

UNITED STATES BANKRUPTCY COURT Eastern District of California Honorable Jennifer E. Niemann Hearing Date: Wednesday, January 31, 2024 Department A - Courtroom #11 Fresno, California

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- 1. Review the <u>Pre-Hearing Dispositions</u> prior to appearing at the hearing.
- 2. Review the court's <u>Zoom Policies and Procedures</u> for these and additional instructions.
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## 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 <u>no hearing on</u> <u>these matters.</u> 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. $\frac{21-11814}{CAE-1}$ -A-11 IN RE: MARK FORREST

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

LEONARD WELSH/ATTY. FOR DBT. RESPONSIVE PLEADING

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

DISPOSITION: Continued to February 14, 2024 at 9:30 a.m.

ORDER: The court will issue an order.

The status conference will be continued to February 14, 2024 at 9:30 a.m. to be heard in conjunction with the hearing regarding the conversion of this chapter 11 case to chapter 7.

2. <u>23-11623</u>-A-11 IN RE: MATEO ENTERPRISE, INC. DBA EL MILAGRO MARKET LKW-12

MOTION FOR COMPENSATION FOR LEONARD K. WELSH, DEBTORS ATTORNEY(S) 1-9-2024 [179]

LEONARD WELSH/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 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. If opposition is presented at the hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

Law Offices of Leonard K. Welsh ("Movant"), attorney for debtor and debtor in possession Mateo Enterprise, Inc. dba El Milagro Market ("DIP"), requests allowance of final compensation and reimbursement for expenses for services rendered from September 1, 2023 through December 31, 2023. Doc. #179. Movant provided legal services valued at \$19,665.00, and requests compensation for that amount. Doc. #179. Movant requests reimbursement for expenses in the amount of \$743.78. Doc. #179. This is Movant's second and final fee application in this case. The court has previously approved a total of \$22,258.02 in interim fees and expenses. Doc. #126.

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

Movant's services included, without limitation: (1) providing general case administration; (2) aiding and advising in settlement agreement with creditors; (3) preparing and filing motion to value personal property to determine amount of secured claims; and (4) preparing and filing fee application. Ex. B, Doc. #183. The court finds the compensation of \$19,665.00 and reimbursement for expenses of \$743.78 sought for the period from September 1, 2023 through December 31, 2023 are reasonable, actual, and necessary and should be allowed on a final basis.

Movant also requests the court conduct a final review pursuant to 11 U.S.C. § 330 of all fees and expenses previously allowed pursuant to 11 U.S.C. § 331 on an interim basis. Specifically, Movant seeks final allowance of \$21,885.00 in compensation and \$373.02 in reimbursement for expenses previously awarded to Movant on October 3, 2023. Order, Doc. #126. All fees and expenses of Movant previously allowed on an interim basis are approved on a final basis.

This motion is GRANTED. The court allows on a final basis compensation in the amount of \$19,665.00 and reimbursement for expenses in the amount of \$743.78. The court also allows on a final basis all fees and expenses previously allowed to Movant on an interim basis.

# 3. $\frac{20-10945}{LKW-9}$ -A-12 IN RE: AJITPAL SINGH AND JATINDERJEET SIHOTA

MOTION FOR COMPENSATION BY THE LAW OFFICE OF LEONARD K. WELSH FOR LEONARD K. WELSH, DEBTORS ATTORNEY(S) 1-9-2024 [358]

LEONARD WELSH/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 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. If opposition is presented at the hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

The Law Offices of Leonard K. Welsh ("Movant"), successor counsel for Ajitpal Singh and Jatinderjeet Kaur Sihota (collectively, "Debtors"), the debtors in

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this chapter 12 case, requests allowance of final compensation in the amount of \$6,710.00 and reimbursement for expenses in the amount of \$146.22 for services rendered from July 1, 2023 through December 31, 2023, pursuant to 11 U.S.C. § 330. Doc. #358. Debtors have no objection to the fees and expenses requested by Movant. Decl. of Jatinderjeet Kaur Sihota, Doc. #362. Movant requests fees and expenses to be paid by Debtors from wages earned by Debtors and income generated from the operation of their business. Doc. #358; Sihota Decl., Doc. #362; Decl. of Leonard K. Welsh, Doc. #360. This is Movant's fifth and final fee application in this case. The court has previously approved a total of \$25,839.51 in interim fees and expenses, of which \$25,839.51 have been paid to Movant. Doc. #358.

