SO ORDERED,

Judge Jamie A. Wilson
United States Bankruptcy Judge
Date Signed: June 25, 2026

The Order of the Court is set forth below. The docket reflects the date entered.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF MISSISSIPPI

IN RE:

EL DORADO GAS & OIL, INC., *et al.*,[1] **CASE NO. 23-51715-JAW**

DEBTORS. **CHAPTER 11**

ORDER DENYING EMERGENCY MOTION TO STAY SALE OF ESTATE PROPERTY AND FOR INJUNCTIVE RELIEF

This matter came before the Court on the Emergency Motion To Stay Sale of Estate Property and for Injunctive Relief (the "Extend Stay Motion") (EDGO Dkt. #1791)[2] filed by Thomas L. Swarek ("Swarek"), acting *pro se* (without representation by counsel);[3] the Notice Regarding Pending Rule 60(b)(3) Motion and Appellate Stay Request ("Swarek's Notice") (EDGO Dkt.

[1] Jointly administered with *In re Hugoton Operating Company, Inc.*, Case No. 23-51139-JAW; *In re Bluestone Natural Resources II – South Texas, LLC*, Case No. 24-50223-JAW; and *In re World Aircraft, Inc.* Case No. 24-50224-JAW.

[2] Citations to the record are as follows: citations to the above-referenced lead bankruptcy case are cited as "(EDGO Dkt. #);" citations to docket entries in *Hugoton Operating Company, LLC*, Case No. 23-51139-JAW are cited as "(Hugoton Dkt. #)"; citations to docket entries in *Bluestone Natural Resources II – South Texas, LLC*, Case No. 24-50223-JAW are cited as "(Bluestone Dkt. #)"; and citations to docket entries in all other matters are preceded by the docket number of the adversary proceeding, case, or appeal.

[3] Swarek has appeared *pro se* before this Court on many occasions. He has testified, examined witnesses, and argued his positions. The Court is concerned that some of the language contained in the pleadings filed by Swarek may have been generated by artificial intelligence ("AI"). For future reference, the Court cautions Swarek and other parties against using AI without verification and of the possibility of sanctions for filing unverified AI-generated pleadings. *See Ferris v. Amazon.com Servs., LLC*, 778 F. Supp. 3d 879, 881 (N.D. Miss. 2025) (holding that a *pro se* litigant has the same duties under Rule 11 of the Federal Rules of Civil Procedure as an attorney, including the duty "to conduct a reasonable inquiry into the facts or law before filing the lawsuit").

#1817) filed by Swarek;[4] Chapter 11 Trustee's Objection to Thomas L. Swarek's Emergency Motion To Stay Sale of Estate Property and for Injunctive Relief (the "Trustee's Objection") (EDGO Dkt. #1839) filed by Dawn M. Ragan (the "Trustee"), the duly appointed chapter 11 trustee for El Dorado Gas & Oil, Inc. ("El Dorado"), and Hugoton Operating Company, Inc. ("Hugoton"), and in that capacity, the independent manager of the debtor, Bluestone Natural Resources II – South Texas, LLC ("Bluestone"), and the independent director of the debtor World Aircraft, Inc. ("World Aircraft," and collectively with El Dorado, Hugoton, and Bluestone, the "Debtors"); and the Notice of District Court and Fifth Circuit Rulings Related to Pending Swarek Motions and Request to Deny Motions as Moot ("FSB's Notice") (EDGO Dkt. #1888) filed by First Service Bank ("FSB") in the above-referenced substantively consolidated bankruptcy cases.

After this matter was scheduled for a status conference, FSB asked the Court to rule on the Extend Stay Motion without requiring it or any other interested party to incur the expense of attending a hearing. (EDGO Dkt. #1888 at 3). That expense is not inconsequential. Some of the parties and their counsel reside two states away. The Court finds that the parties have been afforded reasonable notice and a full and fair opportunity to be heard on all of the issues presented in their filings. *See Boddie v. Connecticut*, 401 U.S. 371, 378 (1971) ("Due process does not . . . require that the defendant in every civil case actually have a hearing on the merits"). The Court is familiar with the properties in question and the Trustee's intent to liquidate them—matters that have been discussed throughout the pendency of El Dorado's bankruptcy case. After reviewing the Extend Stay Motion, Swarek's Notice, the Trustee's Objection, and FSB's Notice, the Court finds that a hearing would not be helpful or necessary. By issuing this Order before the scheduled hearing date, the Court grants FSB's request.

[4] Swarek's Notice does not request any relief but is included for completeness.

JURISDICTION

The Trustee has raised a jurisdictional issue. (EDGO Dkt. #1839 at 8). She contends that because the real property in question is directly owned by a non-debtor subsidiary and is not part of El Dorado's estate, the Court lacks jurisdiction to grant injunctive relief. (EDGO Dkt. #1839 at 8-9). The Trustee is correct that the bankruptcy estate consists only of El Dorado's ownership interest in the non-debtor subsidiary and not in the real property itself. The Court, however, construes Swarek's Extend Stay Motion as an attack on the Trustee's business judgment and her corporate control of El Dorado's interests that, if successful, could substantially interfere with the distribution of estate assets. *See Wood v. Wood (In re Wood)*, 825 F.2d 90, 93 (5th Cir. 1987) (holding that a dispute is "related to" a bankruptcy case if "the outcome of that proceeding could conceivably have any effect on the estate"). For that reason, the Court finds that it has related-to jurisdiction over Swarek's injunctive relief claim under 28 U.S.C. § 1334(b).

