

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

Hearing Date: Wednesday, February 26, 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.
- \bullet 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 hearing</u> on these matters. The final disposition of the matter is set forth in the ruling and it will appear in the minutes. The final ruling may or may not finally adjudicate the matter. If it is finally adjudicated, the minutes constitute the court's findings and conclusions.

Orders: Unless the court specifies in the tentative or final ruling that it will issue an order, the prevailing party shall lodge an order within 14 days of the final hearing on the matter.

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. $\underline{25-10001}_{-B-13}$ IN RE: JOSE/EMMA GONZALEZ LGT-1

OBJECTION TO CONFIRMATION OF PLAN BY TRUSTEE LILIAN G. TSANG 2-11-2025 [12]

TIMOTHY SPRINGER/ATTY. FOR DBT.

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

DISPOSITION: Withdrawn.

No order is required.

On February 19, 2025, the Trustee withdrew this Objection to Confirmation. Accordingly, this Objection is WITHDRAWN.

2. $\frac{25-10302}{\text{SL}-1}$ -B-13 IN RE: DEREK WHITFIELD

MOTION TO EXTEND AUTOMATIC STAY 2-5-2025 [9]

DEREK WHITFIELD/MV SCOTT LYONS/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.

Derek Whitfield ("Debtor") requests an order extending the automatic stay under 11 U.S.C. ¶ 362(c)(3). Doc. #9.

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.

Under 11 U.S.C. \S 362(c)(3)(A), if the debtor has had a bankruptcy case pending within the preceding one-year period that was dismissed, and the dismissal was for, *inter alia*, failing to perform the terms of a plan confirmed by the court, the automatic stay under subsection (a) shall terminate with respect to the debtor on the 30th day after the latter case is filed.

Here, Debtor is a repeat filer, and the current case is his sixth bankruptcy since 2011. The relevant consideration for \S 362(c)(3)(A), however, is in the number of cases filed within the last year, which are as follows:

Docket	Filed	Dismissed	Reason for dismissal
23-10626	3/28/23	12/19/24	Failure to make plan payments
25-10302	2/3/25	Pending	Currently active.

The automatic stay in the current case will expire on March 5, 2025.

11 U.S.C. \S 362(c)(3)(B) allows the court to extend the stay to any or all creditors, subject to any limitations the court may impose, after a notice and hearing where the debtor demonstrates that the filing of the latter case is in good faith as to the creditors to be stayed. Such request must be made within 30 days of the petition date.

Cases are presumptively filed in bad faith if any of the conditions contained in 11 U.S.C. § 362(c)(3)(C) exist. The presumption of bad faith may be rebutted by clear and convincing evidence. *Id.* Under the clear and convincing standard, the evidence presented by the movant must "place in the ultimate factfinder an abiding conviction that the truth of its factual contentions are 'highly probable.' Factual contentions are highly probable if the evidence offered in support of them 'instantly tilt[s] the evidentiary scales in the affirmative when weighed against the evidence offered in opposition.'" *Emmert v. Taggart (In re Taggart)*, 548 B.R. 275, 288, n.11 (B.A.P. 9th Cir. 2016) (citations omitted) (vacated and remanded on other grounds by *Taggart v. Lorenzen*, 139 S. Ct. 1785 (2019)).

In this case, the presumption of bad faith arises. The subsequently filed case is presumed to be filed in bad faith as to all creditors because Debtor has filed a case within the previous year that was dismissed for failure to perform the terms of a confirmed plan, in this instance by failing to make plan payments. See Doc. #11 (Decl. of Derek Whitfield).

Debtor declares that the previous case was dismissed because Debtor lost his job on November 25, 2024, which resulted in falling behind on his plan payments. Doc. #11. Debtor just started a new job, but it came too late for him to save the prior case. *Id.* Debtor has experienced a significant change in circumstances and now makes more than he did when he filed the previous bankruptcy. *Id.* Debtor plan in the new case proposes a 100% dividend to unsecured creditors. Doc. #3.

The Chapter 13 Plan dated February 3, 2025, provides for 60 monthly payments of \$4,200.00 with a 100% dividend to unsecured claims. Id. Debtor's Schedules I and J indicate that Debtor receives \$4,205.01 in monthly net income, which is sufficient for Debtor to afford the proposed plan payment. Doc. \$14.

In the prior case, Debtor's net monthly income was \$5,210.67, but that ended when he was terminated. Case No. 23-10626, Doc. #52. As Debtor is now employed again, his financial condition has materially changed since the last case was dismissed.

Based on the moving papers and the record, the presumption appears to have been rebutted by clear and convincing evidence because Debtor's financial condition and circumstances have materially changed. Debtor's petition appears to have been filed in good faith and the proposed plan does appear to be feasible.

This matter will be called and proceed as scheduled. In the absence of opposition at the hearing, this motion may be GRANTED. 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).

3. $\frac{24-13704}{SKI-1}$ -B-13 IN RE: MARIO/VIDALA SANCHEZ

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-17-2025 [13]

MERCEDES-BENZ FINANCIAL SERVICES USA LLC/MV SCOTT LYONS/ATTY. FOR DBT. SHERYL ITH/ATTY. FOR MV. RESPONSIVE PLEADING

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

DISPOSITION: Denied as moot.

