

UNITED STATES BANKRUPTCY COURT
Eastern District of California
Honorable Jennifer E. Niemann
Hearing Date: Wednesday, January 26, 2022
Place: Department A - Courtroom #11
Fresno, California

Beginning the week of June 28, 2021, and in accordance with District Court General Order No. 631, the court resumed in-person courtroom proceedings in Fresno. Parties to a case may still appear by telephone, provided they comply with the court's telephonic appearance procedures, which can be found on the court's website.

INSTRUCTIONS FOR PRE-HEARING DISPOSITIONS

Each matter on this calendar will have one of three possible designations: No Ruling, Tentative Ruling, or Final Ruling. These instructions apply to those designations.

No Ruling: All parties will need to appear at the hearing unless otherwise ordered.

Tentative Ruling: If a matter has been designated as a tentative ruling it will be called, and all parties will need to appear at the hearing unless otherwise ordered. The court may continue the hearing on the matter, set a briefing schedule or enter other orders appropriate for efficient and proper resolution of the matter. The original moving or objecting party shall give notice of the continued hearing date and the deadlines. The minutes of the hearing will be the court's findings and conclusions.

Final Ruling: Unless otherwise ordered, there will be no hearing on these matters. The final disposition of the matter is set forth in the ruling and it will appear in the minutes. The final ruling may or may not finally adjudicate the matter. If it is finally adjudicated, the minutes constitute the court's findings and conclusions.

Orders: Unless the court specifies in the tentative or final ruling that it will issue an order, the prevailing party shall lodge an order within 14 days of the final hearing on the matter.

THE COURT ENDEAVORS TO PUBLISH ITS RULINGS AS SOON AS POSSIBLE. HOWEVER, CALENDAR PREPARATION IS ONGOING AND THESE RULINGS MAY BE REVISED OR UPDATED AT ANY TIME PRIOR TO 4:00 P.M. THE DAY BEFORE THE SCHEDULED HEARINGS. PLEASE CHECK AT THAT TIME FOR POSSIBLE UPDATES.

1. [20-10010](#)-A-11 **IN RE: EDUARDO/AMALIA GARCIA**
[GAG-5](#)

CONTINUED STATUS CONFERENCE RE: OBJECTION TO CLAIM OF NINO GLOBAL, LLC,
CLAIM NUMBER 13 AND/OR OBJECTION TO CLAIM OF NINO GLOBAL, LLC,
CLAIM NUMBER 14, OBJECTION TO CLAIM OF PLATINUM FARMS SERVICES, LLC,
CLAIM NUMBER 16, OBJECTION TO CLAIM OF NINO GLOBAL, LLC, CLAIM NUMBER 17
5-24-2021 [[593](#)]

AMALIA GARCIA/MV
LEONARD WELSH/ATTY. FOR DBT.
RESPONSIVE PLEADING

NO RULING.

On December 20, 2021, special counsel for debtors and debtors in possession Eduardo Zavala Garcia and Amalia Perez Garcia (collectively, "DIP") filed a supplemental brief asserting that GIV Holdings, LLC and GIV Ranches, LLC cannot participate in these objections to claims because GIV Holdings, LLC is a dissolved California corporation and GIV Ranches, LLC is a suspended corporation. Doc. #862. While that brief was not served on either GIV Holdings, LLC or GIV Ranches, LLC, the court is unclear as to the relevance of the corporate status of either GIV Holdings, LLC or GIV Ranches, LLC on the pending objections to claim since none of the pending proofs of claim to which DIP object were filed by either GIV Holdings, LLC or GIV Ranches, LLC. Claim numbers 13, 14 and 17 were filed by Nino Global, LLC, and claim number 16 was filed by Platinum Farm Services, LLC. Special counsel for DIP should be prepared to address this issue at the status conference.

2. [21-11814](#)-A-11 **IN RE: MARK FORREST**
[CAE-1](#)

CONTINUED STATUS CONFERENCE RE: CHAPTER 11 SUBCHAPTER V VOLUNTARY
PETITION
7-22-2021 [[1](#)]

LEONARD WELSH/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Continued to February 23, 2022, at 9:30 a.m.

ORDER: The court will issue an order.

The status conference will be continued to February 23, 2022, at 9:30 a.m. to be heard in conjunction with the continued motion to confirm the Chapter 11 plan.

