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UNITED STATES BANKRUPTCY COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

IN RE CASHCALL, INC.,

Debtor.

Case No. 26-03102-JBM11

Chapter 11

JUDGMENT CREDITOR EDUARDO DE LA TORRE'S MOTION TO DISMISS

[Declaration of Arthur D. Levy in Support of this Opposition Filed Concurrently]

Date: October 28, 2026
Time: 10:00 a.m.
Courtroom 2, Room 118
Hon. J. Barrett Marum

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INTRODUCTION

CashCall, a defunct loan company with negligible assets facing liquidated liabilities to two judgment creditors in excess of $400 million, filed this Chapter 11 reorganizing bankruptcy in a brash attempt to wrest control of a $45 million fraudulent transfer claim against its founder and sole shareholder, John Paul Reddam, away from moving party Eduardo De La Torre, who had been litigating the claim for two years and succeeded in bringing the case to the verge of an imminent trial against Mr. Reddam.

CashCall has been fighting the two judgment creditors, holding 99% of the claims—the De La Torre Class and the CFPB—for nearly 20 years, strenuously denying any liability to them. After losing trials in both cases, CashCall appealed both judgments, without success.

By virtue of its Chapter 11, CashCall now seeks to switch roles from being the two creditors' diehard adversary to acting as their fiduciary, as a debtor in possession. The notion that the judgment creditors' bitter adversary could now act as their fiduciary is ludicrous. Under long-settled Ninth Circuit authority (*Marsch*), this case should be dismissed as a bad faith filing.

When CashCall filed its Chapter 11 petition, both CashCall and Mr. Reddam were fighting imminent collection actions in De La Torre's Orange County case under the California Uniform Voidable Transaction Act ("UVTA") challenging CashCall's $45 million payment to Mr. Reddam, and the CFPB case.

CashCall is judgment proof and has no collection exposure in either case. The opposite is true for Mr. Reddam, and that is what is driving this bankruptcy filing.

At the time of the Chapter 11 filing, the De La Torre UVTA case was scheduled for an imminent trial against Mr. Reddam. The court had just denied CashCall's and Mr. Reddam's summary judgment motion on July 10, ten days before this bankruptcy filing. A short time earlier, the CFPB had instructed Merchant's Bank of Indiana to turn over the assets Mr. Reddam pledged to secure payment of the CFPB's judgment pending CashCall's and Mr. Reddam's failed appeal. Mr. Reddam and CashCall both objected, prompting the Bank to file an interpleader

action on July 2.[1]

CashCall then immediately filed this Chapter 11 case and notices of stay in both the UVTA and bank interpleader cases. CashCall did so for the illegitimate and strategic purpose of protecting Mr. Reddam against the judgment creditors' imminent actions to collect the De La Torre Class and CFPB Judgments. The only one who benefits from this case is Mr. Reddam himself. He has already done so by getting the UVTA case stayed and delaying the imminent UVTA trial, and by injecting confusion into the bank's interpleader case.

Mr. Reddam authorized, approved, and funded CashCall's Chapter 11 filing, just as he has dominated CashCall during its entire 20-year existence. He founded CashCall and, at the time the petition was filed, was and had been its sole shareholder and CEO and, until five days earlier when he appointed Craig Jalbert, its sole director. As such, Mr. Reddam was the only person with the authority to engage Manatt Phelps, Ms. Gladstone, and Mr. Jalbert, and to approve the filing of this case. He funded $590,000 in pre-petition retainers paid to professionals. He is providing the DIP financing, which is offered to fund pursuit of the only significant "asset" in this case—the same $45 million fraudulent transfer claim against himself that the debtor in possession obtained by operation of the Bankruptcy Code when CashCall filed its Chapter 11 petition.

This case should be dismissed under section 1112(b). Mr. Reddam's personal motives are clear: to avoid having to pay the De La Torre Class judgment via the proceeds from the UVTA claim against Mr. Reddam and the CFPB judgment via its seizure of the assets posted to stay enforcement pending Mr. Reddam's failed appeal. He has no motive or interest in "maximizing the value" of CashCall's assets (the $45 million fraudulent transfer claim) or acting in the best interests of CashCall's creditors. There is no legitimate reorganizing purpose for CashCall, a long defunct subprime lender.

[1] *Merchants Bank of Indiana v. CFPB et al.*, U.S. District Court for the Central District of California, Case No. 2:26-cv-7259, filed July 2, 2026.

FACTUAL BACKGROUND

A. CashCall's Unlawful Subprime Lending Practices Led the Courts to Render Two Large Final Judgments Against It: The De La Torre Class Action Judgment and the Judgment in Favor of the CFPB

CashCall was a subprime lender of low-dollar installment loans at very high rates of interest. Levy Dec. ¶¶ 13, 14, 17 & Ex. 2 (pp. 2-6).

The De La Torre Class Action, filed in 2019 after an 11-year history of prior litigation in the federal court system, challenged the loans CashCall made to over 100,000 California borrowers as unconscionable and therefore unlawful. *Ibid.* After a 14-day trial, the trial judge so found and rendered Judgment, against CashCall (only), for $245 million. *Id*. ¶¶ 14, 15, 16 & Ex. 1. Applying the 10% post-judgment interest rate, the current amount of the Judgment exceeds $315 million. *Id*. ¶ 23.

The CFPB's case, filed in 2013, challenged CashCall's parallel lending program outside California, which attempted to evade state usury laws through arrangements with a tribal lender. *Consumer Fin. Prot. Bureau v. CashCall, Inc*., 2016 U.S. Dist. Lexis 130584 (C.D. Cal. Aug. 31, 2016, No. CV 15-7522-JFW (RAOx)) at *30-31 [the "CFPB 2016 Summary Judgment Order"], aff'd (as to grant of summary judgment in favor of the CFPB), *Consumer Fin. Prot. Bureau v. CashCall, Inc.* 35 F.4th 734 (9th Cir. 2022). The District Judge ruled that the tribal lending program was a subterfuge and that state lending and usury laws applied to the loans, rendering the loans illegal under state laws. CFPB 2016 Summary Judgment Order, at *30-31. The Court entered Judgment against both CashCall and Mr. Reddam jointly for civil penalties totaling $33,276,264 and restitution to borrowers totaling $134,058,600. *Consumer Fin. Prot. Bureau v. CashCall, Inc.*, 2023 U.S. Dist. Lexis 106276 (C.D. Cal. Feb. 10, 2023, No. CV 15-7522-JFW (RAOx), at *22.

