

**United States Bankruptcy Court
Central District of California
Northern Division
Ronald A Clifford III, Presiding
Courtroom 201 Calendar**

Tuesday, March 10, 2026

Hearing Room 201

9:00 AM

9: -

Chapter 0

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Docket 0

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- NONE LISTED -

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9:25-10346 Adam Jay Greenberg

Chapter 7

#1.00 Hearing re: [66] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 1062 Vallejo Ave., Simi Valley, CA 93065

Docket 66

Tentative Ruling:

March 10, 2026

Appearances waived. The Motion is denied for the reasons stated *infra*. Movant to lodge a conforming order within 7 days.

U.S. Bank National Association, as Trustee, successor in interest to Bank of America, National Association, as Trustee, successor by merger to LaSalle Bank, National Association, as Trustee for Washington Mutual Mortgage Pass-Through Certificates WMAL T Series 2007-OA3 Trust ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(2) in relation to the residential real property located at 1062 Vallejo Avenue, Simi Valley, CA 93065 (the "Property") of Adam Jay Greenberg (the "Debtor") on the grounds that Movant's interest in the Property is not protected by an adequate equity cushion and payments are not being made. *See* Docket No. 66, *Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 – Real Property* (the "Motion"), pp. 3-5.

In addition to lifting the stay, Movant requests relief to (1) proceed under applicable nonbankruptcy law to enforce its remedies to foreclose upon and obtain possession of the Property, (2) at its option, offer, provide and enter into a potential forbearance agreement or other loan workout/loss mitigation agreement by contacting the Debtor, (3) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(3) [superseded by Fed. R. Bankr. P. 4001(a)(4), and (4) if relief from stay is not granted, adequate protection be ordered. *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 13, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served

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no less than fourteen (14) days prior to the hearing on the Motion. *See id.* at *Proof of Service of Document*, p. 12. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Neither the Debtor, nor any other party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

Legal Standard

Pursuant to 11 U.S.C. § 362(d)(2), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay with respect to a stay of an act against property under subsection (a) of this section, if (A) the debtor does not have an equity in such property and (B) such property is not necessary to an effective reorganization." "Since reorganization is not relevant in Chapter 7, the only issue is whether there is equity in the property." *In re Preuss*, 15 B.R. 896, 897 (9th Cir. BAP 1981).

Movant requests relief from stay under 11 U.S.C. § 362(d)(2) but provides no grounds for relief under 11 U.S.C. § 362(d)(2). *See* Docket No. 66, pp. 4-5. Rather, Movant provides grounds for relief under 11 U.S.C. § 362(d)(1) but does not request for relief under 11 U.S.C. § 362(d)(1). *See id.* It is unclear to the Court what subsection of 11 U.S.C. § 362(d) Movant intends to proceed under. The Debtor has also not been given proper notice of which subsection Movant intends to proceed under.

Therefore, the Motion is denied without prejudice.

Party Information

Debtor(s):

Adam Jay Greenberg

Represented By
Onyinye N Anyama

Movant(s):

U.S. Bank National Association, as

Represented By
David Coats

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Trustee(s):

Nancy J Zamora (TR)

Pro Se

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9:25-11362 RRB Construction, Inc.

Chapter 7

#2.00 Hearing re: [8] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2019 Ram ProMaster Cargo Van 2500 High Roof Van 3D VIN: 3C6TRVCGXKE520460

Docket 8

Tentative Ruling:

March 10, 2026

Appearances waived. The Motion is granted pursuant to 11 U.S.C. §§ 362(d)(1) and (2), including the request to waive Fed. R. Bankr. P. 4001(a)(4), for the reasons stated *infra*. Movant to lodge a conforming order within 7 days.

On February 11, 2026, Ally Bank ("Movant") filed that *Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362* (the "Motion") seeking to lift the automatic stay pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2) in relation to a 2019 Ram ProMaster Cargo Van 2500 High Roof Van 3D (the "Vehicle") of RRB Construction, Inc. (the "Debtor") on the grounds that (1) Movant's interest in the Vehicle is not protected by an adequate equity cushion and the fair market value of the Vehicle is declining, (2) Movant regained possession of the Vehicle postpetition on December 19, 2025, and (3) pursuant to 11 U.S.C. § 362(d)(2)(A), the Debtor has no equity in the Vehicle; and, pursuant to 11 U.S.C. § 362(d)(2)(B), the Vehicle is not necessary for an effective reorganization. *See* Docket No. 8, pp. 3-4.

In addition to lifting the stay, Movant requests (1) relief to proceed under applicable nonbankruptcy law to enforce its remedies to repossess and sell the Vehicle, and (2) waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(4). *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 11, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*. [FN 1] Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent

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to the granting or denial of the motion, as the case may be." Neither the Debtor, nor any other party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

Analysis

11 U.S.C. § 362(d)(2)

Pursuant to 11 U.S.C. § 362(d)(2), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay with respect to a stay of an act against property under subsection (a) of this section, if (A) the debtor does not have an equity in such property and (B) such property is not necessary to an effective reorganization." "Since reorganization is not relevant in Chapter 7, the only issue is whether there is equity in the property." *In re Preuss*, 15 B.R. 896, 897 (9th Cir. BAP 1981).

Here, Movant first contends that its interest in the Vehicle is not adequately protected. Movant asserts a secured claim against the Vehicle in the amount of \$24,899.84 as of February 4, 2026. *See* Docket No. 8, p. 8. According to the Kelley Blue Book report, the Vehicle has a fair market value of \$16,280.00. *See id.*, at *Exhibit 3*. As there exists no equity in the Vehicle, and because the instant case is one under Chapter 7, the Motion is granted pursuant to 11 U.S.C. § 362(d)(2).

11 U.S.C. § 362(d)(1)

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay for cause, including the lack of adequate protection of an interest in property of such party in interest." Beyond the lack of adequate protection, "cause" is determined on a case-by-case basis. *See In re MacDonald*, 755 F.2d 715, 717 (9th Cir. 1985). The failure of a debtor to make post-petition payments on a secured obligation may constitute cause. *See In re Watson*, 286 B.R. 594, 604 (Bankr. D. NJ 2002).

Here, Movant asserts a secured claim against the Property in the amount of

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\$24,899.84. *See* Docket No. 8, p. 8. Movant asserts that the Debtor is in arrears in the amount of \$3,155.84. *See id.* It appears that the Debtor's last monthly payment of \$788.96 was received by Movant on October 4, 2025. *See id.* Additionally, Movant regained possession of the Vehicle postpetition on December 19, 2025. *See id.*, p. 9.

The Debtor's delinquency, coupled with the Debtor's voluntary surrender of the Vehicle, constitute cause to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1).

[FN 1] The Court notes that sections 1 and 2 of that *Proof of Service of Document* have the box checked for "[s]ervice information continued on attached page".

However, there is no attached page.

Party Information

Debtor(s):

RRB Construction, Inc.

Represented By
Eric Bensamochan

Movant(s):

Ally Bank

Represented By
Kristin A Schuler-Hintz

Trustee(s):

Nancy J Zamora (TR)

Pro Se

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9:25-11657 Brandin Alan Evans

Chapter 7

#3.00 Hearing re: [17] Notice of motion and motion for relief from automatic stay with supporting declarations ACTION IN NON-BANKRUPTCY FORUM RE: Superior Court Case No. 56-2015-00465569-CL-CL-VTA

Docket 17

Tentative Ruling:

March 10, 2026

Appearances waived. The Motion is denied for the reasons stated *infra*. Movant to lodge a conforming order within 7 days.

Background

Verdigris Homeowners Association ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) to proceed against the debtor, Brandin Alan Evans (the "Debtor"), in the nonbankruptcy action *Verdigris Homeowners Assoc. v. Brandin Evans* (56-2015-00465569-CL-CL-VTA) (the "Action"), through which a judgment was entered in favor of Movant, and as against the Debtor on March 29, 2016 (the "Judgment"), and where that *Application for Order of Sale of Dwelling* is pending before the Superior Court for the State of California, County of Ventura (the "State Court"). See *Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (Action in Nonbankruptcy Forum)* (the "Motion") (Docket No. 17).

Movant seeks relief from stay on the grounds that: (1) the claims are nondischargeable in nature and can be most expeditiously resolved in the nonbankruptcy forum; (2) the claims arise under nonbankruptcy law and can be most expeditiously resolved in the nonbankruptcy forum; and (3) "Movant holds a judgment lien against the Debtor's real property and was in the process of proceeding with a judicial foreclosure. The deadline for filing an application to renew of Movant's judgment is 3/29/2026." See Docket No. 17, pp. 3-4. Movant also requests relief to (1) proceed under applicable nonbankruptcy law to enforce its remedies to proceed to final judgment in the nonbankruptcy forum, provided that the stay remains in effect with respect to enforcement of any judgment against the Debtor or the property of the Debtor's bankruptcy estate, (2) for waiver of the 14-day stay prescribed by FRBP 4001(a)(3)

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[superseded by FRBP 4001(a)(4)], and (3) to renew its judgment prior to the ten year expiration date in order to preserve its secured judgment lien against the Property. *See id.*, pp. 4-5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 17, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 9.

On February 24, 2026, the Debtor filed that *Response to Motion Regarding the Automatic Stay* (the "Response"). *See* Docket No. 19. In the Response, the Debtor asserts that (1) the Debtor will be prejudiced if the Action is allowed to continue in the State Court, (2) the claims of Movant are potentially avoidable under 11 U.S.C. § 522(f), and (3) Movant's grounds for the Motion regarding the judgment lien is addressed and remedied under 11 U.S.C § 108(c). *See id.*

Analysis

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay for cause, including the lack of adequate protection of an interest in property of such party in interest." Beyond the lack of adequate protection, "cause" is determined on a case-by-case basis. *See In re MacDonald*, 755 F.2d 715, 717 (9th Cir. 1985).

On March 29, 2016, Movant obtained the Judgment against the Debtor. *See* Docket No. 17, pp. 9-10. It is the Court's understanding that Movant is solely requesting "relief from stay to renew its judgment prior to the ten year expiration date in order to preserve its secured judgment lien against Debtor's real property" and that "[t]he deadline for filing an application to renew of Movant's judgment is 3/29/2026." *See* Docket No. 17, pp. 4-5.

Pursuant to 11 U.S.C. § 108(c), "[e]xcept as provided in section 524 of this title, if applicable nonbankruptcy law, an order entered in a nonbankruptcy proceeding, or an agreement fixes a period for commencing or continuing a civil action in a court other than a bankruptcy court on a claim against the debtor, or against an individual with

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respect to which such individual is protected under section 1201 or 1301 of this title, and such period has not expired before the date of the filing of the petition, then such period does not expire until the later of—(1)the end of such period, including any suspension of such period occurring on or after the commencement of the case; or (2)30 days after notice of the termination or expiration of the stay under section 362, 922, 1201, or 1301 of this title, as the case may be, with respect to such claim." Section 108(c) can extend the period in which a creditor may renew a California judgment. *See In re Dobos*, 603 B.R. 31, 39 (9th Cir. BAP 2019); *In re Swintek*, 906 F.3d 1100 (9th Cir. 2018) (considering whether 11 U.S.C. § 108(c) extended the time for creditor to renew or execute on prepetition lien); *In re Spirtos*, 221 F.3d 1079 (9th Cir. 2000) (considering whether 11 U.S.C. § 108(c) extended the time for creditor to renew California state court judgment).

The relevant date under 11 U.S.C. § 1081(c)(1), the last day for Movant to renew its judgment under California law, is March 29, 2026. *See* Docket No. 17, p. 4. The Debtor's case has not been closed or dismissed, and the Debtor has not received or been denied a discharge. Therefore, the stay has not terminated in the Debtor's case. Pursuant to 11 U.S.C. § 108(c)(2), the deadline for Movant to renew the Judgment is not March 29, 2026, but a date "30 days after notice of termination or expiration of the automatic stay." 11 U.S.C. § 108(c)(2).

Therefore, Movant's deadline to renew the Judgment is currently extended, and, as such, there is no "cause" to grant the Motion.

Party Information

Debtor(s):

Brandin Alan Evans

Represented By
Sina Maghsoudi

Movant(s):

Verdigris Homeowners Association

Represented By
Misty A Perry Isaacson

Trustee(s):

Jeremy W. Faith (TR)

Pro Se

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9:25-11680 Jennifer Amy Newsom

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#4.00 Hearing re: [14] Notice of motion and motion for relief from automatic stay with supporting declarations ACTION IN NON-BANKRUPTCY FORUM RE: Michael Stephen Newsom vs Jennifer Amy Newsom

Docket 14

Tentative Ruling:

March 10, 2026

Appearances required.

Michael Stephen Newsom ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) to proceed against Jennifer Amy Newsome (the "Debtor"), in the nonbankruptcy action *Michael Stephen Newsom v. Jennifer Amy Newsom* (25CV-0663) filed on October 15, 2025 (the "Nonbankruptcy Action"), pending before the Superior Court of California, County of San Luis Obispo (the "State Court"). See *Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (Action in Nonbankruptcy Forum)* (the "Motion") (Docket No. 14).

Movant seeks relief from stay on the grounds that (1) the claims are nondischargeable in nature and can be most expeditiously resolved in the nonbankruptcy forum, and (2) the bankruptcy case was filed in bad faith. See Docket No. 14, pp. 3-4. Movant also requests (1) to proceed under applicable nonbankruptcy law to enforce its remedies to proceed to final judgment in the nonbankruptcy forum, provided that the stay remains in effect with respect to enforcement of any judgment against the Debtor or property of the Debtor's bankruptcy estate, and (2) waiver of the 14-day stay prescribed by FRBP 4001(a)(3) [superseded by FRBP 4001(a)(4)], See *id.*, pp. 4-5.

Notice

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 6, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. See *id.*, *Proof of Service of Document*.

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On February 24, 2026, the Debtor filed that *Response to Motion Regarding the Automatic Stay* (the "Response"). See Docket No. 16. In the Response, the Debtor asserts that (1) the case was not filed in bad faith, and (2) the Debtor will be prejudiced if the Nonbankruptcy Action is allowed to continue in the nonbankruptcy forum. See *id.*

Analysis

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay for cause, including the lack of adequate protection of an interest in property of such party in interest." Beyond the lack of adequate protection, "cause" is determined on a case-by-case basis. See *In re MacDonald*, 755 F.2d 715, 717 (9th Cir. 1985). "Courts in the Ninth Circuit have granted stay relief to permit the conclusion of pending litigation in a nonbankruptcy forum when the litigation involves multiple parties or is ready for trial." *In re Wang*, 2010 WL 6259970 *5 (9th Cir. BAP 2010)(citing *In re Tucson Estates, Inc.*, 912 F.2d 1162, 1169 (9th Cir. 1990). "Courts have also considered whether permitting the conclusion of pending litigation is in the interest of judicial economy or within the expertise of a state court." *Id.* (citing *In re MacDonald*, 755 F.2d 715 at 717).

"Courts evaluate several non-exclusive factors to determine if cause exists to permit pending litigation to continue in another forum [including:]

- (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 proceeds in question;
- (7) Whether the litigation in another forum would prejudice the interests of other creditors, the creditor's committee and other interested parties;

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- (8) Whether the judgment claim arising from the foreign action is subject to equitable subordination;
- (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 and the 'balance of the hurt.'"

Id. (citing *In re Curtis*, 40 B.R. 795, 799-800 (Bankr. D. Ut. 1984); *In re Plumberex Specialty Prods., Inc.*, 311 B.R. 551, 559 (Bankr. C.D. Cal. 2004); *In re Sonnox Indus., Inc.*, 907 F.2d 1280, 1286 (2d Cir. 1990); *In re Smith*, 389 B.R. 902, 918-919 (Bankr. D. Nev. 2008).

The Status of the Case

On December 12, 2025, the Debtor filed a petition for relief under Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1. The Debtor scheduled Movant as an unsecured creditor with a claim in the amount of \$3,000,000 in their schedules. *See id.*, *Schedule E/F: Creditors Who Have Unsecured Claims*, p. 3. On December 29, 2026, Movant filed that *Complaint to Determine Nondischargeability Pursuant to 11 U.S.C. § 523(a)(2) and § 523(a)(6)* (the "Complaint"). *See* Docket No. 9. On January 17, 2026, the Chapter 7 trustee Nancy J. Zamora (the "Trustee") filed that *Notification of Asset Case* (the "Notice"). *See* Docket No. 10. The Notice set a deadline for creditors to file their proofs of claim of April 22, 2026. *See id.* No proofs of claim have been filed to date.

Curtis Factors

Whether the relief will result in a partial or complete resolution of the issues

If the Court were to grant the Motion, Movant would be allowed to proceed to trial against the Debtor in an effort to obtain a judgment against the Debtor, or vice-versa. The complaint in the Nonbankruptcy Action alleges claims for relief for (1) negligent transmission of sexual disease, (2) battery, (3) fraud, (4) intentional misrepresentation, and (5) intentional infliction of emotional distress. *See* Docket No. 14, p. 6. Movant

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demanded a jury trial in the Nonbankruptcy Action. *See id.*, *Declaration of Michael Stephen Newsom*, p. 2, ¶ 7. At this point in time, Movant has not filed proof of claim, but Movant has filed the Complaint, seeking, in part, a determination of nondischargeability of debt. This means that the stay could be lifted, a judgment may be obtained, but litigation would remain regarding the dischargeability, if any, of said judgment.

A judgment in the Nonbankruptcy Action would resolve part of the issues between the Debtor and Movant, and arguably the most important and time consuming of those issues. The Nonbankruptcy Action might also provide facts relevant to this Court's determination of the Complaint.

This factor weighs in favor of granting the Motion.

The lack of any connection with or interference with the bankruptcy case

The Debtor's bankruptcy case is proceeding through the Chapter 7 process without interference by the Nonbankruptcy Action. The Nonbankruptcy Action only involves the Debtor and Movant, and state law issues. According to the Debtor's schedules, Movant holds 99% of the Debtor's unsecured claims. *See* Docket No. 1, *Schedule E/F: Creditors Who Have Unsecured Claims*. The Trustee filed the Notice and will be administering assets in the Debtor's bankruptcy case.

Movant's claim against the Debtor must be adjudicated.

There is certainly a connection between the Nonbankruptcy Action and the instant bankruptcy case, as the largest claim in the instant bankruptcy case must be liquidated.

This factor is neutral.

Whether the foreign proceeding involves the debtor as a fiduciary

It does not appear that the Nonbankruptcy Action asserts the Debtor to have maintained a fiduciary capacity. This factor is inapplicable.

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

The Nonbankruptcy Action involves claims for relief for negligent transmission of

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sexual disease, battery, fraud, intentional misrepresentation, and intentional infliction of emotional distress. *See* Docket No. 14, p. 6. The State Court is not a specialized tribunal, and there is not a specialized expertise required of the State Court to hear the Nonbankruptcy Action. *See In re Curtis*, 40 B.R. 795 at 800 (specialized tribunals such as a board of contract appeals, state compensation panel, and state courts related to issues such as "unsettled questions of state property law...").

This factor weighs against granting the Motion.

Whether the debtor's insurance carrier has assumed full financial responsibility for defending the litigation

It does not appear that an insurance carrier has assumed financial responsibility for defending the litigation.

This factor weighs against granting the Motion.

Whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the goods or proceeds in question

The Nonbankruptcy Action is between Movant and the Debtor and is not based on goods on which the Debtor functions as a bailee or conduit for.

Whether the litigation in another forum would prejudice the interests of other creditors, the creditor's committee and other interested parties

There is no evidence that litigation of the Nonbankruptcy Action would prejudice other creditors or interested parties.

This factor weighs in favor of granting the Motion.

Whether the judgment claim arising from the foreign action is subject to equitable subordination

This factor is not applicable to the Debtor.

Whether movant's success in the foreign proceeding would result in a judicial lien avoidable by the debtor under Section 522(f)

This factor is not applicable to the Debtor.

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Tuesday, March 10, 2026

Hearing Room 201

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CONT... Jennifer Amy Newsom

Chapter 7

The interests of judicial economy and the expeditious and economical determination of litigation for the parties

The State Court has presided over the Nonbankruptcy Action since its filing on October 15, 2025. *See id.*, p. 6. The Debtor asserted that they have not filed an answer or made any other appearance in the Nonbankruptcy Action. *See* Docket No. 16, p. 5, lines 15-17. It appears to the Court that nothing much more than the filing, and perhaps service of a complaint and summons has occurred in the Nonbankruptcy Action.

The Complaint prays for "damages according to proof at trial." *See* Docket No. 9, p. 6, line 7. That is, Movant has asked that this Court liquidate their claim as a part of relief sought through the Complaint. Despite the representations in the Motion, Movant has asserted that it affirmatively consents to this Court's "entry of a final judgment [] in this adversary proceeding." *See* Case No. 9:25-ap-01046-RC, Docket No. 6, p. 4.

At this juncture, and putting to the side any right to a jury trial, with the Complaint having been answered, it is unclear to this Court whether economics favors this Court liquidating Movant's claim through the Complaint, or the claim being liquidated through the Nonbankruptcy Action.

This factor appears to be neutral on the record confronting the Court.

Whether the foreign proceedings have progressed to the point where the parties are prepared for trial

According to the Debtor, the Nonbankruptcy Action is not yet even at issue.

This factor weighs in favor of denying the Motion.