Moreover, this Court is authorized under 11 U.S.C. § 105 to issue "any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." The purpose of that statute is "to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction." 2 COLLIER ON BANKRUPTCY ¶ 105.01 (16th ed. 2026). Here, this Court has jurisdiction over all of the Debtors' assets and may grant a preliminary injunction staying actions that adversely impact their estates.

Next, the Trustee questions whether this Court has "constitutional authority to enter final orders in connection with injunctive relief." (EDGO Dkt. #1839 at 9). She does not elaborate, but the Court assumes that the basis for her challenge is *Stern v. Marshall*, 564 U.S. 462 (2011). The Court finds that the Extend Stay Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(G) because it involves a modification of the automatic stay and, therefore, that *Stern* does not apply.

In the alternative, the Court finds that all parties in interest have consented, impliedly if not explicitly, to adjudication of this dispute by this Court. *See Executive Benefits Ins. Agency v. Arkison*, 573 U.S. 25 (2014).

No party disputes that notice of the Extend Stay Motion was proper.

FACTS

The subject of the Extend Stay Motion is approximately 9,000 acres in the Mississippi Delta (the "Properties") owned by World Ag Investments, Inc. ("World Ag"), a non-debtor. The Properties have an estimated value of $77 million[5] (EDGO Dkt. #1791 at 3).

Swarek does not hold title to any of the Properties. His purported interest in the Properties arises solely by virtue of his 100% ownership of El Dorado. World Ag is El Dorado's wholly owned subsidiary.

Both FSB and Metropolitan Life Insurance Company ("MetLife") claim liens on the Properties. Through filings before this Court and in other forums, Swarek has disputed without success the validity and amount of FSB's liens. Despite these purported liens, there is no dispute that "significant equity exceed[s] any secured obligations" and that the equity would flow to El Dorado, as the owner of World Ag, after payment of World Ag's creditors. (EDGO Dkt. #1791 at 3).

FSB's liens arise from loans obtained by El Dorado from 2016 through 2023 and purportedly guaranteed by Swarek, World Ag, and/or other entities controlled by Swarek. (EDGO Dkt. #997 at 5). By far the largest loan was made on September 17, 2020 in the principal amount of $50 million (the "MS Loan") and was guaranteed by Hugoton, World Aircraft, and Swarek.[6] FSB al-

[5] This Court makes no finding as to the accuracy of the appraisal or the actual value of the Properties in this Order.
[6] The MS Loan was made under the Main Street Lending Program, established to support lending to small and medium-sized firms "that were in sound financial condition before the onset of the COVID-19 pandemic" but whose

most immediately sold 95% of the MS Loan to MS Facilities 2020, LLC ("MSF 2020") but retained sole authority to service and enforce the debt. By 2023, the MS Loan as well as all other loans from FSB to El Dorado became delinquent.

Bankruptcy Filings

From August 2023 through February 2024, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Hugoton, Bluestone, and World Aircraft are wholly owned subsidiaries of El Dorado. Their bankruptcy cases are being jointly administered under Case No. 23-51715-JAW, and their estates have been substantively consolidated. (EDGO Dkt. ##455-456, 1504-1507).

Hugoton filed its chapter 11 petition, Case No. 23-51139-JAW (the "Hugoton Case"), on August 14, 2023. Next, El Dorado filed its petition, Case No. 23-51715-JAW (the "El Dorado Case") on December 22, 2023. Subsequently, El Dorado and Hugoton conceded motions for the appointment of a chapter 11 trustee, and Dawn Ragan's appointment was approved by the Court on January 31, 2024. (Hugoton Dkt. ##193, 196; EDGO Dkt. ##193, 208).

Bluestone filed its chapter 11 petition, Case No. 24-50223-JAW (the "Bluestone Case") on February 22, 2024, as did World Aircraft, Case No. 24-50224-JAW (the "World Aircraft Case"). On May 22, 2024, the Court entered an agreed order authorizing the Trustee to serve as Bluestone's managing member and World Aircraft's independent director. (Bluestone Dkt. #156).

World Ag Order

World Ag, the owner of the Properties, has not filed bankruptcy and is not a debtor. The stay that arose under 11 U.S.C. § 362(a) automatically when El Dorado filed bankruptcy did not

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businesses suffered during the crisis. *See* Main Street Lending Program, www.federalreserve.gov/monetarypolicy/mainstreetlending.htm (last visited June 23. 2026); 12 U.S.C. § 343(3). MSF 2020 was formed as a special purpose vehicle to purchase 95% participations in eligible loans from private lenders, mainly commercial banks.

reach World Ag or its assets absent Court order. *Edge Petroleum Operating Co. v. GPR Holdings, LLC (In re TXNB Internal Case)*, 483 F.3d 292, 301 (5th Cir. 2007).