Mr. Reddam obtained a stipulated stay of collection of the CFPB Judgment pending appeal by pledging assets and real estate. Levy Dec. ¶¶ 42, 43, 44 & Ex. 14, 15, 16. The current outstanding amount of the CFPB's Judgment is approximately $180 million, including interest, and is covered in full, or almost in full, by assets and real estate Mr. Reddam pledged to stay execution pending appeal. Levy Dec. ¶ 54. CashCall concedes that the pledged assets would

cover the entire CFPB Judgment. Dkt. 67 (10:6-9).

B. The CFPB Lawsuit Against CashCall Ground CashCall's Business to a Halt

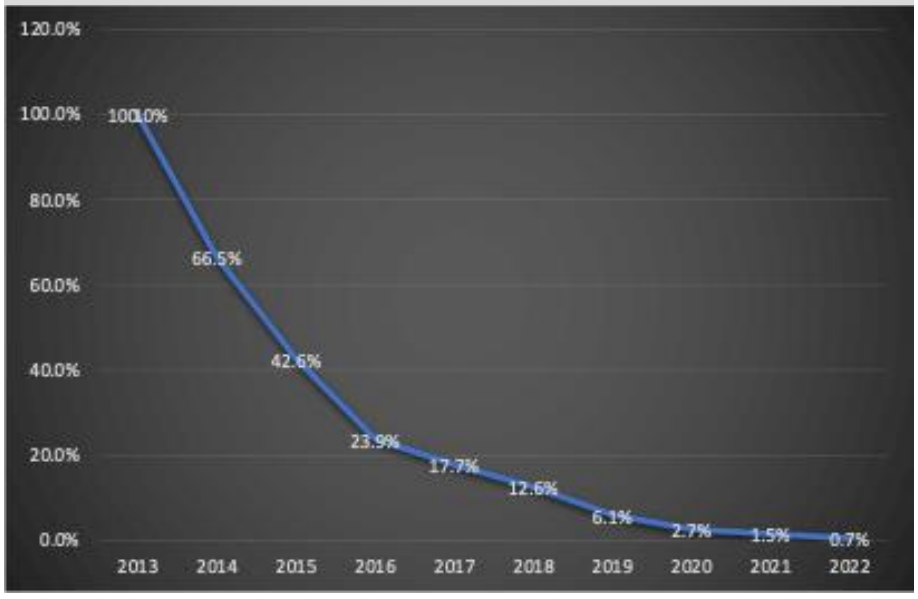
The filing of the CFPB District Court case in 2013 had immediate and drastic negative effects on CashCall's business. First, the case virtually ended CashCall's mortgage lending business, because Fannie Mae and Freddie Mac would no longer accept FHA mortgages from CashCall. Levy Dec. ¶ 39 & Ex. 11 (¶¶ 61, 62). Second, CashCall became a pariah to most outside financers. Levy Dec. ¶ 36 & Ex. 9 (27:23-28:4; 47:16-48:2).

State regulatory actions against CashCall's non-California loans brought its tribal lending program to an end in September 2013. Levy Dec. 39 & Ex. 11 (¶ 64).

In 2019, the California Legislature imposed an interest rate ceiling of 36% plus the federal funds rate on loans under $10,000 made under the California Financing Law, as CashCall's were. Cal. Fin. Code § 22304.5(a); Dkt. 3 (¶ 12). This prevented CashCall from making loans in California at the high interest rates it charges. Dkt. 3 (¶¶ 7, 8); Ex. 9 (46:11-47:2).

These developments led to a catastrophic decline in CashCall's income. The following table shows the trajectory of CashCall's income relative to a base year of 2013 (100%):

Decline in CashCall's Income 2013-22 Relative to 2013 Baseline



Levy Dec. ¶ 38.

C. Mr. Reddam Had a Long History of Providing Unsecured Funding to CashCall and Continued to Do So Until At Least 2021

During those years and even before, including through the Great Recession, Mr. Reddam had financed CashCall by making large unsecured loans through related entities and converting $20 million in loans to equity. Levy Dec. ¶ 40 & Ex. 12 (¶¶ 32, 33). These loans totaled nearly $120 million between 2003 and 2014. *Ibid*.

Even as late as 2019, Mr. Reddam's wholly-owned Owning Corporation, which changed its name to Absolutely Zero, loaned CashCall $20 million to keep it afloat while CashCall's legal malpractice lawsuit was ongoing against the law firm that had advised it in connection with the tribal lending program. Levy Dec. ¶ 37 & Ex. 10 (94:2-96:11).

Mr. Reddam's past readiness to fund CashCall with $120 million without any security contrasts with the stringent security he required to extend $4.0 million in DIP financing through Absolutely Zero, indicating his lack of expectation or confidence in CashCall ever being rehabilitated.

D. CashCall Received a Large Settlement Payment from the Malpractice Lawsuit, and Transferred $45 Million of those Funds to Mr. Reddam, Five Days Before Closing Arguments in the De La Torre Class Action Lawsuit

The only bright spot for CashCall was its settlement of the malpractice lawsuit in August 2021. Levy Dec. ¶ 30 & Ex. 4 (4:5-11). The settling law firm paid most of the settlement to CashCall in September 2021. *Id*. ¶ 31 & Ex. 5 (¶ 6). Evidence in the De La Torre Class Action trial had closed four months earlier. Levy Dec. ¶¶ 15, 26. On October 26, 2021—six weeks after receiving the malpractice settlement funds—CashCall paid $45 million to Mr. Reddam, after closing and reply briefs had been filed in the Class Action and five days before the closing arguments on November 1, 2021. Levy Dec. ¶¶ 15, 26, 37 & Ex. 10 (130:6-17; 131:1-25).

E. CashCall Only Filed Chapter 11 Once Mr. Reddam Himself Faced Imminent Collection Exposure

Between then and now, the only significant collection actions have been De La Torre's

August 2024 UVTA case against CashCall and Mr. Reddam, and the CFPB's recent action to collect its judgment from Mr. Reddam directly out of his pledged assets and real estate.

Even after the District Court entered its $157 million judgment against CashCall and Mr. Reddam in February 2023 and the San Mateo Superior Court entered Judgment against CashCall for $245 million in November 2023, CashCall did not file a bankruptcy case. At his deposition two years later in November 2025 in the UVTA case, Mr. Reddam testified that CashCall had never even considered filing bankruptcy. Levy Dec. ¶ 36 & Ex. 9 (31:21-32:10).

Mr. Reddam's longstanding frame of mind opposed to any bankruptcy filing for CashCall changed dramatically during the during the second quarter of 2026:

> In the second quarter of 2026, the Debtor recognized that it could no longer continue in its present form and sought assistance from outside advisors. In recognition of its dire financial condition, the Debtor engaged restructuring professionals from Manatt, Phelps & Phillips, LLP as counsel and Dundon Advisers, LLC as financial advisors. *In light of the developments described above,* the Debtor and its advisors have determined that it has no alternative but to commence this chapter 11 case, and that these proceedings are the best option to provide benefit to the Debtor's creditors.

