

UNITED STATES BANKRUPTCY COURT Eastern District of California Honorable René Lastreto II Department B - Courtroom #13 Fresno, California

Hearing Date: Tuesday, February 4, 2025

Unless otherwise ordered, all matters before the Honorable René Lastreto II, shall be simultaneously: (1) In Person at, Courtroom #13 (Fresno hearings only), (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 or their attorneys 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/attorney 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 and their attorneys who wish to appear remotely must contact the Courtroom Deputy for the Department holding the hearing.

Please also note the following:

- Parties in interest and/or their attorneys 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 who wish to attend by ZoomGov may only listen in to the hearing using the Zoom telephone number. Video participation or observing are not permitted.
- Members of the public and the press may not listen in to trials or evidentiary hearings, though they may attend in person unless otherwise ordered.

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 <u>no</u>
<u>hearing on 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.

Post-Publication Changes: 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 any possible updates.

9:30 AM

1. $\frac{25-10011}{\text{FW}-2}$ -B-12 IN RE: CARL/PATRICIA SOUSA

CONTINUED MOTION TO USE CASH COLLATERAL 1-3-2025 [7]

PATRICIA SOUSA/MV
PETER FEAR/ATTY. FOR DBT.

NO RULING.

2. $\frac{24-11015}{CAE-1}$ -B-11 IN RE: PINNACLE FOODS OF CALIFORNIA LLC

AMENDED RESCHEDULED STATUS CONFERENCE RE: CHAPTER 11 SUBCHAPTER V VOLUNTARY PETITION 4-22-2024 [1]

MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

3. $\underline{24-11015}_{\text{MJB}-11}$ -B-11 IN RE: PINNACLE FOODS OF CALIFORNIA LLC

RESCHEDULED HEARING RE: MOTION TO USE CASH COLLATERAL 10-1-2024 [254]

PINNACLE FOODS OF CALIFORNIA LLC/MV MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

4. $\frac{24-11015}{\text{MJB}-7}$ -B-11 IN RE: PINNACLE FOODS OF CALIFORNIA LLC

RESCHEDULED CONTINUED CONFIRMATION HEARING RE: CHAPTER 11 SMALL BUSINESS PLAN 8-2-2024 [177]

MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

5. $\underline{24-11016}$ -B-11 IN RE: TYCO GROUP LLC CAE-1

RESCHEDULED STATUS CONFERENCE RE: CHAPTER 11 SUBCHAPTER V VOLUNTARY PETITION 4-22-2024 [1]

MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

6. $\frac{24-11016}{\text{MJB}-6}$ -B-11 IN RE: TYCO GROUP LLC

RESCHEDULED CONTINUED CONFIRMATION HEARING RE: CHAPTER 11 SMALL BUSINESS PLAN 8-2-2024 [149]

MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

7. $\underbrace{24-11016}_{MJB-9}$ -B-11 IN RE: TYCO GROUP LLC

RESCHEDULED HEARING RE: MOTION TO USE CASH COLLATERAL 10-1-2024 [205]

TYCO GROUP LLC/MV MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

8. $\frac{24-11017}{\text{CAE}-1}$ -B-11 IN RE: CALIFORNIA QSR MANAGEMENT, INC.

RESCHEDULED CONTINUED STATUS CONFERENCE RE: CHAPTER 11 SUBCHAPTER V VOLUNTARY PETITION 4-22-2024 [1]

MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

9. $\frac{24-11017}{\text{MJB}-10}$ -B-11 IN RE: CALIFORNIA QSR MANAGEMENT, INC.

RESCHEDULED HEARING RE: MOTION TO USE CASH COLLATERAL 10-1-2024 [206]

CALIFORNIA QSR MANAGEMENT, INC./MV MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

10. $\frac{24-11017}{\text{MJB}-7}$ -B-11 IN RE: CALIFORNIA QSR MANAGEMENT, INC.

RESCHEDULED CONFIRMATION HEARING RE: CHAPTER 11 SMALL BUSINESS PLAN 8-9-2024 [172]

MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

11. $\frac{24-10546}{FW-12}$ -B-12 IN RE: MAXIMINIO/MARIE SILVEIRA

MOTION FOR COMPENSATION BY THE LAW OFFICE OF FEAR WADDELL FOR PETER L. FEAL, DEBTORS ATTORNEY(S) 1-6-2025 [176]

PETER FEAR/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in

conformance with the ruling below.

Fear Waddell, P.C. ("Applicant"), attorney for Chapter 12 debtors Maximinio and Marie Silveira ("Debtors"), requests interim compensation in the sum of \$78,312.57 under 11 U.S.C. § 330 and § 331. Doc. #176. This amount consists of \$75,133.50 in fees and \$3,179.07 in expenses from March 6, 2024, through November 30, 2024. Id. This is Applicant's first fee application.

Debtor Maximinio Silveira executed a statement of consent dated December 30, 2024, indicating that he has read the fee application and approves the same. Doc. #179.

No party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1) and Fed. R. Bankr. P. ("Rule") 2002(a)(6). The failure of the creditors, the chapter 13 trustee, 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 amounts of damages). Televideo Sys. Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a prima facie showing that they are entitled to the relief sought, which the movant has done here.

On March 20, 2024, Applicant filed an Application for Order Authorizing Employment, which the court granted on March 29, 2024. Docs. #22, #32. In that application, Applicant averred that he had received a prepetition retainer in the total amount of \$30,000.00. Doc. #22. Of that, \$8,091.50 was earned prepetition, including \$278.00 for the court filing fee. Id. The remaining \$21,908.50 of the prepetition retainer was to be held in trust pending approval of postpetition fee applications. Id. Applicant estimated that the total fees for this case would be approximately \$60,000.00. Id.

Applicant's firm provided 207.0 billable hours at the following rates, totaling \$75,133.50 in fees:

Professional	Rate	Hours	Total
Peter L. Fear	\$460.00	99.80	\$45,908.50
Gabriel J. Waddell	\$380.00	3.50	\$1,330.00
Peter A. Sauer	\$300.00	79.40	\$23,820.00
Katie Waddell	\$280.00	2.50	\$700.00
Kayla Schlaak	\$160.00	17.30	\$2 , 768.00
Laurel Guenther	\$135.00	4.50	\$607.50
Total		207.00	\$75 , 134.00

Docs. #175, #180. Applicant also incurred \$3,179.07 in expenses:

Copying	\$1,884.85
Court fees	\$247.50
Postage	\$1,046.72
Total Expenses	\$3,179.07

Id. These combined fees and expenses total \$78,312.57. After applying the remaining retainer funds in the amount of \$21,908.50 to the requested compensation there remains an outstanding balance of \$56,404.07.

