UNITED STATES BANKRUPTCY COURT
Eastern District of California

Honorable Robert S. Bardwil
Bankruptcy Judge
Sacramento, California

July 5, 2017 at 10:00 a.m.

INSTRUCTIONS FOR PRE-HEARING DISPOSITIONS

1. Matters resolved without oral argument:

Unless otherwise stated, the court will prepare a civil minute order on each matter listed. If the moving party wants a more specific order, it should submit a proposed amended order to the court. In the event a party wishes to submit such an Order it needs to be titled 'Amended Civil Minute Order.'

If the moving party has received a response or is aware of any reason, such as a settlement, that a response may not have been filed, the moving party must contact Nancy Williams, the Courtroom Deputy, at (916) 930-4580 at least one hour prior to the scheduled hearing.

2. The court will not continue any short cause evidentiary hearings scheduled below.

3. If a matter is denied or overruled without prejudice, the moving party may file a new motion or objection to claim with a new docket control number. The moving party may not simply re-notice the original motion.

4. If no disposition is set forth below, the matter will be heard as scheduled.

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1. 17-21700-D-12 DBL-3 — PAUL SCHMIDT — MOTION TO VALUE COLLATERAL OF STEVE RASMUSSEN 6-7-17 [31]

Tentative ruling:

This is the debtor's motion to value collateral of Steve Rasmussen. Mr. Rasmussen has filed opposition. For the following reasons, the court intends to deny the motion.

The debtor seeks to value Mr. Rasmussen's collateral at $127,693.16, yet he has acknowledged twice in the past that Mr. Rasmussen's lien against the debtor's real property comprised of his residence, dairy, and cheese plant is in senior position and the debtor has scheduled the property as being worth $513,200. In other words, Mr. Rasmussen's lien is oversecured by a large amount and is not subject to valuation under § 506(a) of the Bankruptcy Code.[1]

The motion is very confusing. First, it states that Mr. Rasmussen and the U.S. Department of Agriculture Farm Service Agency hold security interests in the property. Then it states that the balance owed Mr. Rasmussen is $143,940.66; next,

that "there is a creditor that holds a superior secured claim in" the property, and specifically, that the Agency "holds superior secured claims." Finally, the motion includes an arithmetical calculation that lists and deducts from the total value of the debtor's real property, equipment, and livestock the amounts of three liens – Mr. Rasmussen's, the Agency's as to the real property, and the Agency's as to the debtor's equipment and livestock. The calculation lists Mr. Rasmussen first, ahead of the two listings of the Agency, but it describes all three liens as "superior liens." Finally, the calculation shows all three liens as fully secured, with "net equity" of $4,822.84 remaining for the debtor.

In other words, it is clear from the motion itself and from the debtor's acknowledgment that Mr. Rasmussen's lien is in senior position that his secured claim is oversecured by a large margin.[2] Thus, the debtor's purpose in filing this motion is difficult to ascertain. By motions to value the collateral of the Farm Service Agency, also on this calendar, the debtor seeks to value the claims of the Agency – one secured by the debtor's real property and the other, allegedly, by his equipment and livestock, at the amounts the Agency listed in its proofs of claim filed in the debtor's prior case as being secured. That is, it appears the debtor is seeking to fix the amounts of the claims at the same amounts as were owed when the prior case was commenced, a year ago. To the extent that is the purpose of this motion against Mr. Rasmussen – to fix the amount of his claim, the motion is not the correct one. A motion to value collateral is just that – a motion to value collateral, such as real property, equipment, or livestock, and to determine the amount of a creditor's secured claim, as limited by the value of its collateral. Issues concerning the amount due the creditor on any basis other than the value of its collateral are appropriately considered on an objection to claim, not a motion to value.

In short, as the debtor lists the value of his real property at $513,200, and as it is clear Mr. Rasmussen's lien is in first position, the lien is fully secured and the motion will be denied. The court will hear the matter.

1 In his prior case, the debtor filed a motion to value Mr. Rasmussen's secured claim at $0, asserting it was junior to a lien held by the U.S. Department of Agriculture Farm Service Agency. At the hearing, the debtor's attorney, who is also his attorney in the current case, acknowledged that the information he had received had been wrong and that Mr. Rasmussen was in fact in first position, with the Agency in second. In his original schedules filed in the current case, the debtor scheduled Mr. Rasmussen as entirely unsecured and the Agency as partially secured. After the court brought the error to his counsel's attention at the initial status conference, the debtor filed amended schedules listing Mr. Rasmussen as fully secured and the Agency as partially secured.

