UNITED STATES BANKRUPTCY COURT
Eastern District of California
Honorable Jennifer E. Niemann
Hearing Date: Wednesday, July 16, 2025
Department A – Courtroom #11
Fresno, California

Unless otherwise ordered, all matters before the Honorable Jennifer E. Niemann shall be simultaneously: (1) **In Person** at, Courtroom #11 (Fresno hearings only), (2) via **ZoomGov Video**, (3) via **ZoomGov Telephone**, and (4) via **CourtCall**. You may choose any of these options unless otherwise ordered or stated below.

All parties who wish to appear at a hearing remotely must sign up by 4:00 p.m. **one business day** prior to the hearing. Information regarding how to sign up can be found on the **Remote Appearances** page of our website at https://www.caeb.uscourts.gov/Calendar/CourtAppearances. Each party who has signed up will receive a Zoom link or phone number, meeting I.D., and password via e-mail.

If the deadline to sign up has passed, parties who wish to appear remotely must contact the Courtroom Deputy for the Department holding the hearing.

Please also note the following:

- Parties in interest may connect to the video or audio feed free of charge and should select which method they will use to appear when signing up.
- Members of the public and the press appearing by ZoomGov may only listen in to the hearing using the zoom telephone number. Video appearances are not permitted.
- Members of the public and the press may not listen in to trials or evidentiary hearings, though they may appear in person in most instances.

To appear remotely for law and motion or status conference proceedings, you must comply with the following guidelines and procedures:

1. Review the Pre-Hearing Dispositions prior to appearing at the hearing.
2. Parties appearing via CourtCall are encouraged to review the CourtCall Appearance Information.

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

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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 no hearing on these matters. 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.

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 POSSIBLE UPDATES.

9:30 AM

1. 24-12709-A-11 **IN RE: KEWEL MUNGER**
BCC-3

MOTION FOR COMPENSATION FOR BACHECKI, CROM & CO., LLP, ACCOUNTANT(S)
6-18-2025 [395]

BACHECKI, CROM & CO., LLP/MV
RILEY WALTER/ATTY. FOR DBT.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

Bachecki, Crom & Co., LLP ("Movant"), accountants for the debtor and debtor in possession Kewel K. Munger dba Munger Investments ("DIP"), requests allowance of interim compensation in the amount of $8,442.00 and reimbursement for expenses in the amount of $10.70 for services rendered from February 16, 2025 through May 31, 2025. Doc. #395. This is Movant's third fee application in this case. The court previously approved a total of $51,536.44 in interim fees and expenses. Order, Doc. #242; Order, Doc. #366. DIP has no objection to the fees and expenses requested by Movant. Doc. #417.

Section 330(a)(1) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services rendered" and "reimbursement for actual, necessary expenses" to a "professional person." 11 U.S.C. § 330(a)(1). In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, extent, and value of such services, taking into account all relevant factors. 11 U.S.C. § 330(a)(3).

Movant's services included, without limitation: (1) reviewing and preparing monthly operating reports; (2) preparing reports and related documents regarding various tax issues; and (3) preparing and filing fee application. Decl. of Jay D. Crom, Doc. #397; Ex. B, Doc. #398. The court finds the compensation and reimbursement sought are reasonable, actual, and necessary.

This motion is GRANTED. The court allows interim compensation in the amount of $8,442.00 and reimbursement of expenses in the amount of $10.70. Movant is

allowed interim fees and costs pursuant to 11 U.S.C. § 331, subject to final review and allowance pursuant to 11 U.S.C. § 330. Such allowed amounts shall be perfected, and may be adjusted, by a final application for allowance of compensation and reimbursement of expenses, which shall be filed prior to case closure. Movant may draw on any retainer held. DIP is authorized to pay the fees allowed by this order from available funds only if the estate is administratively solvent and such payment will be consistent with the priorities of the Bankruptcy Code.

2. 24-12709-A-11 **IN RE: KEWEL MUNGER**
CAE-1

CONTINUED STATUS CONFERENCE RE: CHAPTER 11 VOLUNTARY PETITION
9-17-2024 [1]

RILEY WALTER/ATTY. FOR DBT.

NO RULING.

3. 24-12709-A-11 **IN RE: KEWEL MUNGER**
WJH-30

MOTION TO DISMISS CASE
7-3-2025 [436]

KEWEL MUNGER/MV
RILEY WALTER/ATTY. FOR DBT.
OST 7/3/25

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 will submit a proposed order after hearing.

This motion was filed and served pursuant to this court's order shortening the notice time required by Federal Rule of Bankruptcy Procedure 2002(a)(4) for service of this type of motion and will proceed as scheduled. Doc. #434. 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 Local Rule of Practice 9014-1(f)(2)(C). The court will issue an order if a further hearing is necessary.

Kewel K. Munger ("Debtor"), the debtor and debtor-in-possession in this chapter 11 case, moves to voluntarily dismiss this case for cause pursuant to 11 U.S.C. § 1112(b). Doc. #436.

Pursuant to 11 U.S.C. § 1112(b)(1), "on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause unless the court determines that the appointment under section 1104(a) of a trustee or an examiner is in the best interests of creditors and the estate."

Debtor filed a voluntary petition for relief under chapter 11 on September 17, 2024. Doc. #1. This chapter 11 case was filed for several reasons. Decl. of Kewel K. Munger, Doc. #438. First, Debtor and his affiliated entities had been losing money for several years. Id. Second, land prices had declined significantly affecting Debtor's collateral base. Id. Third, Debtor's primary lender, AgWest Farm Credit ("AgWest"), wanted a sharp reduction in Debtor's debt load; however, Debtor's wife was uncooperative in an orderly downsizing thus needing this court's protections in the ability to sell assets. Id.

Debtor has resolved two of the main issues causing him to file this bankruptcy petition. First, Debtor and his wife have reached a global settlement of all their disputes and have agreed upon a property settlement. Munger Decl., Doc. #438. A judgment of dissolution was entered on July 11, 2025, with the Notice of Entry entered on July 14, 2025. Doc. #443. Second, Debtor has reached an accommodation with AgWest that Debtor believes he will be able to perform. Munger Decl., Doc. #438.

Debtor does not believe that dismissal of this bankruptcy case will prejudice any of Debtor's creditors because Debtor's other obligations are either current, fully paid or otherwise resolved. Munger Decl., Doc. #438. Debtor believes dismissal is in the best interests of all creditors and parties in interest because dismissal will significantly reduce Debtor's expenses and will allow Debtor to focus more on his various business interests. Id.

Based on the evidence before this court, the court finds cause exists to dismiss this case under 11 U.S.C. § 1112(b)(1), and that dismissal of this case is in the best interests of creditors and the estate.

However, a review of the docket shows Debtor's June 2025 monthly operating report, which is due not later than July 14, 2025 pursuant to LBR 2015-1(c), has not yet been filed. The court will condition dismissal on Debtor being current in the filing of his monthly operating reports.

Accordingly, pending opposition being raised at the hearing, the court will grant this motion conditioned on Debtor being current in the filing of his monthly operating reports at the time the dismissal order is signed.

4. 24-12873-A-11 **IN RE: GRIFFIN RESOURCES, LLC**
WJH-21

MOTION FOR COMPENSATION BY THE LAW OFFICE OF WANGER JONES HELSLEY FOR RILEY C. WALTER, DEBTORS ATTORNEY(S)
6-18-2025 [341]

RILEY WALTER/ATTY. FOR DBT.
RESPONSIVE PLEADING

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by

LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

Wanger Jones Helsley ("Movant"), counsel for the debtor and debtor in possession Griffin Resources, LLC ("DIP"), requests allowance of final compensation in the amount of $72,100.50 and reimbursement for expenses in the amount of $6,975.17 for services rendered from December 16, 2024 through June 11, 2025. Doc. #341. This is Movant's second fee application in this case. The court has previously approved a total of $70,581.36 in interim fees and expenses, of which payments to Movant were paid on March 31, 2025 and May 30, 2025. Order, Doc. #217; Doc. #341. DIP has no objection to the fees and expenses requested by Movant. Doc. #347.