11 U.S.C. § 330(a)(1)(A) & (B) permits approval of "reasonable compensation for actual necessary services rendered by . . . [a] professional person" and "reimbursement for actual, necessary expenses." 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, considering all relevant factors, including those enumerated in subsections (a)(3)(A) through (E). § 330(a)(3).

11 U.S.C. \S 331 authorizes the award after notice and hearing of an interim award subject to subsequent final approval by the court pursuant to \S 330.

Applicant's services here included, without limitation: case administration; asset disposition; meetings and communications with creditors; fee/employment applications; other contested matters; claims administration and objections; and plan and disclosure statement. Doc. #180. The court finds these services and expenses reasonable, actual, and necessary.

No party in interest timely filed written opposition. Accordingly, this motion will be GRANTED. Applicant shall be awarded \$75,133.50 in fees as reasonable compensation for services rendered and \$3,179.07 in reimbursement of actual, necessary expenses on an interim basis under 11 U.S.C. § 331. The total interim compensation awarded pursuant to this application is \$78,312.57. Applicant is authorized to apply the remaining prepetition retainer in the amount of \$21,908.50 to the outstanding award. Debtors shall pay the remaining balance of \$56,404.07 pursuant to the terms of the confirmed Chapter 12 plan.

12. $\frac{25-10088}{FW-2}$ -B-11 IN RE: AMY CORPUS

FURTHER HEARING RE: MOTION TO USE CASH COLLATERAL 1-14-2025 [5]

AMY CORPUS/MV PETER FEAR/ATTY. FOR DBT.

NO RULING.

13. $\frac{24-11198}{FW-8}$ -B-12 IN RE: EDUARDO/AMALIA GARCIA

MOTION FOR COMPENSATION BY THE LAW OFFICE OF FEAR WADDELL FOR PETER L. FEAR, DEBTORS ATTORNEY(S) 1-6-2025 [106]

PETER FEAR/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in

conformance with the ruling below.

Fear Waddell, P.C. ("Applicant"), attorney for Chapter 12 debtors Eduardo Zavala Garcia and Amalia Perez Garcia ("Debtors"), requests interim compensation in the sum of \$45,455.87 under 11 U.S.C. § 330 and § 331. Doc. #106. This amount consists of \$45,172.00 in fees and \$283.87 in expenses from May 1, 2024, through November 30, 2024. Id. This is Applicant's first fee application.

Debtor Eduardo Garcia Silveira executed a statement of consent dated December 30, 2024, indicating that he has read the fee application and approves the same. Doc. #109.

No party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1) and Fed. R. Bankr. P. ("Rule") 2002(a)(6). The failure of the creditors, the chapter 13 trustee, 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 amounts of damages). Televideo Sys. Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a prima facie showing that they are entitled to the relief sought, which the movant has done here.

On May 29, 2024, Applicant filed an Application for Order Authorizing Employment, which the court granted on June 6, 2024. Docs. #19, #28. In that application, Applicant averred that he had received a prepetition retainer in the total amount of \$50,000.00. Doc. #28. Of

that, \$14.555.00 was earned prepetition, including \$278.00 for the court filing fee. *Id.* The remaining \$35,545.00 of the prepetition retainer was to be held in trust pending approval of post-petition fee applications. *Id.* Applicant estimated that the total fees for this case would be at least \$70,000.00. *Id.*

Applicant's firm provided 115.20 billable hours at the following rates, totaling \$45,172.00 in fees:

Professional	Rate	Hours	Total
Peter L. Fear	\$460.00	74.80	\$34,408.00
Peter A. Sauer	\$300.00	29.00	\$8,700.00
Katie Waddell	\$280.00	2.50	\$700.00
Kayla Schlaak	\$160.00	6.50	\$1,040.00
Laurel Guenther	\$135.00	2.40	\$324.00
Total		115.2	\$45,172.00

Docs. #175, #180. Applicant also incurred \$283.87 in expenses:

Copying	\$176.64
Court fees	\$24.50
Postage	\$82.73
Total Expenses	\$283.87

Id. These combined fees and expenses total \$45,455.87. After applying the remaining retainer funds in the amount of \$35,545.00 to the requested compensation there remains an outstanding balance of \$9,910.87.

11 U.S.C. § 330(a)(1)(A) & (B) permits approval of "reasonable compensation for actual necessary services rendered by . . . [a] professional person" and "reimbursement for actual, necessary expenses." 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, considering all relevant factors, including those enumerated in subsections (a)(3)(A) through (E). § 330(a)(3).

11 U.S.C. \S 331 authorizes the award after notice and hearing of an interim award subject to subsequent final approval by the court pursuant to \S 330.

Applicant's services here included, without limitation: case administration; asset disposition; meetings and communications with creditors; fee/employment applications; and plan and disclosure statement. Doc. #110. The court finds these services and expenses reasonable, actual, and necessary.

No party in interest timely filed written opposition. Accordingly, this motion will be GRANTED. Applicant shall be awarded \$45,172.00 in fees as reasonable compensation for services rendered and \$3,179.07 in reimbursement of actual, necessary expenses on an interim basis under 11 U.S.C. § 331. The total interim compensation awarded pursuant to this application is \$45,455.87. Applicant is authorized to apply the remaining prepetition retainer in the amount of \$35,545.00 to the outstanding award. Debtors shall pay the remaining balance of \$9,910.87 pursuant to the terms of the confirmed Chapter 12 plan.

11:00 AM

1. 24-13207-B-7 IN RE: MANUEL MAESTAS AND APRIL GRIJALVA

REAFFIRMATION AGREEMENT WITH UNITED LOCAL CREDIT UNION 1-7-2025 [17]

GRISELDA TORRES/ATTY. FOR DBT.

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

DISPOSITION: Dropped.

ORDER: The court will issue an order.

No appearance is necessary.

A Reaffirmation Agreement between Manuel Maestas and April Grijalva ("Debtors") and United Local Credit Union for a 2018 Ford Fusion was filed on January 7, 2025. Doc. #17.

Rule 4008(a) states, in relevant part, that "[a] reaffirmation agreement shall be accompanied by a cover sheet, prepared as prescribed by the appropriate Official Form." Fed. R. Bankr. P. 4008(a). Here, no cover sheet is attached to the Reaffirmation Agreement.

The Debtors shall have 14 days to refile the Reaffirmation Agreement with a cover sheet, prepared as prescribed by the appropriate Official Form.

