

UNITED STATES BANKRUPTCY COURT
Eastern District of California

Honorable Ronald H. Sargis
Bankruptcy Judge
Sacramento, California

November 13, 2024 at 2:00 p.m.

1. <u>23-24382-E-13</u> <u>24-2023</u> CAE-1	VICTOR/ELMY HOPPER	CONTINUED STATUS CONFERENCE RE: COMPLAINT 3-11-24 [1]
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COMERICA BANK V. HOPPER

Plaintiff's Atty: Raffi Khatchadourian
Defendant's Atty: Douglas B. Jacobs

Adv. Filed: 3/11/24
Answer: 4/16/24

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

Notes:
Continued from 7/10/24

Joint Status Conference Report filed 10/16/24 [Dckt 31]

The Status Conference is ~~continued to 2:00 p.m. on March 5, 2025.~~

NOVEMBER 13, 2024 STATUS CONFERENCE

The Parties filed a Joint Status Report on October 16, 2024. Dckt. 31. They report that some progress has been made in achieving a resolution outside of this Adversary Proceeding, that includes third-parties. However, a resolution has not yet been released and request that the Status Conference be further continued.

The Parties request that the court further continue this Status Conference 120 days.

At the Status Conference, **XXXXXXX**

~~In light of the reported progress, and the upcoming Holidays, the court continues the Status Conference to 2:00 p.m. on March 5, 2025.~~

JULY 10, 2024 STATUS CONFERENCE

SUMMARY OF COMPLAINT

The Complaint filed by Comerica Bank (“Plaintiff”), Dckt. 1, asserts claims for nondischargeability of debt pursuant to 11 U.S.C. § 523(a)(2)(A) and (B), 11 U.S.C. § 523(a)(4), and 11 U.S.C. § 523(a)(6), and the award of a nondischargeable monetary judgment.

SUMMARY OF ANSWER

Victor Hopper (“Defendant-Debtor”) have filed an Answer, Dckt. 22, admitting and denying specific allegations in the Complaint.

JOINT STATUS REPORT

On June 14, 2024, the Parties filed a Joint Status Conference Report, stating that they are requesting that the Status Conference be continued approximately 90 days while the Parties continue in their settlement discussions. They report that a possible settlement may involve some third-parties.

FINAL BANKRUPTCY COURT JUDGMENT

Plaintiff Comerica Bank alleges in the 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. Complaint ¶ 1, Dckt. 1. In the Answer, Defendant Victor Hopper admit the allegations of jurisdiction and that this is a core proceeding. Answer ¶ 1; Dckt. 22. 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.

The Status Conference is continued to 2:00 p.m. on November 13, 2024

2. [24-22093-E-7](#)
[MOH-1](#)

MICHAEL SILVA

POST SUBMISSION STATUS
CONFERENCE RE: MOTION TO AVOID
LIEN OF THE SAGRES COMPANY
7-25-24 [\[24\]](#)

Debtor's Atty: Michael O'Dowd Hays

Notes:

Set by order of the court filed 10/31/24 [Dckt 51]. Parties may file a Joint Status Conference Statement on or before 11/11/24 stating their agreement as to the scope of the relief at issue.

The Post-Submission Status Conference is XXXXXXX

Debtor Michael A. Silva filed a Motion to Avoid the Judicial Lien of Collect Access, LLC, the assignee of the Sagres Company's judgment against the Debtor, ("Creditor") with respect to the real property commonly known as 25180 Taft Street, Los Molinos, Ca 96055 (the "Property"), on which the residence structure, the "Residence," in which the Debtor resides and claims a homestead exemption. A judgment was originally entered against Debtor in favor of Creditor on June 2, 2004 in the amount of (\$7,103.33). Exhibit 1, Dckt. 27. That abstract of judgment was recorded with Tehama County on August 5, 2004, that encumbers the Debtor's interests in the Property. *Id.*

As this court extensively addressed in its Order setting this Post-Submission Status Conference (Order; Dckt. 51; which is incorporated herein by this reference), a question exists whether the Parties are litigating the lien avoidance with respect to the entire property or the Debtor's 50% interest as of the commencement of this Bankruptcy Case.

At the Post-Submission Status Conference, XXXXXXX

Debtor's Atty: Gabriel E. Liberman

Notes:
Continued from 8/1/24

Operating Report filed: 8/13/24

[GEL-8] Order Confirming Debtor's Second Amended Chapter 11 Subchapter V Plan filed 8/5/24 [Dckt 182]

[DL-1] Motion for Approval of First and Final Allowance of Compensation to Chapter 11 Subchapter V Trustee filed 8/22/24 [Dckt 188]; Order granting filed 10/7/24 [Dckt 203]

[GEL-11] First and Final Fee Application for Allowance and Payment of Fees and Reimbursement of Costs of Attorney for Debtor in Possession filed 8/29/24 [Dckt 194]; Order granting filed 10/7/24 [Dckt 204]

<p>The Status Conference is continued to 2:00 p.m. on xxxxxxx , 2025.</p>

NOVEMBER 13, 2024 STATUS CONFERENCE

The court has granted the Motions for approve of compensation for the Subchapter V Trustee and for counsel for the Debtor/Debtor in Possession. Dckts. 203, 204.

At the Status Conference, xxxxxxx

AUGUST 1, 2024 STATUS CONFERENCE

On August 1, 2024, the court conducted the hearing on confirmation of the Debtor/Debtor in Possession's Second Amended Plan, to which all creditors consented. At the confirmation hearing, the court confirmed the Subchapter V Plan.

The Status Conference is continued to 2:00 p.m. on November 13, 2024.

4. [23-23834-E-7](#) ANTONETTE TIN
[24-2179](#)
CAE-1

STATUS CONFERENCE RE:
COMPLAINT
8-20-24 [[1](#)]

FARRIS V. ANTONETTE TIN,
TRUSTEE OF THE RA CORONEL

Plaintiff's Atty: J. Russell Cunningham
Defendant's Atty: Peter G. Macaluso

Adv. Filed: 8/20/24
Answer: 9/20/24

Nature of Action:
Recovery of money/property - turnover of property

Notes:
[DNL-1] Motion for Judgment on the Pleadings filed 9/24/24 [Dckt 9]; Order granting filed 10/28/24 [Dckt 25]

The Status Conference is XXXXXXX
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NOVEMBER 13, 2024 STATUS CONFERENCE

On October 28, 2024, the court entered an order granting the Plaintiff-Trustee's Motion for entry of Judgment in this Adversary Proceeding. Order; Dckt. 25. A proposed judgment has not been lodged with the court.

At the Status Conference, XXXXXXX

5. [23-23834-E-7](#) ANTONETTE TIN
[24-2177](#)
CAE-1

STATUS CONFERENCE RE:
COMPLAINT
8-20-24 [\[1\]](#)

FARRIS V. LYNCH ET AL

Plaintiff's Atty: J. Russell Cunningham
Defendant's Atty: Gregory M. Finch

Adv. Filed: 8/20/24
Answer: 9/9/24
First Amd. Answer: 9/17/24

Nature of Action:
Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)
Recovery of money/property - preference
Recovery of money/property - other
Declaratory judgment

Notes:
[CAE-1] Joint Status Report filed 9/30/24 [Dckt 11]

[CAE-1] Joint Status Report filed 9/30/24 [Dckt 13]

The Status Conference is xxxxxxx
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NOVEMBER 13, 2024 STATUS CONFERENCE

SUMMARY OF COMPLAINT

The Complaint filed by Nikki Farris, Chapter 7 Trustee ("Plaintiff-Trustee"), Dckt. 1, asserts objections to claims, for avoidance of transfers as preferences and other avoidable transfers, declaratory relief, and monetary damages. These claims, asserted against Erlinda B. Lynch, individually, who is the mother of Debtor Antonette Tin, and Erlinda B. Lynch as trustee of the EBL Family Trust, are summarized by the court as follows:

- A. First Claim for Relief is the Objection to Proof of Claim 2-1, asserting a general unsecured claim in the amount of (\$359,038.29) based on a one page agreement with The Retreat at Royal Green, LLC, the "LLC Debtor." There is a second agreement between Erlinda Lynch and the LLC Debtor for Erlinda Lynch stated to be one in which she ti to pay certain expenses, for which the LLC Debtor is to repay Erlinda Lynch.

1. It is asserted that Erlinda Lynch has already been paid all rents due from the LLC Debtor.
 2. The Plaintiff-Trustee asserts affirmative defenses of: (1) illegality, (2) statute of limitations, (3) estoppel, (4) statute of frauds, and (e) lack of consideration.
- B. Second Claim for Relief is to Objection to Proof of Claim 2-1, asserting that Erlinda Lynch is the transferee of property that is avoidable pursuant to 11 U.S.C. §§ 544, 547 and 548. Therefore, the claim is to be disallowed until the avoidable transfers have been paid to the Plaintiff-Trustee for the Bankruptcy Estate.
- C. Third Claim for Relief is to avoid transfers pursuant to 11 U.S.C. §§ 544(b) [Plaintiff-Trustee exercising avoidable transfer law that would apply to any creditor holding a general unsecured claim] and 11 U.S.C. § 548 [bankruptcy fraudulent conveyance law], and to recover the avoidable transfers as provided in 11 U.S.C. § 550(a)(1).
- D. Fourth Claim for Relief is to recover all transfers to Erlinda Lynch made after October 5, 2022, as a preference pursuant to 11 U.S.C. § 547.
- E. Fifth Claim for Relief for Declaratory Relief as to the rights and interests of the Bankruptcy Estate and Erlinda Lynch under the Agreement, in the Real Property, and that the Plaintiff-Trustee may sell the real property, as well as award not less than \$1,482,721.13 in damages against Erlinda Lynch.

SUMMARY OF ANSWER

Erlinda Lunch, individually and as Trustee of the EBL Family Trust (“Defendant”) has filed an Answer, Dekt. 9, admitting and denying specific allegations.

Defendant expressly states that she does not consent to the Bankruptcy Judge entering final orders and judgments in this Adversary Proceeding. *Id.*; ¶ 2.

ENTRY OF FINAL ORDERS AND JUDGMENTS BY THE BANKRUPTCY JUDGE

As the respective counsel are award, Congress provides for federal court jurisdiction for bankruptcy cases and related proceedings in 28 U.S.C. § 1334 and the referral of such proceedings to the bankruptcy judges who are units of the District court, 28 U.S.C. § 157. All bankruptcy cases and proceedings are referred to the bankruptcy judges in the Eastern District of California. E.D. Cal. Gen. Orders 223, 182.

The Supreme Court also addressed that while “core matter” proceedings may be ones in which the bankruptcy judges enter final orders and judgments, merely because Congress listed a matter in the non-exclusive list in 28 U.S.C. § 157(b), would not overcome a party’s rights to have an Article III judge to issue final orders and judgments in something that was non-core. *See Granfianciera v. Nordberg*, 492 U.S. 33 (1989), concluding that since the right to avoid a fraudulent conveyance existed at the time the Constitution

was adopted, the defendant to such a claim had a right to a jury trial. However, the Supreme Court further noted:

As *Katchen* makes clear, however, by submitting a claim against the bankruptcy estate, creditors subject themselves to the court's equitable power to disallow those claims, even though the debtor's opposing counterclaims are legal in nature and the Seventh Amendment would have entitled creditors to a jury trial had they not tendered claims against the estate.

Granfinanciera v. Nordberg, FN. 14, 492 U.S. at 59.

In 2011, the Supreme Court issued its ruling in *Stern v. Marshall*, 564 U.S. 462 (2011), the Supreme Court expressly concluded that bankruptcy judges can issue final orders and judgments on all core matter proceedings.

In paragraph 4 of the Complaint, Plaintiff-Trustee alleges that this Adversary Proceeding is a core matter under 28 U.S.C. §§ 157(b)(2)(B), (C), (F), (H), (K), (M), and (N). Dckt. 1. In the Answer, Defendant admits the allegations in ¶ 4 of the Complaint. Answer, ¶ 1; Dckt. 9. Thus, it appears for the Complaint as currently written, all matters presented are core proceedings, with Defendant expressly reserving the right to assert that matters are non-core in the event the Complaint is amended.

At the hearing, **XXXXXXX**

FINAL BANKRUPTCY COURT JUDGMENT

Plaintiff-Trustee alleges in the Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334 and 157(b)(2), and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(B), (C), (F), (H), (K), (M), and (N). Complaint ¶ 4, Dckt. 1. In the Answer, Defendant admits the allegations of jurisdiction and that this is a core proceeding. Answer ¶ 1; Dckt. 9. ~~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-Trustee alleges in the Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334 and 157(b)(2), and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(B), (C), (F), (H), (K), (M), and (N). Complaint ¶ 4, Dckt. 1. In the Answer, Defendant admits the allegations of jurisdiction and that this is a core proceeding. Answer ¶ 1; Dckt. 9. ~~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 **September 30, 2024**.
- c. Expert Witnesses shall be disclosed on or before **January 17, 2025**, and **Rebuttal Expert Witnesses**, if any, shall be disclosed on or before **xxxxxxx, 2025**. Expert witness discovery opens on January 17, 2025, and closes, including the hearing of discovery motions, on **February 28, 2025**.
- d. Discovery closes, including the hearing of all discovery motions, on **January 17 30, 2025**.
- e. Dispositive Motions shall be heard before **March 21, 2025**. [March 20, 2025 being a regular adversary proceeding law and motion date.]
- f. The Pre-Trial Conference in this Adversary Proceeding shall be conducted at **2:00 p.m. on April 16, 2025**.