2 Mr. Rasmussen has filed a proof of claim in this case – for $143,940.66 secured and additional $10,778.04 unsecured. It does not appear the unsecured portion has anything to do with the value of Mr. Rasmussen's collateral – an attachment to the proof of claim indicates simply that the unsecured portion consists of "unsecured personal loans" and "monies advanced."

2. 17-21700-D-12 DBL-4 PAUL SCHMIDT — MOTION TO VALUE COLLATERAL OF FARM SERVICE AGENCY FOR REAL PROPERTY 6-7-17 [36]

Tentative ruling:

This is the debtor's motion to value collateral of the United States Department of Agriculture Farm Service Agency. The Agency has not filed opposition. Nevertheless, the court intends to deny the motion because it is not accompanied by evidence establishing its factual allegations and demonstrating that the movant is entitled to the relief requested, as required by LBR 9014-1(d)(7).

The motion is confusing. The title is "Motion to Value Secured Portion of Claim of Farm Service Agency for Real Property," as contrasted with the motion bearing DC No. DBL-5, also on this calendar, "Motion to Value Secured Portion of Claim of Farm Service Agency for Equipment and Livestock." Thus, the motions suggest the Agency holds separate claims secured by separate collateral – one by the debtor's real property and the other by his equipment and livestock. Yet the Agency's proofs of claim filed in the debtor's prior case support the conclusion that the Agency has one claim secured by the debtor's real property and another claim secured by the same real property and additionally secured by the debtor's equipment and livestock.[1]

The first claim was alleged by the Agency to be secured by real property, the second by real property and equipment and livestock. Attached to the first claim were copies of four deeds of trust; a copy of one of them was attached to the second proof of claim, along with copies of several UCC-1 financing statements. The debtor has failed to overcome the prima facie validity afforded both claims by Fed. R. Bankr. P. 3001(f); thus, the court concludes both claims are secured by the debtor's real property and the second is also secured by his equipment and livestock. This motion concerns the claim secured only by real property, which claim the debtor seeks to value at $361,627, which is the amount the Agency claimed to be owed as the secured portion of its larger claim at the time the debtor's prior case was filed, a year ago.

The motion is confusing for an additional reason; namely, that the moving papers make it appear that both of the Agency's liens are fully secured. First, the motion states that Mr. Rasmussen and the Farm Service Agency hold security interests in the property. Then it states that the balance owed the Farm Service Agency "for real property" is $361,627; next, that "there is a creditor that holds a superior secured claim in" the property, and specifically, that Mr. Rasmussen and the Agency "for equipment and livestock" "hold[] superior secured claims." Finally, the motion includes an arithmetical calculation that lists and deducts from the total value of the debtor's real property, equipment, and livestock the amounts of three liens – Mr. Rasmussen's, the Agency's as to the real property, and the Agency's as to the debtor's equipment and livestock. The calculation lists Mr. Rasmussen first, ahead of the two listings of the Agency, but it describes all three liens as "superior liens." The calculation shows all three liens as fully secured, with "net equity" of $4,822.84 remaining for the debtor.

In other words, it appears all three liens are fully secured and there is equity remaining in the property for the debtor. The above cited language also suggests that the Agency's liens are "superior to" Mr. Rasmussen's lien, which is not the case. It appears from the Agency's proofs of claim filed in the debtor's

prior case that one or the other of the Agency's claims is undersecured, but the motion makes that far from clear. In short, the moving papers do not clearly apprise the Agency that the debtor is seeking to "strip down" one or both of its claims.

To the extent the debtor is seeking to fix the amounts of the claims at the same amounts as were owed when the prior case was commenced, a year ago, the motion is not the correct one. A motion to value collateral is just that – a motion to value collateral, such as real property, equipment, or livestock, and to determine the amount of a creditor's secured claim, as limited by the value of its collateral. Issues concerning the amount due the creditor on any basis other than the value of its collateral are appropriately considered on an objection to claim, not a motion to value.

For the reasons stated, the motion will be denied. The court will hear the matter.

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1 The court may take judicial notice of its own records in other cases. United States v. Wilson, 631 F.2d 118, 120 (9th Cir. 1980).

