

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

1:00-00000

Chapter

#0.00 The 10:00 am calendar will be conducted remotely, using ZoomGov video and audio.

Parties in interest and members of the public may connect to the video and audio feeds, free of charge, using the connection information provided below.

Individuals may participate by ZoomGov video and audio using a personal computer (equipped with camera, microphone and speaker), or a handheld mobile device (such as an iPhone or Android phone). Individuals may opt to participate by audio only using a telephone (standard telephone charges may apply).

Neither a Zoom nor a ZoomGov account is necessary to participate and no pre-registration is required. The audio portion of each hearing will be recorded electronically by the Court and constitutes its official record.

Video/audio web address: <https://cacb.zoomgov.com/j/1615637348>

Meeting ID: 161 563 7348

Password: 778633

Telephone Conference Lines: 1 (669) 254-5252 or 1 (646) 828-7666

Meeting ID: 161 563 7348

Password: 778633

Judge Mund seeks to maintain a courtroom in which all persons are treated with dignity and respect, irrespective of their gender identity, expression or preference. To that end, individuals are invited to identify their preferred pronouns (he, she, they, etc.) and their preferred honorific (Mr., Miss, Ms., Mrs., Mx, M, etc.) in their

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

CONT...

Chapter

screen name, or by advising the judge or courtroom deputy.

Docket 0

Tentative Ruling:

- NONE LISTED -

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

1:13-10386 Shirley Foose McClure

Chapter 7

#1.00 Chapter 7 Case Status Conference

fr. 8/22/23; 12/5/23, 12/14/23, 1/9/24; 3/19/24; 6/18/24; 11/19/24

Docket 1

Tentative Ruling:

The status report states that the final report has been submitted. I assume that this is to the Office of the United States Trustee because it is not on the docket.

As to the address on Hewitt. Unless the Trustee thinks that an amended Memorandum and Amended Order are needed, the Court will prepare a single Order correcting the Hewitt address in both documents. Please advise on this.

Continue the status conference to November 18 at 10:00 a.m.

Party Information

Debtor(s):

Shirley Foose McClure

Represented By
Andrew Goodman
Yi Sun Kim
Robert M Scholnick
James R Felton
Faye C Rasch
Faye C Rasch
Lisa Nelson
Michael G Spector

Trustee(s):

John P. Reitman

Represented By
John P. Reitman
Jon L. Dalberg

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

CONT... Shirley Foose McClure

Chapter 7

Rodger M. Landau

David Keith Gottlieb (TR)

Represented By

Richard A Marshack

Laila Masud

Leonard M Shulman

Steven T Gubner

BG Law

D Edward Hays

Shulman Bastian Friedman & Bui LLP

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

1:10-16948 Nunzio Donato Ciaraulo

Chapter 7

#2.00 Hearing on Debtor's Request for Sanctions for Violation of Discharge Injunction Under 11 U.S.C. Section 524; Request for Order Compelling Turnover of Insurance Proceeds; and Award of Lost Rental Income Interest, and Punitive Damages

Docket 42

Tentative Ruling:

The following was put on the docket and mailed to the parties. If there is no appearance by Mr. Ciaraulo or if he appears and fails to convince the Court that this is erroneous, the tentative ruling will be adopted as the final ruling. In short, Mr. Ciaraulo may have a claim against Shellpoint for violation of the deed of trust or some other basis, but he does not have one for violation of the discharge injunction. Mr. Ciaraulo must seek his damages in the California Superior Court, not this bankruptcy court.

Mr. Ciaraulo received his chapter 7 discharge in 2010. One of the assets was a multi-unit house whose equity he claimed as exempt (\$100,000). The two secured creditors were American Servicing Co and Wells Fargo Bank, each of which was fully secured. In 2022, the building was damaged and he put in an insurance claim. The insurance company sent a check for \$73,563.46 made payable to him and to Shellpoint Mortgage Servicing (Shellpoint). He endorsed it, sent it to Shellpoint, and Shellpoint kept part and returned only \$40,000 to him. He has been trying to get the balance and also wants damages for lost rent since he cannot complete repairs and also punitive damages for violation of the discharge stay.

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

CONT... Nunzio Donato Ciaraulo

Chapter 7

I reopened the case and set the hearing on violation of the discharge injunction. The proof of service is in order. No response has been timely received.

