

UNITED STATES BANKRUPTCY COURT

DISTRICT OF IDAHO

IN RE:

STEVE WOODROW NORIYUKI,

Debtor.

Case No. 20-40087-NGH

GARY L. RAINSDON,

Plaintiff,

v.

**STEVEN WOODROW NORIYUKI;
STEVEN CRAIG NORIYUKI; JOY
BARON; WHITERUN
REVOCABLE TRUST; GARY
NORIYUKI; DONNA NORIYUKI;
BRIGHTLINE HOLDINGS, LLC;
and CSB HOLDINGS 329 LLC,**

Defendants.

Adv. No. 22-08006-NGH

**REPORT AND RECOMMENDATION ON TRUSTEE'S MOTION FOR
PARTIAL SUMMARY JUDGMENT**

Before the Court is a Motion for Partial Summary Judgment filed by the chapter 7 trustee, Gary Rainsdon ("Trustee").¹ Doc. No. 104 ("Motion"). Trustee seeks to avoid

¹ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101–1532, all "Rule" references are to the Federal Rules of Bankruptcy Procedure, Rules 1001–9038, and all "Civil Rule" references are to the Federal Rules of Civil Procedure.

unauthorized post-petition transfers under §§ 549 and 550 involving property he asserts Steve Woodrow Noriyuki (“Debtor”) held an interest in at the time of filing his bankruptcy petition. Trustee claims three transfers should be avoided: (1) two deeds of trust encumbering the subject real property granted in favor of Debtor’s parents, defendants Gary Noriyuki and Donna Noriyuki (the “2020 Deed of Trust” and the “2021 Deed of Trust”); and (2) a deed in lieu of foreclosure conveying the subject real property to defendant CSB Holdings 329, LLC (“CSB”). Trustee also seeks turnover of the real property under § 542.

This dispute hinges on whether the subject real property is property of the bankruptcy estate. The parties disagree on that issue. For the reasons set forth below, the Court finds that genuine issues of material fact preclude summary judgment and will recommend the District Court deny the Motion and proceed to trial.²

JURISDICTION AND CONSTITUTIONAL AUTHORITY

This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A),(E), (H), and (K). Venue is proper in this District under 28 U.S.C. § 1409. Defendant CSB previously requested the District Court withdraw the reference. *See* Doc. No. 83. Since Trustee’s complaint seeks avoidance against CSB, among other theories, under state law fraudulent conveyance statutes pursuant to § 544(b), the District Court determined the Bankruptcy Court was not constitutionally empowered to enter final judgment on that claim. Thus,

² Discovery has closed and the dispositive motion deadline has now passed.

the District Court instructed this Court to handle all preliminary matters up to the point of trial and submit proposed findings of fact, conclusions of law, and a recommendation to the District Court regarding all dispositive motions. *See* Doc. No. 91.

UNDISPUTED FACTS

A. The Property

The subject real property is located at 556 West Baseline Road, Paul, Idaho (the “Property”). On July 30, 2018, Ralph and Carolyn Bott conveyed the Property by warranty deed to “Steve C. Noriyuki, a single man,” and that warranty deed was recorded in the real property records of Minidoka County the following day. Doc. No. 108 (“First Buck Morrison Declaration”) at Ex. 3. The parties dispute the terms of the sale, including the purchase price and the identity of the true purchaser. It is undisputed, however, that a cashier’s check in the amount of \$5,539 was delivered to First American Title at closing in connection with the sale. *Id.* at Ex. 4. Debtor is listed as the “Remitter” on the cashier’s check. Thereafter, construction of a home was started on the Property. The parties also dispute who designed and authorized construction of the home on the Property.

B. The Transfers

Debtor filed for bankruptcy on January 31, 2020 (the “Petition Date”). On the Petition Date, defendant Steven Craig Noriyuki (“Steven”)³ held record title to the

³ Given that both Debtor, Steven Woodrow Noriyuki, and his son, defendant Steven Craig Noriyuki, share a first and last name, the Court will refer to Steven Woodrow Noriyuki as Debtor and Steven Craig Noriyuki as Steven. No disrespect is intended by this informality.

