



UNITED STATES BANKRUPTCY COURT
Eastern District of California
Honorable Jennifer E. Niemann
Hearing Date: Wednesday, January 28, 2026
Department A - Courtroom #11
Fresno, California

Unless otherwise ordered, all matters before the Honorable Jennifer E. Niemann shall be simultaneously: (1) **In Person** at, Courtroom #11, (2) via **ZoomGov Video**, (3) via **ZoomGov Telephone**, and (4) via **CourtCall**. You may choose any of these options unless otherwise ordered or stated below.

All parties who wish to appear at a hearing remotely must sign up by 4:00 p.m. **one business day** prior to the hearing. Information regarding how to sign up can be found on the **Remote Appearances** page of our website at <https://www.caeb.uscourts.gov/Calendar/CourtAppearances>. Each party who has signed up will receive a Zoom link or phone number, meeting I.D., and password via e-mail.

If the deadline to sign up has passed, parties who wish to appear remotely must contact the Courtroom Deputy for the Department holding the hearing.

Please also note the following:

- Parties in interest may connect to the video or audio feed free of charge and should select which method they will use to appear when signing up.
- Members of the public and the press appearing by ZoomGov may only listen in to the hearing using the zoom telephone number. Video appearances are not permitted.
- Members of the public and the press may not listen in to trials or evidentiary hearings, though they may appear in person in most instances.

To appear remotely for law and motion or status conference proceedings, you must comply with the following guidelines and procedures:

1. Review the [Pre-Hearing Dispositions](#) prior to appearing at the hearing.
2. Parties appearing via CourtCall are encouraged to review the [CourtCall Appearance Information](#).

If you are appearing by ZoomGov phone or video, please join at least 10 minutes prior to the start of the calendar and wait with your microphone muted until the matter is called.

Unauthorized Recording is Prohibited: Any recording of a court proceeding held by video or teleconference, including "screen shots" or other audio or visual copying of a hearing is prohibited. Violation may result in sanctions, including removal of court-issued media credentials, denial of entry to future hearings, or any other sanctions deemed necessary by the court. For more information on photographing, recording, or broadcasting Judicial Proceedings, please refer to Local Rule 173(a) of the United States District Court for the Eastern District of California.

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. 25-13801-A-11 IN RE: US SIKH TRANSPORT
AF-2

MOTION FOR ORDER APPROVING AMENDED STIPULATION REGARDING VALUATION, ADEQUATE PROTECTION, USE OF CASH COLLATERAL, AND PLAN TREATMENT
12-22-2025 [35]

US SIKH TRANSPORT/MV
ARASTO FARASAD/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 prior to the hearing date 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.

As a procedural matter, the motion and supporting papers do not comply with LBR 9014-1(c). "In motions filed in the bankruptcy case, a Docket Control Number (designated as DCN) shall be included by all parties immediately below the case number on all pleadings and other documents, including proofs of service, filed in support of or opposition to motions." LBR 9014-1(c)(1). "Once a Docket Control Number is assigned, all related papers filed by any party, including motions for orders shortening the amount of notice and stipulations resolving that motion, shall include the same number." LBR 9014-1(c)(4). See LBR 9004-2(b)(6). Here, counsel for the debtor used the same Docket Control Number for this motion that was used for a prior motion to approve the amended stipulation in violation of LBR 9014-1(c)(4). Compare Doc. #20 with Doc. #35. A new Docket Control Number should have been used for this motion. The court encourages counsel to review the local rules to ensure compliance in future matters or those matters may be denied without prejudice for failure to comply with the local rules.

US Sikh Transport ("DIP"), the chapter 11 debtor and debtor-in-possession in this Subchapter V case, seeks an order under Federal Rule of Bankruptcy Procedure ("Rule") 4001(d) approving a stipulation regarding (i) valuation of collateral under 11 U.S.C. § 506(a), (ii) adequate protection, (iii) continued use of cash collateral, and (iv) treatment of the secured claim of the U.S. Small Business Administration ("SBA") under DIP's Subchapter V plan. Doc. #35.

DIP filed a voluntary Chapter 11, Subchapter V petition on November 11, 2025. Doc. #1. On November 21, 2025, SBA filed a proof of claim asserting a secured claim under EIDL Loan No. XXX8210 in the amount of \$1,475,501.09. Claim 1. SBA's claim is secured by, among other things, all tangible and intangible personal property, including inventory, equipment, accounts, instruments, deposit accounts, and general intangibles, and is evidenced by a UCC-1 Financing Statement filed on September 8, 2021. Id. DIP owns property valued at \$70,238.64, as reflected in DIP's filed Schedule A/B. Doc. #1.

By the stipulation, DIP and SBA agree that, for purposes of 11 U.S.C. § 506(a), SBA's secured claim shall be fixed and allowed at \$40,238.64, with the balance of SBA's claim deemed unsecured for plan purposes. Ex. A, Doc. #37. SBA's allowed secured claim shall accrue interest at 5.00% per annum and shall be paid in equal monthly installments over 72 months, commencing in December 2025 as adequate protection payments, in the approximate amount of \$647.90 per month, or as finalized in the amortization schedule of DIP's Subchapter V plan. Id. SBA consents to DIP's continued use of SBA's cash collateral derived from DIP's operations for payroll, fuel, insurance, equipment maintenance, and other ordinary business expenses. Id. For DIP's use of SBA's cash collateral, SBA shall be granted a replacement lien on post-petition accounts receivable and proceeds to the same extent and priority as its prepetition lien. Id. The agreed valuation and repayment structure shall be incorporated into DIP's Subchapter V Plan and serve as the full plan treatment of the SBA claim under 11 U.S.C. §§ 1129 and 1191. Id. In the event of default or material nonperformance, SBA retains all rights to seek relief from stay, modification of adequate protection, or dismissal/conversion of the case. Id.

"Rule 4001(d) operates to protect the interest of the creditor who may be adversely affected by an undisclosed agreement by requiring notice to parties who may have an interest in, or be affected by, such an agreement." In re Manchester Center, 381 (Bankr. C.D. Cal. 1991) (citing In re Prairie Trunk Ry., 112 B.R. 924, 928 (Bankr. N.D. Ill. 1990)). Under Rule 4001(d)(1)(A)(i) and (iv), a party may file a motion for approval of an agreement to provide adequate protection and use cash collateral. Here, the motion contains the required contents outlined in Rule 4001(d)(1)(B) and was properly served on all creditors as required by Rule 4001(d)(1)(C). Doc. ##35, 38. Pursuant to Rule 4001(d)(2), the parties required to be served were given at least 14 days to file objections to the motion.

