

UNITED STATES BANKRUPTCY COURT Eastern District of California

Chief Judge Fredrick E. Clement

Sacramento Federal Courthouse 501 I Street, 7th Floor Courtroom 28, Department A Sacramento, California

DAY: MONDAY

DATE: MARCH 3, 2025

CALENDAR: 10:30 A.M. CHAPTER 7 CASES

Unless otherwise ordered, all matters before Chief Judge Fredrick E. Clement shall be simultaneously: (1) IN PERSON at Sacramento Courtroom No. 28, (2) via ZOOMGOV VIDEO, (3) via ZOOMGOV TELEPHONE, and (4) via COURTCALL.

You may choose any of these options unless otherwise ordered or stated below.

All parties who wish to appear at a hearing remotely must sign up by 4:00 p.m. one business day prior to the hearing.

Information regarding how to sign up can be found on the **Court Appearances** page of our website at:

https://www.caeb.uscourts.gov/Calendar/CourtAppearances

Each party who has signed up will receive a Zoom link or phone number, meeting I.D., and password via e-mail.

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

Please also note the following:

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

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

- Review the <u>Pre-Hearing Dispositions</u> prior to appearing at the hearing.
- Review the court's <u>Zoom Procedures and Guidelines</u> for these, and additional instructions.
- 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.

PRE-HEARING DISPOSITION INSTRUCTIONS

RULINGS

Each matter on this calendar will have one of three possible designations: No Ruling, Tentative Ruling, or Final Ruling.

"No Ruling" means the likely disposition of the matter will not be disclosed in advance of the hearing. The matter will be called; parties wishing to be heard should rise and be heard.

"Tentative Ruling" means the likely disposition, and the reasons therefor, are set forth herein. The matter will be called. Aggrieved parties or parties for whom written opposition was not required should rise and be heard. Parties favored by the tentative ruling need not appear. However, non-appearing parties are advised that the court may adopt a ruling other than that set forth herein without further hearing or notice.

"Final Ruling" means that the matter will be resolved in the manner, and for the reasons, indicated below. The matter will not be called; parties and/or counsel need not appear and will not be heard on the matter.

CHANGES TO PREVIOUSLY PUBLISHED RULINGS

On occasion, the court will change its intended ruling on some of the matters to be called and will republish its rulings. The parties and counsel are advised to recheck the posted rulings after 3:00 p.m. on the next business day prior to the hearing. Any such changed ruling will be preceded by the following bold face text: "[Since posting its original rulings, the court has changed its intended ruling on this matter]".

ERRORS IN RULINGS

Clerical errors of an insignificant nature, e.g., nomenclature ("2017 Honda Accord," rather than "2016 Honda Accord"), amounts, ("\$880," not "\$808"), may be corrected in (1) tentative rulings by appearance at the hearing; or (2) final rulings by appropriate ex parte application. Fed. R. Civ. P. 60(a) incorporated by Fed. R. Bankr. P. 9024. All other errors, including those occasioned by mistake, inadvertence, surprise, or excusable neglect, must be corrected by noticed motion. Fed. R. Bankr. P. 60(b), incorporated by Fed. R. Bankr. P. 9023.

1. $\frac{24-20722}{AP-1}$ IN RE: WILLIAM QUIRANTE

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-24-2025 [88]

SCOTT JOHNSON/ATTY. FOR DBT. WENDY LOCKE/ATTY. FOR MV. DEBTOR DISCHARGED: 08/29/24 JPMORGAN CHASE BANK, N.A. VS.

Final Ruling

Motion: Stay Relief

Notice: LBR 9014-1(f)(1); written opposition required **Disposition:** Granted in part; denied in part as moot

Order: Civil minute order

Subject: 2020 Ford Truck F-150

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. TeleVideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987).

AS TO THE DEBTOR

The motion is denied as moot. The stay that protects the debtor terminates at the entry of discharge. 11 U.S.C. \$ 362(c)(2). In this case, discharge has been entered. See Discharge of Debtor, ECF 66. As a result, the motion is moot as to the debtor.

