

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

Hearing Date: July 2, 2025

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 <u>4:00 p.m. one business day</u> prior to the hearing. Information regarding how to sign up can be found on the **Remote Appearances** page of our website at <u>https://www.caeb.uscourts.gov/Calendar/CourtAppearances</u>. 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 <u>Pre-Hearing Dispositions</u> 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. <u>25-11103</u>-B-13 IN RE: REUBEN/CYNTHIA ABNEY LGT-1

CONTINUED OBJECTION TO CONFIRMATION OF PLAN BY TRUSTEE LILIAN G. TSANG 5-15-2025 [12]

ROBERT WILLIAMS/ATTY. FOR DBT. RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Overruled.

ORDER: The minutes of the hearing will be the court's findings and conclusions. Order preparation determined at the hearing.

This matter was originally heard on June 5, 2025. Doc. #15.

Chapter 13 trustee Lilian G. Tsang ("Trustee") objects to confirmation of the Chapter 13 Plan filed by Reuben and Cynthia Abney ("Debtors") on April 6, 2025, on the following basis:

 The Debtors have failed to file, serve, and set a motion to value the collateral of Class 2(B) Creditor AltaOne Federal Credit Union. Until a valuation order is entered, Trustee cannot determine feasibility.

Doc. #12. The court continued the matter to July 2, 2025, to give Debtors time to respond to Trustee's Objection. *Id.* On June 18, Debtors filed a Response noting that they have filed a motion to value the AltaOne collateral which is also set for July 2, 2025. Docs. #18, 23; Item #2, *below*.

Both this matter and Item #2 are set for hearing. If there is no opposition, the court intends to grant the valuation motion and OVERRULE this Objection as moot.

2. <u>25-11103</u>-B-13 IN RE: REUBEN/CYNTHIA ABNEY RSW-1

MOTION TO VALUE COLLATERAL OF ALTAONE FEDERAL CREDIT UNION 6-18-2025 [18]

CYNTHIA ABNEY/MV ROBERT WILLIAMS/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. Order preparation determined at the hearing.

Reuben and Cynthia Abney ("Debtors") move for an order valuing 2015 Eclipse Attitude 5th Wheel Trailer ("Trailer") at \$11,500.00. Doc. #18. The Vehicle is secured by AltaOne Federal Credit Union ("Creditor").

Claimant was properly served on June 18, 2025, by first-class mail to the person designated on Claimant's proof of claim as the person to receive notices at the address indicated in accordance with Rule. 3007(a)(2)(A). Doc. #22.

Creditor is not a federally insured depository institution within the meaning of Rule 7004(h), so service by certified mail is not required, though Debtors served Creditor, ATTN: President, via certified mail anyway. *Id*.

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.

This motion will be GRANTED. 11 U.S.C. § 1325(a)(*) (the hanging paragraph) states that 11 U.S.C. § 506 is not applicable to claims described in that paragraph if (1) the creditor has a purchase money security interest securing the debt that is the subject of the claim, (2) that collateral is personal property other than a motor vehicle acquired for the personal use of the debtor, and (3) the debt was incurred within one year preceding the filing of the petition.

11 U.S.C. § 506(a)(1) limits a secured creditor's claim "to the extent of the value of such creditor's interest in the estate's interest in such property ... and is an unsecured claim to the extent that the value of such creditor's interest ... is less than the amount of such allowed claim."

Debtors filed this case on April 6, 2025. Doc. #1. According to Debtor's Schedule D, the account for the Trailer was opened in January 2015, which is more than one year preceding the petition filing date. See Doc. #1 (Schedule D at \P 2.1). This is consistent with Creditor's proof of claim, which states that the underlying debt was perfected on January 30, 2015. POC #40; Doc. #20 (Exhibit #2).

Debtor's motion is silent as to whether the Trailer was acquired for personal use, though Debtors' Schedule D states that Creditor has a purchase money security interest securing the debt that is the subject of the claim. The elements of § 1325(a) (*) are not met and § 506 is applicable.

Joint debtor Reuben Abney declares the Trailer has a replacement value of \$11,500.00. Doc. #28. Debtor is competent to testify as to the value of the Vehicle. Given the absence of contrary evidence, the debtor's opinion of value may be conclusive. *Enewally v. Wash. Mut. Bank (In re Enewally)*, 368 F.3d 1165, 1173 (9th Cir. 2004).

