

**UNITED STATES BANKRUPTCY COURT**

Eastern District of California

**Honorable Ronald H. Sargis**

Bankruptcy Judge  
Sacramento, California

**June 26, 2025 at 11:30 a.m.**

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**FINAL RULINGS**

1. [24-90615](#)-E-11      JEA2, LLC  
[CAE-1](#)

**CONTINUED STATUS CONFERENCE RE:  
VOLUNTARY PETITION  
10-17-24 [1]**

**Item 1 thru 2**

**Final Ruling: No appearance at the June 26, 2025 Status Conference is required.**  
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Debtor's Atty: Anthony Asebedo

Notes:

Continued from 6/12/25 to be conducted in conjunction with the continued hearing on the Motion to Confirm the Chapter 11 Plan.

<b>The Status Conference is continued to 2:00 p.m. on August 20, 2025.</b>
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**JUNE 23, 2025 STATUS CONFERENCE**

The court entered its order confirming the Debtor in Possession's Chapter 11 Plan on June 25, 2025.

The court continues the Status Conference to 2:00 p.m. on August 20, 2025. This will allow the parties in interest to file post-judgment motions, such as for allowance of legal fees and costs for professionals for the Debtor in Possession, and have those motions heard by the current judge prior to August 20, 2025. The court will then further continue the Status Conference to the calendar of the Hon. Fredrick E. Clement, the bankruptcy judge to whom this case will be assigned after the August 20, 2025 Status Conference.

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

**June 26, 2025 at 11:30 a.m.**

**- Page 1 of 19 -**

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

The Chapter 11 Status Conference having been conducted by the court, and upon review of the pleadings, reports of counsel, and good cause appearing,

**IT IS ORDERED** that the Status Conference is continued to **2:00 p.m. on August 20, 2025.**

This allows the parties in interest to file post-judgment motions, such as for allowance of legal fees and costs for professionals for the Debtor in Possession, and have those motions heard by the current judge prior to August 20, 2025. The court will then further continue the Status Conference to the calendar of the Hon. Fredrick E. Clement, the bankruptcy judge to whom this case will be assigned after the August 20, 2025 Status Conference.

**Final Ruling: No appearance at the June 26, 2025 Hearing is required.**

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

Sufficient Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on all creditors and parties in interest on April 1, 2025. By the court’s calculation, 72 days’ notice was provided. 42 days’ notice is required.

The Confirmation of Plan of Reorganization has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1) and Federal Rule of Bankruptcy Procedure 2002(b). Failure of the respondent and other parties in interest to file written opposition at least fourteen days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(B) is considered to be the equivalent of a statement of nonopposition. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995) (upholding a court ruling based upon a local rule construing a party’s failure to file opposition as consent to grant a motion). Opposition having been filed, the court will address the merits of the motion at the hearing. If it appears at the hearing that disputed material factual issues remain to be resolved, a later evidentiary hearing will be set. LOCAL BANKR. R. 9014-1(g).

**The Hearing on the Confirmation of the Plan of Reorganization is concluded and removed from the Calendar, the court having granted the Motion by Order entered on June 23, 2025 (Dckt. 134).**

#### REVIEW OF HEARING

The Plan Proponent has complied with the Service and Filing Requirements for Confirmation:

May 1, 2025: Plan, Disclosure Statement, Disclosure Statement Order, and Ballot Mailed

May 29, 2025: Last Day for Submitting Written Acceptances or Rejections

May 29, 2025: Last Day to File Objections to Confirmation

June 5, 2025: Last Day to File Replies to Objections, Tabulation of Ballots, Proof of Service

