

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

BRETT M. McCLAFFERTY,

Debtor.

Chapter 13

Case No. 25-11982 (BLS)

**McCLAFFERTY VICTIMS' SECOND MOTION FOR EXTENSION OF TIME TO
COMMENCE NONDISCHARGEABILITY ACTIONS**

Glenn Blandford, Victoria Blandford, Terminal Performance Associates, LLC, Brady Sweet, Alex Gibson, Stephanie Achernig, Greg Bowen, Matt Denton, Lindsey Overbey, Daniel McCoy, Freddy Nunez, Antonio Ramos, Johelly Morcado, Dayami Rivera (collectively, the “**Noteholders**”); and Kirrye’ Majors and Robert Sargent (“**Majors & Sargent**” and, together with the Noteholders, the “**McClafferty Victims**”) file this *Second Motion for Extension of Time to Commence Nondischargeability Actions* (this “**Motion**”) and, in support of this Motion, state as follows:

PRELIMINARY STATEMENT

1. As respectfully requested herein, the time to file a nondischargeability action against Mr. McClafferty should be further extended by an additional sixty (60) days because (i) the Chapter 13 Trustee has *still* not been able to conduct a 341 Meeting; (ii) Mr. McClafferty *continues* to evade requests for information; and (iii) unique facts surrounding Mr. McClafferty’s above-captioned chapter 13 case (the “**Chapter 13 Case**”) warrant a further extension of time for the Court and parties-in-interest to ascertain a path forward. Mr. McClafferty acts with utter disregard for his duties as a chapter 13 debtor and general disrespect for the bankruptcy process. Based on the facts underlying the Chapter 13 Trustee’s motion and amended motion to dismiss and the

McClafferty Victims' motion to dismiss or convert this case to Chapter 7, it appears that Mr. McClafferty has no reasonable likelihood of confirming a chapter 13 plan. Thus, in the interest of fairness to the McClafferty Victims, all of whom have already been financially or otherwise victimized by Mr. McClafferty, the McClafferty Victims respectfully request that the Court grant a further extension of time to commence nondischargeability actions. The requested extension is requested to avoid unnecessary effort and expense associated with preparation and prosecution of a nondischargeability action in a case that shows a significant likelihood of dismissal or inability to confirm a chapter 13 plan. Or, if this Chapter 13 Case continues or converts to chapter 7, the requested extension will provide time for process necessary for the Chapter 13 Trustee and parties in interest to obtain the information usually received from a debtor *before* the deadline to commence a nondischargeability action.

JURISDICTION AND VENUE

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
3. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (O). Pursuant to Rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the McClafferty Victims confirm their consent to the entry of a final order or judgment by the Court in connection with this Motion.
4. Venue of the Chapter 13 Case is proper in this district pursuant to 28 U.S.C. § 1408(2). Venue of this contested matter is proper in this district pursuant to 28 U.S.C. § 1409(a).

BACKGROUND

4. On November 7, 2025 (the “**Petition Date**”), Mr. McClafferty filed a voluntary petition for relief under chapter 13 of the Bankruptcy Code (the “**Petition**”). Mr. McClafferty did not file any schedules or his statement of financial affairs, together with the Petition.

5. On November 9, 2025, William F. Jaworski, Jr. was added to the Chapter 13 Case as the chapter 13 trustee (the “**Chapter 13 Trustee**”).

6. On November 12, 2025, the Clerk of Court (the “**Clerk**”) filed the *Notice of Petition Deficiency* [D.I. 5] and stating on the docket that November 26, 2025 was Mr. McClafferty’s deadline to submit “Schedules A thru J, Declaration about Individual Debtors Schedules, Summary of Assets & Liabilities, Chapter 13 Plan & Analysis, Statement of Financial Affairs, Statement of Current Monthly Income”.

7. On November 12, 2025, the Clerk filed the *Notice of Chapter 13 Bankruptcy Case* [D.I. 7], establishing, among others, the following dates and deadlines:

- January 5, 2026: first meeting of creditors pursuant to section 341 of the Bankruptcy Code (the “341 Meeting”);
- January 16, 2026: deadline for all creditors (except governmental units) to file proofs of claim; and
- **March 6, 2026**: deadline to file a complaint to challenge dischargeability of debts under sections 523(a)(2) or (4) of the Bankruptcy Code.