Section 330(a) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services rendered" and "reimbursement for actual, necessary expenses" to a debtor's attorney in a chapter 12 case. 11 U.S.C. § 330(a)(1), (4)(B). The court may allow reasonable compensation to the chapter 12 debtor's attorney for representing interests of the debtor in connection with the bankruptcy case. 11 U.S.C. § 330(a)(4). In determining the amount of reasonable compensation, 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).

Here, Movant demonstrates services rendered relating to: (1) responding to motion for relief from automatic stay and abstention; (2) engaging in asset analysis and recovery; (3) preparing fee application; and (4) general case administration. Exs. B & C, Doc. #361. The court finds that the compensation and reimbursement sought are reasonable, actual, and necessary, and the court will approve the motion on a final basis.

Movant also requests the court conduct a final review pursuant to 11 U.S.C. § 330 of all fees and expenses previously allowed pursuant to 11 U.S.C. § 331 on an interim basis. Specifically, Movant seeks final allowance of the following compensation and reimbursement for expenses previously awarded to Movant:

Date of Hearing	Fees Allowed	Costs Allowed	Doc. #
August 24, 2022	\$7 <b>,</b> 142.50	\$76.17	236
November 9, 2022	\$2,810.00	\$158.21	276
May 10, 2023	\$7,202.50	\$129.79	291
July 26, 2023	\$8,245.00	\$75.34	310

All fees and expenses of Movant previously allowed on an interim basis are approved on a final basis.

This motion is GRANTED. The court allows on a final basis compensation in the amount of \$6,710.00 and reimbursement for expenses in the amount of \$146.22 to be paid in a manner consistent with the terms of the confirmed plan. The court also allows on a final basis all fees and expenses previously allowed to Movant on an interim basis, as set forth in the above chart. Movant may draw on any trust account held.

## 4. <u>20-10569</u>-A-12 IN RE: BHAJAN SINGH AND BALVINDER KAUR LKW-11

MOTION FOR COMPENSATION BY THE LAW OFFICE OF LEONARD K. WELSH FOR LEONARD K. WELSH, DEBTORS ATTORNEY(S) 1-9-2024 [625]

LEONARD WELSH/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 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. If opposition is presented at the hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

The Law Offices of Leonard K. Welsh ("Movant"), successor counsel for Bhajan Singh and Balvinder Kaur (collectively, "Debtors"), the debtors in this chapter 12 case, requests allowance of final compensation in the amount of \$7,050.00 and reimbursement for expenses in the amount of \$149.02 for services rendered from July 1, 2023 through December 31, 2023, pursuant to 11 U.S.C. § 330. Doc. #625. Debtors have no objection to the fees and expenses requested by Movant. Decl. of Bhajan Singh, Doc. #627. Movant requests fees and expenses to be paid by Debtors from wages earned by Debtors and income generated from the operation of their business. Doc. #625; Singh Decl., Doc. #627; Decl. of Leonard K. Welsh, Doc. #628. This is Movant's seventh and final fee application in this case. The court has previously approved a total of \$27,877.12 in interim fees and expenses, of which \$27,877.12 have been paid to Movant. Doc. #625.

Section 330(a) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services rendered" and "reimbursement for actual, necessary expenses" to a debtor's attorney in a chapter 12 case. 11 U.S.C. § 330(a)(1), (4)(B). The court may allow reasonable compensation to the chapter 12 debtor's attorney for representing interests of the debtor in connection with the bankruptcy case. 11 U.S.C. § 330(a)(4). In determining the amount of reasonable compensation, 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).