Creditor/Class	Treatment
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Class 1: Priority Non-Tax Claims	<b>Claim Amount</b>	Unknown
	<b>Impairment</b>	Unimpaired, if any
Class 2.1: Stanislaus County Tax Collector	<b>Claim Amount</b>	\$56,405.71
	<b>Impairment</b>	Impaired
	The Class 2.1 Allowed Secured Claim shall, no later than three years after the Effective Date, be paid in full from escrow for sale and/or refinancing of the Real Property, with any penalties, costs, fees, and interest, as applicable, to accrue at the statutory rate.	
Class 2.2: SBN V Ag I, LLC, its assigns or successors	<b>Claim Amount</b>	\$11,592,744.93 (disputed)
	<b>Impairment</b>	Impaired
	The Class 2.2 Allowed Secured Claim shall, no later than three (3) years after the Effective Date, be paid in full together with (i) interest on principal accruing at the non-default contract rate, from the Petition Date and (ii) attorneys' fees and costs incurred on or after the Petition Date as permitted in the loan documents between the Class 2.2 claimant and the Debtor in effect as of the Petition Date. The Class 2.2 Allowed Secured Claim shall be paid from escrow for sale and/or refinancing of the Real Property, and the Reorganized Debtor shall not be obligated otherwise to make ongoing payments. Confirmation of the Plan shall be deemed to rescind any Notice of Default and/or Notice of Trustee's Sale recorded against the Real Property or any portion thereof. Confirmation of the Plan, however, shall not otherwise impair the Class 2.2 claimant's security interest in property of the Debtor and shall not affect or diminish any of the Debtor's nonmonetary covenants and obligations under the applicable prepetition loan and security documents.	
Class 2.3: West Stanislaus Irrigation District	<b>Claim Amount</b>	\$341,556.00 (disputed)
	<b>Impairment</b>	Impaired
	The Class 2.3 Allowed Secured Claim shall, no later than three (3) years after the Effective Date, be paid in full together with interest accruing at the statutory rate on principal thereafter from the Petition Date. The Class 2.3 Allowed Secured Claim shall be shall be paid from escrow for sale and/or refinancing of the Real Property.	

Class 2.4: : G&F Ag Service, Inc.	<b>Claim Amount</b>	\$32,456.00 (disputed)
	<b>Impairment</b>	Impaired
	The Class 2.4 Allowed Secured Claim shall, no later than three (3) years after the Effective Date, be paid in full together with interest accruing at the statutory rate on principal thereafter from the Petition Date. The Class 2.4 Allowed Secured Claim shall be shall be paid from escrow for sale and/or refinancing of the Real Property.	
Class 2.5: County of Stanislaus (Rev. Recovery).	<b>Claim Amount</b>	\$4,050.00
	<b>Impairment</b>	Impaired
	The Class 2.5 Allowed Secured Claim shall, no later than three (3) years after the Effective Date, be paid in full together with interest accruing at the statutory rate on principal thereafter from the Petition Date. The Class 2.5 Allowed Secured Claim shall be shall be paid from escrow for sale and/or refinancing of the Real Property.	
Class 3: General Unsecured Claims	<b>Claim Amount</b>	Approximately \$8,347
	<b>Impairment</b>	Impaired
	Class 3 allowed unsecured claims shall, no later than three (3) years after the Effective Date, be paid in full with simple interest at the rate of four percent (4%) per year from and after the Effective Date until payment. Class 3 claims are impaired.	
Class 4: Equity Interest Holders	<b>Claim Amount</b>	
	<b>Impairment</b>	Unimpaired
	The Class 4 equity security holder will retain his interest in the Debtor as same existed immediately before the Petition Date, as an interest in the Reorganized Debtor as of the Confirmation Date.	