Accordingly, the motion is granted, and the stipulation between DIP and SBA filed as Exhibit A, Doc. #37, is approved.

2. 25-11791-A-11 **IN RE: FRED RAU DAIRY, INC**
FW-2

CONTINUED MOTION TO USE CASH COLLATERAL
5-30-2025 [4]

FRED RAU DAIRY, INC/MV
PETER FEAR/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted on an interim basis through May 3, 2026.

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.

This motion was initially set for final hearing on June 25, 2025 pursuant to the initial motion papers and an interim order authorizing use of cash collateral. Doc. #4, 13. The final hearing was continued to July 16, 2025 (Doc. #43), then to August 13, 2025 (Doc. #68), then to October 29, 2025 (Doc. #93), then to November 25, 2025 (Doc. #148), then to December 10, 2025 (Doc. #160), then to January 7, 2026 (Doc. #176) ("Interim Order"), and subsequently to January 28, 2026. Civil Minutes, Doc. #192. The continued hearing was set on at least 14 days' notice prior to the hearing date pursuant to Federal Rule of Bankruptcy Procedure 4001(b)(2) and Local Rule of Practice 9014-1(f)(2) and will proceed as scheduled. Because the request authorizing interim use of cash collateral through May 3, 2026 was set on less than 28 days' notice, opposition to the continued interim use of cash collateral may be raised at the hearing. Unless opposition is presented at the hearing, the court intends to enter the respondents' defaults and grant use of cash collateral on an interim basis through May 3, 2026. If opposition is presented at the hearing, the court will consider the opposition and whether further hearing is proper. The court will issue an order if a further hearing is necessary.

Fred Rau Dairy, Inc. ("DIP"), the chapter 11 debtor and debtor-in-possession, moves the court for an order authorizing DIP to use the cash collateral of: (i) AgWest Farm Credit ("AgWest"); (ii) Farm Credit Leasing Services; (iii) Stanislaus Farm Supply Co.; (iv) Nutrien Ag Solutions, Inc.; and (v) Associated Feed and Supply through May 3, 2026 subject to a weekly budget. Motion, Doc. #4; Am. Ex. B, Doc. #28; Order, Doc. #68; Order, Doc. #93; Interim Order, Doc. #176. DIP seeks court authorization to use cash collateral to pay expenses incurred by DIP in the normal course of its business. Motion, Doc. #4. DIP conducts both dairy farming and crop farming. Decl. of Michael Reid, Doc. #6. DIP has approximately 2,600 Holstein cows, springers, heifers and bulls as well as approximately 150 Angus steers and farms approximately 2,750 acres of farmland. Id.

Pursuant to 11 U.S.C. § 363, a debtor in possession can use property of the estate that is cash collateral by obtaining either the consent of each entity that has an interest in such cash collateral or court authorization after notice and a hearing. 11 U.S.C. § 363(c)(2). "The primary concern of the court in determining whether cash collateral may be used is whether the secured creditors are adequately protected." In re Plaza Family P'ship, 95 B.R. 166 (E.D. Cal. 1989) (citing 11 U.S.C. § 363(e)). Bankruptcy Code section 361(1) states that adequate protection may be provided by "requiring the [debtor in possession] to make a cash payment or periodic cash payments to such entity, to the extent that the stay under section 362 of this title, use, sale, or lease under section 363 of this title, or any grant of a lien under section 364 of this title results in a decrease in the value of such entity's interest in such property." 11 U.S.C. § 361(1). Pursuant to 11 U.S.C. § 363(p), DIP carries the burden of proof on the issue of adequate protection.

On July 31, 2025, AgWest and DIP entered into a stipulation for DIP's use of AgWest's cash collateral ("Stipulation"). Doc. #77. At a hearing held on January 7, 2026, the court granted continued use of cash collateral on an interim basis through February 1, 2026, and required DIP to file supplemental papers on or before January 14, 2026. Civil Minutes, Doc. #192. On January 14, 2026, DIP filed an updated budget to support its continued use of cash collateral through May 3, 2026. Doc. #194.

As adequate protection for DIP's use of cash collateral, DIP will grant replacement liens to Farm Credit Leasing Services, Stanislaus Farm Supply Co., Nutrien Ag Solutions, Inc. and Associated Feed and Supply (collectively, "Secured Creditors") to the extent Secured Creditors' cash collateral is used. Based on the budget filed on January 14, 2026, DIP's use of cash collateral

will generate more income than the cash collateral to be used through May 3, 2026. Doc. #194.

Because AgWest has stipulated to the use of its cash collateral, the court only needs to authorize DIP's use of Secured Creditors' cash collateral. The court finds DIP has met its burden of showing that Secured Creditors are adequately protected for DIP's use of their cash collateral by the proposed replacement liens. Doc. #194. Moreover, DIP needs to use the cash collateral to continue its post-petition business operations. Reid Decl., Doc. #6.

Accordingly, pending opposition being raised at the hearing, the court will GRANT DIP's request to use cash collateral on an interim basis through May 3, 2026 on the terms set forth in the motion, as amended by interim orders and the Stipulation, and subject to the budget filed as Doc. #194. At the hearing, counsel for DIP should be prepared to set a new hearing date for the further use of cash collateral and a date to file and serve supplemental pleadings in case DIP has not confirmed a chapter 11 plan by May 3, 2026.

3. 25-11791-A-11 **IN RE: FRED RAU DAIRY, INC**
FW-11

MOTION TO EMPLOY OVERLAND STOCKYARD AS AUCTIONEER, AUTHORIZING SALE OF PROPERTY AT PUBLIC AUCTION AND AUTHORIZING PAYMENT OF AUCTIONEER FEES AND EXPENSES

1-16-2026 [196]

FRED RAU DAIRY, INC/MV
PETER FEAR/ATTY. FOR DBT.
OST 1/16/26

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 January 16, 2026, the court granted the debtor's ex parte motion for order shortening time to hear the debtor's motion to employ auctioneer and authorize public auction. Doc. #213. This motion was set for hearing on January 28, 2026 at 9:30 a.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.

