UNITED STATES BANKRUPTCY COURT
Eastern District of California
Honorable Jennifer E. Niemann
Hearing Date: Wednesday, April 9, 2025
Department A – Courtroom #11
Fresno, California

Unless otherwise ordered, all matters before the Honorable Jennifer E. Niemann shall be simultaneously: (1) **In Person** at, Courtroom #11 (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 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 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 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:

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.

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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.

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 POSSIBLE UPDATES.

1. 24-12709-A-11 **IN RE: KEWEL MUNGER**
WJH-25

OBJECTION TO CLAIM OF INTERNAL REVENUE SERVICE, CLAIM NUMBER 1
2-12-2025 [311]

KEWEL MUNGER/MV
RILEY WALTER/ATTY. FOR DBT.

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

DISPOSITION: Overruled as moot.

ORDER: The court will issue an order.

This objection to claim is OVERRULED AS MOOT. The creditor filed an amended proof of claim on March 12, 2025. Claim 1-2.

2. 25-10721-A-11 **IN RE: RIDGELINE CAPITAL INVESTMENTS, LLC**

AMENDED MOTION TO EMPLOY SUSAN L. HACKETT AND RODEO REALTY, INC. AS BROKER(S)
12-11-2024 [11]

RIDGELINE CAPITAL INVESTMENTS, LLC/MV
MICHAEL TOTARO/ATTY. FOR DBT.
RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Denied.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The court will issue an order after the hearing.

This motion was filed and served on at least 14 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2) and will proceed as scheduled. While not required, the Office of the United States Trustee ("UST") filed opposition on March 24, 2025. Doc. #78. Based on the opposition and the court's analysis, the court will deny the motion.

As a procedural matter, the notice of hearing filed in connection with this motion does not indicate whether the motion was set for hearing on at least 28 days' notice and is governed by LBR 9014-1(f)(1) or if the motion was set for hearing on less than 28 days' notice and is governed by LBR 9014-1(f)(2). Because this motion was set for hearing on less than 28 days' notice, pursuant to LBR 9014-1(f)(2), the notice of hearing should state that written opposition is not required, and any opposition may be raised at the hearing. The notice of hearing does not comply with LBR 9014-1(f)(2).

As a further procedural matter, the notice of hearing filed in connection with this motion does not comply with LBR 9014-1(d)(3)(B)(i), which requires the notice include the names and addresses of persons who must be served with any

opposition. The notice of hearing filed in connection with this motion also does not comply with LBR 9014-1(d)(3)(B)(iii), which requires the notice to advise respondents that they can determine whether the matter has been resolved without oral argument or whether the court has issued a tentative ruling by viewing the court's website at www.caeb.uscourts.gov after 4:00 p.m. the day before the hearing, and that parties appearing telephonically must view the pre-hearing dispositions prior to the hearing.

As a further procedural matter, the certificate of service filed in connection with this motion does not comply with LBR 7005-1 and General Order 22-03, which require attorneys and trustees to use the court's Official Certificate of Service Form as of November 1, 2022.

In light of the fact that the court is inclined to deny the motion based on the merits and written opposition filed by the UST, although not required, the court is inclined to waive the improper service of the motion and deny the motion on its merits.

Debtor in possession Ridgeline Capital Investments, LLC ("DIP") moves pursuant to 11 U.S.C. §§ 327(a) and 328 for authorization to employ Rodeo Realty, Inc. ("Broker") to serve as a real estate broker in connection with the sale of real property located 15955 Running Deer Trail, Poway, California 92064 ("Poway Property") and 45200 Oak Manor Court, Temecula, California 92590 ("Temecula Property") (collectively, the "Properties"). Doc. #11.

Section 1107 of the Bankruptcy Code gives DIP all the rights and powers of a trustee and requires DIP perform all the functions and duties of a trustee, subject to certain exceptions not applicable here. 11 U.S.C. § 1107. Section 327(a) of the Bankruptcy Code permits DIP to employ, with court approval, professionals "that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist" DIP in carrying out DIP's duties under the Bankruptcy Code. 11 U.S.C. § 327(a). DIP may, with the court's approval, employ a real estate broker on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis. 11 U.S.C. § 328(a). An application to employ a professional on terms and conditions to be pre-approved by the court must unambiguously request approval under § 328. See Circle K. Corp. v. Houlihan, Lokey, Howard & Zukin, Inc., 279 F.3d 669, 671 (9th Cir. 2002).

This bankruptcy case is DIP's second bankruptcy case involving the same property ("Second Case"). DIP's first bankruptcy case was filed on June 4, 2024 ("First Case"), scheduling the Temecula Property as property of the estate. Case No. 24-11545, Doc. ##1, 19. The First Case was pending at the time DIP filed the Second Case in the United States Bankruptcy Court for the Southern District of California on December 10, 2024. Doc. #1; see docket, Case No. 24-11545. On January 16, 2025, the court granted UST's motion to convert the First Case to chapter 7. Case No. 24-11545, Doc. #204. In support of UST's opposition, UST states that while DIP seeks to employ a broker to sell the Temecula Property in the Second Case, the Temecula Property has never been part of the Second Case because the Temecula Property was and still is a part of the First Case. Doc. #78. Lastly, UST states that there is no property in the Second Case that is not already property of the First Case. Id. Thus, employment of Broker is not necessary in the Second Case to sell the Properties.

Property cannot be an asset of two bankruptcy estates simultaneously. Bateman v. Grover (In re Berg), 45 B.R. 899, 903 (B.A.P. 9th Cir. 1984). Because the Temecula Property is still property of the First Case, and, if owned by DIP when the First Case was filed, so is the Poway Property, the

Properties cannot be assets of the Second Case. Thus, jurisdiction over the Properties remains in the First Case.

After review of the evidence, the court finds that employment of Broker is not necessary in the Second Case because the Properties are part of the First Case and are not part of the Second Case.

Accordingly, the court will DENY DIP's motion to employ Broker in connection with the sale of the Properties.

3. 25-10721-A-11 **IN RE: RIDGELINE CAPITAL INVESTMENTS, LLC**
MMW-1

MOTION FOR RELIEF FROM AUTOMATIC STAY
1-21-2025 [35]

METRO R.E. 2023-2024, LLC/MV
MICHAEL TOTARO/ATTY. FOR DBT.
MICHAEL WINTRINGER/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 shall submit a proposed order after the hearing.

This motion was filed and served on at least 14 days' notice prior to the hearing date 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.

Secured Creditor Metro R.E. 2023-2024, LLC ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(4) to enforce its lien on real property located at 45200 Oak Manor Court, Temecula, California 92590 (the "Property"). Doc. #35. Movant requests relief from the automatic stay to proceed under applicable non-bankruptcy law to exercise its rights and remedies to foreclose upon and sell the Property to enforce its lien on the Property. Id.