Property. Thereafter, multiple transfers in interest of the Property occurred. First, on March 2, 2020, Steven executed a secured promissory note for \$125,000 in favor of defendants Gary and Donna Noriyuki.⁴ *Id.* at Ex. 5 (the “2020 Promissory Note”). On May 21, 2020, Steven and his spouse, defendant Joy Baron, executed the 2020 Deed of Trust to secure the 2020 Promissory Note, which was recorded in the real property records of Minidoka County on May 22, 2020. *Id.* at Ex. 6. Defendants do not dispute that while Trustee requested proof that funds were disbursed under the 2020 Promissory Note, this was never provided. Doc. No. 106 ¶ 42.

On June 26, 2020, Trustee recorded a notice of Debtor’s bankruptcy filing identifying an asserted interest in the Property in the real property records of Minidoka County, giving constructive notice of the bankruptcy filing to all future transferees of the Property. First Buck Morrison Declaration at Ex. 2.

On June 30, 2021, Steven conveyed the Property by special warranty deed to the Whiterun Revocable Trust (“Whiterun Trust”), which was recorded in the real property records of Minidoka County on July 8, 2021. *Id.* at Ex. 7. The special warranty deed lists Steven as Trustee of the Whiterun Trust. *Id.* On June 30, 2021, Steven, in his capacity as trustee of defendant Whiterun Trust, executed a promissory note for \$290,000 in favor of defendants Gary and Donna Noriyuki. *Id.* at Ex. 9 (the “2021 Promissory Note”). On July 28, 2021, Steven, in his capacity as trustee of defendant Whiterun Trust, executed the 2021 Deed of Trust to secure the 2021 Promissory Note, and he recorded it

⁴ Gary and Donna Noriyuki are Steven’s grandparents.

in the real property records of Minidoka County on July 28, 2021.⁵ *Id.* at Ex. 10.

Defendants do not dispute that no funds were ever disbursed under the 2021 Promissory Note.

On November 23, 2021, Steven, acting as Trustee of Whiterun Trust, conveyed the Property by quitclaim deed to defendant Brightline Holdings, LLC (“Brightline”), which was recorded in the real property records of Minidoka County on November 23, 2021. *Id.* at Ex. 12. Steven later testified during his Rule 2004 examination that he leased the Property from Brightline. *Id.* at Ex. 13. On January 5, 2022, Brightline executed a Deed of Trust in favor of defendant CSB, which was recorded in the real property records of Minidoka County on February 8, 2022. *Id.* at Ex. 14. That Deed of Trust indicates it secures a promissory note in favor of CSB in the amount of \$364,094.62. On January 31, 2022, Trustee initiated this adversary proceeding.

On April 2, 2024, the Clerk entered a default as against Brightline for failing to appear in this adversary proceeding, Doc. No. 52, and the Court entered a partial default judgment against Brightline on August 16, 2024. Doc. No. 55. In between the Clerk’s default and the Court’s partial default judgment, on May 24, 2024, Brightline executed a deed in lieu of foreclosure conveying the Property to CSB, which was recorded in the real property records of Minidoka County on May 30, 2024. First Buck Morrison Declaration at Ex. 15. On January 8, 2025, Trustee filed an amended complaint adding CSB as a

⁵ The handwritten date on the 2021 Deed of Trust is difficult to read and it is possible it was dated July 27 or July 28. However, the exact date listed on the 2021 Deed of Trust is not material to the outcome of this dispute. It is undisputed the 2021 Deed of Trust was recorded on July 28, 2021.

defendant. Trustee subsequently filed the instant Motion. The Court heard oral argument on the Motion on March 23, 2026, at the conclusion of which it took the matter under advisement.

