

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

<p>In re, Brendan Hampton Church, <div style="text-align: right;">Debtor(s).</div></p> <hr/> <p>Brendan Hampton Church, <div style="text-align: right;">Plaintiff(s),</div></p> <p>v.</p> <p>BIJ Motors, TX, LLC Dream Medical Group, LLC Joseph Agresti BIJ LA, LLC, <div style="text-align: right;">Defendant(s).</div></p>	<p style="text-align: center;">C/A No. 23-01436-HB Adv. Pro. No. 23-80042-HB Chapter 7 ORDER</p>
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THIS MATTER came before the Court for a trial on September 9, 2024. Plaintiff Brendan Hampton Church (“Church”) seeks recovery from Defendants BIJ Motors, TX, LLC, Dream Medical Group, LLC (“Dream”), Joseph Agresti (“Agresti”), and BIJ LA, LLC (collectively, the “Defendants”).¹ Appearances were made by Rory D. Whelehan and Wilson F. Green (“Green”) on behalf of Defendants, W. Harrison Penn (“Penn”) on behalf of Church, and Weyman C. Carter on behalf of John F. Connell, Jr. (“Connell”). Church, Connell, Paul S. Landis (“Landis”), and Joshua J. Hudson (“Hudson”) testified, and exhibits were admitted. The Court must determine whether Defendants violated the automatic stay of 11 U.S.C. § 362, whether any such violation was willful, and whether Church has proven damages proximately resulting from any such willful violation, making relief pursuant to § 362(k) appropriate.

¹ See ECF No. 1, filed July 27, 2023 (Complaint); ECF No. 14, filed Oct. 31, 2023 (Answer to Complaint).

FINDINGS OF FACT

At the beginning of the COVID-19 pandemic in the spring of 2020, Agresti’s company, Dream, and Church’s company, Old South Trading Co., LLC (“Old South”), entered transactions for Dream’s purchase of personal protective masks from Old South.² In May of 2020, Dream and Old South entered an agreement that, among other things, gave Dream an option to return some of the masks and receive a refund.³ Dream exercised that option, but Old South only tendered a partial refund.⁴ In July of 2020, Defendants sought relief in arbitration against Church and Old South for their breach of the May 2020 agreement.

On November 25, 2020, Church purchased real property located at 136 S. Falls Road, Sunset, SC (the “Lake House”), and Church became one hundred percent (100%) owner thereof.⁵

On January 10, 2022, an arbitration award was entered against Church and Old South in the approximate amount of \$5.5 million in favor of Defendants for Church and Old South’s breach of the May 2020 agreement.⁶

On February 1, 2022, Dream and Agresti, represented by Landis and Green, filed a complaint against Church in the Court of Common Pleas for Pickens County, South Carolina (the “State Court”) (C.A. No. 2022-CP-39-0164) (the “State Court Action”).⁷ The complaint sought the imposition of an equitable lien and a constructive trust in Dream and Agresti’s favor on the Lake House and recovery of funds through either the transfer of the Lake House to Dream and Agresti or a sale of the Lake House.⁸ On February 2, 2022, Dream and Agresti filed a *lis pendens*

² Ex. 11.

³ Ex. 11.

⁴ Ex. 11.

⁵ ECF No. 29, filed June 6, 2024 (the “Joint Pre-Trial Order”).

⁶ Ex. 11.

⁷ Ex. 9, 16.

⁸ Ex. 9.

in the State Court regarding the Lake House.⁹ Connell and James Gilliam (“Gilliam”) were Church’s counsel in the State Court Action.¹⁰

On April 7, 2022, Church transferred his one hundred percent (100%) interest in the Lake House to his wife, Mya Church (“Ms. Church”).¹¹

On May 16, 2022, the U.S. District Court for the Southern District of Texas entered a Memorandum Opinion and Order and Final Judgment confirming the arbitration award.¹² On July 15, 2022, that court entered an Order granting a Motion for immediate registration of the judgment.¹³

On July 20, 2022, the arbitration award, having been converted to a judgment, was transcribed in the State Court.¹⁴

On March 30, 2023, Dream and Agresti filed a Motion for Leave to File Amended Complaint, with proposed Amended Summons and Amended Complaint attached.¹⁵ In the Amended Summons and Amended Complaint, Ms. Church and Spero Financial Federal Credit Union (“Spero”) were added as defendants and BIJ Motors, TX, LLC and BIJ LA, LLC were added as plaintiffs. Instead of asserting causes of action for equitable lien and constructive trust, the Amended Complaint now sought to have Church’s transfer of his interest in the Lake House to Ms. Church declared void as a fraudulent conveyance pursuant to the Statute of Elizabeth (S.C. Code Ann. § 27-23-10) and foreclosure of the judgment on the Lake House.