Section 330(a)(1) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services rendered" and "reimbursement for actual, necessary expenses" to a professional person. 11 U.S.C. § 330(a)(1). In determining the amount of reasonable compensation to be awarded to counsel, the court shall consider the nature, extent, and value of such services, taking into account all relevant factors. 11 U.S.C. § 330(a)(3).

Movant's services included, without limitation: (1) providing general case administration; (2) preparing and amending DIP's chapter 11 plan; (3) preparing and filing various documents in DIP's adversary proceeding case pertaining to CalGEM; (4) reviewing and responding to CalGEM's objections to DIP's Subchapter V eligibility; (5) corresponding with various parties by email; (6) preparing various documents regarding insurance premiums and renewals; (7) processing DIP's monthly operating reports; (8) preparing and filing a motion to withdraw as counsel; (9) preparing and filing fee applications; and (10) providing general case administration. Decl. of Riley C. Walter, Doc. #343; Ex. B, Doc. #344. The court finds the compensation in the amount of $72,100.50 and reimbursement for expenses in the amount of $6,975.17 for services rendered from December 16, 2024 through June 11, 2025 sought by Movant to be reasonable, actual, and necessary and should be allowed on a final basis.

Movant also requests the court conduct a final review pursuant to 11 U.S.C. § 330 of all fees and expenses previously allowed pursuant to 11 U.S.C. § 331 on an interim basis. Specifically, Movant seeks final allowance of $69,479.00 in compensation and $1,102.36 in reimbursement for expenses previously awarded to Movant on February 12, 2025. Order, Doc. #217. All fees and expenses of Movant previously allowed on an interim basis are approved on a final basis.

This motion is GRANTED. The court allows on a final basis compensation in the amount of $72,100.50 and reimbursement of expenses in the amount of $6,975.17, totaling in the amount of $79,075.67. The court also allows on a final basis $69,479.00 in compensation and $1,102.36 in reimbursement for expenses previously allowed to Movant on an interim basis.

5. 25-10074-A-12 **IN RE: CAPITAL FARMS, INC**
FW-2

FURTHER HEARING RE: MOTION TO USE CASH COLLATERAL
1-13-2025 [6]

CAPITAL FARMS, INC./MV
PETER FEAR/ATTY. FOR DBT.
RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted on an interim basis through September 3, 2025.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after the hearing.

This motion was set for hearing pursuant to an interim order authorizing use of cash collateral ("Interim Order"). Doc. #205. The motion was heard initially on January 16, 2025, and again on January 22, 2025, February 12, 2025, March 6, 2025, March 26, 2025, April 23, 2025, and June 11, 2025, and was granted on an interim basis on January 24, 2025, February 13, 2025, March 11, 2025, March 31, 2025, April 24, 2025, and June 11, 2025. See Doc. ##54, 74, 110, 126, 170, 205. A further hearing on use of cash collateral was set for July 16, 2025. Interim Order, Doc. #205. The Interim Order provided that the debtor shall file and serve a supplemental budget for use of cash collateral by July 2, 2025. Doc. #205.

On July 8, 2025, the court permitted the debtor to file and serve a supplemental budget on July 7, 2025. Doc. #221. On July 7, 2025, the debtor filed a supplemental budget for use of cash collateral from July 24, 2025 through September 3, 2025. Doc. #220. Because the request authorizing continued use of cash collateral was set on less than 28 days' notice, opposition to the continued use of cash collateral may be raised at the hearing. Unless opposition is presented at the hearing, the court intends to enter the respondents' defaults and grant continued use of cash collateral on an interim basis through September 3, 2025. If opposition is presented at the hearing, the court will consider the opposition and whether further hearing is proper. The court will issue an order if a further hearing is necessary.

Capital Farms, Inc. ("DIP" or "Debtor"), moves the court for an interim order authorizing Debtor to use the cash collateral of Tech Ag Financial Group, Inc. and Rabo AgriFinance LLC (together, "Lenders") for the period July 24, 2025 through September 3, 2025 subject to a proposed budget. Doc. #220. Debtor asserts Lenders hold duly perfected security interests in nearly all of Debtor's cash collateral. Motion, Doc. #6; Stipulation, Doc. #77.

Pursuant to 11 U.S.C. § 363, a debtor in possession can use property of the estate that is cash collateral by obtaining either the consent of each entity that has an interest in such cash collateral or court authorization after notice and a hearing. 11 U.S.C. § 363(c)(2). "The primary concern of the court in determining whether cash collateral may be used is whether the secured creditors are adequately protected." In re Plaza Family P'ship, 95 B.R. 166 (E.D. Cal. 1989) (citing 11 U.S.C. § 363(e)). Bankruptcy Code § 1205(b) requires DIP to provide adequate protection to the secured creditors for DIP's use of cash collateral for any decrease in the value of the secured creditors' interest in the accounts receivable due to DIP's use of cash collateral.

DIP moves the court for an interim order authorizing DIP to use cash collateral through September 3, 2025, consistent with the budget filed as Doc. #220. DIP seeks authority to use cash collateral from Debtor's 2024 almond crop in the total amount of $313,679.57 for that period. Doc. #197.

DIP operates several almond farms on leased property. DIP seeks court authorization to use cash collateral from a processor advance to pay expenses needed to grow its 2025 almond crop. As adequate protection for DIP's use of cash collateral, DIP will grant a replacement lien on incoming cash collateral to the extent cash collateral is actually used. Motion, Doc. #6; Stipulation, Doc. #77. The evidence filed in support of the motion shows that the projected value of the processor advance will be sufficient to support DIP's use of cash collateral from July 24, 2025 through September 3, 2025. Doc. #220. Lenders have consented to DIP's ongoing use of cash collateral by stipulation. Stipulation, Doc. #77; Order, Doc. #110. In addition, DIP has filed a chapter 12 plan, and DIP has a hearing set for August 6, 2025 to confirm that plan. Plan, Doc. #136; Order, Doc. #196.

Accordingly, pending opposition being raised at the hearing, the motion will be GRANTED on a further interim basis through September 3, 2025, consistent with the budget set forth in Doc. #220. At the hearing, counsel for DIP should be prepared to set a new hearing date for the further use of cash collateral and a date to file and serve supplemental pleadings in case DIP has not confirmed a chapter 12 plan by September 3, 2025.

6. 23-12784-A-11 **IN RE: KODIAK TRUCKING INC.**
RDW-2

CONTINUED MOTION FOR RELIEF FROM AUTOMATIC STAY
5-30-2025 [455]

QL TITLING TRUST LTD/MV
PETER FEAR/ATTY. FOR DBT.
REILLY WILKINSON/ATTY. FOR MV.
RESPONSIVE PLEADING

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Denied.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after the hearing.

This motion was filed and served on at least 14 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2) and will proceed as scheduled. This matter was initially heard on June 25, 2025, where the debtor opposed this motion. The court entered the non-respondents' defaults and continued the hearing to July 16, 2025 to allow the debtor to file and serve written opposition. Order, Doc. #479. The debtor filed timely written opposition, and the moving party filed a timely reply. Doc. ##487-488, 493. Based on the supplemental pleadings filed, the court will deny this motion because it appears the moving party has been paid in full on the underlying debt. This matter will proceed as scheduled.

The movant, QL Titling Trust LTD, its successors and/or assignees ("Movant"), sought relief from the automatic stay under 11 U.S.C. § 362(d)(1) with respect to a 2015 Peterbilt 579, VIN: 1NPBLP9XXFD261901 ("Vehicle"). Doc. #455.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case by case basis." In re Mac Donald, 755 F.2d 715, 717 (9th Cir. 1985).