ANALYSIS

A. Evidentiary Issues

The Court will first address the parties' evidentiary objections before turning to the substance of the Motion. CSB filed a motion to strike the declaration of Gary L. Rainsdon. Doc. No. 111 ("CSB's Motion to Strike"). Defendants Steven, Joy Baron, Gary Noriyuki, and Donna Noriyuki joined in CSB's Motion to Strike. Doc. No. 117. Additionally, in Trustee's Reply in Support of Motion for Summary Judgment, Doc. No. 121 (the "Reply"), Trustee asks the Court to disregard portions of Steven's declaration, Doc. No. 120 ("Steven's Declaration") and Debtor's declaration, Doc. No. 114 ("Debtor's Declaration"). While not a formal motion to strike, Trustee's request in the Reply is sufficient to raise those issues before this Court. *Pfingston v. Ronan Eng'g Co.*, 284 F.3d 999, 1003 (9th Cir. 2002) (stating "[i]n order to preserve a hearsay objection, a party must either move to strike the affidavit or otherwise lodge an objection with the district court").

1. CSB's Motion to Strike

CSB's Motion to Strike challenges paragraphs 2–10 of Trustee's declaration, Doc. No. 109 ("Trustee's Declaration"), along with two attached exhibits, arguing the challenged paragraphs are not based on Trustee's personal knowledge and constitute hearsay and Trustee cannot authenticate the exhibits. In response, Trustee argues that (1)

the Court should disregard inadmissible testimony rather than strike it; (2) his testimony reflects personal knowledge gained through administration of the bankruptcy estate; (3) some statements are not offered for the truth of the matter asserted, and therefore, are admissible; and (4) Exhibit I is Debtor's own email and can be presented in an admissible form at trial.

Civil Rule 56(c)(4), made applicable by Rule 7056, provides: "An affidavit or declaration used to support or oppose a [summary judgment] motion must be made on personal knowledge, set out facts that would be admissible in evidence, and show that the affiant or declarant is competent to testify on the matters stated." Hearsay is generally inadmissible as evidence. Fed. R. Evid. 802. Federal Rule of Evidence 801(c) explains that hearsay is a statement that "(1) the declarant does not make while testifying at the current trial or hearing; and (2) a party offers in evidence to prove the truth of the matter asserted in the statement." Statements of opposing parties offered in their individual capacities are not hearsay. Fed. R. Evid. 801(d)(2)(a). To satisfy the requirement of authenticating or identifying an item of evidence, the proponent must produce sufficient evidence to support a finding that the item is what the proponent claims it is, such as testimony of a witness with knowledge. Fed. R. Evid. 901.

Paragraph 2 of Trustee's Declaration lays the foundation for Trustee's testimony and describes the sources he relies upon in the assertions that will follow. The Court will deny CSB's Motion to Strike regarding this paragraph.

Paragraphs 3–4 of Trustee's Declaration allegedly describe the June 2018 negotiation and formation of a contract between Debtor and Kevin Meir and his

company, Construction Consulting, to prepare building plans to construct a home on the Property. The events described by Trustee predate his appointment as a chapter 7 trustee in this case and are not based on Trustee's personal knowledge. Instead, Trustee learned of these events from Kevin Meir. While Kevin Meir may be competent to testify on the matters stated in those paragraphs, Trustee is not. Thus, paragraphs 3–4 are properly stricken, and the Court will not consider them in resolving the Motion. *Idaho Conservation League v. Atlanta Gold Corp.*, 844 F. Supp. 2d 1116, 1124 (D. Idaho 2012) (“When a motion to strike challenges the admissibility of an affidavit or declaration, the Court must disregard only those portions of the submission which are inadequate pursuant to the rules.”).

Paragraphs 5–6 of Trustee's Declaration allegedly relay what Meier told Trustee about Meier's June 2018 communications with Debtor. These paragraphs are not based on Trustee's personal knowledge. Additionally, Kevin Meier's statements to Trustee regarding what Debtor communicated to him constitute inadmissible hearsay. Paragraph 5 of Trustee's Declaration references Exhibit I which is a copy of an email exchange allegedly between Kevin Meier and Debtor. Trustee lacks personal knowledge regarding that email and Trustee is unable to authenticate the document. The Court will strike Paragraphs 5–6 and Exhibit I, and the Court will not consider them in resolving this Motion.