AS TO THE ESTATE

Subsection (d)(1) of § 362 of Title 11 provides for relief from stay for "cause, including the lack of adequate protection of an interest in property of such party." 11 U.S.C. § 362(d)(1). Adequate protection may consist of a lump sum cash payment or periodic cash payments to the entity entitled to adequate protection "to the extent that the stay . . . results in a decrease in the value of such entity's interest in property." 11 U.S.C. § 361(1).

"[U]nder section 362(d)(1), the stay must be terminated for 'cause.' Lack of adequate protection is but one example of "cause" for relief from stay." In re Ellis, 60 B.R. 432, 435 (B.A.P. 9th Cir. 1985). The panel in the Ellis case rejected the argument that under § 362(d)(1) "the stay can only be terminated if [the movant-creditors] show a lack of adequate protection." Id.

The debtor has missed 11 pre-petition payments and 11 post-petition payments totaling \$24,538.80 due on the debt secured by the moving party's lien. This constitutes cause for stay relief.

The court does not address grounds for relief under \$ 362(d)(2) as relief is warranted under \$ 362(d)(1). The motion will be granted, and the 14-day stay of Federal Rule of Bankruptcy Procedure 4001(a)(3) will be waived. No other relief will be awarded.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

JPMorgan Chase Bank, N.A.'s motion for relief from the automatic stay has been presented to the court. Having entered the default of respondent for failure to appear, timely oppose, or otherwise defend in the matter, and having considered the well-pleaded facts of the motion,

IT IS ORDERED that the motion is granted in part and denied as moot in part. The automatic stay is vacated with respect to the interest of the trustee in the property described in the motion, commonly known as 2020 Ford Truck F-150. Relief from the automatic stay as to the interest of the debtor in such property is denied as moot given the entry of the discharge in this case. 11 U.S.C. \$ 362(c)(2)(C).

IT IS FURTHER ORDERED that the 14-day stay of the order under Federal Rule of Bankruptcy Procedure 4001(a)(3) is waived. Any party with standing may pursue its rights against the property pursuant to applicable non-bankruptcy law.

IT IS FURTHER ORDERED that no other relief is awarded. To the extent that the motion includes any request for attorney's fees or other costs for bringing this motion, the request is denied.

2. $\frac{24-24124}{RLC-1}$ IN RE: JOSEPH PRACH

MOTION TO COMPEL ABANDONMENT 1-29-2025 [30]

STEPHEN REYNOLDS/ATTY. FOR DBT. TRUSTEE NON-OPPOSITION

Final Ruling

Motion: Abandon Property of the Estate

Notice: LBR 9014-1(f)(1); written opposition required

Disposition: Denied without prejudice

Order: Civil Minute Order

ABANDONMENT

Property of the estate may be abandoned under § 554 of the Bankruptcy Code if property of the estate is "burdensome to the estate or of inconsequential value and benefit to the estate." See 11 U.S.C. § 554(a)-(b). Upon request of a party in interest, the court may issue an order that the trustee abandon property of the estate if the statutory standards for abandonment are fulfilled.

The movant bears the burden of proof. In re Pilz Compact Disc., Inc., 229 B.R. 630 (Bankr. E.D. Pa. 1999) (Chapter 7 trustee). "[B]urdensome to the estate" means "consumes the resources and drains the income of the estate." In re Smith-Douglass, Inc., 856 F.2d 12, 16 (4th Cir. 1988). "[0]f inconsequential value and benefit to the estate" refers to assets not likely to be liquidated for the benefit of creditors. 11 U.S.C. \$ 704(a)(1); Matter of Taxman Clothing Co., 49 F3d 310, 315 (7th Cir. 1995) (Chapter 7 trustee has no duty to liquidate assets where costs of doing so likely to exceed asset's value). Of inconsequential value and benefit to the estate includes assets that (1) have no equity (including post-petition appreciation), In re Viet Vu, 245 B.R. 644 (9th Cir. BAP 2000); and (2) assets with equity, which has been wholly and properly exempted by the debtor. In re Montanaro, 307 B.R. 194 (Bankr. E.D. Cal. 2004).