Pre-petition, on or about July 1, 2020, debtor Kodiak Trucking, Inc. ("Debtor") executed and delivered a master lease agreement to Movant. Decl. of Carleton J. Zoroba, Doc. #457; Ex. 1, Doc. #458. To secure repayment of the debt, Debtor granted Movant a beneficial interest in the Vehicle. Zoroba Decl., Doc. #457; Ex. 2, Doc. #458. Debtor's plan was confirmed on February 13, 2025. Order, Doc. #418. Movant asserts Debtor is delinquent three (3) plan payments to Movant as no payment has been received from Debtor since the plan was confirmed. Zoroba Decl., Doc. #457. As of April 29, 2025, Movant asserts Debtor owes Movant a total of $5,780.89. Id.

In its opposition, Debtor states on June 3, 2025, a wire was issued in the amount of $3,245.70 to Movant to bring the base payoff and base rent due for March 2025, April 2025 and May 2025. Decl. of Megan Arambula, Doc. #488. Further, Debtor asserts the charges Movant requests for "maintenance/misc. due" in the amount of $136.08 and "other receivables due" in the amount of $1,680.00 are not delineated with any specificity and are not owed. Arambula Decl., Doc. #488. Finally, Debtor asserts that subsequent to the filing of this motion, the Vehicle was involved in an accident and was deemed a total loss by the insurance carrier. Id. Debtor believes insurance proceeds were remitted to Movant on June 12, 2025 from the insurance carrier, which fully paid off any balance due for the Vehicle. Id.

In Movant's response to Debtor's opposition, Movant confirms that, subsequent to filing this motion, Movant has received payment in full for its lien on the Vehicle, and this motion is now rendered moot. Decl. of Reilly D. Wilkinson, Doc. #493.

Because the debt on the Vehicle that is the basis of this motion has been paid in full, there is no "cause" for granting relief from the automatic stay under 11 U.S.C. § 362(d)(1).

Accordingly, unless withdrawn prior to the hearing, this motion will be DENIED.

7. 23-12784-A-11 **IN RE: KODIAK TRUCKING INC.**
RDW-3

CONTINUED MOTION FOR RELIEF FROM AUTOMATIC STAY
5-30-2025 [462]

QL TITLING TRUST LTD/MV
PETER FEAR/ATTY. FOR DBT.
REILLY WILKINSON/ATTY. FOR MV.
RESPONSIVE PLEADING

NO RULING.

8. 23-12784-A-11 **IN RE: KODIAK TRUCKING INC.**
RDW-4

CONTINUED MOTION FOR RELIEF FROM AUTOMATIC STAY
5-30-2025 [469]

QL TITLING TRUST LTD/MV
PETER FEAR/ATTY. FOR DBT.
REILLY WILKINSON/ATTY. FOR MV.
RESPONSIVE PLEADING

NO RULING.

9. 25-11791-A-11 **IN RE: FRED RAU DAIRY, INC**
CAE-1

STATUS CONFERENCE RE: CHAPTER 11 VOLUNTARY PETITION
5-29-2025 [1]

PETER FEAR/ATTY. FOR DBT.

NO RULING.

10. 25-11791-A-11 **IN RE: FRED RAU DAIRY, INC**
FW-1

MOTION FOR ORDER PROHIBITING FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE AND/OR MOTION FOR ORDER DETERMINING ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES
6-26-2025 [35]

FRED RAU DAIRY, INC/MV
PETER FEAR/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted on an interim basis.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after the hearing.

This motion was set for preliminary hearing on shortened time pursuant to Local Rule of Practice ("LBR") 9014-1(f)(4) to prohibit Pacific Gas & Electric ("PG&E"), the debtor's utility service provider, from altering, refusing or discontinuing service and confirming Debtor's proposed adequate assurance of future performance to PG&E. Doc. ##35-36. Based on the notice, this is a preliminary hearing, and opposition may be raised at the hearing. Doc. #36. Unless opposition is presented at the hearing, the court intends to enter PG&E's default and grant the motion on an interim basis with a final hearing to be held at a date and time to be determined at the preliminary hearing. 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.

By this motion, Fred Rau Dairy, Inc. ("DIP"), the chapter 11 debtor and debtor-in-possession, seeks an order prohibiting PG&E from altering, refusing, or discontinuing utility service to DIP based on DIP's proposed adequate assurance of future performance payment to PG&E of a cash deposit in the amount of $70,000 ("Adequate Assurance Deposit"), which represents two months of DIP's monthly average utility consumption, less any amounts for any pre-petition utility deposits DIP already has with PG&E. Doc. #35. The Adequate Assurance Deposit will be paid in two equal monthly installments of $35,000, with the single deposit to serve as the deposit for all utility service accounts DIP may have with PG&E. Decl. of Michael Reid, Doc. #37. The first installment of the Adequate Assurance Deposit shall be provided to PG&E within ten (10) business days after receipt by DIP or DIP's counsel of a written request from PG&E for adequate assurances pursuant to 11 U.S.C. § 366(c). Doc. #35.

Should PG&E contest the proposed Adequate Assurance Deposit, PG&E shall have 30 days from the entry of any order granting this motion to file and serve upon DIP a request for adequate assurance. Doc. #35. This request must specify: (i) the location and account number(s) for which utility services are provided; (ii) the outstanding balance on the account; (iii) a summary of DIP's payment history on each listed account; (iv) the reason why DIP's deposit is not satisfactory adequate assurance of payment; and (v) PG&E's proposal of what constitutes satisfactory assurance of payment. Id. Failure by PG&E to timely file and serve a request as delineated above shall result PG&E being deemed to have received satisfactory adequate assurance of payment, and PG&E shall be prohibited from altering, refusing, or discontinuing utility services to DIP. Id. In the event PG&E files and serves a request that DIP deems to be unreasonable, DIP shall set a hearing on shortened time to determine the issue, and PG&E shall not alter, refuse, or discontinue service unless the court, following a hearing, so orders. Id.

Bankruptcy Code section 366(c)(2) permits a utility company to alter, refuse, or discontinue service to a chapter 11 debtor unless, within 30 days after the filing of the petition, the utility receives adequate assurance of payment for post-petition utility service that is satisfactory to the utility. Here, the motion was filed within 30 days of the petition date.

The court finds good cause exists under 11 U.S.C. § 366(c) to determine that PG&E has been provided with adequate assurance of future performance through the proposed Adequate Assurance Deposit and proposed objection procedure and may not alter, refuse or discontinue any utility service to DIP, and DIP is not required to provide PG&E with additional deposits or security beyond that as set forth in the motion.

Accordingly, pending opposition being raised at the hearing, the court will GRANT the motion on a preliminary basis. At the hearing, counsel for DIP should be prepared to set a hearing date approval of the motion on a final basis.

11. 25-11791-A-11 **IN RE: FRED RAU DAIRY, INC**
FW-2

INTERIM HEARING RE: MOTION TO USE CASH COLLATERAL
5-30-2025 [4]

FRED RAU DAIRY, INC/MV
PETER FEAR/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted on a final basis through August 17, 2025.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after the hearing.

This motion was initially set for final hearing on June 25, 2025 pursuant to the initial motion papers and an interim order authorizing use of cash collateral. Doc. ##4, 13. The final hearing was continued to July 16, 2025 ("Interim Order"). Doc. #43. The final hearing was set on at least 14 days' notice prior to the hearing date pursuant to Federal Rule of Bankruptcy Procedure 4001(b)(2) and Local Rule of Practice 9014-1(f)(2) and will proceed as scheduled. Because the request authorizing final use of cash collateral through August 17, 2025 was set on less than 28 days' notice, opposition to the final use of cash collateral may be raised at the hearing. Unless opposition is presented at the hearing, the court intends to enter the respondents' defaults and grant use of cash collateral on a final basis through August 17, 2025. If opposition is presented at the hearing, the court will consider the opposition and whether further hearing is proper. The court will issue an order if a further hearing is necessary.

