

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Neil Bason, Presiding  
Courtroom 1545 Calendar**

**Tuesday, April 23, 2024**

**Hearing Room 1545**

9:00 AM  
**2:00-00000**

**Chapter**

- #1.00** Hearings in Judge Bason's courtroom (1545) are simultaneously:
- (1) in person in the courtroom, unless the Court has been closed (check the Court's website for public notices),
  - (2) via ZoomGov video, and
  - (3) via ZoomGov telephone.

You are free to choose any of these options, except that evidentiary hearings/trials must be in person in the courtroom (unless otherwise ordered). You do not need to call Chambers for advance approval or notice. ZoomGov appearances are free.

**ZoomGov Instructions for all matters on today's calendar:**

Meeting ID: 161 210 3574

Password: 475723

Meeting URL: <https://cacb.zoomgov.com/j/1612103574>

Telephone: +1 669-254-5252 or +1 646-828-7666 or 833-568-8864 (Toll Free)

Please connect at least 5 minutes before the start of your hearing, and wait with your microphone muted until your matter is called.

**Chapter 13: Persons needing to contact the Chapter 13 Trustee's attorney, either prior to the hearing or during a recess, can call Kaleen Murphy, Esq. at (213) 996-4433.**

Members of the public, including the press, are always welcome in person (except in rare instances when the courtroom is sealed) and they may also listen via telephone to non-evidentiary hearings, but must not view any hearings via video (per mandate of the AO).

Any audio or video recording is strictly prohibited. Official recordings are available for a small fee through the Clerk's Office.

Zoomgov hearing etiquette: (a) wait until the judge calls on you, so everyone is not talking at once; (b) when you first speak, state your name and, if you are an attorney, whom you represent (do not make your argument until asked to do so); (c) when you make your argument, please pause from time to time so that, for

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example, the judge can ask a question or anyone else can make an objection; (d) if the judge does not see that you want to speak, or forgets to call on you, please say so when other parties have finished speaking (do not send a "chat" message, which the judge might not see); and (e) please let the judge know if he mispronounces your name, uses the wrong pronoun, etc.

Docket 0

**Tentative Ruling:**

- NONE LISTED -

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10:00 AM

**2:22-15868 Larry Donnell Robinson**

**Chapter 13**

**#1.00** Cont'd hrg re: Motion for relief from stay [UD]  
fr. 4/9/24

THOMAS SAFRAN & ASSOCIATES  
vs  
DEBTOR

Docket 76

**Tentative Ruling:**

**Tentative Ruling for 4/23/24:**

Appearances required.

At the hearing on 4/9/24 this Court was persuaded to continue this matter to today. There is no tentative ruling but the parties should be prepared to address the current status of this matter, and whether this Court should set any briefing schedules, any hearings, or any other procedures.

If you are making an appearance, you may do so (1) in person in the courtroom, unless the Court has been closed (check the Court's website for public notices), (2) via ZoomGov video, or (3) via ZoomGov telephone. For ZoomGov instructions for all matters on calendar, please see page 1 of the posted tentative rulings.

**Tentative Ruling for 4/9/24:**

Appearances required. There is no tentative ruling, but the parties should be prepared to address (a) whether the alleged arrears have been brought current and/or (b) whether they will agree to the terms of an adequate protection order (see Debtor's response, dkt. 83, and Movant's reply, dkt. 85).

If you are making an appearance, you may do so (1) in person in the courtroom, unless the Court has been closed (check the Court's website for public notices), (2) via ZoomGov video, or (3) via ZoomGov telephone. For ZoomGov instructions for all matters on calendar, please see page 1 of the posted tentative rulings.

**Party Information**

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**CONT... Larry Donnell Robinson**

**Chapter 13**

**Debtor(s):**

LARRY DONNELL ROBINSON

Represented By  
Steven A Alpert

**Movant(s):**

Thomas Safran & Associates

Represented By  
Catherine Schlomann Robertson

**Trustee(s):**

Kathy A Dockery (TR)

Pro Se

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**2:21-12190 Sehee Bang**

**Chapter 7**

Adv#: 2:21-01098 Na v. Bang et al

**#1.00 Hrg re: Judgment Debtor Examine**

Docket 54

**Tentative Ruling:**

Appearances required, in person, pursuant to this Court's order to appear for examination ("OEX" or "ORAP," dkt. 56).

