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United States Bankruptcy Court Southern District of Texas

ENTERED

May 13, 2025 Nathan Ochsner, Clerk

## IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

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In re HADAD DESIGN AND CONSTRUCTION, INC., No. 24-33277 Chapter 11

Debtor.

## ORDER ON HARRIS COUNTY, TEXAS' MOTION FOR DETERMINATION THAT THE AUTOMATIC STAY DOES NOT APPLY

On this day, the Court heard Harris County, Texas' Motion for Determination that the Automatic Stay Does Not Apply. After considering the motion and any responses in opposition and considering the evidence and arguments of counsel and other parties in interest, the Court concludes that the Motion is GRANTED as follows:

The "automatic stay" under 11 U.S.C. § 362(a) does not apply to the pending state court action styled *State of Texas and Harris County, Texas v. Elias Haddad, Monica Cheleste Marchetti a/k/a Celeste Haddad, a/k/a Cheleste Haddad a/k/a Monica Haddad a/k/a Monica Lawler a/k/a Monica Govender ("Celeste Haddad"), and Jonathan H. Neil, and Hadad Design and Construction Inc. d/b/a Kitchen and Bath Decor & More, No. 2025-08779, 334<sup>th</sup> Judicial District of Harris County, Texas (the "State Court Proceeding").* 

Harris County, Texas and the State of Texas are permitted to exercise their police and regulatory power to enforce consumer protection laws against Debtor in the State Court Proceeding, including seeking injunctive relief and reducing to judgment monetary damages (including penalties) against the Debtor; *provided*, *however*, that Harris County, Texas and the State of Texas may not collect or recover such monetary damages (including penalties) against the Debtor without further order of this Court.

Signed: May 13, 2025

Christopher Lopez /// United States Bankruptcy Judge