8. On November 26, 2025, Mr. McClafferty filed the *Debtor’s Motion to Extend the Deadline to File Statements and Schedules* [D.I. 13], wherein Mr. McClafferty requested an additional two weeks to file his schedules and statements because Mr. McClafferty “still needs to provide undersigned counsel with some documents necessary to finish the statements and schedules in this case.” D.I. 13 at ¶ 2.

9. On November 27, 2026, the Court granted Mr. McClafferty's motion for extra time to file his schedules and statements, directing that Mr. McClafferty must file such documents on or before the fourteenth (14th) day after November 27, 2025, *i.e.*, December 11 2025. [D.I. 14]

10. On December 11, 2025, Mr. McClafferty filed certain schedules and statements and an amended list of creditors. [D.I. 16 and 17]

11. Also on December 11 2025, Mr. McClafferty filed his proposed *Chapter 13 Plan* (the "Proposed Plan"). [D.I. 19] Together with his Proposed Plan, Mr. McClafferty filed the *Notice of Hearing* scheduling a confirmation hearing for January 27, 2026 (the "Confirmation Hearing").

12. On January 5, 2026, the 341 Meeting did not occur because Mr. McClafferty had not yet filed his schedules and statements.

13. On January 7, 2026, the State of Delaware Department of Justice filed the *Delaware Division of Revenue's Objection to Confirmation of Chapter 13 Plan* [D.I. 21], stating that the Proposed Plan cannot be confirmed because the Debtor failed to file Delaware state tax returns for 2021, 2022, 2023, and 2024 as required by 11 U.S.C. § 1308(a).

14. On January 12, 2026, Mr. McClafferty filed the *Notice of Rescheduled § 341 Meeting of Creditors* [D.I. 22], stating that the 341 Meeting would be held on February 2, 2026.

15. On January 20, 2026, George L. Miller, in his capacity as chapter 7 trustee (the "Chapter 7 Trustee") appointed in *In re Mac Private Equity, Inc.*, currently pending in this Court as Case No. 25-10386-BLS¹ (the "**Mac Private Equity Chapter 7 Case**"), filed the *Objection of*

¹ On March 4, 2025, Mac Private Equity, Inc. filed a voluntary petition for relief under chapter 7 of the Bankruptcy Code. Mr. McClafferty is the sole owner of 100% of the stock of Mac Private Equity, Inc. Case No. 25-10386-BLS, D.I. 1-5 at p. 12.

George L. Miller, Trustee, to Debtor Brett McClafferty's Chapter 13 Plan [D.I. 23], stating that (i) the Chapter 7 Trustee filed a proof of claim in the Chapter 13 case for “in excess of \$3,618,000”; (ii) “[t]he Chapter 7 Trustee avers that the Debtor has committed fraud and the Chapter 7 Trustee is considering a nondischargeability action”; and (iii) the [Proposed Plan] is not confirmable as it does not consider the claims held by the [Chapter 7 Trustee] and the effect of the non-dischargeability action.” D.I. 23 at ¶¶ 2, 4 and 5.

16. On January 27, 2026, the Confirmation Hearing did not go forward, and the Clerk gave notice on the docket that the Confirmation Hearing was continued to February 23, 2026.

17. On February 2, 2026, the Chapter 13 Trustee filed the *Trustee's Motion to Dismiss Pursuant to 11 U.S.C. § 1307* [D.I. 25] (the “**Trustee's Motion to Dismiss**”), stating that the Chapter 13 Case should be dismissed because “based upon the claims filed, the Debtor significantly exceeds the debt limits under 11 U.S.C. § 109(e).”

18. On February 17, 2026, Mr. McClafferty filed the *Objection to Chapter 13 Trustee's Motion to Dismiss* [D.I. 26]. In his objection, Mr. McClafferty states, among other things, states that “[n]one of [the McClafferty Victims'] claims have been liquidated in the courts of the Virgin Islands . . . and the Debtor intends to file objections to each of' the McClafferty Victims' claims. D.I. 26 at ¶ 7. Also referencing the Chapter 7 Trustee's proof of claim filed in the amount of \$3,168,000, Mr. McClafferty states, “[b]ecause the [Chapter 7 Trustee's claim] and the [McClafferty Victims' claims] are disputed, unliquidated, and based upon unadjudicated allegations of liability, and because no court has determined that the Debtor is personally liable for any of these obligations, these claims cannot properly be counted toward the Debtor's eligibility limits under 11 U.S.C. § 109(e) at this time.” D.I. 26 at ¶ 9.