Dkt. 3 (¶ 33), emphasis added; Dkt. 4 (¶ 4); Dkt. 6 (¶ 5).

As Mr. Reddam testified, during the second quarter both Mr. De La Torre and the CFPB were taking direct action against Reddam himself, and both were coming to a head. Dkt. 3 (¶¶ 28, 32).[2]

- The U.S. Supreme Court had denied Mr. Reddam's and CashCall's Petition for Certiorari on March 2, 2026. On June 11, 2026, the CFPB wrote to the bank holding Mr. Reddam's pledged assets, demanding that they be turned over to the CFPB. Levy Dec. ¶ 49 & Ex. 21.

- On May 11, 2026, the Orange County Court heard CashCall's and Mr. Reddam's summary judgment motion in the UVTA case. Levy Dec. ¶ 33. After taking the motion under submission, the Court denied the motion on July 10, 2026, exposing Mr. Reddam to a trial in

[2] Ms. Gladstone testified at the August 28 Meeting of Creditors that the events recognized in the second quarter of 2026 so that the debtor could not any longer continue in its current form included "litigation," the expenses of continuing litigation, and license issues as a result of the litigation. Mr. Carroll clarified that the "litigation" was "your [De La Torre's] litigation; it's the CFPB litigation."

October 2026. Id. ¶¶ 33, 35.

These developments did not expose the *Debtor*, CashCall, to any adverse financial consequences:

- CashCall was insolvent and its only pre-filing material asset was a $1.5 million loan portfolio loan. Dkt. 6 (¶ 9).
- Mr. Reddam had pledged assets and real estate covering all of the CFPB's Judgment against CashCall. Levy Dec. ¶¶ 42, 43, 44 & Ex. 14, 15, 16; Dkt. 67 (10:6-11).
- The UVTA case sought a Judgment against Mr. Reddam as transferee of the $45 million, not against CashCall as the transferor. Levy Dec. ¶¶ 25, 26 & Ex. 3.

The following is a tabular chronology of the events leading up to the July 20, 2026 Chapter 11 petition filed by Cash Call:

Date	Event	Evidence
May 11, 2026	Summary Judgment argument held in the UVTA Case	Levy Dec. ¶ 33
May 15, 2026	Mr. Reddam purchases loans from CashCall for $845,357.81	Dkt. 88 (p. 31)
June 10, 2026	Mr. Reddam purchases loans from CashCall for $273.856.67	Dkt. 88 (p. 31)
June 10, 2026	California Supreme Court denies CashCall's Petition for Review in De La Torre Class Action	Levy Dec. ¶ 12
June 11, 2026	CashCall pays Manatt Phelps $250,000 retainer	Dkt. 88 (p. 30)
June 11, 2026	CFPB demands turnover of pledged assets from Merchants Bank	Levy Dec. ¶49 & Ex. 21
June 11, 2026	CashCall and Mr. Reddam oppose turnover of pledged assets	Levy Dec. ¶ 50 & Ex. 22
June 16, 2026	Mr. Reddam purchases loans from CashCall for $62,292.38	Dkt. 88 (p. 31)
June 25, 2026	CashCall and Mr. Reddam file Motion for Relief from Judgment in CFPB Case	Levy Dec. ¶ 46 & Ex. 18
June 30, 2026	Date of Manatt Phelps Retention Letter	Dkt. 42-4 (pp. 2-9)

Date	Event	Evidence
July 2, 2026	Merchants Bank files Interpleader Action	Levy Dec. ¶ 48 & Ex. 20
July 10, 2026	Orange County Superior Court denies CashCall's and Reddam's Motion for Summary Judgment in the De La Torre UVTA Case	Levy Dec. ¶ 33 & Ex. 8
July 15, 2026	Mr. Reddam appoints Craig Jalbert as Independent Director	Dkt. 28-2
July 15, 2026	CashCall General Counsel Dan Baren countersigns Manatt retention letter	Dkt. 42-4 (p. 9)
July 20, 2026	CashCall pays $345,000 in retainers to professionals	Dkt. 88 (pp. 29-30)
July 20, 2026	CashCall General Counsel Dan Baren countersigns Gladstone retention letter	Dkt. 43-3 (pp. 2-6)
July 20, 2026	Chapter 11 Petition filed	Dkt. 1.

Thus, Mr. Reddam infused $1.18 million into CashCall to purchase loans within two months of the bankruptcy filing. His cash infusions enabled CashCall to pay the $250,000 bankruptcy retainer to Manatt Phelps on June 11, 2026, the day after the California Supreme Court denied CashCall's Petition for Review in De La Torre Class Action, and the same day the CFPB demanded turnover from Merchants Bank of Mr. Reddam's pledged assets. Dkt. 88 (p. 31, 32).

ARGUMENT

A. It is Well-Settled in the Ninth Circuit that the Court May Dismiss a Bankruptcy Case that Was Not Filed for a Legitimate Bankruptcy Objective

Under well settled Ninth Circuit law, the Court may dismiss a bankruptcy case for cause under section 1112(b) if the Court finds that the petition does not serve a legitimate purpose under the Bankruptcy Code or because it was not filed in the best interests of creditors. *Marsch v. Marsch*, 36 F.3d 825, 827 (9th Cir. 1994).

> While this is often referred to as the "bad faith" basis for dismissal, the debtor's subjective bad faith need not be established. Instead, the determinative consideration is whether the case has been filed for a tactical reason unrelated to reorganization.

> The term "good faith" is somewhat misleading. Though it suggests that the debtor's subjective intent is determinative, this is not the case. Instead, the "good faith" filing requirement encompasses several, distinct equitable limitations that the Courts have implied such limitations to deter filings that seek to achieve objectives outside the legitimate scope of the bankruptcy laws. Pursuant to *11 U.S.C. § 1112(b),* courts have dismissed cases filed for a variety of tactical reasons unrelated to reorganization. While the case law refers to these dismissals as dismissals for "bad faith" filing, it is probably more accurate in light of the precise language of *section 1112(b)* to call them dismissals "for cause."

In re Marsch, 36 F.3d at 828; *Marshall v. Marshall*, 721 F.3d 1032, 1047 (9th Cir. 2013).

In *Marsch*, the Ninth Circuit affirmed a dismissal where the debtor's Chapter 11 petition was filed solely to delay collection of a judgment. Reorganization would not have helped the debtor because she had the financial means to pay the judgment and had no ongoing business concern. *In Re Marsch*, 36 F.3d at 828.

