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UNITED STATES TRUSTEE
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9 UNITED STATES BANKRUPTCY COURT
10 CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION

11 In re:

12
13 JOSE DEL VALLE and
OLIVIA DEL VALLE,

14 Debtors.

Case No. 6:10-bk-12942-PC

Chapter 7

MOTION OF UNITED STATES TRUSTEE
TO EXTEND TIME TO FILE COMPLAINT
OBJECTING TO DEBTOR'S DISCHARGE;
DECLARATION OF MISTY PERRY
ISAACSON IN SUPPORT OF MOTION

Date: June 16, 2010

Time: 10:00 a.m.

Place: Ctrm 304

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19 **TO THE HONORABLE PETER CARROLL, UNITED STATES BANKRUPTCY**
20 **JUDGE; THE CHAPTER 7 TRUSTEE; AND THE DEBTORS:**

21 Pursuant to Federal Rule of Bankruptcy Procedure 1017(e) and 4004(b), the United
22 States Trustee (the "U.S. Trustee") requests an extension of the time period in which to file a an
23 adversary complaint objecting to the Debtors' discharge pursuant to 11 U.S.C. § 727 for the
24 following reasons:

25 1. Jose Del Valle and Oliva Del Valle (the "Debtors") filed a voluntary Chapter 7
26 bankruptcy on February 2, 2010 (the "Bankruptcy Case").

27 2. The original meeting of creditors under 11 U.S.C. § 341(a) ("341(a)
28

1 Meeting) was held on March 19, 2010. The 341(a) Meeting was continued from time to time
2 and is currently set for June 14, 2010.

3 3. The original deadline for filing a complaint objecting to discharge under 11
4 U.S.C. § 727 ("Complaint Deadline") is May 18, 2010.

5 4. Federal Rule of Bankruptcy Procedure 4004(b) provides that on motion of any
6 party in interest, after hearing on notice, the court may for cause extend the time to file a
7 complaint objecting to discharge. The motion shall be filed before the time has expired.

8 5. The U. S. Trustee is currently investigating whether it may be appropriate to
9 object to the Debtors discharge pursuant to § 727. In particular, the U.S. Trustee is reviewing
10 the propriety of a Chapter 7 discharge in light of the Debtors' failure to initially disclose their
11 interest in a Mobile Home and that Mr. Del Valle is a Plaintiff in a pending defamation and libel
12 lawsuit filed in the Superior Court of California, County of Riverside. In addition, the U.S.
13 Trustee has recently discovered that the Debtors failed to list on their Statement of Financial
14 Affairs two real property sales and/or transfers that occurred in 2009. The U.S. Trustee is also
15 investigating whether the Debtors were involved in a pre-petition Ponzi Scheme defrauding
16 potential investors. As such, the U. S. Trustee will require additional time to request and review
17 relevant documents from the Debtors and to conduct a 2004 examination in order to determine if
18 there is cause to bring an action for denial of discharge.

19 WHEREFORE, the United States Trustee respectfully requests that the Court extend the
20 deadline for filing a complaint objecting to discharge under 11 U.S.C. § 727 to and through July
21 30, 2010.

22
23 Dated: May 18, 2010

Respectfully submitted,

PETER C. ANDERSON
United States Trustee



/s/ Misty Perry Isaacson
Misty Perry Isaacson
Trial Attorney

DECLARATION OF MISTY PERRY ISAACSON

I, MISTY PERRY ISAACSON declare that:

1. I am employed by the Office of the United States Trustee (the "U.S. Trustee") in Riverside, California, as a Trial Attorney. I am over the age of 18 years, am authorized to make this declaration, am not a party to this action and am competent to testify to the matters below.

2. As part of my duties I review bankruptcy filings, conduct analysis and prepare pleadings for filing with the court. I have personal knowledge of the facts set forth herein, and if called upon to do so, could and would competently so testify.

3. I am the Trial Attorney assigned to the instant case. There is an ongoing United States Trustee investigation related to the Debtors' financial condition.

4. The deadline for filing a complaint objecting to discharge under 11 U.S.C. § 727 ("Complaint Deadline") is May 18, 2010.

5. I listened to the recording of the Debtors' 341(a) hearing held on or about March 19, 2010. When asked by a creditor whether he had an interest in a Mobile Home, Mr. Del Valle testified that he held a 50% interest with his Mother in a mobile home located 1150 N. Kirby St, #116, Hemet, California ("Mobile Home"). The Debtor further testified that he was the Plaintiff in a defamation and libel lawsuit pending in the Superior Court of California, Riverside County against an individual named Michael Budenz ("Lawsuit"). Neither the Mobile Home nor the Lawsuit were listed in the Debtor's Schedules and Statement of Financial Affairs. On or about March 31, 2010, the Debtors amended their Schedule B and Statement of Financial Affairs to list the Mobile Home and Lawsuit.

6. On or about May 4, 2010, I received and reviewed copies of Grant Deeds, executed by the Debtors in 2009 transferring real properties located at 42715 Meadow Lark Ridge, Murrieta, California ("Meadow Lark") and 39659 Chambray Drive, Murrieta, California ("Chambray Drive"). Neither the Meadow Lark nor the Chambray Drive transfers were listed on the Debtors' Statement of Financial Affairs.

7. I am also currently investigating Mr. Del Valle's involvement in a Ponzi scheme. Based on information provided to the UST by interested parties, it appears that Mr. Del Valle

1 created and participated in a Ponzi scheme through his business RDV Consulting Group. On
2 Schedule F of the Debtors' bankruptcy petition, the Debtors listed over 23 creditors (collectively,
3 the "Investors") who made investments to Mr. Del Valle for the purchase of deeds of trusts
4 against real properties. The amount listed on the Debtors' Schedule F owing to these Investors is
5 over \$5 million dollars.

6 7. The U. S. Trustee will require additional time to request and obtain
7 documentation from the Debtors and to conduct a 2004 examination in order to determine if
8 there is cause to bring an action for denial of discharge.

9 8. The U. S. Trustee respectfully requests that the Court extend the deadline for the
10 United States Trustee and the Chapter 7 Trustee to file a complaint objecting to discharge under
11 11 U.S.C. § 727 to and through July 30, 2010.

12 I declare the foregoing is true and correct under penalty of perjury and that this
13 declaration was executed by me at Riverside, California on May 18, 2010.

14 

15 /s/ Misty Perry Isaacson
16 Misty Perry Isaacson

NOTE: When using this form to indicate service of a proposed order, DO NOT list any person or entity in Category I.

Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

Office of the U. S. Trustee
3685 Main Street, Suite 300
Riverside, CA 92501

A true and correct copy of the foregoing document described as: Motion to Extend Time to File an Adversary Complaint [11 U.S.C. §727] will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On May 18, 2010, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below.

Chapter 7 Trustee, Arturo Cisneros: amctrustee@mclaw.org, acisneros@ecf.epiqsystems.com
Debtors' Attorney, Marc A Duxbury: info@countylawcenter.com

Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served): On May 18, 2010, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

U. S. Mail:
Jose Del Valle
Olivia Del Valle
40321 Salem Way
Temecula, CA 9251

Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL

(indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on 05/18/10, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Hon. Peter Carroll, outside bin, courtroom 304

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Signature block with fields for Date, Type Name, and Signature. Includes handwritten signature of Anita Benson.