

UNITED STATES BANKRUPTCY COURT
Eastern District of California

Honorable Ronald H. Sargis
Bankruptcy Judge
Modesto, California

January 30, 2025 at 2:00 p.m.

1. 23-90111-E-11 MICHAEL HOFMANN 23-9006 CAE-1 HOFMANN V. HOFMANN ET AL	CONTINUED STATUS CONFERENCE RE: NOTICE OF REMOVAL 5-14-23 [1]	
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Plaintiff's Atty: Brian S. Haddix
Defendant's Atty: unknown

Adv. Filed: 5/14/23
Answer: none

Nature of Action:
Validity, priority or extent of lien or other interest in property
Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)

Notes:
Continued by order of the court filed 9/23/24 [Dckt 42]. To be heard in conjunction with the Subchapter V status conference.

The Status Conference is XXXXXXX
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JANUARY 30, 2025 STATUS CONFERENCE

On January 27, 2025, the Plaintiff-Debtor/Debtor in Possession filed a updated Status Report. Dckt. 44. The Plaintiff reports that the property at issue has been sold and the Parties to this Adversary Proceeding having been meeting to address how this litigation may be resolved. With the December holidays, the meeting were disrupted.

The Plaintiff requests that the Status Conference be continued sixty (60) days to allow for further negotiations.

AUGUST 8, 2024 STATUS CONFERENCE

As of the court's August 7, 2024 review of the Docket, no updated Status Reports had been filed. At the Status Conference, the Parties reported that this litigation has been stayed while the property of the Bankruptcy Estate is sold. To the extent that there are any disputes concerning the division of the proceeds based upon the prior orders of the State Court, then such will be resolved through this Adversary Proceeding or the Contested Matter process in the Bankruptcy Case if no adversary proceeding is required. The Status Conference is continued, again, to 2:00 p.m. on October 31, 2024.

JUNE 6, 2024 STATUS CONFERENCE

As of the court's June 5, 2024 review of the Docket, no updated Status Report has been filed by the Debtor/Debtor in Possession. In the related Bankruptcy Case, 23-90111, a Final Amended Plan was filed. 23-90111; Dckt. 276. No hearing on confirmation of the Final Amended Plan has been set. The order setting the hearing is to be completed by counsel for the debtor/debtor in possession, and lodged with the court. See, EDC Form 6-202, Rev. 1/2023; Order Setting Subchapter V Chapter 11 Status Conference Date; Claims Bar Date; and Other Deadlines, ¶ 4; 23-90111, Dckt. 9.

At the Status Conference, the parties addressed the outstanding Amended Plan, with counsel for the Debtor in Possession stating that the proposed order setting the confirmation hearing would be filed shortly.

The Status Conference is continued to 2:00 p.m. on August 8, 2024.

APRIL 25, 2024 STATUS CONFERENCE

The court's review on April 24, 2024, disclosed that no Updated Status Reports have been filed. Though it was reported at the last Status Conference that an amended plan had been worked out and it was out for signatures, a review of the Bankruptcy Case Docket (23-90111) discloses that no amended plan has been filed in the three months since the prior January 25, 2024 Status Conference.

At the April 25, 2024 Status Conference, the Parties advised the court that upon completion of the sale of the residential property the dispute may be resolved, or at least the issues reduced and the Parties will be able to advise the court on how further proceedings can be effectively conducted for any remaining issues.

The Status Conference is continued to 2:00 p.m. on June 6, 2024.

JANUARY 25, 2024 STATUS CONFERENCE

The court has authorized the sale of the Debtor's interest in the two farmland properties. At the Status Conference, the counsel for the Debtor in Possession reported that an amended plan is being circulated and it is anticipated that this should have the sign-off of all parties shortly.

The Status Conference is continued to 2:00 p.m. on April 25, 2024 .

SEPTEMBER 28, 2023 STATUS CONFERENCE

In the Michael Hoffman Chapter 11 Case, the court is addressing the Debtor in Possession Motion to Confirm the proposed Plan and address the opposition to confirmation.

At the Status Conference, reported that this is still in a “holding pattern” while the Subchapter V Trustee is pursuing a sale of the Property.

The Status Conference is continued to 2:00 p.m. on January 25, 2024.

