

UNITED STATES BANKRUPTCY COURT
Eastern District of California

Honorable Ronald H. Sargis
Chief Bankruptcy Judge
Modesto, California

November 19, 2020 at 2:00 p.m.

1. [20-90435-E-11](#) CHARLES MACAWILE CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
6-22-20 [1]

SUBCHAPTER V

Debtor's Atty: David C. Johnston

Notes:

Continued from 10/1/20

[DCJ-2] Order denying Motion to Extend Deadline to File a Chapter 11 Plan filed 10/26/20 [Dckt 46]

The Status Conference is continued to 2:00 p.m. on XXXXXXX
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NOVEMBER 18, 2020 STATUS CONFERENCE

On October 26, 2020, the court entered an order denying the Motion filed by the Debtor/Debtor in Possession to extend the deadline for the filing of a Chapter 11 Plan. Dckt. 46. Nothing further has been filed by the Debtor/Debtor in Possession or any other party in interest.

At the Status Conference, XXXXXXX

OCTOBER 1, 2020 STATUS CONFERENCE

The First Meeting of Creditors was held on August 21, 2020. U.S. Trustee August 21, 2020, Docket Entry Report. On September 21, 2020, the Debtor in Possession/Debtor filed a Motion to Extend the Deadline for Filing a Plan of Reorganization in the Subchapter V case. Dckt. 34 (set for hearing on October 22, 2020). The Subchapter V deadline for filing a plan by the Debtor in Possession/Debtor was set to expire on September 21, 2020.

At the Status Conference counsel for the Debtor in Possession reported that while the Debtor has “good ideas,” none have firmed up.

The Subchapter V Trustee reported that he does not believe that the Debtor in Possession/Debtor has anything substantive with which to prosecute a plan.

A motion to dismiss is likely to be filed.

AUGUST 6, 2020 STATUS CONFERENCE

This Subchapter V case was commenced on June 22, 2020. David Sousa has been appointed as the Subchapter V Trustee in this case.

The Debtor and Debtor in Possession (Congress having referred to both in Subchapter V) filed the Chapter 11 Status Report on July 23, 2020. Dckt. 26. The estate includes a 32-bed assisted living facility that is encumbered. A balloon payment on the loan secured by the facility came due on April 1, 2020. Additionally, there was a default in August 2019, and a foreclosure was commenced.

The Debtor obtained a loan commitment to take out the obligation secured by the facility and to provide some additional operating capital. However, the Debtor and Debtor in Possession question when the proposed lender can perform.

2. [20-90478-E-7](#) TRICIA DODSON
[20-9011](#)
ANDERSON LITFIN, INC. V.
DODSON ET AL

STATUS CONFERENCE RE:
COMPLAINT
9-11-20 [1]

Plaintiff's Atty: Steven S. Altman
Defendant's Atty: unknown

Adv. Filed: 9/11/20
Answer: none

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

The Status Conference is XXXXXXX

Anderson Litfin, Inc., the Plaintiff, filed the Complaint (Dckt. 1) to commence this Adversary Proceeding on September 11, 2020. The Complaint seeks to have a debt determined nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A) and (B), First Cause of Action, 11 U.S.C. § 523(a)(4), Second Cause of Action, and 11 U.S.C. § 523(a)(6), Third Cause of Action. Plaintiff also seeks the recovery of attorney's fees, Fourth Cause of Action, and the imposition of an equitable lien or constructive trust on real property, Fifth Cause of Action. For the Sixth Cause of Action, the Plaintiff seeks to have the denial of the discharge of community claims, 11 U.S.C. § 524(a)(3).

On October 13, 2020, a Stipulation between the Plaintiff and the *pro se* Defendants was filed, documenting Plaintiff granting Defendants until October 29, 2020 to file an answer. Stipulation and Order; Dckts. 7, 8.

On November 10, 2020, Plaintiff filed a Status Report. Dckt. 9. Plaintiff reports that Defendants have only recently obtained counsel, who is requesting a further extension so that he may work with his new clients and continue in ongoing settlement discussions. The Parties hope to have such settlement discussions concluded and a settlement documented by the time of the Status Conference. If not, Defendants are to have their answer filed by such time.

At the Status Conference, XXXXXXX

INVOLUNTARY CHAPTER 7

Debtor's Atty: Pro Se

Notes:

Set by Scheduling Order filed 11/4/20 [Dckt 5]; Status Report to be filed and served on or before Noon, 11/16/20.

Alleged Debtor's Answer to Involuntary Petition filed 11/12/20 [Dckt 9]

Petitioning Creditor's Status Report filed 11/14/20 [Dckt 12]

The Status Conference is XXXXXXX

NOVEMBER 19, 2020 STATUS CONFERENCE

On October 21, 2020, Ajay Sood filed this Involuntary Petition against Navdeep Bali. The Involuntary Petition has been filed by a single creditor.

Answer of Involuntary Debtor Navdeep Bali

On November 12, 2020, Navdeep Bali filed an Answer (Dckt. 9) to the Involuntary Petition. While admitting a number of the allegations, Navdeep Bali asserts that he has more than twelve (12) creditors and that Ajay Sood, as the single petitioning creditor, cannot commence an involuntary bankruptcy case. See 11 U.S.C. § 303(b)(1), (2), requiring there be three petitioning creditors when the debtor has twelve or more creditors holding noncontingent, undisputed claims that aggregate at least \$16,750.

Filed as Exhibit A (Dckt. 10) is a chart of the creditors that Navdeep Bali asserts exist for purposes of the 11 U.S.C. § 303(b) calculation. In reviewing the list, there are fourteen different persons listed as having claims against Navdeep Bali. One is the Stanislaus County Treasurer-Tax Collector, for whom there are eleven small balance obligations identified as "Post-Sale Escape Property Taxes" for property taxes.^{FN.1.}

FN. 1. The term "Escape Tax Bill" is stated to be the following on the Stanislaus County Tax Collector's webpage:

This notice informs you that value has escaped the assessment roll. You can expect a bill within ninety (90) days from the date of your Notice of Proposed Escape Assessment.

<http://www.stancounty.com/assessor/FAQ.shtm>

Navdeep Bali states that the payments on all of the obligations to the fourteen creditors are “current.”

Petitioning Creditor Status Report

On November 14, 2020, Petitioning Creditor Ajay Sood filed his Status Report. Dckt. 12. With respect to the allegation that the Involuntary Debtor is generally not paying his debts as they come due, Petitioning Creditor references the court to at least three foreclosures on properties owned by the Involuntary Debtor in 2020. He also directs the court to a 2019 Superior Court Action that is alleged to have been for the failure to pay a debt.

Petitioning Creditor also cites to a pending foreclosure sale of the Debtor’s residence that has been stayed by the filing of the involuntary bankruptcy case.

As to the number of creditors, the Petitioning Creditor notes that one creditor was listed ten times, and that another appears to be a creditor with a secured claim (auto finance).

Petitioning Creditor states that he is ready to proceed with discovery now that the Involuntary Debtor has filed an answer.

Status Conference

At the Status Conference, **XXXXXXX**