UNITED STATES BANKRUPTCY COURT
Eastern District of California
Honorable René Lastreto II
Department B – Courtroom #13
Fresno, California
Hearing Date: Tuesday, June 2, 2026

Unless otherwise ordered, all matters before the Honorable René Lastreto II, shall be simultaneously: (1) **In Person** at, Courtroom #13 (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 or their attorneys 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/attorney 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 and their attorneys who wish to appear remotely must contact the Courtroom Deputy for the Department holding the hearing.

Please also note the following:

- Parties in interest and/or their attorneys 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 who wish to attend by ZoomGov may only listen in to the hearing using the Zoom telephone number. Video participation or observing are not permitted.

- Members of the public and the press may not listen in to trials or evidentiary hearings, though they may attend in person unless otherwise ordered.

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.

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.

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 **<u>no hearing on these matters</u>**. 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.

Post-Publication Changes: 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 any possible updates

9:30 AM

1. 25-12231-B-11 **IN RE: THE ROMAN CATHOLIC BISHOP OF FRESNO**
   FEN-2

   MOTION FOR COMPENSATION BY THE LAW OFFICE OF FENNEMORE LLP FOR J. JACKSON WASTE, CREDITOR COMM. ATY(S)
   4-27-2026 [738]

   HAGOP BEDOYAN/ATTY. FOR DBT.
   JOHN WASTE/ATTY. FOR MV.

After posting the original pre-hearing dispositions, the court has modified its intended ruling on this matter

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.

Fennemore LLP ("Fennemore" or "Applicant"), as co-counsel to The Official Committee of Unsecured Creditors (the "Committee") of The Roman Catholic Bishop of Fresno ("Debtor" or "RCBF") hereby submits its First Interim Application for Allowance of Fees and Expenses ("Application") for the period of July 25, 2025, through February 28, 2026 (the "Application Period"). Doc. #738.

Frankie Cowan, co-chairperson for the Committee, submitted a declaration indicating that she has reviewed the application and has no objection to the proposed payment. Doc. #740.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1) and Fed. R. Bankr. P. ("Rule") 2002(a)(6). The failure of the creditors, the chapter 13 trustee, 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 amounts of damages). *Televideo Sys. Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

No party in interest timely filed written opposition. This motion will be GRANTED.

RCBF commenced this case on July 1, 2025. Doc. #1. Applicant's retention as counsel for the Committee was authorized pursuant to 11 U.S.C. §§ 327(a) and 329-31 on September 25, 2025, effective as of July 24. Doc. #283. This is Applicant's first fee application. On May 19, 2026, Applicant filed a Notice of Voluntary Fee Reduction, reducing Applicant's requested compensation by $5,000.00. Doc. #778. In the Notice, Applicant stated that Applicant had agreed to a further reduction of $1,732.83 in response to concerns from the U.S. Trustee about certain billing entries. *Id.*

Appl.	**Approved**	**Period**	**Fees**	**Costs**	**Total**
1st [FEN-2]	Pending	7/25/25-2/28/26	$44,188.00	$6,122.22	$50,310.22$
Totals			**$44,188.00**	**$6,122.22**	**$50,310.22**
1st Reduction ($5,000.00)					**($5,000.00)**
2nd Reduction ($1,732.83)					**($1,732.83)**
Final Fee Application					**$43,577.39**

Docs. #738, ##741-42.

During the current Application Period, Applicant provided 107.70 billable hours of legal services totaling **44,188.00** in fees. Doc. #740 (Exhibits). Information about the specific individual(s) who billed for services in this Application and is omitted for brevity but may be found the moving papers. *See* Docs. #738, #740. Applicant also incurred **$6,122.22** in expenses, consisting of copy costs, postage, mileage reimbursement, and Westlaw research. *Id.*

11 U.S.C. § 330(a)(1)(A) and (B) permit approval of "reasonable compensation for actual, necessary services rendered by . . . [a] professional person, or attorney" and "reimbursement for actual, necessary expenses." In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, extent, and value of such services, considering all relevant factors, including those enumerated in subsections (a)(3)(A) through (E). § 330(a)(3). The previous interim compensation awards under 11 U.S.C. § 331 are subject to final review under § 330.

Applicant's services included: administration, bankruptcy-related advice, case administration, claims administration and objections, fee/employment applications and objections; litigation; meeting and communications with creditors; non-working travel; other contested matters; and relief from stay/adequate protections proceedings. Docs. #738, #740. The court finds the services and expenses reasonable, actual, and necessary.

No party in interest opposes the application, and this motion will be GRANTED. Applicant will be awarded **$44,188.00** in fees as reasonable compensation for services rendered and **$6,122.22** in reimbursement of actual, necessary expenses on an interim basis under 11 U.S.C. §§ 330 and 331. After application of the two voluntary reductions of $5,000.00 and $1,732.83, the estate will be authorized to pay Applicant a total of **$43,577.39** for fees and expenses from July 25, 2025, through February 28, 2026.

2. 25-26371-B-11 **IN RE: SCRIPPS TWO, LLC**
ROC-2

CONTINUED MOTION FOR RELIEF FROM AUTOMATIC STAY
4-13-2026 [94]

ROIOF SERIES/MV
GABRIEL LIBERMAN/ATTY. FOR DBT.
SHARON WEISS/ATTY. FOR MV.

NO RULING.

3. 26-10978-B-11 **IN RE: HRONIS, INC.**
CAE-1

CONTINUED STATUS CONFERENCE RE: CHAPTER 11 VOLUNTARY PETITION
3-6-2026 [1]

ZEV SHECHTMAN/ATTY. FOR DBT.

NO RULING.

