

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA (RENO)

IN RE: . Case No. 26-50278-hlb  
. Chapter 7  
CARTWHEEL ROBOTICS INC., .  
. 300 Booth Street  
. Reno, NV 89509  
Debtor. .  
. Friday, April 24, 2026  
. . . . . 10:32 a.m.

TRANSCRIPT OF OST DOC# 13 MOTION FOR TURNOVER OF BANKRUPTCY  
ESTATE PROPERTY PURSUANT TO 11 U.S.C. 542(E) FILED BY BRADLEY  
G. SIMS ON BEHALF OF BRADLEY G. SIMS;  
OST DOC# 18 MOTION FOR TURNOVER OF BANKRUPTCY ESTATE PROPERTY  
PURSUANT TO 11 U.S.C. 542(E) FILED BY BRADLEY G. SIMS ON BEHALF  
OF BRADLEY G. SIMS  
BEFORE THE HONORABLE HILARY L. BARNES  
UNITED STATES BANKRUPTCY COURT JUDGE

TELEPHONIC APPEARANCES:

For the Debtor: SCOTT LAVALLEY (PRO SE)  
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Fallon, NV 89406

For the Chapter 7  
Trustee: Bradley G. Sims, Chapter 7 Trustee  
By: BRADLEY G. SIMS, ESQ.  
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For the Petitioning  
Creditors: McDonald Carano  
By: SALLIE B. ARMSTRONG, ESQ.  
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1 (Proceedings commence at 10:32 a.m.)

2 THE COURT: Good morning, all. This is Judge Barnes.  
3 We're here on Cartwheel Robotics Inc. 26-50278.

4 We are considering two motions on shortened time.  
5 The first is Docket 13, which is a motion for turnover of  
6 bankruptcy estate property. And that is with regard to  
7 financial documents. And Docket 18 is a motion for turnover of  
8 bankruptcy estate property, which pertains to tangible assets.

9 Appearance for the trustee, please.

10 MR. SIMS: Thank you, Your Honor. This is Brad Sims,  
11 Chapter 7 trustee.

12 THE COURT: Thank you. And, Mr. Lavalley, are you on  
13 the line?

14 MR. LAVALLEY: I am.

15 THE COURT: Am I pronouncing your name correctly?

16 MR. LAVALLEY: That's correct, Scott Lavalley.

17 THE COURT: Lavalley, okay. And for the petitioning  
18 creditors?

19 MS. ARMSTRONG: Yes, good morning, Your Honor.  
20 Sallie Armstrong on behalf of the petitioning creditors.

21 THE COURT: Thank you. Is there anybody else who  
22 would like to make an appearance in the Cartwheel Robotics  
23 case?

24 Okay. Go ahead, Mr. Sims. It's your motion.

25 MR. SIMS: Thank you, Your Honor. Before the Court



1 today are two motions for turnover. They are somewhat similar,  
2 and I'll refer to them collectively as the motion.

3 This is an involuntary case, and the petition was  
4 filed on March 19th, 2026. The order for relief was entered on  
5 April 14th, 2026. To date, the debtor has not filed a mailing  
6 matrix as required. He's not filed any statements or  
7 schedules. So I have no meaningful information, no records,  
8 and no assets have been turned over on this case.

9 The relief sought through the motion is  
10 straightforward, and it is statutory. I'm seeking -- well,  
11 motions, I should say. I'm seeking turnover under 542(a) of  
12 estate property, including certain robotic systems,  
13 intellectual property, and related assets.

14 I'm also seeking turnover under Section 542(e) of  
15 financial records and access credentials. That includes bank  
16 records, cloud accounts, tax returns, and corporate  
17 information.

18 The Bankruptcy Code unambiguously requires turnover  
19 and accounting of this estate property. A brief opposition is  
20 filed by Mr. Lavalley. The opposition does not specifically  
21 oppose turnover. Rather, it argues that Mr. Lavalley does not  
22 have possession of the property or records, or that such items  
23 are out of his custody and control, and in the possession of  
24 third parties.

25 The opposition does not deny knowledge of where these



1 things are. It doesn't deny the existence of the assets.

2           Leaving aside whether I find the assertion that he  
3 doesn't have these items to be credible, if this assertion is  
4 true, Mr. Lavalley still needs to account for this property.  
5 He needs to identify its location. He needs to identify who  
6 has it. To date, none of that has happened.

7           Without records and without this identification,  
8 without an accounting of the estate property, I can't move this  
9 case forward. Mr. Lavalley's opposition suggests that the  
10 assets in the debtor have already been transferred or held by  
11 third parties, so there is a very real risk of lost  
12 participation. I believe it's imperative to move quickly, and  
13 I'm asking the Court to order turnover and accounting, and I'm  
14 asking the Court to impose some structure and some deadlines on  
15 this case.

16           Additionally, there was a -- except and apart from  
17 the opposition, Mr. Lavalley filed a motion to continue this  
18 hearing. It's unclear to me whether that is before the Court  
19 today, but to the extent there's a request for a continuance,  
20 I'm opposed to that request. A substantive response to the  
21 motion has already been filed. That response is effectively,  
22 sorry, don't have it. Additional time isn't going to change  
23 that position.

