

# UNITED STATES BANKRUPTCY COURT Eastern District of California

## Chief Judge Fredrick E. Clement

Sacramento Federal Courthouse 501 I Street, 7<sup>th</sup> Floor Courtroom 28, Department A Sacramento, California

DAY: TUESDAY
DATE: MAY 27, 2025

CALENDAR: 10:30 A.M. CHAPTER 7 CASES

Unless otherwise ordered, all matters before Chief Judge Fredrick E. Clement shall be simultaneously: (1) IN PERSON at Sacramento Courtroom No. 28, (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 **Court 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 the 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:

- Review the <u>Pre-Hearing Dispositions</u> prior to appearing at the hearing.
- Review the court's <u>Zoom Procedures and Guidelines</u> for these, and additional instructions.
- Parties appearing via CourtCall are encouraged to review the CourtCall Appearance Information.

If you are appearing by ZoomGov phone or video, please join at least 10 minutes prior to the start of the calendar and wait with your microphone muted until the matter is called.

Unauthorized Recording is Prohibited: Any recording of a court proceeding held by video or teleconference, including screen shots or other audio or visual copying of a hearing is prohibited. Violation may result in sanctions, including removal of court-issued media credentials, denial of entry to future hearings, or any other sanctions deemed necessary by the court. For more information on photographing, recording, or broadcasting Judicial Proceedings, please refer to Local Rule 173(a) of the United States District Court for the Eastern District of California.

#### PRE-HEARING DISPOSITION INSTRUCTIONS

#### 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. 25-21700-A-7 **IN RE: STEVEN JOHNSON**

ORDER TO SHOW CAUSE FOR FAILURE TO UPDATE CONTACT INFORMATION IN PACER 4-28-2025 [16]

CARL GUSTAFSON/ATTY. FOR DBT. RESPONSIVE ENTRY: 5/13/2025

## Final Ruling

This matter has been resolved. The attorney has filed a corrected signature page including his e-mail address as requested by the court, ECF No. 21. No further appearances are necessary.

# 2. $\frac{24-23916}{RLL-2}$ -A-7 IN RE: CHRISTINE OLSON

MOTION TO ABANDON 5-1-2025 [36]

RABIN POURNAZARIAN/ATTY. FOR DBT. ANTHONY ASEBEDO/ATTY. FOR MV. DEBTOR DISCHARGED: 01/24/25

## Final Ruling

Motion: Authorize Trustee's Abandonment of Property of the Estate

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

Disposition: Granted only as to the probate estate described in the

motion

Order: Prepared by moving party pursuant to the instructions below

**Value:** \$45,816.00 as stated by the stipulation

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. TeleVideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987).

The chapter 7 trustee moves for an order authorizing his abandonment of the bankruptcy estate's interest in the probate estate described in the motion, ECF No. 36. The trustee, administrator of the probate estate, and the debtor have all agreed to a stipulation in which the trustee requests the abandonment of the debtor's interest in the probate estate totaling \$45,816.00, ECF No. 40.

The movant bears the burden of proof. In re Pilz Compact Disc., Inc., 229 B.R. 630 (Bankr. E.D. Pa. 1999) (Chapter 7 trustee). "[B]urdensome to the estate" means "consumes the resources and

drains the income of the estate." In re Smith-Douglass, Inc., 856 F.2d 12, 16 (4th Cir. 1988). "[0]f inconsequential value and benefit to the estate" refers to assets not likely to be liquidated for the benefit of creditors. 11 U.S.C. § 704(a)(1); Matter of Taxman Clothing Co., 49 F3d 310, 315 (7th Cir. 1995) (Chapter 7 trustee has no duty to liquidate assets where costs of doing so likely to exceed asset's value). Of inconsequential value and benefit to the estate includes assets that (1) have no equity (including post-petition appreciation), In re Viet Vu, 245 B.R. 644 (9th Cir. BAP 2000); and (2) assets with equity, which has been wholly and properly exempted by the debtor. In re Montanaro, 307 B.R. 194 (Bankr. E.D. Cal. 2004).

