Lien, an appraiser to the estate, as of October 24, 2013; (C) Brett Chappell, a surveyor, as of June 15, 2015.

b. Currently Pending Adversary Proceedings and Motions

- i. Debtor has "continuously" filed motions to use cash collateral, one of which was filed May 28, 2015, and granted by this court through October 31, 2015;
- ii. A motion to approve the House Trust settlement is currently pending before the court. On or about July 15, 2014, Debtor filed objections to two Proofs of Claim filed by Karen House related to the amount of monies due. After discovery negotiated the House Trust Settlement. That House Trust Settlement places the balance of the Smith Ranch Note (Class 4) at \$0 as of June, 2015. Thus, no payments will be made for the Smith Ranch Note under the Plan. The creditor also agreed to re-convey its deed of trust under the House Trust Settlement. In addition, the House Trust Settlement places the Triumph Ranch Note (Class 2) at approximately \$300,418.90 as of June 6, 2015, with interest accruing at an annual rate of 6%. Monthly payments of \$5,500.00 will be made the sixth day of each month through September 6, 2022, with one additional payment of \$5,336.97 on October 6, 2020.
- iii. Debtors have negotiated a settlement for the boundary dispute with Emanuel Amaral (Class 7 claimant), a neighbor south of the Smith Ranch property. The Amaral Settlement provides that Debtors will purchase a portion of the disputed land for \$15,000.00. The first payment will be for \$3,000.00, due on the court's approval of

the settlement; the remaining six payments of \$2,000.00 will be paid every 90 days thereafter. Once the lot line adjustment has been approved in Stanislaus County, Debtors will file a motion to approve the settlement; Debtor estimates the motion will be filed around October 1, 2015.

- iv. Petaluma Poultry, LLC, has preliminarily agreed to exercise its option to occupy the ranches through the end of 2023 in return for a "right of first refusal" to continue to occupy the premises after that date.

c. Judy House Inheritance

- i. Judy House's father passed away on May 2, 2015. The two trusts govern the estate and own farm land, a family LLC, a life insurance policy, a small investment account, and an annuity. The Stanislaus Valk Trust owns about 320 acres in Stanislaus County, while the San Joaquin Valk Trust owns about 320 acres in San Joaquin.
- ii. Judy House will receive the following from the estate: (A) 1/4 of the proceeds from the life insurance and annuity, totaling about \$80,000.00; (B) An undivided 1/4 interest in the 320 acres in San Joaquin County, which is unimproved dry-land pasture with projected value of \$8,000.00 per acre but the other siblings have not agreed whether to sell or develop the land; and (C) 1/4 of the profits from a 60-acre almond grove, recently planted on the land of the Stanislaus Valk Trust, which will not have significant income during the plan period;
- iii. Judy House received the following from the estate: (A) her share of the life insurance of approximately \$75,000.00; and (B) 28% interest of the LLC, which owns 9 rental properties in Oakdale, California, of which one will be sold immediately to pay for repairs to the other 8 properties, and the other 8 will be either rented for one-year leases or sold as they become vacant;
- iv. Most, if not all, of the investment fund was used for the decedent's medical care and final expenses;

Leading to this plan, Debtor had financial problems but implemented various procedures to resolve them. The main issue was that the \$26,100.00 rent paid by Petaluma was subsumed by the secured note payments. To attempt to fix the problems, Debtor attempted to: (a) expand the photography business to increase the net cash, (b) start part-time farm work, (c) restructure their expenses to focus on extending the due dates of the secured debt, and (d) entered into the House Trust Settlement and reduced the debt and monthly payments owed to the Karen House Trust.

For income to fund the plan, Debtor projects receiving \$4,300.00 per month from the photography business, and \$26,100.00 per month from leasing the Smith and Triumph Ranches contingent on Petaluma exercising its option to

extend the lease.

Debtor also predicts certain events occurring in 2018. First, the plan assumes Petaluma will exercise the five-year extension after the current lease ends in 2018. Debtor theorizes that, because of the improved chicken growing market, Debtor will be in a better position to negotiate higher rent for the two ranches at the end of the 2018 lease. Finally, Debtor projects an increase in profit from Debtor's photography business, which takes picture at schools.

| Creditor/Class | Treatment | |
|--------------------------|---------------------|---|
| Administrative Expenses: | Claim Amount | Ordinary course of business (varies) Goods received within 20 days (none) Professional fees to Debtor's Attorney, Robert Yaspen (\$295,000.00, on court approval) Court fees (\$100.00) U.S. Trustee fees (\$325.00) Accountant services (\$1,000.00, on court approval) IRS Form 1040, 2013 (\$477.00) California Franchise Tax Board Form 540, 2013 (\$0.00) |
| | Impairment | |