Judicial Notice

Movant requests the court take judicial notice of true and correct copies of the following documents:

(1) Debtor's voluntary petition and bankruptcy schedules filed in In re Ridgeline Capital Investments, LLC, Case No. 24-04715 (Bankr. S.D. Cal.) ("San Diego Bankruptcy Case"), Doc. #1, see Ex. A, Doc. #37;

(2) Order granting the motion for relief from the automatic stay filed by Movant in In re Ridgeline Capital Investments, LLC, Case No. 24-11545 (Bankr. E.D. Cal.) ("Initial Bankruptcy Case"), Doc. #183, see Ex. B, Doc. #37;

(3) Motion to dismiss filed by the Office of the United States Trustee ("UST") in the San Diego Bankruptcy Case, Doc. #23, see Ex. C, Doc. #37;

(4) Order denying the debtor's motion to dismiss case in the Initial Bankruptcy Case, Doc. #191, and civil minutes related thereto, Doc. #189, see Ex. D, Doc. #37;

(5) Order granting the motion to dismiss/convert the Initial Bankruptcy Case filed by the UST, Doc. #204, and civil minutes related thereto, Doc. #202, see Ex. E, Doc. #37.

This court may take judicial notice of and consider the records in this bankruptcy case and filings in other court proceedings. Fed. R. Evid. 201; Bank of Am., N.A. v. CD-04, Inc. (In re Owner Mgmt. Serv., LLC), 530 B.R. 711, 717 (Bankr. C.D. Cal. 2015). The court takes judicial notice of the existence of exhibits A through E but does not take judicial notice of the truth or falsity of the contents of any such document for the purpose of making a finding of fact. In re Harmony Holdings, LLC, 393 B.R. 409, 412-15 (Bankr. D.S.C. 2008) (collecting cases).

Relevant Factual Background

Ridgeline Capital Investments, LLC ("Debtor") purchased the Property on or about March 23, 2022 for $2,607,000. Decl. of Robert Keilch, Doc. #36, Ex. 1. On or about March 18, 2022, Debtor and Revolution Realty Capital, LLC ("Revolution") entered into a promissory note in the original amount of $2,486,250.00, which was secured by a first deed of trust on the Property (the "Loan"). Keilch Decl., Doc. #36, Ex. 1. The Loan matured on April 1, 2023. Id.

The Loan was assigned to various entities, including CAFL 2021-RTL1 Issuer, LLC ("CAF Issuer"), who held the Loan when the Loan matured on April 1, 2023. Keilch Decl., Doc. #36, Ex. 1. Debtor failed to pay the amounts due on April 1, 2023, and CAF Issuer and Debtor entered into a forbearance agreement by which all amounts due on the Loan were to be paid by September 30, 2023. Id. The Loan was subsequently assigned to Movant. Id.

Debtor failed to pay the Loan in full by September 30, 2023. Keilch Decl., Doc. #36, Ex. 1. On December 4, 2023, Movant recorded a notice of default and election to sell. Id. On or about February 23, 2024, at Debtor's request, Movant and Debtor entered into a forbearance agreement by which all amounts due on the Loan were to be paid by April 26, 2024. Id. Debtor failed to pay the Loan in full by April 26, 2024 and, on May 6, 2024, Movant recorded a notice of sale setting a trustee's sale for June 5, 2024. Id.

As of the petition date of the Initial Bankruptcy Case, Movant asserted it was owed at least $2,897,902.38. Keilch Decl., Doc. #36, Ex. 1. Post-petition through October 7, 2024, Movant asserted it had incurred additional interest in the amount of $146,832.52 plus legal fees and costs in the amount of $32,373.61. Id. According to Movant, interest on the Loan continues to accrue at the rate of $36,634.80 per month. Id.

Movant further asserts that Debtor owed at least $80,480.38 in unpaid real property taxes, with the first installment of the 2024-25 tax bill due on December 10, 2024 in the amount of $16,654.64. Keilch Decl., Doc. #36, Ex. 1.

From July 4, 2022 to October 17, 2024, the Property has been listed for sale as follows:

(i) 7/4/2022 – 11/18/2022: list price $3,999,000
(ii) 5/4/2023 – 6/21/2023: list price $4,300,000

(iii) 8/10/2023 – 9/10/2024
- 8/10/2023: list price $4,300,000
- 9/8/2023: reduced to $4,299,000
- 9/12/2023: pending sale
- 9/27/2023: contingent sale
- 9/30/2023: re-listed at $4,299,000
- 10/5/2023: reduced to $4,298,000
- 10/15/2023: increased to $4,300,000
- 12/22/2023: reduced to $4,290,000
- 2/18/2024: reduced to $4,183,000
- 3/26/2024: contingent sale
- 5/18/2024: pending sale
- 5/21/2024: contingent sale
- 9/7/2024: re-listed at $4,183,000

(iv) 9/14/2024 – 10/17/2024: list price $3,995,000

Keilch Decl., Doc. #36, Ex. 1.

On October 21, 2024, Movant filed a motion for relief from stay in the Initial Bankruptcy Case. Case No. 24-11545, Doc. #150. On November 20, 2024, attorney Michael R. Totaro ("Debtor's Counsel") entered the Initial Bankruptcy Case on behalf of Debtor. Case No. 24-11545, Doc. #179. An order granting Movant's motion for relief from stay pursuant to 11 U.S.C. § 362(d)(3) was entered on November 25, 2024. Ex. B, Doc. #37. Movant proceeded to schedule a foreclosure sale of the Property set for December 11, 2024 at 9:00 a.m. Keilch Decl., Doc. #36, Ex. 1. On December 10, 2024, Debtor's Counsel filed the San Diego Bankruptcy Case. Doc. #1.

On November 27, 2024, Debtor's Counsel filed a motion to dismiss the Initial Bankruptcy Case. Case No. 24-11545, Doc. #184. On December 11, 2024, the court in the Initial Bankruptcy Case denied Debtor's motion to dismiss. Ex. D, Doc. #37. On December 18, 2024, the UST filed a motion to convert the Initial Bankruptcy Case from chapter 11 to chapter 7, which was granted on January 16, 2025. Case No. 24-11545, Doc. ##196, 204; Ex. E, Doc. #37.

On January 3, 2025, an order to show cause as to why the San Diego Bankruptcy Case should not be transferred to the Eastern District of California and an order staying the San Diego Bankruptcy Case ("Order to Show Cause") was issued in the Initial Bankruptcy Case. Case No. 24-11545, Doc. #217. The San Diego Bankruptcy Case was transferred to the United States Bankruptcy Court for the Eastern District of California pursuant to the Order to Show Cause on February 27, 2024. Case No. 24-11545, Doc. #229.

Analysis under 11 U.S.C. § 362(d)(4)

Section 362(d)(4) of the Bankruptcy Code allows the court to grant relief from the stay with respect to real property

> if the court finds that the filing of the [bankruptcy] petition was part of a scheme to delay, hinder, or defraud creditors that involved either [] a transfer of all or part ownership of, or other interest in such real property without the consent of the secured creditor or court approval; or [] multiple bankruptcy filings affecting such real property.

