

UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Ronald H. Sargis

Bankruptcy Judge
Sacramento, California

April 24, 2025 at 11:30 a.m.

1. <u>25-20053</u> -E-11 <u>CAE-1</u>	MOORE HOLDINGS, LLC	CONTINUED STATUS CONFERENCE RE: VOLUNTARY PETITION 1-7-25 <u>1</u>
--	----------------------------	---

Item 1 thru 2

Debtor's Atty: Stephan M. Brown

Notes:

Continued from 3/5/25. Specially set to be heard in conjunction with the continued Motion to Use Cash Collateral.

Operating Reports filed: 3/14/25; 4/14/25

U.S. Trustee Report at 341 Meeting lodged: 3/10/25

[TBG-3] Order granting Motion to Employ real estate broker filed 4/1/25 [Dckt 81]

[UST-1] Order dismissing without prejudice Trustee's Motion to Dismiss filed 4/1/25 [Dckt 82]

[TBG-4] Debtor in Possession's Disclosure Statement Dated April 7, 2025 filed 4/7/25 [Dckt 83]

[TBG-4] Debtor in Possession's Proposed Plan of Liquidation filed 4/7/25 [Dckt 85]; set for hearing 5/29/25 at 11:30 a.m.

[CAE-1] Status Report filed 4/11/25 [Dckt 93]

The Status Conference is xxxxxxx

APRIL 24, 2025 STATUS CONFERENCE

On April 18, 2025, the Debtor in Possession filed an updated Status Report. Dckt. 93. The Debtor in Possession intends to proceed with the marketing and sale of the Property of the Bankruptcy Estate.

With respect to the prosecution of this case, the court notes that many of the Pleadings filed for the Debtor in Possession are not signed by the counsel for the Debtor in Possession, but instead the managing member. An example of such is the Supplemental Pleading to Extend Use of Cash Collateral. Dckt. 101. This is not a declaration, but a pleading being filed to advance rights, claims, and interests of the Debtor in Possession and Bankruptcy Estate. Debtor in Possession's counsel has not signed this, but it has been signed by Mark Moore, as the Managing Member of the Debtor in Possession.

There is nothing provided to show that Mark Moore is a licensed attorney. It is unclear how a person who is not licensed an attorney is signing pleadings for the Debtor in Possession.

Other examples of Mark Moore signing pleadings rather than the licenses attorneys for the Debtor in Possession include:

- A. Notice of Withdrawal of supplemental pleading. Dckt. 105.
- B. Supplemental Pleading to Extend Use of Cash Collateral. Dckt. 98.
- C. Exhibits in Support of Monthly Operating Reports. Dckt. 96.

At the Status Conference, **XXXXXXX**

MARCH 5, 2025 STATUS CONFERENCE

This voluntary Chapter 11 Case was commenced on January 7, 2025, by Moore Holdings, LLC, which is serving as the Debtor in Possession. On February 19, 2025, the U.S. Trustee filed a Motion to Convert or Dismiss this Case. Dckt. 5. The basis for the requested relief is that the Debtor in Possession has failed to provide the U.S. Trustee with evidence of the appropriate insurance coverage for the Bankruptcy Estate's real property.

Poppy Bank has filed a "Joinder" in which it states that it supports the U.S. Trustee's Motion. The hearing on the Motion is set for March 27, 2025.

On February 27, 2025, the Debtor filed an Amended Schedule A/B. Dckt. 31. The major asset of the Bankruptcy Estate is real property identified as the 2nd Floor at 2151 Professional Drive, Roseville, California. Dckt. 41 at 5. However, in response to the question to state the Nature and Extend of the Debtor's Interest in this real property, the response by Debtor is "None." The Debtor does list several Commercial Leases on Amended Schedule G. Id. at 8.

At the Status Conference, counsel for the Debtor in Possession reported that it has a commercial building in Roseville, California.

Counsel for Poppy Bank continues to have concerns, including the unauthorized use of cash collateral and penalty interest on unpaid property taxes.

The Status Conference is continued to 11:30 a.m. April 24, 2025 (Specially Set Day and Time).

Tentative Ruling: Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter.