3.	17-21700-D-12 DBL-5	PAUL SCHMIDT	MOTION TO VALUE COLLATERAL OF FARM SERVICE AGENCY FOR EQUIPMENT AND LIVESTOCK 6-7-17 [41]

Tentative ruling:

This is the debtor's motion to value collateral of the United States Department of Agriculture Farm Service Agency. The Agency has not filed opposition. Nevertheless, the court intends to deny the motion because it is not accompanied by evidence establishing its factual allegations and demonstrating that the movant is entitled to the relief requested, as required by LBR 9014-1(d)(7).

The motion is confusing. The title is "Motion to Value Secured Portion of Claim of Farm Service Agency for Equipment and Livestock," as contrasted with the motion bearing DC No. DBL-4, also on this calendar, "Motion to Value Secured Portion of Claim of Farm Service Agency for Real Property." Thus, the motions suggest the Agency holds separate claims secured by separate collateral – one by the debtor's real property and the other by his equipment and livestock. Yet the Agency's proofs of claim filed in the debtor's prior case support the conclusion that the Agency has one claim secured by the debtor's real property and another claim secured by the same real property and additionally secured by the debtor's equipment and livestock.[1]

The first claim was alleged by the Agency to be secured by real property, the second by real property and equipment and livestock. Attached to the first claim were copies of four deeds of trust; a copy of one of them was attached to the second proof of claim, along with copies of several UCC-1 financing statements. The debtor has failed to overcome the prima facie validity afforded both claims by Fed. R. Bankr. P. 3001(f); thus, the court concludes both claims are secured by the debtor's real property and the second is also secured by his equipment and livestock. This motion concerns the claim allegedly secured only by equipment and livestock, which claim the debtor seeks to value at $48,857, which is the amount the Agency claimed

to be owed as the secured portion of its smaller claim at the time the debtor's prior case was filed, a year ago.

The motion is confusing for an additional reason; namely, that the moving papers make it appear that both of the Agency's liens are fully secured. First, the motion states that Mr. Rasmussen and the Farm Service Agency hold security interests in the property. Then it states that the balance owed the Farm Service Agency "for equipment and livestock" is $48,857; next, that "there is a creditor that holds a superior secured claim in" the property, and specifically, that Mr. Rasmussen and the Agency "for real property" "hold[] superior secured claims." Finally, the motion includes an arithmetical calculation that lists and deducts from the total value of the debtor's real property, equipment, and livestock the amounts of three liens – Mr. Rasmussen's, the Agency's as to the real property, and the Agency's as to the debtor's equipment and livestock. The calculation lists Mr. Rasmussen first, ahead of the two listings of the Agency, but it describes all three liens as "superior liens." The calculation shows all three liens as fully secured, with "net equity" of $4,822.84 remaining for the debtor.

In other words, it appears all three liens are fully secured and there is equity remaining in the property for the debtor. The above cited language also suggests that the Agency's liens are "superior to" Mr. Rasmussen's lien, which is not the case. It appears from the Agency's proofs of claim filed in the debtor's prior case that one or the other of the Agency's claims is undersecured, but the motion makes that far from clear. In short, the moving papers do not clearly apprise the Agency that the debtor is seeking to "strip down" one or both of its claims.

To the extent the debtor is seeking to fix the amounts of the claims at the same amounts as were owed when the prior case was commenced, a year ago, the motion is not the correct one. A motion to value collateral is just that – a motion to value collateral, such as real property, equipment, or livestock, and to determine the amount of a creditor's secured claim, as limited by the value of its collateral. Issues concerning the amount due the creditor on any basis other than the value of its collateral are appropriately considered on an objection to claim, not a motion to value.

For the reasons stated, the motion will be denied. The court will hear the matter.

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1 The court may take judicial notice of its own records in other cases. United States v. Wilson, 631 F.2d 118, 120 (9th Cir. 1980).

4.	17-21700-D-12 DBL-6	PAUL SCHMIDT	MOTION TO EMPLOY BRUCE C. DWIGGINS AS ATTORNEY 6-7-17 [46]

Tentative ruling:

This is the motion of the chapter 12 debtor-in-possession in this case to employ Bruce C. Dwiggins ("Counsel") as his bankruptcy counsel. The motion was brought pursuant to LBR 9014-1(f)(1) and no opposition has been filed. However, the court has reviewed Counsel's declaration in support of the motion and has significant concerns regarding certain information that is not disclosed in the declaration, but should have been.

