EDWARD G. FATES (BAR NO. 227809)
E-Mail: tfates@allenmatkins.com
ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
One America Plaza
600 West Broadway, 27th Floor
San Diego, California 92101-0903
Phone: (619) 233-1155
Fax: (619) 233-1158

ANDREW E. MINA (BAR NO. 323044)
E-Mail: amina@allenmatkins.com
ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
2010 Main Street, 8th Floor
Irvine, California 92614-7214
Phone: (949) 553-1313
Fax: (949) 553-8354

Proposed Special Counsel to the Debtor

UNITED STATES BANKRUPTCY COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

In re CashCall, Inc., Debtor	Case No. 26-03102-JBM11 Chapter 11 **DEBTOR'S OPPOSITION TO JUDGMENT CREDITOR EDUARDO DE LA TORRE'S MOTION FOR RELIEF FROM STAY AS TO ORANGE COUNTY UVTA CASE** RS No.: ADL-1 Date: October 28, 2026 Time: 11:00 a.m. Courtroom: 118

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Debtor CashCall, Inc. ("CashCall" or the "Debtor"), the debtor and debtor in possession in the above-captioned chapter 11 case (the "Bankruptcy Case"), hereby submits this opposition to the Motion for Relief from Stay filed by judgment creditor Eduardo De La Torre ("De La Torre") (the "Motion"), and respectfully represents as follows:

I. INTRODUCTION

The Motion should be denied. As an initial matter, the Motion is moot. On October 6, 2026, the Debtor filed a Notice of Removal pursuant to 28 U.S.C. § 1452 and Federal Rule of Bankruptcy Procedure 9027, removing *De La Torre v. Reddam, et al.*, Case No. 30-2024-01421309-CU-NP-NJC (the "State Court Action"), from the Superior Court of California, County of Orange, to the United States Bankruptcy Court for the Central District of California. De La Torre seeks relief from the automatic stay to "continue his pending case in Orange County Superior Court," but there is no longer a pending state court action to continue.

In addition to being moot, the Motion fails on the merits. The State Court Action seeks to avoid the $45 million distribution that CashCall made to its sole shareholder, J. Paul Reddam ("Reddam"), in October 2021 (the "Distribution"). The Debtor, as debtor in possession, is the real party in interest with standing to pursue fraudulent transfer claims arising from the Distribution on behalf of the bankruptcy estate under section 544(b) of title 11 of the United States Code (the "Bankruptcy Code"). Allowing De La Torre to proceed with the State Court Action would undermine the Bankruptcy Code's centralized framework for marshaling estate assets for the benefit of all creditors, not just one judgment creditor.

II. ARGUMENT

A. The Debtor Is the Real Party in Interest

Under the Bankruptcy Code, a trustee has the exclusive authority to prosecute fraudulent transfer actions once a debtor files for bankruptcy. "Only the chapter 7

trustee may prosecute a fraudulent transfer action once a debtor files for bankruptcy." *In re Manton*, 585 B.R. 630, 635 (Bankr. N.D. Ga. 2018). This principle extends to other designated representatives of the estate, including chapter 13 trustees and chapter 11 debtors in possession. *Id.* at 635 n.3.

The Ninth Circuit has clearly held that the "bankruptcy code endows the bankruptcy trustee with the exclusive right to sue on behalf of the estate" absent abandonment of the claims. *Estate of Spirtos v. One San Bernardino County Superior Court Case Numbered SPR 02211*, 443 F.3d 1172, 1176 (9th Cir. 2006).

Section 544(b) of the Bankruptcy Code provides the statutory foundation for the trustee's ability to step into a creditor's shoes. The statute provides that "the trustee may avoid any transfer of an interest of the debtor in property or any obligation incurred by the debtor that is voidable under applicable law by a creditor holding an unsecured claim." 11 U.S.C. § 544(b)(1). Therefore, "§ 544(b) allows a trustee to step into the shoes of an unsecured creditor to 'avoid' a debtor's transfer which would be avoidable under state law." *Baek v. Halvorson*, 2019 WL 13039652, at *2 (C.D. Cal. Mar. 26, 2019).

Accordingly, fraudulent transfer claims "become estate property 'once bankruptcy is under way' by virtue of the trustee's successor rights under § 544(b)." *In re Moore*, 608 F.3d 253, 261 (5th Cir. 2010). This includes pre-petition claims, which "are properly considered property of the estate." *In re Sinclair*, 2017 Bankr. LEXIS 4074, at n.4 (Bankr. E.D. Cal. 2017) ("claims or contentions" relating to pre-petition state court action was property of the estate that fell "under the Trustee's exclusive control").

As the *Manton* court explained, "§§ 544 and 548 provide exclusive standing to a trustee to prosecute a fraudulent conveyance action unless the trustee has abandoned that claim or the automatic stay has been lifted." *In re Manton*, 585 B.R. at 636 (citing *In re Tessmer*, 329 B.R. 776 (Bankr. M.D. Ga. 2005); *Clift v. Gustafson* (*In re Gustafson*), 316 B.R. 753, 758 (Bankr. S.D. Ga. 2004)).

Pursuant to Federal Rule of Bankruptcy Procedure 6009, "[w]ith or without court approval, the trustee or debtor in possession may: […] (b) commence and prosecute in any tribunal an action or proceeding on the estate's behalf." Fed. R. Bankr. P. 6009. Importantly, "the right to intervene in Rule 6009 is absolute and not subject to court approval." *In re Manton*, 585 B.R. at 636. *See also In re Vandevort*, 2009 WL 7809927, at *1 (9th Cir. Sept. 8, 2009) (trustee has a right to intervene and prosecute any action on behalf of the estate under Rule 6009).

Here, the Debtor, operating with the powers of a trustee under 11 U.S.C. § 1107(a), is the proper party to pursue any fraudulent transfer claims against Reddam for the benefit of all creditors of the estate. The Debtor has not abandoned the fraudulent transfer claim; to the contrary, the Debtor has identified the claim as a central asset of the estate and has sought to retain special counsel to pursue the claim (and other potential avoidance actions). Because the Debtor holds exclusive standing to prosecute fraudulent transfer claims, De La Torre's attempt to continue the State Court Action directly conflicts with the Bankruptcy Code's framework for centralizing claims administration.

The State Court Action seeks to recover the same Distribution that forms the basis of the estate's fraudulent transfer claim. Allowing De La Torre to proceed would permit one creditor to circumvent the orderly distribution process mandated by the Bankruptcy Code and potentially obtain a recovery to which he would not otherwise be entitled under the Bankruptcy Code's priority scheme.

B. A Notice of Removal Has Been Filed in the State Court Action

On October 6, 2026, the Debtor filed a Notice of Removal pursuant to 28 U.S.C. § 1452 and Federal Rule of Bankruptcy Procedure 9027, removing the State Court Action from the Superior Court of California, County of Orange, to the United States Bankruptcy Court for the Central District of California. The Debtor will file a motion to transfer the removed action to this Court, such that it can be properly pursued as an adversary proceeding related to this chapter 11 case.

Removal is proper under 28 U.S.C. § 1452(a), which provides that "[a] party may remove any claim or cause of action in a civil action ... to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title." The bankruptcy court in the Central District has jurisdiction over the State Court Action, and the action will thereafter be transferred to this Court pursuant to 28 U.S.C. § 1412.

