

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

**Matthew D. Van Steenwyk, Individually, as Trustee and Beneficiary
of The Matthew Van Steenwyk GST Trust and The Matthew Van
Steenwyk Issue Trust, and as Co-Trustee of The Gretchen Marie Van
Steenwyk-Marsh GST Trust and The Gretchen Marie Van Steenwyk-
Marsh Issue Trust and derivatively on behalf of Nominal Defendants
Applied Technologies Associates, Inc., Scientific Drilling
International, Inc. and ATA Ranches, Inc. v. Kedrin E. Van Steenwyk,
et al.**

Van Steenwyk · No. 2:20-cv-02375-FLA-AJR · Decided November 5, 2025

SUMMARY

The United States District Court for the Central District of California amended its memorandum decision and order granting in part the plaintiff’s motion to compel post-judgment discovery. The court held that the probate exception did not bar federal post-judgment discovery and that Federal Rule of Civil Procedure 69(a)(2) permitted discovery under the Federal Rules. The court sustained, without prejudice, objections to discovery seeking tax returns and related information under California’s tax-return privilege, and declined to award expenses.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	A. Joel Richlin
JURISDICTION	United States District Court for the Central District of California
DECIDED	November 5, 2025
DOCKET	2:20-cv-02375-FLA-AJR
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to compel post-judgment discovery from judgment debtor Kedrin E. Van Steenwyk. The magistrate judge considered an ex parte application seeking reconsideration and a stay of an earlier order, vacated and replaced that order, and granted the motion to compel in part.

STANDARD OF REVIEW	On a motion to compel, the requesting party bears the initial burden of demonstrating relevance. The opposing party then bears the burden of showing that discovery should be prohibited and of clarifying, explaining, or supporting its objections. The court applied a heavy-burden standard to the objections.
PRECEDENTIAL VALUE	nonprecedential

TOPICS

discovery dispute civil procedure probate procedure probate commercial litigation

PRACTICE AREAS

civil procedure commercial litigation trusts probate corporate law remedies

QUESTIONS PRESENTED

1. Whether the probate exception to federal jurisdiction barred post-judgment discovery in aid of execution.
2. Whether Federal Rule of Civil Procedure 69(a)(2) permitted Plaintiff to use federal discovery procedures notwithstanding state-law procedures governing execution of the judgment.
3. Whether Plaintiff established an exception to California's tax-return privilege for discovery of tax returns and related documents.
4. Whether Plaintiff was entitled to an award of expenses under Federal Rule of Civil Procedure 37(a)(5) (C).

HOLDINGS

1. The probate exception to federal jurisdiction did not apply because the requested discovery did not require the court to probate or annul a will, administer a decedent's estate, or assume in rem jurisdiction over property in the custody of a probate court.
2. Federal Rule of Civil Procedure 69(a)(2) permitted Plaintiff to use interrogatories and requests for production under the Federal Rules of Civil Procedure to obtain post-judgment discovery in aid of execution.
3. Plaintiff did not meet his burden to establish an exception to California's tax-return privilege, so the motion to compel was denied without prejudice as to requests seeking tax-return information and related documents.
4. The court declined to award expenses in connection with the motion to compel.

KEY QUOTATIONS

“Generally, the scope of post-judgment discovery is broad.” (at 5)

“the judgment creditor must be given the freedom to make a broad inquiry to discover hidden or concealed assets of the judgment debtor.” (at 5)

“In sum, the Court concludes that the probate exception to federal jurisdiction does not apply to Plaintiff’s post-judgment discovery because the discovery does not require this Court to probate or annul a will, administer a decedent’s estate, or assume in rem jurisdiction over property that is in the custody of the probate court.” (at 7)

“When conducting post-judgment discovery, however, judgment creditors can rely on either state or federal law.” (at 9)

“the privilege will not be upheld in three situations: when (1) the circumstances indicate an intentional waiver of the privilege; (2) the gravamen of the lawsuit is inconsistent with the privilege; or (3) a public policy greater than that of the confidentiality of tax returns is involved.” (at 11)

FACTUAL BACKGROUND

Plaintiff obtained a final judgment after a jury verdict awarding more than \$21 million in damages. To aid collection, Plaintiff served Kedrin E. Van Steenwyk and Elizabeth A. Van Steenwyk with interrogatories and requests for production seeking information about assets, liabilities, tax returns, and Forms 1099. The defendants objected broadly, invoking the probate exception to federal jurisdiction, California procedural law, and California's tax-return privilege.

