

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re:

MARK ABBEY SLOTKIN,

Case No.: 2:20-bk-12042-BB

Chapter: 7

Adversary No.: 2:20-ap-01672-BB

Debtor(s),

ELISSA MILLER,

Plaintiff(s),

**REPORT AND RECOMMENDATION TO
DISTRICT COURT FOR WITHDRAWAL OF
REFERENCE AS TO DETERMINATION OF
CRIMINAL CONTEMPT**

Vs.

SLOTKIN DEFECTIVE TRUST OF
DECEMBER 14, 2012

Defendant(s).

Date: October 13, 2022
Time: 10:00 AM
Location: Courtroom 1539 and via
Zoom for Government

Because criminal contempt matters under 18 U.S.C. § 401(3) and Rule 42 of the Federal Rules of Criminal Procedure must be tried by the District Court, rather than the Bankruptcy Court, see In re Dyer, 322 F.3d 1178 (9th Cir. 2003), and because this Court believes that the facts of this case warrant consideration of prosecution for criminal contempt,

1 the Court hereby recommends that the District Court *sua sponte* withdraw the reference with
2 respect to all criminal contempt matters in this bankruptcy case and the above adversary
3 proceeding pursuant to 28 U.S.C. § 157(d) for the limited purpose of considering criminal
4 contempt proceedings against defendant/debtor Mark Abbey Slotkin for his failure to comply
5 with this Court’s April 7, 2022 order directing the turnover of assets to the chapter 7 trustee
6 [Docket No. 263].¹

7
8 **I**

9 **FACTUAL BACKGROUND/PROCEDURAL HISTORY**

10 Debtor Mark Abbey Slotkin (“Slotkin”) filed a voluntary petition under chapter 7 of Title
11 11 of the United States Code (the “Bankruptcy Code”) on February 25, 2020. Elissa Miller (the
12 “Trustee”) was appointed trustee in the resulting chapter 7 case (the “Case”). On the
13 schedules that Slotkin filed on March 11, 2020 [Docket No. 10 in the Case], he disclosed no
14 ownership interests in any real property and scheduled only \$3,300 in various items of
15 personal property and household furnishings. Other than \$150 of cash in the bank, Slotkin
16 claimed to own no interests, either legal or equitable, in any trusts, incorporated or
17 unincorporated businesses or business-related property or any other financial assets or
18 property of any type or variety, bringing the total value of the assets of his estate to \$3,450.

19 On his Schedule I [Docket 10 in the Case, pp. 30-32], Slotkin claimed to be unemployed
20 and showed monthly income totaling \$7,458, consisting of Social Security of \$1,558, gambling
21 winnings of \$4,000, income from “real estate consulting” of \$1,500 and “garage rental” of
22 \$400.² On his Schedule J [Docket No. 10 in the Case, pp. 33-35], as his estimate of ongoing
23 monthly expenses, he showed no expenses for rent or utilities, insurance, car payments or
24 secured debt. The only monthly expenses he listed were food and housekeeping supplies
25 (\$800), personal care products and services (\$50), medical and dental expenses (\$400),

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27 ¹ References to a docket number “in the Case” refer to entries on the docket in the underlying bankruptcy case (no. 2:20-bk-
28 12042-BK). References to a docket number in the Action, or without any mention of whether the entry is in the Case or in the
Action, refer to entries on the docket in the above adversary proceeding (no. 2:20-ap-01672-BB). For convenience and ease
of reference, the Bankruptcy Court has prepared for the District Court’s use an appendix of Exhibits, organized by docket
number, that includes copies of the orders, declarations and other pleadings referenced in this memorandum.

² As Slotkin claimed not to own or lease any real property, it is unclear how he could have been generating monthly income
of \$400 from leasing or renting a garage to someone.

1 transportation (\$200), entertainment, clubs, recreation, etc. (\$2,000), dog food and grooming
2 (\$250) and legal fees (\$2,000).

3 On his Statement of Financial Affairs (“SOFA”) [Docket No. 10 in the Case, pp. 37-49],
4 Slotkin said that he had income from employment or operating a business but showed the
5 amount of that income as \$0 for calendar years 2018, 2019 and 2020 [*id.* at p. 38, Part 2]. In
6 the section for debts paid during the 90 days before bankruptcy [*id.*, p. 29, Part 3], Slotkin
7 disclosed having paid \$7,000 to Hillcrest Country Club for country club dues and reported that
8 he owed an additional \$26,148 in unpaid dues. In part 9 of his SOFA [*id.* at p. 46], in response
9 to the question, “Do you hold or control any property that someone else owns? Include any
10 property you borrowed from, are storing for, or hold in trust for someone,” Slotkin answered
11 “No.” In part 11 of the SOFA [*id.* at pp. 47-48], he states that he is an officer, director or
12 managing executive of Antiquarian Traders, Inc.” On his Declaration by Debtor as to Whether
13 Income was Received from an Employer within 60 Days of the Petition Date [*id.* at p. 52], he
14 declares that he was not paid by an employer because he was either self-employed or not
15 employed.

16 On November 23, 2020, the Trustee commenced the above-referenced adversary
17 proceeding (the “Action”) against Slotkin, his daughter Savannah Slotkin (“Savannah”), a
18 series of “defective” and “intentionally defective” trusts³ that Slotkin had created (collectively,
19 the “Trusts”), and a number of limited liability companies in which the Trusts held interests,
20 among other defendants. By and through her complaint in the Action, the Trustee sought,
21 among other things, to unwind the intricate web of intentionally defective grantor trusts, limited
22 liability companies and corporations that she claimed Slotkin had set up for the purpose of
23 hiding and attempting to shield valuable assets from his creditors, while maintaining full control
24 over the Trusts and continuing to use the proceeds generated by assets of the Trusts as he
25 pleased to pay his personal expenses and maintain his affluent lifestyle.

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28 ³ [Investopedia.com](https://www.investopedia.com/terms/i/intentionally-defective-grantor-trust/) defines an intentionally defective grantor trust as an estate planning tool in which the grantor creates a trust with a purposeful flaw in order to ensure that the grantor remains liable for income taxes but that the grantor’s probate estate will not owe any estate taxes when the grantor dies.

1 On October 5, 2021, the Trustee filed a motion for partial summary judgment in the
2 Action [Docket No. 143] (the “SJM”). In the SJM, the Trustee sought, among other things,
3 summary judgment in her favor on the First, Second, Third, Seventh and Eighth Claims for
4 Relief in the Action. In response to the SJM, the Court entered its December 21, 2021 “Order
5 Granting in Part and Denying in Part Trustee’s Motion for Partial Summary Judgment” [Docket
6 No. 201] (the “SJ Order”). In the SJ Order, the Court denied the SJM without prejudice with
7 regard to the Trustee’s Second, Third and Seventh Claims for Relief, but granted summary
8 judgment in favor of the Trustee and against all defendants on the Trustee’s First and Eighth
9 claims for relief. More specifically, the SJ Order included, among other things, a finding that all
10 assets held by the (1) Slotkin Defective Trust of December 14, 2012, (2) the Slotkin Defective
11 Trust of April 12, 2010, and (3) the Intentionally Defective Slotkin Family Children's Trust Dated
12 January 1, 1997 were property of Slotkin’s bankruptcy estate (the “Estate”) and must be turned
13 over to the Trustee pursuant to 11 U.S.C. § 542(a), including without limitation the following:

- 14 (a) Alameda Holdings, Inc.;
- 15 (b) Antiquarian Traders Inc. (“Antiquarian”);
- 16 (c) Golden Oak Partners, LLC;
- 17 (d) Breakfront, LLC;
- 18 (e) Wooton Group, LLC;
- 19 (f) Olympic Holdings, LLC (“Olympic”);
- 20 (g) 8777 Appian Way, LLC;
- 21 (h) 748 N. Detroit Manor, LLC;
- 22 (i) 14257 Chandler Blvd. Manor, LLC;
- 23 (j) 17841 Palora Manor, LLC;
- 24 (k) Clover Industrial Properties, LLC;
- 25 (l) Cruises to Nowhere, LLC;⁴
- 26 (m) Rolltop, LLC, Abbey-Properties, LLC and Consolidated Assets Co. and any
27 and all assets owned by these entities;
- 28

⁴ The entities identified in subparagraphs (a) through (l) above are collectively referred to as the “Entities.”

1 (n) inventory, accounts, accounts receivable and other tangible and intangible
2 assets owned by Antiquarian Traders Inc.;

3 (o) 14806 Hesby Street, Sherman Oaks, California 91403 (the "Hesby Property");

4 (p) 852 North Vista Street, Los Angeles, California 90046 (the "Vista Property");

5 (q) 823 North Citrus Avenue, Los Angeles, California 90038 (the "Citrus
6 Property");

7 (r) 14827 Huston Street, Sherman Oaks, California 91403 (the "Huston
8 Property");

9 (s) proceeds from the sale of the property located at 15714 Morrison Street,
10 Encino, California 91436 in the amount of \$545,951.61 currently in escrow at
11 Commerce Escrow, located at 1055 Wilshire Blvd. Suite 1000, Los Angeles, California
12 90017, Escrow No. 21- 86639-DB (the "Morrison Funds");

13 (t) 8777 Appian Way, LLC, Los Angeles, California 90046 (the "Appian Way
14 Property");

15 (u) 748 N. Detroit, Los Angeles, California 90046 (the "Detroit Property");

16 (v) 14257 Chandler Blvd., Sherman Oaks, California 91401 (the "14257 Chandler
17 Property");

18 (w) 14520 Greenleaf Street, Sherman Oaks, California 91403 (the "Greenleaf
19 Property");

20 (x) 13348 Chandler Blvd., Sherman Oaks, California 91403 (the "13348 Chandler
21 Property");

22 (y) 24050 Park Casino, Calabasas, California 91302 (the "Park Casino
23 Property"); and

24 (z) a boat and all other assets held by Cruises to Nowhere, LLC.⁵

25 The SJ Order further required the defendants, including Slotkin, to cooperate and facilitate the
26 turnover of the Assets to the Trustee. Unfortunately, however, Slotkin did not comply.