6. [23-23834-E-7](#) ANTONETTE TIN
[24-2178](#)
CAE-1

STATUS CONFERENCE RE:
COMPLAINT
8-20-24 [\[1\]](#)

**FARRIS V. ANTONETTE TIN,
TRUSTEE OF THE 2018 ANTONETTE**

Plaintiff's Atty: J. Russell Cunningham
Defendant's Atty:
Peter G. Macaluso [Antonette Tin]
Gregory M. Finch [Exequiel Allan Fernando]

Adv. Filed: 8/20/24

Answer:

9/9/24 [Exequiel Allan Fernando]
9/17/24 [Exequiel Allan Fernando]
9/20/24 [Antonette Tin]

Nature of Action:

Recovery of money/property - fraudulent transfer
Recovery of money/property - turnover of property

Notes:

[DNL-1] Motion for Preliminary Injunction filed 9/26/24 [Dckt 13]; Order granting filed 10/29/24 [Dckt 39]

[CAE-1] Joint Status Report filed 9/30/24 [Dckt 19]

[DNL-1] Judgment

The Status Conference is continued to 2:00 p.m on January 22, 2025.
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NOVEMBER 13, 2024 STATUS CONFERENCE

On October 29, 2024, the court entered Judgment in favor of the Plaintiff-Trustee, determining that property of the RAC Trust is property of the Bankruptcy Estate in the Antonette Tin and The Retreat at Royal Green LLC consolidated bankruptcy cases. Judgment; Dckt. 40.

The Judgment provides for an accounting to be made within thirty-days after the entry of the Judgment.

At the Status Conference, **XXXXXXX**

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 conducted by the court, and upon review of the pleadings, reports of counsel, and good cause appearing,

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

7. <u>23-23523-E-7</u> <u>23-2098</u> CAE-1	THE RETREAT AT ROYAL GREEN, LLC.	CONTINUED STATUS CONFERENCE RE: NOTICE OF REMOVAL 11-27-23 [1]
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**FARRIS V. THE RETREAT AT ROYAL
GREEN LLC ET AL**

Plaintiff's Atty: Michael J. Harrington
Defendant's Atty: unknown

Adv. Filed: 11/27/23
Answer: none

Nature of Action:
Determination of removed claim or cause

Notes:
Continued from 9/18/24 to be conducted with Status Conferences in related adversary proceedings.

The Status Conference is XXXXXXX
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NOVEMBER 13, 2024 STATUS CONFERENCE

The court has stayed this Adversary Proceeding to allow the Plaintiff-Trustee, to pursue the focused Related Adversary Proceedings.

At the Status Conference, XXXXXXX

SEPTEMBER 18, 2024 STATUS CONFERENCE

On August 16, 2024, the court entered its order staying this Adversary Proceeding while the Parties address these issues in related adversary proceedings Order; Dckt. 50. The Order provides that the

respective counsel shall address at the September 18, 2024 Status Conference how this matter should be continued to allow for the court's adversary proceeding management.

At the Status Conference, counsel for the Plaintiff-Trustee provided a summary of how the claims are being prosecuted in related adversary proceedings.

The Status Conference is continued to 2:00 p.m. on November 13, 2024, to be conducted with Status Conferences in related adversary proceedings

8. [22-22625-E-7](#) **JASON/CHRISTINE EATMON** **PRE-TRIAL CONFERENCE RE:**
[23-2086](#) **AMENDED COMPLAINT OBJECTING TO**
LOCKWOOD ET AL V. EATMON ET AL **DISCHARGE OF DEBTORS**
12-26-23 [\[27\]](#)

Plaintiff's Atty: Jamie P. Dreher, Sandra L. Sava
Defendant's Atty: Patricia Wilson

Adv. Filed: 10/30/23
Answer: none
Amd. Cmplt. Filed: 12/26/23
Answer: 1/8/24

Nature of Action:
Objection/revocation of discharge

Notes:
Scheduling Order -
Initial disclosures by 5/3/24
Disclose expert witnesses; by 7/11/24
Exchange expert witnesses reports by 7/11/24
Rebuttal expert witnesses disclosed and reports produced by 7/25/24
Close of discovery 9/12/24
Dispositive motions heard by 10/24/24

The Pre-Trial Conference is XXXXXXX

SUMMARY OF COMPLAINT

The First Amended Complaint filed by Daniel Lockwood and Roseanne Lockwood ("Plaintiff"), Dckt. 27, asserts claims for Denial of Defendant-Debtor's discharge in their Chapter 7 Case (22-22625). The First Cause of Action asserts that Defendant-Debtor has failed to disclose pre-petition monies that are property of the Bankruptcy Estate. 11 U.S.C. § 727(a)(2), (a)(3), (a)(4), and (a)(5).

Additionally, it is asserted that Defendant-Debtor has failed to respond to the discovery requests, contending that this is part of Defendant-Debtor's scheme to hide assets that are property of the Bankruptcy Estate.

Plaintiff asserts that it has identified seven bank accounts that the Defendant-Debtor failed to disclose on its schedules or to the Trustee. Additionally, the balances for the accounts disclosed were 1/3 of the actual monies in the accounts as of the filing of Defendant-Debtor's Bankruptcy Case.

The Second Claim seeks the denial of Discharge as provided in 11 U.S.C. § 727(a)(2)(B).

The Third Claim asserts the denial of Discharge as provided in 11 U.S.C. § 727(a)(3). The Fourth Claim asserts the denial of Discharge as provided in 11 U.S.C. § 727(a)(4). The Fifth Claim asserts the denial of Discharge as provided in 11 U.S.C. § 727(a)(5).

The Plaintiff also has made demand for a jury trial for the Objection to Discharge claims that arise under 11 U.S.C. § 727, which rights arose with the enactment of the Bankruptcy Code.

At the Status Conference, counsel for Plaintiff addressed this Demand for Jury Trial, stating that for the Amended Complaint as now requesting relief pursuant to 11 U.S.C. § 727, it is a core matter and not a matter for which a jury demand is made. It has been demanded in light of other claims that may be asserted if the court allows further amendments to the Amended Complaint.

SUMMARY OF ANSWER

Jason Eatmon and Christine Eatmon ("Defendant-Debtor") has filed an Answer to the First Amended Complaint, Dckt. 33, admitting and denying specific allegations. They also have asserted two Affirmative Defenses.

STATUTORY GROUNDS RELIEF SOUGHT BY PLAINTIFF

The following provisions of 11 U.S.C. § 727 are identified by Plaintiff as the legal basis for requesting that Defendant-Debtor be denied their bankruptcy discharges:

(a) The court shall grant the debtor a discharge, unless—

...

(2) the debtor, with intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under this title, has transferred, removed, destroyed, mutilated, or concealed, or has permitted to be transferred, removed, destroyed, mutilated, or concealed—

(A) property of the debtor, within one year before the date of the filing of the petition; or

(B) property of the estate, after the date of the filing of the petition;

(3) the debtor has concealed, destroyed, mutilated, falsified, or failed to keep or preserve any recorded information, including books, documents, records, and papers, from which the debtor's financial condition or business transactions might be

ascertained, unless such act or failure to act was justified under all of the circumstances of the case;

(4) the debtor knowingly and fraudulently, in or in connection with the case—

(A) made a false oath or account;

...

(5) the debtor has failed to explain satisfactorily, before determination of denial of discharge under this paragraph, any loss of assets or deficiency of assets to meet the debtor's liabilities;

FINAL BANKRUPTCY COURT JUDGMENT

Plaintiff Daniel Lockwood and Roseanne Lockwood allege in the First Amended Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334(b), that the claims arise under Title 11, § 727, and that this is a core matter proceeding as provided in 157(b)(2)(J). First Amended Complaint ¶ 5, Dckt. 27. In the Answer, Defendant Jason Eatmon and Christine Eatmon admit the allegations of jurisdiction and that this is a core proceeding. Answer ¶ 5; Dckt. 33.

The court shall issue an Trial Setting in this Adversary Proceeding setting the following dates and deadlines:

- A. Evidence shall be presented pursuant to Local Bankruptcy Rule 9017-1.
- B. **Plaintiff** shall lodge with the court and serve their Direct Testimony Statements and Exhibits on or before -----, **2024**.
- C. **Defendant** shall lodge with the court and serve their Direct Testimony Statements and Exhibits on or before -----, **2024**.
- D. The Parties shall lodge with the court, file, and serve Hearing Briefs and Evidentiary Objections on or before -----, **2024**.
- E. Oppositions to Evidentiary Objections, if any, shall be lodged with the court, filed, and served on or before -----, **2024**.
- F. The Trial shall be conducted at ----**x.m. on -----, 2025**.

The Parties in their respective Pretrial Conference Statements, Dckts. 49, 51, and as stated on the record at the Pretrial Conference, have provided the following information:

Plaintiff(s)

Defendant(s)

Jurisdiction and Venue:

Plaintiff Daniel Lockwood and Roseanne Lockwood allege in the First Amended Complaint that

jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334(b), that the claims arise under Title 11, § 727, and that this is a core matter proceeding as provided in 157(b)(2)(J). First Amended Complaint ¶ 5, Dckt. 27. In the Answer, Defendant Jason Eatmon and Christine Eatmon admit the allegations of jurisdiction and that this is a core proceeding. Answer ¶ 5; Dckt. 33.

Defendant-Debtor's Chapter 7 Bankruptcy Case has been filed in and is pending in the Eastern District of California, and venue in the Eastern District is proper.

Undisputed Facts:	Undisputed Facts:
1. Jason and Christine are husband and wife.	1. Jason and Christine Eatmon are husband and wife.
2. Jason was born in 1974, and is 50 years old.	2. Jason was born in 1974, and is 50 years old.
3. Christine was born in 1972, and is 52 years old.	3. Christine was born in 1972, and is 52 years old.
4. Jason and Christine have four children.	4. Jason and Christine have four children.
5. Daniel and Roseanne are husband and wife.	5. Jason is employed full time by ICU Technologies in Roseville, CA, as the Chief Experience Officer.
6. In 1992, Jason joined a program with the United States Navy to serve as a nuclear mechanical engineer.	6. Christine is employed full time by Grant Elementary School in Redding, CA, as a teacher.
7. Christine attended Shasta College, Chico State University and Hayward State University and received her Bachelor's Degree in liberal studies.	7. On January 15, 2019, Jason and Christine filed Shasta County Superior Court Action Number 191680, against Daniel Lockwood, DGI et al.
8. Jason is employed full time by ICU Technologies in Roseville, California, as the Chief Experience Officer and supervises sales and vendor relationships for school districts.	8. Some 21 months later, on September 20, 2021, Jason, Christine, Daniel Lockwood and DGI, entered into a stipulated judgment pursuant to CCP section 664.6 to resolve their disputes in the pending actions. The stipulated judgment did not provide for any monetary damages to be paid by the Eatmons to Daniel Lockwood or DGI. Nor did the stipulated judgment contain a stipulation that each party would pay its own attorney fees and costs.
9. Christine is employed full time by Grant Elementary School in Redding, California, as a teacher.	
10. Jason previously worked for Sales Gravy, Inc. ("Sales Gravy") as the	

