IN RE: : CASE NO.: 25-30605 (AMN)

TAOM Heritage New Haven LLC, : CHAPTER 7

Debtor. : JULY 1, 2025

MOTION FOR APPOINTMENT OF AN INTERIM CHAPTER 7 TRUSTEE PURSUANT TO 11 U.S.C. §303(g)

Petitioning Creditors C. William Kraus ("Kraus") d/b/a C.W. Kraus Preservation & Development; Rescue 1 Pest and Termite Control LLC; Decontamination Decommissioning and Environmental Services, LLC; and T.S.J., Inc. (collectively, the "Movants") hereby move for the appointment of an interim Chapter 7 Trustee pursuant to 11 U.S.C. §303(g) and in support represent the following:

- 1. The alleged Debtor acquired property located at 133 Hamilton Street, New Haven, CT (the "Property").
  - 2. The Debtor has numerous unpaid secured and unsecured creditors.
- 3. The Property is partially contaminated with radium once used in the clock factory's operations.
- 4. As of December 4, 2019, some of the radium remediation had been performed and some of the demolition work had been performed. See Exhibit 1. Declaration of C. William Kraus ("C.W. Kraus Dec.")  $\P$  4.
- 5. On January 28, 2020, the City of New Haven issued a Notice of Default referencing several serious defects by Debtor in connection with the debtor's Loan Agreement with the City of New Haven. See Exhibit 2.

- 6. By February 3, 2021, the physical condition of the building on the Property had seriously deteriorated. Bricks were falling from the building into the public street and raccoons and feral cates were occupying the Property. C.W. Kraus Dec. ¶ 5. See Exhibit 3. The rear gate was unlocked providing access to trespassers. C.W. Kraus Dec. ¶ 6. See Exhibit 3.
- 7. Kraus provided Debtor's management with a quote to have the immediate masonry concerns addressed (Exhibit 4), but Debtor's management did not address these concerns. C.W. Kraus Dec. ¶ 7.
- 8. The condition of the building on the Property continued to deteriorate throughout the spring of 2021. C.W. Kraus Dec. ¶ 8. See Exhibits 5 and 6.
- 9. On July 2, 2021, the City of New Haven reissued a Notice of Unsafe Structure to the Debtor. See Exhibit 7.
- 10. On April 5, 2022, the City of New Haven issued a Notice of Violation Anti-Blight and Property Maintenance Ordinance. See Exhibit 8.
- 11. In July and early August 2022, the City of New Haven continued to contact the Debtor about the condition of the Property, but the condition of the Property remained blighted and unsafe. See Exhibit 9.
- 12. By September 28, 2022, there had been serious break-ins at the Property. Kraus informed the Debtor about the break-ins and the resulting damage. C.W. Kraus Dec. ¶ 9. See Exhibit 10.
- 13. On May 23, 2023, the New Haven Superior Court issued a judgment of foreclosure by sale of the Property because the Debtor had not paid its real estate taxes. The judgment amount as of May 23, 2023 was \$241,023.73 plus \$6,000 in attorney's fees. See

<sup>&</sup>lt;sup>1</sup> This was a reissue of an earlier notice dated October 12, 2020.

- Exhibit 11. The debt continues to accrue at 18% per annum pursuant to Connecticut law. In addition, the Debtor has not paid the real estate taxes since then.
- 14. By June 11, 2024, the Property had several homeless people living on the Property (potentially exposing them to unsafe levels of radiation) and the unsafe and blighted condition of the Property.
- 15. On July 12, 2024, the New Haven Independent published an article on the homeless people living at the Property. See Exhibit 12.
- 16. On July 23, 2024, the City of New Haven issued an order requiring the Debtor to secure the Property. See Exhibit 13.
- 17. On July 22-24, 2024, Kraus provided a qualified contractor to secure the Property and a written estimate for the work to do so. C.W. Kraus Dec. ¶ 10. See Exhibit 14.
- 18. Throughout the latter part of July 2024, the Debtor failed to secure the Property. C.W. Kraus Dec. ¶ 11. See Exhibit 15.
- 19. On August 2, 2024, at 4:00 a.m. a recreational vehicle parked on the Property burned down, but fortunately its homeless occupant was not harmed. C.W. Kraus Dec. ¶ 12. See Exhibit 16.
- 20. On August 27, 2024, there was a second fire at the Property. This fire was reported in the New Haven Independent. Kraus ¶ 13. See Exhibit 17. Photos of the Property before and after the second fire are Exhibit 18. C.W. Kraus Dec. ¶ 14. The photos in Exhibit 18 were sent to the Debtor. C.W. Kraus Dec. ¶ 15.
- 21. On April 26, 2025, Kraus sent the Debtor pictures of the continuing deterioration and unsafe condition of the Property. C.W. Kraus Dec. ¶ 16.

