

**UNITED STATES BANKRUPTCY COURT**

Eastern District of California

**Honorable Ronald H. Sargis**

Bankruptcy Judge  
Modesto, California

**April 3, 2025 at 2:00 p.m.**

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1.	<a href="#"><u>24-90617-E-7</u></a>	<b>JESSICA HERYFORD</b>	<b>STATUS CONFERENCE RE:</b>
	<a href="#"><u>25-9001</u></a>	<b>CAE-1</b>	<b>COMPLAINT</b>
	<b>HERYFORD V. UNITED STATES</b>		<b>1-29-25 [1]</b>
	<b>DEPARTMENT OF EDUCATION</b>		

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

Adv. Filed: 1/29/25  
Answer: none  
Summons Reissued: 3/27/25

Nature of Action:  
Dischargeability - student loan

Notes:

<b>The Status Conference is <span style="color: red;">XXXXXXX</span></b>
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**APRIL 3, 2025 STATUS CONFERENCE**

On January 29, 2025, Jessica Heryford, the Plaintiff-Debtor filed a Complaint seeking to have the court determine that her student loan debt created an undue hardship and should be discharged in her Chapter 7 Bankruptcy Case (24-90617), in which her discharge was granted on February 3, 2025. On February 12, 2025, a Certificate of Service was filed, stating that the Summons, copy of Complaint, all exhibits, and the 14 page attestation created by "AUSA." Dckt. 6. The Certificate of Service states that it was served on:

Civil Process Clerk, Office of U.S. Attorney, Room 7516, Federal Building, 300  
North Los Angeles St, Los Angeles, CA 90012

Attorney General, U.S. Department of Justice, Ben Franklin Station, P.O. Box 683,  
Washington, D.C. 20044

United States Department of Education, Office of General Counsel, 400 Maryland Ave., SW, Room 6E353, Washington, D.C. 20202

*Id.*; p. 4.

The Clerk of the court issued a Reissued Summons on March 27, 2025. Dckt. 7. The Status Conference Date in the Reissued Summons is 2:00 p.m. on May 22, 2025.

A Certificate of Service was filed for the Reissued Summons, stating that it was served on:

Jeffrey J. Lodge  
Assistant United States Attorney  
Eastern Division of California  
2500 Tulare Street, SUITE 4401  
Fresno, CA 93721

Dckt. 9; p. 4. This appears to address the shortcoming in the original service that was made on the U.S. Attorney for the Central Division of California.

The Reissued Summons having only been served on March 28, 2025, and the Reissued Summons stating that the Status Conference shall be conducted at 2:00 p.m. on May 22, 2025, the original Status Conference date is continued to May 22, 2025.

The court shall issue an 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 in the above captioned Adversary Proceeding having been originally scheduled for April 4, 2025, a Reissued Summons having been served on March 28, 2025, the Reissued Summons setting the Status Conference to be conducted at 2:00 p.m. on May 22, 2025, and good cause appearing,

**IT IS ORDERED** that the Status Conference is continued to **2:00 p.m. on May 22, 2025.**

Debtor's Atty: Chris D. Kuhner

Notes:

Continued from 12/12/24. Debtor in Possession (not the Debtor) intends to hire real estate professionals for the marketing and sell of real property of the Bankruptcy Estate.

Operating Reports filed: 12/18/24; 1/21/25; 2/21/25; 3/20/25

Trustee Report at 341 Meeting lodged: 12/20/24; 1/14/25

[COR-1] Joint Status Report filed 1/16/25 [Dckt 64]

[CDK-2] Debtor's Application to Employ Appraiser filed 1/16/25 [Dckt 66]

[COR-1] Motion for Relief from the Automatic Stay filed 2/27/25 [Dckt 84]

<b>The Status Conference is <span style="color: red;">XXXXXXX</span></b>
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#### **APRIL 4, 2025 STATUS CONFERENCE**

At the March 27, 2025 hearing on the Motion for Relief From the Automatic Stay, the court stated that the Motion was granted to allow SBN V Ag I, LLC ("Summit") to foreclose on six properties of the Bankruptcy Estate. In granting the relief, the court has made the order effective May 1, 2025, affording Debtor, serving as the Debtor in Possession, a further opportunity to move forward to recover the value he believes is in these Properties, as opposed to the value that Creditor believes is in these Properties.

At the Status Conference, XXXXXXX

3. [24-90219-E-7](#)      **JESSE/AMBER CASEY**  
[24-9008](#)      **CAE-1**  
**KOSTKAS V. CASEY, JR ET AL**      **9-17-24 [7]**

**CONTINUED STATUS CONFERENCE RE:  
AMENDED COMPLAINT**

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 1/30/25. Status reports or updates to already filed Status Reports to be filed and served on or before 3/20/25.