The impact of the stay and the 'balance of the hurt'

The sole "hurt" on Movant that the Court can surmise on this record is, perhaps, the purported right to a jury trial. If Movant is entitled to a jury trial, and has not consented to this Court's determination of the Debtor's liability to Movant, this factor would weigh in favor of granting the Motion.

Party Information

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Chapter 7

Debtor(s):

Jennifer Amy Newsom

Represented By
Leslie A Tos

Movant(s):

Michael Stephen Newsom

Represented By
Richard G. Heston

Trustee(s):

Nancy J Zamora (TR)

Pro Se

**United States Bankruptcy Court
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9:26-10086 Patricia Anne Salas

Chapter 7

#5.00 Hearing re: [11] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2024 Nissan Kicks S Sport Utility 4D, VIN: 3N1CP5BV3RL544395

Docket 11

Tentative Ruling:

March 10, 2026

Appearances waived. The Motion is granted pursuant to 11 U.S.C. §§ 362(d)(1) and (2), including the request to waive Fed. R. Bankr. P. 4001(a)(4), for the reasons stated *infra*. Movant to lodge a conforming order within 7 days.

On February 10, 2026, Capital One Auto Finance, a division of Capital One, N.A. ("Movant") filed that *Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362* (the "Motion") seeking to lift the automatic stay pursuant to 11 U.S.C. §§ 362(d) (1) and (d)(2) in relation to a 2024 Nissan Kicks S Sport Utility 4D (the "Vehicle") of Patricia Anne Salas (the "Debtor") on the grounds that (1) Movant's interest in the Vehicle is not protected by an adequate equity cushion and the fair market value of the Vehicle is declining, (2) the Debtor filed a statement of intention that indicates the Debtor intends to surrender the Vehicle, and (3) pursuant to 11 U.S.C. § 362(d)(2)(A), the Debtor has no equity in the Vehicle; and, pursuant to 11 U.S.C. § 362(d)(2)(B), the Vehicle is not necessary for an effective reorganization. *See* Docket No. 11, pp. 3-4.

In addition to lifting the stay, Movant requests (1) relief to proceed under applicable nonbankruptcy law to enforce its remedies to repossess and sell the Vehicle, and (2) waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(4). *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 10, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, *see also* Docket No. 13, *Proof of Service of Document*. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and

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serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Neither the Debtor, nor any other party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

Analysis

11 U.S.C. § 362(d)(2)

Pursuant to 11 U.S.C. § 362(d)(2), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay with respect to a stay of an act against property under subsection (a) of this section, if (A) the debtor does not have an equity in such property and (B) such property is not necessary to an effective reorganization." "Since reorganization is not relevant in Chapter 7, the only issue is whether there is equity in the property." *In re Preuss*, 15 B.R. 896, 897 (9th Cir. BAP 1981).

Movant first contends that its interest in the Vehicle is not adequately protected. Movant asserts a secured claim against the Vehicle in the amount of \$32,490.80 as of January 29, 2026. *See* Docket No. 11, p. 8. According to the Kelley Blue Book report, the Vehicle has a fair market value of \$16,280.00. *See id.*, at *Exhibit 2*. As there exists no equity in the Vehicle, and because the instant case is one under Chapter 7, the Motion is granted pursuant to 11 U.S.C. § 362(d)(2).

11 U.S.C. § 362(d)(1)

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay for cause, including the lack of adequate protection of an interest in property of such party in interest." Beyond the lack of adequate protection, "cause" is determined on a case-by-case basis. *See In re MacDonald*, 755 F.2d 715, 717 (9th Cir. 1985). The failure of a debtor to make post-petition payments on a secured obligation may constitute cause. *See In re Watson*, 286 B.R. 594, 604 (Bankr. D. NJ 2002).

Here, Movant asserts a secured claim against the Vehicle in the amount of \$32,490.80. *See* Docket No. 11, p. 8. Movant asserts that the Debtor is in arrears in

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the amount of \$3,799.95. *See id.* It appears that the Debtor's last monthly payment of \$759.99 was received by Movant on August 16, 2025. *See id.* Additionally, the Debtor filed that *Statement of Intention for Individuals Filing Under Chapter 7* that indicates that the Debtor intends to surrender the Vehicle. *See id.* at *Exhibit 5*, p. 1.

The Debtor's delinquency, coupled with the Debtor's intention to surrender the Vehicle, constitute cause to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1).

Party Information

Debtor(s):

Patricia Anne Salas

Represented By
Kevin Tang

Movant(s):

Capital One Auto Finance, a division

Represented By
Kristin A Schuler-Hintz

Trustee(s):

Nancy J Zamora (TR)

Pro Se

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9:24-10548 Patricia A Orlando

Chapter 13

#6.00 Hearing re: [30] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 2185 Abraham Street, Simi Valley, California 93065

Docket 30

Tentative Ruling:

March 10, 2026

Appearances are waived. The Court will grant the Motion pursuant to 11 U.S.C. § 362(d)(1), but deny the Motion as to its request that the Court waive Fed. R. Bankr. P. 4001(a)(4), for the reasons set forth *infra*. Movant to upload a conforming order within 7 days.

Wilmington Savings Fund Society, FSB, Not In Its Individual Capacity But Solely In Its Capacity As Owner Trustee For Ocwen Loan Acquisition Trust 2024-HB1 ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) in relation to the real property located at 2185 Abraham Street, Simi Valley, CA 93065 (the "Property") of Patricia A. Orlando (the "Debtor") on the grounds that Movant's interest in the Property is not adequately protected because the Debtor has failed to make post-confirmation property tax payments. *See* Docket No. 30, *Motion for Relief from Stay Under 11 U.S.C. § 362* (the "Motion"), pp. 3-4, *Attachment Page*.

In addition to lifting the stay, Movant requests relief to (1) proceed under applicable nonbankruptcy law to enforce its remedies to foreclose upon and obtain possession of the Property, (2) at its option, offer, provide and enter into a potential forbearance agreement or other loan workout/loss mitigation agreement by contacting the Debtor, (3) waiver of the 14-day stay prescribed by FRBP 4001(a)(3) [superseded by FRBP 4001(a)(4)], and (4) if relief from stay is not granted, adequate protection be granted. *See id.* at p. 5.

Notice

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class,

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CONT... Patricia A Orlando

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postage prepaid on February 5, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 44. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Neither the Debtor, nor any other party served with the Motion timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

Analysis

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay [] for cause, including the lack of adequate protection of an interest in property of such party in interest." Failure to make postpetition mortgage payments as they become due in a Chapter 13 case may constitute "cause" for relief from the automatic stay under § 362(d)(1). *See In re Marks*, 2012 WL 6554705, at *11 (9th Cir. BAP Dec. 14, 2012), *aff'd*, 624 F. App'x 963 (9th Cir. 2015) (citing *In re Ellis*, 60 B.R. 432, 435 (9th Cir. BAP 1985)). "[F]ailure to pay real property taxes may constitute a basis for finding lack of adequate protection." *In re Valdez*, 324 B.R. 296, 301–02 (Bankr. S.D. Tex. 2005); *In re James River Assocs.*, 148 B.R. 790, 796 (E.D. Va. 1992) (failure to maintain insurance on the property, keep taxes current, or filing in bad faith solely to forestall creditors, could be independent forms of relief under § 362(d)(1)).

Under the terms of the *Original Chapter 13 Plan* (the "Plan"), the "Debtor must pay all required ongoing property taxes and insurance premiums for all real and personal property that secures claims paid under the Plan." *See* Docket No. 10, p. 4. Additionally, under the *Adjustable Rate Home Equity Conversion Deed of Trust*, the "Borrower shall pay all property charges consisting of property taxes . . . that may be required by local or state law in a timely manner. . . ." *See* Docket No. 30, at *Exhibit 2*, p. 2, ¶ 2. Movant asserts that the Debtor defaulted on post-petition property taxes with respect to the Property. *See* Docket No. 30, *Attachment 4.a.(6)*. Movant asserts that it was required to advance post-petition funds totaling \$16,145.31 for delinquent property taxes (as of the date of the Motion). *See id.*, *Attachment 4.a.(6)*; p. 9.

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Cause has been shown sufficient to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1) due to the Debtor's failure to keep property taxes current pursuant to the terms of the Plan.

Fed. R. Bankr. P. 4001(a)

The Court will not waive the 14-day stay under Fed. R. Bankr. P. 4001(a)(4) as no analysis has been provided by Movant as to why such relief is warranted.

Party Information

Debtor(s):

Patricia A Orlando

Represented By
Kenneth H J Henjum

Movant(s):

Wilmington Savings Fund Society,

Represented By
Joseph C Delmotte

Trustee(s):

Elizabeth (ND) F Rojas (TR)

Pro Se

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9:25-10438 Alejandro Lara

Chapter 13

#7.00 Hearing re: [43] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 2056 Entrada Drive, Oxnard, CA 93030

Docket 43

Tentative Ruling:

March 10, 2026

Appearances are waived. The Court will grant the Motion pursuant to 11 U.S.C. § 362(d)(1) for the reasons set forth *infra*, but will deny the Motion as to its request that the Court waive Fed. R. Bankr. P. 4001(a)(4). Movant to upload a conforming order within 7 days.

NewRez LLC As Servicer For Mastr Alternative Loan Trust 2005-6, U.S. Bank National Association, As Trustee ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) in relation to the real property located at 2056 Entrada Drive, Oxnard, CA 93036 (the "Property") of Alejandro Lara (the "Debtor") on the grounds that the Debtor has failed to make postpetition mortgage payments as they became due under the *1st Amended Chapter 13 Plan* (the "Plan"). See Docket No. 43, *Motion for Relief from Stay Under 11 U.S.C. § 362* (the "Motion"), pp. 3-4.

In addition to lifting the stay, Movant requests relief to (1) proceed under applicable nonbankruptcy law to enforce its remedies to foreclose upon and obtain possession of the Property, (2) at its option, offer, provide and enter into a potential forbearance agreement or other loan workout/loss mitigation agreement by contacting the Debtor, (3) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(3) [superseded by Fed. R. Bankr. P. 4001(a)(4)], and (4) if relief from stay is not granted, adequate protection be ordered. See *id.*, p. 5.

Notice

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 13, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served

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CONT... Alejandro Lara

Chapter 13

no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 52.

On February 24, 2026, the Debtor filed that *Response to Motion Regarding the Automatic Stay* (the "Response"). *See* Docket No. 45. In the Response, the Debtor asserts that more payments have been made than Movant accounts for, and, in the event that a default remains, the Debtor would like to enter into an adequate protection agreement. *See id.*

Analysis

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay [] for cause, including the lack of adequate protection of an interest in property of such party in interest." Failure to make postpetition mortgage payments as they become due in a Chapter 13 case may constitute "cause" for relief from the automatic stay under § 362(d)(1). *See In re Marks*, 2012 WL 6554705, at *11 (9th Cir. BAP Dec. 14, 2012), *aff'd*, 624 F. App'x 963 (9th Cir. 2015) (citing *In re Ellis*, 60 B.R. 432, 435 (9th Cir. BAP 1985)).

Under the terms of the Plan, the Debtor is required to make regular payments to Movant under the terms of the prepetition lending agreement. *See* Docket No. 23, pp. 5-6, Class 2. Movant asserts that the Debtor defaulted on Plan payments consisting of three (3) unpaid postconfirmation payments of \$2,354.59. *See* Docket No. 43, p. 9. Less a suspense account of \$2,309.17, Movant asserts that there is a total postconfirmation delinquency of \$4,754.60 (as of the date of the Motion) with a payment of \$2,354.59 becoming due February 1, 2026. *See id.* According to the Motion, the last monthly payment of \$2,354.59 was received by Movant on January 15, 2026. *See id.*

In the Response, the Debtor provides evidence that one additional payment was made on February 23, 2026. *See id.*, at *Exhibit A*. Including the additional payment, there is still a three (3) payment deficiency.

Cause has been shown sufficient to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1) due to the Debtor's failure to make no less than three (3)

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CONT... Alejandro Lara Chapter 13

postpetition/postconfirmation mortgage payments pursuant to the terms of the Plan.

Fed. R. Bankr. P. 4001(a)

The Court will not waive the 14-day stay under Fed. R. Bankr. P. 4001(a)(4) as no analysis has been provided by Movant as to why such relief is warranted.

Party Information

Debtor(s):

Alejandro Lara

Represented By
Kevin T Simon

Movant(s):

MASTR Alternative Loan Trust

Represented By
Joseph C Delmotte

Trustee(s):

Elizabeth (ND) F Rojas (TR)

Pro Se

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9:25-10461 Dannielle Jarnesky

Chapter 13

#8.00 Hearing re: [35] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 1334 Valley Oak Place Santa Maria, CA 93454

Docket 35

Tentative Ruling:

March 10, 2026

Appearances required.

Selene Finance LP, As Servicer In Fact For U.S. Bank Trust National Association, Not In Its Individual Capacity But Solely As Owner Trustee For RCF 2 Acquisition Trust ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d) (1) in relation to the real property located at 1334 Valley Oak Place, Santa Maria, California 93454 (the "Property") of Dannielle Jarnesky (the "Debtor") on the grounds that the Debtor has failed to make postpetition mortgage payments as they became due under the *1st Amended Chapter 13 Plan* (the "Plan"). See Docket No. 35, *Motion for Relief from Stay Under 11 U.S.C. § 362* (the "Motion"), pp. 3-4.

In addition to lifting the stay, Movant requests relief to (1) proceed under applicable nonbankruptcy law to enforce its remedies to foreclose upon and obtain possession of the Property, (2) at its option, offer, provide and enter into a potential forbearance agreement or other loan workout/loss mitigation agreement by contacting the Debtor, (3) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(3) [superseded by Fed. R. Bankr. P. 4001(a)(4)], and (4) if relief from stay is not granted, adequate protection be ordered. See *id.*, p. 5.

Notice

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 11, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. See *id.*, *Proof of Service of Document*, p. 12.

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CONT... Dannielle Jarnesky

Chapter 13

On February 23, 2026, the Debtor filed that *Response to Motion Regarding the Automatic Stay* (the "Response"). See Docket No. 37. In the Response, the Debtor asserts that more payments have been made than Movant accounts for, and, in the event that a default remains, the Debtor would like to enter into an adequate protection agreement. See *id.*

Analysis

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay [] for cause, including the lack of adequate protection of an interest in property of such party in interest." Failure to make postpetition mortgage payments as they become due in a Chapter 13 case may constitute "cause" for relief from the automatic stay under § 362(d)(1). See *In re Marks*, 2012 WL 6554705, at *11 (9th Cir. BAP Dec. 14, 2012), *aff'd*, 624 F. App'x 963 (9th Cir. 2015) (citing *In re Ellis*, 60 B.R. 432, 435 (9th Cir. BAP 1985)).

Under the terms of the Plan, the Debtor is required to make regular payments to Movant under the terms of the prepetition lending agreement. See Docket No. 22, pp. 5-6, Class 2. Movant asserts that the Debtor defaulted on Plan payments consisting of three (3) unpaid postpetition, preconfirmation payments of \$2,197.49 and three (3) postpetition postconfirmation payments of \$2,197.49. See Docket No. 35, p. 9. Including attorneys' fees and costs of \$1,549.00 and less a suspense account of \$1,929.97, Movant asserts that there is a total postconfirmation delinquency of \$4,662.50 (as of the date of the Motion) with a payment of \$2,197.49 becoming due March 1, 2026. See *id.* According to the payment ledger attached to the Motion, there are only three (3) postpetition, postconfirmation payments of \$2,197.49 for the months of December 2025, January 2026, and February 2026 that are delinquent. See *id.*, at *Exhibit B*. Including attorneys' fees and costs of \$1,549.00 and less a suspense account of \$1,929.97, there is a total postpetition delinquency of \$6,211.50.

In the Response, the Debtor provides evidence that the January 2026 and February 2026 payments were made. See Docket No. 37, at *Exhibit 1*. What is the status of the December 2025 payment?

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CONT... Dannielle Jarnesky

Chapter 13

Party Information

Debtor(s):

Dannielle Jarnesky

Represented By
Onyinye N Anyama

Movant(s):

U.S. Bank Trust National

Represented By
Sarah Arlene Dooley-Lewis
Theron S Covey
Sean C Ferry

Trustee(s):

Elizabeth (ND) F Rojas (TR)

Pro Se

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9:25-11575 Terri Eileen Hilliard Olson

Chapter 13

#9.00 CONT'D Hearing re: [24] Notice of motion and motion for relief from automatic stay with supporting declarations ACTION IN NON-BANKRUPTCY FORUM RE: Jeffrey Braxton Stern and Savanna Olson Stern vs. Terri E. Hilliard Olson and Terri E. Hilliard, PC, pending litigation subject to current EXTENDED TOLLING AGREEMENT

fr. 2-10-26,

Docket 24

*** VACATED *** REASON: Withdrawn 2/17/2026

Tentative Ruling:

February 10, 2026

Appearances required. The Court is inclined to deny the Motion.

Jeffrey Stern and Savanna Olson Stern ("Movants") seek a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) to proceed against the debtor Terri Eileen Hilliard Olson (the "Debtor"), in the apparently non-filed nonbankruptcy action *Jeffrey Braxton Stern and Savanna Olson Stern* (the "Nonbankruptcy Action"), that is subject to that *Extended Tolling Agreement* (the "Agreement"). *See Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (Action in Non-Bankruptcy Forum)* (the "Motion") (Docket No. 24).

Movants seek relief from stay on the grounds that (1) Movants seek recovery primarily from third parties and agree that the stay will remain in effect as to enforcement of any resulting judgment against the Debtor or bankruptcy estate, except that Movants will retain the right to file a proof of claim under 11 U.S.C. § 501 and/or an adversary complaint under 11 U.S.C. § 523 or § 727 in this bankruptcy case, (2) the claims are nondischargeable in nature and can be most expeditiously resolved in the nonbankruptcy forum, and (3) the claims arise under nonbankruptcy law and can be most expeditiously resolved in the nonbankruptcy forum. *See id.*, p. 3.

Movants also request relief (1) to proceed under applicable nonbankruptcy law to enforce its remedies to proceed to final judgment in the nonbankruptcy forum, provided that the stay remains in effect with respect to enforcement of any judgment

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against the Debtor or property of the Debtor's bankruptcy estate, (2) for waiver of the 14-day stay prescribed by FRBP 4001(a)(3) [superseded by FRBP. 4001(a)(4)], (3) the order be binding and effective in any bankruptcy case commenced by or against the Debtor for a period of 180 days, so that no further automatic stay shall arise in that case as to the Nonbankruptcy Action, and (4) the order be binding and effective in any future bankruptcy case, no matter who the debtor may be, without further notice. *See id.*, p. 4.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on January 13, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 8. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Neither the Debtor, nor any other party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

Analysis

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay for cause, including the lack of adequate protection of an interest in property of such party in interest." Beyond the lack of adequate protection, "cause" is determined on a case-by-case basis. *See In re MacDonald*, 755 F.2d 715, 717 (9th Cir. 1985). "Courts in the Ninth Circuit have granted stay relief to permit the conclusion of pending litigation in a nonbankruptcy forum when the litigation involves multiple parties or is ready for trial." *In re Wang*, 2010 WL 6259970 *5 (9th Cir. BAP 2010)(citing *In re Tucson Estates, Inc.*, 912 F.2d 1162, 1169 (9th Cir. 1990). "Courts have also considered whether permitting the conclusion of pending litigation is in the interest of judicial economy or within the expertise of a state court." *Id.* (citing *In re MacDonald*, 755 F.2d 715 at 717).

"Courts evaluate several non-exclusive factors to determine if cause exists to permit pending litigation to continue in another forum [including:]

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Terri Eileen Hilliard Olson

Chapter 13

- (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 proceeds in question;
- (7) Whether the litigation in another forum would prejudice the interests of other creditors, the creditor's committee and other interested parties;
- (8) Whether the judgment claim arising from the foreign action is subject to equitable subordination;
- (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 and the 'balance of the hurt.'"

Id. (citing *In re Curtis*, 40 B.R. 795, 799-800 (Bankr. D. Ut. 1984); *In re Plumberex Specialty Prods., Inc.*, 311 B.R. 551, 559 (Bankr. C.D. Cal. 2004); *In re Sonnax Indus., Inc.*, 907 F.2d 1280, 1286 (2d Cir. 1990); *In re Smith*, 389 B.R. 902, 918-919 (Bankr. D. Nev. 2008).

"A motion for stay relief is a summary proceeding." *In re Santa Clara County Fair Ass'n, Inc.*, 180 B.R. 564, 566 (9th Cir. BAP 1995)(citing *In re Computer Communications, Inc.*, 824 F.2d 725, 729 (9th Cir. 1987)). "In a summary proceeding, the court's discretion is broad." *Id.*

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The Status of the Bankruptcy Case

The Debtor does not appear to list Movants on her schedules. [FN 1] On November 21, 2025, the Debtor filed that *Original Chapter 13 Plan* (the "Plan"). See Docket No. 5. Movants filed Claim No. 11. See Claim No. 11.

Curtis Factors

Whether the relief will result in a partial or complete resolution of the issues

The Motion indicates the Nonbankruptcy Action was filed on November 21, 2023. See *id.*, p. 5, ¶ 5.c. [FN 2] However, the Motion also appears to indicate that no such action has been filed to date. See *id.*, ¶ 4. If there is no pending action, and all that exists is the Agreement, the Court is uncertain of the relief sought. Are Movants seeking solely to further extend the Agreement? If so, is this not resolved through 11 U.S.C. § 108(c)? No matter, lifting the stay, without a matter even pending, will not result in a partial or full resolution of the issues, at least not on the record confronting the Court.