11 U.S.C. § 362(d)(4). To obtain relief under § 362(d)(4), the court must affirmatively find: (1) the debtor's bankruptcy filing is part of a scheme; (2) the object of the scheme is to delay, hinder, or defraud creditors; and

(3) the scheme involves either (i) the transfer of some interest in real property without the secured creditor's consent or court approval or (ii) multiple bankruptcy filings affecting the property. First Yorkshire Holdings, Inc. v. Pacifica L 22 (In re First Yorkshire Holdings, Inc.), 470 B.R. 864, 870-71 (B.A.P. 9th Cir. 2011).

"A scheme is an intentional construct. It does not happen by misadventure or negligence." In re Duncan & Forbes Dev., Inc., 368 B.R. 27, 32 (Bankr. C.D. Cal. 2007). Because direct evidence of a scheme is uncommon, "the court must infer the existence and contents of a scheme from circumstantial evidence. The party claiming such a scheme must present evidence sufficient for the trier of fact to infer the existence and content of the scheme." Id.; see Jimenez v. ARCPE 1, LLP (In re Jimenez), 613 B.R. 537, 545 (B.A.P. 9th Cir. 2020).

The court finds that Movant has made the requisite showing for relief under § 362(d)(4). Specifically, the court finds that the filing of the San Diego Bankruptcy Case by Debtor was part of a scheme and the objective of that scheme was to delay and hinder Movant's ability to foreclose on the Property.

Based on the evidence before the court, after Movant was granted relief from stay in the Initial Bankruptcy Case, Debtor filed the San Diego Bankruptcy Case the night before Movant's foreclosure sale with the express intention of preventing Movant from enforcing its lien against Property. At the time Debtor filed the San Diego Bankruptcy Case, Debtor knew relief from stay had been granted in full as to the Property in the Initial Bankruptcy Case and the court in the Initial Bankruptcy Case had issue a pre-hearing disposition denying Debtor's motion to dismiss the Initial Bankruptcy Case. Debtor filed the San Diego Bankruptcy Case while knowing that the Property remained property of the Initial Bankruptcy Case. Case No. 24-11545, Court Audio, Doc. #230. Because of this admission, among other factors such as additional assets not previously disclosed in Debtor's Initial Bankruptcy Case, the court converted the Initial Bankruptcy Case from chapter 11 to chapter 7 bankruptcy and transferred the San Diego Bankruptcy Case to this court.

The court finds that the filing of the San Diego Bankruptcy Case while the Initial Bankruptcy Case remained pending constituted a scheme to prevent Movant from foreclosing on the Property, and *in rem* relief is warranted under 11 U.S.C. § 362(d)(4).

Analysis under 11 U.S.C. § 362(d)(1)

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause. "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). After review of the included evidence, the court finds that "cause" exists to lift the stay.

This court previously granted Movant relief from stay in the Initial Bankruptcy Case as to the Property. Ex. B, Doc. #37. Subsequently, the UST moved the court to convert the Initial Bankruptcy Case from chapter 11 to chapter 7, which was granted. Ex. E. Doc. #37. Debtor filed the Initial Bankruptcy Case as a single asset real estate case and listed the Property as its only significant asset even though, in the San Diego Bankruptcy Case, Debtor listed an interest in two pieces of real property. Property cannot be an asset of two bankruptcy estates simultaneously. Bateman v. Grover (In re Berg), 45 B.R. 899, 903 (B.A.P. 9th Cir. 1984). Because all of Debtor's assets are still property of the Initial Bankruptcy Case, any assets listed in the San Diego Bankruptcy Case are assets of the Initial Bankruptcy Case.

Therefore, to the extent that there is any stay in the San Diego Bankruptcy Case, the court finds that cause exists under 11 U.S.C. § 362(d)(1) to grant Movant relief from the automatic stay.

Conclusion

Accordingly, pending opposition being raised at the hearing, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) to permit Movant to proceed under applicable non-bankruptcy law to exercise its rights and remedies to foreclose upon and obtain possession of the Property. Further, pursuant to 11 U.S.C. § 362(d)(4), the order shall be binding in any other case under Title 11 of the United States Code purporting to affect the Property for two years after the date of the entry of the order.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived in light of the actions of Debtor to hinder and delay the rights of Movant.

4. 25-10721-A-11 **IN RE: RIDGELINE CAPITAL INVESTMENTS, LLC**
MRT-2

MOTION TO EMPLOY MICHAEL R. TOTARO AS ATTORNEY(S)
3-15-2025 [66]

RIDGELINE CAPITAL INVESTMENTS, LLC/MV
MICHAEL TOTARO/ATTY. FOR DBT.
RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Denied.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The court will issue an order after the hearing.

This motion was filed and served on at least 14 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2) and will proceed as scheduled. While not required, the Office of the United States Trustee ("UST") filed opposition on March 24, 2025. Doc. #77. Based on the opposition and the court's analysis, the court will deny the motion.

As a procedural matter, the notice of hearing filed in connection with this motion does not indicate whether the motion was set for hearing on at least 28 days' notice and is governed by LBR 9014-1(f)(1) or if the motion was set for hearing on less than 28 days' notice and is governed by LBR 9014-1(f)(2). Because this motion was set for hearing on less than 28 days' notice, pursuant to LBR 9014-1(f)(2), the notice of hearing should state that written opposition is not required, and any opposition may be raised at the hearing. The notice of hearing does not comply with LBR 9014-1(f)(2).

As a further procedural matter, the notice of hearing filed in connection with this motion does not comply with LBR 9014-1(d)(3)(B)(i), which requires the notice include the names and addresses of persons who must be served with any opposition. The notice of hearing filed in connection with this motion also does not comply with LBR 9014-1(d)(3)(B)(iii), which requires the notice to advise respondents that they can determine whether the matter has been resolved without oral argument or whether the court has issued a tentative ruling by viewing the court's website at www.caeb.uscourts.gov after 4:00 p.m. the day

before the hearing, and that parties appearing telephonically must view the pre-hearing dispositions prior to the hearing.

As a further procedural matter, the certificate of service filed in connection with this motion does not comply with LBR 7005-1 and General Order 22-03, which require attorneys and trustees to use the court's Official Certificate of Service Form as of November 1, 2022.

In light of the fact that the court is inclined to deny the motion based on the merits and written opposition filed by the UST, although not required, the court is inclined to waive the improper service of the motion and deny the motion on its merits.

Debtor in possession Ridgeline Capital Investments, LLC ("Debtor" or "DIP") moves pursuant to 11 U.S.C. § 327(a) for authorization to employ Michael R. Totaro, Maureen J. Shanahan and Totaro & Shanahan, LLP ("Counsel") to serve as general bankruptcy counsel in this chapter 11 case. Doc. #66.