2. 24-13309-B-7 IN RE: RAMON GARCIA

PRO SE REAFFIRMATION AGREEMENT WITH TOYOTA MOTOR CREDIT CORPORATION 12-30-2024 [13]

NO RULING.

3. 24-12828-B-7 IN RE: GENARO/JACKIE CHIHUAHUA

REAFFIRMATION AGREEMENT WITH GOLDEN 1 CREDIT UNION 12-18-2024 [32]

HENRY NUNEZ/ATTY. FOR DBT.

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

DISPOSITION: Denied.

ORDER: The court will issue an order.

Debtor's counsel will inform debtor that no appearance is necessary.

A Reaffirmation Agreement between Genaro Chihuahua ("Debtor") and Golden 1 Credit Union for a 2021 Chevrolet Tahoe ("Vehicle") was filed on December 18, 2024. Doc. #32.

11 U.S.C. § 524(c)(6)(A)(ii) states "An agreement between a holder of a claim and the debtor, the consideration for which, in whole or in part, is based on a debt that is dischargeable in a case under this title is enforceable only to any extent enforceable under applicable non-bankruptcy law, whether or not discharge of such debt is waived, only if the court approves such agreement as in the best interest of the debtor."

Here, the Vehicle is valued at \$50,000.00. The amount being reaffirmed by Debtor is \$69,622.30 with an 7.79% interest rate. Debtor has negative equity of \$19,622.30 with approximately 66 months (over five years) remaining on the loan and only \$9.00 remaining in the budget every month according to the Debtor's schedules. Though there is no presumption of undue hardship because the lender is a Credit Union, reaffirming this debt is not in the Debtor's best interest.

4. 24-12830-B-7 IN RE: ANDREA CORTES

REAFFIRMATION AGREEMENT WITH FORD MOTOR CREDIT COMPANY, LLC 12-20-2024 [14]

PETER BUNTING/ATTY. FOR DBT.

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

DISPOSITION: Denied.

ORDER: The court will issue an order.

Debtor's counsel will inform debtor that no appearance is necessary.

A Reaffirmation Agreement between Andrea Figueroa Cortes ("Debtor") and Ford Motor Credit Company LLC for a 2020 Ford Fusion("Vehicle") was filed on December 20, 2024. Doc. #14.

The documents submitted in support of the reaffirmation agreement include information that the Debtor is a co-signer on the contract. This means another party may be liable for this obligation.

The court finds no evidence that this Reaffirmation Agreement is in the best interest of the Debtor. Accordingly, approval of the Reaffirmation Agreement between Debtor and Ford Motor Credit Company LLC will be DENIED.

5. 24-13531-B-7 **IN RE: JOSE CASAS**

PRO SE REAFFIRMATION AGREEMENT WITH AMERICREDIT FINANCIAL SERVICES, INC. 1-17-2025 [17]

NO RULING.

6. 24-12754-B-7 **IN RE: LYNETTE HERRERA**

PRO SE REAFFIRMATION AGREEMENT WITH SERVBANK SB 12-30-2024 [38]

NO RULING.

1. $\frac{24-12903}{\text{KMM}-1}$ -B-7 IN RE: ROCHELLE FISHER

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-3-2025 [43]

TOYOTA MOTOR CREDIT CORPORATION/MV THOMAS AMBERG/ATTY. FOR DBT. KIRSTEN MARTINEZ/ATTY. FOR MV. RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: The court intends to grant the motion for relief

on the grounds stated in the motion.

ORDER: The minutes of the hearing will be the court's

findings and conclusions. The Moving Party shall

submit a proposed order

Toyota Motor Credit Corporation ("Movant") seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to a 2022 Toyota Highlander ("Vehicle"). Doc. #43.

Debtor timely filed a response indicating that she has since made payments sufficient to cure any deficiency in payments. Doc. #53.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the 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 that a plaintiff make a prima facie showing that they are entitled to the relief sought, which the movant has done here.

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 debtor does not have an 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 Debtor has failed to make at least one (1) pre-petition payment and two (2) post-petition payments. The Movant has produced evidence that Debtor is delinquent at least \$3,703.52. Docs. #45, #47.

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 Debtor is in chapter 7. The Vehicle is valued at \$37,425.00 and Debtor owes \$62,759.97. Doc. #47.

The court is inclined to GRANT this motion pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2) to permit the 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 court will call this matter to inquire if the default has been cured.

2. $\frac{21-10523}{FW-4}$ -B-7 IN RE: ZARINA ROSENFELD

MOTION FOR COMPENSATION BY THE LAW OFFICE OF FEAR WADDELL FOR PETER A. SAUER, TRUSTEES ATTORNEY(S) $12-24-2024 \quad [40]$

LAYNE HAYDEN/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order that

conforms with the opinion below.

Fear Waddell, P.C. ("Applicant") seeks approval of a first and final allowance of compensation under 11 U.S.C. § 330 of the Bankruptcy Code for professional services rendered and reimbursement for expenses incurred as general counsel for Irma Edmonds, Trustee in the abovestyled case ("Trustee'). Doc. #40.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Thus, pursuant to LBR 9014-1(f)(1)(B), the failure of any party in interest (including but

not limited to creditors, the debtor, the U.S. Trustee, or any other properly-served party in interest) to file written opposition at least 14 days prior to the hearing may be deemed a waiver of any such opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). When there is no opposition to a motion, the defaults of all parties in interest who failed to timely respond will be entered, and, in the absence of any opposition, the movant's factual allegations will be taken as true (except those relating to amounts of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary when an unopposed movant has made a prima facie case for the requested relief. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006).

No party in interest has responded, and the defaults of all such parties are entered.

Applicant was employed to perform services under § 327 of the Code pursuant to an order of this court dated May 7, 2021. Doc. #19. This is Applicant's first and final request for compensation.

Applicant seeks \$37,363.50 in fees based on 147.60 billable hours from April 9, 2021, through December 19, 2024, as follows:

Professional	Rate	Hours	Total
Peter A. Sauer (2021)	\$245.00	19.00	\$4,655.00
Peter A. Sauer (2022)	\$260.00	41.70	\$10,842.00
Peter A. Sauer (2023)	\$280.00	35.70	\$9,996.00
Peter A. Sauer (2024)	\$300.00	44.40	\$10,200.00
Katie Waddell (2021)	\$230.00	0.70	\$161.00
Katie Waddell (2024)	\$280.00	4.80	\$1,344.00
Laurel Guenther (2023)	\$115.00	0.50	\$57.50
Laurel Guenther (2024)	\$135.00	0.80	\$108.00
Total		147.60	\$37,363.50

Docs. #40, #44. Applicant also incurred \$605.04 in expenses:

Copying	\$99.32	
Court fees	\$355.60	
Postage	\$76.12	
Subpoena Fees	\$74.00	
Total Expenses	\$605.04	

Id. These combined fees and expenses total \$37,968.54.