After Swarek allegedly caused a portion of the Properties to be sold for considerably less than its fair market value, FSB asked the Court to extend the automatic stay in the El Dorado Case to World Ag to prevent him from selling any more land.[7] (EDGO Dkt. #997 at 2-3, 10-12). Swarek opposed FSB's motion, arguing that he "was the owner and sole shareholder of World Ag" and that he alone controlled World Ag's farmland. (EDGO Dkt. #1084 at 1-2).

On February 4, 2025, the Court entered an order (the "World Ag Order") (EDGO Dkt. #1162), denying, without prejudice, FSB's request for an extension of the stay. After concluding that World Ag was a wholly owned subsidiary of El Dorado, the Court found that a stay to prevent Swarek from selling the Properties was unnecessary given the authority available to Dawn Ragan as El Dorado's chapter 11 trustee to handle World Ag's assets according to its organizational documents and applicable corporate governance law. The denial of FSB's motion was without prejudice, allowing any party in interest to seek the same relief "[i]f conditions should change." (EDGO Dkt. #1162 at 18).

Now that Swarek is no longer in control of World Ag, his request for injunctive relief in the present Extend Stay Motion is an about face. He now asks the Court for the same relief that FSB sought earlier but was denied. (EDGO Dkt. #1791 at 1).

Trustee's Efforts to Sell the Properties

After the entry of the World Ag Order, the Trustee spent significant time reviewing leases of the Properties, discussing arrearages and forbearance with World Ag's secured lender, MetLife,

[7] The Trustee did not adopt a position on FSB's motion to extend the stay. (EDGO Dkt. #1162 at 7).

and evaluating potential sales of the Properties to satisfy World Ag's debt obligations and pay the Debtors' creditors. (EDGO Dkt. #1839 at 2).

The Trustee sold a portion of the Properties in November 2025 outside of bankruptcy. (EDGO Dkt. #1839 at 3). The proceeds from that sale were applied to the MetLife loan, ad valorem taxes, and sale and closing expenses. (EDGO Dkt. #1629). The Trustee's attempt to sell the remaining tracts of land to generate surplus funds that would flow from World Ag back up to El Dorado after the payment of liens and encumbrances has stalled because of issues regarding title to some of the farmland. To resolve these issues, the Trustee, acting on behalf of El Dorado and World Ag, initiated an adversary proceeding.

Adversary

El Dorado and World Ag sued Bill D. Buffington ("Buffington") and his companies, Cottonwood Recreation Land, Inc. and GS Holdings, Inc. (collectively, the "Buffington Defendants"), alleging multiple causes of actions related to the ownership of, and possessory interests in, four tracts of the Properties (the "Farmland").[8] *See El Dorado Gas & Oil, Inc. v. Buffington*, Adv. Proc. 26-06007-JAW, Dkt. #1 (the "Adversary").

Buffington occupies some of the Farmland and refuses to leave. The Buffington Defendants maintain that they hold a life estate interest in the Farmland and/or own it by adverse possession arising from certain agreements they purportedly made with Swarek. (Adv. Proc. 26-06007-JAW, Dkt. ##17, 46).

The causes of action alleged in the Adversary against the Buffington Defendants include: (1) declaratory relief regarding property interests; (2) suit to quiet title under Mississippi law; (3) avoidance of property interests under 11 U.S.C. § 544(a)(3); (4) turnover of property under 11

[8] The four tracts consist of both farmland and hunting land but are referred to here only as "Farmland" for brevity.

U.S.C. § 542; and (5) damages arising from Buffington's failure to vacate the Farmland. The Buffington Defendants, in turn, assert counterclaims for adverse possession of the Farmland and for unjust enrichment for sums they allegedly expended repairing, maintaining, insuring, and expanding the Farmland. (Adv. Proc. 26-06007-JAW, Dkt. #17 at 14).

FSB filed its Complaint in Intervention (Adv. Proc. 26-06007-JAW, Dkt. #32), seeking the same declaratory judgment requested by El Dorado and World Ag—a finding that the Buffington Defendants do not own or hold any rights in the Farmland. In the alternative, FSB seeks a declaratory judgment that its deed of trust on the Farmland is superior to the claims alleged by the Buffington Defendants. (Adv. Proc. 26-06007-JAW, Dkt. #32 at 9).

The Buffington Defendants have not sought injunctive relief to prevent the sale of the Farmland pending resolution of the Adversary. Swarek, who does not own or occupy the Farmland and is not a named party in the Adversary, however, filed the following documents in the Adversary requesting a stay of any sale:

- Emergency Motion to Preserve Status Quo and Stay any Dispossession, Eviction, Foreclosure, Sale, Transfer, or Other Disposition of the Hunting Land;
- Notice of Pending June 12 Status Conference and Request for Interim Standstill Order Preserving Status Quo Until Hearing; and
- Supplemental Statement in Support of Emergency Motion to preserve Status Quo and in Support of Coordinated Rule 2004 Discovery.

(Adv. Proc. 26-06007-JAW, Dkt. ##34, 53, 54).