4. 26-10978-B-11 **IN RE: HRONIS, INC.**
SE-21

MOTION TO SELL FREE AND CLEAR OF LIENS AND/OR MOTION FOR APPROVING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES
5-5-2026 [278]

HRONIS, INC./MV
ZEV SHECHTMAN/ATTY. FOR DBT.
RESPONSIVE PLEADING

NO RULING.

5. 26-10978-B-11 **IN RE: HRONIS, INC.**
MNL-1

MOTION TO BIFURCATE AND/OR MOTION TO ADVANCE HEARING ON THE DEBTORS SALE MOTION WITH RESPECT TO CREDIT BIDDING RIGHTS
5-28-2026 [351]

CONTERRA AGRICULTURAL CAPITAL, LLC/MV
ZEV SHECHTMAN/ATTY. FOR DBT.
BRIANNA MORRISON/ATTY. FOR MV.
OST 5/28/26

NO RULING.

1:30 PM

1. 25-13007-B-7 **IN RE: KP REAL ESTATE TWO, LLC**
KMT-3

MOTION TO APPROVE STIPULATED AGREEMENT WITH IMAGE FINANCE, LLC
5-12-2026 [21]

IRMA EDMONDS/MV
RILEY WALTER/ATTY. FOR DBT.
GABRIEL HERRERA/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. Order preparation determined at the hearing.

Irma Edmonds ("Trustee"), Chapter 7 Trustee for the above-styled Chapter 7 case, moves for approval of her stipulated agreement ("the Agreement") with Image Finance, LLC ("Image") more fully described below. Doc. #21 *et seq.*

Written opposition was not required and may be presented at the hearing. In the absence of opposition, this motion will be GRANTED.

This motion was filed and served 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.

KP Real Estate Two, LLC ("Debtor") filed for Chapter 7 bankruptcy on September 4, 2025. Doc. #1. Trustee was appointed as case Trustee that same day and confirmed as Trustee at the 341 Meeting of Creditors. Doc. #4, docket generally.

Among the assets of the estate is Debtor's interest in (a) certain real property commonly known as 4241 Marconi Ave, Sacramento, CA 95821 ("the Marconi Property"), (b) certain real property commonly known as 82451 U.S. Hwy. 111, Indio, CA 92201 ("the Indio Property")(collectively "the Subject Properties"). Doc. #1 (Schedule A/B, lines 55.1 and 55.2). Image holds the senior security interest in the Subject Properties, and Trustee declares that, according to her investigation, Image's security interest exceeds the combined value of the Subject Properties. Doc. #23 (Decl. of Irma Edmonds); see also Doc. #1 (Schedule D).

Also among the estate assets is cash recovered by Trustee in the amount of $41,222.81 ("the Cash"). *Id.* Trustee also declares that the Cash is also cash collateral of Image, though the Cash does not appear to have been listed as such on Schedule D. *Id.* Debtor’s Schedule D indicates that the amount of Image’s claim is $19,100,000.00, which substantially exceeds the estimated value of the collateral supporting Lender’s claim ($6,500.000.00). Doc. #1 (Schedule D).

Trustee and Image have reached an agreement which is now before the court for its approval. To summarize the terms:

1. The Subject Properties will be sold. Image shall be authorized to credit bid its secured claim, up to $19,100,000.00 for both Subject Properties in separate sales, but Image will ensure that all senior liens, property taxes, and closing costs are paid.
2. The sale will be subject to overbid at the sale. If the Subject Properties are sold for an amount exceeding Image’s credit bid, proceeds shall be distributed as follows:
   a. Costs of sale including escrow fees and property taxes.
   b. Payment of any senior liens, if any.
   c. The allowed amount of Image’s $19,100,000.00 secured claim. However, Lender agrees that the bankruptcy estate will receive a $50,000.00 carve-out from the net proceeds with Image receiving the balance.
   d. If Image’s secured claim is paid in full, any remaining balance will go to junior lienholders by priority.
   e. Any remaining balance will go to the estate.
3. If Image purchases both Subject Properties through credit bidding, Image will nevertheless pay all costs of sale, all outstanding tax liens, and the $50,000.00 carve-out for the estate.
4. The estate shall be entitled to keep $10,000.00 of the Cash, with the balance going to Image.

Doc. #24 (The Agreement). The actual sale of the Subject Properties are addressed in *Items #2 and #3, below.*

The end result of this Agreement as it applies to the bankruptcy case is that, after sale of the Subject Properties in which Image may overbid up to the value of its secured claim, Trustee will recover $60,000.00 from the sale proceeds for the benefit of creditors. Doc. #23. Trustee declares that the Cash and the Subject Properties are the only assets of the estate potentially subject to distribution to creditors whose asserted claims aggregate approximately $100,534.90. Doc. #23. Trustee declares her belief that, absent approval of this Agreement, there will be no distribution to unsecured creditors, but if the Agreement is approved, Trustee estimates a distribution of about $35,000.00. *Id.*

As representative of the chapter 7 bankruptcy estate, Trustee has the authority to settle claims of Debtor subject to court approval. 11 U.S.C. § 323(a). On a motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Rule 9019. Approval of a compromise must be based upon considerations of fairness and equity. *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. *In re Woodson*, 839 F.2d 610, 620 (9th Cir. 1988).

It appears from the moving papers that the Trustee has considered the *A & C Props.* and *Woodson* factors, which weigh in favor of approving the settlement agreement as follows:

1. <u>Probability of success in litigation</u>: No litigation has commenced. Trustee does not dispute the validity of Image's secured claims, and the probability of success of any litigation to challenge that claim is low and unlikely to yield a better result than the Agreement even if such litigation was successful.

2. <u>Collection</u>: Absent the Agreement, Trustee avers that the estate may not be able to recovery any amounts on account of the Subject Property.

3. <u>Complexity of litigation</u>: Trustee declares that the estate would incur significant expense in litigating a dispute with Lender with little likelihood of success.