Below is the court's tentative ruling, rendered on the assumption that there will be no opposition to the motion. If there is opposition presented, the court will consider the opposition and whether further hearing is proper pursuant to Local Bankruptcy Rule 9014-1(f)(2)(C).

Local Rule 9014-1(f)(2) Motion—Hearing Required.

Sufficient Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Debtor in Possession, all creditors and parties in interest, and Office of the United States Trustee on March 4, 2025. By the court's calculation, 23 days' notice was provided. 14 days' notice is required. FED. R. BANKR. P. 4001(b)(2) (requiring fourteen days' notice).

The Motion for Authority to Use Cash Collateral was properly set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(2). Debtor in Possession, creditors, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offer opposition to the motion, the court will set a briefing schedule and a final hearing, unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion.

No opposition was stated at the hearing.

The Motion for Authority to Use Cash Collateral is granted.

The hearing on the Motion is continued to XXXXXXX.

April 24, 2025 Hearing

The court continued the hearing on this Motion in the event Debtor in Possession needed to extend the authorized use of cash collateral. The Debtor in Possession filed a Supplemental Document on April 18, 2025. Docket 101.

Debtor in Possession requests further use of cash collateral in line with the budget that was approved at Docket 49. The budget proposes paying taxes, insurance, payments on liens, and repairs / maintenance. Debtor in Possession proposes that the use of cash collateral be restricted to those expenses described above, within a 10% variance for each category of expense, with the exception of property taxes,

to be paid biannually when due, and that cash remaining after the payment of the same be retained by Debtor in Possession in the cash collateral account.

Debtor in Possession seeks continued use through July 31, 2025, for a later motion to be heard after the court considers the Debtor in Possession's Disclosure Statement and Plan at the confirmation hearing on May 29, 2025.

At the hearing, **XXXXXXX**

REVIEW OF MOTION

Moore Holdings, LLC ("Debtor in Possession") moves for an order approving the use of cash collateral in the forms of rents collected from 2151 Professional Dr., Roseville, CA 95661 ("Property"). Debtor in Possession requests the use of cash collateral to fund maintenance and repairs of the Property, insurance costs, utilities, landscaping, and professional fees. *See* Ex. A., Docket 37. The court would note that the Exhibit is improperly attached to the Declaration. "Motions, notices, objections, responses, replies, declarations, affidavits, other documentary evidence, exhibits, memoranda of points and authorities, other supporting documents, proofs of service, and related pleadings shall be filed as separate documents." Local Bankr. R. 9004-2(c)(1).

Debtor in Possession proposes that the cash collateral be approved with a 20% variance in each category and that remaining funds be retained by Debtor in Possession.

APPLICABLE LAW

Pursuant to 11 U.S.C. § 1101, a debtor in possession serves as the trustee in the Chapter 11 case when so qualified under 11 U.S.C. § 322. As a debtor in possession, the debtor in possession can use, sell, or lease property of the estate pursuant to 11 U.S.C. § 363. In relevant part, 11 U.S.C. § 363 states:

(b)(1) The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate, except that if the debtor in connection with offering a product or a service discloses to an individual a policy prohibiting the transfer of personally identifiable information about individuals to persons that are not affiliated with the debtor and if such policy is in effect on the date of the commencement of the case, then the trustee may not sell or lease personally identifiable information to any person unless—

(A) such sale or such lease is consistent with such policy; or

(B) after appointment of a consumer privacy ombudsman in accordance with section 332, and after notice and a hearing, the court approves such sale or such lease—

(i) giving due consideration to the facts, circumstances, and conditions of such sale or such lease; and

(ii) finding that no showing was made that such sale or such lease would violate applicable nonbankruptcy law.