Pending Motion to Withdraw Reference—Adv. Proc. 26-06007-JAW

El Dorado and World Ag filed the Adversary in this Court consistent with Local Uniform Civil Rule 83.6, which automatically refers all bankruptcy cases and related adversary proceedings to the bankruptcy judges of the same District. *See* L.U. CIV. R. 83.6. On June 1, 2026, the Buffington Defendants filed a motion to withdraw the automatic reference of the Adversary (but not of the underlying bankruptcy cases), asserting as grounds that they are entitled to a jury trial and that this Court lacks the authority to adjudicate and render a final opinion pursuant to *Stern v. Marshall*, 564 U.S. 462, 503 (2011). (Adv. Proc. 26-06007-JAW, Dkt. #49). In accordance with the Federal Rules of Bankruptcy Procedure, the withdrawal motion and responses were transferred to the District Court for its consideration on June 22, 2026. *See El Dorado Gas & Oil, Inc. v. Buffington*, No. 1:26-cv-00176-HSO-BWR (S.D. Miss. June 22, 2026). Pending resolution by the District Court of the motion to withdraw, the Court has not set any matters in the Adversary for hearing.[9]

Extend Stay Motion—El Dorado Case

In the present Extend Stay Motion filed in the El Dorado Case, Swarek asks the Court to stay any sale, transfer, encumbrance, or disposition of the Properties associated with World Ag. (EDGO Dkt. #1791). Swarek alleges that a stay is necessary "to prevent the irreversible sale of high-value real property" and "the permanent loss of estate assets." According to Swarek, the Trustee is actively "evaluating, marketing, or preparing for further sales of [the Properties], and such activity may occur on short notice without further opportunity for meaningful objection." (EDGO Dkt. #1791 at 2). He acknowledges that the World Ag Order previously denied FSB's motion to extend the stay to the Properties but argues that circumstances have changed because of an "imminent risk that the [Trustee] may proceed with sale efforts." (EDGO Dkt. #1791 at 2).

Denial of Swarek's Emergency Motions To Block Trustee's Sales Filed in Other Forums

Acting on a global scale, Swarek filed emergency motions similar to the Extend Stay Motion in two guaranty actions filed in the U.S. District Court for the Southern District of Mississippi (the "District Court") and in an appeal to the Fifth Circuit Court of Appeals. These motions seek

[9] In addition to Swarek's motion to stay any sale of the Farmland, motions to dismiss the counterclaims for failure to state a claim are pending in the Adversary. (Adv. Proc. 26-06007-JAW, Dkt. ##33, 47).

the same ultimate relief—an injunction temporarily prohibiting the sale of the Properties. As discussed below, both the District Court and the Fifth Circuit have denied Swarek's motions.

Rule 60(b) Motion Filed in MSL Guaranty Action in District Court

The injunctive relief that Swarek requests from this Court, the District Court, and the Fifth Circuit relates to the motion he filed under Rule 60(b) of the Federal Rules of Civil Procedure ("Rule 60") in the District Court in *First Service Bank v. Thomas L. Swarek*, Case No. 1:24-cv-00020-TBM-RPM (the "MSL Guaranty Suit").[10] FSB initiated the MSL Guaranty Suit to enforce Swarek's guaranty of the MS Loan. Swarek failed to file a responsive pleading and an entry of default was entered on February 20, 2024. Swarek, acting *pro se*, moved to set aside the entry of the default, and FSB, in turn, moved for a default judgment. FSB then filed a separate motion for summary judgment on its $54,928,751.83 claim, which Swarek opposed. Swarek admitted that the Guaranty Agreement was an enforceable contract, that he had a duty to pay FSB as a guarantor, and that he violated that duty by his failure to pay but argued that FSB, as the owner of only 5% of the MS Loan, lacked standing to sue for the full amount of the debt and also that MSF 2020, the 95% owner, was an "essential missing party." (No. 1:24-cv-00020-TBM-RPM, Dkt. #45).

The District Court rejected Swarek's arguments. It found that FSB was both a lender and a servicing agent for MSF 2020 and was authorized to bring suit against Swarek for the full amount of the MS Loan. The District Court entered an order: (1) granting summary judgment in favor of FSB in the amount of $54,928,751.83 and (2) in the alternative, denying Swarek's motion to set aside the entry of default and granting FSB's motion for default judgment. (Case No. 1:24-cv-00020-TBM-RPM, Dkt. #45). A judgment against Swarek was entered the next day, July 13, 2024

[10] FSB also sued World Aircraft, but the District Court stayed the MSL Guaranty Suit against World Aircraft after it filed bankruptcy.

(the "Guaranty Judgment")[11] (Case No. 1:24-cv-00020-TBM-RPM, Dkt. #47).

Swarek asked the District Court to reconsider its order (Case No. 1:24-cv-00020-TBM-RPM, Dkt. #52) based on evidence that allegedly proved that El Dorado was entitled to eighteen months of forbearance and a restructuring of the MS Loan. On March 5, 2025, the District Court denied Swarek's motion to reconsider, concluding that Swarek should have presented the evidence earlier at the summary judgment stage of the proceedings and, regardless, the evidence failed to show that FSB was obligated to extend the MS Loan. (No. 1:24-cv-00020-TBM-RPM, Dkt. #64). On October 3, 2025, the District Court entered a separate order recognizing its prior Guaranty Judgment as final.[12] (Case No. 1:24-cv-00020-TBM-RPM, Dkt. #69); *see* FED. R. CIV. P. 54(b).

On April 13, 2026, Swarek filed a second motion for relief under Rule 60(b) (the "Rule 60(b) Motion") (Case No. 1:24-cv-00020-TBM-RPM, Dkt. #79) and later a separate motion seeking an "expedited indicative ruling." (Case No. 1:24-cv-00020-TBM-RPM, Dkt. #82). This Rule 60(b) Motion is the focus of the Extend Stay Motion.