24           Moreover, delay materially prejudices the estate as  
25 every day I don't have this information and every day I don't



1 have whatever assets are available for turnover, the risk of  
2 lost participation increases. Accordingly, I believe this is a  
3 situation where court intervention is appropriate. I'd ask the  
4 Court to enter a structured compliance order with specific  
5 deadlines for turnover.

6 Unless the Court has any further questions for me,  
7 I'll go ahead and yield back.

8 THE COURT: Have you had any conversations directly  
9 with Mr. Lavalley?

10 MR. SIMS: I have not. Until Mr. Lavalley filed his  
11 opposition, I didn't have so much an email for him. I know  
12 that petitioning creditors made some efforts to serve  
13 Mr. Lavalley, and they can speak to those efforts a little bit  
14 further.

15 THE COURT: Okay. Mr. Lavalley, I'm sorry, I keep  
16 mispronouncing your name. I apologize.

17 MR. LAVALLEY: That's okay.

18 THE COURT: Mr. Lavalley, have you spoken to any  
19 attorney in terms of maybe obtaining representation in this  
20 case?

21 MR. LAVALLEY: The company has no money to pay an  
22 attorney, nor do I personally.

23 THE COURT: Okay. So given that -- well, I guess  
24 what I would like to hear is your side of the story. Maybe  
25 that would be helpful to all of us.



1 MR. LAVALLEY: Yeah. So I do not have possession,  
2 custody, or control of the requested materials. I don't have  
3 access to company systems, records, or physical assets.

4 THE COURT: Why not?

5 MR. LAVALLEY: Those were all transferred back in  
6 October to a secured creditor.

7 THE COURT: And which secured creditor would that be?

8 MR. LAVALLEY: I believe, to the best of my  
9 knowledge, Autonomous Ops.

10 THE COURT: Say that one more time.

11 MR. LAVALLEY: Autonomous Ops.

12 THE COURT: Can you spell that? For some reason,  
13 we're not understanding very well on this side.

14 MR. LAVALLEY: I don't know how to spell it.  
15 Autonomous. I believe there's three UCC filings on record with  
16 the State of Delaware.

17 THE COURT: Okay. And so you turned over the books  
18 and records in addition to all the property of the debtor?

19 MR. LAVALLEY: All assets, all records were  
20 transferred back in October.

21 THE COURT: Okay. And did that satisfy whatever debt  
22 was owed by the company to the secured creditor, or is the  
23 secured creditor still owed money by the company?

24 MR. LAVALLEY: It did satisfy that debt.

25 THE COURT: Okay. Is there anything else you'd like

1 to tell the Court?

2 MR. LAVALLEY: No, that's it, Your Honor.

3 THE COURT: Okay.

4 MR. LAVALLEY: Thank you.

5 THE COURT: Thank you. Ms. Armstrong, on behalf of  
6 the petitioning creditors, why don't you explain to me kind of  
7 your role here and -- or, you know, your client's role and  
8 bring me up to speed on what caused the involuntary filing.

9 MS. ARMSTRONG: Of course, Your Honor. Thank you.  
10 Sallie Armstrong again on behalf of the petitioning creditors.

11 Your Honor, my clients and others invested millions  
12 of dollars with Cartwheel Robotics, Inc. They -- or loaned  
13 millions of dollars to Cartwheel Robotics. They also invested  
14 equal amounts of money.

15 Mr. Lavalley, on behalf of Cartwheel, has been  
16 extremely unresponsive. It did come to our attention that what  
17 I'm learning today, though I don't believe Mr. Lavalley was  
18 sworn, what I'm learning today is somewhat different than what  
19 we understand. Cartwheel Robotics did business in his  
20 father's -- in an office building owned by his father.

21 We were told earlier this year, we were advised  
22 earlier this year, that there was personal property that -- in  
23 which his father's company or his father's personally claimed  
24 an interest and that he would be foreclosing on that. So I do  
25 not know if Autonomous Ops is a company in which his father or

1 others is involved. I also do not know about the timing, but  
2 we believe strongly that there have been transfers to insiders  
3 that can be set aside.

4           What Cartwheel Robotics had, we believe, was very  
5 valuable IT. We have no idea where that's gone, but we do know  
6 from Mr. Lavalley's LinkedIn that he has joined Google, doing,  
7 we believe, the same work at Google that he was doing at  
8 Cartwheel Robotics after taking, again, my clients' -- millions  
9 of dollars from my clients and others. That is the reason we  
10 commenced this case, and we very much appreciate the way  
11 Mr. Sims, as the trustee, acted immediately to request  
12 documents to which he is entitled.

13           The -- and one other point I wanted to make, Your  
14 Honor, is that our understanding is Mr. Lavalley's sister was  
15 the chief operating officer of this company. So there are  
16 quite a few things that need to be sorted through here for the  
17 protection of my clients' interests and others. I'm not sure  
18 how we begin to do that, but I believe that Mr. Lavalley,  
19 certainly because of these family connections, and I believe  
20 the family is the one who has these assets, has the ability to  
21 acquire these documents and turn them over to the trustee or  
22 certainly to provide the trustee with the information the  
23 trustee needs in order to get those.

