

UNITED STATES BANKRUPTCY COURT Eastern District of California Honorable René Lastreto II Department B - 510 19th Street Bakersfield, California

Hearing Date: Wednesday, June 5, 2024

At this time, when in-person hearings in Bakersfield will resume is to be determined. No persons are permitted to appear in court for the time being. All appearances of parties and attorneys shall be as instructed below.

Unless otherwise ordered, all matters before the Honorable René Lastreto II shall be simultaneously: (1) via **ZoomGov Video**, (2) via **ZoomGov Telephone**, and (3) 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/RemoteAppearances. 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 $\frac{\text{Pre-Hearing Dispositions}}{\text{hearing.}}$ 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</u>
<u>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.

9:00 AM

1. $\frac{24-10402}{LGT-1}$ -B-13 IN RE: ERON LYKINS

CONTINUED OBJECTION TO CONFIRMATION OF PLAN BY TRUSTEE LILIAN G. TSANG 4-8-2024 [13]

ROBERT WILLIAMS/ATTY. FOR DBT. RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Sustained or continued.

ORDER: The minutes of the hearing will be the court's

findings and conclusions. The court will

prepare the order.

Chapter 13 trustee Lilian G. Tsang ("Trustee") objects to confirmation of the *Chapter 13 Plan* filed by Eron Lykins ("Debtor") on February 22, 2024, on the following basis:

- 1. The Trustee has not yet concluded the Meeting of Creditors as Debtor has failed to timely provide his 2023 tax returns as required by 11 U.S.C. \S 1325(a)(1).
- 2. Debtor has not filed his 2022 income taxes as required by 11 U.S.C. \S 1329(a)(9).

Doc. #13. On May 10, 2024, the Trustee filed a Supplemental Document stating that she had received Debtor's 2023 tax returns but also adding additional objections, to wit:

- 1. Debtor has failed to provide certain required documents.
- 2. The Debtor still has not filed his 2022 income taxes.

Doc. #18. The Trustee also noted that the continued 341 meeting is set for June 4, 2024, and that Trustee may have further grounds for objection thereafter. Id.

On May 16, 2024, Debtor timely filed a response averring:

- 1. That all documents requested in the Supplemental Objection have been provided.
- 2. That Debtor has filed his 2022 tax returns and provided copies to the Trustee.

Doc. #21.

Unless the Trustee withdraws the objection, this matter will proceed as scheduled so that the Trustee may advise the court of whether the issues raised in the Objection and Supplemental have been resolved.

2. 20-13208-B-13 IN RE: ELIZABETH MARTIN AND AARON HAMPTON

MOTION FOR PAYMENT OF UNCLAIMED FUNDS IN THE AMOUNT OF \$ 18054.73 WITH ANISHA BLODGETT 3-27-2024 [122]

PHILLIP GILLET/ATTY. FOR DBT.

CLOSED: 01/10/2023; DISMISSED: 09/13/2021;

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted.

ORDER: The movant will prepare the order.

Anisha Blodgett d/b/a Second Wind Fund Recovery ("Movant") has filed the instant *Motion for Payment of Unclaimed Funds* and seeks to recoup the sum of \$18,054.73 from the unclaimed dividends paid into the court in the underlying Chapter 13 proceeding ("the Proceeding"). Doc. #122.

The Proceeding was commenced on September 30, 2020. Doc. #1. The case was subsequently dismissed on September 13, 2021. Doc. #97. On October 26, 2022, Michael H. Meyer, the Chapter 13 Trustee assigned to the Proceeding ("Trustee"), filed a Turn-over of Unclaimed Funds/Dividends advising the court that \$18,054.73 in "Unclaimed Debtor Funds" had been deposited into the Treasury Registry. Doc. #111.

On January 1, 2023, Aaron Scott Hampton and Elizabeth Leigh Martin, debtors in the Proceeding ("Debtors"), filed a Motion/Application for Payment of Unclaimed Funds. Doc. #119. However, a Notice of Deficiency was issued due to defects in that motion, and the Debtors never responded or otherwise pursued the matter at that time. Doc. #120; Docket generally.

