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UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

In re DIABLO GRANDE COMMUNITY FACILITIES DISTRICT NO. 1, Debtor.	Case No. 25-26635-A-9 DCN BWS-001 **DEBTOR'S OPPOSITION TO KOSHI PADNANI'S MOTION TO EXTEND TIME TO FILE OBJECTION TO CHAPTER 9 PETITION** Date: November 18, 2026 Time: 9:30 A.M. Ctrm: Dept. A, Ctrm 11 2500 Tulare Street, Fresno California

I. INTRODUCTION

Diablo Grande Community Facilities District No. 1 (the "**Debtor**" or "**CFD**"), hereby submits this Opposition (the "**Oppositon**") to Bondholder Koshi Padnani's Motion To Extend Time To File Objection To Diablo Grande Community Facilities District No. 1's Chapter 9 Petition (the "**Motion**") and requests that the Court deny the Motion. The Opposition is supported by the within Memorandum of Points and Authorities, Declaration of Joseph Buchman, the Debtor's Objections To Evidence, and the Court's file in this bankruptcy proceeding.

II. STATEMENT OF JURISDICTION

1. The Court has jurisdiction over the Petition and the Objection pursuant to 28 U.S.C. § 1334(b), and 11 U.S.C. §921. The Petition is a core proceeding under 28 U.S.C. § 157(b)(1) and (2)(A).

2. The Debtor consents to the limited relief requested in the Petition without prejudice to the rights of the Debtor pursuant to Section 904 of the Bankruptcy Code, and except as to the limited relief requested in the Petition, nothing herein is intended as or shall be deemed to constitute the Debtor's consent pursuant to Section 904 of the Bankruptcy Code to this Court's interference with (1) any of the political or governmental powers of the Debtor, (2) any of the property or revenues of the Debtor, or (3) the Debtor's use or enjoyment of any income-producing property.

III. FACTUAL BACKGROUND

3. The Bankruptcy Case was commenced by the filing of the Debtor's Bankruptcy Petition on November 25, 2025 (the "**Petition**") [25-26635 Dkt. 1], after the Debtor's governing authority, the Board of the Western Hills Water District (the "**Board**"), declared a fiscal emergency of the Debtor [25-26635 Dkt. 4. Declaration of Joseph Buchman In Support of Debtor's Opposition To Koshi Padnani's Motion To Extend Time To File Objection To Chapter 9 Petition (the "Buchman Decl."), ¶ 2.

4. On February 4, 2026, the Bankruptcy Court approved the form of Notice of Commencement of Chapter 9 Bankruptcy Case and set April 3, 2026, as the deadline for filing objections to the Chapter 9 Petition [25-26635 Dkt. 23]. Buchman Decl., ¶ 3.

5. On March 12, 2026, the Debtor submitted its evidence proving service and publication of the Notice of Commencement of Chapter 9 Bankruptcy Case in accordance with the Court's February 4, 2026 Order [25-26635 Dkt. 28, 29, 30, 31, 32, 33]. Buchman Decl., ¶ 4.

6. Pursuant to the Court's Order [25-26635 Dkt. 23], objections to the Chapter 9 petition were due not later than April 3, 2026. This deadline was duly noticed as part of the Notice of Commencement of Chapter 9 Case. On April 3, 2026, the County of Stanislaus, California (the "**County**") filed an Objection to the Chapter 9 Petition (the "**Objection**") [25-26635 Dkt. 43]. No other creditor or interested party filed an objection. Buchman Decl., ¶ 5.

7. On August 19, 2026, the Debtor and the County filed a Joint Report For Status Conference [25-26635 Dkt. 81] which reported to the Court that they had reached an Agreement for the County to withdraw its Objection subject to the terms of the Settlement Agreement. Buchman Decl., ¶ 6.

8. On October 7, 2026, the County and Debtor filed a Stipulation To Withdraw Objection To Chapter 9 Petition And Dismiss Contested Matter Per FRBP 7041 And FRCP 41(a)(1)(a)(ii) [25-26635 Dkt. 121]. Consequently, the only timely objection to the Chapter 9 Petition has been withdrawn. Buchman Decl., ¶ 7.

9. The deadline for filing an objection to the Petition was duly set and noticed for April 3, 2026. Padnani's did not file an objection to the Petition until September 15, 2026 [Dkt. 97], with duplicate versions later filed on October 9, 2026 [Dkt. 122], October 17, 2026 [Dkt 134], and October 22, 2026 [Dkt. 137]. As best I can determine, the version of the Objection filed at Dkt. 137 is the most complete and intelligible. Buchman Decl., ¶ 8.