Counsel was required to disclose "all of [his] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee." Fed. R. Bankr. P. 2014(a). Instead, Counsel stated: "I know of no connection amongst me, the debtor, any of the creditors or any party in interest, the assigned Bankruptcy Judge or any person in the Office of the United States Trustee or the assigned Trustee. I prepared the creditors' list and see no conflicts." Dwiggins Decl., DN 48, ¶¶ 5, 6.

It is not up to an attorney applying to be employed in a bankruptcy case to determine whether he has a conflict. It is the bankruptcy court that determines whether a professional's connections render him or her unemployable under § 327(a), not the other way around.

> The duty of professionals is to disclose all connections with the debtor, debtor-in-possession, insiders, creditors, and parties in interest . . . . They cannot pick and choose which connections are irrelevant or trivial. . . . No matter how old the connection, no matter how trivial it appears, the professional seeking employment must disclose it.

Neben & Starrett, Inc. v. Chartwell Fin. Corp. (In re Park-Helena Corp.), 63 F.3d 877, 882 (9th Cir. 1995) (quoting another source). "[T]he attorney has the duty to disclose all relevant information to the court, and may not exercise any discretion to withhold information." Kun v. Mansdorf (In re Woodcraft Studios, Inc.), 464 B.R. 1, 8 (N.D. Cal. 2011).

The "the duty to disclose extends to '[a]ll facts that may be pertinent to a court's determination of whether an attorney is disinterested or holds an adverse interest to the estate,' regardless of whether the attorney thinks the information is sufficient to render him adversely interested." Id., quoting Park-Helena, 63 F.3d at 882 (emphasis in original). "The burden is on the person to be employed to come forward and make full, candid, and complete disclosure." In re B.E.S. Concrete Products, Inc., 93 B.R. 228, 237 (Bankr. E.D. Cal. 1988).

In this case, the court is itself aware of two related connections Counsel should have disclosed but did not. First, Counsel represented the debtor as debtor-in-possession in a prior chapter 12 case in this court, Case No. 16-24321, filed June 30, 2016, and dismissed February 16, 2017. The fact of the prior case was disclosed where required on page 2 of the debtor's petition in this case; however, that does not excuse Counsel from the requirement to disclose the connection in his declaration supporting employment. "The disclosures must appear in the application and declaration required by Bankruptcy Rule 2014(a). It is not sufficient that the information might be mined from petitions, schedules, section 341 meeting testimony, or other sources." B.E.S. Concrete Products, 93 B.R. at 236. Second, Counsel received either $225 or $500 from the debtor before the prior case was filed,[1] and had negotiated with the debtor a total fee of $6,000, leaving a balance of $5,775 to be paid through the debtor's chapter 12 plan. That connection, and all the circumstances surrounding it, were required to be disclosed in Counsel's declaration supporting his employment in this case, but they were not mentioned.

Counsel never applied for approval of employment or compensation in the prior case, and his declaration supporting his employment in this case does not disclose that he received a retainer in the prior case, what became of that retainer, what other amounts were paid to Counsel either during the chapter 12 case or during the gap between the two cases, or what amount remains due to Counsel for his services in

the prior case. This information is essential to the court's determination of Counsel's status as a disinterested person.[2] If Counsel has been fully paid for his services to the debtor in the prior case, or has been paid any part of the $5,775 balance, that fact, including the dates and amounts of any payments, should have been disclosed. If he has not been fully paid for his services in the prior case, he is a creditor of the debtor in the present case: he should have been listed as a creditor on the debtor's schedules (he was not) and is per se disqualified from representing him in this case. "It is black-letter law that a 'creditor' is not 'disinterested.'" In re Kobra Props., 406 B.R. 396, 403 (Bankr. E.D. Cal. 2009).

As a further example, if Counsel was paid more than the $225 (or $500) for his services in the prior case during the gap between the dismissal of the prior case and the commencement of the present one – 27 days later, that payment was almost certainly a preference, which should have been disclosed in the debtor's Statement of Financial Affairs (it was not), and which would also almost certainly disqualify Counsel from representing the debtor in this case, at the very least unless he returns the preferential payment. See Coleman v. Stinson Morrison Hecker, LLP (In re Dexter Distrib. Corp.), No. AZ-09-1386-MkKiJu, 2010 WL 6466583, at *7 (9th Cir. BAP Oct. 21, 2010) ("[W]here there is a facially plausible preference claim then the preference issues must be resolved before proposed counsel can be employed (or compensated).") (internal quotation marks omitted) (citing In re Pillowtex, 304 F.3d 246, 254 (3d Cir. 2002)).