Per the schedules, there were two mortgages on the property and both were fully secured by the equity. The junior mortgage was held by Wells Fargo. Shellpoint is not listed as a creditor or a servicer, but the correspondence (exhibit D) indicates that they handle this for the junior lienholder.

Mr. Ciaraulo argues that the lien that Shellpoint holds or services was discharged in the bankruptcy and thus Shellpoint has no right to the money. He seeks compensatory damages of \$3,420 per month for lost rent and punitive damages for violation of the discharge stay.

Although it is not completely clear, it seems that the \$33,563.46 that Shellpoint is withholding is to cover the cost of the damage repair. The correspondence with Shellpoint in Exhibit D indicates a disagreement about the cost and completion of repairs. Shellpoint is demanding that there be a contractor and a post-repair inspection. Mr. Ciaraulo intends to do the repairs himself but is not willing to personally pay for them prior to receiving the withheld insurance proceeds. (8/28/24 email) Meanwhile, it seems that while Shellpoint needs contractor's estimates, etc. minimally it requires that the repairs be made and the inspection completed before they will release the remaining funds.

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

CONT... Nunzio Donato Ciaraulo

Chapter 7

Mr. Ciaraulo is doing the repairs himself under an Owner Builder permit, so he does not have the contractor documents. Shellpoint refers him to the Fannie Mae website and refuses to send him the money without the required documents.

Starting with the issue of violation of the discharge stay, no part of the junior lien was discharged. The lien was fully secured. So the motion must fail.

Of course, Shellpoint can't just keep the insurance money but must account for it in some way. Depending on the terms in the deed of trust, perhaps they can apply it to the balance owing on the loan. The court does not have any information as to the loan balance, the language in the deed of trust, or how Shellpoint is bookkeeping the money. But this is also not a violation of the discharge stay because the loan was fully secured, so there is nothing that was discharged as to this fully secured lien.

Although the Court does not have a copy of the mortgage or any indication of the balance owing, this does not seem to be the issue. Apparently, the mortgage (deed of trust) does include some requirement for use of and access to insurance proceeds. There is no indication as to how Shellpoint decided to withhold the amount that they did and how State Farm arrived at the amount that they paid.

The dispute here is rather simple, though it does not involve the

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

CONT... Nunzio Donato Ciaraulo

Chapter 7

chapter 7 discharge.. Mr. Ciaraulo does not want to borrow the money to make the repairs. He would rather lose \$3,420 per month in rent than borrow \$33,563.46 for a few months and complete the repairs. This does not seem to make economic sense, but that is his choice. Presumably once the repairs are completed and the title report shows that there are not mechanic's liens on the building, he would have the inspection by Cyprex Inspection Company and claim the withheld funds. If Shellpoint does not turn them over, then he could sue them in state court. Or, of course, he could hire a contractor and use the required process to have Shellpoint pay directly to the contractor. He has chosen to do neither.

Shellpoint is not only bound by federal regulations, but by the need to make sure that the work is properly done and that the owner does not misuse the money. This is reasonable.

Given the facts presented in the moving papers. It appears that the delays are Mr. Ciaraulo's own fault and that Shellpoint is not in violation of the discharge stay. Deny the motion for sanctions.

Party Information

Debtor(s):

Nunzio Donato Ciaraulo

Represented By
Michael Jay Berger
Kevin Tang

Trustee(s):

David Keith Gottlieb (TR)

Pro Se

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Geraldine Mund, Presiding
Courtroom 302 Calendar**

Tuesday, May 13, 2025

Hearing Room 302

10:00 AM

2:23-10348 Dellita Johnson

Chapter 7

Adv#: 1:24-01065 Gatlin v. Johnson

#3.00 Trial Re: Complaint For Non-Dischargeability Of Debt
[Holding date]

fr. 3/6/25

Docket 1

Tentative Ruling:

Off calendar. Judgment entered 4/15/25.

Party Information

Debtor(s):

Dellita Johnson

Pro Se

Defendant(s):

Dellita Johnson

Represented By
Rikisha D. Thomas

Plaintiff(s):

Barbara Gatlin

Represented By
Frances M Campbell

Trustee(s):

Sam S Leslie (TR)

Represented By
Samuel Mushegh Boyamian
Margulies Faith, LLP