# 11 U.S.C. § 554(a)

"After notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C.  $\S$  554(a).

The trustee, debtor, and administrator have all agreed in a stipulation that was filed on May 1, 2025, ECF No. 40. The stipulation states that the administrator of the probate estate will pay out the following distribution: 1) the amount of \$74,184.00 to the trustee; and 2) the amount of \$45,816.00 to the debtor. See Stipulation, ECF No. 40, 3:5-8. The amount to be distributed to the trustee will be sufficient to fully administer the debtor's chapter 7 case. Declaration of Trustee Richards, ECF No. 38, 2:18-23. The stipulation states that after the trustee has received the amount of \$74,184.00, then the motion to abandon \$45,816.00 should be granted. Since the amount to be abandoned is inconsequential to the value of the estate, the motion to abandon will be granted after the trustee has received their portion of the probate estate necessary to administer to chapter 7 case.

An order authorizing the trustee's abandonment of such assets is warranted. The order will authorize abandonment of only the assets that are described in the motion.

# 3. $\frac{24-21931}{RLL-6}$ -A-7 IN RE: JOSE CRUZ QUINTANA

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT WITH JOSE MANUEL CRUZ QUINTANA 4-21-2025 [131]

PETER MACALUSO/ATTY. FOR DBT. ANTHONY ASEBEDO/ATTY. FOR MV.

## Final Ruling

Motion: Approve Compromise of Controversy

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

Disposition: Granted

Order: Civil minute order

Parties to Compromise: Trustee Geoffrey Richards; Debtor Jose Cruz

Quintana

Subject: 2288-2292 Marconi Avenue, Sacramento, California Summary of Material Terms: 1) Debtor is to pay the trustee the sum of \$36,000.00 in cash to allow payment of all allowed claims under the chapter 7 case; 2) Debtor is deemed to release all claims, causes of action, damages, and the like against the Trustee and/or the estate. Debtor alone is responsible for taking any steps to ensure the title to the Marconi Property is clear.; and 3) the Marconi Property remains subject to all claims, liens, and encumbrances that existed as of the Petition Date.

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. TeleVideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987).

#### APPROVAL OF COMPROMISE

In determining whether to approve a compromise under Federal Rule of Bankruptcy Procedure 9019, the court determines whether the compromise was negotiated in good faith and whether the party proposing the compromise reasonably believes that the compromise is the best that can be negotiated under the facts. In re A & C Props., 784 F.2d 1377, 1381 (9th Cir. 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.* 

The movant requests approval of a compromise. The compromise is reflected in the settlement agreement attached to the motion as an exhibit.

The probability of success in the litigation was not a factor that necessarily supported this agreement, since the court has already determined that the Marconi Property is subject to turnover by the debtor. Additionally, the trustee does not seek to collect any monetary amount from the debtor so the difficulties to be encountered in collection are not applicable. However, the litigation would cause significant inconvenience and delay for the estate. Thus, this factor weighs in favor of the settlement. Last, the settlement is in the best interest of the creditors because it will pay out all claims in full. Additionally, no creditors have opposed the motion. Based on the motion and supporting papers, the court finds that the compromise presented for the court's approval is fair and equitable considering the relevant A & C Properties factors. The compromise or settlement will be approved.

## 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.

Trustee'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 granted. The court hereby approves the compromise that is reflected in the settlement agreement attached to the motion as exhibit and filed at docket no. 134.

# 4. $\frac{24-21931}{RLL-7}$ -A-7 IN RE: JOSE CRUZ QUINTANA

MOTION FOR COMPENSATION FOR RE/MAX GOLD, BROKER(S) 4-21-2025 [137]

PETER MACALUSO/ATTY. FOR DBT.

#### Final Ruling

Application: Allowance of Final Compensation and Expense

Reimbursement

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

Disposition: Approved
Order: Civil minute order

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this application was required not less than 14 days before the hearing on the application. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. TeleVideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987).