3. [21-11814](#)-A-11 **IN RE: MARK FORREST**
[LKW-6](#)

CONTINUED MOTION TO CONFIRM CHAPTER 11 PLAN
10-19-2021 [[66](#)]

MARK FORREST/MV
LEONARD WELSH/ATTY. FOR DBT.
CONT'D TO 2/23/22 PER ECF ORDER #132

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Continued to February 23, 2022, at 9:30 a.m.

NO ORDER REQUIRED.

On January 6, 2022, the court issued an order continuing the hearing on the motion to confirm Chapter 11 plan to February 23, 2022, at 9:30 a.m. Doc. #132.

4. [21-10853](#)-A-12 **IN RE: MIKE WEBER**
[FW-10](#)

MOTION FOR COMPENSATION FOR PETER L. FEAR, DEBTORS ATTORNEY(S)
12-28-2021 [[214](#)]

PETER FEAR/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

Fear Waddell P.C. ("Movant"), counsel for Mike Henry Weber ("Debtor"), requests allowance of interim compensation and reimbursement for expenses for services rendered from April 7, 2021 through November 30, 2021. Doc. #214. Movant provided legal services valued at \$88,560.00, and requests compensation for that amount. Doc. #214. Movant incurred expenses in the amount of \$1,249.55 and requests reimbursement for that amount. Doc. #214. Debtor reviewed the application and has no objection. Doc. #217. Movant requests to draw on

\$13,521.86 currently held in trust and that the chapter 12 trustee be authorized to pay the remaining amount. Doc. #214.

Section 330(a)(1) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services rendered" and "reimbursement for actual, necessary expenses" to a debtor's attorney in a chapter 12 case. 11 U.S.C. § 330(a)(1), (4)(B). In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, extent, and value of such services, taking into account all relevant factors. 11 U.S.C. § 330(a)(3).

Movant's services included, without limitation: (1) fact gathering and communicating with the chapter 12 trustee; (2) preparing and filing numerous status reports and briefing regarding Debtor's eligibility in chapter 12; (3) preparing and filing motions to sell farmland subject to higher offers at hearing; (4) attending various hearings and responding to objections; (5) preparing and prosecuting plan confirmation; (6) defending against relief from stay motion; (7) negotiating with claim holders and opposing certain proofs of claim; and (8) securing refinancing and prosecuting plan modification. Exs. A & B, Doc. #218. The court finds the compensation and reimbursement sought by Movant to be reasonable, actual, and necessary.

This motion is GRANTED. The court allows interim compensation in the amount of \$88,560 and reimbursement for expenses in the amount of \$1,249.55, for a total combined payment of \$89,809.55 to be paid in a manner consistent with the terms of the confirmed plan. Movant is allowed interim fees and costs pursuant to 11 U.S.C. § 331, subject to final review and allowance pursuant to 11 U.S.C. § 330. Such allowed amounts shall be perfected, and may be adjusted, by a final application for allowance of compensation and reimbursement of expenses, which shall be filed prior to case closure. Movant may draw on any retainer held.

5. [21-10853-A-12](#) **IN RE: MIKE WEBER**
[FW-11](#)

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT
WITH AJIT GILL
12-28-2021 [[202](#)]

MIKE WEBER/MV
PETER FEAR/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered

and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

Mike Henry Weber ("Debtor"), the chapter 12 debtor, moves the court for an order pursuant to Federal Rule of Bankruptcy Procedure 9019, approving the compromise of controversy with secured creditor Ajit Gill ("Creditor"). Doc. #202.

Creditor filed a proof of claim on May 26, 2021 asserting a secured claim of \$355,546.23. Claim 11. Debtor disputes the claimed amount, believing it to include addendums and charges that Creditor is not entitled to. Decl. of Debtor, Doc. #204. Debtor further believes he is entitled to collect attorney's fees from Creditor should Debtor prevail on an objection to claim. Id. Rather than proceed with the claim objection process, Debtor and Creditor have crafted a settlement whereby Creditor will reduce the proof of claim by approximately \$50,000, and Debtor will give up the claim for attorney's fees. Id.

On motion by the chapter 12 debtor and after notice and a hearing, the court may approve a compromise or settlement. Fed. R. Bankr. P. 9019. Approval of a compromise must be based upon considerations of fairness and equity. Martin v. Kane (In re A & C Props.), 784 F.2d 1377, 1381 (9th Cir. 1986). The court must consider and balance four factors: (1) the probability of success in the litigation; (2) the difficulties, if any, to be encountered in the matter of collection; (3) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (4) the paramount interest of creditors with a proper deference to their reasonable views. Woodson v. Fireman's Fund Ins. Co. (In re Woodson), 839 F.2d 610, 620 (9th Cir. 1988).