The only evidence contradicting Debtors' declaration about valuation Creditor's proof of claim, which states the value of the Trailer is \$16,750.00. POC #40. This is still significantly less than the \$24,330.51 owed on this debt. *ID*.

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.

The proposed order shall specifically identify the collateral, and if applicable, the proof of claim to which it relates. The order will be effective upon confirmation of the chapter 13 plan.

3. <u>25-11008</u>-B-13 IN RE: RAMSES KADANA MUHAMMAD LGT-1

CONTINUED OBJECTION TO CONFIRMATION OF PLAN BY LILIAN G. TSANG 5-13-2025 [20]

LILIAN TSANG/MV

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

DISPOSITION: Sustained.

ORDER: The court will issue an order.

This matter was originally heard on June 5, 2025. Doc. #27.

Chapter 13 trustee Lilian G. Tsang ("Trustee") objects to confirmation of the *Chapter 13 Plan* filed by *pro se* debtor Ramses Kowse Kadana Muhammad ("Debtor") on April 9, 2025, on the following basis:

- The 341 Meeting of Creditors has not been concluded due to Debtor's failure to provide a valid photo ID and a copy of his social security car. The Debtor has also failed to provide Trustee with copies of Debtor's 2024 Federal and State income tax returns and copies of Debtor's payment advices as required by the Code and the Local Rules.
- 2. Debtor did not file the correct version of the official Chapter 13 Plan as required by General Order 18-03.

Doc. #20. The court continued this objection to July 2, 2025. Doc. #15. Debtor was 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. 4. <u>25-10111</u>-B-13 **IN RE: DANNY HERRERA** RSW-2

MOTION TO CONFIRM PLAN 5-21-2025 [20]

DANNY HERRERA/MV ROBERT WILLIAMS/ATTY. FOR DBT. RESPONSIVE PLEADING

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

DISPOSITION: Continued to August 6, 2025, at 9:00 a.m.

ORDER: The court will issue an order.

Danny Herrera ("Debtor") moves for an order confirming the *First Modified Chapter 13 Plan* dated May 21, 2025. Docs. #20, #22. No plan has been confirmed so far. Chapter 13 trustee Lilian G. Tsang ("Trustee") timely objected to confirmation of the plan for the following reason(s):

- For months 5-15, Debtor proposes to pay a total of \$3,197.01 for (a) payments for secured creditors, Wells Fargo, N.A. and JP Morgan Chase Bank, N.A.; for attorney fees; and for Trustee compensation and expense. However, the plan payment for months 5-15 is only \$2,660.00, which is inadequate to fund the plan.
- 2. The plan proposes to pay a dividend of 20% or \$14,457.42 to general unsecured creditors. However, based on Line 45 of Debtor's Form 122C-2 and a review of the filed unsecured claims, Trustee argues that Debtor's disposable income requires a 100% plan. This in turn would require a plan payment of \$3,789.5 for months 5-60, which is not feasible according to Debtor's Amended Schedule J.

Doc. #53.

This motion to confirm plan will be CONTINUED to August 6, 2025, at 9:00 a.m. Unless this case is voluntarily converted to chapter 7, dismissed, or all objections to confirmation are withdrawn, the Debtor shall file and serve a written response to the objections no later than fourteen (14) days before the continued hearing date. The response shall specifically address each issue raised in the objection(s) to confirmation, state whether each issue is disputed or undisputed, and include admissible evidence to support the Debtor's position. Any replies shall be filed and served no later than seven (7) days prior to the hearing date.

If the Debtor elects to withdraw the plan and file a modified plan in lieu of filing a response, then a confirmable, modified plan shall be filed, served, and set for hearing not later than seven (7) days before the continued hearing date. If the Debtor does not timely file a modified plan or a written response, the objection will be sustained on the grounds stated, and the motion will be denied without further hearing. 5. <u>25-11017</u>-B-13 IN RE: CARLOS TORRES LGT-1

CONTINUED OBJECTION TO CONFIRMATION OF PLAN BY LILIAN G. TSANG 5-13-2025 [12]

LILIAN TSANG/MV RABIN POURNAZARIAN/ATTY. FOR DBT.

