

UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In re:

KEVIN MICHAEL LASLO and TIFFANY
SHEY LASLO,

Debtors.

Case No. 25-40210-BRW

Chapter 7

SUMMARY ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY

Before the Court is the Motion for Relief from the Automatic Stay (Doc. No. 43) (the “Motion”) filed by movant Jessica Schendel (the “Movant”) on October 20, 2025, seeking relief from the automatic stay in order to pursue an action already filed in the District Court in Jefferson County, Idaho under case number CV26-25-0736, styled *Schendel v. Laslo* (the “State Case”). Attached to the Motion, the Movant provided copies of the complaint as well as the Movant’s motion for partial summary judgment filed in the State Case. Doc. No. 44.

The Court conducted a hearing on November 19, 2025, as to the Motion and the objection thereto (Doc. No. 45) filed by Debtors Kevin M. Laslo and Tiffany S. Laslo (the “Debtors”), during which hearing the Movant as well as the Debtors, through their respective counsel, were heard. In addition, the Chapter 7 Trustee, Timothy R. Kurtz (the “Trustee”) attended the hearing. At the conclusion of the hearing, the Court stated its ruling on the Motion on the record. This summary order is the Court’s findings and conclusions pursuant to Federal Rules of Bankruptcy Procedure 9014 and 7052.

FACTUAL BACKGROUND

The State Case involves a dispute between the Movant and the Debtors about the ownership rights in a golden retriever. The Movant asserts that the dog belongs to her and seeks

a judgment of the state court so determining. In addition, the Movant asserts various claims for relief seeking damages against the Debtors for allegedly improperly retaining possession of the dog, which claims the Movant asserts accrued after this bankruptcy case was filed by the Debtors. The Debtors objected to the Motion on October 24, 2025, and set the matter for hearing on November 19, 2025. Doc. No. 45.

The Debtors filed this chapter 7 bankruptcy case on April 7, 2025, and did not list an ownership interest in the dog in their original bankruptcy schedules. Doc. No. 1. The Debtors received a discharge on July 21, 2025 (Doc. No. 32), and the case was ultimately closed with no distributions to creditors on July 23, 2025 (Doc. No. 33).

After the bankruptcy case was closed, on August 11, 2025, the Debtors filed amended schedules in the case. Doc. No. 36. The amended schedules disclose the Debtors' claimed ownership interest in the dog, lists the value of the dog at \$10, and claims the dog fully exempt. *Id.* A corrective entry was entered on August 13, 2025, by this Court advising the Debtors of the need to reopen the case. The Debtors thereafter filed a motion to reopen the bankruptcy case (Doc. No. 38), which was granted by the Court on September 16, 2025 (Doc. No. 40).

After the reopening of the case, the Movant filed the Motion. As stated above, the Motion seeks relief from the automatic stay in order for the Movant to move forward with the State Case. In their objection to the Motion, the Debtors argued the Motion is "premature" and that there is no "cause" shown for relief from the automatic stay. Doc. No. 45. The Debtors have not filed an action in this Court to determine the ownership interest of the dog. Finally, at the hearing, the Trustee represented to the Court that he did not intend to administer the dog, regardless of the outcome of the litigation in the State Case.

APPLICABLE LAW

Upon the filing of a bankruptcy case, the automatic stay goes into effect, which stays various actions against the debtor and property of the bankruptcy estate. *See* 11 U.S.C. § 362(a) (detailing what is stayed upon a bankruptcy filing). Generally, the automatic stay provides the debtor with a period of time to reorganize or to liquidate in the bankruptcy court and deal with all creditors in that centralized forum.

The automatic stay is limited in its duration, however. When it ends depends on various things; but critically, a distinction is made as to whether the stayed action is against the debtor, individually, or against property of the bankruptcy estate. *Compare* 11 U.S.C. § 362(c)(1) (stating that the automatic stay terminates as to actions against property of the estate when the property is no longer property of the estate) *with* 11 U.S.C. § 362(c)(2) (stating that the automatic stay terminates as to all other actions stayed under § 362(a) at the earliest of when the case is closed, the case is dismissed, or an individual debtor's discharge is granted or denied). Additionally, a movant may seek a termination, among other things, of the automatic stay pursuant to 11 U.S.C. § 362(d), as the Movant has done in this case. If the bankruptcy court determines "cause" exists to terminate the automatic stay, the court may order the automatic stay terminated as to the movant or bankruptcy estate assets. "Cause" may exist to terminate the automatic stay to allow another forum to determine the issues, including ownership rights. *See, e.g., In re Johnson*, 153 B.R. 49, 51 (Bankr. D. Idaho 1993) (holding that the automatic stay would be terminated for cause under § 362(d)(1) to allow the debtor and other third parties to litigate the ownership rights to an alleged asset of the bankruptcy estate in a different forum).