JULY 13, 2023 STATUS CONFERENCE

On May 14, 2023, the Debtor/Debtor in Possession removed a State Court Action involving substantial interests in real estate, litigated offsets, and the dissolution of common interests of family members. While the State Court litigation has been a long, expensive slog, it appears that in the related Bankruptcy Case, 23-90111, the Debtor/Debtor in Possession, the family member and non-family member opponents, and the Subchapter V Trustee appear to have found a process, using the Bankruptcy Code, to afford all parties in interest their fair “day in court,” compliance with orders of the State Court, and preservation of their respective values in the real properties at the center of their dispute and extensive litigation.

The court continues the Status Conference to September 28, 2023, in light of the efforts of the parties to address and resolve these issues without future litigation (or at least greatly reduce the issues to be litigated).

Debtor's Atty: Michael Jay Berger

Notes:

Continued from 9/19/24. At the status conference the Debtor in Possession stipulated to the granting of the Motion to have this Case designated as a single asset real estate case.

Operating Reports filed: 9/24/24; 10/24/24; 11/20/24/12/11/24; 1/21/25

U.S. Trustee Report at 341 Meeting lodged 9/10/24

[ROM-1] Order Granting Motion and Designating This Bankruptcy Case to Be a Single Asset Real Estate filed 9/20/24 [Dckt 52]

[MJB-3] Debtor's Chapter 11 Plan of Reorganization filed 10/17/24 [Dckt 59]

[MJB-3] Debtor's Disclosure Statement Describing Chapter 11 Plan of Reorganization filed 10/17/24 [Dckt 60]; heard 1/16/25 - Disclosure Statement not approved

[ROM-1] Romspen California Mortgage Limited Partnership's Motion to Take Rule 2004 Examinations and Issue Discovery filed 10/31/24 [Dckt 70]; Order granting filed 11/25/24 [Dckt 75]

[CAE-1] Debtor's Case Status Conference Report #2 filed 1/16/25 [Dckt 89]

The Status Conference is XXXXXXX
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JANUARY 30, 2025 STATUS CONFERENCE

On January 16, 2025, the Debtor in Possession filed an updated Status Conference Report. Dckt. 89. The information includes that Creditor Romspen has been pursuing Rule 2004 discovery in this Case. Monthly Operating Reports have been filed by the Debtor in Possession, the latest being the December 2024 Report that was filed on January 21, 2025. Dckt. 93.

SEPTEMBER 19, 2024 STATUS CONFERENCE

Art Buildings, LLC commenced this voluntary Chapter 11 Case on July 19, 2024. On September 5, 2024, the Debtor in Possession filed its Status Report. Dckt. 44. It identifies this case as a single asset real estate case, with the sole significant asset being real property located in Turlock, California with a value of \$9,500,000. The Debtor in Possession identifies a dispute with respect to the secured claim of Romspen.

On September 9, 2024, Romspen California Mortgage Limited Partnership filed a Motion for the court to determine this to be a single asset real estate case. Dckt. 47.

The Debtor in Possession reports that the Romspen Claim is in dispute, and while the Parties have been working to develop a stipulation resolving the dispute, such has not yet been reached. Absent a stipulation, the Debtor in Possession intends to file an objection to the Romspen Claim.

At the Status Conference, **XXXXXXX**

Review of Schedules

On Schedule A/B Debtor lists having only the Apherstone Road Property as its sole asset, giving it a value of \$9,500,000. Dckt. 26. The Schedules, under penalty of perjury, state that the Debtor had no other assets, not even a file cabinet, desk, computer, or anything. The Debtor had no money and no bank accounts.

At the Status Conference, the Debtor in Possession stipulated to the granting of the Motion to have this Case designated as a single asset real estate case

3. [24-90219-E-7](#) **JESSE/AMBER CASEY**
[24-9008](#)
CAE-1
KOSTKAS V. CASEY, JR ET AL

**CONTINUED STATUS CONFERENCE RE:
AMENDED COMPLAINT
9-17-24 [7]**

Plaintiff's Atty: Pro Se
Defendant's Atty: Eric R. Gassman

Adv. Filed: 7/25/24
Amd. Complaint Filed: 9/17/24
Answer: none

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

Notes:
Continued from 12/12/24

[ERG-1] Order denying Motion to Dismiss Adversary Proceeding filed 12/16/24 [Dckt 37]

The Status Conference is XXXXXXX
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JANUARY 30, 2025 STATUS CONFERENCE

An Answer to the Complaint was filed on January 28, 2025 by Defendant-Debtor Jesse and Amber Casey. Dckt. 41.

