

IN THE DISTRICT COURT of the UNITED STATES
FOR THE DISTRICT OF _____

Bankruptcy Petition number: _____

In re:

[Sole Proprietorship Name]

[EIN Number]

Debtor

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| <p><u>BANKRUPTCY PETITION BEFORE THE JUDICIAL BRANCH OF</u> <u>THE DISTRICT COURT of the UNITED STATES OF THE</u> <u>NORTHERN DISTRICT OF CALIFORNIA PURSUANT TO STERN</u> <u>v. MARSHALL</u></p> |
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INTRODUCTION

This petition is filed by [Petitioner], the sole proprietor of [Sole Proprietorship Name], seeking adjudication of a bankruptcy proceeding in the **United States District Court for the Northern District of California** under **Article III** jurisdiction. The petitioner asserts a constitutionally secured right to access an Article III court under **Stern v. Marshall** and other relevant case law, particularly in matters involving private rights, property, and trust held in a minor account. The Bankruptcy Court, established under Article I of the Constitution, lacks jurisdiction over this matter involving private rights.

The petitioner operates a sole proprietorship governed by state law, with private property held in trust. These private rights, governed by the **Seventh Amendment** and protected under the **Fourth** and **Fifth Amendments**, must be adjudicated in an Article III court, not an Article I bankruptcy court. The matter also involves claims of private contracts and securities held in trust, which are beyond the jurisdiction of non-Article III courts. The **Stern v. Marshall** ruling is clear: private rights cannot be adjudicated by non-Article III courts.

HISTORICAL BACKGROUND

Bankruptcy law has its roots in the English common law system, where insolvency proceedings were initially handled as equitable matters in courts of law. In the early history of the United States, bankruptcy cases were considered judicial matters, governed by the **Constitution's Article III courts**, which provided a structured avenue for individuals to resolve financial insolvency issues before the judicial branch.

In the 19th century, Congress created the first Bankruptcy Acts, which provided for bankruptcy proceedings to be held in federal courts under the judicial branch. However, following the **Banking Holiday Proclamation of March 6, 1933**, the U.S. government instituted a series of legislative changes that moved bankruptcy proceedings to Article I courts, commonly known as Bankruptcy Courts. These courts were created by Congress, not by the Constitution, and are considered legislative, rather than judicial, courts.

Under this revised framework, Congress placed bankruptcy proceedings under non-judicial Article I courts as part of broader emergency measures. The **Senate Special Committee on the Termination of National Emergencies** later determined that over 470 provisions of law gave extraordinary powers to the executive branch, bypassing constitutional protections and infringing on private property rights.

Despite the transfer of bankruptcy cases to Article I courts, individuals maintain a constitutionally secured right to access the judicial branch for adjudication of private rights, including the right to adjudicate claims under the **Seventh Amendment** before an Article III judge. The **Stern v. Marshall** ruling further reaffirmed that non-Article III courts cannot exercise jurisdiction over private property and private rights matters. This petition asserts the right to access Article III courts for these matters, as established by the **Constitution** and reaffirmed by historical precedent.

STATEMENT OF CLAIM

The petitioner, acting as the debtor-in-possession of a sole proprietorship and beneficiary of a minor trust account, asserts a clear and constitutionally protected right to access the judicial branch of government under **Article III** of the Constitution. The securities held in trust for the petitioner represent private property and private interests, governed under state law and the common law principles of trust and equity.

Upon reaching the age of majority, the petitioner gained the right to control these assets and disaffirm contracts made during minority. These claims involve the petitioner's personal property and contracts governed by state law, both of which must be adjudicated by an Article III court. The **Bankruptcy Court**, as an Article I entity, lacks jurisdiction over these non-core matters involving private property rights.

Furthermore, the petitioner asserts that the current system, which places bankruptcy matters before Article I courts, denies the petitioner's constitutionally secured right to access the judicial branch for the adjudication of private rights under **Article III**. This right is guaranteed under the **First Amendment**, which secures the right to petition the government for redress of grievances, and the **Fourth and Fifth Amendments**, which protect the petitioner's property and private rights from deprivation without due process of law.

The **Stern v. Marshall** ruling confirms that Congress cannot assign judicial power to non-Article III courts in matters involving private rights. This petition asserts that the petitioner's claims involving the securities held in trust and the sole proprietorship are private rights that must be adjudicated by an Article III court.