PROCEDURAL HISTORY

Plaintiff prevailed at a 2024 jury and bench trial and obtained a final judgment entered on March 7, 2025, including a jury award exceeding \$21 million. Plaintiff then served interrogatories and requests for production seeking financial information to aid execution of the judgment. After an informal discovery conference, Plaintiff moved to compel; the court's October 28, 2025 order was vacated and replaced by this amended order, which retained the substance of the prior ruling but removed a finding of waiver.

DISPOSITION

other

CASES CITED

- Ryan Inv. Corp. v. Pedregal de Cabo San Lucas, 2009 WL 5114077, at *1 (N.D. Cal. Dec. 18, 2009)
- 1ST Tech., LLC v. Rational Enters. Ltda, 2007 WL 5596692, at *4 (D. Nev. Nov. 13, 2007)
- Nguyen v. Lotus by Johnny Dung Inc., 2019 WL 3064479, at *2 (C.D. Cal. June 5, 2019)
- Garces v. Pickett, 2021 WL 978540, at *2 (E.D. Cal. Mar. 16, 2021)
- Vickie Lynn Marshall v. E. Pierce Marshall, Marshall v. Marshall, 547 U.S. 293, 298-99, 311-12 (2006)
- Silk, 65 F.4th 450, 452
- Kibbey v. Kibbey, 2021 WL 5798049, at *2 (C.D. Cal. Dec. 7, 2021)
- Ehret v. Sanchez, 2013 WL 4807165, at *3 (C.D. Cal. Sept. 4, 2013)

- Wilmington Tr., N.A., 2018 WL 10159760, at *2-*3 (S.D. Fla. Sept. 19, 2018)
- Pabban Dev., Inc. v. Sarl, 2015 WL 12731928, at *3 (C.D. Cal. Mar. 10, 2015)
- El Salto, S. A. v. PSG Co., 444 F.2d 477, 484 n.3 (9th Cir. 1971)
- Iroquois Master Fund, Ltd. v. Glob. ePoint, Inc., 2018 WL 6929337, at *4-*9 (C.D. Cal. Jan. 9, 2019)
- Li v. Yan, 247 Cal. App. 4th 56, 66-67 (2016)
- Sav-On Drugs, Inc. v. Superior Court, 15 Cal. 3d 1, 7 (1975)
- Brown v. Superior Court, 71 Cal. App. 3d 141
- Goro v. Flowers Foods, Inc., 334 F.R.D. 275, 280-82 (S.D. Cal. 2020)
- Hooser v. Superior Court, 84 Cal. App. 4th 997, 1003 (2000)
- Internet Direct Response, Inc. v. Buckley, 2010 WL 1752181, at *5 (C.D. Cal. Apr. 29, 2010)

OPINION

1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 CENTRAL DISTRICT OF
CALIFORNIA 10 11 MATTHEW D. VAN STEENWYK, No. 2:20-cv-02375-FLA-AJR
Individually, as Trustee and 12 AMENDED MEMORANDUM Beneficiary of The Matthew Van
DECISION AND ORDER 13 Steenwyk GST Trust and The GRANTING IN PART Matthew Van
Steenwyk Issue Trust, PLAINTIFF’S MOTION TO 14 and as Co-Trustee of The Gretchen
COMPEL JUDGMENT DEBTOR Marie Van Steenwyk-Marsh GST DISCOVERY (DKT.

846) 15 Trust and The Gretchen Marie Van 16 Steenwyk-Marsh Issue Trust and derivatively on
behalf of Nominal 17 Defendants APPLIED TECHNOLOGIES ASSOCIATES, 18 INC.,
SCIENTIFIC DRILLING INTERNATIONAL, INC. and ATA 19 RANCHES, INC., 20 Plaintiff,
21 v. 22 KEDRIN E. VAN STEENWYK, et al., 23 Defendants, 24 and 25 APPLIED
TECHNOLOGIES 26 ASSOCIATES, INC., SCIENTIFIC DRILLING INTERNATIONAL, 27
INC., and ATA RANCHES, INC., 28 Nominal Defendants.