10. On August 26, 2026, at the hearing on the Status Conference following the Debtor and County reaching a settlement on the County's Objection, Padnani appeared *in pro per* and announced that she objected to the Petition as well. During the hearing, after the Court acknowledged the settlement, the following colloquy ensued:

Court: Ms. Padnani, did you have something you wanted to say?

Padnani: Yes, I was under the assumption that even I have filed an objection to this discharge or the Chapter 9 bankruptcy, and hopefully you will take that into consideration because I don't have a lawyer and I don't know all the legal

> aspects, but I do know that it's not right that fraud has been committed and some evidence must have been gathered during the discovery process by Mr. Cruse and that is why he's getting the settlement. But I will do an objection to the discharge or the bankruptcy by filing an adversary complaint if they are allowed this bankruptcy by Chapter 9 because otherwise they can resolve this dispute by settling with me the monies they owe me which is $26,000.

Court Docket 86, Hearing Recording at timestamp 1:14—2:22. The Court is requested take judicial notice of this recording of the hearing pursuant to FRE 201. Buchman Decl., ¶ 9.

11. At the August 26, 2026 hearing, the Court went on to clarify that Ms. Padnani had filed a proof of claim and not an objection. However, it is apparent from Ms. Padnani's initial admissions quoted above that (1) she had made a mistake of law in thinking her proof of claim was an objection to the Petition, (2) that she thinks the only reason the Debtor settled with the County is to hide some evidence of fraud uncovered by the County, and (3) that the Debtor can avoid having to address her dispute if the Debtor will agree to pay her the $26,000 she claims is owed to her. Those "reasons" for not filing a timely objection are insufficient as a matter of law and were expressed before Padnani learned the requirements for a legally recognized basis for an extension of time. Padnani's purported health justifications for not being able to file a timely objection smack of simple malingering and are not supported by relevant or admissible evidence. Buchman Decl., ¶ 10.

12. In this "Motion", what this Court has been provided is essentially a one page request for an extension that is not under oath and essentially adds nothing. Along with that are unauthenticated medical records which also add nothing. Objections to the "evidence" have been separately submitted.

IV. ARGUMENT

A. The court must deny the motion due to the repeated failures to comply with the Rules of Evidence as well as the Local Bankruptcy Rules (LBR), as well as Local Bankruptcy Rule 9014-1(f)(1)(B).

1. LBR 9014(d)(1) requires that evidence by submitted with the motion.

2. Debtor's "motion" also fails to comply with LBR 9014(d)(3)(A) "Every motion or other request for relief shall be accompanied by evidence establishing its factual allegations and

demonstrating that the movant is entitled to the relief requested. Affidavits and declarations shall comply with Fed. R. Civ. P. 56 (c)(4)."

3. The Motion does not state any grounds for relief and cites no authority. Since there actually is no "motion" which complies with the local rules and no evidence submitted, the court should simply deny the motion and enter the order for relief. A liberal treatment afforded to pro se litigants does not excuse a pro se party from compliance with relevant rules of procedural and substantive law. Wang v. Paul Misano 157 F.Supp.3d 306, 317(S.D.N.Y. 2016); Birl v. Estelle, 660 F.2d 592 (5th Cir. 1981). The Birl case has been cited in a bankruptcy treatise to the effect that carelessness does not qualify as excusable neglect, and neither does failure to comprehend the law. 6 Norton Bankr. & Prac. 3d §170:73.

3. Neither the Debtor nor this Court have any obligation to review the Motion under Bankruptcy Rule 9024 which incorporates by reference Rule 60 of the Federal Rules of Civil Procedure. Assuming that there was any admissible evidence and in fact that there was a declaration as required in proper form, that one page document together with the hearsay and otherwise inadmissible medical records does not under any circumstances give this court any authority to grant any relief. Presumably this would have to be a motion under Rule 60(b)(1), which is mistake, inadvertence, surprise or excusable neglect. There is no explanation for her delay, as she received notice of the deadline and appeared repeatedly at court hearings. The audio recording from the hearing on August 26, 2026 leads to a conclusion that her efforts are more of a conscious decision. Indeed, she is in effect inviting the Debtor to somehow pay her off for $26,000.00 and ignore other creditors.

