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4 *Chapter 7 Trustee*

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6 **UNITED STATES BANKRUPTCY COURT**  
7 **DISTRICT OF NEVADA**

8 In re:  
9 **CARTWHEEL ROBOTICS INC.,**  
10 Debtor(s).

Case No. 26-50278-HLB  
Chapter 7

**MOTION FOR TURNOVER OF  
BANKRUPTCY ESTATE PROPERTY  
PURSUANT TO 11 U.S.C. § 542(e)**

Date of Hearing: OST Requested  
Time of Hearing: OST Requested

Place: Telephonic Hearing  
Phone Conference Number: (833) 435-1820  
Meeting ID: 160 532 0260  
Access Code: 643758#

Judge: Honorable Hilary L. Barnes<sup>1</sup>

17 Bradley G. Sims (the “Trustee”), the duly appointed Chapter 7 Trustee in the above-  
18 captioned bankruptcy case hereby submits this *Motion for Turnover of Bankruptcy Estate*  
19 *Property Pursuant to 11 U.S.C. § 542(e)* (the “Motion”).

20 The Motion is based on the following Memorandum of Points and Authorities and the  
21 *Declaration of Bradley G. Sims in Support of the Motion for Turnover of Bankruptcy Estate*  
22 *Property Pursuant to 11 U.S.C. § 542(e)* (the “Trustee Declaration”), which is filed separately  
23 and concurrently with this Court pursuant to Local Rule 9014(c)(2). The Motion is also based on  
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26 <sup>1</sup> Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11  
27 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The  
28 Federal Rules of Civil Procedure will be referred to as “FRCP” and the Federal Rules of  
Bankruptcy Procedure will be referred to as “FRBP.” The Local Rules of Practice for the United  
States Bankruptcy Court for the District of Nevada shall be referred to as the “Local Rules”.

1 the pleadings and papers on file herein, and any argument that may be entertained at the hearing  
2 on the Motion.<sup>2</sup>

3 **MEMORANDUM OF POINTS AND AUTHORITIES**

4 **I. INTRODUCTION**

5 This Motion seeks entry of an order pursuant to 11 U.S.C. § 542(e) compelling Scott  
6 LaValley, (the “Respondent”), as president of the Debtor, to turn over all financial information of  
7 the Debtor, including electronically stored information, cloud-based records, and data maintained  
8 on third-party platforms, in his possession to the Trustee, including but not limited to, the  
9 Debtor’s bank statements, other financial statements, general ledgers, balance sheets, records of  
10 accounts receivable, records of accounts payable, accounting records, tax returns and filings,  
11 corporate governance documents, cap table and investor records, all contracts, non-disclosure  
12 agreements, employment and contractor agreements, intellectual property assignment agreements,  
13 payroll records, records of all transfers of funds, including transfers during the period from the  
14 petition date through the Order for Relief, documentation of any loans, liens, or encumbrances,  
15 records of any transfer of intellectual property, and access credentials and information necessary  
16 to obtain such records from third parties (the “Information”). The Information is crucial to the  
17 preservation and administration of the Debtor’s bankruptcy estate.

18 **II. JURISDICTION AND VENUE**

19 The Court has jurisdiction over the bankruptcy case and the subject matter of this Motion  
20 pursuant to 28 U.S.C. §§ 157 and 1334. The Motion is a core proceeding under 28 U.S.C. §  
21 157(b)(2). Pursuant to Local Rule 9014.2, if the Court determines that absent consent of the  
22 parties the Court cannot enter final orders or judgment regarding the Motion consistent with  
23 Article III of the United States Constitution, the Trustee consents to entry of final orders and  
24 judgment by this Court. Venue before this Court is appropriate under 28 U.S.C. §§ 1408 and  
25 1409. The statutory predicate for the relief requested in the Motion is 11 U.S.C. § 542(e).

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27 <sup>2</sup> The Trustee also requests that the Court take judicial notice of all pleadings filed in the above-  
28 referenced bankruptcy case, including adversary proceedings, pursuant to Federal Rule of  
Evidence 201, incorporated by reference by FRBP 9017.

1 **III. STATEMENT OF FACTS**

2 1. On March 19, 2026 an involuntary Chapter 7 petition was filed against Cartwheel  
3 Robotics, Inc. (the “Debtor”). [ECF No. 1].

4 2. On April 14, 2026, this Court entered an Order for Relief. [ECF No. 7].

5 3. The Trustee was thereafter appointed as the Chapter 7 Trustee pursuant to 11  
6 U.S.C. § 701.

7 4. Respondent is the Debtor’s president and, upon information and belief, has  
8 possession, custody, and/or control of the Debtor’s financial records, books, and recorded  
9 information relating to the Debtor’s property and financial affairs, including the Information.

10 5. The Trustee requires the Information to perform his statutory duties under 11  
11 U.S.C. § 704, including identifying estate assets, investigating financial affairs, and evaluating  
12 potential avoidance actions.

13 6. The Trustee now seeks turnover of the Information from the Respondent.

14 **IV. LEGAL ARGUMENT**

15 11 U.S.C. § 542(e) states:

16 Subject to any applicable privilege, after notice and a hearing, the  
17 court may order an attorney, accountant, or other person that holds  
18 recorded information, including books, documents, records, and  
19 papers, relating to the debtor’s property or financial affairs, to turn  
over or disclose such recorded information to the trustee.

20 11 U.S.C. § 542(e) provides that the Trustee may obtain documents subject to any  
21 applicable privilege. Under federal law, the proponent of the privilege bears the burden of  
22 persuasion for each element of the privilege, unassisted by presumptions that confidentiality was  
23 intended and has been preserved, or that legal advice was being sought through the consultations.  
24 *See, e. g. United States v. Richey*, 632 F.3d 559, 566 (9th Cir.2011) (“The party asserting the  
25 attorney-client privilege has the burden of establishing the relationship and privileged nature of  
26 the communication.”); *United States v. Bauer*, 132 F.3d 504, 507 (9th Cir.1997); *Hartford Fire*  
27 *Ins. Co. v. Garvey*, 109 F.R.D. 323, 327 (N.D.Cal.1985) (“The proponent of the privilege carries  
28

1 the burden of establishing all elements of the privilege, including confidentiality which is not  
2 presumed, ... and non-waiver.”).

3 The information sought here relates directly to the Debtor’s finances. The Information  
4 contains that information relating to the Debtor’s assets and liabilities. The Respondent is the  
5 Debtor’s president and is therefore a person who holds recorded information within the meaning  
6 of § 542(e). Turnover should be ordered because the Trustee cannot evaluate or administer the  
7 bankruptcy estate without the Information. No known claim of privilege applies.

8 The Trustee therefore requests an order requiring that within seven (7) days of the entry of  
9 such order granting the Motion, the Respondent produce to the Information requested.

10 **V. CONCLUSION**

11 For the foregoing reasons, the Trustee respectfully requests that the Court enter an order:  
12 (i) requiring the Respondent to turn over the Information to the Trustee; and (ii) for such other  
13 and further relief as is just and proper.

14 Dated this 17<sup>th</sup> day of April, 2026.

15 By: /s/ Bradley G. Sims

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20 *Chapter 7 Trustee*  
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