



**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: APRIL 3, 2023
CALENDAR: 9:00 A.M. CHAPTER 9 AND 11 CASES

Unless otherwise ordered, all matters before Chief Judge Fredrick E. Clement shall be heard simultaneously: (1) **IN PERSON** in Courtroom 28, (2) via **ZOOMGOV VIDEO**, (3) via **ZOOMGOV TELEPHONE**, and (4) via **COURTCALL**.

You may choose any of these options unless otherwise ordered.

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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. You are required to give the court 24 hours advance notice. Review the court's [Zoom Procedures and Guidelines](#) for these, and additional instructions.
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Please join at least 10 minutes prior to the start of the calendar and wait with your microphone muted until your matter is called.

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PRE-HEARING DISPOSITION

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. [20-23726](#)-A-11 **IN RE: AME ZION WESTERN EPISCOPAL DISTRICT
[WGG-30](#)**

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT
AGREEMENT WITH MYRON POWELL
3-6-2023 [\[715\]](#)

GABRIEL LIBERMAN/ATTY. FOR DBT.
DAVID GOODRICH/ATTY. FOR MV.
WITHDRAWN BY M.P.

Final Ruling

The motion was withdrawn by the moving party on March 20, 2023, ECF No. 726. Accordingly, this matter will be removed from the calendar as moot. No appearances are required.

2. [22-23186](#)-A-11 **IN RE: C S I ROOF REMOVAL, INC.
[CAE-1](#)**

CONTINUED STATUS CONFERENCE RE: VOLUNTARY PETITION
12-9-2022 [\[1\]](#)

MATTHEW DECAMINADA/ATTY. FOR DBT.

No Ruling

3. [20-24098](#)-A-11 **IN RE: SLIDEBELTS, INC.
[RLC-33](#)**

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT
AGREEMENT WITH PARSONS BEHLE & LATIMER AND ADVANCED CFO
3-10-2023 [\[411\]](#)

STEPHEN REYNOLDS/ATTY. FOR DBT.
DEBTOR DISCHARGED: 11/18/21

Final Ruling

Motion: Approve Compromise of Controversy

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

Disposition: Denied without prejudice

Order: Civil minute order

This motion differs little from the previous motion to approve compromise. Mot. Approve Compromise, ECF No. 397. That motion was denied on procedural grounds. This motion fares no better.

Debtor Slidebelts, Inc. moves to approve a compromise with its former counsel Parsons Behle & Latimer and its financial advisor Brinkman Portillo Ronk, APC for \$5,000. Pursuant to this court's fee orders these professionals received an aggregate of \$48,427.81.

Later when the case became administratively insolvent this court made an equalizing order as between administrative professionals, including Parsons Behle & Brinkman. Those equalizing payments have not been made; instead, the debtor seeks those claims with Parsons Behle & Brinkman for \$5,000. Brinkman Law Group, an aggrieved professional, opposes the motion. Oppos., ECF No. 418.

LAW

Post-confirmation, the debtor's ability to settle claims is determined by the substantive and procedural rights afford creditors under the terms of the plan. *In re Oakhurst Lodge, Inc.*, 582 B.R. 784, 788 (Bankr. E.D. Cal. 2018); *In re Eliminator Custom Boats, Inc.*, No. BAP CC-19-1003-KUFL, 2019 WL 4733525, at *1 (B.A.P. 9th Cir. Sept. 23, 2019). Here, the plan is somewhat cryptic as to whether settlement of a preference/*Jevic* claim requires court approval. Plan §§ VII.5 (pertaining only to "Disputed Claim[s]"), II.4(c) (pertaining to recovery of preferences and *Jevic* claims without specifying mechanism for settlement).

Because the debtor assumes in its motions that court approval under Rule 9019 is required, this court similarly so assumes.

Rule 9019 provides: "On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct." 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. 1986). 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.*

DISCUSSION

Insufficient Notice

Ordinarily, motions to approve a compromise must be served on all creditors. Fed. R. Bankr. P. 2002(a)(3); LBR 2002-4 (not applicable to cases without committees). This motion was noticed under LBR 9014-1(f)(1), which requires 28-days notice of the hearing. Here, the motion was filed and served on March 10, 2023, which is 24 days prior to the hearing. As a result, it is procedurally deficient.

Burden of Proof

The proponent of the settlement bears the burden of proof. *In re A & C Props.*, 784 F.2d 1377, 1381 (9th Cir. 1986). Here, the sole evidence in support of the motion is the declaration of Stephen Reynolds. Reynolds decl., ECF No. 413. Aside from the oath, it is comprised of precisely 66 words and does not address any of the A & C factors.

For these reasons, the motion will be denied.

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.

Slidebelts, Inc.'s motion to approve a compromise 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 denied.