On January 29, 2025, Plaintiff Richard Kostkas filed a Status Report advising the court that with the Answer he intends to proceed with discovery (stating that he will conduct 2004 examinations) and expects to have completed discovery by March 31, 2025.

Since this is an Adversary Proceeding, the parties will not be conducting 2004 examinations, but doing discovery under the rules for adversary proceedings, including Federal Rules of Civil Procedure 26 - 37 and Federal Rules of Bankruptcy Procedure 7026 - 7037.

SUMMARY OF COMPLAINT

The Amended Complaint filed by Plaintiff Richard Kostkas ("Plaintiff), *in pro se*, Dckt. 7, asserts claims for nondischargeability of Debt pursuant to 11 U.S.C. § 523(a)(2). It is alleged that information provided in a loan application and information provided to Plaintiff were knowing false.

SUMMARY OF ANSWER

Jesse Casey, Jr. And Amber Casey, ("Defendant-Debtors") have filed an Answer, Dckt. 41, admitting and denying specific allegations. Defendant-Debtors assert four affirmative defenses.

FINAL BANKRUPTCY COURT JUDGMENT

Plaintiff Richard Kostkas alleges in the Amended Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334(b) and 157(a)-(b)(2), and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I). Amended Complaint ¶¶ 2, 3, Dckt. 7. In the Answer, Defendant-Debtors Jesse Casey, Jr. And Amber Casey admit the allegations of jurisdiction and that this is a core proceeding. Answer ¶¶ 1; Dckt. 41. **To the extent that any issues in the existing Complaint as of the Status Conference at which the Pre-Trial Conference Order was issued 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.**

SEPTEMBER 9, 2024 STATUS CONFERENCE

On September 17, 2024 Plaintiff Richard Kostkas filed an Amended Complaint. Dckt. 7. Plaintiff seeks a determination that the obligation stated in the amount of \$50,000 of the Defendant Debtor is nondischargeable pursuant to 11 U.S.C. § 523(a)(2). A Reissued Summons was issued by the Clerk of the Court on September 18, 2024. Dckt. 9.

With the Reissued Summons, the Status Conference has been reset to November 21, 2024.

The Amended Complaint having been filed and the Reissued Summons having reset the Status Conference, the Status Conference has been continued to 2:00 p.m. on November 21, 2024.

DECEMBER 12, 2024 STATUS CONFERENCE

On December 12, 2024, the hearing on the Motion to Dismiss the First Amended Complaint was conducted. The court having denied the Motion to Dismiss, the Status Conference is continued to 2:00 p.m. on January 30, 2025.

ISSUANCE OF PRE-TRIAL SCHEDULING ORDER

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

- a. Plaintiff Richard Kostkas alleges in the Amended Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334(b) and 157(a)-(b)(2), and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I). Amended Complaint ¶¶ 2, 3, Dckt. 7. In the Answer, Defendant-Debtors Jesse Casey, Jr. And Amber Casey admit the allegations of jurisdiction and that this is a core proceeding. Answer ¶¶ 1; Dckt. 41. **To the extent that any issues in the existing Complaint as of the Status Conference at which the Pre-Trial Conference Order was issued 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 **February xxxxxxxx, 2025.**
- c. Expert Witnesses shall be disclosed on or before **xxxxxxx, 2025**, and Rebuttal Expert Witnesses, if any, shall be disclosed on or before **xxxxxxx, 2025.**
- d. Discovery closes, including the hearing of all discovery motions, on **xxxxxxx, 2025.**
- e. Dispositive Motions shall be heard before **xxxxxxx, 2025.**
- f. The Pre-Trial Conference in this Adversary Proceeding shall be conducted at **2:00 p.m. on xxxxxxxx, 2025.**

SUBCHAPTER V

Debtor's Atty: David C. Johnston

Notes:

Continued from 10/31/24. Counsel for Debtor/Debtor in Possession reporting that he is awaiting the report from the Responsible Representative of the sale.

The Status Conference is XXXXXXX

JANUARY 30, 2025 STATUS CONFERENCE

No updated post-confirmation Status Report has been filed.

At the Status Conference.

OCTOBER 31, 2024 POST-CONFIRMATION STATUS CONFERENCE

The Order confirming the Subchapter V Plan in this Case was entered on October 20, 2024. Dckt. 58. The Order allowing final compensation for the Subchapter V Trustee was entered on October 10, 2024. Dckt. 57.

