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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re: CASHCALL, INC.. Debtor-in-Possession.	Case No.: 26-03102-JBM11 UNITED STATES TRUSTEE'S RESPONSE TO JUDGMENT CREDITOR EDUARDO DE LA TORRE'S MOTION TO DISMISS Date: November 4, 2026 Time: 10:00 A.M. Dept: Two (2) Judge: J. Barrett Marum

Eduardo De La Torre ("Judgment Creditor") filed Motion to Dismiss ("Dismissal Motion") as Docket No. 127 on September 14, 2026.[1] The Acting United States Trustees files this Response to the Dismissal Motion.

Dismissal of this case is in the best interest of creditors. As the Dismissal Motion pointed out, CashCall, Inc. (the "Debtor")'s filing of this chapter 11 case was not to preserve current business operations. There are no going concerns – the Debtor admitted in its own filings that there are no employees and no operating business. *See* Declaration of J. Paul Reddam in Support of Debtor's Chapter 11 Petition and First Day Pleadings, Dkt No. 3, ¶12-13. The Debtor also sold a

[1] The Court changed the hearing date of the Dismissal Motion to November 4, 2026 at 10:00 a.m. and opposition deadline to October 14, 2026 based on the requests made at the court hearing on September 17, 2026.

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significant portion of its performing loan portfolio[2] to Absolutely Zero Corporation, entity owned 100% by the sole shareholder Mr. Reddam, in May and June of 2026, within two months of filing this chapter 11 bankruptcy case. *See* Amended Statement of Financial Affairs, Question No. 13, Dkt No. 124. If the Debtor wanted to reorganize its business operation, it would not have sold its performing loan portfolio right before filing this chapter 11 bankruptcy case. According to the Debtor, at this point, the most significant asset of this Debtor is the fraudulent conveyance action filed by Judgment Creditor against the Debtor and its sole shareholder J. Paul Reddam, for over $45,000,000. *See* Reply in Support of Debtor's First Day Motions for Interim and Final Orders, Dkt No. 18, pg 2, lines 22-23.

The filing of this bankruptcy case appears to have "delayed, not hastened completion of the litigation." *St. Paul Self Storage Ltd. Partnership v. Port Auth.*, 185 B.R. 580, 583 (9th Cir. BAP 1995). This case, like St. Paul, appears to have been filed as a "litigation tactic" so that the sole shareholder could avoid paying the two biggest judgment creditors - two creditors making up 99% of this estate's creditor body. The evidence that this bankruptcy case is simply a "litigation tactic" is further reflected by the Debtor's recent filing of the notice of removal of the fraudulent conveyance action as Docket No. 192. As the Court is aware, the trial in the state court's fraudulent conveyance action was initially set for October 2026. Instead of proceeding where the court has more than two years of familiarity with the case, the Debtor is making procedural moves that pose further delay of the litigation that the Debtor portrays as the most significant asset of this estate.

The speediest solution to maximize assets to 99% to the creditor body in this case is outside of the bankruptcy case. Outside of the bankruptcy case, Mr. Reddam can honor his pledge agreement to pay the Consumer Financial Protection

[2] The Debtor represented to the UST's Office at the Initial Debtor Interview that the performing loans were sold to Absolutely Zero Corporation.

Bureau, which would reduce the claim against this Debtor. Outside of the bankruptcy case, the Judgment Creditor can move forward with the state court litigation action to trial. The Judgment Creditor, and likely his professionals,[3] have not been paid for close to two decades on issues decided by courts long ago. Based on the timing of this bankruptcy case, it appears that the "Debtor is unreasonably deterring or harassing creditors," which can provide cause to dismiss the case. *St. Paul*, 185 B.R. at 583.

WHEREFORE, dismissal of this case is in the best interest of creditors.

Respectfully submitted,

TIFFANY L. CARROLL
ACTING UNITED STATES TRUSTEE

Dated: October 14, 2026

By: /s/ Haeji Hong
Haeji Hong,
Attorney for the Acting United States Trustee

[3] It was represented to the UST that attorneys have not been paid because attorneys have a contingency fee agreement based on any class action judgment collection, which has not concluded.