

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

United Hauling LLC v. Iron Rings Holdings LLC

No. CV-26-00088-PHX-JAT · No. No. CV-26-00088-PHX-JAT · Decided March 18, 2026

SUMMARY

This is a district court order addressing United Hauling LLC’s appeal from bankruptcy court orders concerning an allegedly overstated proof of claim and forfeiture under Arizona Revised Statute § 44-1202. The order analyzes whether filing an amended, overstated proof of claim constitutes usury and whether a daily late charge constitutes indirect interest subject to forfeiture. It also addresses the appellant’s renewed motion for a stay pending appeal.

CASE DETAILS

COURT	United States District Court for the District of Arizona
WRITING FOR THE COURT	James A. Teilborg
JURISDICTION	United States District Court for the District of Arizona
DECIDED	March 18, 2026
DOCKET	No. CV-26-00088-PHX-JAT
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the United States Bankruptcy Court for the District of Arizona's Under Advisement Order denying claim objections and its order denying reconsideration; the district court also considered a renewed motion for a stay pending appeal.
STANDARD OF REVIEW	De novo review applies to the Bankruptcy Court's conclusions of law, including statutory-interpretation issues.
PRECEDENTIAL VALUE	Unknown; district court order with no reported citation or stated precedential designation.
PARTIES	United Hauling LLC v. Iron Rings Holdings LLC, IG Holdings Inc.

TOPICS

- appellate procedure
- statutory interpretation
- proof of claim
- bankruptcy
- foreclosure

PRACTICE AREAS

- bankruptcy
- appellate procedure
- usury
- statutory interpretation
- real estate finance

QUESTIONS PRESENTED

1. Whether appellees' initially overstated proof of claim constituted reserving an unlawful greater sum under A.R.S. § 44-1202 and required forfeiture of all interest.
2. Whether United Hauling's theory that the note's \$100-per-day late charge constituted indirect interest subject to forfeiture was preserved for appellate review.
3. Whether the district court should exercise discretion to consider the indirect-interest theory notwithstanding its lack of presentation to the Bankruptcy Court.
4. Whether the renewed motion for a stay pending appeal was moot after United Hauling withdrew the motion.

HOLDINGS

1. An overstated proof of claim that is later amended to reflect the correct amount owed does not, without receipt or retention of unlawful value, constitute reserving a greater sum under A.R.S. § 44-1202 and does not trigger forfeiture of all interest.
2. United Hauling waived its theory that the \$100-per-day late charge constituted indirect interest because it did not present that theory to the Bankruptcy Court.
3. The district court declined to exercise its discretion to review the indirect-interest theory on the merits.
4. The renewed motion for a stay pending appeal was denied as moot after United Hauling withdrew it.

KEY QUOTATIONS

“Because the plain meaning of “reserve” in the lending context refers to retaining, storing, or setting aside funds for a future purpose, the question is whether Appellees “reserved” interest beyond what the Note entitled them to receive. The Court concludes they did not.” (at 10)

“Because a POC is merely a statement of a lender’s claim, which can be “disallowed” or reduced pursuant to a well-founded objection, it does not serve to unalterably reserve a right to collect, as Appellant alleges.” (at 11)

“Appellant waived its indirect-interest theory by failing to raise it before the Bankruptcy Court, and the Court need not consider it on appeal.” (at 13)

FACTUAL BACKGROUND

United Hauling executed a \$400,000 promissory note secured by a deed of trust on residential property. The note provided for a 26% annual interest rate, a 57% effective default rate based on a 31% default charge over the base rate, and a \$100-per-day late charge. After United Hauling defaulted and filed bankruptcy, appellees filed a secured proof of claim that overstated the amount owed and later amended it to reduce the claim. United Hauling argued that the overstatement and the note's late charge triggered forfeiture of interest under Arizona's usury statute.

PROCEDURAL HISTORY

United Hauling objected to appellees' proof of claim, arguing that an overstatement of the secured claim constituted usury under A.R.S. § 44-1202 and required forfeiture of all interest. The Bankruptcy Court rejected the usury objection and later denied reconsideration. United Hauling appealed those rulings to the district court. During the appeal, the Bankruptcy Court separately granted relief from the automatic stay, denied confirmation of United Hauling's plan, and characterized a \$100-per-day late charge as an unenforceable penalty. The district court affirmed the appealed orders, denied the renewed stay motion as moot, and temporarily postponed the trustee's sale to permit an attempted stay application to the Ninth Circuit.

DISPOSITION

affirmed

CASES CITED

- *Greene v. Savage* (In re Greene), 583 F.3d 614, 618 (9th Cir. 2009)
- *In re Onecast Media, Inc.*, 439 F.3d 558, 561 (9th Cir. 2006)
- *In re Leite*, 112 F.4th 1246, 1250 (9th Cir. 2024)
- *Dobson Bay Club II DD, LLC v. La Sonrisa de Siena, LLC*, 393 P.3d 449, 456-57 (Ariz. 2017)
- *Maxwell v. Fidelity Fin. Servs., Inc.*, 907 P.2d 51, 57 (Ariz. 1995)
- *Clark v. Renaissance W., LLC*, 307 P.3d 77, 79 (Ariz. Ct. App. 2013)
- *Britz v. Kinsvater*, 351 P.2d 986, 989 (Ariz. 1960)
- *Sergeant v. Smith*, 163 P.2d 680, 681-82 (Ariz. 1945)
- *Kissell Co. v. Gressley*, 591 F.2d 47 (9th Cir. 1979)
- *Midland Funding, LLC v. Johnson*, 581 U.S. 224, 225 (2017)
- *In re Taylor*, No. 08-60242-13, 2008 WL 4723364, at *14 (Bankr. D. Mont. Oct. 23, 2008)
- *In re Van Nice*, No. 07-60080-13, 2007 WL 2178069, at *5 (Bankr. D. Mont. July 26, 2007)
- *In re Pizza of Hawaii, Inc.*, 761 F.2d 1374, 1377-79 (9th Cir. 1985)
- *In re Lucas Dallas, Inc.*, 185 B.R. 801, 807 (B.A.P. 9th Cir. 1996)
- *In re Kelly*, 499 B.R. 844, 856 (S.D. Cal. 2013), *aff'd*, 633 F. App'x 652 (9th Cir. 2016)
- *In re Sienega*, 619 B.R. 405, 411 (B.A.P. 9th Cir. 2020), *aff'd*, 18 F.4th 1164 (9th Cir. 2021)
- *Wieman v. Roysden*, 802 P.2d 432, 437 (Ariz. Ct. App. 1990)
- *In re Onouli-Kona Land Co.*, 846 F.2d 1170, 1171 (9th Cir. 1988)
- *State v. Gordon in & for Cnty. of Mohave*, 581 P.3d 215, 218-19 (Ariz. 2025)
- *In re Drummond*, 543 P.3d 1022, 1025 (Ariz. 2024)
- *State v. Luviano*, 530 P.3d 388, 391 (Ariz. 2023)
- *Mussi v. Hobbs*, P.3d 1131, 1134 (Ariz. 2023)