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

DISPOSITION: Denied as moot.

ORDER: The court will issue an order.

On June 23, 2025, Carlos Torres ("Debtor") filed a motion for voluntary dismissal of this Chapter 13 case. Doc. #29. The court entered an order granting the motion on June 30, 2025. Doc. #33. The motion will be DENIED AS MOOT.

6. <u>25-10720</u>-B-13 IN RE: DARON NUNN <u>LGT-1</u>

CONTINUED OBJECTION TO CONFIRMATION OF PLAN BY TRUSTEE LILIAN G. TSANG 4-17-2025 [12]

LILIAN TSANG/MV ROBERT WILLIAMS/ATTY. FOR DBT. RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Disposition to be determined at the hearing.

ORDER: The minutes of the hearing will be the court's findings and conclusions. Order preparation determined at the hearing.

This matter was first heard on June 5, 2025. Doc. #25.

Chapter 13 trustee Lilian G. Tsang ("Trustee") objects to confirmation of the *Chapter 13 Plan* filed by Daron Dawayne Nunn ("Debtor") on March 11, 2025, on the following basis:

- The plan payments must be increased to \$3,563.00 per month to complete payments within 5 years. Trustee is not opposed to addressing this in the confirmation order.
- 2. Debtor will need to amend the Statement of Financial Affairs to list income reported on Debtor's 2023 tax return but not included in the filings.
- 3. Trustee requests Debtor's February and March 2025 bank statements to review Debtor's income for those months, as he is a 1099 employee. Debtor must also provide a Profit and Loss statement for those months.

Doc. #12. On May 19, 2025, Debtor responded, stating that the documents requested under Objections #2 and #3 have been provided to Trustee. Doc. #20. Debtor acknowledges Trustee's argument regarding Objection #1 (the monthly plan payment) but argues that the proposed increase -- \$13.00 per month, representing .038% of the proposed payment -- is *de minimis* and should be resolved after the Notice of Filed Claims is filed by the Trustee. *Id*.

On May 22, 2025, the Trustee supplemented the objection as follows:

- After further review of additional claims filed, Trustee now asserts that the plan payment must be increased to at least \$3,586.68 per month to be feasible, which is an increase of \$36.68.
 - a. Also, First-Citizens Bank & Trust Company/Loancare, LLC ("First-Citizens") has filed a proof of claim for a property ("the Bakersfield Property") located in Bakersfield, California that is not Debtor's residence and is not disclosed on any schedules or in the plan. The proof of claim lists \$66,916.37 in arrears. The schedules must be amended to account for the Bakersfield Property and the Plan amended to provide for it.
- 2. Objections #2 and #3 are resolved.

Doc. #21.

The court continued this matter to July 2, 2025, to give Debtor an opportunity to respond to the Supplemental Objection. Doc. #25.

On June 18, 2025, Debtor filed a *Response/Reply*, in which he (1) conceded that the plan payment must be increased and agrees to do so, (2) asserted that the Bakersfield Property is real property which Debtor and his spouse sold in 2019 and for which they hold no ownership interest, and (3) that if First-Citizens will not withdraw the Proof of Claim and it turns out Debtor does still owe on this putative debt, Debtor will amend Schedule D as needed. Doc. #29.

On June 26, 2025, Debtor filed an Amended D, adding First-Citizens as a secured creditor with a claim arising from a mortgage deed of trust secured the Bakersfield Property ("sold in 2019"). Doc. #31. The Amended Schedule D lists a claim value of \$108,253.35 but gives \$0.00 as the value of the collateral, leaving First-Citizen's lien as wholly unsecured. *Id*.

This matter will be called and proceed as scheduled. The court will inquire whether Debtor's Response and the supplemental documents either filed with the court or sent directly to Trustee resolve Trustee's objections. If so, this Objection may be OVERRULED subject to the agreement of Trustee. If the Trustee still has valid objections, the court may CONTINUE this matter to provide Debtor time to resolve those objections or SUSTAIN the Objection if resolution is not possible absent a new plan. 7. <u>25-11223</u>-B-13 IN RE: ABEL RAZO LGT-1

OBJECTION TO CONFIRMATION OF PLAN BY TRUSTEE LILIAN G. TSANG 5-29-2025 [22]

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

DISPOSITION: Overruled as moot.

