UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Fredrick E. Clement Bankruptcy Judge

2500 Tulare Street, Fifth Floor Department A, Courtroom 11 Fresno, California

WEDNESDAY

MARCH 5, 2014

PRE-HEARING DISPOSITIONS

GENERAL DESIGNATIONS

Each pre-hearing disposition is prefaced by the words "Final Ruling," "Tentative Ruling" or "No Tentative Ruling." Except as indicated below, matters designated "Final Ruling" will not be called and counsel need not appear at the hearing on such matters. Matters designated "Tentative Ruling" or "No Tentative Ruling" will be called.

MATTERS RESOLVED BEFORE HEARING

If the court has issued a final ruling on a matter and the parties directly affected by a matter have resolved the matter by stipulation or withdrawal of the motion before the hearing, then the moving party shall, not later than 4:00 p.m. (PST) on the day before the hearing, inform the following persons by telephone that they wish the matter to be dropped from calendar notwithstanding the court's ruling: (1) all other parties directly affected by the motion; and (2) Kathy Torres, Judicial Assistant to the Honorable Fredrick E. Clement, at (559) 499-5860.

ERRORS IN FINAL RULINGS

If a party believes that a final ruling contains an error that would, if reflected in the order or judgment, warrant a motion under Federal Rule of Civil Procedure 52(b), 59(e) or 60, as incorporated by Federal Rules of Bankruptcy Procedure, 7052, 9023 and 9024, then the party affected by such error shall, not later than 4:00 p.m. (PST) on the day before the hearing, inform the following persons by telephone that they wish the matter either to be called or dropped from calendar, as appropriate, notwithstanding the court's ruling: (1) all other parties directly affected by the motion; and (2) Kathy Torres, Judicial Assistant to the Honorable Fredrick E. Clement, at (559) 499-5860. Absent such a timely request, a matter designated "Final Ruling" will not be called.

9:00 a.m.

1. $\underline{12-60302}$ -A-7 ENIO CERVANTES

RHT-2

ROBERT HAWKINS/MV

ROBERT HAWKINS/Atty. for mv.

MOTION TO SELL 2-5-14 [25]

Final Ruling

Motion: Sell Property

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

Disposition: Granted

Order: Prepared by moving party

Property: 2002 Ford F350 Diesel truck

Sale Type: Public auction

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).

Section 363(b)(1) of Title 11 authorizes sales of property of the estate "other than in the ordinary course of business." 11 U.S.C. §§ 363(b)(1); see also In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir. 1983) (requiring business justification). The moving party is the Chapter 7 trustee and liquidation of property of the estate is a proper purpose. See 11 U.S.C. § 704(a)(1). As a result, the court will grant the motion. The stay of the order provided by Federal Rule of Bankruptcy Procedure 6004(h) will be waived.

2. <u>14-10306</u>-A-7 SHARON SELINSKI

SHARON SELINSKI/MV

REYNALDO PULIDO/Atty. for dbt.

No tentative ruling.

MOTION FOR WAIVER OF THE CHAPTER 7 FILING FEE OR OTHER FEE

1-24-14 [<u>5</u>]

3. <u>10-16017</u>-A-7 LAURA WILLIAMS LRP-7 JEFFREY VETTER/MV

LEONARD WELSH/Atty. for dbt. RENE LASTRETO/Atty. for mv.

Final Ruling

The objection withdrawn, the matter is dropped as moot.

CONTINUED OBJECTION TO CLAIM OF ALL-CAL COLLECTION SERVICES, INC., CLAIM NUMBER 5 12-6-13 [173]

4. 14-10438-A-7 MARIA DINIZ

MARIA DINIZ/MV

ALBERT GARCIA/Atty. for dbt.

MOTION FOR WAIVER OF THE CHAPTER 7 FILING FEE OR OTHER FEE 1-30-14 [<u>5</u>]

MOTION TO SELL

2-5-14 [44]

No tentative ruling.

5. 13-12852-A-7 CLINTON SCOGGINS

RHT-2

ROBERT HAWKINS/MV

THOMAS ARMSTRONG/Atty. for dbt.

ROBERT HAWKINS/Atty. for mv.