On April 13, 2023, Ms. Church transferred a one-half (½) interest in the Lake House back to Church.

⁹ Ex. 10.

¹⁰ Joint Pre-Trial Order.

¹¹ Joint Pre-Trial Order.

¹² Joint Pre-Trial Order; Ex. 12.

¹³ Joint Pre-Trial Order; Ex. 13.

¹⁴ Joint Pre-Trial Order.

¹⁵ Joint Pre-Trial Order; Ex. 15.

On April 25, 2023, the State Court published online a hearing notice that a hearing on Dream and Agresti's Motion for Leave to File Amended Complaint would be held on May 19, 2023.¹⁶

On May 18, 2023, Church filed a petition for relief under Chapter 11 of the Bankruptcy Code to initiate C/A No. 23-01436-HB. On the same date, the Court issued a Notice of Chapter 11 Bankruptcy Case (Official Form 309E1) (the "Notice of Chapter 11"), which advised that Church had filed for bankruptcy, that "[t]he filing of the case imposed an automatic stay against most collection activities", and that "while the stay is in effect, creditors cannot sue, garnish wages, assert a deficiency, repossess property, or otherwise try to collect from the debtors."¹⁷ The Notice of Chapter 11 was served by first class mail on May 21, 2023, on the then-existing mailing matrix which included Agresti c/o Landis, but not the other Defendants.¹⁸

On May 19, 2023, Connell (Church's then State Court counsel) and Landis attended a hearing in the State Court Action on Defendants' Motion for Leave to File Amended Complaint and Connell's Motion to be relieved as counsel for Church.¹⁹ Connell's Motion to be relieved as counsel, which had been filed in the State Court on the petition date, did not mention Church's pending bankruptcy.²⁰ Defendants were not advised at that hearing that Church had filed Chapter 11 the day before,²¹ and Connell testified he did not recall informing the State Court or Landis of Church's pending bankruptcy.²² The same day as that hearing, the State Court issued an Order granting Defendants' Motion for Leave to File Amended Complaint and Connell's Motion to

¹⁶ Joint Pre-Trial Order.

¹⁷ ECF No. 5.

¹⁸ ECF No. 6, entered May 21, 2023; Ex. 1.

¹⁹ Joint Pre-Trial Order.

²⁰ Ex. 18.

²¹ Joint Pre-Trial Order.

²² Connell did not indicate in testimony whether he knew of Church's bankruptcy at that time.

withdraw as counsel for Church.²³ Shortly after that order was entered, Connell emailed Landis Church's contact information.²⁴

On May 23, 2023, Defendants herein (plaintiffs in the State Court Action) filed the Amended Summons and Amended Complaint in the State Court.²⁵ The Amended Complaint was served electronically on the same date on Gilliam.²⁶ Also on May 23, 2023, Defendants served Spero with the Amended Complaint.²⁷

On May 26, 2023, Landis received actual notice of the bankruptcy filing when he received the Notice of Chapter 11 in his office mail. Prior to that time, Landis had not been personally informed of Church's Chapter 11 filing, and at no time was a Suggestion of Bankruptcy nor any other notice filed in the State Court Action.²⁸ That same day, Landis' paralegal emailed his process server that Church could not be served with pleadings in the State Court Action, but that Ms. Church should still be served.²⁹

On May 30, 2023, Defendants herein filed an Affidavit of Service in the State Court Action attesting to their service of the Amended Summons, Amended Complaint, and exhibits on Spero on May 23, 2023.³⁰

On June 6, 2023, Defendants served an Amended Lis Pendens, the Amended Summons, the Amended Complaint, and exhibits on Ms. Church at her home at 18 Finsbury Lane, Simpsonville, SC 29681 (the "Residence").³¹

²³ Joint Pre-Trial Order; Ex. 19.

²⁴ Ex. 20.

²⁵ Joint Pre-Trial Order; Ex. 2, 21.

²⁶ Joint Pre-Trial Order. The Joint Pre-Trial Order indicates it was served on May 23, 2024, but from the context, that appears to be a typographical error.