| | | |
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| | <p>Ordinary course of business (Paid in the ordinary course of business by the debtor, or from the successor bank accounts, as applicable)</p> <p>Goods received within 20 days (Paid in full on the effective date)</p> <p>Professional fees to Debtor's Attorney, Robert Yaspen (Paid in full on the effective date or upon entry of court order or as agreed. Presently, Debtor anticipates the Firm will request: (A) \$100,000.00 subject to court approval of the Second and Final Application for Compensation, and (B) \$2,500.00 per month until the Firm is paid in full, provided that in any month that Valk Trusts or LLC distributes the payment to the Firm will increase to \$15,000.00, and (C) if one or both of the ranches are sold, the Firm will be paid from the proceeds of the sale)</p> <p>Court fees (Paid in full on effective date)</p> <p>U.S. Trustee fees (Paid in full on effective date)</p> <p>Accountant services (Paid in full on effective date or on entry of court order)</p> <p>IRS Form 1040, 2013 (Paid in full on effective date or with return. Exhibit 7 demonstrates approximately \$477.00 is due)</p> <p>California Franchise Tax Board Form 540, 2013 (Paid in full on effective date or with return. Debtor estimates \$0.00 due, though the State Franchise Tax Board has filed a Proof of Claim # 14-1 on April 15, 2015, alleging a priority tax debt of \$21,000.00. That claim was based on an unfiled 2013 tax return, which Debtors later filed and claimed no taxes due for 2013 fiscal year. Debtor anticipates that the Franchise Tax Board will either amend the Claim or Debtor will object to the claim)</p> | |
| Priority Tax Claims: | Claim Amount | <p>California Franchise Tax Board Form 540, 2012 (\$0.00)</p> <p>Internal Revenue Service Form 1040, 2012 (\$400.00)</p> |
| | Impairment | |

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| | <p>California Franchise Tax Board Form 540, 2012 (Debtor estimates this amount as \$0.00)</p> <p>Internal Revenue Service Form 1040, 2012 (Debtor will pay this amount on the effective date, and estimates this claim as \$400.00 based on evidence submitted as Exhibits 2 and 8)</p> | |
| <p>Class 1:</p> <p>American Ag Credit FLCA</p> | <p>Claim Amount</p> | <p>\$389,870.99</p> |
| | <p>Impairment</p> | <p>Impaired</p> |
| | <p>This debtor is current on its monthly payments in the Chapter 11 to this creditor. However, there is approximately \$7,500 of pre-filing unpaid interest and late fees that are due to the creditor. (the "PREFILING AMOUNTS")</p> <p>The creditor claims a right to be paid its reasonable attorneys fees and costs incurred during the Chapter 11 proceeding and, perhaps, otherwise. (the "AAG ATTORNEY FEES"). The Debtor does not dispute the right; only the amount sought.</p> <p>The creditor is fully secured.</p> <p>This creditor is impaired. The claim is undisputed as to security, priority and validity.</p> <p>Certain aspects of the Loan; including the validity, extent and priority of the security interest, will remain unaffected [sic] by the Plan.</p> <p>The PREFILING AMOUNTS and the AAG ATTORNEY FEES shall be added to the principal amount as of the Effective Date and amortized over the remaining life of the loan.</p> <p>This creditor holds a note secured by a first deed of trust against the Triumph Ranch in the amount of approximately \$389,870.99, more or less, as of the Petition Date. As of Nov. 2018 the debt will be approximately \$193,000. These numbers are approximate and are not intended to vary the true amount owing.</p> | |
| <p>Class 2:</p> <p>Karen House Trust; 2nd Deed of Trust on Triumph Road</p> | <p>Claim Amount</p> | <p>\$604,317.00 (on Triumph)</p> |
| | <p>Impairment</p> | <p>Impaired (as to amount owed)</p> |

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| | <p>This creditor holds a note secured by a second deed of trust against the Triumph Ranch. This creditor is fully secured. The claim is disputed as to the amount and to the validity of an unrecorded interest in the real property. As of the Petition Date the creditor claimed that the amount due was \$604,317. An adversary proceeding and an objection to claim has been settled per the House Trust Settlement.</p> <p>Pursuant to the House Trust Settlement the amount due as of June 6, 2015 is the amount of approximately \$300,418.90 with interest accruing at the annual rate of 6% on the unpaid balance. Monthly Payments of \$5,500.00 will be made on the sixth day of each month through September 6, 2022 with one additional payment of \$5,336.97 on October 6, 2020.</p> | |
| <p>Class 3: Oak Valley Bank (on Smith Road)</p> | <p>Claim Amount</p> | <p>\$105,226.00 (on Smith Ranch)</p> |
| | <p>Impairment</p> | <p>All aspects of the Loan; including the validity, extent and priority of the security interest, will remain unaffected [sic] by the Plan.</p> <p>This creditor holds a note secured by a first deed of trust against the Smith Ranch in the amount of approximately \$105,226,23, more or less. As of December, 2014 it is estimated that the debt is approximately \$81,700, and by December, 2018 (the date of the current expiration of the Petaluma lease) the debt will be approximately \$11,646. These numbers are approximate and are not intended to vary the true amount owing.</p> |
| <p>Class 4: Karen House Trust; 2nd Deed of Trust on Smith Ranch Road</p> | <p>Claim Amount</p> | <p>\$118,187.00 (on Smith Ranch)</p> |
| | <p>Impairment</p> | <p>Impaired</p> <p>This creditor holds a note secured by a second deed of trust against the Smith Ranch. This creditor is fully secured. The claim is disputed as to the amount. As of the Petition Date the creditor claimed that the amount due was \$118,187.</p> <p>An adversary proceeding and an objection to claim were commenced by the Debtors which was settled. Per the House Trust Settlement the balance as of June, 2015 is \$0. As such, there will be no payments under the Plan. The creditor has agreed to reconvey its interest as per the House Trust Settlement.</p> |

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| Class 5: Petaluma Acquisition LLC | Claim Amount | \$773,511.00 (secured by both Triumph and Smith Ranches) |
| | Impairment | Impaired |

This debtor is current on its monthly payments to this creditor. The creditor is fully secured. This creditor is impaired. The claim is undisputed. The validity, extent and priority of the security interest, will remain unaffected by the Plan.