	Chief Sales Officer, supervised the sales and military teams, and made sales training and motivational presentations to the public.	9. On December 20, 2021, the Shasta County Superior Court found the Lockwoods to be the prevailing party and costs were awarded to the Lockwoods and DGI in the amount of \$56,967.78 and to DGI in the amount of \$10,547.82.
11.	From 2008 to March 8, 2019, Jason was employed by DGI and served as the Secretary and Vice-President of Sales and Director of Business Development.	10. On February 7, 2022, Attorneys fees were awarded to the Lockwoods in the State Court Action in the amount of \$932,537.50. It is these awards for costs and attorneys fees issued in February, 2022, that Plaintiffs now claim are nondischargeable.
12.	Formed in 2008, DGI is a corporation that offers IT strategies and solutions to customers in the public and private sectors. DGI previously was a wholly owned subsidiary of Development Group Holdings, LLC ("DGH").	11. Jason and Christine filed a skeletal Chapter 13 bankruptcy on October 14, 2022.
13.	Daniel is, and always has been, the President of DGI.	12. Jason and Christine timely filed the balance of their documents and their Chapter 13 plan on October 28, 2022.
14.	Daniel, Roseanne, Jason and Christine were equal owners of DGH until Jason and Christine sold their shares to Daniel as a part of a buyout.	13. Jason and Christine filed a Notice of Conversion to Chapter 7 bankruptcy on May 8, 2023.
15.	In 2017, Daniel and Jason were concerned about DGI's reduced revenue and financial status.	14. Jason and Christine were deposed by counsel for the Lockwoods on August 1, 2023.
16.	In 2018, Daniel and Jason began negotiating the DGH buyout.	15. On September 25, 2023, the Bankruptcy Court granted the Lockwoods' Motion to extend their deadline to Object to Discharge.
17.	In November 2018, a DGI employee complained that Jason threatened, harassed, unfairly treated and discriminated against him.	16. On October 20, 2023 Daniel and Roseanne filed their Complaint Objecting to Discharge of Debtors.
18.	In December 2018, Jason was placed on a paid suspension pending an investigation of the employee's complaint.	
19.	Jason's employment at DGI was terminated on March 8, 2019.	
20.	The buyout of Jason's and Christine's	

	shares in DGH was finalized in August 2019.	
21.	Between August 2019 and December 2020, Jason and Christine received buyout payments totaling \$559,184.00.	
22.	Jason signed and negotiated the buyout checks issued to Christine.	
23.	Christine does not know, does not remember and/or could not explain where the buyout checks issued to her were deposited and/or what the monies were used for.	
The State Court Action		
24.	On January 15, 2019, Jason and Christine filed a complaint against Daniel and Roseanne in Shasta County Superior Court. The complaint was amended three times.	
25.	Daniel and Roseanne filed a cross-complaint against Jason and Christine in the State Court Action. The cross-complaint was amended two times.	
26.	DGI moved to intervene in the State Court Action and filed an amended complaint in intervention against Jason for breach of fiduciary duty, fraud-intentional misrepresentation, fraud concealment, business/commercial disparagement, and accounting.	
27.	On October 17, 2019, American Express National Bank filed a complaint against Jason ("AMEX Action") for non-payment of credit card debt.	
28.	Jason filed a cross-complaint against DGI, DGH and Daniel in the AMEX	

	action.	
29.	On October 19, 2020, the Shasta County Superior Court severed the cross-complaint from the AMEX action and consolidated it with the State Court Action.	
30.	On December 21, 2020, Jason, Christine, Daniel, Roseanne, DGI and DGH entered into a settlement agreement of the State Court Action and AMEX Action.	
31.	Pursuant to the settlement agreement, Jason and Christine agreed to judgment against them on the various complaints and cross-complaints in the State Court Action and AMEX Action.	
32.	Jason and Christine challenged the December 21, 2020 settlement.	
33.	On September 7, 2021, the Shasta County Superior Court issued an order enforcing the December 21, 2020 settlement agreement pursuant to California Code of Civil Procedure section 664.6.	
34.	On September 20, 2021, judgment was entered in favor of Daniel, Roseanne, DGI and DGH on the various complaints and cross-complaints.	
Second ¶ 33. On December 20, 2021, costs were awarded to Daniel, Roseanne and DGH in the amount of \$56,967.78 and to DGI in the amount of \$10,547.82.		
35.	On February 7, 2022, attorneys' fees were awarded to Daniel and Roseanne in the State Court Action in the amount of \$932,537.50 and in the AMEX Action in the amount of \$33,481.50.	
36.	The Abstract of Judgment in the	

	<p>amount of \$1,033.534.50 was submitted to the Court on February 8, 2022, entered on May 6, 2022, and recorded on May 12, 2022.</p>	
37.	The Writs of Execution were issued on August 30, 2022.	
38.	The Wage Garnishment – Application for Earnings Withholding Order documents were issued on September 7, 2022.	
39.	The Orders to Appear for Examination were issued by the Shasta County Superior Court on September 12, 2022, and commanded appearance on October 24, 2022.	
40.	The Civil Subpoenas commanding Jason and Christine to appear for examinations and produce 24 categories of documents were issued on September 15, 2022, and served on October 4, 2024.	
41.	Jason and Christine failed to appear in Shasta County Superior Court on October 24, 2022 and failed to submit to examinations under oath.	
The Bankruptcy Petitions and Actions		
42.	Jason and Christine filed for Chapter 13 Bankruptcy on October 14, 2022.	
43.	Jason and Christine failed to submit Schedules at the time they filed their Chapter 13 Petition.	
44.	On October 28, 2022, Jason and Christine filed their Chapter 13 Plan.	
45.	On December 8, 2022, the Bankruptcy Trustee objected to the Chapter 13 Plan.	

46.	On or about December 8, 2022, Daniel and Roseanne, through their counsel, made a request to counsel for Jason and Christine about a piece of real property that appeared to be held in the McGowan trust, but Jason and Christine failed to provide it.	
47.	On January 13, 2023, Daniel directed separate sets of interrogatories and requests for production of documents to Jason and Christine, responses to which were due by March 14, 2024 pursuant to an extension, but they failed to respond.	
48.	On April 4, 2023, Daniel filed an Application for an order to take the (Bankruptcy Rule 20024) examinations under oath of Jason and Christine.	
49.	On April 6, 2023, the Court granted the Application and issued the Order for examinations.	
50.	On April 19, 2023, notices of examination for May 25, 2023 with requests for production of documents for Jason and Christine were served.	
51.	On May 8, 2023, Jason and Christine filed a Notice of Conversion to Chapter 7 Bankruptcy.	
52.	On May 22, 2023, counsel for Jason and Christine objected to the Court-ordered examinations.	
53.	On June 9, 2023, Daniel filed an Application for an order to obtain bank records from USAA Federal Savings Bank (“USAA”) and Wells Fargo Bank (“WFB”).	
54.	During the week of July 24, 2023, USAA and WFB produced responsive records.	

55.	On August 1, 2023, Daniel and Roseanne took the examinations under oath of Jason and Christine.	
56.	The Notice of Examination for Jason sought production of 29 categories of documents.	
57.	The Notice of Examination for Christine sought production of 29 categories of documents.	
58.	Jason and Christine produced documents in response to some, but not all, of the 29 categories of documents.	
59.	On August 25, 2023, Daniel and Roseanne filed their Motion to Extend Deadline to Object to Discharge.	
60.	On September 25, 2023, the Bankruptcy Court granted the Motion to Extend Deadline to Object to Discharge.	
61.	On October 30, 2023, Daniel and Roseanne filed their Complaint Objecting to Discharge of Debtors.	
Jason's Relationship with James (Jeb) E. Blount, Sales Gravy and the BOSS Book		
62.	Sales Gravy is a “sales acceleration” company that does training for sales and is based in Georgia.	
63.	James (Jeb) E. Blount (“Jeb”) was, and presumably still is, the CEO of Sales Gravy.	
64.	Jason met Jeb in or about 2017 when he requested him to make a presentation to DGI sales employees.	
65.	In or about 2018, Jeb asked Jason to co-author a book with him, entitled	

	Business Outcome Selling Strategies (“BOSS”).	
66.	In September 2018, the BOSS book proposal was submitted to John Wiley & Sons, Inc. (“Wiley”), an American multinational publishing company.	
67.	The BOSS book proposal identified “Jeb Blount & Jason Eatmon” as the authors.	
68.	The BOSS book proposal described Jason as a “regular and respected blogger on his website DGI Rocks.com and LinkedIn” and as an “in-demand keynote speaker at tech industry events.”	
69.	The BOSS book proposal included a “Marketing Plan” to drive book sales.	
70.	On December 4, 2018, Jason entered into a written agreement with Wiley (“Wiley Agreement”) for the preparation and delivery of materials for the BOSS book.	
71.	Pursuant to the Wiley Agreement, Jason was to receive certain royalties from the sales or licenses of the Boss book as well as an advance against royalties.	
72.	Wiley paid Jason \$12,500 an advance between January 16-25, 2019.	
73.	Jason claimed that he started writing the BOSS book in April or May 2019.	
74.	As of August 2019, the BOSS book was reported as “70% done.”	
75.	Jeb submitted the BOSS Webcopy to Wiley on November 16, 2019, and copied Jason on the communication.	

76.	BOSS book covers were started in March 2019 and related advertising materials continued through 2023.	
77.	The BOSS book completion dated was anticipated in 2021.	
78.	The BOSS book deal was still active as of April 26, 2021, when Wiley suggested a first print of 20,000 copies.	
79.	On October 26, 2023, the BOSS book revised date was moved out to 2027.	
80.	The BOSS book was not identified on the Chapter 13 and Chapter 7 Schedules.	
81.	Jason received \$6,000.00 from Sales Gravy on 3/15/22 but did not report this as income on the Chapter 13 and Chapter 7 Schedules.	
82.	Jason received payments between May 2019 and May 2022 in amounts up to \$15,008.00 from Sales Gravy, some of which had no specific designation and were not reported as income on the Chapter 13 and Chapter 7 Schedules.	
The McGowan Trust and Trust Assets		
83.	Christine is the natural daughter of Robert Patrick McGowan ("Robert") and Nancy Gail McGowan ("Nancy").	
84.	Robert and Nancy created The Robert P. and Nancy G. McGowan Living Trust on Marcy 1, 2010 ("McGowan Trust").	
85.	Christine is a named beneficiary of the McGowan Trust.	
86.	On March 20, 2011, Nancy died.	

87.	On April 12, 2016, Robert died.	
88.	Real property located at 2189 Deerfield Avenue, Redding, California 96002 (“Deerfield Property”) was supposed to be an asset of the McGowan Trust but was titled in Robert’s name alone after Nancy’s death.	
89.	Following Robert’s death, Christine managed the Deerfield Property.	
90.	Dawn Cross and/or Denise Johnson rented the Deerfield Property after Robert’s death through May 2023 for \$850 per month.	
91.	Monthly rent payments from Dawn Cross/Denise Johnson were made by checks payable to Christine.	
92.	Christine collected the rental income for the Deerfield Property and deposited the checks into her account at USAA.	
93.	Robert and Nancy had a bank account at Tri-Counties Bank, the balance in which was \$11,747.68 through May 11, 2021, at which time the funds were withdrawn.	
94.	On June 10, 2021, the sum of \$11,747.68 was deposited into a different account in the individual name of Christine at Tri-Counties Bank (“Christine Account”).	
95.	Christine wrote checks payable to herself in the amounts of \$4,000 and \$2,000 in April and June of 2022 from the Christine Account.	
96.	The first two named successor trustees of the McGowan Trust resigned on January 22, 2022 and March 3, 2023, respectively.	

97. Christine was appointed, agreed to act, and began acting as successor trustee of the McGowan Trust on March 7, 2023.
98. On April 6, 2023, Christine filed a Petition for An Order Confirming Validity of Trust to Confirm Successor-Trustee; and Confirm Assets to trust in Shasta County Superior Court.
99. Christine testified at her August 1, 2023, examination under oath that she never served as trustee of the McGowan Trust.
100. Christine did not identify the payments from Dawn Cross/Denise Johnson on the Chapter 13 and Chapter 7 Schedules.

The USAA Bank Accounts

101. Records subpoenaed from USAA reveal the existence of the following accounts:
- (a) Classic Checking (Jason/Christine - No. 0038714825) – balance as of 10/14/22: \$5,384.05 and 5/8/23: \$15,907.00;
- (b) Classic Checking (previously identified as savings) (Jason/Christine – No. 0038714817) – balance as of 10/14/22: \$1,534.40; 5/8/23: \$2,695.36
- (c) Classic Checking (Allison/Jason/Christine – No. 0166329363) – balance as of 10/14/22: \$52.08; 5/8/23: \$7.19;
- (d) Savings (Allison/Jason/Christine – No. 0166329355) – balance as of 10/14/22: \$9.31; 5/8/23: \$9.31;

	<p>(e) Classic Checking (John/Jason/Christine – No. 0239971221) – balance as of 9/23/22: \$137.95</p> <p>(f) Classic Checking (Samuel/Jason/Christine – No. 0254194796) – balance as of 10/14/22: \$30.00; 6/5/23: \$400.00.</p>	
102.	The balances for the Classic Checking (No. 0038714825) do not correspond with the amounts identified in the Chapter 13 and Chapter 7 Schedules.	
103.	The balances for the Classic Checking (No. 0038714817) do not correspond with the amounts identified in the Chapter 13 and Chapter 7 Schedules.	
104.	Classic Checking (No. 0166329363) was not identified on the Chapter 13 and Chapter 7 Schedules.	
105.	Savings (No. 0166329355) was not identified on the Chapter 13 and Chapter 7 Schedules.	
106.	Classic Checking (No. 0239971221) was not identified on the Chapter 13 and Chapter 7 Schedules.	
107.	Classic Checking (No. 0254194796) was not identified on the Chapter 13 and Chapter 7 Schedules.	
108.	Classic Checking (No. 0038714825) reflects a debit card advance on 9/26/22 of \$10,000.00 connected to Bank of America which is not a financial institution identified on the Chapter 13 and Chapter 7 Schedules.	
109.	Classic Checking (No. 0038714825) reflects a credit on 10/6/22 of \$1,499.00 from a checking account not identified on the Chapter 13 and	

Chapter 7 Schedules.