²⁷ Joint Pre-Trial Order.

²⁸ Joint Pre-Trial Order.

²⁹ Ex. 22.

³⁰ Ex. 3.

³¹ Joint Pre-Trial Order; Ex. 7. The schedules and statements Church initially filed (C/A No. 23-01436-HB, ECF No. 12) appear to indicate that Church transferred a one hundred percent (100%) interest in the Residence to Ms. Church

Also on June 6, 2023, Penn emailed Landis, advising of his position that the filing of the Amended Complaint in the State Court Action was a willful violation of the automatic stay, and requesting that the Amended Complaint be withdrawn.³² On June 7, 2023, Landis responded to Penn, stating that he had no knowledge of the bankruptcy at the time the Amended Complaint was filed and once he became aware, his office instructed their process server to cease any attempt to serve Church.³³ Later that day, Penn responded to Landis, reiterating his belief that the filing of the Amended Complaint represented an attempt to enforce a pre-petition judgment against property of the estate.³⁴ Landis responded to Penn later that day, noting that the Amended Complaint also contained a cause of action for fraudulent conveyance against Ms. Church and advising that “[t]he foreclosure is not moving forward due to the bankruptcy.”³⁵

On June 12, 2023, Defendants filed Affidavits of Service in the State Court Action attesting to their service on Spero³⁶ and to their service on Ms. Church.³⁷

On June 15, 2023, Penn emailed Hudson—who had just filed a Notice of Appearance on behalf of Agresti in the underlying bankruptcy case—advising him of his position that proceeding with the Amended Complaint was a violation of the automatic stay.³⁸

On June 22, 2023, approximately one month after the bankruptcy was filed, the United States Trustee (the “UST”) filed a Motion to Dismiss or Convert Case to Chapter 7, citing Church’s

on March 1, 2022, and Ms. Church transferred a fifty percent (50%) interest in the Residence back to Church on April 14, 2023, leaving each as fifty percent (50%) owners as of the petition date. Pursuant to an Order Authorizing Sale (C/A No. 23-01436-HB, ECF No. 141), the Residence was sold on October 2, 2023, to unrelated third parties (C/A No. 23-01436-HB, ECF Nos. 159, 187, and 192).

³² Joint Pre-Trial Order; Ex. 4.

³³ Ex. 5.

³⁴ Ex. 6.

³⁵ Ex. 24.

³⁶ Though this is a stipulated fact in the Joint Pre-Trial Order, Ex. 3 indicates Defendants had already filed an Affidavit of Service as to Spero on May 30, 2023.

³⁷ Ex. 7.

³⁸ Joint Pre-Trial Order; Ex. 8.

lack of income, that his interests in the Lake House and the Residence were fully encumbered, and citing Church's failure to provide all information necessary for parties in interest to assess his financial condition.³⁹ Church filed a response, which noted his position that the filing of the Amended Complaint in the State Court Action constituted a continuing violation of the automatic stay, but did not allege that any such violation caused him to be unable to meet his obligations as a Chapter 11 debtor-in-possession other than to say that "[b]ased upon the continuing pressures from litigation, the Debtor's company has experienced turnover with [its] bookkeeper."⁴⁰

On July 27, 2023, Church filed a Complaint to initiate the above-captioned adversary proceeding. The Complaint asserted causes of action for willful violation of the automatic stay under 11 U.S.C. § 362(a)(1), (2), (3), (4), and (6); an injunction enjoining Defendants from further violating the automatic stay; avoidance of preferences pursuant to 11 U.S.C. § 547; and recovery of avoided preferences pursuant to 11 U.S.C. § 550.

On August 1, 2023, the Court held a hearing on the UST's Motion to Dismiss or Convert Case to Chapter 7. At the hearing, counsel for the UST presented a considerable record of Church's unexcused failure to timely comply with the requirements of Chapter 11, and failure to timely provide information reasonably requested by the UST, including: a failure to file monthly operating reports, provide bank records, open debtor in possession accounts, close pre-petition accounts, provide insurance reports, provide Bankruptcy Rule 2015.3 reports, provide tax returns (2020 and 2021); and the failure to list all assets, liabilities (including amendments to schedules after omitted assets were revealed), transfers, and pending lawsuits. Church's bank statements evidenced co-mingling of assets between Church and various related companies, considerable purchases of luxury goods and services, asset sales, transfers, and repayment of certain creditors.