Section 1107 of the Bankruptcy Code gives DIP all the rights and powers of a trustee and requires that DIP perform all the functions and duties of a trustee, subject to certain exceptions not applicable here. 11 U.S.C. § 1107. Section 327(a) of the Bankruptcy Code permits DIP to employ, with court approval, professionals "that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist" DIP in carrying out DIP's duties under the Bankruptcy Code. 11 U.S.C. § 327(a).

This bankruptcy case is DIP's second bankruptcy case involving the same property ("Second Case"). DIP's first bankruptcy case was filed on June 4, 2024 ("First Case"), scheduling real property located at 45200 Oak Manor Court, Temecula, California 92590 ("Temecula Property") as property of the estate. Case No. 24-11545, Doc. ##1, 19. The First Case was pending at the time DIP filed the Second Case in the United States Bankruptcy Court for the Southern District of California on December 10, 2024. Doc. #1; see docket, Case No. 24-11545. On January 16, 2025, the court granted UST's motion to convert the First Case to chapter 7. Case No. 24-11545, Doc. #204. In support of UST's opposition, the Temecula Property has never been part of the Second Case because the Temecula Property was and still is a part of the First Case. Doc. #77. Lastly, UST states that there is no property in the Second Case that is not already property of the First Case. Id. Thus, employment of Counsel is not necessary in the Second Case.

Property cannot be an asset of two bankruptcy estates simultaneously. Bateman v. Grover (In re Berg), 45 B.R. 899, 903 (B.A.P. 9th Cir. 1984). Because the Temecula Property is still property of the First Case, and, if owned by DIP when the First Case was filed, so is the real property located 15955 Running Deer Trail, Poway, California 92064 (together with the Temecula Property, the "Properties"), the Properties cannot be assets of the Second Case. Thus, jurisdiction over the Properties remains in the First Case.

Because there are no assets of the Second Case that are not assets of the First Case, there is no need for the bankruptcy estate to employ chapter 11 counsel in the Second Case. To the extent Counsel seeks to represent Debtor in the First Case that is currently pending as a chapter 7 case, bankruptcy court approval is not required.

Accordingly, the court will DENY DIP's motion to employ Counsel.

5. 24-11422-A-12 **IN RE: IGNACIO/CASAMIRA SANCHEZ**
FW-12

MOTION TO SELL AND/OR MOTION TO PAY
3-19-2025 [171]

CASAMIRA SANCHEZ/MV
PETER FEAR/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed as scheduled for higher and better offers.

DISPOSITION: Granted.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after the hearing.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, 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). Therefore, the defaults of the non-responding parties in interest are entered. This matter will proceed as scheduled for higher and better offers.

Ignacio Sanchez and Casamira Ada Sanchez (together, "Debtors") move the court pursuant to 11 U.S.C. § 363 for an order authorizing the sale of 158.38 acres of farmland situated in Orosi, County of Tulare, bearing APNs 035-250-009-000, 035-260-002, 035-250-015, 035-250-014 and 035-260-004, including trees, vines and outbuildings (together, the "Property"), to Cameron Robertson as assignee of Brandon Lawson ("Buyer") for the purchase price of $2,000,000.00, subject to higher and better bids at the hearing. Doc. #171. Debtors also seek authorization to pay a broker commission of 5% to Gentile Real Estate ("Broker), who represents Buyer only. Id.

Selling Property of Estate under 11 U.S.C. §§ 363(b) and 1206 Permitted

Pursuant to 11 U.S.C. §§ 363(b)(1), 1203 and 1206, a chapter 12 debtor-in-possession, after notice and a hearing, may "use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). The debtor in possession proposing a sale under § 363(b) must demonstrate a valid business justification for the sale and that the sale is proposed in good faith. 240 N. Brand Partners, Ltd. v. Colony GFP Partners, L.P. (In re 240 N. Brand Partners, Ltd.), 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996). "Good faith encompasses fair value, and further speaks to the integrity of the transaction." Id. (quoting In re Wilde Horse Enters., Inc. 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991)). To make such a determination, "the court and creditors must be provided with sufficient information to allow them to take a position on the proposed sale." Wilde Horse Enters., 136 B.R. at 842.

Debtors believe that approval of the sale on the terms set forth in the motion is in the best interests of creditors and the estate. Doc. #171. The terms of the contract between Debtors and Buyer are as follows: (1) Buyer shall pay an initial deposit in the amount of $10,000.00; (2) at closing, Buyer shall pay an additional $670,000.00 for a total down payment of $680,000.00, with the remaining balance of $1,320,000.00 to be financed by Debtors at 4.5% per year; (3) full payment of the remaining balance shall be made no later than

October 31, 2029; (4) within five (5) years, Buyer will pay interest-only payments of approximately $60,750.00 per year with a balloon payment of the remaining balance due at the conclusion of the term; and (5) the sale is subject to bankruptcy court approval and higher and better bids at the hearing. Doc. #171; Decl. of Casamira Ada Sanchez, Doc. #174; Ex. B, Doc. #175. Further, the chapter 12 trustee shall place a demand into escrow for the chapter 12 trustee commission that would be due upon the sale on the entire amount of the down payment as if all of the funds had been received and disbursed directly by the chapter 12 trustee. Id. All encumbrances on the Property will be paid off from the down payment, and the balance of the purchase price will be paid directly to the chapter 12 trustee to be used to pay creditors pursuant to Debtors' confirmed plan of reorganization. Id. Therefore, all funds from the sale of the Property will be available to make payments to creditors through Debtors' confirmed chapter 12 plan.

Currently, Debtors have not signed any listing agreement with Broker and have not sought employment of that firm. Decl. of Dillon Myers, Doc. #173; Sanchez Decl., Doc. #174. Debtors do not believe that Broker can be employed by the bankruptcy estate because Broker represented the original buyer who is related to the current Buyer. Id. However, Broker brought this sale to Debtors, and as a result of that offer, Debtors agreed to pay Broker a 5% commission, which Debtors understand is in the range of a customary real estate broker commission. Id. Debtors believe without Broker having brought the original buyer to the table, this offer would not be available, and Debtors believe it is customary, reasonable, and necessary to pay this fee to Broker. Id.

It appears that the sale of the estate's interest in the Property is in the best interests of the estate, the Property will be sold for a fair and reasonable price, and the sale is supported by a valid business judgment and proposed in good faith. It is anticipated that the proposed sale will pay secured claims on the Property in full.

Accordingly, subject to overbid offers made at the hearing, the court will GRANT Debtors' motion and authorize the sale of the Property pursuant to 11 U.S.C. § 363(b)(1). The motion does not specifically request, nor will the court authorize, the sale free and clear of any liens or interests.

Compensation to Broker

Debtors also seek authorization to pay Broker a 5% commission for the sale of the Property. Myers Decl., Doc. #173; Sanchez Decl., Doc. #174. Broker represents the Buyer only in this transaction. Therefore, Broker seeks a real estate commission in an amount of 5%. The court finds the compensation sought is reasonable, actual, and necessary.