ORDER: The court will issue the order.

Mercedes-Benz Financial Services USA LLC ("Movant") brings this Motion for Relief from the Automatic Stay against Mario and Vidala Sanchez ("Debtors") as to a 2017 Mercedes-Benz GLS450W4 (VIN: 4JGDF6EE4HA907861) ("the Property"). Doc. #13.

The confirmed plan reflects that Movant is listed as a Class 3 creditor and the Property has been surrendered to Movant. Docs. #3, #15, Confirmed Doc. #20. Accordingly, the automatic stay is not in effect as to the Property and Movant is already free "to exercise its

rights against its collateral and any non-debtor in the event of a default under applicable law or contract." Doc. #3 at 3.9.

4. 25-10009-B-13 IN RE: KATHERINE SCONIERS STANPHILL

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 2-6-2025 [18]

TENTATIVE RULING: This matter will proceed as scheduled.

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

findings and conclusions.

ORDER: The court will issue an order.

This matter will proceed as scheduled. If the fees due at the time of the hearing have not been paid prior to the hearing, the case will be dismissed on the grounds stated in the OSC.

If the installment fees due at the time of hearing are paid before the hearing, the order permitting the payment of filing fees in installments will be modified to provide that if future installments are not received by the due date, the case will be dismissed without further notice or hearing.

IN RE: SEBASTIAN GUTIERREZ 5. 24-12714-B-13 LGT-2

MOTION TO DISMISS CASE 1-17-2025 [56]

PETER MACALUSO/ATTY. FOR DBT. RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

Unless the trustee's motion is withdrawn at the DISPOSITION:

> hearing the court intends to grant the motion to dismiss on the grounds stated in the motion.

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

findings and conclusions. The court will issue

an order.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Chapter 13 trustee Lilian G. Tsang ("Trustee") asks the court to dismiss this case for cause under 11 U.S.C. §§ 1307(c)(1) and (c)(4) for unreasonable delay by the debtor that is prejudicial to creditors, failure to file certain

required documents and schedules, and failure to make all payments due under the plan. Doc. #56.

Sebastian Gutierrez ("Debtor") timely responded but, but his response was not supported by evidence. Debtor avers he is preparing an amended plan which will cure the default and satisfy the Trustee's requested corrections. Doc. #35

This matter will be called and proceed as scheduled to inquire as to Debtor's status in this Chapter 13 case. The court may DISMISS this case if there appears to be no progress.

6. $\frac{21-12317}{FW-5}$ -B-13 IN RE: RYAN RHOADS

MOTION FOR COMPENSATION BY THE LAW OFFICE OF FEAR WADDELL, P.C FOR GABRIEL J. WADDELL, DEBTORS ATTORNEY(S) 1-16-2025 [65]

GABRIEL WADDELL/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 Ryan Christopher Rhoads ("Debtor"), requests and interim compensation in the sum of \$5,505.77 under 11 U.S.C. \$ 330 and \$ 331. Doc. \$65. This amount consists of \$5,390.00 in fees and \$115.77 in expenses from November 1, 2023, to December 31, 2024. *Id*.

Debtor executed a statement of consent dated **November 14, 2025.** indicating that Debtor has read the fee application and approves the same. Doc. #67 (Exhib. E) (emphasis added). The court assumes this to be a scrivener's error (11/14/25 for 1/14/25) and that the consent should have been dated January 14, 2025, which was two days before this Application was filed.

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.

Section 3.05 of the *Chapter 13 Plan* dated March 16, 2023, confirmed May 15, 2023, indicates that Applicant was paid \$1,962.00 prior to filing the case and, subject to court approval, additional fees of \$20,000.00 shall be paid through the plan upon court approval by filing and serving a motion in accordance with 11 U.S.C. §§ 329 and 330, and Rules 2002, 2016-17. Docs. #38, #44.

This is Applicant's third interim application. Doc. #65. Applicant was previously awarded the following interim compensation under 11 U.S.C. § 331 for services and expenses as follows:

Date of Hearing	Fees Allowed	Costs Allowed	
August 10, 2022	\$7 , 519.00	\$319.56	
December 20, 2023	\$6,042.00	\$137.11	
Total	\$13,561.00	\$456.67	

Docs. #31, #50.

Applicant's firm provided 16.50 billable hours at the following rates, totaling \$5,390.00 in fees:

Professional	Hours	Rate	Amount
Gabriel J. Waddell	12.60	\$378.25	\$4,766.00
Katie Waddell	0.50	\$280.00	\$140.00
Kayla Schlaak	2.60	\$147.69	\$384.00
Laurel Guenther	0.80	\$125.00	\$100.00
Total	16.50		\$5,390.00

Doc. #67. Applicant also incurred \$115.77 in expenses:

Total Expenses	\$115.77
Copying	\$62.22
Postage	\$53.55

Id. These combined fees and expenses total \$5,507.77. Id.