The Plaintiff (judgment creditor) is directed to address whether the proof of service ("POS") of the OEX is correct. *Compare* OEX (dkt. 56, p. 2:17-19) *with* POS (dkt. 59, p. 2). If that issue is address satisfactorily then, as stated in the OEX, this Court anticipates directing the parties to one of the attorney conference rooms (just outside of the courtroom) for the actual examination. In the event that the parties require the assistance of this Court to resolve any discovery disputes, they can re-enter the courtroom and request to be heard or, if the courtroom is closed, ring the doorbell at Chambers.

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

Sehee Bang

Represented By  
Young K Chang

**Defendant(s):**

Sehee Bang

Pro Se

Ari Apparel, Inc

Pro Se

Charming You Boutique

Pro Se

DOES 1-10, Inclusive

Pro Se

**Plaintiff(s):**

Hyun Woo Na

Represented By  
Joon M Khang

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**CONT... Sehee Bang**

**Chapter 7**

**Trustee(s):**

Edward M Wolkowitz (TR)

Pro Se

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**2:21-10368 Mrudula Kothari**

**Chapter 11**

**#2.00** Hrg re: Motion in Individual Ch 11 Case for Order  
Employing Professional (LBR 2014-1):  
Daniel Shamooelian/DS Real Estate Keller Williams  
as Real Estate Broker

Docket 303

**Tentative Ruling:**

Please see the tentative ruling for the status conference (Calendar No. 4,  
4/23/24 at 11:00 a.m.).

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

Mrudula Kothari

Represented By  
Stella A Havkin

**Trustee(s):**

Susan K Seflin (TR)

Pro Se

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**2:21-10368 Mrudula Kothari**

**Chapter 11**

**#3.00** Hrg re: Motion in Individual Ch 11 Case for Order  
Employing Professional (LBR 2014-1):  
Donald T. Fife, CPA

Docket 301

**Tentative Ruling:**

Please see the tentative ruling for the status conference (Calendar No. 4,  
4/23/24 at 11:00 a.m.).

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

Mrudula Kothari

Represented By  
Stella A Havkin

**Trustee(s):**

Susan K Seflin (TR)

Pro Se



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2:21-10368 Mrudula Kothari

Chapter 11

#4.00 Cont'd Status Conference re: Chapter 11 Case  
fr. 2/9/21, 03/02/21, 4/6/21, 4/27/21, 6/1/21, 7/20/21,  
8/31/21, 9/28/21, 10/26/21, 12/14/21, 2/15/22, 3/15/22,  
3/29/22, 4/12/22, 5/31/22, 9/6/22, 9/27/22, 10/11/22,  
12/6/22, 2/7/23, 4/4/23, 6/13/23, 7/11/23, 7/18/23,  
9/19/23, 11/28/23, 12/19/23, 2/6/24, 3/5/24, 4/2/24

Docket 1

**Tentative Ruling:**

**Tentative Ruling for 4/23/24:**  
Appearances required.

If you are making an appearance, you may do so (1) in person in the courtroom, unless the Court has been closed (check the Court's website for public notices), (2) via ZoomGov video, or (3) via ZoomGov telephone. For ZoomGov instructions for all matters on calendar, please see page 1 of the posted Tentative Rulings.

(1) Current issues

(a) Application to employ accountant (dkt. 301), Order setting application for hearing (dkt. 310), Errata to application (dkt. 317), Notice of hearing (dkt. 318, amended by dkt. 319), Response of Royal Business Bank ("Bank") (dkt. 331), Statement of Subchapter V Trustee ("Trustee") (dkt. 332)

Grant the application and authorize the bankruptcy estate to employ Mr. Fife, subject to the standard employment terms in the "Procedures of Judge Bason" (available at [www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)). Although this application was filed by Debtor, and this Court has now supplanted most of Debtor's authority regarding this matter with Trustee's authority (dkt. 312 & 313), Trustee supports the employment of Mr. Fife.