110. Classic Checking (No. 0038714825) reflects a credit on 10/11/22 of \$3,500.00 from a checking account not identified on the Chapter 13 and Chapter 7 Schedules.
111. Classic Checking (No. 0038714825) reflects a credit on 10/14/22 of \$1,500.00 from a checking account not identified on the Chapter 13 and Chapter 7 Schedules.
112. Classic Checking (No. 0038714825) reflects a credit on 10/14/22 of \$1,800.00 from a checking account not identified on the Chapter 13 and Chapter 7 Schedules.

The Wells Fargo Bank Accounts

113. Records subpoenaed from WFB reveal the existence of the following accounts:
- (a) Savings (Jason – No. 5265613769) – no records for this account were produced in response to the subpoena.
- (b) Everyday Checking (Jason only as of 9/14/15 with Christine added 8/19/19 – No. 1693827618) – balances as of 12/31/18: \$3,134.16; 12/31/19: \$128,302.49; 12/31/20: \$3,810.24; 12/31/21: -\$51.62;
- (c) On 1/31/19, a deposit of \$204,304.18 was made to No. 1693827618.
- (d) On 8/19/19, a deposit of \$165,000.00 was made to No. 1693827618.
- (e) On 8/14/19, a buyout check in the amount of \$165,000.00 was issued to Jason.

(f) Jason made wire transfers, totaling \$20,300.00, from No.1693827618 to Victoria Gironda before Christine was added to the account.

The Tri-Counties Bank Account

114. Records from Tri-Counties Bank reveal the existence of an individual Trico Essential Checking account (No. 331214693) that was opened in Christine's name on or about 6/11/21.
115. The Trico Essential Checking account was not identified on the Chapter 13 and Chapter 7 Schedules.

The Schwab Account

116. Jason has and/or had an account at Charles Schwab & Co., Inc. (No. 00004121345797) which was not identified on the Chapter 13 and Chapter 7 Schedules.
117. At his August 1, 2023 examination, Jason testified that he did not know, did not recall and/or had no idea when or how the account was set up or the highest amount it had.

Acquisition and Disposition of Property

118. In or about September 2022, Jason and Christine purchased vehicles for their sons, John and Samuel, but retained title in themselves.
119. Jason and Christine sold vehicles in order to purchase the vehicles for John and Samuel.
120. Neither Jason nor Christine knows or recalls what was done with the proceeds of the sales.
121. Jason and Christine owned a

<p>camper/trailer before they filed for bankruptcy.</p> <p>122. Neither Jason nor Christine knows or recalls what was done with the proceeds of the sale.</p> <p>123. Jason has guns registered to him that are in the possession of his sons.</p> <p>124. Jason does not know how many guns are in the possession of his sons.</p>	
<p>Disputed Facts:</p> <p>1. Jason incurred expenses that he claimed were of a business nature and related to his employment with DGI which were personal to him and/or related to his personal relationship with Victoria Gironda, his family, and/or his personal acquaintances.</p> <p>2. Jason failed and/or refused to identify his personal expenses or pay for them himself, direct them to his capital account, or take other action so they would not be assumed by DGI as a business expense.</p> <p>3. Jason traveled within and outside of the State of California and claimed that his extravagant purchases, travel and the activities in which he engaged were of a business nature and related to his employment with DGI.</p> <p>4. Jason's purchases, travel and activities included jewelry, women's clothing, music, sports equipment, and meals; trips to San Francisco, the California wine country, Monterey, Carmel, Southern California, San Luis Obispo, Palm Springs, Indian Wells, Squaw Valley, Lake Tahoe, Oregon, Washington, Hawaii, Texas, Florida, Georgia, Illinois, and New Jersey/New</p>	<p>Disputed Facts:</p> <p>1. The Parties are in dispute regarding virtually every other fact and issue in this adversarial proceeding.</p>

<p>York; and, sporting events, theater events, concerts, and entertainment.</p> <p>5. Jason entered into a residential month-to-month rental agreement for an apartment located in San Francisco, California. The monthly rent was \$6,200.00. He represented to Daniel and others at DGI that the apartment was to be used for business purposes on behalf of DGI.</p> <p>6. DGI paid the monthly rent and expected and intended that the apartment would be used by DGI and its employees for business purposes.</p> <p>7. The apartment was not used by DGI and its employees for business purposes but instead was used by Jason and Victoria Girona as a personal residence in San Francisco for them and to the exclusion of other DGI employees.</p> <p>8. Jason was reimbursed and/or received the benefit of monies in excess of \$500,000.00 that he has concealed and continues to conceal, transferred, and/or permitted to be transferred.</p> <p>9. Jason informed the DGI bookkeeper that he wanted to have certain monies deposited into a bank account that he wanted kept secret.</p>	
<p>Disputed Evidentiary Issues:</p> <p>1. None Identified</p>	<p>Disputed Evidentiary Issues:</p> <p>1. Narrative argumentative discussion, disputed evidentiary issues not identified.</p>
<p>Relief Sought:</p> <p>1. For a determination that the Defendant-Debtors' discharge be denied.</p>	<p>Relief Sought:</p> <p>1. Judgment for Defendant-Debtors.</p>

2. For costs of suit.	
<p>Points of Law:</p> <ol style="list-style-type: none"> 1. 11 U.S.C. § 727 is preponderance of evidence. <i>Searles v. Riley (In re Searles)</i>, 317 B.R. 368, 376 (B.A.P. 9th Cir. 2004); <i>Lansdowne v. Cox (In re Cox)</i>, 41 F.3d 1294, 1297 (9th Cir. 1994); <i>Grogan v. Garner</i>, 498 U.S. 279, 289, 112 L.Ed. 2d 755, 111 S.Ct. 654 (1991). 2. Once the objecting party meets its initial burden, the burden shifts to the debtor to rebut the evidence. <i>See, Caneva v. Sun Cmtys. Operating Ltd. P'Ship (In re Caneva)</i>, 550 F.3d 755, 761 (9th Cir. 2008); <i>In re Johnson</i>, 68 B.R. 193, 198 (Bankr. D. Oregon 1986). 3. Although denial of discharge may be a harsh result, bankruptcy has its roots in equity. To get equity, one must do equity. <i>Bernard v. Sheaffer (In re Bernard)</i>, 96 F.3d 1279, 1282-1283 (9th Cir. 1996). 4. 11 U.S.C. § 727(a)(3). 5. <i>In re Caneva</i>, 550 F.3d at 762 (citing <i>Rhoades v. Wikle</i>, 453 F.2d 51, 53 (9th Cir. 1971). 6. <i>In re Cox</i>, 41 F.3d at 1296. 7. <i>Ng v. Poole (In re Poole)</i>, 2022 Bankr. LEXIS 332 at *29, 2022 WL 389514 at *9 (Bankr. N.D. Cal. Feb. 8, 2022) 8. 11 U.S.C. § 727(a)(4)(A). 9. <i>Song v. Acosta (In re Song)</i>, 2011 Bankr. LEXIS 4796 at *13 (B.A.P. 9th Cir. 2011); <i>In re Retz</i>, 606 F.3d at 1196. 	<p>Points of Law:</p> <ol style="list-style-type: none"> 1. 11 U.S.C. § 727(a)(4)(A). 2. 11 U.S.C. § 727(a)(5)(B).

<p>10. <i>Hansen v. Moore (In re Hansen)</i>, 368 B.R. 868, 877 (B.A.P. 9th Cir. 2007).</p> <p>11. 11 U.S.C. § 727(a)(5).</p> <p>12. <i>In re Retz</i>, 606 F.3d at 1205.</p> <p>13. <i>Aoki v. Atto Corp.</i>, 323 B.R. 803, 817 (B.A.P. 1st Cir. 2005); <i>Bell v. Stuerke (In re Stuerke)</i>, 61 B.R. 623, 626 (B.A.P. 9th Cir. 1986).</p>	
<p>Abandoned Issues:</p> <p>1. None identified.</p>	<p>Abandoned Issues:</p> <p>1. None identified.</p>
<p>Witnesses:</p> <p>1. Jason Michael Eatmon.</p> <p>2. Christine Ann Eatmon.</p> <p>3. Eatmon Child #1.</p> <p>4. Eatmon Child #2.</p> <p>5. Eatmon Child #3.</p> <p>6. Eatmon Child #4.</p> <p>7. Daniel Lockwood.</p> <p>8. Roseanne Lockwood.</p> <p>9. Stefanie Boudro.</p> <p>10. Victoria Gironda.</p> <p>11. James (Jeb) E. Blount.</p> <p>12. Carrie M. Blount.</p> <p>13. Dawn Cross.</p> <p>14. Janet Cross.</p>	<p>Witnesses:</p> <p>1. Daniel Lockwood.</p> <p>2. James (Jeb) Blount.</p> <p>3. Chad McGowan.</p> <p>4. Heather McGowan.</p> <p>5. Douglas A. Wright, Attorney at Law.</p> <p>6. Geoffrey Richards, Chapter 7 Trustee.</p> <p>7. Shannon Vargo.</p> <p>8. Roseanne Lockwood.</p>

15.	Dennis A. Zan.	
16.	Chad A. McGowan.	
17.	Heather McGowan.	
18.	Michael L. Pickering, Esq.	
19.	Douglas A. Wright.	
20.	Shannon M. Vargo.	
21.	Sally Baker, subject to stipulation regarding records from John Wiley & Sons, Inc.	
22.	Brian Neill, subject to stipulation regarding records from John Wiley & Sons, Inc.	
23.	Aaron Feldman-Reich, subject to stipulation regarding records from John Wiley & Sons, Inc.	
24.	Person Most Knowledgeable (“PMK”) and/or Custodian of Records for Sales Gravy, Inc., subject to stipulation regarding records from Sales Gravy, Inc.	
25.	PMK and/or Custodian of Records for John Wiley & Sons, Inc., subject to stipulation regarding records from John Wiley & Sons, Inc .	
26.	PMK and/or Custodian of Records for USAA Federal Savings Bank, subject to stipulation regarding records from Wiley & Co.	
27.	PMK and/or Custodian of Records for Wells Fargo Bank, subject to stipulation regarding records from Wells Fargo Bank.	
28.	28. PMK and/or Custodian of Records	

<p>for Golden 1 Credit Union, subject to stipulation regarding records from other banks.</p> <p>29. PMK and/or Custodian of Records for Members First Credit Union, subject to stipulation regarding records from other banks.</p> <p>30. PMK and/or Custodian of Records for Sierra Central Credit Union, subject to stipulation regarding records from other banks.</p> <p>31. PMK and/or Custodian of Records for Charles Schwab, subject to stipulation regarding records from other banks.</p> <p>32. PMK and/or Custodian of Records for Tri-Counties Bank, subject to stipulation regarding records from Tri-Counties Bank.</p>	
<p>Exhibits:</p> <p>1. See twelve page list of Exhibits attached hereto as Plaintiff's Appendix 1.</p>	<p>Exhibits:</p> <p>1. Transcript of the deposition of Jason Eatmon taken by plaintiffs' counsel in this case and any exhibit introduced and made a part of that deposition.</p> <p>2. Transcript of the deposition of Christine Eatmon taken by plaintiffs' counsel and any exhibit introduced and made a part of that deposition.</p> <p>3. Bank account records for accounts in Jason Eatmon's name.</p> <p>4. Bank account records for accounts in Christine Eatmon's name.</p> <p>5. Bank account record for accounts in the names of the Eatmon's children.</p> <p>6. Any documents filed in Defendants' Bankruptcy Case No. 22-22625.</p>

	<p>7. Documents relating to Jason Eatmon's alleged obligation to create the "BOSS" book.</p> <p>8. Documents in Christine Eatmon's possession relating to her parent's estate and her collection of rents and management of the rental property of the estate.</p>
<p>Discovery Documents:</p> <ol style="list-style-type: none"> 1. All transcripts and videotapes of deposition of Jason Michael Eatmon taken in Shasta County Superior Court Action No. 191680, including all exhibits thereto; 2. Written discovery responses, including records produced, by Jason Michael Eatmon in Shasta County Superior Court Action No. 191680; 3. All transcripts and videotapes of deposition of Jason Michael Eatmon taken in the bankruptcy actions, including all exhibits thereto; 4. All transcripts and videotapes of deposition of Christine Ann Eatmon taken in Shasta County Superior Court Action No. 191680, including all exhibits thereto; 5. Written discovery responses, including records produced, by Christine Ann Eatmon in Shasta County Superior Court Action No. 191680; 6. All transcripts and videotapes of deposition of Christine Ann Eatmon taken in the bankruptcy actions, including all exhibits thereto; 7. All documents produced by Christine Ann Eatmon in response to and in connection with the deposition of Christine Ann Eatmon taken in the 	<p>Discovery Documents:</p> <ol style="list-style-type: none"> 1. All deposition transcripts with exhibits. 2. All documents produced by defendants prior to their depositions that were responsive to plaintiffs' deposition notices, whether or not those documents were made a part of the depositions of Jason or Christine Eatmon's depositions. 3. All additional documents produced by the Eatmons after their deposition in response to requests made by Plaintiffs' counsel during the Eatmon depositions.