LEGAL ARGUMENT

Application of **Stern v. Marshall**

In **Stern v. Marshall**, the Supreme Court held that the exercise of judicial power in cases involving private rights must be conducted by Article III courts. The Court ruled that Congress cannot assign Article III judicial power to non-Article III courts, such as Bankruptcy Courts, when those courts are asked to adjudicate private property claims.

This ruling is directly applicable to the petitioner's case, as the petitioner's claims involve private property held in trust, contracts made during minority, and the petitioner's role as a debtor-in-possession of a sole proprietorship. These are quintessentially private rights matters, which must be adjudicated by an Article III court, not an Article I Bankruptcy Court.

The **Stern** decision clarifies the limits of Congress's power to delegate judicial authority to non-Article III courts. While Bankruptcy Courts have jurisdiction over core bankruptcy matters, they lack jurisdiction over non-core matters that involve private rights, such as property and contract claims. The petitioner asserts that this case involves non-core issues that are beyond the jurisdiction of the Bankruptcy Court.

The petitioner's right to a trial by jury under the **Seventh Amendment** further underscores the necessity for adjudication in an Article III court. In **Granfinanciera, S.A. v. Nordberg**, the Supreme Court held that

individuals facing claims involving private rights are entitled to a jury trial. This case reaffirms the petitioner's right to access the judicial branch for the adjudication of private rights claims.

NON-CORE AND CORE ISSUES IN BANKRUPTCY

Bankruptcy courts, as Article I courts, are limited in their jurisdiction to core matters involving the administration of bankruptcy estates. However, non-core matters, such as private property rights and state law contract disputes, must be adjudicated by an Article III court.

Core issues in bankruptcy include the administration of the bankruptcy estate, the discharge of debts, and the confirmation of reorganization plans. These are matters that arise solely in the context of bankruptcy and fall within the jurisdiction of Bankruptcy Courts.

Non-core issues, on the other hand, include disputes over private property, state law contracts, and other claims that exist outside the context of bankruptcy. These issues require adjudication by an Article III court, as they involve private rights protected by the Constitution. In **Northern Pipeline Construction Co. v. Marathon Pipe Line Co.**, the Supreme Court held that Bankruptcy Courts lack jurisdiction to adjudicate non-core matters, as these involve private rights that must be heard by Article III judges.

The petitioner's claims in this case involve private property held in trust and contracts made during minority, both of which are non-core issues that require adjudication by an Article III court. The **Bankruptcy Court** lacks jurisdiction over these claims, and the petitioner seeks relief from the misapplication of jurisdiction by the Bankruptcy Court.

MISGUIDANCE AND CONSENT JURISDICTION

Bankruptcy Courts operate under a system of consent jurisdiction, meaning that parties must consent to the jurisdiction of the Bankruptcy Court in order for it to adjudicate non-core matters. The filing of a petition in Bankruptcy Court is often presented as a consent to jurisdiction, even when the parties may not fully understand the limitations of the Bankruptcy Court's authority.

In **Wellness International Network, Ltd. v. Sharif**, the Supreme Court held that parties may consent to the jurisdiction of a Bankruptcy Court for non-core matters, but such consent must be explicit and voluntary. The petitioner in this case does not consent to the jurisdiction of the Bankruptcy Court for non-core issues involving private property and contracts.

The petitioner asserts that the Bankruptcy Court's assertion of jurisdiction over non-core matters is a violation of the petitioner's constitutionally secured right to access an Article III court. The petitioner further asserts that the practice of guiding individuals into Bankruptcy Court without fully informing them of the limits of the court's jurisdiction is a misleading practice that denies individuals their right to access the judicial branch of government.

The **Stern v. Marshall** ruling reinforces the principle that non-core issues involving private rights must be adjudicated by Article III courts. The petitioner seeks relief from the Bankruptcy Court's assertion of jurisdiction and requests that this case be transferred to an Article III court for adjudication.