Tabulation of Ballots:

Class	Voting	Ballot Percentage Calculation	Claim Percentage Calculation
Class 1 (Unimpaired)	none voted	n/a	n/a
Class 2.1 (Impaired)	none voted	n/a	n/a
Class 2.2 (Impaired)	For: 0 Against: 1	100%	100%

Class 2.3 (Impaired)	For: 1 Against: 0	100%	100%
Class 2.4 (Impaired)	none voted	n/a	n/a
Class 2.5 (Impaired)	none voted	n/a	n/a
Class 3 (Impaired) Gen Unsecured	For: 3 Against: 0	100%	100%
Class 4 (Unimpaired)	none voted	n/a	n/a

The Declarations of Jeffrey E. Arambel and William F. Bambas have been filed in support of confirmation to provide evidence of compliance with the necessary elements for confirmation in 11 U.S.C. § 1129:

### **SUMMIT'S OPPOSITION**

Secured Creditor SBN V Ag I LLC ("Summit") filed an objection to confirmation on May 29, 2025, as amended on May 30, 2025. Docket 112. Summit states:

1. Summit is generally supportive of a reasonable and prompt effort by JEA2 to sell the Real Property. Summit's concern, however, is that the Plan proposes a three-year sale process for the Real Property without adequate justification for such an unusually extended marketing and sale process. Summit does not understand why the Real Property cannot be marketed and sold within the next 12 months. Opp'n 2:5-9.
2. Debtor in Possession is continuing to profit from its use of the Real Property, and the Plan does not provide adequate compensation to Summit for such use of the property -- let alone for the 3-year delay proposed in the Plan. *Id.* at 2:11-13.
3. Summit's claim is in the amount of \$11,592,744.93 and the value of the property to be sold in this plan was recently appraised at \$40,500,000, so Summit is highly oversecured.
4. The Plan fails to satisfy several important requirements of Bankruptcy Code Section 1129 (b)(2)(A) for a cramdown because the Plan does not provide for mandatory interest payments to be made to Summit during the pendency of this prolonged three-year plan period. Opp'n 3:4-5.
5. Debtor in Possession has not satisfied the factors as put forward in *Great Western Bank v. Sierra Woods Group* 953 F.2d 1174, 1177 (9th Cir. 1992), for negative amortization. Opp'n at 3:18-4:18.
6. Debtor in Possession has not adequately explained how the Plan is feasible. *Id.* at 6:4-11.

## DEBTOR IN POSSESSION'S REPLY

Debtor in Possession filed a Reply on June 4, 2025. Docket 120. Debtor in Possession states:

1. Interest payments to a fully secured creditor are not mandatory under a Plan. While so-called “negative amortization” is disfavored, the Ninth Circuit has expressly permitted such plans, overruling a bankruptcy court's blanket prohibition on same. *Id.* at 2:10-12.
2. The Plan fulfills the *Sierra Woods* factors. *Id.* at 3:15-4:21.
3. The Plan is manifestly feasible, the full entitlements already obtained by the Debtor have increased the value of the Property far beyond the debt owed by the Debtor to Summit. These entitlements put the marketability of the Property beyond reasonable question, meaning that the Debtor requires only a reasonable time period to sell or refinance in order to satisfy the debt to Summit with contract rate interest, during essentially the same period Summit has needed to close its sale of the Arambel Business Park acreage. *Id.* at 4:25-5:2.

Debtor in Possession filed the Declaration of John Fondale in support of the Reply. Docket 121. Mr. Fondale has been hired by the Estate to market and sell Debtor in Possession's property. Mr. Fondale testifies three years is a reasonable time line to sell property of this nature. *Id.* at ¶ 6.

### 11 U.S.C. § 1129(a)

1. The plan complies with the applicable provisions of the Bankruptcy Code, 11 U.S.C. §§ 101 et seq.

**Evidence:** Dckt. 116 pg. 9

2. The proponent of the plan complies with the applicable provisions of the Bankruptcy Code.

**Evidence:** *Id.*

3. The plan has been proposed in good faith and not by any means forbidden by law.

**Evidence:** Dckt. 116, pg. 10

4. Any payment made or to be made by the proponent, by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable.

**Evidence:** *Id.*

5. (A)(i) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the

debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and

(B) the proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.