Fred Rau Dairy, Inc. ("DIP"), the chapter 11 debtor and debtor-in-possession, moves the court for an order authorizing DIP to use the cash collateral of: (i) AgWest Farm Credit ("AgWest"); (ii) Farm Credit Leasing Services; (iii) Stanislaus Farm Supply Co.; (iv) Nutrien Ag Solutions, Inc.; and (v) Associated Feed and Supply (collectively, "Secured Creditors") through August 17, 2025 on a final basis subject to a weekly budget. Motion, Doc. #4; Am. Ex. B, Doc. #28; Interim Order, Doc. #43. DIP seeks court authorization to use cash collateral to pay expenses incurred by DIP in the normal course of its business. Motion, Doc. #4. DIP conducts both dairy farming and crop farming. Decl. of Michael Reid, Doc. #6. DIP has approximately 2,600 Holstein cows, springers, heifers and bulls as well as approximately 150 Angus steers and farms approximately 2,750 acres of farmland. Id.

Pursuant to 11 U.S.C. § 363, a debtor in possession can use property of the estate that is cash collateral by obtaining either the consent of each entity that has an interest in such cash collateral or court authorization after notice and a hearing. 11 U.S.C. § 363(c)(2). "The primary concern of the court in determining whether cash collateral may be used is whether the secured creditors are adequately protected." In re Plaza Family P'ship, 95 B.R. 166 (E.D. Cal. 1989) (citing 11 U.S.C. § 363(e)). Bankruptcy Code section 361(1) states that adequate protection may be provided by "requiring the [debtor in possession] to make a cash payment or periodic cash payments to such entity, to the extent that the stay under section 362 of this title, use, sale, or lease under section 363 of this title, or any grant of a lien under section 364 of this title results in a decrease in the value of such entity's interest in such property." 11 U.S.C. § 361(1). Pursuant to 11 U.S.C. § 363(p), DIP carries the burden of proof on the issue of adequate protection.

As adequate protection for DIP's use of cash collateral, DIP will grant Secured Creditors replacement liens to the extent cash collateral is used. Based on the budget filed with the motion, DIP's use of cash collateral will generate more income than the cash collateral contemplates to be used. Am. Ex. B, Doc. #28. In addition, DIP will make post-petition interest-only payments to AgWest plus regular payments on the solar leases and the equipment loan. Motion, Doc. #4.

The court finds DIP has met its burden of showing that Secured Creditors are adequately protected for DIP's use of their cash collateral by the proposed replacement liens and post-petition interest-only payments to AgWest plus regular payments on the solar leases and the equipment loan. Am. Ex. B, Doc. #28. Moreover, DIP needs to use the cash collateral to continue its post-petition business operations. Reid Decl., Doc. #6.

Accordingly, pending opposition being raised at the hearing, the court will GRANT DIP's request to use cash collateral on a final basis through August 17, 2025 on the terms set forth in the motion, as amended by interim orders.

1. 23-12613-A-7 **IN RE: AERIK/ALYSSA GARCIA**
KMM-1

MOTION FOR RELIEF FROM AUTOMATIC STAY
6-9-2025 [50]

WELLS FARGO BANK, N.A./MV
KIRSTEN MARTINEZ/ATTY. FOR MV.
DISCHARGED 03/15/2024

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

DISPOSITION: Granted in part and denied as moot in part.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the debtors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a movant make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

The motion will be GRANTED IN PART as to the trustee's interest and DENIED AS MOOT IN PART as to the debtors' interest pursuant to 11 U.S.C. § 362(c)(2)(C). The debtors' discharge was entered on March 15, 2024. Doc. #33. The motion will be GRANTED IN PART for cause shown as to the chapter 7 trustee.

The movant, Wells Fargo Bank, N.A. ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a 2014 Audi Q5, VIN: WA1LFAFP6EA131824 ("Vehicle"). Doc. #50.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case by case basis." In re Mac Donald, 755 F.2d 715, 717 (9th Cir. 1985).

11 U.S.C. § 362(d)(2) allows the court to grant relief from the stay if the debtors do not have any equity in such property and such property is not necessary to an effective reorganization.

After review of the included evidence, the court finds that "cause" exists to lift the stay because the debtors have failed to make at least eighteen complete pre- and post-petition payments. Movant has produced evidence that the debtors are delinquent by at least $9,652.50. Decl. of Shelita Garcia,

Doc. #54. Movant also is unable to verify that the debtors have insurance coverage on the Vehicle. Id. According to the debtors' Statement of Intention, the Vehicle will be surrendered. Doc. #1.

The court also finds that the debtors do not have any equity in the Vehicle and the Vehicle is not necessary to an effective reorganization because the debtors are in chapter 7. Movant values the Vehicle at $7,150.00 and the amount owed to Movant is $9,845.34. Garcia Decl., Doc. #54.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) and (d)(2) to permit Movant to dispose of its collateral pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived because the debtors have failed to make at least 18 pre- and post-petition payments to Movant and the Vehicle is a depreciating asset.

2. 24-12656-A-7 **IN RE: JOAO/KERIE AZEVEDO**
KMM-1

MOTION FOR RELIEF FROM AUTOMATIC STAY
6-9-2025 [63]

KUBOTA/MV
T. O'TOOLE/ATTY. FOR DBT.
KIRSTEN MARTINEZ/ATTY. FOR MV.
DISCHARGED 01/08/2025
RESPONSIVE PLEADING

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

DISPOSITION: Granted in part and denied as moot in part.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The debtors filed written non-opposition to the motion. Doc. #81. The failure of creditors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the non-responding parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a movant make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

The motion will be GRANTED IN PART as to the trustee's interest and DENIED AS MOOT IN PART as to the debtors' interest pursuant to 11 U.S.C. § 362(c)(2)(C). The debtors' discharge was entered on January 8, 2025. Doc. #50. The motion will be GRANTED IN PART for cause shown as to the chapter 7 trustee.

The movant, Kubota ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to a Kubota M6060HD and JMC Ag Welding Blade/Groomer, VIN: KBUMFBDRHP8C69812 ("Vehicle"). Doc. #63. The debtors do not oppose the motion. Doc. #81.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case by case basis." In re Mac Donald, 755 F.2d 715, 717 (9th Cir. 1985).

11 U.S.C. § 362(d)(2) allows the court to grant relief from the stay if the debtors do not have any equity in such property and such property is not necessary to an effective reorganization.

After review of the included evidence, the court finds that "cause" exists to lift the stay because the debtors have failed to make at least eight complete pre- and post-petition payments. Movant has produced evidence that the debtors are delinquent by at least $8,812.48. Decl. of Gary Steen, Doc. #66. According to the debtor's Statement of Intention, the Vehicle will be surrendered. Doc. #1.

The court also finds that the debtors do not have any equity in the Vehicle and the Vehicle is not necessary to an effective reorganization because the debtors are in chapter 7. Movant values the Vehicle at $41,406.00 and the amount owed to Movant is $54,223.86. Steen Decl., Doc. #66.

Accordingly, the motion will be granted pursuant to 11 U.S.C. §362(d)(1) and (d)(2) to permit Movant to dispose of its collateral pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived because the debtors have failed to make at least eight pre- and post-petition payments to Movant and the Vehicle is a depreciating asset.

3. 25-11666-A-7 **IN RE: PEDRO BENITEZ**
SC-1

MOTION FOR RELIEF FROM AUTOMATIC STAY
6-25-2025 [16]

GOOD NEIGHBOR HOMES, LLC/MV
SAM CHANDRA/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. The Moving Party shall submit a proposed order after the hearing.

This motion was filed and served on at least 14 days' notice prior to the hearing date 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

a further hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

As a procedural matter, the movant listed an incorrect hearing date in the body of the notice of hearing. While the correct hearing date of July 16, 2025 is on the caption page for each pleading filed by the movant, the movant incorrectly listed the hearing date as July 9, 2025 in the body of the notice. Because July 9 is before the July 16 hearing date and because no appearance was made by anyone on July 9, 2025 with respect to this matter, the court will deem the notice provided to be sufficient. In the future, the movant should make sure that the hearing date in the caption of the notice and in the body of the notice match.