MAXIMS OF LAW

1. "A person cannot be deprived of their property without due process of law." – **Fifth Amendment**
The petitioner's right to access their property, including securities held in trust, is a private property right protected by the Constitution. The **Bankruptcy Court** lacks jurisdiction to adjudicate claims involving the deprivation of private property without due process.
2. "Justice delayed is justice denied." – **Article III**
The petitioner's right to access the judicial branch of government for the adjudication of private rights must be protected. The delay caused by the Bankruptcy Court's assertion of jurisdiction over non-core matters denies the petitioner's right to timely justice.
3. "A jury trial is guaranteed in all disputes involving more than twenty dollars." – **Seventh Amendment**
The petitioner is entitled to a trial by jury in this case, as the amount in controversy exceeds twenty dollars and involves private property rights.
4. "The law respects form less than substance."
The substance of this case involves private property rights, which must be adjudicated by an Article III court. The form of the Bankruptcy Court's jurisdiction does not supersede the petitioner's constitutional right to access the judicial branch.
5. "An act done against my will is not my act."
The petitioner has not consented to the jurisdiction of the Bankruptcy Court for the adjudication of non-core matters. The Bankruptcy Court's assertion of jurisdiction is a violation of the petitioner's rights.
6. "No one can transfer more rights to another than he himself has."
Congress cannot grant the Bankruptcy Court authority to adjudicate private rights, as such authority is reserved for Article III courts.
7. "The law will not suffer wrong without a remedy."
The petitioner seeks a remedy from the wrongful assertion of jurisdiction by the Bankruptcy Court. The proper remedy is adjudication in an Article III court.

RIGHT OF ACCESS TO ARTICLE III COURT

The petitioner asserts a constitutionally secured right to access an Article III court for the adjudication of private rights, as guaranteed by the **First Amendment**, **Fourth Amendment**, and **Fifth Amendment**. The **Bankruptcy Court**, as an Article I court, lacks jurisdiction over matters involving private property rights and state law contracts, which must be adjudicated by an Article III court.

In **Granfinanciera, S.A. v. Nordberg**, the Supreme Court held that individuals facing claims involving private rights are entitled to a jury trial and access to an Article III court. The petitioner asserts that the

claims in this case, involving securities held in trust and contracts made during minority, are private rights claims that must be heard by an Article III judge.

The **First Amendment** guarantees the petitioner's right to petition the government for redress of grievances, including the right to access the judicial branch for the adjudication of private rights. The **Bankruptcy Court** does not satisfy this constitutional requirement, as it is a legislative court created by Congress under Article I, not a judicial court under Article III.

The **Stern v. Marshall** ruling confirms that private rights must be adjudicated by Article III courts, and the petitioner asserts that this case involves private property and private interests that require adjudication by an Article III judge. The petitioner seeks to exercise their right of access to the judicial branch of government for the adjudication of these claims.

DEMAND FOR TRIAL BY JURY

The petitioner demands a trial by jury pursuant to the **Seventh Amendment**, which guarantees the right to a jury trial in cases involving private rights and where the amount in controversy exceeds twenty dollars. The securities held in trust for the petitioner, along with other associated assets and contracts, constitute a significant amount of value, far exceeding the twenty-dollar threshold.

The petitioner's right to a jury trial is further supported by the **Granfinanciera, S.A. v. Nordberg** ruling, in which the Supreme Court held that individuals facing claims involving private rights in bankruptcy are entitled to a trial by jury. This case involves private property rights, including securities held in trust and contracts made during minority, both of which are private rights that must be adjudicated by a jury in an Article III court.

The **Bankruptcy Court**, as an Article I court, lacks jurisdiction to provide a jury trial for non-core matters involving private rights. The petitioner asserts that the proper venue for a trial by jury in this case is the United States District Court for the Northern District of California, an Article III court.

COMPENSATORY DAMAGES

The petitioner seeks compensatory damages for the deprivation of their constitutionally secured rights, including the right to access their property held in trust and the right to a trial by jury. The **Bankruptcy Court's** assertion of jurisdiction over non-core matters has delayed the petitioner's access to their property and denied the petitioner their right to a trial by jury under the **Seventh Amendment**.

The petitioner asserts that the government's continued control over the securities held in trust constitutes a deprivation of private property without due process of law, in violation of the **Fifth Amendment**. The petitioner seeks compensatory damages for this deprivation, as well as for the denial of their right to access the judicial branch of government under **Article III**.