No order is required.

On June 20, 2025, the court entered an order dismissing this case for failure to timely pay installments according to the Order Approving Payment of Filing Fee in Installments. Doc. #40. Accordingly, this Objection will be OVERRULED AS MOOT.

8. $\frac{25-10527}{RSW-3}$ -B-13 IN RE: CELESTINE APUSEN

CONTINUED MOTION TO CONFIRM PLAN 5-1-2025 [29]

CELESTINE APUSEN/MV ROBERT WILLIAMS/ATTY. FOR DBT. RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted subject to agreed modifications or continued or denied.

ORDER: The minutes of the hearing will be the court's findings and conclusions. Order preparation determined at the hearing.

This matter was first heard on June 5, 2025. Doc. #44.

Celestine Apusen ("Debtor") moves for an order confirming the Chapter 13 Plan dated March 19, 2025. Doc. #29. No plan has been confirmed so far. Chapter 13 trustee Lilian G. Tsang ("Trustee") timely objected to confirmation of the plan for the following reason(s):

- 1. The plan impermissibly modifies the claim of Class 1 creditor Loancare, which is secured only by a security interest in real property that is Debtor's principal residence. Also, the minimum monthly plan payment needed to cover disbursements for the Class 1 claim, the Class 2 claim of Logix, and attorney's fees at Trustee's current compensation of 9% is \$3,596.00, which exceeds the proposed plan payment of \$3,500.00.
- The plan relies on a pending motion to value the collateral of Class 2B creditor Citibank, which the court has granted on June 5, 2025. Doc. #45.

3. There are inconsistencies between Debtor's pay advices and Debtor's Form 122C-1 which prevent the Trustee from determining whether the plan meets the liquidation test.

Doc. #29 (Trustee's Objection).

The court continued this objection to July 2, 2025. Doc. #44. Debtor was 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*.

On June 18, 2025, Debtor filed a *Response* to Trustee's Objection. Doc. #50. In short, Debtor disagrees with Trustee's analysis as to whether the plan impermissibly modifies any secured claims. *Id*. Debtor concedes that Trustee's calculation of the minimum plan payment (\$3,596.00 per month) is correct and consents to a correction to that amount in the confirmation order. *Id*. Debtor noted that the valuation issue had been resolved and that the Trustee's remaining feasibility objections will be addressed by providing the required accounting and documents. *Id*.

On June 19, 2025, Debtor filed Amended Forms 122C-1 and 2. Doc. #51.

This motion was set for hearing on 35 days' notice as required by Local Rule of Practice ("LBR") 3015-1(d)(1). The failure of the creditors, the U.S. Trustee, or any other party in interest except Trustee 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). Therefore, the defaults of the above-mentioned parties in interest except Trustee are entered. 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).

This matter will be called and proceed as scheduled. The court will inquire whether Debtor's Response and the supplemental documents either filed with the court or sent directly to Trustee resolve Trustee's objections. If so, this motion may be GRANTED subject to the agreement of Trustee. If the Trustee still has valid objections, the court may CONTINUE this matter to provide Debtor time to resolve those objections or DENY the motion to confirm if resolution is not possible absent a new plan.

If granted, the confirmation order shall include the docket control number of the motion, shall reference the plan by the date it was filed, and shall be approved as to form by Trustee.

9. 25-10596-B-13 IN RE: ANTHONY BROWN

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 6-3-2025 [67]

DISMISSED 6/9/25

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

DISPOSITION: Dropped and taken off calendar.

NO ORDER REQUIRED.

An order dismissing the case was entered on June 9, 2025. Doc. #75. Accordingly, this Order to Show Cause will be taken off calendar as moot. No appearance is necessary.

1. 25-11308-B-7 IN RE: JEOVANA JORDAN

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 6-10-2025 [37]

THE PRIOR OSC SET FOR 6/5/25 WAS DROPPED FROM CALENDAR IN ERROR.

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 \$34.00 filing fee was paid on June 26,2025. Accordingly, this order to show cause will be VACATED.