(b) Application to employ real estate broker (dkt. 303), Order setting application for hearing (dkt. 308), Supplemental declaration (dkt. 320), Proof of service (dkt. 321), Response of the Bank (dkt. 331), Trustee's statement (dkt. 332)

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**Mrudula Kothari**

**Chapter 11**

This Court has reviewed the parties papers, including the Bank's request "that a broker of its choosing be allowed to co-list the El Nido property" (dkt. 331, p. 2:21-22). Although this application was filed by Debtor, and this Court has now supplanted most of Debtor's authority regarding this matter with Trustee's authority (dkt. 312 & 313), Trustee supports this employment (dkt. 332).

The tentative ruling is to deny the Bank's request (which this Court interprets as a conditional objection) as unworkable. This Court believes it can take judicial notice that brokers would be disincentivized if two separate brokers for the estate were retained and forced to split their portion of the total brokers' commission (*i.e.*, if a single broker for the estate ordinarily would receive 1/2 of the commission, two brokers would each receive 1/4, which is not enough to motivate them to sell the subject property).

As for the merits of the application, it is unfortunate that, before the issues set forth below could be addressed, Debtor and the proposed broker have already proceeded to the point of not only marketing the property but apparently accepting an offer (subject to overbids, court approval, etc.). This puts the bankruptcy estate in the awkward position, if the employment application were to be denied, of having to start over again, and this Court takes judicial notice that re-listing a property is generally understood to chill the bidding.

In any event, the tentative ruling is to direct Trustee, Debtor, and/or the proposed broker to address why the proposed "marketing campaign" attached to the listing agreement (dkt. 303, PDF pp. 25-26) states that the proposed broker "do[es] not hold open houses or previews" (*id.*, PDF p. 26, para. 16, emphasis added) and conditions any inspection on Debtor first accepting a pre-qualified offer. *Id.*

Such conditions seem unusual and inappropriate. In addition, they do not appear to have been actually applied: it appears from Trustee's report (dkt. 332) that buyer(s) were in fact shown the property (and one has made an offer that has been accepted by Trustee, subject to overbids, a sale notice and motion, a hearing, and approval by this Court).

What do Mr. Shamoelian's conditions mean? Is he actually asserting that, in his experience, it is common for prospective buyers to not want to view and inspect a motel prior to submitting an offer? Alternatively, is there some explanation for these seemingly atypical conditions - *e.g.*, is this particular motel a "tear down" such that no viewing or inspection is needed

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CONT... **Mrudula Kothari**

Chapter 11

beyond what is available online? If no open houses or previews are contemplated, has the proposed broker maximized value for the bankruptcy estate? If the proposed broker has not engaged in open houses and previews, what has he done to earn the proposed commission? Has the proposed broker engaged in dual agency (which this Court prohibits - see below)?

Again, it would have been much better if the employment application addressed these issues and if, before Debtor and the broker had potentially locked the bankruptcy estate into a specific sale (or overbid), they had sought approval of these apparently unusual terms. Debtor's counsel is cautioned in future to balance any need for speed with an appropriate level of caution.

The tentative ruling is that, *if* the employment application is granted, it must be subject to the following modifications/clarifications:

(i) Compensation: Debtor appears to have inadvertently checked the local form box seeking authority to compensate the broker pursuant to 11 U.S.C. 330. Dkt. 303, p. 3, para. 2a. The tentative ruling is that compensation will be pursuant to 11 U.S.C. 328 and not section 330 (e.g., the broker need not file and serve an application for compensation before receiving any commission paid out of escrow).

(ii) No dual agency: The listing agreement provides that the proposed broker's commission will be reduced from 4% to 3% if the broker represents both buyer and seller in the transaction. Dkt. 303, PDF p. 17, para. 3.C. The tentative ruling is that this Court does not permit dual agency so any employment order will include Judge Bason's standard employment terms which includes a prohibition on dual agency.

(iii) Verification of duty of loyalty to estate

The tentative ruling is to require a supplemental declaration from the broker to confirm the broker's understanding that the duty of loyalty is not to Debtor but to the bankruptcy estate. Any such declaration must be filed before any order approving the employment is lodged.