Swarek asserted in the Rule 60(b) Motion that FSB misrepresented the loan closing date; concealed or failed to disclose the true funding structure of the MS Loan; pursued judgment against him while the true 95% owner of the debt, MSF 2020, was not joined as a party to the lawsuit; submitted an affidavit that contained hearsay, speculation or lacked foundation; and failed to notify him of "viable cure and repayment pathways." (Case No. 1:24-cv-00020-TBM-RPM, Dkt. #79). Many of these allegations are similar to the statements made by Swarek in a previous adversary. (Adv. Proc. 25-06007-JAW).

[11] At this point, the Guaranty Judgment was not final because FSB's claims against World Aircraft—although stayed—remained pending.

[12] The District Court entered the order after FSB dismissed its claim against World Aircraft without prejudice.

In the Extend Stay Motion, Swarek seeks an order staying all proceedings or otherwise preserving the status quo pending the District Court's resolution of that Rule 60(b) motion. This relief is similar to the relief he requested in the emergency motions filed in the District Court and in the Fifth Circuit—all of which have been denied. His stay motions are not clearly written but appear to assert similar, if not identical, grounds. He alleges "fraud and misrepresentation," "concealment of material evidence," "improper reliance on testimony later contradicted," and "lack of authority of key entities" and contends that the "[j]urisdiction and enforceability of the underlying judgment are in serious dispute."

After the filing of the Extend Stay Motion, the District Court issued an order on June 8, 2026 denying Swarek's Rule 60(b) motion as "yet another example of his recent pattern of frivolous filings." (Case No. 1:24-cv-00020-TBM-RPM, Dkt. #88). This ruling removes the reason alleged by Swarek for granting injunctive relief.

The allegations about FSB and MSF 2020 are familiar to this Court. Previously, Swarek, who was represented by counsel at that time, filed an Objection to Claim of First Service Bank (EDGO Dkt. #1219), alleging lender-liability claims against El Dorado related to the MSL Loan. Swarek later voluntarily withdrew that objection. (EDGO Dkt. #1229). Also while represented by counsel, Swarek initiated an adversary proceeding titled *Thomas L. Swarek, Individually and Derivatively on Behalf of El Dorado Gas & Oil, Inc. v. MS Facilities 2020, LLC*, alleging similar lender-liability claims against MSF 2020. (Adv. Proc. 25-06007-JAW, Dkt. #1). Because these claims belonged to El Dorado and were under the Trustee's control, Swarek lacked standing, and the Court subsequently dismissed the adversary. (Adv. Proc. 25-06007-JAW, Dkt. #31).

Swarek's Appeal of Guaranty Judgment

Swarek filed the Rule 60 Motion in the MSL Guaranty Action even though he had already appealed the Guaranty Judgment to the Fifth Circuit Court of Appeals (No. 25-60618) on November 3, 2025. After several extensions of the deadline, Swarek filed "a limited protective opening brief" asking the Fifth Circuit to defer "full merits briefing" pending resolution of his Rule 60(b) Motion. (No. 25-60618, Dkt. #27). His brief nevertheless included allegations that FSB had "misrepresented or concealed material facts concerning the loan funding date, participation structure, creditor identity, enforcement authority, and the status of MS Facilities LLC." (No. 26-60618, Dkt. #27 at 3). He also filed a Motion to Hold Briefing in Abeyance (No. 25-60618, Dkt. #28), which the Fifth Circuit denied as moot on April 14, 2026. (No. 25-60618, Dkt. #33).

On April 23, 2026, Swarek filed a second Emergency Motion for Stay Pending Appeal (No. 25-60618, Dkt. #35), asking the Fifth Circuit to stay execution of the Guaranty Judgment and "enjoin any foreclosure, auction, transfer, or sale of farmland and related assets associated with World Ag," which the Fifth Circuit again denied on May 19, 2026. (No. 25-60618, Dkt. #48).

FSB moved the Fifth Circuit to strike Swarek's "limited protective opening" brief, deem all merits challenges to the Guaranty Judgment abandoned, and affirm the District Court. (No. 26-60618, Dkt. #49). In response, Swarek sought permission to file a corrected brief. (No. 26-60618, Dkt. #51). FSB moved the Fifth Circuit to suspend briefing pending resolution of its motion to strike (No. 26-60618, Dkt. #57), which the Fifth Circuit granted. (No. 26-60618, Dkt. #67). Shortly thereafter, on June 15, 2026, the Fifth Circuit denied FSB's motion to strike and granted Swarek's request to file a corrected brief setting a deadline of July 15, 2026. (No. 26-60618, Dkt. #71).

