

UNITED STATES BANKRUPTCY COURT Eastern District of California Honorable René Lastreto II Department B - Courtroom #13 Fresno, California Hearing Date: Tuesday, November 19, 2024

Unless otherwise ordered, all matters before the Honorable René Lastreto II, shall be simultaneously: (1) In Person at, Courtroom #13 (Fresno hearings only), (2) via ZoomGov Video, (3) via ZoomGov Telephone, and (4) via CourtCall. You may choose any of these options unless otherwise ordered or stated below.

All parties or their attorneys who wish to appear at a hearing remotely must sign up by <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 <u>CourtCall Appearance Information</u>. 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.

## 9:30 AM

1. <u>24-12914</u>-B-11 IN RE: VALLEY INVESTMENTS - SYCAMORE LLC CAE-1

ORDER TO SHOW CAUSE 10-17-2024 [<u>11</u>]

DISMISSED 10/21/24

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 October 21, 2024, Doc. #15. Accordingly, this Order to Show Cause will be taken off calendar as moot. No appearance is necessary.

## 2. <u>24-11015</u>-B-11 IN RE: PINNACLE FOODS OF CALIFORNIA LLC MJB-11

CONTINUED MOTION TO USE CASH COLLATERAL 10-1-2024 [254]

PINNACLE FOODS OF CALIFORNIA LLC/MV MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

3. <u>24-11016</u>-B-11 **IN RE: TYCO GROUP LLC** MJB-9

CONTINUED MOTION TO USE CASH COLLATERAL 10-1-2024 [205]

TYCO GROUP LLC/MV MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

4.  $\frac{24-11017}{MJB-10}$ -B-11 IN RE: CALIFORNIA QSR MANAGEMENT, INC.

CONTINUED MOTION TO USE CASH COLLATERAL 10-1-2024 [206]

CALIFORNIA QSR MANAGEMENT, INC./MV MICHAEL BERGER/ATTY. FOR DBT.

NO RULING.

#### 1. 24-12310-B-7 IN RE: MATTHEW/MELINA PASCUA

REAFFIRMATION AGREEMENT WITH BMO BANK N.A. 10-23-2024 [23]

SCOTT LYONS/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 Matthew and Melina Pascua ("Debtors") and Valley Oak Credit Union for a 2021 Chevrolet Tahoe (VIN 1GNSKNKDOMR353167) ("Vehicle") was filed on November 5, 2024. Doc. #26.

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."

Here, the Vehicle is valued at \$42,550.00. The amount being reaffirmed by Debtor is \$51,083.85 with a 7.45% interest rate. Debtors have negative equity of \$8,533.85 with approximately 61 months (five years) remaining on the loan and a net monthly income of \$25.15 remaining in the budget every month according to the Debtors' schedules. Though there is no presumption of undue hardship because the lender is a Credit Union, reaffirming this debt is not in the Debtors' best interest.

Nothing prevents the Debtors from continuing to make payments to the Creditor nor the creditor from accepting those payments. Approval of the reaffirmation agreement is DENIED.

#### 2. 24-12535-B-7 IN RE: CARLOS GONZALEZ

REAFFIRMATION AGREEMENT WITH LENDINGCLUB BANK, NATIONAL ASSOCIATION 10-30-2024 [15]

STEVEN ALPERT/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 Carlos Javier Gonzalez ("Debtor") and LendingClub Bank National Association for a 2016 Honda Pilot ("Vehicle") was filed on October 30, 2024. Doc. #15.

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 Debtor's Schedules B and D states that this Vehicle belongs to Debtor's estranged wife and suggests Debtor may be 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 LendingClub Bank National Association will be DENIED.

#### 3. 24-12539-B-7 IN RE: ALEXIS SHAMP

REAFFIRMATION AGREEMENT WITH EDUCATIONAL EMPLOYEES CREDIT UNION 10-21-2024 [14]

MICHAEL ARNOLD/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 Alexis Shamp ("Debtor") and Educational Employees Credit Union ("Creditor") for a 2017 Toyota 4Runner (VIN JTEBU5JR3H5439307) ("Vehicle") was filed on October 21, 2024. Doc. #15.

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."