Proposed order(s): Unless otherwise ordered, Debtor is directed to lodge proposed order(s) on each of the foregoing matter(s) via LOU within 7 days after the hearing date (per LBR 9021-1(b)(1)(B)) and attach a copy of this tentative ruling, thereby incorporating it as this Court's actual ruling.

(2) Dates/procedures. This case was filed on 1/19/21. On 4/4/24 this Court

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**Mrudula Kothari**

**Chapter 11**

entered an order reducing Debtor's powers as a debtor in possession and increasing the powers and oversight of the Subchapter V Trustee in this case. See dkt. 312 & 313.

- (a) Bar date: 3/30/21 per General Order 20-01 (70 days after petition date in Subchapter V cases) (DO NOT SERVE any notice: one has already been sent, see dkt. 11).
- (b) Procedures order: dkt. 8 (timely served, dkt. 12)
- (c) Amended Plan: TBD
- (d) Continued status conference: 6/4/24 at 1:00 p.m. *Brief* status report due 5/28/24.

\*Warning: special procedures apply (see Procedures order).

**[PRIOR TENTATIVE RULINGS OMITTED]**

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

Mrudula Kothari

Represented By  
Stella A Havkin

**Trustee(s):**

Susan K Seflin (TR)

Pro Se

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1:00 PM

**2:23-13307 Seyed Mustafa Maghloubi**

**Chapter 11**

**#1.00** Evidentiary hrg re: Order to show cause why this court should not impose sanctions and/or direct the appointment of a Chapter 11 trustee  
fr. 1/23/24, 2/20/24, 3/12/24, 4/9/24

Docket 60

**Tentative Ruling:**

**Tentative Ruling for 4/23/24:**

Please see the tentative ruling for the status conference (Calendar No. 2, 4/23/24 at 1:00 p.m.).

**[PRIOR TENTATIVE RULING(S) OMITTED.]**

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

Seyed Mustafa Maghloubi

Represented By  
Tony Forberg

**Trustee(s):**

Todd A. Frealy (TR)

Pro Se

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1:00 PM

2:23-13307 Seyed Mustafa Maghloubi

Chapter 11

#2.00 Cont'd Status conference re: Chapter 11 case  
fr. 11/14/23, 11/28/23, 1/23/24, 2/20/24, 3/12/24,  
4/2/24, 4/9/24

Docket 1

**Tentative Ruling:**

**Tentative Ruling for 4/23/24:**

Appearances required. Because this Court has not authorized contemporaneous transmission of testimony from a remote location, Debtor is directed to appear **in person** in the courtroom for this Evidentiary Hearing. Dkt. 141.

(1) Current issues

(a) Order to Show Cause re sanctions etc. (the "OSC," dkt. 60, 78–79), Debtor's response (dkt. 81), Forberg Decl. (dkt. 82), Totaro Decl. (dkt. 83), Totaro Status Report (dkt. 110), Chapter 11 Trustee Status Report (dkt. 128), Maghloubi Decl. (dkt. 132), Videos and pictures submitted to chambers by Mr. Maghloubi for display at trial

There is no tentative ruling, but the parties are reminded of the time limits of "20 minutes for direct testimony [by Mr. Maghloubi], 20 minutes for cross-examination by Mr. Totaro, 20 minutes for cross-examination by Trustee, 15 minutes for any redirect, and 10 minutes for each party to make any arguments in favor or against sanctions under the OSC or in favor of a continuance for any additional discovery or other matters." Dkt. 141 at p. 5.

(2) Dates/procedures. The involuntary petition commencing this case was filed on 5/30/23. An Order for Relief was entered on 6/27/23, dkt. 11. The case was converted from Chapter 7 to Chapter 11 on 10/12/23, dkt. 29.

(a) Bar date: TBD

(b) Procedures Order: dkt. 88 (not timely served, but eventually served which gives notice of matters therein, dkt. 133–134)

(c) Plan/Disclosure Statement: TBD

(d) Continued status conference: 5/7/24 at 1:00 p.m. (concurrent with other matters).