The case law has since developed some guiding factors for applying this ground for dismissal. The courts do not accept the debtor's bald assertions of proper purpose at face value. Instead, in *St. Paul Self Storage Ltd. Partnership v. Port Authority*, 185 B.R. 580 (9th Cir. B.A.P. 1995), the Ninth Circuit BAP held that "courts weigh a variety of circumstantial factors," including whether:

> (1) the debtor has only one asset;
> (2) the debtor has an ongoing business to reorganize;
> (3) there are any unsecured creditors;
> (4) the debtor has any cash flow or sources of income to sustain a plan of reorganization or to make adequate protection payments; and
> (5) the case is essentially a two party dispute capable of prompt adjudication in state court.

Id. at 582-83; see also *Sunshine Group, LLC v. City of Dana Point*, 2020 Bankr. LEXIS 1000, *18-19, 2020 WL 1846940 (9th Cir. B.A.P. 2020); *Fesko v. Fesko*, 2020 Bankr. LEXIS 1540, *10 fn. 4 (9th Cir. B.A.P. 2020).

> Generally speaking, when factors such as these indicate that a debtor is unreasonably deterring or harassing creditors rather than attempting a speedy and feasible reorganization, the court may conclude that the petition has been filed in bad faith, and dismiss it.

St. Paul Self-Storage, 185 B.R. at 583, citing *In re Marsch*, 36 F.3d at 828.

In *St. Paul Self Storage*, the BAP affirmed dismissal where the debtor filed his Chapter 11 case to avoid an impending trial date in state court on the moving party's claim for $334,000. 185

B.R. at 582. The moving party's claim represented 48% of the total unsecured claims. The Debtor had no significant assets and no ongoing business operations. Except for the impending state court case, there was no litigation pending between the debtor and any other creditor. The BAP affirmed the bankruptcy court's decision that the Chapter 11 was a litigation tactic and not a legitimate reorganization case:

> The bankruptcy court found that debtor's purpose in filing its petition was not to effectuate a reorganization of its business, but was a litigation tactic. Debtor has conducted no business since it surrendered the facility in 1991. Moreover, its only significant asset is a claim against Appellee which was set to be tried in state court soon after the bankruptcy petition was filed. Debtor's lack of creditors, other than insiders and its own professionals, further indicated to the bankruptcy court that protection under the Bankruptcy Code was not necessary to a serious and legitimate reorganization. Finally, the bankruptcy court found that Debtor's bankruptcy case was an improper attempt to gain a more convenient forum for its litigation against Appellee. [¶] These findings establish cause for dismissal under section 1112(b).

Id. at 583.

As here, the debtor in *St. Paul Self Storage* filed Chapter 11 to seek the unneeded refuge of the Bankruptcy Court, to delay the day of reckoning in state court litigation:

> Debtor has been involved in litigation with Appellee since 1991. Most of its claims have been lost through summary judgment. Shortly before trial, Debtor filed a chapter 11 petition. The timing of the petition and the unsuccessful progress of the Minnesota litigation strongly suggests Debtor's intent to use the bankruptcy code as a means to escape to a forum which it perceived to be more friendly.

Ibid.

> The filing of the bankruptcy petition has delayed, not hastened, completion of the litigation. This tactic belies the stated intention of Debtor's proposed plan to promptly pursue its claims against Appellee for the benefit of its creditors. Debtor was poised to do just this in state court yet sought the unneeded refuge of the bankruptcy court. The circumstances support Appellee's contention on appeal that the sole purpose of the bankruptcy was to delay the day of reckoning on Appellee's counterclaim against Debtor and its general partner, Mr. McClue.

Ibid.

> This case is a classic example of a bankruptcy petition being filed, not to reorganize, but to remove a two party dispute to bankruptcy court to delay and frustrate a creditor.

Id. at 584.

Similarly, in *Sunshine Group*, the bankruptcy court found that the debtor's chapter 11 was a litigation tactic and not a legitimate attempt at reorganization. The debtor filed its Chapter 11

case to avoid paying for a court-ordered remediation plan in favor of the City. 2020 Bankr. Lexis at *9-10. The Debtor had no ongoing business and only one asset, the unremediated real estate. The bankruptcy court applied the *St. Paul* factors:

> Specifically, the court found that the Property was Debtor's only valuable asset, the Debtor was not operating and had no revenues to reorganize debt, and all unsecured creditors arose from the two party dispute in state court.

Id. at *13.

The BAP affirmed. *Id*. at *20-23. Debtor's purpose in filing the bankruptcy case was to protect its assets necessary to complete the remediation plan, which was an illegitimate use of Chapter 11:

> Debtor offers no credible argument why asking the bankruptcy court to make that decision [whether the receivership for the remediation plan should be terminated] instead of the state court is not forum shopping or an abuse of the Bankruptcy Code. [¶] The dispute over the future restoration of the Property is entirely capable of prompt resolution in state court because this is not truly a financial reorganization.

Id. at *21-22.

To the same effect, the BAP affirmed the bankruptcy court's finding in *Fesko*, that "the case was essentially a two-party dispute between Debtor and John which could readily be resolved in pending state court proceedings." *Fesko*, 2020 Bankr. LEXIS at *10. Regarding the potential for reorganization, the bankruptcy court found:

> Based on the large size of the judgment and an approximately $3.3 million debt owed to the IRS, the court concluded that Debtor had little hope of proposing a feasible plan based on his scheduled net income of $500 per month. The court noted that Debtor was attempting to obtain a release of the funds in the possession of the Laughlin Constable's Office, not to pay creditors, but to pay attorneys to pursue further state court litigation against John.

Ibid.

However, no specific factor need be present and none is determinative. The bankruptcy court may consider any factor that demonstrates an abuse of the bankruptcy process and the purpose of the reorganization. *Marshall*, 721 F.3d at 1048. A finding of bad faith is made on a case-by-case basis; there is no list of factors which must be present to make the finding, and the weight given to any particular factor depends on the circumstances of the case. *Ibid*.

B. Debtor Cannot Meet its Burden of Proving That its Chapter 11 Case Was Filed in Good Faith

Once a debtor's good faith is placed in issue, the debtor bears the burden of proving the petition was filed in good faith. *Marshall*, 721 F.3d at 1048; *Leavitt v. Soto*, 209 B.R. 935, 940 (B.A.P. 9th Cir. 1997).

Here, just as in *St. Paul Storage*, the Debtor cannot meet that burden. "The timing of the petition and the [impending UVTA and CFPB] litigation strongly suggests Debtor's intent to use the bankruptcy code as a means to escape to a forum which it perceived to be more friendly." *St. Paul*, 185 B.R. at 583.

1. The Debtor in Possession's Only Significant Asset is the Focal Point of Its Chapter 11 Case—The Fraudulent Transfer Claim Against Mr. Reddam

The only "asset" of value is the fraudulent transfer claim against Mr. Reddam. This is not properly an asset, only a power of the debtor in possession obtained by filing this case. Even if viewed as an asset, it is the only significant one in this bankruptcy.