4. <u>Paramount interests of creditors</u>: Trustee declares that the interests of creditors is served by approval of the Agreement, by which creditors will receive a distribution of approximately $35,000.00, as opposed to a 0% distribution if the Agreement is not approved.

Doc. #23.

The *A & C Props.* and *Woodson* factors appear to weigh in favor of approving the settlement. Therefore, the settlement appears to be a fair, equitable, and 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). Furthermore, the law favors compromise and not litigation for its own sake. *Id.*

Accordingly, this motion will be GRANTED. The settlement between the estate and Image will be approved.

The court notes that, while overbids are contemplated by the motion and the Agreement, no overbid procedures are included in the moving papers. However, Trustee has filed two separate motions for approval of the two Subject Properties, each of which does provide overbid procedures. *See Items #2 and #3, below.* The court approves the overbid procedures as outlined in those motions.

This ruling is not authorizing the payment of any fees or costs associated with the settlement. Additionally, Trustee shall attach a copy of the settlement agreement as an exhibit to the proposed order and shall separately file the settlement agreement and docket it as a stipulation.

2. 25-13007-B-7 **IN RE: KP REAL ESTATE TWO, LLC**
KMT-4

MOTION TO APPROVE PURCHASE AND SALE AGREEMENT (MARCONI PROPERTY)
5-12-2026 [26]

IRMA EDMONDS/MV
RILEY WALTER/ATTY. FOR DBT.
GABRIEL HERRERA/ATTY. FOR MV.

TENTATIVE RULING:	This matter will proceed for higher and better bids, only.
DISPOSITION:	Granted.
ORDER:	The Moving Party shall submit a proposed order after hearing.

Chapter 7 trustee Irma C. Edmonds ("Trustee") seeks authorization to sell the estate's interest in real property previously identified in *Item #1, above* as "the Marconi Property" to Image Finance, LLC ("Image"} for $2,775,000. Doc. #26; Item #1, above. The Marconi Property will be sold together with real property ("the Indio Property")(collectively "the Subject Properties"). *See Item #3, below.*

The sale will be conducted at the hearing pursuant to 11 U.S.C. § 363, and subject to higher and better bids at the hearing. Doc. #34 *et seq*. The motion does not contemplate the payment of commission to any broker or realtor.

Written opposition was not required and may be presented at the hearing. In the absence of opposition, this motion will be GRANTED, and the sale will proceed subject to higher and better bids.

This motion was filed and served 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.

BACKGROUND

The relevant facts are outlined in Item #1 above and will not be reiterated here.

DISCUSSION

Sale of Property

11 U.S.C. § 363(b)(1) allows the trustee to "sell, or lease, other than in the ordinary course of business, property of the estate." Proposed sales under 11 U.S.C. § 363(b) are reviewed to determine whether they are: (1) in the best interests of the estate resulting

from a fair and reasonable price; (2) supported by a valid business judgment; and (3) proposed in good faith. *In re Alaska Fishing Adventure, LLC*, 594 B.R. 883, 887 (Bankr. D. Alaska 2018) citing *240 N. Brand Partners v. Colony GFP Partners, Ltd. P'ship (In re 240 N. Brand Partners)*, 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996); *In re Wilde Horse Enters., Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991). In the context of sales of estate property under § 363, a bankruptcy court "should determine only whether the trustee's judgment was reasonable and whether a sound business justification exists supporting the sale and its terms." *Alaska Fishing*, 594 B.R. at 889, quoting 3 Collier on Bankruptcy ¶ 363.02[4] (Richard Levin & Henry J. Sommer, 16th ed.). "[T]he trustee's business judgment is to be given 'great judicial deference.'" *Id.*, citing *In re Psychometric Sys., Inc.*, 367 B.R. 670, 674 (Bankr. D. Colo. 2007); *In re Bakalis*, 220 B.R. 525, 531-32 (Bankr. E.D.N.Y. 1998).

Sales to an insider are subject to heightened scrutiny. *Alaska Fishing Adventure, LLC*, 594 B.R. at 887 citing *Mission Product Holdings, Inc. v. Old Cold, LLC (In re Old Cold LLC)*, 558 B.R. 500, 516 (B.A.P. 1st Cir. 2016). Here, the prospective buyer (subject to overbidding) is Image, which holds a claim for $19,100,000.00 secured by the Marconi Property, the Indio Property (see Item #3, below), and certain cash collateral. Other than its secured creditor status, there is no indication that Image is an insider.

The Marconi Property is listed in *Schedule A/B* with a value of $4,500,000.00. Doc. #1 (Schedule A/B). The Indio Property, which is being sold as part of the same transaction, is listed with a value of $2,000,000.00. *Id.* The combined scheduled value of the Subject Properties is $6,500,000.00. Image is entitled to credit bid the value of its secured claim ($19,100,000.00).

Trustee entered into a contract ("the Agreement") with Image to sell the Subject Properties for $249,000.00, subject to certain terms and conditions as outlined in the Stipulation which the court is inclined to approve. *See Item #1, above.*

The Subject Properties is subject to a deed of trust in the amount of $19,100,00 in favor of Image. Doc. #1 (Schedule D). The Subject Properties are also subject to tax liens in favor of the Riverside County Tax Collector in the amount of $356,527.98 and in favor of the Sacramento County Tax Collector in the amount of $56,340.78. *Id.* Pursuant to the Stipulation (Item #1, above), it appears that all outstanding tax liens will be paid by Image or from the sale proceeds if another party purchases the Subject Properties through overbid. However, from the sales agreements governing the two separate sales, it appears that the "Riverside County Tax" lien alluded to in Schedule D is actually held by the Sacramento Tax Collector and is attached to the Indio Property, while the $56,340.78 lien is also held by the Sacramento Tax Collector and is attached solely to the Marconi Property. *Compare Doc. #29 (Marconi Sale Agreement) with Doc. #34 (Indio Sale Agreement).*

Image has agreed to pay any escrow or title costs from the sale of the Subject Properties. Trustee estimates that from the sale of both

Subject Properties, the estate will realize $50,000.00 in total through $25,000.00 carve-outs in each sale.