2. 25-11441-B-7 IN RE: JOCELYN KOSGERYAN

ORDER TO SHOW CAUSE FOR FAILURE TO UPDATE CONTACT INFORMATION IN PACER 5-20-2025 [<u>16</u>]

JULIE MORADI-LOPES/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: The minutes of the hearing will be the court's findings and conclusions.

ORDER: The court will issue an order.

There is a discrepancy between the mailing address for debtor's counsel in PACER and on the petition and debtor's counsel has failed to correct this discrepancy. Local Bankruptcy Rule 5005.5-1(e) provides that each registered user shall maintain a complete and accurate PACER registration.

This matter will proceed as scheduled. If debtor's counsel has not updated her Pacer contact information prior to the hearing, sanctions may be imposed on counsel on the grounds stated in the OSC. 3. <u>25-11263</u>-B-7 IN RE: MARLENA MEDEARIS DHC-1

MOTION TO DISMISS DUPLICATE CASE 5-30-2025 [15]

MARLENA MEDEARIS/MV DAVID CHUNG/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The court will issue an order.

Marlena Medearis ("Debtor") moves this court to dismiss this voluntary Chapter 7 case on the grounds that she had accidentally filed two identical voluntary Chapter 7 cases on April 17, 2025: case number 2025-11259 ("the Main Case") and case number 2025-11263 ("the Duplicate Case"). Doc. #15. The docket reflects that the 341 meeting has already been conducted in the Main Case. *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.)

No party in interest filed an objection. Accordingly, this motion will be GRANTED.

4. 25-11463-B-7 IN RE: ROLANDO ULTRERAS

ORDER TO SHOW CAUSE FOR FAILURE TO UPDATE CONTACT INFORMATION IN PACER 5-21-2025 [<u>13</u>]

MIGUEL DUARTE/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.

5. 25-11378-B-7 IN RE: JOEL/ANA PARRA

ORDER TO SHOW CAUSE FOR FAILURE TO UPDATE CONTACT INFORMATION IN PACER 5-14-2025 [12]

HECTOR VEGA/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: The minutes of the hearing will be the court's findings and conclusions.

ORDER: The court will issue an order.

There is a discrepancy between the phone number and email address for debtors' counsel in PACER and on the petition and debtors' counsel has failed to correct this discrepancy. Local Bankruptcy Rule 5005.5-1(e) provides that each registered user shall maintain a complete and accurate PACER registration.

This matter will proceed as scheduled. If the debtors' counsel has not updated his Pacer contact information prior to the hearing, sanctions may be imposed on counsel on the grounds stated in the OSC. 1. $\frac{25-10011}{CAE-1}$ -B-12 IN RE: CARL/PATRICIA SOUSA

CONTINUED STATUS CONFERENCE RE: CHAPTER 13 VOLUNTARY PETITION 1-2-2025 [1]

PETER FEAR/ATTY. FOR DBT.

NO RULING.

2. $\frac{25-10011}{FW-6}$ -B-12 IN RE: CARL/PATRICIA SOUSA

CONTINUED MOTION TO CONFIRM CHAPTER 12 PLAN 4-8-2025 [84]

PATRICIA SOUSA/MV PETER FEAR/ATTY. FOR DBT.

NO RULING.

3. <u>25-11064</u>-B-11 IN RE: CHEEMA INVESTMENTS, LLC MB-1

MOTION FOR RELIEF FROM AUTOMATIC STAY 6-11-2025 [67]

PBONE OSF-C, L.L.C./MV BEILAL CHATILA/ATTY. FOR DBT. GARRETT WADE/ATTY. FOR MV.

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

DISPOSITION: Denied as moot.

No order is required.

On June 20, 2025, Cheema Investments, LLC ("Cheema"), its principals, Parjodh Singh and Saravjeet Kaur ("the Principals"), creditor PBONE OSF-C, LLC ("PBONE"), and the Subchapter V Trustee jointly submitted a Stipulation resolving this motion. Doc. #82. Accordingly, this motion will be DENIED AS MOOT.

4. $\frac{25-10996}{MB-1}$ -B-11 IN RE: PARJODH SINGH AND SARAVJEET KAUR MB-1

MOTION FOR RELIEF FROM AUTOMATIC STAY 6-11-2025 [72]

PBONE OSF-C, L.L.C./MV GARRETT WADE/ATTY. FOR MV.