This factor weighs in favor of denying the Motion.

The lack of any connection with or interference with the bankruptcy case

If the stay is to be lifted to allow a complaint to be filed in the state court, anew, there will be interference with the bankruptcy case in that resources of the bankruptcy estate will be required to employ counsel and to litigate the matter to conclusion.

This factor weighs in favor of denying the Motion.

Whether the foreign proceeding involves the debtor as a fiduciary

While it does not appear that a complaint has been filed in the Nonbankruptcy Action, the Motion indicates that the would-be causes of action in the Nonbankruptcy Action are "Professional Legal Malpractice and Negligence; Breach of Fiduciary Duty". See Docket No. 24, p. 3, ¶ 2.d.

Therefore, this factor weighs in favor of Movants.

Whether a specialized tribunal has been established to hear the particular cause of

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action and whether that tribunal has the expertise to hear such cases

The Nonbankruptcy Action, if a case is initiated, would appear to involve causes of action for "Professional Legal Malpractice and Negligence; Breach of Fiduciary Duty". See Docket No. 24, p. 3, ¶ 2.d. The State Court is not a specialized tribunal, and there is not a specialized expertise required of the State Court to hear the Nonbankruptcy Action. See *In re Curtis*, 40 B.R. 795 at 800 (specialized tribunals such as a board of contract appeals, state compensation panel, and state courts related to issues such as "unsettled questions of state property law...").

This factor weighs in favor of denial of the Motion.

Whether the debtor's insurance carrier has assumed full financial responsibility for defending the litigation

Movant asserts that the insurance provider is "Starstone Specialty Insurance Company, policy number unknow at this time". See Docket No. 24, p. 6, ¶ 5.c. No more is provided.

This factor weighs in favor of denying the Motion.

Whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the goods or proceeds in question

Movants assert that the Nonbankruptcy Action is between Movants, the Debtor, and "non-debtor party . . . Terri E. Hillard, P.C." and is not based on goods on which the Debtor functions as a bailee or conduit for. See *id.* ¶ 5.d.3.

This factor weighs in favor of denying the Motion.

Whether the litigation in another forum would prejudice the interests of other creditors, the creditor's committee and other interested parties

As there exists no pending litigation, this factor cannot be analyzed.

This factor weighs in favor of denying the Motion.

Whether the judgment claim arising from the foreign action is subject to equitable subordination

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This factor is not applicable to the Debtor.

Whether movant's success in the foreign proceeding would result in a judicial lien avoidable by the debtor under Section 522(f)

This factor is not applicable to the Debtor.

The interests of judicial economy and the expeditious and economical determination of litigation for the parties

There is no evidence before the Court that a complaint in the Nonbankruptcy Action was filed. Movants have filed a proof of claim to liquidate their claim in this Court.

This factor weighs in favor of denial of the Motion.

Whether the foreign proceedings have progressed to the point where the parties are prepared for trial

No complaint has been filed.

This factor weighs in favor of denial of the Motion.

The impact of the stay and the 'balance of the hurt'

No evidence of the impact of the stay and the balance of hurt has been provided by Movant.

This factor weighs in favor of denial of the Motion.

[FN 1] The Debtor lists a claimant "Savanna Olson" as disputed, unsecured non-priority creditor, with a claim of \$0.00, on that *Schedule E/F*, but this claim appears to be for another action in nonbankruptcy forum for which the Court already granted relief from stay. See Docket No. 1, *Schedule E/F: Creditors Who Have Unsecured Claims*, p. 8; see also Docket No. 26.

[FN 2] The November 21, 2023, filing date seems to relate to another nonbankruptcy action for which the Court has already granted stay relief. See *id.*, at *Exhibit B*, see also Docket Nos. 25-26.

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Debtor(s):

Terri Eileen Hilliard Olson

Represented By
Jeffrey J Hagen
Stella A Havkin

Movant(s):

Jeffrey and Savanna Stern

Represented By
Randall V Sutter

Trustee(s):

Elizabeth (ND) F Rojas (TR)

Pro Se

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9:26-10093 Manuel Jorge Rodrigues

Chapter 13

#10.00 CONT'D Hearing re: [11] Notice of Motion and Motion in Individual Case for Order Imposing a Stay or Continuing the Automatic Stay as the Court Deems Appropriate 398 Elisa Court Buellton, CA 93427

fr. 2-24-26,

Docket 11

Tentative Ruling:

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Appearances waived.

The Court has reviewed the *Declaration[s] of Contribution in Support of Debtors [sic] Motion to Continue the Automatic Stay*. See Docket Nos. 17 and 18. The Motion is granted. Movant is to lodge a conforming order within 7 days.

February 24, 2026

Appearances required.

Background

On August 15, 2023, Manuel Jorge Rodrigues (the "Debtor") filed a petition for relief under Chapter 13 of Title 11 of the United States Code. See Case No. 9:23-bk-10700-RC (the "First Case"). The First Case was dismissed on January 12, 2026, for failure to make plan payments. See First Case, Docket No. 54.

On January 27, 2026 (the "Petition Date"), the Debtor filed a further voluntary Chapter 13 petition under Title 11 of the United States Code. See Case No. 9:26-bk-10093-RC (this "Case") (hereinafter all citations to the Docket will refer to this Case unless otherwise specified).

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On February 3, 2026, the Debtor filed that *Notice of Motion and Motion in Individual Case for Order Imposing a Stay or Continuing the Automatic Stay as the Court Deems Appropriate* (the "Motion") seeking to continue the automatic stay as to all of his creditors related to a parcel of real property located at 398 Elisa Court, Buellton, CA 93427 (the "Property") pursuant to 11 U.S.C. § 362(c)(3). *See* Docket No. 11. The Debtor contends that this Case was filed in good faith, the Property is necessary for reorganization, and that the presumption of bad faith under 11 U.S.C. § 362(c)(3) (C) is overcome. *See id.*, pp. 5-6.

Notice

Pursuant to this Court's Local Rule 4001-1(d)(1), "[a] party in interest seeking an extension of the stay under 11 U.S.C. § 362(c)(3)(B) [] must file a motion and serve the motion, notice of hearing, and supporting documents as provided in subsection (c) (1) of this rule and upon all other parties in interest against whom extension or imposition of the stay is sought."

On February 3, 2026, the Motion and notice thereof were served upon all of the Debtor's creditors via U.S. Mail First Class, postage prepaid, and the Chapter 13 trustee and United States trustee via Notice of Electronic Filing, notifying the parties that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service Document*, p. 10. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties that were served with the Motion.

Analysis

Pursuant to 11 U.S.C. § 362(c)(3)(A), where a Chapter 13 case is filed by a debtor, and where that debtor also had a Chapter 13 case dismissed within the year prior, "the stay under subsection (a) with respect to any action taken with respect to a debt or

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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 later case."

"The majority interpretation [of 11 U.S.C. § 362(c)(3)(A)] finds the phrase 'with respect to the debtor' to be both critical and unambiguous, and concludes that on the 30th day after the petition date, the automatic stay terminates only with respect to the debtor and the debtor's property, but not as to property of the estate." *In re Reswick*, 446 B.R. 362, 365-366 (9th Cir. BAP 2011); *see also In re Thu Thi Dao*, 616 B.R. 103, 106 (Bankr. E.D. Cal. 2020); *In re Rinard*, 451 B.R. 12, 17 (C.D. Cal. 2011); *In re Madson*, 2022 WL 1272583 (E.D. Cal. April 27, 2022). "The plain text of § 362(c)(3)(A) is crystal clear that the automatic stay is terminated with respect to the [d]ebtor. There is no mention of the [e]state in the text." *In re Rinard*, 451 B.R. 12 at 19-20.

Pursuant to 11 U.S.C. § 362(c)(3)(B), the debtor or any other interested party may seek to extend the automatic stay that otherwise would expire thirty days after the second petition is filed. The movant must demonstrate that the case was filed "in good faith as to the creditors to be stayed." *In re Sill*, 2018 WL 2728836, at *2 (9th Cir. BAP June 6, 2018) (citing *Reswick v. Reswick (In re Reswick)*, 446 B.R. at 368-369 (9th Cir. BAP 2011)).

"[F]or purposes of subparagraph (B), a case is presumptively filed not in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary) (i) as to all creditors if—(I) more than 1 previous case under [Chapter 13] in which the individual was a debtor was pending within the preceding 1-year period; (II) a previous case under [Chapter 13] in which the individual was a debtor was dismissed within such 1-year period, after the debtor failed to—(cc) perform the terms of a plan confirmed by the court." *See* 11 U.S.C. § 362(c)(3)(C).

Based on the majority view of the application of 11 U.S.C. § 362(c)(3)(A) *supra*, which this Court adopts, the automatic stay terminates as to the Debtor on the 30th day after the Petition Date in this Case, but not as to property of the Debtor's bankruptcy estate.

As to termination of the stay regarding the Debtor, as provided under 11 U.S.C. § 362(c)(3)(C), the Debtor must provide clear and convincing evidence that this Case

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was not filed in bad faith. The Debtor asserts that dismissal of the First Case was due to his failure to make plan payments. *See* Docket No. 11, *Declaration of Manuel Jorge Rodrigues*, p. 2, ¶ 4. The Debtor had a decrease in monthly income and was unable to make plan payments because his "son and daughter-in-law discontinued their financial contributions and failed to remain current on household expenses". *See id.*, ¶5. Since the dismissal of the First Case the Debtor's son and daughter-in-law moved out and the Debtor's "daughter and son-in-law moved in and assumed responsibility for paying bills." *See id.*, ¶ 7. The Debtor further asserts that since his daughter and son-in-law have moved in, he has "been able to recover from financial hardship and am able to make ongoing Plan Payments and post-petition deed of trust payments." *See id.*, ¶ 8. The Debtor understands the need, and has the ability, to remain post-petition current on his ongoing monthly expenses as well as his Chapter 13 plan payments. *See id.*, ¶ 14.

According to that *Schedule I: Your Income*, the Debtor receives \$1,817.40 per month from social security, and the Debtor's daughter contributes \$2,939.41. *See* Docket No. 1, *Schedule I: Your Income*. The Debtor's daughter's \$2,939.41 contribution constitutes 61.8% of the Debtor's monthly income. According to that *Schedule J: Your Expenses*, the Debtor has \$3,344.51 in monthly expenses. Without the contribution of the Debtor's daughter, the Debtor has insufficient income to pay his monthly expenses.

Pursuant to that *Original Chapter 13 Plan* (the "Plan") filed on January 27, 2026, the Debtor proposes to pay 0% to unsecured creditors via \$1,461.51 monthly payments for 60 months. *See* Docket No. 6., pp. 2-3. Again, without the contribution of the Debtor's daughter, the Debtor has insufficient income to make the proposed Plan payment.

Similar to the First Case, the Debtor is reliant on family members to pay his monthly living expenses as well as his proposed Plan payment. The Court has no evidence from the Debtor's daughter that she is willing to make a \$2,939.41 contribution for the next 60 months or that she has the financial ability to make such a payment. The Court is unsure how this Case differs from the First Case and will not also result in a dismissal.

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Party Information

Debtor(s):

Manuel Jorge Rodrigues

Represented By
Joshua Sternberg

Movant(s):

Manuel Jorge Rodrigues

Represented By
Joshua Sternberg

Trustee(s):

Elizabeth (ND) F Rojas (TR)

Pro Se

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9:25-11445 Rasmussen, Rasmussen and Rasmussen

Chapter 11

#11.00 Hearing re: [54] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 111 South La Patera Lane, Goleta, CA 93117

Docket 54

Tentative Ruling:

March 10, 2026

Appearances required.

Background

111 & 133 South La Patera, Goleta, CA First Mortgage Investors, LP ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. §§ 362(d)(1), (d)(2) and (d)(3) in relation to the real property located at 111 South La Patera Lane, Goleta, CA 93117 (the "Property") of Rasmussen, Rasmussen and Rasmussen (the "Debtor") on the grounds that (1) Movant's interest in the Property is not protected by an adequate equity cushion and the fair market value of the Property is declining, (2) the Debtor has no equity in the Property and the Property is not necessary to an effective reorganization, and (3) as a single asset real estate debtor, the Debtor has failed to file a reasonable plan of reorganization or to commence monthly payments. *See* Docket No. 54, *Motion for Relief from the Automatic Stay Under 11 U.S.C. 362 – Real Property* (the "Motion"), pp. 3-4. *See* Case No. 9:25-bk-11445-RC (hereinafter all citations to the Docket will refer to this Case unless otherwise specified).

In addition to lifting the stay, Movant requests (1) that it may proceed under applicable nonbankruptcy law to enforce its remedies to foreclose upon and obtain possession of the Property, (2) waiver of the 14-day stay provided under Fed. R. Bankr. P. 4001(a)(3) [superseded by Fed. R. Bankr. P. 4001(a)(4)], and (3) if relief from stay is not granted, adequate protection be ordered. *See id.*, p. 5.

Notice

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The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 12, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.* at *Proof of Service of Document*.

Opposition

On February 24, 2026, the Debtor filed that *Opposition to Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362* (the "Opposition"). *See* Docket No. 57. In the Opposition, the Debtor asserts that (1) it disputes Movant's claim amount, (2) there is equity in the Property which adequately protects Movant, (3) the Property is necessary for reorganization under 11 U.S.C. § 362(d)(2), and (4) there are no grounds for relief under 11 U.S.C. § 362(d)(3). *See id.*

The Debtor, as a part of the Opposition, filed that *Request for Judicial Notice* (the "RJN"). *See* Docket No. 58. The RJN requests that this Court take judicial notice of the Debtor's Schedule D, Neal Feay Company's Schedule D, and a scheduling order. *See id.*

Pursuant to Fed. R. Evid. 201(b), "[t]he court may judicially notice a fact that is not subject to reasonable dispute because it: (1) is generally known within the trial court's territorial jurisdiction; or (2) can be accurately and readily determined from sources whose accuracy cannot reasonably be questioned." Judicial notice may be taken "of bankruptcy records in the underlying proceeding..." *In re Tuma*, 916 F.2d 488, 491 (9th Cir. 1990); *see also Lee v. City of Los Angeles*, 250 F.3d 668, 688-689 (9th Cir. 2001)("[A] court may take judicial notice of 'matters of public record.'"); *Minden Pictures, Inc. v. Excitant Group, LLC*, 2020 WL 80525311 * 2 (C.D. Cal. December 14, 2020)("A court may take judicial notice of 'court records available to the public through the PACER system.'"); *Neylon v. County of Inyo*, 2016 WL 6834097 *2 (E.D. Cal. November 21, 2016)("Federal courts may take judicial notice of orders and proceedings in other courts, including transcripts.").

Pursuant to Fed. R. Evid. 201(e), "[o]n timely request, a party is entitled to be heard on the propriety of taking judicial notice and the nature of the fact to be noticed."

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There has been no opposition to the RJN. The documents that the RJN seeks judicial notice of are the types of documents that are appropriate for such notice. Therefore, Court takes judicial notice of the documents as described in the RJN.

On March 4, 2026, Movant filed that *Reply Brief re Motion for Relief from Stay* (the "Reply"). See Docket No. 61. Through the Reply, Movant argues that the Debtor failed to file a plan of reorganization that was timely under 11 U.S.C. § 362(d)(3), or a plan of reorganization with a reasonable possibility of being confirmed within a reasonable time. See *id.* at pp. 2-3. Movant argues that any monthly payments made to Movant by Neal Faye Company post-petition do not meet the amounts required to satisfy 11 U.S.C. § 362(d)(3)(B), and are related to cash collateral usage in the *In re Neal Faye Company* case. See *id.* at p. 3, lines 21-27. Movant argues that the value of the Property is in-fact \$4,080,000 based on an updated appraisal considering current market conditions and environmental issues with the Property, thus Movant is undersecured as to the Property. See *id.* at p. 4, lines 1-10. Movant lastly argues that the Debtor is not making property tax payments on the Property. See *id.* at lines 24-26.

Alongside the Reply, Movant filed that *Declaration of Michael Neal Arnold in Support of Motion for Relief from Stay* (the "Appraisal"). See Docket No. 64. The Appraisal is dated February 27, 2026, and contains, *inter alia*, the value of the Property as of January 23, 2026. See *id.*

Analysis

11 U.S.C. § 362(d)(3)

Pursuant to 11 U.S.C. § 362(d)(3), "[o]n request of a party in interest and after notice and a hearing, the court *shall* grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning the stay [] with respect to a stay of an act against single asset real estate under subsection (a), by a creditor whose claim is secured by an interest in such real estate, unless, not later than the date that is 90 days after the entry of the order for relief [] or 30 days after the court determines that the debtor is subject to this paragraph, whichever is later [] the debtor has filed a plan of reorganization that has a reasonable possibility of being confirmed within a reasonable time; or [] *the debtor* has commenced monthly

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payments []." (*emphasis added*). "The commencement of a voluntary case under a chapter of this title constitutes an order for relief under such chapter." 11 U.S.C. § 301(b).

"Where [] property constitutes 'single asset real estate,' relief 'under § 362(d)(3) is mandatory where its provisions are not strictly complied with.'" *In re Summit, LLC*, 2023 WL 634174, at *3 (Bankr. C.D. Cal. 2023) (quoting *In re CBJ Dev., Inc.*, 202 B.R. 467, 470 (9th Cir. BAP 1996)). In enacting 11 U.S.C. § 362(d)(3), Congress was "concerned about the delay in the bankruptcy process and the resulting unfairness to secured lenders when single asset real estate projects were involved." *In re LDN Corp.*, 191 B.R. 320, 326 (Bankr. E.D. Va. 1996). The purpose of 11 U.S.C. § 362(d)(3) is "to avoid the usual delays experienced in Chapter 11 in single asset real estate cases, which historically have been filed to avoid a foreclosure and in the hope that the debtor can come up with some form of a miracle in order to formulate an acceptable plan." *Id.* Section 362(d)(3) "provide[s] a means to expedite the potential for relief" to secured creditors "unless certain conditions are met." *Id.*

There is no question that the instant case is a single asset real estate case. *See* Docket No. 31, *Order Determining Case to be Single Asset Real Estate* (the "SARE Order"). Ergo, 11 U.S.C. § 362(d)(3) applies.

Timeliness of the Filing of a Plan of Reorganization

Here, the Debtor filed the instant case on October 29, 2025 (the "Petition Date"). *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy*, p. 1. Ninety days from the Petition Date, or entry of order for relief, was January 27, 2026. On December 12, 2025, the Court entered the SARE Order. *See* Docket No. 31. Thirty days from entry of the SARE Order was January 11, 2026. The Debtor filed on February 11, 2026, *Debtor's Chapter 11 Liquidating Plan* (the "Plan"). *See* Docket No. 51.

The Debtor cites 11 U.S.C. § 362(d)(3) for the proposition that the 90 day period to file a plan of reorganization may be extended "as the court may determine for cause by order entered within that 90-day period." *See* Docket No. 57, pp. 6-7. The Court entered that *Scheduling Order* (the "Scheduling Order") on December 19, 2025, requiring the Debtor to file and serve a plan no later than February 26, 2026. *See*

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Docket No. 36, p. 2, lines 7-11. The Debtor argues that the Scheduling Order extended the deadlines to file a plan under 11 U.S.C. § 362(d)(3), "for cause." The Debtor, prior to the status conference that resulted in the Scheduling Order, informed the Court that "[i]t is estimated that the Debtor will be able to file a plan and disclosure statement within ninety days of the status conference," which status conference was to be held on December 10, 2025. *See* Docket No. 24, *Case Management Conference Status Report Number 1*; p. 3, lines 24-26. By the Debtor's "estimate[]," a plan of reorganization would be filed by March 10, 2026. The Scheduling Order made it clear that the Court would require that any plan of reorganization be filed by February 26, 2026, not the Debtor's estimated date of March 10, 2026. The Court never made any findings of "cause," or analyzed 11 U.S.C. § 362(d)(3) for the purposes of filing a plan of reorganization at or after the status conference of December 10, 2026. The Scheduling Order gave the Debtor the outside date that the Court would require a plan of reorganization to be filed, having nothing to do with the quick trigger provisions of 11 U.S.C. § 362(d)(3).

Reasonability of Confirming Plan within Reasonable Time

Even assuming that the Court did in-fact extend the deadline to file a plan of reorganization under 11 U.S.C. § 362(d)(3), which it did not, the Court cannot not find that the Plan has a reasonable possibility of being confirmed within a reasonable time.

The Plan is a liquidating plan. *See* Docket No. 51. In the Plan, the Debtor asserts that:

The Debtor intends to sell [the Property] to fund distributions under the Plan from the net sale proceeds. The Debtor has one secured creditor with a filed proof of claim in the amount of \$4,737,201.65. The Debtor has no priority claims and no general unsecured claims. On the Effective Date, the Debtor will pay (a) Allowed Administrative Claims, consisting of professional fees and expenses of Eric Bensamochan, Esq., to the extent allowed by final order of the Bankruptcy Court, and (b) the Allowed Secured Claim, from net sale proceeds, in accordance with the Plan.

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See id., p. 4, lines 11-18.