**Evidence:** Dckt. 116, pg. 2

6. Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

**N/a**

7. With respect to each impaired class of claims or interests—

(A) each holder of a claim or interest of such class—

(i) has accepted the plan; or

(ii) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective dates of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code, 11 U.S.C. §§ 701 et seq., on such date; or

(B) if section 1111(b)(2) of this title [11 U.S.C. § 1111(b)(2)] applies to the claims of such class, each holder of a claim of such class will receive or retain under the plan an account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

**Evidence:** Dckt. 116, pg. 12

8. With respect to each class of claims or interests—

(A) such class has accepted the plan; or

(B) such class is not impaired under the plan.

**N/a (cramdown Plan)**

9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that—



(A) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

**Evidence:** Dckt. 116, pg. 7

(B) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive—

(i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim;

**Evidence:** Dckt. 116, pg. 8

(C) with respect to a claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such claim will receive on account of such claim regular installment payments in cash—

(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

(ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122(b)); and

(D) with respect to a secured claim that would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (C).

**Evidence:** *Id.*

10. If a class of claims is impaired under the plan, at least one class of claims that is impaired under the plan has accepted the plan, determined without including any acceptance of the plan by any insider.

**Evidence:** Dckt. 116, pg. 11

11. Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

**Evidence:** Dckt. 116, pg. 13

12. All fees payable under section 1930 of title 28, as determined by the court at the hearing on confirmation of the plan, have been paid or the plan provides for the payment of all such fees on the effective date of the plan.

**Evidence:** Dckt. 116, pg. 1-10

13. The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of this title [11 U.S.C. § 1114], at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114 of this title, at any time prior to confirmation of the plan, for the duration of the period the debtor has obligated itself to provide such benefits.

**Evidence:** Dckt. 116, ¶ 18(m).

14. If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first becomes payable after the date of the filing of the petition.

**Evidence:** Dckt. 116, pg. 13

15. In a case in which the debtor is an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the plan—

(A) the value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or

(B) the value of the property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2)) to be received during the 5-year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

**Evidence:** Dckt. 116, pg. 12

16. All transfers of property under the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.

**Applicable-** plan provides for payment of claims as provided under state law.

**11 U.S.C. § 1129(b)**

1. Notwithstanding section 510(a) of this title, if all of the applicable requirements of subsection (a) of this section other than paragraph (8) are met with respect to a plan, the court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

**Evidence:** Dckt. 116, pg. 12

2. For the purpose of this subsection, the condition that a plan be fair and equitable with respect to a class includes the following requirements:

(A) With respect to a class of secured claims, the plan provides—

- (i) (I) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims; and
- (II) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property;
- (ii) for the sale, subject to section 363(k) of this title, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (i) or (iii) of this subparagraph; or
- (iii) for the realization by such holders of the indubitable equivalent of such claims.

**Evidence:** Dckt. 116, pg. 12

(B) With respect to a class of unsecured claims—

- (i) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or
- (ii) the holder of any claim or interest that is junior to the claims of such class, will not receive or retain under the plan on account of such junior claim or interest any property, except that in a case in which the debtor is an individual, the debtor may retain property included in the estate under section 1115, subject to the requirements of subsection (a)(14) of this section.

**Evidence:** Dckt. 116, pg. 12

(C) With respect to a class of interests—

(i) the plan provides that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest; or

(ii) the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

**Evidence:** Dckt. 116, pgs. 11-12

## DISCUSSION

Federal Rule of Bankruptcy Procedure 3020(b)(2) states:

The court shall rule on confirmation of the plan after notice and hearing as provided in Rule 2002. If no objection is timely filed, the court may determine that the plan has been proposed in good faith and not by any means forbidden by law without receiving evidence on such issues.

Summit has objected to the negative amortization provision of this Plan. As described in *Sierra Woods*:

Negative amortization refers to a provision wherein part or all of the interest on a secured claim is not paid currently but instead is deferred and allowed to accrue, with the accrued interest added to the principal and paid when income is higher. . .