The sale under these circumstances should maximize potential recovery for the estate. The sale of the Property appears to be in the best interests of the estate because it will eliminate the secured claims of Image and also the outstanding tax liens. The sale will also provide liquidity that can be distributed for the benefit of unsecured claims. The sale appears to be supported by a valid business judgment and proposed in good faith. There are no objections to the motion. Therefore, this sale is an appropriate exercise of Trustee's business judgment and will be given deference.

Real Estate Brokers' Compensation

No real estate broker was employed in the course of this transaction.

Overbid Procedure

Any party wishing to overbid shall, prior to the hearing, comply with the overbid procedures as outlined in the Notice accompanying this motion. Doc. #27.

Waiver of 14-day Stay

Trustee "does not anticipate any objection to this motion" and seeks waiver of the 14-day stay period imposed by Rule 6004(h). The court reserves ruling on that to the hearing date to determine if there is, in fact, any opposition to the sale and also whether there are grounds for waiver.

Conclusion

Written opposition was not required and may be presented at the hearing. In the absence of any opposition, the court is inclined to GRANT the motion to sell, subject to higher and better bids.

Trustee will be authorized: (1) to sell the Marconi Property to the prevailing bidder at the hearing, as determined at the hearing; and (2) to execute all documents necessary to effectuate the sale of the Marconi Property. The court reserves ruling on whether the 14-day stay of Rule 6004(h) will be waived.

3. 25-13007-B-7 **IN RE: KP REAL ESTATE TWO, LLC**
KMT-5

MOTION TO APPROVE PURCHASE AND SALE AGREEMENT (INDIO PROPERTY)
5-12-2026 [31]

IRMA EDMONDS/MV
RILEY WALTER/ATTY. FOR DBT.
GABRIEL HERRERA/ATTY. FOR MV.

TENTATIVE RULING:	This matter will proceed for higher and better bids, only.
DISPOSITION:	Granted.
ORDER:	The Moving Party shall submit a proposed order after hearing.

Chapter 7 trustee Irma C. Edmonds ("Trustee") seeks authorization to sell the estate's interest in real property previously identified in *Item #1, above* as "the Indio Property" to Image Finance, LLC ("Image"} for $2,775,000. Doc. #26; Item #1, above. The Marconi Property will be sold together with real property located at 82451 U.S. Hwy. 111, Indio, CA 92201 ("the Indio Property")(collectively "the Subject Properties"). *See Item #3, below.*

The sale will be conducted at the hearing pursuant to 11 U.S.C. § 363, and subject to higher and better bids at the hearing. Doc. #34 *et seq*. The motion does not contemplate the payment of commission to any broker or realtor.

Written opposition was not required and may be presented at the hearing. In the absence of opposition, this motion will be GRANTED, and the sale will proceed subject to higher and better bids.

This motion was filed and served 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.

BACKGROUND

The relevant facts are outlined in Item #1 above and will not be reiterated here.

DISCUSSION

Sale of Property

11 U.S.C. § 363(b)(1) allows the trustee to "sell, or lease, other than in the ordinary course of business, property of the estate." Proposed sales under 11 U.S.C. § 363(b) are reviewed to determine whether they are: (1) in the best interests of the estate resulting

from a fair and reasonable price; (2) supported by a valid business judgment; and (3) proposed in good faith. *In re Alaska Fishing Adventure, LLC*, 594 B.R. 883, 887 (Bankr. D. Alaska 2018) citing *240 N. Brand Partners v. Colony GFP Partners, Ltd. P'ship (In re 240 N. Brand Partners)*, 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996); *In re Wilde Horse Enters., Inc.,* 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991). In the context of sales of estate property under § 363, a bankruptcy court "should determine only whether the trustee's judgment was reasonable and whether a sound business justification exists supporting the sale and its terms." *Alaska Fishing*, 594 B.R. at 889, quoting 3 Collier on Bankruptcy ¶ 363.02[4] (Richard Levin & Henry J. Sommer, 16th ed.). "[T]he trustee's business judgment is to be given 'great judicial deference.'" *Id.*, citing *In re Psychometric Sys., Inc.*, 367 B.R. 670, 674 (Bankr. D. Colo. 2007); *In re Bakalis*, 220 B.R. 525, 531-32 (Bankr. E.D.N.Y. 1998).

Sales to an insider are subject to heightened scrutiny. *Alaska Fishing Adventure, LLC*, 594 B.R. at 887 citing *Mission Product Holdings, Inc. v. Old Cold, LLC (In re Old Cold LLC)*, 558 B.R. 500, 516 (B.A.P. 1st Cir. 2016). Here, the prospective buyer (subject to overbidding) is Image, which holds a claim for $19,100,000.00 secured by the Marconi Property, the Indio Property (see Item #3, below), and certain cash collateral. Other than its secured creditor status, there is no indication that Image is an insider.

The Indio Property is listed in *Schedule A/B* with a value of $2,000,000.00. Doc. #1 (Schedule A/B). The Marconi Property, which is being sold as part of the same transaction, is listed with a value of $4,500,000.00. *Id.* The combined scheduled value of the Subject Properties is $6,500,000.00.