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: amended/modified plan, motions, and objection; motion practice; fee application; and case administration. Doc. #67. 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 \$5,390.00 in fees as reasonable compensation for services rendered and \$115.77 in reimbursement of actual, necessary expenses on a final basis under 11 U.S.C. § 330. The chapter 13 trustee will be authorized to pay Applicant Fear Waddell, P.C. ("Applicant the sum of \$5,505.77 through the confirmed plan for services and expenses from November 1, 2023, to December 31, 2024. *Id.*

7. $\frac{25-10035}{\text{JCW}-1}$ -B-13 IN RE: ALEXANDER/REBECCA PILKINTON

OBJECTION TO CONFIRMATION OF PLAN BY CAPITAL ONE AUTO FINANCE 2-11-2025 [28]

CAPITAL ONE AUTO FINANCE/MV SCOTT LYONS/ATTY. FOR DBT. JENNIFER WONG/ATTY. FOR MV.

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

DISPOSITION: Continued to March 26, 2025, at 9:30 a.m.

ORDER: The court will issue an order.

Capital One Auto Finance, a division of Capital One, N.A. ("Creditor") objects to confirmation of the *Chapter 13 Plan* filed by Alexander and Rebecca Pilkinton (collectively "Debtors") on January 7, 2025, on the following basis:

1. The plan does not pay the full replacement value of the collateral, a 2021 Jeep Gladiator ("the Vehicle"). Creditor estimates the replacement value of the Vehicle at \$36,352.00 as indicated by the Kelley Blue Book valuation for the Vehicle Clean Retail Value. In the proposed Plan, the Debtor treats Creditor's claim as a Class 2(B) and values the Vehicle at \$27,912.00.

Docs. #12, #3.

This objection will be CONTINUED to March 26, 2025, at 9:30 a.m. Unless this case is voluntarily converted to chapter 7, dismissed, or the objection to confirmation is withdrawn, the Debtors shall file and serve a written response to the Objection not later than 14 days before the hearing. The response shall specifically address each issue raised in the objection to confirmation, state whether the issue is disputed or undisputed, and include admissible evidence to support the Debtors' position. Any reply shall be served no later than 7 days before the hearing.

If the Debtors elect to withdraw the plan and file a modified plan in lieu of filing a response, then a confirmable, modified plan shall be filed, served, and set for hearing not later than 7 days before the hearing. If the Debtors do not timely file a modified plan or a written response, this objection will be sustained on the grounds stated in the objection without further hearing.

8. $\frac{25-10035}{LGT-1}$ -B-13 IN RE: ALEXANDER/REBECCA PILKINTON

OBJECTION TO CONFIRMATION OF PLAN BY LILIAN G. TSANG 2-6-2025 [15]

LILIAN TSANG/MV SCOTT LYONS/ATTY. FOR DBT.

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

DISPOSITION: Continued to March 26, 2025, at 9:30 a.m.

ORDER: The court will issue an order.

Chapter 13 trustee Lilian G. Tsang ("Trustee") objects to confirmation of the *Chapter 13 Plan* filed by Alexander and Rebecca Pilkinton (collectively "Debtors") on January 7, 20255, on the following basis:

- 1. The plan provides for payments for more than 5 years. The plan propose that Debtors pay \$2,660.00 per month. Trustee's calculations indicate that plan payments must be at least \$2,666.00 per month to be feasible. Trustee is not opposed to correcting this in the confirmation order.
- 2. The plan is not feasible because it relies on a *Motion to Value Collateral* with regard to a 2021 Jeep Gladiator ("the Vehicle") that secures the indebtedness to Capital One Auto Finance as outlined in Class 2(B) of the plan. Debtors have not yet filed such a valuation motion. The court notes that a valuation motion regarding the Vehicle has been filed and is set for hearing on March 12, 2025. Doc. #19.

3. Schedule A/B must be amended to include their undisclosed retirement account(s) and their Venmo account. Schedule I must be amended to account for a mistaken listing for Joint Debtor's retirement income and Joint Debtor's part-time employment. Deductions must also be amended. Finally, Schedule C must be amended as Debtors have claimed a homestead exemption above the median price for their county and the schedule improperly exempts handguns/rifle, bicycles, and their dog.

Doc. #15.

This objection will be CONTINUED to March 26, 2025, at 9:30 a.m. Unless this case is voluntarily converted to chapter 7, dismissed, or the objection to confirmation is withdrawn, the Debtors shall file and serve a written response to the Objection not later than 14 days before the hearing. The response shall specifically address each issue raised in the objection to confirmation, state whether the issue is disputed or undisputed, and include admissible evidence to support the Debtors' position. Any reply shall be served no later than 7 days before the hearing.

If the Debtors elect to withdraw the plan and file a modified plan in lieu of filing a response, then a confirmable, modified plan shall be filed, served, and set for hearing not later than 7 days before the hearing. If the Debtors do not timely file a modified plan or a written response, this objection will be sustained on the grounds stated in the objection without further hearing.

9. $\underline{24-12741}_{B-13}$ IN RE: CRISTIAN ZAVALA WSL-1

MOTION TO CONFIRM PLAN 1-2-2025 [25]

CRISTIAN ZAVALA/MV RAJ WADHWANI/ATTY. FOR DBT. RESPONSIVE PLEADING

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

DISPOSITION: Case dismissed.

ORDER: The court will issue an order.