Tentative Ruling

Motion: Sell Property

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

Disposition: Granted

Order: Prepared by moving party

Property: 1195 Farmdale Avenue, Merced, CA

Buyer: Debtor

Sale Price: \$69,300 (\$5,000 cash plus \$26,300 exemption credit and the sale is made subject to a deed of trust held by Oro Financial in

the amount of \$38,000)

Sale Type: Private sale "AS IS" and subject to overbid opportunity

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).

Section 363(b)(1) of Title 11 authorizes sales of property of the estate "other than in the ordinary course of business." 11 U.S.C. §§ 363(b)(1); see also In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir. 1983) (requiring business justification). The moving party is the Chapter 7 trustee and liquidation of property of the estate is a proper purpose. See 11 U.S.C. § 704(a)(1). As a result, the court will grant the motion. The stay of the order provided by Federal Rule of Bankruptcy Procedure 6004(h) will be waived.

6. 13-17453-A-7 DANIEL/IVY ROCHA RW-1

DANIEL ROCHA/MV

SCOTT MITCHELL/Atty. for dbt.

No tentative ruling.

MOTION TO COMPEL ABANDONMENT 2-14-14 [<u>23</u>]

7. 13-16664-A-7 RODOLFO/MARIA SANCHEZ MOTION TO SELL 2-7-14 [18]

RHT-1

ROBERT HAWKINS/MV

J. IRIGOYEN/Atty. for dbt.

ROBERT HAWKINS/Atty. for mv.

Tentative Ruling

Motion: Sell Property

Notice: LBR 9014-1(f)(2); no written opposition required

Disposition: Granted

Order: Prepared by moving party

Property: 2005 Chevrolet Malibu

Buyer: Debtors

Sale Price: \$1000 cash

Sale Type: Private sale subject to overbid opportunity

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). 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).

Section 363(b)(1) of Title 11 authorizes sales of property of the estate "other than in the ordinary course of business." 11 U.S.C. §§ 363(b)(1); see also In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir. 1983) (requiring business justification). The moving party is the Chapter 7 trustee and liquidation of property of the estate is a proper purpose. See 11 U.S.C. § 704(a)(1). As a result, the court will grant the motion. The stay of the order provided by Federal Rule of Bankruptcy Procedure 6004(h) will be waived.

8. 13-14769-A-7 JARED/FELICITAS HOWE JES-2

JAMES SALVEN/MV

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT WITH FARMERS INSURANCE GROUP AND/OR MOTION FOR COMPENSATION FOR AARON N. CASTLETON, SPECIAL COUNSEL(S), FEE: \$485.00, EXPENSES: \$0.00 2-4-14 [34]

CINDY MORSE/Atty. for dbt. JAMES SALVEN/Atty. for mv.

Final Ruling

Motion: Approve Compromise and Pay Special Counsel's Fees and Expenses

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

Disposition: Granted

Order: Prepared by moving party

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).

APPROVAL OF COMPROMISE

In determining whether to approve a compromise under Federal Rule of Bankruptcy Procedure 9019, the court determines whether the compromise was negotiated in good faith and whether the party proposing the compromise reasonably believes that the compromise is the best that can be negotiated under the facts. In re A & C Props., 784 F.2d 1377, 1381 (9th Cir. 1982). More than mere good faith negotiation of a compromise is required. The court must also find that the compromise is fair and equitable. Id. "Fair and equitable" involves a consideration of four factors: (i) the probability of success in the litigation; (ii) the difficulties to be encountered in collection; (iii) the complexity of the litigation, and expense, delay and inconvenience necessarily attendant to litigation; and (iv) the paramount interest of creditors and a proper deference to the creditors' expressed wishes, if any. Id. The party proposing the compromise bears the burden of persuading the court that the compromise is fair and equitable and should be approved. Id.

Based on the motion and supporting papers, the court finds that the compromise is fair and equitable considering the relevant A & C Properties factors. The compromise will be approved.

APPROVAL OF FEES AND EXPENSES

Section 330(a) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services" rendered by a trustee, examiner or professional person employed under § 327 or § 1103 and for "reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Reasonable compensation is determined by considering all relevant factors. See id. § 330(a)(3).

The trustee seeks special counsel fees of \$2,420.90 and reimbursement of special counsel's expenses in the amount of \$485.00. The trustee represents that the estate sought and obtained authority to employ special counsel on January 7, 2014. The court finds that the compensation and expenses sought for special counsel are reasonable, and the court will approve the application on a final basis.