Here, the Vehicle is valued at \$25,721.00. The amount being reaffirmed by Debtors is \$30,433.03 with a 3.49% interest rate. Debtors have negative equity of \$4,712.03 with approximately 55 months (over four years) remaining on the loan and a net monthly income of \$2.29 remaining in the budget every month according to the Debtors' schedules. Though there is no presumption of undue hardship because the lender is a Credit Union, reaffirming this debt is not in the Debtors' best interest.

Nothing prevents the Debtors from continuing to make payments to the creditor nor the creditor from accepting those payments. Approval of the reaffirmation agreement is DENIED.

### 1:30 PM

### 1. <u>24-13002</u>-B-7 IN RE: RAYMOND GOOLKASIAN BDB-1

MOTION TO WAIVE FINANCIAL MANAGEMENT COURSE REQUIREMENT, AND PRE-FILING CREDIT COUNSELING AS TO DEBTOR 10-21-2024 [10]

TAMMIE ZACZEK/MV BENNY BARCO/ATTY. FOR DBT.

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

DISPOSITION: Continued to December 10, 2024, at 1:30 p.m.

ORDER: The court will issue the order.

Tammie Zaczek ("Movant"), Debtor's sister-in-law, moves for a waiver of the financial management course requirement and the pre-filing credit counseling requirement as to Raymond Goolkasian, the debtor in the above-styled case ("Debtor"). Doc. #10.

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

No party in interest timely filed written opposition, and the defaults of all nonresponding parties will be entered. Nevertheless, this matter will be CONTINUED until December 10, 2024, at 1:30 p.m. for the reasons outlined below.

Movant asserts that she has power-of-attorney over Debtor's financial affairs. According to Movant's Declaration, Debtor is a "frail 79year-old man" debilitated by Parkinson's Disease and currently in hospice. Doc. #12. Movant further declares that Debtor cannot physically participate in pre- or post-filing credit counseling. *Id.* 

The declarant is qualified to state her observations about Debtor's condition, and the court is inclined to grant the requested relief. However, the court is reticent to do so without the admission of the power of attorney agreement into evidence. Accordingly, this matter will be CONTINUED to give Movant an opportunity to submit the power of attorney as an exhibit, properly authenticated, in support of the motion. Additional evidence to be filed and served on or before December 3, 2024.

### 2. <u>22-10760</u>-B-7 **IN RE: MATTHEW CRIPPEN** DS-1

MOTION FOR RELIEF FROM AUTOMATIC STAY AND/OR MOTION FOR ADEQUATE PROTECTION 10-25-2024 [159]

EDWARD BROWN/MV TIMOTHY SPRINGER/ATTY. FOR DBT. DANIEL SINGER/ATTY. FOR MV.

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

DISPOSITION: Denied without prejudice.

ORDER: The court will enter the order.

Edward Brown ("Movant") seeks an order lifting the automatic stay under 11 U.S.C. § 362 in the above-captioned matter so that Movant may enforce its remedies against the property in accordance with applicable non-bankruptcy law on the real property commonly known as 13250 West Annadale Avenue, Kerman, California (the "Property").

This motion will be DENIED WITHOUT PREJUDICE for failure to comply with the Local Rules of Practice ("LBR").

LBR 4001-1 states that motions for relief from the automatic stay of 11 U.S.C. § 362(a) shall be set for hearing in accordance with LBR 9014. LBR 9014, in turn, states that, under LBR 9014-1(d)(3)(B)(i), the Notice of the motion must include the names and addresses of the persons who must be served with such opposition.

Here, the Notice only directed that written opposition should be served upon Movant's counsel. See Doc. #160. However, as the motion to lift stay implicates assets of the estate, the Chapter 7 Trustee and the U.S. Trustee are included among "the persons who must be served with such opposition." For motions filed on less than 28 days' notice, LBR 9014-1(f)(2)(C) requires the movant to notify respondents written opposition is not required and any opposition to the motion must be presented at the hearing.

Here, the motion was filed and served on October 25, 2024, and set for hearing on November 19, 2024. Docs. #160, #165. October 25, 2024, is twenty-five (25) days before November 19, 2024. Therefore, this motion was set for hearing on less than 28 days' notice under LBR 9014-1(f)(2). Nevertheless, the notice stated:

PLEASE TAKE FURTHER NOTICE that the Motion is being made pursuant to Local Bankruptcy Rule 4001-1 and 9014-1(f)(1), 11 United States Code § 362(d), and Federal Rules of Bankruptcy Procedure 4001.