Conclusion

Accordingly, subject to overbid offers made at the hearing, the court will GRANT Debtors' motion and authorize the sale of the Property pursuant to 11 U.S.C. § 363(b)(1). Debtors will be authorized to pay a 5% commission to Broker as set forth in the motion.

6. 25-10343-A-12 **IN RE: BART FLORES**

AMENDED MOTION TO REJECT LEASE OR EXECUTORY CONTRACT
3-6-2025 [38]

BART FLORES/MV
WILEY RAMEY/ATTY. FOR DBT.
RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Denied.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The court will issue an order after the hearing.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). Flores Real Property Investments, LLC ("Flores Investments") and Lemoore 198 Investors, LLC ("Lemoore 198") timely filed written opposition on March 25, 2025. Doc. #65. RWE Solar Development, LLC ("RWE") timely filed written opposition on March 26, 2025. Doc. #67. Barton Joseph Flores ("Debtor") filed a timely reply on April 2, 2025. Doc. #84.

As a procedural matter, the notice of hearing and motion and amended notice of hearing and motion (Doc. ##27, 38) do not comply with LBR 9004-2(c)(1), which requires the notice of hearing and the motion to be filed as separate documents. Here, both the notice of hearing and motion and amended notice of hearing and motion were filed as a single document.

As a further procedural matter, the notice of hearing and amended notice of hearing filed in connection with this motion (Doc. ##27, 38) do not comply with LBR 9014-1(d)(3)(B)(i), which requires the notices to state whether or not written opposition is required to be filed and, if written opposition is required to be filed, include the deadline for filing and serving written opposition as well as the names and addresses of persons who must be served with any opposition. Because the notice of hearing did not properly inform any parties of the deadline to oppose the motion, the defaults of non-responding parties in interest are not entered.

As a further procedural matter, the notice of hearing and amended notice of hearing (Doc. ##27, 38) also do not comply with LBR 9014-1(d)(3)(B)(iii), which requires the notice to advise respondents that they can determine whether the matter has been resolved without oral argument or whether the court has issued a tentative ruling by viewing the court's website at www.caeb.uscourts.gov after 4:00 p.m. the day before the hearing, and that parties appearing telephonically must view the pre-hearing dispositions prior to the hearing.

As a further procedural matter, the motion and supporting papers do not comply with LBR 9014-1(c). "In motions filed in the bankruptcy case, a Docket Control Number (designated as DCN) shall be included by all parties immediately below the case number on all pleadings and other documents, including proofs of service, filed in support of or opposition to motions." LBR 9014-1(c)(1). "Once a Docket Control Number is assigned, all related papers filed by any party, including motions for orders shortening the amount of notice and stipulations resolving that motion, shall include the same number." LBR 9014-1(c)(4). See LBR 9004-2(b)(6). Here, no DCN was assigned to the motion.

As a further procedural matter, the motion and supporting papers do not comply with LBR 9004-2(d), which requires that every document listed in LBR 9014-1(d)(1) be filed as a separate document. Here, the motion, notice, exhibits, and declaration were filed as a single document. Doc. #27.

As a further procedural matter, the certificates of service filed in connection with this motion (Doc. ##29, 30, 39) do not comply with LBR 7005-1, which requires attorneys and trustees to use the court's Official Certificate of Service Form (EDC Form 7-005, Rev. 1/8/2025), which may be found on the court's website at https://www.caeb.uscourts.gov/documents/Forms/EDC/EDC.007-005.pdf.

As a further procedural matter, the exhibit filed in connection with the opposition of RWE does not comply with LBR 9004-2(c)(1) and (d)(1), which require declarations and exhibits to be filed as separate documents. The declaration of Lisa Chavez was filed as a single document that included RWE's exhibit. E.g., Doc. #68.

As a further procedural matter, the exhibits filed by both the debtor and RWE, which should have been filed as a separate document, do not include an exhibit index and have not been properly numbered as required by LBR 9004-2(d)(2).

The court encourages counsel for the debtor and RWE to review the local rules to ensure compliance in future matters or those matters may be denied without prejudice for failure to comply with the local rules. The rules can be accessed on the court's website at https://www.caeb.uscourts.gov/LocalRulesAndGeneralOrders.

Because all parties to the executory contract that is the subject of this motion timely filed written opposition and because the moving party has not made a *prima facie* showing that he is entitled to the relief sought, the court will deny the motion on the merits rather than denying the motion without prejudice for improper notice and denying the motion on the merits at a later hearing.

By the motion filed on February 27, 2025, Debtor, the debtor and debtor in possession in this chapter 12 case, asks the court for authorization to reject an Exclusive Option to Purchase ("Agreement") made and entered into on March 20, 2023 by and between Flores Investments, Lemoore 198 and RWE. Doc. #27; Ex. A, Doc. #27. Debtor signed the Agreement as a member of both Flores Investment and Lemoore 198. Ex. A, Doc. #27.

Section 365(a) of the Bankruptcy Code states that "subject to the court's approval, [the debtor in possession] may . . . reject any executory contract . . . or unexpired lease **of the debtor**." 11 U.S.C. § 365(a) (emphasis added).

"A limited liability company is an entity distinct from its members." Cal. Corp. Code § 17701.04(a).

While Debtor asserts that he signed the Agreement individually, that is not the case. The Agreement clearly states that: (1) the parties to the Agreement are Flores Investments, Lemoore 198 and RWE; and (2) Debtor signed the Agreement as a member of both Flores Investment and Lemoore 198. Ex. A, Doc. #27. While Debtor signed his name to the Agreement, Debtor signed as a member of both Flores Investment and Lemoore 198 and not in his individual capacity. Because Flores Investments and Lemoore 198 are separate entities from Debtor, Debtor is not a party to the Agreement under California law. Because Debtor is not a party to the Agreement, the Agreement is not an executory contract of Debtor, and 11 U.S.C. § 365(a) does not permit Debtor to reject the Agreement.

Accordingly, the motion is DENIED.

7. 25-10343-A-12 **IN RE: BART FLORES**
BJ-1

MOTION FOR RELIEF FROM AUTOMATIC STAY, MOTION/APPLICATION FOR ADEQUATE PROTECTION
3-19-2025 [45]

FARM CREDIT SERVICES OF AMERICA, PCA/MV
WILEY RAMEY/ATTY. FOR DBT.
THOMAS MOUZES/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 shall submit a proposed order after hearing.

This motion was filed and served on at least 14 days prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2) and will proceed as scheduled. While not required, the debtor filed written opposition to the motion. Doc. #82. Unless further opposition is presented at the hearing, the court intends to enter the defaults of the non-responding parties, overrule the debtor's opposition, and grant the motion. If further opposition is presented at the hearing, the court will consider the additional 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.

As an informative matter, the movant incorrectly completed Section 6 of the court's mandatory Certificate of Service form. In Section 6, the declarant marked that service was effectuated by Rule 5 and Rules 7005, 9036 Service. Doc. #50. However, Federal Rules of Bankruptcy Procedure 4001(a)(1) and 9014 require service of a motion for relief from stay be made pursuant to Federal Rule of Bankruptcy Procedure 7004, which was done. In Section 6, the declarant should have checked the appropriate box under Section 6A, not Section 6B.