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⁵ The Entities, properties and other assets identified in subparagraphs (a) through (z) are collectively referred to as the
"Assets."

1 In light of Slotkin’s failure to cooperate fully in the turnover of the Assets to the Trustee,
2 as discussed in more detail below, on February 25, 2022, the Trustee filed a Motion requesting
3 that the Court enter an Order to Show Cause why Slotkin should not be held in civil contempt
4 of the SJ Order [Docket No. 243 in the Action]. The Court granted that motion and issued its
5 March 9, 2022 Order to Show Cause why Slotkin should not be held in contempt for violating
6 the SJ Order [Docket No. 250] (the “OSC”). The Court conducted a hearing on the OSC on
7 April 5, 2022.

8 Following the April 5, 2022 hearing, the Court entered its April 7, 2022 “Order Holding
9 Debtor Mark Abbey Slotkin in Contempt for Violating this Court’s ‘Order Granting in Part and
10 Denying in Part Trustee’s Motion for Partial Summary Judgment’” [Docket No. 263] (the “April
11 Contempt Order”). At the hearing on the OSC, the Court provided the following explanation for
12 this ruling:

13 The record is clear that the debtor has not complied with this Court's order directing that
14 he cooperate in the turnover of assets to the trustee. The debtor has instructed tenants
15 to wire funds to his daughter's bank account; he has extended lease agreements and
16 attempted to release properties of the estate; he has produced only redacted copies of
17 lease agreements and refused to disclose the identity or contact information of tenants;
18 he entirely cleaned out the contents of the Appian Way property that he had been using
19 as a showroom for antiques that he had previously testified was worth at least at least
\$300,000; he has continued to market and sell antiques that belong to the estate after
entry of the order; and he has not turned over or disclosed the location of the Ferrari
that was previously at the Appian Way property.

20 The April Contempt Order therefore held Slotkin in civil contempt and provided that he should
21 be arrested and held in custody until he took (or caused to be taken on his behalf) a series of
22 steps (itemized in paragraphs 3(a) through (h) of the April Contempt Order) that included,
23 among other things, returning all furniture, artwork, chandeliers, rugs, and other personal
24 property removed from the Appian Way Property after commencement of the Case and
25 delivering to the Trustee the 2007 Ferrari 612 Scagliette, VIN ZFFJB54AX70157304 (the
26 “Ferrari”) that the Debtor had testified Antiquarian owned at the meetings of creditors under
27 Bankruptcy Code section 341(a) (the “341(a) Meetings”) held on April 29, 2020 and May 27,
28 2020 in the Case.

1 Thereafter, Slotkin filed a series of declarations – all of which were executed under
2 penalty of perjury -- detailing the extent to which he claimed to have complied, or the reasons
3 that he could not comply, with the April Contempt Order, including without limitation docket
4 nos. 268, 275, 287, 294, 310, 324, 329, 344, 354 and 365.⁶ In response to these declarations,
5 the Court entered or issued a series of orders and notices setting forth the additional steps that
6 Slotkin would be required to take in order to avoid being arrested for civil contempt. See
7 Docket Nos. 271, 300, 318, 326, 338, 348, 356, 360 and 372. Eventually, the Court concluded
8 that it had accomplished as much as it could reasonably expect to accomplish through reliance
9 on its own civil contempt powers with regard to Assets other than the Ferrari and therefore
10 lifted its body detention order. See Order Lifting September 20, 2022 Body Detention Order
11 without Prejudice, Docket No. 376.⁷

12 With regard to the Ferrari, Slotkin had filed a number of declarations [see, e.g., Docket
13 Nos. 275, 287 and 294] in which he claimed that he had sold the Ferrari to Ultra Hot Motor
14 Sports in Lufkin, Texas, on September 26, 2017 for \$75,000 and provided copies of
15 documents that he claimed were a bill of sale, a certificate of title and a declaration that
16 purports to be from Andy House, who is identified in that declaration as the proprietor of Ultra
17 Hot Motor Sports. The Trustee, on the other hand, had filed with the Court (1) excerpts from
18 the transcripts of Slotkin’s testimony at the 341(a) Meetings in which Slotkin testified that, as of
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20 ⁶ The first three of these declarations were prepared with the assistance of counsel, Jon H. Fries. Thereafter, it appears that
21 Slotkin prepared these declarations himself, as Mr. Fries had resigned as Slotkin’s counsel. On April 22, 2022, Mr. Fries filed
22 a motion to withdraw as Slotkin’s counsel of record in the Action [Docket No. 279]. In the amended declaration that he filed
23 in support of that motion [Docket No. 281], Mr. Fries explained the basis of his request as follows: “Recently, MARK
24 ABBEY SLOTKIN, the sole representative of all of the Defendants, (except for Mr. Mayman and Savannah Slotkin) and I
25 have had a complete breakdown in the attorney-client relationship caused by fundamental disagreements as to the best course
26 of action and non-payment of attorney’s fees such that it has made it impossible for my firm to effectively continue
27 representation and that withdrawal is required under the Rules of Professional Conduct. I have communicated with Robert
28 Mayman and Savannah Slotkin from time to time and it is clear that Mr. Slotkin is the primary contact and decision maker
with respect to the remaining issues in the case that pertain to them and that they did not participate in the specific conduct
that requires me to withdraw. However, due to the relationship they have with Mr. Slotkin, it is not possible for me to
continue representing them.” Mr. Fries subsequently withdrew that motion in light of Slotkin’s execution of a Substitution of
Attorney substituting himself in propia persona for Mr. Fries as counsel of record on April 27, 2022 [Docket No. 284]. Since
that time, Slotkin has represented himself in the Action.

⁷ In its October 6, 2022 “Order Lifting September 20, 2022 Body Detention Order Without Prejudice” [Docket No. 376], the
Court vacated the body detention order that it had issued on September 20, 2022 (which had replaced an earlier body
detention order), but reserved jurisdiction to enter one or more new body detention orders if in the exercise of its discretion
the Court concluded that such orders were necessary to enforce prior orders of this Court, including without limitation the
April Contempt Order [Docket No. 263].

1 the date of those meetings, Antiquarian owned the Ferrari and (2) evidence that Slotkin had
2 maintained insurance coverage in his own name on the Ferrari through at least June of 2022.
3 In light of the conflicting evidence in the record, the Court concluded that an evidentiary
4 hearing would be required to determine (1) whether Slotkin (or an entity that the Court had
5 found to be one of Slotkin’s alter egos) owned the Ferrari at any time after the commencement
6 of the Case and (2) the value of the Ferrari before it would be appropriate for the Court to use
7 the prospect of an arrest for civil contempt to compel Slotkin to turnover either the Ferrari or
8 the value thereof to the Trustee.

9 Toward that end, in its June 22, 2022 “Order Determining that Debtor’s May 9, 2022 and
10 June 14, 2022 Filings (Docket Nos. 287 and 294) Failed to Fully Purge Debtor’s Contempt,
11 Clarifying Remaining Steps Necessary to Avoid Incarceration for Civil Contempt and Setting
12 Evidentiary Hearing re Ownership and Value of Ferrari” [Docket No. 300] (the “Trial
13 Procedures Order”), the Court, among other things, scheduled an evidentiary hearing (the
14 “Trial”) for it to adjudicate “(a) whether the Debtor, or any entity controlled by the Debtor, owns
15 a Ferrari automobile; and, if so, (b) the value of that vehicle.” The Court conducted the Trial on
16 October 13, 2022.

17 At the conclusion of trial, for the reasons set forth in this Court’s November 8, 2022
18 “Memorandum Decision Holding Debtor in Civil Contempt for Failing to Deliver 2007 Ferrari
19 612 Scaglietti to Chapter 7 Trustee and Valuing Vehicle” [Docket No. 428], the Court found
20 that Slotkin (or Antiquarian) did indeed own the Ferrari as of the entry of the SJ Order and that
21 the sum of \$144,000 represented a reasonable valuation for the Ferrari. Based on these
22 findings, the Court entered its October 14, 2022 “Order After Evidentiary Hearing Holding
23 Debtor in Civil Contempt for Failing to Turnover 2007 Ferrari 612 Scaglietti” [Docket No. 380],
24 directing that Slotkin be held in civil contempt and incarcerated until he delivers to the Trustee
25 either the Ferrari (together with the keys and the pink slip) or the sum of \$144,000 in
26 immediately available funds.

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II

SLOTKIN’S FAILURES TO COMPLY WITH ORDERS OF THIS COURT

Slotkin promptly appealed the SJ Order to the United States District Court for the Central District of California and sought a stay pending appeal; however, this Court denied that motion by order entered February 2, 2022 [Docket No. 237]. Slotkin renewed his motion for a stay pending appeal before the District Court, but the District Court affirmed the Bankruptcy Court’s denial of that motion [Docket No. 18 in District Court Case No. CV 22-0021 (the “Appeal”)]. Nevertheless, Slotkin failed to comply with this Court’s directive that he turnover the Assets to the Trustee and willfully took actions that directly violated the terms of the SJ Order, effectively manufacturing his own “stay pending appeal.” Such behavior cannot be tolerated.

Even if the District Court were to reverse the SJ Order in response to the Appeal, Slotkin should still be held in criminal contempt and punished for his efforts to avoid and evade the SJ Order prior to its reversal on appeal.⁸ It is not up to an appellant to decide whether and when to comply with an order of the bankruptcy court. Unless and until a bankruptcy court order (or any court order for that matter) has been vacated or reversed, or had its effectiveness stayed by court order, the parties are required to comply with the terms of that order. The rule of law functions within the United States of America largely because the residents of this nation (for the most part) comply voluntarily with orders issued by its courts. Our system of justice would be utterly unworkable if courts were required to send out the United States Marshal or the Sheriff to obtain compliance every time they entered an order. Even an appellant’s good faith belief that he is likely to prevail on appeal does not entitle the appellant to simply disregard that order while he attempts to have it reversed on appeal.