Paragraphs 7–8 of Trustee's Declaration reference the name of a document received from Kevin Meier indicating the home construction plans were prepared for Debtor and his wife. Those plans and the check that paid Kevin Meier are attached to

Trustee's Declaration as Exhibit II. The assertions in those paragraphs and within the documents themselves are not based on Trustee's personal knowledge. The contents of those documents and Kevin Meier's assertions, repeated by Trustee in Paragraphs 7–8, constitute hearsay. Additionally, Trustee is unable to authenticate any of the documents included in Exhibit II. Therefore, Trustee's statements in Paragraph 7–8 and Exhibit II must be stricken, and the Court will not consider them in resolving this Motion.

Paragraph 9 of Trustee's Declaration allegedly describes a representation that Kevin Meier made to Trustee about Steven and also includes Meier's description of the person who asked him to prepare the home construction plans. Trustee lacks personal knowledge of the matters included in that paragraph, and Meier's representations to Trustee, repeated in that paragraph, constitute hearsay. Therefore, Trustee's statements in Paragraph 9 must be stricken, and the Court will not consider them in resolving this Motion.

Finally, Paragraph 10 of Trustee's Declaration indicates Trustee received the information and documents from Kevin Meier described in the prior paragraphs of Trustee's Declaration. While these assertions are admissible, they carry little relevance given that the underlying materials will be stricken. The Motion to Strike Paragraph 10 is denied, but the Court will give it minimal weight.

2. Trustee's evidentiary objections

Trustee invokes the sham affidavit rule to object to portions of Debtor's Declaration and Steven's Declaration. Trustee also argues that much of Debtor's Declaration is irrelevant.

a. Sham affidavit rule

Under the sham affidavit rule, a party cannot create an issue of fact using an affidavit that contradicts the party's prior deposition testimony. *Yeager v. Bowlin*, 693 F.3d 1076, 1080 (9th Cir. 2012). The Ninth Circuit, however, warns that the sham affidavit rule should be applied with caution because courts do not make credibility determinations at the summary judgment phase. *Id.* "In order to trigger the sham affidavit rule, the district court must make a factual determination that the contradiction is a sham, and the 'inconsistency between a party's deposition testimony and subsequent affidavit must be clear and unambiguous to justify striking the affidavit.'" *Id.* (quoting *Van Asdale v. Int'l Game Tech.*, 577 F.3d 989, 998–99 (9th Cir. 2009)). "[T]he non-moving party is not precluded from elaborating upon, explaining or clarifying prior testimony elicited by opposing counsel on deposition [and] minor inconsistencies that result from an honest discrepancy, a mistake, or newly discovered evidence afford no basis for excluding an opposition affidavit.'" *Van Asdale*, 577 F.3d at 999 (internal quotations omitted) (quoting *Messick v. Horizon Indus.*, 62 F.3d 1227, 1231 (9th Cir. 1995)).

Steven was deposed by Trustee in a Rule 2004 examination on December 9, 2021. During the examination, Steven was questioned about (1) details and terms of his alleged purchase of the Property; (2) his dealings with Kevin Meier who created the home plans; and (3) prior testimony by his mother, Decembre Noriyuki, in which she stated her understanding that Debtor owned the Property with her as community property. Trustee

argues Steven's testimony in Steven's Declaration contradicted his prior Rule 2004 examination testimony and should therefore be disregarded.

Trustee challenges Steven's Declaration testimony regarding the circumstances of the purchase of the Property. Steven testified that he purchased the Property for \$40,000 and paid for it by doing work for Ralph Bott, who sold him the Property. Steven's Declaration ¶ 8. At his Rule 2004 examination, however, Steven testified he purchased the property for \$5,000, using a check from his father's company, which represented funds Debtor owed Steven. Doc. No. 122 ("Second Buck Morrison Declaration") at Ex. A.

The central factual dispute between the parties is whether Steven or Debtor actually purchased the Property. Notably in both his Rule 2004 examination and his declaration, Steven consistently testified that he purchased the Property. While the details of the purchase differ, and both accounts cannot be true, the inconsistent details do not rise to the level of a clear and unambiguous contradiction warranting the exclusion of his declaration testimony. Thus, the Court will not disregard Steven's affidavit testimony that he purchased the Property.

