



**UNITED STATES BANKRUPTCY COURT  
Eastern District of California  
Honorable René Lastreto II  
Department B – Courtroom #13  
Fresno, California  
Hearing Date: Tuesday, March 3, 2026**

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 **no hearing on these matters**. The final disposition of the matter is set forth in the ruling and it will appear in the minutes. The final ruling may or may not finally adjudicate the matter. If it is finally adjudicated, the minutes constitute the court's findings and conclusions.

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

**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. [20-10809](#)-B-11    **IN RE: STEPHEN SLOAN**  
[WF-40](#)

MOTION TO SELL  
2-6-2026    [[895](#)]

TERRENCE LONG/MV  
PETER FEAR/ATTY. FOR DBT.  
DANIEL EGAN/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 Moving Party will submit a proposed order after hearing.

Terence J. Long, Plan Administrator in the above-styled Chapter 11 case ("Plan Administrator" or "Long") moves for an order, pursuant to 11 U.S.C. § 363 and Federal Rule of Bankruptcy Procedure 6004, authorizing the sale of real property consisting of a 198.58 acres of vacant land located in Calaveras County, California ("the Calaveras Property"). Doc. #895 *et seq.* Long also seeks an order allowing him to pay broker commissions from the sale proceeds, as well as customary closing costs and property taxes. *Id.*

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.

Stephen William Sloan ("Debtor") filed Chapter 11 bankruptcy on March 2, 2020. Doc. #1. On February 2, 2022, the plan of reorganization was confirmed which, *inter alia*, appointed Long as Plan Administrator. Doc. #483. Pursuant to provisions of the plan, Long has authority to liquidate the assets of Emerald California Investments, LLC ("Emerald") which include the Calaveras Property. *Id.*

According to Long's Declaration, the Calaveras Property is 198.58 acres and consists of the following Assessor's Parcel Numbers ("APN"):

- a. 040-012-004;
- b. 040-012-034;
- c. 040-013-006;
- d. 042-001-005;
- e. 042-002-001;

- f. 042-002-002;
- g. 042-002-006;
- h. 044-001-002;
- i. 044-001-026; and
- j. 044-001-027.

Doc. #897. The court notes that those APN numbers do not appear on Schedule A/B or the Plan, but they are the same APN numbers used in the Plan Administrator's prior motion to sell the Calaveras Property to Buyer which apparently fell through. Docs. #897, #873. Both the Plan and the Disclosure Statement states that Emerald California Investments, LLC ("Emerald"), of which Debtor holds a 100% interest, owns "approximately 140 acres in Calaveras Couty" and also the Debtor's personal residence (for which the acreage is not listed). Docs. #440 (Disclosure Statement), #483 (Plan). Thus, it is not immediately clear where the "198.56 acres" figure comes from. The multiplicity of sale motions filed in this case has made it exceedingly difficult to track APNs through prior filings. At the hearing, the Plan Administrator may provide greater clarity. But for purposes of this ruling, the court accepts Long's declaration as to the acreage and included parcels for the Calaveras Property.

On or about April 15, 2024, the court approved the motion to retain Pearson Realty to market certain properties of the estate, including the Calaveras Properties. Docs. #652, #674. The listing agreement was subsequently extended from July 31, 2025, to January 31, 2026, pursuant to court order. Doc. #855.

Long received an offer to purchase the Property by the Sterni Family 2025 Revocable Trust ("Buyer") for the sum of \$590,000.00, which Long has accepted pending court approval. Doc. #873. That sale fell through. Doc. #897. Plan Administrator and Buyer have since renegotiated and have attached an addendum to the existing listing agreement. Doc. #895. Pursuant to the terms of the addendum:

1. The purchase price will be reduced to \$475,000.00;
2. The \$10,000 initial deposit is nonrefundable, shall be immediately released to Seller, and shall not be applied to the purchase price.
3. Buyer agrees to an increased deposit of \$125,000.00, which shall be nonrefundable and applied toward the purchase price.
4. Buyer has waived their due diligence/contingencies in writing.
5. Escrow shall close as soon as court approval has been obtained and escrow has prepared the final closing documents.

Doc. #898 (Exh. B).

## DISCUSSION

### Sale of Property

11 U.S.C. § 363(b)(1) allows the trustee (or, in this instance, the Plan Administrator) to "sell, or lease, other than in the ordinary course of business, property of the estate." Proposed sales under 11 U.S.C. § 363(b) are reviewed to determine whether they are: (1) in the best interests of the estate resulting from a fair and reasonable price; (2) supported by a valid business judgment; and (3) proposed in good faith. *In re Alaska Fishing Adventure, LLC*, 594 B.R. 883, 887 (Bankr. D.

