

**UNITED STATES BANKRUPTCY COURT**

Eastern District of California

**Honorable Ronald H. Sargis**

Chief Bankruptcy Judge

Sacramento, California

**August 24, 2022 at 2:00 p.m.**

---

1. [18-20964](#)-E-7      **BRADLEY GILBREATH**      **CONTINUED STATUS CONFERENCE**  
[21-2084](#)      **RE: COMPLAINT**  
CAE-1      **12-2-21 [1]**  
**HUSTED V. GILBREATH**

**No Appearance by Counsel for Trustee Required If the Trustee  
Concurs with the Court Closing the File For this Adversary Proceeding**

Plaintiff's Atty: Estela O. Pino; Ramandeep Kaur Mahal

Defendant's Atty: unknown

Adv. Filed: 12/2/21

Answer: none

Nature of Action:

Recovery of money/property - turnover of property

Notes:

Continued from 5/4/22 for adversary proceeding post-judgment administrative tracking purposes.

**AUGUST 24, 2022 POST-JUDGMENT STATUS CONFERENCE**

On March 29, 2022, judgment was entered in favor of Plaintiff Chapter 7 Trustee Kimberly Husted and against the Defendants requiring the turnover of real property in Roseville, California. Judgment, Dckt. 4. A review of the file in the related Chapter 7 Case (18-20964) discloses that the Chapter 7 Trustee had filed a Motion For Order Authorizing Sale of the Roseville Property, but that Motion was dismissed by the Trustee on August 16, 2022. 18-20964; Notice of Dismissal, Dckt. 183. The reason that the Chapter 7 Trustee dismissed the Motion was that the Buyer had cancelled the transaction.

**August 24, 2022 at 2:00 p.m.**

**Page 1 of 6**

It appears that the Chapter 7 Trustee is in control and possession of the Roseville Property and that this Adversary Proceeding file may be closed by the Clerk of the Court.

At the Status Conference, **XXXXXXX**

2. [10-27435-E-7](#)      **THOMAS GASSNER**  
[19-2038](#)  
**CAE-1**  
**GASSNER V. GASSNER ET AL**

**CONTINUED STATUS CONFERENCE**  
**RE: AMENDED COMPLAINT**  
**7-12-19 [20]**

Plaintiff's Atty: Paul J. Pascuzzi

Defendant's Atty:

Scott G. Beattie [Carol L. Gassner; Alfred M. Gassner]

Charles L. Hastings [Laura Strombom]

Adv. Filed: 3/12/19

Answer: 4/11/19 [Laura Strombom]

4/11/19 [Alfred M. Gassner; Carol L. Gassner]

Amd. Cmpl. Filed: 7/12/19

Answer: 8/5/19 [Alfred M. Gassner; Carol L. Gassner]

8/13/19 [Laura Strombom]

Amd. Answer: 8/13/19 [Alfred M. Gassner; Carol L. Gassner]

8/26/19 [Alfred M. Gassner; Carol L. Gassner]

Notes:

Continued from 2/10/22

Order setting initial discovery schedule and setting scheduling status conference filed 2/14/22 [Dckt 166]

<b>The Status Conference is <b>XXXXXXX</b></b>
--

### **AUGUST 24, 2022 STATUS CONFERENCE**

The respective parties to this Adversary Proceeding have filed their updated Status Reports.

#### **Plaintiff's Updated Status Report (Dckt. 168)**

In the Updated Status Report Plaintiff summarizes the various conduct of Defendants asserted to be in violation of the Automatic Stay in the Late Debtor Thomas Gassner's bankruptcy case.

**August 24, 2022 at 2:00 p.m.**

**Page 2 of 6**

In it, Plaintiff states that is considering renewing a motion for summary judgment, citing to authorities that the automatic stay can be violated if there is an arguable interest of the debtor in property, even if it is later determined that there was no interest of the debtor or the bankruptcy estate in such property.

Plaintiff's Updated Status Report continues, advancing the discussion to focusing on not the ultimate conclusion as to whether the property is ultimately determined to be property of the estate as determinative, but whether there were asserted interests in the property for which the termination of such interests or determination of such interests were asserted and action taken in a forum other than the bankruptcy court without the other party obtaining relief from the automatic stay.

Plaintiff reviews some of the conduct of Defendant, noting that the actions taken included a Petition to Modify the Irrevocable Trust in State Court after the bankruptcy case had been filed. They note that such an action is to modify what were the then existing rights and interests of the bankruptcy estate going forward. This would indicate that there were rights of the bankruptcy estate, and Defendants sought to change those rights.

Plaintiff notes that the Chapter 7 Trustee and Defendants in a related proceeding have stated that action which the Chapter 7 Trustee is marketing for sale the property interests in dispute.

Plaintiff also states that for the limited discovery being conducted in this Adversary Proceeding at this time, there have been disputes concerning certain claims of privilege and that documents and an updated privilege log has been produced by Defendants.

Plaintiff states that upon a review of the evidence and declarations filed in this Adversary Proceeding, Plaintiff anticipates additional persons will need to be added as defendants. So far, these persons are identified as Jennifer Gassner-Tracy, Alfred Karl Gassner, MEPCO, and Mis Pasadena Properties, LLC.

