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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 Textron Financial Corp.,

12 Plaintiff,

13 v.

14 Michael S. Gallegos,

15 Defendant.
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Case No.: 15-cv-01678-LAB-AGS

**REPORT AND RECOMMENDATION
TO:**

**(1) GRANT IN PART AND DENY IN
PART PLAINTIFF'S MOTION FOR
ASSIGNMENT AND TURNOVER
ORDER [Doc. 93], AND**

**(2) DENY AS MOOT PLAINTIFF'S
MOTION TO AMEND ITS
CHARGING ORDER [Doc. 92]**

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21 Plaintiff has a roughly \$22 million dollar judgment against defendant Michael
22 Gallegos. But Gallegos allegedly never paid a dime towards the debt. While Gallegos
23 claims he is destitute, plaintiff argues that he is in fact living a posh lifestyle, driving luxury
24 cars, and paying tens of thousands of dollars each year for his daughters' college tuition.
25 He does this, according to plaintiff, by hiding his assets in various companies and entities
26 in which he has an interest.

27 Based on these allegations, the Court previously granted a charging order requiring
28 30 entities to pay any money or property due to Gallegos directly to plaintiff SPE LO

1 Holdings, LLC (as successor-in-interest to Textron Financial Corporation), to satisfy the
2 judgment. [Doc. 85.] SPE LO now seeks: (1) amendment of that charging order to add an
3 additional 24 entities; and (2) assignment of Gallegos’s interests in 122 entities—including
4 all 24 in the charging order motion—and a turnover order for records from all those entities.

5 Gallegos does not oppose the assignment of his interest in the 122 entities. And at
6 yesterday’s hearing, both parties agreed that granting that assignment would moot the
7 charging order motion. But Gallegos objects to the turnover order as overbroad, as it would
8 cover records from entities that have allegedly been defunct for decades. Instead, Gallegos
9 suggests that the turnover order be limited to the past four years. At the hearing, SPE LO
10 did not object to such a time limit, and the Court concurs that a time restriction would be
11 useful to avoid waste and expense. Because Judge Burns previously found that Gallegos
12 had “play[ed] coy” and warned him that “the Court won’t tolerate a cavalier attitude toward
13 discovery obligations,” [Doc. 85], this Court believes that the time limitation should extend
14 to the beginning of this suit, on April 5, 2011.

15 Thus, this Court recommends:

16 (1) The motion to amend the charging order be **DENIED** as moot;

17 (2) The motion for assignment and for a turnover order be **GRANTED** in part and
18 **DENIED** in part, with the motion granted in its entirety except that the turnover order shall
19 be limited to records dating back to April 5, 2011.

20 Any objection to this Report and Recommendation is due by April 21, 2017. Failure
21 to file an objection may result in waiver of the issue on appeal.

22 Dated: April 7, 2017

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25 Hon. Andrew G. Schopler
26 United States Magistrate Judge
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