Federal Rule of Bankruptcy Procedure 4001(b) provides the procedures in which a trustee or a debtor in possession may move the court for authorization to use cash collateral. In relevant part, Federal Rule of Bankruptcy Procedure 4001(b) states:

(b)(2) Hearing

The court may commence a final hearing on a motion for authorization to use cash collateral no earlier than 14 days after service of the motion. If the motion so requests, the court may conduct a preliminary hearing before such 14-day period expires, but the court may authorize the use of only that amount of cash collateral as is necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

DISCUSSION

Debtor in Possession has shown that the proposed use of cash collateral is in the best interest of the Estate. The proposed use provides for making expenses to continue operating the rental real property and to reorganize in Chapter 11. The Motion is granted, and Debtor in Possession is authorized to use the cash collateral for the period of February of 2025 through July of 2025. The court does not pre-judge and authorize the use of any monies for “plan payments” or use of any “profit” by Debtor in Possession. All surplus cash collateral is to be held in a cash collateral account and accounted for separately by Debtor in Possession.

July of 2025, and the cash collateral may be used to pay the expenses detailed in Exhibit A, Docket 37.

The Debtor in Possession and Creditor have agreed to modifications to the proposed Budget, which are included in the Amended Budget, Dckt. 49. Under the Amended Budget, the payment of real estate brokers fees were removed (to be paid through escrow un completion of a sale), and the HOA arrearage will be paid through the Plan, not through the monthly budget.

Additionally, counsel for the Debtor in Possession reported that the property insurance is in place and the final documents will be forwarded to Creditor’s counsel (with the documents having been delivered to the U.S. Trustee).

The court continues the hearing to 11:30 a.m. on April 24, 2025 (Specially Set Time), for Debtor in Possession to file a Supplement Pleadings to the Motion to extend authorization. The Supplement Pleadings shall be filed and served on or before seven days before the April 24, 2025hearing, with any opposition to be presented orally at the continued hearing.

The Motion for Authority to Use Cash Collateral, as stated in the Amended Budget (Dckt. 49), with the Debtor in Possession granted a variance of 10% in any individual line item expense as long as the total amount used does not exceed five percent of the monthly total budget.

The court shall issue an order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The Motion for Authority to Use Cash Collateral filed by Moore Holdings, LLC (“Debtor in Possession”) having been presented to the court, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Motion is granted, pursuant to this order, for the period May 1, 2025 through July 31, 2025, the Debtor in Possession is granted authorized to use cash collateral as provided in the Amended Budget; Dckt. 49; with the Debtor in Possession granted a variance of 10% in any individual line item expense as long as the total amount used does not exceed five percent of the monthly total budget.

IT IS FURTHER ORDERED that the creditors having an interest in the cash collateral are given replacement liens in the post-petition proceeds in the same priority, validity, and extent as they existed in the cash collateral expended, to the extent that the use of cash collateral resulted in a reduction of a creditor’s secured claim.

IT IS FURTHER ORDERED that the hearing on the Motion is continued to **XXXXXX**, to consider a Supplement to the Motion to extend the authorization to use cash collateral. On or before April 17, 2025, Debtor in Possession shall file and serve supplemental pleadings for the further use of cash collateral. Any opposition to the requested use of cash collateral may be presented orally at the hearing.

FINAL RULINGS

3. [24-20265](#)-E-12 HARDAVE/SUKHBINDER DULAI CONTINUED STATUS CONFERENCE RE:
[CAE-1](#) 1-23-24 [\[1\]](#)
VOLUNTARY PETITION

Item 3 thru 4

Final Ruling

Debtors' Atty: Ryan C. Wood; Rabiya Tirmizi

Notes:

Continued from 2/27/25 by Stipulation of the Parties. Order filed 2/12/25 [Dckt 311]

Operating Reports filed: 3/21/25

[RCW-20] Stipulation Between Debtors, Chapter 12 Trustee, and Butte County Treasurer - Tax Collector to Continue Confirmation Hearing, Status Conference and Extend Time for Objection to Debtors' Amended Plan filed 4/11/25 [Dckt 315]; Order granting filed 4/14/25 [Dckt 318]

The Chapter 12 Status Conference has been continued to June 26, 2025, at 11:30a.m. Order, Docket 318.

4. [24-20265](#)-E-12 HARDAVE/SUKHBINDER DULAI CONTINUED MOTION TO CONFIRM
[RCW-9](#) Ryan Wood CHAPTER 12 PLAN
11-7-24 [\[215\]](#)

Final Ruling

The Confirmation Hearing has been continued to June 26, 2025, at 11:30a.m. Order, Docket 318.