Non-MSL Guaranty Action Filed in District Court

On August 28, 2024, FSB filed a second guaranty lawsuit titled *First Service Bank v. World Ag Investment Inc., Thomas L. Swarek, Sunnyside Well Service Inc., and Bill D. Buffington*, Case No. 1:24-cv-00262-TBM-RPM (the "Non-MSL Guaranty Action"). The lawsuit relates to eight loans, not including the $50 million MS Loan, totaling more than $13 million made by FSB to Swarek or World Ag and guaranteed by Swarek and/or World Ag. (No. 1:24-cv-00262-TBM-RPM, Dkt. #60). In a separate declaratory judgment claim, FSB asked the District Court to enter an order finding that the Buffington Defendants do not own or hold any legal or equitable rights or interest in the Farmland. This claim involved the Trustee in her role as the independent director[13] of World Ag. FSB later agreed to dismiss the claim against World Ag and the Buffington Defendants without prejudice. (No. 1:24-cv-00262-TBM-RPM, Dkt. #67).

The Non-MSL Guaranty Action moved forward on FSB's claims against Swarek. FSB moved for a partial summary judgment against Swarek as a borrower on one loan and the guarantor of six other loans. (No. 1:24-cv-00262-TBM-RPM, Dkt. #68). The summary judgment proceedings are currently in the briefing stage. No final judgment has been entered.

On April 13, 2026, Swarek filed a Motion to Stay Sale of Farmland and Related Proceedings, seeking an emergency stay of any "foreclosure, action, or sale of World Ag farmland and related assets." (No. 1:24-cv-00262-TBM-RPM, Dkt. #83). According to Swarek, such relief was warranted because his Rule 60(b) motion was pending in the MSL Guaranty Suit. The District Court denied the motion on May 5, 2026. At that time, the District Court had not yet denied the Rule 60(b) Motion in the MSL Guaranty Suit. The District Court's reasoning for denying the stay motion in the Non-MSL Guaranty Suit is instructive:

[13] Shortly after the Court determined that World Ag is a wholly owned subsidiary of El Dorado, the Trustee was appointed the independent director of World Ag. (EDGO Dkt. #1839 at 2).

> Despite styling his Motion as an "emergency," Swarek fails to show why such emergent relief is warranted. Indeed, Swarek does not provide any current notice of sale, auction, or foreclosure in support of his Motion—and World AG Investment Inc., was dismissed from this action on November 18, 2025. Instead, Swarek's Motion focuses on a pending Rule 60(b) motion in a different action before this Court. Apart from being conclusory, the issues raised by Swarek in his Motion have no bearing on the parties or issues before the Court in this action. As a result, Swarek's Emergency Motion to stay the sale of farmland and related proceedings is denied.

(No. 1:24-cv-00262-TBM-RPM, Dkt. #95).

World Ag Suit Filed in District Court

The claims against World Ag and the Buffington Defendants that had been dismissed from the Non-MSL Guaranty Action were assigned a new civil action number, *First Service Bank v. World AG Investment Inc*., Case No. 1:25-cv-00344-TBM-RPM (the "World Ag Suit"). By agreement of all parties, the District Court entered an order administratively closing the World Ag Suit on December 1, 2025. (No. 1:25-cv-00344-TBM-RPM, Dkt. #68). Swarek then filed the Emergency Motion to Preserve Status Quo Pending Appeal and Related Proceedings, which the District Court denied as frivolous in a text order dated May 6, 2026. (No. 1:25-cv-00344-TBM-RPM, Dkt. #69). The District Court noted that Swarek was not a party to that lawsuit, and even if he were a party, the motion failed to meet the elements necessary for injunctive relief.

DISCUSSION

To stop the sale of the Properties, Swarek seeks to extend the automatic stay that applies to El Dorado to the Properties owned by El Dorado's non-debtor subsidiary, World Ag. For the reasons discussed below, Swarek has failed to meet his burden of proof.

In her role as the independent director of World Ag, the Trustee is properly attempting to sell the Properties, but as a practical matter she is unlikely to sell the Properties until the Buffington Defendants' interests are fully and finally determined in the Adversary. The Properties are not being sold in El Dorado's bankruptcy case because they are not property of El Dorado's bankruptcy estate.[14] Swarek has not identified any scheduled foreclosure, auction, or sale of these assets. He nevertheless insists that a sale is imminent and a stay is necessary "to prevent irreversible changes in possession and disposition of unique real property." Like the District Court, this Court finds that no "emergent relief" is warranted.

A. The Extend Stay Motion is not procedurally improper.

The Trustee contends that Rule 7001(g) of the Federal Rules of Bankruptcy Procedure ("Rule 7001(g)") required Swarek to seek injunctive relief in an adversary proceeding, rather than by motion. FED. R. BANKR. P. 7001(g) ("The following are adversary proceedings . . . a proceeding to obtain an injunction or other equitable relief."). The Court agrees that extending the scope of the stay imposed by 11 U.S.C. § 362 to a non-debtor falls within the meaning of Rule 7001(g) and generally would require the initiation of an adversary proceeding. Here, however, the injunctive relief targets the Trustee's management and corporate control of World Ag and her efforts to marshal assets of World Ag for the benefit of El Dorado's estate. Matters involving the Trustee's performance of her fiduciary obligations are often brought in the form of a motion. It is thus not clear that by requesting injunctive relief in the form of a motion, Swarek committed a procedural error. Assuming he did, the error would not in itself preclude the Court from considering the Extend Stay Motion but would only require the Court to assess the impact of Swarek's failure to initiate an adversary proceeding on the Trustee's rights. *In re Tommy's Fort Worth, LLC*, 671 B.R. 712, 732 (Bankr. N.D. Tex. 2025). The Trustee has not alleged that she was unfairly denied any specific procedural protection afforded by Part VII of the Federal Rules of Bankruptcy Procedure and has