Fred Rau Dairy, Inc. ("DIP"), the chapter 11 debtor and debtor-in-possession, moves the court for an order authorizing DIP to: (1) employ Overland Stockyard ("Auctioneer"); (2) sell approximately 480 Holstein heifers (bred and unbred) aged between 4 and 18 months old, along with 14 Angus steers (together, the "Property") at public auction on or after February 4, 2026 at Auctioneer's location at 10565 9th Vista, Avenue, Hanford, California 93230; and (3) pay Auctioneer commission and expenses. Doc. #196.

Section 363 of the Bankruptcy Code states that a trustee, or debtor in possession, may use, sell, or lease property of the estate outside the ordinary

course of business after notice and a hearing. 11 U.S.C. § 363(b)(1). The debtor proposing a sale under § 363(b) must demonstrate a valid business justification for the sale and that the sale is proposed in good faith. 240 N. Brand Partners, Ltd. v. Colony GFP Partners, L.P. (In re 240 N. Brand Partners, Ltd.), 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996). "Good faith encompasses fair value, and further speaks to the integrity of the transaction." Id. (quoting In re Wilde Horse Enters., Inc. 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991)). To make such a determination, "the court and creditors must be provided with sufficient information to allow them to take a position on the proposed sale." Wilde Horse Enters., 136 B.R. at 842.

DIP believes that approval of the sale on the terms set forth in the motion is in the best interests of creditors and the estate. Decl. of Michael Reid, Doc. #198. DIP's experience indicates that a sale of the Property at public auction will yield the highest net recovery to the estate. Id. Moreover, sale of the Property will reduce DIP's livestock herd sufficiently to allow DIP to consolidate its remaining herd into one barn, greatly reducing operating costs.

The Property is subject to a lien of Agwest Farm Credit ("AgWest"). If public auction of the Property is approved, DIP proposes to pay the net proceeds from the sale to AgWest, except that DIP seeks to use of \$340,000 from the sale proceeds to pay approximately \$290,000 in real property taxes due and owing for the December 2025 installment and April 2026 installment, and \$50,000 for deferred maintenance. Because DIP is not seeking to sell the Property free and clear of AgWest's lien pursuant to 11 U.S.C. § 363(f), any distribution of the sale proceeds other than to AgWest must be with the express consent of AgWest.

Section 327(a) of the Bankruptcy Code provides, in relevant part, that DIP, "with the court's approval, may employ . . . auctioneers . . . that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title." 11 U.S.C. § 327(a).

The court finds that Auctioneer is a disinterested person as defined by 11 U.S.C. § 101(14) and does not hold or represent an interest adverse to the estate. Decl. of Julie Belezzuoli-Hathaway, Doc. #199. DIP requires Auctioneer's services to advertise the sale of the Property, assist in storing the Property until sold, and assist in other matters related to the auction sale of the Property. Ried Decl., Doc. #198.

The fees for professional services rendered by Auctioneer will be according to the agreement between DIP and Auctioneer subject to bankruptcy court approval. In summary, the Auctioneer will be entitled to a 4% commission on the gross proceeds of the sale of the Property; a yardage fee of \$1.00 per head per day; feed costs of \$3.50 per head per day; a livestock insurance fee equal to .0009% of the gross sales price; California mandated fees for brand inspection (\$1.60 per head), beef promotion (\$1.00 per head), and a California Cattle Council Fee of \$1.00; and hauling fees that typically range from \$10 to \$15 per head. Ried Decl., Doc. #198.

Accordingly, pending opposition being raised at the hearing, this motion will be GRANTED. DIP's business judgment is reasonable and the proposed sale of the Property at public auction is in the best interests of creditors and the estate. DIP is authorized to employ Auctioneer and sell the Property on the terms set forth in the motion. Any payment to Auctioneer is subject to bankruptcy court approval.

4. 25-11791-A-11 IN RE: FRED RAU DAIRY, INC
FW-12

MOTION TO EMPLOY FRESNO LIVESTOCK COMMISSION, LLC AS AUCTIONEER, AUTHORIZING SALE OF PROPERTY AT PUBLIC AUCTION AND AUTHORIZING PAYMENT OF AUCTIONEER FEES AND EXPENSES

1-16-2026 [201]

FRED RAU DAIRY, INC/MV
PETER FEAR/ATTY. FOR DBT.
OST 1/16/26

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 January 16, 2026, the court granted the debtor's ex parte motion for order shortening time to hear the debtor's motion to employ auctioneer and authorize public auction. Doc. #214. This motion was set for hearing on January 28, 2026 at 9:30 a.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.

Fred Rau Dairy, Inc. ("DIP"), the chapter 11 debtor and debtor-in-possession, moves the court for an order authorizing DIP to: (1) employ Fresno Livestock Commission, LLC ("Auctioneer"); (2) sell approximately 140 milk cows and 70 dry cows, along with approximately 120 heifers aged between 19 and 23 months (together, the "Property") at public auction on or after January 29, 2026 at Auctioneer's location at 559 W. Lincoln Avenue, Fresno, California 93706; and (3) pay Auctioneer commission and expenses. Doc. #201.

Section 363 of the Bankruptcy Code states that a trustee, or debtor in possession, may use, sell, or lease property of the estate outside the ordinary course of business after notice and a hearing. 11 U.S.C. § 363(b)(1). The debtor proposing a sale under § 363(b) must demonstrate a valid business justification for the sale and that the sale is proposed in good faith. 240 N. Brand Partners, Ltd. v. Colony GFP Partners, L.P. (In re 240 N. Brand Partners, Ltd.), 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996). "Good faith encompasses fair value, and further speaks to the integrity of the transaction." Id. (quoting In re Wilde Horse Enter., Inc. 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991)). To make such a determination, "the court and creditors must be provided with sufficient information to allow them to take a position on the proposed sale." Wilde Horse Enter., 136 B.R. at 842.

