

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEW MEXICO

In re: TRINITY LEGACY CONSORTIUM, LLC,

No. 22-10973-j11
(Dismissed)

Debtor.

TRINITY LEGACY CONSORTIUM, LLC,

Plaintiff,

v.

Adversary No. 25-1041-j

NEW MEXICO FINANCIAL & FAMILY LAW, P.C.,
and ALPINE BANK,

Defendants.

**ORDER CONFIRMING COURT'S JURISDICTION OVER PROCEEDING,
DENYING PLAINTIFF'S CLAIM TO DECLARE THE WRIT OF GARNISHMENT
VOID, FIXING DEADLINE FOR PLAINTIFF TO FILE DECLARATION AND
PROVIDE DOCUMENTS TO NEW MEXICO FINANCIAL & FAMILY LAW, P.C.,
AND SETTING CONTINUED STATUS CONFERENCE**

The Court held an emergency status conference in this adversary proceeding on October 29, 2025. Parties and counsel appearing at the status conference were noted on the record. The Complaint to (I) Void Writ of Garnishment; (II) Declaring Funds Exempt from Garnishment; and (III) Directing the Turnover of Funds ("Complaint" – Doc. 1) raises as a threshold issue whether this Court had jurisdiction to issue a Writ of Garnishment¹ in Trinity Legacy Consortium, LLC ("TLC")'s bankruptcy case following dismissal of the case. The second issue is whether funds in a bank account at Alpine Bank that are the subject of the Writ of Garnishment are exempt from attachment because they are funds held in trust for TLC's customers pursuant to C.R.S. § 32-22-127. The third count in the Complaint requests the Court to order the immediate release of the funds that are the subject of the garnishment to TLC.

New Mexico Financial & Family Law, P.C. ("NMFFL") filed an Application for Writ of Garnishment² in TLC's bankruptcy case on October 10, 2025, seeking to enforce a Final Order Ruling on New Mexico Financial & Family Law, P.C.'s Final Fee Application ("Fee Order").³ Based on the Application for Writ of Garnishment, the Court issued the Writ of Garnishment.⁴

¹ See Case No. 22-10973-j11 ("Bk Case") – Doc. 620.

² Bk Case – Doc. 619.

³ Bk Case – Doc. 235.

⁴ Bk Case – Doc. 620.

The Application for Writ of Garnishment was filed and the Writ of Garnishment was entered approximately three months after TLC's bankruptcy case was dismissed in July of 2025.⁵

Notwithstanding the dismissal of TLC's bankruptcy case, the Court retained jurisdiction to issue the Writ of Garnishment and to resolve the issues raised in this adversary proceeding. Bankruptcy courts retain jurisdiction over core proceedings following dismissal of a bankruptcy case without having to expressly retain jurisdiction in the dismissal order. *See Johnson v. Smith (In re Johnson)*, 575 F.3d 1079, 1083-84 (10th Cir. 2009) (holding that the bankruptcy court retains jurisdiction over proceeding for willful violation of the automatic stay following dismissal of the underlying bankruptcy case); *In re John Richards Homes Bldg. Co.*, 405 B.R. 192, 210 (E.D. Mich. 2009) ("[T]here is much support for the proposition that bankruptcy courts retain jurisdiction over core proceedings beyond the dismissal or closure of the underlying bankruptcy case." (citations omitted)). The Court's continuing jurisdiction following dismissal includes the inherent power to enforce its own orders through the issuance of writs of garnishment in aid of execution of a judgment or order issued by the Court because execution on the judgment is a continuation of the original proceeding over which the Court has "core" jurisdiction. *See In re McCowan*, 296 B.R. 1, 4 (9th Cir. BAP 2003) ("[W]here a proceeding is brought to execute on a judgment entered by the bankruptcy court, the proceeding is a continuation of the original proceeding, and jurisdiction depends on whether the original proceeding was within the bankruptcy court's jurisdiction." (citing *In re Mayex II Corp.*, 178 B.R. 464, 468 (Bankr. W.D. Mo. 1995))); *In re Lawson*, 156 B.R. 43, 46 (9th Cir. BAP 1993) (concluding that the bankruptcy court can exercise jurisdiction to enforce final attorney fee awards entered before the bankruptcy case was dismissed without express reservation of jurisdiction in the dismissal order); *cf. Wellington Apartment, LLC v. Clotworthy (In re Wellington Apartment, LLC)*, 353 B.R. 465, 472-73 (Bankr. E.D. Va. 2006) (holding that the bankruptcy court had the authority to enforce its own judgment, relying on ancillary jurisdiction). Because this Court had jurisdiction to issue the Writ of Garnishment, the Court will deny TLC's claim to declare the Writ of Garnishment void. The Court has jurisdiction to preside over this adversary proceeding.