In her motion requesting the issuance of an Order to Show Cause why Slotkin should not be held in contempt for violating the SJ Order (the “OSC Motion”) and the declarations filed

⁸ Under the same reasoning, the monetary sanctions that this Court has imposed on Slotkin to compensate the Trustee for the fees and expenses that she was required to incur in an effort to compel Slotkin to comply with the SJ Order [see Docket No. 300, pp. 6-7 at ¶¶ 14-15] should survive any subsequent reversal of the SJ Order. Any outstanding order requiring a turnover of assets to the Trustee, on the other hand, would need to be vacated if the SJ Order were to be reversed on appeal.

1 in support thereof [Docket No. 243], the Trustee identified the following nonexclusive list of the
2 respects in which Slotkin had failed to comply with the SJ Order:

- 3 1. Slotkin did not voluntarily turn over a single one of the Assets;
- 4 2. Slotkin failed to provide the Trustee with the names and contact information of
5 the tenants occupying the rental properties;
- 6 3. Slotkin failed to turnover books and records of the Entities including QuickBooks
7 files in native format;
- 8 4. Slotkin failed to turnover title to the boat held by Cruises to Nowhere, LLC;
- 9 5. Slotkin refused to turnover the keys to the warehouse where Antiquarian stores
10 its inventory, provide alarm and security codes for the warehouse or assist the
11 Trustee in gaining access to the warehouse;
- 12 6. Slotkin failed to turnover rental security deposits;
- 13 7. Slotkin failed to turnover funds in bank accounts held in the name of Clover
14 Industrial LLC, as specifically provided in the SJ Order;
- 15 8. Slotkin employed real estate brokers to locate renters for the Hesby Property and
16 Park Casino Property and directed such real estate brokers not only to list the
17 properties but also to show the properties to potential renters after the SJ Order
18 was entered;
- 19 9. Slotkin directed tenants to pay rent to him rather than to the Trustee for the
20 months of January, February and March;
- 21 10. Slotkin instructed tenants to wire rent for February and March to Savannah
22 Slotkin's bank account;
- 23 11. Slotkin refused to provide the Trustee with access to the Appian Way Property
24 despite numerous requests by the Trustee;
- 25 12. Slotkin continued to use the Antiquarian website and eBay store to conduct
26 business and refused to turnover the access information and codes to the
27 Antiquarian website and eBay store to the Trustee;
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1 13. After entry of the SJ Order, Slotkin and his agents continued to operate
2 Antiquarian and the other businesses and rental properties referenced in the SJ
3 Order; and

4 14. After entry of the SJ Order, Slotkin directed all mail addressed to Antiquarian's
5 business location to be forwarded to an undisclosed address.

6 In his March 4, 2022 declaration [Docket No. 247], Slotkin offered a variety of excuses
7 and explanations for the above conduct. He claimed that the Trustee did in fact receive rents
8 from tenants for January and February of 2022, with the exception of the January 27 rent
9 payment for the Citrus property (the "January Citrus Rent"). He acknowledges in that
10 declaration that the January Citrus Rent was deposited into a bank account held in the name
11 of Savannah Slotkin and that the money was mostly used to pay for Savannah's law school
12 tuition at NYU.

13 Slotkin claims that the Park Casino property rent was deposited into the Clover
14 Industrial Properties, LLC bank account, that the funds in that account were on hold or frozen
15 and that he had done nothing to prevent the Trustee from obtaining these funds from the bank.
16 He neglects to mention that he took no steps whatsoever to facilitate this transition either.

17 With regard to efforts to release rental properties, he reports that was only trying to
18 mitigate for the benefit of the estate the losses caused by the tenant's having vacated the
19 premises early and did not know that the Trustee had contacted the listing broker and
20 requested that the listing be retracted. He claims to know nothing about the real estate broker
21 having shown the Park Casino property after entry of the SJ Order and asserts that
22 Antiquarian's website was hacked and that he has no keys or alarm codes for Antiquarian's
23 warehouse. (According to Slotkin, the employees who had the keys and alarm codes, whom
24 he does not identify, have returned to Mexico.) He says he has no access to the computer
25 files or quickbooks data in native format because that there was a bookkeeper who formerly
26 handled these tasks, but that she now lives in Peru.

27 On March 29, 2022, the Trustee filed a written response to Slotkin's March 4, 2022
28 declaration, accompanied by two declarations of her own [Docket No. 255]. In that response,
the Trustee asserts that,

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2 Contrary to the contentions of the Debtor, there has been absolutely no compliance with
3 the [SJ] Order. The cash received by the Estate was not turned over as requested by
4 the Trustee or required by the Order. Rather the Trustee was forced to contact JP
5 Morgan Chase (“Chase”) to obtain the funds in the Clover Bank Accounts and
6 numerous telephone calls and emails were necessary before Commerce Escrow (not
7 the Debtor) turned the Morrison Funds [*i.e.*, the proceeds generated by the sale of the
8 Morrison Property] over to the Trustee. Had the [SJ] Order not specifically provided that
9 Chase and Commerce were to turn over the funds to the Trustee, the Estate would
10 probably still not have these funds. The same is true with respect to gaining access to
11 the Antiquarian warehouse, obtaining information regarding the rental properties and
12 cooperation from the tenants. See OSC Motion, Sokol Decl., Miller Decl. The Trustee
13 only was able to gain access to the Appian Way Property more than 2 months after
14 entry of the [SJ] Order because a Writ of Execution was obtained and executed upon by
15 the United States Marshal.

16 Docket No. 255, at pp. 4-5 and attached supporting declarations.

17 Although Slotkin had testified at the May 27, 2020 session of the 341(a) Meetings that
18 the Appian Way Property was used as a showroom for Antiquarians and that the Antiquarian
19 inventory located at the Appian Way Property was worth “\$300,000 or more,” [Miller
20 Declaration, Docket No. 255, at p. 11, ¶ 7], on March 11, 2022, when the U.S. Marshal
21 delivered possession of the property to the Trustee, both the marshals present and the Trustee
22 observed that the Appian Way Property was entirely vacant and had been completely cleaned
23 out. See Miller Declaration, Docket No. 255, at p. 12, ¶¶ 9-11.

24 Following the April 5, 2022 hearing on the OSC [Docket No. 250], the Court entered the
25 April Contempt Order [Docket No. 263]. The April Contempt Order held Slotkin in civil
26 contempt and directed the U.S. Marshal to arrest Slotkin and hold him in custody until he
27 purged his contempt by doing all of the following:

- 28 1. filing with the Court and providing to the Trustee his mailing address and physical
location (*e.g.*, where he is currently residing or can be found);
2. returning the \$111,275 of diverted funds wired into Savannah’s Chase bank
account;
3. returning all furniture, artwork, chandeliers, rugs and other personal property
removed from the Appian Way Property after commencement of the Case;

- 1 4. returning the 2007 Ferrari 612 Scaglietti that Slotkin testified at the 341(a)
- 2 Meetings that Antiquarian owned;
- 3 5. providing the Trustee with an itemization of all Antiquarian personal property sold
- 4 since the entry of the SJ Order and an accounting of the proceeds of such sales
- 5 with specific details as to where the sales proceeds were deposited and the use
- 6 of same;
- 7 6. providing the Trustee with the QuickBooks records referred to in the SJ Order in
- 8 native format by giving the Trustee all information, passwords, etc. necessary to
- 9 access this information online;
- 10 7. delivering to the Trustee all computers used by the LLCs and Antiquarian;
- 11 8. providing the Trustee with copies of the Clover Industrial Property Bank
- 12 Statements for the JP Morgan Chase Accounts referred to in the SJ Order for
- 13 December of 2021; and
- 14 9. providing a bill of sale and evidence of receipt of payment for the 2006 Ford GT
- 15 Coupe and a copy of any bank statement showing where such payment was
- 16 deposited.

17 April Contempt Order, Docket No. 263, pp. 3-4.

18 For a period of months after entry of the April Contempt Order, Slotkin provided the
19 Court with declaration after declaration in which he offered various arguments, excuses and
20 justifications for failing to comply with the SJ Order. The Court responded to each of these
21 declarations by issuing an order or a notice explaining the extent to which Slotkin had taken, or
22 failed to take, the steps required by the Court. As the Court pressed Slotkin for additional
23 detail or explanation of implausible or incomprehensible statements contained in these
24 declarations, the story Slotkin told in these declarations continued to change and evolve.
25 Copies of all of these declarations and the Court's responses thereto are included in the
26 appendix of exhibits being provided to the Court concurrently with this Report and
27 Recommendation, but, in an effort to avoid drowning the District Court in the morass that
28 Slotkin worked hard to create by filing ambiguous and often contradictory declarations, this

1 Report and Recommendation will focus only on a handful of the most problematic respects in
2 which Slotkin failed to comply with the SJ Order.

3 **A. Slotkin Failed to Disclose his Current Residence Address in an Apparent**
4 **Effort to Prevent the Bankruptcy Court from Having Him Incarcerated Until He**
5 **Complied with its Orders.**

6 Page 3, paragraph 2 of the April Contempt Order [Docket No. 263] directs Slotkin “to file
7 with the Court and provide to the Trustee his mailing address and physical location (e.g.,
8 where he is currently residing or can be found) by April 8, 2022.” Footnote 3 to that paragraph
9 adds that, “If Debtor claims to be living at various locations or staying at friend’s houses,
10 Debtor shall supply the names and full addresses of each and every friend, relative or
11 acquaintance at whose house he has stayed and each and every location at which he has
12 stayed since vacating the Appian Way Property and each and every location at which he plans
13 to stay or at which he may be permitted to stay at any time within the next three months.”

14 Slotkin responded to this portion of the April Contempt Order by sending the Trustee the
15 April 8, 2022 email that is attached as Exhibit 3 to the Trustee’s April 12, 2022 declaration
16 [Docket No. 269, pp. 19-20]. In that email, he provides a list of addresses and notes at the
17 bottom of the list that “The above addresses are included but not necessarily limited to where
18 my [sic] I will reside temporarily.” He did not file anything with the Court.

