So Ordered.

Signed this 20 day of August, 2026.

Patrick G. Radel
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

JOSEPH EDWARD HYSON, JR.,

Debtor.

Chapter 13
Case No. 23-10219-1-pgr

APPEARANCES:

JOSEPH EDWARD HYSON, JR.	*PRO SE*
CHAPTER 13 STANDING TRUSTEE 7 SOUTHWOODS BOULEVARD ALBANY, NY 12211	ANDREA E. CELLI, TRUSTEE
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DECISION AND ORDER GRANTING DEBTOR'S MOTION FOR TURNOVER AND PRESERVATION OF EVIDENCE AND DENYING ALL OTHER REQUESTED RELIEF

1. On March 8, 2023, Joseph Edward Hyson, Jr. ("Hyson") filed for relief under Chapter 13 of the United States Bankruptcy Code. (Docket No. 1).
2. On May 27, 2025, Hyson's Chapter 13 Plan was confirmed. (Docket No. 124).
3. On July 11, 2024, Hyson had an encounter[1] with the City of Troy Police Department ("Troy PD") that resulted in his 2019 Chevrolet Silverado ("Vehicle") being impounded by Phil's Automotive and Towing ("Phil's Towing"). (Docket No. 157). The Vehicle remains in the possession of Phil's Towing.
4. Following this incident, Hyson states that Progressive Insurance Company ("Progressive") filed a report with the New York State Department of Motor Vehicles ("DMV") advising that Hyson might be medically unfit to drive. (Docket No. 155). The DMV suspended Hyson's driver's license effective March 5, 2025. (Docket No. 165). His license remains suspended.
5. On March 5, 2026, Hyson filed a Motion for Preservation of Evidence and Release of Property ("Preservation Motion"). (Docket No. 136). In this motion, Debtor asks the Court to enjoin and restrain Phil's Towing from repairing,

[1] The police report indicates that Hyson was asleep behind the wheel of his Vehicle and, upon waking, hit another vehicle with his car. Hyson disputes these facts.

destroying, selling, or disposing of the Vehicle; direct that the Vehicle be turned over to him; and authorize him to inspect and extract data from the Vehicle.

6. The Court held a hearing on the Preservation Motion on May 7, 2026, and on July 16, 2026.

7. After the July 16, 2026 hearing, the Court adjourned the Preservation Motion to August 18, 2026, and issued an Order to Show Cause directing that Phil's Towing, the Troy PD, and Broadview Federal Credit Union appear on August 18, 2026 and show cause why the Vehicle should not be turned over to Hyson. (Docket No. 148).

8. On July 27, 2026, Hyson filed an emergency motion (Docket No. 155), on shortened notice (Docket No. 159), seeking enforcement of the automatic stay, the return of the Vehicle and his driver's license, a temporary restraining order and preliminary injunction enjoining Progressive, the DMV, Phil's Towing, and the Troy PD, among others, from taking further steps to interfere with his driver's license and/or from withholding, transferring, or disposing of his vehicle, sanctions for willful violations of the stay, sanctions for due process violations under 18 U.S.C. § 242, and an order compelling discovery ("Motion to Enforce").

9. Responses to the motions were filed by the DMV (Docket No. 165), County of Albany (Docket No. 164), and Phil's Towing (Docket No. 162).

10. The Court held a hearing to consider the Preservation Motion, the Order to Show Cause, and the Motion to Enforce on August 18, 2026. At that hearing,

Andrea Celli, Standing Chapter 13 Trustee, appeared on her own behalf; Peter Pastore, Esq. appeared on behalf of the County of Albany; Martin Mooney, Esq. appeared on behalf of the DMV; and Sandra Demars, Esq. appeared on behalf of Phil's Towing.

11. The Court reserved decision on the motions.

Motion to Enforce Stay (Docket No. 155)

12. Hyson argues that the impoundment of his vehicle and the suspension of his license violate the automatic stay of § 362 of the Bankruptcy Code.

13. While § 362 does stay all entities from exercising control over property of the estate, § 362(b)(4) provides an exception to the stay for "the commencement or continuation of an action or proceeding by a governmental unit … to enforce such governmental unit's … police and regulatory power…." This is known as the "police power exception" to the automatic stay. *In re Pollock*, 402 B.R. 534, 536 (Bankr. N.D.N.Y. 2009).

14. "In applying the police powers exception of § 362(b)(4), courts look to the purposes of the law that the government seeks to enforce, distinguishing between situations where the 'state acts pursuant to its "police and regulatory power," and where the state acts purely to protect its status as a creditor.'" *Id.*

15. "Proceedings that effectuate public policy are excepted from the automatic stay by virtue of § 362(b)(4). Proceedings that only advance governmental fiscal interests or adjudicate private rights are not." *In re Go W. Ent., Inc.*, 387 B.R. 435, 439 (Bankr. S.D.N.Y. 2008).