DIP believes that approval of the sale on the terms set forth in the motion is in the best interests of creditors and the estate. Decl. of Michael Reid, Doc. #204. DIP's experience indicates that a sale of the Property at public auction will yield the highest net recovery to the estate. Id. Moreover, sale of the Property will reduce DIP's livestock herd sufficiently to allow DIP to consolidate its remaining herd into one barn, greatly reducing operating costs.

The Property is subject to a lien of Agwest Farm Credit ("AgWest"). If public auction of the Property is approved, DIP proposes to pay the net proceeds from the sale to AgWest.

Section 327(a) of the Bankruptcy Code provides, in relevant part, that DIP, "with the court's approval, may employ . . . auctioneers . . . that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title." 11 U.S.C. § 327(a).

The court finds that Auctioneer is a disinterested person as defined by 11 U.S.C. § 101(14) and does not hold or represent an interest adverse to the estate. Decl. of Phil Tews, Doc. #203. DIP requires Auctioneer's services to advertise the sale of the Property, assist in storing the Property until sold, and assist in other matters related to the auction sale of the Property. Reid Decl., Doc. #204.

The fees for professional services rendered by Auctioneer will be according to the agreement between DIP and Auctioneer subject to bankruptcy court approval. In summary, the Auctioneer will be entitled to a 4% commission on the gross proceeds of the sale of the Property, a yardage fee of \$1.50 per head per day, brand inspection fees of \$1.60 per head, and a beef promotion fee of \$2.00 per head. Reid Decl., Doc. #204.

Accordingly, pending opposition being raised at the hearing, this motion will be GRANTED. DIP's business judgment is reasonable and the proposed sale of the Property at public auction is in the best interests of creditors and the estate. DIP is authorized to employ Auctioneer and sell the Property on the terms set forth in the motion. Any payment to Auctioneer is subject to bankruptcy court approval.

5. 25-11791-A-11 **IN RE: FRED RAU DAIRY, INC**
FW-13

MOTION TO SELL
1-16-2026 [206]

FRED RAU DAIRY, INC/MV
PETER FEAR/ATTY. FOR DBT.
OST 1/16/26

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 January 16, 2026, the court granted the debtor's ex parte motion for order shortening time to hear the debtor's motion to employ auctioneer and authorize public auction. Doc. #215. This motion was set for hearing on January 28, 2026 at 9:30 a.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.

Fred Rau Dairy, Inc. ("DIP"), the chapter 11 debtor and debtor-in-possession, moves the court for an order authorizing DIP to sell approximately 100 hutch-aged calves (together, the "Property") to CalfTech ("Buyer") on or about February 2 and 3, 2026. Doc. #206. The calves are aged between newborn and three (3) months old and are bottle fed. Id. The value of a hutch-aged calf is based on its weight and age, but DIP estimates that each hutch-aged calf is worth approximately \$575.00. Id. Any animals that are determined to be lame or have significant health issues that would impair their ability to be sold will be transported to Coelho Meat Company for the purpose of slaughter. Id. This is to ensure the safety of the animals and to maintain the reputation and integrity of the value of animals at each auction by DIP. Id.

Section 363 of the Bankruptcy Code states that a trustee, or debtor in possession, may use, sell, or lease property of the estate outside the ordinary course of business after notice and a hearing. 11 U.S.C. § 363(b)(1). The debtor proposing a sale under § 363(b) must demonstrate a valid business justification for the sale and that the sale is proposed in good faith. 240 N. Brand Partners, Ltd. v. Colony GFP Partners, L.P. (In re 240 N. Brand Partners, Ltd.), 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996). "Good faith encompasses fair value, and further speaks to the integrity of the transaction." Id. (quoting In re Wilde Horse Enters., Inc. 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991)). To make such a determination, "the court and creditors must be provided with sufficient information to allow them to take a position on the proposed sale." Wilde Horse Enters., 136 B.R. at 842.

DIP believes that approval of the sale on the terms set forth in the motion is in the best interests of creditors and the estate. Decl. of Michael Reid, Doc. #208. DIP seeks to sell the Property to Buyer rather than by public auction because there are health risks with transporting bottle-fed calves more than once. Id. Selling the hutch-aged calves at public auction would require transport from DIP's facilities to the auction house, while at the auction house to be mixed with other cattle, and then transported to the buyer. Id. For these reasons, DIP believes that the proposed sale to Buyer will result in the highest recovery to the estate for the Property.

Accordingly, pending opposition being raised at the hearing, this motion will be GRANTED. DIP's business judgment is reasonable, and the proposed sale of the Property is made in good faith.

11:00 AM

1. 25-14053-A-7 **IN RE: IMELDA SANDOVAL**

PRO SE REAFFIRMATION AGREEMENT WITH GOLDEN 1 CREDIT UNION
1-8-2026 [15]

NO RULING.

2. 25-13368-A-7 **IN RE: ROBERT FLUTY**

PRO SE REAFFIRMATION AGREEMENT WITH JPMORGAN CHASE BANK, N.A.
1-9-2026 [31]

NO RULING.

3. 25-13186-A-7 **IN RE: ANN DORSEY**

PRO SE REAFFIRMATION AGREEMENT WITH GLOBAL LENDING SERVICES LLC
12-30-2025 [22]

NO RULING.

1. 25-10912-A-7 **IN RE: JASBIR SOMAN**
SKI-1

MOTION FOR RELIEF FROM AUTOMATIC STAY
 12-19-2025 [43]

EXETER FINANCE LLC/MV
 SHERYL ITH/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 prior to the hearing date as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the debtor, 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 Systems, Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a movant make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

The movant, Exeter Finance LLC ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2014 Porsche Cayenne, VIN: WP1AA2A24ELA97365 ("Vehicle"). Doc. #43.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case by case basis." In re Mac Donald, 755 F.2d 715, 717 (9th Cir. 1985).

11 U.S.C. § 362(d)(2) allows the court to grant relief from the stay if the debtors do not have any equity in such property and such property is not necessary to an effective reorganization.

After review of the included evidence, the court finds that "cause" exists to lift the stay because the debtor has failed to make at least six post-petition payments. Movant has produced evidence that the debtor is delinquent by at least \$6,870.72, including late fees of \$224.24. Decl. of Nancy Wafer, Doc. #46. Movant also does not have proof that the Vehicle is insured with Movant named as the loss payee. Id.