The State Court Action is a core proceeding under 28 U.S.C. § 157(b)(2)(H), which provides that core proceedings include "proceedings to determine, avoid, or recover fraudulent conveyances." *See also In re Pac. Gas & Elec. Co.*, 281 B.R. 1, 13 (Bankr. N.D. Cal. 2002), (holding that fraudulent transfer claims "belong to the estate of Debtor and fall within this court's core jurisdiction").

The State Court Action seeks to avoid and recover fraudulent conveyances, and it involves a cause of action that is property of the estate under 11 U.S.C. § 541. If successful, any recovery in the State Court Action would constitute property of the bankruptcy estate under 11 U.S.C. § 541(a)(3), which includes "[a]ny interest in property that the trustee recovers" under various avoiding power provisions.

The Notice of Removal was timely filed. Federal Rule of Bankruptcy Procedure 9027(a)(2) provides that when a claim or cause of action is pending in state court when a bankruptcy case is commenced, the notice of removal must be filed within "90 days after the order for relief in the bankruptcy case." Fed. R. Bankr. P. 9027(a)(2)(A). The Bankruptcy Case was commenced on July 20, 2026, and the Notice of Removal was filed within 90 days of that date.

The removal of the State Court Action and its anticipated transfer to this Court further support denial of the Motion. De La Torre seeks relief from the automatic stay to "continue his pending case in Orange County Superior Court." However, the State Court Action has been removed from state court and, upon transfer, will be before this Court. There is no longer a pending state court action to continue, and the Motion is therefore moot.

Transfer of the removed action to this Court will promote judicial economy and ensure that claims affecting the bankruptcy estate are resolved in a single forum. The State Court Action involves the same parties, transactions, and issues that are central to the administration of the Bankruptcy Case. Allowing the State Court Action to proceed separately would risk inconsistent judgments and interfere with this Court's ability to administer the estate efficiently.

C. The *Kronemyer* Factors Do Not Support Relief from Stay

Contrary to De La Torre's arguments, the *Kronemyer* factors weigh against granting relief from stay. In *In re Kronemyer*, 405 B.R. 915, 921 (B.A.P. 9th Cir. 2009), the court identified four factors to consider in assessing whether cause exists to lift the automatic stay to allow state court proceedings to continue: (i) judicial economy, (ii) the expertise of the state court, (iii) prejudice to the parties, and (iv) whether exclusively-bankruptcy issues are involved. As set forth below, each factor weighs against relief.

1. Judicial Economy Favors Centralized Adjudication in This Court

De La Torre argues that judicial economy favors allowing the State Court Action to proceed because two years of pre-trial preparation have already been completed. While it is true that De La Torre's counsel has invested time in the State Court Action, this factor does not weigh in favor of relief from stay for several reasons.

First, the removal of the State Court Action renders the judicial economy argument largely moot. The State Court Action is no longer pending in Orange County Superior Court; it has been removed and will be transferred to this Court. The discovery, depositions, expert retention, and other work completed in the State Court Action will transfer with the case and will not be lost. This Court will have the benefit of that record.

Second, true judicial economy requires centralized adjudication of all claims affecting the bankruptcy estate in a single forum. The State Court Action concerns the same Distribution that forms the basis of the estate's fraudulent transfer cause of action. Allowing separate litigation to proceed would risk inconsistent judgments and require this Court to monitor and potentially defer to a separate proceeding on issues central to estate administration.

Third, De La Torre's argument that his counsel would not charge the estate fees is misplaced. The issue is not who bears the cost of litigation, but whether permitting one creditor to pursue estate property outside the bankruptcy process serves the interests of all creditors. The Bankruptcy Code establishes an orderly process for the recovery and distribution of estate assets. Allowing De La Torre to proceed separately would undermine that process, regardless of fee arrangements.

2. This Court Has Expertise in Fraudulent Transfer Claims

De La Torre contends that the state court has expertise in interpreting and applying California's Uniform Voidable Transactions Act, Cal. Civ. Code §§ 3439 *et seq.* (the "UVTA"). While state courts certainly have competence to adjudicate UVTA claims, bankruptcy courts routinely adjudicate fraudulent transfer claims under both state and federal law. Indeed, fraudulent transfer actions are expressly designated as core proceedings under 28 U.S.C. § 157(b)(2)(H). This Court is fully capable of properly applying the UVTA.

Moreover, the State Court Action will raise issues unique to bankruptcy administration that this Court is best positioned to resolve. These include questions regarding property of the estate under 11 U.S.C. § 541, the priority of claims, and the proper distribution of the anticipated recovery. This Court's expertise in these matters counsels in favor of adjudicating all related claims here.

3. Prejudice Weighs Against Relief from Stay

De La Torre argues that relief from stay will not prejudice the Debtor and will benefit creditors by avoiding duplicative work. This argument fails to account for

the prejudice to the estate and to all creditors that would result from allowing one creditor to pursue estate property outside the bankruptcy process.

The fraudulent transfer claim is property of the bankruptcy estate. As discussed in Section II.A above, allowing De La Torre to pursue the Distribution through the State Court Action would permit one creditor to circumvent the orderly distribution process mandated by the Bankruptcy Code and potentially obtain a recovery to which he would not otherwise be entitled under the Bankruptcy Code's priority scheme. This would prejudice other creditors and the estate.

De La Torre will not be prejudiced by denial of relief from stay. He may pursue his claim through the bankruptcy process by filing a proof of claim and participating in the administration of the estate. De La Torre will share in the distribution of the anticipated recovery on the fraudulent transfer claim in accordance with the Bankruptcy Code's priority scheme.

4. Bankruptcy Issues Are Involved

De La Torre argues that "bankruptcy issues are not involved" because the UVTA is a state law claim. This argument misses the point. While the UVTA is indeed a state law, the Bankruptcy Code provides for the application of state laws in bankruptcy cases in numerous instances (including under Section 544), and the issues presented in the State Court Action are inextricably intertwined with bankruptcy issues.

The claims asserted in the State Court Action concern property of the estate under 11 U.S.C. § 541 and constitute potential avoiding powers that the estate may assert. The State Court Action directly affects the administration of the bankruptcy estate, the priority and distribution of claims, and the Debtor's ability to formulate and confirm a plan. These are quintessentially bankruptcy issues that warrant adjudication in this Court.

Moreover, this Court must resolve questions regarding whether any recovery constitutes property of the estate, how any recovery should be distributed among

creditors, and whether De La Torre is entitled to pursue the claim at all given that such claims belong to the estate. These are exclusively-bankruptcy issues that cannot be resolved by a state court.

D. CashCall's Pre-Petition Conduct Does Not Disable the Debtor from Pursuing the Fraudulent Transfer Claim

De La Torre argues that CashCall's pre-petition defense of the State Court Action creates "adverse interests" that disable the Debtor from pursuing the fraudulent transfer claim. This argument fails for multiple reasons. The cases De La Torre cites do not support his requested relief, the retention of independent special counsel addresses his concerns, and his argument fundamentally misunderstands the Bankruptcy Code's framework for pursuing avoidance actions.