1 INTRODUCTION 2 This is a shareholder derivative lawsuit filed by Plaintiff Matthew D. Van 3
Steenwyk (“Plaintiff”) on behalf of Nominal Defendants Applied Technologies 4 Associates, Inc.
 (“ATA”), Scientific Drilling International, Inc. (“SDI”), and ATA 5 Ranches, Inc. (collectively, the
 “Nominal Defendants”) against Defendants Kedrin 6 E. Van Steenwyk (“Kedrin”), Pamela Pierce,
 Phillip Gobe, Philip Longorio, Gene 7 Durocher, Daniel Carter, Joseph McCoy, and Kieran
 Duggan (collectively, the 8 “Director Defendants”) for violations of California common law
 setting forth the 9 duties of corporate officers and directors.

(Dkt. 179 at 2-3.) Plaintiff also brought 10 direct claims as owner of Class A Shares in ATA against
 Elizabeth A. Van 11 Steenwyk (“Elizabeth”) and Kedrin, as Trustee and Successor Trustee of the
 Donald 12 H. Van Steenwyk and Elizabeth A. Van Steenwyk 1996 Revocable Trust, for 13 14
 violations of their duties as the holders for all voting shares in ATA. (Id. at 3.)

15 Plaintiff brought additional direct claims against Elizabeth, Kedrin, the Director 16 Defendants, and Defendant Adelaida Cellars, Inc. for breach of fiduciary duties 17 owed by ATA's controlling shareholders to Plaintiff, or for the aiding and abetting 18 of those breaches owed to Plaintiff. (Id.) 19 On June 24, 2024, a concurrent jury and bench trial commenced on Plaintiff's 20 legal and equitable claims, respectively.

(Dkt. 443.) On July 10, 2024, the jury 21 returned a verdict in favor of Plaintiff against the Director Defendants as well as 22 Elizabeth and awarded over \$21 million in damages. (Dkts. 485, 489.) On February 23 24, 2025, the District Judge issued an Order Granting in Part and Denying in Part 24 Plaintiff's Motion for Equitable Relief After Jury Trial, which permanently enjoined 25 ATA and SDI from paying, advancing, or reimbursing any attorneys' fees or costs 26 incurred by any of the defendants.

(Dkt. 692.) On March 7, 2025, the Court entered 27 a Final Judgment in the action. (Dkt. 707.) 28 1 September 8, 2025, the Court held an informal discovery conference to discuss this 2 dispute. (Dkt. 840.) Based on the discussion with the parties at the informal 3 discovery conference, the Court identified a number of gating issues that needed to 4 be resolved so that the parties could further meet and confer in an attempt to resolve 5 the remaining disputes.

(Id.) Therefore, the Court directed the parties to brief only 6 specific gating issues for resolution and to continue informal efforts to resolve the 7 remaining disputes. (Id.) 8 On September 16, 2025, Plaintiff filed a Motion to Compel Judgment Debtor 9 Discovery (the "Motion to Compel"). (Dkt. 846.)

On September 30, 2025, Kedrin 10 filed an Opposition to the Motion to Compel (the "Opposition"). (Dkt. 847.) On 11 October 7, 2025, Plaintiff filed a Reply in Support of the Motion to Compel (the 12 "Reply"). (Dkt. 848.)

On October 28, 2025, the Court issued a Memorandum 13 14 Decision and Order Granting in Part Plaintiff's Motion to Compel Judgment Debtor 15 Discovery (the "October 28, 2025 Order"). (Dkt. 849.) 16 On November 3, 2025, Kedrin filed an Ex Parte Application to Stay October 17 28, 2025 Order (the "Ex Parte Application"). (Dkt. 854.)

The Ex Parte Application 18 sought reconsideration and a stay of the Court's October 28, 2025 Order. (Dkt. 19 849.) On November 4, 2025, Plaintiff filed an Opposition to the Ex Parte 20 Application (the "Opposition"). (Dkt. 857.)

On November 5, 2025, the Court held 21 an informal discovery conference to discuss the Ex Parte Application with the 22 parties. For the reasons stated on the record at the informal discovery conference, 23 and as addressed in a separate Order, the Court GRANTS IN PART the Ex Parte 24 Application. Specifically, the Court grants the Ex Parte Application by 25 VACATING the October 28, 2025 Order and replacing it with this Amended Order.

26 As set forth below, the substance of the October 28, 2025 Order remains the same, 27 but the “Conclusion” section has been changed to remove any finding of waiver. As 28 set forth below, the Court still GRANTS IN PART Plaintiff’s Motion to Compel. 1 2 II. 3 LEGAL STANDARD 4 Federal Rule of Civil Procedure 69(a)(2) provides that “[i]n aid of the 5 judgment or execution, the judgment creditor or a successor in interest whose 6 interest appears of record may obtain discovery from any person—including the 7 judgment debtor—as provided in these rules or by the procedure of the state where 8 the court is located.” “Generally, the scope of post-judgment discovery is broad.” 9 Ryan Inv.