9. <u>14-10678</u>-A-7 CARLOS/ALICIA CASTRO EPE-1 CARLOS CASTRO/MV ERIC ESCAMILLA/Atty. for dbt.

MOTION TO COMPEL ABANDONMENT 2-19-14 [9]

Tentative Ruling

Motion: Compel Abandonment of Property of the Estate **Notice:** LBR 9014-1(f)(2); no written opposition required

Disposition: Granted only as to the business and such business assets

described in the motion

Order: Prepared by moving party pursuant to the instructions below

Business Description: Debtor's sole proprietorship business that consists of installing sale signs on real properties

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). 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).

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); Fed. R. Bankr. P. 6007(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 business described above is either burdensome to the estate or of inconsequential value to the estate. An order compelling abandonment of such business is warranted.

The order will compel abandonment of the business and the assets of such business only to the extent described in the motion. The order shall state that any exemptions claimed in the abandoned business or the assets of such business may not be amended without leave of court given upon request made by motion noticed under Local Bankruptcy Rule 9014-1(f)(1).

10. <u>14-10117</u>-A-7 ERACLIO SANCHEZ AND MOTION TO COMPEL ABANDONMENT TOG-3 RAOUEL SOLIS ERACLIO SANCHEZ/MV THOMAS GILLIS/Atty. for dbt. OST 2/26/14

2-25-14 [15]

Tentative Ruling

Motion: Compel Abandonment of Property of the Estate

Notice: LBR 9014-1(f)(3) and order shortening time; no written

opposition required

Disposition: Continued to April 2, 2014, at 9:00 a.m. to allow notice

on all creditors and parties in interest

Order: Prepared by moving party pursuant to the instructions below

Business Description: sole proprietorship business consisting of a day care business

Rule 6007(a) expressly requires a trustee or debtor in possession to provide notice to all creditors, indenture trustees, and any committees. But Rule 6007(b) does not specifically state who must receive notice of a motion to abandon property of the estate. See Fed. R. Bankr. P. 6007(a)-(b).

This court requires all creditors and parties in interest described in Rule 6007(a), and the trustee, to be provided notice of a motion requesting abandonment under Rule 6007(b). A motion under Rule 6007(b) seeks an order to compel the trustee to abandon property of the estate, the same action that is described in Rule 6007(a) and for which notice to creditors is required. Because a motion under Rule

6007(b) requests relief that requires notice to all creditors under Rule 6007(a), notice to all creditors should also be required when the debtor seeks to compel the trustee to take such an action under Rule 6007(b). See Sierra Switchboard Co. v. Westinghouse Elec. Corp., 789 F.2d 705, 709-10 (9th Cir. 1986) (finding that a trustee's abandonment would not be effective without notice to creditors); Hie of Effingham, LLC v. WBCMT 2007-C33 Mid America Lodging, LLC (In re Hie of Effingham, LLC), 490 B.R. 800, 807-08 (Bankr. S.D. Ill. 2013) (concluding that Rule 6007(b) incorporates service requirements of Rule 6007(a)); In re Jandous Elec. Constr. Corp., 96 B.R. 462, 464-65 (Bankr. S.D.N.Y. 1989) (finding that parties in interest requesting abandonment of estate property for which a hearing is contemplated must provide notice to the parties listed in Rule 6007(a)).

In this case, the notice was sent only to the trustee and the United States trustee. The court will continue the matter to April 2, 2014, at 9:00 a.m. No later than March 19, 2014, the debtors will file an amended proof of service that shows notice of the motion and the relief it seeks has been transmitted to all creditors and parties in interest in the case.

For matters requiring notice to all creditors and parties in interest, the court prefers that a current copy of the ECF master address list, accessible through PACER, be attached to the certificate of service to indicate that notice has been transmitted to all creditors and parties in interest. The copy of the master address list should indicate a date near in time to the date of service of the notice. In addition, governmental creditors must be noticed at the address provided on the Roster of Governmental Agencies, Form EDC 2-785, so the master address list and schedule of creditors must be completed using the correct addresses shown on such roster. See Fed. R. Bankr. P. 2002(j), 5003(e); LBR 2002-1.

11. <u>13-10814</u>-A-7 FL.INVEST. USA INC. KDG-5
VINCENT A. GORSKI, TRUSTEE/MV
LISA HOLDER/Atty. for trustee
OST 3/04/14

MOTION TO EXTEND TIME TO TRANSFER REAL PROPERTY 3-4-14 [293]

No tentative ruling.