1. The Cases De La Torre Cites Do Not Support Stay Relief

De La Torre relies primarily on *Dye v. Brown (In re AFI Holding, Inc.)*, 355 B.R. 139 (B.A.P. 9th Cir. 2006), *Official Comm. of Unsecured Creditors v. Clark (In re Nat'l Forge Co.)*, 304 B.R. 214 (Bankr. W.D. Pa. 2004), and *In re SunCruz Casinos, LLC*, 298 B.R. 821 (Bankr. S.D. Fla. 2003). None of these cases involved a motion for relief from the automatic stay, and none permitted an individual creditor to prosecute an estate cause of action for its own benefit outside the bankruptcy case. Each addressed which estate fiduciary should control estate claims, and in each, the remedy kept those claims within the bankruptcy process for the benefit of all creditors.

AFI Holding concerned a motion by investors to remove a chapter 7 trustee under 11 U.S.C. § 324. 355 B.R. at 145. Before her appointment, the trustee had represented the debtor's controller, an insider, and later represented his domestic partner, an investor in the debtor's entities, in negotiating a settlement with the debtor that included a payment to her law firm. *Id.* at 143-44. She did not fully disclose those connections until years later. *Id.* at 145, 154-55. The bankruptcy court found that these associations could have influenced the trustee's decision not

to pursue claims against her former clients, and the Panel affirmed her removal for lack of disinterestedness. *Id.* at 153, 155. The Panel emphasized that cause for removal "must be supported by specific facts, . . . and the party seeking removal has the burden to prove them." *Id.* at 148.

AFI Holding does not support the Motion. First, the remedy there was removal of the conflicted trustee and administration of the estate by a successor fiduciary, not stay relief allowing a single creditor to litigate estate claims for his own account. Second, *AFI Holding* applied the disinterestedness requirement that governs an appointed trustee under 11 U.S.C. §§ 321 and 701. *Id.* at 147-48. De La Torre cites no authority applying that standard to disable a debtor in possession from prosecuting an estate avoidance action. Third, the conflicts in *AFI Holding* arose from the trustee's own undisclosed personal and professional relationships with potential defendants. Here, CashCall's pre-petition defense of the State Court Action is a matter of public record, and the fraudulent transfer claim will be prosecuted by independent special counsel.

Nat'l Forge likewise involved no request for stay relief. There, the official committee of unsecured creditors filed a fraudulent transfer complaint arising from a pre-petition stock redemption and then moved for an order confirming its authority to pursue those claims on behalf of the debtors' estates. 304 B.R. at 216-17. The debtor opposed the motion, and the debtor's key employees, who had received a benefit from the redemption and were named defendants, were slated to control the post-confirmation liquidating entity. *Id.* at 219-22. On those facts, the court held that "Debtors' management has a conflict of interest in pursuing the fraudulent conveyance action" and that "[t]he Creditors' Committee is the only appropriate party to pursue the cause of action." *Id.* at 222. The court relied on the principle that "[b]ankruptcy Courts can authorize creditors' committees to sue derivatively to avoid fraudulent transfers for the benefit of the estate," *id.* at 221 (citation omitted), and granted the committee that authority nunc pro tunc, noting

that it had served as "gatekeeper" in weighing the potential benefit of the litigation against its costs. *Id.* at 223.

Nat'l Forge is the opposite of this case. There, the debtor resisted pursuit of the fraudulent transfer claims, and the redemption's beneficiaries would have controlled them. Here, the Debtor has identified the Distribution as a central estate asset, has sought to retain special counsel to prosecute the claim, has removed the State Court Action so the claim can be adjudicated by this Court, and the recipient of the Distribution, Reddam, has fully resigned from the Debtor. And even in *Nat'l Forge*, the remedy was to authorize an estate representative to prosecute the claim for the benefit of all creditors, under the bankruptcy court's supervision. Nothing in *Nat'l Forge* suggests that a single judgment creditor may obtain stay relief to pursue the same claim in another forum and apply the recovery to his own judgment.

SunCruz also did not involve stay relief. It addressed motions to appoint a chapter 11 trustee under 11 U.S.C. § 1104(a)(1) where the estate of the debtors' founder controlled the debtors while asserting $67.5 million in secured claims and a $6 million unsecured claim against them, owning the dock and parking lots the debtors subleased, claiming the debtors' trade name, and defending a fraudulent conveyance suit brought by the creditors' committee. 298 B.R. at 826-27. Under that management, the debtors failed to respond to an objection to the debtors' own claim against the controlling estate, jeopardizing that claim. *Id.* at 830. The court began from the premise that "[t]here is a strong presumption in Chapter 11 cases that the debtor-in-possession should be permitted to remain in control of the corporation absent a showing of need for the appointment of a trustee," *id.* at 828 (citation omitted), and cautioned that "[t]he mere fact that a party occupies dual roles as an owner and a creditor in a bankruptcy case is clearly insufficient to establish cause for the appointment of a trustee." *Id.* at 832. The court found cause only because the controlling parties wore "so many hats" that it might be impossible

for them to fulfill a debtor in possession's fiduciary duties, and it acknowledged that the relief it granted was "an extraordinary remedy." *Id.*

SunCruz underscores why the Motion fails. The remedy for disabling management conflicts there was an independent chapter 11 trustee who would administer the estate for all creditors, not stay relief permitting one creditor to proceed on his own. In the Motion, De La Torre does not seek appointment of a trustee or derivative standing, and he has not made the fact-intensive showing those remedies require. *See Id.* at 830 (determinations to appoint a trustee under § 1104(a)(1) "are fact intensive"). He instead asks the Court to remove the estate's principal asset from the bankruptcy process altogether.

In short, each of De La Torre's authorities addressed conflicts by placing estate claims in the hands of an estate fiduciary, whether a successor trustee, an official committee, or a chapter 11 trustee, acting for all creditors under the bankruptcy court's supervision. None supports granting one creditor relief from stay to pursue an estate asset for his own benefit.

2. Retention of Independent Special Counsel Addresses De La Torre's Concerns

De La Torre contends that conflicts counsel "does not cure the adverse interests of the debtor in possession." This argument ignores the purpose and effect of retaining independent special counsel. Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins") has no prior relationship with Reddam, has taken no prior positions in defense of the Distribution, and has no conflict of interest in pursuing the fraudulent transfer claim vigorously on behalf of the estate.

The very purpose of retaining special counsel is to ensure that claims are pursued by attorneys who are not burdened by the conflicts that may affect general counsel. *See In re Imperial Corp. of Am.*, 181 B.R. 501, 506 (Bankr. S.D. Cal. 1995) ("Sections 327(e) is not as strict in disqualifying attorneys. Under Section 327(e), special counsel need not be disinterested but merely not represent or

hold any interest adverse to the debtor or to the estate with respect to matters on which counsel is to be employed.").

De La Torre argues that Allen Matkins "is representing a client whose interests are adverse to creditors." But this conflates the interests of CashCall before the petition date with the interests of the Debtor as debtor in possession. Under 11 U.S.C. § 1107(a), the Debtor has fiduciary duties to the estate and creditors that did not exist pre-petition. Allen Matkins represents the Debtor in that fiduciary capacity, not as successor to CashCall's pre-petition litigation positions.