On February 20, 2025, the Debtor in the above-styled case filed a Response to Trustee's Objection to Confirmation, stating "Debtor recently lost his employment and can no longer afford the plan payments" and "Debtor understands that his case will be dismissed at the above-listed hearing."

The court interprets this to be a request by Debtor to voluntarily dismiss the case, which will be granted. Accordingly, this case is DISMISSED.

10. $\frac{24-13661}{LGT-1}$ -B-13 IN RE: RUBEN/VITELIA DEJESUS

OBJECTION TO CONFIRMATION OF PLAN BY TRUSTEE LILIAN G. TSANG 2-11-2025 [16]

BENNY BARCO/ATTY. FOR DBT.

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

DISPOSITION: Continued to March 26, 2025, at 9:30 a.m.

ORDER: The court will issue an order.

Chapter 13 trustee Lilian G. Tsang ("Trustee") objects to confirmation of the *Chapter 13 Plan* filed by Ruben and Vitelia Dejesus (collectively "Debtors") on December 20, 2025, on the following basis:

- 1. There is an inconsistency between the paystubs submitted to the Trustee by Debtors and the information provide on Debtors' Form 122C1 and their Schedule I. Trustee cannot determine if the plan was filed in good faith unless and until Debtors file Amended Schedules I & J.
- 2. The plan payments must increase in month 44 after Joint Debtor completes payments on a retirement loan due for payoff on July 15, 2028.
- 3. The plan provides for Noble Credit Union to be paid as a Class 2 Creditor for a 2018 Honda Clarity and a 2021 Jeep Cherokee, but no orders by the court valuing these vehicles have been entered. The docket reflects that valuation motions for both vehicles have been filed by Debtors and are set for hearing on March 26, 2025.

Doc. #16.

This objection will be CONTINUED to March 26, 2025, at 9:30 a.m. Unless this case is voluntarily converted to chapter 7, dismissed, or the objection to confirmation is withdrawn, the Debtors shall file and serve a written response to the Objection not later than 14 days before the hearing. The response shall specifically address each issue raised in the objection to confirmation, state whether the issue is disputed or undisputed, and include admissible evidence to support the Debtors' position. Any reply shall be served no later than 7 days before the hearing.

If the Debtors elect to withdraw the plan and file a modified plan in lieu of filing a response, then a confirmable, modified plan shall be

filed, served, and set for hearing not later than **7 days before the hearing**. If the Debtors do not timely file a modified plan or a written response, this objection will be sustained on the grounds stated in the objection without further hearing.

11. $\frac{24-10693}{TCS-1}$ -B-13 IN RE: ANTHONY MARQUEZ

MOTION TO MODIFY PLAN 1-16-2025 [34]

ANTHONY MARQUEZ/MV TIMOTHY SPRINGER/ATTY. FOR DBT. RESPONSIVE PLEADING

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

DISPOSITION: Continued to March 26, 2025, at 9:30 a.m.

ORDER: The court will issue an order.

Chapter 13 trustee Lilian G. Tsang ("Trustee") objects to confirmation of the *Chapter 13 Plan* filed Anthony Marquez ("Debtor") on January 16, 2025, on the following basis:

1. The attorney fee dividend will need to be reduced from \$245.86 to \$204.88 per month.

Doc. #41.

This objection will be CONTINUED to March 26, 2025, at 9:30 a.m. Unless this case is voluntarily converted to chapter 7, dismissed, or the objection to confirmation is withdrawn, the Debtor shall file and serve a written response to the Objection not later than 14 days before the hearing. The response shall specifically address each issue raised in the objection to confirmation, state whether the issue is disputed or undisputed, and include admissible evidence to support the Debtors' position. Any reply shall be served no later than 7 days before the hearing.

If the Debtor elects to withdraw the plan and file a modified plan in lieu of filing a response, then a confirmable, modified plan shall be filed, served, and set for hearing not later than 7 days before the hearing. If the Debtor does not timely file a modified plan or a written response, this objection will be sustained on the grounds stated in the objection without further hearing.

11:00 AM

1. $\frac{21-12407}{24-1049}$ -B-13 IN RE: MANUELA BETTENCOURT

ORDER TO SHOW CAUSE RE: FAILURE TO FILE CORPORATE OWNERSHIP STATEMENT $1-27-2025 \quad [15]$

BETTENCOURT V. NATIONAL COLLEGIATE STUDENT LOAN TRUST

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

DISPOSITION: The OSC will be vacated on mootness grounds.

ORDER: The court will issue an order.

On January 27, 2025, Transworld Systems, Inc. filed its Corporate Ownership Statement. Doc. #16. On January 31, 2025, Patenaude & Felix, A.P.C. and National Collegiate Student Loan Trust National Collegiate Student Loan Trust also filed Corporate Ownership Statements. Docs. #18-19. Accordingly, this Order to Show Cause shall be VACATED as moot.

2. $\frac{20-10809}{21-1039}$ -B-11 IN RE: STEPHEN SLOAN

CONTINUED STATUS CONFERENCE RE: FIRST AMENDED COMPLAINT 10-27-2022 [58]

SANDTON CREDIT SOLUTIONS MASTER FUND IV, LP V. SLOAN ET KURT VOTE/ATTY. FOR PL.

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

DISPOSITION: Continued to April 30, 2025, at 11:00 a.m.