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**CONT... Seyed Mustafa Maghloubi**

**Chapter 11**

**[PRIOR TENTATIVE RULING(S) OMITTED. See Order to Show Cause (dkt. 60) and interim sanctions order (dkt. 89) for more information.]**

**Party Information**

**Debtor(s):**

Seyed Mustafa Maghloubi

Pro Se

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2:23-11397 Michael R Totaro

Chapter 11

#3.00 Cont'd Status Conference re: Chapter 11 case  
fr. 3/21/23, 4/4/23, 4/28/23, 5/16/23, 6/13/23,  
7/18/23, 8/15/23, 10/17/23, 11/14/23, 11/28/23,  
1/23/24, 2/6/24, 2/20/24, 3/5/24, 3/12/24, 4/9/24

Docket 1

**Tentative Ruling:**

**Tentative Ruling for 4/23/24:**

Appearances required by Debtor (or any counsel for Debtor).

If you are making an appearance, you may do so (1) in person in the courtroom, unless the Court has been closed (check the Court's website for public notices), (2) via ZoomGov video, or (3) via ZoomGov telephone. For ZoomGov instructions for all matters on calendar, please see page 1 of the posted tentative rulings.

(1) Current issues

This Court has no issues to raise *sua sponte*.

(2) Dates/procedures. This case was filed on 3/8/23.

(a) Bar date: 6/15/23 (dkt. 73, 90); Proof of Service (dkt. 91)

(b) Procedures order: dkt. 30 (timely served, dkt. 41).

(c) Plan/Disclosure Statement: TBD

(d) Continued status conference: 5/7/24 at 1:00 p.m., concurrent with other matters. No written status report required.

**[PRIOR TENTATIVE RULINGS OMITTED]**

**Party Information**

**Debtor(s):**

Michael R Totaro

Pro Se



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2:24-12938 Polerax USA Inc.

Chapter 11

#4.00 Hrg re: Debtor's Motion for an Order Authorizing Interim  
Use of Cash Collateral

Docket 13

**Tentative Ruling:**

Grant the motion (dkt. 13) on an interim basis, if Debtor satisfactorily addresses the issues set forth in the tentative ruling for the Status Conference (calendar no. 7, 4/23/24 at 1:00 p.m.), all subject to the conditions set forth below, with a final hearing contemporaneous with the principal status conference (see dkt. 5) and a deadline of two days after this hearing for the movant to file and serve a notice of the final hearing.

Judge Bason's standard conditions for use of cash collateral and/or postpetition financing (by creditors holding prepetition claims)

(1) Written order

(a) Form. Use local form

F2081-2.1.ORDER.CASH.COLLATERAL or the equivalent. Attach a copy of this tentative ruling as an exhibit, thereby adopting it as the written ruling of this Court, subject to any changes ordered at the hearing. Do not repeat the terms set forth in the motion or any stipulation. Incorporate those terms by reference (including the docket number of the document), subject to any modification by this Court.

(b) Timing. Lodge the proposed order within 7 days after the hearing. See LBR 9021-1(b)(1)(B).

(2) Minimum adequate protection

In addition to the postpetition security interests that are automatically provided pursuant to 11 U.S.C. 552 (e.g., in traceable proceeds and profits), and subject to any more comprehensive protection that may be approved, Debtor shall provide at least the following protection to any creditor with a security interest in the subject property (pursuant to 11 U.S.C. 361-364, as applicable):

(a) Insurance. For all collateral of a type that typically is insured (e.g., real property and improvements), Debtor is directed to maintain

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**Polerax USA Inc.**

**Chapter 11**

insurance in a dollar amount at least equal to Debtor's good faith estimate of the value of such creditor's interest in the collateral, and such insurance shall name such creditor as an additional insured. Debtor is directed to remain current on payments for such insurance.

(b) Taxes. Debtor is directed to remain current on payments on account of postpetition real estate taxes (to the extent that real estate is part of the collateral).

(c) Disclosures/access. Debtor is directed to provide, upon such creditor's reasonable request, periodic accountings of the foregoing insurance and tax obligations and payments, as well as postpetition proceeds, products, offspring, or profits from the collateral, including gross revenues and expenses and a calculation of net revenues. Debtor is directed to provide appropriate documentation of those accountings, and access for purposes of inspection or appraisal.