Trustee also challenges Steven's Declaration regarding who made the design choices for the home built on the Property. Trustee contends it was Steven's mother, but Steven maintains it was him. There is some inconsistency between the two accounts, including whether Steven knew his mother had taken photographs of the home, presumably to document design details. However, in both his Rule 2004 examination and his declaration, Steven consistently testified that he made the design choices. Second

Buck Morrison Declaration at Ex. C; Steven's Declaration ¶ 9. Because Steven's testimony is consistent on the key point, the Court finds no clear and unambiguous contradiction that would justify disregarding his declaration on this issue.

Trustee also asks the Court to disregard certain portions of Debtor's Declaration. Debtor was previously examined under oath at a Rule 2004 examination held in February 2021, during which he was questioned about the details of the Property purchase from Ralph and Carolyn Bott and Kevin Meier's involvement in the design plans for the home on the Property.

In both his Rule 2004 examination and his declaration, Debtor consistently testified that his son Steven purchased the Property. Second Buck Morrison Declaration at Ex. E; Debtor's Declaration ¶ 10. Trustee points to two inconsistencies. First, Debtor made no mention at his Rule 2004 examination of the \$40,000 purchase price now referenced in Steven's Declaration, or of Steven's alleged arrangement to trade future labor for the Property. Second, Debtor characterized the \$5,000 paid to the Botts differently in each account; first describing it as wages he owed Steven at his Rule 2004 examination, Second Buck Morrison Declaration at Ex. E, and then as a loan to Steven in his declaration, Debtor's Declaration ¶ 10. While these discrepancies relate to how Steven obtained funds for at least part of the purchase price, Debtor consistently testified that Steven was the purchaser. The Court therefore finds no clear and unambiguous contradiction that would justify disregarding Debtor's Declaration on this issue.

b. Relevance

Trustee also argues that much of Debtor’s testimony included in Debtor’s Declaration is irrelevant because the testimony addresses issues unrelated to issues raised in Trustee’s Motion. To the extent Debtor’s Declaration discusses issues that are not relevant to the Motion, the Court will not consider them.⁶

B. Summary Judgment Standards

Civil Rule 56(a), applicable here by Bankruptcy Rule 7056, provides that summary judgment is appropriate when there is no genuine dispute as to any material fact, and, when viewing the evidence most favorably to the non-moving party, the movant is entitled to judgment as a matter of law. Bankruptcy Rule 7056; *Celotex Corp. v. Catrett*, 477 U.S. 317, 322–23 (1986); *Far Out Prods., Inc. v. Oskar*, 247 F.3d 986, 992 (9th Cir. 2001). In resolving a motion for summary judgment, the Court does not weigh the evidence but instead determines only whether a material factual dispute remains for trial. *Covey v. Hollydale Mobilehome Estates*, 116 F.3d 830, 834 (9th Cir. 1997). An issue of fact is “genuine” if there is sufficient evidence for a reasonable finder of fact to find in favor of the non-moving party, and a fact is “material” if it might affect the outcome of the case. *Far Out Prods.*, 247 F.3d at 992 (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248–49 (1986)).

⁶ Given that the Court will strike the statements in Trustee’s Declaration regarding Kevin Meier’s assertions, Debtor’s response to those assertions, found in Debtor’s Declaration and specifically identified by Trustee, are irrelevant.