It appears from the moving papers that Debtor has considered the standards of A & C Properties and Woodson. Doc. #204. The proposed settlement will reduce Creditor's claim by \$50,000, which in turn will free funds for the benefit of other creditors. Doc. #204. In return, Debtor will not pursue an objection to claim and seek attorney's fees, thereby avoiding the uncertainties and costs of litigation. Debtor believes that the settlement is fair, reasonable, and obtains an economically advantageous result for the estate. Doc. #204. The court concludes that the Woodson factors balance in favor of approving the compromise, and the compromise is in the best interests of the creditors and the estate.

Accordingly, it appears that the compromise pursuant to Federal Rule of Bankruptcy Procedure 9019 is a reasonable exercise of Debtor's business judgment. The court may give weight to the opinions of the trustee, the parties, and their attorneys. In re Blair, 538 F.2d 849, 851 (9th Cir. 1976). No opposition has been filed. Furthermore, the law favors compromise and not litigation for its own sake. Id.

Accordingly, the motion is GRANTED, and the settlement between Debtor and Creditor is approved. This ruling is not authorizing the payment of any fees or costs.

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT
WITH HARVENDER SINGH
12-28-2021 [\[208\]](#)

MIKE WEBER/MV
PETER FEAR/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

Mike Henry Weber ("Debtor"), the chapter 12 debtor, moves the court for an order pursuant to Federal Rule of Bankruptcy Procedure 9019, approving the compromise of controversy with secured creditor Harvender Singh ("Creditor"). Doc. #208.

Creditor filed a proof of claim on April 13, 2021. Claim 1-1. On October 11, 2021, Creditor amended the proof of claim to assert a secured claim of \$261,915.66. Claim 1-2. Debtor disputes the claimed amount, believing it to include addendums and charges that Creditor is not entitled to. Decl. of Debtor, Doc. #210. Debtor further believes he is entitled to collect attorney's fees from Creditor should Debtor prevail on an objection to claim. Id. Rather than proceed with the claim objection process, Debtor and Creditor have crafted a settlement whereby Creditor will reduce the proof of claim by approximately \$52,000, and Debtor will give up the claim for attorney's fees. Id.

On motion by the chapter 12 debtor and after notice and a hearing, the court may approve a compromise or settlement. Fed. R. Bankr. P. 9019. Approval of a compromise must be based upon considerations of fairness and equity. Martin v. Kane (In re A & C Props.), 784 F.2d 1377, 1381 (9th Cir. 1986). The court must consider and balance four factors: (1) the probability of success in the litigation; (2) the difficulties, if any, to be encountered in the matter of collection; (3) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (4) the paramount interest of the creditors with a proper deference to their reasonable views. Woodson v. Fireman's Fund Ins. Co. (In re Woodson), 839 F.2d 610, 620 (9th Cir. 1988).

It appears from the moving papers that Debtor has considered the standards of A & C Properties and Woodson. Doc. #210. The proposed settlement will reduce Creditor's claim by \$52,000, which in turn will free funds for the benefit of other creditors. Doc. #210. In return, Debtor will not pursue an objection to claim and seek attorney's fees, thereby avoiding the uncertainties and costs of litigation. Debtor believes that the settlement is fair, reasonable, and obtains an economically advantageous result for the estate. Doc. #210. The court concludes that the Woodson factors balance in favor of approving the compromise, and the compromise is in the best interests of the creditors and the estate.

Accordingly, it appears that the compromise pursuant to Federal Rule of Bankruptcy Procedure 9019 is a reasonable exercise of Debtor's business judgment. The court may give weight to the opinions of the trustee, the parties, and their attorneys. In re Blair, 538 F.2d 849, 851 (9th Cir. 1976). No opposition has been filed. Furthermore, the law favors compromise and not litigation for its own sake. Id.

Accordingly, the motion is GRANTED, and the settlement between Debtor and Creditor is approved. This ruling is not authorizing the payment of any fees or costs.

1. [21-12767](#)-A-7 **IN RE: MARCOS/MARIA ZARATE**

PRO SE REAFFIRMATION AGREEMENT WITH NOBLE CREDIT UNION
1-7-2022 [[21](#)]

NO RULING.

2. [21-12767](#)-A-7 **IN RE: MARCOS/MARIA ZARATE**
[CAE-1](#)

CONTINUED REAFFIRMATION AGREEMENT WITH MERCED SCHOOL EMPLOYEES FCU
12-20-2021 [[15](#)]

NO RULING.