[14] Again, World Ag is a wholly owned subsidiary of El Dorado. El Dorado's bankruptcy estate owns 100% of the shares of World Ag. The Trustee, as El Dorado's chapter 11 trustee, controls the corporate stock and can administer World Ag's assets and otherwise run it consistent with its organizational documents and applicable corporate governance law. (EDGO Dkt. #1839 at 2). El Dorado and World Ag, however, are separate corporate entities, and El Dorado does not hold legal title to the Properties. *Sun Towers, Inc. v. Heckler*, 725 F.2d 315, 331 (5th Cir. 1984) ("[T]itle to corporate property is vested in the corporation and not in the owners of the corporate stock.").

made no attempt to invoke any specific Rule 7001 right. Accordingly, the Court finds that Swarek's failure to follow proper procedure is not sufficient reason alone to deny the Extend Stay Motion and considers the merits of Swarek's request for injunctive relief.

B. The Extend Stay Motion Is Moot.

Swarek asks the Court to enjoin the Trustee from selling the Properties "until the Court and related tribunals can fully adjudicate the rights of the parties." (EDGO Dkt. #1791 at 5). The Extend Stay Motion identifies the Rule 60(b) Motion filed in the MSL Guaranty Suit, but the District Court has recently denied Swarek any relief from the Guaranty Judgment. Likewise, the Fifth Circuit has denied his request for a stay pending the appeal. Accordingly, Swarek's request for injunctive relief, to the extent he seeks a temporary stay pending resolution of the Rule 60(b) Motion, is now moot. "It is axiomatic that a request for injunctive relief remains live only so long as there is some present harm left to enjoin. This is a corollary of the more general rule that a case is moot when it no longer presents a live controversy with respect to which the court can give meaningful relief." *McClelland v. Gronwaldt*, 155 F.3d 507, 514 (5th Cir. 1998) (internal quotations omitted), *overruled on other grounds by Arana v. Ochsner Health Plan*, 338 F.3d 433, 440 & n.11 (5th Cir. 2003). Even if the Extend Stay Motion was not moot, it fails on the merits.

C. The Extend Stay Motion does not demonstrate grounds for injunctive relief.

By its terms, the automatic stay imposed under 11 U.S.C. § 362 applies only to debtors and, therefore, "is rarely . . . a valid basis on which to stay actions against non-debtors." *Arnold v. Garlock, Inc.*, 278 F.3d 426, 436 (5th Cir. 2001). Extension of the stay to World Ag would require this Court to exercise its equitable powers contained in 11 U.S.C. § 105(a). A stay under that section is granted only if the traditional factors for a preliminary injunction are met. *See Feld v. Zale Corp. (In re Zale)*, 62 F.3d 746, 765 (5th Cir. 1995). Those factors are:

> (1) a substantial likelihood of success on the merits; (2) a substantial threat of irreparable injury if the injunction is not issued; (3) that the threatened injury if the injunction is denied outweighs any harm that will result if the injunction is granted; and (4) that the grant of an injunction will not disserve the public interest.

Janvey v. Alguire, 647 F.3d 585, 595 (5th Cir. 2011) (quotation omitted). As the party seeking an injunction, Swarek carries the burden of proof. *Miss. Power & Light Co. v. United Gas Pipe Line Co.*, 760 F.2d 618, 621 (5th Cir. 1985). His failure to meet any of the elements is fatal. *Enter. Int'l v. Corporacion Estatal Petrolera Ecuatoriana*, 762 F.2d 464, 472 (5th Cir. 1985).

1. Swarek has not shown a substantial likelihood of success on the merits.

Likelihood of success exists if the party seeking injunctive relief establishes "a prima facie case." *Janvey*, 647 F.3d at 595-96. Although the party "need not show that he is certain to win," evidence that he has a "better than negligible" chance of succeeding is generally not enough to satisfy the "likelihood" bar. *Id.* at 596 (quotation omitted); *Tex. Democratic Party v. Abbott*, 961 F.3d 389, 397 (5th Cir. 2020). The Fifth Circuit has cautioned that "it is inequitable to temporarily enjoin a party from undertaking activity which he has a clear right to pursue." *Texas v. Seatrain Int'l, S.A.*, 518 F.2d 175, 180 (5th Cir. 1975).

Swarek does not clarify whose likely success would satisfy this element. Without elaboration, Swarek asserts that he has raised substantial and non-frivolous issues regarding: (1) "Asset ownership structure"; (2) "Litigation conduct"; and (3) "Procedural integrity." (EDGO Dkt. #1791 ¶ 26). The "Asset ownership structure" issue appears to be an attack on any potential sale of the Properties by the Trustee as the independent director of World Ag, but no sale is imminent and Swarek does not own the Properties. Further, the Court has already determined the amount of FSB's prepetition claim with respect to the MS Loan in the Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral; and (II) Granting Liens and

Super Priority Administrative Expenses Claim; (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief (the "DIP Financing Order") (EDGO Dkt. #463 at 7).

