9:00 AM

9: - **Chapter 0**

#0.00 Unless ordered otherwise, appearances for matters may be made in-person **in Courtroom 201 at 1415 State Street, Santa Barbara, California, 93101**, by video through ZoomGov, or by telephone through ZoomGov. If appearing through ZoomGov, parties in interest may connect to the video and audio feeds, free of charge, using the connection information provided below. Individuals may participate by ZoomGov video and audio using a personal computer (equipped with camera, microphone and speaker), or a handheld mobile device. Individuals may opt to participate by audio only using a telephone (standard telephone charges may apply).

All parties making an appearance via ZoomGov video and audio connection **must** have their video on. Proper court attire is required of all parties appearing via ZoomGov video. Any virtual backgrounds are to be of a solid color, without pictures, videos, or scenes. No party may appear by ZoomGov from any place other than a quiet room in an office or home. Parties may not appear via ZoomGov from a vehicle of any kind, moving or not.

Regarding remote access to hearings, members of the public may NOT observe any hearing via ZoomGov web address or app. Members of the public may ONLY **listen to** non-evidentiary hearings, where no live testimony is being taken, via ZoomGov telephone conference line or in-person at the address listed above. If members of the public attempt to observe hearings remotely in any manner other than via ZoomGov telephone conference line, the Court will remove them from ZoomGov for the hearing(s). No members of the public will be permitted to observe, via telephone line or otherwise, trials, evidentiary hearings, hearings where live testimony will be taken, and hearings where sensitive information is being disseminated that may not be adequately safeguarded.

You may obtain the ZoomGov connection details by clicking the hyperlink below or copying and pasting the web address into your browser.

https://forms.office.com/g/d3SqfMtsuv

Neither a Zoom nor a ZoomGov account is necessary to participate, and no preregistration is required. The audio portion of each hearing will be recorded electronically by the Court and that recording will constitute its official record. Recording, retransmitting, photographing, or imaging Court proceedings by any means is strictly prohibited.

Docket 0

Tentative Ruling:

9:00 AM

CONT... **Chapter 0**

- NONE LISTED -

9:00 AM
9:24-10295 Johnny Hudson and Pamela June Hudson **Chapter 13**

#1.00 Hearing
RE: [40] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2021 Toyota Camry LE Sedan 4D, VIN: 4T1C11AK2MU612839 . (Hong, Rosemary)

Docket 40

***** VACATED *** REASON: Withdrawn by movant 8/4/26**

Tentative Ruling:

August 11, 2026

Appearances waived. The Motion is granted pursuant to 11 U.S.C. § 362(d)(1), including the request to terminate the co-debtor stay. The request to waive Fed. R. Bankr. P. 4001(a)(4) is denied. Movant to lodge a conforming order within 7 days.

On July 15, 2026, Capital One Auto Finance, a division of Capital One, N.A. ("Movant") filed that *Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (with supporting declarations) (Personal Property)* (the "Motion") seeking to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1) in relation to a 2021 Toyota Camry LE Sedan 4D (the "Vehicle") of Johnny Hudson and Pamela June Hudson (the "Debtors") on the grounds that the fair market value of the Vehicle is declining and payments are not being made to Movant sufficient to protect Movant's interest against that decline. *See* Docket No. 40, p. 3.

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, (2) termination of the co-debtor stay under 11 U.S.C § 1301(a), (3) waiver of the 14-day stay provided under Fed. R. Bankr. P. 4001(a)(4), and (4) if relief from stay is not granted, the Court order adequate protection. *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtors via United States mail first class, postage prepaid on July 15, 2026, notifying the Debtors 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*.

On July 28, 2026, the Debtors filed that *Opposition to Motion for Relief from the Automatic Stay Filed by Capital One Auto Finance* (the "Opposition"). *See* Docket No. 42. In the Opposition, the Debtors assert that they will be current with all payments by the day of the hearing. *See id.*

Analysis

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).

The Debtors filed that *Original Plan* (the "Plan") on March 22, 2024. *See* Docket No. 11. Under the terms of the Plan, the Debtors are required to make regular payments to Movant under the terms of the pre-petition lending agreement. *See id.*, p. 9, Class 3A. Movant asserts a secured claim against the Vehicle in the amount of $9,569.94. *See* Docket No. 40, p. 8. The claim is increasing by the day due to an absence of postconfirmation payments by the Debtors. *See id.* The postconfirmation payments to Movant on the Vehicle pursuant to the underlying loan agreement are tardy by one (1) monthly payment of $384.85, and two monthly payments of $598.99 each. *See id.,* p. 9. There is a total postconfirmation delinquency of $1,582.83. *See id*. It appears that the Debtors' last monthly payment of $598.99 was received by Movant on June 23, 2026. *See id.*, p. 8.

In the Opposition, the Debtors assert that they will be current with the delinquent payments by the time of the hearing. *See* Docket No. 42, *Declaration of Pamela Hudson*, p. 1, ¶ 3. The Court has no evidence that the Debtors are current with payments.

9:00 AM

CONT... Johnny Hudson and Pamela June Hudson **Chapter 13**

Therefore, in light of the Debtors' failure to make postconfirmation payments and the ever-eroding equity in the Vehicle due to the lack of payments, "cause" exists to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1).

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):

Johnny Hudson	Represented By Christian J Younger

Joint Debtor(s):

Pamela June Hudson	Represented By Christian J Younger

Trustee(s):

Elizabeth (ND) F Rojas (TR)	Pro Se

9:00 AM
9:26-10216 Elizabeth Story Long **Chapter 13**

#2.00 HearingRE: [23] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 305 Third Street, Solvang, CA 93463 . (Hong, Rosemary)

Docket 23

Tentative Ruling:

August 11, 2026

Appearances required.

