

**United States Bankruptcy Court  
Central District of California  
Riverside  
Mark Houle, Presiding  
Courtroom 301 Calendar**

Tuesday, February 11, 2025

Hearing Room 301

11:00 AM

**6:24-14923 Angel Luis Torres, Jr and Brianna Adele Torres**

**Chapter 7**

**#1.00** Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2021 Ford Truck F-150 VIN No.:1FTFW1RG2MFC62426

MOVANT: JPMORGAN CHASE BANK, N.A.

EH\_\_

**[Tele. appr. Wendy Locke, rep. Creditor JPMorgan Chase Bank, N.A.]**

Docket 22

**Tentative Ruling:**

**2/11/2025**

Service: Proper  
Opposition: None

Having reviewed the motion, service being proper, no opposition having been filed, which the Court deems consent to the relief requested, for good cause appearing, and for reasons articulated in Movant's motion, the Court is inclined to:

- GRANT relief from stay pursuant to § 362(d)(1) and § 362(d)(2);
- GRANT waiver of Rule 4001(a)(3) stay; and
- GRANT request under ¶ 2.

APPEARANCES WAIVED. Movant to lodge order within seven days. If oral or written opposition is presented at the hearing, the hearing may be continued.

**Party Information**

**Debtor(s):**

Angel Luis Torres Jr

Represented By  
Keith Q Nguyen

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**CONT... Angel Luis Torres, Jr and Brianna Adele Torres**

**Chapter 7**

**Joint Debtor(s):**

Brianna Adele Torres

Represented By  
Keith Q Nguyen

**Movant(s):**

JPMorgan Chase Bank, N.A.

Represented By  
Joseph C Delmotte

**Trustee(s):**

Lynda T. Bui (TR)

Pro Se

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**6:24-17281 Michael Roger Franks and Heather Lisa Baker**

**Chapter 7**

**#2.00** Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2022 Cadillac XT4 VIN: 1GYFZCR45NF110872

MOVANT: ACAR LEASING LTD D/B/A GM FINANCIAL LEASING

EH\_\_

**[Tele. appr. Keith Higgonbotham, rep. Movant]**

Docket 13

**Tentative Ruling:**

**2/11/2025**

Service: Proper  
Opposition: None

Having reviewed the motion, service being proper, no opposition having been filed, which the Court deems consent to the relief requested, for good cause appearing, the Court is inclined to:

- GRANT relief from stay pursuant to § 362(d)(1);
- GRANT waiver of Rule 4001(a)(3) stay; and
- GRANT request under ¶ 2.

APPEARANCES WAIVED. Movant to lodge order within seven days. If oral or written opposition is presented at the hearing, the hearing may be continued.

**Party Information**

**Debtor(s):**

Michael Roger Franks

Represented By  
Neil R Hedtke

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**CONT... Michael Roger Franks and Heather Lisa Baker**

**Chapter 7**

**Joint Debtor(s):**

Heather Lisa Baker

Represented By  
Neil R Hedtke

**Movant(s):**

ACAR Leasing LTD d/b/a GM

Represented By  
Merdaud Jafarnia

**Trustee(s):**

Robert Whitmore (TR)

Pro Se

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**6:24-17692 Monica Pearl Patel and Sandip Rajendra Patel**

**Chapter 7**

**#3.00** Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2022 Mercedes-Benz GLC300W, VIN: W1N0G8DB7NG031551

MOVANT: MERCEDES-BENZ VEHICLE TRUST SUCCESSOR IN INTEREST TO DAIMLER TRUST

EH\_\_

**[Tele. appr. Sheryl K. Itgh, rep. Movant Mercedes-Benz Vehicle Trust successor in interest to Daimler Trust]**

Docket 11

**Tentative Ruling:**

**2/11/2025**

Service: Proper  
Opposition: None

Having reviewed the motion, service being proper, no opposition having been filed, which the Court deems consent to the relief requested, for good cause appearing, the Court is inclined to:

- GRANT relief from stay pursuant to § 362(d)(1) and § 362(d)(2);
- GRANT waiver of Rule 4001(a)(3) stay;
- GRANT request under ¶ 2; and
- DENY request under ¶ 11 as moot.