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

DISPOSITION: Denied as moot.

No order is required.

On June 20, 2025, Cheema Investments, LLC ("Cheema"), its principals, Parjodh Singh and Saravjeet Kaur ("the Principals"), creditor PBONE OSF-C, LLC ("PBONE"), and the Subchapter V Trustee jointly submitted a Stipulation resolving this motion. Doc. #87. Accordingly, this motion will be DENIED AS MOOT.

1. <u>20-10809</u>-B-11 **IN RE: STEPHEN SLOAN** 21-1039 FW-2

CONTINUED MOTION TO REOPEN DISCOVERY 5-28-2025 [175]

SANDTON CREDIT SOLUTIONS MASTER FUND IV, LP V. SLOAN ET PETER SAUER/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.

This matter was originally set for hearing on June 5, 2025, and subsequently continued to July 2, 2025. Doc. #183.

Stephen William Sloan ("Stephen"), debtor in the underlying Chapter 11 bankruptcy proceeding ("the Main Case") and Co-defendant in this adversary proceeding, moves for an order reopening discovery in the adversary to permit the naming of an additional witness pursuant to Fed R. Civ. Pro. 16, made applicable by Fed. R. Bankr. Pro. 7016. Doc. #175.

Although the motion was filed on shortened notice and no written response was required, the plaintiff-corporation, Sandton Credit Solutions Master Fund IV, LP ("Sandton" or "Plaintiff"), filed a barebones Response on May 29, 2025. Doc. #178. At the June 5, 2025, hearing, the court heard arguments from both sides and then continued this matter to July 2, 2025, giving Sandton an opportunity for a more thorough briefing and Stephen opportunity to file a Reply. Sandton filed its supplemental Response on June 18, 2025, and Stephen filed his Reply on June 26, 2025. Docs. #187, #193.

BACKGROUND

Understanding this case and the specific issue raised by this motion require a discussion of the dramatis personae as gleaned by the court from the docket and the moving papers. Stephen, as already mentioned, is both the debtor in the underlying case and one of the co-defendants in this adversary. Stephen is also Trustee of the Sloan Family Irrevocable Trust ("the Family Trust"). William Brett Sloan ("Brett") appears to be Stephen's son, as the instant motion identifies Beth Johnson ("Beth") as Brett's aunt and Stephen's sister. Beth is also a potential fact witness whose testimony is the reason for this motion. Brett is identified as the Trustee of the Brett Sloan Irrevocable Trust ("the Brett Trust") and the Grace Sloan Irrevocable Trust ("the Grace Trust"), both of which are alleged to have been created to benefit Stephen's children. Brett is a nominal defendant only being sued in his capacity as Trustee of the Brett and Grace Trusts and recipient of the alleged voidable transfers. All three of the aforementioned trusts were created on or about February 4, 2020. Brett and Stephen will collectively be referred to "Defendants."

Sandton is a creditor to Stephen and the Plaintiff in this adversary, which seeks to undue certain prepetition transfers of real property from Stephen to the Brett Trust and the Grace Trust under theories of fraudulent transfer (11 U.S.C. § 548(a)), voidable transactions (11 U.S.C. § 544(b) and C.C.C. § 3439, *et seq.*), and recovery of avoided transfers (11 U.S.C. § 550). The precise details of the transfers are not germane to the issue before the court, which is simply whether it is appropriate to allow Defendants to reopen discovery for the limited purpose of naming Beth as a witness.

Pursuant to the Scheduling Order entered by the court on December 21, 2022, the deadline to complete fact discovery was April 14, 2023. Doc. #71. The pre-trial conference was originally set for October 11, 2023. Id. The pretrial conference was conducted on that date, and trial in this matter was set for January 17, 2024, with a Joint Pretrial Order due no later than November 6, 2023. Doc. #105. The trial date was then reset several times as the parties pursued settlement negotiations. Docket generally. Along the way, Sandton settled its claim against Brett, who continues in the case as a nominal defendant only and agrees to be bound by the judgment even though he is not participating in defending the action. Main Case Doc. #794.