NOTICE

Rule 6007(a)

Unless otherwise directed by the court, the trustee or debtor in possession shall give notice of a proposed abandonment or disposition of property to the United States trustee, all creditors, indenture trustees, and committees elected pursuant to § 705 or appointed pursuant to § 1102 of the Code. A party in interest may file and serve an objection within 14 days of the mailing of the notice, or within the time fixed by the court. If a timely objection is made, the court shall set a hearing on notice to the United States trustee

and to other entities as the court may direct.

Fed. R. Bankr. P. 6007(a) (emphasis added).

The court cannot ascertain whether sufficient notice has been given. On January 29, 2025, the debtor filed a Motion to Compel Abandonment, ECF No. 30. The debtor did not file a certificate of service evidencing service of the motion and supporting documents on all parties as required. The motion will be denied as follows.

SERVICE

A proof of service, in the form of a certificate of service, shall be filed with the Clerk concurrently with the pleadings or documents served, or not more than three (3) days after they are filed.

LBR 9014-1(e)(2).

Because no certificate of service was filed, the court is unable to determine if service complies with Fed. R. Bankr. P. 9013, 9014, LBR 9014-1.

The court will deny the motion without prejudice.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

The debtor's Motion to Compel Abandonment has been presented to the court. Given the procedural deficiencies discussed by the court in its ruling,

IT IS ORDERED that the motion is denied without prejudice.

3. 16-25431-A-7 IN RE: C./CLAUDIA WRIGHT SLP-1

MOTION TO AVOID LIEN OF HERITAGE SERVICE CORPORATION $1-27-2025 \quad [34]$

STACIE POWER/ATTY. FOR DBT. DEBTORS DISCHARGED: 09/18/17

Final Ruling

Motion: Avoid Lien

Disposition: Denied without prejudice

Order: Civil minute order

The court will deny the motion without prejudice on grounds of insufficient service of process on the responding party. A motion to avoid a lien is a contested matter requiring service of the motion in the manner provided by Federal Rule of Bankruptcy Procedure 7004. Fed. R. Bankr. P. 4003(d), 9014(b); see also In re Villar, 317 B.R. 88, 92 n.6 (B.A.P. 9th Cir. 2004). Under Rule 7004, service on corporations and other business entities must be made by mailing a copy of the motion "to the attention of an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process." Fed. R. Bankr. P. 7004(b)(3).

Service of the motion was insufficient. The motion was not mailed to the attention of an officer, managing or general agent, or other agent authorized to accept service.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Debtors' Motion to Avoid Lien has been presented to the court. Given the procedural deficiencies discussed by the court in its ruling,

IT IS ORDERED that the motion denied without prejudice.

4. $\underbrace{25-20155}_{BHS-1}$ -A-7 IN RE: JOHN HOWE

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-28-2025 [17]

PATRICIA WILSON/ATTY. FOR DBT. BARRY SPITZER/ATTY. FOR MV. JAMES FIELDS VS.

Final Ruling

Motion: Stay Relief to Pursue State-Court Litigation Notice: LBR 9014-1(f)(1); written opposition required

Disposition: Granted only to the extent specified in this ruling

Order: Civil minute order

Subject: Pending state-court litigation described in the motion regarding residential real property located at 19761 Gray Rock Road, Redding, California.

Unopposed motions are subject to the rules of default. Fed. R. Civ. P.55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. TeleVideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987).

FACTS

In November 2022, Debtor entered a month-to-month lease of the subject property owned by Movant. In April 2024, Movant served the debtor with a "Notice to Pay Rent or Surrender Possession" due to failure to pay rent from August 2023 to April 2024. Ex., ECF No. 19, p. 2-16. The movant and debtor entered a "Stipulation to Resolve Case" requiring that the Debtor vacate the rental property on or before December 31, 2024, to avoid an unlawful detainer judgement. Ex., ECF. 19, p. 1:20- 2:8. A declaration for judgement based on default of the Stipulation to Resolve Case was prepared to be presented January 17, 2025. Debtor filed the instant Chapter 7 case on January 15, 2025. Vol. Pet., ECF No. 1. Relief is being requested solely for possession of the rental property and not for a monetary judgement against the debtor.