3. CashCall's Prior Positions Do Not Diminish the Claim's Value

De La Torre argues that CashCall's prior litigation positions are party admissions that will reduce the settlement value of any fraudulent transfer action brought by the estate. He contends that CashCall has an adverse interest because it actively defended the State Court Action alongside Reddam for two years. He further argues that under Federal Rule of Evidence 801(d), CashCall's prior statements would be admissible against the estate in any fraudulent transfer action, but would not be admissible against De La Torre in the State Court Action. This argument overstates the impact of CashCall's prior positions, misunderstands the evidentiary landscape, and does not support stay relief.

Under Ninth Circuit and California law, the Debtor is permitted to take legal positions in bankruptcy that are inconsistent with CashCall's pre-petition positions. This is because the Debtor, as debtor in possession, acts in a fundamentally different legal capacity than CashCall did before the petition date: as a fiduciary for the estate and its creditors under 11 U.S.C. § 1107(a), not as a party acting in its own self-interest.

In *In re An-Tze Cheng*, 308 B.R. 448 (B.A.P. 9th Cir. 2004), *aff'd and remanded* (9th Cir. Dec. 23, 2005), the court held that "the debtor's different capacities, as debtor and as debtor in possession performing duties of the trustee, must be considered when fashioning a judicial estoppel remedy and that a remedy

must be calibrated so as not to harm bystanders." *Id.* at 451. It explained that a debtor in possession "is the representative of the estate and is saddled with the same fiduciary duty as a trustee to maximize the value of the estate available to pay creditors." *Id.* at 455.

The *Cheng* court relied on Restatement (Second) of Judgments § 36, and stated "[a] person who is acting in multiple capacities is ordinarily permitted to take inconsistent positions without triggering claim or issue preclusion." *Id.* at 455. Most directly on point, it stated that "a debtor in possession ordinarily may not be judicially estopped on account of an earlier inconsistent position taken as debtor." *Id.* at 457. It added that "[i]t is particularly difficult to justify estoppel when different capacities are involved." *Id.*

Even where estoppel is warranted, "there is no good reason to estop the estate or visit harm on the general body of creditors." *Id.* at 460. The remedy "is in the nature of a shield, not a sword." *Id.* at 461. Estopping the Debtor from bringing a fraudulent transfer claim would shift the loss onto unsecured creditors, which is the kind of harm to bystanders *Cheng* condemned. *See Id.* at 459–60.

The *Cheng* court further explained that "[i]n either scenario involving different capacities, it is more likely that the debtor will perform the requisite trustee duties 'with complete fidelity to the interests of' the estate if the debtor is free to take positions on behalf of the estate independent of what is done for the debtor's own account." *Id.* at 457 (quoting Restatement (Second) of Judgments § 36 cmt. a). Here, permitting the Debtor to pursue the fraudulent transfer claim, notwithstanding CashCall's prior defense of the State Court Action, enables the Debtor to fulfill its fiduciary duties to the estate and creditors.

While *Cheng* involved inconsistent positions taken during the bankruptcy case, and noted that "[t]he effect on the trustee of the debtor's prepetition acts is a different question," *id.* at 455 n.2, its rationale applies with equal force to pre-petition conduct. The basis for the rule, that a fiduciary should be free to act in the

estate's interest without being bound by the debtor's prior self-interested positions, does not depend on when the debtor took the inconsistent position.

Additionally, in *In re Liu*, 611 B.R. 864 (B.A.P. 9th Cir. 2020), the Bankruptcy Appellate Panel held, in the preference context, that "there are no exceptions or defenses to avoidance of preferences other than those specified in the statute." *Id.* at 880. The court rejected the defendant's "unclean hands, breach of fiduciary duty, and estoppel" defenses. *Id.* at 881. While *Liu* addressed preference claims under § 547, its reasoning applies by analogy to fraudulent transfer claims. De La Torre's attempt to invoke CashCall's prior conduct as a bar to the estate's avoidance claim finds no support in the Bankruptcy Code's statutory framework or applicable case law.

4. De La Torre's Statute of Limitations Argument Is Premature and Misplaced

De La Torre argues that any fraudulent transfer claim brought by the Debtor under § 544(b) would be subject to statute of limitations defenses that do not apply in the State Court Action. This argument is premature and does not support stay relief.

First, statute of limitations is an affirmative defense that Reddam would assert in any fraudulent transfer action. It is not a basis for this Court to grant stay relief to De La Torre. Whether limitations defenses would succeed is a question for the court adjudicating the fraudulent transfer claim, not a factor in the *Kronemyer* analysis.

Second, as discussed above, under § 544(b), the trustee or debtor in possession steps into the shoes of an actual unsecured creditor who could have avoided the transfer under applicable law. De La Torre himself is such a creditor, and he timely filed the State Court Action in August 2024. The estate's § 544(b) claim derives from De La Torre's standing as an unsecured creditor, the very claim he now seeks to pursue individually. As noted above, under Section 544 and

Federal Rule of Bankruptcy Procedure 6009, the Debtor in Possession can step into the existing removed case as the real party in interest and prosecute the estate's fraudulent transfer claim against Reddam without filing a new claim.

In sum, De La Torre's "adverse interests" argument provides no basis for stay relief.

III. CONCLUSION

For the foregoing reasons, the Debtor respectfully requests that the Court deny the Motion in its entirety.

Dated: October 9, 2026

ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP

By: */s/ Edward G. Fates*
Edward G. Fates
Proposed Special Counsel to the Debtor

EDWARD G. FATES (BAR NO. 227809)
E-Mail: tfates@allenmatkins.com
ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP
One America Plaza
600 West Broadway, 27th Floor
San Diego, California 92101-0903
Phone: (619) 233-1155
Fax: (619) 233-1158

ANDREW E. MINA (BAR NO. 323044)
E-Mail: amina@allenmatkins.com
ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP
2010 Main Street, 8th Floor
Irvine, California 92614-7214
Phone: (949) 553-1313
Fax: (949) 553-8354

Proposed Special Counsel to the Debtor

UNITED STATES BANKRUPTCY COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

In re CashCall, Inc., Debtor	Case No. 26-03102-JBM11 Chapter 11 **DECLARATION OF EDWARD G. FATES IN SUPPORT OF DEBTOR'S OPPOSITION TO JUDGMENT CREDITOR EDUARDO DE LA TORRE'S MOTION FOR RELIEF FROM STAY AS TO ORANGE COUNTY UVTA CASE** RS No.: ADL-1 Date: October 28, 2026 Time: 11:00 a.m. Courtroom: 118

I, Edward G. Fates, declare as follows:

1. I am an attorney at law duly licensed to practice before all courts of the State of California and this Court, and I am a partner of Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"), proposed special counsel to CashCall, Inc. ("CashCall" or the "Debtor"), the debtor and debtor in possession in the above-captioned chapter 11 case (the "Bankruptcy Case").

2. I have personal knowledge of the facts set forth herein, and if called as a witness, I could and would competently testify thereto. I submit this declaration in support of the Debtor's Opposition to Judgment Creditor Eduardo De La Torre's Motion for Relief from Stay as to Orange County UVTA Case (the "Opposition"), filed concurrently herewith.[1]

3. The Debtor commenced the Bankruptcy Case by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code on July 20, 2026.