This creditor has a third deed of trust on the Triumph Ranch, and as a result of the House Trust Settlement, a second on the Smith Ranch (the "Petaluma Loan").

The creditor is fully secured and claims as of the Petition Date to be owed \$773,395.56. As of January, 2016 it is estimated that the debt is approximately \$652,946.80.

From the date of the filing of this Plan the Debtors will make the following monthly payments subject to the terms of the Note, the First Amended Note, and the Lease:

1. Up to the Effective Date the Debtors will continue to make monthly payments of \$6,275.72.
2. From the Effective Date to March, 2017 the Debtors will continue to make monthly payments of \$6,275.72
3. From April 2017 to November, 2018 the Debtors will make monthly payments of \$7,787.15.

At this point in time, if Petaluma exercises its option now to continue to lease the two ranches, then payments will continue as follows:

1. From December, 2018 to March, 2019 the Debtors will make monthly payments of \$7,787.15.
2. From April, 2019 to May, 2023 the Debtors will make monthly payments of \$9,471.02. In the event that the oral understanding between the Debtors and Petaluma does not result in an agreed amendment to the Lease, Debtors are proposing an amendment to the Lease (the "Lease Amendment") to make it more commercially reasonable such that the following modified terms will be added: (a) Any hold over pursuant to the terms of Paragraph 14 of the Lease shall be for the purpose of completing an "existing grow", as that term is used in Paragraph 14 of the Lease, and must be for two months, no more and no less. Full Monthly Rent, plus utilities, shall be paid in full for any partial or complete month, or extent, of occupancy. The term "partial" shall refer to "time" (as in a partial month) or to "occupancy" (as in less than the full number of sheds being occupied). (b) No holdover for any purpose other than completing an

"existing grow" shall be allowed; and, despite that, if the Tenant does holdover (for any other purpose, or without giving the notice provided in Paragraph 1.02(c) herein), it will pay 150% of the full monthly rent plus utilities for any partial or complete month of holdover occupancy. (c) Notice of any intent to holdover must be given by Tenant to Landlord by no later than June 1, 2018. (d) The Tenant shall continue to pay after the Effective Date the rent without offset in the same manner as it paid the rent during the Chapter 11 period of time. (e) Notice of any intent on the part of the Tenant to exercise the exclusive option to extend the Term of the Lease for an additional five-year period shall be given no later June 1, 2018. If not, the Lease shall terminate on November 30, 2018 without exception, subject to the holdover extension provision of Paragraph 1.02(c) above.

If Petaluma agrees to accept the Lease Amendment by the Effective Date of the Plan and if Petaluma does not exercise its Option now to continue to lease the two ranches, then payments will continue as follows:

1. Thirty (30) days before the end of the Term of the Lease and until the Debtors shall have re-leased the subject properties (and rental payments shall have resumed), payments under the Secured Promissory Note, as amended, shall be suspended, as provided in the Note, Paragraph 2, but in no event shall the Maturity Date be extended past March 11, 2025.

2. Once payments to the Debtors resume from a new tenant then the Debtors will pay \$9,471.02 per month until February 1, 2025, and the balance (if any) shall be all due and payable on March 11, 2025.

This creditor is unimpaired with respect to this Note, as amended. However, the Debtors propose as well to modify the Lease in certain nonmonetary ways, and this may result in this creditor being an impaired creditor depending on the rulings of the Court.

If Petaluma does not agree to accept the Lease Amendment by the Effective Date of the Plan and if Petaluma does not exercise its Option now to continue to lease the two ranches, then payments will continue as follows:

3. One hundred and eighty (180) days before the end of the Term of the Lease and until the Debtors shall have re-leased the subject properties (and rental payments shall have resumed), payments under the Secured Promissory Note, as amended, shall be suspended, as provided in the Note, Paragraph 2, but in no event shall the Maturity Date be extended past March 11, 2030.

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| | <p>4. Once payments to the Debtors resume from a new tenant then the Debtors will pay \$9,471.02 per month until February 1, 2030, and the balance (if any) shall be all due and payable on March 11, 2030.</p> <p>This creditor is impaired with respect to this Note.</p> | |
| Class 6: | Claim Amount | \$181,211.49 |
| General Unsecured Claims | Impairment | Impaired |