Movant is the only voting class of creditors under the Plan. *See id.* at pp. 6-7. Movant asserts that it "will vote against such a Plan." *See* Docket No. 61, p. 3, line 2. The Plan provides no information regarding the timing of the sale of the Property, details regarding the sale, or what is to occur should the Property not be sold. *See id.* As things stand, the Property has been marketed since at least December 23, 2025, and at least as of February 25, 2026, "no offers have come in..." *See* Docket No. 59, *Case Management Conference Status Report Number 2:*, p. 3, lines 1-7.

The Plan does not inform its only creditor, Movant, what the Property is worth, today, and when it is expected that Movant's claim will be paid. To date, more than 2 months since the Property was listed for sale, no offers have been made to purchase the Property. Further, Movant has, after a review of the Plan, and as the sole voting class for the Plan, informed the Debtor that it intends on rejecting the Plan. Nothing about the Plan informs the Court that it is likely to be confirmed at all, much less within any reasonable amount of time.

Interest Only Payments

As noted *supra*, 11 U.S.C. § 362(d)(3)(B)(ii) provides the Debtor with the ability to avoid the quick trigger relief from stay for single asset real estate cases by making payments "equal to interest at the then applicable nondefault contract rate of interest on the value of the creditor's interest in the real estate."

Movant asserts that these payments would total no less than \$41,450.51 per month. *See* Docket No. 54, p. 13, lines 19-21. The Debtor states that payments of \$35,000 per month have been made to Movant, but the Debtor is "amenable to an increase in payments to Movant to \$41,450 per month going forward..." *See* Docket No. 57, p. 5, lines 3-10.

Movant argues that "[w]ith regard to payments, the only payments have been made by the related Debtor, Neal Feay Company 9:25-bk-11446," but then asserts that "[t]he Debtor has been paying \$35,000 per month." *See* Docket No. 54, *Memorandum of Points and Authorities*, p. 13, line 15.

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It is the Court's understanding that the debtor in the *In re Neal Feay Company* bankruptcy case is making adequate protection payments to Movant as adequate protection for Neal Feay Company utilizing Movant's cash collateral in its business operations. See Case No. 9:25-bk-11446-RC, Docket No. 11, *First Stipulation between Debtor and Secured Creditor, 111 and 124 La Patera 2024 LP Regarding Debtor's Continued Use of Cash Collateral*. It is unclear to the Court what the adequate protection payments in the *In re Neal Feay Company* case have to do with payments to Movant by the Debtor pursuant to 11 U.S.C. § 362(d)(3)(B)(ii). The \$35,000 monthly payment by Neal Feay Company to the Debtor will allow Neal Feay Company the use of Movant's cash collateral in the *In re Neal Feay Company* case, but those payments have nothing to do with the instant case.

If the Debtor has not made payments of at least \$41,450.51 since January 2026, in this case, the Motion is granted pursuant to 11 U.S.C. § 362(d)(3) given the Court's above ruling on 11 U.S.C. § 362(d)(3)(A).

11 U.S.C. § 362(d)(1) - Lack of Adequate Protection

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay [] for cause, including the lack of adequate protection of an interest in property of such party in interest." 11 U.S.C. § 362(d)(1). While the term "adequate protection" is not defined in the Code, 11 U.S.C. § 361 sets forth three non-exclusive examples of what may constitute adequate protection: 1) periodic cash payments equivalent to decrease in value, 2) an additional or replacement lien on other property, or 3) other relief that provides the indubitable equivalent. See *In re Mellor*, 734 F.2d 1396, 1400 (9th Cir. 1984). "Equity cushion" is defined as the value in the property, above the amount owed to the creditor with a secured claim, that will shield that interest from loss due to any decrease in the value of the property during the time the automatic stay remains in effect. *Id.* at 1397. "Equity," as opposed to "equity cushion," is the value, above all secured claims against the property that can be realized from the sale of the property for the benefit of the unsecured creditors. *Id.*

"Although the existence of an equity cushion as a method of adequate protection is not specifically mentioned in § 361, it is the classic form of protection for a secured debt

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justifying the restraint of lien enforcement by a bankruptcy court." *Id.* (internal citations omitted). "In fact, it has been held that the existence of an equity cushion alone, can provide adequate protection." *Id.* (internal citations omitted). "A sufficient equity cushion has been found to exist although not a single mortgage payment had been made." *Id.* (internal citations omitted). "A 20% cushion has been held to be an adequate protection for a secured creditor." *Id.* at 1401. (internal citations omitted).

To start, the Court has no understanding of the value of the collateral outside of the Property that acts as Movant's collateral unless it considers Mr. Arnold's most recent appraisal of the Property of other property owned by Neal Feay Company.

Movant asserts that the Debtor is not paying property taxes on the Property, and that the Property's value is lower than the Debtor suggests due to environmental remediation that the Property requires. *See* Docket No. 61, p. 4, lines 5-10 and 24-26. The Debtor does not appear to challenge Movant's argument that Movant is entitled to adequate protection, but rather challenges Movant's position that it is not adequately protected by an equity cushion in the Property and other collateral. *See* Docket No. 57, pp. 3-5. Movant is entitled to adequate protection regarding any erosion in the value of its collateral position in the Property, and perhaps any of its other collateral, post-petition.

Movant alleges that its interest in the Property is not adequately protected by an equity cushion. Movant asserts that it has a secured claim against the Property in the amount of \$5,179,302.66. *See* Docket No. 54, p.8. The Debtor disputes the amount of Movant's claim. *See* Docket No. 57, p. 3, lines 5-16. According to Movant's most recently acquired appraisal of the Property, the Property has a value of \$4,080,000. *See* Docket No. 64, p. 4. The only appraisal for the Property provided by the Debtor is stale, and combines the Property and another non-debtor property for a combined value.

According to the Debtor's own liquidation analysis included with the Plan, the Property's gross value is \$5.5 million. *See* Docket No. 51-1, *Exhibit A*. The Debtor has also listed the Property for sale at \$5.5 million, and, as noted herein, there have been no takers at that dollar amount in the months the sale has been pending.

The Court finds that the evidence supports a \$5,500,000.00 fair market value for the

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Property. As indicated above, the Debtor disputes that Movant's claim is \$5,179,302.66. However, Movant provides no evidence of what it believes its claim to be outside of its proof of claim. According to that *Proof of Claim* filed by Movant, Movant has a secured claim in the amount of \$4,737,201.65 (the "POC"). See Proof of Claim 1-1. The Debtor has not objected to Movant's claim to date. Using the POC amount of \$4,737,201.65, alone, Movant maintains an equity cushion of \$762,798.35 or 13.87% of the fair market value of the Property, not including the costs of sale of the Property, which is below the 20% equity cushion held to be an adequate protection for a secured creditor in *In re Mellor*.

This Court is also inclined to find that the 13.87% equity cushion fails to provide Movant adequate protection, especially given the fact that the Debtor appears to lack any operations to maintain, secure or improve the Property, and is not paying the property taxes on the Property.

The Motion is granted under 11 U.S.C. § 362(d)(1).

11 U.S.C. § 362(d)(2)

Pursuant to 11 U.S.C. § 362(d)(2), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay with respect to a stay of an act against property under subsection (a) of this section, if (A) the debtor does not have an equity in such property and (B) such property is not necessary to an effective reorganization." *In re Preuss*, 15 B.R. 896, 897 (9th Cir. BAP 1981). "Once the movant under § 362(d)(2) establishes that he is an undersecured creditor, it is the burden of the *debtor* to establish that the collateral at issue is 'necessary to an effective reorganization.' See § 362(g). What this requires is not merely a showing that if there is conceivably to be an effective reorganization, this property will be needed for it; but that the property is essential for an effective reorganization that is in prospect. This means, as many lower courts, including the en banc court in this case, have properly said, that there must be "a reasonable possibility of a successful reorganization within a reasonable time." *United Sav. Ass'n of Texas v. Timbers of Inwood Forest Assocs., Ltd.*, 484 U.S. 365, 375–76, 108 S. Ct. 626, 632–33, 98 L. Ed. 2d 740 (1988) citing *In re Timbers of Inwood Forest Assocs., Ltd.*, 808 F.2d 363, 370-371, and nn. 12-13 (5th Cir. 1987).

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As noted above, it is not entirely clear to the Court that Movant is in-fact undersecured. Movant's claim is between \$4,903,001.65 and \$5,179,302.66. Without more evidence, the Court can only find that Movant's claim is the \$4,903,001.65 figure. Given the Court's lack of understanding of the amount of Movant's claim outside of the POC, and given a valuation of the Property of \$5.5 million, the Court cannot make a finding that the Debtor lacks equity in the Property.

The Court is inclined to deny the Motion insofar as it requests relief under 11 U.S.C. § 362(d)(2).

Party Information

Debtor(s):

Rasmussen, Rasmussen and

Represented By
Eric Bensamochan

Movant(s):

111 & 133 South La Patera, Goleta

Represented By
William C Beall

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9:25-11446 Neal Feay Company

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#12.00 Hearing re: [81] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 133 South La Patera Lane, Goleta, CA 93117

Docket 81

Tentative Ruling:

March 10, 2026

Appearances required.

Background

111 & 133 South La Patera, Goleta, CA First Mortgage Investors, LP ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) and (d)(2) in relation to the real property located at 133 South La Patera Lane, Goleta, CA 93117 (the "Property") of Neal Faye Company ("Debtor") on the grounds that (1) Movant's interest in the Property is not protected by an adequate equity cushion and the fair market value of the Property is declining, (2) pursuant to 11 U.S.C. § 362(d)(2)(A), the Debtor has no equity in the Property; and, pursuant to § 362(d)(2)(B), the Property is not necessary to an effective reorganization, and (3) pursuant to 11 U.S.C. § 362(d)(3), the Debtor has failed, within the later of 90 days after the order for relief or 30 days after the court determined that the Property qualifies as "single asset real estate" as defined in 11 U.S.C. § 101(51B) to file a reasonable plan of reorganization or to commence monthly payments. *See* Docket No. 81, *Motion for Relief from the Automatic Stay Under 11 U.S.C. 362 – Real Property* (the "Motion"), pp. 3-4.

In addition to lifting the stay, Movant requests (1) that it may proceed under applicable nonbankruptcy law to enforce its remedies to foreclose upon and obtain possession of the Property, (2) waiver of the 14-day stay provided under Fed. R. Bankr. P. 4001(a)(3) [superseded by Fed. R. Bankr. P. 4001(a)(4)], and (3) if relief from stay is not granted, adequate protection be ordered. *See id.*, p. 5.

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Pursuant to this Court's Local Rule 4001-1(c)(1)(C), the Motion must be served upon the "(i) The debtor and debtor's attorney (if any); (ii) The trustee or interim trustee (if any); (iii) Any applicable codebtor where relief is sought from the codebtor stay under 11 U.S.C. §§ 1201 or 1301; (iv) If relief is sought as to property of the estate, the holder of a lien or encumbrance against the subject property that is known to the movant, scheduled by the debtor, or appears in the public record; and (v) Any other party entitled to notice under FRBP 4001." Pursuant to Fed. R. Bankr. P. 4001(a)(1)(A), the Motion must be served upon "the creditors included on the list filed under Rule 1007(d) if the case is a Chapter 9 or Chapter 11 case and no committee of unsecured creditors has been appointed under §1102".

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on February 12, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id., Proof of Service of Document.* However, there is no evidence that the Motion was served upon all of the Debtor's 20 largest unsecured creditors, including Intech Funding and Santa Barbara Commercial Mortgage. *See Docket No. 1, Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders.*

Opposition

On February 24, 2026, the Debtor filed that *Opposition to Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362* (the "Opposition"). *See Docket No. 90.* In the Opposition, the Debtor asserts that (1) it disputes Movant's claim amount, (2) there is equity in the Property which adequately protects Movant, (3) the Property is necessary for reorganization under 11 U.S.C. § 362(d)(2), and (4) there are no grounds for relief under 11 U.S.C. § 362(d)(3). *See id.*

The Debtor, as a part of the Opposition, filed that *Request for Judicial Notice* (the "RJN"). *See Docket No. 91.* The RJN requests that this Court take judicial notice of the Rasmussen, Rasmussen, and Rasmussen's Schedule D, the Debtor's Schedule D, and a scheduling order in the Rasmussen, Rasmussen, and Rasmussen case. *See id.*

Pursuant to Fed. R. Evid. 201(b), "[t]he court may judicially notice a fact that is not

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subject to reasonable dispute because it: (1) is generally known within the trial court's territorial jurisdiction; or (2) can be accurately and readily determined from sources whose accuracy cannot reasonably be questioned." Judicial notice may be taken "of bankruptcy records in the underlying proceeding..." *In re Tuma*, 916 F.2d 488, 491 (9th Cir. 1990); *see also Lee v. City of Los Angeles*, 250 F.3d 668, 688-689 (9th Cir. 2001)("[A] court may take judicial notice of 'matters of public record.'"); *Minden Pictures, Inc. v. Excitant Group, LLC*, 2020 WL 80525311 * 2 (C.D. Cal. December 14, 2020)("A court may take judicial notice of 'court records available to the public through the PACER system.'"); *Neylon v. County of Inyo*, 2016 WL 6834097 *2 (E.D. Cal. November 21, 2016)("Federal courts may take judicial notice of orders and proceedings in other courts, including transcripts.").

Pursuant to Fed. R. Evid. 201(e), "[o]n timely request, a party is entitled to be heard on the propriety of taking judicial notice and the nature of the fact to be noticed."

There has been no opposition to the RJN. The documents that the RJN seeks judicial notice of are the types of documents that are appropriate for such notice. Therefore, Court takes judicial notice of the documents as described in the RJN.

Analysis

11 U.S.C. § 362(d)(3)

Pursuant to 11 U.S.C. § 362(d)(3), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning the stay [] with respect to a stay of an act against single asset real estate under subsection (a), by a creditor whose claim is secured by an interest in such real estate, unless, not later than the date that is 90 days after the entry of the order for relief [] or 30 days after the court determines that the debtor is subject to this paragraph, whichever is later [] the debtor has filed a plan of reorganization that has a reasonable possibility of being confirmed within a reasonable time; or [] the debtor has commenced monthly payments []."

Here, the Debtor filed the instant case on October 29, 2025 (the "Petition Date"). *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy* (the

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"Petition"), p. 1. The Debtor did not identify its business as single asset real estate in the Petition. *See* Docket No. 1. The Court has not determined the Debtor's business to be single asset real estate. Therefore, 11 U.S.C. § 362(d)(3) is inapplicable and the request for stay relief under 11 U.S.C. § 362(d)(3) is denied.

11 U.S.C. § 362(d)(1) - Lack of Adequate Protection

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay [] for cause, including the lack of adequate protection of an interest in property of such party in interest." 11 U.S.C. § 362(d)(1). While the term "adequate protection" is not defined in the Code, 11 U.S.C. § 361 sets forth three non-exclusive examples of what may constitute adequate protection: 1) periodic cash payments equivalent to decrease in value, 2) an additional or replacement lien on other property, or 3) other relief that provides the indubitable equivalent. *See In re Mellor*, 734 F.2d 1396, 1400 (9th Cir. 1984). "Equity cushion" is defined as the value in the property, above the amount owed to the creditor with a secured claim, that will shield that interest from loss due to any decrease in the value of the property during the time the automatic stay remains in effect. *Id.* at 1397. "Equity," as opposed to "equity cushion," is the value, above all secured claims against the property that can be realized from the sale of the property for the benefit of the unsecured creditors. *Id.*

"Although the existence of an equity cushion as a method of adequate protection is not specifically mentioned in § 361, it is the classic form of protection for a secured debt justifying the restraint of lien enforcement by a bankruptcy court." *Id.* (internal citations omitted). "In fact, it has been held that the existence of an equity cushion alone, can provide adequate protection." *Id.* (internal citations omitted). "A sufficient equity cushion has been found to exist although not a single mortgage payment had been made." *Id.* (internal citations omitted). "A 20% cushion has been held to be an adequate protection for a secured creditor." *Id.* at 1401. (internal citations omitted).

Movant alleges that its interest in the Property is not adequately protected, asserting that it does not enjoy an equity cushion in the Property. Movant asserts that it has a secured claim against the Property in the amount of \$5,179,302.66. *See* Docket No. 81, p. 8. The fair market value of the Property is asserted to be \$1,532,879.00 per

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"Claim 13 (Attached)" based on a tax assessment. *See id.*

It is the Court's understanding that the Debtor is making monthly payments to Movant in the amount of \$35,000. This relates to the Debtor's use of Movant's cash collateral, however.

In the Debtor's schedules, it lists the following assets: (1) \$460,380 in receivables; (2) \$26,133 in raw materials; (3) \$172,356 in work in progress; (4) \$296,874 in finished goods; and (5) \$516,000 in FF&E; %6) \$49,347 in cash. *See* Docket No. 29, *Schedule A/B: Assets – Real and Personal Property*, pp. 3-9. As of February 28, 2026, the Debtor had: (1) \$12,572.42 in cash; (2) \$162,275 in receivables, less payables. *See* Docket No. 99, *Monthly Operating Report for Small Business Under Chapter 11*, pp. 2-3. Without a balance sheet, the Court has no understanding of where the Debtor's raw materials, work in progress, finished goods, and FF&E stand. On cash and receivables alone, since the Petition Date, the Debtor's assets have fallen in value by \$334,880. Assuming the Debtor has made adequate protection payments of \$140,000, and assuming Movant is collateralized on the Debtor's receivables and cash, there is a \$194,880 delta between the loss in value, and the adequate protection payments made. Yet, without an understanding as to the value of Movant's replacement liens, it is not clear to the Court that Movant's collateral position on non-real estate assets has declined since the Petition Date.

As to the Property, and Movant's equity cushion in the Property, the Court has no understanding of the value of the Property (Or perhaps the entirety of Movant's collateral package, including non-debtor collateral. *See In re Colonial Center, Inc.*, 156 B.R. 452, 461 (Bankr. E.D. Pa. 1993)("I reached the conclusion that an equity cushion under section 362(d)(1) for purposes of adequate protection would include all collateral available to the secured creditor.")). The Court may consider that *Declaration of Neal Arnold in Support of Motion for Relief from Stay*, but the Debtor should have an opportunity to respond with counter evidence. The Court would also want to hear from the parties regarding the analysis of *In re Colonial Center, Inc.*

The Debtor has offered to increase adequate protection payments to \$41,450 per month, but the adequate protection payment relates to the Debtor's use of Movant's cash collateral, and not the Property, and, regarding the Property, it is not clear to the Court that such an increase is required to adequately protect Movant, or, if required,

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that it would be sufficient.

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11 U.S.C. § 362(d)(2)

Pursuant to 11 U.S.C. § 362(d)(2), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay with respect to a stay of an act against property under subsection (a) of this section, if (A) the debtor does not have an equity in such property and (B) such property is not necessary to an effective reorganization." *In re Preuss*, 15 B.R. 896, 897 (9th Cir. BAP 1981). "Once the movant under § 362(d)(2) establishes that he is an undersecured creditor, it is the burden of the debtor to establish that the collateral at issue is "necessary to an effective reorganization." See § 362(g). What this requires is not merely a showing that If there is conceivably to be an effective reorganization, this property will be needed for it; but that the property is essential for an effective reorganization that is in prospect. This means, as many lower courts, including the en banc court in this case, have properly said, that there must be "a reasonable possibility of a successful reorganization within a reasonable time." *United Sav. Ass'n of Texas v. Timbers of Inwood Forest Assocs., Ltd.*, 484 U.S. 365, 375–76, 108 S. Ct. 626, 632–33, 98 L. Ed. 2d 740 (1988) *citing In re Timbers of Inwood Forest Assocs., Ltd.*, 808 F.2d 363, 370-371, and nn. 12-13 (5th Cir. 1987).

As indicated above, Movant has not provided sufficient evidence of the fair market value of the Property. If the Court is going to consider the most recently filed appraisal, the Debtor should be afforded an opportunity to provide counter evidence. Where the Court and the Debtor differ is on the use of the property of Rasmussen, Rasmussen, Rasmussen to fill any value void. Section 362(d)(2) clearly relates to the Debtor's equity in the Property. To date the Debtor has not filed a plan of reorganization.

Party Information

Debtor(s):

Neal Feay Company

Represented By
Eric Bensamochan

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Movant(s):

111 & 133 South La Patera etc.

Represented By
William C Beall

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#13.00 CONT'D Hearing re: [157] Amended notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: Insurance proceeds under an insurance policy for which the debtor is the named insured and Daniel David, the debtor's former president, is an insured

fr. 1-27-26, 2-24-26,

Docket 157

Tentative Ruling:

March 10, 2026

Appearances required.

Background

On July 10, 2025 (the "Petition Date"), Outer Aisle Gourmet, LLC (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1.

Prior to the Petition Date, the Debtor and Daniel David, the Debtor's former president, ("Mr. David") were named as defendants in a state court action styled *FCS Advisors, LLC dba Brevet Capital Advisors v. Outer Aisle Gourmet, LLC and Daniel David*, Case No. 653923/2025 in the Supreme Court of the State of New York (the "Brevet Action"). *See* Docket No. 157, *Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362* (the "Motion"), p. 13.

