UNITED STATES BANKRUPTCY COURT DISTRICT OF CONNECTICUT HARTFORD DIVISION

IN RE:)	CASE No.	19-21995 (JJT)
SYLVESTER TRAYLOR, Debtor.)	CHAPTER	13
)	RE: ECF Nos.	21, 33, 38, 42, 80, 90, 105, 108
)		70, 103, 100

RULING ON DEBTOR'S MOTION TO RECONSIDER

I. INTRODUCTION

Before the Court is a Motion to Reconsider (the "Motion," ECF No. 105) filed by Sylvester Traylor (the "Debtor") requesting that the Court reconsider its Ruling sustaining the Town of Waterford's (the "Town") Objection to Claim 7-1 (ECF No. 33). Specifically, the Debtor requests that the Court reconsider its prior rulings because the Court does not have jurisdiction to rule on the Town's Objection to Proof of Claim 7-1, and that he "was entitled to be heard on the Objection . . . [because] [t]here [was] relevant evidence and oral argument that must be presented to the court for a fair hearing." ECF No. 105. The Debtor further argues that he also "did not receive written or email notice of [a] hearing." *Id*. In response, the Town filed an objection (*see* ECF No. 108), arguing that the Debtor "does not posit any argument in his Motion for Reconsideration other than his request for a hearing." *Id*., at 2. A hearing on the matter was held on June 18, 2020 (ECF No. 112), whereat the parties were able to argue their respective

¹ Critically, the Debtor's Motion fails to cite any legal authority supporting his contentions, including legal authority that would support his claim that the Court lacked jurisdiction to rule on his proof of claim after he filed his appeal of this Court's Order granting stay relief to the Town.

positions. For the reasons stated herein, the Debtor's Motion for Reconsideration is hereby DENIED.

II. BACKGROUND

The debt underlying Proof of Claim 7-1 is a tax debt assessed by the Town against the Debtor for property located at 881 Vaux Hill Street, Quaker Hill (Waterford). When the Debtor filed for Chapter 13 bankruptcy protection on November 22, 2019, his Schedule D listed a secured priority tax claim held by the Town for \$73,000. However, on January 31, 2020, the Debtor filed Proof of Claim 7-1 on behalf of the Town, wherein he listed the Town's tax claim as \$40,000. On that same day, the Town also filed Proof of Claim 8-1, which lists the Town's tax debt as \$74,767.84. After the Debtor and the Town filed their respective claims, they each filed corresponding objections to the other's proof of claim. (*see* ECF Nos. 33, 38).²

The underlying tax debt, which is claimed to approximate \$73,000, is also the subject of a state court foreclosure action that was brought in Connecticut Superior Court on October 23, 2018, by the Town (the "Foreclosure Action"). *See Town of Waterford v. Traylor, Sylvester, et al*, KNL-cv-18-6037728-S (Conn. Super. Ct. 2018). Roughly six months into the Foreclosure Action, the Debtor filed his first bankruptcy (the "April 2019 Bankruptcy," Case No. 19-20578). In his April 2019 Bankruptcy petition he listed the debt to the Town as a secured property tax lien in the amount of \$73,000. On August 30, 2019, upon a motion by the Chapter 13 Trustee for failure, among other things, to make any plan payments and to provide certain information to the

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² While the Debtor filed a Notice of Objection, it indicated only that the Debtor had "filed an objection to [the] claim in this bankruptcy case." No additional information pertaining to the basis for the objection was provided. *See* ECF No. 38. The Clerk's Office issued a deficiency notice on March 9, 2020 indicating that the Notice of Objection was deficient because it was "Missing Objection and a Proposed Order." *See* Clerk's Deficiency Notice, ECF Nos. 39, 41. Although the Contested Matter deadline was subsequently extended to April 10, 2020, no amended objection was ever filed by the Debtor. *See* Clerk's Docket Entry, April 13, 2020.

Chapter 13 Trustee, the case was dismissed. *See* April 2019 Bankruptcy, ECF No. 16. The April 2019 Bankruptcy was administratively closed on September 30, 2019. *Id.*, ECF No. 27.

On November 20, 2019, the Town filed a motion for summary judgment in the Foreclosure Action. *See* Foreclosure Action, Docket No. 178.00. The Debtor then filed the present bankruptcy some two days later, on November 22, 2019 (the "Present Bankruptcy"). The record in the Debtor's Present Bankruptcy indicates that there is a secured claim held by the Town for approximately \$73,000 (*see* Schedule D, ECF No. 1), in addition to the aforementioned conflicting Proof of Claim 7-1, which was filed on behalf of the Town by the Debtor, and which indicates a secured claim of \$40,000 (*see* POC 7-1).