The court also finds that the debtor does not have any equity in the Vehicle and the Vehicle is not necessary to an effective reorganization because the

debtor is in chapter 7. Doc. #43. The Vehicle is valued at \$15,313.00 and the debtor owes \$35,047.70. Wafer Decl., Doc. #46.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) and (d)(2) to permit Movant to dispose of its collateral pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived because the debtor has failed to make at least six post-petition payments to Movant, the Vehicle is a depreciating asset, and Movant does not have proof that the Vehicle is insured with Movant named as the loss payee.

2. 25-14144-A-7 **IN RE: CAMMY VIEIRA**
BDB-1

MOTION TO COMPEL ABANDONMENT
1-14-2026 [15]

CAMMY VIEIRA/MV
BENNY BARCO/ATTY. FOR DBT.

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 hearing.

This motion was filed and served on at least 14 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2) and will proceed as scheduled. 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 a further hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

Cammy Lynette Vieira ("Debtor"), the chapter 7 debtor in this case, moves the court to compel the chapter 7 trustee to abandon the estate's interest in a 2012 Chevy Equinox LTX ("Vehicle") as well as Debtor's delivery business, including equipment and assets used in the business consisting of a cell phone and iPad (collectively, the "Personal Property", and together with the Vehicle, the "Property"). Doc. #15. Debtor asserts that there is minimal, if any, non-exempt equity in the Property, and the Property therefore has no value to the bankruptcy estate. Id.

11 U.S.C. § 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 Morgan v. K.C. Mach. & Tool Co. (In re K.C. Mach. & 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. Mach. & Tool Co., 816 F.2d at 246).

Here, Debtor does not allege that the Property is burdensome to the estate. Doc. #15. 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 Vehicle is valued at \$7,000.00 and is encumbered by a lien in the amount of \$9,666.00. Schedules A/B & D, Doc. #1. The Personal Property is valued at \$350.00. Schedule A/B, Doc. #1. Under California Civil Procedure Code § 703.140(b) (5), Debtor claims a \$350.00 exemption in the Personal Property. Schedule C, Doc. #1; Decl. of Cammy Vieira, Doc. #17. Further, the only non-exempt asset is the goodwill of the business, which Debtor states has no value because Debtor has no employees and the business is completed entirely by Debtor's manual labor. Vieira Decl., Doc. #17. The court finds that Debtor has met her burden of establishing by a preponderance of the evidence that the Property is of inconsequential value and benefit to the estate.

Accordingly, subject to opposition being raised at the hearing, this motion will be GRANTED. The order shall specifically identify the property abandoned.

3. 25-14145-A-7 **IN RE: FRANK PHILLIPS**
BDB-1

MOTION TO COMPEL ABANDONMENT
1-14-2026 [12]

FRANK PHILLIPS/MV
BENNY BARCO/ATTY. FOR DBT.

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 hearing.

This motion was filed and served on at least 14 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2) and will proceed as scheduled. 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 a further hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

Frank Robert Phillips ("Debtor"), the chapter 7 debtor in this case, moves the court to compel the chapter 7 trustee to abandon the estate's interest in a 2015 Volkswagen Jetta ("Vehicle") as well as Debtor's real estate business, including equipment and assets used in that business consisting of a real estate license, a laptop, a checking account, and a pending commission at the close of escrow valued at \$1,500.00 (collectively, the "Personal Property", and together with the Vehicle, the "Property"). Doc. #12. Debtor asserts that there is minimal, if any, non-exempt equity in the Property, and the Property therefore has no value to the bankruptcy estate. Id.

11 U.S.C. § 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 Morgan v. K.C. Mach. & Tool Co. (In re K.C. Mach. & 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. Mach. & Tool Co., 816 F.2d at 246).

Here, Debtor does not allege that the Property is burdensome to the estate. Doc. #12. 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 Vehicle is valued at \$2,700.00 and is encumbered by a lien in the amount of \$4,402.00. Schedules A/B & D, Doc. #1. The Personal Property is valued at \$5,000.00. Schedule A/B, Doc. #1. Under California Civil Procedure Code § 703.140(b) (5), Debtor claim \$5,000.00 in exemptions in the Personal Property. Schedule C, Doc. #1; Decl. of Frank Phillips, Doc. #14. Further, the only non-exempt asset is the goodwill of the business, which Debtor states has no value because Debtor has no employees and the business is completed entirely by Debtor's manual labor. Phillips Decl., Doc. #14. The court finds that Debtor has met his burden of establishing by a preponderance of the evidence that the Property is of inconsequential value and benefit to the estate.

Accordingly, subject to opposition being raised at the hearing, this motion will be GRANTED. The order shall specifically identify the property abandoned.

4. 25-12952-A-7 **IN RE: JONATHAN DOMINGUEZ ESCARENO AND ERANDY SOTO**
MAZ-1

MOTION TO TRANSFER CASE/PROCEEDING TO ANOTHER DISTRICT
12-19-2025 [18]

ERANDY SOTO/MV
MARK ZIMMERMAN/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 prior to the hearing date 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.

Jonathan H. Dominguez Escareno and Erandy Soto (collectively, "Debtors"), the debtors in this chapter 7 case, move to transfer their bankruptcy case from the United States Bankruptcy Court for the Eastern District of California to the United States Bankruptcy Court for the Central District of California. Doc. #18.

Section 1408 of Title 28 provides that a bankruptcy case may be commenced in the district court for the district:

in which the domicile, residence, principal place of business in the United States, or the principal assets in the United States, of the person or entity that is the subject of such case have been located for the one hundred and eighty days immediately preceding such commencement, or for a longer portion of such one-hundred-and-eighty-day period than the domicile, residence or principal place of business, in the United States, or principal assets in the United States, of such person were located in any other district[.]

28 U.S.C. § 1408(1).

Debtors commenced this chapter 7 bankruptcy case in this court because Debtors stated they resided at a home they co-own in Hanford, California. However, based on information learned at Debtors' 341 meeting of creditors, Debtors have had an apartment in Costa Mesa, California for the past several years. Decl. of Debtors, Doc. #21. Moreover, Debtors' Schedule I reflects that Debtors were employed in Newport Beach, California and Costa Mesa, California for three years before they filed their bankruptcy petition. Schedule I, Doc. #1. Based on the objective facts and declaration, the court finds that Debtors lived in Costa Mesa, California, and their principal assets were located in Costa Mesa, California, for a larger portion of the 180 days prior to filing their bankruptcy case in this court than in Hanford, California. Costa Mesa, California is located in Orange County, California and is part of the Central District of California. Thus, under 28 U.S.C. § 1408(1), proper venue for Debtors' case is in the United States Bankruptcy Court for the Central District of California, not in this court.