19 In its April 14, 2022 order [Docket No. 271], at page 2, paragraph 2, the Court noted that
20 Slotkin’s response was insufficient because he did not file his address information with the
21 Court and did not provide an exclusive list of locations. In response, Slotkin filed an April 19,
22 2022 declaration [Docket No. 275] in which he provides the same addresses and omits the
23 caveat that this might not be an exclusive list. See id., pp. 2-4, ¶ 3. As to why he did not file
24 this list with the Court as previously ordered, he claims that he believed the Trustee would file
25 the list with the Court for him. He does not explain what made him hold such a belief.

26 At no time prior to September of 2022 did Slotkin truthfully disclose where he was
27 actually living – with his surviving daughter, Savannah, at 1258 (North) Las Palmas Avenue,
28

1 Los Angeles, CA 90038.⁹ The Trustee only obtained Slotkin's actual residence address by
2 depositing Savannah on August 8, 2022. Thereafter, once the proverbial cat had already been
3 let out of the bag, Slotkin sent the Trustee an email on September 26, 2022, providing her with
4 his current residence address. See Trustee's Statement Regarding Inspection of Mark
5 Slotkin's Residence, filed October 4, 2022, Docket No. 375 at p. 2, footnotes 2 & 3. (Slotkin
6 has never filed a statement with the Court to this effect and has instead provided the
7 Bankruptcy Court with a post office box as his current address.) This is merely one example of
8 the kind of games that Slotkin likes to play with the Court in an effort to avoid providing
9 information that the Trustee and the Court have sought for the purpose of enforcing court
10 orders. His efforts to avoid turning over Assets have proven even more problematic.

11 **B. Slotkin Directed Estate Funds to His Daughter's Bank Account**
12 **and then Claimed to Be Unable to Obtain a Return of These Funds.**

13 The SJ Order required Slotkin to turnover to the Trustee any and all funds of the Trusts
14 including those held in the names of Olympic, Clover and Antiquarian [SJ Order, p. 6, at lines
15 7-10]. Among the assets of the Trusts were rents generated by real properties owned by the
16 Trusts and proceeds from the sale of the property located at 15714 Morrison Street in Encino,
17 California, held by Commerce Escrow. [SJ Order, pp. 4-5.] The SJ Order specifically directed
18 Slotkin to "cooperate and facilitate the turnover of the Assets to the Trustee." [SJ Order, p. 5,
19 lines 25-26.]

20 Slotkin took no steps whatsoever to assist the Trustee in obtaining funds on deposit in
21 any bank or escrow accounts held in the name of the Trusts. [See Sokol Declaration, Docket
22 No. 243, p. 13 at ¶¶ 3 & 5.] The Trustee was only able to obtain possession of the Trusts'
23 funds because the SJ Order also directed the financial institutions holding these funds to turn
24 them over directly to the Trustee. [See SJ Order, p. 6, lines 16-19.]

25 Instead, Slotkin took affirmative steps to thwart the Trustee's attempts to obtain funds
26 belonging to the Trusts by directing tenants occupying leased properties to pay rents to a bank
27 account held by his daughter Savannah rather than to the Trustee. [See Miller Declaration,

28 _____
⁹ Slotkin's other daughter, Nicollette, died at the Appian Way Property on or about June 27, 2019, in what Slotkin has described as a suicide. (Slotkin's ex-spouse Abigail Slotkin disputes that Nicollette's death should be considered a suicide.)

1 Docket No. 243, pp. 9-10 at ¶¶ 4-9; Slotkin Declaration, Docket No. 247, p. 3 at ¶ 4
2 (acknowledging that rents were diverted to Savannah’s account and claiming that most of the
3 money was used to pay for her law school tuition at NYU); Slotkin Declaration, Docket No.
4 268, p. 3-4 at ¶¶ 3(d) & 3(e) (admitting to having diverted \$10,950 in rents from the Vista
5 Property and \$15,225 in rents from the Citrus Property to Savannah’s account¹⁰.)]

6 After diverting these funds to his daughter’s account, Slotkin argued that he should not
7 be held in contempt for failing to turn the diverted funds over to the Trustee because they were
8 out of his control. In his April 11, 2022 declaration [Docket No. 268], at pages 2 through 4, for
9 example, Slotkin reports, without any further explanation, that he is “unable to fully comply with
10 paragraph 3a of the Contempt Order which requires me to return \$111,275 deposited into
11 Savannah Slotkin’s bank account that the Trustee claims was diverted.” When this Court’s
12 order of April 14, 2022 [Docket No. 271], at p. 3, lines 1 through 4, reminded him of his
13 obligation under the April Contempt Order to provide explanatory information if he claimed to
14 be unable to comply with any of the Court’s instructions for purging his contempt,¹¹ Slotkin
15 added “I am unable to comply with the Court’s order regarding the return of the \$111,275
16 because I do not control Savannah Slotkin’s bank account or have access to any of the funds,
17 and I am not an authorized signer on the account.” Slotkin Declaration, Docket No. 275, p. 4
18 at lines 4-6. See also Slotkin Declaration, Docket No. 294, p. 4 at ¶ (3)(d)(1) (“Debtor has no
19 control over Savannah Slotkin’s bank account”).

20 Although Slotkin filed numerous declarations concerning the extent to which he should
21 be found to have complied with the April Contempt Order, none of these declarations mentions
22 so much as a single request from Slotkin to Savannah that she return funds to the Trustee.
23 Yet, in the declaration that Savannah supplied to the Trustee [Docket No. 288, pp. 17-18], she
24 represents that she will not spend any of the funds diverted by Slotkin that remained in her
25 account as of that date and that she fully intends to comply with any order of the Court with
26

27 ¹⁰ In that same declaration, Slotkin offers to return these two rent payments, pending a hearing on his motion to compel the
28 Trustee to pay mortgages and administrative expenses related to these properties. That motion was later denied. Slotkin
appealed the denial of that motion, but his appeal was dismissed for failure to prosecute.

¹¹ Paragraph 6 of the April Contempt Order provides, in pertinent part, that, as to anything described in paragraph 3 of that
order that the Debtor claims he cannot do, the Debtor [aka Slotkin] must do the following in a declaration: (a) explain why
he is unable to accomplish the required action; and (b) describe all of the efforts he had made to try to accomplish the action.

1 regard to the disposition of these funds. In other words, had Slotkin merely requested that
2 Savannah return some or all of these funds as required by the April Contempt Order, there is
3 every reason to believe that Savannah would have done so. This conclusion was borne out by
4 the fact that Slotkin did eventually arrange for Savannah to return \$26,175 of the diverted rents
5 to the Trustee.¹² See Miller Declaration, Docket No. 288, p. 13 at lines 18-20 & Exhibit 2
6 thereto; Slotkin Declaration, Docket No. 294, p. 4 at ¶ 3(d)(2) (“Savannah Slotkin was advised
7 by Jon Freis to wire \$26,175 to Trustee as funds were collected by Debtor and placed into her
8 account. Savannah felt threatened by the contempt charges hurled at her by Trustee’s
9 attorney, so she sought advise and followed it”).

10 **C. Slotkin Spent Estate Funds on Personal Expenses Rather**
11 **than Turning them Over to the Trustee.**

12 Although the SJ Order directed Slotkin to turnover to the Trustee (among other things)
13 all assets of Clover Industrial Properties, LLC (“Clover”), Slotkin continued to spend money
14 freely from Clover’s bank account for all manner of personal expenses following entry of the SJ
15 Order. The bank statement attached as Exhibit 4 to the Trustee’s April 12 declaration [Docket
16 No. 269, pp. 31-32 & pp. 34-35] reflects payments to Slotkin’s attorney, Jon Freis, and charges
17 for dining out, groceries, hair cuts, prescriptions, food deliveries, Lyft rides, car washes,
18 medical insurance, air travel, clothing, Barry’s Boot Camp, tanning, transfers to Savannah and
19 Jose Posada, a \$5,000 payment to Shari Brown, payments to NYU (presumably for
20 Savannah’s tuition), and dozens of other transfers, both large and small. In other words, after
21 being ordered to immediately turnover all funds in Clover’s bank accounts to the Trustee,
22 Slotkin ignored that order entirely and continued to treat Clover’s account as his personal
23 piggybank. His spending spree was only cut short when the bank complied with the SJ Order
24 and delivered the remaining funds to the Trustee.

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27
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¹² The Court ultimately permitted Slotkin to retain the balance of the diverted rents in that, based on the limited evidence in the record as to the source of the funds, the Court was unable to determine summarily that these funds related to rents that accrued before the abandonment of the properties that generated these rents.

1 **D. Slotkin Failed to Turnover an Entire Household of Antiques**
2 **that He Testified Were Worth \$300,000.**

3 At the May 27, 2020 session of his 341(a) Meeting, Slotkin testified under oath that the
4 Appian Way Property was used as a showroom for Antiquarian and that the Antiquarian
5 Inventory located at that property was worth \$300,000 or more. See Miller Declaration, Docket
6 No. 255, p. 11 at lines 26-28. Paragraph (n) on page 5 of the SJ Order expressly required
7 Slotkin to turnover to the Trustee all tangible and intangible assets of Antiquarian. Yet, by the
8 time Slotkin finally relinquished possession of the Appian Way Property on or about March 11,
9 2022, the house was entirely empty. Slotkin had stripped the house clean. See Miller
10 Declaration, Docket No. 255, p. 12 at ¶¶ 9-10 and Exhibit 1 thereto.

11 In the first declaration he filed as to what became of the contents of the Appian Way
12 Property, Docket No. 268, filed April 11, 2022, Slotkin testifies that he is unable to turnover the
13 contents of the house **“because no property of Antiquarian Traders, Inc. was taken or**
14 **removed from the Appian Way Property when I moved out on or about March 15, 2022.”**
15 Docket No. 268, at p. 4, lines 5-7.