Here, Movant demonstrates services rendered relating to: (1) responding to motion for relief from automatic stay and abstention; (2) preparing fee application; and (3) general case administration. Exs. B & C, Doc. #625. The court finds that the compensation and reimbursement sought are reasonable, actual, and necessary, and the court will approve the motion on a final basis.

Movant also requests the court conduct a final review pursuant to 11 U.S.C. § 330 of all fees and expenses previously allowed pursuant to 11 U.S.C. § 331 on an interim basis. Specifically, Movant seeks final allowance of the

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following compensation and reimbursement for expenses previously awarded to Movant:

Date of Hearing	Fees Allowed	Costs Allowed	Doc. #
August 24, 2022	\$5,512.50	\$78.38	473
October 19, 2022	\$2,007.50	\$98.08	505
December 21, 2022	\$3 <b>,</b> 552.50	\$167.65	540
May 10, 2023	\$7,005.00	\$121.95	550
July 26, 2023	\$9,160.00	\$193.26	569

All fees and expenses of Movant previously allowed on an interim basis are approved on a final basis.

This motion is GRANTED. The court allows on a final basis compensation in the amount of \$7,050.00 and reimbursement for expenses in the amount of \$149.02 to be paid in a manner consistent with the terms of the confirmed plan. The court also allows on a final basis all fees and expenses previously allowed to Movant on an interim basis, as set forth in the above chart. Movant may draw on any trust account held.

## 5. <u>23-10571</u>-A-11 IN RE: NABIEKIM ENTERPRISES, INC. CAE-1

CONTINUED STATUS CONFERENCE RE: CHAPTER 11 SUBCHAPTER V VOLUNTARY PETITION 3-24-2023 [1]

PETER FEAR/ATTY. FOR DBT.

NO RULING.

## 6. <u>23-10571</u>-A-11 IN RE: NABIEKIM ENTERPRISES, INC. DNL-1

EVIDENTIARY HEARING RE: MOTION TO DISMISS CASE AND/OR MOTION FOR REMOVAL OF DEBTOR IN POSSESSION 9-19-2023 [118]

CALVIN KIM/MV PETER FEAR/ATTY. FOR DBT. J. CUNNINGHAM/ATTY. FOR MV. RESPONSIVE PLEADING

NO RULING.

7.  $\frac{23-10571}{FW-5}$ -A-11 IN RE: NABIEKIM ENTERPRISES, INC.

CONTINUED CONFIRMATION HEARING RE: CHAPTER 11 SMALL BUSINESS SUBCHAPTER V PLAN 6-22-2023 [67]

 $0 22 2023 \left[ \frac{07}{2} \right]$ 

PETER FEAR/ATTY. FOR DBT.

NO RULING.

8.  $\frac{23-12784}{FW-7}$ -A-11 IN RE: KODIAK TRUCKING INC.

MOTION TO ENTER INTO COMMERCIAL INSURANCE PREMIUM FINANCE AND SECURITY AGREEMENT 1-24-2024 [<u>86</u>]

KODIAK TRUCKING INC./MV PETER FEAR/ATTY. FOR DBT. OST 1/24/24

NO RULING.

9.  $\frac{23-12784}{FW-8}$ -A-11 IN RE: KODIAK TRUCKING INC.

MOTION TO USE CASH COLLATERAL 1-25-2024 [93]

KODIAK TRUCKING INC./MV PETER FEAR/ATTY. FOR DBT. OST 1/26/24

NO RULING.

10.  $\frac{23-12784}{FWP-1}$ -A-11 IN RE: KODIAK TRUCKING INC.

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-26-2024 [110]

INTEGRATED VEHICLE LEASING, INC./MV PETER FEAR/ATTY. FOR DBT. THOMAS PHINNEY/ATTY. FOR MV. OST 1/29/24

NO RULING.

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# 1. <u>23-12498</u>-A-7 **IN RE: GEORGE SUPER**

PRO SE REAFFIRMATION AGREEMENT WITH TOYOTA MOTOR CREDIT CORPORATION 12-26-2023 [20]

NO RULING.

#### 1. 23-12721-A-7 IN RE: DEADRA WRIGHT

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 1-3-2024 [33]

\$34.00 FILING FEE PAID 1/5/24

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

DISPOSITION: The order to show cause will be vacated.