4. De La Torre commenced *De La Torre v. Reddam, et al.*, Case No. 30-2024-01421309-CU-NP-NJC (the "State Court Action"), in the Superior Court of California, County of Orange. The State Court Action seeks to avoid the $45 million distribution that CashCall made to its sole shareholder, J. Paul Reddam ("Reddam"), in October 2021 (the "Distribution").

5. On October 6, 2026, the Debtor filed a Notice of Removal pursuant to 28 U.S.C. § 1452 and Federal Rule of Bankruptcy Procedure 9027, removing the State Court Action from the Superior Court of California, County of Orange, to the United States Bankruptcy Court for the Central District of California. A true and correct copy of the Notice of Removal is attached hereto as **Exhibit 1**.

[1] Capitalized terms not otherwise defined herein have the meanings given to them in the Opposition.

6. The Debtor intends to file a motion to transfer the removed State Court Action to this Court pursuant to 28 U.S.C. § 1412, so that it may be prosecuted as an adversary proceeding related to the Bankruptcy Case.

7. The Debtor has not abandoned the fraudulent transfer claim arising from the Distribution. To the contrary, the Debtor has identified the claim as a central asset of the estate and has applied to employ Allen Matkins as special counsel to pursue that claim and other potential avoidance actions on behalf of the estate.

8. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct..

Executed on October 9, 2026, at San Diego, California.

October 9, 2026

/s/ Edward G. Fates
Edward G. Fates

EXHIBIT 1

EDWARD G. FATES (BAR NO. 227809)
E-Mail: tfates@allenmatkins.com
ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP
One America Plaza
600 West Broadway, 27th Floor
San Diego, California 92101-0903
Phone: (619) 233-1155
Fax: (619) 233-1158

ANDREW E. MINA (BAR NO. 323044)
E-Mail: amina@allenmatkins.com
ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP
2010 Main Street, 8th Floor
Irvine, California 92614-7214
Phone: (949) 553-1313
Fax: (949) 553-8354

Proposed Special Counsel to the Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

In re CashCall, Inc., Debtor Bankruptcy Pending in Southern District of California	Case No.:_____ **NOTICE OF REMOVAL** Related Bankruptcy Case: United States Bankruptcy Court Southern District of California Case No. 26-03102-JMB11 Chapter 11 Judge: Hon. Barrett Marum Courtroom: 118
EDUARDO DE LA TORRE, Plaintiff, v.	Removed Case: Orange County Superior Court, Case No. 30-2024-01421309-CU-NP-NJC

JOHN PAUL REDDAM; CASHCALL, INC., a California corporation; and DOE 1 through DOE 20, inclusive,

Defendants.

TO THE CLERK OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA:

PLEASE TAKE NOTICE that Debtor CashCall, Inc. ("Debtor") hereby files this Notice of Removal pursuant to 28 U.S.C. § 1452, and Federal Rule of Bankruptcy Procedure 9027, removing the above-captioned civil action, *De La Torre v. Reddam, et al.*, Case No. 30-2024-01421309-CU-NP-NJC, from the Superior Court of California, County of Orange (the "State Court Action"), to this Court. In support of this Notice of Removal, Debtor states as follows:

Background

1. On August 21, 2024, Plaintiff Eduardo De La Torre filed the State Court Action in the Superior Court of California, County of Orange, asserting claims under the California Uniform Voidable Transactions Act (Civil Code §§ 3439 et seq.) to avoid and recover a distribution CashCall made to Mr. John Paul Reddam in October 2021. A true and correct copy of the Summons and Complaint is attached hereto as **Exhibit A**.

2. On July 20, 2026, CashCall filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of California, Case No. 26-03102-JBM11 (the "Bankruptcy Case").

Basis for Relief

3. Removal is proper under 28 USC § 1441(a) because the state court where the State Court Action is pending is located in this district.

4. This Court has jurisdiction over this removed action pursuant to 28 U.S.C. §§ 1334 and 157. Section 1334(b) provides that "the district courts shall have original but not exclusive jurisdiction of all civil proceedings arising under title 11,

or arising in or related to cases under title 11." "Related to jurisdiction case contains two subsets: (1) causes of action owned by the debtor that become property of the estate under § 541; and (2) suits between third parties which in one way or another affect the administration of the bankruptcy case." *In re Young Jin Yoon*, 627 B.R. 905, 915 (Bankr. C.D. Cal. 2021). The State Court Action falls within both categories: it involves causes of action that are property of the estate under § 541, and its outcome could conceivably have an effect on the administration of the Bankruptcy Case.

5. The State Court Action seeks to avoid and recover the October 2021 distribution to Mr. Reddam as a voidable transfer. If successful, any recovery would constitute property of the bankruptcy estate under 11 U.S.C. § 541(a)(3), which includes "[a]ny interest in property that the trustee recovers" under various avoiding power provisions. Accordingly, the State Court Action directly affects property of the estate and should be administered by the Bankruptcy Court to ensure orderly distribution to all creditors.

6. Removal is proper under 28 U.S.C. § 1452(a), which provides that "[a] party may remove any claim or cause of action in a civil action ... to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title." Because this Court has "related to" jurisdiction over the State Court Action, removal is authorized.

7. Removal to this Court will promote judicial economy and ensure that claims affecting the bankruptcy estate are resolved in a single forum. The State Court Action involves the same parties, transactions, and issues that are central to the administration of the Bankruptcy Case. Allowing the State Court Action to proceed separately would risk inconsistent judgments and interfere with the Bankruptcy Court's ability to administer the estate efficiently.

8. Pursuant to Federal Rule of Bankruptcy Procedure 9027(b)(2), Debtor will promptly file a copy of this Notice of Removal with the clerk of the Superior

Court of California, County of Orange, and serve the same on all parties to the State Court Action.

Timeliness of Removal

9. This Notice of Removal is timely filed. Federal Rule of Bankruptcy Procedure 9027(a)(2) provides that when a claim or cause of action is pending in state court when a bankruptcy case is commenced, the notice of removal must be filed within "90 days after the order for relief in the bankruptcy case." Fed. R. Bankr. P. 9027(a)(2)(A). The Bankruptcy Case was commenced on July 20, 2026, and this Notice of Removal is filed within 90 days of that date.

10. Debtor consents to this removal and to entry of final orders or judgment by the Bankruptcy Court in this proceeding.

11. Debtor will request that this case be transferred to the United States Bankruptcy Court for the Southern District of California as an adversary proceeding related to Chapter 11 Case No. 26-03102-JBM11 (*In re CashCall, Inc.*) pending before the Honorable Barrett Marum.

WHEREFORE, Debtor respectfully requests that this Court accept this Notice of Removal and assume jurisdiction over this action.

Dated: October 6, 2026

ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP

By: */s/ Andrew E. Mina*
Andrew E. Mina
Proposed Special Counsel to the Debtor and Debtor-in-Possession

PROOF OF SERVICE

I am employed in the County of Orange, State of California. I am over the age of eighteen (18) and am not a party to this action. My business address is 2010 Main Street, 8th Floor, Irvine, California 92614-7214.

