

UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Robert S. Bardwil  
Bankruptcy Judge  
Sacramento, California

October 22, 2014 at 1:00 p.m.

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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.	14-24788-D-11	CHRISTIAN/AMANDA BADER	APPROVAL OF DISCLOSURE
	RLC-4		STATEMENT FILED BY DEBTORS
			8-29-14 [63]

Tentative ruling:

The court requires the following amendments/modifications to the Disclosure Statement prior to approval:

- Section II-H references an Exhibit A that is not attached, nor filed in the case.
- The Disclosure Statement needs to contain a specific section that discloses the filing of the debtors' prior Chapter 13 bankruptcy case and the reason why it was dismissed (debtors' Chapter 13, Case No. 13-31773). Further, the Disclosure Statement needs to state that the debtors filed a motion to extend the automatic stay under § 362(c)(3) subsequent to the filing of this case, which motion was denied; and that as a result, there is no automatic stay in effect in the current case.
- Section D of the Disclosure Statement indicates that the debtors do not

intend to pursue preferences, fraudulent conveyance, or other avoidance actions. The debtors need to outline each and every such cause of action that may exist and the recipient of any property and the value of such property.

4. The liquidation analysis contained in Section I of the Disclosure Statement is inadequate. The Disclosure Statement needs to list all assets along with their estimated value and liquidation value, any claim secured by the specific asset and if there would be any proceeds remaining for the benefit of creditors if the asset were liquidated.

5. It is clear from a review the of the docket in this case and the debtors' Plan and Disclosure Statement that a major problem for the debtors, and a significant contributing factor to this Chapter 11, was the debtors' failure to pay tax claims. The Disclosure Statement needs to specifically state whether the debtors have made all post-petition tax deposits and whether there are any post-petition tax liabilities that have accrued that are unpaid.

6. Section III of the Plan (Summary of the Plan) indicates that the Class 2 claim of the Internal Revenue Service, and Class 3 claim of San Joaquin County, are unimpaired. This appears to be inaccurate and will need to be clarified. In addition, the Plan needs to be more specific regarding the payment of the Class 4 unsecured claims. Specifically, it needs to indicate the estimated amount of the unsecured claims, the exact date payment will begin on these claims, the amount of the payments, and the pro rata distribution to creditors.

5. The Disclosure Statement needs to contain a section disclosing potential material federal tax consequences of the Plan to the debtors and/or revested debtors and/or the estate.

The court will hear the matter.