On February 14, 2020, the Town also filed a Motion for Relief from Stay (ECF No. 21), wherein it alleged that "[n]o portion of the taxes has been paid and Debtor has failed to make subsequent post-petition payments to the Tax Collector. . . . The Debtor has not provided adequate protection of the Movant's interest in the property on the above obligation and therefore the Movant is entitled to relief from stay pursuant to 11 U.S.C. Section 362(d)(1) for cause." ECF No 21, p. 2.3 In response, the Debtor objected, stating only that he "objects to Movant's Motion for Relief from Automatic Stay . . . and requests to be heard on this matter." ECF No. 36.4 On March 12, 2020, the Court granted stay relief to the Town pursuant to 11 U.S.C. § 362(d)(1). ECF No. 42. Thereafter, the Debtor filed a Motion to Vacate the Court's Order granting stay relief to the Town (ECF No. 45), and, upon the denial of that motion, a Motion to Reconsider (ECF No. 62), which the Court also denied. See ECF Nos. 53, 64. The

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³ The Motion for Relief from Stay also alleged that monthly interest was accruing on the past due amount and that said interest was not being paid during the pendency of the Present Bankruptcy. ECF No. 21.

⁴ See United States Bankruptcy Court, District of Connecticut, Contested Matter Procedure (Revised February 28, 2018), requiring in relevant part that "[a]ny Response to the Contested Matter . . . shall state the specific legal and factual bases therefore"; see also footnote two of this Ruling.

Debtor has since appealed the Order granting the Town stay relief to the District Court (*see* ECF No. 68), however, the Debtor did not file a motion for stay pending appeal with respect to that matter until June 18, 2020. The appeal remains pending in the District Court. *See In re Traylor*, 3:20-cv-00431-KAD (D. Conn. 2020).

On April 14, 2020, four days after the April 10, 2020 extended Contested Matter

Procedure deadline, this Court overruled the Debtor's Objection to the Town's Proof of Claim 8
1 (see ECF No. 80; footnote two of this Ruling). Thereafter, on April 29, 2020, the Court

sustained the Town's Objection to Proof of Claim 7-1, disallowing the Debtor's Proof of Claim

7-1 (see ECF No. 90). In response, the Debtor filed the present Motion, wherein he principally argues that the Court did not have jurisdiction as to the Town's Objection to Proof of Claim 7-1, that he was not provided adequate notice and that the Court violated his rights to notice and a hearing despite his request to have a hearing on the matter. See id.

On June 18, 2020, at a hearing on the Motion, in addition to demonstrating genuine surprise and bewilderment at the Court's continued administration of his case in light of his appeal of this Court's Order granting stay relief to the Town, the Debtor reiterated his arguments that the Court was without jurisdiction by operation of law due to the appeal, that the Town's underlying claim was fraudulent, that no payment to the Town was due during the pendency of the Present Bankruptcy and that the Court was biased against him.⁵

III. JURISDICTION

The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b) and derives its authority to hear and determine this matter on reference from the District Court pursuant to 28

⁵ The Court notes that in the Debtor's Foreclosure Action he, likewise, alleged that both the judge presiding over that matter and the entire New London Superior Court, were biased against him. *See* Motion for Disqualification of Judicial Authority, Foreclosure Action, Docket No. 162.00.

U.S.C. §§ 157(a) and (b)(1). This is a core proceeding under 28 U.S.C. § 157(b)(2)(A). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

IV. DISCUSSION

A motion to reconsider is committed to the discretion of the Court. Such motions shall be granted according to Federal Rule of Civil Procedure 60(b), given effect through Federal Rule of Bankruptcy Procedure 9024(b), which controls and provides that relief from a final judgment or order of the court may be granted for the following reasons: (1) mistake, inadvertence, surprise, or excusable neglect; (2) newly discovered evidence that, with reasonable diligence, could not have been discovered in time to move for a new trial under Rule 59(b); (3) fraud (whether previously called intrinsic or extrinsic), misrepresentation, or misconduct by an opposing party; (4) the judgment is void; (5) the judgment has been satisfied, released, or discharged; it is based on an earlier judgment that has been reversed or vacated; or applying it prospectively is no longer equitable; or (6) any other reason that justifies relief. Fed. R. Civ. P. 60(b).

