

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Maureen Tighe, Presiding
Courtroom 302 Calendar**

Monday, December 9, 2024

Hearing Room 302

11:00 AM

1: -

Chapter

#0.00 All hearings on this calendar will be conducted remotely through Zoomgov.com. The judge will not be in the courtroom. Parties in interest (and their counsel) may connect by ZoomGov audio and video free of charge, using the connection information provided below. Members of the public and the press may only connect to the zoom audio feed, and only by telephone. Access to the video feed by these individuals is prohibited.

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Neither a Zoom nor a ZoomGov account is necessary to participate remotely and there are no fees for doing so. No pre-registration or prior approval is required. The audio portion of each hearing will be recorded electronically by the Court and that recording will constitute its official record. Recording, retransmitting, photographing or imaging Court proceedings by any means is strictly prohibited.

Video/audio web address: <https://cacb.zoomgov.com/j/1618734356>

Meeting ID: 161 873 4356

Password: 138932

Dial by your location: 1 -669-254-5252 OR 1-646-828-7666

Docket 0

Tentative Ruling:

- NONE LISTED -

**United States Bankruptcy Court
Central District of California
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Monday, December 9, 2024

Hearing Room 302

11:00 AM

1:18-11869 Albert Lee

Chapter 7

Adv#: 1:19-01142 PCB Debt LLC v. Lee

#1.00 Pre-trial Conference Re: Third Amended
Complaint to Revoke Defendant's
Discharge under 11 USC Sec. 727

fr. 8/19/20; 9/1/21; 12/1/21; 7/6/22, 11/2/22; 10/31/22; 3/6/23;
5/15/23, 6/12/23, 7/17/23; 10/16/23; 12/4/23; 1/22/24; 5/13/24;
8/12/24; 9/9/24; 11/4/24

Docket 50

***** VACATED *****

Tentative Ruling:

In light of settlement motion, this will go off calendar.
NO APPEARANCE REQUIRED ON 12/9

Party Information

Debtor(s):

Albert Lee

Represented By
M Teri Lim

Defendant(s):

Albert Lee

Represented By
Kurt Ramlo

Plaintiff(s):

PCB Debt LLC

Represented By
George T Busu
James E Till
Bryan K Sheldon

Trustee(s):

David Keith Gottlieb (TR)

Represented By
Howard Camhi

**United States Bankruptcy Court
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CONT... Albert Lee

Peter A Davidson
Byron Z Moldo

Chapter 7

**United States Bankruptcy Court
Central District of California
San Fernando Valley
Maureen Tighe, Presiding
Courtroom 301 Calendar**

Monday, December 9, 2024

Hearing Room 301

11:00 AM

1:21-11524 Jet Midwest Group, LLC

Chapter 7

#2.00 Second Interim Application for Approval of Compensation and Reimbursement of Costs for SLBIGGS, Accountant

Period: 9/1/2023 to 10/31/2024
Fees: \$51,643.00 Expenses: \$94.60

Docket 423

Tentative Ruling:

No objections filed. Fees and expenses are found to be reasonable and necessary. Application GRANTED in full. No appearance required on 12/9/24,

This hearing will be solely through zoomgov at the zoom link noted at the beginning of the calendar.

Party Information

Debtor(s):

Jet Midwest Group, LLC

Represented By
Roye Zur

Trustee(s):

Amy L Goldman (TR)

Represented By
Peter J Mastan
Ashleigh A Danker
Dinsmore & Shohl LLP
Claire K Wu
Hugh M Ray
Jonathan R Doolittle
Jonathan Serrano
Lovee D Sarenas

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1:21-11524 Jet Midwest Group, LLC

Chapter 7

#3.00 Second Interim Application of Pillsbury Winthrop Shaw Pittman LLP as Special Litigation Counsel to the Chapter 7 Trustee, for Allowance and Payment of Fees

Period: 9/1/2023 to 10/31/2024

Fees: \$17,160,000.00 Expenses: \$0.00

Docket 433

Tentative Ruling:

No objections filed. Fees and expenses are found to be reasonable and necessary. Application GRANTED in full. No appearance required on 12/9/24.

This hearing will be solely through zoomgov at the zoom link noted at the beginning of the calendar.