APPEARANCES WAIVED. Movant to lodge order within seven days. If oral or written opposition is presented at the hearing, the hearing may be continued.

**Party Information**

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**CONT... Monica Pearl Patel and Sandip Rajendra Patel**

**Chapter 7**

**Debtor(s):**

Monica Pearl Patel

Represented By  
Kevin Tang

**Joint Debtor(s):**

Sandip Rajendra Patel

Represented By  
Kevin Tang

**Movant(s):**

Mercedes-Benz Vehicle Trust

Represented By  
Sheryl K Ith

**Trustee(s):**

Charles W Daff (TR)

Pro Se

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**6:24-16205 Crownco, Inc.**

**Chapter 11**

**#4.00** CONT. Notice of motion and motion for relief from the automatic stay with supporting declarations ACTION IN NONBANKRUPTCY FORUM RE: Carol Carmel v. Crownco, Inc. et al.

MOVANT: Carol Carmel

From: 12/17/24

EH\_\_

**[Tele. appr. Gregory A. Thyberg, rep. Movant Carol Carmel]**

Docket 63

**Tentative Ruling:**

**2/11/2025**

On October 16, 2024, Crownco, Inc. ("Debtor") filed a voluntary Chapter 11 bankruptcy petition. On November 20, 2024, Carol Carmel ("Movant") filed a motion for relief from the automatic stay under 11 U.S.C. § 362.

Movant appears to have attempted litigation against Debtor in state court for alleged wrongful termination and discrimination while employed by Debtor. Movant alleges that Movant was harassed while on job sites working for Debtor, that Movant brought the harassment to the attention of Debtor and Debtor did nothing to stop the harassment, and that Debtor retaliated by firing Movant. It is unclear based on the motion and attached exhibits whether litigation is still pending or whether there has been a final judgment in the state action.

Movant now seeks recovery only from applicable insurance and waives any deficiency or other claim against Debtor or the property of Debtor's bankruptcy estate. Movant did not serve the motion on the 20 largest creditors pursuant to Local Bankruptcy Rule 4001(a)(1).

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**CONT... Crownco, Inc.**

**Chapter 11**

Debtor and Movant also filed a stipulation on December 3, 2024, to continue the hearing to February 11, 2025. In this stipulation, Debtor alleged that Debtor's counsel needed additional time to determine the extent of Debtor's coverage under Debtor's insurance policy for Movant's unsecured claim against the Debtor and the extent of the policy's deductible provision.

Since the stipulation, there have been no further filings from Debtor or Movant regarding the motion. To date, Debtor has not filed an opposition.

**DISCUSSION**

Section 362(d)(1) provides that the bankruptcy court, on request of a party in interest and after notice and a hearing, must grant relief from the automatic stay, "such as by terminating, annulling, modifying, or conditioning" the stay, upon a showing of "cause."

The relevant factors for assessing whether there is cause to grant relief from the automatic stay in this situation are known as the *Curtis* factors, taken from *In re Curtis*, 40 B.R. 795 (Bankr. D. Utah 1984). These factors include the following:

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 foreign proceeding involves the debtor as a fiduciary;
4. Whether a specialized tribunal has been established to hear the particular cause of action and whether that tribunal has the expertise to hear such cases;
5. Whether the debtor's insurance carrier has assumed full financial responsibility for defending the litigation;
6. Whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the goods or proceedings in question;
7. Whether the litigation in another forum would prejudice the interests of other creditors, the creditors' committee and other interested parties;

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**Crownco, Inc.**

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8. Whether the judgment claim arising from the foreign action is subject to equitable subordination under Section 510(c);
9. Whether movant's success in the foreign proceeding would result in a judicial lien avoidable by the debtor under Section 522(f);
10. The interests of judicial economy and the expeditious and economical determination of litigation for the parties;
11. Whether the foreign proceedings have progressed to the point where the parties are prepared for trial, and
12. The impact of the stay on the parties and the "balance of hurt,"

*See, e.g., In re Merriman*, 616 B.R. 381, 389 fn.6 (B.A.P. 9th Cir. 2020).