Alaska 2018) citing *240 N. Brand Partners v. Colony GFP Partners, Ltd. P'ship (In re 240 N. Brand Partners)*, 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996); *In re Wilde Horse Enters., Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991). In the context of sales of estate property under § 363, a bankruptcy court "should determine only whether the trustee's judgment was reasonable and whether a sound business justification exists supporting the sale and its terms." *Alaska Fishing*, 594 B.R. at 889, quoting 3 Collier on Bankruptcy ¶ 363.02[4] (Richard Levin & Henry J. Sommer, 16th ed.). "[T]he trustee's business judgment is to be given 'great judicial deference.'" *Id.*, citing *In re Psychometric Sys., Inc.*, 367 B.R. 670, 674 (Bankr. D. Colo. 2007); *In re Bakalis*, 220 B.R. 525, 531-32 (Bankr. E.D.N.Y. 1998).

Sales to an insider are subject to heightened scrutiny. *Alaska Fishing Adventure, LLC*, 594 B.R. at 887 citing *Mission Product Holdings, Inc. v. Old Cold, LLC (In re Old Cold LLC)*, 558 B.R. 500, 516 (B.A.P. 1st Cir. 2016). There is nothing in the record suggesting that Buyer is an insider with respect to Debtor. Buyer is neither listed in the schedules nor the master address list. Docs. #1; #2; #16; #19.

Property is not explicitly listed in *Schedule A/B*, but Debtor's 100% ownership of Emerald is listed on line 19 as having a value of \$4,000,000.00. Doc. #1. In Section 4.01.9 of the Plan, Emerald is described as owning two properties: (1) approximately 140 acres in Calaveras County (estimated value of \$3 million), and (2) Debtor's personal residence located at 317 Kingsbury Drive, Aptos, California (estimated value of \$3 million with approximately \$1.5 million in debt on the property). Doc. #483 (*Exhib. A*).

Debtor did not exempt Property in *Schedule C*. Doc. #1.

The Plan Administrator has entered into a contract ("Purchase Agreement") with Buyer to sell the Calaveras Property in its entirety to Buyer subject to overbids. Doc. #897. The Plan Administrator estimates that, after closing costs, the sale will generate approximately \$260,917.63 for the estate, assuming there are no overbids. Docs. #896, #898 (*Exhib. D*).

There are outstanding property taxes owed on some or all of the individual parcels which the Settlement Statement estimates at \$214,092.37 (Doc. #898 (*Exh. D*)), but there is no indication that the Calaveras Property is encumbered. The motion also proposes to pay a 3% commission to Pearson Realty and an additional 3% to buyer's realtor, if any. Doc. #895.

The sale under these circumstances should maximize potential recovery for the estate. The sale of the Property appears to be in the best interests of the estate because it will provide liquidity that can be distributed for the benefit of unsecured claims. The sale appears to be supported by a valid business judgment and proposed in good faith. Therefore, this sale is an appropriate exercise of Trustee's business judgment and, assuming no opposition is presented at the hearing, will be given deference.

### Real Estate Brokers' Compensation

This motion affects the proposed disposition of estate assets and the Broker. Under Fed. R. Civ. P. ("Civ. Rule") 21 (Rule 7021 incorporated in contested matters under Rule 9014(c)), the court will exercise its discretion to add Broker as a party.

LBR 9014-1(d) (5) (B) (ii) permits joinder of claims for authorization for the sale of real property and allowance of fees and expenses for such professional under 11 U.S.C. §§ 327, 328, 330, 363, and Rule 6004.

On March 19, 2024, the Plan Administrator moved to employ Pearson Realty to assist in carrying out the Plan Administrator's duties by selling the assets of Emerald, including the Calaveras Properties. Doc. #652. The court authorized Broker's employment on April 15, 2024, under 11 U.S.C. §§ 327 and 328. Doc. #674.

Pursuant to the employment order, the Plan Administrator requests to compensate Pearson Realty and the Buyer's broker with a commission of 6%, which will be split equally between Broker and the buyer's real estate broker. Doc. #733. Plan Administrator and Buyer are both employing Pearson Realty as a brokerage firm, with Stanley Kjar and Ryan O'Rourke serving respectively as their individual brokers. Doc. #898 (Exh. A). Pearson Realty will receive a 6% commission or \$28,500.00, if there are no overbidders and Property is sold at the proposed sale price. If another buyer successfully overbids, the broker's compensation may be adjusted accordingly. The court will authorize Plan Administrator to pay broker commissions as prayed.

### Overbid Procedure

Any party wishing to overbid shall, prior to the hearing, comply with the overbid procedures as outlined in the motion beginning on page 4. See Doc. #895, pg. 4.

### Waiver of 14-day Stay

The Plan Administrator requests waiver of the 14-day stay of Rule 6004(h), arguing that there were no overbidders at the hearing on the prior motion to approve sale of the Calaveras Property, it is unlikely that overbidders or creditors will be interested in this sale. The Plan Administrator argues that waiver of the 14-day stay is appropriate to expeditiously close the sale and generate revenue for the estate. The 14-day stay will be ordered waived unless otherwise ordered at the hearing.