<p>bankruptcy actions;</p> <p>8. All transcripts and videotapes of deposition of Victoria Girona taken in Shasta County Superior Court Action No. 191680, including all exhibits thereto.</p>	
<p>Further Discovery or Motions:</p> <p>1. None anticipated.</p>	<p>Further Discovery or Motions:</p> <p>1. Defendant-Debtors expect to make a pre-trial motion to exclude all discovery, pleadings, motions, exhibits and other documents from the Shasta County Superior Court action.</p>
<p>Stipulations:</p> <p>1. The Parties have agreed for a Stipulation to authenticate records, without the need for testimony of a custodian of records, from the following entities:</p> <p>A. USAA Federal Savings Bank</p> <p>B. Wells Fargo Bank</p> <p>C. Tri-Counties Bank</p> <p>D. John Wiley & Spons, Inc.</p> <p>E. Sales Gravy, Inc.</p>	
<p>Amendments:</p> <p>1. None anticipated.</p>	<p>Amendments:</p> <p>1. None anticipated.</p>
<p>Dismissals:</p> <p>1. None anticipated.</p>	<p>Dismissals:</p> <p>1.</p> <p>2.</p> <p>3.</p>
<p>Agreed Statement of Facts:</p>	<p>Agreed Statement of Facts:</p>

1. Though meeting to discuss, the Parties have not agreed to such a Statement of Facts.	1. Though meeting to discuss, the Parties have not agreed to such a Statement of Facts.
Attorneys' Fees Basis: 1. None requested in this action under 11 U.S.C. § 727.	Attorneys' Fees Basis: 1. None requested.
Additional Items 1. None identified.	Additional Items 1. None identified.
Trial Time Estimation: Three (3) Days.	Trial Time Estimation: Three (3) Days.

9. [24-22531](#)-E-11 R & A ENTERPRISES, LLC
[CAE-1](#)

**CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
6-10-24 [1]**

Item 9 thru 10

Debtor's Atty: Stephen M. Reynolds

Notes:

Continued from 9/18/24 to be heard in conjunction with the motion to use cash collateral.

Operating Report filed: 10/25/24

The Status Conference is continued to xxxxxxx, 2025.

NOVEMBER 13, 2024 STATUS CONFERENCE

On October 31, 2024, the Debtor/Debtor in Possession filed its updated Status Report. Dckt. 70. It reports that the Debtor/Debtor in Possession and Patriot Bank have continued in their negotiations, and the Debtor/Debtor in Possession anticipates filing an Amended Plan shortly. Status Report, p. 2:14-17; Dckt. 70.

At the Status Conference, **XXXXXXX**

SEPTEMBER 18, 2024 STATUS CONFERENCE

Pursuant to a Stipulation between the Debtor/Debtor in Possession, the Subchapter V Trustee and Patriot Bank, N.A., the confirmation hearing has been continued to 10:30 a.m. on October 3, 2024. Order; Dckt. 46. The court has entered its order authorizing the use of cash collateral through October 31, 2024.

The U.S. Trustee reports that the 341 Meeting has now been concluded. Sept. 6, 2024 Docket Entry Report.

The Status Conference is continued to 2:00 p.m. on November 13, 2024.

AUGUST 1, 2024 STATUS CONFERENCE

The Debtor commenced this voluntary Subchapter V Case on June 10, 2024. The court has entered an Interim Order authorizing the use of cash collateral through and including September 30, 2024. Order; Dckt. 37.

The Subchapter V Plan was filed on June 17, 2024, and the confirmation hearing is set for August 22, 2024. The deadline for filing Oppositions to Confirmation is August 8, 2024.

The Debtor/Debtor in Possession filed a Status Conference Report on July 18, 2024. Dckt. 39. In it the Debtor/Debtor in Possession summarizes the economic events which led up to the filing of the current Bankruptcy Case.

It is further stated that while the liquidation value for the automated carwash business and property is \$3,700,000, the Debtor/Debtor in Possession asserts that its operating value is much higher. The Debtor/Debtor in Possession does not anticipate filing any motions to value the secured claims of creditors.

The main creditor in this Bankruptcy is Patriot Bank, which has a secured claim which is asserted by the Bank to be in excess of \$3,750,000 (Opposition to Motion to Use Cash Collateral, ¶ A.2.; Dckt. 25) and the Debtor/Debtor in Possession is working with the Bank to achieve a consensual Plan.

At the Status Conference, counsel for the Debtor/Debtor in Possession reported that a stipulation has been reached for further use of cash collateral.

A Motion requesting relief from U.S. Trustee approved banks requirement in light of there not being any such banks in Yreka that will open an account for the Debtor in Possession.

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

Tentative Ruling: Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter.

Local Rule 9014-1(f)(1) Motion—Hearing Required.

Sufficient Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Debtor in Possession, Debtor in Possession's Attorney, creditors, attorneys of record who have appeared in the case, parties requesting special notice, and Office of the United States Trustee on June 13, 2024. By the court's calculation, 28 days' notice was provided. 28 days' notice is required. Fed. R. Bankr. P. 4001(b)(2) (requiring fourteen days' notice); LOCAL BANKR. R. 9014-1(f)(1)(B) (requiring fourteen days' notice for written opposition).

The Motion for Authority to Use Cash Collateral has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). Failure of the respondent and other parties in interest to file written opposition at least fourteen days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(B) is considered to be the equivalent of a statement of nonopposition. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995) (upholding a court ruling based upon a local rule construing a party's failure to file opposition as consent to grant a motion). The defaults of the non-responding parties and other parties in interest are entered.

**The Motion for Authority to Use Cash Collateral and Grant Replacement Liens
is **XXXXXXX**.**

November 13, 2024 Hearing

The court continued this hearing on this specially set day and time to allow parties to continue working on a stipulation for the use of cash collateral. The court granted the use of cash collateral on an interim basis through November 30, 2024, in the mean time. Order, Docket 68.

Nothing new has been filed with the court under this Docket Control Number as of November 7, 2024.

At the hearing, **XXXXXXX**

REVIEW OF THE MOTION

R & A Enterprises, LLC (“Debtor/Debtor in Possession”) moves for an order approving the use of cash collateral. Debtor in Possession is a Limited Liability Company that has built and opened a car wash business in Yreka, California, called Splash and Dash Car Wash (“Car Wash”). Debtor obtained an SBA guaranteed loan from Patriot Bank, N.A. (“Creditor”), and used the proceeds to build the Car Wash and begin operations in 2022.

Creditor is secured by the real property commonly known as 1902 Fort Jones Rd., Yreka California 96097, all assets and personal property owned or acquired by Debtor in Possession, and for which John J. Richter has given his personal guarantee.

Debtor/Debtor in Possession requests the use of cash collateral to continue operations of the car wash and to administer and preserve the value of the Estate. Mot. 3:21-24, Docket 14.

Debtor/Debtor in Possession proposes to use cash collateral for the following expenses:

Proforma for Express Carwash		Splash & Dash Car Wash			YEAR 1		2024					
		PAID CARS	Total Cars	Total Cars	Total Cars	Total Cars	Total Cars	Total Cars	Total Cars	Total Cars	Total Cars	
			MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	
Tremor	\$12.00	70.00%	5432	5900	6500	7100	6700	6000	5500	5000	5500	
Seismic Wash	\$16.00	10.00%	5432	6200	6800	7200	6500	5900	5000	5000	5500	
Richter Scale Wash	\$20.00	20.00%	5432	6200	6800	7200	6500	5900	5000	5000	5500	
Tremor Wash Revenue	paid washes		\$45,628.80	\$49,560.00	\$54,600.00	\$59,640.00	\$56,280.00	\$50,400.00	\$46,200.00	\$42,000.00	\$46,200.00	
Seismic Wave Revenue	paid washes		\$8,691.20	\$9,920.00	\$10,880.00	\$11,520.00	\$10,400.00	\$9,440.00	\$8,000.00	\$8,000.00	\$8,800.00	
Richter Scale Wash Revenue	paid washes		\$21,728.00	\$24,800.00	\$27,200.00	\$28,800.00	\$26,000.00	\$23,600.00	\$20,000.00	\$20,000.00	\$22,000.00	
MONTHLY UNLIMITED	\$35.00	RELOADS	\$19,250.00	\$21,000.00	\$22,750.00	\$24,500.00	\$25,375.00	\$24,500.00	\$24,500.00	\$24,500.00	\$24,500.00	
tire shine	\$5.00/CAR		\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	
Total Gross Monthly Revenue			\$95,573.00	\$105,555.00	\$115,705.00	\$124,735.00	\$118,330.00	\$108,215.00	\$98,975.00	\$94,775.00	\$101,775.00	\$668,113.00
CREDIT CARD FEE	3% of Gross Revenue		\$2,867.19	\$3,166.65	\$3,471.15	\$3,742.05	\$3,549.90	\$3,246.45	\$2,969.25	\$2,843.25	\$3,053.25	\$20,043.39
Total Gross Revenue			\$92,705.81	\$102,388.35	\$112,233.85	\$120,992.95	\$114,780.10	\$104,968.55	\$96,005.75	\$91,931.75	\$98,721.75	\$648,069.61
Expenses												TOTAL EXP.
Manager /Per Month #1			\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$54,000.00
Employees			\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$108,000.00
PAYROLL TAX			\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$31,500.00
Electric			\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$72,000.00
Water			\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$10,800.00
Chemical			\$3,802.40	\$4,130.00	\$4,550.00	\$4,970.00	\$4,690.00	\$4,200.00	\$3,850.00	\$3,500.00	\$3,850.00	\$37,542.40
Liability Ins.			\$2,416.00	\$2,416.00	\$2,416.00	\$2,416.00	\$2,416.00	\$2,416.00	\$2,416.00	\$2,416.00	\$2,416.00	\$21,744.00
DRB support for POS/equipment			\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$13,500.00
Real Property Tax (Estimated@1.5% of land & Bldg.)			\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$33,750.00
Advertising			\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$9,000.00
Phone and Internet			\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$4,500.00
Maintenance			\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$4,500.00
SECURITY CAMERA			\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	\$2,475.00
Legal and Accounting			\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$4,500.00
Claims			\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$2,700.00
Trash Pickup			\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$5,400.00
Company paid fuel			\$1,750.00	\$1,750.00	\$1,750.00	\$1,750.00	\$1,750.00	\$1,750.00	\$1,750.00	\$1,750.00	\$1,750.00	\$15,750.00
Owners Company car insurance			\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$4,950.00
MANAGEMENT FEE(ARNESEN)			\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$22,500.00
RICHTER LOAN INTEREST			\$0.00	\$0.00	\$0.00	\$0.00	\$4,800.00	\$4,800.00	\$4,800.00	\$4,800.00	\$4,800.00	\$24,000.00
Misc.			\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$13,500.00
Total Monthly Expenses			\$47,593.40	\$46,171.00	\$46,591.00	\$47,011.00	\$46,731.00	\$46,241.00	\$45,891.00	\$45,541.00	\$45,891.00	\$280,338.40
Monthly Gross Revenue			\$92,705.81	\$102,388.35	\$112,233.85	\$120,992.95	\$114,780.10	\$104,968.55	\$96,005.75	\$91,931.75	\$98,721.75	\$648,069.61
Monthly Gross Profit			\$45,112.41	\$56,217.35	\$65,642.85	\$73,981.95	\$68,049.10	\$58,727.55	\$50,114.75	\$46,390.75	\$52,830.75	\$367,731.21
BANK PAYMENT YEAR 1			\$32,000.00	\$32,000.00	\$32,000.00	\$32,000.00	\$32,000.00	\$32,000.00	\$32,000.00	\$32,000.00	\$32,000.00	\$192,000.00
Monthly Net			\$13,112.41	\$24,217.35	\$33,642.85	\$41,981.95	\$36,049.10	\$26,727.55	\$18,114.75	\$14,390.75	\$20,830.75	\$175,731.21

Exhibit, Docket 17. Creditor would be paid \$32,000 per month during 2024 as adequate protection under this proposed budget.

Debtor/Debtor in Possession submits the Declaration of its attorney, Stephen M. Reynolds, in support. Decl., Docket 16. Mr. Reynold's testimony authenticates the budget and states the \$32,000 monthly payment is roughly the contract amount. *Id.* at ¶ 2.