Deutsche Bank National Trust Company, as Trustee, in trust for registered Holders of Long Beach Mortgage Loan Trust 2005-WL3, Asset-Backed Certificates, Series 2005-WL3, its assignees and/or successors, by and through its servicing agent Select Portfolio Servicing, Inc. ("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 305 Third Street, Solvang, CA 93463 (the "Property") of Elizabeth Story Long (the "Debtor") on the grounds that the Debtor has failed to make postpetition mortgage payments as they became due under the *Original Chapter 13 Plan* (the "Plan"). *See* Docket No. 23, *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 co-debtor stay of 11 U.S.C. § 1301(a), and (4) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(4). *See id.,* p. 5.

Notice

Under LBR 4001-1(1)(C)(iii), the motion, notice of hearing, and all supporting documents must be served by the moving party in the time and manner prescribed in LBR 9013-1(d) on any applicable co-debtor where relief is sought from the co-debtor stay under 11 U.S.C. §§ 1201 or 1301.

9:00 AM
CONT... **Elizabeth Story Long** **Chapter 13**

The Motion and notice thereof were served upon the Debtor and non-filing co-debtor via U.S. Mail First class, postage prepaid on July 20, 2026, notifying the Debtor and non-filing co-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. 1. The Debtor does not identify a co-debtor on that *Schedule H: Your Codebtors. See* Docket No. 1, *Schedule H: Your Codebtors.* The Debtor does not list a non-filing spouse on that *Schedule I: Your Income. See id., Schedule I: Your Income.* The *Loan Modification Agreement* and *Home Affordable Modification Agreement* are dated June 21, 2005. *See id.,* at *Exhibit D.* There is no evidence before the Court that Todd Schirmer continues to receive mail at the Property given that the *Loan Modification Agreement* and *Home Affordable Modification Agreement* were executed more than twenty-one (21) years ago, and there was no address listed for Mr. Schirmer on the Debtor's schedules. Therefore, the Court is unable to confirm that service upon the non-filing co-debtor was proper.

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. 6, pp. 5-6, Class 2. Movant asserts that the Debtor has not made Plan payments consisting of three (3) postpetition preconfirmation payments of $4,935.38. *See* Docket No. 23, p. 9. Less a suspense account balance of $4,911.60, Movant asserts that there is a total postpetition delinquency of $9,894.54 (as of the date of the Motion) with a payment of $4,935.38 becoming due July 1, 2026. *See id*. According to the Motion, the last monthly payment of $4,935.38 was received by Movant on April 20, 2026. *See id.*

The Debtor asserted that all post-petition payments have been tendered. *See* Docket No. 21, *Declaration Setting Forth Postpetition, Preconfirmation Payments on: (1) Deeds of Trust [or Mortgages]*.

Unless the Debtor's statement that all post-petition payments to Movant have been made is false, 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) postpetition preconfirmation mortgage payments pursuant to the terms of the Plan. If the payments have not been made, the Motion will be granted.

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):

Elizabeth Story Long — Represented By
Tyson Takeuchi

Trustee(s):

Elizabeth (ND) F Rojas (TR) — Pro Se

9:00 AM

9:26-10469 Ollie Joseph Jackson, 3rd **Chapter 7**

#3.00 CONT'D Hearing
RE: [10] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 2215 SARGENT AVE, SIMI VALLEY, CA 93063-2746 with Exhibits and Proof of Service.

FR. 7-07-26,

Docket 10

Tentative Ruling:

August 11, 2026

Appearances waived.

On July 1, 2026, Movant filed that *Stipulation to Continue Hearing on Motion for Relief from Automatic Stay* (the "Stipulation"). *See* Docket No. 13. On July 6, 2026, the Court entered that *Order on Stipulation to Continue Hearing on Motion for Relief from Automatic Stay* (the "Order"). *See* Docket 15. Pursuant to the terms of the Order, the hearing on the Motion was continued to August 11, 2026, at 9:00 a.m. *See id.* To date, nothing new has been filed by Movant or the Debtor. The Motion is granted for the reasons set forth in the July 7, 2026, tentative ruling. Movant is to lodge a conforming order within 7 days.

July 7, 2026

Appearances 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.

Bank of America, N.A. ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) in relation to the residential real property located at 2215 Sargent Ave., Simi Valley, CA 93063-2746 (the "Property") of Ollie Joseph Jackson,

9:00 AM
CONT... **Ollie Joseph Jackson, 3rd** **Chapter 7**

3rd (the "Debtor") on the grounds that Movant's interest in the Property is not protected by an adequate equity cushion. *See* Docket No. 10, *Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 – Real Property* (the "Motion").

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, and (2) at its option, offer, provide and enter into a potential forbearance agreement or other loan workout/loss mitigation agreement by contacting the Debtor. *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on June 1, 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. 49.

On June 18, 2026, the Debtor filed that *Response to Motion Regarding the Automatic Stay* (the "Response'). *See* Docket No. 12. In the Response, the Debtor asserts that (1) the Property is necessary for reorganization, (2) there is $64,175 in equity in the Property, and (3) "[t]he Chapter 7 case will discharge in early July since it was filed on April 3, 2026. The [s]tay will be terminated when the case is discharged." *See id.*, pp. 2-3.

Legal Standard

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).

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).

Analysis

Here, Movant first contends that arrearages total $75,117.23, which represents thirteen (13) unpaid payments of $5,631.81 each (as of the date of the Motion) with a payment of $5,631.81 becoming due June 1, 2026. *See* Docket No. 10, p. 8. When the Court calculates the arrearages, it comes up with $73,213.53 (13*$5,631.81). Movant does not provide an accounting of the payments as evidence to the Motion so the Court cannot account for the discrepancy.