The Debtor and Mr. David are insured through the Debtor's insurance policy Wrap+ Policy No. 107273097 (the "Policy") with Travelers Casualty and Surety Company of America (the "Insurer"). *See id.* at lines 11-13; and *Exhibit A*, pp. 24-189. The Policy, among other things, provides D&O coverage. *See id.* More specifically, the D&O coverage provides for the coverage of "reasonable and necessary legal fees and expenses incurred by the Debtor or Mr. David, with the Debtor's consent, in the

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investigation, defense, settlement and appeal of an action." *See id.* Additionally, the Policy limits D&O coverage to \$3 million inclusive of costs of defense. *See id.* at p. 14.

The Debtor and Mr. David have incurred legal and related expenses in the Brevet Action, which may be reimbursable under the Policy, but which the Insurer has not advanced or reimbursed because of the automatic stay in the Debtor's bankruptcy case. *See id.* at lines 13-16.

The Motion

On January 7, 2026, the Debtor filed the Motion, seeking relief from the automatic stay pursuant to 11 U.S.C. § 362(d)(1) to allow the reimbursement of the Debtor's and Mr. David's defense costs in the Brevet Action under the Policy. *See* Docket No. 157, p. 13. Through the Motion, the Debtor asserts that the "Policy is likely property of the estate," but that cause exists under 11 U.S.C. § 362(d)(1) to lift the stay to allow payouts under the Policy because the proceeds of the Policy for defense cost reimbursement are "only nominally property of the estate and are held in trust by the Debtor, pursuant to Section 541(d) of the Bankruptcy Code." *See id.* at p. 13 lines 16; and p. 15 lines 16-17.

Additionally, attached to the Motion is that *Stipulation Re: Automatic Stay* (the "Stipulation") in which the Debtor, Mr. David, and their counsel (1) "agree to relief from the automatic stay solely to authorize the Insurer to advance and/or reimburse Defense Expenses in accordance with, and subject to, the terms and conditions of the Policy to Debtor and Mr. David for defense of the Brevet Action," and (2) agree that the automatic stay shall remain in place with respect to the Brevet Action. *See id.* at p. 22 ¶¶8-9.

The Notice

The Motion and notice thereof were served upon the United States Trustee, the 20 largest unsecured creditors, and the Notice of Electronic Filing [NEF] parties on January 7, 2026, notifying the United States Trustee, the 20 largest unsecured creditors, and the NEF parties that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days

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prior to the hearing on the Motion. *See* Docket No. 157, *Proof of Service of Document*, pp. 190-92. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties.

Analysis

Property of the Estate

Pursuant to 11 U.S.C. § 541(a) "[t]he commencement of a case under §301 [] of this title creates an estate. Such estate is comprised of all the following property, wherever located and held: (1) [] all legal or equitable interest of the debtor in property as of the commencement of the case."

"[I]nterests are 'property of the estate' if ' the debtor's estate is worth more with them than without them.'" *In re Pintlar Corp.*, 124 F.3d 1310, 1313 (9th Cir. 1997) (citing *In re Minoco Grp. of Companies, Ltd.*, 799 F.2d 517, 519 (9th Cir. 1986)). More specifically, "[p]roperty of the estate is to be construed broadly [], and the Ninth Circuit has determined that a debtor's insurance policies are property of the estate." *In re MILA, Inc.*, 423 B.R. 537, 542 (9th Cir. BAP 2010) (citations omitted).

"In cases where liability insurance policies provide direct coverage to both directors and officers and debtors, courts have held that 'the proceeds will be property of the estate if depletion of the proceeds would have an adverse effect on the estate to the extent the policy actually protects the estate's other assets from diminution.'" *In re Celsius Network LLC*, 652 B.R. 34, 42 (Bankr. S.D.N.Y. 2023)(quoting *In re Downey Fin. Corp.*, 428 B.R. 595, 603 (Bankr. D. Del. 2010)).

11 U.S.C. § 362(d)(1)

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay for cause, including the lack of adequate protection of an interest in property of such

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party in interest." Beyond the lack of adequate protection, "cause" is determined on a case-by-case basis. See *In re MacDonald*, 755 F.2d 715, 717 (9th Cir. 1985).

"In cases involving D&O policy proceeds, the bankruptcy court must balance the harm to the debtor if the stay is modified with the harm to the directors and officers if they are prevented from executing their rights to defense costs." *In re MILA, Inc.*, 423 B.R. at 543. "Even in cases where the D&O policy proceeds were considered property of the estate, courts have nonetheless granted relief from stay to allow the insurer to advance defense costs payments when the harms weigh more heavily against the directors or officers than the debtor." *Id.* at 544. "One factor courts consider, especially in cases of a 'wasting' policy, is whether defense costs payments made to directors and officers under the A-side coverage might exhaust B-side policy limits and potentially expose the estate to liability for obliged indemnification claims." *Id.*

Here, the Policy is the property of the bankruptcy estate and it appears that the proceeds from the Policy are also property of the Debtor's bankruptcy estate because the funds from the Policy flow to the Debtor for the cost of defense of the Brevet Action and can be used to pay any judgment arising from such lawsuit.

Yet, the Motion does not demonstrate that cause exists under 11 U.S.C. § 362(d)(1). The Court has no appreciation of the balance of the harms as between the Debtor and Mr. David especially if the Brevet Action is to remain stayed. Is the Policy a wasting policy? Does the Policy have a priority of payments? The Policy appears to make some mention of side A and side B coverage (p. 18 section F.), yet also states that the parties will "use their best efforts to determine a fair and proper allocation of all such amounts" for payment (p. 46 section C.4. and D.).

What is more, are any of the amounts of the Policy that the Debtor seeks to reimburse its counsel for, post-petition accrued fees and costs? Put another way, is the Debtor attempting to pay counsel for post-petition fees and costs, where counsel was never employed by the Debtor with approval of this Court?

February 24, 2026

Appearances waived.

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The hearing on the motion is continued to March 10, 2026, at 9:00 a.m.

January 27, 2026

Appearances waived.

The hearing on the motion is continued to February 24, 2026, at 9:00 a.m.

Party Information

Debtor(s):

Outer Aisle Gourmet, LLC

Represented By
Garrick A Hollander
Jordyn Paperny

Movant(s):

Outer Aisle Gourmet, LLC

Represented By
Garrick A Hollander
Jordyn Paperny

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9:25-10915 Outer Aisle Gourmet, LLC

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#14.00 Hearing re: [184] Notice of motion and motion for relief from automatic stay with supporting declarations ACTION IN NON-BANKRUPTCY FORUM RE: Alcala vs. Outer Aisle Gourmet, LLC, Cannon Cochran Concord (Docket # ADJ20585760)

Docket 184

Tentative Ruling:

March 10, 2026

Appearances required.

Claudia Alcala ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) to proceed against the debtor Outer Aisle Gourmet, LLC (the "Debtor"), in the nonbankruptcy action *Alcala v. Outer Aisle Gourmet, LLC, Cannon Cochran Concord* (ADJ20585760) filed on February 27, 2025 (the "Nonbankruptcy Action"), pending before the State of California, Division of Workers' Compensation Appeals Board. *See Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (Action in Non-Bankruptcy Forum)* (Docket No. 184).

Movant seeks relief from stay on the grounds that (1) Movant seeks recovery only from applicable insurance, if any, and waives any deficiency or other claim against the Debtor or property of the Debtor's bankruptcy estate, (2) the claims arise under nonbankruptcy law and can be most expeditiously resolved in the nonbankruptcy forum, and (3) the Nonbankruptcy Action is "100% covered by the insurance carrier Cannon Cochran Concord, and the debtor will have no liability whatsoever." *See id.*, pp. 3-4.

Movant additionally seeks relief (1) to proceed under applicable nonbankruptcy law to enforce their remedies to proceed to final judgment in the nonbankruptcy forum, provided that the stay remains in effect with respect to enforcement of any judgment against the Debtor or property of the Debtor's bankruptcy estate, (2) the 14-day stay prescribed by FRBP 4001(a)(3) [superseded by FRBP 4001(a)(4)] be waived, (3) the order be binding and effective in any bankruptcy case commenced by or against the Debtor for 180 days, so that no further automatic stay shall arise in that case as to the

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Nonbankruptcy Action, (4) the order be binding and effective in any bankruptcy case, no matter who the debtor may be, without further notice, and (5) other relief requested. *See id.* [FN 1]

Notice

Pursuant to this Court's Local Rule 4001-1(c)(1)(C), the Motion must be served upon the "(i) The debtor and debtor's attorney (if any); (ii) The trustee or interim trustee (if any); (iii) Any applicable codebtor where relief is sought from the codebtor stay under 11 U.S.C. §§ 1201 or 1301; (iv) If relief is sought as to property of the estate, the holder of a lien or encumbrance against the subject property that is known to the movant, scheduled by the debtor, or appears in the public record; and (v) Any other party entitled to notice under FRBP 4001." Pursuant to Fed. R. Bankr. P. 4001(a)(1)(A), the Motion must be served upon "the creditors included on the list filed under Rule 1007(d) if the case is a Chapter 9 or Chapter 11 case and no committee of unsecured creditors has been appointed under §1102".

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on January 26, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id., Proof of Service by Mail*, pp. 1-5. However, there is no evidence that the Motion was served upon all of the Debtor's 20 largest unsecured creditors, including Food Source, LLC and Sage Advisors, LLC.

Analysis

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay for cause, including the lack of adequate protection of an interest in property of such party in interest." Beyond the lack of adequate protection, "cause" is determined on a case-by-case basis. *See In re MacDonald*, 755 F.2d 715, 717 (9th Cir. 1985). "Courts in the Ninth Circuit have granted stay relief to permit the conclusion of pending litigation in a nonbankruptcy forum when the litigation involves multiple parties or is

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ready for trial." *In re Wang*, 2010 WL 6259970 *5 (9th Cir. BAP 2010)(citing *In re Tucson Estates, Inc.*, 912 F.2d 1162, 1169 (9th Cir. 1990). "Courts have also considered whether permitting the conclusion of pending litigation is in the interest of judicial economy or within the expertise of a state court." *Id.* (citing *In re MacDonald*, 755 F.2d 715 at 717).

"Courts evaluate several non-exclusive factors to determine if cause exists to permit pending litigation to continue in another forum [including:]

- (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 proceeds in question;
- (7) Whether the litigation in another forum would prejudice the interests of other creditors, the creditor's committee and other interested parties;
- (8) Whether the judgment claim arising from the foreign action is subject to equitable subordination;
- (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

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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 and the ‘balance of the hurt.’”

Id. (citing *In re Curtis*, 40 B.R. 795, 799-800 (Bankr. D. Ut. 1984); *In re Plumberex Specialty Prods., Inc.*, 311 B.R. 551, 559 (Bankr. C.D. Cal. 2004); *In re Sonnax Indus., Inc.*, 907 F.2d 1280, 1286 (2d Cir. 1990); *In re Smith*, 389 B.R. 902, 918-919 (Bankr. D. Nev. 2008).

"A motion for stay relief is a summary proceeding." *In re Santa Clara County Fair Ass'n, Inc.*, 180 B.R. 564, 566 (9th Cir. BAP 1995)(citing *In re Computer Communications, Inc.*, 824 F.2d 725, 729 (9th Cir. 1987)). "In a summary proceeding, the court's discretion is broad." *Id.*

Curtis Factors

Whether the relief will result in a partial or complete resolution of the issues

Were the Court to grant the Motion, Movants would be allowed to proceed to trial against the Debtor's workers' compensation insurance before the Workers' Compensation Appeals Board.

Through the Motion, Movant asserts the "[w]orkers [sic] compensation case is 100% covered by the insurance carrier Cannon Cochran Concord, and the [D]ebtor will have no liability whatsoever." *See id.*, p. 4. This means that the stay could be lifted, and a judgment may be obtained determining whether Movant is entitled to her workers' compensation claim.

A judgment in the Nonbankruptcy Action would resolve the issues between the Movant and the Debtor. This factor weighs in favor of Movant.

The lack of any connection with or interference with the bankruptcy case

The Debtor filed a Chapter 11 bankruptcy case. *See* Docket No. 1. On November 7, 2025, the Debtor filed *Debtor's Chapter 11 Plan of Reorganization* (the "Plan") later supplemented by that *Supplement to Debtor's Chapter 11 Plan of Reorganization* (the

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"Supplement"). See Docket Nos. 102, 166. The Plan, as modified by the Supplement, was confirmed at a hearing on February 24, 2026. The Debtor's case is proceeding through the Chapter 11 process without interference by the Nonbankruptcy Action. The Nonbankruptcy Action involves Movant, and the Debtor, and state law issues.

Movant seeks recovery only from the Debtor's insurance carrier and waives any deficiency claim or other claim against the Debtor or property of the Debtor's bankruptcy estate. See Docket No. 184, p. 7. Additionally, the Debtor has not opposed the Motion. This factor weighs in favor of Movant.

Whether the foreign proceeding involves the debtor as a fiduciary

It does not appear that the Debtor is a fiduciary in the Nonbankruptcy Action.

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

The Nonbankruptcy Action involves litigation of a workers' compensation claim. See Docket No. 184, at *Exhibit 1*. The Workers' Compensation Appeals Board is a specialized tribunal, and it has the expertise to hear the Nonbankruptcy Action. See *In re Curtis*, 40 B.R. 795 at 800 (specialized tribunals such as a board of contract appeals, state compensation panel, and state courts related to issues such as "unsettled questions of state property law..."). This factor weighs in favor of Movant.

Whether the debtor's insurance carrier has assumed full financial responsibility for defending the litigation

Movant only seeks recovery from the Debtor's applicable insurance with Cannon Cochran Concord, claim number 24J87M707673. See Docket No. 184, p. 7. This factor weighs in favor of Movant.

Whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the goods or proceeds in question

The Nonbankruptcy Action is between Movant and the Debtor and is not based on goods on which the Debtor functions as a bailee or conduit for.

Whether the litigation in another forum would prejudice the interests of other

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creditors, the creditor's committee and other interested parties

There is no evidence that litigation in the Nonbankruptcy Action would prejudice other creditors or interested parties.

This factor weighs in favor of Movant.

Whether the judgment claim arising from the foreign action is subject to equitable subordination

This factor is not applicable to the Debtor.

Whether movant's success in the foreign proceeding would result in a judicial lien avoidable by the debtor under Section 522(f)

This factor is not applicable to the Debtor.

The interests of judicial economy and the expeditious and economical determination of litigation for the parties

The Workers' Compensation Appeals Board has presided over the Nonbankruptcy Action since its filing on February 27, 2025. *See id.*, p. 6. Litigation in the Nonbankruptcy Action was set to proceed to trial on December 19, 2025, and is expected to last ½ day. *See id.* Therefore, the Nonbankruptcy Action would be most expeditiously resolved at the Workers' Compensation Appeals Board.

This factor weighs in favor of Movant.

Whether the foreign proceedings have progressed to the point where the parties are prepared for trial

Trial in the Nonbankruptcy Action was set for trial on December 19, 2025. *See id.* Trial would have gone forward but for the Debtor's filing bankruptcy.

This factor weighs in favor of Movant.

The impact of the stay and the 'balance of the hurt'

The Nonbankruptcy Action has been pending at the Workers' Compensation Appeals Board for over one (1) year. The Nonbankruptcy Action was ready to proceed to trial.

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Movant would be significantly hurt if the stay relief was not granted.

This factor weighs in favor of Movant.

Conclusion

In analyzing the *Curtis* factors this Court finds cause to lift the stay as set forth in 11 U.S.C. § 362(d)(1) with waiver of the 14-day stay FRBP 4001(a)(4). However, the notice deficiency remains.

[FN 1] Movant requests "[o]ther relief requested" but no such other relief is requested in the Motion. *See id.*, p. 5.

Party Information

Debtor(s):

Outer Aisle Gourmet, LLC

Represented By
Garrick A Hollander
Jordyn Paperny

Movant(s):

Claudia Alcala

Represented By
Donald Cocquyt

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9:22-10379 Gift Theory, Inc.

Chapter 7

#15.00 Chapter 7 Trustee's Final Report, Application for Compensation and Application(s) for Compensation of Professionals filed on behalf of Trustee Sandra K. McBeth, Trustee. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report

Docket 139

Tentative Ruling:

March 10, 2025

Appearances required.

Background

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, Sandra McBeth (the "Trustee"), for the bankruptcy estate of Gift Theory, Inc. (the "Debtor") filed on February 2, 2026. *See* Docket No. 139.

On September 11, 2025, Levene, Neale, Bender, Yoo & Golubchik L.L.P. ("LNBY&G"), in its capacity as counsel to the Trustee, filed that *First and Final Application of Levene, Neale, Bender, Yoo & Golubchik L.L.P., Attorneys for the Chapter 7 Trustee, for Approval of Fees and Reimbursement of Expenses* (the "LNBY&G Application"), through which LNBY&G requests allowance, on a final basis, of fees in the amount of \$229,893.50 (which includes a voluntary discount of \$18,067.00) and reimbursement of expenses in the amount of \$16,085.94 for the period covering May 26, 2022, through September 10, 2025. *See* Docket No. 134. On September 18, 2025, LNBY&G filed a declaration indicating it had agreed to reduce its fees by \$80,000 to assume the estate has sufficient funds to pay a distribution to creditors (i.e., LNBY&G now seeks payment of final fees in the amount of \$149,893.50 and reimbursement of expenses in the amount of \$16,085.94). *See* Docket No. 137, *Declaration of Timothy J. Yoo Concerning the First and Final Application of Levene, Neale, Bender, Yoo & Golubchik L.L.P. for Allowance of Compensation and Reimbursement of Expenses as General Counsel for the Chapter 7 Trustee*.

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On June 20, 2025, M. Kathleen Klein ("Klein"), in her capacity as accountant to the Trustee, filed that *Application for Payment of Final Fee and/or Expenses and Supporting Declarations* (the "Klein Application") through which Klein requests allowance, on a final basis, of fees in the amount of \$4,029.00 and reimbursement of expenses in the amount of \$144.28. *See* Docket No. 135.

On February 2, 2026, the Trustee filed that *Notice of Trustee's Final Report and Application for Compensation and Deadline to Object* (the "Notice") and served the Notice on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 140. The Notice was served on the mailing matrix by BNC notice. *See* Docket No. 141. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Report. The Court therefore takes the default of all non-responding parties.

As of the date of the filing of the Report, the Trustee had approximately \$212,978.76 in cash on hand. *See* Docket No. 139, p. 1.

Through the Report, the Trustee, *inter alia*, seeks (1) allowance of the Trustee's statutory fee of \$14,225.36 pursuant to 11 U.S.C. § 326(a) and reimbursement of expenses in the amount of \$1,378.16, and the payment of the Trustee's statutory fee in the amount of \$14,225.36 and reimbursement of expenses in the amount of \$1,378.16, (2) the allowance and payment of a court charge in the amount of \$3,500.00, (3) allowance of fees in the amount of \$4,029.00 and expenses incurred in the amount of \$144.25 and the payment of fees in the amount of \$4,029.00 and reimbursement of expenses in the amount of \$144.25 related to the Klein Application, and (4) allowance of fees in the amount of \$149,893.50 and expenses incurred in the amount of \$16,085.94 the payment of fees in the amount of \$149,893.50 and reimbursement of expenses incurred in the amount of \$16,085.94 related to the LNBY&G Application. *See id.* at p. 105, *Exhibit D*.

After payment to the Trustee, the court fees, the Klein Application, and the LNBY&G Application the balance of cash on hand for creditors is \$23,722.55. *See id.* The *pro-rata* distribution to general unsecured creditors is 0.0% as there are \$190,515.26 of priority unsecured claims. *See id.* at p. 106.

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"[T]he principle of abandonment was developed—to protect the bankruptcy estate from the various costs and burdens of having to administer property which could not conceivably benefit unsecured creditors of the estate." *In re KVN Corp., Inc.*, 514 B.R. 1, 6 (9th Cir. BAP 2014) (citing *In re Pauline*, 119 B.R. 727, 728 (9th Cir. BAP 1990)). "A trustee shall not administer an estate or an asset in an estate where the proceeds of liquidation will primarily benefit the trustee or the professionals, or unduly delay the resolution of the case. The trustee must be guided by this fundamental principle when acting as trustee. Accordingly, the trustee must consider whether sufficient funds will be generated to make a meaningful distribution to unsecured creditors, including unsecured priority creditors, before administering a case as an asset case." *Id.* at 7 (citing *Handbook for Chapter 7 Trustees* at 4-16 (2012)).

"[T]he fact that a chapter 7 trustee and the trustee's professionals are receiving more money than unsecured creditors does not necessarily justify a reduction of a chapter 7 trustee's statutory commission or the professionals' fees." *In re TBH19, Ltd. Liab. Co.*, 668 B.R. 881, 885 (9th Cir. BAP 2025).

However, "[u]nder [11 U.S.C.] § 704(a)(1), a chapter 7 trustee has the duty to collect and reduce to money the property of the estate for which such trustee serves[.] To fulfill this duty, the trustee's primary job is to marshal and sell the assets, so that those assets can be distributed to the estate's creditors." *In re KVN Corp., Inc., supra*, at 5 (citing *In re Scimeca Found., Inc.*, 497 B.R. 753, 781 (Bankr. E.D. Pa. 2013)).