On March 27, 2024, Movant filed the instant motion, which was accompanied by, *inter alia*, the following documents:

- Proof of Movant's identity;
- 2. A completed OP 213P Request for Payee Information and TIN Certification;
- 3. A copy of the Assignment and Limited Power of Attorney Agreement which purports to assign Debtors' rights to the unclaimed funds to Movant;
- 4. Proof of Debtors' identities; and

5. A certificate of service indicating that the US Attorney's office was properly served.

Doc. #122.

The court is satisfied that Movant has demonstrated that entitlement to the unclaimed funds by virtue of the assignment agreement between Debtors and Movant.

The motion was filed on March 27, 2024, and, consistent with its internal procedures, the Clerk's Office generated a *Notice of Hearing on Application for Payment of Unclaimed Funds* on April 16, 2024. Docs. ##122,124.

Although this matter was set on 28 days' notice, the certificate of service was one generated by the clerk's office which contains none of the language pertaining to the requirement of a written response when a matter is set for hearing under LBR 9014-1(f)(1). In light of the Movant's reliance on court-generated documents in its filing, the court is inclined to overlook any procedural defects. The moving papers include a court-generated certificate of service which indicates that Movant properly served the U.S. Attorney's Office as required by 28 U.S.C. § 2042. Accordingly, this matter will proceed as scheduled, and any opposition may be presented at the hearing. In the absence of any such opposition, this motion will be GRANTED.

3. $\frac{24-10373}{LGT-1}$ -B-13 IN RE: MARIA RAMIREZ

CONTINUED OBJECTION TO CONFIRMATION OF PLAN BY TRUSTEE LILIAN G. TSANG 4-8-2024 [18]

D. GARDNER/ATTY. FOR DBT.

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

DISPOSITION: Overruled as moot.

ORDER: The court will prepare the order.

On May 21, 2024, the Debtor in this case filed what purports to be the First Amended Chapter 13 Plan. Doc. #31. In fact, this appears to be the Second Amended Plan, as the original plan was filed on February 21, 2024, and the plan that is the subject to this Objection was the amended plan filed on March 5, 2024. Regardless, the Trustee's Objection to the March 5 plan was mooted by the filing of the May 21 plan. Therefore, this Objection is OVERRULED AS MOOT.

4. $\frac{24-10179}{LGT-2}$ -B-13 IN RE: MARIANA LUCERO

OBJECTION TO DEBTOR'S CLAIM OF EXEMPTIONS 4-16-2024 [30]

LILIAN TSANG/MV NEIL SCHWARTZ/ATTY. FOR DBT. WITHDRAWN

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

DISPOSITION: Withdrawn.

No order is required.

On April 29, 2024, the Trustee withdrew this Objection to Debtor's Claim of Exemptions. Doc. #39. Therefore, this objection is WITHDRAWN.

5. $\frac{23-12798}{LGT-3}$ -B-13 IN RE: JOEL/ANA PARRA

CONTINUED OBJECTION TO CONFIRMATION OF PLAN BY TRUSTEE LILIAN G. TSANG 4-8-2024 [38]

HECTOR VEGA/ATTY. FOR DBT.

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

DISPOSITION: Sustained.

ORDER: The court will issue an order.

This objection was originally heard on May 8, 2024. Doc. #41.

Chapter 13 trustee Lilian G. Tsang ("Trustee") objects to confirmation of the Chapter 13 Plan filed by Joel and Ana Parra ("Debtors") on December 15, 2023, on the following basis:

Debtors have failed to provide their bank statements from their Wells Fargo account which was listed in Schedule A/B. They have also provided bank statements for a Logix bank account not disclosed in the Schedules. Debtor Joel Parra is self-employed and provided a list of tools used in his work, but which were not disclosed on Schedule A/B. [11 U.S.C. § 1326(a)(1)]. Doc. #38.

The court continued this objection to June 5, 2024. Doc. #41. Debtors were directed to file and serve a written response to the objection not later than fourteen (14) days before the continued hearing date, or file a confirmable, modified plan in lieu of a response not later than seven (7) days before the continued hearing date, or the objection would be sustained on the grounds stated in the objection without further hearing. *Id*.