ORDER: The court will issue an order.

The record shows that the filing fees have been paid. The case shall remain pending.

## 2. <u>23-12030</u>-A-7 IN RE: CALIFORNIA'S CUSTOM CONCESSION TRAILERS, LLC ICE-1

MOTION TO EMPLOY BAIRD AUCTION & APPRAISAL AS AUCTIONEER(S) 12-28-2023 [17]

IRMA EDMONDS/MV JONATHAN DOAN/ATTY. FOR DBT. IRMA EDMONDS/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 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. <u>Cf. Ghazali v. Moran</u>, 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. <u>See Boone v. Burk (In re Eliapo)</u>, 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the abovementioned 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). <u>Televideo Sys., Inc. v.</u><u>Heidenthal</u>, 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.

Irma Edmonds ("Trustee"), the chapter 7 trustee of the bankruptcy estate of California Custom Concession Trailers, LLC, moves the court for an order authorizing the employment of Baird Auctions & Appraisals ("Auctioneer") to commence in the sale of ten (10) food concession trailer shells in varying

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stages of completion (together, the "Property") at public auction at Auctioneer's location at 1328 N. Sierra Vista, Suite B, Fresno, California. Doc. #17.

Section 327(a) of the Bankruptcy Code provides, in relevant part, "the trustee, 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 trustee may, with the court's approval, employ an auctioneer on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis. 11 U.S.C. § 328(a). An application to employ a professional on terms and conditions to be pre-approved by the court must unambiguously request approval under § 328. See Circle K. Corp. v. Houlihan, Lokey, Howard & Zukin, Inc., 279 F.3d 669, 671 (9th Cir. 2002).

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 Jeffrey Baird, Doc. #19. Trustee 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. Doc. #17. Trustee has agreed to pay Auctioneer a commission of 20% of the gross sale price and estimated expenses of \$1,000.00. Doc. #17. Trustee unambiguously requests pre-approval of payment to Auctioneer pursuant to § 328. Id.

Accordingly, this motion is GRANTED. Trustee is authorized to employ and pay Auctioneer for services as set forth in the motion. Trustee shall submit a form of order that specifically states that employment of Auctioneer has been approved pursuant to 11 U.S.C. § 328.

# 3. <u>23-12030</u>-A-7 IN RE: CALIFORNIA'S CUSTOM CONCESSION TRAILERS, LLC ICE-2

MOTION TO SELL, AND/OR MOTION TO PAY 12-28-2023 [21]

IRMA EDMONDS/MV JONATHAN DOAN/ATTY. FOR DBT. IRMA EDMONDS/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 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. <u>Cf. Ghazali v. Moran</u>, 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. <u>See Boone v. Burk (In re</u>

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<u>Eliapo</u>), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the abovementioned 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). <u>Televideo Sys., Inc. v.</u> <u>Heidenthal</u>, 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.

Irma Edmonds ("Trustee"), the chapter 7 trustee of the bankruptcy estate of California Custom Concession Trailers, LLC, moves the court for an order (1) authorizing the sale of ten (10) food concession trailer shells in varying stages of completion (together, the "Property") at public auction at Auctioneer's location at 1328 N. Sierra Vista, Suite B, Fresno, California; and (2) authorizing the estate to pay Auctioneer commission and expenses. Tr.'s Mot., Doc. #21.

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. <u>In re Alaska Fishing Adventure, LLC</u>, 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. #21; Decl. of Irma Edmonds, Doc. #23. Trustee's experience indicates that a sale of the Property at public auction will yield the highest net recovery to the estate. Doc. #21; Edmonds Decl., Doc. #23. The proposed sale is made in good faith.

The court will authorize the employment of Auctioneer pursuant to 11 U.S.C. § 328. <u>See</u> DCN ICE-1, calendar matter #2 above. Trustee 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. Tr.'s Mot., Doc. #21. Trustee has agreed to pay Auctioneer a commission of 20% of the gross sale price and estimated expenses of \$1,000.00. Id. Trustee unambiguously requested pre-approval of payment to Auctioneer pursuant to 11 U.S.C. § 328. Doc. ##17, 21.