³⁹ C/A No. 23-01436-HB, ECF No. 32.

⁴⁰ C/A No. 23-01436-HB, ECF No. 66.

Church's testimony did not provide clarity regarding the full picture of his assets and liabilities, did not explain the failure to disclose all necessary information or to comply with the requirements of Chapter 11, and no dependable evidence of a feasible path to reorganization was presented. In short, the record indicated that either Church was not up to the challenge of Chapter 11 or had not been adequately motivated to comply with the obligations of a debtor in possession, and there was insufficient evidence of reasonable justification or a cure within a reasonable time. With cause to dismiss or convert the case, and assets with equity to be liquidated for the benefit of creditors, the Court entered an Order granting the motion and converting the case to Chapter 7.⁴¹ John K. Fort (the "Trustee") was appointed as Chapter 7 Trustee.

On August 15, 2023, Dream and Agresti removed to this Court an action they filed in the Court of Common Pleas for Greenville County, SC, seeking recovery against certain investors in Old South as participants in an alleged "Ponzi scheme"⁴² perpetrated by Church and Old South to initiate Adv. Pro. No. 23-80047-hb. That action is pending.

On August 17, 2023, the Trustee filed a Motion to Sell the Lake House Free and Clear of Liens.⁴³ On September 15, 2023, without objection from Church or Ms. Church, the Court entered an Order granting the Trustee's Motion to Sell.⁴⁴ On October 6, 2023, the Trustee sold the Lake House.⁴⁵ Pursuant to a negotiated settlement between the Trustee and Ms. Church that was

⁴¹ C/A No. 23-01436-HB, ECF No. 93.

⁴² A "Ponzi scheme" "takes its name from Charles Ponzi, who in the late 1920s was convicted for fraudulent schemes he conducted in Boston" and refers to "[a] fraudulent investment scheme in which money contributed by later investors generates artificially high dividends or returns for the original investors, whose example attracts even larger investments" usually "without any operation or revenue-producing activity other than the continual raising of new funds." *Ponzi Scheme*, BLACK'S LAW DICTIONARY (11th ed. 2019).

⁴³ C/A No. 23-01436-HB, ECF No. 116.

⁴⁴ C/A No. 23-01436-HB, ECF No. 140.

⁴⁵ Joint Pre-Trial Order.

approved by the Court's Order of September 14, 2023,⁴⁶ Ms. Church executed a deed at closing for the Lake House for no further consideration or claim to the sales proceeds.⁴⁷

On October 18, 2023, the Court entered an Order avoiding the judicial lien held by the Defendants on the Lake House to the extent it impaired Church's claimed exemption of \$6,700.00.⁴⁸

On October 31, 2023, after the answer deadline was extended by consent order between the parties, Defendants filed an Answer to Complaint in this adversary proceeding.

On January 10, 2024, the Court entered an Order approving the Defendants' Settlement Agreement with the Trustee regarding the disposition of sales proceeds from the Lake House and resolving any claims for preference pursuant to 11 U.S.C. § 547, including those claims asserted in this adversary proceeding.⁴⁹

On February 13, 2024, the Court entered an Order approving Church's waiver of his Chapter 7 discharge.⁵⁰

On February 16, 2024, Defendants voluntarily dismissed the State Court Action,⁵¹ as the issues regarding the Lake House were resolved by its sale and the approval of the Defendants' Settlement Agreement with the Trustee regarding the disposition of the sales proceeds.

On September 9, 2024, the Court held a trial to consider Church's Complaint and Defendants' Answer thereto. The only cause of action still being pursued by Church is for willful violation of the automatic stay.⁵² The Trustee elected not to participate in pursuit of that cause of

⁴⁶ C/A No. 23-01436-HB, ECF No. 135.

⁴⁷ Joint Pre-Trial Order.

⁴⁸ Joint Pre-Trial Order; C/A No. 23-01436-HB, ECF No. 178.

⁴⁹ Joint Pre-Trial Order; C/A No. 23-01436-HB, ECF No. 223.

⁵⁰ C/A No. 23-01436-HB, ECF No. 235.

⁵¹ Ex. 16.