[W]e see no reason to conclude that negative amortization is per se impermissible under 11 U.S.C. § 1129(b). We hold that the fairness of a reorganization plan that includes negative amortization should be determined on a case-by-case basis. *In re Apple Tree Partners* contains a list of some of the factors that are relevant to this determination:

1. Does the plan offer a market rate of interest and present value of the deferred payments;
2. Is the amount and length of the proposed deferral reasonable;
3. Is the ratio of debt to value satisfactory throughout the plan;
4. Are the debtor's financial projections reasonable and sufficiently proven, or is the plan feasible;
5. What is the nature of the collateral, and is the value of the collateral appreciating, depreciating, or stable;

6. Are the risks unduly shifted to the creditor;
7. Are the risks borne by one secured creditor or class of secured creditors;
8. Does the plan preclude the secured creditor's foreclosure;
9. Did the original loan terms provide for negative amortization; and
10. Are there adequate safeguards to protect the secured creditor against plan failure.

We agree with that listing, without intending to limit consideration to those factors alone, and without intending to require courts to expressly refer to each one of them when considering proposed plans.

*Great Western Bank v. Sierra Woods Group*, 953 F.2d at 1176, 77-78 (internal citations omitted).

Summit expresses concern that Debtor in Possession does not discuss any of these factors, but Summit does not analyze these factors itself in support of its Opposition. Debtor in Possession proceeds to analyze these factors in its Reply at Docket 120. The court goes through some of these factors now to address the inquiry into negative amortization:

1. Does the plan offer a market rate of interest and present value of the deferred payments?
  - a. Yes. A review of the Claim shows that the nondefault rate is 17%, per year, and the default rate is 22% per year. These rates are likely well above market rate, but the Debtor has not proposed any change.
2. Is the amount and length of the proposed deferral reasonable?
  - a. The proposed plan provides for a three year period for the marketing and sale of the real property that secures Summit's claim. During this time, no adequate protection payments are made, with the Debtor in Possession using the equity in the Property and the high contract interest rate to "protect" Summit over the three years to sell the property.

The Debtor in Possession argues that it worked to get the entitlements to the property converted from agricultural to industrial/warehouse, with those efforts being completed in 2024. However, because a foreclosure sale by Summit was scheduled, the filing of this Bankruptcy Case was necessary.

This is Debtor JEA2, LLC's second recent bankruptcy case, the first being a Chapter 12 case filed on April 19, 2022. Case No. 22-90128. That Chapter 12 Case was dismissed on April 6, 2023. Confirmation of the proposed Chapter 12 Plan was denied on January 30, 2023. *Id.*; Dckt. 86. That Chapter 12 Plan was premised on the Debtor, as plan administrator, continue

with the farming of the property. In denying confirmation, the court analysis, beyond the economic information provided, includes the following:

The financial information provided by Mr. Arambel under penalty of perjury in the Schedules and Statement of Financial Affairs documents that the Debtor has no stable and regular annual income to fund a Chapter 12 Plan. The Debtor has no regular income, and in 2020 and 2021 absolutely no income. The only meager dollars here and there are from cutting wood from dead and dying trees.

At the hearing, counsel for the Debtor in Possession reported that there are ongoing discussions with Summit and are getting close to a settlement.

In light of the Debtor in Possession's evidence submitted, the lack of farming operation, no ability shown to fund a plan, and with the concurrence of counsel for the Debtor in Possession, the Plan is not confirmed.

*Id.*; Civ. Minutes, p. 6.

In replying to Summit's Opposition, the Debtor in Possession notes that Jeffery Aramble, the principal and sole owner of the Debtor, has been seeking and obtaining bankruptcy relief since 2018 to prevent foreclosures occurring on his real properties and real properties of entities that he owns and controls. Reply, p. 5:21-24; Dckt. 120.