"Before performing any service, the attorney should first scrupulously weigh and assess the necessity and propriety of each task for which he will be seeking compensation" *In re Wildman*, 72 B.R. 700, 704 (Bankr. N.D. Ill. 1987) (citing *In re Albert Bros. Contractors, Inc.*, 27 B.R. 586, 591 (Bankr. W.D. Va. 1983)). An attorney is "obligated to consider: (a) Is the burden of the probable cost of legal services disproportionately large in relation to the size of the estate and maximum probable recovery? (b) To what extent will the estate suffer if the services are not rendered? (c) To what extent may the estate benefit if the services are rendered and what is the likelihood of the disputed issues being resolved successfully?" *Unsecured Creditors' Committee v. Puget Sound Plywood, Inc.*, 924 F.2d 955, 959 (9th Cir. 1991).

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Here, it appears that the Trustee has administered this estate without any benefit to general unsecured non-priority creditors. As to the settlement of the avoidance actions, the Trustee employed counsel at rates between \$620 and \$750 per hour, with total fees incurred of \$198,725.50 related to the avoidance actions. The avoidance action netted the estate \$178,000.00. The Trustee's counsel's fees were \$198,725.50, exclusive of expenses, and the Trustee's statutory fee was \$12,150 on those amounts collected. Ergo, the fees, *in toto*, were \$210,875.50 to collect \$178,000 in preference recoveries. Again, exclusive of expenses.

The Court will hear from the Office of the United States Trustee.

Party Information

Debtor(s):

Gift Theory, Inc.

Represented By
William E. Winfield

Trustee(s):

Sandra McBeth (TR)

Represented By
Timothy J Yoo
Todd M Arnold
Carmela Pagay
Zachary Page

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9:25-10219 Mary Gwendolin Crockford

Chapter 7

#16.00 Chapter 7 Trustee's Final Report, Application for Compensation and Application(s) for Compensation of Professionals filed on behalf of Trustee David Gottlieb. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report

Docket 29

Tentative Ruling:

March 10, 2026

Appearances waived.

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, David Keith Gottlieb (the "Trustee"), for the bankruptcy estate of Mary Gwendolin Crockford filed on February 3, 2026. *See* Docket No. 29.

On February 3, 2026, the Trustee filed that *Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object* (the "Notice") and served the Notice on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 30. On February 5, 2026, the Notice was served on the mailing matrix by BNC notice. *See* Docket No. 31. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Report. The Court therefore takes the default of all non-responding parties.

As of the date of the filing of the Report, the Trustee had a balance of \$2,300.26 in cash on hand. *See* Docket No. 29, p. 1.

Through the Report, the Trustee, *inter alia*, seeks allowance of the Trustee's statutory fee of \$587.57 pursuant to 11 U.S.C. § 326(a) and reimbursement of costs in the amount of \$35.00. *See id.*, at *Exhibit D*.

After payment to the Trustee, as requested in the Report, the balance of cash on hand

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for unsecured creditors is \$1,677.69. *See id.* at p. 15. This amount is sufficient to pay allowed unsecured claims a *pro-rata* distribution of approximately 0.00%. *See id.* at p. 16.

The Court (1) approves the Report in conformance with 11 U.S.C. § 704(9), and (2) the Trustee is awarded their statutory fee in the amount of \$587.57 and reimbursement of expense in the amount of \$35.00.

The Trustee is to upload a conforming order within 7 days.

Party Information

Debtor(s):

Mary Gwendolin Crockford

Represented By
Steven A Alpert

Trustee(s):

David Keith Gottlieb (TR)

Pro Se

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9:25-10357 Mary Celeste Hopkins

Chapter 7

#17.00 Chapter 7 Trustee's Final Report, Application for Compensation and Application(s) for Compensation of Professionals filed on behalf of Trustee David Gottlieb. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report

Docket 31

Tentative Ruling:

March 10, 2026

Appearances waived.

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, David Keith Gottlieb (the "Trustee"), for the bankruptcy estate of Mary Celeste Hopkins filed on February 3, 2026. *See* Docket No. 31.

On February 3, 2026, the Trustee filed that *Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object* (the "Notice") and served the Notice on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 32. On February 5, 2026, the Notice was served on the mailing matrix by BNC notice. *See* Docket No. 33. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Report. The Court therefore takes the default of all non-responding parties.

As of the date of the filing of the Report, the Trustee had a balance of \$6,854.84 in cash on hand. *See* Docket No. 31, p. 1.

Through the Report, the Trustee, *inter alia*, seeks allowance of the Trustee's statutory fee of \$1,442.89 pursuant to 11 U.S.C. § 326(a) and reimbursement of costs in the amount of \$15.00. *See id.*, at *Exhibit D*.

After payment to the Trustee, as requested in the Report, the balance of cash on hand

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for unsecured creditors is \$5,396.95. *See id.* at p. 11. This amount is sufficient to pay allowed unsecured claims a *pro-rata* distribution of approximately 15.344%. *See id.* at p. 12.

The Court (1) approves the Report in conformance with 11 U.S.C. § 704(9), and (2) the Trustee is awarded their statutory fee in the amount of \$1,442.89 and reimbursement of expense in the amount of \$15.00.

The Trustee is to upload a conforming order within 7 days.

Party Information

Debtor(s):

Mary Celeste Hopkins

Represented By
Michael B Clayton

Trustee(s):

David Keith Gottlieb (TR)

Pro Se

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9:25-11210 Matthew Nash

Chapter 7

#18.00 Hearing re: [26] Ex parte motion for order to show cause
in re: contempt for violation of U.S.C. § 362 (a)(2)

Docket 26

Tentative Ruling:

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Appearances required.

It is not entirely clear to the Court what is at issue. The Debtor claims an interest in the real property at bar. That real property is the subject of a divorce proceeding between the Debtor and the Debtor's spouse (or former spouse, that is not clear to the Court). Judgment creditor Robert D. Reed served that *Objection to Proposed Judgment*, noting that any proposed judgment in the divorce proceeding that affected his lien against the real property must be served on him at some point prior to its entry. Reed then filed in the divorce proceeding a brief arguing that the Debtor's spouse (or ex-spouse) fraudulently transferred property to the Debtor, seemingly some portion of the sale proceeds of the real property at bar. It appears that Reed seeks monies from the Debtor's ex-spouse that were fraudulently transferred to the Debtor in the divorce proceeding.

The Court has a limited record confronting it, and that limited record has caused the Court some confusion. The Court has queries.

First, "[e]scrow closed, and the Debtor received his exempt homestead proceeds." *See* Docket No. 26, p. 2, line 20. So, if the Court understands the facts, the Debtor received what he was owed from the real property sale. Yet, the Debtor goes on to state that "Reed is seeking to enforce his debt owed by the Debtor against property of the Debtor by stopping the distribution of funds in accordance with the divorce court's direction." *See id.* at p. 3, lines 1-2. Have the proceeds of the sale of the real property been paid to the Debtor, or not?

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Second, did the Debtor's spouse (ex-spouse) receive their portion of the sale proceeds?

Third, at the time the proceeds were paid to the Debtor and the Debtor's spouse (ex-spouse), if they were paid, were the proceeds the separate property of each spouse (ex-spouse), or were those proceeds community property until a judgment was/is entered in the divorce proceeding?

Lastly, why would a cause of action underlying a fraudulent transfer from a third party to the Debtor constitute property of the Debtor's bankruptcy estate? If successful, those monies would flow to the transferor, and not the Debtor's bankruptcy estate. If the Court appreciates Reed's current action in the divorce proceeding, he is pursuing the Debtor's spouse (ex-spouse) for the fraudulent transfer of property that is subject to his lien.

Party Information

Debtor(s):

Matthew Nash

Represented By
William C Beall
Paul F Ready

Movant(s):

Matthew Nash

Represented By
William C Beall
William C Beall
Paul F Ready
Paul F Ready

Trustee(s):

Jeremy W. Faith (TR)

Pro Se

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9:25-11708 Steven Alan Pritz

Chapter 13

#19.00 Hearing re: [45] Debtor's omnibus objection to proofs of claim
No. 6-1, 7-1, and 8-1

Docket 45

Tentative Ruling:

March 10, 2026

Appearances required

Background

On December 17, 2025, Steven Alan Pritz (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 13 of Title 11 of the United States Code. *See* Docket No. 1.

On January 27, 2026, Tracy Weidner Campoy filed Proof of Claim No. 6 ("Claim 6") in the amount of \$30,247.50. *See* Claim No. 6-1.

On January 27, 2026, FTP Ranch, LLC f/k/a 420 Plenty ("FTP Ranch") filed Proof of Claim No. 7 ("Claim 7") in the amount of \$6,861.00. On February 7, 2026, FTP Ranch filed an amendment to Claim 7. *See* Claim No. 7-2.

On January 27, 2026, Gorfredson & Associates for William Campoy ("William Campoy") filed Proof of Claim No. 8 ("Claim 8") in the amount of \$3,440.00. On February 7, 2026, William Campoy filed an amendment to Claim 8. *See* Claim No. 8-2.

Procedural Deficiencies

Pursuant to this Court's Local Rule 3007-1(c)(2), a "copy of the complete proof of claim, including attachments or exhibits, must be attached to the objection to claim, together with the objector's declaration stating that the copy of the claim attached is a true and complete copy of the proof of claim on file with the court, or, if applicable, of the informal claim to which objection is made." Here, the Declaration does not include a copy of the underlying proofs of claim, or include the aforementioned attestation.

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Steven Alan Pritz

Chapter 13

Pursuant to this Court's Local Rule 3007-1(a)(4), "[i]n addition to the requirements set forth in FRBP 3007(e), an omnibus claim objection must: (A) Identify the name of each claimant and the claim number in the caption of the objection; and (B) Include as exhibits the documents supporting each claim objection organized and indexed by claim number." Here, there are no exhibits attached to the Declaration.

Conclusion

The Declaration is overruled, as it does not comply with this Court's Local Rule 3007-1. Claimants for Claims 6, 7 and 8 are to lodge an order overruling the objection.

Party Information

Debtor(s):

Steven Alan Pritz

Pro Se

Trustee(s):

Elizabeth (ND) F Rojas (TR)

Pro Se

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9:24-11032 El Chilito Mexican Food, Inc.

Chapter 11

#20.00 Hearing re: [148] Final application by RHM Law LLP, general bankruptcy counsel for the debtor, for allowance of fees and reimbursement of costs for the period February 22, 2025 through January 19, 2026

Fees: \$54,107.50; Expenses: \$649.98

Docket 148

Tentative Ruling:

March 10, 2026

Appearances waived.

Background

On September 11, 2024, El Chilito Mexican Food, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Subchapter V of Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1. John-Patrick McGinnis Fritz is the duly appointed Subchapter V Trustee. *See* Docket No. 8.

On November 13, 2024, the Court entered that *Order (1) Authorizing Debtor and Debtor in Possession for Authority to Employ RHM Law LLP as its General Bankruptcy Counsel; and (2) Granting Related Relief* (the "Employment Order"), authorizing the Debtor's employment of RHM Law, LLP (the "Applicant") as its general insolvency counsel. *See* Docket No. 41.

On March 4, 2025, the Applicant filed that *First Interim Application by RHM Law LLP, General Bankruptcy Counsel for the Debtor, for Allowance of Fees and Reimbursement of Costs for the Period September 11, 2024 Through February 21, 2025* (the "First Application"). *See* Docket No. 74. On March 28, 2025, the Court entered that *Order on Application for Payment of: Interim Fees and/or Expenses (11 U.S.C. § 331)* approving the First Application, on an interim basis, allowing the Applicant fees in the amount of \$60,445 and expenses in the amount of \$3,179.54 for the period of September 11, 2024 through February 21, 2025, and authorized payment of the same. *See* Docket No. 86.

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On February 17, 2026, the Applicant filed that *Final Application by RHM Law LLP, General Bankruptcy Counsel for the Debtor, for Allowance of Fees and Reimbursement of Costs for the Period February 22, 2025 Through January 19, 2026* (the "Second Application"). See Docket No. 148. Through the Second Application, Applicant seeks additional allowance of fees, on a final basis, in the amount of \$54,107.50 and reimbursement of expenses in the amount of \$649.98 incurred during the period of February 22, 2025, through and including January 19, 2026, and allowance on a final basis, those fees and expenses previously allowed through the order on the First Application. See *id.*

Notice

On February 17, 2026, the Debtor filed that *Notice of Hearing On Final Application by RHM Law LLP, General Bankruptcy Counsel for the Debtor, for Allowance of Fees and Reimbursement of Costs* (the "Notice"). See Docket No. 149. The Notice was served via U.S. Mail, first class, postage prepaid and via Notice of Electronic Filing [NEF] on the Debtor, creditors, and the United States Trustee. See *id.* at *Proof of Service of Document*, pp. 3-5. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Second Application. The Court therefore takes the default of all non-responding parties served with the Notice.

11 U.S.C. § 330

Sections 330(a)(1)(A) and (B) of the Bankruptcy Code provide that the Court may award a professional person "reasonable compensation for actual, necessary services rendered by the [professional person], and "reimbursement for actual, necessary expenses." See 11 U.S.C. §§ 330(a)(1)(A) and (B). Section 330(a)(3) of the Bankruptcy Code provides that "[i]n determining the amount of reasonable compensation to be awarded to [a professional person], the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors..." See 11 U.S.C. § 330(a)(3). "A bankruptcy court also must examine the circumstances and the manner in which services are performed and the results achieved in order to arrive at a determination of a reasonable fee allowance. Such examination, in general, should include the following questions: First, were the

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services authorized? Second, were the services necessary or beneficial to the administration of the estate at the time they were rendered? Third, are the services adequately documented? Fourth, are the fees requested reasonable, taking into consideration the factors set forth in § 330(a)(3)." *In re Mednet*, 251 B.R. 103, 108 (9th Cir. BAP 2000)(internal citations omitted).

In the instant case, the Applicant's employment by the Debtor as its general bankruptcy counsel was approved through the Employment Order. In reviewing the invoices attached to the Second Application, the Court finds, on a final basis, that the services performed by the Applicant on behalf of the Debtor were necessary and beneficial to the administration of the estate, were properly documented, and are reasonable considering the factors found in 11 U.S.C. § 330(a)(3). The Court allows fees, on a final basis, of \$54,107.50 and expenses of \$649.98 for the current period, and allows on a final basis previously interim allowed fees of \$60,445 and expenses of \$3,179.54.

The Applicant is to lodge a conforming order within 7 days.

Party Information

Debtor(s):

El Chilito Mexican Food, Inc.

Represented By

Matthew D. Resnik

Roksana D. Moradi-Brovia

Nina Z Javan

Movant(s):

El Chilito Mexican Food, Inc.

Represented By

Matthew D. Resnik

Roksana D. Moradi-Brovia

Nina Z Javan

Trustee(s):

John-Patrick McGinnis Fritz (TR)

Pro Se

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9:25-10314 Santa Paula Hay & Grain and Ranches

Chapter 11

#21.00 Hearing re: [198] Application by debtor and debtor-in-possession for order authorizing the employment of Buxman Group as real estate broker to sell real property indentified as Comanche/Ranch 6

Docket 198

Tentative Ruling:

March 10, 2026

Appearances waived.

Background

On March 12, 2025, Santa Paula Hay & Grain and Ranches (the "Debtor") filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Petition"). See Docket No. 1.

On February 17, 2026, the Debtor filed that *Application by Debtor and Debtor-in-Possession for Order Authorizing the Employment of Buxman Group as Real Estate Broker to Sell the Real Property Identified as Comanche/Ranch 6* (the "Application"). See Docket No. 198; see also Docket No. 209 (the Application refiled with corrected signatures). Through the Application, the Debtor seeks authority to employ Buxman Group, and specifically Carl J. Buxman of Buxman Group (collectively the "Broker"), as real estate broker to the Debtor to sell that real property the Debtor refers to as the Blythe Ranch, 337 acres of agricultural land located at 10151 Buck Boulevard, Riverside CA (APN: 821-050-012; 821-050-013; 821-050-014; 821-050-015; 821-050-024; 821-050-025; 821-050-026; and 821-050-027) (the "Property") [FN1]. See Docket No. 198, p. 32; and Docket No. 117, *Schedule A/B*, p. 22.

The Application seeks to employ the Broker to market, at the Brokers own expense, and sell the Property until June 30, 2026, in exchange for a 5% commission of the sales price of the Property. See *id.*, at p. 3 line 26 to p. 4 line 6. The Broker has served as Debtor's real estate broker prior to the petition date, and after, as employed by this Court, including as a real estate broker for those real properties titled in the

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names of Debtor's partners in which the Debtor asserts an equitable interest. *See id.* at p. 6, lines 18-28.

Notice

On February 17, 2026, the Debtor filed *Notice of Application by Debtor and Debtor-in-Possession for Order Authorizing the Employment of Buxman Group as Real Estate Broker to Sell Real Property Identified as Blythe Ranch* (the "Notice"). *See* Docket No. 199. On February 17, 2026, the Notice was served upon all parties-in-interest via Notice of Electronic Filing ("NEF") and U.S. mail, first class, postage prepaid. *See id.*, at *Proof of Service of Document*, pp. 6-16. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Application. The Court therefore takes the default of all non-responding parties served with the Notice.

Analysis

Federal Rule of Bankruptcy Procedure 2014

Pursuant to Federal Rule of Bankruptcy Procedure 2014, an application for employment of a professional person "shall state the specific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the person's connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee. The application shall be accompanied by a verified statement of the person to be employed setting forth the person's connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee." Fed. R. Bankr. P. 2014(a).

Pursuant to LBR 2014-1(b)(1), such an application "must specify unambiguously whether the professional seeks compensation pursuant to 11 U.S.C. § 328 or 11

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U.S.C. § 330," and "must be accompanied by a declaration of the person to be employed establishing disinterestedness or disclosing the nature of any interest held by such person." LBR 2014-(b)(1)(A) and (B).

The Application and the *Declaration of Carl J. Buxman* (the "Declaration") filed in support thereof comply with Fed. R. Bankr. P. 2014(a). The Application explains that the employment of the Broker is needed "to market the Real Property and thereby liquidate the interest of this asset." *See* Docket No. 198, p. 2, lines 6-7. The Application identifies Carl J. Buxman as the professional to be employed. *See id.* at p. 1, lines 23-26. The Declaration states that Buxman Group was selected based on "Broker's experience and expertise as a licensed broker in the State of California and specifically in the region where the Real Property is located and the type of Real Property being sold." *See id.* at p. 2 lines 10-13.

The Application provides that compensation is sought pursuant to 11 U.S.C. § 328. *See id.* at p. 5, lines 1-3. Further, the Application provides that the Broker "has no connection with the Debtor of the bankruptcy case, nor does it hold or represent an interest adverse to the bankruptcy estate and, therefore is disinterested within the meaning of 11 U.S.C. § 101(14)." *See id.* at p. 2, lines 19-21. The Declaration likewise asserts that "[the Broker] holds no conflict of interest" and is a "disinterested person[]" as defined in [11 U.S.C.] § 101(14)." *See id.* at p. 6, lines 23-28.

The Application is approved, the Debtor is authorized to employ the Broker as its real estate broker pursuant to 11 U.S.C. § 328, on the terms set forth in the Application. The Broker is hereby prohibited from representing any buyer of any of the Debtor's property in conjunction with its employment in the Debtor's bankruptcy case.

The Debtor is to lodge a conforming order within 7 days.

[FN1] The Application identifies the Comanche/Ranch 6 in the caption as the property the Broker is to be employed to sell, but then the Debtor identifies the Blythe Ranch in the caption of the Notice. The Application does identify and list the APNs for the Blythe Ranch in the attached listing agreement between the Broker and the Debtor.

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Debtor(s):

Santa Paula Hay & Grain and

Represented By
Vanessa M Haberbush
Lane K Bogard
David R Haberbush

Movant(s):

Santa Paula Hay & Grain and

Represented By
Vanessa M Haberbush
Lane K Bogard
David R Haberbush

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Chapter 11

#22.00 Hearing re: [200] Motion to (1) sell the estate's interests in real property located at 10151 Buck Blvd., Riverside, CA 92225, which is 304 acres of land, APNS 821-050-012, 821-050-013, 821-050-014, 821-050-015, 821-050-024-821-050-025, 821-050-026, and 821-050-027 (the "Blythe Property"), free and clear of all claims, liens, and interests pursuant to 11 U.S.C. § 363; (2) distribute proceeds of the sale; (3) issue findings of good faith pursuant to 11 U.S.C. § 363(m); and (4) waive the 14-day stay provided by Federal Rule of Bankruptcy Procedure 6004(h)

Docket 200

Tentative Ruling:

March 10, 2026

Appearances required.

Background

On March 12, 2025, Santa Paula Hay & Grain and Ranches (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy*.

Among the property that the Debtor scheduled is that real property located at 10152 Buck Blvd., Riverside, CA 92225 (APNs 821-050-012; 821-050-013; 821-050-014; 821-050-015; 821-050-024; 821-050-025; 821-050-026; and 821-050-027) (the "Blythe Property") valued at \$4,800,000.00. *See* Docket No. 117, *Schedule A/B*, p. 22.

On February 27, 2026, the Court approved the Debtor's 9019 motion with the Debtor's partners bringing, the Blythe Property, among other properties, into the Debtor's estate. *See* Docket No. 228.

The Debtor scheduled two liens against the Blythe Property: one held by the Riverside County Treasurer – Tax ("RCTC") in the amount of \$177,119.57; and one held by Classic Harvest, LLC in the amount of \$0.00. *See* Docket No. 117, *Schedule D*:

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Creditors Who Have Claims Secured by Property, pp. 68 and 45, respectively. The RCTC tax lien is estimated to now be \$242,448.23. *See* Docket No. 200, p. 10, lines 22-24.