### Conclusion

Written opposition to this motion was not required. If no such opposition is presented at the hearing, this motion will be GRANTED. The Plan Administrator will be authorized: (1) to sell the Property to the prevailing bidder at the hearing, as determined at the hearing; (2) to execute all documents necessary to effectuate the sale of the Property; (3) to pay broker commission in the amount of 6% of the total sale price to be split evenly between seller's broker and the buyer's broker, as

determined at the hearing; and (4) to pay all costs, commissions, and real property taxes directly from escrow.

The 14-day stay of Rule 6004(h) will be waived.

1:30 PM

1. [22-11403](#)-B-7 IN RE: STANFORD CHOPPING, INC.  
[PA-5](#)

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT  
AGREEMENT WITH AUGUSTAR LIFE ASSURANCE CORPORATION  
1-30-2026 [[169](#)]

LISA HOLDER/MV  
DAVID JOHNSTON/ATTY. FOR DBT.  
ESTELA PINO/ATTY. FOR MV.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order with a copy of the stipulation attached as an exhibit. The stipulation shall also be separately filed and docketed as a stipulation.

Chapter 7 trustee Lisa Holder ("Trustee" or "Holder") requests an order approving a settlement agreement to resolve a transfer avoidance action (Adversary Proceeding 24-01024 or "the AP") brought by the Trustee and the estate against AuguStar Life Assurance Corporation, formerly known as Ohio National Life Assurance Corporation, a subsidiary of Constellation Insurance, Inc. ("AuguStar"), pursuant to Fed. R. Bankr. P. ("Rule") 9019. Doc. #169 *et seq.* The corporate debtor is Stanford Chopping, Inc. ("Debtor" or "Stanford").

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). 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 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.

Stanford filed for bankruptcy originally under Chapter 11 on August 1, 2022. Doc. #1. Holder was appointed as the Subchapter V trustee the next day. Doc. #6.

On August 14, 2024, Trustee initiated the AP against AuguStar and various Does. AP Doc. #1. The facts underlying the AP were addressed in the court's February 7, 2025, *Memorandum Opinion* that accompanied the court's Order denying AuguStar's *Motion to Dismiss*. AP Doc. #64. To briefly summarize, Holder filed the AP against AuguStar seeking to avoid certain insurance payments made by Debtor to AuguStar. *Id.* After denial of the motion to dismiss, the parties agreed to refer the dispute to the Bankruptcy Dispute Resolution Program ("BDRP"). Doc. #169. That process led to this proposed settlement. *Id.*

The salient terms of the proposed settlement are as follows:

1. AuguStar will pay the Holder on behalf of the estate \$72,000.00 which Trustee will accept as full and final settlement of the disputes.
2. Payment will be delivered to Trustee within thirty days of the execution of the Agreement.
3. Trustee will hold payment until the court has approved the Agreement.
4. AuguStar will not file a proof of claim.
5. Trustee will release AuguStar and dismiss the AP.

Doc. #171.

The court notes that a copy of the settlement agreement has not been filed in this case. The motion will only be granted if Trustee separately files the settlement agreement and docket 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. Probability of success in litigation: Trustee believes her claims are meritorious but that even if she prevails in the Ap, there may be post-trial motions and/or appeals by a well-funded adversary. A settlement now minimizes the risk of delays and loss from continued litigation. This factor favors settlement.
2. Collection: While there is no indication that AuguStar is insolvent, collecting on a judgment would cause further expense and delay. Under the Agreement, AuguStar has already paid \$72,000.00, which is being held by Trustee. There is no risk of non-payments if the case settles. This factor favors settlement.

3. Complexity of litigation: Trustee presently holds \$72,000.00 paid by AuguStar. This represents 82.86% of the value of the Four Year Premium Transfers and 100% of the Two Year Premium Transfers. Continued litigation will only add to the costs to the estate and cause delays in administration, as well as require significant discovery and possibly the need for expert witnesses. This factor favors settlement.

4. Paramount interests of creditors: All creditors have received notice of this proposed settlement and have had opportunity to register opposition. No party has timely objected to the settlement, and the time for doing so has closed. The defaults of all parties other than the Plaintiff and Defendant are entered. This factor favors settlement.

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, this motion will be GRANTED. The settlement between the estate and AuguStar 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.

2. [25-13103](#)-B-7     **IN RE: ADRIENNE CARNERO**  
[WLG-1](#)

MOTION TO CONVERT CASE FROM CHAPTER 7 TO CHAPTER 13  
2-2-2026    [[32](#)]

NICHOLAS WAJDA/ATTY. FOR DBT.  
RESPONSIVE PLEADING

TENTATIVE RULING:            This matter will proceed as scheduled.

