

UNITED STATES BANKRUPTCY COURT  
Eastern District of California

**Honorable Ronald H. Sargis**  
Bankruptcy Judge  
Modesto, California

September 19, 2024 at 2:00 p.m.

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1. [23-90111-E-11](#)      MICHAEL HOFMANN      CONTINUED STATUS CONFERENCE RE:  
[CAE-1](#)      VOLUNTARY PETITION  
3-20-23 [1]

**SUBCHAPTER V**

Debtor's Atty: Brian S. Haddix

Notes:  
Continued from 8/8/24

Operating Reports filed: 9/5/24

[BSH-4] Order Resetting Confirmation Hearing to the Court's Calendar filed 8/15/24 [Dckt 307]; set for 10/10/24 at 2:00 p.m.

[SCR-8] Debtor's Chapter 11 Subchapter V Status Report filed 9/10/24 [Dckt 311]

**The Status Conference is xxxxxxx**

**SEPTEMBER 19, 2024 STATUS CONFERENCE**

**Subchapter V Trustee Status Report**

The Subchapter V Trustee filed an updated Status Report on September 12, 2024. Dckt 314. The information included in the Status Report includes the following. The residence property is not insured. The Estate, which has an 8.333% interest in the residence property, does not have sufficient funds to irrigate and maintain the landscaping.

The underground diesel fuel tank and fuel have been removed by contractors hired by the Debtor. The Trustee recounts that the Debtor has left personal property on the residence property which is impeding the marketing and sale of that property. The Trustee also recounts the "challenges" in the marketing and sale fo the property, with many of the "challenges" relating to conduct of the Debtor.

The Subchapter V Trustee further addresses financial reporting discrepancies, including apparent post-petition borrowing of monies, disbursements to a related entity, and undisclosed bank accounts.

### **Creditor's Status Conference Statement**

Creditors John P. Brichetto and Jacqueline Brichetto, John M. Brichetto and Lee Brichetto, Joseph Brichetto and Kera Brichetto filed their Status Report on September 13, 2024. Dckt. 315. Their observations include the following. The Debtor makes substantial monthly credit card payments, but the credit card statements are not included with the Monthly Reports. They note many of the same financial "irregularities" that are identified by the Subchapter V Trustee.

No updated status report has been filed by the Debtor/Debtor in Possession.

**XXXXXXX**

2. [24-90418-E-11](#)      **ART BUILDINGS LLC**  
[CAE-1](#)

**STATUS CONFERENCE RE:  
VOLUNTARY PETITION  
7-19-24 [1]**

Debtor's Atty: Michael Jay Berger

Notes:

**NORTHERN DISTRICT OF CALIFORNIA**

Debtor In Possession's Motion to Transfer Venue to Eastern District of California filed 7/19/24 [Dckt 3];  
Order granting filed 7/22/24 [Dckt 8]

Order for Payment of State and Federal Taxes filed 7/20/24 [Dckt 4]

Debtor in Possession's *Ex Parte* Application for Order Designating Responsible Individual filed 7/22/24  
[Dckt 6]

**EASTERN DISTRICT OF CALIFORNIA**

Operating Report filed: 8/15/24

[MJB-1] Debtor in Possession's *Ex Parte* Application for Order Designating Responsible Individual filed  
8/1/24 [Dckt 23]

Application for *Pro Hac Vice* and Proposed Order [re Craig K. Schuenemann] filed 8/11/24 [Dckt 29]

[MJB-2] Application of Debtor in Possession for Order Authorizing Debtor to Employ the Law Offices of  
Michael Jay Berger as Its General Bankruptcy Counsel filed 8/14/24 [Dckt 31]; Order granting filed 8/30/24  
[Dckt 43]

Debtor's Initial Case Status Conference Report filed 9/5/24 [Dckt 44]

[ROM-1] Romspen California Mortgage Limited Partnership's Motion for Single Asset Real Estate  
Determination filed 9/9/24 [Dckt 47]; set for hearing 10/10/24 at 10:30 a.m.

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

**The Status Conference is xxxxxxx**

**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.

### **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, **XXXXXXX**

# FINAL RULINGS

3. [24-90219-E-7](#)      JESSE/AMBER CASEY      STATUS CONFERENCE RE:  
[24-9008](#)      CAE-1      COMPLAINT  
7-25-24 [1]

KOSTKAS V. CASEY, JR ET AL

**Final Ruling: No appearance at the September 19, 2024 Status Conference is required.**

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

Adv. Filed: 7/25/24  
Answer: none

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

Notes:  
[ERG-1] Stipulation to Extend Time to Respond to Complaint filed 8/26/24 [Dckt 6]  
[as of 9/12/24-No Order on Docket; 9/9/24 deadline to file response]

**The Status Conference is continued to 2:00 p.m. on November 21, 2024, the date set in the Reissued Summons issued by the Clerk of the Court.**

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.

**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 scheduled, the Plaintiff filing an Amended Complaint and the Reissued Summons setting the status conference for 2:00 p.m. on November 21, 2024, and good cause appearing,

**IT IS ORDERED** that the Status Conference is continued to **2:00 p.m. on November 21, 2024.**