19. On February 24, 2026, the Confirmation Hearing did not go forward² and the Clerk gave notice on the docket that the Confirmation Hearing will be held on March 30, 2026.

20. On February 25, 2026, Mr. McClafferty filed the *Amended Objection to Chapter 13 Trustee's Motion to Dismiss* [D.I. 27], wherein Mr. McClafferty states, again, that “[n]one of [the McClafferty Victims’] claims have been liquidated in the courts of the Virgin Islands” and that “[b]ecause the [Chapter 7 Trustee’s claim] and the [McClafferty Victims’ claims] are disputed, unliquidated, and based upon unadjudicated allegations of liability, and because no court has determined that [Mr. McClafferty] is personally liable for any of these obligations, these claims cannot properly be counted toward [Mr. McClafferty’s] eligibility limits.” D.I. 27 at ¶¶ 8 and 9.

21. On February 25, 2026, the Court held a hearing on the Chapter 13 Trustee’s Motion to Dismiss and, after hearing from counsel assembled, directed the parties to appear for a joint status conference will be on March 11, 2026, in (i) the Chapter 13 Case, (ii) the Mac Private Equity Chapter 7 Case, and (iii) an adversary proceeding filed by Mr. McClafferty under the Mac Private Equity Chapter 7 Case, *McClafferty v. Gibson, et al.*, Adv. Pro. No. 25-52360-BLS (the “**McClafferty Adversary Proceeding**”).

22. On March 6, 2026, the McClafferty Victims filed the (first) *Motion for Extension of Time to Commence Nondischargeability Actions* [D.I. 31] (the “**First Motion to Extend**”).

23. On March 11, 2026, the Court held the status conference as directed by the Court at the February 25, 2026 hearing.

24. On March 17, 2026, the Chapter 13 Trustee filed the *Trustee’s Amended Motion to Dismiss Pursuant to 1307(c) and 109(e) or Convert to Chapter 7* [D.I. 36] (the “**Trustee’s**”).

² Originally scheduled for February 23, 2026 but pushed to February 24, 2026, due to the Court’s closure for a snow emergency.

Amended Motion to Dismiss”), wherein the Chapter 13 Trustee shows that (i) Mr. McClafferty is ineligible to be a chapter 13 debtor because Mr. McClafferty’s “debt significantly exceed” the debt thresholds set forth in section 109(e) of the Bankruptcy Code and (ii) Mr. McClafferty has failed to act in good faith under section 1307(c) of the Bankruptcy Code. As stated by the Chapter 13 Trustee, Mr. McClafferty “has engaged in significant post-petition discretionary spending that is neither reasonable nor necessary for his support or maintenance” and further noting that Mr. McClafferty did not accurately disclose his continuing stream of income from an outside business entity, Social Hospitality Group, Inc.³ The Chapter 13 Trustee states as follows in the Trustee’s Amended Motion to Dismiss:

Under the “totality of the circumstances” test, [Mr. McClafferty’s] conduct, characterized by the failure to list all assets, concealment of income, the maintenance of a lavish lifestyle, and the funding of personal political ambitions while in bankruptcy falls far short of the “honest debtor” standard. Such conduct warrants immediate dismissal.

Trustee’s Amended Motion to Dismiss at ¶ 15.

25. On March 20, 2026, the McClafferty Victims filed their *Motion for an Order Converting Chapter 13 Case to Chapter 7* [D.I. 39] (the “**Motion to Convert**”). As stated therein:

The Debtor has treated the McClafferty Victims and his other creditors atrociously before and during this Case. He has lied under oath, used the territorial and federal courts of the Virgin Islands – and now the United States Bankruptcy Court for the District of Delaware – to play games, delay and hinder the McClafferty Victims’ recoveries. His outright disregard for his duties as a bankruptcy debtor can only be seen as willful and malicious. The Chapter 13 Trustee has still not been able to hold a 341 meeting. The Debtor has still not provided his tax returns to the McClafferty Victims. The Debtors’ schedules and statements are very deserving of a careful review at a properly informed 341 meeting. The timing of the Debtor’s petition, as well, shows that he filed this Case merely to avoid further collections processes in the Virgin Islands

³ Social Hospitality Group, Inc. owns and operates a restaurant and bar named St. Thomas Social, located in the prestigious Yacht Haven Grande on St. Thomas.

Motion to Convert at ¶ 41. The McClafferty Victims assert that conversion to chapter 7, rather than dismissal, will provide Mr. McClafferty's creditors with a single forum to achieve a global resolution.