Corp. v. Pedregal de Cabo San Lucas, 2009 WL 5114077, at *1 (N.D. 10 Cal. Dec. 18, 2009). “[T]he judgment creditor must be given the freedom to make a 11 broad inquiry to discover hidden or concealed assets of the judgment debtor.” 1ST 12 Tech., LLC v. Rational Enters. Ltda, 2007 WL 5596692, at *4 (D. Nev. Nov. 13, 13 14 2007) (internal quotation marks omitted). “Further, due to its broad scope, a party is 15 free to use any means of discovery allowable under the Federal Rules of Civil 16 Procedure.” Ryan Inv.

Corp., 2009 WL 5114077, at *1; see Fed. R. Civ. P. 69 17 advisory committee’s note to 1970 Amendment (“The amendment assures that, in 18 aid of execution on a judgment, all discovery procedures provided in the rules are 19 available and not just discovery via the taking of a deposition.”). 20 Where a party fails to provide a discovery response, the requesting party may 21 move to compel a response under Rule 37(a). “Upon a motion to compel discovery, 22 the movant has the initial burden of demonstrating relevance.” Nguyen v. Lotus by 23 Johnny Dung Inc., 2019 WL 3064479, at *2 (C.D.

Cal. June 5, 2019) (internal 24 quotation marks omitted). “Thereafter, the party opposing discovery has the burden 25 of showing that the discovery should be prohibited, and the burden of clarifying, 26 explaining or supporting its objections.” Garces v. Pickett, 2021 WL 978540, at *2 27 (E.D. Cal. Mar. 16, 2021). “The opposing party is required to carry a heavy burden 28 of showing why discovery was denied.” Id. (internal quotation marks omitted).

1 THE DISCOVERY AT ISSUE 2 On April 8, 2025, Plaintiff served post-judgment discovery on Kedrin and 3 Elizabeth pursuant to Rule 69(a)(2) consisting of interrogatories and requests for 4 production of documents. (Dkt 846 at 10; Dkt. 846-2; Dkt. 846-3; Dkt. 846-4; Dkt. 5 846-5.)

The interrogatories seek a broad range of financial information, including 6 information related to current assets and liabilities. (Dkt. 846-2; Dkt. 846-3.) The 7 requests for production similarly seek a broad range of financial documents 8 including tax returns and Forms 1099. (Dkt. 846-4; Dkt. 846-5.) 9 Both Kedrin and Elizabeth generally objected to all of the discovery on 10 numerous grounds, including the probate exception to federal jurisdiction.

(Dkt. 11 846-2 at 5-6; Dkt. 846-3 at 4-5; Dkt. 846-4 at 5-6; Dkt. 846-5 at 4-5.) Kedrin and 12 Elizabeth also specifically objected to the requests for production seeking tax 13 14 returns and Forms 1099 on the grounds that these documents are privileged under 15 California law. (Dkt. 846-4 at 69-73, 117-21; Dkt. 846-5 at 31-32, 48-50.) 16 17 IV. 18 DISCUSSION 19 Kedrin contends that Plaintiff's Motion to Compel should be denied for three 20 reasons.

(Dkt. 847 at 7.) First, Kedrin contends that the probate exception to 21 federal jurisdiction applies here and therefore Plaintiff must proceed in state court. 22 (Id.) Second, Kedrin contends that even if the probate exception does not apply, 23 California procedural rules do not permit post-judgment discovery. (Id.)

Third, 24 Kedrin contends that even if post-judgment discovery is permitted, tax returns and 25 related documents are privileged under California law. (Id.) For the reasons set 26 forth below, the Court rejects Kedrin's arguments related to Plaintiff's post- 27 judgment discovery generally, but agrees with Kedrin's arguments as to tax returns 28 and related documents specifically.

Accordingly, the Court GRANTS IN PART 1 A. Plaintiff Has Met His Initial Burden Of Demonstrating Relevance. 2 As an initial matter, Kedrin does not contest the relevance of the discovery 3 sought by Plaintiff. (Dkt. 847 ("Importantly, Matthew's motion does not present a 4 dispute over the scope of discovery....").)