Where evidence is genuinely disputed on a particular issue, such as by conflicting testimony, that issue is inappropriate for resolution on summary judgment. *Direct Techs., LLC v. Elec. Arts, Inc.*, 836 F.3d 1059, 1067 (9th Cir. 2016). In cases where intent is at issue, summary judgment is seldom granted; however, “summary judgment is appropriate if all reasonable inferences defeat the claims of one side, even when intent is at issue.” *Gertsch v. Johnson & Johnson, Fin. Corp. (In re Gertsch)*, 237 B.R. 160, 165 (9th Cir. BAP 1999). Summary judgment may be defeated by evidence “such that a reasonable juror drawing all inferences in favor of the respondent could return a verdict in the respondent’s favor.” *Reza v. Pearce*, 806 F.3d 497, 505 (9th Cir. 2015). On the other hand, where the record taken as a whole could not lead a rational trier of fact to find for the nonmoving party, there is no genuine issue for trial and summary judgment is appropriate. *Zetwick v. County of Yolo*, 850 F.3d 436, 441 (9th Cir. 2017). The moving party bears the initial burden of showing there is no genuine issue of material fact. *Martin v. Mowery (In re Mowery)*, 591 B.R. 1, 5 (Bankr. D. Idaho 2018) (citing *Esposito v. Noyes (In re Lake Country Invs.)*, 255 B.R. 588, 597 (Bankr. D. Idaho 2000)).

C. The Parties’ Arguments

It is undisputed that Steven held record title to the Property on the Petition Date. Trustee, however, argues that Steven held nothing more than bare legal title, while Debtor held an equitable interest under a resulting trust theory. Upon the Debtor’s bankruptcy filing, Trustee contends that equitable interest became property of the estate, rendering post-petition conveyances of the Property subject to avoidance under § 549 and the Property itself subject to turnover under § 542. Defendants counter that genuine

issues of material fact preclude summary judgment on whether the Property is part of the bankruptcy estate.

D. Property of the Estate

The Code provides that a bankruptcy estate consists of “all legal or equitable interests of the debtor in property as of the commencement of the case.” Section 541(a)(1). While defining property of the estate is a matter of federal law, the nature and extent of a debtor’s interest in property is determined by state law. *Butner v. United States*, 440 U.S. 48, 55 (1979); *Foothill Cap. Corp. v. Clare’s Food Mkt., Inc. (In re Coupon Clearing Serv., Inc.)*, 113 F.3d 1091, 1099 (9th Cir. 1997). Idaho law presumes that the holder of title to property is the legal owner of that property. *Hettinga v. Sybrandy*, 886 P.2d 772, 774 (Idaho 1994). A party who claims ownership of property titled in another’s name must establish that claim by evidence that is “clear, satisfactory and convincing.” *Russ Ballard & Fam. Achievement Inst. v. Lava Hot Springs Resort, Inc.*, 548 P.2d 72, 79 (Idaho 1976). To overcome the presumption that Steven was the owner of the Property on the Petition Date, Trustee relies on the theory of a resulting trust.

A resulting trust “arises by implication of law to enforce the parties’ presumed intent to create a trust.” *In re Woods*, 386 B.R. 758, 763 n.9 (Bankr. D. Idaho 2008). In other words, “[a] resulting trust arises only where such may reasonably be presumed to be the intention of the parties as determined from the facts and circumstances existing at the time of the transaction.” *Mace through Collins v. Luther*, 560 P.3d 1057, 1066 (2024) (internal quotation marks omitted) (quoting *Shurrum v. Watts*, 324 P.2d 380, 385 (Idaho

1958); *see also Herman v. Herman*, 41 P.3d 209, 214 (Idaho 2002). Under Idaho law, a resulting trust arises where “title to property is transferred to one party, the trustee, although another party, the beneficiary of the trust, . . . paid or incurred an absolute obligation to pay for that property.” *Hopkins v. Martinez (In re Espino)*, 648 B.R. 235, 247 (Bankr. D. Idaho 2022) (quoting *Hettinga*, 886 P.2d at 775). The beneficiary must have made the payment or incurred the absolute obligation to pay for the property at or before the time of conveyance. *Id.* (citing *McGranahan v. Rosa (In re Garcia)*, 92 F. App’x 486, 487 (9th Cir. 2004)).

Here, genuine issues of material fact preclude summary judgment. Specifically, the following facts remain in dispute: (1) who paid the purchase price for the Property; (2) what the parties intended at the time of purchase; and (3) who currently possesses and controls the Property.