The petitioner further asserts that the Bankruptcy Court's misapplication of jurisdiction has caused financial harm, as the petitioner has been unable to access and manage the securities held in trust. The petitioner seeks damages for the financial losses incurred as a result of the government's continued control over these assets, as well as for the denial of their constitutionally secured rights.

CONSTITUTIONAL CHALLENGES TO BANKRUPTCY ACT

The petitioner asserts that the **Bankruptcy Act**, as it is currently applied, violates the petitioner's constitutionally secured rights to access the judicial branch of government and to a trial by jury. The **Bankruptcy Court**, as an Article I court, lacks jurisdiction to adjudicate non-core matters involving private rights, as established by the **Stern v. Marshall** ruling.

The **Bankruptcy Act** was created under the emergency powers granted to the executive branch following the **Banking Holiday Proclamation of March 6, 1933**, which allowed the federal government to seize private property without just compensation. The petitioner asserts that these emergency powers, and the subsequent creation of Bankruptcy Courts as legislative courts under Article I, violate the petitioner's rights under the **Fourth** and **Fifth Amendments**.

The petitioner further asserts that the **National Emergencies Act** and the **National Defense Authorization Act** (NDAA) have allowed the government to continue exercising unconstitutional control over private property, including the securities held in trust for the petitioner. The petitioner seeks relief from these unconstitutional acts and asserts their right to access the judicial branch of government for the adjudication of private rights.

PRESIDENTIAL PROCLAMATION OF 1933 AND ITS EFFECT

The **Banking Holiday Proclamation of March 6, 1933**, also known as **Proclamation 2039**, granted extraordinary powers to the executive branch to seize private property, including gold and other assets, without just compensation. This proclamation was issued during the Great Depression as part of emergency measures to stabilize the banking system, but its effects have continued to infringe on the rights of individuals, including the petitioner.

The petitioner asserts that the continued application of these emergency powers, and the creation of Bankruptcy Courts as Article I legislative courts, violates the petitioner's constitutionally secured rights to access the judicial branch of government under **Article III**. The petitioner seeks relief from the effects of **Proclamation 2039** and asserts their right to access their property held in trust without interference from the government.

The petitioner further asserts that the **Senate Special Committee on the Termination of National Emergencies** found that over 470 provisions of law continue to grant extraordinary powers to the executive branch, bypassing constitutional protections and denying individuals their right to access the judicial branch. The petitioner seeks relief from the continued application of these unconstitutional laws and asserts their right to access the judicial branch for the adjudication of private rights.

SENATE SPECIAL COMMITTEE FINDINGS

The **Senate Special Committee on the Termination of National Emergencies** determined that over 470 provisions of law, enacted during times of national emergency, continue to grant extraordinary powers to the executive branch, infringing on the rights of individuals. These laws, including the **Banking**

Holiday Proclamation of 1933 and the **National Emergencies Act**, have allowed the government to seize private property and exercise control over individuals' financial affairs without due process of law.

The petitioner asserts that these emergency laws, and the creation of Bankruptcy Courts as legislative courts under Article I, violate the petitioner's constitutionally secured rights to access the judicial branch of government under **Article III**. The petitioner further asserts that the continued application of these laws denies the petitioner their right to access their property held in trust and to a trial by jury under the **Seventh Amendment**.

The **Stern v. Marshall** ruling reaffirms that non-Article III courts cannot adjudicate private rights claims, and the petitioner asserts that the current system, which places bankruptcy matters before Article I courts, violates this constitutional principle. The petitioner seeks relief from the continued application of these unconstitutional laws and asserts their right to access the judicial branch for the adjudication of private rights.

CONCLUSION AND PRAYER FOR RELIEF

WHEREFORE, the petitioner prays that this Honorable Court:

1. Declare that the **Bankruptcy Court** lacks jurisdiction over this private property rights matter and transfer jurisdiction of this case to the United States District Court for the Northern District of California.
2. Affirm the petitioner's right to a trial by jury under the **Seventh Amendment** and the **Stern v. Marshall** ruling.
3. Issue an order granting the petitioner access to their property, including all securities and assets held in trust.
4. Award compensatory damages for the deprivation of the petitioner's property and the denial of their constitutionally secured rights.
5. Provide such other relief as the Court deems just and proper.