Thus, the Court will address relevance 5 only briefly, but has reviewed the discovery requests at issue and finds that the 6 requests seek information and documents relevant to collecting on the Final 7 Judgment in this action. See, e.g., *Ryan Inv. Corp.*, 2009 WL 5114077, at *1 ("A 8 judgment creditor is therefore ordinarily entitled to a very thorough examination of a 9 judgment debtor with respect to its assets, including discovery of the identity and 10 location of any of the judgment debtor's assets, wherever located." (internal 11 quotation marks and brackets omitted)).

Because Plaintiff has met his initial burden 12 of establishing relevance, the Court must next determine whether Kedrin has met 13 14 her "heavy burden" of showing why the discovery sought should be denied. See 15 *Garces*, 2021 WL 978540, at *2 (internal quotation marks omitted). 16 B. The Probate Exception To Federal Jurisdiction Does Not Apply Here. 17 Kedrin contends that any post-judgment discovery in federal court is 18 improper because the probate exception to federal jurisdiction requires Plaintiff to 19 pursue discovery in state court.

(Dkt. 847 at 8-9.) The U.S. Supreme Court has 20 explained that "the probate exception reserves to state probate courts the probate or 21 annulment of a will and the administration of a decedent's estate; it also precludes 22 federal courts from endeavoring to dispose of property that is in the custody of a 23 state probate court." *Marshall v. Marshall*, 547 U.S. 293, 311-12 (2006). "But it 24 does not bar federal courts from adjudicating matters outside those confines and 25 otherwise within federal jurisdiction." *Id.* at 312.

Following Marshall, the Ninth 26 Circuit has held “that the probate exception is limited to cases in which the federal 27 courts would be called on to (1) probate or annul a will, (2) administer a decedent’s 28 estate, or (3) assume in rem jurisdiction over property that is in the custody of the 1 marks omitted). 2 Here, Kedrin does not contend that Plaintiff’s discovery would require this 3 Court to probate or annul a will, but instead contends the discovery “invites this 4 federal court to exercise jurisdiction in a way that would dispose of trust and estate 5 property.” (Dkt.

847 at 11; id. at 10 (“Matthew asks this Court to direct the 6 disposition of estate and trust assets.”).) However, Kedrin’s arguments are focused 7 on the notice of levy and writs of execution that are the subject of other motions 8 pending before the District Judge.¹ (Id. at 10-11.)

Moreover, the Ninth Circuit has 9 explained that “the question is not whether [the federal court] would somehow be 10 duplicating the function of the probate court, or deciding a question the probate 11 court will (or might) need to decide,” or even whether the federal court “would be 12 interfering with the probate court.” Silk, 65 F.4th at 452 (internal quotation marks 13 14 and brackets omitted). “If the district court would neither be probating or annulling 15 a will (it wouldn’t be here), or administering a decedent’s estate (and again, it 16 wouldn’t be here), the only question is whether it would be assuming in rem 17 jurisdiction over property that is in the custody of the probate court, including by 18 endeavoring to dispose of such property.” Id. The Court easily concludes that 19 Plaintiff’s discovery does not require the assertion of in rem jurisdiction over any 20 property or dispose of any property.

21 22 1 Kedrin relies on Kibbey v. Kibbey, 2021 WL 5798049 (C.D. Cal. Dec. 7, 2021), and Ehret v. Sanchez, 2013 WL 4807165 (C.D. Cal. Sept. 4, 2013), for the 23 proposition that “courts have applied the probate exception where administration or 24 disposition of trust or estate assets was implicated by a proposed federal action.” (Dkt. 847 at 8-9.)

However, both cases are clearly distinguishable from the present 25 circumstances where Plaintiff merely seeks discovery. In Kibbey, the court concluded that the probate exception applied because the plaintiff sought “a 26 determination as to whether the current Trustee [wa]s fit to serve in his role as well 27 as other administrative directives.” Kibbey, 2021 WL 5798049, at *2.

In Ehret, the court concluded that the probate exception applied because the plaintiff sought the 28 disposition of trust property. See Ehret, 2013 WL 4807165, at *3. 1 *2 (S.D. Fla. Sept. 19, 2018), for the proposition that there is “no post-judgment 2 discovery allowed where the probate exception applies.” (Dkt. 847 at 11.) 3 However, in Wilmington Tr., N.A., the court exercised its inherent authority to 4 temporarily stay post-judgment discovery in federal court because such discovery 5 would have been duplicative of discovery that could be served in proceedings before 6 the probate court.

