UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF TEXAS, EL PASO DIVISION

Legalist DIP GP, LLC and PDG Prestige, Inc. v. Michael Dixson, et al.

Legalist DIP · No. 23-03004-cgb · Decided February 2, 2026

SUMMARY

The United States Bankruptcy Court for the Western District of Texas granted summary judgment to FSLRO 510 South Telshor Las Cruces, LLC and LPC Retail, LLC in an adversary proceeding arising from the post-confirmation sale of bankruptcy estate property. The court held that the purchase and sale agreement and subsequent transfer did not violate the automatic stay, were not avoidable under 11 U.S.C. § 549, and did not require a separate sale motion because the confirmed chapter 11 plan authorized the sale. The court also held that the request to revoke the confirmation order was untimely under 11 U.S.C. § 1144.

CASE DETAILS

COURT	United States Bankruptcy Court for the Western District of Texas, El Paso Division
WRITING FOR THE COURT	Christopher G. Bradley
JURISDICTION	United States Bankruptcy Court for the Western District of Texas, El Paso Division
DECIDED	February 2, 2026
DOCKET	23-03004-cgb
DISPOSITION	other
PROCEDURAL POSTURE	Defendants FSLRO 510 South Telshor Las Cruces, LLC and LPC Retail, LLC moved for summary judgment in an adversary proceeding asserting claims for willful violation of the automatic stay, avoidance of unauthorized post-petition transfers, unauthorized sale of estate property, and revocation of a chapter 11 confirmation order.
STANDARD OF REVIEW	Summary judgment is appropriate if there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The court viewed facts and evidence in the light most favorable to the nonmovants, but required them to identify specific facts showing a genuine issue for trial.

PRECEDENTIAL VALUE	unknown

TOPICS

summary judgment · automatic stay · chapter 11 · fraudulent transfer · bankruptcy

PRACTICE AREAS

Bankruptcy · Civil procedure · Real estate · Commercial litigation

QUESTIONS PRESENTED

1. Whether execution of the purchase and sale agreement or transfer of Lot 1A violated the automatic stay.
2. Whether the purchase and sale agreement or subsequent transfer was avoidable under 11 U.S.C. § 549.
3. Whether a separate sale motion under 11 U.S.C. § 363 was required for the sale of Lot 1A.
4. Whether the plaintiffs' request to revoke the chapter 11 confirmation order was timely under 11 U.S.C. § 1144.
5. Whether defendants were entitled to summary judgment on the plaintiffs' claims.

HOLDINGS

1. The purchase and sale agreement and subsequent transfer of Lot 1A did not violate the automatic stay because the property had revested in the reorganized debtor after confirmation and was no longer property of the bankruptcy estate when transferred.
2. The plaintiffs could not avoid the transaction under 11 U.S.C. § 549 because execution of the purchase and sale agreement was not itself a transfer of Lot 1A, and the later transfer occurred after confirmation when Lot 1A was no longer estate property and the confirmed plan expressly authorized the sale.
3. A separate sale motion under 11 U.S.C. § 363 was not required because the confirmed chapter 11 plan expressly authorized the sale of Lot 1A, and the property had revested in the reorganized debtor after confirmation.
4. The plaintiffs' request to revoke the confirmation order was untimely because it was filed more than 180 days after entry of the confirmation order.

KEY QUOTATIONS

> *"Summary judgment dismissing these claims will be granted because at the time of the transfer, the property was no longer property of the estate, the sale was authorized by the Court in the confirmation order, and the request to revoke the confirmation order is untimely."* (Introduction)

> *"As there was no stay in place at the time Lot 1A was transferred, the Defendants could not have violated the automatic stay."* (Analysis § 1)

> *"In this case, the chapter 11 plan expressly authorized the sale of Lot 1A, therefore a sale motion under 363 was not required."* (Analysis § 3)

> *"FOR THESE REASONS, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT the Motion for Summary Judgment is GRANTED."* (Conclusion)

FACTUAL BACKGROUND

PDG Prestige filed a chapter 11 bankruptcy case involving real property known as Lot 1A and Lot 3A, and its disclosure statement and confirmed plan contemplated selling Lot 1A to fund the plan. The confirmed plan provided that estate property, including Lot 1A, would revest in the reorganized debtor on the effective date and could be sold without further notice or court approval. After confirmation, Lot 1A was transferred from PDG to Mesilla Valley Ventures and ultimately sold to FSLRO for $2,545,000; the proceeds were deposited into PDG's account. The bankruptcy case was later converted to chapter 7, and the plaintiffs sued the defendants over the transaction.

PROCEDURAL HISTORY

Legalist filed the adversary proceeding on June 16, 2023. After the underlying debtor's case was converted from chapter 11 to chapter 7, the chapter 7 trustee moved to realign PDG Prestige, Inc. as a plaintiff. The plaintiffs filed amended complaints adding FSLRO and LPC as defendants, and the bankruptcy court granted the defendants' motion for summary judgment on all claims.

DISPOSITION

other

CASES CITED

- Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986)
- Smith v. Brenoettsy, 158 F.3d 908, 911 (5th Cir. 1998)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986)
- James v. Sadler, 909 F.2d 834, 837 (5th Cir. 1990)
- Matsushita Electric Industrial Co. v. Zenith Radio Corp., 475 U.S. 574, 586-87 (1986)
- LeMaire v. Louisiana Department of Transportation & Development, 480 F.3d 383, 387 (5th Cir. 2007)
- United Fire & Casualty Co. v. Hixson Brothers, Inc., 453 F.3d 283, 285 (5th Cir. 2006)