On October 6, 2026, I served the within document(s) described as:

NOTICE OF REMOVAL

on the interested parties in this action as stated below:

Please see attached Service List.

☒ **BY E-MAIL OR ELECTRONIC TRANSMISSION:** Based on and in accordance with a court order or agreement of the parties to accept service by e-mail or electronic transmission, I caused a true copy of the document to be sent to the persons at the corresponding electronic address as indicated in the attached Service List on the above-mentioned date. My electronic notification address is kpreston@allenmatkins.com. I am readily familiar with this firm's Microsoft Outlook electronic mail system and did not receive any electronic message or other indication that the transmission was unsuccessful.

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on October 6, 2026, at Irvine, California.

Karrle Preston

Karrle A. Preston

Service List

Michael A. Gould THE GOULD LAW FIRM 161 Fashion Lane, Suite 207 Tustin, California 92780-3364 Telephone: (714) 592-4936 Email: Michael@wageandhourlaw.com Aarin@wageandhourlaw.com	Attorneys for Eduardo De La Torre
Arthur D. Levy Law Office of Arthur D. Levy 610 – 6th Street, Suite 420 Oakland, CA 94612 Telephone: (415) 702-4551 Email: arthur@yesquire.com	Attorneys for Eduardo De La Torre
Brad W. Seiling Donald R. Brown Manatt, Phelps & Phillips, LLP 2049 Century Park East, Suite 1700 Los Angeles, CA 90067 Telephone: (310) 312-4000 Email: BSeiling@manatt.com dbrown@manatt.com	Attorneys for Debtor CashCall, Inc.
David A. Wood Aaron E. De Leest Marshack Hays Wood LLP 870 Roosevelt, Irvine, CA 92620 Telephone: (949) 333-7777 Email: dwood@marshackhays.com adeleest@marshackhays.com	Attorneys for J. Paul Reddam and Absolute Zero Corporation

Haeji Hong DOJ-Ust 880 Front St., Suite 3230 San Diego, CA 92101 619-557-5013 Email: Haeji.Hong@usdoj.gov	Attorney for United States Trustee – USBC, Southern District of California
Office of the United States Trustee Regional Headquarters 915 Wilshire Blvd., Suite 1850 Los Angeles, California 90017 Email: USTP.Region16@usdoj.gov	USBC, Central District of California

EXHIBIT A

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30-2024-01421309-CU-NP-NJC - ROA # 9 - DAVID H. YAMASAKI, Clerk of the Court By V. Hammer, Deputy Clerk.

SUM-100

SUMMONS
(CITACION JUDICIAL)

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):
JOHN PAUL REDDAM; CASHCALL, INC., a California corporation; and DOE 1 through DOE 20, inclusive,

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):
EDUARDO DE LA TORRE,

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (*www.courtinfo.ca.gov/selfhelp*), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (*www.lawhelpcalifornia.org*), the California Courts Online Self-Help Center (*www.courtinfo.ca.gov/selfhelp*), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of $10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.
¡AVISO! *Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.*

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de $10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es): Orange County Superior Court

1275 N. Berkeley Ave., Fullerton, Ca 92832

CASE NUMBER:
(Número del Caso):
30-2024-01421309-CU-NP-NJC

Judge Nathan Vu

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Michael A. Gould, Aarin A. Zeif,The Gould Law Firm,161 Fashion Lane, Suite 207,Tustin, Ca 92780,714-592-4936;Law Offices of Arthur D. Levy, 610-16th St., Suite 420, Oakland, Ca 94612, 415-702-4551

DATE: *(Fecha)* 09/03/2024

DAVID H. YAMASAKI, Clerk of the Court

Clerk, by *(Secretario)* V. Hammer, Deputy *(Adjunto)*

(For proof of service of this summons, use Proof of Service of Summons *(form POS-010).)*
(Para prueba de entrega de esta citatión use el formulario Proof of Service of Summons, *(POS-010)).*

NOTICE TO THE PERSON SERVED: You are served
1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of *(specify):*
3. ☐ on behalf of *(specify):*
   under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
   ☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
   ☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
   ☐ other *(specify):*
4. ☐ by personal delivery on *(date)*:

Form Adopted for Mandatory Use
Judicial Council of California
SUM-100 [Rev. July 1, 2009]

SUMMONS

Code of Civil Procedure §§ 412.20, 465
www.courts.ca.gov

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Case 8:24-cv-02926 Document 1-1 Filed 10/09/26 Page 3 of 15 Page ID #:10
Electronically FILED by Superior Court of California, County of Orange, 08/22/2024 04:06:34 PM. 14
30-2024-01421309-CU-NP-NJC - ROA # 2 - DAVID H. YAMASAKI, Clerk of the Court By A. Gill, Deputy Clerk.

Michael A. Gould (SBN 151851)
Michael@wageandhourlaw.com
Aarin A. Zeif (SBN 247088)
Aarin@wageandhourlaw.com
THE GOULD LAW FIRM
161 Fashion Lane, Suite 207
Tustin, California 92780-3364
Telephone: (714) 592-4936

Arthur D. Levy (SBN 95659)
arthur@yesquire.com
LAW OFFICE OF ARTHUR D. LEVY
610 – 16th Street, Suite 420
Oakland, CA 94612
Telephone: (415) 702-4551

Attorneys for Plaintiff
EDUARDO DE LA TORRE

Additional Counsel listed on signature page

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

EDUARDO DE LA TORRE,

Plaintiff,

v.

JOHN PAUL REDDAM; CASHCALL, INC., a California corporation; and DOE 1 through DOE 20, inclusive,

Defendants.

Case No. 30-2024-01421309-CU-NP-NJC

Assigned for All Purposes
Judge Nathan Vu

COMPLAINT FOR AVOIDANCE AND RECOVERY OF VOIDABLE TRANSFER [Civil Code §§ 3934 *et seq.*]

Plaintiff Eduardo De La Torre, for himself and for the benefit of the Class certified in *De La Torre v. CashCall, Inc*., San Mateo Superior Court Case No. 19CIV01235, complains against defendants, and each of them, pursuant to Civil Code section 3439.07, and alleges as follows:

1. Eduardo De La Torre is the plaintiff and class representative in a class action lawsuit against defendant CashCall, Inc. ("CashCall") in San Mateo County Superior Court, *De La Torre v. CashCall, Inc*., San Mateo Superior Court Case No. 19CIV01235.

2. The Court in *De La Torre v. CashCall* certified a plaintiff Class and has rendered a money judgment against CashCall in favor of the Class.

3. Plaintiff brings this action for himself and for the benefit of the Class in *De La Torre v. CashCall* pursuant to the Uniform Voidable Transactions Act (UVTA), Civil Code §§ 3934 *et seq*., to avoid and recover a large money distribution CashCall made in October 2021 to its sole shareholder, defendant John Paul Reddam, in violation of the UVTA, and any other transfers CashCall has made to Mr. Reddam in violation of the UVTA.

4. Defendant John Paul Reddam is, and all material times was, the sole shareholder and Chief Executive Officer of CashCall. Plaintiff is informed and believes, and on that basis alleges, that Reddam is a resident of California and resides in Orange County, California.