Trustee entered into a contract ("the Agreement") with Image to sell the Subject Properties for $249,000.00 through credit bidding, subject to certain terms and conditions as outlined in the Stipulation which the court is inclined to approve. *See Item #1, above.*

The Subject Properties is subject to a deed of trust in the amount of $19,100,00 in favor of Image. Doc. #1 (Schedule D). The Subject Properties are also subject to tax liens in favor of the Riverside County Tax Collector in the amount of $356,527.98 and in favor of the Sacramento County Tax Collector in the amount of $56,340.78. *Id.* Pursuant to the Stipulation (Item #1, above), it appears that all outstanding tax liens will be paid by Image or from the sale proceeds if another party purchases the Subject Properties through overbid. However, from the sales agreements governing the two separate sales, it appears that the "Riverside County Tax" lien alluded to in Schedule D is actually held by the Sacramento Tax Collector and is attached to the Indio Property, while the $56,340.78 lien is also held by the Sacramento Tax Collector and is attached solely to the Marconi Property. *Compare Doc. #29 (Marconi Sale Agreement) with Doc. #34 (Indio Sale Agreement).*

Image has agreed to pay any escrow or title costs from the sale of the Subject Properties. Trustee estimates that from the sale of both

Subject Properties, the estate will realize $50,000.00 in total through $25,000.00 carve-outs in each sale.

The sale under these circumstances should maximize potential recovery for the estate. The sale of the Property appears to be in the best interests of the estate because it will eliminate the secured claims of Image and also the outstanding tax liens. The sale will also provide liquidity that can be distributed for the benefit of unsecured claims. The sale appears to be supported by a valid business judgment and proposed in good faith. There are no objections to the motion. Therefore, this sale is an appropriate exercise of Trustee's business judgment and will be given deference.

Real Estate Brokers' Compensation

No real estate broker was employed in the course of this transaction.

Overbid Procedure

Any party wishing to overbid shall, prior to the hearing, comply with the overbid procedures as outlined in the Notice accompanying this motion. Doc. #32.

Waiver of 14-day Stay

Trustee "does not anticipate any objection to this motion" and seeks waiver of the 14-day stay period imposed by Rule 6004(h). The court reserves ruling on that to the hearing date to determine if there is, in fact, any opposition to the sale and also whether there are grounds for waiver.

Conclusion

Written opposition was not required and may be presented at the hearing. In the absence of any opposition, the court is inclined to GRANT the motion to sell, subject to higher and better bids.

Trustee will be authorized: (1) to sell the Indio Property to the prevailing bidder at the hearing, as determined at the hearing; and (2) to execute all documents necessary to effectuate the sale of the Marconi Property. The court reserves ruling on whether the 14-day stay of Rule 6004(h) will be waived.

4. 26-10416-B-7 **IN RE: ELIZABETH RODRIGUEZ**
JDR-1

MOTION TO AVOID LIEN OF THE BEST SERVICE CO. INC.
5-1-2026 [13]

ELIZABETH RODRIGUEZ/MV
JEFFREY ROWE/ATTY. FOR DBT.

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

DISPOSITION: Denied without prejudice.

ORDER: The court will issue an order.

Elizabeth Rodriguez ("Debtor") moves for an order avoiding a judicial lien in the amount of $6,700.58 in favor of Best Service Co., Inc. ("Creditor"), pursuant to 11 U.S.C. § 522(f) encumbering real property commonly known as 935 Sonora St., Madera CA 93638. Doc. #13.

This motion will be DENIED WITHOUT PREJUDICE for failure to comply with the Federal Rules of Bankruptcy Procedure ("the Rules").

Creditor is a corporation. Service on corporations is governed by Rule 7004(b)(3) and can be accomplished by mailing a copy of the pleadings to the attention of an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process, and if required by statute, by also mailing a copy to the defendant.

Here, the Certificate of Service indicates that Debtor served Creditor at its place of business but without doing so to the attention of an officer, a managing or general agent, or to any other agent authorized to receive service of process. Doc. #17. Debtor also served (a) Brian C. Nelson, Esq. at the Law Offices of Clark Garen and (b) Chris Stapleton, Esq. at the Law Offices of Chris Stapleton, but there is no indication that either of those individuals is an officer, managing or general agent, or someone otherwise authorized to accept service of process for Creditor within the meaning of Rule 7004(b)(3). Accordingly, service of this motion was inadequate under Rule 7004(b)(3).

For the above reason(s), this motion will be DENIED WITHOUT PREJUDICE.

5. 26-10416-B-7 **IN RE: ELIZABETH RODRIGUEZ**
JDR-2

MOTION TO AVOID LIEN OF THE BEST SERVICE CO. INC.
5-1-2026 [18]

ELIZABETH RODRIGUEZ/MV
JEFFREY ROWE/ATTY. FOR DBT.

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

DISPOSITION: Denied without prejudice.

ORDER: The court will issue an order.

Elizabeth Rodriguez ("Debtor") moves for an order avoiding a judicial lien in the amount of $6,700.58 in favor of Best Service Co., Inc. ("Creditor"), pursuant to 11 U.S.C. § 522(f) encumbering real property commonly known as 935 Sonora St., Madera CA 93638. Doc. #18.

This motion will be DENIED WITHOUT PREJUDICE for failure to comply with the Federal Rules of Bankruptcy Procedure ("the Rules").

Creditor is a corporation. Service on corporations is governed by Rule 7004(b)(3) and can be accomplished by mailing a copy of the pleadings to the attention of an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process, and if required by statute, by also mailing a copy to the defendant.

Here, the Certificate of Service indicates that Debtor served Creditor at its place of business but without doing so to the attention of an officer, a managing or general agent, or to any other agent authorized to receive service of process. Doc. #22. Debtor also served (a) Brian C. Nelson, Esq. at the Law Offices of Clark Garen and (b) Chris Stapleton, Esq. at the Law Offices of Chris Stapleton, but there is no indication that either of those individuals is an officer, managing or general agent, or someone otherwise authorized to accept service of process for Creditor within the meaning of Rule 7004(b)(3). Accordingly, service of this motion was inadequate under Rule 7004(b)(3).