1. [21-12826](#)-A-7 **IN RE: LASHUNE WILLIAMS**

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES
1-3-2022 [[14](#)]

LAYNE HAYDEN/ATTY. FOR DBT.
\$338.00 FILING FEE PAID 1/11/22

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: The OSC will be vacated.

ORDER: The court will issue an order.

The record shows that the filing fees were paid in full on January 11, 2022.

2. [19-11430](#)-A-7 **IN RE: VINCENT/CAROL HERNANDEZ**
[THA-2](#)

MOTION FOR COMPENSATION FOR THOMAS H. ARMSTRONG, TRUSTEES ATTORNEY(S)
12-21-2021 [[48](#)]

GABRIEL WADDELL/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the debtors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

Coleman & Horowitz LLP ("Movant"), attorney for chapter 7 trustee James E. Salven ("Trustee"), requests allowance of final compensation and reimbursement for expenses for services rendered from May 26, 2020 through January 26, 2022. Doc. #48. Movant provided legal services valued at \$27,991.00, composed of all time incurred through December 20, 2021 (in the amount of \$26,351.00) plus 4.0 hours of additional time (in the total amount of \$1,640.00) to prepare the final fee application, and requests compensation for that amount. Doc. #48.

Movant requests reimbursement for expenses in the amount of \$855.15. Doc. #48. Trustee has reviewed the application and has no objection. Doc. #51. This is Movant's first and final fee application.

Section 330(a)(1) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services rendered" and "reimbursement for actual, necessary expenses" to a "professional person." 11 U.S.C. § 330(a)(1). In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, extent, and value of such services, taking into account all relevant factors. 11 U.S.C. § 330(a)(3).

Movant's services included, without limitation: (1) providing counsel to Trustee as to the administration of the chapter 7 case; (2) fact gathering and investigation related to the prosecution of an adversary proceeding regarding the sale of real property; (3) negotiating settlement of the adversary proceeding before and after the death of a defendant in the adversary proceeding; (4) negotiating and prosecuting a final compromise motion and dismissal of the adversary proceeding; and (5) preparing and filing the first and final fee application. Decl. of Thomas H. Armstrong, Doc. #50; Ex. A, Doc. #52. The court finds the compensation and reimbursement sought are reasonable, actual, and necessary.

This motion is GRANTED on a final basis. The court allows final compensation in the amount of \$27,991.00 and reimbursement for expenses in the amount of \$855.15. Trustee is authorized to make a combined payment of \$28,846.15, representing compensation and reimbursement, to Movant. Trustee is authorized to pay the amount allowed by this order from available funds only if the estate is administratively solvent and such payment is consistent with the priorities of the Bankruptcy Code.

3. [21-11937](#)-A-7 **IN RE: CHARLES TEMPLE**
[BLF-3](#)

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT
WITH CHARLES E. TEMPLE
12-22-2021 [[29](#)]

IRMA EDMONDS/MV
HAGOP BEDOYAN/ATTY. FOR DBT.
LORIS BAKKEN/ATTY. FOR MV.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered

and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

Irma C. Edmonds ("Trustee"), the chapter 7 trustee of the bankruptcy estate of Charles E. Temple ("Debtor"), moves the court for an order pursuant to Federal Rule of Bankruptcy Procedure 9019, approving the compromise of claims and disputes between Debtor and Trustee regarding Debtor's prepetition transfers. Doc. #29.

Trustee investigated Debtor's prepetition transfers of nonexempt assets of approximately \$56,781 into exempt assets within thirty days of filing this bankruptcy case and concluded that the transfers were avoidable fraudulent transfers. Doc. #31. Trustee asserts that the transfers were made with the intent to hinder, delay, or defraud creditors and that the transfers constitute grounds for denial of Debtor's discharge. Id. Debtor disputes these contentions. Doc. #31. Trustee was able to recover a \$20,000 prepetition payment. Doc. #31. Trustee and Debtor have reached a settlement whereby Debtor will pay the bankruptcy estate \$20,000, of which \$1,850 has been submitted to the estate and the remaining balance will be paid in eleven monthly installments of \$1,650 with the last payment due on November 1, 2022. Doc. #31. In addition, Debtor agrees not to claim either the \$20,000 recovered by Trustee or the \$20,000 to be paid by Debtor as exempt. In exchange, Trustee will not oppose Debtor's exemptions and will not object to Debtor's discharge in connection with the transfers. Doc. #31.