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| | <p>These creditors shall be paid 100% of their allowed claim over approximately 48 months starting on the Effective Date. Subject to certain conditions, \$3,775 per month on a pro rata basis (the "CLASS 6 MONTHLY PAYMENT") will be paid to the Disbursing Agent account maintained by the Debtors starting on the Effective Date. Those conditions are the following: (1) In the event that, in any month, the funds on hand with the Debtors is less than \$20,000 then the CLASS 6 MONTHLY PAYMENT for the next month shall be reduced to \$2,500, and any deficiency shall be made up starting on the 49th month at the rates of \$2,500 (if the funds on hand with the Debtors is less than \$20,000, or \$3,775 per month (if the funds on hand with the Debtors is more than \$19,999), respectively. (2) Starting in January, 2018, if the oral understanding with Petaluma Poultry to exercise the option now is not agreed to in writing, with respect to the payment due in that month, and continuing until a PAYMENT EVENT (as defined below) shall occur, the payments to the Class 6 creditors shall be suspended in order for the Debtors to build up an appropriate reserve in case Petaluma Poultry shall not extend the Lease in or around the end of 2018.</p> <p>Any payments so held in reserve by the Debtors (less any amounts spent for other Plan payments) shall be released to the Class 6 creditors upon the occurrence of a PAYMENT EVENT, and then the normal monthly payments shall resume.</p> <p>If payments are made to other plan creditors while the Class 6 payments are suspended then the 48 months payment period shall be extended on a month-by-month basis, without interest, to assure the creditors the full payment of what has been promised herein.</p> <p>A "PAYMENT EVENT" shall be defined as an (a) exercise of the Lease Option by Petaluma in accordance with the Lease terms; (b) a lease of the properties to a successor tenant; or (c) the sale of the real properties (in which latter event payment in full shall be made).</p> <p>No interest shall accrue on claims in this class. These creditors are impaired.</p> | |
| Class 7: | Claim Amount | \$15,000.00 |
| Emmanuel Amaral | Impairment | Impaired |

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|---|---|---|
| | <p>This claimant is the owner of the real property located at 6131-6133-6135 Smith Road, Oakdale, California. The property in this estate known as the Smith Ranch is located at 6231 Smith Road, Oakdale, California and is the parcel just north of some of the claimant's holdings. This claimant claims that an access road across the southerly width of the Smith Ranch improperly is placed on the claimant's land. The claim is disputed. A settlement has been reached such that Debtor will purchase a portion of the disputed land for the total sum of \$15,000.00 (the "Amoral Settlement"). The first payment of \$3,000.00 will be due upon the Court's approval of the Amoral Settlement with six additional payments paid every 90 days thereafter.</p> <p>No interest shall accrue on this claim.</p> | |
| <p>Class 8 Interest holders (i.e., Debtors)</p> | <p>Claim Amount</p> | <p>\$10,000.00</p> |
| | <p>Impairment</p> | <p>Debtors shall retain all property of the estate and any other property to which Debtors had a right to prior to the Petition Date and as to which Debtors may obtain rights to receive in the future.</p> <p>APPLICATION OF THE ABSOLUTE PRIORITY RULE: Debtors assert that the absolute priority rule does apply to the confirmation of this plan based on the facts of the case.</p> <p>Debtors propose to apply all of their disposable income for the five-year duration of the case to make payments to unsecured creditors. Therefore, the restrictions of the absolute priority rule should not limit this Plan.</p> <p>However, the Debtors anticipate that they will deposit \$10,000 by the Effective Date as additional working capital should a "new value" consideration be required. Debtors are unimpaired.</p> |

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| Additional Provisions | <p>(a) Unless the Court should order otherwise, after notice and a hearing, a creditor whose claim is being disputed shall not be entitled to receive any plan payments until the claim has been finally adjudicated. For any periods of time before an objection is filed the creditor shall receive a distribution. Any plan payment that would otherwise have been made to the creditor, but for the filing of a dispute or objection, shall instead be made to the Robert M. Yaspan Client Trust Account pending the resolution of any issue. Upon the entry of an order that has become final the funds shall be distributed from the CTA.</p> <p>(b) No creditor shall receive a plan payment until any fraudulent or preferential transfers have first been returned to the Debtors. Any plan payment that would otherwise have been made to the creditor, but for the receipt of any fraudulent or preferential transfers, shall instead be made to the Robert M. Yaspan Client Trust Account pending the resolution of any issue. Upon the entry of an order that has become final the funds shall be distributed from the CTA.</p> <p>(c) A reference to "exhibits" shall refer to the exhibits attached to the Disclosure Statement. They are incorporated herein by this reference.</p> <p>(d) Debtors shall have 90 days after the Effective Date to file objections to the creditors' proofs of claim, or 90 days after any proof of claim is amended to object to an amended claim.</p> |
|-----------------------|--|

A. C. WILLIAMS FACTORS PRESENT

- Y Incidents that led to filing Chapter 11
- Y Description of available assets and their value
- Y Anticipated future of the Debtor
- Y Source of information for D/S
- Y Disclaimer
- Y Present condition of Debtor in Chapter 11
- Y Listing of the scheduled claims
- Y Liquidation analysis
- Y Identity of the accountant and process used
- Y Future management of the Debtor

YThe Plan is attached

In re A. C. Williams, 25 B.R. 173 (Bankr. N.D. Ohio 1982); see also *In re Metrocraft*, 39 B.R. 567 (Bankr. N.D. Ga. 1984).

CREDITOR AMERICAN AGCREDIT, FLCA'S OBJECTION

Creditor American AgCredit, FLCA filed an objection on October 8, 2015. Dckt. 342. Creditor objects on the grounds that the Amended Plan fails to contain adequate information to meet the requirements of 11 U.S.C. § 1125. Creditor's Memorandum of Points and Authorities cites to Judge Klein's conception of "adequate information" in *In re H.B. MICHAELSON, dba Michaelson Sod Farms*, 141 B.R. 715, 718-19 (Bkrtcy. E.D. Cal. 1992). Dckt. 343.