16 No one, not even Slotkin, contends that Slotkin was living in a house devoid of furniture,
17 with no desks, no tables, no chairs, no beds, etc. at the time he began the process of vacating
18 the Appian Way premises.¹³ And his then attorney, Jon Freis, advised the Trustee that Slotkin
19 would not be able to vacate the Appian Way Property by March 10, 2022, the date specified in
20 the eviction notice posted by the U.S. Marshal on March 3, 2022,¹⁴ because Slotkin could not
21 “arrange for a mover until March 25, 2022¹⁵.” See Exhibit 3, p. 41, to Miller Declaration, Docket

22
23 ¹³ See Slotkin Declaration, Docket No. 275, at p. 10, line 3 (“I never said I lived with nothing but a bare house”); Slotkin
24 Declaration, Docket No. 287, at p. 6, ¶ (c), at line 15 (“Debtor never said he lived in a bare house with no furnishings”);
25 Slotkin Declaration, Docket No. 310, p. 7 at line 7 (“Debtor never stated that he was living in an empty house”).

26 ¹⁴ See Trustee’s Response to Debtor’s Declarations Regarding Purging Contempt, Docket No. 336, p. 3 at lines 24-25.

27 ¹⁵ Notably, Savannah Slotkin’s April 7, 2022 declaration, attached as Exhibit 1, pp. 18-19, to the May 13, 2022 of Elissa
28 Miller, Docket No. 288, reflects that \$6,917.51 was spent from the funds that Slotkin diverted to her account for “Moving
Expenses.” Savannah does not disclose in this declaration whose moving expenses these were, but, in light of the timing of
the payment, it is more likely than not that these were Slotkin’s moving expenses. Although Savannah herself moved from
New York to Los Angeles shortly thereafter, she would not have left New York until she had completed law school that year.
(And she expressly states in her April 7, 2022 declaration that she lives in New York. Id., p. 18 at ¶ 3.) According to the
information posted on the website for NYU, final examinations for its law school were held from May 2 through May 12,
2022. See <https://www.law.nyu.edu/academicservices/academiccalendar/2021-2022-academic-calendar>. Thus, it is highly
unlikely that Savannah was paying for her own moving expenses from New York to Los Angeles with these funds, and it is

1 No. 255. Although the Trustee did request information about post-petition sales of Antiquarian
2 inventory, Slotkin's April 11, 2022 recitation of the handful of sales that occurred between 2017
3 and January of 2021 [Docket No. 268, pp. 4-6] contains no mention whatsoever as to what
4 became of the furniture, antiques, artwork, rugs, chandeliers, tables, desks, etc. that were in
5 the house **at the time the SJ Order was entered** in December of 2021.

6 In that same April 11, 2022 declaration, Slotkin asserts that that there were no sales of
7 Antiquarian inventory after he was locked out of the warehouse,¹⁶ but that there were a few
8 items delivered around January 6, 2022, for which the money received was deposited into the
9 Clover bank account. He refers to a freight bill from Echo Logistics dated February and March
10 2022 but claims that these charges were for deliveries to customers made in earlier months.
11 See Slotkin Declaration, Docket No. 268, at ¶ 6.

12 However, by April 19, 2022, Slotkin's story had changed. In his April 19, 2022
13 declaration, Docket No. 275, at pp. 8-10, Slotkin claims that he cannot comply with the Court's
14 order to turnover all furniture, artwork, chandeliers, rugs and other personal property removed
15 from the Appian Way Property after commencement of the case "**because it has either been**
16 **sold or returned to the warehouse or to consignors.**" He complains that the "Trustee does
17 not specify which inventory was at the Appian Way house" at the time he was asked to
18 turnover possession of the premises and faults her for referring to the 2017 photos in her
19 declaration as evidence of the type of furnishings that had previously been in the house that
20 Slotkin claims to have used as a "showroom" for Antiquarian's inventory. Slotkin Declaration,
21 Docket No. 275, p. 8, lines 15-19. According to Slotkin, the Trustee "cannot now claim that
22 inventory was taken by Debtor without a beginning base to compare it with." Docket No. 275,
23 p. 10, lines 7-8. The Trustee can hardly be faulted for not supplying Slotkin with a current
24

25 extremely unlikely that Slotkin would incur moving expenses of this magnitude unless he had removed a sizeable quantity of
26 furniture from the Appian Way Property in anticipation of his vacating the premises.

27 ¹⁶ According to the Trustee, this occurred on January 21, 2022. See Trustee's Response to Debtor's Declarations Regarding
Purging Contempt, Docket No. 336, p. 3 at lines 23-24. Slotkin refused to provide the Trustee with keys to Antiquarian's
28 warehouse or any of the alarm codes for that property. As a result, the Trustee was forced to expend \$1,700 to access the
warehouse and change all of the locks. Miller Declaration, Docket No. 243, p. 12 at ¶¶ 17-18. In Slotkin's March 4, 2022
declaration, Docket No. 247, he testified that "I do not have keys or alarm codes to the Warehouse. The employees that did
have the keys and alarm codes went back to Mexico when they were not paid after the turn-over order." Id., p. 5 at lines 24-
26.

1 inventory of what was in the house as of entry of the SJ Order. She had attempted on several
2 occasions to conduct an inspection of the inside of the Appian Way Property, but had in each
3 instance been rebuffed by Slotkin who refused to grant her access. See Miller Declaration,
4 Docket No. 243, at ¶¶ 14-16. And why would Slotkin need the Trustee to tell him what
5 furnishings were in the house as of entry of the SJ Order in December of 2021? He was living
6 in the house and would have had this information. Slotkin is apparently under the impression
7 that is the Trustee's duty to tell a debtor what assets he owns, not the other way around.

8 In the same declaration, Docket No. 275, Slotkin goes on to testify that, "with respect to
9 sales made after December 21, 2021, I recall two small sales. A sale was made and delivered
10 to Kirk Franceschini for \$4,860 + shipping of \$850. The library table was shipped on January
11 4. The money was deposited to the Clover Industrial Properties, LLC account. I found a
12 \$1000 sale of a Victorian Couch. It was paid for, and the customer pick [sic] it up. The money
13 was deposited into the Clover Industrial Properties, LLC checking account, which will reflect
14 the \$6,700 in deposits. To the best of my knowledge and memory, this is all that was shipped
15 or sold after December 21, 2021." Docket No. 275, p. 8, lines 26-28, p. 9, lines 1-4. If, in fact,
16 any of this testimony is true, these sales nevertheless violated not only the terms of the SJ
17 Order, but also the Preliminary Injunction entered February 5, 2021 in the Action [Docket No.
18 38], which prohibited Slotkin and Antiquarian, among others, from disposing of any "inventory,
19 accounts, accounts receivable and other tangible and intangible assets owned by Antiquarian
20 Traders, Inc." See Docket No. 38, p. 4 at ¶ 3(h).

21 In his next declaration, Docket No. 287, dated May 9, 2022, Slotkin testifies for the first
22 time that he held a garage sale and spent the resulting proceeds and that he moved some
23 furnishings from the Appian Way Property to the Detroit house at or about the time of his
24 move:

25 3. Sold items at a garage sale included an Indian Art Deco style rug with moth
26 damage, decorative flowers and sculpture, brass and glass coffee table, iron glass
27 breakfast table and four chairs, a small metal table, large print painting, couch and chair
28 sets, bar stools, modern bed and mattress, golf clubs, men's clothing, luggage, some
newer art prints, small table, dishes, glassware, pots and pans, silverware, king size box

1 spring and mattress, upholstered headboard, misc. houseware, cleaners, buckets,
2 mops, brooms, etc.¹⁷

3 4. About \$6,000 was taken in from the garage sales: \$2,600 was spent on hotel
4 costs. The balance has been used up in living expenses.

5 5. Returned to consignors: A dining set with six chairs and credenza, Murano
6 Glass sculpture and demi-lune console table, and a pair of colorized Louis XVI prints.

7 6. Some upholstered pieces, end tables, Eames style chairs and ottomans,
8 computer table and chair, and a coffee table were returned to Detroit house to
9 accommodate new tenant.

10 Docket No. 287, p. 5 at line 24 through p. 6 at line 14.

11 In his June 13, 2022 declaration, Docket No. 294, Slotkin provides the following
12 additional information:

13 k. Debtor took little personal property from the Appian Way house upon move-
14 out. There was little left but a few 20-year-old couches and chairs, dining table and
15 chairs, etc. Most of the contents were sold at a garage fire sale which netted \$6,000.
16 That money was spent on hotels, motels, restaurants, dog food, house vendors, etc.

17 l. The move of a few small value furnishings back to the Detroit house was
18 necessary because the house needed the future to fill some voids at the request of the
19 new tenant. These furnishings were moved from the Detroit house and then replaced.

20 m. Conversion of \$6,000 of assets when the Trustee has \$3,381,000 in cash.
21 Let's see that's .0017% of the estate. Seems like it's not a material fact.

22 n. The consigned items turned over to consignors are out of my control. I no
23 longer have any say-so as to them or their whereabouts. The items did not amount to
24 more than a few thousand dollars at full retail, much less if wholesale.

25 Docket No. 294, p. 10, at lines 6-21.

26 When the Court directed Slotkin to provide explanatory details concerning the garage
27 sale and the return of goods to a consignor in its June 22, 2022 order, Docket No. 300, pp. 8-
28 10 at ¶¶ 6-7, once again Slotkin's story changed. He still claimed in his July 11, 2022

¹⁷ It is worthy of note that the only items of tangible personal property that Slotkin disclosed on the Schedules that he filed in the Case [see Docket No. 10 in the Case, p. 6] were miscellaneous household goods (\$200), TV and computer (\$1,000), two 38 caliber Smith and Wesson handguns (\$600) and miscellaneous personal clothing (\$1,500). He claimed exemptions in all of these items on his Schedule C [Docket No. 10 in the Case, pp. 13-14]. The rest of the contents of the Appian Way Property he claimed was inventory that belonged to Antiquarian, which used that property as a showroom. See Miller Declaration, Docket No. 255, p. 11 at lines 26-28.