See *Wilmington Tr., N.A.*, 2018 WL 10159760, at *3 (“To allow 7 parallel discovery in both forums would result in duplication of effort, 8 inefficiencies, a potential for inconsistent results, and a waste of judicial 9 resources.”). By contrast here, Kedrin has made no showing that Plaintiff’s 10 discovery before this Court would be duplicative of any discovery that could be 11 served in proceedings before the probate court.

In fact, Kedrin argues that post- 12 judgment discovery is not permitted before the probate court. (Dkt. 847 at 11 13 14 (“Enforcement Against Estate And Trust Assets Should Follow State Procedure, 15 Which Means No Post-Judgment Discovery.” (bold omitted)).)

Therefore, the Court 16 declines to limit Plaintiff’s right to post-judgment discovery in federal court based 17 on the potential for duplication of discovery in state court. 18 In sum, the Court concludes that the probate exception to federal jurisdiction 19 does not apply to Plaintiff’s post-judgment discovery because the discovery does not 20 require this Court to probate or annul a will, administer a decedent’s estate, or 21 assume in rem jurisdiction over property that is in the custody of the probate court.

22 See *Silk*, 65 F.4th at 450. Because the probate exception does not apply, the Court 23 cannot decline jurisdiction over Plaintiff’s post-judgment discovery. See *Marshall*, 24 547 U.S. at 298–99 (“We have no more right to decline the exercise of jurisdiction 25 which is given, than to usurp that which is not given.” (internal quotation marks 26 omitted)). 27 C. Rule 69(a)(2) Permits Discovery Under The Federal Rules Or State Law.

28 Kedrin argues that even if the probate exception does not apply, Plaintiff’s 1 procedure “which does not involve post-judgment discovery.” (Dkt. 847 at 11.) 2 Once again, however, Kedrin’s arguments focus on judgment execution methods 3 and procedures, not on post-judgment discovery, which is the only thing Plaintiff 4 seeks in the instant Motion to Compel.

(*Id.* at 11-13.) Indeed, Rule 69 itself 5 specifically distinguishes between judgment execution methods and procedures in 6 subsection (a)(1) and post-judgment discovery in subsection (a)(2). Under Rule 7 69(a)(1), “[t]he procedure on execution—and in proceedings supplementary to and 8 in aid of judgment or execution—must accord with the procedure of the state where 9 the court is located, but a federal statute governs to the extent it applies.” Fed.

R. 10 Civ. P. 69(a)(1) (emphasis added). By contrast, under Rule 69(a)(2), “the judgment 11 creditor or a successor in interest whose interest appears of record may obtain 12 discovery from any person—including the judgment debtor—as provided in these 13 14 rules or by the procedure of the state where the court is located.” Fed. R. Civ. P. 15 69(a)(2) (emphasis added).

16 Several courts have recognized that “[t]here is an internal tension between 17 Rule 69(a)(1), which instructs that state procedures must be followed, and Rule 18 69(a)(2), which grants judgment creditors a choice of law.” *Pabban Dev., Inc. v. 19 Sarl*, 2015 WL 12731928, at *3 (C.D.

Cal. Mar. 10, 2015) (citing cases). “Courts 20 have resolved this tension by interpreting Rule 69(a) (1) and (2) to describe two 21 separate parts of the judgment enforcement process.” Id. (citing cases). “Part one 22 relates to the execution procedures available to the creditors, while part two controls 23 post-judgment discovery in aid of execution.” Id. “Execution methods and 24 procedures must comply with state law, unless they are preempted by a federal 25 statute.

When conducting post-judgment discovery, however, judgment creditors 26 can rely on either state or federal law.” Id. (citation omitted). 27 Here, Plaintiff has served interrogatories and requests for production in 28 compliance with the Federal Rules of Civil Procedure. (Dkt. 846-2; Dkt. 846-3; 1 discovery regardless of the applicable procedures for execution of the judgment 2 under state law.

See Fed. R. Civ. P. 69(a)(2); Pabban Dev., Inc., 2015 WL 3 12731928, at *3 (“[T]o the extent a judgment creditor elects to conduct post- 4 judgment discovery, Rule 69(a)(2) permits the judgment creditor to choose between 5 the state and federal rules.”); *El Salto, S. A. v. PSG Co.*, 444 F.2d 477, 484 n.3 (9th 6 Cir. 1971) (“A judgment creditor proceeding under Rule 69(a) may utilize either 7 state practice or the Federal Rules for taking depositions.”).