5. Defendant CashCall is a California corporation whose principal place of business is located in Orange County, California. Plaintiff joins CashCall as a defendant in this case because CashCall may have an interest relating to the subject of this action and be so situated that the disposition of the action in its absence may as a practical matter impair or impede its ability to protect that interest.

6. Defendants DOE 1 through DOE 20 are persons or entities whose true names and identities are now unknown to plaintiff, and who therefore are sued by these fictitious names. Plaintiff will amend this complaint to allege the true names and capacities of these fictitiously named defendants when they are ascertained. Each of the fictitiously named defendants is a recipient of and/or has possession of distributions made by CashCall in violation of the UVTA and is liable to pay these distributions to plaintiff for his benefit and for the benefit of the Class certified in *De La Torre v. CashCall, Inc*.

7. On March 7, 2019, plaintiff filed *De La Torre v. CashCall* as a class action, seeking restitution and injunctive relief under the Unfair Competition Law, Business & Professions Code §§ 17200 *et seq*. The complaint challenged CashCall's $2,600 consumer installment loans as unconscionable, in violation of Civil Code section 1670.5 and Financial Code section 22302, and requested restitution of interest paid on those loans by members of the Class. Plaintiff requested that the court certify a plaintiff Class defined as "All individuals who, while residing in California, borrowed from $2,500 to $2,600 from CashCall, Inc., for personal, family or household use at any time from August 1, 2005 to July 10, 2011."

8. The case was assigned to the Honorable Marie S. Weiner, Judge of the San Mateo Superior Court.

9. On January 16, 2020, Judge Weiner granted plaintiff's Motion for Class Certification. The Court certified a Class consisting of "All individuals who, while residing in California, borrowed from $2,500 to $2,600 from CashCall for personal, family or household use at any time from August 1, 2005 to July 10, 2011."

10. By later Stipulation and Order, the Class definition was amended as follows: "All individuals who, while residing in California, borrowed from $2,500 to $2,600 from CashCall for personal, family or household use at any time from August, 1, 2005 to July 10, 2011, whose loans had an interest rate of 90% or more."

11. In 2021, Judge Weiner presided over the trial of *De La Torre v. CashCall*. The trial began on March 8, 2021, and testimony concluded on May 18, 2021.

12. During the trial, Class Counsel presented expert testimony calculating the restitution sought on behalf of the Class as $292,393,266 and $243,355,073, based on two different calculation methodologies. These calculations were based on borrower transactional data, including borrower payments, that CashCall had produced for the period through May 13, 2020.

13. On or about August 6, 2021, CashCall reached a settlement in principle of a legal malpractice action (the "Katten Litigation") CashCall had filed against the law firm of Katten Muchin Rosenman LLP ("Katten").

14. On or about August 21, 2021, CashCall and Katten signed a settlement agreement and the Katten Litigation was dismissed.

15. On August 31, 2021, at CashCall's request, final argument was scheduled in *De La Torre v. CashCall* for November 1, 2021.

16. On or about September 16, 2021, Katten and/or entities on Katten's behalf wired the initial settlement payment of the Katten Litigation to CashCall.

17. On September 20, 2021 and October 4, 2021, Class Counsel and counsel for CashCall submitted simultaneous opening and closing post-trial briefs in *De La Torre v. CashCall*. In plaintiff's September 20, 2021 brief, plaintiff requested that the court award restitution of $292,393,266 in interest to the Class, in accordance with the evidence plaintiff submitted at trial.

18. On or about October 19, 2021, CashCall made a large money distribution to Mr. Reddam (the "Transfer"). The Transfer was over half of the net settlement payment wired to CashCall on or about September 16, 2021.

19. On November 1, 2021, Judge Weiner heard closing arguments in *De La Torre v. CashCall*.

20. On January 20, 2022, Judge Weiner issued a Tentative Decision After Court Trial, proposing to award the Class "any and all interest payments made to Defendant CashCall Inc. on those consumer loans funded during the Class Period; offset by any and all principal amounts (including the $75 fees) on the consumer loans made by Defendant to Plaintiff and the Class on those same consumer loans."

21. On November 7, 2023, Judge Weiner entered an Amended Judgment After Court Trial (the "Amended Judgment"), awarding the Class a money judgment of $245,515,389 on account of interest paid to CashCall by class members. A true and correct copy of the Amended Judgment After Court Trial is attached as Exhibit "A".

22. CashCall has appealed the Amended Judgment, but has not posted any bond, and collection of the Amended Judgment has not been stayed.

23. The amount of interest paid by plaintiff and the members of the Class was calculable on or before May 13, 2020, the date CashCall produced the transactional records on which the restitution calculations were based.

24. Plaintiff is informed and believes, and on that basis alleges, that CashCall made the Transfer to Mr. Reddam with actual intent to hinder, delay, or defraud the Class in the collection of the Amended Judgment in *De La Torre v. CashCall*, and/or without receiving a reasonably equivalent value in exchange for the Transfer.

25. Plaintiff is informed and believes, and on that basis alleges, that at the time of the Transfer to Mr. Reddam, CashCall believed or reasonably should have believed that it was about to incur liability to the Class in *De La Torre v. CashCall* beyond CashCall's ability to pay.

26. Plaintiff is informed and believes, and on that basis alleges, that CashCall made the Transfer to Mr. Reddam without receiving a reasonably equivalent value in exchange, and that CashCall was insolvent at that time of the Transfer.

27. The Amended Judgment in *De La Torre v. CashCall* exceeds the amount of the Transfer. Plaintiff seeks to avoid and recover the entire Transfer and have the entire Transfer avoided and for a money judgment to be entered against Mr. Reddam in the amount of the Transfer, plus prejudgment interest and costs, and any additional transfers established by the plaintiff, in favor of Plaintiff and the Class.

FIRST CAUSE OF ACTION
Avoidance and Recovery of Actual Fraudulent Transfer
Cal. Civ. Code §§ 3934 *et seq.*

28. Plaintiff realleges the allegations set forth in paragraphs 1 through 27 above and incorporates them by reference.

29. The Transfer was a transfer of an interest of CashCall in property.

30. Plaintiff is informed and believes, and on that basis alleges, that CashCall made the Transfer and incurred obligations relating to the Transfer with actual intent to hinder, delay, or defraud Plaintiff and the Class a creditor of CashCall.

31. Based on the foregoing, Plaintiff requests judgment as set forth below.

SECOND CAUSE OF ACTION
Avoidance and Recovery of Constructive Fraudulent Transfer
Cal. Civ. Code §§ 3934 *et seq.*

32. Plaintiff realleges the allegations set forth in paragraphs 1 through 27 above and incorporates them by reference.

33. The Transfer was a transfer of an interest of CashCall in property.

34. Plaintiff is informed and believes, and on that basis alleges, that that CashCall received less than a reasonably equivalent value in exchange for the Transfer.

35. Plaintiff is informed and believes, and on that basis alleges, that CashCall was insolvent on the date that the Transfer was made or became insolvent as a result of the Transfer, or was engaged in a business or transaction or was about to engage in a business or transaction for which any property remaining with CashCall was unreasonably small capital.

Based on the foregoing, plaintiff requests judgment as set forth below.