1 declaration, Docket No. 310, that he had conducted a garage sale and, this time, listed the
2 specific items he claims to have sold and the prices at which he claims to have sold each
3 item,¹⁸ but, with regard to the items returned to the consignor, Slotkin now states, “Debtor
4 made an error in saying that inventory was returned to consignors at the garage sale. #7417
5 Art Deco credenza, table and chairs, #6845 Murano lady glass sculpture, #6322 a demi-lune
6 brown table, and two Louis XVI prints were all returned to the warehouse **sometime before**
7 **January 1, 2022**. A check of the inventory at the warehouse by Trustee will provide
8 verification.” Docket No. 310, p. 11 at ¶ 9(a).

9 He elaborates upon this testimony in his July 28, 2022 declaration, Docket No. 324, with
10 the following discussion:

11 5. In the May Declaration, Debtor made a mistake in testimony about 4 items
12 returned to consignors.

13 a. Only one item, #7417, belonged to a consignor, Mark Menowitz.
14 Debtor returned #7417 dining set to the warehouse, but mistakenly testified that it was
15 returned to the consignor.

16 b. The other pieces belonged to Antiquarian Traders. Debtor did not
17 clarify which item was returned or whether the items were all consigned. While not
18 exact duplicates, all pieces were returned to the warehouse. They were similar in
19 function to some of the consigned items by 18 different consignors. Antiquarian Traders
20 had thousands of pieces.

21 [7.] a. Debtor remembered returning the items to the warehouse. Debtor did
22 not review any records regarding the 4 items returned to the warehouse, but recalls the
23 Art Deco dining set being consigned as it was large and unusual. No records are
24 available to Debtor as they are all locked up in the warehouse where Debtor has been
25 denied access.

26 b. The 4 items were not present at the garage sale. Debtor knew of their
27 whereabouts at the warehouse. In fact, Debtor saw them at the warehouse during one
28 of his many visits to same. Debtor made a handwritten memo of the 4 items. Attached

c. The Art Deco dining set #7417 owned by Mark Menowitz was
consigned to Antiquarian Traders. The #6845 Murano glass sculpture, #6322 demi-lune

¹⁸ See Slotkin Declaration, Docket No. 310, pp. 10-11 at ¶ 8 (Garage Sale-Itemization).

1 table, and the pair of Louis XVI prints were owned by Antiquarian Traders and not
2 consigned.

3 d. #7417 was not returned to consignor as he left it with us to sell. The
4 Appian Way house served as a showroom for Antiquarian Traders which occasionally
5 included consigned pieces.

6 Slotkin Declaration, Docket No. 324, pp. 3-5.

7 In his August 9, 2022 declaration, Docket No. 329, Slotkin's story changed yet again. In
8 that declaration, Slotkin testified that none of the items sold at the garage sale had belonged to
9 Antiquarian Traders. Docket No. 329, p. 4 at lines 11-12. According to that declaration, these
10 items were paid for by Slotkin himself over a period of many years. Docket No. 329, p. 4 at
11 lines 17-18. As mentioned supra at note 17, the only items of tangible personal property that
12 Slotkin disclosed on the Schedules that he filed in the Case [see Docket No. 10 in the Case, p.
13 6] were miscellaneous household goods worth \$200, a TV and computer worth \$1,000, two .38
14 caliber Smith and Wesson handguns worth \$600 and miscellaneous personal clothing worth
15 \$1,500. The list Slotkin provided of items sold at the garage sale did not include a TV or
16 computer or any handguns and only included \$300 of assorted men's clothing. Yet Slotkin
17 managed to sell his household goods at what he described as a "garage fire sale" for \$6,000 in
18 cash. So either Slotkin committed perjury when he prepared his bankruptcy schedules by
19 grossly undervaluing his "miscellaneous household goods," or most of the items sold at the
20 purported garage sale were indeed valuable antiques that belonged to Antiquarian and were
21 stored at the Appian Way Property.¹⁹

22 By the time Slotkin filed his August 22, 2022 declaration, Docket No. 344, Slotkin saw fit
23 to disclose for the first time that there were other items of personal property at the Appian Way
24 Property that he placed outside the house to be picked up by scavengers before he moved.

25 ¹⁹ Slotkin apparently contends it is the former. In his August 22, 2022 declaration, Docket No. 344, at page 4, lines 7 through
26 13, Slotkin explains, "Debtor did not turn \$200 of household goods into \$5,700 at the garage sale. . . . At the time of
27 Schedule A/B no valuation was placed on the eventual garage sale items because I never contemplated a sale. I did not think
28 of it as having marketable value, only utility value to Savannah and myself." In other words, in preparing his schedules,
Slotkin decided not to disclose the fact that, if these items were ever actually sold, they would have a value far in excess of
the values that he chose to write on his schedules. More likely, however, this was merely another example of the strategy
employed by Slotkin throughout this case. Initially, he claimed that all of his valuable assets belonged to entities other than
himself in an attempt to keep them out of his bankruptcy estate. Once the bankruptcy court found that these other entities
were his alter egos and that their assets were property of his bankruptcy estate, suddenly he began to argue either that these
assets do not exist, that they were sold prepetition or that they are not valuable items.

1 Slotkin Declaration, Docket No. 344, p. 5 at lines 6-7]. In his August 22, 2022, he refers to two
2 beds (“both beds”) that were discarded in this manner.²⁰ He also testifies for the first time that
3 he returned “A bed with attached end tables” to Shari and Ed Brown (who had loaned these
4 items to Slotkin when he first moved to the Appian Way Property) at the time he vacated the
5 property. Slotkin Declaration, Docket No. 344, p. 7 at lines 5-9.]

6 In his September 6, 2022 declaration²¹, Slotkin testifies that he put “A twin bed and a
7 double bed” out on the street and that they were picked up by scavengers the first night they
8 were put outside. With that, he claims that “All four beds are accounted for.” (The four beds
9 being the one he sold at the garage sale, Savannah’s bed and the two put out for scavengers.)
10 Slotkin Declaration, Docket No. 354, at p. 4 lines 2-15. However, there must have been at
11 least 5 beds at the Appian Way Property: the bed sold at the garage sale; Savannah’s bed;
12 two twin beds with mattress and box springs [see Docket No. 344, p. 5 at lines 3-4]; and the
13 double bed frame and mattress that had been in the guest room. He later clarified, in
14 response to further inquiry from the Court, that he again misspoke in preparing his declarations
15 and that he actually put three beds out for scavengers – both of the twin beds and the double
16 bed from the guest room. In other words, it is impossible to rely on any testimony that Slotkin
17 provides as being either accurate or complete. He makes no attempt to ensure the accuracy
18 of information that he provides in declarations and changes his story as necessary whenever
19 the Court asks for additional information.

20 And the additional information that he provides when pressed for details only serves to
21 further undermine the credibility of his testimony. For example, the details he gives as to how
22 he moved furniture from one place to another and how he conducted the garage sale are
23 inherently implausible. Although Slotkin frequently complains of his age and multiple health
24

25 ²⁰ It is unclear from the manner in which this declaration is written whether Slotkin was actually referring to two beds or
26 three here. The full text of that paragraph reads, “One king size bed and mattress was sold at the garage sale. Savannah has
27 her own fabric headboard, frame and mattress. One bedroom had two twin beds put together with mattress and box springs
28 and frames. No headboards, just pillows. The other guest bedroom had a double bed frame and mattress. It had a simple
wood headboard. It had been used for many years at my old house. The condition was fair. I put both beds outside before
the [garage] sale and it was picked up by scavengers. They would make a comfortable sleep for the homeless. They did not
have any value that I could see, people don’t like to buy a used mattress.” Docket No. 344, p. 5 at lines 1 through 9.

²¹ At the top of page 2 of this document, Slotkin titles the declaration “Declaration of Mark Abbey Slotkin to Purge Court
Order of August 30, 2022.” Perhaps because of this title, the Court erroneously referred to this declaration in its September
13, 2022 order, Docket No. 356, as Slotkin’s August 30 Declaration.

1 problems, when asked how he managed to conduct a garage sale that resulted in net
2 proceeds of \$6,000, Slotkin testified in his July 11, 2022 declaration [Docket No. 310], that the
3 sale was conducted from 11:00 a.m. to 6:00 p.m. over a period of 2 days [Sunday, March 6,
4 2022, and Monday, March 7, 2022] at his house and in his garage; that no one helped him set
5 up or sell anything; that he did no online advertising; that he posted only 3 handmade signs²²,
6 all of which were thrown away after the sale; that he did not keep track of the names,
7 addresses or phone numbers of any of the purchasers (even though this information was
8 offered); that everyone paid him in cash; and that he did not deposit the cash anywhere and
9 spent it all on living expenses. Slotkin Declaration, pp. 11-12.²³

10 Even though Slotkin had previously described these March 6-7 sales as “garage fire
11 sales” [Docket No. 294, p. 10 at line 8], when the Court asked Slotkin – who is a dealer in
12 antiques -- in its July 22, 2022 order [Docket No. 318, p. 3 at lines 6-9] to provide his estimate
13 of the actual value of each item sold, Slotkin provided a list of values that matched exactly the
14 garage fire sale prices at which he sold these items. See Slotkin Declaration, Docket No. 324,
15 pp. 2-3. When the Court questioned these values, Slotkin provided his August 9, 2022
16 declaration [Docket No. 329], in which he asserted that “the retail or wholesale value is of no
17 consequence and does not provide a guide to selling furniture . . . at a garage sale.” He
18 acknowledges that prices obtained at a garage sale are not equal to retail or wholesale pricing,
19 but claims that retailers or wholesalers would never offer furniture or household items in this
20 condition and that the items in question were not antiques. Docket No. 329 at pp. 2-3.