DISPOSITION:                Denied.

ORDER:                        The court will prepare the order.

Adrienne Kne Kne Carnero ("Debtor") moves for an order converting the above-styled Chapter 7 case to Chapter 13. Doc. #32. Irma C. Edmonds ("Trustee") opposes. Docs. ##35-37.

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 any party in interest, including but not limited to 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). Other than the

Chapter 7 Trustee, no party in interest timely filed written opposition. This matter will be called and proceed as scheduled.

Debtor's motion is terse, consisting of five paragraphs. Doc. #32. Debtor advises that her petition was filed on September 12, 2025; that the case has not previously been converted under 11 U.S.C. § 1112, § 1208, or § 1307; and that the instant motion is filed in good faith, and the Debtor is eligible for relief under Chapter 13, which is the chapter to which Debtor wishes to convert. *Id.* Debtor has not filed any amendments to her prior Schedules, which continue to define the parameters of Debtor's financial affairs.

The Trustee vigorously opposes conversion, presenting three interrelated arguments for denying the motion to convert. First, the Trustee argues that Debtor's conduct from the inception of this case up to the filing of the motion to convert represents bad faith conduct. Doc. #35. Second, Trustee argues that conversion would be futile. *Id.* The Trustee reasons that, under a Chapter 7 liquidation, Debtor's unsecured creditors would be paid in full from the proceeds of property owned by the Debtor and identified as the "Armona Property" (which Trustee asserts is non-exempt), whereas in a Chapter 13 case, paying creditors in full would require a monthly payment of between \$1,050.00 and \$2,116.00 to be feasible, and Debtor makes nothing close to that on a monthly basis. *Id.* See also Doc. #1 (Sched. A/B and C). Finally, Trustee argues that Debtor has failed to demonstrate that she has a regular income sufficient to fund a Chapter 13 plan. Doc. #35; 11 U.S.C. § 109(e) and § 101(30).

Trustee's first argument relies on the doctrine announced *Marrama v. Citizens Bank of Mass.* ("Marrama"), 549 U.S. 365, 372 (2007). Doc. #35. In *Marrama*, the Supreme Court held that, while a Chapter 7 debtor may convert the case from Chapter 13 at any time if the case has not been previously converted, that right to conversion is not absolute. *Marrama*, 549 U.S. at 372. Specifically, a motion to convert may be denied where the debtor has engaged in bad faith or where the debtor is ineligible for relief under Chapter 13. *Id.* at 372-374. The Supreme Court reasoned that because "bad faith" is routinely held to constitute "cause" for dismissal of a Chapter 13 case pursuant to section 1307(c), "bad faith" also represented an appropriate ground to deny a motion to convert from Chapter 7 to Chapter 13. *Id.*

In *Marrama*, the Chapter 7 debtor ("Marrama") made several misleading statements about his principal asset, a house in Maine which he had transferred to a trust for which he was the sole beneficiary. *Id.* at 368. For that matter, Marrama failed to disclose that he had transferred the property during the one-year preference period and for no consideration. *Id.* After learning of Marrama's misleading statements at the 341 meeting of creditors, the Chapter 7 trustee advised that he intended to recover the Maine property as an estate asset and liquidate it, at which point Marrama sought to convert the case to Chapter 13, much as Debtor has done here. *Id.* The court denied the conversion motion on grounds of bad faith, which was affirmed by the First Circuit BAP, the First Circuit Court of Appeals, and finally the Supreme Court. *Id.* at 370.

Here, the Trustee's argument for bad faith conduct is premised on Debtor's own filings, documents provided by Debtor to the Trustee, and Debtor's statements made at the 341 meeting of creditors, as outlined in

the Trustee's Declaration. Doc. #37. In her filings, Debtor asserted that she resided at 13890 Highway Ave., Armona, CA 93202 ("the Armona Property"), listing the Armona Property as having a value of \$257,300.00 on Schedule A/B, exempting it as a homestead on Schedule C, and noting that it is encumbered by a mortgage with a principle balance of \$129,875.00 owed to Loancare LLC. Doc. #1 (Schedules A/B, C, and D).

On December 2, 2025, the Trustee filed an *Objection to Debtor's Claim of Exemptions* as to the Armona Property on the grounds that Debtor had not and did not intend to reside there. Doc. #20. Debtor did not oppose that Objection, which the court sustained in an order dated January 11, 2026. Doc. #27. Only after the court sustained the exemption objection, thereby leaving the Armona property vulnerable to liquidation, did Debtor file the instant motion to convert.

The court agrees with the Trustee. Debtor's decision to seek conversion immediately after this court's ruling that the Armona Property was vulnerable to liquidation parallels the facts as outlined in *Marrama*. A conversion to Chapter 13 under these circumstances would be in bad faith.

