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Majestic Asset Management LLC v. Pappas, et al.
Case No. RIC1213939
Foreclosure Action

The court entered a judgment in favor of the Association on September 15, 2023, ordering the foreclosure of the Colony Golf Course. Majestic immediately appealed that judgment. The Association filed a motion requesting the court to require Majestic to post a bond, or undertaking, to stay enforcement of the judgment pending the outcome of the appeal. The court declined to order a bond or undertaking. Therefore, foreclosure cannot happen until after the appeal has been decided and only if the appeal is unsuccessful. It could take up to two years for the appeal to be decided.

There will be a hearing on the Association's motion for an award of attorney's fees on November 28, 2023, to determine the amount of attorney's fees to be awarded to the Association for its efforts to enforce the judgment.

The Colony at California Oaks HOA v. Majestic, et al.
Case No. MCC2000132
Fraudulent Conveyance Action

The trial against Majestic, Hai Huang, Jen Huang, and Tso Jen Chu concluded on September 21, 2023. The court ordered the parties to file closing briefs in lieu of closing arguments and also to provide the court with a proposed statement of decision, by October 6, 2023, as well. Both sides submitted closing briefs and proposed statements of decision. On November 13, 2023, the court issued its proposed statement of decision. The court ruled entirely in favor of the Association, finding that the purported loans secured by the deed of trust recorded against the golf course in favor of Tso Jen Chu, were fraudulent and therefore the deed of trust is void. To quote the proposed statement of decision:

"[T]he Court finds in favor of Plaintiff [the Association]. The Court finds that the promissory note dated 8/1/2007 (Exhibit 4) is fraudulent and fictitious. The Court also finds that the promissory note signed 1/25/2019 (Exhibit 26) is also fraudulent and fictitious. Additionally, the Court finds that the Deed of Trust recorded 9/1/2019 is based on fraud and is therefore void."

The court also ruled that the Association, as the prevailing party, is entitled to recover its reasonable attorney's fees incurred in prosecuting this action against Majestic and the Huang's. The amount of attorney's fees to be awarded will be determined by a motion to be filed by the Association after the judgment is entered.

The defendants have 15-days from the date the proposed statement of decision was served to file objections to the court's findings. The court may, or may not, rule on the objections. After the 15-day period, the proposed statement of decision becomes final. The Association's attorneys then have 10 days to file a proposed judgment and the defendants have 10 days after the proposed judgment is filed to file objections to the proposed judgment. Thereafter, the court will enter judgment against the defendants consistent with the statement of decision.