The movant, Good Neighbor Homes, LLC ("Movant"), seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) to permit Movant to proceed with an unlawful detainer action currently pending in Kern County Superior Court, Case No. BL-25-015212 (the "Unlawful Detainer Action"), against debtor Pedro Benitez ("Debtor"). Doc. #16. The Unlawful Detainer Action is in reference to Debtor's occupancy of real property located at 11211 Vista Del Luna Drive, Bakersfield, California 93311 (the "Property"). Doc. ##16, 20. Movant also seeks an order annulling the automatic stay effective as of May 21, 2025, the date Debtor's bankruptcy case was filed. Id.

Movant is the current owner of the Property, and Debtor was the prior owner of the Property. Doc. #16; Decl. of Olivia Reyes, Doc. #19. Pre-petition, on March 26, 2025, Movant purchased the Property at a non-judicial foreclosure sale. Reyes Decl., Doc. #19. A deed of trust conveying the Property to Movant was recorded on May 1, 2025. Ex. 1, Doc. #18. On May 14, 2025, Movant served a three-day notice to quit ("Notice) to Debtor. Reyes Decl., Doc. #19; Ex. 2, Doc. #18. Debtor remained on the Property after the Notice expired on May 19, 2025. Doc. #16. On May 21, 2025, Movant filed the Unlawful Detainer Action and was unaware Debtor had filed his bankruptcy case the same day. Reyes Decl., Doc. #19. Movant later served Debtor with a summons and complaint in the Unlawful Detainer Action on May 28, 2025. Id.; Ex. 3, Doc. #18. Movant received notice of Debtor's bankruptcy case on June 4, 2025. Reyes Decl., Doc. #19.

While on his bankruptcy petition Debtor stated that he had not filed for bankruptcy within the last eight years (Question 9, Doc. #1), according to this court's records, this is the third bankruptcy case filed by Debtor in the last twelve months, and the prior two cases were dismissed. See court docket entry entered on May 22, 2025. Debtor filed a chapter 13 petition on July 30, 2024, Case No. 24-12167 (Bankr. E.D. Cal.) (the "First Prior Case"), which was dismissed on August 19, 2024 for Debtor's failure to timely file documents. Case No. 24-12167, Doc. #11. Debtor also filed a chapter 7 petition on August 28, 2024, Case No. 24-12504 (Bankr. E.D. Cal.) (the "Second Prior Case"), which was dismissed on November 8, 2024 for Debtor's failure to attend the 341 meeting of creditors. Case No. 24-12504, Doc. #23.

11 U.S.C. § 362(c)(4) ANALYSIS

Under 11 U.S.C. § 362(c)(4)(A)(i), if a debtor has filed two or more cases that were dismissed the previous year, the automatic stay under 362(a) does not go into effect when the debtor's bankruptcy case is filed. Nelson v. George Wong Pension Trust (In re Nelson), 391 B.R. 437, 452 (B.A.P. 9th Cir. 2008). Under 11, U.S.C. § 362(c)(4)(B), the debtor may, within 30 days of filing the bankruptcy petition, file a motion to impose the automatic stay. Debtor did not make such a motion in this case.

Debtor filed this case on May 21, 2025. Petition, Doc. #1. Debtor had two bankruptcy cases pending within the one-year period preceding the filing of

this bankruptcy. The First Prior Case was filed on July 30, 2024, and dismissed on August 19, 2024. The Second Prior Case was filed on August 28, 2025, and dismissed on November 8, 2024. Because Debtor's First Prior Case and Second Prior Case were pending and dismissed within the one-year period preceding the filing of this case, the automatic stay did not go into effect when Debtor filed this case on May 21, 2025.

Accordingly, it appears that there was no automatic stay prohibiting the actions of Movant with respect to the Unlawful Detainer Action.

Assuming that the automatic stay was in place, the court finds that relief from stay is appropriate under 11 U.S.C. § 362(d)(1) and (d)(2) as well as retroactive relief from the automatic stay.

11 U.S.C. § 362(d)(1) ANALYSIS

11 U.S.C. § 362(d)(1) allows the court to grant relief from the automatic stay for cause. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case by case basis." In re Mac Donald, 755 F.2d 715, 717 (9th Cir. 1985). When a movant prays for relief from the automatic stay to initiate or continue non-bankruptcy court proceedings, a bankruptcy court may consider the "Curtis factors" in making its decision. In re Kronemyer, 405 B.R. 915, 921 (9th Cir. B.A.P. 2009). "[T]he Curtis factors are appropriate, nonexclusive, factors to consider in determining whether to grant relief from the automatic stay" to allow litigation in another forum. Id. The Curtis factors include: (1) whether the relief will result in a partial or complete resolution of the issues; (2) the lack of any connection with or interference with the bankruptcy case; (3) whether the non-bankruptcy forum has the expertise to hear such cases; (4) whether litigation in another forum would prejudice the interests of other creditors; and (5) the interest of judicial economy and the expeditious and economical determination of litigation for the parties. In re Curtis, 40 B.R. 795, 799-800 (Bankr. D. Utah 1984).

Here, granting Movant's relief from the automatic stay will allow Movant to continue the Unlawful Detainer Action against Debtor in state court, which will allow the issue of possession of the Property to be adjudicated on its merits. Further, the interests of judicial economy favor granting relief from the automatic stay so that Movant can gain possession of the Property. Finally, permitting Movant to pursue a judgment in state court will not prejudice the interests of Debtor as Movant Debtor has no legal right to occupy the Property through ownership. Reyes Decl., Doc. #19. Debtor will suffer no legally cognizable harm by being forced to resolve the Unlawful Detainer Action in state court.

For these reasons, the court finds that cause exists to lift the stay pursuant to 11 U.S.C. § 362(d)(1) to permit Movant to proceed with the Unlawful Detainer Action in state court and enforce any resulting judgment.

11 U.S.C. § 362(d)(2) ANALYSIS

11 U.S.C. § 362(d)(2) allows the court to grant relief from the stay if the debtor does not have any equity in such property and such property is not necessary to an effective reorganization.

Here, the court also finds that Debtor is not the owner of the Property and does not have any equity in the Property. Further, the Property is not necessary to an effective reorganization because Debtor is in chapter 7.

For these reasons, the court finds that cause exists to lift the stay pursuant to 11 U.S.C. § 362(d)(2).

RETROACTIVE ANNULLING OF THE AUTOMATIC STAY

A request for retroactive relief from the automatic stay should be granted sparingly and should be the long-odds exception not the general rule. In re Skylar, 626 B.R. 750, 754 (Bankr. S.D.N.Y. 2021). When deciding whether to retroactively annul the automatic stay, the court should consider the following twelve factors, known as the Fjeldsted factors:

(1) the number of bankruptcy filings;

(2) whether, in a repeat filing case, the circumstances indicate an intent to delay and hinder creditors;

(3) a weighing of the extent of prejudice to creditors or third parties if the stay relief is not made retroactive, including whether harm exists to a bona fide purchaser;

(4) the debtor's overall good faith (totality of circumstances test);

(5) whether the creditor knew of the stay but nonetheless took action, thus compounding the problem;

(6) whether the debtor has complied, and is otherwise complying, with the Bankruptcy Code and Rules;

(7) the relative ease of restoring the parties to the *status quo ante*;

(8) the costs of annulment to the debtor and the creditor;

(9) how quickly the creditor moved for annulment, or how quickly the debtor moved to set aside the sale or violative conduct;

(10) whether, after learning of the bankruptcy, the creditor proceeded to take steps in continued violation of the stay, or whether the creditor moved expeditiously to gain relief from the stay;

(11) whether annulment of the stay will cause irreparable injury to the debtor; and

(12) whether stay relief will promote judicial economy or other efficiencies.

Fjeldsted v. Lien (In re Fjeldsted), 293 B.R. 12, 24-25 (B.A.P. 9th Cir. 2003). A single Fjeldsted factor may be of such import that it is dispositive on the issue. Id.

With respect to Fjeldsted factors 1 and 2, this is Debtor's third bankruptcy case filed in the last year. Based on the timing of the filings, it appears that the First Prior Case and the Second Prior Case were filed to preclude the foreclosure of the Property. It appears that the First Prior Case and the Second Prior Case were filed to, among other things, delay and hinder the foreclosure of the Property. Therefore, factors 1 and 2 weigh in favor of Movant.