13-12112-A-7 GLEN/MELISSA MCCLARAN 13-1073

KARRAKER ET AL V. MCCLARAN

PRE-TRIAL CONFERENCE RE: (62 (DISCHARGEABILITY - 523(A)(2), FALSE PRETENSES, FALSE REPRESENTATION, ACTUAL FRAUD)) : COMPLAINT 13-01073 BY RUSTY KARRAKER, CYNTHIA KARRAKER, RACHEL HAGENZIEKER, ROBERTA KARRAKER AGAINST GLEN S. MCCLARAN $6-28-13 \left[\frac{1}{2} \right]$

DAVID EMERZIAN/Atty. for pl. RESPONSIVE PLEADING

Final Ruling

This matter has been continued to May 14, 2014, at 9:15 a.m.

13-12112-A-7 GLEN/MELISSA MCCLARAN 2. <u>13-</u>1075

KOZLOWSKI ET AL V. MCCLARAN

PRE-TRIAL CONFERENCE RE: (62 (DISCHARGEABILITY - 523(A)(2), FALSE PRETENSES, FALSE REPRESENTATION, ACTUAL FRAUD)),(68 (DISCHARGEABILITY -523(A)(6), WILLFUL AND MALICIOUS INJURY)) : COMPLAINT 13-01075 BY ERIC KOZLOWSKI, RONDA KOZLOWSKI AGAINST GLEN S. MCCLARAN (TJOF) 7-1-13 [1]

CONNIE PARKER/Atty. for pl. RESPONSIVE PLEADING

Final Ruling

This matter has been continued to May 14, 2014, at 9:15 a.m.

10:00 a.m.

<u>14-10153</u>-A-7 ALVARO VASQUEZ EGS-1 BAYVIEW LOAN SERVICING, LLC/MV THOMAS GILLIS/Atty. for dbt. EDWARD SCHLOSS/Atty. for mv.

MOTION FOR RELIEF FROM AUTOMATIC STAY 2-15-14 [<u>13</u>]

Tentative Ruling

Motion: Stay Relief

Notice: LBR 9014-1(f)(2); no written opposition required

Disposition: Granted

Order: Prepared by moving party

Subject: 4880 E. Grove Avenue, Fresno, CA 93725

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). 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).

Section 362(d)(2) authorizes stay relief if the debtor lacks equity in the property and the property is not necessary to an effective reorganization. 11 U.S.C. § 362(d)(2). Chapter 7 is a mechanism for liquidation, not reorganization, and, therefore, property of the estate is never necessary for reorganization. In re Casgul of Nevada, Inc., 22 B.R. 65, 66 (B.A.P. 9th Cir. 1982). In this case, the aggregate amount due all liens exceeds the value of the collateral and the debtor has no equity in the property. The motion will be granted, and Federal Rule of Bankruptcy Procedure 4001(a)(3) will be waived. No other relief will be awarded.

2. 13-17963-A-7 GEORGE/DOROTHY GARCIA MRG-1
SYSTEMS & SERVICES
TECHNOLOGIES, INC./MV
MARK ZIMMERMAN/Atty. for dbt.
MICHAEL GONZALES/Atty. for mv.

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-30-14 [17]

Final Ruling

Motion: Stay Relief

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

Disposition: Granted

Order: Prepared by moving party

Subject: 2003 Harley Davidson FLTR1

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).

Section 362(d)(2) authorizes stay relief if the debtor lacks equity in the property and the property is not necessary to an effective reorganization. 11 U.S.C. § 362(d)(2). Chapter 7 is a mechanism for liquidation, not reorganization, and, therefore, property of the estate is never necessary for reorganization. In re Casgul of Nevada, Inc., 22 B.R. 65, 66 (B.A.P. 9th Cir. 1982). In this case, the aggregate amount due all liens exceeds the value of the collateral and the debtor has no equity in the property. The motion will be granted, and Federal Rule of Bankruptcy Procedure 4001(a)(3) will be waived. No other relief will be awarded.

1. 14-10330-A-7 SHELLY HINCH

PRO SE REAFFIRMATION AGREEMENT WITH AMERICREDIT FINANCIAL SERVICES, INC. 2-12-14 [10]

No tentative ruling.

