UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF CONNECTICUT, HARTFORD DIVISION

In re Kathleen A. Rabon

No. 25-21127 (JJT) (Bankr. D. Conn. Apr. 3, 2026) · No. 25-21127 (JJT) · Decided April 3, 2026

SUMMARY

The United States Bankruptcy Court for the District of Connecticut grants a motion for in rem relief from the automatic stay concerning real property in Preston, Connecticut. The court determines that the movants, Elaine Malchman and Richard Russ, own the relevant note, mortgage, and foreclosure judgment, and that the debtor's bankruptcy filing was part of a scheme involving multiple filings to delay foreclosure. The court also rejects claims that St. Germain owned the note or was entitled to a constructive trust.

CASE DETAILS

COURT	United States Bankruptcy Court for the District of Connecticut, Hartford Division
WRITING FOR THE COURT	James J. Tancredi
JURISDICTION	United States Bankruptcy Court for the District of Connecticut, Hartford Division
DECIDED	April 3, 2026
DOCKET	25-21127 (JJT)
DISPOSITION	other
PROCEDURAL POSTURE	Contested bankruptcy matter on a motion for an in rem order granting relief from the automatic stay under 11 U.S.C. § 362(d)(4), opposed by the debtor and Edwin C. St.Germain.
STANDARD OF REVIEW	The court considered whether the Movants established standing as parties in interest and whether the statutory requirements for in rem relief under 11 U.S.C. § 362(d)(4) were satisfied. No separate appellate standard of review was applied.
PRECEDENTIAL VALUE	Unpublished bankruptcy court memorandum of decision; precedential status is unknown.
PARTIES	Elaine Malchman, Richard Russ, Richard Rothstein, Trustee v. Kathleen A. Rabon, Debtor

TOPICS

automatic stay · chapter 7 · foreclosure · mortgages · bankruptcy fraud

PRACTICE AREAS

bankruptcy · real estate · foreclosure · contracts · equitable remedies

QUESTIONS PRESENTED

1. Whether the Movants had standing as parties in interest to seek relief from the automatic stay.
2. Whether Malchman and Russ or St.Germain owned the note, mortgage, and foreclosure judgment.
3. Whether in rem relief under 11 U.S.C. § 362(d)(4) was legally available after the automatic stay had expired or terminated.
4. Whether the bankruptcy filings and related conduct constituted a scheme to delay, hinder, or defraud creditors involving multiple bankruptcy filings affecting the property.

HOLDINGS

1. Malchman and Russ were parties in interest with standing to seek relief because they owned the note, mortgage, and foreclosure judgment.
2. St.Germain acquired no legal or equitable interest in the note, mortgage, or foreclosure judgment because no enforceable agreement was formed and the proposed transaction was barred by the Statute of Frauds.
3. In rem relief under 11 U.S.C. § 362(d)(4) was available even though the automatic stay had expired or terminated and no stay was currently in effect.
4. The debtor, Mark Rabon, and St.Germain engaged in a scheme to delay, hinder, or defraud creditors through multiple bankruptcy filings affecting the property and frivolous challenges to the foreclosure and related claims.

KEY QUOTATIONS

> *"Moreover, nothing in section [362(d)(4)] conditions in rem relief on the continued existence of the automatic stay, and courts have granted such relief where the automatic stay had terminated."* (Section 3)

> *"Based upon these facts and circumstances, the Court finds that the Movants are entitled to in rem relief because the Debtor and Mark Rabon, with the help of St.Germain, have engaged in a scheme to delay, hinder, or defraud creditors through the filing of multiple bankruptcies and the interposing of frivolous arguments to the courts."* (Section 3)

FACTUAL BACKGROUND

The debtor and Mark Rabon granted a mortgage on 34 Krug Road in Preston, Connecticut, and ceased making payments in 2016. Berkshire Bank, as successor to the original mortgagee, obtained a foreclosure judgment after years of litigation, while the debtor and Mark Rabon filed multiple bankruptcy cases that delayed foreclosure proceedings. After Malchman and Russ supplied funds used to acquire the note, mortgage, and foreclosure judgment, the debtor filed the present Chapter 7 case, the fourth bankruptcy filing affecting the property and debt.

PROCEDURAL HISTORY

The Movants sought in rem relief from the stay after a Connecticut foreclosure judgment and multiple bankruptcy filings affecting the property. The court held hearings, received evidence, and considered post-hearing briefs. Although the automatic stay had expired by operation of law and a Chapter 7 discharge had entered, the court concluded that in rem relief remained legally available and granted the motion.

DISPOSITION

other

CASES CITED

- In re Garcia, 584 B.R. 483, 487 (Bankr. S.D.N.Y. 2018)
- In re Escobar, 457 B.R. 229, 237 (Bankr. E.D.N.Y. 2011)
- Stern v. Marshall, 564 U.S. 462, 499 (2011)
- U.S. Bank, N.A. v. Eichten, 184 Conn. App. 727, 779, 196 A.3d 328, 362 (2018)
- Presidential Cap. Corp. v. Reale, 231 Conn. 500, 507-08, 652 A.2d 489, 493 (1994)
- Bay Advance, LLC v. Halajian, 236 Conn. App. 228, 235, 347 A.3d 1207, 1213 (2025)
- Town of New Hartford v. Conn. Res. Recovery Auth., 291 Conn. 433, 451-52, 466, 970 A.2d 592, 609, 617 (2009)
- Cadle Co. v. Gabel, 69 Conn. App. 279, 289, 794 A.2d 1029, 1037 (2002)
- Starzec v. Kida, 181 Conn. 41, 43 n.1, 438 A.2d 1157, 1159 n.1 (1981)
- In re Perkins, 609 B.R. 576, 577-81 (Bankr. D. Conn. 2019)
- In re Lewis, No. 16-10352, 2016 WL 2941432, at *2-3 (Bankr. D.R.I. May 18, 2016)
- In re Kearns, 616 B.R. 458, 465-68 (Bankr. W.D.N.Y. 2020)
- In re Yeboah, No. 25-21024 (JJT), 2025 WL 4090551, at *2 (Bankr. D. Conn. Nov. 12, 2025)
- In re Wallace, No. 25-12304 (JPM), 2026 WL 194181, at *8 (Bankr. S.D.N.Y. Jan. 26, 2026)
- In re Branded Ops. Holdings, Inc., No. 22-22608 (JLG), 2026 WL 800385, at *12 (Bankr. S.D.N.Y. Mar. 20, 2026)
- Salomon v. Kaiser (In re Kaiser), 722 F.2d 1574, 1582-83 (2d Cir. 1983)
- Savings Inst. Bank & Trust Co. v. Rabon, No. AC 46149 (Conn. App. Ct. Apr. 12, 2023)