- 22. Since purchasing the Property, the Debtor has received more than \$5 million in government funds and other loans and grants. Among the funds the Debtor received was \$570,000 from a second mortgage that was intended to repay a loan from Capital 4 Change, but instead appears to have been misappropriated by Debtor's management. C.W. Kraus Dec. ¶ 17.
- 23. In 2023, in connection with the foreclosure judgment, the Property appraised for over \$3,000,000. See Exhibit 11.
- 24. As of May 5, 2025, the Debtor admitted that it had no cash on hand and no assets other than the Property. See Exhibit 19.
- 25. 11 U.S.C. §303(g) allows the Court to appoint an interim trustee to preserve the Property of the estate and to prevent loss to the estate. Here, the continuing deterioration of the Property and the apparent dissipation of the Debtor's funds provide ample cause for such an appointment. Accordingly, the Movants move this Court for an order directing the United States Trustee to appoint an interim Chapter 7 Trustee.

PETITIONING CREDITORS
C. WILLIAM KRAUS d/b/a C.W. KRAUS
PRESERVATION &DEVELOPMENT; RESCUE 1
PEST and TERMITE CONTROL LLC;
DECONTAMINATION DECOMMISSIONING and
ENVIRONMENTAL SERVICES, LLC; and
T.S.J., INC.

By: /s/ Jeffrey Hellman
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IN RE: : CASE NO.: 25-30605 (AMN)

TAOM Heritage New Haven LLC, : CHAPTER 7

Debtor. : JULY 1, 2025

Debior. : JULY 1, 202.

# MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR APPOINTMENT OF AN INTERIM CHAPTER 7 TRUSTEE PURSUANT TO 11 U.S.C. §303(g)

Petitioning Creditors C. William Kraus ("Kraus") d/b/a C.W. Kraus Preservation & Development; Rescue 1 Pest and Termite Control LLC; Decontamination Decommissioning and Environmental Services, LLC; and T.S.J., Inc. (collectively, the "Movants") have moved for the appointment of an interim Chapter 7 Trustee pursuant to 11 U.S.C. §303(g) in order to preserve the property of the estate and prevent loss to the estate. As set forth below, the facts clearly demonstrate the need for the appointment of an interim Trustee.

#### I. Factual Background

The alleged Debtor acquired property located at 133 Hamilton Street, New Haven, CT (the "Property"). The Debtor has numerous unpaid secured and unsecured creditors.

The Property is partially contaminated with radium once used in the clock factory's operations. As of December 4, 2019, some of the radium remediation had been performed and some of the demolition work had been performed. See Exhibit 1. Declaration of C. William Kraus ("C.W. Kraus Dec.")  $\P$  4.

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By February 3, 2021, the physical condition of the building on the Property had seriously deteriorated. Bricks were falling from the building into the public street and raccoons and feral cates were occupying the Property. C.W. Kraus Dec. ¶ 5. See Exhibit 3. The rear gate was unlocked providing access to trespassers. C.W. Kraus Dec. ¶ 6. See Exhibit 3.

Kraus provided Debtor's management with a quote to have the immediate masonry concerns addressed (Exhibit 4), but Debtor's management did not address these concerns. C.W. Kraus Dec. ¶ 7. The condition of the building on the Property continued to deteriorate throughout the spring of 2021. C.W. Kraus Dec. ¶ 8. See Exhibits 5 and 6.

On July 2, 2021, the City of New Haven reissued a Notice of Unsafe Structure to the Debtor. See Exhibit 7. On April 5, 2022, the City of New Haven issued a Notice of Violation Anti-Blight and Property Maintenance Ordinance. See Exhibit 8. In July and early August 2022, the City of New Haven continued to contact the Debtor about the condition of the Property, but the condition of the Property remained blighted and unsafe. See Exhibit 9.

By September 28, 2022, there had been serious break-ins at the Property. Kraus informed the Debtor about the break-ins and the resulting damage. C.W. Kraus Dec. ¶ 9. See Exhibit 10.

On May 23, 2023, the New Haven Superior Court issued a judgment of foreclosure by sale of the Property because the Debtor had not paid its real estate taxes. The judgment amount as of May 23, 2023 was \$241,023.73 plus \$6,000 in attorney's fees. See Exhibit 11. The debt continues to

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accrue at 18% per annum pursuant to Connecticut law. In addition, the Debtor has not paid the real estate taxes since then.

By June 11, 2024, the Property had several homeless people living on the Property (potentially exposing them to unsafe levels of radiation) and the unsafe and blighted condition of the Property. On July 12, 2024, the New Haven Independent published an article on the homeless people living at the Property. See Exhibit 12.