11 U.S.C. \S 330(a)(1)(A) and (B) permit approval of "reasonable compensation for actual, necessary services rendered by . . . [a]

professional person, or attorney" and "reimbursement for actual, necessary expenses." 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, considering all relevant factors, including those enumerated in subsections (a) (3) (A) through (E). § 330(a) (3). Previous interim compensation awards under 11 U.S.C. § 331, if any, are subject to final review under § 330.

Applicant's services here included, without limitation: case administration; meetings and communications with creditors; fee/employment applications; avoidance action analysis (fraudulent transfer claims); and contested matters. Doc. #44. The court finds the services and expenses reasonable, actual, and necessary. The Trustee has reviewed the Application and finds the requested fees and expenses to be reasonable. Doc. #43.

This Application is GRANTED. The court will approve on a final basis under 11 U.S.C. § 330 compensation in the amount of \$37,363.50 in fees and \$605.04 in expenses. The court grants the Application for a total award \$37,968.4 as an administrative expense of the estate and an order authorizing and directing the Trustee to pay such to Applicant from the first available estate funds.

3. $\frac{23-10450}{RTW-2}$ -B-7 IN RE: MARK/THERESA PARKER

RESCHEDULED HEARING RE: MOTION FOR COMPENSATION FOR RATZLAFF, TAMBERI AND GILL, LLP, ACCOUNTANT(S) 12-4-2024 [68]

RATZLAFF TAMBERI & WONG/MV GABRIEL WADDELL/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order that

conforms with the opinion below.

Ratzlaff Tamberi & Wong ("Applicant") seeks approval of a final allowance of compensation under 11 U.S.C. § 330 of the Bankruptcy Code for professional services rendered and reimbursement for expenses incurred as accountant for James Salven, Trustee in the above-styled case ("Trustee'). Doc. #68.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Thus, pursuant to LBR 9014-1(f)(1)(B), the failure of any party in interest (including but not limited to creditors, the debtor, the U.S. Trustee, or any other

properly-served party in interest) to file written opposition at least 14 days prior to the hearing may be deemed a waiver of any such opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). When there is no opposition to a motion, the defaults of all parties in interest who failed to timely respond will be entered, and, in the absence of any opposition, the movant's factual allegations will be taken as true (except those relating to amounts of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary when an unopposed movant has made a prima facie case for the requested relief. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006).

No party in interest has responded, and the defaults of all such parties are entered.

Applicant was employed to perform services under § 327 of the Code pursuant to an order of this court dated June 27, 2024. Doc. #54. This is Applicant's first and final request for compensation.

Applicant seeks \$1,705.00 in fees based on 6.2 billable hours from June 18, 2024, through November 27, 2024. Docs. #68, #71. Based on the moving papers, it appears that Chris Ratzlaff was the only employee of Applicant to work on this case, and he billed at a rate of \$275.00. Doc. #71. Applicant also seeks an award for expenses in the amount of \$17.07 for postage. *Id.* The total award sought is \$1,722.07. Docs. #63, #71.

11 U.S.C. § 330(a)(1)(A) and (B) permit approval of "reasonable compensation for actual, necessary services rendered by . . . [a] professional person, or attorney" and "reimbursement for actual, necessary expenses." 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, considering all relevant factors, including those enumerated in subsections (a)(3)(A) through (E). § 330(a)(3). Previous interim compensation awards under 11 U.S.C. § 331, if any, are subject to final review under § 330.

Applicant's services here included, without limitation: review of the petition in order to determine the tax attributes of the estate; accounting work on behalf of the estate; and preparation and filing of state and federal tax returns for the estate for the tax period ending on November 30, 2024. Doc. #78. The court finds the services and expenses reasonable, actual, and necessary. The Trustee has reviewed the Application and finds the requested fees and expenses to be reasonable. Doc. #72.

This Application is GRANTED. The court will approve on a final basis under 11 U.S.C. \S 330 compensation in the amount of \$1,705.00 in fees

and \$17.07 in expenses. The court grants the Application for a total award \$1,722.07 as an administrative expense of the estate and an order authorizing and directing the Trustee to pay such to Applicant from the first available estate funds.

4. $\frac{24-11250}{RTW-2}$ -B-7 IN RE: BEAR AG, LLC

RESCHEDULED HEARING RE: MOTION FOR COMPENSATION FOR RATZLAFF TAMBERI & GILL, LLP, ACCOUNTANT(S) 12-9-2024 [43]

RATZLAFF, TAMBERI & WONG/MV LAUREN NAWORSKI/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order that

conforms with the opinion below.

Ratzlaff Tamberi & Wong ("Applicant") seeks approval of a final allowance of compensation under 11 U.S.C. § 330 of the Bankruptcy Code for professional services rendered and reimbursement for expenses incurred as accountant for James Salven, Trustee in the above-styled case ("Trustee'). Doc. #68.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Thus, pursuant to LBR 9014-1(f)(1)(B), the failure of any party in interest (including but not limited to creditors, the debtor, the U.S. Trustee, or any other properly-served party in interest) to file written opposition at least 14 days prior to the hearing may be deemed a waiver of any such opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). When there is no opposition to a motion, the defaults of all parties in interest who failed to timely respond will be entered, and, in the absence of any opposition, the movant's factual allegations will be taken as true (except those relating to amounts of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary when an unopposed movant has made a prima facie case for the requested relief. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006).

No party in interest has responded, and the defaults of all such parties are entered.

Applicant was employed to perform services under § 327 of the Code pursuant to an order of this court dated June 27, 2024. Doc. #54. This is Applicant's first and final request for compensation.

Applicant seeks \$962.50 in fees based on 3.5 billable hours from September 11, 2024, through December 4, 2024. Doc. #46. Based on the moving papers, it appears that Chris Ratzlaff was the only employee of Applicant to work on this case, and he billed at a rate of \$275.00. *Id.* Applicant also seeks an award for expenses in the amount of \$25.38 for postage. *Id.* The total award sought is \$987.88. Docs. #43, #46.

11 U.S.C. § 330(a)(1)(A) and (B) permit approval of "reasonable compensation for actual, necessary services rendered by . . . [a] professional person, or attorney" and "reimbursement for actual, necessary expenses." 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, considering all relevant factors, including those enumerated in subsections (a)(3)(A) through (E). § 330(a)(3). Previous interim compensation awards under 11 U.S.C. § 331, if any, are subject to final review under § 330.