According to the Dundon Declaration submitted in support of CashCall's First Day Motions, other than the debtor in possession's fraudulent transfer claim, CashCall has only one "material asset," a $1.5 million loan portfolio. Dkt. 4 (¶ 9). CashCall has cash of only $150,000. Dkt. 88 (p. 13). Other than a modest amount of cash, no other assets were identified. *Id*. (pp. 13-17). The $3 million receivable from Absolutely Zero Ms. Gladstone testified to at the Meeting of Creditors is not separately disclosed on the Schedules. Levy Dec. ¶ 53. Mr. Dundon presumably considered it and did not consider it material.

CashCall faces unsecured claims totaling over $404 million. Dkt. 88 (pp.. 19-20). Taking all of the reported assets at their face or reported value ($4.55 million), they amount to only 1% of the unsecured creditor claims. In the context of this bankruptcy, CashCall has no significant assets at all other than the fraudulent transfer claim.

2. The Debtor In Possession Has No Ongoing Business to Reorganize

CashCall is a defunct company. It has been on a precipitous downward slide for more than ten years. See pp. 3-5, above. It had already stopped lending five years ago and has only made a "small number of loans" in the last two years, 21 in March 2026. Ex. 3 (¶ 12). It is now

out of business and has no employees. *Id*. ¶¶ 12, 13. It has no reported business prospects; its loan models are no longer viable. *Id*. (¶ 12). Its operating income year to date is less than $200,000. Dkt. 5 (p. 24). It has moved out of its headquarters and has no office other than Ms. Gladstone's La Jolla law office. Dkt. 1. It couldn't muster an independent lender to invest in its Chapter 11 future. Dkt. 5 (¶ 9).

Mr. Reddam has no confidence in restructuring CashCall. He has a long history of making large unsecured loans to CashCall, even in troubled times. Levy Dec. ¶ 40 & Ex. 12 (¶¶ 32-24). Now, he is unwilling to put any further capital at risk to restructure CashCall. He is not offering, as he historically has, to lend unsecured money to restructure CashCall. Instead, he is insisting on being paid back out of a settlement of the fraudulent transfer case against him, shifting the cost of settlement and case administration onto CashCall's creditors.

3. The De La Torre Class is the CashCall's Only Significant Unsecured Creditor

CashCall lists the following as its unsecured creditors in its Schedules (Dkt. 88 (pp. 19-20):

Unsecured Creditors	Amount listed	Basis	Percent of Total
Batavia Glen	$6,655.00	Storage unit fees	0.00%
Black Knight Technologies	$300.00	IT services	0.00%
CFPB	$157,050,978.00	Judgment	38.63%
De La Torre Class	$245,515,389.00	Judgment	60.38%
Experian	$367.09	Credit reporting services	0.00%
Ralis Services	$401,372.73	Insider--administrative support services	0.10%
LexisNexis	$2,279.23	Online research services	0.00%
Skadden LLP	$3,610,756.33	Unpaid legal fees	0.89%
TransUnion	$105.00	Credit reporting services	0.00%
Total	$406,588,202.38		100.00%

If the CFPB is eliminated based on its recovery from Reddam's pledged assets and real estate, the De La Torre Class percentage of claims rises to over 98%. The CFPB does not need to recover anything out of the fraudulent transfer claim. Unlike the *De la Torre* Class, it already has

direct recourse against Reddam's assets.

Skadden defended CashCall and Mr. Reddam jointly in the CFPB case. Levy Dec. ¶ 45 & Ex. 17. Skadden, like the CFPB, has direct claims against Mr. Reddam; it need not pursue CashCall, or even Mr. Reddam on a fraudulent transfer claim. If its claim is eliminated the De La Torre Class claim accounts for 99.8% of the unsecured creditor claims, excluding post-judgment interest.

This leaves Ralis Services as the only creditor with a non-de minimis claim, still less than one-tenth of 1% of the claims. Ralis Services is an insider—wholly owned by Mr. Reddam. Levy Dec. ¶¶ 36, 37 & Ex. 9 (73:7-74:3; 76:6-77:13), Ex. 10 (14:7-17, 15:24-16:15). CashCall paid Ralis $1.4 million within one year of filing. Dkt. 8 (pp. 37, 38). CashCall could have paid Ralis in full; it simply chose not to.

4. The Debtor In Possession Has No Cash Flow or Sources of Income to Sustain A Plan Of Reorganization.

Clearly, CashCall has virtually no operating cashflow. Dkt. 75 (p. 2).

5. This Case Is Essentially a Two-Party Dispute Capable of Prompt Adjudication In State Court.

As has already been made clear, this case is a two-party dispute between Reddam and the De La Torre Class:

- The CFPB has direct claims against Mr. Reddam and its Judgment against CashCall will be satisfied by Mr. Reddam's pledged assets and real estate.
- Skadden also has a direct claim against Mr. Reddam, and has apparently taken no action in over four years to pursue it.
- Ralis will not pursue CashCall because Mr. Reddam owns both companies and has a minuscule claim relative to the total debt and assets.
- CashCall has no remaining civil procedural options vis-à-vis the *De La Torre* Class to avoid the De La Torre Class Judgment or trial in the UVTA case.
- Mr. Reddam is imminently exposed to collection in the UVTA case.

C. CashCall Alignments With Mr. Reddam Against the Best Interests of Creditors Prove this Case Was Improperly Filed to Serve Mr. Reddam's Interests, Not the Best Interests of Creditors

CashCall's past and continuing alignments with Mr. Reddam in promoting his interests at the expense of creditors are additional and confirmatory evidence to the *St. Paul* factors showing that CashCall filed this bankruptcy to benefit and protect Mr. Reddam, not creditors.

As debtor in possession, CashCall acts as trustee for the benefit of creditors and is subject to all the duties of a Chapter 11 trustee. 11 U.S.C. § 1107(a). CashCall is the representative of the debtor's estate and owes creditors a fiduciary duty to act in their best interests. 11 U.S.C. 323(a); *In re Woodson* 839 F.2d 610, 614 (9th Cir. 1988).

CashCall's alignments with Mr. Reddam against the best interests of creditors prove Mr. Reddam's control over this bankruptcy and that he filed it to serve his own interests, in violation of CashCall's fiduciary duties to creditors. A "bad faith" filing is one where "the case has been *filed* for a tactical reason unrelated to reorganization." *Marsch*, 36 F.3d at 827, emphasis added. The Ninth Circuit intended "to deter *filings* that seek to achieve objectives outside the legitimate scope of the bankruptcy laws." *Ibid.*, emphasis added.