ORDER: The court will prepare the order.

On February 19, 2025, the parties submitted a Joint Status Conference Report stating that the parties were at an impasse on how to resolve the issue of a previously unknown witness considering the Pre-Trial Order presently in place in this matter. A motion concerning the dispute is to be filed shortly. The parties' request to continue this matter to late April is well-taken. Accordingly, this Status Conference is hereby CONTINUED to April 30, 2025, at 11:00 a.m. Joint or unilateral status reports shall be filed and served no later than April 23, 2025.

3. $\frac{24-12714}{24-1060}$ -B-13 IN RE: SEBASTIAN GUTIERREZ

STATUS CONFERENCE RE: COMPLAINT 12-26-2024 [1]

DOE V. GUTIERREZ
BRADLEY BOWLES/ATTY. FOR PL.
RESPONSIVE PLEADING

NO RULING.

4. $\frac{19-13631}{24-1012}$ -B-7 IN RE: CHRISTINA RUELAS

ORDER TO SHOW CAUSE 1-21-2025 [31]

ROBERTS V. RUELAS

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

DISPOSITION: Case dismissed.

ORDER: The court will issue an order.

Under Fed. R. Civ. P. 41(b) (Fed. R. Bankr. P. 7041) if a plaintiff fails to prosecute a matter or comply with the Fed. R. Civ. P. or a court order, a defendant may move to dismiss the claim. Under 11 U.S.C. § 105(a) the court has authority sua sponte to make any determination necessary or appropriate to enforce or implement court orders or rules.

Fed. R. Civ. P. 16(f)(1)(Fed. R. Bankr. P. 7016) provides that the court can issue any just order if a party or its attorney fails to appear at a pre-trial conference or fails to obey a scheduling order or other pre-trial order. Sanctions for those failures include dismissing the action. Fed. R. Civ. P. 37(b)(2)(A)(v) (Fed. R. Bankr. P. 7037).

On or about April 27, 2024, Lisa Barlow née Donahue ("Barlow") assigned her rights under a California Contractor State Licensing Board Restitution Order issued against debtor Christina Ruelas ("Ruelas"). The assignee is Gregg Roberts.

On May 16, 2024, Gregg Roberts, as plaintiff, filed a complaint commencing this adversary proceeding against Ruelas. The adversary proceeding is for a determination that the debt allegedly owed by Ruelas to Barlow was nondischargeable.

The complaint was filed about four and one-half years after the deadline to file a non-dischargeability complaint in this bankruptcy case. Roberts alleged Barlow never received "official notice or actual knowledge of this bankruptcy case until March 21, 2024." Doc. #1.

On June 24, 2024, Ruelas filed an answer to the complaint. Doc. #8.

On July 17, 2024, the court held a scheduling conference. Doc. #11. Two days later, the court issued a scheduling order. *Id.* The order provided for a pre-trial conference on January 15, 2025, and required submission by Roberts of a pre-trial statement on or before December 6, 2024. *Id.*

On November 6, 2024, Roberts filed a document purporting to reassign the claim being prosecuted in this adversary proceeding "for personal and medical reasons" to Barlow. Doc. #25.

On December 19, 2024, Ruelas filed her pre-trial conference statement. Doc. #26.

On January 15, 2025, the court held the scheduled pre-trial conference. Ruelas appeared. Roberts did not. Barlow did not. Neither Roberts nor Barlow filed a pre-trial conference statement in accordance with the scheduling order.

That same day, the court issued an *Order to Show Cause* why this adversary proceeding should not be dismissed with prejudice for failure to comply with the above orders. Doc. #31. The court further ordered that a written response to this order to show cause was to be filed and served no later than February 12, 2025, and that if no written response was filed and served timely, the court would dismiss this adversary proceeding with prejudice without further hearing.

No responses were filed. Accordingly, this adversary proceeding shall be DISMISSED WITH PREJUDICE.

5. $\frac{24-12751}{24-1062}$ -B-11 IN RE: BIKRAM SINGH AND HARSIMRAN SANDHU

STATUS CONFERENCE RE: COMPLAINT 12-27-2024 [1]

AMERICAN AGCREDIT, FLCA ET AL V. SINGH ET AL MICHAEL GOMEZ/ATTY. FOR PL.

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

DISPOSITION: Continued to September 10, 2025, at 11:00 a.m.

No order is required.

Pursuant to a Stipulation approved by the court on February 21, 2025, this matter is hereby CONTINUED to **September 10, 2025, at 11:00 a.m.** Joint or unilateral Status Reports to be submitted on or before September 3, 2025.

6. $\frac{24-12751}{24-1063}$ -B-11 IN RE: BIKRAM SINGH AND HARSIMRAN SANDHU

STATUS CONFERENCE RE: COMPLAINT 12-27-2024 [1]

FARM CREDIT SERVICES OF AMERICA, PCA V. SINGH ET AL MICHAEL GOMEZ/ATTY. FOR PL.

NO RULING.

7. $\frac{23-10457}{23-1024}$ -B-11 IN RE: MADERA COMMUNITY HOSPITAL

CONTINUED PRE-TRIAL CONFERENCE RE: COMPLAINT, JURY DEMAND 5-11-2023 [1]

RUBIO V. MADERA COMMUNITY HOSPITAL EILEEN GOLDSMITH/ATTY. FOR PL.