On or about October 30, 2024, Defendants' counsel Peter Sauer ("Sauer") reached out to Plaintiff's counsel to disclose the existence of a witness (Beth) whose relevance was previously unknown. Doc. #177 (Sauer Declaration). In a Joint Status Conference Report filed on February 19, 2025, the parties advised the court the discovery of this new witness and that a motion to reopen discovery and/or modify the Pre-Trial Order would be forthcoming. Doc. #163.

Beth, as noted, is Brett's aunt and Stephen's sister, and she is the focal point of this *Motion to Reopen Discovery*. Peter Sauer ("Sauer"), counsel for Stephen, declares that he first learned in October of 2024 from a conversation with Brett about Beth's possible relevance as a witness:

During that discussion it was disclosed to the undersigned *inter alia*, that Brett believed Beth Johnsonhis aunt and Sloan's sister-may have had information regarding the intentions of her father in deeding legal title to certain parcels of realty-including the one subject of this adversary, to [Stephen]. Indeed, Brett's counsel had previously indicated to the Court he intended to move to reopen discovery, and that it was for the purpose of disclosing this individual but given the pending settlement it was no longer necessary to do so.

Doc. #177. Sauer promptly disclosed Beth's status as a potential witness to Plaintiff's counsel, and he later presented supplemental disclosures under FRCP 26(a)(1)(A) and stated he would supplement

answers to interrogatories if Ms. Johnson were found to possess relevant information. *Id.* Plaintiff declined to consent to reopening of discovery. *Id.* Sauer apparently had difficulties in communicating with Beth to determine what relevant information she had because she was the primary caregiver for her elderly mother. *Id.* After speaking with Beth, Sauer concluded that Beth had relevant and admissible information germane to the defense case. *Id.* Beth agreed to be deposed at some future date but only if she could do so via teleconference. *Id.*

On May 28, 2025, this motion was filed seeking to reopen discovery for the limited purpose of adding Beth as a witness. Doc. #175. Plaintiff opposes. Doc. #179.

DISCUSSION

The parties mostly agree as to the controlling law but disagree as to its application to these facts. Fed. R. Civ. Proc. 16(b)(4), made applicable to bankruptcy courts by Fed. R. Bankr. Proc. 7016(b)(4) states a scheduling order "may be modified only for good cause and with the judge's consent." The factors which the Ninth Circuit directs the court to consider when ruling on a motion to reopen discovery include the following:

1) whether trial is imminent, 2) whether the request is opposed, 3) whether the non-moving party would be prejudiced, 4) whether the moving party was diligent in obtaining discovery within the guidelines established by the court, 5) the foreseeability of the need for additional discovery in light of the time allowed for discovery by the district court, and 6) the likelihood that the discovery will lead to relevant evidence.

City of Pomona v. SQM N. Am. Corp., 866 F.3d 1060, 1066 (9th Cir. 2017). The court will address each of these factors in turn.

- 1. Whether Trial is imminent. A trial date has not been set yet. As of this moment, trial will not come before fall of 2025 at the earliest and more likely sometime in early 2026. This factor favors Stephen.
- 2. Whether the request is opposed. Plaintiffs oppose the motion, so this factor favors Sandton.
- 3. Whether the non-moving party would be prejudiced. Stephen argues that there would be no prejudice to Plaintiff by opening discovery for the limited purpose of deposing Beth and possibly adding her as a witness because, as noted, trial is not imminent, and Beth will be available to Plaintiff for deposition. Sandton, on the other hand, argues that it will be prejudiced if discovery is reopened and trial is further delayed, even though no trial date is set. Sandton also objects because Sandton has already attempted to discover information about the estate planning efforts of Defendants and their parents but been denied. Sandton refers to a *Motion to Compel* which the court denied on the grounds that it sought information protected by attorney-client

privilege. But the information at issue here is not communications between an attorney and his client but between a father and his daughter. The comparison is inapposite. The previous motion to compel raised implied waiver of the attorneyclient privilege and the crime-fraud exception and challenges to the privacy right. The court's ruling on that motion was in the context of the status of the facts then. We do not know if Beth's testimony would lead to the need for additional discovery. The court is mindful that based on the motion to compel, Sandton already has many documents relating to Stephen's estate planning. This factor favors Stephen.