Mr. Reddam unquestionably controlled the filing. He founded CashCall and, at the time the petition was filed, was and had been its sole shareholder and CEO and, until five days earlier when he appointed Craig Jalbert, its sole director. Dkt. 3 (¶¶ 2, 3, 33); Levy Dec. ¶ 26 & Ex. 9 (10:12-11"6; 11:24-12:13). As such, he was the only person with the authority to authorize engaging Manatt Phelps, Ms. Gladstone, and Mr. Jalbert, and to approve the filing of this case. He funded $590,000 in pre-petition retainers paid to professionals. Dkt. 88 (p. 31). He is providing the DIP financing, which is offered to fund pursuit of the only significant "asset" in this case—the $45 million fraudulent transfer claim against himself that the debtor in possession obtained only by filing under Chapter 11.

1. CashCall's Sudden Reversal From Aligning with Mr. Reddam in Jointly Opposing De La Torre's UVTA Case to Seeking to Prosecute It Against Him as Debtor in Possession Proves that this Case Was Filed to Serve Mr. Reddam's Interests, Not Creditors'

CashCall centers its Chapter 11 around the $45 million fraudulent transfer case against Mr. Reddam. Dkt. 6 (¶¶ 6, 9); Dkt. 4 (¶ 9). By filing this case, CashCall became debtor in possession with power to pursue the $45 million fraudulent transfer claim that De La Torre had been actively litigating for two years before this case was filed. 11 U.S.C. §544(b).

For the last two years, CashCall has made common cause with Mr. Reddam in mounting a joint defense against De La Torre's UVTA litigation, culminating in their joint summary judgment motion, stating that the case is entirely without merit. *Id*. ¶¶ 29-31 & Ex. 4, 5, 7. For CashCall now to switch sides, assume the role of Debtor in Possession, and seek to pursue Mr. Reddam on De La Torre's fraudulent transfer claim is a complete reversal of the judicial positions that CashCall, Mr. Reddam, and Manatt Phelps have been taking in the Orange County Superior Court for the past two years.

The summary judgment motion Manatt Phelps filed in De La Torre's UVTA case on behalf of CashCall and Mr. Reddam on November 3, 2025—filed just 8-1/2 months before this case and denied just 10 days before this filing—unequivocally establishes this. Levy Dec. ¶¶ 29-31 & Ex. 4, 5, 7. They asserted that

> there is no triable issue as to any material fact and … Defendants are entitled to judgment as a matter of law. The sole transfer at issue in the Complaint cannot be voided under the UVTA because CashCall, the transferor, did not intend to hinder, delay, or defraud Plaintiff by making the transfer and there is no factual basis to impute fraud to CashCall.

Levy Dec. ¶ 29 & Ex. 4 at 2:9-13.

During the five depositions De La Torre took in the UVTA case, Manatt Phelps defended Mr. Reddam, and the key witness in the case, CashCall CFO Delbert Meeks, as well as two other CashCall witnesses. *Id*. ¶ 29. Manatt Phelps prepared declarations in support of summary judgment for Mr. Reddam, Mr. Meeks, and CashCall witness Elizabeth Emrick. *Ibid*.

CashCall and Manatt Phelps therefore have already gone on record saying the fraudulent

transfer claim against Mr. Reddam is meritless. They have already counseled key witnesses for the fraudulent transfer case, prepared them for deposition, and crystallized their testimony in declarations opposing the UVTA claim. They are privy to confidential communications with Meeks, Reddam, and Emrick about the $45 million distribution. Levy Dec. ¶¶ 36, 37 & Ex. 9 (55:7-57:22), Ex. 10 (76:16-79:18).

De La Torre opposed their summary judgment motion. Levy Dec. ¶ 32 & Ex. 6. In denying their summary judgment motion, the court ruled that there are triable issues of fact as to CashCall's intent and whether it was insolvent at the time of the distribution—both issues CashCall attempted to negate as a matter of law in its summary judgment motion. *Id.* ¶ 33 & Ex. 8; ¶ 31 & Ex. 5 (¶¶ 10, 13); Ex. 7 (¶¶ 25, 26, 27).

Manatt and CashCall have now suddenly and diametrically reversed position from their joint denial that Mr. Reddam's has any fraudulent transfer liability to proposing to pursue the same fraudulent transfer claim *against* Mr. Reddam. By now aligning with Mr. Reddam's self-interest in preventing De La Torre from pursuing his UVTA case and by using Chapter 11 to substitute Mr. Reddam's own captive company, CashCall itself, as the new fraudulent transfer plaintiff, CashCall is serving and promoting Mr. Reddam's interests, not the interests of creditors.

CashCall's past support of Mr. Reddam on the fraudulent transfer claim is an interest adverse to the estate and the best interests of creditors. *Dye v. Brown (In re AFI Holding, Inc.)*, 355 B.R. 139, 149 (B.A.P. 9th Cir. 2006). By aligning with Mr. Reddam against the UVTA case, CashCall's has *already* prejudiced the debtor in possession in any attempt to pursue or settle the fraudulent transfer claim in the best interests of creditors. Very simply, how could the transfer be fraudulent when the plaintiff has already said it wasn't?

Any settlement by the debtor in possession would reflect a discount for the adverse deposition testimony that Manatt Phelps and CashCall prepared, their summary judgment filings in the UVTA case, the adverse declarations they prepared in their unsuccessful motion to show the claim is without merit, and statute of limitations defenses available to Mr. Reddam due to CashCall's two-year common cause with Mr. Reddam and attendant failure to have timely filed

any fraudulent transfer case against him.[3]

CashCall's historic common cause with Mr. Reddam in opposing his fraudulent transfer liability is therefore an interest adverse to the estate and the interests of creditors. An "adverse interest" is the

> (1) possession or *assertion* of an economic interest that would tend to lessen the value of the bankruptcy estate; or
>
> (2) possession or *assertion* of an economic interest that would create either an actual or potential dispute in which the estate is a rival claimant; or
>
> (3) possession of *a predisposition under circumstances that create a bias against the estate*.

Dye, 355 B.R. at 149, emphasis added.

In *Dye*, the Chapter 11 trustee had previously represented both an insider of the debtor and an investor in one of debtor's entities as an attorney. The bankruptcy court held that Dye's pre-petition representation disqualified her as trustee and warranted her removal:

> Whether or not, ultimately we'll never know, the estate would have had any claims against Meister and against Eriksen or - in the form of a claim to undue [sic] or attack the agreement and the release as in and of itself an avoidable transfer or to pursue claims against Meister for his role in the conduct of business by the AFI entities, *the fiduciary of the bankruptcy estate who has to make business decisions about whether [or] not to pursue those claims and - investigate those claims should be completely free of any possible influence with regard to making decisions against parties that she represented as counsel pre-petition, and that was not the case here.* Both clients had a direct interest in the debtor and this indeed created a material conflict of interest for Dye.