26. On April 10, 2026, Mr. McClafferty objected to the Trustee's Amended Motion to Dismiss and the Motion to Convert. [D.I. 48 and 49]

27. Nothing has changed since the McClafferty Victims filed the First Motion to Extend. As of undersigned's last contact with the Chapter 13 Trustee on May 28, 2026, Mr. McClafferty has still not supplied required information to the Chapter 13 Trustee. Mr. McClafferty has not provided the McClafferty Victims with his tax returns – despite stating that they would do so in conversation before the start of the March 11, 2026 status conference. Mr. McClafferty clearly has no intent to comply with the requirements of being a chapter 13 debtor and, at this point, it seems a pointless, laborious and expensive waste of time for the McClafferty Victims to fight to obtain a court order to force production of required information, which Mr. McClafferty will predictably ignore, then come back to the Court with more motions seeking sanctions and another order which Mr. McClafferty will predictably ignore.⁴

⁴ Notwithstanding their request to convert this case to one under chapter 7, the McClafferty Victims note that, pursuant to section 521(e)(2)(B) of the Bankruptcy Code, the Court “shall” dismiss a case if the debtor fails to comply with section 521(e)(2)(A)(i) or (ii) unless the debtor demonstrates that the failure to so comply is due to circumstances beyond the control of the debtor. The McClafferty Victims timely requested a copy of Mr. McClafferty's tax returns. Mr. McClafferty has not provided his tax returns and it would truly strain credulity for Mr. McClafferty to assert that his failure to do so is due to circumstances beyond his control – *especially considering that Mr. McClafferty (through counsel) stated that he would be producing his signed filed returns within a week and represented that the unsigned unfiled returns provided by Mr. McClafferty were indeed filed.*

The McClafferty Victims

28. On January 15, 2026, each of the McClafferty Victims filed proofs of claim in the Chapter 13 Case.

29. The Noteholders are all individuals (or closely held micro businesses) that gave money to Mr. McClafferty, on behalf of Mac Private Equity, for investment purposes. In return, Mac Private Equity gave each of the Noteholders a promissory note promising to repay the money given to him for investment purposes on a certain date with a certain return on their investment. Each of the Noteholders has a lawsuit pending against Mr. McClafferty.

30. Attached as Exhibit A is an exhibit appended to each of the Noteholders' proofs of claim setting forth relevant background of Mr. McClafferty's financial victimization of the Noteholders and related information.

31. Glenn and Victoria Blandford and Terminal Preference were awarded a judgment against Mr. McClafferty in the amount of \$45,000 on October 21, 2025.

32. Alex Gibson was awarded a judgment against Mr. McClafferty in the amount of \$110,000 on October 29, 2024.

33. Majors & Sargent have sued, among others, Mr. McClafferty, for money owed to Ms. Majors and torts committed against Mr. Sargent.

34. The McClafferty Victims have repeatedly requested but not received tax returns from Mr. McClafferty. The McClafferty Victims have made a written and timely request to debtor's counsel for copies of the tax returns required under §§ 521(e)(2)(A)(ii) and 521(f), but Mr. McClafferty has not provided the requested returns as of the filing of this Motion. Despite diligent effort and investigation, the McClafferty Victims have been unable to find any evidence that Mr. McClafferty filed personal income tax returns for 2021–2024 in any jurisdiction.

RELIEF REQUESTED

35. The McClafferty Victims respectfully request that the Court further extend, for at least another sixty (60) days, the deadline to file complaints to challenge the dischargeability of debts on any grounds and pursuant to any applicable law, including without limitation, pursuant to sections 523(c), (a)(2), (a)(4) or (a)(6) of the Bankruptcy Code.

BASIS FOR RELIEF REQUESTED

36. Section 523(a)(2) of the Bankruptcy Code precludes an individual debtor from receiving a discharge for any debt for money obtained by various forms of fraud. *See* 11 U.S.C. § 523(a)(2).

37. Section 523(a)(4) of the Bankruptcy Code precludes an individual debtor from receiving a discharge for any debt “for fraud or defalcation while acting in a fiduciary capacity, embezzlement or larceny.” 11 U.S.C. § 523(a)(4).

38. Section 523(a)(6) of the Bankruptcy Code precludes an individual debtor from receiving a discharge for any debt “for willful and malicious injury by the debtor to another entity or to the property of another entity.” 11 U.S.C. § 523(a)(6).