In short, Counsel's application to be employed in this case and his supporting declaration present a classic illustration of the reasons underlying the rule that a professional seeking to be employed in a bankruptcy case must make full and complete disclosure of all his or her connections with parties-in-interest in the case, regardless of whether they seem relevant to the professional. Because these necessary disclosures were not made here, the court intends to deny the motion. Alternatively, the court will continue the hearing to let Counsel file a supplemental declaration to address the issues raised in the tentative.

The court will hear the matter.

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1 According to the statement of financial affairs in the prior case, he received $500, but according to his Rule 2016(b) statement, he received $225. It may be that the difference, $275, was paid to Counsel and then used to pay the filing fee.

2 Even if the information were not critical to the issue, under the case law cited above, Counsel was not free to decide on his own not to disclose it. His receipt and subsequent disposition of the retainer, and any agreement between him and the debtor regarding the balance remaining due are "connections" with the debtor that were unequivocally required to be disclosed.

5.	16-23101-D-7 16-2169 JEFF'S TRUCK SERVICE & POWER, INC. V. AGUIAR	JOHNNY/BETH AGUIAR FHS-1	CONTINUED MOTION BY FREDERICK H. SCHILL TO WITHDRAW AS ATTORNEY 5-11-17 [40]

Final ruling:

Motion withdrawn by moving party on June 7, 2017. Matter removed from calendar.

6. 17-23014-D-7 BRENT/JESSICA SHADDY — MOTION FOR RELIEF FROM AUTOMATIC STAY
APN-1 — 6-6-17 [14]

GATEWAY ONE LENDING & FINANCE VS.

Final ruling:

This matter is resolved without oral argument. This is Gateway One Lendings & Finance's motion for relief from automatic stay. The court's records indicate that no timely opposition has been filed. The motion along with the supporting pleadings demonstrate that there is no equity in the subject property and debtor is not making post petition payments. The court finds there is cause for relief from stay, including lack of adequate protection of the moving party's interest. As the debtors are not making post-petition payments and the creditor's collateral is a depreciating asset, the court will also waive FRBP 4001(a)(3). Accordingly, the court will grant relief from stay and waive FRBP 4001(a)(3) by minute order. There will be no further relief afforded. No appearance is necessary.

7. 14-25820-D-11 INTERNATIONAL MANUFACTURING GROUP, INC. — MOTION FOR LEAVE TO DEPOSE DEEPAL WANNAKUATTE
15-2122 MCFARLAND V. CARTER ET AL — 6-8-17 [35]
IWC-1

8. 17-21225-D-7 EVELYN ZULUETA — MOTION FOR DENIAL OF DISCHARGE OF DEBTOR UNDER 11 U.S.C. SECTION 727(A)
UST-1 — 6-5-17 [26]

Final ruling:

The matter is resolved without oral argument. The court's records indicate that the debtor filed a statement of non-opposition to this motion and no other timely opposition has been filed and the relief requested in the motion for denial of discharge of debtor under 11 U.S.C. § 727(a) is supported by the record. As such the court will grant the motion. Moving party is to submit an appropriate order. No appearance is necessary.

9. 17-20731-D-11 CS360 TOWERS, LLC — CONTINUED MOTION TO USE CASH COLLATERAL
TBG-2 — 2-15-17 [12]

10. 17-20038-D-11 RPM-1 — LANE FAMILY LIMITED PARTNERSHIP NO. ONE — MOTION FOR RELIEF FROM AUTOMATIC STAY 6-1-17 [116]

Final ruling:

This matter is resolved without oral argument. This is Daimler Trust's motion for relief from automatic stay. The court's records indicate that no timely opposition has been filed. The motion along with the supporting pleadings demonstrate that there is no equity in the subject property and debtor is not making post petition payments. The court finds there is cause for relief from stay, including lack of adequate protection of the moving party's interest. As the debtors are not making post-petition payments and the creditor's collateral is a depreciating asset, the court will also waive FRBP 4001(a)(3). Accordingly, the court will grant relief from stay and waive FRBP 4001(a)(3) by minute order. There will be no further relief afforded. No appearance is necessary.