LAW

Leasehold Interest is Property of the Estate

Stay is not limited to property that the debtor has an ownership interest in. 11 U.S.C. \S 362(a)(3) bars the repossession or exercise of control over property leased to the debtor or otherwise in the debtor's lawful possession or control. *In re Zartun*, 30 B.R. 543, 545 (9th Cir. BAP 1983).

Stay Relief

In this instant case, the debtor has not paid rent since August 2023. In Chapter 7 bankruptcy cases, debtors are not entitled to the right to cure defaults as provided by 11 U.S.C. § 1322(b)(3). Further, the debtor lacks the authority to cure any defects in this matter. 11 U.S.C. § 365 provides that any unexpired leases are within the Chapter 7 trustee's power to assume and not the debtors. The trustee in this matter has not asked to assume the unexpired lease.

The moving party shall have relief from stay to pursue through judgment the pending state-court litigation identified in the motion. The moving party may also file post-judgment motions, and appeals. But no bill of costs may be filed without leave of this court, no attorney's fees shall be sought or awarded, and no action shall be taken to collect or enforce any judgment, except: (1) from applicable insurance proceeds; or (2) by filing a proof of claim in this court.

The motion will be granted to the extent specified herein, and the stay of the order provided by Federal Rule of Bankruptcy Procedure 4001(a)(3) will be waived. No other relief will be awarded.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

James R. Field's motion for relief from the automatic stay has been presented to the court. Having entered the default of respondent for failure to appear, timely oppose, or otherwise defend in the matter, and having considered the well-pleaded facts of the motion,

IT IS ORDERED that the motion is granted to the extent specified in this order. The automatic stay is vacated to allow the movant to pursue through judgment the pending state-court litigation described in the motion. The movant may also file post-judgment motions and appeals. But the movant shall not take any action to collect or enforce any judgment, or pursue costs or attorney's fees against the debtor, except (1) from applicable insurance proceeds; or (2) by filing a proof of claim in this case. The 14-day stay of the order under Federal Rule of Bankruptcy Procedure 4001(a)(3) is waived. No other relief is awarded.

5. $\frac{24-21290}{SD-1}$ -A-7 IN RE: ERIC VAN BOURGONDIEN

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-27-2025 [20]

THOMAS AMBERG/ATTY. FOR DBT.
SHANNON DOYLE/ATTY. FOR MV.
DEBTORS DISCHARGED: 07/15/24
U.S. BANK NATIONAL ASSOCIATION VS.

Final Ruling

Motion: Stay Relief

Notice: LBR 9014-1(f)(1); written opposition required

Disposition: Withdrawn by Movant

Order: Civil minute order

Subject: 20572 Buck Ridge Rd, Grass Valley, California

Movant's Withdrawal - Fed. R. Civ. P. 41

The movant filed a timely request to dismiss its motion under Fed. R. Civ. P. 41; Fed. R. Bankr. P. 9014, 7041.

Federal Rule of Civil Procedure 41 governs the circumstances where a party may withdraw a motion or objection. Fed. R. Civ. P. 41, incorporated by Fed. R. Bankr. P. 7041, 9014(c) (applying rule dismissal of adversary proceedings to contested matters). A motion or objection may be withdrawn without a court order only if it has not been opposed or by stipulation "signed by all parties who have appeared." Fed. R. Civ. P. 41(a)(1)(A). In all other instances, a motion or objection may be withdrawn "only by court order, on terms that the court considers proper." Fed. R. Civ. P. 41(a)(2).

Here, the movant has signaled his abandonment of his motion for relief from automatic stay. Neither the debtor(s), nor any creditor, has expressed opposition to the withdrawal of the movant's motion. No unfair prejudice will result from withdrawal of the motion and the court will accede to the movant's request.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

IT IS ORDERED that the motion to dismiss is withdrawn.