Accordingly, the Court 8 concludes that Plaintiff’s interrogatories and requests for production are permissible 9 post-judgment discovery authorized by Rule 69(a)(2). 10 D. Plaintiff Has Not Met His Burden To Demonstrate That An Exception To 11 California’s Tax Privilege Applies At This Time. 12 As set forth above, the Court has rejected Kedrin’s arguments against 13 14 Plaintiff’s discovery as a whole.

Therefore, the Court now turns to Plaintiff’s 15 argument against producing tax returns and related documents in particular. (Dkt. 16 847 at 14-15.) Specifically, Kedrin argues that even if Plaintiff is permitted to 17 conduct post-judgment discovery, tax returns and related documents are privileged 18 under California law. (Id.) Indeed, under Federal Rule of Evidence 501, state 19 privilege law applies where a federal court sits in diversity jurisdiction, as the Court 20 does here.

See, e.g., *Iroquois Master Fund, Ltd. v. Glob. ePoint, Inc.*, 2018 WL 21 6929337, at *4-9 (C.D. Cal. Jan. 9, 2018) (holding that under Federal Rule of 22 Evidence 501, state privilege law applies to post-judgment discovery where the 23 court sits in diversity).

Thus, the Court concludes that California’s privilege for tax 24 returns applies here. 25 California courts “have interpreted state taxation statutes as creating a 26 statutory privilege against disclosing tax returns.” *Li v. Yan*, 247 Cal. App. 4th 56, 27 66 (2016). This privilege extends to “information contained in the returns.” *Sav-On 28 Drugs, Inc. v. Superior Ct.*, 15 Cal. 3d 1, 7 (1975); *Brown v. Superior Ct.*, 71 Cal. 1 a taxpayer’s state and federal income tax returns, constitute an integral part of the 2 return and qualify as ‘information contained in the returns’ within the meaning of 3 *Sav-On Drugs, Inc., v. Superior Court*, supra.”). “The purpose of the

privilege is to 4 encourage voluntary filing of tax returns and truthful reporting of income, and thus 5 to facilitate tax collection.” *Li*, 247 Cal. App.

4th at 66. However, “the privilege is 6 not absolute.” *Id.* at 67 (internal quotation marks omitted). Instead, “the privilege 7 will not be upheld in three situations: when (1) the circumstances indicate an 8 intentional waiver of the privilege; (2) the gravamen of the lawsuit is inconsistent 9 with the privilege; or (3) a public policy greater than that of the confidentiality of 10 tax returns is involved.” *Id.* (internal quotation marks omitted).

The “last exception 11 is narrow and applies only when warranted by a legislatively declared public 12 policy.” *Id.* (internal quotation marks omitted). 13 14 Plaintiff “bears the burden of demonstrating that an exception to the tax 15 privilege applies.” *Goro v. Flowers Foods, Inc.*, 334 F.R.D. 275, 280 (S.D. Cal. 16 2018). Plaintiff’s only argument in support of an exception to the tax privilege is 17 that “there is a strong public interest in ensuring that Plaintiff, as the prevailing party 18 in this action, receives full redress of his injuries.” (Dkt.

846 at 17.) Plaintiff relies 19 on *Hooser v. Superior Ct.*, 84 Cal. App. 4th 997, 1003 (2000), for the proposition 20 that “[t]he public also has an interest in facilitating the enforcement of judgments, 21 thus ensuring that those injured by the actionable conduct of others receive full 22 redress of those injuries.” (*Id.* (internal quotation marks omitted).)

However, 23 the exception to California’s tax privilege is narrow and only applies when justified 24 by a legislatively declared public policy. See *Goro*, 334 F.R.D. at 281. Plaintiff has 25 not identified any legislatively declared public policy that is greater than the policy 26 protecting tax returns. See *id.* at 282 (“Defendant does not argue that a public 27 policy warrants waiver, and the assertion of damages claims that makes the financial 28 information underlying tax returns relevant does not, without more, represent a 1 concludes that Plaintiff has not met his burden to demonstrate that an exception to 2 California’s tax privilege applies at this time.

3 However, Plaintiff may be able to meet this burden in the future based on the 4 California Court of Appeal’s opinion in *Li v. Yan*.² In *Li v. Yan*, the California 5 Court of Appeal affirmed the trial court’s order compelling production of tax returns 6 based on compelling public policy. See *Li*, 247 Cal. App. 4th at 67.