11. 17-23059-D-7 AP-1 — PEMBROKE GOCHNAUER — MOTION FOR RELIEF FROM AUTOMATIC STAY 6-2-17 [15]
WELLS FARGO BANK, N.A. VS.

Final ruling:

The matter is resolved without oral argument. The court's records indicate that no timely opposition has been filed and the relief requested in the motion is supported by the record. As such the court will grant relief from stay. As the debtor's Statement of Intentions indicates he will surrender the property, the court will also waive FRBP 4001(a)(3) by minute order. There will be no further relief afforded. No appearance is necessary.

12. 16-28160-D-7 EJS-5 — PATRICIA GONSALVES — MOTION TO AVOID LIEN OF FIRESIDE BANK A CA CORP. 5-24-17 [53]

Tentative ruling:

This is the debtor's motion to avoid a judicial lien held by Fireside Bank. The court's records indicate that no timely opposition has been filed and the relief requested in the motion is supported by the record. However, the proof of service is obviously inaccurate. First, it states that service was made on May 25, 2017, yet the proof of service was filed the day before, May 24, 2017. Thus, if the service date was in fact May 25, the proof of service was signed and filed before service had been made. Second, the proof of service states it was "[e]xecuted on April 18, 2017," whereas the moving papers do not purport to have been signed until May 25. (In fact, the motion, notice, and declaration bear the signature date of May 25, but they too were filed on May 24.)

Further, the proof of service purports to evidence service of the notice, motion, and declaration, but not the exhibits, which include copies of the debtor's schedules and a copy of the abstract of judgment by which the Bank's judgment lien was created. If the moving party has filed a corrected proof of service addressing both of these defects by the time of the hearing, the court will hear the matter. If not, the motion will be denied.

13. 14-27267-D-7 SARAD/USHA CHAND
HSM-22

MOTION FOR ADMINISTRATIVE EXPENSES
6-7-17 [386]

Final ruling:

The matter is resolved without oral argument. The court's records indicate that no timely opposition has been filed and the relief requested in the motion for payment of administrative tax claim of the Franchise Tax Board is supported by the record. As such the court will grant the motion. Moving party is to submit an appropriate order. No appearance is necessary.

14. 16-27672-D-11 DAVID LIND
KRW-1

MOTION FOR ADMINISTRATIVE EXPENSES
5-31-17 [141]

Final ruling:

Motion withdrawn by moving party. Matter removed from calendar.

15. 16-28173-D-7 DEBBIE HAYES
MRG-1
PARTNERS FOR PAYMENT RELIEF DE IV, LLC VS.

MOTION FOR RELIEF FROM AUTOMATIC STAY
5-23-17 [46]

16. 17-20984-D-7 DAVID/JENNIFER VON SAVOYE
EGS-1
BAYVIEW LOAN SERVICING, LLC VS.

CONTINUED MOTION FOR RELIEF FROM AUTOMATIC STAY
4-12-17 [24]

Final ruling:

The hearing on this motion is continued to August 30, 2017 at 10:00 a.m. pursuant to the stipulated order entered June 22, 2017. No appearance is necessary.

17. 15-29890-D-7 GRAIL SEMICONDUCTOR
DB-1
RONALD W. HOFER VS.

CONTINUED MOTION FOR RELIEF FROM AUTOMATIC STAY AND/OR MOTION TO CONFIRM TERMINATION OR ABSENCE OF STAY
5-8-17 [681]

18. 15-29890-D-7 GRAIL SEMICONDUCTOR
MPD-1
WILLIS E. HIGGINS, FRANK B. HOLZE, ET AL. VS.

CONTINUED MOTION FOR RELIEF FROM AUTOMATIC STAY AND/OR MOTION FOR ORDER THE AUTOMATIC STAY DOES NOT APPLY
3-1-17 [579]

19. 15-29890-D-7 GRAIL SEMICONDUCTOR
16-2088 DNL-6
CARELLO V. STERN ET AL

CONTINUED MOTION FOR CONTEMPT
1-18-17 [180]

20. 17-22304-D-7 GLENN WOODS

CONTINUED TRUSTEE'S MOTION TO DISMISS FOR FAILURE TO APPEAR AT SEC. 341(A) MEETING OF CREDITORS
5-18-17 [15]

Final ruling:

The debtor appeared at the continued Meeting of Creditors on June 27, 2017 and the hearing was concluded. As a result, the motion will be denied as moot by minute order. No appearance is necessary.