16. In this case, there can be no doubt that the Troy PD, Phil's Towing,[2] and the DMV were acting within their police powers to effectuate public policy and are not seeking to collect a debt from Hyson. Rather, the Troy PD arrested Hyson for falling asleep while operating his vehicle and the impoundment of his Vehicle and suspension of his driver's license were consequences of that action.
17. Phil's Towing's continued possession of Hyson's Vehicle does not violate the stay. *City of Chicago, Illinois v. Fulton*, 592 U.S. 154, 158, 141 S. Ct. 585, 590, 208 L. Ed. 2d 384 (2021) ("[M]erely retaining possession of estate property does not violate the automatic stay.").
18. Progressive's reporting of Hyson's vehicle accident to the DMV is also not a violation of the stay because it does not involve the collection of a prepetition debt nor the exercise of control over property of the estate. *See* 11 U.S.C. § 362(a).
19. As such, there is no violation of the stay as these actions fall within the police powers exception to the automatic stay.
20. This Court is mindful that Hyson disputes several keys facts, notes that the underlying charges were dismissed, and challenges the legitimacy of the opposing parties' conduct.
21. However, this Court is not required to determine whether the exercise of the police or regulatory power is legitimate before applying § 362(b)(4). *In re Hicks*, 582 B.R. 6, 12 (Bankr. N.D. Ill. 2018).

[2] Phil's Towing was acting as an agent of the Troy PD when it impounded the Vehicle at the Department's direction. *In re Edison Mission Energy*, No. 12-49219, 2013 WL 6504710, at *4 (Bankr. N.D. Ill. Dec. 11, 2013).

22. Similarly, having found that the actions taken by the DMV, Phil's Towing, the Troy PD, and Progressive to not have violated the stay, the Court denies Hyson's request for a temporary restraining order and preliminary injunction.

23. The Court denies Hyson's request for a determination of a violation of due process under 18 U.S.C. § 242 as this Court does not have jurisdiction to hear and determine such actions. 28 U.S.C. § 157; *Halpern v. Kuskin*, No. MC 18-00101-MAM, 2019 WL 311011, at *3 (Bankr. S.D. Fla. Jan. 18, 2019) ("A bankruptcy court may … only hear and determine select matters arising in, arising under, or related to a proceeding under title 11 of the United States Code.").

24. As to Hyson's remaining requests regarding his non-bankruptcy claims, including discovery issues, the noticing requirements of the DMV, and the medical evaluations needed for obtaining his license, the Court denies these requests as falling outside the scope of its jurisdiction. *Id.*

25. Although Phil's Towing does not violate the stay by maintaining possession of the Vehicle, the Vehicle is property of the estate and, as such, Phil's Towing is subject to the turnover provisions of § 542 or § 543.

26. However, prior to being required to turnover the Vehicle, Phil's Towing is entitled to reasonable compensation for services rendered on behalf of the Troy PD. N.Y. Lien Law § 184 (McKinney); *see also In re Ingram*, 508 B.R. 98, 103 (Bankr. E.D. Wis. 2014).

27. Thus, Phil's Towing is hereby directed to turnover the Vehicle to Hyson upon payment to Phil's Towing of the charges and fees that it is entitled to under New York State law or other agreement.

28. As the Court has found that no violation of the stay has occurred, the Court denies Hyson's request for sanctions under § 362.

Order to Show Cause (Docket No. 148)

29. Having found that turnover of the Vehicle is proper, pending the payment of Phil's Towing's permissible fees, the Court hereby closes the Order to Show Cause.

Motion for Preservation of evidence (Docket No. 136)

30. As to Hyson's request for preservation of the Vehicle as evidence. The Vehicle remains property of the estate and shall not be destroyed, transferred, sold, or otherwise disposed of without permission of this Court.

31. Thus, Hyson's request that the Vehicle be preserved is granted, subject to Phil's Towing's right to make a motion to vacate the automatic stay.

32. Hyson's request that he (and/or his agent) be permitted to inspect the Vehicle to retrieve items of personal property and/or obtain data/evidence he believes are relevant to his claims is granted, with such inspection to be arranged on reasonable terms to be agreed upon by the parties, with this Court retaining jurisdiction in the event of a dispute.

Conclusion

33. Hyson's Motion to Enforce is (Docket No. 155) is DENIED as stated herein.

34. Hyson's Preservation Motion is GRANTED (Docket No. 136) as stated herein.

35. The Court's Order to Show Cause (Docket No. 148) is closed.

36. Any other relief requested by Hyson in the aforementioned motions and not specifically addressed by this Memorandum Decision and Order is also DENIED.

37. The Clerk is requested to mail a copy of this Memorandum Decision and Order to Hyson.

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