3. Is the ratio of debt to value satisfactory throughout the plan?
  - a. Yes, Summit is highly oversecured.
4. Are the debtor's financial projections reasonable and sufficiently proven, or is the plan feasible?
  - a. Debtor in Possession states that "the Debtor" has employed a real estate broker and that such broker hired by "the Debtor" is a highly capable and qualified real estate broker to handle the liquidation. Further, Debtor in Possession argues that the claims come in much less than the value of the property of the Estate.

The court has authorized JEA2, LLC, as the DEBTOR IN POSSESSION to employ Jones Lang LaSalle Brokerage, Inc. ("JLL") as a broker. That Order was entered on January 13, 2025. Order; Dckt. 39. The Declaration of John Fondale, a broker with JLL, has filed as part of the Debtor in Possession's response to Summit's Opposition. Dec.; Dckt. 121.

The Declaration provides an extensive discussion of the vast scope of experience of JLL and Mr. Fondale. In Paragraph 4 of the Declaration, Mr. Fondale provides a hearsay statement that he is "merely" "informed" that the court has entered an order approving the employment of JLL by the Debtor in

Possession. *Id.* Apparently Mr. Fondale, and possibly JLL itself has never been provided with a copy of the court's order authorizing such employment.

In Paragraph 5 of the Declaration, Mr. Fondale provides testimony as to a summary of the marketing efforts to date. He does not discuss whether these efforts have generated any inquiries as to the property, nor does he testify that, based on his experience, that the property is listed at a price to generate a sale in a commercially reasonable time-period. Mr. Fondale concludes his testimony with the following statement:

6. Given the current market and the nature of the sale process for industrial properties, it is not uncommon to require several years to locate a serious and capable buyer, to reach terms for sale, and to close escrow for sale of a site like the Property. Conversely, it is possible that a sale can be obtained in a shorter period of time if a capable buyer is found promptly. But in either event, JLL is fully able to perform, and the JLL Listing Team is committed to bringing the sale process for the Property to a successful conclusion.

*Id.*; ¶ 6.

5. Are there adequate safeguards to protect the secured creditor against plan failure?
  - a. Summit retains its liens and right to foreclose in the event Debtor in Possession cannot complete the Plan.

At the hearing, counsel for Summit stated that there are residual claims that it may have in the Arambel case, and if surplus proceeds are disbursed to Mr. Arambel (whose subsequent Chapter 11 case has now been dismissed), how will those be tracked. The court notes that the Plan Administrator in the first Jeffery Arambel Chapter 11 Case, under the confirmed Chapter 11 Plan, has abandoned any surplus assets from the JEA2 case to Mr. Arambel.

Summit's counsel states that the properties in this JEA2 Estate are not ones that it is actively moving to foreclose, there being other collateral "higher in the queue." The concern Summit has is that, in light of Mr. Arambel's prior practices, is whether he as the Responsible Representative of the Plan Administrator will market the property for sale in a commercially reasonable manner.

The respective counsel believe that they can workout some benchmarks relating to the marketing and sale of the properties, build in appropriate confidentiality agreements, and provide for reasonable creditor comfort, which such provisions being stated in the order confirming the Plan.

With that resolved, the court does not have problems with there being a three-year marketing and sale period.

The hearing on Confirmation of the Plan of Reorganization is continued to 11:30 a.m. on June 26, 2025, for the court's administrative tracking.

Counsel for the Debtor in Possession and Counsel for Summit are to draft a proposed order confirming the Chapter 11 Plan that includes appropriate "benchmarks" for the commercially reasonable marketing of the real property for the plan term.

The hearing on the Confirmation of Plan of Reorganization is continued to 11:30 a.m. on June 26, 2025, for the court's administrative tracking.

Counsel for the Debtor in Possession and Counsel for Summit are to draft a proposed order confirming the Chapter 11 Plan that includes appropriate "benchmarks" for the commercially reasonable marketing of the real property for the plan term.

### **June 26, 2025 Hearing**

The court continued the hearing on the Confirmation of the Plan for the court's administrative tracking.