In analyzing these factors, the District Court has previously said:

While the *Curtis* factors are widely used to determine the existence of "cause," not all of the factors are relevant in every case, nor is a court required to give each factor equal weight. According to the court in *Curtis*, "the most important factor in determining whether to grant relief from the automatic stay to permit litigation against the debtor in another forum is the effect of such litigation on the administration of the estate. Even slight interference with the administration may be enough to preclude relief in the absence of a commensurate benefit.

*In re Roger*, 539 B.R. 837, 845 (C.D. Cal. 2015) (quotations and citations omitted). Indeed, according to the Ninth Circuit Bankruptcy Appellate Panel, bankruptcy courts may use the *Curtis* factors but are not required to; the factors are merely an aid for the court to use in balancing equities. *See In re Merriman*, 616 B.R. at 390.

Here, neither party has cited to the *Curtis* factors, nor have they provided any analysis on how the factors apply to the case. Movant barely gives any analysis other than showing that Movant is or was a litigant against Debtor in a state action, and Movant is now seeking recovery only from applicable insurance and waives any deficiency or other claim against Debtor or property of the Debtor's bankruptcy estate. The status of the state court litigation is unclear to the Court. And although Movant lists Debtor's insurance and policy number, it is unclear whether, per factor 5 of the *Curtis* factors, Debtor's insurance company has assumed full financial responsibility for defending

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the litigation.

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The Court notes that 11 U.S.C. § 362(g)(2) places the burden of proof on the party opposing relief from stay. First, however, the moving party must make out a prima facie case, and "[a] *prima facie* case requires a showing by the movant of a factual and legal right to the relief that it seeks." 3 Collier on Bankruptcy ¶ 362.10 (16th ed. 2024) (internal quotation marks omitted). However, Movant has not shown a factual and legal right to the relief from stay. All Movant has shown is that at one point in time, litigation was pending against Debtor, and that Debtor has insurance. Movant has not shown the status of this litigation, nor what this insurance policy covers. Movant has not made a prima facie case.

Given this burden of proof, there being no opposition, Movant having not served the motion on the 20 largest creditors as required by Local Bankruptcy Rule 4001(a)(1), and unless Movant can show cause—including further details about the state court litigation and the relevant insurance policy—at the hearing, the Court is inclined to DENY the motion or continue for proper service.

APPEARANCES REQUIRED.

<b>Party Information</b>
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**Debtor(s):**

Crownco, Inc.

Represented By  
Robert P Goe  
Reem J Bello

**Movant(s):**

Carol Carmel

Represented By  
Gregory A Thyberg

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**6:24-16223 Winestead LLC**

**Chapter 11**

**#5.00 Motion for Order Authorizing Debtor to Assume Nonresidential Leases**

EH\_\_

**[Tele. appr. J. Luke Hendrix rep. Debtor]**

Docket 52

**Tentative Ruling:**

2/11/2025

**BACKGROUND**

On October 17, 2024, Winestead LLC ("Debtor") filed a Chapter 11 voluntary petition, proceeding as a small business debtor under Subchapter V of the Bankruptcy Code. Debtor manufactures wine, sells wine, and operates a tasting room and restaurant in Old Town Murrieta, California.

Debtor leases its restaurant premises from its landlord, Palm Garden Estates, LLC ("Palm Garden"). The most recent commercial lease for the restaurant premises dates to March 1, 2022, and runs through March 7, 2027 ("Restaurant Lease"). Palm Garden has given Debtor notice that it alleges the amount of unpaid prepetition rent exceeds \$30,000.00. Debtor claims the current rent amount is \$8,113.74, with annual increases based on the Consumer Price Index and no less than 3.0%. Debtor claims that it does not pay any common area operating expenses or property taxes.

Debtor also leases a second commercial property, a warehouse used to store wine and other supplies to support its winery business ("Warehouse Lease"). Debtor leases this warehouse from landlord Tony Yen. The Warehouse Lease runs through April 30, 2028, and was entered into in Debtor's prior name of Orange Coast Winery, LLC. The current rent is \$4,125.44, and this rental amount increases 3.0% annually.