21 Whenever he is asked to provide additional detail concerning the manner in which he
22 moved furniture from one place to another, the details that he provides are impossible to
23 corroborate, suggesting that the information provided is either fabricated or that Slotkin has
24 intentionally conducted himself in such a manner as to make it as difficult as possible for the
25 court and other parties in interest to determine what he has been up to. He never asks for
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27 ²² Slotkin testified that one sign was located at Laurel Canyon and Lookout Mountain; one was on Sunset Plaza, where it
28 turns up into the hills; and one was at the junction of Appian Way and Sunset Plaza. Docket No. 310, p. 11 at lines 18-21.

²³ Savannah testified in her August 8, 2022 deposition that she was not aware of her father’s having conducted a garage sale
and that he had never told her he conducted a garage sale at the Appian Way Property (but that does not generally tell her
things). See Sokol Declaration, Docket No. 335, p. 17 at lines 9-15.

1 anyone's name or contact information and always claims to have paid people in cash, even
2 when a failure to make a record of someone's name seems highly unlikely.

3 For example, in his testimony about the manner in which the garage sale was
4 conducted, he says, on page 12 of his July 11, 2022 declaration, Docket No. 310, that a few of
5 the purchasers left cash deposits and came back on Monday to pay for their purchases. Does
6 it seem likely that Slotkin would have accepted cash deposits from purchasers who were
7 planning to return to pay for their furniture without writing down their names and the amount of
8 the deposits they left?

9 When the Court asked how Slotkin actually accomplished the return of furniture to the
10 warehouse, Slotkin provided this testimony: "As I was walking the dogs, Debtor spoke to a
11 Latin man and his helper who had a pickup truck. They were working in the area doing
12 collating tree discards. Debtor inquired if they might have interest in doing a delivery to the
13 warehouse. They said they lived near Southgate and could do the delivery on the way home.
14 I did not get their names, I paid \$225 cash after delivery." Slotkin Declaration, Docket No. 344,
15 p. 5 at lines 15-20. What are the odds that two men working in the Hollywood Hills just
16 happened to live in Southgate?

17 So the Court inquired further, "When and how did the Debtor pay these men after
18 delivery? If they coincidentally just happened to live near the warehouse in Southgate and
19 would be making the delivery 'on their way home,' they would not have wanted to drive all the
20 way back to the Debtor's Appian Way house to collect their money. Did the Debtor meet them
21 at the warehouse or at some other location after the delivery to give them cash? Did he put
22 cash in the mail? Exactly how and when did the Debtor give these two unidentified men \$225
23 in cash?" Docket No. 348, p. 6, lines 4-10. By way of response to these questions, in his
24 September 6 declaration [Docket no. 354], the Debtor explained further that he rode with the
25 strangers that he hired to the warehouse because they had a 4-cab pickup truck and that he
26 paid them \$225 cash after delivery. He adds, "I paid them an extra \$25 to take me to the
27 Hollywood Park Casino where I played poker well into the evening. I did not mention this in my
28 previous declaration as I did not think it was relevant." Docket No. 354, p. 5 at lines 14-18.

1 This is apparently Slotkin's modus operandi for moving furniture. How did Savannah's
2 fabric headboard, dresser, boxes and box spring mattress get delivered to Shari Brown's
3 apartment? These items "were picked up and delivered by two men hired from the
4 construction site across the street from the Appian residence to Shari Brown's apartment.
5 They had their own pickup truck. I paid cash. \$200 on March 7 or 8. I do not have their
6 names or contact info." Docket No. 354, p. 4 at lines 7-11. How did Slotkin move furniture
7 from the Appian Way property to the Detroit House? Slotkin "hired casual labor from workmen
8 who were in construction of a large remodel on my street. I hired one with a pickup truck. I
9 supplied a wheeled dolly to assist in easy transport. I paid cash, \$400 to move the piano, 4
10 club chairs and a glass desk. I did not ask or get their names or contact information." Docket
11 No. 354, p. 5 at lines 1-6. Did he ride with them to the Detroit House too or did he give them
12 cash up front? Slotkin does not say. This is not the conduct of someone who wants to be able
13 to prove that he has fully complied with orders of this Court. This is the conduct of someone
14 who wants to tell a story that would be hard for the Trustee to disprove.²⁴

15 The Court required Slotkin to turnover to the Trustee the \$6,000 that he claims to have
16 generated at the garage sale,²⁵ and Slotkin made the required payment.²⁶ However, in the
17 view of this Court, merely making a contemnor return the amounts he is willing to report as ill-
18 begotten gains if and when he gets caught willfully violating a court order is insufficient to deter
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24 Slotkin admits having moved furniture from the Appian Way House to the Detroit House [Docket No. 354, p. 5 at lines 1-6]. This is yet another respect in which Slotkin acted in violation of the terms of the SJ Order. Slotkin's only response to the charge that he should be held in contempt for this conduct as well was to argue that the Trustee had abandoned the personal property at the Detroit House when she later abandoned the real property and that the Trustee had advised the Court that she did not intend to pursue the matter. See Docket No. 344, p. 5 at lines 21-25. The Court rejected this argument [Docket No. 348, p. 3 at ¶ 2], but, inasmuch as that furniture is now in the custody of Slotkin's tenant at the Detroit House, a procedural mechanism other than holding Slotkin in contempt may be a more appropriate way to recover that property. Nevertheless, the District Court should consider Slotkin's having moved furniture to the Detroit House instead of turning it over to the Trustee as yet one more instance of Slotkin's willfully disobeying an order of this Court.

25 See Docket No. 300, p. 8 at ¶ 4, directing Savannah Slotkin to return this amount from funds delivered to her by the debtor.

26 See Exhibit 1 to Docket No. 321, p. 5 -- an email from the Trustee acknowledging receipt of \$25,000, which consisted of \$6,000 in proceeds from the garage sale and \$19,000 in proceeds from the sale of the Watch and Jewelry, as defined below.

1 future misconduct. There should be a consequence for disregarding a direct order from this
2 court above and beyond merely returning the profits you acknowledge having generated by so
3 doing.²⁷

4 **E. Slotkin Sold a Watch and Jewelry In Violation of Two Court Orders.**

5 The Court's February 5, 2021 Preliminary Injunction [Docket No. 38] prohibits Slotkin
6 from disposing of, among other things, "all inventory, accounts, accounts receivable and other
7 tangible and intangible assets owned by Antiquarian Traders, Inc." Docket No. 38, p. 4 at lines
8 9-11. In its SJ Order [Docket No. 201], the Court found, among other things, that all tangible
9 and intangible assets of Antiquarian are property of Slotkin's bankruptcy estate [Docket No.
10 201, pp. 4-5] and ordered Slotkin to turnover all of these assets to the Trustee. Docket No.
11 201, p. 5 at lines 25-26. Yet, in his April 11, 2022 declaration [Docket No. 268 at p. 2], Slotkin
12 discloses having sold "an Audemars Piquet Watch and small jewelry" (the "Watch and
13 Jewelry") to Wuagh Jonathan Alexander and having deposited the \$19,000 in proceeds
14 generated by this sale into Savannah's bank account. According to Slotkin, "These items were
15 not the property or the inventory of Antiquarian Traders, Inc., rather they were gifts from
16 Stanley Slotkin²⁸ and a few trinkets from Nicolette Slotkin (deceased)." Id. at ¶ 3(a).
17 However, Slotkin stated under penalty of perjury on his Schedule A/B [Docket No. 10 in the
18 Case, p. 6, questions 12 and 14] that he did not own any jewelry or watches. If the Watch and
19 Jewelry were not inventory of Antiquarian, why were these items not disclosed on Slotkin's
20 bankruptcy schedules?

21 When the Court explained [in Docket No. 271 on page 3 at ¶ 4(a)] that, even if the
22 Watch and Jewelry belonged to Slotkin himself rather than Antiquarian, they would still be
23 assets of his bankruptcy estate, and it would still be a violation of the Bankruptcy Code for
24 Slotkin – a chapter 7 debtor – to sell these items and park the proceeds in Savannah's bank

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26 ²⁷ Moreover, it is worthy of note that the Court has no way to verify that the estate has received the value of these diverted
27 items merely because Slotkin has paid the Trustee the amounts he claims to have received in exchange for them when he sold
28 them in violation of the SJ Order. If these assets were actually sold, they may well have been sold for more than the amounts
reported by Slotkin. Or these items may still be in Slotkin's custody and may have a value far in excess of the amounts
Slotkin claims to have received by selling them. Had he complied with the SJ Order and delivered these items to the Trustee,
we would not have this problem.

²⁸ Based on testimony contained in Slotkin's April 19, 2022 declaration [Docket No. 275, p. 4 at lines 12-13], it appears that Stanley Slotkin was Slotkin's father who died in 1992.

1 account, Slotkin changed his story. In his April 19, 2022 declaration [Docket No. 275, p. 4 at
2 line 10 through p. 5 at line 13], Slotkin claims that he made a gift of his father's watch to his
3 daughter Nicollette on her 21st birthday (which would have been in 2015) and that, when
4 Nicollette committed suicide at the Appian Way House in 2019, he removed the Watch and
5 Jewelry from her body with the permission of the LAPD and the coroner. Thereafter, he claims
6 to have been holding these items in trust for Savannah, because Nicollette had left an email
7 written a month before her death in which she left all her belongings (other than the dog
8 Charlie) to Savannah. Therefore, according to Slotkin, by selling these items and depositing
9 the proceeds into Savannah's bank account, he was just returning the jewelry "to the rightful
10 owner." Id.

11 Slotkin claims further that Savannah did not know Slotkin was holding the Watch and
12 Jewelry for her and that he had not provided these details earlier because he did not want it to
13 become a public record. Id. at p. 4, lines 22-23. But he knew they [he and Savannah] needed
14 money to pay for her tuition and her New York City apartment, so he sold the Watch and the
15 Jewelry instead of giving Savannah these items even though he knew she would not have
16 wanted to sell them. Id., p. 5 at lines 1-4.