As alternative grounds for denying the motion, the court also agrees with Trustee that conversion under these facts would be futile because Debtor lacks sufficient income to fund a feasible plan. Doc. #35, pg. 6. A review of Debtor's Schedules and other filings reflect the following facts:

1. The Armona Property is currently valued at \$257,300.00. Doc. #1 (Sched. A/B).
2. The Armona Property is encumbered by a secured debt owed to Loancare LLC in the amount of \$129,875.00. Doc. #1 (Sched. D).
3. Debtor originally exempted the remaining equity in the Armona Property (\$127,425.00) under C.C.P. § 704.730. Doc. #1 (Sched. C)
4. The Trustee later objected to the exemption, and it was disallowed, meaning the Armona Property has \$127,425.00 in equity which, if the Armona Property were liquidated, would go to pay Debtor's \$96,759.79 in estimated nonpriority debt. Debtor does not list any priority unsecured debt. Docs. #20, #27, #29; Doc. #1 (Schedule E/F).
  - a. According to the Trustee, the total claims filed in this case are only \$63,080.35. Doc. #37.
5. Debtor's monthly net income is only \$38.64. Doc. #1 (Schedule J).

11 U.S.C. § 1325(a)(4) requires that, for a Chapter 13 plan to be confirmed, it must meet the "best interests of the creditors" test, also known as the liquidation test: the unsecured creditors must receive at least as much as they would have received in a Chapter 7 liquidation. In this instance, if the Armona Property were liquidated, the unsecured creditors could be paid at 100%. Doc. #37. In contrast, the Trustee estimates that, in a Chapter 13 plan, Debtor would need to pay between \$1,050.00 and \$2,116.00 per month to cover both a 100% distribution, not counting administrative fees. *Id.* Based on Debtor's own Schedule I, Debtor cannot afford to pay more than \$38.64 per month. *Id.* A feasible plan would not be possible absent a significant change in Debtor's finances, and Debtor has not come forth with any evidence of such a financial change.

Based on the foregoing, the court concludes that this *Motion to Convert* was filed in bad faith and, furthermore, would be futile even if allowed to proceed due to Debtor's lack of sufficient regular income to fully fund a plan. This matter will proceed as scheduled. The court is inclined to DENY the motion.

3. [25-14122](#)-B-7     **IN RE: MARILYN VEON**  
[KMM-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY  
1-30-2026    [[13](#)]

VW CREDIT, INC./MV  
NEIL SCHWARTZ/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.

VW Credit, Inc. ("Movant") seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to a 2023 Volkswagen Atlas, (VIN 1V2WR2CA2PC529781) ("Vehicle"). Doc. #13.

Marilyn Katherine Veon ("Debtor") nor any other party in interest timely filed written opposition. Debtor's Statement of Intention indicated that the Vehicle would be surrendered.

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 and one (1) post-petition payment. The Movant has produced evidence that Debtor is delinquent at least \$ 2,121.28. Docs. #15, #17.

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 \$27,500.00 and Debtor owes \$50,521.57. Doc. #17.

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.

4. [25-14035](#)-B-7 **IN RE: ROBERT/NICHOLE BRODSLY**  
[EAT-2](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY  
1-30-2026 [[21](#)]

THE HUNTINGTON NATIONAL BANK/MV  
DEAN RALLIS/ATTY. FOR DBT.  
CASSANDRA RICHEY/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.

The Huntington National Bank ("Movant") seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to a 2022 Sanger V215SX Boat (VIN SANRX104B222) and 2022 VM Pro Trailer (VIN 1VMBG2327N10382181) ("Property"). Doc. #21. Movant also requests waiver of the 14-day stay of Fed. R. Bankr. P. 4001(a)(4). *Id.*

Robert Allen Brodsly and Nichole Michele Brodsly ("Debtors") did not oppose, and no other interested party filed opposition either. Movant recovered possession of the Property pre-petition on October 25, 2025.

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 Debtors have missed two (2) pre-petition payments totaling \$1,372.94 and one (1) post-petition payment in the amount of \$686.47. Docs. #23, #25. Additionally, Movant recovered possession of the Vehicle pre-petition on October 25, 2025. *Id.* Since the Property has been recovered, the only issue is disposition of the collateral.

The court also finds that the Debtors do not have any equity in the Property and the Property is not necessary to an effective reorganization because Debtors are in chapter 7. The Property is valued at \$59,760.00 and Debtors owe \$85,714.65. Docs. #23, #25.

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.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(4) will be ordered waived because Debtors have failed to make at least three (3) pre- and post-petition payments to Movant, and the Property is a depreciating asset.

5. [25-13549](#)-B-7     **IN RE: ALFONSO/ALICIA SILVA DIAZ**  
[JRL-1](#)

MOTION TO AVOID LIEN OF STATE OF CALIFORNIA EMPLOYMENT  
DEVELOPMENT DEPARTMENT  
1-30-2026    [\[18\]](#)

ALICIA SILVA DIAZ/MV  
JERRY LOWE/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.