Fjeldsted factors 4, 6, and 11 focus on Debtor and Debtor's actions. Debtor's bankruptcy case was filed the day Movant filed its Unlawful Detainer Action, so it does not appear that Debtor filed this bankruptcy case in response to the filing of the Unlawful Detainer Action. However, Debtor had received the Notice, and the filing of this bankruptcy case could have been in response to that. The court notes that Debtor had lost ownership of the Property pre-petition because the Property was foreclosed pre-petition. Movant is entitled to possession of the Property because Movant purchased the Property at a pre-petition non-judicial foreclosure sale. While Debtor has paid his installment

fees timely and appeared at the initial and first continued meetings of creditors, Debtor did not appear at the second continued meeting of creditors, and Debtor's bankruptcy case is subject to dismissal on that basis. See court docket entries entered on May 21, 2025, June 20, 2025, June 26, 2025, June 28, 2025 and July 13, 2025; Doc. ##7, 25. Factors 4, 6, and 11 each weigh in favor of Movant.

Fjeldsted factors 3, 5, and 10 focus on Movant and Movant's actions. Movant is a third-party bona fide purchaser for value who paid $344,600.01 for the Property pre-petition. Movant is being damaged $75.00 each day Debtor remains in possession of Movant's Property. Debtor filed this bankruptcy case the same day Movant filed the Unlawful Detainer Action. Movant was unaware of Debtor's bankruptcy case at the time Movant filed the Unlawful Detainer Action as well as when Movant served Debtor with the Unlawful Detainer Action. After receiving notice of Debtor's bankruptcy case, Movant has taken further action in the Unlawful Detainer Action and moved expeditiously to seek relief from the automatic stay. Movant will have to dismiss, refile and repay fees for the Unlawful Detainer Action if retroactive annulment of the automatic stay is not granted. Factors 3, 5, and 10 each weigh in favor of Movant.

Fjeldsted factors 7, 8, and 9 focus on both Debtor and Movant. Costs and damages sustained by Movant will increase if annulment is not granted and Movant must refile its Unlawful Detainer Action. Movant also is being harmed in the sum of $75.00 per day that Debtor remains in possession of the Property. Finally, Movant ceased all activity upon learning of Debtor's bankruptcy petition and moved for relief from the automatic stay. Factors 7, 8, and 9 weigh in favor of Movant.

Finally, Fjeldsted factor 12 looks to judicial interests. Here, retroactive annulment of the automatic stay will promote judicial economy and other efficiencies because (i) Debtor has already lost ownership of the Property in a completed foreclosure sale to Movant as a third-party bona fide purchaser, (ii) Debtor's bankruptcy case was filed the same day Movant filed the Unlawful Detainer Action, (iii) Movant filed the Unlawful Detainer Action without any knowledge of the automatic stay, and (iv) requiring Movant to restart the Unlawful Detainer Action would increase court costs and proceedings. This factor weighs in favor of Movant.

Because all of the Fjeldsted factors weigh in favor of Movant, the court retroactively annuls the automatic stay to May 21, 2025, the date Debtor's bankruptcy case was filed. The court finds retroactive relief from the automatic stay is particularly appropriate because the Property was sold at a foreclosure sale pre-petition to Movant as a third party bona fide purchaser, Debtor's bankruptcy case was filed the same day Movant filed the Unlawful Detainer Action, Movant filed the Unlawful Detainer Action before Movant learned of the automatic stay in Debtor's bankruptcy case, and Movant has not taken further action in the Unlawful Detainer Action prior to seeking retroactive relief from stay since Movant learned of Debtor's bankruptcy case.

CONCLUSION

Accordingly, pending opposition being raised at the hearing, the court is inclined to grant the motion pursuant to 11 U.S.C. § 362(d)(1) and (d)(2) to permit Movant to proceed under applicable nonbankruptcy law to prosecute the Unlawful Detainer Action in state court and to enforce any resulting judgment for unlawful detainer, including all necessary steps to obtain possession of the Property from Debtor. The court further finds that cause exists to annul the automatic stay retroactively as of May 21, 2025 so as to validate any actions taken by Movant with respect to the Unlawful Detainer Action. No other relief is awarded.

Because Debtor has no legal right to occupy the Property, the 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived.

4. 20-13067-A-7 **IN RE: JOSE FLORES PATINO AND ELVIRA FLORES**
ICE-1

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT WITH JOSE T. FLORES PATINO AND ELVIRA FLORES
6-6-2025 [41]

IRMA EDMONDS/MV
MARK ZIMMERMAN/ATTY. FOR DBT.
IRMA EDMONDS/ATTY. FOR MV.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the debtors, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

Irma Edmonds ("Trustee"), the chapter 7 trustee of the bankruptcy estate of Jose T. Flores Patino and Elvira Flores (collectively, "Debtors"), moves the court for an order pursuant to Federal Rule of Bankruptcy Procedure 9019, approving the compromise of all claims and disputes with Leonardo Elias ("Elias"), a family member of Debtors. Doc. #41.

Among the assets of the estate is a claim against Elias for the avoidance and recovery of preferential and/or fraudulent transfers of $3,000.00 made by Debtors to Elias in the year preceding the bankruptcy filing. Decl. of Irma C. Edmonds at ¶ 3, Doc. #43. Debtors and Trustee engaged in negotiations that resulted in an oral agreement to settle the claim of the preferential transfer to Elias. Id. at ¶ 5. In the oral settlement agreement, Debtors agree to make a payment in the amount of $2,250.00 to Trustee to satisfy the payment of a preferential payment made to Elias and, in return, Trustee agrees to accept Debtors' payment in full satisfaction in recovering Debtors' preferential payment with no further legal action to be taken to recover money related to the preferential payment made to Elias. Id. Trustee is in receipt of the $2,250.00. Id. at ¶ 6.

On a motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Fed. R. Bankr. P. 9019. Approval of a

compromise must be based upon considerations of fairness and equity. Martin v. Kane (In re A & C Props.), 784 F.2d 1377, 1381 (9th Cir. 1986). The court must consider and balance four factors: (1) the probability of success in the litigation; (2) the difficulties, if any, to be encountered in the matter of collection; (3) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (4) the paramount interest of the creditors with a proper deference to their reasonable views. Woodson v. Fireman's Fund Ins. Co. (In re Woodson), 839 F.2d 610, 620 (9th Cir. 1988).

It appears from the moving papers that Trustee has considered the standards of A & C Properties and Woodson. Doc. #41. Although Trustee believes she will ultimately succeed in recovering the preferential transfer, the terms of the settlement with Debtors obviates the need to initiate litigation of the estate's claims. Id. Trustee does not believe Elias has any defenses to the estate's claims. Id. While the settlement does not provide the estate with as much money as what Trustee could seek to recover from litigation, Trustee believes that pursuing litigation for the recovery of the remaining $750.00 on the claim would not be in the best interest of the estate. Id. Trustee believes in her business judgment that the settlement is fair, reasonable, and obtains an economically advantageous result for the estate. Id. The court concludes that the Woodson factors balance in favor of approving the compromise, and the compromise is in the best interests of the creditors and the estate.

It further appears that the compromise pursuant to Federal Rule of Bankruptcy Procedure 9019 is a reasonable exercise of Trustee's business judgment. The court may give weight to the opinions of the trustee, the parties, and their attorneys. In re Blair, 538 F.2d 849, 851 (9th Cir. 1976). No opposition has been filed. Furthermore, the law favors compromise and not litigation for its own sake. Id.

Accordingly, the motion is GRANTED, and the settlement between Trustee and Debtors is approved.