Applicant's services here included, without limitation: review of the petition and other documents relating to tax matters for the LLC; correspondence; accounting work on behalf of the estate; and preparation and filing of LLC income tax returns for the tax period ending on November 30, 2024; and the fee application. Doc. #78. The court finds the services and expenses reasonable, actual, and necessary. The Trustee has reviewed the Application and finds the requested fees and expenses to be reasonable. Doc. #46.

This Application is GRANTED. The court will approve on a final basis under 11 U.S.C. § 330 compensation in the amount of \$962.50 in fees and \$25.38 in expenses. The court grants the Application for a total award \$987.88 as an administrative expense of the estate and an order authorizing and directing the Trustee to pay such to Applicant from the first available estate funds.

5. $\underbrace{25\text{--}10151}_{\text{PBB}\text{--}1}\text{--B}\text{--7}$ IN RE: JAMES ON AND LISA NGUYEN

MOTION TO COMPEL ABANDONMENT 1-21-2025 [6]

LISA NGUYEN/MV
PETER BUNTING/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.

James On and Lisa Nguyen ("Debtors") move for an order compelling chapter 7 trustee Irma C. Edmonds ("Trustee") to abandon the estate's interest in certain business assets (collectively, the "Business Assets") used in the operation of Lisa Nguyen's business, "Nail Glamour". Doc. #6.

Written opposition was not required and may be presented at the hearing. In the absence of opposition, the court is inclined to GRANT this motion.

This motion was filed and served 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 further hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

11 U.S.C. § 554(b) provides that "on request of a party in interest and after notice and a hearing, the court may order the trustee to abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate."

To grant a motion to abandon property, the bankruptcy court must find either that: (1) the property is burdensome to the estate or (2) of inconsequential value and inconsequential benefit to the estate. In re Vu, 245 B.R. 644, 647 (B.A.P. 9th Cir. 2000). As one court noted, "an order compelling abandonment 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." In re K.C. Mach. & Tool Co., 816 F.2d 238, 246 (6th Cir. 1987). In evaluating a proposal to abandon property, it is the interests of the estate and the creditors that have primary

consideration, not the interests of the debtor. In re Johnson, 49 F.3d 538, 541 (9th Cir. 1995) (noting that the debtor is not mentioned in \$554). In re Galloway, No. AZ-13-1085-PaKiTa, 2014 Bankr. LEXIS 3626, at *16-17 (B.A.P. 9th Cir. 2014).

Debtor Lisa Nguyen ("Nguyen") is the owner and operator of an independent Nail Glamour, which is a nail salon operating in Fresno, California. Doc. #8 (Decl. of Lisa Nguyen). Debtors seek to compel Trustee to abandon the Business Assets, which are listed in the Motion and in the schedules as follows:

Asset	Value	Exempt
3225 W. Shaw Ave., Ste 112, Fresno, CA 93711 (the remaining term of a 2-year lease) ("the Store Premises")	\$0.00	\$12,000.00 CCP § 703.140(b)(5)
Wells Fargo Checking Acct. #9326	\$4,000.00	\$4,000.00 CCP § 703.140(b)(5)
Client List	\$5,000.00	\$10,000.00 CCP § 703.140(b)(5)
7 pedicure chairs	\$2,100.00	\$4,000.00 CCP \$ 703.140(b)(6)
Manicure equipment	\$1,000.00	\$4,000.00 CCP § 703.140(b)(6)
Fingernail Care supplies	\$800.00	\$3,800.00 CCP § 703.140(b)(5)
Fictious business name: Nail Glamour	\$0.00	\$1.00 CCP § 703.140(b)(5)
Total	\$12,900.00	\$37,801.00

Doc. #8; Doc. #1 (Sched. A/B and C).

None of the Business Assets are encumbered except for the Store Premises. Id. It appears that Debtors wish to assume the lease on Nail Glamour's current location at 3225 W. Shaw Avenue in Fresno, California for which a balance of \$61,731.37 is owed for the remaining two years of the lease. Doc. #8. The court notes that, while this appears to be a leased business property, for which Nguyen signed in her personal capacity, the lease is not listed on Debtors' Schedule G but rather on their Schedule A/B as property in which they own or have an interest and which is subject to exemption. Doc. #1 (Sched. A/B, C, and G).

Debtors exempted the Business Assets under Cal. Cod. Civ. Pro. \$ 703.140(b)(5) and (b)(6). Doc. #1 (Sched. C). This includes the Store Premises and the lease thereto, to which Debtors list the "Current value of the portion you own" as \$0.00 and the "Amount of the exemption you claim" as \$12,000.00. Id.

Nguyen contends there is no goodwill value in the business because substantially all the income from the business is the result of her labor, and Debtor does not have any employees. Doc. #8. The Debtors' Schedule C avers that the value of the client list is \$0.00 because if

Nguyen is not allowed to continue Nail Glamour, she will open a new business and offer services to her existing clients. Doc. #1 (Sched. C).

Nguyen certifies that Debtors are qualified and eligible to claim the exemptions under applicable law. Doc. #8. Absent from the moving papers is any acknowledgement that, if for any reason it is determined that Debtor is not qualified to claim an exemption in the property listed, or if there is some other error in the exemption claimed, Trustee may demand that Debtor compensate the estate for any damage caused by the claimed exemption. Also missing is any statement averring Debtors' agreement to not amend the exemptions affecting the Business Assets unless Trustee stipulated to that amendment or such relief is granted by further order of the court.

Written opposition was not required and may be presented at the hearing. The court has questions concerning how the lease on the Store Premises was addressed in the filings which may be addressed at the hearing. In the absence of opposition, however, the court is inclined to find that the Business Assets are of inconsequential value and benefit to the estate. Caveats about the Store Premises aside, the Business Assets were accurately scheduled and are encumbered or exempted in their entirety. Therefore, the court is inclined to GRANT this motion.

The order shall specifically include the property to be abandoned.

6. $\frac{24-13462}{\text{KMM}-1}$ IN RE: JOSE VALENCIA

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-3-2025 [10]

TOYOTA MOTOR CREDIT CORPORATION/MV JOSEPH PEARL/ATTY. FOR DBT. KIRSTEN MARTINEZ/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.

Toyota Motor Credit Corporation ("Movant") seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to a 2015 Lexus (V.I.N. JTHBK1GG8F2188158) ("Vehicle"). Doc. #10.