Attached to Creditor's Motion is the Declaration of Maryam Ghazi, filed October 8, 2015. Dckt. 344. Ghazi is the Vice-President of the Special Assets Group, Manager, for Creditor. Ghazi asserts that there are inadequate, inaccurate, or unsupported statements in the Disclosure Statement when compared to the Monthly Operating Reports as follows:

- A. The increase in income from Debtor's photography business, estimating a change from \$2,400.00 per month in August 2015 to almost \$4,800.00 per month in 2016, is speculative;
- B. A reduction in average costs from \$114,001.00 per year to \$99,000.00 - \$103,000.00, is not supported by sufficient evidence as the reduction in rent will be a \$6,000.00 per year reduction at most;
- C. While the Disclosure Statement claims Judy House received \$75,000.00 in proceeds from Life Insurance, the projections reflect \$79,000.00;
- D. Funding for the Plan is almost entirely dependent on the sale of one piece of real estate per year from the Valk LLC, which is estimated at \$40,000.00 per year. Creditor finds no support for these figures, as the 9 properties in the Disclosure Statement have values of approximately \$175,000.00-200,000.00 each, excepting one property in poor repair. Debtor did not provide evidence of which property will be sold to net \$40,000.00 in proceeds. Also, Debtor failed to provide for the rental incomes of the other unsold properties which are being leased until they are vacated under the terms of their current leases. Creditor does not have information on "home values, rent rolls and current profits of the LLC."
- E. The plan is also dependent on Petaluma Poultry exercising its 5 year renewal option, and assumes the rental revenue will stay at the same rate.

Creditor requests the following information to cure these defects:

- A. Other Revenues are adjusted to \$36,000.00 a year, or \$3,000.00 per month, which is approximately \$6,000.00 more than the annual amount earned in 2015;
- B. Adjust Total expenses to \$110,000.00 per year, rather than the current

\$98,000.00. That takes into account the rent adjustment of \$6,000.00 per year, but leaves a \$2,000.00 contingency for repairs and moving costs;

- C. Life Insurance Proceeds be adjusted from \$79,000.00 to \$75,000.00;
- D. Accounting fees, which were projected as income, has been corrected.
- E. An explanation for the lack of plan funding for the first 4 years, as calculated in Creditor's Exhibit A.

Dckt. 344.

Attached to the Declaration is Exhibit A, the Projection Analysis used by Ghazi to calculate the funding in the plan. Dckt. 345. FN.1.

FN.1. The Ghazi Declaration seeks to introduce evidence establishing the value of the asset. Though the "Projection Analysis" is attached as an Exhibit, it is not properly authenticated. Fed. R. Evid. 901, 902.

Also, Creditor has not provided the court with a basis for determining that this out of court statement is admissible hearsay. Fed. R. Evid. 802, 803. The court will not presume to make evidentiary legal assertions for Creditor, which may or may not be so intended.

DEBTOR'S REPLY

Debtor filed a Reply on October 15, 2015, which proposes several changes to address Creditor's Objections. Dckt. 348.

In the Disclosure Statement, at pages 8-9 and attached as Exhibit C, Debtor proposes it reads:

Other Income: (1) In addition to the poultry business Mrs. House runs a small photography business in the area that grosses about \$2,000, or so, a month. Mrs House is hired for weddings, other events, and by local sports teams to take pictures. The activity is seasonal in nature; for example, September and October are typically good months; the summer is typically lower in terms of revenues.

(2) Mr. House as well has other sources of income. First, he is a real estate agent. While he has not worked for a while due to a back problem, those health issues are mostly behind him, and he has started to earn income as an agent. He is for example the listing agent on the first sale of a house by the Valk Trust and will make commission from 2% to 3% of the sales price. Since that sales price is estimated by him to be above \$215,000 there will be another \$4,000 of income late this year or early next year. Based on his previous income as a real estate agent, Mr. House estimates that a yearly income of \$15,000, or average monthly income of \$1,250, is likely.

Second, Mr. House is driving a tractor for other farmers in the area, some of which are members of his family This income is seasonal; for example, in September, 2015 he billed about \$3,000; but in July and August of 2015 he billed about \$500 each month. Mr. House believes that an average of \$650 per month from this source is achievable, and indeed, likely. In summary, the "Other Income" line of the Proejctions [sic] (Exhibit___) is about \$4,000 and is composed of the following:

1. Judy's photography business: \$2,000 per month;
2. Michael's real estate agent commissions: \$1,250 per month;
3. Michael's tractor income: \$750 per month.

Dckt. 349, Exh. C.

