

FILED

2010 MAY 28 AM 11:56

M.L. HATCHER, CLK
U.S. BANKRUPTCY COURT
W.D. OF WA AT SEATTLE
BY _____ CLK

Honorable Samuel J. Steiner

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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

IN RE:

MICHAEL R. MASTRO,

Debtor.

BANKRUPTCY NO. 09-16841 (Ch. 7)

JAMES F. RIGBY, JR., Trustee, solely in
his capacity as Chapter 7 trustee of the
bankruptcy estate of Michael R. Mastro,

Plaintiff,

ADVERSARY CASE NO. 09-01439-SJS

v.

ORDER GRANTING PLAINTIFF'S
MOTION FOR PARTIAL SUMMARY
JUDGMENT REGARDING SELF-
SETTLED TRUSTS

MICHAEL R. MASTRO and LINDA A.
MASTRO, and their marital community;
MICHAEL K. MASTRO and JANE DOE
MASTRO, and their marital community;
LCY, LLC, a Delaware limited liability
corporation; LCY, LLC-SERIES HOME;
LCY, LLC-SERIES JEWELRY; LCY, LLC-
SERIES AUTOMOBILES; THE LCY
TRUST; COMPASS TRUST
CORPORATION, a purported Belizean
entity; COMPASS S.A.; MASTRO
REVOCABLE LIVING TRUST; MASTRO
IRREVOCABLE TRUST; CONCEPT
DORSSERS, a purported Monaco
company; HENDRIK J. DORSSERS; and
AVATAR INCOME FUND I LLC, a
Delaware limited liability company,

(REVISED) *S.J.S.*

(PROPOSED) *S.J.S.*

Defendants.

ORDER GRANTING PLAINTIFF'S
MOTION FOR PARTIAL SUMMARY
JUDGMENT (REVISED) - 1

HALL ZANZIG CLAFLIN MCEACHERN

1200 Fifth Ave., Suite 1414, Seattle, WA 98101 206 292 5900

1 This matter having come on for hearing before the Court on May 20,
2 2010 on Plaintiff's Motion for Partial Summary Judgment Regarding Self-Settled
3 Trusts, and the Court having reviewed the motion and the records and files
4 herein, including the following:
5

6 • Plaintiff's Motion for Partial Summary Judgment Regarding
7 Self-Settled Trusts;

8 • Declaration of Janet D. McEachern In Support of Plaintiff's
9 Motion for Partial Summary Judgment Regarding Self-Settled Trusts;

10 • Plaintiff's Statement of Uncontroverted Facts In Support of
11 Motion for Partial Summary Judgment Regarding Self-Settled Trusts;

12 • Defendant Michael R. Mastro's Opposition to Plaintiff's
13 Motion for Partial Summary Judgment Regarding Self-Settled Trusts;

14 • Declaration of Jerry N. Stehlik In Opposition to Trustee's
15 Motion for Summary Judgment Regarding Self Settled Trusts;

16 • Defendant Michael R. Mastro's Statement of Genuine Issues;

17 • Defendants LCY, LLC's; LCY, LLC-Series Home's; LCY, LLC-
18 Series Automobiles'; and LCY, LLC-Series Jewelry's Joinder In Michael R.
19 Mastro's Opposition to Plaintiff's Motion for Partial Summary Judgment
20 Regarding Self-Settled Trusts;

21 • Memorandum of Linda A. Mastro In Opposition to Motion
22 for Partial Summary Judgment Regarding Settled[sic] Settled Trusts;
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1 • Defendants LCY, LLC's; LCY, LLC-Series Home's; LCY, LLC-
2 Series Automobiles'; and LCY, LLC-Series Jewelry's Joinder In the Memorandum
3 of Linda A. Mastro In Opposition to Motion for Partial Summary Judgment
4 Regarding Self-Settled Trusts;
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6 • Reply Memorandum In Support of Motion for Partial
7 Summary Judgment Regarding Self-Settled Trusts; and
8

9 • Supplemental Declaration of Janet D. McEachern In Support
10 of Plaintiff's Motion for Partial Summary Judgment Regarding Self-Settled Trusts.

11 NOW, THEREFORE, it is hereby ORDERED:

12 1. The Mastro Revocable Living Trust, Mastro Irrevocable Trust,
13 and The LCY Trust ("Mastro Trusts") are self-settled trusts. As such, the Mastro
14 Trusts are void as against creditors of Michael R. Mastro as a matter of law.
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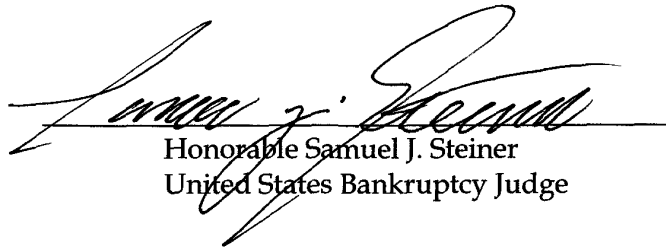
16 2. Except as provided below in paragraph 4, the Trustee,
17 effective immediately, shall be the manager of LCY LLC, LCY LLC - Series Home,
18 LCY LLC - Series Jewelry, and LCY LLC Series - Automobiles, and the real
19 property located at 2040 - 89th Avenue N.E., Clyde Hill, WA 98004, is specifically
20 vested in the Trustee.
21

22 3. This Order is without prejudice to determination of the
23 validity or invalidity of any liens asserted against the assets that are the subject of
24 this Order.
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26 4. The Court has entered a separate Order Granting Motion to

1 Compel Discovery From Linda A. Mastro ("Discovery Order"). Upon compliance
2 by Linda Mastro with the Discovery Order, the Court intends to enter a separate
3 order regarding the Motion of Linda A. Mastro for Partial Summary Judgment Re:
4 Rings. Neither the Trustee nor any other party shall take any action with respect
5 to the jewels that are the subject of Linda A. Mastro's motion for partial summary
6 judgment pending further order of this Court.
7

8 DATED this 28 day of May, 2010.
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11 
12 Honorable Samuel J. Steiner
13 United States Bankruptcy Judge

14 Presented by:

15 HALL ZANZIG CLAFLIN
16 McEACHERN PLLC

17 By /s/ Spencer Hall
18 Spencer Hall, WSB No. 6162
19 Janet D. McEachern, WSB No. 14450

20 BUSH STROUT & KORNFELD

21 By /s/ Gayle E. Bush
22 Gayle E. Bush, WSB No. 7318
23 Christine M. Tobin, WSB No. 27628

24 Attorneys for Plaintiff James F.
25 Rigby, Jr., Chapter 7 Trustee of the
26 Bankruptcy Estate of Michael R. Mastro