CREDITOR'S OPPOSITION

Creditor submitted an Opposition on June 28, 2024. Docket 25. Creditor states that it has accelerated the loan, and the balance owing is in excess of \$3,750,000. Opp'n ¶ 2, Docket 25. Creditor argues there is no evidence showing that its interest is adequately protected. Mr. Reynolds Declaration in support of the Motion is "not based on personal knowledge, lacks foundation, and is inadmissible." *Id.* at ¶ 3.

Creditor states, if the loan were not accelerated, its monthly payment would be \$34,372.77, not \$32,000. Creditor argues the car wash machinery and equipment has limited life and Debtor/Debtor in Possession's use decreases the value. *Id.* at ¶ 5. Debtor/Debtor in Possession has failed to show its proposed payments adequately protect Creditor.

Finally, Credit requests if Debtor/Debtor in Possession is authorized to use cash collateral, it be on an interim basis and no budget is approved until Creditor consents or Debtor/Debtor in Possession provides evidence and a showing in support of a proposed budget. *Id.* at 6:13-19.

APPLICABLE LAW

Pursuant to 11 U.S.C. § 1101, a debtor in possession serves as the trustee in the Chapter 11 case when so qualified under 11 U.S.C. § 322. As a debtor in possession, the debtor in possession can use, sell, or lease property of the estate pursuant to 11 U.S.C. § 363. In relevant part, 11 U.S.C. § 363 states:

(b)(1) The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate, except that if the debtor in connection with offering a product or a service discloses to an individual a policy prohibiting the transfer of personally identifiable information about individuals to persons that are not affiliated with the debtor and if such policy is in effect on the date of the commencement of the case, then the trustee may not sell or lease personally identifiable information to any person unless—

(A) such sale or such lease is consistent with such policy; or

(B) after appointment of a consumer privacy ombudsman in accordance with section 332, and after notice and a hearing, the court approves such sale or such lease—

(i) giving due consideration to the facts, circumstances, and conditions of such sale or such lease; and

(ii) finding that no showing was made that such sale or such lease would violate applicable nonbankruptcy law.

Federal Rule of Bankruptcy Procedure 4001(b) provides the procedures in which a trustee or a debtor in possession may move the court for authorization to use cash collateral. In relevant part, Federal Rule of Bankruptcy Procedure 4001(b) states:

(b)(2) Hearing

The court may commence a final hearing on a motion for authorization to use cash collateral no earlier than 14 days after service of the motion. If the motion so requests, the court may conduct a preliminary hearing before such 14-day period expires, but the court may authorize the use of only that amount of cash collateral as is necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

DISCUSSION

Debtor/Debtor in Possession has shown that the proposed use of cash collateral is in the best interest of the Estate. The proposed use provides for Debtor/Debtor in Possession to continue and operate the business as it produces value for the Estate. Creditor will also receive a substantial monthly adequate protection payment in the amount of \$32,000, which the court finds sufficiently protects Creditor's interest in this interim period.

However, Creditor requests evidence and a showing that the proposed budget offers sufficient adequate protection payments to preserve its interest.

As Creditor points out, the testimony in support of the Debtor/Debtor in Possession's Motion is Debtor/Debtor in Possession's counsel, who testifies that:

- ★ The Debtor/Debtor in Possession His client has told him
- ★ That the Debtor/Debtor in Possession has prepare a budget
- ★ That the Debtor/Debtor in Possession says that the budget information is accurate
- ★ That counsel heard the Debtor/Debtor in Possession say that the budget has been prepared accurately
- and
- ★ That counsel testifies that he personally heard the Debtor/Debtor in Possession say the forgoing.

Declaration; Dekt. 16.

No responsible representative of the Debtor/Debtor in Possession has come forward to testify as to the financial information concerning the Debtor/Debtor in Possession, who is the fiduciary of the Bankruptcy Estate operating this business that is property of the Bankruptcy Estate. 11 U.S.C. § 541(a).

The Bankruptcy Petition is signed by John Richter as the “Managing Member” of the Debtor Limited Liability Company. Dckt. 1 at p. 4. Mr. Richter is identified as the only managing member.

Mr. Richter not providing testimony, as the responsible representative of the Debtor, caused the court some concerning. This led to the court checking the California Secretary of State’s website for R & A Enterprise, LLC’s registration to do business in California. The court’s inquiry resulted in finding an entity named R & A Enterprises, LLC registered with the State of California, with its agent listed as Ara Tien and its principal and mailing address of 25648 Moore Lane, Stevenson Ranch, California. Stevenson Ranch, California is in Los Angeles County.

A LEXIS public records search turned up an entity named R & A Enterprises, LLC being registered in Nevada. The manager is identified as John Richter, who is listed as the manager for the Debtor in this Case. Foreign entities are required to register See Cal. Corp. Code §§ 17708.01 *et seq.* California Corporation Code § 17708.02 provides for a foreign limited liability company to obtain a certificate or registration to transact business in California.

At the hearing, the court addressed with the Parties the issues relating to the use of cash collateral. The Subchapter V Trustee stated that he supported the requested use of Cash Collateral.

The Debtor/Debtor in Possession stated that it agreed to increase the monthly adequate protection payment to creditor Patriot Bank, N.A. to \$34,372.77.

The Motion is granted, and Debtor/Debtor in Possession is authorized to use the cash collateral for the period May, 2024, through September 30, 2024, including required monthly adequate protection payments of \$34,372.77 to Creditor Patriot Bank, N.A., with the adequate protection payments applied to its secured claim in this case. The court does not pre-judge and authorize the use of any monies for “plan payments” or use of any “profit” by Debtor/Debtor in Possession. All surplus cash collateral from the Car Wash is to be held in a cash collateral account and accounted for separately by Debtor/Debtor in Possession.

The court grants this Motion on and interim basis and continues the hearing to 11:30 a.m. on August 22, 2024, for Debtor/Debtor in Possession to file any Supplements to the Motion to extend authorization. That Supplement, if any, is due by August 15, 2024, with any opposition to be presented orally at the continued hearing.

The court grants Creditor Patriot Bank, N.A. a replacement lien in post-petition acquired assets of the same kind that are subject to its prepetition lien, to the extent that Creditor’s collateral is reduced by the cash collateral used.

October 3, 2024 Hearing

The court continued the hearing on this Motion pursuant to the parties Stipulation (Docket 44), having granted use of cash collateral through October 31, 2024. Order, Docket 46.

At the hearing, the parties advised the court that they are still working on final terms for a stipulated use of cash collateral. They requested that the court extend the authorization for use through and including November 30, 2024, on the existing terms, and continue the hearing.

The Motion for Authority to Use Cash Collateral and Grant Replacement Liens is granted on an Interim basis, on the existing terms, through and including November 30, 2024.

The hearing on the Motion is continued to 2:00 p.m. on November 13, 2024 (Specially Set day and Time).

The court shall issue an order substantially in the following form holding that:

**ORDER AUTHORIZING USE OF CASH COLLATERAL
PURSUANT TO STIPULATION OF THE PARTIES**

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

The Motion for Authority to Use Cash Collateral filed by R & A Enterprises, LLC (“Debtor/ in Possession”) having been presented to the court, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

The continued hearing on the Motion for Authority to Use Cash Collateral filed by R & A Enterprises, LLC (“Debtor/in Possession”) was conducted on November 13, 2024. The court, pursuant to the prior stipulation of the Debtor/Debtor in Possession and creditor Patriot Bank, N.A. (“Bank” or “Lender”) (the Debtor and Bank are sometimes hereafter referred to below as the “Parties”), has entered orders authorizing the use of cash collateral pending a final hearing. At the November 13, 2024, hearing the Parties reported **XXXXXXX**.

The Motion for Use of Cash Collateral having been presented to the court, the court having entered prior Orders authorizing the Interim Use of Cash Collateral (Dckts. 46, 37, 68), the Parties requesting a further extension of the Interim Authorization, and good cause appearing;

IT IS ORDERED that the Interim Use of Cash Collateral is extended through and including **XXXXXXX**.

IT IS FURTHER ORDERED that the hearing on the Motion to Use Cash Collateral is continued to **XXXXXXX**.

Debtor's Atty: Lewis Phon

Notes:

Continued from 9/18/24. The U.S. Trustee reporting that a motion to dismiss this case would be filed.

The Status Conference is XXXXXXXX

NOVEMBER 13, 2024 STATUS CONFERENCE

A review of the Docket discloses that no updated Status Report has been filed by the Debtor in Possession. No motion to dismiss has been filed by the Debtor in Possession or the U.S. Trustee.

At the Status Conference, XXXXXXXX

SEPTEMBER 18, 2024 STATUS CONFERENCE

No updated Status Report has been filed by the Debtor in Possession. The 341 Meeting was continued to August 14, 2024, however, no updated report of that 341 Meeting is on the Docket. On August 2, 2024, the court entered an order granting relief from the automatic stay with respect to Debtor's single real estate asset.

At the Status Conference, counsel for the U.S. Trustee reported that the Debtor in Possession has told the U.S. Trustee that the foreclosure sale has been completed.

The U.S. Trustee further reported that a motion to dismiss this case would be filed.

AUGUST 1, 2024 STATUS CONFERENCE

The Debtor commenced this voluntary Chapter 11 Case on June 11, 2024. A review of the Docket on July 30, 2024, indicates that no Status Report has been filed and no Monthly Operating Report for June, 2024, has been filed.

At the Status Conference and related Motion for Relief Proceeding, at which the court granted the Motion to allow the creditor to proceed with a nonjudicial foreclosure sale against the Bankruptcy Estate's sole asset, the court addressed with the respective counsel the challenges faced in this Case and the failure of the Debtor in Possession to file Monthly Operating Reports and to provide insurance for the property of the Bankruptcy Estate.

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

12. [24-24147-E-11](#)
[CAE-1](#)

RAYANI HOLDINGS, LLC

STATUS CONFERENCE RE:
VOLUNTARY PETITION
9-17-24 [\[1\]](#)

Debtor's Atty: Stephen M. Reynolds

Notes:

[RLC-1] Application to Approve Employment of Attorney filed 9/28/24 [Dckt 20]; Order granting filed 10/7/24 [Dckt 25]

[RLC-2] Application to Approve Employment of Realtor filed 10/17/24 [Dckt 26]; Order granting filed

Trustee Report at 341 Meeting lodged 10/22/24

[CAE-1] First Status Conference Report filed 10/30/24 [Dckt 51]

The Status Conference is continued to 2:00 p.m. on xxxxxxx , 2025.
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NOVEMBER 13, 2024 STATUS CONFERENCE

On October 30, 2024, the Debtor in Possession filed a Status Report. Dckt. 31. The Debtor in Possession notes that this is a single asset real estate case. The real property is located in Lincoln, California. When the Debtor purchased the Property, the seller was paid \$1,000,000 cash and a \$4,500,000 note secured by the Property.

The Debtor obtained a tentative map to divide the two parcels into six parcels. The Debtor in Possession is now actively marketing the Property for sale, with the court having authorized the employment of the real estate broker. Order; Dckt. 29.

At the Status Conference, xxxxxxx

13. [23-23959-E-13](#) LASHUNDA PHILLIPS
[24-2176](#)
CAE-1

STATUS CONFERENCE RE:
COMPLAINT
8-14-24 [\[1\]](#)

**PHILLIPS ET AL V. BANKERS
HEALTHCARE GROUP, LLC**

Plaintiff's Atty: Carl R. Gustafson
Defendant's Atty: Stephen M. Reynolds

Adv. Filed: 8/14/24
Answer: 9/15/24

Nature of Action:
Injunctive relief - other
Recovery of money/property -other
Injunctive relief - imposition of stay

Notes:
[CAE-1] Joint Discovery Plan filed 11/1/24 [Dckt 9]

The Status Conference is xxxxxxx
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NOVEMBER 13, 2024 STATUS CONFERENCE

SUMMARY OF COMPLAINT

The Complaint filed by Lashunda Kelly Phillips (the Chapter 13 Debtor) and Robert Phillips (Debtor's spouse), the "Plaintiffs", Dckt. 1, asserts claims for violation of the automatic stay and violation of the confirmed Chapter 13 Plan. After the commencement of the Debtor's bankruptcy case and the automatic stay and the co-debtor stay (for Robert Phillips), with knowledge of the bankruptcy case the Defendant continued to draft automatic loan payments from Robert Phillips account, in which the money was community property that was property of the bankruptcy estate.

The Amended Chapter 13 Plan, which Defendant had knowledge of, provided for a 100% payment of Defendant's claim. Notwithstanding knowledge of the bankruptcy case and plan, Defendant continued to contact Robert Phillips in an effort to collect the debt that was included in Debtor's bankruptcy case.

SUMMARY OF ANSWER

Bankers Healthcare Group, LLC (“Defendant”) has filed an Answer, Dckt. 8, admitting and denying specific allegations. Much of the Complaint, including allegations of jurisdiction, are denied as being “legal conclusions or statements” for which no response is required.