Movant further alleges that its interest in the Property is not adequately protected. Movant asserts a secured claim against the Property in the amount of $825,496.43. *See id.,* p. 7. As of the petition date of April 6, 2026, Movant asserts that the fair market value of the Property is $868,000 per the Debtor’s schedules. *See id.,* at

9:00 AM
CONT... **Ollie Joseph Jackson, 3rd** **Chapter 7**

Exhibit 4. Movant asserts that it maintains an equity cushion in the Property. *See id.*, p. 8. The equity cushion in the Property exceeding Movant's lien is asserted to be $42,503.87 or 4.9% of the fair market value of the Property, which is below the 20% threshold held to be sufficient under *In re Mellor*. *See id.*

In the Response the Debtor asserts that "I researched the value of my home using Zillow.com and Redfin.com. The values were $871,400 and $865,576, respectively." *See* Docket No. 12, *Declaration of Ollie Joseph Jackson*, ¶ 4. The Court does not accept a Zillow report as sufficient evidence of the fair market value of property. *See In re Tabor*, 583 B.R. 155, 169 (Bankr. N.D. Ill. 2018) (Zillow is "inherently unreliable"); *In re Darosa*, 442 B.R. 173, 177 (Bankr. D. Mass. 2010); *In re Phillips*, 491 B.R. 255, 260 (Bankr.D.Nev.2013); *In re Cocreham*, No. 13-26465-A-13J, 2013 WL 4510694, at *3 (Bankr. E.D. Cal. Aug. 23, 2013). Additionally, the Debtor asserts that the Property is necessary for reorganization and attaches that *Original Chapter 13 Plan* as exhibit to the Response. The Debtor filed the instant case under Chapter 7. Therefore, reorganization is not at issue.

Cause has been shown sufficient to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1) as Movant's interest is not adequately protected.

Fed. R. Bankr. P. 4001(a)(4)

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):

Ollie Joseph Jackson 3rd	Represented By Kenneth H J Henjum

Trustee(s):

Amy L Goldman (TR)	Pro Se

9:00 AM
9:26-10876 Shahram Farhoudi **Chapter 7**

#4.00 HearingRE: [12] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2024 Mercedes-Benz C-Class Sedan C43W4 Hybrid, VIN: *************6639 . (Hong, Rosemary)

Docket 12

Tentative Ruling:

August 11, 2026

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

On July 14, 2026, Mercedes-Benz Vehicle Trust ("Movant") filed that *Notice of Motion and 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 Mercedes-Benz C-Class Sedan C43W4 Hybrid (the "Vehicle") of Shahram Farhoudi (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) proof of insurance regarding the Vehicle has not been provided to Movant, despite the Debtor's obligation to insure the collateral under the terms of Movant's contract with the Debtor, 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. 12, 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 United States mail first class, postage prepaid on July 14, 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*. 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

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). Courts have held that the failure of a debtor to maintain insurance over a secured creditor's collateral works as a failure to adequately protect the secured creditor in said collateral, and such lack of adequate protection constitutes cause to lift the stay. *See In re El Patio, Ltd.*, 6 BR 518, 522 (Bankr. C.D. Cal. 1980); *see also In re DB Capital Holdings, LLC*, 454 B.R. 804, 817 (Bankr. Colo. 2011); *In re Olayer*, 577 B.R. 464, 472 (Bankr. W.D. Pa. 2017) ("The failure to maintain adequate insurance to protect the value of estate assets is a breach of the debtor's fundamental obligations, needlessly expenses the estate to the risk of a catastrophic loss, and may constitute sufficient cause for stay relief.").

Here, Movant asserts a secured claim against the Vehicle in the amount of $50,783.89. *See* Docket No. 12, p. 8. Movant asserts that the Debtor is in arrears in the amount of $1,388.24. *See id.* It appears that the Debtor's last monthly payment of $677.19 was received by Movant on April 24, 2026. *See id.* Additionally, the Debtor has failed to provide Movant with evidence of insurance on the Vehicle. *See id.*, p. 10.

In light of the Debtor's failure to make postpetition payments, the ever-eroding equity in the Vehicle due to the lack of payments, and the failure to provide evidence of insurance on the Vehicle, "cause" exists to lift the automatic stay pursuant to 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." "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 asserts a secured claim against the Vehicle in the amount of $50,783.89. *See* Docket No. 12, p. 8. According to the J.D. Power Used Cars/Trucks report, the Vehicle has a fair market value of $50,575.00. *See id.*, at *Exhibit 3*. Additionally, the Vehicle is a lease, therefore, there is no equity in the Vehicle. *See id.,* at *Exhibit 1*. 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).

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):

Shahram Farhoudi	Represented By Sevan Gorginian

Trustee(s):

Nancy J Zamora (TR)	Pro Se

9:00 AM

9:26-10868 Hariklia Erika Papadaki **Chapter 13**

#5.00 HearingRE: [10] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 869 Via Campobello, Santa Barbara, CA 93111 .

Docket 10

Tentative Ruling:

August 11, 2026

Appearances waived. The Motion is granted under 11 U.S.C. § 362(d)(1), including the lifting of the co-debtor stay, all other requested relief is denied. Movant is to lodge a conforming within 7 days.

Background

On May 6, 2021, Hariklia Erika Papadaki (the "Debtor") filed a petition for relief under Chapter 7 of Title 11 of the United States Code. *See* Case No. 9:21-bk-10471-DS (the "First Case"), Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The First Case was discharged on September 13, 2021. *See* First Case, Docket No. 22, *Order of Discharge – Chapter 7*.

On January 28, 2026, the Debtor filed a petition for relief under Chapter 13 of Title 11 of the United States Code. *See* Case No. 9:26-bk-10101-RC (the "Second Case"), Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The Second Case was dismissed on April 17, 2026, at the Chapter 13 confirmation hearing. *See* Second Case, Docket No. 16, *Order and Notice of Dismissal Arising from Chapter 13 Confirmation Hearing*.

On June 12, 2026 (the "Petition Date"), the Debtor filed a second Chapter 13 petition under Title 11 of the United States Code. *See* Case No. 9:26-bk-10868-RC (this " Case") (hereinafter all citations to the Docket will refer to this Case unless otherwise specified), Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*.