Debtor filed the instant motion on January 21, 2025. Debtor seeks to assume the Restaurant Lease and the Warehouse Lease. Debtor cites to 11 U.S.C. § 365(a),

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**Chapter 11**

seeking the Court's approval to assume these debts. Alternatively, Debtor requests the Court extend the deadline for Debtor to assume or reject an unexpired lease of nonresidential property be 90 days from February 14, 2025 to May 16, 2025, under 365(d)(4)(B)(i) to resolve any objections or other unresolved issues precluding Debtor's assumption of the leases, extend the period of assumption through the date of the April 15, 2025 confirmation hearing, which would warrant cause for the extension.

Debtor claims to have sufficient funds to eventually cure the Restaurant Lease's default, and that during the first full month of Debtor's bankruptcy, Debtor generated a profit of approximately \$25,000.00. Debtor also claims that its estimated monthly disposable income is approximately \$13,000.00, that Debtor's deposit accounts are currently over \$70,000.00, and that Debtor expects to have at least that amount at the time of the hearing on this motion.

Debtor also claims Palm Garden has agreed to consent to Debtor's assumption of the Restaurant Lease and the curing of all defaults under the Restaurant Lease, including any and all monetary defaults by stipulation providing for Debtor's payment to Palm Garden in the amount of \$15,000.00 through monthly payments of \$1,250.00, beginning March 2025 and continuing until paid in full. Debtor claims that although there is no stipulation with Palm Garden yet, Debtor anticipates a stipulation with Palm Garden with those general terms before the hearing on this motion.

**DISCUSSION**

11 U.S.C. § 365(d)(4) provides:

- (A) Subject to subparagraph (B), an unexpired lease of nonresidential real property under which the debtor is the lessee shall be deemed rejected, and the trustee shall immediately surrender that nonresidential real property to the lessor, if the trustee does not assume or reject the unexpired lease by the earlier of –
- (i) The date that is 120 days after the date of the order for relief; or
  - (ii) The date of the entry of an order confirming a

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**Winestead LLC**

**Chapter 11**

plan.

(B)

- (i) The court may extend the period determined under subparagraph (A), prior to the expiration of the 120-day period, for 90 days on the motion of the trustee or lessor for cause.
- (ii) If the court grants an extension under clause (i), the court may grant a subsequent extension only upon prior written consent of the lessor in each instance.

Turning to the merits of the motion, the Court notes that its review of Debtor's decision to assume the lease is highly deferential:

The propriety of a decision to assume or reject an unexpired lease (*i.e.*, whether the motion to assume/reject should be approved by the court) normally is determined under the deferential "business judgment" test. The court must presume that the debtor, in deciding to reject, acted "prudentially, on an informed basis, in good faith, and in the honest belief that the action taken was in the best interests of the bankruptcy estate." The court should approve the debtor's decision unless it is "so manifestly unreasonable that it could not be based on sound business judgment, but only on bad faith, or whim or caprice."

*In re Hertz*, 536 B.R. 434, 442 (Bankr. C.D. Cal. 2015) (quoting *In re Pomona Valley Med. Grp. Inc.*, 476 F.3d 665, 670 (9th Cir. 2007)).

Notice being proper and no opposition having been filed, the Court has no basis in the record that Debtor's decision to assume the leases is "manifestly unreasonable." Furthermore, it appears that Debtor has provided adequate assurance that it can promptly cure the defaults in the leases.

Based on the foregoing, the Court is inclined to GRANT the motion.

APPEARANCES REQUIRED.

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**CONT... Winestead LLC**

**Chapter 11**

**Party Information**

**Debtor(s):**

Winestead LLC

Represented By  
J. Luke Hendrix

**Movant(s):**

Winestead LLC

Represented By  
J. Luke Hendrix  
J. Luke Hendrix  
J. Luke Hendrix  
J. Luke Hendrix  
J. Luke Hendrix

**Trustee(s):**

Mark M Sharf (TR)

Pro Se

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**6:25-10768 Shandal Tifani Barnett**

**Chapter 7**

**#6.00 Application for Waiver of Chapter 7 Filing Fee**

EH\_\_

Docket 5

**Tentative Ruling:**

- NONE LISTED -

<b>Party Information</b>
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**Debtor(s):**

Shandal Tifani Barnett

Pro Se

**Trustee(s):**

Arturo Cisneros (TR)

Pro Se