Accordingly, this motion is GRANTED. Trustee'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. The arrangement between Trustee and Auctioneer is reasonable in this instance. Trustee is authorized to sell the Property and pay Auctioneer on the terms set forth in the motion. 4.  $\frac{23-12237}{VC-3}$ -A-7 IN RE: MICHAEL OLEA AND BEATRIX HARVEY-OLEA

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-21-2023 [41]

ALLIANT CREDIT UNION/MV NICHOLAS WAJDA/ATTY. FOR DBT. MICHAEL VANLOCHEM/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 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. <u>Cf. Ghazali v. Moran</u>, 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. <u>See Boone v. Burk (In re Eliapo)</u>, 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the abovementioned 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). <u>Televideo Sys., Inc. v.</u><u>Heidenthal</u>, 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, Alliant Credit Union ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2019 Heartland Big Country, VIN: 5SFBG4424KE397500 (the "Vehicle"). Doc. #41.

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." <u>In re Mac Donald</u>, 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 at least eleven complete pre-petition payments. Movant has produced evidence that the debtors are delinquent by at least \$8,795.16. Doc. #43, 46.

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. The Vehicle is valued at \$49,500.00 and the debtors owe \$56,563.55. Doc. #43. According to the debtors' Statement of Intention, the Vehicle will be surrendered. Doc. #1.

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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 debtors have failed to make at least eleven pre-petition payments to Movant and the Vehicle is a depreciating asset.

# 5. $\frac{23-11240}{JAM-1}$ -A-7 IN RE: PEER SERVICES INC.

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-12-2023 [24]

HEIDI COLE AS GUARDIAN AD LITEM FOR PATRICIA HUNTRODS/MV HAGOP BEDOYAN/ATTY. FOR DBT. JAMES MORRIS/ATTY. FOR MV. RESPONSIVE PLEADING

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.

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). Peter Fear ("Trustee"), chapter 7 trustee for the bankruptcy estate of Peer Services, Inc. ("Debtor"), timely filed a conditional non-opposition on January 12, 2024. Doc. #30. The moving party, Heidi Cole as guardian ad litem for Patricia Huntrods ("Movant"), did not file a response to the conditional non-opposition.

As a procedural matter, the certificate of service filed in connection with this motion shows that the chapter 7 trustee was only served electronically pursuant to Federal Rule of Civil Procedure 5 and Federal Rules of Bankruptcy Procedure ("Rule") 7005 and 9036 Service. Doc. #29. However, Rules 4001(a)(1) and 9014(b) require service of a motion for relief from stay to be made pursuant to Rule 7004. Rule 9036(e) does not permit electronic service when any paper is required to be served in accordance with Rule 7004. However, because Trustee timely filed a conditional non-opposition, the court will deem the improper service on Trustee to be waived and will consider the motion on the merits.

As a further procedural matter, the certificate of service filed in connection with this motion (Doc. #29) does not comply with LBR 7005-1 and General Order 22-03, which require attorneys and trustees to use the court's Official Certificate of Service Form as of November 1, 2022. 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. The rules can be accessed on the court's website at https://www.caeb.uscourts.gov/LocalRules.aspx.

Movant requests relief from the automatic stay under 11 U.S.C. § 362(d)(1) to permit Movant to proceed to final judgment in a personal injury lawsuit,

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Huntrods v. Roseleaf Senior Living & Memory Care, et al., Case No. 21CV02495, Superior Court of California, County of Butte ("State Court Action"), including any appeals, in accordance with applicable nonbankruptcy law. Doc. #24. Movant also requests the order for relief from that automatic stay be binding and effective in any bankruptcy case commenced by or against Debtor for a period of 180 days so that no further automatic stay shall arise. Id.