On a motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Fed. R. Bankr. P. 9019. Approval of a compromise must be based upon considerations of fairness and equity. Martin v. Kane (In re A & C Props.), 784 F.2d 1377, 1381 (9th Cir. 1986). The court must consider and balance four factors: (1) the probability of success in the litigation; (2) the difficulties, if any, to be encountered in the matter of collection; (3) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (4) the paramount interest of the creditors with a proper deference to their reasonable views. Woodson v. Fireman's Fund Ins. Co. (In re Woodson), 839 F.2d 610, 620 (9th Cir. 1988).

It appears from the moving papers that Trustee has considered the standards of A & C Properties and Woodson. Doc. #31. The proposed settlement allows for the estate to recover a total of \$40,000 of prepetition transfers for the benefit of creditors. The expense and inconvenience of litigation favor compromise because pursuing the fraudulent transfer claims would require an adversary proceeding which Debtor would actively defend. Doc. #29. Although Trustee is confident in the ability to succeed in the litigation, Trustee believes the settlement results in significant benefit to the estate. Id.

Accordingly, it appears that the compromise pursuant to Federal Rule of Bankruptcy Procedure 9019 is a reasonable exercise of Trustee's business judgment. The court may give weight to the opinions of the trustee, the parties, and their attorneys. In re Blair, 538 F.2d 849, 851 (9th Cir. 1976). No opposition has been filed. Furthermore, the law favors compromise and not litigation for its own sake. Id.

Accordingly, the motion is GRANTED, and the settlement between Trustee and Debtor is approved.

MOTION TO COMPEL ABANDONMENT
1-20-2022 [\[19\]](#)

MARIO LOPEZ/MV
ROSALINA NUNEZ/ATTY. FOR DBT.
OST 1/21/22

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after the hearing.

On December 21, 2022, the court granted the debtor's ex parte Motion for Order Shortening Time to hear the debtor's Motion for an Order Compelling Abandonment. Doc. #25. This motion was set for hearing on January 26, 2022 at 1:30 p.m. pursuant to Local Rule of Practice ("LBR") 9014-1(f)(3). Unless opposition is presented at the hearing, the court intends to enter the respondents' defaults and grant the motion. If opposition is presented at the hearing, the court will consider the opposition and whether further hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

Mario Garzon ("Debtor"), the chapter 7 debtor in this case, moves the court to compel the chapter 7 trustee to abandon the estate's interest in Debtor's sole proprietorship gardening business and vehicle. Doc. #19. The assets of the estate used in Debtor's business include a cellular telephone, gardening tools, and a 2006 Toyota Tundra truck (the "Property"). Doc. #19. Debtor asserts that the debtors have no non-exempt equity in the Property and the Property therefore has no value to the bankruptcy estate. Doc. #21. Debtor further states that the business has no goodwill value should the business be sold. Doc. #21.

Bankruptcy Code § 554(b) permits the court, on request of a party in interest and after notice and a hearing, to order the trustee to abandon property that is burdensome to the estate or of inconsequential value and benefit to the estate. Vu v. Kendall (In re Vu), 245 B.R. 644, 647 (B.A.P. 9th Cir. 2000). To grant a motion to abandon property, the bankruptcy court must find either that the property is (1) burdensome to the estate or (2) of inconsequential value and inconsequential benefit to the estate. Id. (citing In re K.C. Machine & Tool Co., 816 F.2d 238, 245 (6th Cir. 1987)). However, "an order compelling abandonment [under § 554(b)] is the exception, not the rule. Abandonment should only be compelled in order to help the creditors by assuring some benefit in the administration of each asset. . . . Absent an attempt by the trustee to churn property worthless to the estate just to increase fees, abandonment should rarely be ordered." Id. (quoting K.C. Machine & Tool Co., 816 F.2d at 246).

Here, Debtor does not allege that the Property is burdensome to the estate. Therefore, Debtor must establish that the Property is of inconsequential value and benefit to the estate. 11 U.S.C. § 554(b); Vu, 245 B.R. at 647. Debtor's Property is valued at \$4,650.00 and is fully exempt. Schedule D, Doc. #1. The only non-exempt asset is the goodwill value of the business, which Debtor

states has no value because the gardening work is completed entirely by Debtor's manual labor. Doc. #21. The court finds that Debtor has met the burden of establishing by a preponderance of the evidence that the Property is of inconsequential value and benefit to the estate. Moreover, the chapter 7 trustee has no opposition to the motion. Doc. #24.

Accordingly, this motion will be GRANTED. The order shall specifically identify the property abandoned.