The Confirmed Second Amended Plan provides for the Debtor/Debtor in Possession to cease business operations, liquidate its assets, and then use the sales proceeds to pay the claim of the SBA secured by the assets and then most of the unsecured priority tax claims. The final Plan payments was set for September 30, 2024.

At the Status Conference, counsel for the Debtor/Debtor in Possession reports that he is awaiting the report from the Responsible Representative of the sale, but does not have the information now.

The Status Conference is continued to 2:00 p.m. on January 30, 2025.

SUBCHAPTER V

Debtor's Atty: Gabriel E. Liberman

Notes:

Continued from 12/12/24

[CAE-1] Order to Appear at continued status conference [Franciso Mora Martinez; Adela Espinoza Sanchez; Gabriel E. Liberman] filed 12/19/24 [Dckt 81] Telephonic Appearance Permitted.

Operating Reports filed: 12/23/24

[GEL-1] Order granting Motion for Authority to Use Cash Collateral and Order continuing hearing to 6/5/25 at 10:30 a.m. filed 12/19/24 [Dckt 33]

[CAE-1] Status Conference Statement filed 1/16/25 [Dckt 89]

[GEL-5] Motion to Approve Stipulation to Allow Creditor California Medical Evaluators to File and Assert Claim filed 1/17/25 [Dckt 94]; set for hearing 1/30/25 at 10:30 a.m.

The Status Conference is XXXXXXX
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JANUARY 30, 2025 STATUS CONFERENCE

On January 16, 2025, the Debtor/Debtor in Possession filed a Status Conference Statement. Dckt. 89. The information provided in the Statement include the following. The court has entered an order authorizing the use of cash collateral through June 25, 2025. A hearing on the proposed Subchapter V Plan has not yet been set in light of comments provided by several Creditors.

On December 10, 2024, the Debtor/Debtor in Possession filed the First Amended Subchapter V Plan. Dckt. 75. The confirmation hearing was set for January 30, 2025. Order; Dckt. 76. Pursuant to the request of the Debtor/Debtor in Possession, the court issued an Order rescheduling the Confirmation Hearing to February 20, 2025. Dckt. 86.

At the Status Conference, XXXXXXX

DECEMBER 12, 2024 STATUS CONFERENCE

The Debtor/Debtor in Possession filed an Updated Status Report on November 27, 2024. Dckt. 72. It reports that the adequate protection payments have been made and the First Amended Plan draft is now being circulated.

The Debtor/Debtor in Possession suggests continuing the Status Conference approximately 60 days so it can be coordinated with a tentative confirmation hearing date.

The Subchapter V Trustee reported that there are several points to be addressed. A former employee has filed a proof of claim that post-petition wages are unpaid. The Subchapter V Trustee has received information about the Tesla contract, but not a completed, signed contract.

The Trustee finds the Monthly Operating Reports do not appear to be complete and are confusing. This is described on the Record for the Status Conference.

OCTOBER 31, 2024 STATUS CONFERENCE

Martinez Pallet Services, Inc., the Debtor/Debtor in Possession, filed its Status Conference Statement on October 24, 2024. Dckt. 57. The Debtor/Debtor in Possession reports that the use of cash collateral by the Debtor/Debtor in Possession has been done pursuant to this court's Interim Order (Dckt. 53). The Debtor/Debtor in Possession reports that the Subchapter V Plan was filed on September 19, 2024 (Dckt. 51). The court notes that it does not appear to have received a proposed order from the Debtor/Debtor in Possession a proposed order setting a confirmation hearing, EDC Form 6-202 (Order Setting Subchapter V Chapter 11 Status Conference Date; Claims Bar Date; and Other Deadlines, Paragraph 4; Dckt. 8) , or a motion to set a confirmation hearing date.

At the Status Conference, several issues concerning the workers were discussed. The Parties agreed to extend the use of Cash Collateral through the end of the year based on the existing budget. The court has entered a separate order thereon for relief pursuant to the Motion to Use Cash Collateral.

6. [24-90477-E-7](#) NICHOLAS MCADAMS
[24-9011](#)
CAE-1
LOPEZ ET AL V. MCADAMS

STATUS CONFERENCE RE:
COMPLAINT
11-25-24 [\[1\]](#)

Plaintiff's Atty: David C. Johnston
Defendant's Atty: Pro Se

Adv. Filed: 11/25/24
Answer: 12/20/24

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

Notes:

The Status Conference is XXXXXXX
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JANUARY 30, 2025 STATUS CONFERENCE

SUMMARY OF COMPLAINT

The Complaint filed by Matthew and Kayla Lopez ("Plaintiffs"), Dckt. 1, asserts claims for nondischargeability of debt pursuant to 11 U.S.C. § 523(a)(2)(A) and (a)(4). The Complaint further requests that the Debtor be denied a discharge pursuant to 11 U.S.C. § 727(a)(4).