The "Litigation conduct" and "Procedural integrity" issues appear to relate to the Rule 60(b) Motion, but the District Court has already denied that relief and the DIP Financing Order released FSB and MSF 2020 from any existing claims. (EDGO Dkt. #463 at 12-13).[15]

The only other pending matter is the appeal of the Guaranty Judgment. Swarek's success in that appeal, however, will not eliminate the debt owed by El Dorado to FSB on the unpaid loans or otherwise affect World Ag. Swarek has failed to carry his burden on this element.

2. Swarek has not alleged any irreparable injury.

The issuance of a preliminary injunction requires "irreparable injury for which there is no adequate remedy at law." *Sanchez v. Ameriquest Mortg. Co. (In re Sanchez)*, 372 B.R. 289, 319 (Bankr. S.D. Tex. 2007) (citation omitted). Money damages are an example of an "adequate remedy at law." *Janvey*, 647 F.3d at 600. "[A]bsent special circumstances, the sale of commercial property does not create an irreparable harm, since any harm due to the sale of the property or interference with the business can be remedied without monetary damages." *Javino v. Pergament*, No. 13-CV-1951, 2013 WL 1952639, at *1 (E.D.N.Y. May 10, 2013).

Swarek alleges that the sale of the Properties would result in irreparable harm because of (1) "[u]ndervaluation" of the Properties; (2) "[l]oss of restructuring opportunities"; (3) "[d]estruction of going-concern value"; and (4) loss of "any meaningful ability to challenge the disposition

[15] *See* Order Granting MS Facilities 2020, LLC's Motion to Dismiss, *Thomas L. Swarek, Interested Party, Individually and Derivatively on Behalf of El Dorado Gas & Oil, Inc. v. MS Facilities 2020, LLC,* Case No. 25-06007-JAW, Dkt. #31 at 21 (Bankr. S.D. Miss. Aug. 4, 2025) ("Although the release names 'MS Facilities, LLC,' it describes that entity as a 'participating Prepetition Lender and entity formed in connection with the implementation of the Main Street Lending Program.' That description can only refer to MSF 2020. At bottom, there is no doubt the Trustee's intent was to release FSB and MSF 2020 as lenders.").

of these assets." (EDGO Dkt. #1791 ¶¶ 17, 19, 22). The alleged harm appears to be an attack against the Trustee's exercise of her business judgment. More importantly, Swarek does not explain how denying an injunction will harm him *personally*. He asserts a "loss of assets," but the Properties are not owned by him.

Swarek also alleges that a sale before resolution of "[m]ultiple unresolved legal issues… involving related loan enforcement and foreclosure, misrepresentation and incomplete disclosures" risks "[i]mproper asset disposition" and "[i]nconsistent judicial outcomes." (EDGO Dkt. #1791 ¶¶ 20-21). A liquidation, according to Swarek, will render the "ongoing appellate and post-judgment review" proceedings "ineffectual." (EDGO Dkt. #1791 ¶ 22). Again, Swarek does not explain why resolution of the appeal of the MSL Guaranty Action will impact the sale of the Properties. Regardless of his personal liabilities on the guaranty, El Dorado owes FSB and that debt will not go away even if Swarek prevails in his appeal. The District Court denied Swarek's motion in the Non-MSL Guaranty Action for this reason.

3. Swarek has not shown how granting an injunction outweighs damage to the Trustee and estate.

In determining whether to grant an injunction, the Court "must balance the competing claims of injury and must consider the effect on each party of the granting or withholding of the requested [injunction]." *Novedea Sys., Inc. v. Colaberry, Inc.*, No. 6:20-cv-00180, 2021 WL 1418982, at *3 (E.D. Tex. Mar. 4, 2021) (citations omitted). Even if Swarek has shown that he will suffer some injury, that harm does not outweigh the substantial injury to the Debtors' estate if the stay is extended. Swarek's continued interference delays the Trustee's efforts to liquidate the Properties owned by El Dorado's wholly owned subsidiary, World Ag, with the goal of an ultimate benefit to the Debtors' estates. Swarek has not met his burden of proof on this element.

4. Swarek has not shown how granting an injunction serves the public's interest.

A party seeking an injunction must show that granting one serves the public's interest. *Planned Parenthood of Greater Tex. v. Kauffman*, 981 F.3d 347, 353 (5th Cir. 2020) ("Applicants must show . . . the grant of an injunction will not disserve the public interest."). Swarek does not address this element. The public policy in bankruptcy is to have an orderly administration of the debtor's assets and satisfy valid claims against the estate. *In re OGA Charters, LLC*, 554 B.R. 415, 426 (Bankr. S.D. Tex. 2016). Selling the Properties serves the public policy of efficient and orderly administration of the estate. Swarek's Extend Stay Motion is an attempt to obstruct, frustrate, and interfere with the Trustee's efforts to collect assets for the benefit of the Debtors' creditors.

CONCLUSION

For the above reasons, the Court finds that Swarek's Extend Stay Motion should be denied. The Court has considered all arguments; those not specifically addressed would not change the outcome.

IT IS, THEREFORE, ORDERED that the Extend Stay Motion is denied.

IT IS FURTHER ORDERED that the Trustee's Objection is sustained.

IT IS FURTHER ORDERED that the hearing set on these matters for Wednesday, July 15, 2026 (EDGO Dkt. #1883) is **CANCELLED**.

##END OF ORDER##