On July 15, 2026, Anchor and Oak LLC (the "Movant") filed that *Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C.§ (Real Property)* (the

"Motion"). *See* Docket No. 10. The Motion seeks relief from the automatic stay in relation to the real property located at 869 Via Campobello, Santa Barbara, CA 93111 (the "Property") on the grounds that Movant's interest in the Property is not adequately protected, proof of insurance regarding the Property has not been provided to the Movant despite the Debtor's obligation to insure the collateral under the terms of Movant's contract with the Debtor, the bankruptcy case was filed in bad faith, postpetition mortgage payments due on the note secured by a deed of trust on the Property have not been made to Movant, and pursuant to 11 U.S.C. § 362(d)(4), the Debtor's filing of the bankruptcy petition was part of a scheme to delay, hinder, or defraud creditors. *See id,* 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) receive a confirmation that there is no stay in effect, (3) termination, modification, or annulment of the co-debtor stay of 11 U.S.C. § 1201(a), on the same terms and conditions as to the Debtor, (4) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(4), (5) relief from the stay granted under 11 U.S.C. § 362(d)(4) if recorded in compliance with applicable state laws governing notices of interests or liens in real property, the order be binding in any other case under this title purporting to affect the Property filed not later than 2 years after the date of the entry of the order by the court, except that a debtor in a subsequent case under this title may move for relief from the order based upon changed circumstances or for good cause shown, after notice and hearing, and (6) if relief from stay is not granted, adequate protection shall be ordered. *See* Docket No. 10*,* p. 5.

Notice

The Motion and notice thereof were served upon the Debtor via United States mail, first class, postage prepaid on July 20, 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* Docket No. 16 at *Proof of Service of Document*. 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 Motion. The Court therefore takes the default of all non-responding parties served with the notice.

Analysis

11 U.S.C. § 362(c)(3)

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 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."

As noted *supra*, this Case was filed within the year of dismissal of the Second Case. Thirty (30) days after the Petition Date was July 12, 2026. As of July 15, 2026, the date of the filing of the Motion, the Debtor had not sought to extend the automatic stay.

Therefore, with respect to the Debtor and the Debtor's property, the automatic stay was terminated on July 13, 2026.

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." 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).

In this case, the Movant has indicated that "postpetition mortgage payments due on the note secured by a deed of trust on the Property have not been made to Movant." *See* Docket No. 10, p. 4.

There is cause to lift the stay under 11 U.S.C. § 362(d)(1) for lack of adequate protection.

11 U.S.C. 362(d)(1) – Failure to Insure

Movant further asserts that the Debtor has failed to provide proof of insurance regarding the Property, despite the Debtor's obligation to insure the collateral under the terms of Movant's contract with the Debtor. *See* Docket No. 10, p. 10. Failure to maintain insurance on a secured creditor's property (i.e., collateral) leaves the creditor without adequate protection and generally will be cause for lifting the stay. *See In re Monroe Park*, 17 B.R. 934, 939 (D. Del. 1982); *see also Delaney–Morin v. Day (In re Delaney–Morin),* 304 B.R. 365, 370 n. 3 (9th Cir. BAP 2003) (a secured creditor lacks adequate protection if threatened with a decline in the property's value, and a threat to decline includes failure to maintain property insurance).

Failure to insure the property is further cause to lift the stay under 11 U.S.C. § 362(d)(1) for lack of adequate protection.

11 U.S.C. 362(d)(1) - Bad Faith

"The debtor's lack of good faith in filing a bankruptcy petition has often been used as cause for removing the automatic stay." *In re Arnold*, 806 F.2d 937, 939 (9th Cir. 1986). "The existence of good faith depends on an amalgam of factors and not upon a specific fact." *See id.* "The bankruptcy court should examine the debtor's financial status, motives, and the local economic environment." *See id.* The Ninth Circuit cited the Ninth Circuit Bankruptcy Appellate Panel regarding bad faith as follows:

> If it is obvious that a debtor is attempting unreasonably to deter and harass creditors in their bona fide efforts to realize upon their securities, good faith does not exist. But if it is apparent that the purpose is not to delay or defeat creditors but rather to put an end to long delays, administration expenses ... to mortgage foreclosures, and to invoke the operation of the [bankruptcy law] in the spirit indicated by Congress in the legislation ... good faith cannot be denied. *See id.*

"Good faith is lacking only when the debtor's actions are a clear abuse of the bankruptcy process." *See id.* (citing *In re Thirtieth Place, Inc.*, 30 B.R. 503, 505 (9th Cir. BAP 1983) (quotation omitted).

Under the terms of the Debtor’s *Chapter 13 Plan* (the "Plan"), the Debtor proposes to pay an estimated monthly payment of $1,794.71. *See* Docket No. 6, p. 2. The Debtor is reliant on Social Security in the amount of $1,890.00 and Family Contributions in the amount of $4,500.00, totaling to a net monthly income of $6,390.00. *See* Docket No. 1, *Schedule I: Your Income,* p. 2. However, the Debtor fails to produce evidence of any family member’s ability to make the Family Contributions. Therefore, the Debtor is unable to prove the feasibility of the proposed monthly payments of $1,631.55 to creditors.

Moreover, the Debtor lists total monthly expenses as $4,589.00. *See* Docket No. 1, *Schedule J: Your Expenses,* p. 2. After calculating Debtor’s income and expenses, the Debtor asserts that her net monthly income is $1,801.00. *See id.* How does the Debtor intend to cover the Plan payment amounts of $1,794.71with her income, if she will be merely left with a monthly budget of $6.29, and where the Debtor’s scheduled expenses provide nothing for insurance on the Property or real property taxes?

Additionally, the only secured creditor provided for in the Plan is Select Portfolio Services ("SPS"), with a claim in the amount of $97,893.21. *See* Docket No. 6, p. 6, Class 2. Moreover, though the Franchise Tax Board ("FTB") has filed that *Proof of Claim* in the amount of $25,904.48, the Debtor has not provided for the FTB’s priority claim in the Plan. *See* Claim No. 1-1. The Debtor has failed to provide for FTB’s priority claim and the Movant’s claim in the Plan. *See* Docket No. 6.

It appears a near certainty that the Debtor will be unable to confirm a plan of reorganization. And, as noted *supra*, this is the Debtor’s second Chapter 13 plan in a year’s time. Still, the Debtor has $27,932.90 in unsecured obligations, $1,211,663.31, and a priority tax claim of $20,723.58. The Debtor is also *pro se*. Part of the reason the Debtor filed this Case was to avoid a foreclosure of the Property, but the Debtor has financial issues that exceed the issue the Debtor has with Movant. On balance, it is not clear to the Court on the record before it that the Debtor has acted in bad faith in filing this Case insofar as that analysis applies to 11 U.S.C. § 362(d)(1).