(3) Grant of, and limitation on, postpetition liens

The tentative ruling is to grant postpetition liens to any creditors holding secured claims by granting replacement liens, but such liens shall be limited to the same validity, priority, and amount as prepetition liens. As used herein, the "validity, priority, and amount" or any similar phrase that may be used by the parties or this Court is deemed to include the following:

(a) Extent. Such liens shall be limited to the *type* of collateral in which the creditor held a security interest as of the petition date. For example, if prepetition liens extended to inventory and accounts receivable but not equipment then postpetition liens are likewise limited (unless otherwise expressly provided by order of this Court). In addition, postpetition liens shall not extend to any avoidance actions or the proceeds thereof, any claim or recoveries under 11 U.S.C. 506(c), any "carveout" under 11 U.S.C. 552, or any claim or recoveries under 11 U.S.C. 724(a).

(b) Priority. Such liens shall be limited to the same *priority* as the security interest held by the creditor as of the petition date.

(c) Dollar amount. Such liens shall be limited to the dollar amount needed to protect the creditor against diminution in the *value* of the secured claims as of the petition date.

(d) Enforceability. Such liens shall be limited to the extent that the creditor's security interests were duly *perfected* and *valid* as of the petition date, and to the extent that they are *unavoidable*.

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**Polerax USA Inc.**

**Chapter 11**

(e) Automatic postpetition perfection. Any *automatic* perfection of such liens shall be subject to any applicable limitations regarding the Court's authority, jurisdiction, or due process.

(4) Automatic disapproval of insufficiently disclosed provisions

Any provision of the type listed in FRBP 4001(c)(1)(B) or in local form F4001-2 (e.g., cross-collateralization) or any waiver of the "equities of the case" exception in 11 U.S.C. 552(b)(2) shall be deemed automatically disapproved and excepted from any order granting the motion, notwithstanding any other provision of such order, unless either: (a) such provision is specifically and prominently disclosed in the motion papers in a checklist (such as local form F4001-2), or alternatively (b) such provision is specifically identified in any proposed order granting the motion, using terminology of the type used in FRBP 4001(c)(1)(B) or local form F4001-2 (e.g., any "cross-collateralization" that is not specifically identified as such is deemed to be disapproved).

(5) Disputes

In the event of any disputes regarding the rulings in this order, the parties are directed to meet and confer and, if they cannot resolve their disputes consensually, contact Judge Bason's chambers to arrange a mutually convenient time for either a telephonic or in-person hearing to address such disputes.

**Party Information**

**Debtor(s):**

Polerax USA Inc.

Represented By  
Michael Jay Berger

**Trustee(s):**

John-Patrick McGinnis Fritz (TR)

Pro Se

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**2:24-12938 Polerax USA Inc.**

**Chapter 11**

**#5.00** Hrg re: Motion in Individual Ch 11 Case for Order Approving  
a Budget for the Use of the Debtor's Cash and Postpetition Income

Docket 14

**Tentative Ruling:**

Please see the tentative ruling for the status conference (Calendar No. 7,  
4/23/24 at 1:00 p.m.).

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

Polerax USA Inc.

Represented By  
Michael Jay Berger

**Trustee(s):**

John-Patrick McGinnis Fritz (TR)

Pro Se

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**2:24-12938 Polerax USA Inc.**

**Chapter 11**

**#6.00** Hrg re: Debtor's Motion for Order Authorizing Payment  
of Pre-Petition Wages and Related Expenses

Docket 16

**Tentative Ruling:**

Please see the tentative ruling for the status conference (Calendar No. 7,  
4/23/24 at 1:00 p.m.).

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

Polerax USA Inc.

Represented By  
Michael Jay Berger

**Trustee(s):**

John-Patrick McGinnis Fritz (TR)

Pro Se

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Neil Bason, Presiding  
Courtroom 1545 Calendar**

Tuesday, April 23, 2024

Hearing Room 1545

1:00 PM

2:24-12938 Polerax USA Inc.