Before the Court is that *Motion to (1) Sell the Estate's Interests in Real Property Located at 10151 Buck Blvd., Riverside, CA 92225, Which is 304 Acres of Land, APNs 821-050-012, 821-050-013, 821-050-014, 821-050-015, 821-050-024, 821-050-025, 821-050-026, and 821-050-027 (the "Blythe Property"), Free and Clear of All Claims, Liens, and Interests Pursuant to 11 U.S.C. § 363; (2) Distribute Proceeds of the Sale; (3) Issue Findings of Good Faith Pursuant to 11 U.S.C. § 363(m); and (4) Waive the 14-Day Stay Provided by Federal Rule of Bankruptcy Procedure 6004(h) (the "Motion")* filed by the Debtor on February 17, 2026. *See* Docket No. 200. **[FN1]**

Through the Motion, the Debtor seeks to sell the Blythe Property free and clear of all liens and encumbrances to Grace Orchard Solar III, LLC (the "Buyer") as the stalking horse bidder for \$2,600,000.00 (the "Purchase Price") subject to limited contingencies, which the Buyer has indicated will be cleared prior to the hearing. *See id.* at p. 10, lines 21-26. The sale is also subject to overbid at public auction. *See id.*

The Debtor asserts that, in addition to the liens already scheduled, the Blythe Property is subject to several additional liens: (1) two liens held by Northland Capital Financial Services, LLC ("Northland") recorded on December 3, 2019, and February 21, 2020, respectively, both of which arise from equipment leases and total \$0.00; and (2) a lien held by Farm Credit Leasing Services Corporation ("Farm Credit") in the amount of \$226,000.00 recorded on March 5, 2020, arising from an equipment lease. *See id.* at pp. 17-18.

Further, the Debtor asserts that the sale of the Blythe Property will result in an income tax liability of approximately \$189,430.00 if the Debtor's tax rate is consistent with past years. *See id.* at p. 18, lines 21-23. However, this tax estimate does not consider the Debtor's net operating losses which may result in a tax of \$0.00. *See id.* at lines 24-26.

The Debtor also seeks a good faith finding pursuant to 11 U.S.C. § 363(m) and authority to distribute the Purchase Price in the following order of distribution: (1) \$242,228.23 to RCTC; (2) 5% of the Purchase Price (estimated to be \$130,000) to the

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Buxman Group (the "Broker"); (3) \$11,643.00 for the cost of sale; (4) \$0 to Northland; (5) \$226,000.00 to Farm Credit; and (6) all remaining proceeds to the Debtor. *See id.* at p. 30. The sale is estimated to net the Debtor's bankruptcy estate \$1.9 million after the aforementioned distributions.

The sale is subject to overbid with the Blythe Property being sold free and clear of all liens and encumbrances. *See id.* at pp. 1 and 15. Pursuant to the proposed overbid procedures, any party wishing to overbid must, 48 hours prior to the hearing on the Motion, provide a \$100,000.00 deposit to the Debtor's attorney, demonstrate their ability to close on the sale, and execute an agreement for the purchase of the Blythe Property on the same terms as the Buyer. *See id.* at p. 14 line 14 to p. 15 line 24. A party's initial overbid must be no less than \$2,860,000.00, with each subsequent bid in increments to be determined by the Bankruptcy Court. *See id.* at p. 15, lines 13-16.

The Blythe Property has been actively listed for sale since June 2024 with the price being reduced multiple times. *See id.* at *Declaration of Guadalupe A. Guzman*, p. 36, lines 5-14.

Lastly, the Debtor requests that Fed. R. Bankr. P. 6004(h) be waived. *See id.* at p. 31, lines 19-21.

Notice

Pursuant to Fed. R. Bankr. P. 2002(a)(2), a "person as the court may direct, shall give the debtor, the trustee, all creditors and indenture trustees at least 21 days' notice by mail of [] a proposed use, sale, or lease of property of the estate other than in the ordinary course of business..." Pursuant to this Court's Local Rule 6004-1(c)(1), "an order authorizing the sale of estate property other than in the ordinary course of business may be obtained upon motion of the trustee [] after notice and a hearing pursuant to LBR 9013-1(d)..." Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be."

On February 17, 2026, the Debtor filed that *Notice of Motion to (1) Sell the Estate's Interests in Real Property Located at 10151 Buck Blvd., Riverside, CA 92225, Which is 304 Acres of Land, APNs 821-050-012, 821-050-013, 821-050-014, 821-050-015, 821-050-024, 821-050-025, 821-050-026, and 821-050-027 (the "Blythe Property")*,

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Free and Clear of All Claims, Liens, and Interests Pursuant to 11 U.S.C. § 363; (2) Distribute Proceeds of the Sale; (3) Issue Findings of Good Faith Pursuant to 11 U.S.C. § 363(m); and (4) Waive the 14-Day Stay Provided by Federal Rule of Bankruptcy Procedure 6004(h) (the "Notice"). See Docket No. 201. The Notice was served on all creditors and the Office of the U.S. Trustee via Notice of Electronic Filing (NEF) and U.S. mail first class, postage prepaid. See *id.*, *Proof of Service Document*, pp. 12-22. No party served with the Notice filed a response or opposition to the Motion. The Court therefore takes the default of all parties served with the Notice.

On February 17, 2026, the Debtor also filed that *Notice of Sale of Estate Property* on local forum *F.6004-2.Notice.Sale* and was posted to the Court's website as required by the local rules. See Docket No. 202.

Analysis

Overbid Procedures

"Although there is a strong argument in support of prior court approval of bid procedures, and in most circumstances such approval is appropriate, there is no section under the Bankruptcy Code that requires the Court to establish bid procedures under Section 363." *In re President Casinos, Inc.*, 314 B.R. 784, 786 (Bankr. E.D. Mo. 2004). "Structured bid procedures should provide a vehicle to enhance the bid process and should not be a mechanism to chill prospective bidders' interests." *Id.* The aim of the auction process is to obtain the "highest and best" offer for the assets, which in turn maximizes the proceeds to the estate. *In re Abbots Dairies of PA, Inc.*, 788 F.2d 143, 149 (3d Cir. 1986).

Here, as listed above, the proposed bidding procedures require any overbidder to overbid the Purchase Price by \$260,000.00, which is approximately 10% of the Purchase Price, with subsequent overbids to increase in Court determined increments, and providing an initial deposit of \$100,000.00. The Court finds the proposed bidding procedures to be appropriate under the circumstances. That is, the proposed bidding procedures would encourage, rather than chill any potential bidding. The bidding procedures are approved.

The Sale

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Pursuant to 11 U.S.C. § 363(b), "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate..." "For a § 363(b)(1) sale to be approved, the trustee must establish: (1) a sound business purpose exists for the sale; (2) the sale is in the best interest of the estate. i.e., the sale price is fair and reasonable; (3) creditors received proper notice; and (4) the sale was properly negotiated and proposed in good faith." *In re Hernandez*, 2023 WL 8453137 *4 (9th Cir. BAP 2023) (internal citations omitted). "Bankruptcy courts typically review a transaction proposed under section 363(b)(1) using a 'business judgment' standard. The trustee has the burden to prove these elements. *Id.* This is a 'deferential' standard pursuant to which a 'bankruptcy court will generally approve' a reasoned decision by the debtor." *In re Claar Cellars LLC*, 2020 WL 1238924 *4 (Bankr. E.D. Wash. 2020) (internal citations omitted). "The court's obligation in § 363(b) sales is to assure that optimal value is realized by the estate under the circumstances." *In re Lahijani*, 325 B.R. 282, 288 (9th Cir. BAP 2005).

Here, the notice of the Motion is proper as stated above. The Debtor's exit strategy from Chapter 11 includes, *inter alia*, the liquidation of certain real property, which the Debtor seeks to do in part through the Motion. The sale has been, and is being exposed to the market, and overbid, which leads the Court to find that the Purchase Price is reasonable. There is no evidence to suggest that the sale is not being conducted in good faith. Moreover, the sale is to net the estate approximately \$1.9 million.

The Motion meets 11 U.S.C. § 363(b).

11 U.S.C. § 363(f)

The Motion seeks to sell the Blythe Property to the Buyer, free and clear of liens, claims and interests in the Blythe Property pursuant to 11 U.S.C. §§ 363(f)(2), (3), and (4).

11 U.S.C. § 363(f)(2)

Pursuant to 11 U.S.C. § 363(f)(2), "[t]he trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if [] such entity consents."

The Ninth Circuit BAP has cited cases for the proposition that consent under 11

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U.S.C. § 363(f)(2) "requires unequivocal manifestation of the lienholder's affirmation." See *In re East Airport Development, LLC*, 443 B.R. 823, 831 (9th Cir. BAP 2011); see also *In re Smith*, 2014 WL 738784 *1 (Bankr. D. Or. 2014) ("This is consistent with [*In re East Airport Development, LLC*], wherein the court determined that a lack of objection did not constitute consent for purposes of § 363(f)(2)..."). Absent affirmative consent of the junior lienholders, which is not present, the Court denies the Motion as to a finding under 11 U.S.C. § 363(f)(2).

The Court has not heard directly from any of the secured creditors that they in fact do expressly consent to the sale of the Blythe Property. The Court without hearing from any of the secured claimants is unable and unwilling to make a 11 U.S.C. § 363(f)(2) finding.

11 U.S.C. § 363(f)(3)

Pursuant to 11 U.S.C. § 363(f)(3), "[t]he trustee may sell property under subsection (b) or (c) of any interest in such property of an entity other than the estate, only if [] such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property." See also *In re Pw, LLC*, 391 B.R. 25, 41 (9th Cir. BAP 2008) ("we join those courts cited above that hold that § 363(f)(3) does not authorize the sale free and clear of a lienholder's interest if the price of the estate property is equal to or less than the aggregate amount of all claims held by creditors who hold a lien or security interest in the property being sold").

Here, the Purchase Price of the Blythe Property is more than the aggregate value of all lienholders' interests secured by the Blythe Property. The total value of all liens on the Blythe Property is approximately \$468,448.23, which is substantially less than the Purchase Price of \$2.6 million. As such, the Motion is granted insofar as it seeks relief under 11 U.S.C. § 363(f)(3), and the Blythe Property can be sold free and clear of the liens of RCTC, Classic Harvest, Northland, and Farm Credit with their respective liens attaching to the sale proceeds to the same validity, extent, and priority as existed on the Petition Date.

11 U.S.C. § 363(f)(4)

Pursuant to 11 U.S.C. § 363(f)(4), "[t]he trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity

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other than the estate, only if [] such interest is in bona fide dispute." "Such interest is subject to a bona fide dispute when, 'there is an objective basis for either a factual or legal dispute' regarding the liens validity." *In re Richards*, 2022 WL 16754394 *5 (9th Cir. BAP 2022) (internal citations omitted).

Here, the Debtor disputes that Northland and Farm Credit hold valid liens against the Blythe Property. The Debtor asserts that Northland's liens and Farm Credit's lien are against personal property – windmill machines – and not against fixtures on the Blythe Property. *See* Docket No. 200, pp. 24-26. Attached to the Motion are Northland's and Farm Credit's recordings against the Blythe Property and these recordings indicate they are as to personal properties. The Court finds that the Debtor has bona fide disputes as to the Northland liens and the Farm Credit lien. The Court will approve the sale of the Blythe Property free and clear the Northland's liens and the Farm Credit lien pursuant to 11 U.S.C. § 363(f)(4), with these respective liens attaching to the sale proceeds to the same validity, extent, and priority as existed on the Petition Date.

Good Faith

The Ninth Circuit BAP has held that "the following factors are relevant to the good faith determination: (1) compliance with approved sale procedures; (2) arms-length negotiations, leading to a sale reflecting a purchase price at or near the market value of the property; [(3)]opportunity for competitive bidding; (4) knowledge in advance of the sale of who the proposed purchaser is; and (5) the absence of any evidence of fraud, collusion or grossly unfair advantage over other bidders." *In re Zuercher Trust of 1999*, 2016 WL 721485 *9 (9th Cir. BAP 2016) (internal citations omitted).

The Court is inclined to approve the proposed bidding procedures, and, so long as those procedures are followed, compliance with those procedures will have been shown, and the Court will find that there will have been the opportunity for competitive bidding. Moreover, both the Debtor's principal and the Buyer have stated that the sale was negotiated extensively over several months and that negotiations resulted in the Purchase Price, which was \$600,000 more than the original offer. *See* Docket No. 200, at *Declaration of Guadalupe A. Guzman*, p. 36, lines 5-14; and *Declaration of Anthony Pedroni*, p. 43, lines 22-28. The Buyer also indicated that it has no ownership overlap with the Debtor. *See id.*, at *Declaration of Anthony*

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Pedroni, p. 43, lines 22-28.

The Notice informs parties-in-interest of the Buyer, and there is no evidence of fraud, collusion or unfair advantage for the Buyer over any potential overbidders.

The Court finds that the Buyer is a good faith purchaser pursuant to 11 U.S.C. § 363(m).

Fed. R. Bankr. P. 6004

The Court is inclined to waive Fed. R. Bankr. P. 6004(h) for the reason provided in the Sale Motion.

Conclusion

The Court is inclined to approve the motion; however, has the Buyer waived any and all remaining contingencies? Also, the 9019 Order is not yet a final order. How does that affect the sale?

[FN1] The Court also notes that *Application by Debtor and Debtor-in-Possession for Order Authorizing the Employment of the Buxman Group as Real Estate Broker to Sell Real Property Identified as Comanche/Ranch 6 [sic]* (the "Broker Application") will be heard concurrently with the Motion. See Docket No. 198. The caption of the Broker Application incorrectly identifies the Comanche/Ranch 6 property instead of the Blythe Property.

Party Information

Debtor(s):

Santa Paula Hay & Grain and

Represented By

Vanessa M Haberbush

Lane K Bogard

David R Haberbush

Movant(s):

Santa Paula Hay & Grain and

Represented By

Vanessa M Haberbush

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Lane K Bogard
David R Haberbush

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#23.00 CONT'D Hearing re: [181] Motion for order authorizing auction process to offer for sale and obtain offers to purchase the estate's interests in real properties identified as Ranch 2, Ranch 4, Ranch 10, Ranch 25, Jasmine Ranch, Ranch 65, Avenue 2 Ranch, and Bull Ranch (collectively the "real properties")

fr. 2-24-26, 2-27-26,

Docket 181

Tentative Ruling:

March 10, 2026

Appearances required.

Background

On March 12, 2024, Santa Paula hay & Grain and Ranches (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy*.

Among the real property that the Debtor scheduled are those properties that the Debtor refers to as Ranch 2, Ranch 4, Ranch 10, Ranch 25, Jasmine Ranch, and Ranch 65 (collectively, the "Estate Properties"). *See* Docket No. 117, *Schedule A/B*, pp. 18-19 and 21-22.

The Debtor also scheduled an equitable interest in other real properties among which are those properties that the Debtor refers to as the Avenue 2 Ranch and the Bull Ranch (together, the "Non-Estate Properties"). *See id.* at pp. 17 and 19. The Debtor has sought to bring the Non-Estate Properties into its estate through its pending substantive consolidation motion and pending 9019 settlement motion. *See* Docket Nos. 123 and 161, respectively.

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The Estate Properties and the Non-Estate Properties (collectively, the "Properties") have been cross collateralized with other real properties that the Debtor either has title to or claims an equitable interest in. *See* Docket No. 181, p. 11. Although title reports have not been obtained as to the Properties and the Debtor has not provided the Court with the exact nature of all liens against the Properties, the Properties are significantly overencumbered after a cursory review of the Debtor's schedules. *See* Docket No. 117, *Schedule D*.

The Debtor's business centers around the operation of orange, lemon, and avocado groves as well as raising cattle. *See* Docket No. 181, p. 8 lines 3-4. The Debtor has determined that the Properties do not significantly contribute to the Debtor's profitability and should be sold. *See id.* at lines 5-6. Moreover, the Debtor states that the Properties are costly to maintain due to taxes, insurance, and debt service, as well as the need to consistently water the Properties to protect the various tree groves. *See id.* at p. 8 lines 9-11 and p. 12 lines 13-18.

As such, the Debtor has had many of the Properties listed for sale since before this case was filed and has even reduced the listing price for many of the Properties to garner interest and a sale, but efforts have been without success. *See id.* at p. 12 lines 6-18.

The Debtor asserts that none of the Properties are worth more than \$400,000. *See id.* at p. 14 lines 2-4.

Before the Court is that *Motion for Order Authorizing Auction Process to Offer for Sale and Obtain Offers to Purchase the Estate's Interests in Real Properties Identified as Ranch 2, Ranch 4, Ranch 10, Ranch 25, Jasmine Ranch, Ranch 65, Avenue 2 Ranch, and Bull Ranch (Collectively, the "Real Properties")* (the "Motion") filed by the Debtor on February 3, 2026. *See* Docket No. 181. Through the Motion, the Debtor seeks (1) authorization of the proposed auction process to auction and sell the Properties, and (2) approval of the process for secured creditors to credit bid for or remove the Properties from the auction. *See id.* at p. 30. **[FNI]** The Motion does not seek authority to sell the Properties, but only approval of the auction and the credit bidding process with subsequent sale motions to be filed after any auction. *See id.* at p. 13 lines 26-28.

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More specifically, the Debtor proposes to sell the Properties with the help Tex-X, LLC (the "Auctioneer") through an online land sale auction without any reserve price for the Properties. *See id.* at p. 13. The Auctioneer will market the Properties through LoopNet.com, targeted online advertisements, and listings in trade publications over a 45-day marketing period and then host an online absolute auction over two weeks with an expected end date of May 4, 2026. *See id.* at pp. 13-16. The winning bidder at the close of the auction must sign a purchase contract within two hours, and deposit 10% of the purchase price within 24 hours. *See id.* at p. 16. The sale will then close within 30 days with a sale motion having been heard by this Court. *See id.*

The Auctioneer will be paid 3% commission of the sale price of each property with a minimum amount of \$20,000 for each sale through a buyer's premium. *See id.* at p. 14 lines 21-24 and p. 47; *see also* Docket No. 175.

Also, secured creditors are permitted to exclude their collateral from the auction or credit bid at the auction.

To credit bid, a secured creditor must provide written notice to the Debtor and the Auctioneer of its intent to credit bid with written proof of its secured claim. *See* Docket No. 181, pp. 19-20. If the Debtor does not object (the auction will not go forward with any property until any objection is resolved as to credit bidding), then secured creditors that provide notice will be deemed registered bidders and be permitted to bid up to the amount of their respective claim on that property. *See id.* However, a credit bidding secured creditor must pay the costs of sale (the 3% buyers premium and the 2% to the Debtor's real estate broker) and all senior liens in cash. *See id.* at p. 19, lines 22-24.

To exclude a property from the auction, a creditor (1) must give written notice to the Debtor by March 3, 2026, that it elects to exclude one or more properties that it has a lien on from the auction sale, (2) provide the Debtor with a written appraisal of the property that is less than 12 months old, (3) agree that the appraisal is the value of the property for the purpose of 11 U.S.C. § 506 (the Debtor preserves its right to use another appraisal for the purposes of a section 506 motion), and (4) stipulate to an order valuing the property at the value of the appraisal and consent to the entry of an order terminating the automatic stay for non-judicial sale of such property. *See id.* at p. 19, lines 7-21; and Docket No. 208, p. 7, lines 19-21.

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On February 10, 2026, Zion's Bancorporation, N.A. dba Zion's First National Bank ("Zions") and U.S. Bank National Association, as custodian / trustee for Federal Agricultural Mortgage Corporation Programs ("U.S. Bank") filed that *Limited Opposition to Motion for Order Authorizing Auction Process to Offer for Sale and Obtain Offers to Purchase the Estate's Interests in Real Properties Identified as Ranch 2, Ranch 4, Ranch 10, Ranch 25, Jasmine Ranch, Ranch 65, Avenue 2 Ranch, and Bull Ranch* (the "Zions and U.S. Bank Limited Opposition"). See Docket No. 188. The Zions and U.S. Bank Limited Opposition only objects to the minimum \$20,000 commission per property that would otherwise be due to the Auctioneer. See *id.*

On February 10, 2026, Community West Bank, a California banking corporation, ("CWB") filed *Community West Bank's Limited Objection to Motion for Order Authorizing Auction Process to Offer for Sale and Obtain Offers to Purchase the Estate's Interest in Real Property Identified as Ranch 2, Ranch 10, Ranch 25, Jasmine Ranch, Ranch 65, Bull Ranch* (the "CWB Opposition"). See Docket No. 196. The CWB Opposition takes issue with the minimum commission of \$20,000 per property sold that would otherwise be payable to the Auctioneer, and the opt out procedure. See *id.*

On February 17, 2025, the Debtor filed that *Debtor's Omnibus Reply to Oppositions to the Motion for Order Authorizing Auction Process to Offer for Sale and Obtain Offers to Purchase the Estate's Interests in Real Properties Identified as Ranch 2, Ranch 4, Ranch 10, Ranch 25, Jasmine Ranch, Ranch 65, Avenue 2 Ranch, and Bull Ranch (Collectively, the "Real Properties")* (the "Reply"). See Docket Nos. 203 and 208.

