In re: Kenyon Kelley Doc. 29

1 2 3 4 5 UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON 6 AT TACOMA 7 8 In re: CASE NO. C12-6007 BHS 9 KENYON KELLY, ORDER AFFIRMING 10 Debtor. **CONTEMPT ORDER** 11 12 13 This matter comes before the Court on Appellant James J. O'Hagan's 14 ("O'Hagan") appeal of an order of contempt entered in an ongoing bankruptcy 15 proceeding (Dkt. 1). The Court has considered the pleadings filed in support of and in 16 opposition to the appeal and the remainder of the file and hereby affirms the order of 17 contempt for the reasons stated herein. 18 I. PROCEDURAL HISTORY 19 On November 1, 2012, the Honorable Bryan D. Lynch, United States Bankruptcy 20 Judge, entered an order of contempt against O'Hagan and his agents. ER 261–266. On 21 November 26, 2012, O'Hagan's appeal of that order was transferred to this Court. Dkt. 22 1. The appeal is now ripe for consideration.

II. FACTUAL BACKGROUND

The facts of this matter are not in dispute. O'Hagan filed numerous pleadings in state court regarding the underlying bankruptcy proceeding and admits that he took control of the Kenyon Kelly property. ER 255.

III. DISCUSSION

As a threshold matter, O'Hagan challenges Judge Lynch's ability to proceed in the bankruptcy case. O'Hagan consistently alleges a mass conspiracy of public officials intent on defrauding him. These allegations, however, are nothing more than allegations. O'Hagan has failed to submit any evidence in support of the allegation that Judge Lynch's impartiality can be reasonably questioned. *United States v. Nelson*, 718 F.2d 315, 321 (9th Cir. 1983). Therefore, the Court declines to vacate Judge Lynch's order because of alleged bias.

With regard to the merits, a bankruptcy court's award of sanctions for civil contempt is reviewed under an abuse of discretion standard. *See S & C Home Loans, Inc. v. Farr (In re Farr)*, 278 B.R. 171, 175 (9th Cir. Bankr. 2002). Bankruptcy courts have the authority to enter civil contempt orders for violation of the automatic stay and said orders can be granted by motion. *In re C.W. Mining Company*, 625 F.3d 1240 (10th Cir. 2010).

In this case, Judge Lynch did not abuse his discretion in issuing the contempt order. O'Hagan and his associate willfully violated the automatic stay when they took control of the subject property and attempted to harvest the cranberries on the property. Moreover, O'Hagan readily admits filing numerous documents in state court regarding

1	the property. Both of these actions directly violate the bankrupicy stay and ment an order
2	of contempt and sanctions. Therefore, the Court affirms Judge Lynch's order and
3	dismisses the appeal.
4	IV. ORDER
5	Therefore, it is hereby ORDERED that Judge Lynch's contempt order is
6	AFFIRMED.
7	Dated this 23rd day of January, 2014.
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10	BENJAMIN H. SETTLE United States District Judge
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