5. 17-13776-A-7 **IN RE: JESSICA GREER**
SFR-7

MOTION FOR COMPENSATION FOR SHARLENE F. ROBERTS-CAUDLE, TRUSTEES ATTORNEY(S)
6-18-2025 [129]

PETER FEAR/ATTY. FOR DBT.
SHARLENE ROBERTS-CAUDLE/ATTY. FOR MV.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

This motion was set for hearing on at least 28 days' notice prior to the hearing date pursuant to Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of creditors, the debtor, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re

Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires a moving party make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

As a procedural matter, the movant did not attach the Clerk of Court's Matrix of creditors with the certificate of service filed in connection with this motion. Doc. #134. Local Rule of Practice ("LBR") 7005-1 states that "[u]nless service is on six or fewer parties in interest and a custom service list is used or the persons served are not on the Clerk of the Court's Matrix, the Certificate of Service Form shall have attached to it the Clerk of the Court's Official Matrix, as appropriate; (1) for the case or the adversary proceeding; and (2) the list of Equity Security Holders." Here, because the movant is seeking compensation that requires notice to all creditors in the debtor's bankruptcy case, the movant should use the Clerk of the Court's Official Matrix for the case to provide notice of this motion to all creditors. In the future, the Clerk of the Court's Matrix should be generated and filed with the certificate of service to comply with LBR 7005-1(a).

Sharlene F. Roberts-Caudle, ("Movant"), attorney for chapter 7 trustee James E. Salven ("Trustee"), requests allowance of final compensation and reimbursement for expenses for services rendered from August 11, 2018 through June 18, 2025. Doc. #129. Movant provided legal services valued at $56,340.00, and requests compensation for that amount. Id. Movant requests reimbursement for expenses in the amount of $1,661.76.[1] Exs. B-D, Doc. #133. This is Movant's second and final fee application. One prior fee application has been granted, allowing interim compensation to Movant pursuant to 11 U.S.C. § 331 in the amount of $8,250.00 and reimbursement for expenses totaling $207.45. Order, Doc. #88. Trustee consents to the amount requested in Movant's application. Decl. of James E. Salven, Doc. #131.

Section 330(a)(1) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services rendered" and "reimbursement for actual, necessary expenses" to a "professional person." 11 U.S.C. § 330(a)(1). In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, extent, and value of such services, taking into account all relevant factors. 11 U.S.C. § 330(a)(3).

Movant's services included, without limitation: (1) providing counsel to Trustee as to the administration of the chapter 7 case; (2) preparing and filing various documents in adversary proceeding pertaining to the California Department of Food & Agriculture ("CDFA"); (3) reviewing and editing joint status reports relating to the adversary proceeding against CDFA; (4) engaging in discovery and analysis of a bill of sale executed by the debtor, leading to the collection of property by the bankruptcy estate; (5) reviewing proofs of claim; (6) corresponding with various parties by email and phone calls; (7) preparing stipulation and settlement agreement ending litigation with CDFA; and (8) preparing and filing employment and fee applications. Decl. of Sharlene F. Roberts-Caudle, Doc. #132; Exs. B-D, Doc. #133. The court finds the compensation in the amount of $56,340.00 and reimbursement for expenses in the amount of $1,661.76 for services rendered from August 11, 2018 through June 18,

[1] While the motion requests reimbursement for expenses in the amount of "$1,6621.76," the notice of hearing and exhibits filed in support of the motion state that Movant incurred expenses in the amount of $1,661.76. Motion, Doc. #129; Notice of Hearing, Doc. #130; Exhibits, Doc. #133. The court assumes the Movant made a clerical mistake in the motion and only seeks reimbursement for expenses in the amount of $1,661.76.

2025 sought by Movant to be reasonable, actual, and necessary and should be allowed on a final basis.

Movant also requests the court conduct a final review pursuant to 11 U.S.C. § 330 of all fees and expenses previously allowed pursuant to 11 U.S.C. § 331 on an interim basis. Specifically, Movant seeks final allowance of $8,250.00 in compensation and $207.45 in reimbursement for expenses previously awarded to Movant on September 8, 2018. Order, Doc. #88. All fees and expenses of Movant previously allowed on an interim basis are approved on a final basis.

This motion is GRANTED. The court allows on a final basis compensation in the amount of $56,340.00 and reimbursement of expenses in the amount of $1,661.76, totaling in the amount of $58,001.76. The court also allows on a final basis $8,250.00 in compensation and $207.45 in reimbursement for expenses previously allowed to Movant on an interim basis. Trustee is authorized to pay the amount allowed by this order from available funds only if the estate is administratively solvent and such payment is consistent with the priorities of the Bankruptcy Code.

6. 24-10680-A-7 **IN RE: CENTRAL CALIFORNIA CARTAGE CO, INC**
ADJ-6

MOTION TO COMPROMISE CONTROVERSY/APPROVE SETTLEMENT AGREEMENT WITH RYDER TRUCK RENTAL, INC. DBA RYDER TRANSPORTATION SERVICES
6-23-2025 [55]

IRMA EDMONDS/MV
PETER FEAR/ATTY. FOR DBT.
ANTHONY JOHNSTON/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. The Moving Party shall submit a proposed order after hearing.

This motion was filed and served on at least 21 days' notice prior to the hearing date pursuant to Federal Rule of Bankruptcy Procedure 2002 and 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.

Irma Edmonds ("Trustee"), the chapter 7 trustee of the bankruptcy estate of Central California Cartage Co, Inc. ("Debtor"), moves the court for an order pursuant to Federal Rule of Bankruptcy Procedure 9019 approving the settlement agreement of all claims and disputes with Ryder Truck Rental, Inc. dba Ryder Transportation Services ("Ryder"). Doc. #55.

Among the assets of the estate is a claim against Ryder for the recovery of a preferential and/or fraudulent transfer of $52,695.14 made by Debtor to Ryder within 90 days of the petition date. Decl. of Irma C. Edmonds at ¶ 4, Doc. #57. Ryder and Trustee have agreed to a settlement agreement and release of claims. Edmonds Decl., Doc. #57; Ex. A, Doc. #58. Ryder shall pay the sum of $17,500.00

to Trustee in exchange for Trustee to release all claims against Ryder. Id. Upon the court's approval of this compromise and the clearing of any check or checks for the settlement payment from Ryder, Trustee will dismiss the adversary proceeding. Ex. A, Doc. #58.

On a motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Fed. R. Bankr. P. 9019. Approval of a compromise must be based upon considerations of fairness and equity. Martin v. Kane (In re A & C Props.), 784 F.2d 1377, 1381 (9th Cir. 1986). The court must consider and balance four factors: (1) the probability of success in the litigation; (2) the difficulties, if any, to be encountered in the matter of collection; (3) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (4) the paramount interest of the creditors with a proper deference to their reasonable views. Woodson v. Fireman's Fund Ins. Co. (In re Woodson), 839 F.2d 610, 620 (9th Cir. 1988).

It appears from the moving papers that Trustee has considered the standards of A & C Properties and Woodson. Doc. #55. The claims against Ryder involve a transfer made within 90 days of the petition date by Debtor to Ryder. Edmonds Decl., Doc. #57. Trustee filed her complaint to initiate the adversary proceeding requesting the court to set aside the payment and recover transfer for the benefit of the bankruptcy estate. Id. Ryder contends that it has defenses to the preference claims alleged by Trustee, including "new value" and that the preferential payment was made in the ordinary course of business. Id. The terms of the settlement with Ryder obviates the need to further litigate the estate's claims and provides the estate with money in full satisfaction of any claims without additional expenses of litigation or issues in the matter of collection. Id. Trustee believes that the bankruptcy estate likely would incur legal fees and costs equal to about $30,000.00 to litigate this matter. Id. Further, while Trustee assumes that Ryder is solvent and able to pay a judgment, Trustee would have to pursue enforcement of a judgment against a Florida entity, adding expense in an action that involves a relatively small claim. Id. Trustee believes in her business judgment that the settlement is fair, reasonable, and obtains an economically advantageous result for the estate. Id. The court concludes that the Woodson factors balance in favor of approving the compromise, and the compromise is in the best interests of the creditors and the estate.