Debtor neither filed a written response nor a modified plan. Therefore, Trustee's objection will be SUSTAINED on the grounds stated in the objection.

6. <u>23-12715</u>-B-13 **IN RE: VICTOR ISLAS-ZAVALA AND LORENA** GONZALEZ

TCS-4

CONTINUED MOTION TO CONFIRM PLAN 4-19-2024 [62]

LORENA GONZALEZ/MV
TIMOTHY SPRINGER/ATTY. FOR DBT.

TENTATIVE RULING: The hearing will proceed as scheduled.

DISPOSITION: Granted, Denied or Continued.

ORDER: Determined at the hearing.

This matter was originally set for May 29, 2024, and reset for June 5, 2024.

Victor Islas-Zavala and Lorena Gonzalez ("Debtors") move for an order confirming the *Second Modified Chapter 13 Plan* dated April 19, 2024. Doc. #44. No plan has been confirmed thus far. Chapter 13 trustee Lilian G. Tsang ("Trustee") timely objected to confirmation of the plan for the following reason(s):

- 1. The modified plan provides for a secured creditor, but no Class 1 checklist has been provided to the Trustee as required by 11 U.S.C. § 1325(a)(1).
- 2. The plan provides for payments to creditors for more than five years. To complete the plan within five years, the monthly plan payment must be increased from \$1,520.00 for months 4-60 to \$1,860.00 beginning in month 4.
- 3. Debtors are delinquent \$2,920.00 in plan payments as of April 2024. Payments to Class 1 Creditor U.S. Bank, N.A. are delinquent two months or \$1,828.84 as of April 2024. Debtor also has a Class 2(B) claim for which no motion for valuation of collateral has been filed so far.
- 4. The plan provides for \$4,000.00 in attorneys' fees and for an attorney fee monthly dividend of \$100.00 per month. Trustee calculates that this must be reduced to no more than \$64.80 per month to comply with LBR 2016-1(c).

Doc. #69. On May 15, 2024, Debtors filed a Response to the Objection stating:

1. Debtors appear to consent to an increase in the plan payment, though the Response does not have the correct dollar amount requested by Trustee.

- 2. Debtors assert that Trustee "can use a post-petition arrearage account to make sure that the Class one creditor receives all 60 on-going distributions over the plan."
- 3. Debtors' counsel consents to a reduction in attorney fee distribution to be spread over the life of the plan.
- 4. Debtors state that their "motion to value collateral has already been granted and is waiting or an order." The court notes that this does not seem to speak to Trustee's actual objection arising from Debtors' failure to provide a Class 1 Checklist.
- 5. Debtors assert that their plan payments will be current by the hearing date.

Doc. #71. On May 29, 2024, the court heard from the parties, and the Trustee advised the court that Debtors had brought their plan payments current. The court continued this matter to June 5, 2024, to give Debtors time to provide the Class 1 Checklist Trustee and to file an Amended Schedule I&J.

Unless the Trustee withdraws the Objection, this hearing will be called as scheduled to determine if the Debtors have provided the Checklist and filed the Amended Schedule I&J. The court may GRANT or DENY the motion, or it may CONTINUE the hearing, as appropriate.

10:00 AM

1. $\underbrace{24-10972}_{\text{BDB}-1}$ -B-7 IN RE: ANDRES OCHOA

MOTION TO COMPEL ABANDONMENT 5-17-2024 [16]

ANDRES OCHOA/MV BENNY BARCO/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 hearing.

Andres Ochoa ("Debtor") moves for an order compelling chapter 7 trustee Irma C. Edmonds ("Trustee") to abandon the estate's interest in the business assets of a manicurist nail technician business (collectively "the Assets") owned as a sole proprietorship by Debtor's non-filing wife ("the Spouse"). Doc. #16.

Written opposition was not required and may be presented at the hearing. In the absence of opposition, the court is inclined to GRANT this motion.

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.

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).

Debtor declares that he has a community property interest in the Spouse's manicurist/nail technician business which she operates as a sole proprietorship called Prestige Beauty Bar in Fresno, California. Doc. #18.