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

DISPOSITION: Continued to April 9, 2025, at 11:00 a.m.

ORDER: The court will prepare the order.

On February 18, 2025, the Plaintiff and the Liquidating Trustee filed a Joint Status Report in which they advised the court of the status of the appeal currently pending in the District Court and requested a continuance. The court agrees that is advisable. Accordingly, this

matter will be continued to April 9, 2025, at 11:00 a.m. Joint or unilateral status report(s) are due to be filed and served by April 2, 2025.

8. $\frac{23-10457}{23-1024}$ -B-11 IN RE: MADERA COMMUNITY HOSPITAL

CONTINUED STATUS CONFERENCE RE: COMPLAINT 5-11-2023 [1]

RUBIO V. MADERA COMMUNITY HOSPITAL EILEEN GOLDSMITH/ATTY. FOR PL.

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

DISPOSITION: Continued to April 9, 2025, at 11:00 a.m.

ORDER: The court will prepare the order.

On February 18, 2025, the Plaintiff and the Liquidating Trustee filed a Joint Status Report in which they advised the court of the status of the appeal currently pending in the District Court and requested a continuance. The court agrees that is advisable. Accordingly, this matter will be continued to **April 9, 2025, at 11:00 a.m.** Joint or unilateral status report(s) are due to be filed and served by **April 2, 2025.**

9. $\frac{23-10457}{HRR-2}$ -B-11 IN RE: MADERA COMMUNITY HOSPITAL

CONTINUED MOTION TO ASSUME LEASE OR EXECUTORY CONTRACT AND/OR MOTION TO PAY, MOTION FOR RELATED RELIEF $5-2-2024 \quad [1740]$

AMERICAN ADVANCED MANAGEMENT, INC./MV RILEY WALTER/ATTY. FOR DBT. HAMID RAFATJOO/ATTY. FOR MV.

TENTATIVE RULING: This matter will proceed As scheduled.

DISPOSITION: Granted in part. Continued to a date to be

determined as to unresolved matters.

ORDER: The Movants will prepare the order.

This matter comes before the court on the Omnibus Motion to Assume Executory Contracts filed by American Advance Management ("AAM") Doc. #1740. Madera Community Hospital ("MCH"), the debtor in this Chapter 11 proceeding filed several motions to reject executory contracts which have been "tracking" this omnibus motion. On December 3, 2024,

AAM and MCH jointly filed a *Third Status Report* advising the court as to the status of the various executory contracts and payments of cures still before the court. Doc. #2096.

On December 10, 2024, the court granted the motion in part and otherwise continued this matter to February 26, 2025. Doc. #2101. AAM was to file and serve a Status Report with respect to the remaining executory contracts on or before February 19, 2025. *Id.* On February 18, 2025, AAM and MCH jointly filed a Fourth Status Report. Doc. #2111.

The remaining matters under consideration are as follows:

- 1. Medical Information Technology, Inc. d/b/a MEDITECH: An agreed cure amount was paid in August 2024. However, the parties remained in discussion regarding the going-forward contract payments given upgrades to the EHR program being implemented at the hospital. The parties have reached agreement and a stipulation reflecting that agreement will be filed soon. The motion will be CONTINUED until a date to be determined as to this contract.
- 2. Cardinal Health 110, LLC; Cardinal Health 200 LLC; and Cardinal Health 414 LLC (collectively "Cardinal Health"): This assumption and cure matter remains <u>unresolved</u>. The motion will be CONTINUED until a date to be determined as to this contract.
- 3. CareFusion Solutions, LLC: This assumption and cure matter remains <u>unresolved</u>. The motion will be CONTINUED until a date to be determined as to this contract.

10. $\underline{23-10457}_{\text{WJH}-42}$ -B-11 IN RE: MADERA COMMUNITY HOSPITAL

CONTINUED MOTION TO REJECT LEASE OR EXECUTORY CONTRACT 5-2-2023 [334]

MADERA COMMUNITY HOSPITAL/MV RILEY WALTER/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed As scheduled.

DISPOSITION: To be continued to a date to be determined.

ORDER: The Movants will prepare the order.

This matter comes before the court on the Motion Authorizing Rejection of Executory Contracts between Movant Madera Community Hospital ("MCH"), the former debtor in this Chapter 11 proceeding and counterparty CareFusion Solutions LLC. Doc. #334. On January 18, 2025, American Advanced Management, Inc. ("AAM") and MCH jointly filed a Fourth Status Report advising the court as to the status of the

various executory contracts and payments of cures still before the court. Doc. #2096.

Relevant to the instant motion, the Status Report states as follows:

CareFusion Solutions, LLC: This assumption and cure matter remains unresolved.

This motion will be CONTINUED until a date to be determined as to this contract.

11. $\frac{21-12473}{23-1040}$ -B-7 IN RE: BLAIN FARMING CO., INC.

MOTION TO INSTRUCT TRUSTEE TO FULLY PERFORM MATERIAL CONDITIONS OF SALE OF CLAIM AND RELEASE LEGAL ANALYSIS, MEMORANDA AND OTHER WORK PRODUCT RELATING TO ADVERSARY CLAIM AGAINST PLAINTIFF TO PARTIES IN INTEREST 1-17-2025 [66]

KING V. BLAIN RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Denied.