While the Debtors cite to 28 U.S.C. § 1412 as the basis to transfer this case to a different venue, the court agrees with the cases holding that 28 U.S.C. § 1412 only applies to cases that were filed in the proper venue. See, e.g., Thompson v. Greenwood, 507 F.3d 416 (6th Cir. 2007) (finding 28 U.S.C. § 1406 applies to bankruptcy cases filed in an improper venue). Section 1406(a) of title 28 provides that "[t]he district court of a district in which is filed a case laying venue in the wrong division or district shall dismiss, or if it be in the interests of justice, transfer such case to any district in which it could have been brought." 28 U.S.C. § 1406(a). Federal Rule of Bankruptcy Procedure 1014(a)(2) allows this court, on timely motion of a party in interest, to dismiss a bankruptcy case filed in an improper district or to transfer the case to another district if the court determines that transfer is in the interest of justice or for the convenience of the parties.

Because Debtors' case was not filed in the proper venue, 28 U.S.C. § 1412 does not apply to the motion, and this court is limited to either dismissing Debtors' bankruptcy case or transferring the case to the United States

Bankruptcy Court for the Central District of California under 28 U.S.C. § 1406(a). Based on Debtors' request to have their bankruptcy case transferred to the United States Bankruptcy Court for the Central District of California, the court finds that transfer of Debtors' bankruptcy case is in the interest of justice, and this case will be transferred to the United States Bankruptcy Court for the Central District of California.

Accordingly, Debtors' motion is GRANTED. Debtors' bankruptcy case will be transferred to the United States Bankruptcy Court for the Central District of California.

5. 24-10957-A-7 **IN RE: ROLANDO/CYNTHIA OZUNA**
FW-3

MOTION TO SELL AND/OR MOTION TO PAY
1-7-2026 [78]

PETER FEAR/MV
SCOTT LYONS/ATTY. FOR DBT.
GABRIEL WADDELL/ATTY. FOR MV.

TENTATIVE RULING: This matter will proceed as scheduled for higher and better offers.

DISPOSITION: Granted subject to higher and better offers.

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.

This motion was filed and served on at least 21 days' notice prior to the hearing date pursuant to Federal Rule of Bankruptcy Procedure 2002 and Local Rule of Practice ("LBR") 9014-1(f) (2) and will proceed as scheduled. Unless opposition is presented at the hearing, the court intends to enter the respondents' defaults and grant the motion subject to higher and better offers. 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.

Peter L. Fear ("Trustee"), the chapter 7 trustee of the bankruptcy estate of Rolando Ozuna and Cynthia Anne Azuna (together, "Debtors"), moves the court pursuant to 11 U.S.C. § 363 for an order authorizing the sale of real property located at 605 N. F Street, Tulare, California 93274 (the "Property") to Silviano Gatica or his assignee SG Elite Builders LLC (collectively, "Buyers") for the purchase price of \$179,000.00, subject to higher and better bids at the hearing. Doc. #78. Trustee states that any liens or encumbrances attaching to the Property will be paid at close and out of escrow. Doc. #78; Decl. of Trustee, Doc. #81. Trustee also seeks authorization to pay a commission for the sale to Robert Casey of Berkshire Hathaway HomeServices California Realty ("Seller's Broker") and to Jose Tapia with Century 21 Jordan-Link & Company-Porterville ("Buyers' Broker" and, together with Seller's Broker, the "Brokers"). Doc. #78.

Selling Property of Estate under 11 U.S.C. § 363(b)(1) Permitted

Pursuant to 11 U.S.C. § 363(b)(1), the trustee, after notice and a hearing, may "use, sell, or lease, other than in the ordinary course of business, property of the estate." Proposed sales under § 363(b) are reviewed to determine whether

they are: (1) in the best interests of the estate resulting from a fair and reasonable price; (2) supported by a valid business judgment; and (3) proposed in good faith. In re Alaska Fishing Adventure, LLC, 594 B.R. 883, 887 (Bankr. D. Alaska 2018) (citing 240 N. Brand Partners, Ltd. v. Colony GFP Partners, L.P. (In re 240 N. Brand Partners, Ltd.), 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996)). "In the context of sales of estate property under § 363, a bankruptcy court 'should determine only whether the trustee's judgment [is] reasonable and whether a sound business justification exists supporting the sale and its terms.'" Alaska Fishing Adventure, 594 B.R. at 889 (quoting 3 COLLIER ON BANKRUPTCY ¶ 363.02[4] (Richard Levin & Henry J. Sommer eds., 16th ed.)). "[T]he trustee's business judgment is to be given great judicial deference." Id. at 889-90 (quoting In re Psychometric Sys., Inc., 367 B.R. 670, 674 (Bankr. D. Colo. 2007)).

Trustee believes that approval of the sale on the terms set forth in the motion is in the best interests of creditors and the estate. Doc. #78. Debtors filed a chapter 13 petition on April 15, 2024, and valued the Property at \$248,000.00. Schedule A/B, Doc. #1. Debtors' bankruptcy case was converted to chapter 7 on September 18, 2025. Doc. #43. In light of comparable sales and the condition of the Property, Seller's Broker believes \$179,000.00 is the fair market value for the Property. Decl. of Robert Casey, Doc. #82. Buyers tendered an offer of \$179,000.00, which Trustee has accepted conditioned upon the court's approval and better and higher offers at the hearing. Trustee Decl., Doc. #81. The sale is "as is, where is" with no warranties or representations of any nature. Id. Property taxes are past due in the amount of \$1,300.00, and there is a deed of trust in favor of Flagstar Bank, NA in the amount of \$68,297.43. Id. The real property taxes due and owing along with any liens attaching to the Property will be paid at close and out of escrow. Id. Trustee expects to pay \$10,740.00 in commission to Brokers and \$3,580.00 in costs of sale. Id. Based upon estimates obtained from the preliminary title report, the sales contract, and charges common in the industry, Trustee estimates a benefit to the estate of \$69,284.16. Id.