SUMMARY OF ANSWER

Nicholas McAdams ("Defendant-Debtor") has filed an Answer, Dckt. 7, in *pro se*, generally denying each and every allegation in the Complaint, other than, and admitting that this Adversary Proceeding is a core proceeding for which jurisdiction exists for this court. (Defendant-Debtor has filed the Answer using the pro se form answer, EDC 3-101.)

FINAL BANKRUPTCY COURT JUDGMENT

Plaintiff's Matthew and Kayla Lopez allege in the Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334(a) and § 157(a), and 11 U.S.C. § 523(a)(2), (4) and § 727, and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I), (J). Complaint ¶¶ 1, 2, Dckt. 1. In

the Answer, Defendant Nicholas McAdams admit the allegations of jurisdiction and that this is a core proceeding. Answer first paragraph; Dckt. 7. **To the extent that any issues in the existing Complaint as of the Status Conference at which the Pre-Trial Conference Order was issued 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.**

ISSUANCE OF PRE-TRIAL SCHEDULING ORDER

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

- a. Plaintiff s Matthew and Kayla Lopez allege in the Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334(a) and § 157(a), and 11 U.S.C. § 523(a)(2), (4) and § 727, and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I), (J). Complaint ¶¶ 1, 2, Dckt. 1. In the Answer, Defendant Nicholas McAdams admit the allegations of jurisdiction and that this is a core proceeding. Answer first paragraph; Dckt. 7. **To the extent that any issues in the existing Complaint as of the Status Conference at which the Pre-Trial Conference Order was issued 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 **xxxxxxx, 2025.**
- c. Expert Witnesses shall be disclosed on or before **xxxxxxx, 2025**, and Rebuttal Expert Witnesses, if any, shall be disclosed on or before **xxxxxxx, 2025.**
- d. Discovery closes, including the hearing of all discovery motions, on **xxxxxxx, 2025.**
- e. Dispositive Motions shall be heard before **xxxxxxx, 2025.**
- f. The Pre-Trial Conference in this Adversary Proceeding shall be conducted at **2:00 p.m. on xxxxxx, 2025.**

7. [22-90296-E-11](#) **PROVIDENT CARE, INC.**
[CAE-1](#)

**CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
8-29-22 [1]**

SUBCHAPTER V

Debtor's Atty: David C. Johnston

Notes:

Continued from 11/21/24. Counsel for Debtor in Possession reporting that he still needs to file his fee application.

The Status Conference is XXXXXXX
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JANUARY 30, 2025 POST-CONFIRMATION STATUS CONFERENCE

A review of the Docket indicates that counsel for the Debtor/Debtor in Possession, who has diligently represented his client and confirmed the Subchapter V Plan, has not yet filed a Motion for Allowance of Fees.

At the Status Conference, XXXXXXX

AUGUST 29, 2024 POST-CONFIRMATION STATUS CONFERENCE

On August 23, 2024, the Subchapter V Trustee filed a report stating that she has received the \$9,402.15 in fees allowed her as Subchapter V Trustee.

At the Status Conference, counsel for the Reorganized Debtor reported that the Plan was consensually confirmed. The only remaining matter to address before closing is that Debtor/Debtor in Possession counsel needs to file his fee application.

The Post-Confirmation Status Conference is continued to 2:00 p.m. on November 21, 2024.

JUNE 27, 2024 POST-CONFIRMATION STATUS CONFERENCE

The court's June 25, 2024 review of the Docket indicates that nothing further has been filed in this case since the court allowed the fees of the Subchapter V Trustee.

At the Status Conference, counsel for the Debtor/Debtor in Possession reported that the only remaining matter is counsel's fee application, which has been delayed due to health issues.

The Plan has been completed, with a 100% dividend to creditors holding general unsecured claims.

The Status Conference is continued to 2:00 p.m. on August 29, 2024.20

MARCH 28, 2024 POST-CONFIRMATION STATUS CONFERENCE

On January 26, 2024, the court entered its order allowing compensation for the Subchapter V Trustee. Dckt. 146. No compensation has been allowed for counsel for the Debtor/Debtor in Possession.