Id. at 146, emphasis added. The Bankruptcy Appellate Panel affirmed:

> A trustee/fiduciary must be free from any hint of bias. All of this evidence fits within the parameters of a materially adverse interest based on either an appearance of impropriety or a potential conflict of interest. Either is a viable cause for removal.

Id. at 153-154, emphasis in original.[4]

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[3] CashCall's distribution to Mr. Reddam occurred in October 2021, nearly five years ago. 11 U.S.C. § 548(a) (applying two-year statute of limitations); § 544(b) (incorporating UVTA 4-year statute of limitations, Cal. Civ. Code § 3439.09).

[4] *See also In re Vanderbilt Minerals, LLC*, 678 B.R. 461, 470 (Bankr. N.D.N.Y. 2026) (denying retention of debtor's counsel based on the law firm's prior representation of the debtor's affiliates; "The timeline demonstrates Jones Day was actively representing the Debtor's affiliates while exploring and recommending legal strategies and actions that may have negatively impact[ed] this estate, including, and perhaps not limited to, setoffs and potential asset transfers. The Court should not have to assess the merits and propriety of those transactions to find Jones

Here, likewise, CashCall is acting as trustee, standing in a fiduciary relationship to creditors. Its investigation and pursuit of the fraudulent transfer claim "should be completely free of any possible influence with regard to making decisions against [Mr. Reddam],""free from any hint of bias [in favor of Mr. Reddam]," and "any appearance of impropriety or conflict of interest."

In *Official Comm. of Unsecured Creditors v. Clark (In re Nat'l Forge Co.)*, 304 B.R. 214, 222 (Bankr. W. D. Pa. 2004), the court held that the debtor in possession's conflicts of interest disqualified it from pursuing a fraudulent conveyance claim against insiders:

> Debtors' management has a conflict of interest in pursuing the fraudulent conveyance action. Key Employees received a benefit from the Redemption Transaction and are named as the Individual Defendants to the Complaint. The Creditors' Committee is the only appropriate party to pursue the cause of action.

Id. at. 222; see also *In re SunCruz Casinos, LLC*, 298 B.R. 821, 830 (Bankr. S.D. Fla. 2003) ("The enumerated conflicts of interest suffered by the Boulis Estate interfere with its ability to carry out the fiduciary obligations of a debtor in possession").

In sum, CashCall disregards its conflicts and its turnabout from its UVTA defense to now proposing to prosecute Mr. Reddam. This bespeaks bad faith. It does not reflect a sudden change of heart toward Mr. De La Torre's UVTA case. It instead reflects a sudden change in Mr. Reddam's strategy to avoid a state court trial.

2. CashCall Alignment With Mr. Reddam Against the Best Interests of Creditors in Opposing the CFPB's Collection from Reddam's Pledged Assets and Real Estate Proves that this Case Was Filed to Serve Mr. Reddam's Interests, Not Creditors'

Similarly, CashCall has promoted and continues to promote Mr. Reddam's interests in avoiding having to pay the CFPB Judgment, against the best interests of creditors. This likewise

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Day without conflict."); *In re Black & White Stripes, LLC*, 623 B.R. 34, 52 (Bankr. S.D.N.Y. 2020)(same; "And it is particularly concerning where these potential [fraudulent transfer] claims would be against the Cushner Firm's former clients in the State Court Action, which raised substantially the same issues. However brief the Cushner Firm's role in the State Court Action, that representation undermines the Firm's ability to perform as faithful bankruptcy counsel to B&W and Eastern in their chapter 11 cases. Accordingly, the Retention Application must be denied.")

proves CashCall filed this case to protect Mr. Reddam, not to benefit creditors.

The CFPB reported to the Court on August 28 that its claim now totals $180 million and would be substantially satisfied in full from Mr. Reddam's pledged assets and real estate. Levy Dec. ¶ 54. CashCall agrees that if the CFPB "prevails in the Rule 60 and interpleader proceedings pending in other courts, it will recover payment in full" from Reddam's assets. Dkt. 67 (10:6-9). "Far from this case delaying the CFPB, it appears the CFPB is in a better position than every other creditor." *Id*. (10:10-11.)

On September 11, 2026, the District Court denied the joint Rule 60(b) motion made by CashCall and Mr. Reddam, stating "Rather than demonstrating extraordinary circumstances, the Court concludes that CashCall's Motion is simply *an ill-conceived tactic designed to continue to delay the CFPB's enforcement of the Amended Judgment*." Levy Dec. ¶ 55 & Ex. 25 (p. 3), emphasis added.

It is therefore in the best interests of creditors for the CFPB to recover its Judgment by collecting from Reddam's pledged assets and real estate. That would reduce creditor claims by $180 million.

But against the interests of the estate and creditors, CashCall joined Mr. Reddam in opposing the CFPB's collection from pledged assets from the Merchants Bank of Indiana. Levy Dec. ¶¶ 49, 50 & Ex. 21, 22. CashCall has filed a notice of automatic stay in the bank's interpleader case. *Id*. ¶¶ 51, 51 & Ex. 23, 24.

CashCall and Mr. Reddam are also jointly represented by same the law firm on their Rule 60(b) motion seeking relief from the CFPB's Judgment and in the bank's interpleader case, Breinert Katzman Littrell Williams. Levy Dec. ¶ 46 & Ex. 18.

CashCall's schedules do not disclose any representation or payments to Breinert Katzman, even though the firm filed CashCall's and Mr. Reddam's joint Rule 60(b) motion on June 25. Dkt. 88. Nor is there any disclosure or report of CashCall's representation by Y. David Scharf, who has also represented CashCall and Mr. Reddam jointly in discussions with the CFPB early this year. Levy Dec. ¶ 47 & Ex. 19 (¶ 16).

In the absence of any disclosure or report of payment, it appears that Mr. Reddam is

paying for CashCall's representation vis-à-vis the CFPB, including on their 60(b) motion and in the interpleader.

CashCall's General Counsel, Dan Baren, jointly represented CashCall and Mr. Reddam in discussions with the CFPB. Levy Dec. ¶ 47 & Ex. 19 (¶¶ 7-9). On June 25, 2026, he submitted a declaration in support of CashCall's and Reddam's Rule 60(b) motion. *Ibid.*

Mr. Baren has a long history serving as an attorney and in other roles for Mr. Reddam and his companies, going back 30 years. Levy Dec. ¶ 41 & Ex. 13 (¶¶ 4 *et seq.*); Ex. 11 (¶¶ 29, 30). Mr. Baren's strong personal bias in favor of Mr. Reddam is clear from their long relationship, and his statements in letters to the CFPB. *Ibid.*; Levy Dec. Ex. 11 (¶¶ 29, 30); Ex. 19 (pp. 18-26).