REQUIRED PLEADING OF JURISDICTION AND CONSENT OR NON-CONSENT TO NON-CORE MATTER

The basic pleading requirements of Federal Rule of Civil Procedure 8 for a complaint, including that the complaint “[m]ust contain: (1) a short and plain statement of the grounds for the court's jurisdiction...,” apply to complaints in Adversary Proceedings. In addition to incorporating Rule 8, Federal Rule of Bankruptcy Procedure 7008 adds the additional pleading requirement concerning whether the matters in the complaint are core or non-core:

Rule 8 F.R.Civ.P. applies in adversary proceedings. The **allegation of jurisdiction required by Rule 8(a)** shall also contain a reference to the name, number, and chapter of the case under the Code to which the adversary proceeding relates and to the district and division where the case under the Code is pending. In an adversary proceeding before a bankruptcy court, **the complaint, counterclaim, cross-claim, or third-party complaint shall contain a statement that the pleader does or does not consent to entry of final orders or judgment by the bankruptcy court.**

Fed. R. Bankr. P. 7008 (emphasis added).

Federal Rule of Civil Procedure 8(a) requires that the Plaintiff expressly plead the basis for federal court jurisdiction:

(a) Claim for Relief. **A pleading that states a claim for relief *must* contain:**

(1) **a short and plain statement of the grounds for the court’s jurisdiction**, unless the court already has jurisdiction and the claim needs no new jurisdictional support;
...

Fed. R. Civ. P. 8(a) (emphasis added).

As discussed below, Federal Rule of Civil Procedure 8(b) requires that a responding party must, in good faith, respond to each claim asserted, and if generally denying, such general denial must also be denying that federal jurisdiction exists. There is not an “except for allegations of jurisdiction” exclusion in Rule 8.

For a responsive pleading, Federal Rule of Bankruptcy Procedure 12(b) applies in adversary proceeding. Fed. R. Bankr. P. 7012(b). The Bankruptcy Rules add a further responsive pleading requirement concerning whether the party consents or does not consent for the bankruptcy judge to issue final orders and judgment for non-core matters:

(b) Applicability of Rule 12(b)–(i) F.R.Civ.P. Rule 12(b)-(i) F.R.Civ.P. applies in adversary proceedings. A responsive pleading shall include a statement that **the**

party does or does not consent to entry of final orders or judgment by the bankruptcy court.

Fed. R. Bank. P. 7012(b) (emphasis added).

JOINT DISCOVER PLAN

The Parties have filed a Joint Discovery Plan on November 1, 2024, providing much information concerning how the Adversary Proceeding will move forward. Dckt. 9.

FINAL BANKRUPTCY COURT JUDGMENT

Plaintiffs allege in the 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). Complaint ¶¶ 4, 5, 6, Dckt. 1. In the Answer, Defendant does not provide a response, or deny the allegations of jurisdiction and that this is a core proceeding. Answer ¶¶ 4, 5, 6; Dckt. 8. At the hearing, **XXXXXXX**

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. Plaintiffs allege in the 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). Complaint ¶¶ 4, 5, 6, Dckt. 1. In the Answer, Defendant does not provide a response, or deny the allegations of jurisdiction and that this is a core proceeding. Answer ¶¶ 4, 5, 6; Dckt. 8. At the hearing, **XXXXXXX**

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 **November 6, 2024**.
- c. Expert Witnesses shall be disclosed on or before **March 10, 2025**, and Rebuttal Expert Witnesses, if any, shall be disclosed on or before **XXXXXXX, 2025**

- d. Expert Witness Reports, if any, shall be served on or before **April 14, 2025**, and Rebuttal Expert Witness Reports, if any, shall be served on or before **April 28, 2025**.
- e. Non-Expert Witness Discovery closes, including the hearing of all discovery motions, on **March 3, 2025**.
- f. Expert Witness Discovery Closes, including the hearing of all discovery motions, closes on **XXXXXXX, 2025**.
- g. Dispositive Motions shall be heard before **May 30, 2025**.
- h. The Pre-Trial Conference in this Adversary Proceeding shall be conducted at **2:00 p.m.** on **XXXXXXX, 2025**.

14. [24-20265-E-12](#) **HARDAVE/SUKHBINDER DULAI** **CONTINUED STATUS CONFERENCE RE:**
[CAE-1](#) **VOLUNTARY PETITION**
1-23-24 [\[1\]](#)

Debtor's Atty: Ryan C. Wood

Notes:

Continued from 7/10/24

Operating Reports filed: 10/1/24 [Feb, Mar, Apr]; 10/8/24 [May, Jun]; 10/13/24 [AMENDED Feb, Mar, Apr, May, Jun]; 10/17/24 [Sep]

[RCW-9] Stipulation Between Debtor and Chapter 12 Trustee Extending Time for Objection to Debtor's Plan filed 8/12/24 [Dckt 157]

[RCW-9] Stipulation to Continue Confirmation Hearing Date filed 9/6/24 [Dckt 162]

[RCW-10] *Ex Parte* Application for Order Authorizing Employment of Licensed Appraiser filed 9/30/24 [Dckt 167]; Order granting filed 10/2/24 [Dckt 173]

[RCW-11] Motion to Compromise Pursuant to FRBP 9019 filed 10/3/24 [Dckt 174]; Order granting filed 10/28/24 [Dckt 190]

[RCW-9] Amended Chapter 12 Plan (Dated October 21, 2024) filed 10/21/24 [Dckt 187]

Status Conference Statement filed 10/28/24 [Dckt 191]

[RCW-12] Motion to Value Collateral of HD Owner, LLC filed 10/31/24 [Dckt 193], set for hearing 11/14/24 at 10:30 a.m.

[POL-4] HD Owner LLC's Objection to Debtors' Amended Chapter 12 Plan (Dated October 21, 2024) filed 10/31/24 [Dckt 203]

The Status Conference is XXXXXXX
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NOVEMBER 13, 2024 STATUS CONFERENCE

On November 7, 2024, the Debtor in Possession filed a Motion to Confirm Amended Chapter 12 Plan (Dckt. 215), which is set for hearing at 11:30 a.m. on December 19, 2024. The Amended Chapter 12 Plan was filed on October 21, 2024. Dckt. 187. The Amended Chapter 12 Plan was filed using Docket Control No. RCW-9, which is for the Motion to Confirm the prior amended Chapter 12 Plan filed. Thus, it appeared that the Amended Plan contained amendments which the Debtor in Possession would seek to have made at the November 14, 2024 hearing on that Motion to Confirm. The Debtor in Possession, HD Owner, LLC, Sutter County, and the Chapter 12 Trustee filed a Stipulation requesting that the hearing be

continued to the November 14, 2024 date so that an Amended Plan could be filed, along with a Motion to Approve Compromise. Stipulation; Dckt. 162.

Reviewing the Docket, no Motion to Approve Compromise has been filed.

At the Status Conference, **XXXXXXX**

15. [24-23481](#)-E-7 **BRYAN/TAMIRA SMITH** **STATUS CONFERENCE RE:**
[24-2186](#) **COMPLAINT**
CAE-1 **9-18-24 [1]**

SMITH ET AL V. UNITED STATES
DEPARTMENT OF EDUCATION

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

Adv. Filed: 9/18/24
Answer: none

Nature of Action:
Dischargeability - student loan

Notes:

The Status Conference is XXXXXXX
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NOVEMBER 13, 2024 STATUS CONFERENCE

On September 18, 2024, Bryan Smith and Tamira Smith, the Plaintiff-Debtors, filed a three paragraph Complaint stating that they are seeking an order of the court discharging outstanding student loan balances. The two students loans have balances of (\$111,535.00) and (\$205,78.87), and are being serviced by the U.S. Department of Education. The Plaintiff-Debtors "contend that their student loan debts should be discharge. Requiring payment will cause an 'undue hardship' for their family."

The Complaint identifies the loans as being FFEWLP Consolidation Loans. While that is not a term the court is familiar with, a review of information on the internet indicates that this may be a privately held loan that is backed by the federal government or a loan that is now federally owned.

A Certificate of Service was filed on September 24, 2024, stating that on September 23, 2024, The Civil Process Clerk for the US Attorney General in Sacramento, California, the Attorney General in Washington, DC, and the United States Department of Education in Washington D.C. were served by mail. Dckt. 7. No response pleadings have been filed.

At the Status Conference, **XXXXXXX**

16. [23-23292-E-7](#)
[23-2105](#)
CAE-1

IAN LONG

CONTINUED STATUS CONFERENCE RE:
COMPLAINT
12-18-23 [\[1\]](#)

TRUSTED BRIDGE, LLC V. LONG

Plaintiff's Atty: Barry H. Spitzer, Christopher W. Peterman, Keith D. Ropp
Defendant's Atty: Patricia Wilson

Adv. Filed: 12/18/23

Answer: 1/22/24

Nature of Action:

Dischargeability - false pretenses, false representation, actual fraud

Dischargeability - fraud as fiduciary, embezzlement, larceny

Dischargeability - willful and malicious injury

Notes:

Continued from 9/18/24. The Parties reporting that the Stipulation for Dismissal of the claims that were not adjudicated on the summary judgment motions has been prepared and will be filed. A proposed judgment pursuant to the summary judgment will be lodged with the court.

The Status Conference is XXXXXXX
--

NOVEMBER 13, 2024 STATUS CONFERENCE

A review of the Docket reflects that nothing has been filed in this Adversary Proceeding since the court issued its order granting Summary Judgment on July 3, 2024. Dckt. 42. No proposed Judgment has been lodged with the court.

At the hearing, the respective counsel explained this inaction by the Parties, advising the court
XXXXXXX

SEPTEMBER 18, 2024 STATUS CONFERENCE

On July 3, 2024, this court entered an Order granting the Motion for Summary Judgment for Plaintiff Trusted Bridge, LLC on the First Cause of Action for the obligation and that it is nondischargeable. Order; Dckt. 42. The Parties were to lodge with the court a proposed judgment pursuant thereto, with the other claims for relief being dismissed by the Parties.

At the Status Conference, the parties reported that the Stipulation for Dismissal of the claims that were not adjudicated on the summary judgment motions has been prepared and will be filed. The proposed judgment pursuant to the summary judgment will be lodged with the court.

The Status Conference is continued to 2:00 p.m. on November 13, 2024.

MARCH 20, 2024 STATUS CONFERENCE

Pursuant to the Stipulation of the Parties the court continued the Status Conference to March 20, 2024. The continuance had been requested as the Parties and their counsel in conducting their Discovery Conference and other communications recognized that additional time to prepare for the scheduling in this Adversary Proceeding was required. The Stipulation provided for a discovery plan to be filed by March 19, 2024.

At the March 20, 2024 Status Conference the issue was raised that Plaintiff will be seeking the entry of a judgment determining that a State Court Judgment for Fraud is nondischargeable. The Parties agreed that before proceeding with discovery and setting other dates and deadlines, adjudication of such a motion was appropriate.

Plaintiff shall file and serve its Motion for Summary Judgment (or other proper motion) in this Adversary Proceeding based on the principles of Res Judicata and its sub-principles of Collateral Estoppel, and issue preclusion (and such other legal theories based on the State Court Judgment) the week of April 29, 2024.

Defendant-Debtor shall file and serve his Opposition pleadings to Plaintiff's Motion on or before May 24, 2024.

Plaintiff's Reply, if any, to the Opposition shall be filed and served on or before June 5, 2024.

The hearing on the Plaintiff's Motion for Judgment based on the State Court Judgment shall be conducted at 10:00 a.m. on June 25, 2024.

The court stays setting discovery and other dates and deadlines in this Adversary proceeding until after conclusion on the Plaintiff's forgoing Motion for Judgment.

17. [23-23292-E-7](#) IAN LONG
[24-2025](#)
CAE-1

CONTINUED STATUS CONFERENCE RE:
COMPLAINT
3-21-24 [\[1\]](#)

HAMILTON V. LONG

Plaintiff's Atty: Robert L. Hamilton
Defendant's Atty: unknown

Adv. Filed: 3/21/24
Reissued Summons: 7/18/24
Answer: none

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

Notes:
Continued from 9/18/24 to afford Plaintiff the opportunity to prosecute the Motion for Entry of Default Judgment.

The Status Conference is XXXXXXX
--

NOVEMBER 13, 2024 STATUS CONFERENCE

A review of the Docket discloses that nothing has been filed in this Adversary Proceeding since the court's order filed on September 23, 2024, extending until November 1, 2024, the deadline for Plaintiff filing a motion for entry of default judgment. Dckt. 20. No motion for entry of default judgment has been filed by Plaintiff. As stated in the Order Entering Default,

Failure to comply with this order may result in the imposition of sanctions pursuant to Federal Rule of Civil Procedure 16(f) and 41(b), including, without limitation, dismissal of this adversary proceeding without further notice or hearing.

Entry of Default Order, p. 2:3-6; Dckt. 15.

At the Status Conference, XXXXXXX

SEPTEMBER 18, 2024 STATUS CONFERENCE

On September 9, 2024, the default of Defendant Ian Long was entered. Dckt. 15. Plaintiff must now file a motion for entry of default judgment and set it for hearing.