Chapter 11

#7.00 Status Conference re: Chapter 11 Case

Docket 1

**Tentative Ruling:**

Appearances required by counsel for Debtor and by any party seeking to be heard on the matters described below

(Note: it is within Debtor's and its' proposed bankruptcy counsel's judgment whether Debtor's principal appears at this hearing to support any offers of proof etc. - this Court is not ordering that appearance. But Debtor's principal is reminded that this Court has ordered him to appear at the principal status conference on 5/14/24 at 1:00 p.m.)

If you are making an appearance, you may do so (1) in person in the courtroom, unless the Court has been closed (check the Court's website for public notices), (2) via ZoomGov video, or (3) via ZoomGov telephone. For ZoomGov instructions for all matters on calendar, please see page 1 of the posted tentative rulings.

(1) Current issues

(a) Payroll motion (dkt. 16), Application for hearing on shortened time (dkt. 17) and Order shortening time (dkt. 19, the "OST"), oppositions and replies may be made orally at the hearing

Subject to proof of service (see OST, dkt. 19, p. 4), and any opposition at the hearing, grant this motion, provided that no compensation may be paid to insider Kyung J. Lee or his spouse Shinhyung Ryu unless and until Debtor has complied with the local requirements for insider compensation.

(b) Cash collateral motion (dkt. 13) and statement (dkt. 23), Application for hearing on shortened time (dkt. 17) and Order shortening time (dkt. 19, the "OST"), oppositions and replies may be made orally at the hearing

Subject to proof of service (see OST, dkt. 19, p. 4), any opposition at the hearing, and satisfactory responses to the budget questions set forth below, grant this motion on an interim basis subject to the conditions set forth in calendar no. 4 (4/23/24 at 1:00 p.m.), and set a continued hearing

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**Polerax USA Inc.**

**Chapter 11**

contemporaneous with the principal status conference (see part "(2)(d)" of this tentative ruling, below).

(c) Budget motion (dkt. 14), Application for hearing on shortened time (dkt. 17) and Order shortening time (dkt. 19, the "OST"), oppositions and replies may be made orally at the hearing

Subject to proof of service (see OST, dkt. 19, p. 4), any opposition at the hearing, and adequate responses to the questions set forth below, grant this motion on an interim basis and set a continued hearing contemporaneous with the principal status conference (see part "(2)(d)" of this tentative ruling, below).

Debtor's budget projects a substantial increase in sales – projected sales for April 2024 are \$160,000, but projected sales for August 2024 are \$250,000, a 56% increase. Debtor is directed to explain the basis for this projected increase – e.g., has Debtor recently acquired new large customers? Has Debtor recently observed an uptrend in the industry? Is Debtor's business cyclical with the summer months being an especially high-volume period?

In addition, the budget includes payroll tax but does not appear to include any quarterly income tax payments. Why not? The tentative ruling is that, before lodging any order temporarily granting the motion, Debtor must file a declaration with a revised budget, with a proof of service on counsel for the Small Business Administration and for the U.S. Trustee.

In addition, Debtor's proposed budget states "warehouse lease payment \$0 for April as it is a prepetition obligation" (dkt. 14 at PDF p. 7, 1st expense line, *and* dkt. 13 at PDF p. 18, same line) but Debtor does not list a cure payment within 120 days (*i.e.*, no later than 8/14/24) as contemplated by 11 U.S.C. 365(d)(4)(A)(i). Why not? Again, the tentative ruling is that Debtor must file a declaration with a revised budget as set forth above.

(2) Dates/procedures. This Subchapter V case was filed on 4/16/24.

- (a) Bar date: 6/25/24 per General Order 20-01 (70 days after petition date in Subchapter V cases) (DO NOT SERVE any notice: one has already been sent, see dkt. 12).
- (b) Procedures Order: dkt. 5 (timely served, dkt. 18)
- (c) Plan/Disclosure Statement: file by 90 days after the petition date (per 11 U.S.C. 1189(b)) (DO NOT SERVE - except on the U.S.

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CONT...

**Polerax USA Inc.**

**Chapter 11**

Trustee). See Procedures Order.

(d) Continued status conference: 5/14/24 at 1:00 p.m. Case Status  
Report due by 4/30/24 (see Procedures Order (dkt. 5) at ¶ 3).

**Party Information**

**Debtor(s):**

Polerax USA Inc.

Represented By  
Michael Jay Berger