Party Information

Debtor(s):

Jet Midwest Group, LLC

Represented By
Roye Zur

Trustee(s):

Amy L Goldman (TR)

Represented By
Peter J Mastan
Ashleigh A Danker
Dinsmore & Shohl LLP
Claire K Wu
Hugh M Ray
Jonathan R Doolittle
Jonathan Serrano
Lovee D Sarenas

**United States Bankruptcy Court
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1:21-11524 Jet Midwest Group, LLC

Chapter 7

#4.00 Second Interim Application of Amy L. Goldman as Chapter 7 Trustee for Allowance and Payment of Compensation and Reimbursement of Expenses

Period: 9/1/2023 to 10/31/2024

Fees: \$561724.32 Expenses: \$9465.76.

Docket 432

Tentative Ruling:

No objections filed. Fees and expenses are found to be reasonable, necessary and statutorily required. Application GRANTED in full. No appearance required on 12/9/24.

This hearing will be solely through zoomgov at the zoom link noted at the beginning of the calendar.

Party Information

Debtor(s):

Jet Midwest Group, LLC

Represented By
Roye Zur

Trustee(s):

Amy L Goldman (TR)

Represented By
Peter J Mastan
Ashleigh A Danker
Dinsmore & Shohl LLP
Claire K Wu
Hugh M Ray
Jonathan R Doolittle
Jonathan Serrano
Lovee D Sarenas

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1:21-11524 Jet Midwest Group, LLC

Chapter 7

#5.00 Second Interim Application for Dinsmore & Shohl LLP for Allowance and Payment of Compensation and Reimbursement of Expenses for Peter J Mastan, Trustee's Attorney

Period: 9/1/2023 to 10/31/2024

Fees: \$537,281.50 Expenses: \$9,047.60

Docket 428

Tentative Ruling:

No objections filed. Fees and expenses are found to be reasonable and necessary. Application GRANTED in full. **No Appearance required on 12/9/24,**

This hearing will be solely through zoomgov at the zoom link noted at the beginning of the calendar.

Party Information

Debtor(s):

Jet Midwest Group, LLC

Represented By
Roye Zur

Trustee(s):

Amy L Goldman (TR)

Represented By
Peter J Mastan
Ashleigh A Danker
Dinsmore & Shohl LLP
Claire K Wu
Hugh M Ray
Jonathan R Doolittle
Jonathan Serrano
Lovee D Sarenas

**United States Bankruptcy Court
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Monday, December 9, 2024

Hearing Room 302

11:00 AM

1:18-12855 PB-1, LLC

Chapter 11

#6.00 Motion for Order Allowing Omitted Administrative Claim and Omitted General Unsecured Claims

Docket 342

Tentative Ruling:

CONTINUED to March 17, 2025 at 1 pm - evidentiary hearing

This hearing will be solely through zoomgov at the zoom link noted at the beginning of the calendar.

Based on the papers, I need further clarification of what is in dispute to know whether a final ruling is possible at the hearing or if an evidentiary hearing or later argument must be held. Allowing at least some claim of the Trust and 257 appears to be in order based on the evidence and argument filed thus far, but how much is an open question.

Knowledge – The opposition argues that the claimants had knowledge of the bankruptcy filing, but they do not point to any knowledge of a claims bar date or notice of a need to file a claim. The notice and knowledge of what was required are foundational inquiries for consideration of good faith and whether a delay was reasonable.

The parties discuss excusable neglect. Deciding to allow a late claim under FRBP 9006(b)(1) requires a consideration of a number of factors. Those factors include 1) danger of prejudice to the debtor; 2) length of the delay and its potential impact on judicial proceedings; 3) reasons for the delay, including whether it was within the movant's reasonable control; and 4) whether the movant acted in good faith. *Pioneer Investment Services Co. v. Brunswick Assocs. Ltd. Partnership* 507 US 380, 385 (1993).