The court of 7 appeal cautioned that “[t]he fact that financial records are difficult to obtain or that a 8 tax return would be helpful, enlightening or the most efficient way to establish 9 financial worth is not enough.” *Id.* “Likewise, standing alone, a finding of liability 10 for punitive damages is insufficient.” *Id.* However, the court of appeal explained 11 that “disclosure may be ordered where a defendant has been found liable for 12 punitive damages and the party requesting disclosure establishes (1) the defendant 13 14 has refused to produce relevant nonprivileged financial records or has produced only 15 meaningless and unreliable financial information in

response to punitive damage 16 discovery; (2) the defendant has engaged in a pattern of improperly obstructing 17 efforts to obtain financial records through means that do not implicate the privilege 18 and it is reasonable to assume this pattern of conduct will continue; and (3) less 19 20 2 Li v. Yan is the only case cited by Plaintiff finding that an exception to California's tax privilege applies.

(Dkt. 846 at 16-17; Dkt. 848 at 6.) Plaintiff cites 21 Internet Direct Response, Inc. v. Buckley, 2010 WL 1752181, at *5 (C.D. Cal. Apr. 29, 2010), for the proposition that "[i]n post-judgment discovery proceedings to 22 enforce a judgment in federal court, federal common law regarding privileges apply. (Dkt. 846 at 16 (internal quotation marks omitted).)

In that case, the court applied 23 federal common law regarding privileges to compel the production of tax returns 24 from the judgment debtor's wife. See *id.* at *5. The court found in the alternative that "even if the Court afford[ed] some deference to California's tax return 25 privilege, the public policy in ensuring federal judgments are enforced [would] overcome[] Mrs. Buckley's assertion of privilege in this case." *Id.* However, the 26 court did not apply California privilege law and only afforded California's tax 27 privilege "some deference." *Id.* By contrast here, the Court has concluded that California's tax privilege applies and therefore must be afforded more than "some 28 deference." 1 The Court acknowledges that the jury here did not find any defendant liable 2 for punitive damages.

(Dkts. 485, 489.) But the rationale in *Li* may still apply in 3 the future if Plaintiff shows that Kedrin or some other defendant has refused to 4 produce relevant nonprivileged financial records, engaged in a pattern of 5 obstruction, and less intrusive methods to obtain financial records have been 6 unsuccessful. See *Li*, 247 Cal. App. 4th at 67.

Therefore, Plaintiff's Motion to 7 Compel is DENIED WITHOUT PREJUDICE as to Plaintiff's discovery requests 8 seeking information and documents protected by California's tax privilege. (Dkt. 9 846.) 10 11 V. 12 CONCLUSION 13 14 Consistent with the foregoing, Plaintiff's Motion to Compel is GRANTED IN 15 PART. (Dkt. 846.) Specifically, the Court rules as follows: 16 Defendant Kedrin E. Van Steenwyk, individually, as Executor of the Estate of 17 Elizabeth A. Van Steenwyk, as Trustee of the Survivor's Trust, and as Trustee of 18 her Issue and GST Trusts, is ordered to respond to, and produce documents 19 responsive to, Plaintiff's Requests for Production of Documents and Interrogatories, 20 served on April 8, 2025.

By granting Plaintiff's Motion to Compel, the Court has 21 overruled Kedrin's jurisdictional objections and that state law does not authorize the 22 discovery sought by Plaintiff. However, by denying in part Plaintiff's Motion to 23 compel, the Court has also sustained, for now, Kedrin's objections based on 24 California's tax privilege. 25 The Court intends to work with the parties to expeditiously resolve or rule on 26 Kedrin's remaining objections and set prompt deadlines for substantive responses 27 and document productions.

In a separate Order, the Court has set deadlines for the 28 parties to further meet and confer, and then provide further updates to the Court, as 1 well as for the Court to hold a further informal discovery conference. 2 Finally, the Court notes that neither side sought an award of expenses with 3 regard to this discovery dispute. (Dkts. 846, 847, 848.)

Under Federal Rule of Civil 4 Procedure 37(a)(5)(C), where a motion to compel is granted in part, the court has 5 discretion to apportion reasonable expenses for the motion. The Court exercises its 6 || discretion to decline to award expenses for the stant Motion to Compel. 7 IT IS SO ORDERED. 8 9 || DATED: November 5, 2025 eb 10 HONMNA. JOEL RICHLIN UNITED STATES MAGISTRATE JUDGE 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 14