Notice

Pursuant to this Court's Local Rule 6004-1(b)(3), a notice of a motion and a motion for the approval of an order establishing procedures for the sale of estate property must be served "by personal delivery, messenger, telephone, fax, or email to the parties to whom notice of the motion is required to be given by the FRBP or these rules, any other party that is likely to be adversely affected by the granting of the motion, and the United States trustee." "The notice of hearing must state that any

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response in opposition to the motion must be filed and served at least 1 day prior to the hearing, unless otherwise ordered by the court." *Id.*

On February 3, 2026, the Debtor filed that *Notice of Motion for Order Authorizing Auction Process to Offer for Sale and Obtain Offers to Purchase the Estate's Interests in Real Properties Identified as Ranch 2, Ranch 4, Ranch 10, Ranch 25, Jasmine Ranch, Ranch 65, Avenue 2 Ranch, and Bull Ranch (Collectively, the "Real Properties")* (the "Notice"). *See* Docket No. 182. The Notice was served on the mailing matrix and upon the Notice of Electronic Filing [NEF] parties. *See id.* at *Proof of Service Document*, pp. 17-27. The Court therefore takes the default of all non-responding parties.

Analysis

Overbid Procedures

"Although there is a strong argument in support of prior court approval of bid procedures, and in most circumstances such approval is appropriate, there is no section under the Bankruptcy Code that requires the Court to establish bid procedures under Section 363." *In re President Casinos, Inc.*, 314 B.R. 784, 786 (Bankr. E.D. Mo. 2004). "Structured bid procedures should provide a vehicle to enhance the bid process and should not be a mechanism to chill prospective bidders' interests." *Id.* The aim of the auction process is to obtain the "highest and best" offer for the assets, which in turn maximized the proceeds to the estate. *In re Abbots Dairies of PA, Inc.*, 788 F.2d 143, 149 (3d Cir. 1986).

Here, the proposed auction and credit bidding procedures are reasonable, and unlikely to chill bidding. All potential buyers of the Properties are placed on the same footing while at the same time preserving secured creditors' respective credit bidding rights.

The Court is inclined to grant the Motion insofar as it is to approve the proposed auction and credit bidding procedures, however, the Court will hear from the objecting creditors as to the date to remove a property from the auction to permit them adequate time to obtain an appraisal. Further, the Court will hear as to the minimum amount due to the Auctioneer and whether creditors still object.

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[FN1] The Motion indicates that the sale of the Non-Estate Properties is conditioned on those real properties coming into the Debtor estate and that if the Non-Estate Properties remain non-estate property then the Debtor will withdraw the Motion as to those properties. *See* Docket No. 181, p. 10 lines 3-10.

Party Information

Debtor(s):

Santa Paula Hay & Grain and

Represented By

Vanessa M Haberbush

Lane K Bogard

David R Haberbush

Movant(s):

Santa Paula Hay & Grain and

Represented By

Vanessa M Haberbush

Lane K Bogard

David R Haberbush

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9:25-10915 Outer Aisle Gourmet, LLC

Chapter 11

#24.00 CONT'D Hearing re: [149] Debtor's motion for order: (1) valuing secured claims, pursuant to 11 U.S.C. § 506 and F.R.B.P. 3012; (2) voiding out of the money liens pursuant to 11 U.S.C. § 506(d); and (3) preserving voided liens for the benefit of the estate pursuant to 11 U.S.C. § 551

fr. 1-13-26,

Docket 149

Tentative Ruling:

January 13, 2026

Appearances required.

Before the Court is *Debtors' Notice of Motion and Motion for Order: (1) Valuing Secured Claims, Pursuant to 11 U.S.C. § 506 and F.R.B.P. 3012; (2) Voiding Out of the Money Liens Pursuant to 11 U.S.C. § 506(d); and (3) Preserving Voided Liens for the Benefit of the Estate Pursuant to 11 U.S.C. § 551* (the "Motion") filed by Outer Aisle Gourmet, LLC (the "Debtor") on December 23, 2025. *See* Docket No. 149. Through the Motion, the Debtor first argues that the Small Business Administration's ("SBA"), FCS Advisors, LLC's ("FCS"), and Ventura County Tax Collector ("VCTC") claims are fully unsecured due to the failure of the SBA, FCS, and VCTC to file financing statements in the Debtor's state of incorporation, or at all. *See id.* at pp. 3-4. The Debtor also seeks a determination that the value of the collateral that secures the claim of VFI KR SPE I LLC, together with its predecessor in interest, Varilease Finance, Inc. ("VFI"), its senior secured creditor, is \$127,335. *See id.* at p. 2, lines 7-10. The Motion seeks to treat VFI's secured claim as totaling \$127,335, and all remaining amounts of its claim as constituting an unsecured non-priority claim. *See id.* Given VFI's purported senior position over substantially all the Debtor's assets, the Motion provides that all other purported secured claims, specifically the claims of Montgomery Capital Partners V, LP ("MCP") are out of the money, and therefore constitute, at best, unsecured non-priority claims, with the attendant liens being voided. *See id.* at p. 2, lines 18-21.

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Notice

Pursuant to Fed. R. Bankr. P. 3012 "the court may determine the amount of a secured claim under § 506(a) []. The notice must be served on: the claim holder; and any other entity the court designates. The Debtor provided notice of the Motion to all secured creditors affected by the Motion by Notice of Electronic Filing [NEF] and U.S. mail first class, postage prepaid on December 23, 2025. *See* Docket No. 149, *Proof of Service of Document*, pp. 168-170. Pursuant to this Court's Local Rule 9013-1(f)(1), "each interested party opposing or responding to the motion must file and serve the response [] on the moving party and the United States trustee not later than 14 days before the date designated for hearing." Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as they case may be." No response has been filed to the Motion. The Court therefore takes the default of all parties served with the Motion.

Analysis

Pursuant to 11 U.S.C. § 506(a)(1), "[a]n allowed claim of a creditor secured by a lien on property in which the estate has an interest [] is a secured claim to the extent of the value of such creditor's interest in the estate's interest in such property [] and is an unsecured claim to the extent that the value of such creditor's interest [] is less than the amount of such allowed claim." In the chapter 11 context, courts have determined the proper date of the valuation of property to be at or near the date of plan confirmation for purposes of 11 U.S.C. § 506(a)(1). *See In re Abdelgadir*, 455 B.R. 896, 902 (9th Cir. BAP 2011). Owners of a business may be competent to provide their opinion as to the value of the business' property. *See In re Kim*, 205 B.R. 238, 244 (9th Cir. BAP 1997)(*reversed on other grounds*)(citing *Robinson v. Watts Detective Agency*, 685 F.2d 729, 739 (1st Cir. 1982). "Such value shall be determined in light of the purpose of the valuation and of the proposed disposition or use of such property, and in conjunction with any hearing on such disposition or use or on a plan affecting such creditor's interest." 11 U.S.C. § 506(a)(1). "If the debtor retains rather than surrenders the collateral [] then '§506(a) directs application of the replacement-value standard.'" *In re Murray Metallurgical Holdings, LLC*, 618 B.R. 220, 236 (Bankr. S.D. Oh. 2020)(citing *Rash*, 520 U.S. 953, 956 (1997)).

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Pursuant to Fed. R. Bankr. P. 3012(c), "[a] request to determine the amount of a secured claim of a governmental unit may be made only by motion or in a claim objection after the governmental unit files a proof of claim or after the time for filing one under Rule 3002(c)(1) has expired." The claims deadline in this case for all creditors to file a proof of claim was October 27, 2025. *See* Docket No. 73.

The CEO of the Debtor, Charles Sweat, values the Property at \$127,335 as of December 23, 2025. *See* Docket No. 149, *Declaration of Charles Sweat*, pp. 34-36.

The Court has but one query for the Debtor. The Court approved post-petition financing by Montgomery Capital Partners V, LP, in an amount up to \$500,000, as a secured first priority lien, thereby priming all secured claims of the Debtor. *See* Docket No. 126, *Final Order (I) Approving Secured Financing Pursuant to Section 364(d); and (II) Granting Related Relief*. Assuming the Debtor has exhausted the post-petition financing facility in an amount that exceeds \$127,335, has the DIP lender not leapfrogged VFI in terms of priority as a secured creditor? In fact, would VFI, and any other secured creditor, be unsecured at this juncture based on the value of the Debtor's assets and the amount of the DIP lender's claim?

Party Information

Debtor(s):

Outer Aisle Gourmet, LLC

Represented By
Garrick A Hollander
Jordyn Paperny

Movant(s):

Outer Aisle Gourmet, LLC

Represented By
Garrick A Hollander
Jordyn Paperny

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9:25-10915 Outer Aisle Gourmet, LLC

Chapter 11

#25.00 CONT'D Hearing re: [171] Debtor's motion for order disallowing claim no. 16 filed by Ventura County Tax Collector

fr. 2-24-26,

Docket 171

Tentative Ruling:

March 10, 2026

Appearances waived.

The hearing on the claim objection is continued to March 24, 2026, at 1:00 p.m.

February 24, 2026

Appearances waived.

The hearing on the claim objection is continued to March 10, 2026, at 1:00 p.m.

Party Information

Debtor(s):

Outer Aisle Gourmet, LLC

Represented By
Garrick A Hollander
Jordyn Paperny

Movant(s):

Outer Aisle Gourmet, LLC

Represented By
Garrick A Hollander
Jordyn Paperny

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Hearing Room 201

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9:25-11087 Frank T. Troise

Chapter 11

#26.00 Hearing re: [67] Debtor's objection to claim 13-1 filed by
Marion Braswell pursuant to 11 U.S.C. § 502(b)

Docket 67

Tentative Ruling:

March 10, 2026

Appearances waived.

Background

On August 18, 2025, Frank T. Troise (the "Debtor") filed that *Voluntary Petition for Individuals Filing for Bankruptcy* pursuant to Subchapter V of Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1. The deadline to file a proof of claim was October 27, 2025. *See* Docket No. 14, *Notice of Chapter 11 Bankruptcy Case*, p. 2.

On September 2, 2025, the Debtor filed that *Schedule E/F* (the "Schedule") listing Marion M. Braswell (the "Claimant") as an unsecured creditor with a contingent, unliquidated, and disputed claim for an unknown amount for a "Separation claim." *See* Docket No. 18, p. 25.

On December 1, 2025, the Claimant filed that *Proof of Claim No. 13* (the "Claim"). *See* Proof of Claim 13-1. The Claim is for an unknown amount as it arises from the marital dissolution proceedings between the Debtor and the Claimant. *See id.*

On February 5, 2026, the Debtor filed *Debtor's Objection to Claim 13-1 Filed by Marion Braswell Pursuant to 11 U.S.C. § 502(b)* (the "Objection"). *See* Docket No. 67. The Objection seeks to disallow the Claim in its entirety because the Claim was not filed timely. *See id.*

No timely opposition to the Objection was filed.

Notice

Pursuant to Fed. R. Bankr. P. ("Rule") 3007, "[a] copy of the objection with notice of

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the hearing thereon shall be mailed or otherwise delivered to the claimant, the debtor or debtor in possession and the trustee at least 30 days prior to the hearing," and the "objection and notice shall be served on a claimant by first-class mail to the person most recently designated on the claimant's original or amended proof of claim as the person to receive notices, at the address so indicated." Rule 3007(a)(1), (2)(A); *see also* Local Rule 3007-1.

On February 5, 2026, that *Notice of Objection to Claim* was served on the Claimant via first class mail, postage prepaid. *See* Docket No. 68, pp. 32-33, *Proof of Service of Document*.

In accordance with LBR 3007-1(b)(3)(A), "[a] response [to an objection] must be filed and served not later than 14 days prior to the date of hearing set forth in the notice..." Further, pursuant to this Court's Local Rule 3007-1(a)(1), "[a]n objection to claim is a 'contested matter' under FRBP 9014." Pursuant to Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Pursuant to this Court's Local Rule 3007-1(b)(4), "[t]he court will conduct a hearing on a claim objection to which there is a timely response." LBR 3007-1(b)(4).

Here, the Claimant did not file a timely response to the Objection. Accordingly, the Court sustains the Objection without further notice or hearing, and for the reasons provided in the Objection. The Claim will be disallowed. The Court makes no findings regarding 11 U.S.C. § 523.

The Debtor is to lodge a conforming order within 7 days.

Party Information

Debtor(s):

Frank T. Troise

Represented By
Dean G Rallis Jr

Trustee(s):

Moriah Douglas Flahaut (TR)

Pro Se

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9:25-11207 Carter Leasing Company, Inc

Chapter 11

#27.00 Hearing re: [77] Application for payment of final fees and/or expenses (11 U.S.C. § 330) for Robert Paul Goe, Subchapter V Trustee

Fees: \$15,187.00; Expenses: \$18.80

Docket 77

Tentative Ruling:

March 10, 2026

Appearances waived.

Background

On September 10, 2025, Carter Leasing Company, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Subchapter V of Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1. Robert Paul Goe is the duly appointed Subchapter V Trustee (the "SubV Trustee"). *See* Docket No. 9.

On February 11, 2026, the SubV Trustee filed that *Application for Payment of: Final Fees and/or Expenses (11 U.S.C. § 330)* (the "Application"). *See* Docket No. 77. Through the Application, the SubV Trustee seeks allowance of fees, on a final basis, in the amount of \$15,187.00 and reimbursement of expenses in the amount of \$18.80 incurred during the period of September 10, 2025, through and including February 1, 2026. *See id.*

Notice

On February 16, 2026, the Debtor filed that *Notice of Hearing On Application for Payment of: Final Fees and/or Expenses [11 U.S.C. § 331 or § 330]* (the "Notice"). *See* Docket No. 80. The Notice was served via U.S. Mail, first class, postage prepaid and via Notice of Electronic Filing [NEF] on the Debtor, creditors, and the United States Trustee. *See id.* at *Proof of Service of Document*, pp. 3-5. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the

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Application. The Court therefore takes the default of all non-responding parties served with the Notice.

Analysis

The Court finds the fees sought through the Application to be reasonable. The hourly rates multiplied by the number of hours expended by the SubV Trustee were of a benefit to the Debtor's estate. Further, there has been no opposition to the Application. On a final basis, and pursuant to 11 U.S.C. § 330, the SubV Trustee is allowed fees in the amount of \$15,187.00 and expenses of \$18.80 and the Debtor is authorized to pay the SubV Trustee the allowed fees and expenses.

The SubV Trustee is to upload a conforming order within 7 days.

Party Information

Debtor(s):

Carter Leasing Company, Inc

Represented By
William C Beall
Ryan W Beall

Movant(s):

Robert Paul Goe (TR)

Pro Se

Trustee(s):

Robert Paul Goe (TR)

Pro Se

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9:25-11207 Carter Leasing Company, Inc

Chapter 11

#28.00 Hearing re: [79] Application for payment of final fees and/or expenses (11 U.S.C. § 330) for Beall & Burkhardt, APC, Debtor's Attorney

Fees: \$33,720.00; Expenses: \$537.36

Docket 79

Tentative Ruling:

March 10, 2026

Appearances waived.

Background

On September 10, 2025, Carter Leasing Company, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Subchapter V of Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1. Robert Paul Goe is the duly appointed Subchapter V Trustee. *See* Docket No. 9.

On September 29, 2025, the Court entered that *Order on Application of Debtor and Debtor-In-Possession to Employ Beall & Burkhardt, APC* (the "Employment Order"), authorizing the Debtor's employment of Beall & Burkhardt, APC (the "Applicant") as its general insolvency counsel. *See* Docket No. 23.

On February 16, 2026, the Applicant filed that *Application for Payment of: Final Fees and/or Expenses (11 U.S.C. § 330)* (the "Application"). *See* Docket No. 79. Through the Application, the Applicant seeks allowance of fees, on a final basis, in the amount of \$33,720.00 and reimbursement of expenses in the amount of \$537.36 incurred during the period of September 10, 2025, through and including January 31, 2026. *See id.*

Notice

On February 16, 2026, the Debtor filed that *Notice of Hearing On Application for Payment of: Final Fees and/or Expenses [11 U.S.C. § 331 or § 330]* (the "Notice"). *See* Docket No. 81. The Notice was served via U.S. Mail, first class, postage prepaid

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and via Notice of Electronic Filing [NEF] on the Debtor, creditors, and the United States Trustee. *See id.* at *Proof of Service of Document*, pp. 3-5. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Application. The Court therefore takes the default of all non-responding parties served with the Notice.

11 U.S.C. § 330

Sections 330(a)(1)(A) and (B) of the Bankruptcy Code provide that the Court may award a professional person "reasonable compensation for actual, necessary services rendered by the [professional person], and "reimbursement for actual, necessary expenses." *See* 11 U.S.C. §§ 330(a)(1)(A) and (B). Section 330(a)(3) of the Bankruptcy Code provides that "[i]n determining the amount of reasonable compensation to be awarded to [a professional person], the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors..." *See* 11 U.S.C. § 330(a)(3). "A bankruptcy court also must examine the circumstances and the manner in which services are performed and the results achieved in order to arrive at a determination of a reasonable fee allowance. Such examination, in general, should include the following questions: First, were the services authorized? Second, were the services necessary or beneficial to the administration of the estate at the time they were rendered? Third, are the services adequately documented? Fourth, are the fees requested reasonable, taking into consideration the factors set forth in § 330(a)(3)." *In re Mednet*, 251 B.R. 103, 108 (9th Cir. BAP 2000)(internal citations omitted).

In the instant case, the Applicant's employment by the Debtor as its general bankruptcy counsel was approved through the Employment Order. In reviewing the invoices attached to the Application, the Court finds, on a final basis, that the services performed by the Applicant on behalf of the Debtor were necessary and beneficial to the administration of the estate, were properly documented, and are reasonable considering the factors found in 11 U.S.C. § 330(a)(3). The Court allows the Applicant, and in conjunction with the Application, fees on a final basis of \$33,720.00 and expenses of \$537.36.

The Applicant is to lodge a conforming order within 7 days.

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Party Information

Debtor(s):

Carter Leasing Company, Inc

Represented By
William C Beall
Ryan W Beall

Movant(s):

Beall & Burkhardt, APC

Represented By
William C Beall

Trustee(s):

Robert Paul Goe (TR)

Pro Se

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9:25-11589 MW Mason Construction, Inc.

Chapter 11

#29.00 CONT'D Hearing re: [68] Debtor's motion to value secured claims pursuant to 11 U.S.C. § 506(a)

fr. 2-10-26,

Docket 68

***** VACATED *** REASON: Hearing continued to 4/7/2026 at 1:00 p.m.
per order entered 3/3/2026**

Tentative Ruling:

February 10, 2026

Appearances required.

The Court is aware that the parties will be seeking a continuance of the hearing on the motion.

Party Information

Debtor(s):

MW Mason Construction, Inc.

Represented By
William C Beall
Ryan W Beall

Movant(s):

MW Mason Construction, Inc.

Represented By
William C Beall
Ryan W Beall

Trustee(s):

John-Patrick McGinnis Fritz (TR)

Pro Se

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9:26-10018 Maiya Wish LLC

Chapter 11

#30.00 Hearing re: [41] Stipulation between Maiya Wish LLC and CFT Clear Finance Technology Corp. for adequate protection and use of cash collateral

Docket 41

Tentative Ruling:

March 10, 2026

Appearances required.

Before the Court is that *Stipulation for Adequate Protection and Use of Cash Collateral* (the "Stipulation") filed by Maiya Wish, LLC (the "Debtor") on February 4, 2026. *See* Docket No. 41. Through the Stipulation, the Debtor and CFT Clear Finance Technology Corp. ("ClearCo.") stipulate to the Debtor's use of the ClearCo.'s cash collateral, which consists of the Debtor's account receivables. *See id.* at p. 2 lines 4-10. The Debtor's use of the ClearCo.'s cash collateral is not confined by a budget, but provides that the Debtor will pay ClearCo. \$250 upon the entry of this Court's order on the Stipulation, and \$250 thereafter on a weekly basis. *See id.* at pp. 2-3. Further, the Stipulation will remain in effect for the pendency of the bankruptcy case or until a plan of reorganization is confirmed, the case is converted or dismissed, or the parties modify or enter into a new stipulation. *See id.* at p. 4, lines 3-5.

The Stipulation also provides ClearCo. with replacement liens and a determination that its lien is valid. *See id.* at p. 2.

The Court raises several issues concerning the Stipulation.

First, does the Stipulation grants replacement liens and the authority to use cash collateral on a *nunc pro tunc* basis or is this the Stipulation only on a go-forward basis?

Second, the Court is not apprised of the value of the collateral of ClearCo. as of the petition date, or the date that the Stipulation first covers, and the Debtor's projected profit/loss for the use of such collateral for the remainder of the case. That *Statement Regarding Cash Collateral or Debtor in Possession Financing* suggests that the

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weekly payments may be "[p]ay down[s of] principal owed to a creditor." *See* Docket No. 56, p. 2.

If the aim of adequate protection payments is to compensate ClearCo. for the Debtor's use of its cash collateral, and the reduction of ClearCo.'s collateral base because of such use, the Court must understand the correlation between the \$250 weekly payment, and ClearCo.'s collateral position.

Party Information

Debtor(s):

Maiya Wish LLC

Represented By
Brian K Tester

Movant(s):

Maiya Wish LLC

Represented By
Brian K Tester
Brian K Tester

Trustee(s):

John-Patrick McGinnis Fritz (TR)

Pro Se