If the debtor receives a discharge in the bankruptcy case, the automatic stay terminates at that time and is replaced with the discharge injunction, which prohibits actions *against the*

debtor on debts that have been discharged in the bankruptcy case. *See generally* 11 U.S.C. § 524(a).

What is property of the bankruptcy estate is governed by 11 U.S.C. § 541(a). The bankruptcy estate is comprised of all the debtor’s assets, rights, and interests, regardless of form. In a chapter 7 case, property of the estate generally includes all the debtor’s assets, rights, and interests the debtor had prior to filing the bankruptcy case.

Like the automatic stay, the bankruptcy estate also has a varying expiration date. *See, e.g.,* 11 U.S.C. § 554(c) (stating that schedule assets that are not otherwise administered in the case are abandoned to the debtor at the closing of the case). However, an exception to this general rule exists. If an asset of the bankruptcy estate is not scheduled or administered in the case, it indefinitely remains property of the estate. 11 U.S.C. § 554(d); *see also Diamond Z Trailer, Inc. v. JZ L.L.C. (In re JZ L.L.C)*, 371 B.R. 412, 418 (9th Cir. BAP 2007) (stating that “property of the estate that is not scheduled and not otherwise administered before a case is closed is not abandoned to the debtor at the time of closing, but remains property of the estate—forever”). And the bankruptcy case may be reopened to administer that undisclosed asset. 11 U.S.C. § 350(b).

APPLICATION OF LAW

In this case, the automatic stay went into effect on the date the Debtors filed their bankruptcy petition on April 7, 2025. Since that time, the automatic stay has terminated by operation of law as to the Debtors’ individual liability, but the automatic stay has remained in place with respect to unadministered property of the bankruptcy estate.

As stated, the Debtors did not schedule an asset they claim to own—the dog. Despite not listing that asset in their original bankruptcy schedules, if they did own the dog as of the date of

filing the case, the dog became an asset of the bankruptcy estate, pursuant to 11 U.S.C. § 541(a). The dog was not administered in the bankruptcy case before closing, and as such, as an alleged asset of the bankruptcy estate, it remained property of the bankruptcy estate even after closing of the case, 11 U.S.C. § 554(d), and the automatic stay has not terminated as to it, 11 U.S.C. § 362(c)(1). As such, the Motion is appropriately before this Court as to the State Case claims to determine ownership of the dog.

It is a different analysis when it comes to the claims alleged in the State Case against the Debtors individually. First, only pre-bankruptcy obligations of the debtor are stayed by the automatic stay. *See, e.g.*, 11 U.S.C. § 362(a)(1), (2), (5), (6), and (7) (limiting the stay to proceedings that accrued “before commencement of the case under this title”). In this case, the Movant alleges the damage claims arose *post-bankruptcy*, and as such no automatic stay is in effect as to those claims made against the Debtors.

Second, even if the claims alleged in the State case against Debtors individually arose pre-bankruptcy, the automatic stay has terminated with respect to their personal liability under 11 U.S.C. § 362(c)(2) because the case was closed, and the Debtors have received their discharge in this case. What is in place now, as to any pre-bankruptcy claims that have been discharged,¹ is the discharge injunction under 11 U.S.C. § 524. As such, relief from the automatic stay is not appropriately granted because there is no such stay as to an action against the Debtors personally.

In consideration of the above analysis and authority, the Court finds that “cause” exists to terminate the automatic stay pursuant to 11 U.S.C. § 362(d)(1) and the analysis of *In re Johnson*.

¹ The Court makes no determination whether the State Case claims for damages are a pre- or post-petition debt, nor whether that debt, if pre-petition, was discharged in this bankruptcy case. As stated, the unrefuted allegation by the Movant is that the claims stated for damages against the Debtors in the State Case accrued post-bankruptcy.

The State Case appears poised to determine the ownership interests in the dog as between the Movant and the Debtors. Moreover, the claims for damages asserted in the State Case, if accrued postpetition, would not fall within the scope of the automatic stay . Even if those claims arose prepetition, the stay has been terminated by operation of law. What may be at issue for this Court at a later date, is whether the Movant violated the discharge injunction under 11 U.S.C. § 524. Finally, the Trustee has advised this Court that he is not interested in administering the asset even if the dog is determined to be owned by the Debtors and thus property of the bankruptcy estate, eliminating any negative impact on the bankruptcy estate. All of these facts support the Court’s conclusion that the automatic stay should be terminated for cause shown to allow the State Case to proceed.

CONCLUSION AND ORDER

As such, for good cause appearing, and for the reasons stated;

IT IS HEREBY ORDERED:

1. The Motion is **GRANTED**, and the objection thereto is **OVERRULED**;
2. The State Case may proceed as determined appropriate by the state court; and
3. The stay of this Order under Federal Rule of Bankruptcy Procedure 4001(a)(4) is **WAIVED**.



DATED: November 21, 2025

A handwritten signature in black ink, appearing to read "Brent R. Wilson", is written over a horizontal line.

Brent R. Wilson
U.S. Bankruptcy Judge