17 So, in other words, Slotkin for some reason held the Watch and the Jewelry "in trust" for
18 Savannah for more than two and a half years after Nicollette's death, even though Nicollette
19 had supposedly wanted Savannah to have them upon her death,²⁹ without mentioning
20 anything to Savannah about the existence of these items, and then sold them without
21 Savannah's permission when they needed the money. Even if Slotkin could spontaneously
22 create an enforceable trust for Savannah's benefit merely by thinking about it -- which he
23 cannot -- he declared under penalty of perjury at the time he completed his Statement of
24 Financial Affairs [Docket No. 10 in the Case, p. 46, question 22] that he was not holding any
25 property for the benefit of anyone else. And, as the Court explained in its June 22, 2022 order
26 [Docket No. 300, p. 4 at ¶ 8], emails purportedly sent by Nicollette prior to her death are
27 insufficient to constitute a valid will or bequest under California law. Therefore, accepting as
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²⁹ Abigail Slotkin, the debtor's ex-wife, has asserted that the emails Slotkin claims were sent by Nicollette were fabricated by Slotkin.

1 true Slotkin's original testimony under penalty of perjury that he did not own any watches or
2 jewelry and that he was not holding any items in trust for anyone, the Court finds that (1) the
3 Watch and Jewelry must have been inventory of Antiquarian at the time they were sold by
4 Slotkin and (2) Slotkin violated both the Preliminary Injunction and the SJ Order by selling
5 these items and retaining the proceeds.

6 The Court subsequently required Slotkin to turnover the \$19,000 in sales proceeds to
7 the Trustee \$19,000,³⁰ and Slotkin has done so.³¹ Therefore, assuming that \$19,000
8 represents reasonable value for the Watch and the Jewelry and that Slotkin did not sell these
9 items for more and pocket the difference, the estate has received compensation for the
10 damage caused by this particular act of contempt by Slotkin. However, in the Court's view,
11 merely requiring Slotkin to disgorge the proceeds he admits having received as a result of
12 these wrongful sales is insufficient. His repeated, willful disregard of court orders requires
13 punishment, and the imposition of punishment is beyond the scope of this Court's exclusively
14 civil contempt powers.

15 **F. Slotkin Refused to Turnover His Ferrari and**
16 **Falsely Claimed that it Had Been Sold Prepetition.**

17 As discussed above, the SJ Order expressly required Slotkin to turnover to the Trustee
18 all tangible and intangible assets of Antiquarian. SJ Order, Docket No. 201, p. 5 at line 3.
19 Among these assets was a Ferrari that Slotkin had testified Antiquarian owned and had listed
20 for sale at the 341(a) Meetings held on April 29, 2020 and May 27, 2020 in the Case. See
21 Trustee's April 14, 2022 Declaration, Docket No. 272, providing excerpts from Slotkin's
22 testimony at the 341(a) Meetings.

23 Slotkin's failure to deliver the Ferrari to the Trustee as required by the SJ Order led, in
24 part, to entry of the April Contempt Order [Docket No. 263]. That order expressly identified
25 delivering the Ferrari to the Trustee as one of the steps that Slotkin needed to take to purge his
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28 ³⁰ See Docket No. 300, p. 8 at ¶ 4, directing Savannah Slotkin to return this amount from funds delivered to her by the debtor.

³¹ See Exhibit 1 to Docket No. 321, p. 5 -- an email from the Trustee acknowledging receipt of \$25,000, which consisted of \$6,000 in proceeds from the garage sale and \$19,000 in proceeds from the sale of the Watch and Jewelry.

1 civil contempt. Docket No. 263, p. 4 at lines 4-6. Yet Slotkin still refused to turnover the
2 Ferrari.

3 Instead, as discussed above, Slotkin filed a series of declarations under penalty of
4 perjury [see Docket Nos. 275, 287 and 294] in which he claimed that he had sold the Ferrari to
5 Ultra Hot Motor Sports in Lufkin Texas, on September 26, 2017 for \$75,000. However, the
6 Trustee filed with the Court not only Slotkin's original testimony at the 341(a) Meetings, but
7 also evidence that she had obtained from Slotkin's insurance broker evidencing that Slotkin
8 had maintained insurance coverage on the Ferrari in his name through at least June of 2022.

9 Therefore, the Court scheduled an evidentiary hearing to determine whether Slotkin or
10 Antiquarian continued to own the Ferrari at any time after the commencement of the Case and
11 the value of the vehicle, as it would be inappropriate for the Court to hold Slotkin in civil
12 contempt in an effort to compel him to turnover the Ferrari or its value to the Trustee if the
13 vehicle had in fact been sold years before the Case had been commenced. The Court
14 conducted that evidentiary hearing (the "Trial") on October 13, 2022.

15 In its written Memorandum of Decision dated November 8, 2022, Docket No. 428, the
16 Court sets out in detail the evidenced introduced at the Trial and the basis for its conclusion
17 that that evidence "overwhelmingly supports the conclusion that Slotkin's original testimony at
18 the 341(a) Meetings was accurate – as of the date of the 341(a) Meetings, Antiquarian owned
19 the Ferrari" and that the sum of \$144,000 represented a reasonable value for the vehicle.
20 Based on its findings at Trial, the Court entered its October 14, 2022 order [Docket No. 380]
21 again finding Slotkin in civil contempt and directing the U.S. Marshal to arrest and retain
22 Slotkin in custody until he delivered to the Trustee either the Ferrari (along with the pink slip
23 and keys) or the sum of \$144,000.

24 After filing three separate motions or applications in an effort to compel the Trustee to
25 accept a series of installment payments in lieu of a cash payment for the Ferrari in which
26 Slotkin represented under penalty of perjury that he did not have, and could not raise, the
27 funds necessary to pay \$144,000 to the Trustee in a single payment [Docket Nos. 430, 438,
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1 and 444³²], the Trustee's office has advised the Court that Slotkin did in fact pay the Trustee
2 \$144,000 on or about December 15, 2022. In light of this payment, the Court entered its
3 December 16, 2022 order [Docket No. 445], lifting its October 14, 2022 body detention order.

4 However, Slotkin has never explained what actually became of the Ferrari or how,
5 despite claiming that it could not be done, he managed to raise the funds to pay the Trustee
6 \$144,000 in a lump sum payment. Perhaps Slotkin decided that he would like to be able to
7 leave his home without fear of arrest during the holidays and therefore paid the Trustee money
8 that he had been holding all along. The Court has no idea, and, in light of Slotkin's willingness
9 to say whatever he thinks would best serve his interests in declarations that he files with the
10 Court, it is unlikely that this Court will ever find out.

11 Slotkin has employed a consistent strategy throughout this bankruptcy case: he will say
12 and do whatever he considers necessary to keep his assets away from creditors so that he
13 may preserve their value for himself. Initially, he claimed that all of his valuable assets
14 belonged to entities other than himself in an attempt to keep them out of his bankruptcy estate.
15 Once the bankruptcy court found that these other entities were his alter egos and that their
16 assets were property of his bankruptcy estate, he suddenly began to argue either that these
17 assets do not exist, that they were sold prepetition or that they are not valuable. The Court
18 has already denied Slotkin a discharge based on, among other things, false oaths made during
19 this bankruptcy case, see Order on Motion and Summary Judgment, Docket No. 61, entered
20 May 23, 2022, in Southwest Guaranty Investors, Ltd. v. Slotkin, Adv. No. 2:20-ap-01141-BB,
21 but even this action has proven an insufficient deterrent for Slotkin's lack of compliance. This
22 Court respectfully submits that nothing short of incarceration will send the message to Slotkin
23 that parties are required to comply with an order of the bankruptcy court unless and until the
24 effectiveness of that order has been stayed by another court order, or the order has been

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27 ³² Perhaps it is more accurate to say that only the first two of these motions or applications were supported by evidence
28 submitted under penalty of perjury. The third motion, docket no. 444, represents on page 8 at lines 20-22 that Slotkin
declares the contents of the motion to be true and correct under penalty of perjury under the laws of the United States and that
the document was executed on December 7, 2022 at Los Angeles, California, but Slotkin did not actually sign the document.
He merely typed his name in bold-faced type.

1 reversed on appeal. It is not up to Slotkin to decide whether and when to comply with a
2 bankruptcy court order.

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4 **III**

5 **RECOMMENDATION**

6 In accordance with 28 U.S.C. § 157(a), the District Court has issued a standing order
7 generally referring all cases under title 11 of the United States Code and all proceedings
8 arising under, arising in or related to cases under title 11 to the bankruptcy judges for the
9 Central District of California. The District Court is authorized by 28 U.S.C. § 157(d) to
10 withdraw, in whole or in part, the reference as to any case or controversy “for cause shown.”
11 See Fed. R. Bankr. P. 5011(a) and 9033. This Court respectfully submits that the foregoing
12 facts, coupled with this Court’s lack of authority to hear and determine criminal contempt
13 matters, constitute sufficient cause within the meaning of this section for the District Court to
14 withdraw the reference to the extent set forth below. Accordingly, this Court recommends:

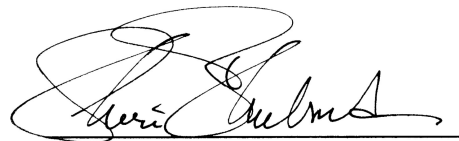
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- 16 1. that the District Court *sua sponte* withdraw, in part, the reference of the Action
17 pursuant to 28 U.S.C. § 157(d) for the limited purpose of considering criminal
18 contempt proceedings against defendant/debtor Mark Abbey Slotkin;
 - 19 2. that, inasmuch as this Report and Recommendation represents an incomplete
20 recitation of all of the respects in which Mark Abbey Slotkin has failed to comply
21 with orders of this Court, the District Court provide the Trustee and the Office of
22 the United States Trustee with an opportunity to supplement the record, should
23 they wish to do so, with additional reasons, evidence and recommendations for
24 the imposition of sanctions against Mark Abbey Slotkin for criminal contempt; and
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3. that the District Court find Mark Abbey Slotkin guilty of criminal contempt and sentence him to be incarcerated for a period of 180 days or such other period as the District Court may deem appropriate.

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Date: January 3, 2023



Sheri Bluebond
United States Bankruptcy Judge