The Status Conference is continued to 2:00 p.m. on November 13, 2024, to afford Plaintiff the opportunity to prosecute the Motion for Entry of Default Judgment.

The Court granted the Plaintiff's Oral Motion at the September 18, 2024 Status Conference, to extend to November 1, 2024, the deadline for extension for the filing of a motion for entry of default judgment in this Adversary Proceeding.

18. [24-24493-E-11](#) **TOWN & COUNTRY WEST LLC** **STATUS CONFERENCE RE:**
[CAE-1](#) **VOLUNTARY PETITION**
10-7-24 [\[1\]](#)

Debtor's Atty: Pro Se

Notes:

[AF-1] Application to Employ General Bankruptcy Counsel filed 10/20/24 [Dckt 13], set for hearing 11/14/24 at 10:30 a.m.

[AF-2] Application to Approve Designation of Responsible Individual for Corporate Debtor filed 10/21/24 [Dckt 18]; Order granting filed 10/29/24 [Dckt 33]

[AF-3] Motion for Joint Administration filed 10/29/24 [Dckt 35], set for hearing 11/14/24 at 10:30 a.m.

The Status Conference is continued to 2:00 p.m. on January 22, 2024.

NOVEMBER 13, 2024 STATUS CONFERENCE

On October 29, 2024, the Debtor in Possession filed a Motion requesting that the Town & Country West, LLC Case, NO. 24-24493, and the Town & Country Event Center, LLC Case, NO. 24-24492 be jointly administered. The cases are not to be substantively consolidated.

The hearing on the Motions for Joint Administration are set for November 14, 2024. The court will use those hearing to address Status Conference matters, if any.

The Status Conference is continued to 2:00 p.m. on January 22, 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 Chapter 11 Status Conference having been scheduled by the court, there being a Motion for the Joint Administration of the Town & Country West, LLC Case, NO. 24-24493, and the Town & Country Event Center, LLC Case, NO. 24-24492,

set for hearing on November 14, 2024, and upon review of the pleadings, and good cause appearing,

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

FINAL RULINGS

19. [23-21407-E-7](#)
[24-2185](#)
CAE-1

BELLA VIEW CAPITAL, LLC

STATUS CONFERENCE RE:
COMPLAINT
9-16-24 [\[1\]](#)

FARRIS V. FOSTER

Final Ruling: No appearance at the November 13, 2024 Status Conference is required.

Plaintiff's Atty: Gabriel P. Herrera
Defendant's Atty: unknown

Adv. Filed: 9/16/24
Answer: none

Nature of Action:
Recovery of money/property - fraudulent transfer

Notes:

The Status Conference is continued to 2:00 p.m. on January 22, 2025.

NOVEMBER 13, 2024 STATUS CONFERENCE

On November 11, 2024, Nikki Farris, Plaintiff-Trustee filed a Status Report. Dckt. 8. No answer or other responsive pleading has been filed in this Adversary Proceeding. In the Status Report the Plaintiff-Trustee discusses the basic claim under the Adversary Proceeding, that being to avoid the pre-petition transfer of real property by the Debtor, and then the transferee re-transferred the Property back to the Debtor and the transferee post-petition.

The Trustee reports that a settlement has been reached between the Defendant and Plaintiff-Trustee, and that a motion to approve the settlement will be soon filed.

The Status Conference is continued to 2:00 p.m. on January 22, 2025, to afford the Plaintiff-Trustee and Defendant time to file and have heard a motion to approve the settlement.

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 set by the court, the Parties reporting that this matter has been settled and a motion to approve settlement will be filed, and upon review of the pleadings, reports of counsel, and good cause appearing,

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

Final Ruling: No appearance at the November 13, 2024 Status Conference is required.

Debtor's Atty: Karl Schweikert

Notes:

Continued from 8/14/24. Counsel for Debtor in Possession reporting that they are withdrawing the Motion to Sell, the parties believing that it should be done as part of a Plan.

[SAD-2] Motion for Relief from Automatic Stay [movant: CSL Lending VIII SPE, LLC] filed 9/5/24 [Dckt 74]; Order granting filed 10/7/24 [Dckt 136]

[SAD-1] Motion for Relief from Automatic Stay [movant: Center Street Lending VIII SPE, LLC]] filed 9/5/24 [Dckt 80]; Order granting filed 10/7/24 [Dckt 135]

[SAD-8] Motion for Relief from Automatic Stay [movant: Center Street Lending VIII SPE, LLC] filed 9/6/24 [Dckt 86]; Order granting filed 10/25/24 [Dckt 148]

[SAD-5] Motion for Relief from Automatic Stay [movant: CSL Lending VIII SPE, LLC] filed 9/9/24 [Dckt 92]; Order granting filed 10/25/24 [Dckt 149]

[SAD-4] Motion for Relief from Automatic Stay [movant: CSL Lending VIII SPE, LLC] filed 9/10/24 [Dckt 98]; Order granting filed 10/25/24 [Dckt 150]

[SAD-6] Motion for Relief from Automatic Stay [movant: CSL Lending VIII SPE, LLC] filed 9/11/24 [Dckt 104]; Order granting filed 10/25/24 [Dckt 151]

[SAD-7] Motion for Relief from Automatic Stay [movant: CSL Lending VIII SPE, LLC] filed 9/12/24 [Dckt 110]; Order granting filed 10/25/24 [Dckt 152]

[SAD-3] Motion for Relief from Automatic Stay [movant: CSL Lending VIII SPE, LLC] filed 9/20/24 [Dckt 116]; Order granting filed 10/25/24 [Dckt 153]

[RDW-1] Motion for Relief from Automatic Stay [movant: Adam L. Furman and Dana H. Furman, et al.] filed 9/27/24 [Dckt 122]; Order granting filed 10/25/24 [Dckt 154]

[KAS-1] Motion to Convert Chapter 11 Case to Chapter 7 Case filed 10/4/24 [Dckt 131], set for hearing 11/19/24

The Status Conference is continued to 2:00 p.m. on January 22, 2025.

NOVEMBER 13, 2024 STATUS CONFERENCE

On October 7, 2024, the Debtor in Possession filed a Motion to Convert the Chapter 11 Case to Chapter 7. Dckt. 137. The hearing on the Motion to Convert is set for November 14, 2024.

The court continues the Chapter 11 Status Conference to 2:00 p.m. on January 22, 2025, for court administrative tracking purposes.

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 Chapter 11 Status Conference having been conducted by the court, and upon review of the pleadings, a Motion to Convert this Case to one under Chapter 7 having been filed and set for hearing by the Debtor in Possession, reports of counsel, and good cause appearing,

IT IS ORDERED that the Status Conference is continued to **2:00 p.m. on January 22, 2025**, for purposes of the court's file administration.

21. [23-22217-E-13](#) WLODZIMIERZ LITWIN
[24-2042](#)
CAE-1

CONTINUED STATUS CONFERENCE RE:
COMPLAINT
5-1-24 [\[1\]](#)

LITWIN V. MEB TRUST IV, U.S.
BANK TRUST NATIONAL

Final Ruling: No appearance at the November 13, 2024 Status Conference is required.

Plaintiff's Atty: Peter G. Macaluso
Defendant's Atty: unknown

Adv. Filed: 5/1/24
Answer: none

Nature of Action:
Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)

Notes:
Continued from 9/18/24. Counsel for Plaintiff advising the court that this matter has been settled.

Plaintiff's Status Conference Statement filed 11/1/24 [Dckt 23]

The Status Conference is continued to 2:00 p.m. on January 22, 2025.

NOVEMBER 13, 2024 STATUS CONFERENCE

On November 1, 2024, Wlodzimierz Litwin, the Plaintiff-Debtor, filed a Status Conference Statement. Dckt. 23. In it, Plaintiff-Debtor reports that the court has approved the settlement agreement that fully resolves this Adversary Proceeding.

The court's order approving the Settlement was entered on October 9, 2024. 23-22217; Order, Dckt. 126.

Plaintiff-Debtor reports that he will proceed with preparing and lodging with the State Court a proposed order dismissing the State Court Action, confirm the release of the lien that is the subject of the Settlement Agreement, and conclude the Settlement. Plaintiff-Debtor requests that the Status Conference be continued sixty-days.

The Status Conference is continued to 2:00 p.m. on January 22, 2025.

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 conducted by the court, and upon review of the pleadings, reports of counsel, and good cause appearing,

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

22. [24-24458](#)-E-11 AK INVESTMENTS, LLC STATUS CONFERENCE RE:
[CAE-1](#) VOLUNTARY PETITION
DEBTOR DISMISSED: 10/15/24 10-3-24 [\[1\]](#)

Final Ruling: No appearance at the November 13, 2024 Status Conference is required.

Debtor's Atty: Pro Se

Notes:

Order Dismissing Case for Failure to Timely File Document(s) filed 10/15/24 [Dckt 17]

Case closed 11/4/24

The Bankruptcy Case having been dismissed (Order; Dckt. 17), the Status Conference is concluded and removed from the Calendar.

23. [24-23664](#)-E-12 KAMALJIT KALKAT
[CAE-1](#)

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
8-19-24 [[1](#)]

DEBTOR DISMISSED: 10/31/24

Final Ruling: No appearance at the November 13, 2024 Status Conference is required.

Debtor's Atty: Ameet Sharma; Robert S. Marticello; Mark S. Melickian

Notes:

Continued from 10/3/24 for the court's case administrative purposes. The court to dismiss this Bankruptcy Case approximately two weeks after the 10/3/24 status conference.

[CAE-1] Status Report Regarding Chapter 12 Case filed 10/16/24 [Dckt 46]

The Bankruptcy Case having been dismissed (Order; Dckt. 52), **the Status Conference is concluded and removed from the Calendar.**

24. [24-23666](#)-E-12 DIAMOND K, LLC
[CAE-1](#)

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
8-19-24 [[1](#)]

DEBTOR DISMISSED: 10/31/24

Final Ruling: No appearance at the November 13, 2024 Status Conference is required.

Debtor's Atty: Robert S. Marticello; Ameet Sharma; Mark S. Melickian

Notes:

Continued from 10/3/24 for the court's case administrative purposes. The court to dismiss this Bankruptcy Case approximately two weeks after the 10/3/24 status conference.

[CAE-1] Status Report Regarding Chapter 12 Case filed 10/16/24 [Dckt 36]

The Bankruptcy Case having been dismissed (Order; Dckt. 41), **the Status Conference is concluded and removed from the Calendar.**

Final Ruling: No appearance at the November 13, 2024 Status Conference is required.

Debtor's Atty: David C. Johnston

Notes:

Continued from 9/18/24

[DCJ-4] Order continuing Motion to Confirm Chapter 12 Plan filed 10/28/24 [Dckt 64]

The Status Conference is continued to 2:00 p.m. on January 22, 2025.

NOVEMBER 13, 2024 STATUS CONFERENCE

The Debtor in Possession previously requested that the court continue the confirmation hearing in this Case to November 14, 2024. The court granted that request. Order; Dckt. 64. Functionally, the court can conduct any Status Conference matters at the continued confirmation hearing.

The Status Conference is continued to 2:00 p.m. on January 22, 2025.

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 Chapter 12 Status Conference having been scheduled by the court, the continued hearing on the confirmation of the Chapter 12 Plan having been continued to November 14, 2024, and upon review of the pleadings, reports of counsel, and good cause appearing,

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

Final Ruling: No appearance at the November 13, 2024 Status Conference is required.

Debtor's Atty: Pro Se

Notes:

[AF-1] Application to Employ General Bankruptcy Counsel filed 10/19/24 [Dckt 19], set for hearing 11/14/24 at 10:30 a.m.

[AF-2] Application to Approve Designation of Responsible Individual for Corporate Debtor filed 10/21/24 [Dckt 24], Order granting filed 10/29/24 [Dckt 39]

[AF-3] Motion for Joint Administration filed 10/29/24 [Dckt 35], set for hearing 11/14/24 at 10:30 a.m.

The Status Conference is continued to 2:00 p.m. on January 22, 2024.

NOVEMBER 13, 2024 STATUS CONFERENCE

On October 29, 2024, the Debtor in Possession filed a Motion requesting that the Town & Country West, LLC Case, NO. 24-24493, and the Town & Country Event Center, LLC Case, NO. 24-24492 be jointly administered. The cases are not to be substantively consolidated.

The hearing on the Motions for Joint Administration are set for November 14, 2024. The court will use those hearing to address Status Conference matters, if any.

The Status Conference is continued to 2:00 p.m. on January 22, 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 Chapter 11 Status Conference having been scheduled by the court, there being a Motion for the Joint Administration of the Town & Country West, LLC Case, NO. 24-24493, and the Town & Country Event Center, LLC Case, NO. 24-24492, set for hearing on November 14, 2024, and upon review of the pleadings, and good cause appearing,

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