1:30 p.m.

1. <u>10-12709</u>-A-11 ENNIS COMMERCIAL LRP-5 PROPERTIES, LLC DAVID STAPLETON/MV

CONTINUED HEARING RE: MOTION TO EMPLOY COLLIERS TINGEY INTERNATIONAL, INC. AS REALTOR(S) 1-29-14 [1121]

PETER FEAR/Atty. for dbt.
JENNIFER BROOKS/Atty. for mv.
RESPONSIVE PLEADING

No tentative ruling.

2. <u>10-62315</u>-A-11 BEN ENNIS LRP-7 DAVID STAPLETON/MV

RILEY WALTER/Atty. for dbt. MICHAEL GOMEZ/Atty. for mv. RESPONSIVE PLEADING

No tentative ruling.

CONTINUED MOTION TO EMPLOY COLLIERS TINGEY INTERNATIONAL, INC. AS BROKER(S) 1-29-14 [1350]

3. <u>14-10268</u>-A-11 RODRIGO ROMERO

ANTHONY EGBASE/Atty. for dbt.

No tentative ruling.

CHAPTER 11 STATUS CONFERENCE RE: VOLUNTARY PETITION 1-29-14 [12]

1:45 p.m.

22-1033 PROPERTIES, LLC AMENDED COMPLAINT
ENNIS COMMERCIAL PROPERTIES LLC V. NICHOLSON ET AL MICHAEL GOMEZ/Atty. for pl. RESPONSIVE PLEADING, SECOND AMENDED COMPLAINT 2/7/14

No tentative ruling.

ENNIS COMMERCIAL PROPERTIES, LLC KFV-4 ENNIS COMMERCIAL PROPERTIES, LLC V. NICHOLSON FT AT. 2. KURT VOTE/Atty. for mv. RESPONSIVE PLEADING

MOTION TO DISMISS ADVERSARY PROCEEDING/NOTICE OF REMOVAL 2-12-14 [79]

No tentative ruling.

10-12709-A-11 ENNIS COMMERCIAL 3. 12-1050 PROPERTIES, LLC ENNIS COMMERCIAL PROPERTIES, LLC ET AL V. HA DEVCO, INC. ET MICHAEL GOMEZ/Atty. for pl.

CONTINUED STATUS CONFERENCE RE: AMENDED COMPLAINT $1-14-14 \left[\frac{56}{5} \right]$

No tentative ruling.

10-12709-A-11 ENNIS COMMERCIAL MOTION TO DISMISS ADVERSARY PROPERTIES, LLC KFV-1 PROCEEDING/NOTICE OF REMOVAL 4. ENNIS COMMERCIAL PROPERTIES, LLC ET AL V. HA DEVCO, INC. ET KURT VOTE/Atty. for mv. RESPONSIVE PLEADING

1-22-14 [61]

CONTINUED STATUS CONFERENCE RE:

No tentative ruling.

5. <u>10-62315</u>-A-11 BEN ENNIS 13-1107 STAPLETON ET AL V. WATKINS ET MICHAEL GOMEZ/Atty. for pl.

AMENDED COMPLAINT 1-14-14 [<u>21</u>]

No tentative ruling.

6. 10-62315-A-11 BEN ENNIS
13-1107 KFV-2
STAPLETON ET AL V. WATKINS ET
AL
KURT VOTE/Atty. for mv.
RESPONSIVE PLEADING

No tentative ruling.

MOTION TO DISMISS ADVERSARY PROCEEDING/NOTICE OF REMOVAL 1-22-14 [$\underline{28}$]

7. 10-62315-A-11 BEN ENNIS
13-1108
STAPLETON ET AL V. NICHOLSON
ET AL
MICHAEL GOMEZ/Atty. for pl.
RESPONSIVE PLEADING

No tentative ruling.

COMPLAINT 10-10-13 [<u>1</u>]

CONTINUED STATUS CONFERENCE RE:

8. 10-62315-A-11 BEN ENNIS
13-1108 KFV-3
STAPLETON ET AL V. NICHOLSON
ET AL
KURT VOTE/Atty. for mv.
RESPONSIVE PLEADING

No tentative ruling.

MOTION TO DISMISS ADVERSARY PROCEEDING/NOTICE OF REMOVAL 1-22-14 [23]