ORDER: Order preparation determined at hearing.

Ben King ("King") moves for an order instructing James Salven, Trustee in the above-styled Chapter 7 case ("Trustee"), to release any legal analysis, memoranda, or other work product or allegedly attorney-client privileged information relating to the adversary proceeding ("the AP") brought by the estate against Brian Blain ("Blain") styled Salven v. Blain, AP No. 23-1040. Doc. #66. The underlying bankruptcy case is In re: Blain Farming Co., Inc., Case No. 21-12473 ("the Main Case").

King purchased the estate's claim against Blain at a hearing conducted on October 8, 2024, after the Trustee submitted a proposed settlement with Blain which was subject to higher and better bids. Main Case Doc. #295. The court has approved Trustee's motion to substitute King for Trustee in the AP. Doc. #63.

On November 27, 2024, King brought an earlier version of this motion which the court denied on procedural grounds. Docs. #52, #64. The Trustee filed a response to that earlier motion which noted the procedural errors but also urged the court to rule on the motion substantively. Doc. #58. The court declined that invitation but noted that, if King refiled his motion and corrected the procedural faults

(as he appears to have done), Trustee could present substantive arguments at that time.

King subsequently refiled this motion and has corrected the procedural deficiencies. Doc. #66. The Trustee timely filed a Response. Doc. #70.

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).

As the Trustee has responded, this matter will proceed to a hearing.

At first blush, this motion raises what appear to be novel issues about the applicability of the attorney-client privilege and the work-product doctrine in situations where the party originally bringing an action and hiring counsel to prosecute said action later sells their interest in the suit to a third party who subsequently asserts a right to work product generated on behalf of the prior litigant and also to work product which implicates the attorney-client privilege that exists between counsel and the prior litigant.

King's Motion is straightforward. He legally purchased the estate's claim against Brian Blain, and because that purchase allows him to step into the Trustee's shoes as Plaintiff, he asserts that he is entitled to all the legal work product and documentation generated on behalf of Trustee by Trustee's counsel up to the point of the transfer. Doc. #66. In fact, he argues that the turnover of the requested documentation is a "material condition" of the sale. *Id.* These arguments are presented in King's Motion, which is unaccompanied by any Declarations or Exhibits supporting King's assertion of the right to all such materials, including those which the Trustee claims are protected by attorney-client privilege and the work-product doctrine. *Id.*

In response, the Trustee presents two arguments: (1) that the turnover is not a "material condition to the sale" and King's assertion to the contrary is unsupported by the facts as alleged in the motion, and (2) even if turnover was a "material condition," the work-product doctrine

applies to all the documents which King seeks. Doc. #70 et seq. The Trustee notes that King's motion provides no legal basis for granting the relief he seeks but goes on to address the applicability (or rather inapplicability) of Fed. R. Civ. Pro. 26 and 45, which Trustee argues are the only plausible basis for the requested relief.

Trustee's Response is accompanied by Declarations from Trustee and from Gabriel Waddell, Trustee's counsel in this matter, and by an Exhibit in the form of an email chain between Waddell and King. Docs. #71-73. The Waddell Declaration includes a privilege log of documents which Trustee asserts to be protected by privilege that are purportedly responsive to King's request. Doc. #73. King has not replied to Trustee's Response.

The court will address Trustee's theories in turn.

A. Was turnover of the requested documents a material condition to the $\underline{\text{sale}}$?

Except where noted otherwise, the facts underlying the motion as outlined below are drawn from the two Declarations submitted by Trustee and the court record.

The underlying dispute arose as a preference/avoidance action brought by Trustee against Blain. Doc. #1. On behalf of Trustee, Waddell negotiated a settlement with Blain subject to court approval and potential higher and better bids at the hearing. Prior to the hearing, Waddell communicated with King about the possibility of overbidding and spoke to him by phone on September 27, 2024.

Waddell declares that he clearly informed King that privileged information protected by attorney-client privilege and the work-product doctrine would not be turned over to a purchaser of the claim. Subsequently, King made an offer to purchase the claim "conditioned on the bankruptcy estate waiving conflicts of interests so that King could seek to have [Waddell's] office represent him in the adversary proceeding." Doc. #73.

Waddell responded with an email stating clearly that the estate could not and would not waive any conflicts of interest and that Waddell's office would not represent King. Trustee's Exhibit contains the relevant email chain which includes the following exchanges of relevance (edited for brevity):

From King, on October 1, 2024, at 8:28 a.m.: Our offer is conditioned on a new litigation schedule that would be determined at a Hearing at least 60 days after October 8th since we need to have time to review all the case files and work product and because we may need to either find a time that would fit into the schedule of our existing counsel or find new counsel.

...

Our offer is also conditioned on you waiving any conflicts of interested between pacific Gold Agriculture, LLC, and the Bankruptcy Estate in order for us to possibly seek representation by the Bankruptcy Estate Counsel if such Counsel would agree to represent us in this matter going forward.