24           And, you know, I would ask that the Court grant the  
25 trustee's motion. What we have done, and you may have seen

1 | this in the docket, is we have provided notice to every address  
2 | that we have. And we did serve the involuntary petition on the  
3 | registered agent in Delaware, which is how we effected service  
4 | of the involuntary petition.

5 |           But we also tried to serve personally. But  
6 | Mr. Lavalley and his family did a very good job of avoiding  
7 | service. Also, Your Honor, we have been able to check real  
8 | quickly, and by the way, Autonomous Ops is controlled by  
9 | Mr. Lavalley's father, according to the information we were  
10 | just able to obtain. So I think there's quite a bit for the  
11 | Court to consider and review here.

12 |           THE COURT: Thank you, Ms. Armstrong. I appreciate  
13 | that background.

14 |           Okay. Mr. Sims, is there anything else you'd like to  
15 | add?

16 |           MR. SIMS: Yes, Your Honor. Likewise, I'm looking  
17 | into Autonomous Ops Inc., and for the record, that is spelled  
18 | A-U-T-O-N-O-M-O-U-S, OPS, O-P-S, Inc. The president is listed  
19 | as Bill S. Lavalley, who I'd want to (indiscernible) and  
20 | information to believe it's Mr. Lavalley's father. The  
21 | secretary of that entity is Samantha Conway, who is also the  
22 | chief operating officer of the debtor.

23 |           So there is some concern that Mr. Lavalley is coming  
24 | in here today and saying all of the assets of the company,  
25 | which appear to have been quite valuable, are transferred to an

1 entity that is controlled by his family members. I think that  
2 underscores the need for the transfers to be identified. I  
3 think the assets need to be accounted for, and I think whatever  
4 information is in his possession needs to be ordered turned  
5 over.

6 THE COURT: Okay. Thank you, Mr. Sims. I appreciate  
7 the follow-up information, which the Court now has.

8 So in connection with the Chapter 7 trustee's two  
9 motions for turnover of bankruptcy estate property at Docket  
10 Entries 13 and 18, the Court considered Mr. Sims' declaration  
11 at Docket Entries 14 and 19; and the response and limited  
12 opposition filed by Scott Lavalley, president of the debtor at  
13 Docket Entry 30;; Mr. Lavalley's motion to continue the hearing  
14 at Docket Entry 31; and the trustee's omnibus reply at Docket  
15 Entry 33; and the trustee's opposition to the motion to  
16 continue at Docket Entry 34. And the Court takes judicial  
17 notice of the record as permitted by Federal Rule of Evidence  
18 201.

19 The Court also takes into account the statements of  
20 the trustee counsel for the petitioning creditors and  
21 Mr. Lavalley. The trustee's motions were properly served and  
22 no further notice is necessary.

23 Mr. Lavalley, your motion to continue is denied.  
24 There are rules for noticing up certain motions and so because  
25 you're unrepresented and the company is unrepresented, it was

1 not properly noticed, and further the basis for the continuance  
2 is without merit given your response to the trustee's motions.

3           Turning to the trustee's motions, the Bankruptcy Code  
4 requires a Chapter 7 trustee to, among other things, collect  
5 and monetize property of the estate and to investigate the  
6 financial affairs of the debtor. That's Code Section 704. And  
7 to enable the trustee to do that, the Bankruptcy Code also  
8 provides that after notice and hearing, which is what is  
9 happening right now, the Court can enter an order requiring  
10 turnover of the debtor's property documents and information  
11 regarding the debtor's property or financial affairs or  
12 disclose that information to the trustee. That's Code Section  
13 542(a) and (e).

14           And while the Court understands, Mr. Lavalley, that  
15 you may not have possession, custody, or control of the  
16 property or the financial documents and records that the  
17 trustee is seeking, you have a duty to cooperate with the  
18 trustee and to provide all of the information you have  
19 regarding those things to him so he can do his job. Based on  
20 the circumstances before the Court, the Court finds good cause  
21 to require turnover of the documents, property, and information  
22 set forth in the motions that may be in your possession,  
23 custody, or control, Mr. LaValle, and to require you to provide  
24 your full cooperation to assist the trustee to obtain what he  
25 requires.



1 So based on the foregoing, the Court will enter an  
2 order granting the requested relief. And if you upload a form  
3 of order, Mr. Sims, Local Rule 9021 is waived.

4 MR. SIMS: Thank you, Your Honor. I will do so.

5 THE COURT: Thank you. And with that, we are  
6 adjourned. Thank you, all.

7 MS. ARMSTRONG: Thank you, Your Honor.

8 (Proceedings concluded at 10:48 a.m.)

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15 C E R T I F I C A T I O N

16  
17 I, Heidi Jolliff, court-approved transcriber, hereby  
18 certify that the foregoing is a correct transcript from the  
19 official electronic sound recording of the proceedings in the  
20 above-entitled matter.

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