39. Section 523(c) of the Bankruptcy Code provides that a “debtor shall be discharged from a debt of a kind specified in [section 523(a)(2), (4), or (6)], unless, on request of the creditor to whom such debt is owed, and after notice and a hearing, the court determines such debt to be excepted from discharge.” 11 U.S.C. § 523(c).

40. Fed. R Bankr. P. 4007(c) provides that complaints brought pursuant to section 523(c) of the Bankruptcy Code must be filed on or before the sixtieth (60th) day after the first date set forth the first meeting of creditors pursuant to section 341 of the Bankruptcy Code. “On a party

in interest's motion filed before the time expires, the court may, after notice and a hearing and for cause, extend the time to file." Fed. R. Bankr. P. 4007.

41. Good cause exists to further extend the time to file nondischargeability complaints pursuant to section 523(c) of the Bankruptcy Code. Mr. McClafferty continues to completely regard his duties as a chapter 13 debtor and continues to play games in the court system for years, evading discovery, and (stated politely) obfuscating the real facts of his financial victimization of the McClafferty Victims. The Chapter 13 Trustee has still not been able to conduct the 341 Meeting in the Chapter 13 Case. Mr. McClafferty has not produced his tax returns despite diligent timely requests pursuant to the statutory mandate of section 521 of the Bankruptcy Code. Upon information and belief, Mr. McClafferty may likely have purposely and knowingly made false statements in his (and Mac Private Equity's) schedules and statements.

42. Mr. McClafferty owes debts to all of the McClafferty Victims that are subject to exception from discharge under either sections 523(a)(2), (4) or (6). They have all suffered financial harm at the hands of Mr. McClafferty's fraudulent schemes. The McClafferty Victims are individuals (and one closely held microbusiness), none of whom possess great wealth and all of whom have suffered greatly as the result of Mr. McClafferty's fraud.

43. Good cause exists to further extend the deadline to file a complaint objecting to discharge pursuant to section 523(c) of the Bankruptcy Code. The McClafferty Victims deserve an opportunity to obtain all the information they are owed from Mr. McClafferty now that he has made himself a chapter 13 debtor. Or, given the posture of this case, they should not be forced to undertake the effort and expense to prepare and prosecute a nondischargeability action when there is, at least, a meaningful chance that this Chapter 13 Case is dismissed or converted to chapter 7.

WHEREFORE, for the reasons set forth herein, the McClafferty Victims respectfully request that the Court enter an order further extending, by an additional 60 days, the deadline to file complaints to challenge the dischargeability of debts on any grounds and pursuant to any applicable law, including without limitation, pursuant to sections 523(c), (a)(2), (a)(4) or (a)(6) of the Bankruptcy Code.

Respectfully submitted,

RAINES FELDMAN LITTRELL, LLP

Dated: June 4, 2026

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

BRETT M. McCLAFFERTY,

Debtor.

Chapter 13

Case No. 25-11982 (BLS)

Re: D.I. 53

**ORDER GRANTING SECOND MOTION FOR EXTENSION OF TIME TO
COMMENCE NONDISCHARGEABILITY ACTIONS**

Upon consideration of the *Second Motion for Extension of Time to Commence Nondischargeability* Actions [D.I. 53] (the “**Motion**”), filed by Glenn Blandford, Victoria Blandford, Terminal Performance Associates, LLC, Brady Sweet, Alex Gibson, Stephanie Achernig, Greg Bowen, Matt Denton, Lindsey Overbey, Daniel McCoy, Freddy Nunez, Antonio Ramos, Johelly Morcado, Dayami Rivera (collectively, the “**Movants**”), and the Court having considered the Motion, the *Objection* to the Motion filed by the Debtor [D.I. 41], and the arguments of the parties at the hearing held March 31, 2026, and finding good and just cause for the relief requested in the Motion, it is hereby:

ORDERED that the Motion is granted as set forth herein;

ORDERED that the deadline for the Movants to file complaints to challenge the dischargeability of debts on any grounds and pursuant to any applicable law, including without limitation, pursuant to sections 523(c), (a)(2), (a)(4) or (a)(6) of the Bankruptcy Code, is hereby further extended for a period of an additional sixty (60) days, through and including August 3, 2026; and it is further

[continued on following page]

ORDERED that this Court shall retain jurisdiction with respect to all matters relating to or arising from the Motion or the interpretation or implementation of this Order.