Debtor seeks to compel Trustee to abandon the Assets, which are listed in the schedules as follows:

Asset	Value	Exempt	Lien	Exemption
General Intangibles: Manicurist License	\$0.00	\$0.00	\$0.00	C.C.P. § 704.060
Tools of the Trade: Gel polishes, UV lamp, Drill, Tools, Desk, Chair, Client Chair, Storage Cabinet	\$380.00	\$380.00	\$0.00	C.C.P. § 704.060

Id.; Sched. A/B ¶ 40, Doc. #1. None of the Assets are encumbered by any secured claims. Sched. D, Id. Debtor exempted all the Assets for their full value as tools of the trade under Cal. Code Civ. Proc. § 703.060.

Debtor contends there is no goodwill value in the business because substantially all the income from the business is the result of Spouse's labor, and the business does not have any employees. Doc. #16. Further, Debtor certifies that Debtor was qualified and eligible to claim the exemptions under applicable law and understands that if for any reason it is determined that Debtor is not qualified to claim an exemption in the property listed, or if there is some other error in the exemption claimed, Trustee may demand that Debtor compensate the estate for any damage caused by the claimed exemption. Debtor agrees to not amend the exemptions affecting the Business Assets unless Trustee stipulated to that amendment or such relief is granted by further order of the court. Doc. #18.

Written opposition was not required and may be presented at the hearing. In the absence of opposition, the court will find that the Assets are of inconsequential value and benefit to the estate. The Assets were accurately scheduled and encumbered or exempted in their entirety. Therefore, the court intends to GRANT this motion.

The order shall specifically include the property to be abandoned.

2. 24-11191-B-7 **IN RE: PATTI GARCIA**

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 5-14-2024 [13]

VINCENT GORSKI/ATTY. FOR DBT. \$338.00 FILING FEE PAID 5/17/24

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 \$338.00 filing fee was paid on May 17, 2024. Accordingly, this order to show cause will be VACATED.

3. 24-11196-B-7 IN RE: FELECIA VICTORIA VALADEZ

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 5-14-2024 [13]

VINCENT GORSKI/ATTY. FOR DBT. \$338.00 FILING FEE PAID 5/17/24

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 \$338.00 filing fee was paid on May 17, 2024. Accordingly, this order to show cause will be VACATED.

11:00 AM

1. $\frac{17-11028}{18-1006}$ -B-11 IN RE: PACE DIVERSIFIED CORPORATION

CONTINUED STATUS CONFERENCE RE: COMPLAINT 2-5-2018 [1]

PACE DIVERSIFIED CORPORATION ET AL V. MACPHERSON OIL T. BELDEN/ATTY. FOR PL.

NO RULING.

2. $\frac{23-11175}{23-1047}$ -B-7 IN RE: JASWINDER SINGH

CONTINUED STATUS CONFERENCE RE: COMPLAINT 11-10-2023 [1]

VETTER V. SINGH ET AL D. GARDNER/ATTY. FOR PL. REISSUED SUMMONS ON AMENDED COMPLAINT FOR 7/3/24

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

DISPOSITION: Dropped from the calendar.

ORDER: The court will issue the order.

On May 6, 2024, a reissued Summons was issued in this adversary proceeding setting the status conference for July 3, 2024, at 11:00 a.m. Accordingly, this status conference, which was set pursuant to the earlier Summons, will be DROPPED from the calendar.

3. $\frac{23-11175}{DMG-1}$ -B-7 IN RE: JASWINDER SINGH

CONTINUED OBJECTION TO DEBTOR'S CLAIM OF EXEMPTIONS 9-5-2023 [38]

JEFFREY VETTER/MV VINCENT GORSKI/ATTY. FOR DBT. D. GARDNER/ATTY. FOR MV.

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

DISPOSITION: Continued to July 3, 2024, at 11:00 a.m.

ORDER: The court will prepare the order.

This matter is hereby CONTINUED to July 3, 2024, at 11:00 a.m. to be heard in conjunction with the Status Conference in the adversary proceeding Vetter v. Singh et al, 23-01047 scheduled for that time. See 23-01074, Doc. 27.