It further appears that the compromise pursuant to Federal Rule of Bankruptcy Procedure 9019 is a reasonable exercise of Trustee's business judgment. The court may give weight to the opinions of the trustee, the parties, and their attorneys. In re Blair, 538 F.2d 849, 851 (9th Cir. 1976). Furthermore, the law favors compromise and not litigation for its own sake. Id.

Accordingly, pending opposition being raised at the hearing, the court is inclined to GRANT this motion and approve the settlement agreement between Trustee and Ryder.

7. 25-12081-A-7 **IN RE: EARL/JOYCELYN FOLSOM**
BDB-1

MOTION TO COMPEL ABANDONMENT
7-1-2025 [12]

JOYCELYN FOLSOM/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.

This motion was filed and served on at least 14 days' notice prior to the hearing date 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 a further hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

Earl Dean Folsom and Joycelyn R. Folsom (together, "Debtors"), the chapter 7 debtors in this case, move the court to compel the chapter 7 trustee to abandon the estate's interest in the handyman business of debtor Earl Dean Folsom. The assets used in Mr. Folsom's business consist of: (1) construction and carpentry tools, including a mitre saw, portable compressor, skill saw, portable table saw, various cords and hoses, hammers and screwdrivers, battery powered carpentry tools, and ladders (together, "Construction Tools"); (2) mechanical hand tools, including wrenches, socket sets, various clamps, and pullers (together, "Hand Tools"); and (3) a 1999 Ford F350 (collectively, with the Construction Tools and the Hand Tools, the "Property"). Doc. #12. Debtors assert there is minimal non-exempt equity in the Property, and the Property therefore has no value to the bankruptcy estate. Id.

11 U.S.C. § 554(b) permits the court, on request of a party in interest and after notice and a hearing, to order the trustee to abandon property that is burdensome to the estate or of inconsequential value and benefit to the estate. Vu v. Kendall (In re Vu), 245 B.R. 644, 647 (B.A.P. 9th Cir. 2000). To grant a motion to abandon property, the bankruptcy court must find either that the property is (1) burdensome to the estate or (2) of inconsequential value and inconsequential benefit to the estate. Id. (citing Morgan v. K.C. Mach. & Tool Co. (In re K.C. Mach. & Tool Co.), 816 F.2d 238, 245 (6th Cir. 1987)). However, "an order compelling abandonment [under § 554(b)] 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." Id. (quoting K.C. Mach. & Tool Co., 816 F.2d at 246).

Here, Debtors do not allege that the Property is burdensome to the estate. Motion, Doc. #12. Therefore, Debtors must establish that the Property is of inconsequential value and benefit to the estate. 11 U.S.C. § 554(b); Vu, 245 B.R. at 647. The Construction Tools are valued at $2,500.00, are not encumbered by any lien, and have a claimed exemption of $2,500.00. Schedules A/B, C & D, Doc. #1; Decl. of Earl Dean Folsom, Doc. #14. The Hand

Tools are similarly valued at $2,500.00, are not encumbered by any lien, and have a claimed exemption of $2,500.00. Id. Lastly, the 1999 Ford F350 is valued at $5,000.00, is not encumbered by any lien, and has a claimed exemption of $5,000.00. Id. Further, the only non-exempt asset is the goodwill of the business, which Debtors believe has no value because Mr. Folsom's business has no employees, and his business is completed entirely by his manual labor. Doc. #12. The court finds that Debtors have met their burden of establishing by a preponderance of the evidence that the Property is of inconsequential value and benefit to the estate.

Accordingly, pending opposition being raised at the hearing, this motion will be GRANTED. The order shall specifically identify the property abandoned.

8. 25-12167-A-7 **IN RE: JESUS/JUANA TORRES**
TCS-1

MOTION TO EXTEND AUTOMATIC STAY
7-4-2025 [13]

JUANA TORRES/MV
TIMOTHY SPRINGER/ATTY. FOR DBT.
OST 7/7/25

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 court will issue an order after the hearing.

On July 7, 2025, the court granted the debtors' ex parte Motion for Order Shortening Time to hear the debtors' motion to extend the automatic stay. Order, Doc. #20. This motion was set for hearing on July 16, 2025 at 1:30 p.m. pursuant to Local Rule of Practice ("LBR") 9014-1(f)(3). 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.

Debtors Jesus Torres and Juana Lopez Torres (together, "Debtors") move the court for an order extending the automatic stay pursuant to 11 U.S.C. § 362(c)(3)(B). Doc. #13.

Debtors had a chapter 7 case pending within the preceding one-year period that was dismissed, Case No. 24-13023 (Bankr. E.D. Cal.) ("Prior Case"). The Prior Case was filed on October 18, 2024 and dismissed on February 26, 2025. Decl. of Jesus Torres, Doc. #16. Under 11 U.S.C. § 362(c)(3)(A), if a debtor had a bankruptcy case pending within the preceding one-year period that was dismissed, then the automatic stay with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease shall terminate with respect to the debtor on the 30th day after the filing of the current case. Debtors filed this case on June 27, 2025. Petition, Doc. #1. The automatic stay will terminate in the present case on July 27, 2025.

Section 362(c)(3)(B) allows the court to extend the stay "to any or all creditors (subject to such conditions or limitations as the court may then impose) after notice and a hearing completed before the expiration of the 30-

day period only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed[.]" 11 U.S.C. § 362(c)(3)(B).

Section 362(c)(3)(C)(i) creates a presumption that the case was filed not in good faith if the debtor: (1) filed more than one prior case in the preceding year; (2) failed to file or amend the petition or other documents without substantial excuse, provide adequate protection as ordered by the court, or perform the terms of a confirmed plan; or (3) has not had a substantial change in his or her financial or personal affairs since the dismissal, or there is no other reason to believe that the current case will result in a discharge or fully performed plan. 11 U.S.C. § 362(c)(3)(C)(i).

The presumption of bad faith may be rebutted by clear and convincing evidence. 11 U.S.C. § 362(c)(3)(C). Under the clear and convincing standard, the evidence presented by the movant must "place in the ultimate factfinder an abiding conviction that the truth of its factual contentions are 'highly probable.' Factual contentions are highly probable if the evidence offered in support of them instantly tilt[s] the evidentiary scales in the affirmative when weighed against the evidence offered in opposition." Emmert v. Taggart (In re Taggart), 548 B.R. 275, 288 n.11 (B.A.P. 9th Cir. 2016) (citations omitted) vacated and remanded on other grounds by Taggart v. Lorenzen, 139 S. Ct. 1795 (2019).

In this case, the presumption of bad faith arises only if Debtors have not had a substantial change in their financial or personal affairs since dismissal of the Prior Case. In support of this motion to extend the automatic stay, Debtors assert that at the time the Prior Case was filed, Debtors' niece and grandniece were living with them but after filing the Prior Case, their niece and grandniece moved out, which no longer qualified them as chapter 7 debtors. Torres Decl., Doc. #16. Debtors stipulated with the United States Trustee to voluntary dismiss the Prior Case. Id. After dismissal, Debtors worked with their attorney who was able to determine that Debtors still qualify for chapter 7 and filed this case. Id. Debtors' current circumstances differ from the Prior Case because Debtors are able to be calculate their monthly expenses more accurately because their niece and grandniece have moved out and Mr. Torres's parents are living with them. Id. Debtors seek an extension of the automatic stay to have the same opportunity to reorganize their finances as any other chapter 7 debtor. Id. Debtors believe the extension of the automatic stay will protect them while allowing chapter 7 trustee and United States Trustee to investigate Debtors' eligibility to be chapter 7 debtors. Id. Debtors also note that they have not received a discharge in the past eight (8) years and the Prior Case is the only other bankruptcy case Debtors have filed. Id.

The court is inclined to find that Debtors' explanation as to why the Prior Case was dismissed rebuts the presumption of bad faith that arose after Debtors stipulated to voluntarily dismiss the Prior Case and that Debtors' petition commencing this case was filed in good faith.

Accordingly, pending opposition being raised at the hearing, the court is inclined to GRANT the motion and extend the automatic stay for all purposes only as to those parties named in Debtors' motion (Doc. #13), unless terminated by further order of the court.