For Creditor's Objection to Debtor's reduced expenses, Debtor attempts to explain the \$38,000.00 discrepancy over the plan term. FN.1. Debtor argues that the variance is created by a characterizing the expenses incorrectly. For example, Debtor's "personal expenses" of \$4,170 per month and "business expenses" of about \$1,570 per month do not include the \$26,100 in real estate taxes, which are instead addressed in the "liens section." Further, Debtors paid the \$3,900 in U.S. Trustee fees, which was not included in the projections. While in 2014 Debtor had \$3,951 in "real property leases" expenses, \$15,910 in "real property lease expenses for Mrs. House's business that has been eliminated through a 'give-up' of the leasehold," those expenses are not projected in Debtor's Plan. Also, around \$5,928 in photography business expenses from 2014 were also eliminated by Debtors. Finally, \$1,320 in charitable contributions from 2014 has been eliminated. Debtor asserts these reductions in expenses account for the \$38,000.00 discrepancy noted by Creditor.

FN.1. In a footnote, Debtor asserts:

The debtors' number is within 2% of AAG's number, so for ease of response, we will use AAG's number here. Further, the Debtors are not going to respond to the 2015 numbers because the partial year cannot be annualized as AAG claims due to the non-symmetry of the real estate tax payments.

Next, Debtor changed the Life Insurance to include an extra \$4,000.00, which reflects receipt of an annuity payment. Now, the DS claims Life Insurance at \$79,000.00. Dckt. 349, Exh. C.

The LLC Proceeds are proposed to be amended as:

Judy House now owns about 28% of the LLC. Each of her two sisters also owns about 28% and her brother owns the balance. The LLC owns nine (9) rental properties located in Oakdale, California. The values of the houses are estimated to be in excess of \$215,000 each by Michael House, a real estate agent

familiar with the values of these houses, except for one house that is in very poor repair. One of the houses is currently vacant and the members of the LLC have agreed to list the property immediately and sell it. Judy House's share of the distribution from the LLC from the sale is expected to be about \$40,000 as part of the sale proceeds will be retained in the LLC as a reserve to make repairs to the remaining houses. (In addition any monthly rental income from the houses remaining in the LLC is likely to be retained for ongoing repair and improvement expenses. Thus, it is unlikely that there will be any distributions of rental income to the Debtors.) All of the other houses are rented with some having leases of up to a year The members of the LLC have agreed to sell additional houses as they become vacant.

Dckt. 348, ¶ 5. Debtor asserts that additional information on the home values, rent rolls, and the current profits of the LLC will require additional "legal process" because the one in control of the LLC has not hired professionals to collect that information. Also, the one in control of the LLC "is reluctant to give any private information that might impact the sale prices of the houses, the tax situation of the LLC, or the date or amount of the distributions that are expected to be made." *Id.*

Another correction is to the cash flow, responding to AAG's comments. On the Disclosure Statement at page 14, Debtor will add:

"A summary of the business profits achieved by the Debtors (plus after 2020, social security), on a year-by-year basis, is summarized below. Source: Exhibit 10.

| Year | Income | Expenses | Net |
|------|--------------|----------------|-------------|
| 2016 | \$361,200.00 | \$(270,840.00) | \$90,360.00 |
| 2017 | \$367,199.00 | \$(285,234.00) | \$81,95.00 |
| 2018 | \$357,299.00 | \$(262,488.00) | \$94,811.00 |
| 2019 | \$361,200.00 | \$(285,828.00) | \$75,372.00 |
| 2020 | \$377,424.00 | \$(280,344.00) | \$97,080.00 |

The Debtor's business profit remains relatively steady at about \$88,000 per year. As Exhibit '10' shows, the Debtor's personal expenses total about \$50,000 per year leaving a sufficient amount to pay the unsecured creditors a dividend of 100% on their allowed claims at the rate of about \$3,775 per month (subject to a reduction to \$2,500 per month if the debtors' cash on hand drops below \$20,000.) Dckt. 349, Exh C. FN.2.

 FN.2. Debtor adds the following as footnote 2 in the response:

(Part of proposed change) In the event that the Court so

orders the Law Offices of Robert M. Yaspan will adjust their monthly cash flow to help the Debtor make payments under the Plan. This can be part of the Order of confirmation in the event that feasibility remains a consideration.

Id., ¶ 7. In explanation, Debtor alleges that the difference between AAG's numbers and Debtor's numbers is explained by AAG not taking the reduction in unsecured creditor's payments from \$3,775 per month to \$2,500 per month in any month where Debtor's cash position drops below \$20,000; that change occurs in 17 additional months because of the changes in 'other income,' which then causes the repayment period for the general unsecured creditors to end in March 2021 rather than October 2020. *Id.*

Debtor "do[es] not understand AAG's objection as it relates to expenses and, accordingly, cannot respond." Similarly, the Debtors "do not understand what accounting fees were taken into income; accordingly, after an analysis of the 'projections' attached as Exhibit 'B', no changes were made." *Id.*, ¶ 6.

Finally, Debtor argues that Creditor's claim, while impaired, is wholly and completely protected by the value of the collateral securing Creditor's claim (\$390,000.00 claim versus \$2.2 million appraisal of the Triumph Ranch). *Id.*, ¶ 1.

DISCUSSION:

1. Before a disclosure statement may be approved after notice and a hearing, the court must find that the proposed disclosure statement contains "adequate information" to solicit acceptance or rejection of a proposed plan of reorganization. 11 U.S.C. § 1125(b).

2. "Adequate information" means information of a kind, and in sufficient detail, so far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, that would enable a hypothetical reasonable investor typical of the holders of claims against the estate to make a decision on the proposed plan of reorganization. 11 U.S.C. § 1125(a).