Jose Valencia ("Debtor") did not file opposition. Debtor's Statement of Intention indicated that the Vehicle would be surrendered. No other

party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the 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 that a plaintiff make a prima facie showing that they are entitled to the relief sought, which the movant has done here.

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 debtor does not have an 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 Debtor has failed to make three (3) pre-petition payments. The Movant has produced evidence that Debtor is delinquent at least \$1,514.88. Doc. #12.

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 Debtor is in chapter 7. The Vehicle is valued at \$18,175.00 and Debtor owes \$23,967.12. Doc. #14

Accordingly, the motion will be granted pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2) to permit the 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. According to the Debtor's Statement of Intention, the Vehicle will be surrendered.

7. $\frac{21-12473}{RTW-2}$ -B-7 IN RE: BLAIN FARMING CO., INC.

RESCHEDULED HEARING RE: MOTION FOR COMPENSATION FOR RATZLAFF, TAMBERI & GILL, LLP, ACCOUNTANT(S) 12-3-2024 [298]

RATZLAFF TAMBERI & GILL, LLP/MV RILEY WALTER/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order that

conforms with the opinion below.

Ratzlaff Tamberi & Wong ("Applicant") seeks approval of a final allowance of compensation under 11 U.S.C. § 330 of the Bankruptcy Code for professional services rendered and reimbursement for expenses incurred as accountant for James Salven, Trustee in the above-styled case ("Trustee"). Doc. #68.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Thus, pursuant to LBR 9014-1(f)(1)(B), the failure of any party in interest (including but not limited to creditors, the debtor, the U.S. Trustee, or any other properly-served party in interest) to file written opposition at least 14 days prior to the hearing may be deemed a waiver of any such opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). When there is no opposition to a motion, the defaults of all parties in interest who failed to timely respond will be entered, and, in the absence of any opposition, the movant's factual allegations will be taken as true (except those relating to amounts of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary when an unopposed movant has made a prima facie case for the requested relief. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006).

No party in interest has responded, and the defaults of all such parties are entered. $\,$

Applicant was employed to perform services under § 327 of the Code pursuant to an order of this court dated December 2, 2021. Doc. #50. This is Applicant's first and final request for compensation.

Applicant seeks \$14,396.00 in fees based on 57.1 billable hours from November 22, 2021, through November 21, 2024. Doc. #301. Based on the moving papers, it appears that Chris Ratzlaff was the only employee of

Applicant to work on this case, and he billed at a rate of \$240.00 per hour for all work performed from November 22, 2021, through September 2, 2022, and \$260.00 per hour for all work performed from February 23, 2023, through November 21, 2024. *Id.* Applicant also seeks an award for expenses in the amount of \$57.10 for postage to notice creditors. *Id.* The total award sought is \$14,416.55. Doc. #298, #301.

11 U.S.C. § 330(a)(1)(A) and (B) permit approval of "reasonable compensation for actual, necessary services rendered by . . . [a] professional person, or attorney" and "reimbursement for actual, necessary expenses." 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, considering all relevant factors, including those enumerated in subsections (a)(3)(A) through (E). § 330(a)(3). Previous interim compensation awards under 11 U.S.C. § 331, if any, are subject to final review under § 330.

Applicant's services here included, without limitation: review of the petition and other documents for information regarding the tax matters of the corporation; communications with trustee, the business's prior accountant, and the Franchise Tax Board, among other; and preparation and filing of state and federal tax returns for 2022, 2023, and 2024; and the fee application. Doc. #301. The court finds the services and expenses reasonable, actual, and necessary. The Trustee has reviewed the Application and finds the requested fees and expenses to be reasonable. Doc. #300.

This Application is GRANTED. The court will approve on a final basis under 11 U.S.C. \S 330 compensation in the amount of \$14,396.00 in fees and \$57.10 in expenses. The court grants the Application for a total award \$14,416.55 as an administrative expense of the estate and an order authorizing and directing the Trustee to pay such to Applicant from the first available estate funds.

8. $\frac{23-11175}{DMG-3}$ -B-7 IN RE: JASWINDER SINGH

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT WITH JASWINDER SINGH AND ARMANDEEP KAUR 1-9-2025 [89]

JEFFREY VETTER/MV
VINCENT GORSKI/ATTY. FOR DBT.
D. GARDNER/ATTY. FOR MV.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted.

ORDER: The minutes of the hearing will be the court's

findings and conclusions. Order preparation

determined at the hearing.

Chapter 7 trustee Jeffrey M. Vetter ("Trustee") requests an order approving a settlement agreement to the pending objection to claim of exemption (Doc. #38) and the adversary proceeding pending in Case No. 2023-01407 ("the Adversary") pursuant to Fed. R. Bankr. P. ("Rule") 9019. Doc. #89.

Written opposition was not required and may be presented at the hearing. In the absence of opposition, this motion will be GRANTED.

This motion was filed and served 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 further hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

Except where noted otherwise, the facts as outlined below are drawn from the Trustee's Declaration accompanying the instant motion.

Jaswinder Singh ("Debtor") Debtors filed chapter 7 bankruptcy on May 31, 2023. Doc. #1. Trustee was appointed as the interim trustee on that same date and became permanent trustee at the first 341 meeting of creditors on July 7, 2023. Doc. #5; Docket generally. Debtor previously had an interest in real property located at 8904 Northshore Drive, Bakersfield, California ("the Property"). However, Debtor neither listed nor exempted the Property, and the petition listed Debtor's residence as 5813 Luckman Drive, Bakersfield, California ("the Residence"). Debtor and his former wife, Armandeep Kaur ("Kaur") received the Property by way of a grant deed on July 16, 2021, and Debtor transferred his interest in the Property to Kaur on December

28, 2022, a transfer which Debtor did not disclose in his statement of financial affairs.

Kaur filed a dissolution of marriage case in Kern County Superior Court on December 27, 2022, the day before the transfer of Debtor's interest in the Property to her. A default judgment of dissolution was entered on July 6, 2023.

During the pendency of the bankruptcy case, Trustee objected to Debtor's amended claim of exemption which was filed on September 5, 2023. Doc. #38. In the amended Schedule C, Debtor asserted a \$300,000.00 homestead exemption on the Property even though it was neither his primary nor principal residence and he lived at his Residence at the time of filing. Thus, Trustee argues, the homestead exemption is not available to Debtor with regard to the Property.

The Trustee also filed the Adversary against both Debtor and Kaur to avoid the transfer of the Property on the basis that it was made with actual intent to hinder, delay, or defraud creditors, and/or to determine the nature, extent and validity of Kaur's interest in the Property. Adv. Doc. #1.