For the above reason(s), this motion will be DENIED WITHOUT PREJUDICE.

6. 24-13536-B-7 **IN RE: BRENDA MARTINEZ-LOPEZ**
DMG-3

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT WITH BRENDA CHRISTINE MARTINEZ-LOPEZ AND BOLTHOUSE FARMS AND/OR MOTION FOR COMPENSATION FOR CHRISTINA R. MANALO, SPECIAL COUNSEL(S)
5-5-2026 [40]

JEFFREY VETTER/MV
R. BELL/ATTY. FOR DBT.
D. GARDNER/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.

Jeffrey M. Vetter ("Trustee"), Chapter 7 Trustee in the above-styled case, moves for an order authorizing compromise of claims and approval of payment of fees and costs to special counsel. Doc. #40 *et seq.*

The Debtor is Brenda Martinez-Lopez ("Debtor"), who had a prepetition legal claim ("the Claim") against her former employer, Bolthouse Farms ("Bolthouse") at the time of filing. Doc. #43 (Decl. of Jeffrey Vetter). The Claim went to arbitration which has been completed, with the arbitrator awarding compensation to Debtor as follows:

1. $119,264.00 for past economic loss;
2. $26,000.00 for future economic loss;
3. $100,000.00 for past emotional distress; and
4. $29,456.56 for prejudgment interest.

Doc. #42 (Exhibit A). The arbitrator also awarded Debtor's attorney $551,926.50 in attorney's fees and $41,085.05 in expense reimbursement. *Id.* The attorney was Christine R. Manalo of JML Law (collectively "Debtor's Counsel"), who was subsequently employed as special counsel to represent Debtor and also the estate to the extent that the Claim was an estate asset pursuant to an order of this court dated March 19, 2025. Doc. #30.

In this motion, Trustee seeks to compromise this matter by dividing the arbitration proceeds as follows:

1. Debtor's counsel to receive $551,926.50 in fees and $41,085.05 in costs.
2. Debtor to receive payment of the sums awarded for past economic loss ($119,264.00), future economic loss ($26,000.0), and prejudgment interest ($29,456.56).
3. The Trustee will retain the $100,000.00 awarded for past emotional distress for payment of creditor claims and

administrative costs in the Chapter 7 case, with any funds remaining after distribution to be returned to Debtor.

Doc. #40.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Thus, pursuant to LBR 9014-1(f)(1)(B), the failure of any party in interest (including but not limited to creditors, the debtor, the U.S. Trustee, or any other properly-served party in interest) to file written opposition at least 14 days prior to the hearing may be deemed a waiver of any such opposition to the granting of the motion. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995). When there is no opposition to a motion, the defaults of all parties in interest who failed to timely respond will be entered, and, in the absence of any opposition, the movant's factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary when an unopposed movant has made a prima facie case for the requested relief. *See Boone v. Burk (In re Eliapo)*, 468 F.3d 592 (9th Cir. 2006).

No party in interest timely filed written opposition, and the defaults of all nonresponding parties will be entered. This motion will be GRANTED.

The court notes that a copy of the settlement agreement has not been filed in this case. The motion will only be granted if Trustee separately files the settlement agreement and dockets it as a stipulation.

As representative of the chapter 7 bankruptcy estate, Trustee has the authority to settle claims of Debtor subject to court approval. 11 U.S.C. § 323(a). On a motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Rule 9019. Approval of a compromise must be based upon considerations of fairness and equity. *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. *In re Woodson*, 839 F.2d 610, 620 (9th Cir. 1988).

It appears from the moving papers that the Trustee has considered the *A & C Props.* and *Woodson* factors, which weigh in favor of approving the settlement agreement as follows:

1. <u>Probability of success in litigation</u>: The proposed settlement will provide for a 100% distribution to all filed creditor claims and all administrative claims, with no further effort required to obtain a return for creditors.

2. Collection: Trustee avers that he has already received the funds which represent the recovery of a sum certain.

3. Complexity of litigation: This factor does not apply because "the heavy lifting of litigating the matter was achieved through arbitration."

4. Paramount interests of creditors: The settlement will provide a 100% distribution to creditors, the best possible service of creditor interests.

The *A & C Props.* and *Woodson* factors appear to weigh in favor of approving the settlement. Therefore, the settlement appears to be a fair, equitable, and 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). Furthermore, the law favors compromise and not litigation for its own sake. *Id.*

Accordingly, this motion will be GRANTED. The funds awarded by the arbitrator will be distributed as outlined above, with Debtor's counsel receiving $551,926.50 in fees and $41,085.05 in costs, the Debtor receiving the award for past economic loss ($119,264.00), future economic loss ($26,000.0), and prejudgment interest ($29,456.56), and the Trustee to retain the $100,000.00 award for past emotional distress to pay towards approved creditor claims and administrative costs, with any remainder to be returned to Debtor.

Trustee shall attach a copy of the settlement agreement as an exhibit to the proposed order and shall separately file the settlement agreement and docket it as a stipulation.

7. 24-20754-B-7 **IN RE: SUSAN OLIVER**

MOTION FOR RELIEF FROM AUTOMATIC STAY, MOTION FOR ADEQUATE PROTECTION
5-4-2026 [188]

GLOBAL FINANCE GROUP, INC./MV
MICHAEL HAYS/ATTY. FOR DBT.
ALAN WHITE/ATTY. FOR MV.
DISCHARGED 3/5/2026

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

DISPOSITION: Denied without prejudice.

ORDER: The court will issue an order.

The movant, Global Finance Group, Inc. ("Movant"), seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to 2021 ASV RTI20F ("Equipment"). Doc. #188. Movant also requests waiver of the 14-day stay of Fed. R. Bankr. P. 4001(a)(4). Id.