Alfonso and Alicia Silva Diaz ("Debtors") move for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of State of California, Employment Development Department ("EDD" or "Creditor") in the sum of \$1,864.70 and encumbering residential real property located at 3451 East Butler Ave., Fresno, CA 93702 ("the Property"). Doc. #18 *et seq.*

Debtors complied with Fed. R. Bankr. P. 7004(b)(6) by serving Creditor's authorized agent for service of process via first class mail on January 30, 2026. Doc. #22. Specifically, Debtors served Creditor by way of first-class mail to (1) Nancy Farias, Authorized Agent for the EDD's Bankruptcy Special Procedures Group and (2) the Office of the California Attorney General, Bankruptcy Section. *Id.*

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). The failure of the creditors, the chapter 7 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.

To avoid a lien under 11 U.S.C. § 522(f)(1), the movant must establish four elements: (1) there must be an exemption to which the debtor would be entitled under § 522(b); (2) the property must be listed on the debtor's schedules as exempt; (3) the lien must impair the exemption; and (4) the lien must be either a judicial lien or a non-possessory, non-

purchase money security interest in personal property listed in § 522(f)(1)(B). § 522(f)(1); *Goswami v. MTC Distrib. (In re Goswami)*, 304 B.R. 386, 390-91 (B.A.P. 9th Cir. 2003) (quoting *In re Mohring*, 142 B.R. 389, 392 (Bankr. E.D. Cal. 1992), *aff'd*, 24 F.3d 247 (9th Cir. 1994)).

Here, a judgment was entered against Debtors in favor of Creditor in the amount of \$1,854.07 on June 26, 2025. Doc. #21 (Exhib A). The abstract of judgment was issued on June 26, 2025, and was recorded in Fresno County on June 27, 2025. *Id.* That lien attached to Debtor's interest in Property. *Id.*; Doc. #20. Debtor estimates that the current amount owed on account of this lien is \$1,864.07. Doc. #1 (Sched. D, line 2.1).

As of the petition date, Property had an approximate value of \$240,000.00 Doc. #1 (Sched. A/B). Debtor claimed a \$220,000.00 exemption in Property pursuant to Cal. Code Civ. Proc. ("CCP") § 704.730. Doc. #1 (Sched. C).

In addition to the EDD's judgment lien, the Property is encumbered by a first deed of trust in favor Nationstar/Mr. Cooper ("Nationstar") in the amount of \$152,594.00. Doc. #1 (Sched. D). Property's encumbrances can be illustrated as follows:

Creditor	Amount	Recorded	Status
1. Nationstar	\$152,594.00	Unknown	Unavoidable
2. EDD	\$1,864.07	06/27/25	Avoidable

When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999). Liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). Here, only one lien is at issue.

"Under the full avoidance approach, as used in *Brantz*, the only way a lien would be avoided 'in full' was if the debtor's gross equity were equal to or less than the amount of the exemption." *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 596 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999), citing *In re Brantz*, 106 B.R. 62, 68 (Bankr. E.D. Pa. 1989) ("Avoidance of all judicial liens results unless (3) [the result of deducting the debtor's allowable exemptions and the sum of all liens not avoided from the value of the property] is a positive figure."), citing *In re Magosin*, 75 B.R. 545, 547 (Bankr. E.D. Pa. 1987) (judicial lien was avoidable in its entirety where equity is less than exemption). Ordinarily, liens already avoided are excluded from the exemption impairment calculation. § 522(f)(2)(B). Perfected judicial liens which were recorded prior to the junior-most lien to be avoided are grouped with the unavoidable liens for purposes of this analysis.

This lien is the most junior lien subject to avoidance and there is not any equity to support the lien. Strict application of the § 522(f)(2) formula with respect to Creditor's junior lien is illustrated as follows:

Amount of judgment lien		\$1,854.07
Total amount of unavoidable liens (incl. liens not yet avoided)	+	152,594.00
Debtor's claimed exemption in Property	+	\$220,000.00
<i>Sum</i>	=	\$374,448.07
Debtor's claimed value of interest absent liens	-	\$240,000.00
Extent lien impairs exemption	=	\$134,448.07

*All Points Capital Corp. v. Meyer (In re Meyer)*, 373 B.R. 84, 91 (B.A.P. 9th Cir. 2007); accord. *Hanger* 217 B.R. at 596, *Higgins v. Household Fin. Corp. (In re Higgins)*, 201 B.R. 965, 967 (B.A.P. 9th Cir. 1996); cf. *Brantz*, 106 B.R. at 68, *Magosin*, 75 B.R. at 549-50, *In re Piersol*, 244 B.R. 309, 311 (Bankr. E.D. Pa. 2000). Since there is no equity for liens to attach and this case does not involve fractional interests or co-owned property with non-debtor third parties, the § 522(f)(2) formula can be re-illustrated using the *Brantz* formula with the same result:

Fair market value of Property		\$240,000.00
Total amount of unavoidable liens (incl. liens not yet avoided)	-	\$152,594.00
Homestead exemption	-	220,000.00
Remaining equity for judicial liens	=	(\$132,594.00)
Creditor's judicial lien	-	\$1,854.07
Extent Debtor's exemption impaired	=	(\$134,448.07)

After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support any judicial liens. Therefore, the fixing of Creditor's judicial lien impairs Debtors' exemption in the Property, and its fixing will be avoided.

Debtors have established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that Creditor's lien is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.

6. [24-10350](#)-B-7     **IN RE: RAYMOND/CAROL TAVITA**  
[ADJ-4](#)

MOTION FOR COMPENSATION FOR ANTHONY D. JOHNSTON, TRUSTEES ATTORNEY(S)  
2-2-2026    [\[51\]](#)

PETER BUNTING/ATTY. FOR DBT.  
ANTHONY JOHNSTON/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.

Anthony D. Johnston ("Applicant") of the law firm Fores Macko Johnston & Chartrand, a Professional Law Corporation ("the Firm") 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 attorney for Irma Edmonds, Trustee in the above-styled case ("Trustee"). Doc. #51 *et seq.*

Applicant was employed to perform services under § 327 of the Code pursuant to an order of this court dated March 12, 2024. Doc. #15. This is Applicant's first and final request for compensation, covering the period from February 21, 2024, through February 2, 2026. Doc. #51.

It appears that Applicant was the only person at Applicant's firm to work on this case. *Id.* Applicant provided **20.00** billable hours at a rate of \$375.00 per hour, totaling **\$7,500.00** in fees. Doc. #53. Applicant advises that his rate increased to \$400.00 per hour during the pendency of this case, but for purposes of this Application, all hours are billed at \$375.00 per hour. Applicant also incurred **\$204.41** in expenses for copies, postage, and telephonic appearance at court hearings. Doc. #55 (Exhib. C). These combined fees and expenses total **\$7,704.41**.

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: asset disposition; litigation; and fee/employment application. Doc. #51. 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. #54.

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.

This Application is GRANTED. The court will approve on a final basis under 11 U.S.C. §330 compensation in the amount of **\$7,500.00** in fees and **\$204.41** in expenses. The court grants the Application for a total award of **\$7,704.41** 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.

7. [25-26951](#)-B-7      **IN RE: TROY EVANS**

[ALG-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY  
2-11-2026    [[20](#)]

ROGER ANDERSON, TRUSTEE OF THE RWA TRUST/MV  
WILLARD FIELDS/ATTY. FOR DBT.  
ARNOLD GRAFF/ATTY. FOR MV.

TENTATIVE RULING:            This matter will proceed as scheduled.

DISPOSITION:                    Granted. The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will not be waived.

ORDER:                            The minutes of the hearing will be the court's findings and conclusions. Order preparation determined at the hearing.

Roger Anderson, Trustee of the RWA Trust dated 3/14/2014 ("Movant") seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) with respect to real property located at 5835 Bridgecross Drive, Sacramento, California 95835 (the "Property"). Doc. #20 *et seq.* Movant also requests waiver of the 14-day stay of Fed. R. Bankr. P. ("Rule") 4001(a)(3). *Id.* Troy Evans ("Debtor") opposes, and Movant has filed a reply. Docs. #27, #29.

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). Other than Debtor, no party in interest has responded, and the defaults of all non-responding parties are entered. This matter will be called and proceed as scheduled.

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).

The Property is listed in Debtor's Amended Schedules A/B as having a value of \$475,000.00. Doc. #12 (Sched. A/B). Debtor has exempted Property in the amount of \$258,979.39 pursuant to C.C.P. § 704.730. Doc. #12 (Sched. C). The Property is encumbered by a deed of trust in favor of California TD Specialists ("CTD") as trustee and Movant as beneficiary lender, with Debtor estimating the amount of the claim at \$216,020.61 as of the petition date. Doc. #12 (Sched. D); Doc. #24 (Exhibit 2 - Recorded Deed of Trust).

The original amount of the loan was \$169,000.00, and the Note required interest only payments of \$1,690.00 commencing June 1, 2024, with a balloon payment of the remainder due on May 1, 2025 ("the Maturity Date"). Doc. #25 (Decl. of Roger Anderson); Doc. #24 (Exhibits 1-4).