The movant, Farm Credit Services of America, PCA dba AgDirect in its own rights and/or in its representative capacity, if any, and/or as servicer for Midland Tractor Company and/or Stratford Tractor, Inc. dba N&S Tractor ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) with respect to a (1) Maschio 300 Disk, SN: LR97T0390 ("Contract #0779"); (2) Frank Russell Berm Blaster Berm Blower, SN: 118592-10; Frank Russell Berm Blaster Berm Blower, SN: 118592-11; and the McArron Tractor Trailer Implement, SN: 9508 (together, "Contract #6379"); (3) Frank Russell Berm Blaster Berm Sweep, SN:117850-05 and Frank Russell Berm Blaster Berm Sweep, SN: 118592-02 (together, "Contract #1489") and (4) New Holland T5.120DC Tractor, SN: HLRT5120LMLE03345 ("Contract #3418"). Doc. #45. Contract #0779, Contract #6379, Contract #1489 and Contract #3418 are collectively referred to as the "Collateral". The debtor, Bart Flores ("Debtor"), only opposes the motion as to the farm equipment listed in exhibit 1 referring to Contract #0779. Doc. ##82, 99.

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).

After review of the included evidence, the court finds that "cause" exists to lift the stay. Pre-petition, Debtor and non-debtors Acre Ag Works LLC ("AAW") and Jose Ellas Vargas Cabrera ("Cabrera") entered into various contracts for multiple items of farm equipment. Decl. of Tracy Archer, Doc. #47.

(1) Contract No. #0779 was executed by AAW and Debtor and delivered to Movant on February 24, 2024. Ex. 1, Doc. #49. Both AAW and Debtor defaulted on payments under Contract No. #0779 in the amount of $19,537.05. Archer Decl., Doc. #47.

(2) Contract No. #6379 was executed by AAW and Debtor and delivered to Movant on November 28, 2022. Ex. 5, Doc. #49. Both AAW and Flores defaulted on payments under Contract No. #6379 in the amount of $46,583.82. Archer Decl., Doc. #47.

(3) Contract No. #1489 was executed by AAW, Cabrera and Debtor and delivered to Movant on December 8, 2022. Ex. 7, Doc. #49. AAW, Cabrera and Debtor defaulted on payments under Contract No. #1489 in the amount of $33,863.25. Archer Decl., Doc. #47.

(4) Contract No. #3418 was executed by AAW, Cabrera and Debtor and delivered to Movant on December 27, 2022. Ex. 11, Doc. #49. AAW, Cabrera and Debtor defaulted on payments under Contract No. #3418 in the amount of $97,357.33. Archer Decl., Doc. #47.

In Debtor's opposition, Debtor states that Debtor took possession of the equipment under Contract #0779 ("Equipment") and returned the Equipment to Movant. Therefore, because Movant has received the value of the Equipment, any further orders should be denied, and Movant's claim should be treated as an unsecured claim along with the rest of the unsecured claims. Doc. ##82, 99. However, unless Movant liquidated the Equipment prior to Debtor filing his bankruptcy case, the court finds that "cause" exists to lift the stay to the extent that either Debtor or Debtor's bankruptcy estate retains any interest in the Equipment.

Accordingly, pending additional opposition being raised at the hearing, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) to permit Movant to dispose of the 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)(3) will be ordered waived because Debtor has defaulted on the pre-petition contract payments to Movant and the Collateral are depreciating assets.

8. 25-10343-A-12 **IN RE: BART FLORES**
CAE-1

CONTINUED STATUS CONFERENCE RE: VOLUNTARY PETITION STATUS CONFERENCE 2-6-2025 [1]

WILEY RAMEY/ATTY. FOR DBT.

NO RULING.

9. 25-10074-A-12 **IN RE: CAPITAL FARMS, INC**
BJ-1

MOTION FOR RELIEF FROM AUTOMATIC STAY, MOTION/APPLICATION FOR ADEQUATE PROTECTION, MOTION/APPLICATION FOR RELIEF FROM CO-DEBTOR STAY
3-14-2025 [113]

FARM CREDIT SERVICES OF AMERICA, PCA/MV
PETER FEAR/ATTY. FOR DBT.
THOMAS MOUZES/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 shall submit a proposed order after hearing.

This motion was filed and served on at least 14 days prior to the hearing date 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 defaults of the non-responding parties 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.

As an informative matter, the movant incorrectly completed Section 6 of the court's mandatory Certificate of Service form. In Section 6, the declarant marked that service was effectuated by Rule 5 and Rules 7005, 9036 Service. Doc. #118. However, Federal Rules of Bankruptcy Procedure 4001(a)(1) and 9014 require service of a motion for relief from stay be made pursuant to Federal Rule of Bankruptcy Procedure 7004, which was done. In Section 6, the declarant should have checked the appropriate box under Section 6A, not Section 6B.

The movant, Farm Credit Services of America, PCA dba AgDirect in its own rights and/or in its representative capacity, if any, and/or as servicer ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) with respect to a Korvan 3016XL Grape Harvester, SN: 534-810-600015 (the "Collateral"). Doc. #113.

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).

After review of the included evidence, the court finds that "cause" exists to lift the stay. Pre-petition, on or about December 11, 2023, debtor Capital Farms, Inc. ("Debtor") and non-debtor Gurmej Singh Gill ("Gill") each made, executed and delivered a certain commercial Promissory Note and Loan Agreement in the principal amount of $56,100.00 to Movant (the "Note"). Decl. of Tracie Archer, Doc. #116; Ex. 1, Doc. #117. The Note provided for four (4) annual payments of principal and interest in the amount of $16,840.71 each commencing on January 1, 2025. Id. As part of the same transaction, Debtor and Gill each executed and delivered a security agreements on December 11, 2023 granting a security interest in the Collateral. Archer Decl., Doc. #116; Ex. 2, Doc. #117. Both Debtor and Gill each failed to make the first payment due to Movant on January 1, 2025. Archer Decl., Doc. #116. Movant has produced evidence that

Debtor and Gill owe at least $60,746.77 on the Note as of January 10, 2025. Id. Interest accrues on the Note at the rate of $11.61 per diem. Id. Movant is informed that Debtor no longer needs the Collateral and is willing to surrender the Collateral to Movant for liquidation and disposition. Id.

Accordingly, pending opposition being raised at the hearing, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) to permit Movant to dispose of the 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)(3) will be ordered waived because Debtor has failed to make any payments on the Note.

10. 23-12784-A-11 **IN RE: KODIAK TRUCKING INC.**
RDW-1

MOTION FOR RELIEF FROM AUTOMATIC STAY, MOTION/APPLICATION FOR ADEQUATE PROTECTION
3-17-2025 [431]

QL TITLING TRUST LTD/MV
PETER FEAR/ATTY. FOR DBT.
REILLY WILKINSON/ATTY. FOR MV.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted in part and denied in part.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after hearing.