3. Courts have developed lists of relevant factors for the determination of adequate disclosure. *E.g., In re A. C. Williams, supra.*

4. There is no set list of required elements to provide adequate information per se. A case may arise where previously enumerated factors are not sufficient to provide adequate information. Conversely, a case may arise where previously enumerated factors are not required to provide adequate information. *In re Metrocraft Pub. Services, Inc.*, 39 B.R. 567 (Bank. N.D. Ga. 1984). "Adequate information" is a flexible concept that permits the degree of disclosure to be tailored to the particular situation, but there is an irreducible minimum, particularly as to how the plan will be implemented. *In re Michelson*, 141 B.R. 715, 718-19 (Bankr. E.D. Cal. 1992).

5. The court should determine what factors are relevant and required in light of the facts and circumstances surrounding each particular case. *In re East Redley Corp.*, 16 B.R. 429 (Bankr. E.D. Pa. 1982).

The court's review of the Disclosure Statement, the Creditor's objection, and the Debtors-in-Possession response, the Disclosure Statement appears to provide adequate information sufficient in detail to allow a hypothetical reasonable investor to make a decision as to the proposed plan.

The Debtors-in-Possession response provide for amendments to the Disclosure Statement that further provide information that the Creditor stated was missing from the Disclosure Statement. These amendments discuss the cash flow of the Debtors-in-Possession, the valuations of the properties, and other apparent scrivener's errors, which further bolsters the information that the Debtors-in-Possession initially had in the Disclosure Statement.

While the court is cognizant of the Creditor's objections to the Disclosure Statement, outside the corrections proposed by the Debtors-in-Possession, the majority of the Creditor's objections go to the confirmation of the plan rather than whether there is sufficient information provided for in the Disclosure Statement. The Creditor appears to be arguing the grounds to deny confirmation of the plan rather than if the Disclosure Statement provides "information of a kind, and in sufficient detail, so far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, that would enable a hypothetical reasonable investor typical of the holders of claims against the estate to make a decision on the proposed plan of reorganization." In the instant case, the Disclosure Statement contains sufficient information as to the proposed plan as well as the current status of the Debtors-in-Possession, what caused the filing of the instant case, the expected cash flow, as well as other relevant information in which an investor would require to determine the feasibility of the proposed plan.

The court finds that, following the proposed amendments of the Debtors-in-Possession attached as Exhibit C, Dckt. 348, the Disclosure Statement provides adequate information and is approved.

Based on the foregoing, the court approves the amended disclosure statement. The court will issue an order approving the Disclosure Statement as amended in Exhibit C, Dckt. 349, setting the following dates and deadlines:

- A. Debtors-in-Possession shall serve the approved disclosure statement, proposed plan, notice of confirmation hearing, a copy of this order approving the disclosure statement, and ballot on or before xxxxx, 2015.
- B. Ballots shall be returned to counsel for the Debtors-in-Possession on objections to confirmation, if any, filed and served on or before xxxxx, 2015.
- C. The Ballot Tabulation Summary, evidence in support of confirmation, and Responses to objections to confirmation, if any, shall be filed and served on or before xxxxx, 2015.
- D. The Confirmation Hearing shall be conducted at 2:00 p.m. on xxxxx, 2015.

determination of the dischargeability of debt and (K) determination of the validity, extent, or priority of liens. Congress has provided for the grant of federal court jurisdiction for all core and non-core matters (with some limited exceptions not relevant here) in 28 U.S.C. § 1334.

In its answer, Creditors Trade Association, Inc., Defendant, does not deny the allegations of jurisdiction and core proceeding. See Paragraph 1 of the Answer which denies only the allegations in paragraphs 11, 13, 14, 15, 18, 19, 20, 21, 22, 23, 25, 26, and 27. Answer, Dckt. 12. The failure to deny is an admission of the allegations in the paragraph.

The Complaint states claim arising under 11 U.S.C. § 362 (violation of automatic stay) and 11 U.S.C. § 524 (effect of discharge and the discharge injunction). Such alleged violations are enforced under the contempt power of the bankruptcy court, by the bankruptcy judge, as arising under the Bankruptcy Code. See *Walls v. Wells Fargo Bank, N.A.*, 276 F.3d 502 (9th Cir. 2002); *Sternberg v. Johnston*, 595 F.3d 937, 946 FN 3 (9th Cir. 2010).

To the extent that any issues in this Adversary Proceeding are "related to" matters, the parties consented on the record to this bankruptcy court entering the final orders and judgement in this Adversary Proceeding as provided in 28 U.S.C. § 157(c)(2) for all issues and claims in this Adversary Proceeding for the Complaint, as it exists as of the Status Conference, referred to the bankruptcy court.

The court shall issue a Pre-Trial Scheduling Order setting the following dates and deadlines:

a. The Plaintiff alleges that jurisdiction for this Adversary Proceeding exists, and that this is a core proceeding pursuant to 28 U.S.C. § 157(a)(b)(1), (b)(2)(I) and § 157(a)(b)(2)(K). Complaint ¶ 1, Dckt. 1. It appears that the allegation contains a typographical error, with there being no 28 U.S.C. § 157(a)(b) section. Rather, 28 U.S.C. § 157(a) provides for the district court to refer all Title 11 matters, core and non-core, to the bankruptcy judges in the district. Core matters are then defined in 11 U.S.C. § 157(b)(2) is a non-exclusive listing of core matters, which include (I) determination of the dischargeability of debt and (K) determination of the validity, extent, or priority of liens. Congress has provided for the grant of federal court jurisdiction for all core and non-core matters (with some limited exceptions not relevant here) in 28 U.S.C. § 1334.