Movant caused a *Notice of Default and Election to Sell Under Deed of Trust* to be recorded in the Sacramento County Clerk's Office on August 12, 2025. Doc. #24 (Exh. 5). A *Notice of Trustee's Sale* was recorded on November 17, 2025, with the sale date set for December 11, 2025. Doc. #24 (Exh. 6). Debtor filed for Chapter 7 bankruptcy on December 10, 2025, the day before the sale date. Doc. #1. While Movant makes much hay out of certain deficiencies in Debtor's initial bankruptcy filings, these issues all appear to have been cured by later amendments to which Movant does not object. Doc. #22 (Memorandum of Authorities); *Docket generally*.

In the accompanying *Memorandum*, Movant argues that 'cause' to lift the automatic stay exists, suggesting that the fact that the case was filed "for the sole purpose of thwarting Movant's scheduled foreclosure sale" and "the documents initially filed by Debtor under penalty of perjury [were] highly inaccurate and/or are materially incomplete." Doc. #12.

The court is not persuaded by Movant's bad faith arguments. There is nothing especially untoward about filing a bankruptcy petition on the eve of a foreclosure sale. Likewise, errors and/or omissions in petition documents that are corrected with amendments once those issues are brought to the debtor's attention are not necessarily evidence of bad faith without further indicia of wrongful or deceptive conduct.

Movant finds more fertile ground with arguments that 'cause' to lift the stay exists because Debtor has made no ongoing payments for many months before and after the petition date. *Id.* More importantly, Movant notes (and Debtor does not dispute) that the entirety of the loan came due on the Maturity Date more than seven months before the petition date. *Id.*

In response, Debtor argues that Movant should not be granted stay relief because there is adequate protection in place in the form of an estimated \$258,979.39 in equity in the Property. Doc. #27. Debtor further states his intention to use this equity to "reorganize" himself and pay off the debt owed to Movant. *Id.* This is consistent with Debtor's Form 108 *Statement of Intention* dated January 20, 2026, where Debtor listed the debt and clicked the box for "Retain the property and enter into a *Reaffirmation Agreement.*" Doc. #12.

Unfortunately for the Debtor, sometimes "intentions" are just a list of things that do not happen. Debtor has taken no steps towards reaffirming the debt, nor can he do so without Movant's consent, which is unlikely to be forthcoming as this is a residence with no deficiency if the trustee's sale is completed. Furthermore, Debtor has presented no evidence of any refinancing of the property or any source of funds to pay off the balloon note. Without any such evidence, Debtor's stated intention to use the equity to refinance the Property is purely speculative.

Finally, as Movant notes, this case is not a reorganization under Chapter 13 or even Chapter 11. It is a Chapter 7 liquidation proceeding. And in a Chapter 7 case, when there is a secured debt for which payments are owing and which has not been subject to a court-approved reaffirmation, the creditor has the right to seek stay relief and proceed against the secured collateral regardless of any apparent equity. "Reorganization" is not a factor in this case, which leaves "cause" as the basis for stay relief.

After review of the included evidence, the court finds that "cause" exists to lift the stay because Debtor has failed to make pre-petition payments owed to Movant. The Movant has produced evidence that Debtor is delinquent on the entire loan balance of \$208,493.92 (including principal and interest) as the entire loan balance came due on May 1, 2025. Docs. ##24-25.

Movant also seeks waiver of the 14-day stay of Fed. R. Bankr. P. 4001(a)(3). The court has reviewed Movant's filings and is of the opinion that Movant has provided no factual basis for the granting of such a waiver other than the mere fact that payment is due. The requested waiver will not be granted.

Accordingly, this motion will be GRANTED pursuant to 11 U.S.C. § 362(d)(1) 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. The 14-day stay of Rule 4001(a)(3) will not be ordered waived.

8. [26-10189](#)-B-7     **IN RE: MAC ARTEAGA**

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES  
2-11-2026    [\[28\]](#)

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. An amended Schedule E/F (Doc. 15) was filed by the debtor on January 28, 2026. A fee of \$34.00 was required at the time of filing because the amended Schedule E/F added creditor(s). The fee was not paid. A notice of payment due was served on the debtor on February 4, 2026. Doc. #19.

If the filing fee of \$34.00 is not paid prior to the hearing, the amended Schedule E/F (Doc. #15) may be stricken, and sanctions will be imposed on the debtor on the grounds stated in the order to show cause.

9. [26-10194](#)-B-7     **IN RE: UNIVERSAL AGUIRRE, INC**

ORDER TO SHOW CAUSE FOR FAILURE TO UPDATE CONTACT INFORMATION IN PACER  
2-6-2026    [\[14\]](#)

ARETE KOSTOPOULOS/ATTY. FOR DBT.  
DISMISSED 2/9/26

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

DISPOSITION:        Dropped and taken off calendar.

NO ORDER REQUIRED.

An order dismissing the case was entered on February 9, 2026. Doc. #16. Accordingly, this Order to Show Cause will be taken off calendar as moot. No appearance is necessary.