RELIEF SOUGHT

Plaintiff requests the following relief for himself and on behalf of Class *in De La Torre v. CashCall*:

1. On the First and Second Causes of Action:

a. Entry of a judgment in favor of plaintiff, for his benefit and for the benefit of the Class in *De La Torre v. CashCall*, and against defendants, and each of them, avoiding the Transfer and any other fraudulent transfer established by the Plaintiff, and awarding a money judgment in the full amount of the Transfer (and any additional established fraudulent transfers).

b. Prejudgment attachment and/or other provisional relief against defendants, pursuant to Code of Civil Procedure section 3439.07, subd. (a)(2) and (b);

c. Preliminary and permanent injunctive relief against further disposition of the Transfer by the defendants, and each of them, pursuant to Code of Civil Procedure section 3439.07(a)(3);

d. Issuance of writ(s) of execution, pursuant to Code of Civil Procedure section 3439.07(c);

e. Prejudgment interest;

f. Costs of suit; and

2. Such other and further orders and relief as may be necessary and proper to effectuate the avoidance and recovery of all transfers to Mr. Reddam in violation of the UVTA, and payment to or for the benefit of plaintiff and the Class in *De La Torre v. CashCall.*

DATED: August 21, 2024

By: _____
Michael A. Gould

Michael A. Gould (SBN 151851)
Aarin A. Zeif (SBN 247088)
THE GOULD LAW FIRM
161 Fashion Lane, Suite 207
Tustin, California 92780-3364
Telephone: (714) 592-4936
Michael@wageandhourlaw.com
aarin@wageandhourlaw.com

Arthur D. Levy (SBN 95659)
LAW OFFICE OF ARTHUR D. LEVY
610 – 16th Street
Suite 420
Oakland, CA 94612
Telephone: (415) 702-4551
arthur@yesquire.com

James C. Sturdevant (SBN 94551)
THE STURDEVANT LAW FIRM
A Professional Corporation
P. O. Box 151560
San Rafael, CA 94915
Telephone: (415) 518-8636
jsturdevant@sturdevantlaw.com

Steven M. Tindall (SBN 187862)
GIBBS LAW GROUP LLP
505 14th Street, Suite 1110
Oakland, CA 94612
Telephone: (510) 350-9700
smt@classlawgroup.com

Jessica Riggin (SBN 281712)
RUKIN HYLAND & RIGGIN LLP
1939 Harrison Street, Suite 925
Oakland, CA 94612
Telephone: (415) 421-1800
jriggin@rukinhyland.com

Damon Connolly (SBN 139779)
Damon Connolly Law Offices
1888 Las Gallinas Ave.
San Rafael, CA 94903
Telephone: (415) 250-6127
damon@damonconnollylaw.com

Attorneys for Plaintiff
EDUARDO DE LA TORRE

Exhibit A

FILED
SAN MATEO COUNTY
NOV 07 2023
Clerk of the Superior Court
By _____ DEPUTY CLERK

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN MATEO

COMPLEX CIVIL LITIGATION

EDUARDO DE LA TORRE, on behalf of all others similarly situated and the general public,

Plaintiffs,

vs.

CASHCALL, INC., a California corporation, and DOES 1 through 25 inclusive,

Defendants.

Case No. 19CIV01235
CLASS ACTION

Assigned for All Purposes to
Hon. Marie S. Weiner, Dept. 2

***AMENDED* JUDGMENT AFTER COURT TRIAL**

Court Trial was held in Department 2 of this Court before the Honorable Marie S. Weiner, as the single-assigned judge. James Sturdevant of The Sturdevant Law Firm, Steven Tindall of Gibbs Law Group LLP, Arthur Levy, Esq., and Jessica Riggin of Rukin Hyland & Riggin LLP appeared on behalf of Plaintiff de la Torre and the Certified Class; and Brad Seiling, Donald Brown, and Justin Jones-Rodriguez of Manatt Phelps & Phillips LLP appeared on behalf of Defendant CashCall Inc.

This complex case and certified class action commenced Court Trial on March 8, 2021, the presentation of evidence concluded on May 14, 2021, written Closing

Argument Briefs were filed concluding October 4, 2021, and oral Closing Arguments were conducted and concluded on November 1, 2021. A Tentative Decision was issued. A Proposed Statement of Decision was issued. Objections to the Proposed Statement of Decision were filed by the parties. A Final Statement of Decision after Court Trial was issued. Judgment was entered, and post-trial motions filed – in response to which this Court decided to issue an Amended Final Statement of Decision and this Amended Judgment.

IT IS HEREBY DECIDED, ORDERED AND ADJUDGED that Judgment shall be and is entered in favor of Plaintiff Eduardo de la Torre and the Certified Class and against Defendant CashCall Inc.

The Certified Class was previously certified and defined as follows: "All individuals who, while residing in California, borrowed from $2,500 to $2,600 from CashCall for personal, family or household use at any time from August 1, 2005 to July 10, 2011." Plaintiff Eduardo De La Torre was previously appointed the Plaintiff Class Representative.

The Amended Final Statement of Decision after Court Trial entered November 7, 2023 is incorporated herein by reference. Plaintiff and the Certified Class have proven, by a preponderance of the evidence, their cause of action for violation of Business & Professions Code Section 17200 *et seq.* based upon violation of Financial Code Section 22302 (and related Civil Code Section 1670.5).

Plaintiff and the Class are entitled to monetary restitution of any and all interest payments made to Defendant CashCall Inc. on those $2600 consumer loans funded during the Class Period. Accordingly, Plaintiff Eduardo de la Torre and the Certified Class are awarded monetary restitution under Business & Professions Code Section

17200 *et seq.* for the total amount of **$245,515,389,** against Defendant CashCall Inc. This reflects the return (restitution) of all interest paid by those Class members who have paid to Defendant more than the amount of their principal on their 101,564 loans. No monetary restitution is awarded on the 32,284 loans to those Class members who have paid to Defendant less than the amount of the principal of their loans.

Injunctive relief is granted to Plaintiff and the Class, as follows: Defendant CashCall Inc., and any and all of its parents, subsidiaries, assignees, transferees, loan portfolio purchasers, representatives, agents, officers, directors, employees, and/or trustees, are enjoined from and shall not collect, receive, charge, take, or obtain payments of any *interest* on any consumer loans entered into at any time from August 1, 2005 to July 10, 2011 between any Plaintiff or any member of the Certified Class on the one hand, and Defendant CashCall Inc. on the other hand, with an initial principal amount of $2,500 to $2,600. This is not a prohibition against collection of any principal still due and owing only on the 32,284 loans to those Class members whose net payments to Defendant are less than the amount of the principal of their loans.

No prejudgment interest is awarded.

Plaintiff and the Certified Class are the prevailing parties entitled to statutory costs upon timely filing and service of a Memorandum of Costs.

The Plan of Distribution of the Amended Judgment proceeds to the Plaintiff and members of the Certified Class shall be proposed and considered by the Court after entry of the Amended Judgment.

Plaintiff shall immediately file and serve formal Notice of Entry of Amended Judgment.

DATED: November 7, 2023

HON. MARIE S. WEINER
JUDGE OF THE SUPERIOR COURT