Trustee does not oppose the motion for relief from stay so long as Movant only seeks to prosecute and liquidate its claim, collect against applicable insurance and/or other defendants, and not collect from property of Debtor or Debtor's bankruptcy estate. Doc. #30. Trustee opposes the motion to the extent that Movant seeks authorization to enforce its claim against property of the bankruptcy estate. Id. Because Movant filed a proof of claim against Debtor's bankruptcy estate on November 9, 2023 based on the State Court Action (Claim No. 12), it is unclear whether Movant will accept the terms of Trustee's conditional non-opposition.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause. "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).

When a movant seeks relief from the automatic stay to initiate or continue nonbankruptcy court proceedings, a bankruptcy court may consider the "Curtis factors" in making its decision. In re Kronemyer, 405 B.R. 915, 921 (B.A.P. 9th Cir. 2009). "[T]he Curtis factors are appropriate, nonexclusive, factors to consider in determining whether to grant relief from the automatic stay" to allow litigation in another forum. Id. The relevant Curtis factors include: (1) whether the relief will result in a partial or complete resolution of the issues; (2) the lack of any connection with or interference with the bankruptcy case; (3) whether the non-bankruptcy forum has the expertise to hear such cases; (4) whether litigation in another forum would prejudice the interests of other creditors; (5) the interest of judicial economy and the expeditious and economical determination of litigation for the parties; (6) whether the litigation in the other forum has progressed to the point where the parties are prepared for trial; and (7) the impact of the automatic stay and the "balance of hurt." In re Curtis, 40 B.R. 795, 799-800 (Bankr. D. Utah 1984). Here, the Curtis factors support finding cause to grant relief from stay as requested in the motion so long as Movant seeks to prosecute and liquidate its claim, collect against applicable insurance and/or other defendants, and not collect from property of Debtor or Debtor's bankruptcy estate.

Granting relief from stay will permit the state court to resolve Movant's personal injury claims against Debtor for purposes of permitting Movant to prosecute and liquidate its claim and collect against applicable insurance and/or other defendants. The claims involved in the State Court Action are routine state law claims and involve non-debtor defendants. Trial of the State Court Action is expected to require seven days and is currently set for March 11, 2024. It is in the interest of judicial economy and more expeditious and economical to lift the automatic stay to permit the state court to liquidate Movant's claim against Debtor in the State Court Action and collect against applicable insurance and/or other defendants, but not to collect from property of Debtor or Debtor's bankruptcy estate.

With respect to Movant's request that the order for relief from that automatic stay be binding and effective in any bankruptcy case commenced by or against Debtor for a period of 180 days, Movant has provided no legal authority or analysis for that request, and so that request is denied.

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Accordingly, the court finds that cause exists to lift the stay and this motion will be GRANTED pursuant to 11 U.S.C. § 362(d)(1) to permit Movant to proceed in the State Court Action to final judgment, including any appeals, in accordance with applicable nonbankruptcy law and collect against applicable insurance and/or other defendants, but not to collect from property of Debtor or Debtor's bankruptcy estate. No other relief is awarded.

6. <u>23-12243</u>-A-7 **IN RE: PHILLIP MONTGOMERY** PFT-1

OPPOSITION RE: TRUSTEE'S MOTION TO DISMISS FOR FAILURE TO APPEAR AT SEC. 341(A) MEETING OF CREDITORS 12-6-2023 [<u>14</u>]

JOEL WINTER/ATTY. FOR DBT.

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, 2024 at 4:00 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. <u>23-12447</u>-A-7 **IN RE: YADIRA CRUZ** AP-1

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-28-2023 [17]

FIRST TECHNOLOGY FEDERAL CREDIT UNION/MV MARK ZIMMERMAN/ATTY. FOR DBT. WENDY LOCKE/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 pursuant to 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

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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. <u>Cf. Ghazali v. Moran</u>, 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. <u>See Boone v. Burk (In re Eliapo)</u>, 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). <u>Televideo Sys., Inc. v.</u> <u>Heidenthal</u>, 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, First Technology Federal Credit Union ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2016 Ford Explorer, VIN: 1FM5K7D8XGGB52681 (the "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." <u>In re Mac Donald</u>, 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 debtor does 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 five complete preand post-petition payments. Movant has produced evidence that the debtor is delinquent by at least \$2,954.97. Doc. #19.