The court notes the presence of several procedural defects in the moving papers.

First, LBR 9004-2(a)(6), (b)(5), (b)(6), (e)(3), LBR 9014-1(c), and (e)(3) are the rules about Docket Control Numbers ("DCN"). These rules require a DCN to be in the caption page on all documents filed in every matter with the court and each new motion requires a new DCN. The DCN shall consist of not more than three letters, which may be the initials of the attorney for the moving party (e.g., first, middle, and last name) or the first three initials of the law firm for the moving party, and the number that is one number higher than the number of motions previously filed by said attorney or law firm in connection with that specific bankruptcy case. Each separate matter must have a unique DCN linking it to all other related pleadings. Here, the Movant failed to use any DCNs.

Second, LBR 9004-2(c)(1) requires all 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. Here, the motion and declaration were filed as one document. Doc. #188.

Third, LBR 9014-1(d)(B)(i) requires the notice of hearing shall advise potential respondents **whether** and when written opposition must be filed, the deadline for filing and serving it… Here, in the notice of the motion, Movant only states "opposition must be timely presented." Doc. #189.

Fourth, the notice did not contain the language required under LBR 9014-1(d)(3)(B)(iii), which requires movants to notify respondents that they can determine whether the matter has been resolved without oral argument or if the court has issued a tentative ruling by checking the Court's website at www.caeb.uscourts.gov after 4:00 p.m. the day before the hearing. Doc. #189.

The court urges Movant to review the LBR before filing another motion.

For the above reasons, this motion will be DENIED WITHOUT PREJUDICE.

8. 25-12065-B-7 **IN RE: CODY/MISTY REAVES**
EAT-1

MOTION TO COMPEL ABANDONMENT
5-4-2026 [21]

LAKEVIEW LOAN SERVICING, LLC/MV
R. BELL/ATTY. FOR DBT.
MARISOL NAGATA/ATTY. FOR MV.
DISCHARGED 10/28/25

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

DISPOSITION: Granted.

ORDER: The moving party will prepare the order in conformance with the opinion below.

Lakeview Loan Servicing, LLC ("Lakeview") moves for an order compelling chapter 7 trustee Jeffrey M. Vetter ("Trustee") to abandon the interest of the bankruptcy estate in the above-styled Chapter 7 case in certain real property commonly known as 105 Jefferson St., Taft, CA 93268 ("the Property"). Doc. #21 *et sec.* The debtors are Cody ("Cody") and Misty Reaves (collectively "Debtors"). *Id.*

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Thus, pursuant to LBR 9014-1(f)(1)(B), the failure of any party in interest (including but not limited to creditors, the debtor, the U.S. Trustee, or any other properly-served party in interest) to file written opposition at least 14 days prior to the hearing may be deemed a waiver of any such opposition to the granting of the motion. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995). When there is no opposition to a motion, the defaults of all parties in interest who failed to timely respond will be entered, and, in the absence of any opposition, the movant's factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary when an unopposed movant has made a prima facie case for the requested relief. *See Boone v. Burk (In re Eliapo)*, 468 F.3d 592 (9th Cir. 2006).

No party in interest timely filed written opposition, and the defaults of all nonresponding parties will be entered. This motion will be GRANTED.

11 U.S.C. § 554(b) provides that "on request of a party in interest and after notice and a hearing, the court may order the trustee to abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate."

To grant a motion to abandon property, the bankruptcy court must find either that: (1) the property is burdensome to the estate or

(2) of inconsequential value and inconsequential benefit to the estate. *In re Vu*, 245 B.R. 644, 647 (B.A.P. 9th Cir. 2000). As one court noted, "an order compelling abandonment 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." *In re K.C. Mach. & Tool Co.*, 816 F.2d 238, 246 (6th Cir. 1987). In evaluating a proposal to abandon property, it is the interests of the estate and the creditors that have primary consideration, not the interests of the debtor. *In re Johnson*, 49 F.3d 538, 541 (9th Cir. 1995) (noting that the debtor is not mentioned in § 554). *In re Galloway*, No. AZ-13-1085-PaKiTa, 2014 Bankr. LEXIS 3626, at *16-17 (B.A.P. 9th Cir. 2014).

Debtors filed for Chapter 7 bankruptcy on June 21, 2025, listing the Property as an asset of the estate. Doc. #1. Lakeview is the assignee of the deed of trust for Debtors' mortgage secured by the Property. Docs. #23 (Decl. of Jacqueline VanDerMiller); #24 (Exhibits). According to the moving papers, Debtors owe $58,793.04 on the outstanding mortgage. *Id.* The value of the Property according to Debtors' Schedule A/B is $193,200.00 as of the petition date. Doc. #1 (Schedule A/B).

Value (per Schedule A/B)	$193,200.0
Lakeview's deed of trust	($58,793.04)
Total Equity:	$134,406.96

The Debtors have claimed an exemption of $341,000.00 under Cal. Civ. Proc. Code § 704.730(a)(2). Doc. #1 (Schedule C). Debtors received their discharge on October 28, 2025. Doc. #18.

Lakeview argues that, because the Debtors' claimed exemption exceeds their equity in the Property, there remains no equity for the Trustee to administer. Doc. #21. Accordingly, the Property has "little or no value to the bankruptcy estate" and should be abandoned by the Trustee. *Id.*

No party in interest has responded, and the defaults of all nonresponding parties are entered. The court finds that there is no equity in the Property for the Trustee to administer. Accordingly, the Property is of inconsequential value and benefit to the estate. The Property was accurately scheduled and is encumbered or exempted in its entirety. Therefore, this motion will be GRANTED.