4. Whether the moving party was diligent in obtaining discovery within the guidelines established by the court. This factor dominates the arguments presented by both Stephen and Sandton. The parties agree that not all the facts carry equal weight and that a lack of diligence during the discovery process may be dispositive. They disagree, however, on whether Stephen was sufficiently diligent in timely obtaining discovery regarding Beth's anticipated testimony. Compare Doc. #175 and #187. Stephen argues that proper diligence was shown when Sauer acted promptly in disclosing Beth's potential witness status immediately after learning of it himself. Doc. #175. Plaintiff, on the other hand, argues that there was a \underline{lack} of diligence on the part of Stephen, who first asserted that his father "equitably" owned the subject property in 2022, and that Stephen should have realized at that time that Beth, his sister, might have relevant testimony to offer.

The court is not persuaded by Sandton's argument that Stephen showed a lack of diligence because he was apparently unaware of a conversation between two third parties while he was not present. All the information before the court indicates that Sauer did not learn of the alleged conversation until October 2024, and he thereafter moved expeditiously to disclose the new information and seek court approval to conduct discovery about it. Furthermore, as Stephen points out in his Reply, Stephen has maintained from the commencement of this adversary that he was not a proper party with respect to the transfer of the real properties at issue, and so Sandton cannot claim surprise. Also, the scope of Beth's anticipated testimony is narrow. This factor favors Stephen.

- 5. The foreseeability of the need for additional discovery in light of the time allowed for discovery by the district court. For the reasons outlined under the fourth factor, the court concludes that the late discovery of the conversation between Beth and her father was not foreseeable at the time discovery ended. This factor favors Stephen.
- 6. The likelihood that the discovery will lead to relevant evidence. Finally, Sandton argues that deposing Beth would not lead to any relevant evidence because the proposed testimony would consist of inadmissible hearsay regarding statements by Stephen and Beth's father. That may well be the case, but until Beth's testimony is actually before the

court to be challenged by Sandton, this court lacks sufficient information to determine whether her testimony would be hearsay that does not fit within any exception to the hearsay rule or that it cannot lead to other sources of admissible evidence relevant to this case. And in any event, the sixth *Pomona* factor looks to whether discovery will lead to *relevant* evidence, and relevance and admissibility are not synonymous concepts. This factor favors Stephen.

CONCLUSION

After due consideration, the court finds that the *Pomona* factors support Stephen. Accordingly, this motion will be GRANTED. Discovery in this case will be reopened to permit the naming of Beth Johnson as a witness. Should Sandton determine additional discovery is needed, it can prosecute the appropriate motion.

2. <u>23-12573</u>-B-7 **IN RE: JULIE BLACK** <u>25-1011</u> <u>CAE-1</u>

CONTINUED STATUS CONFERENCE RE: COMPLAINT 3-13-2025 [1]

BLACK V. DEPARTMENT OF EDUCATION/AIDVANTAGE NEIL SCHWARTZ/ATTY. FOR PL.

NO RULING.

11:30 AM

1. 25-10464-B-7 IN RE: ELIZABETH BARILLAS

REAFFIRMATION AGREEMENT WITH CAPITAL ONE AUTO FINANCE 5-15-2025 [14]

ROBERT WILLIAMS/ATTY. FOR DBT.

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

DISPOSITION: Denied.

ORDER: The court will issue an order.

Debtor's counsel will inform debtor that no appearance is necessary.

A Reaffirmation Agreement between Elizabeth Barillas ("Debtor") and Capital One Auto Finance for a 2022 Honda Civic Sedan ("Vehicle") was filed on May 15, 2025. Doc. #14.

11 U.S.C. § 524(c)(6)(A)(ii) states "An agreement between a holder of a claim and the debtor, the consideration for which, in whole or in part, is based on a debt that is dischargeable in a case under this title is enforceable only to any extent enforceable under applicable non-bankruptcy law, whether or not discharge of such debt is waived, only if the court approves such agreement as in the best interest of the debtor."

The documents submitted in support of the reaffirmation agreement include information that the Debtor is a co-signer on the contract. This means another party may be liable for this obligation.

The court finds no evidence that this Reaffirmation Agreement is in the best interest of the Debtor. Accordingly, approval of the Reaffirmation Agreement between Debtor and Capital One Auto Finance will be DENIED.