Claimants provide convincing argument that where Claimants knew of the bankruptcy case, they had no duty to inquire about the claims bar date. *New York v. New York, N.H. & H.R. Co.*, 344 U.S. 293, 297, 73 S.Ct. 299, 301 (1953) ("[E]ven creditors who have knowledge of a reorganization have a right to assume that the statutory 'reasonable notice' will be given them before their claims are forever barred."). See also *Levin v. Maya Construction Co. (In re*

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CONT... PB-1, LLC

Chapter 11

Maya Constr. Co.), 78 F.3d 1395, 1399 (9th Cir.), cert. denied, 519 U.S. 862, 117 S.Ct. 168 (1996) (as creditor's actual knowledge of bankruptcy proceeding "does not obviate the need for notice" no "duty to investigate and inject himself into the proceedings.") (citations omitted); *Joseph B. Dahlkemper Co. v. Liberatore (In re Joseph B. Dahlkemper Co.)*, 170 B.R. 853, 861 (Bankr.W.D.Pa.1994) ("The responsibility does not lie with creditors or claimants to search out what is required procedurally of them in this regard. The bankruptcy rules provide them with a right to appropriate and effective notice.").

There must be some notice of a required action. Here, there appears to be no dispute that claimants had some knowledge of the bankruptcy filing, but what additional knowledge they had is unclear. Debtors have not had the opportunity to respond to claimants' rather convincing evidence that all relevant notices in the bankruptcy case were not sent to claimants and were sent to a nonexistent address for Mr. Peters. What Mr. Peters actually knew of the case and what he discussed with Ms. Kest is also unclear. Both may need to testify if specific knowledge of the need to file a claim is a factual dispute.

The detail is lacking as to whether an informal proof of claim could have or should have been filed earlier, despite the lack of proper notice of virtually every significant notice in this case.

Insider status – the opposition to claim argues that Lynda Kest is an insider as the aunt of one of Debtor's owners. There appears to be no dispute that Mr. Brian Peters was a Manager of the Debtor and had a 45% membership ownership interest in the Debtor on the day that the Debtor filed its bankruptcy case. He has since been removed as a manager. Ms. Kest is his aunt and the manager of 257, LLC. The company used the business address of Mr. Peters until January 2024.

Debtors rely on *In re Enter. Acquisition Partners, Inc.*, 319 B.R. 626, 631 (9th Cir. BAP 2004) ("where such relationship compels the conclusion that the individual or entity has a relationship with the debtor, close enough to gain an advantage attributable simply to affinity rather than to the course of business dealings between the parties.") Insufficient information and law are provided to conclude Ms. Kester is an insider, and what effect it has if no notice of a claims bar date was ever provided.

Nature of claim – this appears to be an unsecured pre-petition claim as no loans were made to the bankruptcy estate. Is this disputed? The initial briefing request an administrative claim in part and a general unsecured claim in part.

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CONT... PB-1, LLC

Chapter 11

Is there any dispute as to the amounts sought? If so, further briefing is needed and an opportunity for the parties to first meet and confer.

Confirmation Requirements under section 1129(a)(7)(A)(ii) are an important consideration here, but it may not be necessary to go into such issues where notice and knowledge resolve the issue.

Prejudice to the debtor – Claimants do not seek to disrupt the AB Capital settlement and do not seek any disbursement until that settlement is paid. All other claims have been paid. Payment of attorneys fees to both of debtor’s counsel appear still necessary. It appears that the remaining funds are in dispute just between claimants and equity holders. So there is little to no prejudice to the actual estate by litigating this matter at this late date.

Delay in this case – There is no question that this is an extremely late motion to allow claim. This case has been trying to wrap up for years, and only the bankruptcy filing of the secured lender delayed the expected trial in 2022. That dispute appears to now be wrapping up, so the case could actually be closed by January 2025. Let’s discuss how we can still get this matter to wrap up and close by February 2025. If, in fact, claimants had some indication they had been left out and should have gotten involved sooner, that can be taken into consideration as to the amount of the claim.

The settlement motion in the AB Capital estate (22-11585-TA) appears to have been filed on November 12, 2024. A hearing is set for December 10, 2024 before Chief Judge Albert. If the settlement is approved, a 9019 motion will be filed in this case. That motion is unlikely to be heard this year, providing time to resolve this dispute before the case can close. The parties should discuss special hearing dates on Monday for all future matters as there is no self-calendaring available in January.

Party Information

Debtor(s):

PB-1, LLC

Represented By
Jeffrey S Shinbrot