Plaintiff recommends continuing the Status Conference to 2:00 p.m. on November 30, 2022, to be conducted in conjunction with the Status Conference in the Related Adversary Proceeding.

### **Defendant Laura Strombom's Updated Status Report**

Defendant Laura Strombom states that she is agreeable to a joint mediation to be conducted in conjunction with the Related Adversary Proceeding being conducted by the Chapter 13 Trustee.

### **Review of Related Adversary Proceeding**

In a review of the Bankruptcy Case Docket (10-27435), the court does not identify a motion for the sale of the property which is the subject of the dispute.

A review of the Docket in the Related Adversary Proceeding (19-2006) discloses that the last filing was this court's order entered on May 6, 2022, continuing the Status Conference to November 30, 2022.

The Settlement in the Related Adversary Proceeding (19-2006; Exhibit A, Dckt. 191) provides (as summarized by the court):

- A. The shares of stock (the property that is the subject of the dispute) are turned over to the Chapter 7 Trustee.
- B. The Chapter 7 Trustee may sell the shares of stock.
- C. The Related Adversary Proceeding is stayed, except for necessary discovery, to facilitate the Chapter 7 Trustee in marketing and selling the shares of stock.
- D. Potential purchaser nondisclosure and provision for the sharing of confidential information are stated.

## **Status Conference**

At the Status Conference, **XXXXXX**

## **JANUARY 5, 2022 STATUS CONFERENCE**

Plaintiff Georgene Gassner filed an updated Status Conference Statement on December 29, 2021. Dckt. 149. In it, Plaintiff discusses what appears to be a successful mediation in the related Adversary Proceeding *Husted v. MEPCO Label Systems et al*, 19-2006, and that Plaintiff believes that the parties in that Adversary Proceeding will be seeking approval of a settlement in the Thomas Gassner bankruptcy case (10-27433).

Plaintiff states that once that settlement has been approved and the issues therein resolved, then this Adversary Proceeding can proceed. As addressed in Plaintiff's prior Status Report, Plaintiff anticipates adding additional parties to this action.

In light of that information, Plaintiff requests that the Status Conference be continued to February 10, 2022, to be held in conjunction with Defendants' Motion to Amend the Scheduling Order in this Adversary Proceeding.

Defendants filed their Motion to Amend Scheduling Order, Dckt. 143, which includes information that would have been included in an updated status report. In substance, the Motion states that there is no current scheduling order in this Adversary Proceeding, the court having stayed this Adversary Proceeding while the Defendants in this Adversary Proceeding proceed with their litigation in the *Husted v. MEPCO* Adversary Proceeding.

## **JANUARY 21, 2021 CONTINUED STATUS CONFERENCE**

On January 14, 2021, Plaintiff Georgene Gassner, Plaintiff, filed an updated Status Conference Statement. Dckt. 134. Plaintiff reports that she believes the court should continue to stay this Adversary Proceeding pending the litigation of related Adversary Proceeding 19-2006 which is being prosecuted by the Chapter 7 Trustee.

Plaintiff reports that there may be other persons that Plaintiff may be asserting violated the automatic stay in the Thomas Gassner bankruptcy case. These persons are identified as Jennifer Gassner-Tracy, Alfred Karl Gassner, MEPCO, and Mis Pasadena Properties, LLC.

When the stay is lifted as to this Adversary Proceeding, Plaintiff may seek to amend the complaint to add them as parties.

At the Status Conference, Defendants' counsel discussed the perceived need to conduct a deposition of Plaintiff in light of the age of his clients. He stated that he foresees this need so that he can confer with his clients concerning Plaintiff's testimony, and if they disagree, possible rebuttal evidence he would need to develop.

Defendants' counsel focused the perceived necessary discovery to be of just the Plaintiff, and would not be seeking a modification of the stay for other discovery. Counsel for Plaintiff expressed concern of opening discovery in this Adversary Proceeding.

The court discussed with the Parties some of the fundamental legal issues and application of federal law concerning the automatic stay, termination of the stay, and the discharge injunction as it relates to unsecured or non-offset pre-petition claims.

The Parties will meet and confer concerning the discovery that Defendants believe they need to conduct now. If the parties agree to an exception to the current stay in this Adversary Proceeding they may file an ex parte motion to allow specific discovery. If they do not agree, a party who believes the stay should be modified may file an motion seeking such relief in this Adversary Proceeding.

The court confirmed with counsel that if they believed some action in this Adversary Proceeding is proper, they may seek a modification of the stay prior to the continued Status Conference.

# FINAL RULINGS

3. [12-41143-E-13](#)      MARYLYNN MATTHEWS      STATUS CONFERENCE RE:  
[22-2025](#)      COMPLAINT  
CAE-1      5-2-22 [[1](#)]  
MATTHEWS V. UMPQUA BANK

**ADVERSARY PROCEEDING**  
**DISMISSED: 07/18/2022**  
**CLOSED: 08/05/2022**

**Final Ruling:** No appearance at the August 24, 2022 Status Conference is required.  
-----

Plaintiff's Atty: Karen Pine  
Defendant's Atty: unknown

Adv. Filed: 5/2/22  
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:  
Notice of Dismissal filed 7/18/22 [Dckt 8]

<p><b>This Adversary Proceeding having been dismissed, the Status Conference is concluded and the matter is removed from the Court's Calendar.</b></p>
--