9. 25-24767-B-7 **IN RE: SANFORD NICKERSON AND KIMBERLY NICHOLAS**

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES
5-14-2026 [40]

RICHARD HALL/ATTY. FOR DBT.
$199.00 FILING FEE PAID 5/15/26

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

DISPOSITION: The OSC will be vacated.

ORDER: The court will issue an order.

The record shows that the $199.00 filing fee was paid on May 15, 2026. Accordingly, this order to show cause will be VACATED.

10. 25-24767-B-7 **IN RE: SANFORD NICKERSON AND KIMBERLY NICHOLAS**
BLL-1

MOTION TO COMPEL ABANDONMENT
4-30-2026 [32]

KIMBERLY NICHOLAS/MV
RICHARD HALL/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The moving party will prepare the order in conformance with the opinion below.

Sanford Nickerson ("Nickerson") and Kimberly Nicholas ("Nicholas")(collectively "Debtors") move for an order compelling chapter 7 trustee Kimberly Husted ("Trustee") to abandon the estate's interest in Debtors' accumulated banked vacation hours under 11 U.S.C. § 541. Docs. #32 *et seq*.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Thus, pursuant to LBR 9014-1(f)(1)(B), the failure of any party in interest (including but not limited to creditors, the debtor, the U.S. Trustee, or any other properly-served party in interest) to file written opposition at least 14 days prior to the hearing may be deemed a waiver of any such opposition to the granting of the motion. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995). When there is no opposition to a motion, the defaults of all parties in interest who failed to timely respond will be entered, and, in the absence of any opposition, the movant's factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary when an unopposed movant has made a prima facie case for the requested relief. *See Boone v. Burk (In re Eliapo)*, 468 F.3d 592 (9th Cir. 2006).

No party in interest timely filed written opposition, and the defaults of all nonresponding parties will be entered. This motion will be GRANTED.

11 U.S.C. § 554(b) provides that "on request of a party in interest and after notice and a hearing, the court may order the trustee to abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate."

To grant a motion to abandon property, the bankruptcy court must find either that: (1) the property is burdensome to the estate or (2) of inconsequential value and inconsequential benefit to the estate. *In re Vu*, 245 B.R. 644, 647 (B.A.P. 9th Cir. 2000). As one court noted, "an order compelling abandonment 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." *In re K.C. Mach. & Tool Co.*, 816 F.2d 238, 246 (6th Cir. 1987). In evaluating a proposal to abandon property, it is the interests of the estate and the creditors that have primary consideration, not the interests of the debtor. *In re Johnson*, 49 F.3d 538, 541 (9th Cir. 1995) (noting that the debtor is not mentioned in § 554). *In re Galloway*, No. AZ-13-1085-PaKiTa, 2014 Bankr. LEXIS 3626, at *16-17 (B.A.P. 9th Cir. 2014).

According to the Debtors' joint declaration, Nickerson and Nicholas are employed by the Placer County Water Agency ("the Agency") though in separate capacities. Doc. #34. In the course of their employment, Nickerson accrued approximately 146 hours of vacation time and personal time off ("PTO"), with a total value of about $5,775.76, while Nicholas accrued approximately 188 hours of vacation/PTO with a value of approximately $7,437.28. *Id.* Neither Debtor has any ownership interest in, claim to, or right to use the other's accrued vacation hours. *Id.*

These balances are payable only to the individual employee who earned them, and a payout of the cash value of any accrued vacation/PTO can only be obtained from the employee who earned them. *Id.* Debtors declare that Agency does not permit employees to cash out accrued vacation/PTO on demand, but only pursuant to the Agency's official policies. *Id.*

Debtors exempted their separate accrued vacation hours on Schedule C pursuant to Cal. Civ. Proc. Code § 704.113, which says:

> (a) As used in this chapter, "vacation credits" means vacation credits accumulated by a state employee pursuant to Section 19858.1 of the Government Code or by any other public employee pursuant to any law for the accumulation of vacation credits applicable to the employee.

> (b) The aggregate interest, not to exceed seven thousand five hundred dollars ($7,500), in vacation credits or accrued, or unused, vacation pay, sick leave, or family leave is exempt.
>
> (c) Amounts paid periodically or as a lump sum representing vacation credits are subject to any earnings withholding order served under Chapter 5 (commencing with Section 706.010) or any earnings assignment order for support as defined in Section 706.011 and are exempt to the same extent as earnings of a judgment debtor.

Doc. #1 (Schedule C); C.C.C.P. § 704.113. The separate accrued vacation/PTO hours for each Debtor is within the statutory cap of $7,500.00. *id.*

Absent from the declaration is a statement that Debtors are qualified to claim an exemption in the property listed, and if it is later determined that they are not qualified, or if there is some other error in the exemption claimed, Trustee may demand that Debtors compensate the estate for any damage caused by the claimed exemption. Nor is there the customary statement that Debtors agree to not amend the exemptions affecting the Debtors' PTO unless Trustee stipulated to that amendment or such relief is granted by further order of the court. The court will only grant the motion with the understanding that Debtors agree to those terms.

No party in interest has responded, and the defaults of all nonresponding parties are entered. The court finds that the Debtors' accrued vacation/PTO are of inconsequential value and of no benefit to the estate. Debtors' accrued vacation/PTO were accurately scheduled and are exempted in their entirety. Therefore, this motion will be GRANTED.

11. 26-11686-B-7 **IN RE: ERIC PRICE**

ORDER TO SHOW CAUSE FOR FAILURE TO UPDATE CONTACT INFORMATION IN PACER
5-7-2026 [13]

DONNA JONES/ATTY. FOR DBT.

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

DISPOSITION: The OSC will be vacated.

ORDER: The court will issue an order.

The record shows that the matter has been corrected by counsel. Accordingly, this order to show cause will be VACATED. No appearance is necessary.