In its answer, Creditors Trade Association, Inc., Defendant, does not deny the allegations of jurisdiction and core proceeding. See Paragraph 1 of the Answer which denies only the allegations in paragraphs 11, 13, 14, 15, 18, 19, 20, 21, 22, 23, 25, 26, and 27. Answer, Dckt. 12. The failure to deny is an admission of the allegations in the paragraph.

The Complaint states claim arising under 11 U.S.C. § 362 (violation of automatic stay) and 11 U.S.C. § 524 (effect of discharge and the discharge injunction). Such alleged violations are enforced under the contempt power of the bankruptcy court, by the bankruptcy judge, as arising under the Bankruptcy Code. See *Walls v. Wells Fargo Bank, N.A.*, 276 F.3d 502 (9th Cir. 2002); *Sternberg v. Johnston*, 595

F.3d 937, 946 FN 3 (9th Cir. 2010).

To the extent that any issues in this Adversary Proceeding are "related to" matters, the parties consented on the record to this bankruptcy court entering the final orders and judgement in this Adversary Proceeding as provided in 28 U.S.C. § 157(c)(2) for all issues and claims in this Adversary Proceeding for the Complaint, as it exists as of the Status Conference, referred to the bankruptcy court.

- b. Initial Disclosures shall be made on or before **October 31, 2015**.
- c. Discovery closes, including the hearing of all discovery motions, on **April 30, 2016**.
- d. Dispositive Motions shall be heard before **June 17, 2016**.
- e. The Pre-Trial Conference in this Adversary Proceeding shall be conducted at **2:00 p.m. on July 7, 2016**.

11. [13-91999-E-7](#) [14-9009](#) JESSE/WENDY WYLIE
FALTON CUSTOM CABINETS, INC V.
WYLIE

CONTINUED STATUS CONFERENCE RE:
COMPLAINT
2-10-14 [[1](#)]

Plaintiff's Atty: Unknown [James A. Fonda not eligible to practice law]
Defendant's Atty: Cort V. Wiegand

Adv. Filed: 2/10/14
Answer: 3/10/14

Nature of Action:
Dischargeability - false pretenses, false representation, actual fraud

Pursuant to the court's Order to Show Cause (Dckt. 40), the Adversary Proceeding is Dismissed. The Status Conference is removed from the Calendar and the Clerk of the Court may close the file in this Adversary Proceeding.

Notes:

Continued from 10/1/15

[RHS-1] Conditional Order for Dismissal of Adversary Proceeding Without Further Hearing filed 10/14/15 [Dckt 40], substitution of counsel to be filed on or before 10/21/15

At the October 1, 2015, the court stated that an order of show cause as to why this Adversary Proceeding should not be dismissed due to Plaintiff corporation not being represented by counsel. The Order to Show Cause (Dckt. 40) and the Civil Minutes from the October 1, 2015 Status Conference recount the unfortunate series of events which have led to Plaintiff being unrepresented, the appearance of one possible counsel, and the representation that the cost and expense of getting new counsel up to speed for a trial were cost prohibitive.

The Order to Show Cause requires that Plaintiff have new counsel substituted in by October 21, 2015. The court's review of the docket in this Adversary Proceeding shows that such substitution has not occurred. The Order to Show Cause further provides that if no such substitution is made, the Adversary Proceeding will be dismissed without further notice or hearing.

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 Order to Show Cause (Dckt. 40) having been reviewed

by the court, the files in this Adversary Proceeding showing that Plaintiff has not substituted in counsel to represent it, the Plaintiff being a corporation which cannot appear and prosecute this Adversary Proceeding in pro se, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Adversary Proceeding is dismissed.

The Clerk of the Court may close the file in this Adversary Proceeding.

12. [09-93445-E-7](#) [14-9014](#) FELIPE/JENNIFER CASALDUC STATUS CONFERENCE RE: COMPLAINT
SKOBRAK ET AL V. CASALDUC ET AL 3-26-14 [1]

Plaintiff's Atty: Charles L. Hastings
Defendant's Atty: David C. Johnston

Adv. Filed: 3/26/14
Answer: 4/25/14

Nature of Action:
Dischargeability - other

The Adversary Proceeding ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXX.~~

Notes:

Notice of Settlement and Notice of Continuance filed 10/16/15 [Dckt 53]

Order Setting Pretrial Settlement Status Conference filed 10/19/15 [Dckt 54]

OCTOBER 22, 2015 STATUS CONFERENCE

Trial in this Adversary Proceeding was schedule to commence on October 21, 2015. Prior to Trial the Parties notified the court that they had settled the matter and requested that a hearing be conducted for the parties to present their settlement to the court. Dckt. 53. The court issued an Order setting a Pretrial Settlement Conference for October 22, 2015. Order, Dckt. 54.

At the Pretrial Settlement Conference ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXX.~~