B. The Motion cannot be granted under FRBP 9024 or FRCP 60(b).

1. Similar conduct was dealt with by the Bankruptcy Court in the case of In re Lake, 654 B.R. 916, 920-921 (Bankr. E.D.MI 2023). In that case, the Bankruptcy Court entered a default judgment against the transferee in a fraudulent transfer action brought by the Bankruptcy Trustee. In that case the Chapter 7 debtor had transferred an interest in real property by quitclaim deed to the debtor's former spouse. More than 14 months later the transferee filed a motion to reopen the adversary proceeding, which the court construed as a motion under FRBP 9024 and its

local bankruptcy rule and the provisions of FRCP 60. The court stated, in pertinent part:

> The Motion shows that the Defendant cannot establish "mistake, inadvertence, surprise, or excusable neglect" under Rule 60(b)(1) because it shows that the Defendant made a conscious decision not to answer the complaint. Such a deliberate choice is not "neglect" as that term is used in Rule 60(b)(1). And courts have consistently held that this type of deliberate inaction does not satisfy the standard under Rule 60(b)(1). "[A] Rule 60(b) Motion may not be used as a 'technique to avoid the consequences of decisions deliberately made yet later revealed to be unwise.' "McCurry ex rel. Turner v. Adventist Health SYS./Sunbelt, Inc, 298 F.3d 596, 594 (6th Cir. 2002) (citations omitted)". (Emphasis Supplied)] Id. at 920-921.

2. In any such motion, the proponent bears the burden of presenting facts demonstrating excusable neglect for allowing a late filed claim or in this case, the right to file an objection. In Re Pacific Gas & Electric Company 311 B.R. 84, 89 (Bankr.N.D.Cal. 2004), citing In Re Cahn, 188 B.R. 627 (Bankr. 9th Cir. 1995).

3. The Bankruptcy Appellate Panel reiterated the requirement that a movant bears the burden of presenting facts. In re Yucca Group, LLC 2012 WL2086485*10 (Bankr. 9th Cir. 2012). In that case, the BAP reversed the portion of the bankruptcy court's order that the creditor did not present an adequate informal proof of claim but affirmed the bankruptcy court's determination that the creditor's failure to timely file a proof of claim was not occasioned by excusable neglect.

C. Movant's Delay Tactics Have Caused Prejudice to The Debtor And to Creditors.

1. The Ninth Circuit has weighed in on the delay factor in terms of a party waiting to file a motion in the first place. In this particular case, we have someone who has filed a proof of claim (indeed, the first proof of claim) and participated at every status conference and hearing. This is someone who had full knowledge of the due date and chose to do nothing. In the case of In re Nations First Capital, LLC , 851 Fed. Appx. 32 (9th Cir. 2021) a Chapter 11 Debtor initially appealed from an order from Bankruptcy Judge Christopher M. Klein denying its motion for reconsideration of the court's decision to vacate its prior order disallowing claim. The Bankruptcy Appellate Panel reversed. The Court of Appeal held that the claimants delay of two months in requesting relief from an order disallowing claim was not "excusable neglect" of a kind warranting reconsideration of a disallowance order and further held that the claimant's potential meritorious

defense to the Debtor's claim objection did not warrant reconsideration of the prior order disallowing claim under the catch-all provision. In the lower court, Judge Klein had denied relief under Rule 60(b)(1) but granted relief under Rule 60(b)(6).

2. In the Nations First Capital case, the Bankruptcy Court found and the Ninth Circuit stated that claimant Decembre "has not demonstrated that any of the following factors favor Rule 60(b)(1) relief on the basis of excusable neglect: "the danger of prejudice to the Debtor, the length of the delay and its potential impact on judicial proceedings, the reason for the delay, including whether it was within the reasonable control of the movant, and whether the movant acted in good faith." (citations omitted). Here, Ms. Padnani's "motion" would fail under all of those circumstances. The Ninth Circuit in In re Nations First Capital, supra, indicated, citing other authority, that a roughly two month delay was substantial, and affirmed the Bankruptcy Court's decision as to Rule 60(b)(1), Id. at 34. It specifically held that these types of circumstances did not warrant relief under Rule 60(b)(6), and thus affirmed the BAP's decision on that point. In the present case, the entry for the order of relief has been delayed for months for no valid reason. Assuming that the U.S. Trustee would be able to appoint a Creditor's Committee, it cannot do so until an Order for Relief is entered. 11 U.S.C. §1102(a), incorporated by reference for Chapter 9 cases per 11 U.S.C. §901. This case was filed November 25, 2025. These efforts are squandering both judicial resources and legal resources for no valid purpose. Buchman Decl., ¶11.

CONCLUSION

The Court should deny the Motion with prejudice.

Dated: November 4, 2026

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