Whether the funds in TLC's account at Alpine Bank that are the subject of the Writ of Garnishment are exempt from attachment raises issues of fact. At the status conference, TLC agreed to provide counsel for NMFFL information regarding the four accounts it maintains at Alpine Bank and to file a declaration regarding those accounts. If the information is sufficient to confirm that the funds in the Alpine Bank that are the subject of garnishment are customer funds held in trust in accordance with Colo. Rev. Stat. Ann. § 38-22-127 (West 2000), the parties may be able to resolve the remainder of this adversary proceeding. To facilitate a consensual resolution of the remaining issues in this adversary proceeding, and, with the consent of the parties, the Court will fix a deadline for TLC to file a declaration and to provide certain bank records to counsel for NMFFL and will set a status conference after the deadline.

Finally, the Court will enter a separate order directing Alpine Bank to maintain its freeze on funds in TLC's bank account limited to the amount sufficient to satisfy the amount due NMFFL under the Fee Order. TLC will be allowed to use the bank account and any funds in the account in excess of the frozen amount.

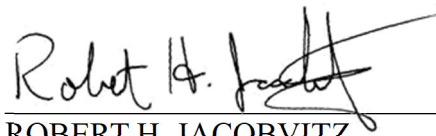
⁵ See Bk Case – Doc. 612.

WHEREFORE, IN ACCORDANCE with the Court's ruling at the status conference held October 29, 2025,

IT IS HEREBY ORDERED:

1. Declaration and Production of Documents. By **October 31, 2025**, if reasonably possible, but no later than **Monday, November 3, 2025**, Jan Swift, principal of TLC, will complete the following:
 - a. File of record a declaration identifying each of the four bank accounts at Alpine Bank, what they are used for, how the funds flow in and out of each account, whether one of the accounts is a "customer trust account," and if so, how the customer funds are tracked. The declaration filed of record should redact all but the last four digits of each account.
 - b. Provide counsel for NMFFL bank records for the past six months for all four of TLC's bank accounts at Alpine Bank.
2. Continued Status Conference. The Court will hold a continued status conference on **November 4, 2025**, at **12:10 p.m.** in the Vista Conference room, 2nd Floor, Pete V. Domenici United States Courthouse, 333 Lomas Blvd. NW, Albuquerque, New Mexico to determine whether the parties have been able to resolve whether the funds subject to the Writ of Garnishment are exempt from attachment, and, if not, why not. If a settlement has not been reached, the Court will set an expedited discovery schedule if discovery is appropriate, and will set a trial. Parties and counsel may appear at the continued status conference by telephone by making arrangements with chambers (jacobvitzstaff@nmb.uscourts.gov or 505-600-4650) no later than 9:00 a.m. on November 4, 2025.

ORDERED FURTHER, that the request in Count I of the Complaint for the Court to determine that the Writ of Garnishment is void for lack of jurisdiction is DENIED.



ROBERT H. JACOBVITZ
United States Bankruptcy Judge

Date entered on docket: October 30, 2025

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