21.	17-21107-D-7	LUNA DIVERSIFIED ENTERPRISES, INC.	ORDER TO SHOW CAUSE RE DISMISSAL 6-21-17 [32]
22.	14-25816-D-7 FWP-4	DEEPAL WANNAKUWATTE	CONTINUED OBJECTION TO CLAIM OF ASHLEY BACKMAN, CLAIM NUMBER 105 5-8-17 [1177]
23.	14-25820-D-11 FWP-79	INTERNATIONAL MANUFACTURING GROUP, INC.	CONTINUED OBJECTION TO CLAIM OF RONALD ASHLEY, CLAIM NUMBER 57 5-8-17 [1320]
24.	16-25239-D-7 NOS-5	DIVINDER HUNDAL	MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT WITH DIVINDER KAUR HUNDAL, NAUNIHAL HUNDAL, AND DILPREET HUNDAL 6-14-17 [143]

25. 14-25148-D-11 GMW-3 — HENRY TOSTA — MOTION TO MODIFY CHAPTER 11 PLAN
6-7-17 [718]

26. 17-21465-D-11 — BELINDA SMITH — ORDER TO SHOW CAUSE - FAILURE TO PAY FEES
6-12-17 [57]

Final ruling:

The deficiency has been corrected. As a result the court will issue a minute order discharging the order to show cause and the case will remain open. No appearance is necessary.

27. 16-27672-D-11 JMW-1 — DAVID LIND — MOTION FOR RELIEF FROM AUTOMATIC STAY AND/OR MOTION FOR ADEQUATE PROTECTION
6-21-17 [162]
GREEN GROWERS, LLC VS.

Final ruling:

The is a motion for relief from the automatic stay. Moving party failed to serve the debtor's attorney, the Chapter 11 Trustee, and the Chapter 11 Trustee's attorney. As a result of these service defects, the court will deny the motion by minute order. No appearance is necessary.

28. 17-22275-D-7 DNL-2 — CALIFORNIA GOLF PROPERTIES, LLC DBA RIVER — MOTION TO APPROVE STIPULATION RE: SALE OF RIVER OAKS GOLF CLUB
6-14-17 [27]

29.	17-22275-D-7 DNL-4	CALIFORNIA GOLF PROPERTIES, LLC DBA RIVER	MOTION TO SELL FREE AND CLEAR OF LIENS AND/OR MOTION FOR COMPENSATION FOR CORNISH & CAREY COMMERCIAL, BROKER(S) 6-14-17 [32]

Tentative ruling:

The is the trustee's motion to approve the sale of the debtor's golf club business, including real and personal property. The trustee seeks to sell the property free and clear of the liens of three secured creditors, two of whom have entered into a stipulation with the trustee to permit the sale to go forward despite the fact their claims will not be paid in full. The third, Thomas Richards, is alleged to be a principal of the debtor and to hold a claim for approximately $610,000, purportedly secured by a third position deed of trust against the real property proposed to be sold. The stipulation among the trustee and the two secured creditors indicates the net proceeds to the estate, after payment of costs of sale, commissions, property taxes, and those two secured creditors, will be no less than $100,000, and the sale motion indicates the same thing.[1]

The trustee failed to serve Mr. Richards. The trustee did serve Richards Land Cattle Co., but the court cannot determine whether that entity's address is the same as Mr. Richards' address. Further, as Mr. Richards is alleged to hold a $610,000 deed of trust, albeit disputed, against the property proposed to be sold, the trustee was required to serve him pursuant to Fed. R. Bankr. P. 7004(b)(1);[2] that is, at a street address that is his home or business address, whereas service on Richards Land Cattle Co. was to a post office box address.

The court will hear the matter, but is likely to continue the hearing and require service on Mr. Richards in accordance with Rule 7004(b)(1).

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1 The sale price is $366,000 higher than estimated when the stipulation was entered into; however, that excess, per the stipulation, is to be divided three ways among the estate and the two stipulating secured creditors. Thus, the estate's net will likely be no more than $222,000, significantly less than the amount apparently claimed by Mr. Richards.

2 Fed. R. Bankr. P. 6004(c) and 9014(b).

30.	17-22275-D-7 ANF-1 DIRECT CAPITAL VS.	CALIFORNIA GOLF PROPERTIES, LLC DBA RIVER	MOTION FOR RELIEF FROM AUTOMATIC STAY 6-17-17 [46]