⁵² The other causes of action have been dismissed as abandoned because of the settlements between the Trustee and parties resulting in the sale of the Residence and Lake House. *See* ECF No. 30.

action. At the trial, Church testified briefly that he would have been able to meet his obligations under Chapter 11 absent the pressures of the State Court Action, and that the continuation of that action caused him to have to lower the sales price of the Lake House by about \$1.5 million. Specifically, Church asserted that, absent the continuation of the State Court Action, he would have been able to pay his accountant to file his taxes and supply requested documents. No evidence corroborating these assertions was provided, and the testimony lacked facts to detail causation that would permit the Court to find that absent any alleged willful stay violation, the result in this bankruptcy case would have been any different.

After the hearing, with leave of the Court, Penn filed a Declaration in Support of an Award of Attorney's Fees (the "Declaration").⁵³ The Declaration itemizes a total of \$13,937.21 in attorney's fees and costs that Penn accrued in prosecuting this adversary proceeding from July 21, 2023 to September of 2024, consisting of \$3,150.00 in September of 2024 plus \$10,787.21 from the prior period. There is no other evidence of damages allegedly incurred by Church because of any stay violations.

APPLICABLE LAW

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157, this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), and the Court may enter a final order.

The filing of a bankruptcy petition creates an estate comprised of, among other things, "all legal or equitable interests of the debtor in property as of the commencement of the case", "wherever located and by whomever held". 11 U.S.C. § 541(a)(1). The filing of a bankruptcy petition also operates as a stay of, among other things:

⁵³ ECF No. 43, filed Sept. 16, 2024. Defendants objected to consideration of this post-trial submission.

- (1) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title;
- (2) the enforcement, against the debtor or against property of the estate, of a judgment obtained before the commencement of the case under this title;
- (3) any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate;
- (4) any act to create, perfect, or enforce any lien against property of the estate; [and]
- ...
- (6) any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case under this title[.]

11 U.S.C. § 362(a). Any action in violation of the automatic stay is void *ab initio*. *In re Parast*, 612 B.R. 710, 716 (Bankr. D.S.C. 2020) (citing *Weatherford v. Timmark (In re Weatherford)*, 413 B.R. 273, 283-84 (Bankr. D.S.C. 2009)).

“An automatic stay only applies to the debtor, but there are certain unusual circumstances that make an automatic stay available to third-party defendants or co-defendants.” *W. Inv. Foreign Shares, LLC v. Grove 1005, LLC*, No. 3:19-CV-00312-GCM, 2020 WL 5549608, at *1 (W.D.N.C. Sept. 16, 2020) (citing *A.H. Robins Co., Inc. v. Piccinin*, 788 F.2d 994, 999 (4th Cir. 1986)). “Unusual circumstances exist where the non-debtor’s interests ‘are so intimately intertwined with those of the debtor that the latter may be said to be the real party in interest.’” *Id.* (quoting *Piccinin*, 788 F.2d at 1001). “Such circumstances may include a situation where the non-debtor is entitled to absolute indemnity or where proceedings against the third-party defendant could reduce the property of the debtor to the creditors’ detriment.” *Id.* (citing *Piccinin*, 788 F.2d at 999; *Credit All. Corp. v. Williams*, 851 F.2d 119, 121 (4th Cir. 1988)).

Section 362(k) provides, in relevant part, “an individual injured by any willful violation of a stay provided by this section shall recover actual damages, including costs and attorneys’ fees, and, in appropriate circumstances, may recover punitive damages.” 11 U.S.C. § 362(k)(1). “To

recover damages, Debtor must demonstrate that (1) a bankruptcy petition was filed; (2) that Debtor is an ‘individual’ protected under the automatic stay provision; (3) that Defendant received notice of the petition; (4) that Defendant’s actions in violation of the stay were ‘willful’; and (5) that Debtor suffered damages.” *In re Defeo*, 635 B.R. 253, 262 (Bankr. D.S.C. 2022) (citing *In re Hamrick*, 627 B.R. 619, 630 (Bankr. D.S.C. 2021)). “Debtor must prove a willful violation of the automatic stay by a preponderance of the evidence.” *Id.* (citing *Warren v. Dill (In re Warren)*, 532 B.R. 655, 660 (Bankr. D.S.C. 2015)).