From Waddell, On October 1, 2024, at 10:25 a.m.: First, as we discussed on the phone, in the event of a higher and better bid, my office will turn over all discovery, but nothing further. Because of privilege issues, as well as the significant cost of analysis, we will not be turning over work product or communication other than discovery documents.

•••

Hopefully, this email makes it clear what is, and isn't, on the table, and you can make your bid accordingly at the hearing.

From King, on October 2, 2024, at 12:35 p.m.: Thank you for the reply and for the explanations. I appreciate the points raised and I think it is important that the conflict and representation issues are raised in advance of the hearing.

Based on your reply - I will send you a revised offer from me personally which will drop the conditions I previously included.

Doc. #72. The parties agree that on October 31, 2024, several weeks after the October 8 sale hearing, King and Trustee spoke telephonically. King (in his motion, which is unaccompanied by any Declaration or other evidence) asserts that "Trustee agreed that he would release the Documentary Evidence in his custody if the release was allowed by the Court." Doc. #66.

In his Declaration, however, Trustee disputes this characterization of the conversation. Doc. #71. Trustee declares that "[a]t no time in the bidding process, or prior to consummating his purchase, did King demand the turnover of the 'Legal Analysis, Memoranda and Other Work Product' prepared by the bankruptcy estate's attorney." Id. Trustee further declares that, during the October 31 phone call, Trustee refused to release the documents requested post-sale on advice of counsel. Id. Trustee denies King's implied assertion that Trustee had actively agreed to entry of a court order requiring the release of privileged information, further stating:

When pressed by King, I confirmed that I would abide by any orders entered by the bankruptcy court. This statement went

no further than confirming my understanding of my duties as a Chapter 7 trustee, and in no way communicated or insinuated to King that I thought it would be appropriate or agreeable for the court to order me to turn over privileged documents.

Id.

The court agrees with the position of Trustee and Trustee's counsel. Before even reaching the question of whether privilege protects any documents requested by King but not turned over to him, King must demonstrate his entitlement to those documents in the first place. He has not done so.

Terms of an auction made known to bidders beforehand are terms of the sale unless a contrary announcement is made at the auction. Restatement (Second) of Contracts § 28 (2) cmt.(e) (Am. Law Inst. 1981). King's claim that he is entitled to work product or attorney-client privileged materials is simply contradicted by the facts.

The unrebutted evidence before the court reflects that King was told prior to the sale hearing that he would not receive any documents or work product other than documents collected by Waddell from the Defendant through discovery. The email chain reproduced above, in the court's view, clearly shows that King understood or should have understood that his bid was for the right to step into Trustee's shoes as plaintiff in the adversary and his right to discovery received from the defendant by Trustee's counsel.

The question of whether any of the documents he now seeks are privileged or protected work product is therefore irrelevant because King is not entitled to those documents whether they are protected from disclosure or not. He was entitled to discovery, Trustee and Waddell claim that all discovery documents have been turned over, and King has not contradicted them. Thus, turning over any work-product documents to King was not a material condition of King's bid. Indeed, it was not a condition at all.

B. Does the work product doctrine apply?

Even if there was some dispute about the conditions of the sale—and there is not-Trustee and Waddell have carried their burden of proof to establish work product protection by providing a privilege log. Doc. #73. When assessing the work product protection here, federal law applies because the extent of privilege is procedural. Gottlieb v. Fayerman (In re Ginzburg), 517 B.R. 175, 182 (Bankr. C.D. Cal. 2014). The burden shifts to King to show that he has substantial need for the materials to prepare his case and cannot, without undue hardship, obtain a substantial equivalent by other means. Garcia v. City of El Centro, 214 F.R.D. 587, 591 (S.D. Cal. 2003).

The only need King has expressed for the documents demanded arises from his wish to prosecute the claim himself instead of hiring an attorney. This is not undue hardship, but simply a choice he has made. There is no reason another counsel could not prosecute the case without protected work-product or other privileged material based on this record. Thus, even if a turnover of work product was "a part of the bargain" struck between King when his bid won, he has nevertheless failed to show a substantial need for any such materials that he is unable to obtain by other means. The work-product doctrine applies.

Waddell's mental impressions, conclusions, opinions or legal theories are entitled to heightened protection. FRCP 26 (b) (3) (B). Application of work product protection is not dependent on counsel's active pursuit of litigation but survives after termination of litigation. Federal Trade Commission v. Grolier, Inc., 462 U.S. 19, 25 (1983) (dicta). Though Waddell's representation of Trustee in the adversary proceeding is terminated, the protection remains intact.

Conclusion.

Based on the foregoing analysis, the court is inclined to DENY the motion. Nevertheless, as King is, in this matter at least, a pro se litigant, this matter will proceed to hearing so that all parties may be heard.

12. $\frac{23-12573}{24-1019}$ -B-7 IN RE: JULIE BLACK

ORDER TO SHOW CAUSE 1-14-2025 [21]

BLACK V. DEPARTMENT OF EDUCATION/AIDVANTAGE

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

DISPOSITION: The OSC will be vacated on mootness grounds.

ORDER: The court will issue an order.

On January 24, 2025, Debtor filed a Notice of Withdrawal as to the Complaint in this adversary proceeding. Doc. #23. Accordingly, this Order to Show Cause shall be VACATED as moot.