PLEASE TAKE FURTHER NOTICE that any opposition to the granting of the Motion shall be in writing, supported by written evidence, and shall be served on Movant's counsel, Sokolof Remtulla at 2301 Dupont Drive Suite 505, Irvine, CA 92612, and filed with the Clerk by the responding party, at the United States Bankruptcy Court, 501 I Street Sixth Floor, Courtroom 33, Sacramento, CA, 95814 not less than fourteen (14) calendar days preceding the noticed (or continued) date of hearing.

Notice at 1:25-27, 2:1-6, Doc. #160. This is incorrect. Motions noticed on less than 28 days' notice of the hearing are deemed brought pursuant to LBR 9014-1(f)(2). The notice should have informed respondents that written opposition was not required, and opposition, if any, shall be presented at the hearing. If opposition is presented, or if there is other good cause, the court may continue the hearing to permit the filing of evidence and briefs.

The notice also incorrectly identifies the court where documents are filed. They should be filed at the Fresno courthouse, not the Sacramento courthouse. Therefore, the notice was materially deficient because the respondents were told to file and serve written opposition even though it was not necessary, and it was otherwise incorrect in identifying the court to file the responsive documents. Thus, interested parties may be deterred from opposing at the motion, or from even appearing at the hearing, and if they filed something it would be in the wrong court.

Accordingly, the Notice is deficient, and this motion must be DENIED WITHOUT PREJUDICE.

3. <u>23-10487</u>-B-7 IN RE: CHERYLANNE FARLEY DMG-3

MOTION FOR COMPENSATION FOR D. MAX GARDNER, TRUSTEES ATTORNEY(S) 10-22-2024 [133]

ROBERT WILLIAMS/ATTY. FOR DBT. D. GARDNER/ATTY. FOR MV.

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

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order that conforms with the opinion below.

D. Max Gardner, Attorney at Law ("Applicant") seeks approval of a final allowance of compensation under 11 U.S.C. § 330 of the Bankruptcy Code for professional services rendered and reimbursement for expenses incurred as attorney for Jeffrey M. Vetter, Trustee in the above-styled case ("Trustee'). Doc. #133

Applicant was employed to perform services under § 327 of the Code pursuant to an order of this court dated October 26, 2023. Doc. #78. This is Applicant's first and final request for compensation.

Applicant seeks **\$7,584.50** in fees based on **19.70** billable hours from September 18, 2023, through October 20, 2024. Doc. #135. Based on the moving papers, it appears that Applicant was the only employee of the firm to work on this case, and he billed at a rate of \$385.00 per hour. *Id*. Applicant also requests **\$142.13** in expenses, consisting of \$80.85 for mailing postage and \$61.28 for copies. *Id*.

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

Applicant's services here included, without limitation: asset disposition; case administration; fee/employment applications; and relief from stay proceedings. Doc. #135. The court finds the services and expenses reasonable, actual, and necessary. The Trustee has reviewed the Application and finds the requested fees and expenses to be reasonable. Doc. #136. This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). Thus, pursuant to LBR 9014-1(f)(1)(B), the failure of any party in interest (including but not limited to creditors, the debtor, the U.S. Trustee, or any other properly served party in interest) to file written opposition at least 14 days prior to the hearing may be deemed a waiver of any such opposition to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). When there is no opposition to a motion, the defaults of all parties in interest who failed to timely respond will be entered, and, in the absence of any opposition, the movant's factual allegations will be taken as true (except those relating to amounts of damages). Televideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987). Because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary when an unopposed movant has made a prima facie case for the requested relief. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006).

No party in interest has responded, and the defaults of all such parties are entered.

This Application is GRANTED. The court will approve on a final basis under 11 U.S.C. §330 compensation in the amount of **\$7,584,50** in fees and **\$142.13** in expenses. The court grants the Application for a total award **\$7,726.63** as an administrative expense of the estate and an order authorizing and directing the Trustee to pay such to Applicant from the first available estate funds.