1. Identity of the purchaser

Trustee argues that Debtor paid the purchase price for the Property relying on the \$5,539 cashier’s check delivered to First American Title at closing, which listed the Debtor as the “Remitter.” Debtor and Steven counter that Steven paid the purchase price for the Property. While both Debtor and Steven have inconsistently characterized the \$5,539 as both a loan from Debtor and as wages Debtor owed Steven, they have consistently maintained that Steven was the buyer. Those competing explanations may impact credibility determinations at trial, but for purposes of raising a factual dispute at summary judgment it is sufficient that both Debtor and Steven have consistently identified Steven as the purchaser. Debtor also argues the cashier’s check was purchased

by his limited liability company, and not him personally, which raises an additional factual dispute as to whether Debtor was the true purchaser. Debtor's Declaration ¶ 10.

Trustee also argues Steven lacked the financial capacity to acquire or build the home located on the Property, supporting the inference that Debtor must have been the true economic owner. Defendants dispute that characterization. Both Steven's and Debtor's Declarations describe Steven as having held various jobs and regularly trading labor for expenses around the time of the purchase. Steven's financial capacity to purchase the Property is a genuinely disputed factual question that cannot be resolved at the summary judgment stage.

2. Intent of the parties

Under Idaho law, a resulting trust arises only where the trust can reasonably be presumed to be the parties' intention at the time of the transaction. *Herman*, 41 P.3d at 214. Intent at the time of conveyance is therefore an essential element, which is in genuine dispute here. Because questions of intent are inherently fact-intensive and typically turn on witness credibility and circumstantial evidence, they are rarely suited for resolution at summary judgment. *See Massie v. Pate (In re Pate)*, 262 B.R. 825, 830 n.6 (Bankr. D. Idaho 2001) (observing summary judgment is generally inappropriate where questions of intent and state of mind are implicated); *accord Consol. Elec. Co. v. United States*, 355 F.2d 437, 438 (9th Cir. 1966) (reversing summary judgment, stating "[w]hen an issue requires determination of state of mind, it is unusual that disposition may be made by summary judgment").

Trustee relies on circumstantial evidence of Debtor's intent contending Debtor's spouse, Decembre, understood the Property was to be their marital home and Debtor told Decembre the Property was placed in Steven's name for tax purposes. Doc. No. 110 ("Decembre Declaration") ¶¶ 8–10. Steven disputes this account and contends he was always intended to be the owner of the Property and has always owned the property. Steven's Declaration ¶¶ 8–12.

Trustee also points to Debtor's Verified Counterclaim filed in his state court divorce proceeding, signed under penalty of perjury on May 26, 2020, as an admission of equitable ownership in the Property. Trustee quotes the counterclaim as stating that "Steve [Debtor] and Decembre own the following property: (a) Marital home at 556 West Baseline Road Rupert, Idaho." Decembre Declaration at Ex. D. Defendants, however, point out the full text of the relevant provision, reads: "Steve [Debtor] and Decembre own the following property: (a) Marital home at 556 West Baseline Road Rupert, Idaho. The real property belongs to Steven C. Noriyuki. The home is still under construction." *Id.* The parties dispute the meaning of this statement. Whether and to what extent it constitutes an admission of ownership in the Property, and what legal consequences flow from it, are questions that are not appropriately resolved in connection with summary judgment.

3. Possession and control of the Property

The parties also dispute who has possessed and controlled the Property since it was acquired from the Botts. Decembre testified in her declaration that she and Debtor maintained possession and control of the Property from the time of the purchase until the

time of her filing for divorce, and Debtor has continued to possess and control the Property since then. Decembre Declaration ¶ 19. While Steven acknowledges that Debtor, among others, lives at the Property, Steven maintains he and his wife live in the master bedroom and he possesses the Property. Steven's Declaration ¶ 11. These competing accounts present genuine issues of material fact that preclude summary judgment.

CONCLUSION

For the reasons stated above, the Court recommends the District Court deny the Motion. Because the discovery and dispositive deadlines established by this Court have now passed, this Court certifies the case is prepared and ready for trial and recommends the District Court withdraw the reference so trial may commence. The parties have represented to this Court that trial should not exceed three days.

DATED: June 02, 2026



A handwritten signature in black ink that reads "Noah Hillen".

NOAH G. HILLEN
Chief U.S. Bankruptcy Judge