This motion was filed and served on at least 14 days prior to the hearing date 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 defaults of the non-responding parties 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.

As an informative matter, the movant incorrectly completed Section 6 of the court's mandatory Certificate of Service form. In Section 6, the declarant marked that service was effectuated by Rule 5 and Rules 7005, 9036 Service. Doc. #437. However, Federal Rules of Bankruptcy Procedure 4001(a)(1) and 9014 require service of a motion for relief from stay be made pursuant to Federal Rule of Bankruptcy Procedure 7004, which was done. In Section 6, the declarant should have checked the appropriate box under Section 6A, not Section 6B

The movant, QL Titling Trust LTD, its successors and/or assignees ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2016 Mack GU713, VIN: 1M2AX04C2GM027932 ("Vehicle"). Doc. #431.

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 debtors do not have any 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 pursuant to 11 U.S.C. § 362(d)(1). Pre-petition, on or about October 5, 2022, debtor Kodiak Trucking, Inc. ("Debtor") executed and delivered an equipment finance agreement to Movant. Decl. of Carleton J. Zoroba, Doc. #433; Ex. 1, Doc. #435. To secure repayment of the debt, Debtor granted Movant a beneficial interest in the Vehicle. Zoroba Decl., Doc. #433; Ex. 2, Doc. #435. On May 30, 2024, Debtor and Movant entered into a stipulation requiring Debtor to submit pre-confirmation adequate protection monthly payments in the amount of $1,935.42 until a plan was confirmed but Debtor defaulted under these terms. Zoroba Decl., Doc. #433; Ex. 4, Doc. #435. According to Movant's records, Debtor ceased making adequate protection payments due as of October 15, 2024 even though Debtor's plan was not confirmed until February 13, 2025. Zoroba Decl., Doc. #433; Ex. 4, Doc. #435; Order, Doc. #418. As of January 17, 2025, Debtor has defaulted on the contract and owes Movant a total of $126,389.24. Zoroba Decl., Doc. #433.

With respect to relief from stay under 11 U.S.C. § 362(d)(2), relief from stay is granted only if both: (a) Debtor has no equity in the real property and (b) the property is not necessary for a reorganization. Based on the modified proposed plan of reorganization confirmed on February 13, 2025, the Vehicle is included in the plan and thus is necessary for Debtor's reorganization. Doc. ##416, 418. Further, relief from stay is not appropriate under 11 U.S.C. § 362(d)(2) if Debtor has equity in the Vehicle. Because Movant concedes that Debtor has minimal equity in the Vehicle, the court will not grant relief from the automatic stay pursuant to 11 U.S.C. § 362(d)(2). Zoroba Decl., Doc. #433.

Accordingly, pending opposition being raised at the hearing, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) to permit Movant to dispose of the Vehicle pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. The motion will be denied as to 11 U.S.C. § 362(d)(2). No other relief is awarded.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived because Debtor has failed to make any payments for the Vehicle since October 2024.

11:00 AM

1. 24-13663-A-7 **IN RE: DIANA MARINEZ**

PRO SE REAFFIRMATION AGREEMENT WITH VALLEY FIRST CREDIT UNION
3-21-2025 [30]

NO RULING.

2. 25-10175-A-7 **IN RE: MARIA GOMEZ**

PRO SE REAFFIRMATION AGREEMENT WITH NOBLE CREDIT UNION
3-25-2025 [14]

TIMOTHY SPRINGER/ATTY. FOR DBT.

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

DISPOSITION: Dropped.

ORDER: The court will issue an order.

The debtor's counsel will inform the debtor that no appearance is necessary.

The court is not approving or denying approval of the reaffirmation agreement. The debtor was represented by counsel when she entered into the reaffirmation agreement. Pursuant to 11 U.S.C. §524(c)(3), if the debtor is represented by counsel, the agreement must be accompanied by an affidavit of the debtor's attorney attesting to the referenced items before the agreement will have legal effect. In re Minardi, 399 B.R. 841, 846 (Bankr. N.D. Okla. 2009). The reaffirmation agreement, in the absence of a declaration by the debtor's counsel, does not meet the requirements of 11 U.S.C. §524(c) and is not enforceable. The debtor shall have 14 days to refile a reaffirmation agreement properly signed and endorsed by the attorney.

1. 25-10124-A-7 **IN RE: SAVANNA STEPHENSON**
MJ-1

MOTION FOR RELIEF FROM AUTOMATIC STAY
2-19-2025 [13]

AMERICREDIT FINANCIAL SERVICES, INC./MV
MEHRDAUD JAFARNIA/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.

This motion was set for hearing on at least 28 days' notice prior to the hearing date as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of 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 Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a movant make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

The movant, Americredit Financial Services, Inc. dba GM Financial ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2016 Land Rover Range Rover, VIN: SALWR2VFXGA569010 ("Vehicle"). Doc. #13.

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 any 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 the debtor has failed to make at least three complete pre- and post-petition payments. Movant has produced evidence that the debtor is delinquent by at least $2,061.42, including late fees of $66.60. Decl. of Adriana Arredondo, Doc. #15. According to the debtor's Statement of Intention, the Vehicle will be surrendered. Doc. #1.

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 the

debtor is in chapter 7. The Vehicle is valued at $14,525.00 and the debtor owes $23,916.40. Arredondo Decl., Doc. #15.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) and (d)(2) to permit 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)(3) will be ordered waived because the debtor has failed to make at least three pre- and post-petition payments to Movant and the Vehicle is a depreciating asset.

2. 25-10330-A-7 **IN RE: DAVID/DANIELLE AMES**
KMM-1

MOTION FOR RELIEF FROM AUTOMATIC STAY
3-6-2025 [13]

TOYOTA MOTOR CREDIT CORPORATION/MV
PETER BUNTING/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.

This motion was set for hearing on at least 28 days' notice prior to the hearing date as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the debtors, 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 Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a movant make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

The movant, Toyota Motor Credit Corporation ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2023 TOYOTA 4RUNNER, VIN: JTEPU5JR8P6095620 ("Vehicle"). Doc. #13.

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 debtors do not have any 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 the debtors have failed to make at least five complete pre-petition payments. Movant has produced evidence that the debtors are delinquent by at least $4,954.75. Decl. of Debra Knight, Doc. #16. According to the debtors' Statement of Intention, the Vehicle will be surrendered. Doc. #1.

The court also finds that the debtors do not have any equity in the Vehicle and the Vehicle is not necessary to an effective reorganization because the debtors are in chapter 7. The Vehicle is valued at $40,925.00 and the debtors owe $47,787.03. Knight Decl., Doc. #16.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) and (d)(2) to permit 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)(3) will be ordered waived because the debtors have failed to make at least five pre-petition payments to Movant and the Vehicle is a depreciating asset.