The Property will be sold at a price greater than the aggregate value of all liens on the Property and it appears that the sale of the estate's interest in the Property is in the best interests of the estate, the Property will be sold for a fair and reasonable price, and the sale is supported by a valid business judgment and proposed in good faith.

Accordingly, pending opposition being raised at the hearing and subject to overbid offers made at the hearing, the court will GRANT Trustee's motion and authorize the sale of the Property pursuant to 11 U.S.C. § 363(b)(1). The motion does not specifically request, nor will the court authorize, the sale free and clear of any liens or interests. Trustee states that any liens or encumbrances attaching to the Property will be paid at close and out of escrow.

Compensation to Broker

Trustee also seeks authorization to pay Brokers a commission for the sale of the Property. This court has determined that employment of Seller's Broker is in the best interests of the estate and has previously authorized a percentage commission payment structure pursuant to 11 U.S.C. § 328. Order, Doc. #69.

Trustee seeks to pay Seller's Broker a 6% commission on the sale of the Property as the real estate broker for the sale, with the commission to be shared with any participating buyer's agent pursuant to custom and any cooperating broker's agreement. Fear Decl., Doc. #81. Trustee estimates that Brokers' commission for the sale of the Property will equal \$10,740.00 to be split 50/50 between Seller's Broker and Buyers' Broker. Id. The court finds the compensation sought is reasonable, actual, and necessary.

Conclusion

Accordingly, subject to overbid offers made at the hearing, the court will GRANT Trustee's motion and authorize the sale of the Property to Buyers pursuant to 11 U.S.C. § 363(b)(1). Trustee is authorized to pay Brokers for services as set forth in the motion.

6. 25-13459-A-7 IN RE: JESSICA GRATEROLES PFT-1

OPPOSITION RE: TRUSTEE'S MOTION TO DISMISS FOR FAILURE TO APPEAR AT SEC. 341(A) MEETING OF CREDITORS
12-23-2025 [14]

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

DISPOSITION: Conditionally denied.

ORDER: The court will issue the order.

The chapter 7 trustee's motion to dismiss is CONDITIONALLY DENIED.

The debtor shall attend the meeting of creditors rescheduled for February 5, 2026 at 3:00 p.m. If the debtor fails to do so, the chapter 7 trustee may file a declaration with a proposed order and the case may be dismissed without a further hearing.

The time prescribed in Federal Rules of Bankruptcy Procedure 1017(e)(1) and 4004(a) for the chapter 7 trustee and the U.S. Trustee to object to the debtor's discharge or file motions for abuse, other than presumed abuse, under 11 U.S.C. § 707, is extended to 60 days after the conclusion of the meeting of creditors.

7. 25-12382-A-7 IN RE: SLEEP FIT CORPORATION FEN-2

MOTION FOR ADMINISTRATIVE EXPENSES
12-23-2025 [76]

BENDEL PARTNERS, LLC/MV
RILEY WALTER/ATTY. FOR DBT.
JOHN WASTE/ATTY. FOR MV.
RESPONSIVE PLEADING

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 prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The chapter 7 trustee filed a statement of non-opposition to the court granting the instant motion. Doc. #82. 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 non-responding 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.

Bendel Partners, LLC ("Movant"), a creditor and post-petition lessor to Sleep Fit Corporation ("Debtor"), moves the court for an order authorizing Movant's chapter 7 administrative expense claim in the aggregate amount of \$6,729.09 pursuant to 11 U.S.C. §§ 365(d)(3) and 503(b)(1) consisting of unpaid post-petition rent, late fees and utilities for December 2025 in the amount of \$6,009.09 and reasonable attorney's fees in the amount of \$720.00. Doc. #76; Decl. of Jeffrey M. Mihalik, Doc. #79.

Section § 365(d)(3) requires the trustee to "timely perform all the obligations of the debtor, except those specified in section 365(b)(2), arising from and after the order for relief under any unexpired lease of nonresidential real property, until such lease is assumed or rejected, notwithstanding section 503(b)(1) of this title." The Ninth Circuit has adopted a bright-line rule that all claims arising from post-petition, pre-rejection lease obligations are entitled to administrative expense priority. Towers v. Chickering & Gregory (In re Pacific-Atlantic Trading Co.), 27 F.3d 401, 403 (9th Cir. 1994); K-4, Inc. v. Midway Engineered Wood Prods., Inc. (In re TreeSource Indus., Inc.), 363 F.3d 994, 997 (9th Cir. 2004).

11 U.S.C. § 503(b)(1) provides that, after notice and a hearing, administrative expenses shall be allowed for "the actual, necessary costs and expenses of preserving the estate[.]" To be deemed an administrative expense under section 503(b), the claim must have arisen from a transaction with the trustee and directly and substantially benefitted the estate. Boeing N. Am., Inc. v. Ybarra (In re Ybarra), 424 F.3d 1018, 1025 (9th Cir. 2005).

"The burden of proving an administrative expense claim is on the claimant." Microsoft Corp. v. DAK Indus. (In re DAK Indus.), 66 F.3d 1091, 1094 (9th Cir. 1995). "The bankruptcy court has broad discretion whether to grant such a claim[,] and only "the actual, necessary costs and expenses of preserving the estate" shall be approved. Id.

Debtor is a lessee of Movant pursuant to a written lease that currently expires on August 31, 2026 (the "Lease"). Doc. #76. On November 25, 2025, Movant filed a motion for the estate to pay administrative expenses in the amount of \$24,934.97 to Movant for Debtor's nonperformance of post-petition Lease obligations not yet paid by the chapter 7 trustee Irma Edmonds ("Trustee"), which was granted ("First Motion"). Order, Doc. #75. At the time the First Motion was filed, Movant believed that Trustee's auction of property located on premises leased from Movant would be completed in November 2025. Doc. #76; Mihalik Decl., Doc. #79. However, Trustee did not complete the auction and surrender the leased property until December 22, 2025. Id. Therefore, Movant seeks to be paid for the nonperformance of post-petition Lease obligations for the month of December 2025. Id. Trustee does not oppose the court granting the instant motion. Doc. #82. The court finds that the claim arises from Trustee's nonperformance of post-petition, pre-rejection lease obligations.