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On August 2, 2024, at 4:00 a.m. a recreational vehicle parked on the Property burned down, but fortunately its homeless occupant was not harmed. C.W. Kraus Dec. ¶ 12. See Exhibit 16. On August 27, 2024, there was a second fire at the Property. This fire was reported in the New Haven Independent. Kraus ¶ 13. See Exhibit 17. Photos of the Property before and after the second fire are Exhibit 18. C.W. Kraus Dec. ¶ 14. The photos in Exhibit 18 were sent to the Debtor. C.W. Kraus Dec. ¶ 15.

On April 26, 2025, Kraus sent the Debtor pictures of the continuing deterioration and unsafe condition of the Property. C.W. Kraus Dec. ¶ 16.

Since purchasing the Property, the Debtor has received more than \$5 million in government funds and other loans and grants. Among the funds the Debtor received was \$570,000 from a second mortgage that was intended to repay a loan from Capital 4 Change, but instead appears to have been misappropriated by Debtor's management. C.W. Kraus Dec. ¶ 17.

In 2023, in connection with the foreclosure judgment, the Property appraised for over \$3,000,000. See Exhibit 11.

As of May 5, 2025, the Debtor admitted that it had no cash on hand and no assets other than the Property. See Exhibit 19.

#### II. Argument

11 U.S.C. §303(g) allows the Court to appoint an interim trustee to preserve the Property of the estate and to prevent loss to the estate. Here, the continuing deterioration of the Property, the treat to public safety, the risk of liability and the apparent dissipation of the Debtor's funds provide ample cause for such an appointment. Accordingly, the Movants move this Court for an order directing the United States Trustee to appoint an interim Chapter 7 Trustee.

PETITIONING CREDITORS
C. WILLIAM KRAUS d/b/a C.W. KRAUS
PRESERVATION &DEVELOPMENT; RESCUE 1
PEST and TERMITE CONTROL LLC;
DECONTAMINATION DECOMMISSIONING and
ENVIRONMENTAL SERVICES, LLC; and
T.S.J., INC.

By: /s/ *Jeffrey Hellman* 

Jeffrey Hellman, Esq. Law Offices of Jeffrey Hellman, LLC 195 Church Street, 10<sup>th</sup> Floor

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IN RE:

CASE NO.: 25-30605 (AMN)

TAOM Heritage New Haven LLC,

CHAPTER 7

Debtor.

JULY 1, 2025

#### **DECLARATION OF C. WILLIAM KRAUS**

- I, C. William Kraus, being duly sworn, hereby depose and say:
- 1. I am over the age of 18 and believe in the obligation of an oath.
- 2. I am a petitioning creditor d/b/a C.W. Kraus Preservation & Development.
- 3. The alleged Debtor acquired property located at 133 Hamilton Street, New Haven, CT (the "Property").
- 4. As of December 4, 2019, some of the radium remediation had been performed and some of the demolition work had been performed. See Exhibit 1.
- 5. By February 3, 2021, the physical condition of the building on the Property had seriously deteriorated. Bricks were falling from the building into the public street and raccoons and feral cates were occupying the Property. See Exhibit 3.
  - 6. The rear gate was unlocked providing access to trespassers. See Exhibit 3.
- 7. I provided Debtor's management with a quote to have the immediate masonry concerns addressed (Exhibit 4), but Debtor's management did not address these concerns.
- 8. The condition of the building on the Property continued to deteriorate throughout the spring of 2021. See Exhibits 5 and 6.

- 9. By September 28, 2022, there had been serious break-ins at the Property. I informed the Debtor about the break-ins and the resulting damage. See Exhibit 10.
- 10. On July 22-24, 2024, I provided a qualified contractor to secure the Property and a written estimate for the work to do so. See Exhibit 15.
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- 16. On April 26, 2025, I sent the Debtor pictures of the continuing deterioration and unsafe condition of the Property.
- 17. Since purchasing the Property, the Debtor has received more than \$5 million in government funds and other loans and grants. Among the funds the Debtor received was \$570,000 from a second mortgage that was intended to repay a loan from Capital 4 Change, but instead appears to have been misappropriated by Debtor's management.
  - 18. I declare under penalty of perjury that the foregoing is true and correct.

(signature page follows)

Executed on July 1, 2025

. William Kraus

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### PROPOSED ORDER FOR MOTION FOR CONTINUANCE

Pursuant to 11 U.S.C. §303(g), this Court hereby directs the United States Trustee to appoint an interim Chapter 7 Trustee for the Estate of TAOM Heritage New Haven LLC.