"The standard for granting such a motion is strict, and reconsideration will generally be denied unless the moving party can point to . . . matters . . . that might reasonably be expected to alter the conclusion reached by the court. . . . [A] motion to reconsider should not be granted where the moving party seeks solely to relitigate an issue already decided." *Shrader v. CSX Transp., Inc.*, 70 F.3d 255, 257 (2d Cir.1995). "Although *pro se* litigants should be afforded latitude, they generally are required to inform themselves regarding procedural rules and to comply with them." *In re Blonder*, 47 Fed. Appx. 605, 606 (2d Cir. 2002) (internal quotation marks and citations omitted) (*quoting LoSacco v. City of Middletown*, 71 F.3d 88, 92 (2d Cir.1995)). Motions to reconsider a court's prior order "will generally be denied unless the moving party can point to controlling decisions or data that the court overlooked—matters, in

other words, that might reasonably be expected to alter the conclusion reached by the court." *In* re SageCrest II LLC, No. 08-50754 AHWS, 2012 WL 525734, at *1 (Bankr. D. Conn. Feb. 16, 2012) (citing Mendell ex rel. Viacom, Inc. v. Gollust, 909 F.2d 724, 731 (2d Cir. 1990)). Critically, a motion for relief brought pursuant to Rule 60(b) is "addressed to the sound discretion of the . . . court" *Id*.

Here, the Debtor's Motion fails to articulate any compelling reason for reconsideration as it relates to the Court's Order sustaining the Town's Objection to Proof of Claim 7-1. The Debtor readily acknowledged at the June 18, 2020 Hearing that his reason for bringing the present Motion was to challenge the Court's jurisdiction with respect to its post-appeal Order sustaining the Town's Objection to Proof of Claim 7-1.6 This, as indicated by the Debtor's Amended Statement of Issues on appeal, will be decided by the District Court. Beyond this principal contention, none of the grounds raised during the hearing provide good and sufficient cause to reconsider the Court's prior Order. With respect to the issues not before the Court that were, nonetheless, raised at the June 18, 2020 Hearing, the Debtor was advised of his obligation to file the requisite motions so that the issues he wished to assert thereto could be properly joined and that the relevant parties could be properly noticed.

Despite that, all of the positions advanced by the Debtor have again been examined by this Court and remain without merit. Firstly, the Debtor's assertion that he did not receive good and sufficient notice with respect to the Town's Objection to Proof of Claim 7-1 is at odds with the certificate of service on the claim objection, which is entitled to presumptive regularity. *See Lopes* v. *Gonzales*, 468, F.3d 81, 85 (2d Cir. 2006); *Holmes* v. *Fischer*, No. 09-CV-00829S F, 2013 WL 1309157, at *6. Second, the Debtor's filing of Proof of Claim 7-1 was, in and of itself,

⁶ See footnote 1 of this Ruling.

contrived, and is at odds with his own Schedules. The Court's sustaining of the Town's objection to Proof of Claim 7-1 (ECF No. 33), based upon a review of the record, the Town's Proof of Claim 8-1 and the bare bones Objection by the Debtor, which provided no basis for the Objection and which was the subject of a deficiency notice that went uncured, appropriately left the contest on this issue to the state court.

As to the merits of the Debtor's claim of bias, the Court indicated that the tax dispute with the Town was best left to the state court in the Foreclosure Action, and that the Court's Ruling on the Town's motion for relief from stay without an evidentiary or formal hearing was a matter of discretion, which was supported by good and sufficient cause, *see* Title 11 U.S.C. § 102(1)(A) (providing that the "notice and a hearing" requirement referenced in Rule 9014 means that a court shall provide such that "is appropriate in the particular circumstances."); *see also Cabral v. Shamban (In Re Cabral)*, 285 B.R. 563, 577 (B.A.P. 1st Cir. 2002) (where the Debtor failed to raise any disputed facts and the parties had an opportunity to present relevant facts and arguments to the Bankruptcy Court, an evidentiary hearing was not necessary).

Even after acknowledging the Debtor's various arguments on multiple occasions during the June 18, 2020 Hearing, many of which were repetitious and unrestrained, and outlining for the Debtor various procedural aspects relating to how contested matter procedures are adjudicated by the Court, the Debtor demonstrated that he ostensibly misconceives the process of this Court, the bankruptcy appeals process and the deference this Court maintains to state proceedings based upon principals of federalism and judicial economy. Furthermore, the Debtor's allegations that this Court has engaged in some form of bias against him (which he claimed to be inherent in the Court's reasoned dispositions on the merits of this case), are unfounded. The Court's denial of any such bias and the Court's subsequent firm admonishments

directed to the Debtor's rude, repetitive and untoward tone, behavior and arguments, was well grounded.

V. CONCLUSION

The nature and character of the disputes with the Town, and the predominance of state law and public policy issues inherent in a tax dispute of this nature, weigh heavily in favor of a state court adjudication of the contested matters that is already underway and where the amounts properly due and unpaid will be definitively determined in a fair, expert and prompt process, rather than under the present circumstances through an ostensibly infeasible Chapter 13 Plan, or a contrived claim objection process or some other means. The Motion is hereby DENIED.



8

⁷ See the Chapter 13 Trustee's Objection to Confirmation, Present Bankruptcy, ECF 40.