To avoid continued litigation, Trustee, Debtor, and Kaur entered into a settlement agreement for which they seek court approval. Doc. #38. Under the terms of the settlement, Debtor and Kaur will pay the sum of \$75,000.00 to be made in six equal installments of \$12,500.00 commencing February 1, 2025, to be completed by July 1, 2025. Upon completion of the payments, Trustee will withdraw his Objection to Claimed Exemptions and dismiss the Adversary. All parties shall bear their own costs and attorneys' fees.

The court notes that a copy of the settlement agreement has been filed in this case as an Exhibit to the motion. The motion will only be granted if Trustee separately files the settlement agreement and dockets it as a stipulation.

As representative of the chapter 7 bankruptcy estate, Trustee has the authority to settle claims of Debtor subject to court approval. 11 U.S.C. § 323(a). On a motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Rule 9019. Approval of a compromise must be based upon considerations of fairness and equity. In re A & C Props., 784 F.2d 1377, 1381 (9th Cir. 1986). The court must consider and balance four factors: (1) the probability of success in the litigation; (2) the difficulties, if any, to be encountered in the matter of collection; (3) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (4) the paramount interest of the creditors with a proper deference to their reasonable views. In re Woodson, 839 F.2d 610, 620 (9th Cir. 1988).

It appears from the moving papers that the Trustee has considered the A & C Props. and Woodson factors, which weigh in favor of approving the settlement agreement as follows:

- 1. <u>Probability of success in litigation</u>: Trustee believes that the transfer is subject to being set aside but that there are legal issues pertaining to community property law, transmutation, and the favorability of exemption law as it applies to the claims of Debtor and his defendants within the context of the homestead exemption. Trustee notes that he would have to prevail in both the Adversary and the Objection to bring all of the Property's value into the estate.
- 2. <u>Collection</u>: The settlement represents a sum certain coming to the estate. While Trustee disfavors payments made over an extended period of time, here, the payment schedule is limited to six months, which Trustee says is reasonable under the circumstances.
- 3. <u>Complexity of litigation</u>: The settlement will avoid litigation as to the amount of the exemption and the need to prove fraudulent intent. Litigation may prove expensive, and Trustee avers that there are no other assets in the case from which to draw funds to pay for litigation.
- 4. <u>Paramount interests of creditors</u>: Creditors are served by a sum certain being brought into the estate.

The A & C Props. and Woodson factors appear to weigh in favor of approving the settlement. Therefore, the settlement appears to be a fair, equitable, and reasonable exercise of Trustee's business judgment. The court may give weight to the opinions of the trustee, the parties, and their attorneys. In re Blair, 538 F.2d 849, 851 (9th Cir. 1976). Furthermore, the law favors compromise and not litigation for its own sake. Id.

Accordingly, in the absence of opposition, this motion will be GRANTED. The settlement between Trustee, Debtor, and Kaur will be approved.

This ruling is not authorizing the payment of any fees or costs associated with the settlement. Additionally, Trustee shall attach a copy of the settlement agreement as an exhibit to the proposed order and shall separately file the settlement agreement and docket it as a stipulation.

9. $\frac{24-13383}{\text{KMM}-1}$ -B-7 IN RE: LOUIE WHEELER

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-31-2024 [14]

HARLEY-DAVIDSON/MV SCOTT LYONS/ATTY. FOR DBT. KIRSTEN MARTINEZ/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.

Harley-Davidson ("Movant") seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to a 2013 Harley-Davidson Fltrx. Road Glide Custom (V.I.N. 1HD1KHM1XDB645490) ("Vehicle"). Doc. #14.

Louie Dean Wheeler ("Debtor") did not file opposition. Debtor's Statement of Intention indicated that the Vehicle would be surrendered. No other party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the 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 that a plaintiff make a prima facie showing that they are entitled to the relief sought, which the movant has done here.

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 debtor does not have an 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 Debtor has failed to make five (5) pre-petition payments and one (1) post-petition payment. The Movant has produced evidence that Debtor is delinquent at least \$1,936.26. Docs. #16, #18.

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 Debtor is in chapter 7. The Vehicle is valued at \$11,045.00 and Debtor owes \$16,139.33. Doc. #18

Accordingly, the motion will be granted pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2) to permit the 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. According to the Debtor's Statement of Intention, the Vehicle will be surrendered.

10. $\underline{25-10085}$ -B-7 IN RE: FABIAN POWERS AND CAROLINA FUENTES SPS-1

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-17-2025 [23]

WILMINGTON TRUST, NATIONAL ASSOCIATION/MV NEIL COOPER/ATTY. FOR MV.

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 court will issue an

order.

Wilmington Trust, National Association, not in its individual capacity but solely as Delaware Trustee of SMRF Trust X-A ("Movant") seeks in rem relief from the automatic stay under (d) (4) with respect to real property located at 1414 Main Street, Venice, CA 90291 ("Property") so that it may take all steps necessary under state and federal law to commence or complete its foreclosure sale. Doc. #23. Movant requests that the order be binding and effective under § 362(d) (4) in any other bankruptcy purporting to affect Property for a period of two years after entry of the order. Movant also requests waiver of the 14-day stay of Federal Rule of Bankruptcy Procedure ("Rule") 4001(a) (3) and Cal. Civ. Code § 3924g(d). Doc. #23.

Written opposition was not required and may be presented at the hearing. The court is inclined to GRANT the motion for the reasons outlined below.

This motion was filed and served 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 defaults of all nonresponding parties. 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.

An order entered under § 362(d)(4) is binding in any other bankruptcy case purporting to affect such real property filed not later than two years after the date of entry of the order.

Section 362(d)(4) states in relevant part:

involved either-

(d)On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay—

...

- (4) with respect to a stay of an act against real property under subsection (a), by a creditor whose claim is secured by an interest in such real property, if the court finds that the filing of the petition was part of a scheme to delay, hinder, or defraud creditors that
 - (A) transfer of all or part ownership of, or other interest in, such real property without the consent of the secured creditor or court approval; or
 - (B) multiple bankruptcy filings affecting such real property.

If recorded in compliance with applicable State laws governing notices of interests or liens in real property, an order entered under paragraph (4) shall be binding in any other case under this title purporting to affect such real property filed not later than 2 years after the date of the entry of such order by the court, except that a debtor in a subsequent case under this title may move for relief from such order based upon changed circumstances or for good cause shown, after notice and a hearing. Any Federal, State, or local governmental unit that accepts notices of interests or liens in real property shall accept any certified copy of an order described in this subsection for indexing and recording.

