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MAY 16 2013

CLERK U.S. BANKRUPTCY COURT
Central District of California
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8

9 **UNITED STATES BANKRUPTCY COURT**

10 **CENTRAL DISTRICT OF CALIFORNIA**

11 **LOS ANGELES DIVISION**

12 In re:

13 **PEOPLE'S CHOICE HOME LOAN, INC.,**
14 et al.,¹

15 Debtor.

Case No. 2:12-bk-15811-RK

(Jointly Administered with 2:12-bk-16200-RK
and 2:12-bk-16201-RK)
(Transferred from 8:07-bk-10765-RK and
Jointly Administered with Case Nos. 8:07-
10767-RK and 8:07-10772-RK)

Chapter 11

17 **ORDER SUSTAINING THE**
18 **LIQUIDATING TRUSTS' MOTION FOR**
19 **ORDER DISALLOWING PROOF OF**
20 **CLAIM OF RUTH MCFADDEN**

Date: May 14, 2013

Time: 2:30 p.m.

Place: Courtroom 1675

255 East Temple Street

Los Angeles, CA 90012

Judge: Honorable Robert N. Kwan

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28 ¹ The Debtors were People's Choice Home Loan, People's
Choice Financial Corporation.



1 The Court has considered the *Motion for Order Disallowing Proof of Claim of Ruth*
2 *McFadden* (Docket No. 2688) (the “Objection”) filed by the PC Trusts,² by and through the
3 Liquidating Trustee, seeking entry of an order (this “Order”) disallowing and expunging
4 *McFadden*’s proof of claim.

5 The Court considered the Objection, *McFadden*’s failure to file any timely opposition to the
6 Objection, and all related papers and documents, and finds that *McFadden*’s Claim does not have a
7 supportable legal or factual basis.

8 The Court has jurisdiction over this matter pursuant to sections 157 and 1334 of Title 28 of
9 the United States Code, and the Court finds that the form, scope and timing of notice of the
10 Objection was adequate under the circumstances of these cases.

11 Based upon the foregoing and good and sufficient cause appearing therefor, it is hereby:

12 **ORDERED THAT:**

- 13 1. The Objection is sustained;
- 14 2. *McFadden*’s Claim is disallowed and expunged, in full on a final basis.

15 The claims dockets and schedules in the Debtors’ Cases may be amended to reflect such
16 disallowance. *McFadden* shall not be entitled to receive any distribution on account of her Claim or
17 otherwise appear in these Cases in respect of her Claim.

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² All terms not defined herein shall have the same meaning as ascribed to them in the Objection.

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2 3. The Liquidating Trustee, on behalf of the PC Trusts, retains all rights with regard to
3 McFadden including the right: (a) to bring other and further objections to McFadden's Claim for any
4 reason or to object to other and further claims asserted by McFadden; and (b) to bring other legal
5 action against McFadden, including, without limitation, any avoidance actions under applicable
6 sections of the Bankruptcy Code or other applicable laws.

7 IT IS SO ORDERED.

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23 Date: May 16, 2013



24 _____
25 Robert Kwan
26 United States Bankruptcy Judge
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NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*): **ORDER SUSTAINING THE LIQUIDATING TRUSTS' MOTION FOR ORDER DISALLOWING PROOF OF CLAIM OF RUTH MCFADDEN** was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

1. **SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)** - Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of **May 15, 2013**, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below.

Service information continued on attached page

2. **SERVED BY THE COURT VIA UNITED STATES MAIL:** A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

Liquidating Trustee
Ronald F. Greenspan
FTI Consulting, Inc.
633 West 5th Street, Suite 1600
Los Angeles, CA 90071-2027

Service information continued on attached page

3. **TO BE SERVED BY THE LODGING PARTY:** Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

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Hollywood, FL 33021

Katie M. Rattray
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