“[A] willful violation of the automatic stay occurs if the creditor (1) knew the bankruptcy case existed and (2) intended to commit the act which violates the automatic stay.” *Id.* “The Fourth Circuit has determined that to be liable for a willful violation under § 362(k), the creditor need not act with a specific intent to violate the automatic stay but must only commit an intentional act with knowledge of the automatic stay.” *Id.* (citing *Citizens Bank of Md. v. Strumpf (In re Strumpf)*, 37 F.3d 155, 159 (4th Cir. 1994), *rev’d on other grounds*, 516 U.S. 16 (1995)). “An award of damages under section 362(k) must be founded on concrete, non-speculative evidence and cannot be based merely on speculation, guess or conjecture.” *Id.* at 265 (quoting *In re Banks*, 612 B.R. 167, 172 (Bankr. D.S.C. 2020)). “Under § 362(k), debtors are entitled to recover *reasonable and necessary* attorney’s fees incurred as a result of the violation of the automatic stay.” *Id.* at 267-68 (emphasis in original) (citing cases). “It is well established that reasonable and necessary fees do not include unnecessary litigation costs.” *Id.* at 269 (quoting *In re Collum*, 604 B.R. 61, 68 (Bankr. M.D. Ala. 2019)). “In cases where the conduct violating the automatic stay has ceased, ‘debtor’s counsel has an obligation to take only those steps reasonable and necessary to remedy the violation. What steps ultimately prove reasonable and necessary will

depend upon the circumstances of the particular case.” *Id.* (quoting *In re Voll*, 512 B.R. 132, 143 (Bankr. N.D.N.Y. 2014)).

DISCUSSION AND CONCLUSION

Church has not met his burden on his claim for damages resulting from any willful stay violations. The parties stipulate that Defendants’ counsel in the State Court Action, Landis, did not receive notice of Church’s bankruptcy until May 26, 2023. When Connell saw Landis at a State Court hearing prior to that notice but after the bankruptcy case was filed, there is no evidence that he advised Landis or the State Court of the bankruptcy, and no evidence that Connell was even aware of the bankruptcy at that time. Thereafter, the only actions of Defendants in State Court were (1) the May 30, 2023, filing of an Affidavit of Service attesting to their service on Spero; (2) the June 6, 2023, service on Ms. Church; and (3) the June 12, 2023, filing of Affidavits of Service attesting to their service on Spero and Ms. Church.

Here, there was no request for an order extending the stay to any party other than Church and no indication that the automatic stay was broad enough to cover service and filing proof thereof on these facts. The filing of Affidavits of Service—purely a matter of procedure that did not involve service on Church—did not violate the stay, Defendants’ service on non-debtor party Ms. Church to advance the State Court Action against her and her interests in the Lake House also did not violate the automatic stay, and any assertion that these acts constitute willful violations of the stay regarding property of the estate are tenuous. Applicable law applied to these facts indicates the automatic stay did not apply to the Defendants’ actions at issue.

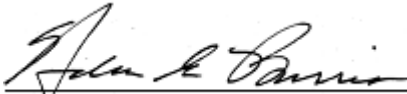
Even assuming the Defendants’ filing of Affidavits of Service and service constituted a willful violation of the automatic stay, Church has failed to demonstrate damages flowing therefrom, or that costs he incurred in prosecuting this action were necessary. When Church filed

the Complaint initiating this adversary proceeding on July 27, 2023, it had been forty-five (45) days since Defendants had filed anything in the State Court Action and fifty (50) days since Landis had advised Penn that “[t]he foreclosure is not moving forward due to the bankruptcy.” A few days after the Complaint was filed, the case was converted to Chapter 7 for numerous reasons that cannot plausibly be traced to any alleged stay violation. On August 15, 2023, Dream and Agresti removed to this Court an action they filed in the Court of Common Pleas for Greenville County, SC, seeking recovery against certain investors in Old South as participants in an alleged “Ponzi scheme”, which evidenced their recognition of this Court’s jurisdiction over actions that may involve property in which the estate has an interest. A month later, the Trustee sold the Lake House, resolving much of this adversary. At trial, Church failed to show any damages suffered, nor costs incurred after the August 1, 2023, conversion that are reasonable or necessary because of any alleged willful stay violation. The State Court Action was dead in the water as of that date for so long as the bankruptcy was pending and there was no indication that it would move forward without relief from this Court. Church has failed to show that any act of Defendants that may have violated the stay was willful and has shown no damages proximately resulting from any such willful violation. Therefore, no relief is warranted pursuant to § 362(k).

A separate judgment in favor of Defendants BIJ Motors, TX, LLC, Dream Medical Group, LLC, Joseph Agresti, and BIJ LA, LLC will be entered.

**AND IT IS SO ORDERED.
FILED BY THE COURT
10/08/2024**




Chief US Bankruptcy Judge
District of South Carolina