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. The Vehicle is valued at \$15,425.00 and the debtor owes \$21,377.93. Doc. #19. According to the debtor's Statement of Intention, the Vehicle will be surrendered. Doc. #1.

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 five pre- and post-petition payments to Movant and the Vehicle is a depreciating asset.

### 8. <u>23-12453</u>-A-7 **IN RE: ERIC ORTIZ** JCW-1

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-29-2023 [14]

WELLS FARGO BANK, N.A./MV MARK ZIMMERMAN/ATTY. FOR DBT. JENNIFER WONG/ATTY. FOR MV.

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

DISPOSITION: Denied without prejudice.

ORDER: The court will issue an order.

The certificate of service filed in connection with this motion shows that the chapter 7 trustee was only served electronically pursuant to Federal Rule of Civil Procedure 5 and Federal Rules of Bankruptcy Procedure ("Rule") 7005 and 9036 Service. Doc. #19. However, Rules 4001(a)(1) and 9014(b) require service of a motion for relief from stay to be made pursuant to Rule 7004. Rule 9036(e) does not permit electronic service when any paper is required to be served in accordance with Rule 7004.

Because the chapter 7 trustee was not served by mail as required by Rule 7004(b)(1), the motion was not served properly on the chapter 7 trustee.

Accordingly, this motion is DENIED WITHOUT PREJUDICE for improper service.

#### 9. 23-12181-A-7 IN RE: COREY MURPHY

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 12-27-2023 [23]

MARK ZIMMERMAN/ATTY. FOR DBT. \$34.00 FILING FEE PAID 1/5/24

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

DISPOSITION: The order to show cause will be vacated.

ORDER: The court will issue an order.

The record shows that the filing fees have been paid. The case shall remain pending.

#### 10. <u>19-12084</u>-A-7 **IN RE: CRYSTAL HEARD** DMG-4

MOTION TO PAY 12-15-2023 [55]

JEFFREY VETTER/MV NEIL SCHWARTZ/ATTY. FOR DBT. D. GARDNER/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 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. <u>Cf. Ghazali v. Moran</u>, 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. <u>See Boone v. Burk (In re Eliapo)</u>, 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). <u>Televideo Sys., Inc. v.</u><u>Heidenthal</u>, 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.

Jeffrey M. Vetter ("Trustee"), the chapter 7 trustee of the bankruptcy estate of Crystal Ann Heard, moves the court for an order authorizing payment of \$15,750.00 in costs and \$46,000.00 in fees to Vakili & Leus, LLP ("Special Counsel") for professional fees. Doc. #55.

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).

The court previously approved employment of Special Counsel as special counsel to represent the debtor and the bankruptcy estate in litigation filed against Walmart on October 10, 2019 in Kern County Superior Court, Case No. BCV-19-10292 ("State Court Action"). Tr. Decl., Doc. #57. A settlement with Walmart was reached after mediation in the amount of \$130,750.00. Id. The approved compromise provides for the payment of \$15,750.00 in costs and \$46,000.00 in fees to Special Counsel. Order, Doc. #50. The court finds the compensation of \$46,000.00 and reimbursement for expenses of \$15,750.00 in connection with State Court Action are reasonable, actual, and necessary and should be allowed on a final basis.

Accordingly, this motion is GRANTED.

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# 11. $\frac{23-12888}{PK-1}$ -A-7 IN RE: THERESA CALDERON

MOTION FOR RELIEF FROM AUTOMATIC STAY, MOTION/APPLICATION TO CONFIRM TERMINATION OR ABSENCE OF STAY 1-5-2024 [17]

ALL PROPERTY MANAGEMENT AND SALES, INC./MV PATRICK KAVANAGH/ATTY. FOR MV. DISMISSED 1/16/24

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

DISPOSITION: Denied as moot.

ORDER: The court will issue an order.

An order dismissing this case was entered on January 16, 2024. Doc. #24. Therefore, this motion will be DENIED AS MOOT.