11 U.S.C. § 362(d)(4) – Bad Faith

Movant asserts that the bankruptcy was filed in bad faith as part of a scheme to hinder,

9:00 AM
CONT... **Hariklia Erika Papadaki** **Chapter 13**

delay, or defraud creditors because the Property is the subject of multiple bankruptcy filings. *See* Docket No. 10, p. 4. To obtain relief under § 362(d)(4), the court must find the following three elements are present: (1) the debtor's bankruptcy filing was part of a scheme; (2) the object of the scheme was to delay, hinder or defraud creditors; and (3) the scheme must involve either (a) the transfer of some interest in the real property without the secured creditor's consent or court approval, or (b) multiple bankruptcy filings affecting the property. *In re Dorsey*, 476 B.R. 261, 265–66 (Bankr. C.D. Cal. 2012) citing *First Yorkshire Holdings, Inc. v. Pacifica L 22, LLC. (In re First Yorkshire Holdings, Inc.)*, 470 B.R. 864, 870–871 (9th Cir. BAP 2012).

As discussed herein, the Court is not satisfied that the filing of this Case was done in bad faith. The Court does not find on this record that this Case was part of a scheme to hinder, delay or defraud creditors. This is one of just two (2) cases filed by the Debtor in the prior year, and the Debtor is *pro se.* The Debtor appears to be attempting to resolve hundreds of thousands of dollars in obligations beyond Movant's claim. What is more, a confirmation hearing on the Debtor's plan of reorganization has yet to be held. Whilst not likely, it is not impossible that the Debtor finds a way to confirm a plan of reorganization.

11 U.S.C. § 1301(a)

The Debtor did not identify a codebtor or list an address for a codebtor on her schedules. *See* Docket No. 1, *Schedule H: Your Codebtors*, p. 1. Pursuant to 11 U.S.C. § 509(a), a "codebtor" is "an entity that is liable with the debtor on, or that has secured, a claim of a creditor against the debtor" (e.g., a guarantor). The Note Secured by a Deed of Trust identifies the "Borrowers" as Debtor and Paul Polizzi (the "Co-Borrower"), as joint tenants. *See* Docket No. 10, at *Exhibit C*. **[FN 1]** Additionally, the Movant has provided proper notice of the Motion upon the Co-Borrower on July 20, 2026. *See* Docket No. 16 at *Proof of Service of Document*. Therefore, if the Court grants the Motion as to the Debtor, the Court is inclined to grant the request for relief as to the Co-Borrower under 11 U.S.C. § 1301(a).

[FN 1] On July 28, 2026, the Movant filed that *Supplemental Exhibit in Support of Movant's Motion for Relief from the Automatic Stay Pursuant to 11 U.S.C. 362* (the "Supplemental Exhibit"). *See* Docket No. 19. Upon further inspection, the pages of the Supplemental Exhibit containing the Note Secured by a Deed of Trust, signed on

9:00 AM
CONT... **Hariklia Erika Papadaki** **Chapter 13**

March 16, 2023, seems to be identical to the exhibit contained in the Motion. *See* Docket No. 10, at *Exhibit C,* pp. 51-56. Additionally, the Supplemental Exhibit contains a Promissory Note Endorsement, signed by Jack Suddarth, President of Equity Wave Lending, Inc. *See* Docket No. 19, p. 9.

Party Information

Debtor(s):

Hariklia Erika Papadaki Pro Se

Trustee(s):

Elizabeth (ND) F Rojas (TR) Pro Se

9:00 AM

9:26-10908 Marlena G Moore **Chapter 13**

#6.00 HearingRE: [10] Notice of Motion and Motion in Individual Case for Order Confirming Termination of Stay under 11 U.S.C. 362(j) or That No Stay is in Effect under 11 U.S.C. 362(c)(4)(A)(ii) 2775 Summer Ranch Road, Paso Robles, CA 93446 .

Docket 10

Tentative Ruling:

August 11, 2026

Appearances required. The Motion is granted pursuant to 11 U.S.C. § 362(c)(3), but denied pursuant to 11 U.S.C. § 362(c)(4)(A)(ii). Movant to lodge a conforming order within 7 days.

Background

On April 25, 2023, Michael Moore (the "Debtor's Husband") and Marlena Moore (the "Debtor") jointly filed a petition for relief under Chapter 13 of Title 11 of the United States Code. *See* Case No. 9:23-bk-10318-RC (the "Joint Case"), Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The Joint Case was dismissed on October 15, 2024, with a special restriction for refiling. *See* Joint Case, Docket No. 165, *Order Dismissing Chapter 13 Case and Vacating Motions as Moot.*

On February 24, 2026, the Debtor's Husband solely filed a petition for relief under Chapter 13 of Title 11 of the United States Code. *See* Case No. 9:26-bk-10248-RC (the "Husband's Case"), Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The Husband's Case was dismissed on June 23, 2026, with a 180-day bar to refiling. *See* Husband's Case, Docket No. 31, *Order Dismissing a Bankruptcy Case with 180-Day Bar to Refiling.*

On June 2, 2026, the Debtor filed a petition for relief under Chapter 13 of Title 11 of the United States Code. *See* 9:26-bk-10817-RC (the "First Case"), Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy.* The First Case was dismissed on June 22, 2026, for failure to file schedules, statements, and/or plan. *See* First Case, Docket No. 16, *Order and Notice of Dismissal for Failure to File*

9:00 AM
CONT... **Marlena G Moore** **Chapter 13**

Schedules, Statements, and/or Plan.

On June 23, 2026 (the "Petition Date"), the Debtor filed a second petition for relief under Chapter 13 of Title 11 of the United States Code. *See* 9:26-bk-10908-RC (this "Case") (hereinafter all citations to the Docket will refer to this Case unless otherwise specified), Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*.