11 U.S.C. § 362(d)(4).

To obtain relief under § 362(d)(4), Movant must show and the court must affirmatively find the following three elements: (1) the debtor's' bankruptcy filing must have been part of a scheme; (2) the object of the scheme must have been to delay, hinder, or defraud creditors, and (3) the scheme must have involved either the transfer of some interest in the real property without the secured creditor's consent or court approval, or multiple bankruptcy filings affecting the property. First Yorkshire Holdings, Inc. v. Pacifica L 22, LLC (In re First Yorkshire Holdings, Inc.), 470 B.R. 864, 870 (B.A.P. 9th Cir. 2012).

A scheme is an intentional construct - it does not happen by misadventure or negligence. In re Duncan & Forbes Dev., Inc., 368 B.R. 27, 32 (Bankr. C.D. Cal. 2007). A § 362(d)(4)(A) scheme is an "intentional artful plot or plan to delay, hinder or defraud creditors." Id. It is not common to have direct evidence of an artful plot or plan to deceive others - the court must infer the existence and contents of a scheme from circumstantial evidence. Id. Movant must present evidence sufficient for the trier of fact to infer the existence and content of the scheme. Id.

Except where noted otherwise, the facts as outlined below are drawn from the moving papers, which include (1) the motion; (2) the Declaration of Melissa Braun, a Document Control Officer for Select Portfolio Servicing, Inc. ("SPS"), the loan servicer and attorney in fact for Movant; (3) the Request for Judicial Notice; (4) the Memorandum of Points and Authorities; and (5) Exhibits in the form of various deed transfers and case dockets germane to the disposition of this Motion. See Doc. #23 et seq.

Movant is, through various assignments, the loan servicer for a series of loans in favor of Brittany Dawn Debeikes ("Debeikes") and secured by seven properties ("the Properties"), one of which is 1414 Main Street, Venice California ("the 1414 Main St. Property"). The motion alleges that Debeikes, to avoid foreclosure of the various properties against which she borrowed money, including the 1414 Main St. Property, has engaged in a systematic pattern of gifting interests in the Properties to persons who immediately thereafter file for bankruptcy. Movant has provided documentation that Debeikes has transferred property interests in this manner at least 13 times in 2024, with each transfer followed immediately by a bankruptcy on the part of the transferee that served to frustrate Movant's efforts to foreclose on the Properties.

Relevant to the instant motion, when Debeikes defaulted as to the 1414 Main St. Property, the foreclosure sale was set for November 19, 2024. However, on November 7, 2024, Jonas Cole and Abigail Romero ("Cole/Romero") filed for Chapter 7 in this district in Case No. 24-25062 ("the Cole/Romero Bankruptcy"), and in their Schedules, they

claimed a 10% interest in the 1414 Main St. Property. Before the scheduled sale, Debeikes set a copy of a grant deed conveying the 1414 Main St. Property to herself and Mr. Cole as joint tenants and providing notice of the Cole/Romero bankruptcy, thereby causing the sale to be canceled. The Cole/Romero Bankruptcy was dismissed on November 15, 2024, due to Cole and Romero's failure to file the remainder of their Schedules.

The foreclosure sale on the 1414 Main St. Property was reset to January 15, 2025. On January 13, 2025, Fabian Powers and Carolina Fuentes ("Debtors"), filed the instant bankruptcy. Doc. #1. The Debtors, like Cole and Romero, claimed a 10% interest in the 1414 Main St. Property. Their filings were also incomplete, and the deadline to file the missing documents has run. On January 27, 2025, the court entered an order directing the Clerk's Office not to dismiss the case until after the court has ruled on the instant motion for in rem relief. Doc. #34.

Movant describes Debeikes' scheme as "prolific," involving to date at least 13 property transfers followed immediately by incomplete Chapter 7 petitions. Moreover, Movant alleges that at least some of the grant deeds purportedly recorded were, in fact, forgeries. Movant notes that in rem relief has been granted by other bankruptcy courts with regard to some of the Properties, including by this court. See In re Armando Ayala and Anastasia Thomas, Case No. 24-13319-B ("the Ayala/Thomas Case") at Doc. #69 (granting in rem relief as to three properties which had been transferred by Debeikes to the debtors in that case).

After review of the included evidence, the court finds that Debeikes and the Debtors have engaged in a scheme to delay, hinder, or defraud creditors by repeated transfer of interests in the Properties (both the 1414 Main St. Property at issue here and other properties not subject to this bankruptcy) to Debtors and other persons who thereafter immediately filed for bankruptcy and claimed interests in those properties. The acts of fractional transfer and temporally close bankruptcy filings are not misadventure or negligence but intentional. The acts require several complex steps, and the parties did not abort the process. The court agrees with Movant that the fact that these transfers and bankruptcies repeatedly were accomplished on the eve of a foreclosure sale demonstrates that the object of the scheme is to delay and hinder Movant in the exercise of Movant's remedies. In all the cases, including this one, the bankruptcies were incomplete filings. This repetitive pattern further evidences an intentional scheme. In its order granting in rem relief in the Ayala/Thomas Case, the court outlined with greater particularity the details of the scheme before granting in rem relief as to the three properties at issue in that case, and the same factors and analysis are applicable here. The Debtors' claimed an interest in 1414 Main St., which the court considers evidence of their knowing and willful involvement in Debeikes' scheme. Relief under § 362(d)(4) is appropriate.

In the absence of any opposition, this motion will be GRANTED pursuant to 11 U.S.C. § 362(d)(4) to permit Movant to proceed with its remedies against the subject properties.

The Court having rendered findings of fact and conclusions of law pursuant to Federal Rule of Civil Procedure 52, as incorporated by Federal Rule of Bankruptcy Procedure 7052:

IT IS ORDERED that the automatic stay of 11 U.S.C. § 362(a) is vacated as to real property located at 1414 Main Street, Venice, CA 90291, and;

IT IS FURTHER ORDERED, pursuant to 11 U.S.C. § 362(d)(4), that the filing of the petition was part of a scheme to delay, hinder, or defraud creditors that involved either transfer of all or part ownership of, or other interest in, the aforesaid real property without the consent of the secured creditor or court approval; or multiple bankruptcy filing affecting such real property. The order shall be binding in any other case under Title 11 of the United States Code purporting to affect the real property described in the motion not later than two years after the date of entry of the order. A debtor in a subsequent case under Title 11 may move for relief from this order based on changed circumstances or for good cause shown after notice and a hearing.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived to allow Movant to record the order forthwith.