<b>The Status Conference is <span style="color: red;">XXXXXXX</span></b>
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#### **APRIL 4, 2025 STATUS CONFERENCE**

The Order continuing this Status Conference required that the Parties shall file and serve Status Reports or updates to prior Status Reports on or before March 20, 2025. Order; Dckt. 46

On April 1, 2025, Defendant-Debtor's Status Report was filed. Dckt. 49. It states that while settlement negotiations were attempted, but were unsuccessful.

#### **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.

Counsel for the Defendant-Debtor reported that he has spoken with the Plaintiff recently, and was surprised that he was not at the Status Conference.

The Status Conference is continued to 2:00 p.m. on March 27, 2025, with updated Status Reports to be filed and served on or before March 20, 2025.

## **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.

## **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 and 157(b), and that this is a core

proceeding pursuant to 28 U.S.C. § 157(b)(2)(I). Complaint ¶¶ 2, 3, Dckt. 7. In the Answer to the Amended Complaint, Defendant-Debtor Jesse Casey, Jr. And Amber Casey (collectively “Defendant-Debtor”) 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 **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.

4. <a href="#"><u>24-90120-E-11</u></a> <a href="#"><u>CAE-1</u></a>	HUACANA ENTERTAINMENT, INC.	CONTINUED STATUS CONFERENCE RE: VOLUNTARY PETITION 3-1-24 <a href="#"><u>[1]</u></a>
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## SUBCHAPTER V

Debtor’s Atty: David C. Johnston

Notes:

Continued from 1/30/25. Counsel for Debtor/Debtor in Possession Plan Administrator reporting that the sale was about ready to close, with the SBA and sales tax Claims to be paid. Additionally, it was reported that the landlord agreed to the assignment of the lease.

<b>The Status Conference is xxxxxx</b>
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## APRIL 3, 2025 POST-CONFIRMATION STATUS CONFERENCE

At the Status Conference, **xxxxxxx**

## **JANUARY 30, 2025 POST-CONFIRMATION STATUS CONFERENCE**

At the Status Conference, counsel for the Debtor/Debtor in Possession Plan Administrator reported that the sale is about ready to close, with the SBA and sales tax Claims to be paid. Additionally, it has been reported that the landlord agrees to the assignment of the lease.

The Status Conference is continued to 2:00 p.m. on April 3, 2025.

## **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.

# FINAL RULINGS

5. [19-90461](#)-E-7      LORRAINE ESCOBAR      CONTINUED STATUS CONFERENCE RE:  
[19-9014](#)      CAE-1      AMENDED COMPLAINT  
REYES V. ESCOBAR      9-30-19 [\[25\]](#)

**Final Ruling: No appearance at the April 3, 2025 Status Conference is required.**  
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Plaintiff's Atty: *Pro Se*  
Defendant's Atty: *Pro Se*

Adv. Filed: 8/12/19  
Answer: 9/4/19  
Amd. Answer: 9/6/19  
Amd. Cmplt Filed: 9/30/19  
Answer: none

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

Notes:  
Continued from 1/16/25

Plaintiff's Status Conference Statement filed 3/10/25 [Dckt 119]

Plaintiff's Status Conference Statement filed 3/13/25 [Dckt 121]

Defendant's Status Conference Statement filed 3/17/25 [Dckt 122]

Plaintiff's Supplemental Status Conference Statement filed 3/27/25 [Dckt 124]

<b>The Status Conference is continued to 2:00 p.m. on May 1, 2025.</b>
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## APRIL 3, 2025 STATUS CONFERENCE

Updated Status Reports have been filed by the Parties. Defendant-Debtor's Status Report was filed on March 31, 2025. Dckt. 125. She reports that the State Court Trial commenced on March 24, 2025 and continued through March 26, 2025. The trial has been continued to April 2, 2025. Defendant-Debtor



requests that the court continue the Status Conference until the period between April 23, 2025 and May 6, 2025, and between May 12, 2025 and June 9, 2025.

Plaintiff Emilio Reyes updated Status Report was filed on March 27, 2025. Dckt. 124. Plaintiff also reports that the trial is continuing, subject to the schedule of the State Court. Plaintiff reports that the will not be able to attend the April 3, 2025 Status Conference.

The Parties continuing in their prosecution of the State Court Action, which will effectively resolve the underlying claims in this nondischargeability action, the Status Conference is continued to 2:00 p.m. on May 1, 2025.

#### **NOVEMBER 21, 2024 STATUS CONFERENCE**

No updated Status Reports have been filed by the Parties. No persons appeared at the November 21, 2024 Status Conference.

The Status Conference is continued to 2:00 p.m. on January 16, 2025. The court shall order each of the parties to appear - Telephonic Appearances Permitted.