#### 12. 23-12889-A-7 IN RE: CHRISTINE DE LA CRUZ

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 1-10-2024 [12]

GRISELDA TORRES/ATTY. FOR DBT. \$338.00 FILING FEE PAID 1/10/24

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

DISPOSITION: The order to show cause will be vacated.

ORDER: The court will issue an order.

The record shows that the filing fees have been paid. The case shall remain pending.

#### 13. 23-12892-A-7 IN RE: CHARITY FUENTES

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 1-10-2024 [14]

GRISELDA TORRES/ATTY. FOR DBT. \$338.00 FILING FEE PAID 1/10/24

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

DISPOSITION: The order to show cause will be vacated.

ORDER: The court will issue an order.

The record shows that the filing fees have been paid. The case shall remain pending.

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## 14. <u>23-12594</u>-A-7 IN RE: FABIAN GOMEZ AND MAYRA ESPINDOLA AGUILAR SKI-1

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-13-2023 [11]

FORD MOTOR CREDIT COMPANY LLC/MV TIMOTHY SPRINGER/ATTY. FOR DBT. SHERYL ITH/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 fate pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The debtors do not oppose the motion. Doc. #22. 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 movant make a prima facie showing that they are entitled to the relief sought, which the movant has done here.

The movant, Ford Motor Credit Company LLC ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2018 Ford F150, VIN: 1FTFW1RG2JFE49256 ("Vehicle"). Doc. #11.

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." <u>In re Mac Donald</u>, 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 at least three complete pre-petition payments. Movant has produced evidence that the debtors are delinquent by at least \$3,307.32, which includes late fees of \$157.50. Doc. #11.

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. The Vehicle is valued at \$45,375.00 and the debtors owe

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\$50,640.40. Doc. #11. According to the debtors' Statement of Intention, the Vehicle will be surrendered. Doc. #1.

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 debtors have failed to make at least three pre-petition payments to Movant and the Vehicle is a depreciating asset.

# 15. $\frac{18-10398}{EPE-1}$ -A-7 IN RE: ALIPIO SANTIAGO

MOTION TO COMPEL ABANDONMENT 1-2-2024 [90]

ALIPIO SANTIAGO/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 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. <u>Cf. Ghazali v. Moran</u>, 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. <u>See Boone v. Burk (In re Eliapo)</u>, 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). <u>Televideo Sys., Inc. v. Heidenthal</u>, 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.

Alipio Jeremy Santiago ("Debtor"), the chapter 7 debtor in this case, moves the court to order the trustee to abandon a claim of the estate known as the Workers Compensation Claim Proceeds (the "Claim"). Motion, Doc. #90. Debtor asserts he has exempted his entire interest in the proceeds of the Claim and the Claim 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. <u>Vu v. Kendall (In re Vu)</u>, 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. <u>Id.</u> (citing <u>In re K.C. Machine & Tool</u>

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<u>Co.</u>, 816 F.2d 238, 245 (6th Cir. 1987). However, "an order compelling abandonment [under § 554(b)] is the exception, not the rule. Abandonment should only be compelled in order to help the creditors by assuring some benefit in the administration of each asset. . . Absent an attempt by the trustee to churn property worthless to the estate just to increase fees, abandonment should rarely be ordered." Id. (quoting K.C. Machine & Tool Co., 816 F.2d at 246).

Here, Debtor does not allege that the Claim is burdensome to the estate. Mot., Doc. #90. Therefore, Debtor must establish that the Claim is of inconsequential value and benefit to the estate. 11 U.S.C. § 554(b); <u>Vu</u>, 245 B.R. at 647. Debtor's Claim is valued at \$45,000 and is not encumbered by any liens. Decl. of Alipio Jeremy Santiago, Doc. #92. Under California Civil Procedure Code § 703.140(b)(10)(C), Debtor claimed a 100% exemption in the Claim. Am. Schedule C, Doc. #89; Santiago Decl., Doc. #92. The court finds that Debtor has met his burden of establishing by a preponderance of the evidence that the Claim is of inconsequential value and benefit to the estate.

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