On July 23, 2026, Richard J. Moore, as Trustee of the Moore Marital Trust UA DTD 12/23/1986 (the "Movant") filed that *Notice of Motion and Motion in Individual Case for Order Confirming Termination of Stay Under 11 U.S.C. 362(c)(3) or that No Stay is in Effect Under 11 U.S.C. 362(c)(4)(A)(ii)* (the "Motion"). *See* Docket No. 10. The Movant requests a confirmation that the stay has been terminated or that there is no stay in effect, on the grounds that pursuant to 11 U.S.C. § 362(c)(3), (1) a single or joint case filed by or against the Debtor was pending but dismissed within the year preceding the petition date in this case, and (2) thirty (30) days have elapsed since the filing of the petition in the above-entitled case and no order has been entered continuing the stay, and that pursuant to 11 U.S.C. § 362(c)(4)(A)(ii), (3) two or more single or joint cases filed by or against the debtor were pending but dismissed within the year preceding the petition date in this case. *See id.,* p. 3. The Movant asserts that the Debtor has filed this Case because "Debtor seeks to stall foreclosure of the residence located at 2775 Summer Ranch Road, Paso Robles, CA 93446." *See id.*

On July 23, 2026, the Movant filed that *Application for Order Setting Hearing on Shortened Notice* (the "Application") seeking to set a hearing on the Motion on shortened time. *See* Docket No. 11. On July 27, 2026, the Court entered that *Order Granting Application and Setting Hearing on Shortened Notice* (the "Order"), ordering that the Application is granted and that the Motion is set for hearing on August 11, 2026 (the "Hearing"). *See* Docket No. 13.

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." The Order additionally provides that the Debtors must give (1) telephonic notice of the Hearing to Debtor's counsel, the Chapter 13 Trustee, and the United States Trustee by July 28, 2026, (2) serve written notice of the Hearing and a copy of the Order via overnight mail upon Debtor's counsel, the Chapter 13 Trustee, all creditors, and the United States Trustee by July 28, 2026, and (3) serve a copy of the Motion, declarations, and any supporting documents via overnight mail to the Debtor's counsel, the Chapter 13 Trustee, all creditors, and the United States Trustee by July 28, 2026. *See* Docket No. 13, pp. 2-3. Additionally, any oppositions to the Motion or replies to any oppositions shall be made orally at the hearing. *See id.*

Pursuant to the terms of the Order, Debtor's counsel, the Chapter 13 Trustee, and the United States Trustee timely received telephonic notice of the Hearing. *See* Docket No. 15, *Declaration of Notice and Service Re: Motion for Order Confirming Termination of Stay,* pp. 2-3. Additionally, the Motion, notice thereof, and the Order were served upon Debtor's counsel, the Chapter 13 Trustee, all creditors, and the United States Trustee by July 28, 2026 via overnight mail, in compliance with the order. *See id.*

Analysis

11 U.S.C. § 362(c)(3)

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 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."

Thirty (30) days after the Petition Date was July 23, 2026. As of July 23, 2026, the date of the filing of the Motion, the Debtor has not sought to extend the automatic stay.

As the Debtor missed the thirty (30) day period to extend the automatic stay, the automatic stay with respect to the Debtor and the Debtor's property was terminated on

9:00 AM

CONT... **Marlena G Moore** **Chapter 13**

July 23, 2026.

11 U.S.C. § 362(c)(4)(A)(ii)

Pursuant to 11 U.S.C. §§ 362(c)(4)(A)(i) and (ii), "if a single or joint case is filed by or against a Debtor who is an individual . . . and if 2 or more single or joint cases of the Debtor were pending within the previous year but were dismissed . . . the stay under subsection(a) shall not go into effect upon the filing of this later case; and on request of a party in interest, the court shall promptly enter an order confirming that no stay is in effect."

On April 25, 2023, the Debtor and Debtor's Husband filed the Joint Case. *See* Joint Case, Docket No. 1. However, the Joint Case was dismissed on October 15, 2024, approximately two (2) years prior to the Petition Date. *See* Joint Case, Docket No. 165. While the Joint Case was jointly filed by the Debtor and Debtor's Husband, the Joint Case was filed and dismissed approximately two (2) years prior to the Petition Date and therefore was not pending within the previous year.

On February 24, 2026, the Debtor's Husband filed the Husband's Case. *See* Husband's Case, Docket No. 1. However, the Husband's case was solely filed by the Debtor's Husband, and Debtor was not a filing party to the Husband's Case. While the Husband's Case was pending and dismissed within the previous year, the Husband's Case was not filed by the Debtor herself.

On June 2, 2026, the Debtor filed the First Case. *See* First Case, Docket No. 1. The First Case was dismissed on June 22, 2026. *See* First Case, Docket No. 16. The First Case is the one and only case that was filed by or against the Debtor herself, and was pending but dismissed within the previous year. The Court does not have evidence as to any additional cases, besides the First Case, in which the Debtor herself had a case that was pending but dismissed within the previous year.

As the Debtor does not have two (2) or more single or joint cases which were filed by or against the Debtor herself, and were pending but dismissed within the previous year, 11 U.S.C. § 362(c)(4)(A)(ii) does not apply.

Party Information

9:00 AM

CONT... Marlena G Moore **Chapter 13**

Debtor(s):

Marlena G Moore	Represented By Rhonda Walker

Trustee(s):

Elizabeth (ND) F Rojas (TR)	Pro Se

9:00 AM
9:26-10918 Jason Saavedra and Pixie Saavedra **Chapter 7**

#7.00 HearingRE: [12] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2015 BMW I3 Range Extender Hatchback 4D, VIN: WBY1Z4C59FV505022 . (Hong, Rosemary)

Docket 12

Tentative Ruling:

August 11, 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 July 13, 2026, BMW Bank of North America ("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 2015 BMW I3 Range Extender Hatchback 4D (the "Vehicle") of Jason Saavedra and Pixie Saavedra (the "Debtors") on the grounds that (1) Movant's interest in the Vehicle is not protected by an adequate equity cushion and the fair market value is declining, (2) the Debtors filed a statement of intention that indicates the Debtors intend to surrender the Vehicle, and (3) pursuant to 11 U.S.C. § 362(d)(2)(A), the Debtors have 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. 12, 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 Debtors via U.S. Mail First class, postage prepaid on July 13, 2026, notifying the Debtors 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*. 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 Debtors, nor any other party served with the Motion have timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtors.