#### **JULY 18, 2024 STATUS CONFERENCE**

The Parties have reported that the State Court Action will have further proceedings in October 2024, and request that this Status Conference be continued. Dckt. 104.

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

#### **FEBRUARY 22, 2024 CONTINUED STATUS CONFERENCE**

No updated Status Reports have been filed advising the court of the current status of the litigation in the Los Angeles Superior Court to which this Adversary Proceeding relates. In the last Status Report, as part of a request to continue the Status Conference, the court was advised that the Superior Court Action was set for trial on May 17, 2024.

In the order continuing the prior Status Conference (Dckt. 94), the court ordered the parties to file a short updated status report on or before February 1, 2024, advising the court of any changes in the State Court trial scheduling, and whether a further continuance of the February 22, 2024 Status Conference was requested. No such updated status reports have been filed.

At the Status Conference, Lorraine Escobar appeared and advised the court that the State Court Trial is set for May 17, 2024.

The Status Conference is continued to 2:00 p.m. on July 18, 2024.

#### **NOVEMBER 10, 2022 STATUS CONFERENCE**

On November 7, 2022, Plaintiff Emilio Reyes filed an Updated Status Report (Dckt. 87), advising the court that the Second District Court of Appeal reversed the ruling on the Motion to Strike the State Court Action, and that Plaintiff will now proceed with prosecuting that State Court Action to establish

the asserted liability of Defendant-Debtor. A copy of the District Court of Appeal Decision (which is 33 pages in length) is filed as Exhibit A. Dckt. 87.

Defendant-Debtor Lorraine Escobar filed her Updated Status Report and Request for a Continuance on November 8, 2022. Dckt. 88. Defendant-Debtor states that she suffered from COVID-19 which has delayed her ability to request a rehearing before the District Court of Appeal, but she intends to pursue such request.

In her Status Report Defendant-Debtor takes “swipes” at the Plaintiff, asserting he is making misstatements, obfuscating the facts, and argues some of the underlying facts.

### **Adversary Proceeding Stayed**

By prior Order of this Court, this Adversary Proceeding has been stated pending entry of a final judgment in the State Court Action in which Plaintiff asserts his claims against Defendant Debtor for which he seeks to have this court determine that such claims are nondischargeable. Order, Dckt. 50; Civil Minutes, Dckt. 49.

### **Further Continuance of the Status Conference**

The one thing that Plaintiff and Defendant-Debtor agree on is that there is ongoing litigation in the State Court Action which must be completed to final judgment before this court can proceed on the issue of whether any obligation of Defendant-Debtor determined therein is nondischargeable in Defendant-Debtor’s bankruptcy case.

The court continues the Status Conference to 2:00 p.m. on May 25, 2023

### **The court shall issue an order in substantially the following form:**

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

The Adversary Proceeding Status Conference having been schedule by the court, the related State Court Action trial being in process, and upon review of the updated Status Reports filed by the Parties, and good cause appearing,

**IT IS ORDERED** that the Status Conference is continued to **2:00 p.m. on May 1, 2025.**

**IT IS FURTHER ORDERED** that on or before April 29, Emilio Reyes, the Plaintiff, and Lorraine Escobar, the Defendant-Debtor, and each of them, shall file either separate Status Conference Statements or one Joint Status Conference Statement providing the court with the status of this Adversary Proceeding, the status of the State Court proceeding, and how the Plaintiff and the Defendant will diligently prosecute this Adversary Proceeding going forward

6. [24-90615-E-11](#)      JEA2, LLC  
[CAE-1](#)

**CONTINUED STATUS CONFERENCE RE:  
VOLUNTARY PETITION  
10-17-24 [\[1\]](#)**

**Final Ruling: No appearance at the April 3, 2025 Status Conference is required.**  
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Debtor's Atty: Anthony Asebedo

Notes:

Continued from 12/12/24. Counsel for Debtor in Possession reporting that rent is being collected for the 2025 year, with this being treated as cash collateral.

Operating Reports filed: 12/18/24; 1/14/25

[RLL-2] Debtor in Possession's Application to Employ Jones Lang Lasalle Brokerage, Inc. as Real Estate Broker filed 1/9/25 [Dckt 34]

[RLL-3] Debtor in Possession's Plan of Reorganization Dated January 13, 2025 filed 1/13/25 [Dckt 40]; Disclosure Statement in support filed 1/13/25 [Dckt 41] heard 3/27/25 in Sac

[RLL-3] Amended Disclosure Statement in Support of Debtor in Possession's Plan of Reorganization Dated January 13, 2025 filed 3/19/25 [Dckt 77]

<p><b>The Status Conference has been continued to 11:30 a.m. on June 12, 2025, by prior order of this court.</b></p>
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