3. 19-14652-A-7 **IN RE: YOUTH CENTERS OF AMERICA, A CALIFORNIA CORPORATION**
SJS-2

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT WITH ISRAEL LARA
2-25-2025 [53]

DAVID SOUSA/MV
DAVID JENKINS/ATTY. FOR DBT.
SHANON SLACK/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.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of 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 Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

As a procedural matter, the declaration of the chapter 7 trustee does not contain facts to support the various factors the court must consider in order to grant the motion. Rather, the declaration provides only a summary statement. Ideally, the analysis set forth in motion would be supported by specific facts

set forth in one or more declarations filed in support of the motion addressing each of the factors to be considered by the court in granting the motion. Because it appears from the moving papers that the chapter 7 trustee has considered the applicable standard and there is no opposition to the motion, the court will grant the motion notwithstanding the failure of the trustee's declaration to provide specific factual support.

As an informative matter, the certificate of service filed in connection with this motion (Doc. #57) was filed as a fillable version of the court's Official Certificate of Service form (EDC Form 7-005, Rev. 10/2022) instead of being printed prior to filing with the court. The version that was filed with the court can be altered because it is still the fillable version. In the future, the declarant should print the completed certificate of service form prior to filing and not file the fillable version.

David M. Sousa ("Trustee"), the chapter 7 trustee of the bankruptcy estate of Youth Centers of America ("Debtor"), moves the court for an order pursuant to Federal Rule of Bankruptcy Procedure 9019, approving the compromise of all claims and disputes with Israel Lara ("Lara"). Doc. #53.

Debtor filed this bankruptcy case on November 5, 2019. Doc. #1. On March 16, 2020, Lara filed a proof of claim in the amount of $42,706.64 for unpaid salary. Claim 19-1. Concurrently, Lara owes Debtor the remaining sum of $78,442.00 pursuant to a promissory note secured by a deed of trust on property located at 13700 E. Parlier Ave, Parlier, California 93648 (the "Property"). Doc. #53. Trustee and Lara engaged in negotiations that resulted in a settlement agreement ("Settlement Agreement"). Ex. 1, Doc. #55. Pursuant to the Settlement Agreement, Lara agrees to pay $35,715.36 to Trustee, for deposit into the estate. Id.

On a motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Fed. R. Bankr. P. 9019. Approval of a compromise must be based upon considerations of fairness and equity. Martin v. Kane (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. Woodson v. Fireman's Fund Ins. Co. (In re Woodson), 839 F.2d 610, 620 (9th Cir. 1988).

Here, it appears from the moving papers that Trustee has considered the standards of A & C Properties and Woodson. Doc. #53. The terms of the settlement with Lara obviates the need to litigate any objection to Lara's claim or collection of the amount outstanding on the promissory note Lara owes to Debtor. Doc. #53. Collection of the proceeds of a judgment at trial would not be an issue, but the costs of litigation could consume any amount that would be recovered. Id. The settlement offer is reasonable and allows the estate certainty of recovery of payment. Id. The settlement allows Trustee to collect $35,715.36 for the bankruptcy estate without the expense, uncertainty, or delay of costly litigation and results in a significate savings in time and administrative expenses. Id. Trustee believes in his business judgment that the settlement is fair, reasonable, and obtains an economically advantageous result for the estate. Decl. of David M. Sousa, Doc. #56. The court concludes that the Woodson factors balance in favor of approving the compromise, and the compromise is in the best interests of the creditors and the estate.

It appears that the compromise pursuant to Federal Rule of Bankruptcy Procedure 9019 is a 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). No opposition has been filed. Furthermore, the law favors compromise and not litigation for its own sake. Id.

Accordingly, the motion is GRANTED, and the settlement between Trustee and Lara is approved.

4. 25-10892-A-7 **IN RE: ANDREANA AVILA**
PBB-1

MOTION TO COMPEL ABANDONMENT
3-25-2025 [6]

ANDREANA AVILA/MV
PETER BUNTING/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after the hearing.

This motion was filed and served on at least 14 days' notice prior to the hearing date 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.

Andreana Maria Avila ("Debtor"), the chapter 7 debtor in this case, moves the court to compel the chapter 7 trustee to abandon the estate's interest in Debtor's sole proprietorship Instacart delivery driving business. Doc. #6. The assets of the estate used in Debtor's business include a 2020 Ford Escape, cellular phone, and accounts receivable (together, the "Property"). Id. Debtor has no non-exempt equity in the Property, and the Property therefore has no value to the bankruptcy estate. Id.

11 U.S.C. § 554(b) permits the court, on request of a party in interest and after notice and a hearing, to order the trustee to abandon property that is burdensome to the estate or of inconsequential value and benefit to the estate. Vu v. Kendall (In re Vu), 245 B.R. 644, 647 (B.A.P. 9th Cir. 2000). To grant a motion to abandon property, the bankruptcy court must find either that the property is (1) burdensome to the estate or (2) of inconsequential value and inconsequential benefit to the estate. Id. (citing Morgan v. K.C. Mach. & Tool Co. (In re K.C. Mach. & Tool Co.), 816 F.2d 238, 245 (6th Cir. 1987)). However, "an order compelling abandonment [under § 554(b)] is the exception, not the rule. Abandonment should only be compelled in order to help the creditors by assuring some benefit in the administration of each asset. . . . Absent an attempt by the trustee to churn property worthless to the estate just to increase fees, abandonment should rarely be ordered." Id. (quoting K.C. Mach. & Tool Co., 816 F.2d at 246).

Here, Debtor does not allege that the Property is burdensome to the estate. Motion, Doc. #6. Therefore, Debtor must establish that the Property is of

inconsequential value and benefit to the estate. 11 U.S.C. § 554(b); Vu, 245 B.R. at 647. Debtor's 2020 Ford Escape is valued at $13,671.00 and has a lien of $11,074.00 as well as a claimed exemption of $7,500.00. Schedules A/B, C & D, Doc. #1; Decl. of Andreana Marie Avila, Doc. #8. The remaining Property is valued at $100.00 and is fully exempt. Schedules A/B & C, Doc. #1; Avila Decl., Doc. #8. The court finds that Debtor has met her burden of establishing by a preponderance of the evidence that the Property is of inconsequential value and benefit to the estate.

Accordingly, pending opposition being raised at the hearing, this motion will be GRANTED. The order shall specifically identify the property abandoned.

5. 24-12899-A-7 **IN RE: BRIAN HAIR**
CVH-1

CONTINUED OBJECTION TO HOMESTEAD EXEMPTION
1-10-2025 [35]

GIBI TRUCKING LLC/MV
JENNY DOLING/ATTY. FOR DBT.
CHRISTOPHER HAWKINS/ATTY. FOR MV.

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

DISPOSITION: Continued to June 11, 2025 at 1:30 p.m.

NO ORDER REQUIRED.

The parties have stipulated to continue the hearing on the objection to homestead exemption to June 11, 2025 at 1:30 p.m. The court has already issued an order on April 3, 2025. Doc. #60.