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 $7,200.05. *See* Docket No. 12, p. 8. According to the Kelley Blue Book report, the Vehicle has a fair market value of $5,485. *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 Vehicle in the amount of $7,200.05. *See* Docket No. 12, p. 8. Movant asserts that the Debtors are in arrears in the amount of $1,161.72. *See id.* It appears that the Debtors’ last monthly payment of $193.62 was received by Movant on December 26, 2025. *See id*. Additionally, the Debtors

9:00 AM
CONT... Jason Saavedra and Pixie Saavedra **Chapter 7**

filed that *Statement of Intention for Individuals Filing Under Chapter 7* that indicates that the Debtors intend to surrender the Vehicle. *See id.* at *Exhibit 5*, p. 1.

In light of the Debtors' failure to make post-petition payments, the ever-eroding equity in the Vehicle due to the lack of payments, and the Debtors' intention to surrender the Vehicle, "cause" exists to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1).

Party Information

Debtor(s):

Jason Saavedra	Represented By Todd J Mannis

Joint Debtor(s):

Pixie Saavedra	Represented By Todd J Mannis

Trustee(s):

David Keith Gottlieb (TR)	Pro Se

9:00 AM

9:24-10085 Jason Alexander Balcena and Monica Felix Balcena **Chapter 13**

#8.00 HearingRE: [69] Motion Debtor's Motion for Authority to (Purchase) Real Property Under LBR 3015-1(p) and to Incur Debt (Real Property) with Proof of Service

Docket 69

Tentative Ruling:

August 11, 2026

Appearances required.

The Debtors should appear and explain how, as Chapter 13 debtors, they are able to afford a $700,000 mortgage when on at least one occasion since the confirmation of their plan the Debtors have fallen behind on plan payments, which caused the Chapter 13 trustee to file a motion to dismiss, and fell behind on no less than three (3) payments to secured creditor on a vehicle, causing the Court to lift the stay to allow repossession, post-confirmation. *See* Docket Nos. 52 and 66.

Party Information

Debtor(s):

Jason Alexander Balcena	Represented By Leon D Bayer Christopher D Cantore Jeffrey N Wishman

Joint Debtor(s):

Monica Felix Balcena	Represented By Leon D Bayer Christopher D Cantore Jeffrey N Wishman

Trustee(s):

Elizabeth (ND) F Rojas (TR)	Pro Se

10:00 AM
9:21-11092 Manuel R Contreras **Chapter 13**

#9.00 CONT'D Hearing re: [104] Objection to allowance of claim no. 8 from Nikki Costa and Bryan Costa

FR. 5-5-26, 7-07-26,

Docket 104

Tentative Ruling:

August 11, 2026

Appearances waived.

Having reviewed that *Notice of Continued Hearing on Objection to Allowance of Claim No. 8 from Nikki Costa and Bryan Costa* (Docket No. 115), and having received no opposition to the Claim Objection, the Court sustains the Claim Objection, disallowing the Claim as satisfied.

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

July 7, 2026

Appearances required.

On May 21, 2026, the Debtor filed that *Supplemental Declaration of Manuel Contreras for Objection of Allowance of Claim #8 from Nikki and Bryan Costa* (the "Supplement"). *See* Docket No. 112. The Supplement was served on Law Offices of Reed H. Olmstead, 5142 Hollister Ave., #171, Santa Barbara, CA 93111. *See id.* at p. 118, *Proof of Service of Document*. It is the Court's understanding that Mr. Olmstead is no longer practicing law.

May 5, 2026

Appearances required.

Background

On November 1, 2021, Manuel R Contreras (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 13 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy*.

On June 2, 2022, Nicki Costa & Bryan Costa (the "Claimants") filed Proof of Claim No. 8 (the "Claim") in the amount of $374,772.68 related to a state court lawsuit against the Debtor in the Superior Court of the County of Satna Barbara (the "State Court") for negligence, breach of contract, and breach of warranty (the "Action"). *See Claim No. 8-1.*

On August 10, 2022, the Court entered that *Order Granting Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (Action in Nonbankruptcy Forum)* (the "RFS Order") granting the Claimants relief from the automatic stay to proceed to a final judgment in the Action against the Debtor and to collect only upon available insurance proceeds. *See* Docket No. 69.

On September 29, 2022, the Court entered that *Order Confirming Chapter 13 Plan* (the "Confirmation Order") confirming the Debtor's *Chapter 13 Plan 6th Amended* (the "Plan"). *See* Docket Nos. 76 and 72, respectively.

Before the Court is that *Objection to Allowance of Claim from Nikki Costa and Bryan Costa* (the "Objection") filed on March 20, 2026. *See* Docket No. 104. Through the Objection, the Debtor seeks to disallow the Claim due to a settlement agreement that was executed on October 6, 2023, by the Debtor and the Claimants which provided that the Debtor's insurance carrier would pay the Claimants $175,000 in full satisfaction of the Action. *See id.* Additionally, the Objection requests the $2,813.87 that was paid to the Claimants from the Chapter 13 Trustee under the Plan should be returned by the Claimants to the Chapter 13 Trustee. *See id.* at p. 4.

Notice and Service

Pursuant to this Court's Local Bankruptcy Rule ("LBR") 3007-1(b), a claim objection must be set for hearing on notice of not less than 30 days. *See* LBR 3007-1(b)(1). The claim objection must be served on the claimant at the address disclosed by the claimant in its proof of claim and at such other addresses and upon such parties as may be required by FRBP 7004 and other applicable rules.