On July 15, even though he not a CashCall officer,[5] Mr. Baren signed Manatt's retention letter. Dkt. 42-4 (pp. 2-9). On July 20, he signed the Gladstone retention letter. Dkt. 43-3 (pp. 2-6).

There is not a single retention document signed by anyone other than Mr. Reddam or Mr. Baren.

3. CashCall's Appointments of Ms. Gladstone and Mr. Jalbert Cannot Cure Its Inability to Represent the Best Interests of Creditors

"'[N]ew debtor syndrome,' in which a one-asset entity has been created *or revitalized* on the eve of foreclosure to isolate the insolvent property and its creditors, exemplifies, although it does not uniquely categorize, bad faith cases." *In re Little Creek Dev. Co.*, 779 F.2d 1068, 1073 & n. 3 (5th Cir. 1986), citing cases, emphasis added.

Here, CashCall is presenting itself as a revitalized debtor under new management by Mr. Gladstone and Mr. Jalbert. But their appointments just days before this bankruptcy was filed, and intentions, do not control whether Mr. Reddam had this bankruptcy filed in bad faith to serve his own interests in avoiding imminent collection by the De La Torre Class and the CFPB. The *St. Paul* factors and CashCall's promotion, both past and ongoing, of Mr. Reddam's interests, establish that this case was not filed to achieve a legitimate bankruptcy purpose.

[5] Levy Dec. ¶ 9 (11:24-12:1); Dkt. 88 (p. 35).

CashCall's conflicts, and its past and continuing acts in Mr. Reddam's interest, are *its conflicts as the debtor in possession*, not the conflicts of its newly appointed CRO and independent director. Its past and ongoing conflicts undermine CashCall's ability to represent the interests of creditors, generally and with specific regard to the fraudulent transfer case. Its conflicts predate Ms. Gladstone's and Mr. Jalbert's appointments and the filing of this case. Under *Dye*, its conflicts and acts are prior material adverse interests of the debtor in possession favoring Mr. Reddam. And its acts and conflicts are continuing in the form of CashCall's joint action with Mr. Reddam to oppose release of the pledged assets by the bank to the CFPB.

Likewise, CashCall's announced intention to appoint the Allen Matkins firm as counsel to evaluate and/or pursue the fraudulent transfer claim cannot eliminate the debtor in possession's own adverse interests to the estate with respect to that claim. As attorneys for the debtor in possession in any litigation, Allen Matkins would be carrying the same baggage CashCall left from its opposition to the De La Torre UVTA case.

Nor would special counsel eliminate Manatt's role, and conflicts due to its UVTA defense, in "advising the Debtor in connection with its rights, powers, and duties as debtor-in possession" and "prosecuting actions on behalf of the Debtor … and representing the Debtor's interest in negotiations concerning litigation in which the Debtor is involved." Dkt. 42 (p. 3).

D. The Court Should Dismiss, Not Convert, the Case Because Dismissal Is in the Best Interests of Creditors

Finally, the Court must determine whether the best interests of creditors is served by dismissal or conversion to Chapter 7 or for the appointment of a Chapter 11 trustee. 11 U.S.C. §§ 1112(b)(1), 1104(a); *Shulkin Hutton, Inc., P.S. v. Treiger (In re Owens)*, 552 F.3d 958 (9th Cit. 2009).

Here, dismissal serves the best interests of creditors:

The Debtor is not operating and has no significant income or funding other than the DIP financing.

The appointment of a Chapter 7 or Chapter 11 trustee would trigger a default under the DIP financing and termination of the DIP financing as a source of cash. Dkt. 106 (p. 46).

The Debtor has only $4.5 million in assets, consisting almost entirely of 90-day past due accounts receivables, including a $3.0 million receivable due from Absolutely Zero on account of a bond relating to the CFPB case. Dkt. 88 (p. 17); Levy Dec. ¶ 53. Without DIP financing, there is insufficient cash in the estate to support the appointment of a trustee or a trustee's pursuit of a fraudulent transfer case. In contrast, allowing De La Torre to pursue his UVTA case would not burden the estate and, for the reasons stated below would not harm other creditors.

Under these circumstances (at a minimum), there is no prospect for CashCall to be restructured or to continue operations.

CashCall's professionals have received $595,000 in pre-filing retainers against which they can collect their fees. Dkt. 88 (pp. 29, 30). Any overage can be satisfied out of the DIP financing to date.

The DIP lender, Absolutely Zero, has a priority lien against CashCall's $4.5 million in cash and accounts receivable, from which it can recover (or offset) the balance of the DIP financing. Dkt. 106 (pp. 7, 8).

Both the CFPB and Skadden have claims against Mr. Reddam as a co-debtor. They will not be prejudiced by a dismissal. Unlike the De La Torre Class, they now have recourse directly against him and do not need to proceed or benefit from a fraudulent transfer case against him. Without the CFPB and Skadden claims, the De La Torre claim represents 99.83% of all remaining unsecured claims. Dkt. 88 (pp. 19, 20). De La Torre's UVTA claim will therefore almost exclusively benefit the De La Torre Class.

That leaves insider Ralis Services as the sole claim of any size, but still, only 0.16% of the remaining claims. Dkt. 88 (p. 20). As an insider, wholly owned by Mr. Reddam (like CashCall and Absolutely Zero), Ralis is in a superior position to be paid in full on its claim from CashCall's remaining assets—CashCall's cash and the accounts receivable, including the $3.0 account receivable Absolutely Zero owes to CashCall. Levy Dec. ¶ 53.

The other creditors, Batavia Glen, Black Knight, Experian, LexisNexis and TransUnion have claims totaling less than $10,000. Dkt. 88 (99. 19, 20). CashCall can pay them out of the cash and recoveries on the accounts receivable remaining in CashCall.

A liquidation would yield payments to unsecured creditors of about 1% of their claims. Dismissal will, as explained above, allow creditors to recover a higher percentage of their claims.

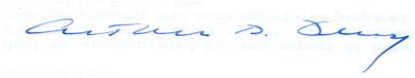
CONCLUSION

This is a bad faith filing. The best interests of creditors are to dismiss and allow De La Torre and the CFPB free to proceed in collecting their Judgments. That will not result in any detriment to CashCall, which is defunct and without any significant assets or prospects. It has nothing to lose. That will not be detrimental to CashCall's other creditors. That will benefit the CashCall borrowers who have waited years to realize the benefits of the De La Torre Class Action and the CFPB case.

That will certainly thwart Mr. Reddam's bankruptcy strategy. But *Marsch* has made clear that it is an illegitimate use of the Bankruptcy Courts, and this Court should not permit Mr. Reddam to use one for his improper purposes.

Dated: September 14, 2026

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