Counsel for the Debtor in Possession and Counsel for Summit were to draft a proposed order confirming the Chapter 11 Plan that includes appropriate "benchmarks" for the commercially reasonable marketing of the real property for the plan term.

The Order granting the Motion to Confirm the Plan was entered on June 23, 2025. Docket 134. The Confirmation Order was signed by the court on June 25, 2025, and is being entered on the Docket.

This Matter being concluded and the order granting the Motion to Confirm having been entered, the Matter is removed from the Calendar.



3. [23-90021-E-7](#)      MARTHA MENDOZA  
[24-9005](#)  
MENDOZA V. FRANCHISE TAX BOARD

**CONTINUED PRE-TRIAL CONFERENCE  
RE: COMPLAINT FOR THE  
DETERMINATION OF  
DISCHARGEABILITY OF DEBT; FOR  
DISALLOWANCE OF PROOF OF CLAIM;  
TO DETERMINE NATURE, EXTENT,  
AND VALIDITY OF SECURED CLAIM;  
AND FOR DECLARATORY RELIEF  
4-30-24 [1]**

**Final Ruling: No appearance at the June 26, 2025 Pretrial Conference is required.**

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Judgement having been entered for Defendant California Franchise Tax Board on the First and Third Claims for Relief, and the Second and Fourth Claims for Relief Having been Dismissed (Judgment, Dckt. 85, and Order, Dckt. 79), **the Pretrial Conference is concluded and removed from the Calendar.**

#### **JUNE 23, 2025 PRETRIAL CONFERENCE**

On May 21, 2025, the court entered its Order granting Summary Judgment for California Franchise Tax Board and against Defendant-Debtor Martha Mendoza, for the First and third Claims for Relief in the Complaint. Dckt. 71. On May 29, 2025, the court entered its Order dismissing the Second and Fourth Claims for Relief. Dckt. 79. These two Orders resolved all claims for relief sought in the Complaint.

Judgment was entered in this Adversary Proceeding on June 17, 2025. Dckt. 85.

Judgment having been entered, the Pretrial Conference is concluded and removed from the Calendar.

Item 4 thru 5

**Final Ruling: No appearance at the June 26, 2025 Status Conference is required.**

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Debtor's Atty: Ryan C. Wood; Rabiya Tirmizi

Notes:

Continued by order of the court filed 6/17/25 [Dckt 330] to be conducted in conjunction with the continued Confirmation Hearing.

**The Status Conference is continued to 11:30 a.m. on July 17, 2025, to be conducted in conjunction with the Confirmation Hearing.**

**JUNE 26, 2025 STATUS CONFERENCE**

The hearing on the Motion to Confirm the Chapter 12 Plan in this Case has been set for July 17, 2025. The Confirmation Hearing date was continued pursuant to a stipulation of the active parties in interest. Stipulation, Dckt. 325; Order, Dckt. 325. On June 5, 2025, the Debtor in Possession filed an Amended Chapter 12 Plan on June 12, 2025, for which oppositions are to be filed by July 3, 2025.

The Status Conference is continued to 11:30 a.m. on July 17, 2025, to be conducted in conjunction with the Confirmation Hearing.

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

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

The Chapter 12 Status Conference having been conducted by the court, and upon review of the pleadings, reports of counsel, and good cause appearing,

**IT IS ORDERED** that the Status Conference is continued to **11:30 a.m. on July 17, 2025**, to be conducted in conjunction with the Confirmation Hearing.

5. [24-20265](#)-E-12      HARDAVE/SUKHBINDER DULAI      CONTINUED MOTION TO CONFIRM  
[RCW](#)-9      Ryan Wood      CHAPTER 12 PLAN  
11-7-24 [[215](#)]

**Final Ruling: No appearance at the June 26, 2025 hearing is required.**  
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**The Confirmation Hearing has been continued to July 17, 2025, at 11:30a.m.  
Order, Docket 325.**