Accordingly, this motion is GRANTED. The estate is authorized to pay \$6,729.09 to Movant for Debtor's nonperformance of post-petition Lease obligations and attorney's fees. 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.

8. 25-14082-A-7 **IN RE: HANNAH/TRAVIS CENTENO**
SD-1

MOTION FOR RELIEF FROM AUTOMATIC STAY
12-26-2025 [17]

CONSUMER PORTFOLIO SERVICES, INC./MV
SHANNON DOYLE/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 28 days' notice prior to the hearing date as required by 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 Systems, Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a movant make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

The movant, Consumer Portfolio Services, Inc. ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2017 Mitsubishi Outlander, VIN: JA4AD3A36HZ028681 ("Vehicle"). Doc. #17.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case by case basis." In re Mac Donald, 755 F.2d 715, 717 (9th Cir. 1985).

11 U.S.C. § 362(d)(2) allows the court to grant relief from the stay if the debtors do not have any equity in such property and such property is not necessary to an effective reorganization.

After review of the included evidence, the court finds that "cause" exists to lift the stay because the debtors have failed to make seven pre-petition payments. Movant has produced evidence that the debtors are delinquent by \$3,769.39, including late fees. Decl. of Helen Brigham, Doc. #21.

The court also finds that the debtors do not have any equity in the Vehicle and the Vehicle is not necessary to an effective reorganization because the debtors are in chapter 7. Doc. #17. The Vehicle is valued at \$9,725.00 and the debtors owe \$16,405.93. Brigham Decl., Doc. #21.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) and (d)(2) to permit Movant to dispose of its collateral pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived because debtors have failed to make seven pre-petition payments to Movant and the Vehicle is a depreciating asset.

9. 18-10398-A-7 **IN RE: ALIPIO SANTIAGO**
RTW-2

MOTION FOR COMPENSATION FOR RATZLAFF, TAMBERI AND GILL, LLP, ACCOUNTANT(S)
12-16-2025 [124]

RATZLAFF TAMBERI & GILL, LLP/MV
ERIC ESCAMILLA/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 prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the debtor, 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.

Ratzlaff Tamberi & Gill, LLP ("Movant"), accountants for chapter 7 trustee James Salven ("Trustee"), requests allowance of final compensation and reimbursement for expenses for services rendered from May 3, 2025 through November 19, 2025. Doc. #124. Movant provided accounting services valued at \$1,946.29, and requests compensation for that amount. Doc. #124. Movant does not request reimbursement for expenses. Doc. #124. 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) reviewing information regarding tax matters of the debtor; (2) corresponding with Trustee; (3) preparing federal and state income tax returns; and (4) preparing the employment and fee applications. Decl. of Christopher A. Ratzlaff, Doc. #126; Ex. A, Doc. #128. 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 \$1,946.29. Trustee is authorized to make a payment of \$1,946.29 to Movant from available funds only if the estate is administratively solvent and such payment is consistent with the priorities of the Bankruptcy Code.

10. 25-14199-A-7 **IN RE: JUAN BANUELOS AND VERONICA MORFIN BANUELOS**
JDR-1

MOTION TO COMPEL ABANDONMENT
12-24-2025 [8]

VERONICA MORFIN BANUELOS/MV
JEFFREY ROWE/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 prior to the hearing date 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.

Juan Gabriel Banuelos and Veronica Patricia Morfin Banuelos ("Debtors"), the chapter 7 debtors in this case, move the court to compel the chapter 7 trustee to abandon the estate's interest in the sole proprietorship business, Morfin Painting and Decorating, of debtor Juan Gabriel Banuelos. Doc. #8. The assets of the estate used in Mr. Banuelos' business include: (1) a 2018 Ford 150 ("Vehicle"); (2) one unperformed written contract for painting bathroom and kitchen remodel ("Contract"); and (3) various tools and equipment, including two 4ft ladders, two 6ft ladders, two 8ft ladders, 16ft extension, 24ft extension, 32ft extension, 28ft extension, pressure washer, airless sprayer 390, airless sprayer 410, eight putty knives, ten roll handles, 15 tips for airless, two 8ft ladders, 10 tarps, two 100ft extension cords, 50ft extension

cord, three airless sprayer wands, three rolling poles, ten brushes, two caulking guns, three masking machines, perrycart/scaffolding, dell laptop, and printer (collectively, the "Personal Property" and, together with the Vehicle and the Contract, the "Property"). Doc. #8; Decl. of Juan Banuelos, Doc. #11.

11 U.S.C. § 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 Morgan v. K.C. Mach. & Tool Co. (In re K.C. Mach. & 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. Mach. & Tool Co., 816 F.2d at 246).

Here, Debtors do not allege that the Property is burdensome to the estate. Doc. #8. Therefore, Debtors 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. The Vehicle is valued at \$6,737.00, and Debtors claim an exemption in the Vehicle in the aggregate amount of \$6,737.00 pursuant to California Civil Procedure Code § 703.140(b) (2) and (5). Schedule A/B and D, Doc. #1. The Contract is valued at \$2,465.00, and Debtors claim an exemption in the Contract of \$2,465.00 pursuant to California Civil Procedure Code § 703.140(b) (6). Id. The Personal Property is valued at \$3,028.00.¹ Schedule A/B, Doc. #1. Under California Civil Procedure Code § 703.140(b) (6), Debtors claim a \$3,028.00 exemption in the Personal Property. Schedule C, Doc. #1; Banuelos Decl., Doc. #11. Further, the only other non-exempt asset is the goodwill of the business, which Debtors believe has no value. Doc. #8. The court finds that Debtors have met their burden of establishing by a preponderance of the evidence that the Property is of inconsequential value and benefit to the estate.

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

¹ Debtors' motion and supporting declaration include (2) two 8ft ladders, the first in the amount of \$50.00 and the second in the amount of \$150.00, and state that the value of the 15 tips of airless is \$50.00. Doc. ##8, 11. However, Debtors listed these items on their schedules as follows: (1) two 8ft ladders at \$50.00 and the 15 tips of airless at \$150.00. The court will use the items and values as listed in Debtors' schedules in analyzing the motion. Schedules A/B & C, Doc. #1.