## COMPENSATION AND EXPENSES

In this Chapter 7 case, the trustee has applied for an allowance of final compensation and reimbursement of expenses for a real estate broker, Nathan N. Genovese of RE/MAX Gold. The applicant requests that the court allow compensation in the amount of \$2,860.00 and reimbursement of expenses in the amount of \$63.00.

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

The court finds that the compensation and expenses sought are reasonable, and the court will approve the application on a final basis.

#### 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.

Trustee's application for allowance of final compensation and reimbursement of expenses 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 application,

IT IS ORDERED that the application is approved on a final basis. The court allows final compensation in the amount of \$2,860.00 and reimbursement of expenses in the amount of \$63.00.

IT IS FURTHER ORDERED that the trustee is authorized without further order of this court to pay from the estate the aggregate amount allowed by this order in accordance with the Bankruptcy Code and the distribution priorities of  $\S$  726.

# 5. $\frac{24-21931}{RLL-8}$ -A-7 IN RE: JOSE CRUZ QUINTANA

MOTION TO ABANDON 4-21-2025 [142]

PETER MACALUSO/ATTY. FOR DBT. ANTHONY ASEBEDO/ATTY. FOR MV.

### Final Ruling

Motion: Authorize Trustee's Abandonment of Property of the Estate

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

Disposition: Granted only as to the subject property described in

the motion

Order: Prepared by moving party pursuant to the instructions below

Subject: 2288-2292 Marconi Avenue, Sacramento, California

Value: \$965,000.00 as listed in Schedules A/B

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, incorporated by Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. TeleVideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917-18 (9th Cir. 1987).

The chapter 7 trustee moves for an order authorizing his abandonment of the bankruptcy estate's interest in 2288-2292 Marconi Avenue, Sacramento, California described in the motion, ECF No. 142.

The movant bears the burden of proof. In re Pilz Compact Disc., Inc., 229 B.R. 630 (Bankr. E.D. Pa. 1999) (Chapter 7 trustee). "[B]urdensome to the estate" means "consumes the resources and drains the income of the estate." In re Smith-Douglass, Inc., 856 F.2d 12, 16 (4th Cir. 1988). "[O]f inconsequential value and benefit to the estate" refers to assets not likely to be liquidated for the benefit of creditors. 11 U.S.C. § 704(a)(1); Matter of Taxman Clothing Co., 49 F3d 310, 315 (7th Cir. 1995) (Chapter 7 trustee has no duty to liquidate assets where costs of doing so

likely to exceed asset's value). Of inconsequential value and benefit to the estate includes assets that (1) have no equity (including post-petition appreciation), *In re Viet Vu*, 245 B.R. 644 (9th Cir. BAP 2000); and (2) assets with equity, which has been wholly and properly exempted by the debtor. *In re Montanaro*, 307 B.R. 194 (Bankr. E.D. Cal. 2004).

#### 11 U.S.C. § 554(a)

"After notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C.  $\S$  554(a).

The debtor and the trustee have reached an agreement that was approved previously in the pre-hearing dispositions, RLL-6. The debtor has agreed to pay a sum sufficient to pay all allowed claims and administrative costs. Thus, the property is burdensome to the estate due to ongoing insurance coverage and potential liability for personal injury. The abandonment will allow the trustee to avoid making additional payments for liability insurance.

The property described above is either burdensome to the estate or of inconsequential value to the estate. An order authorizing the trustee's abandonment of such assets is warranted. The order will authorize abandonment of only the assets that are described in the motion.

## 6. 23-22169-A-7 IN RE: ROY AARON

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 4-24-2025 [75]

DEBTOR DISCHARGED: 01/17/24 5/8/2025 FILING FEE PAID \$34

### Final Ruling

The \$34 amendment fee was paid on May 8, 2025, the order to show cause is discharged.

# 7. 25-21171-A-7 IN RE: SUSAN ALLAN KUMBA

CONTINUED ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 3-31-2025 [12]

4/21/2025 FILING FEE PAID \$253

# Final Ruling

As the fee has been paid in full, the order to show cause is discharged. The case will remain pending.