On March 20, 2026, the Debtor filed that *Notice of Objection to Claim* (the "Notice") and served the Notice via U.S. Mail on the Claimants at the address listed in the Claim. *See* Docket No. 105, *Proof of Service of Document*, p. 19. For added measure, the Objection and the Notice were served via Notice of Electronic Filing [NEF] upon the Claimant's attorney of record. *See id.*

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…" This Court's Local Rule 3007-1(b)(4) provides that "[t]he court will conduct a hearing on a claim objection to which there is a timely response." "If the claimant does not timely file and serve a response, the court may sustain the objection without a hearing." *See* Local Rule 3007-1(b)(6).

No response to the Objection was filed.

Analysis

Pursuant to 11 U.S.C. § 502(a), a proof of claim is deemed allowed unless a party in interest objects. Section 502(b) of the Bankruptcy Code enumerates an exhaustive list of reasons for sustaining an objection to a proof of claim. *See* 11 U.S.C. § 502(b). Pursuant to 11 U.S.C. § 502(b)(1), upon the filing of an objection to a claim, "the court, after notice and a hearing, shall determine the amount of such claim [] and shall allow such claim in such amount, except to the extent that such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured."

Federal Rules of Bankruptcy Procedure ("Rule") 3001 applies to proofs of claims. Rule 3001(a) requires the creditor to attach the supporting documents to the proof of claim. *See* Fed. R. Bankr. P. 3001(a). "A duly executed proof of claim is prima facie evidence of the validity and amount of a claim. Rule 3001(f). The burden then switches to the objecting party to present evidence to overcome the prima facie case."

In Re Murgillo, 176 B.R. 524, 529 (9th Cir. BAP 1995) (citations omitted).

"To defeat the claim, the objector must come forward with sufficient evidence and show facts tending to defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves." *Lundell v. Anchor Const. Specialists, Inc.*, 223 F.3d 1035, 1039 (9th Cir. 2000) (internal citation omitted). "If the objector produces sufficient evidence to negate one or more of the sworn facts in the proof of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence. The ultimate burden of persuasion remains at all times upon the claimant." *Id*. (internal citations omitted).

This Court's LBR 3007-1(c)(1) provides that "[a]n objection to claim must be supported by admissible evidence sufficient to overcome the evidentiary effect of a properly documented proof of claim executed and filed in accordance with FRBP 3001. The evidence must demonstrate that the proof of claim should be disallowed, reduced, subordinated, re-classified, or otherwise modified." "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…." LBR 3007-1(c)(2) (emphasis added).

To start, the Objection does not contain a complete copy, including attachments and exhibits, of the Claim as required by LBR 3007-1(c)(2), despite the Debtor's assertion in his declaration that a true and complete copy was attached. Further, although the Objection attaches an executed settlement agreement as between the Debtor and the Claimants, the release of the Debtor was conditioned upon the payment of $175,000. The Objection contains no evidence as to whether the $175,000 was ever paid to the Claimants. What is more, the settlement agreement attached to the Objection is not executed by the Debtor or the Debtor's counsel. In fact, the Court lifted the stay because the representation by the Claimants was that they had not been paid the amounts owed under the settlement agreement.

The Debtor's statute of limitations argument does not persuade the Court. The Debtor argues that there is a four (4) year statute of limitations on the Action, beginning in 2021. *See* Docket No. 105, pp. 4-5. Whilst not attached to the Objection, a copy of the Action is attached to the Claim. *See* Claim 8, Part 4. The Action was filed on

10:00 AM

CONT... Manuel R Contreras **Chapter 13**

October 7, 2020. *See id.* at p. 1, lines 1-3. The Action appears to show the accrual of the causes of action by the Claimants and against the Debtor between 2018 and 2020, and not 2021. Assuming for the moment that the Debtor is correct regarding the statute of limitations applicable to the Action, the Action was filed well within the four (4) year stated period.

The Court is inclined to overrule the Objection.

Party Information

Debtor(s):

Manuel R Contreras — Represented By Nathan A Berneman

Movant(s):

Manuel R Contreras — Represented By Nathan A Berneman

Trustee(s):

Elizabeth (ND) F Rojas (TR) — Pro Se

10:00 AM

9:24-10182 JMY Farms, Inc. **Chapter 7**

#10.00 HearingRE: [42] Application for Compensation with proof of service for Jerry Namba (TR), Trustee Chapter 7, Period: 2/21/2024 to 6/30/2026, Fee: $15484.66, Expenses: $.

Docket 42

Tentative Ruling:

August 11, 2026

Appearances waived.

On February 21, 2024, JMY Farms, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. Jerry Namba is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 5.

On July 17, 2026, the Trustee filed that *First Interim Application of Chapter 7 Trustee for Compensation* (the "Application"). *See* Docket No. 42. Through the Application, the Trustee seeks allowance, on an interim basis and pursuant to 11 U.S.C §§ 326(a) and 331, a statutory fee totaling $15,484.66, but payment of $12,387.73. *See id.*, p. 3. The Trustee's request is based on the $244,212.65 he has collected. The Trustee does not expect the case to be a surplus case, and does not expect a closure of the case in short order. *See id.* at pp. 1-2.

On July 17, 2026, the Trustee filed that *Notice of Hearing on Application for Payment of: Interim Fees and/or Expenses* (the "Notice"). *See* Docket No. 43. The Notice, through Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid, was served on the Debtor, the United States Trustee, and all creditors. *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.

Pursuant to 11 U.S.C. § 326, the Court finds the statutory fee sought through the Application to be reasonable. Further, there has been no opposition to the

10:00 AM
CONT... JMY Farms, Inc. **Chapter 7**

Application.

The Trustee is allowed, on an interim basis, and pursuant to 11 U.S.C. § 331, a statutory fee in the amount of $15,484.66; and is permitted to be paid a fee in the amount of $12,387.73.

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

Party Information

Debtor(s):

JMY Farms, Inc.	Represented By Daniel A Higson

Trustee(s):

Jerry Namba (TR)	Represented By William C Beall

10:00 AM
9:24-10182 JMY Farms, Inc. **Chapter 7**

#11.00 HearingRE: [44] Application for Compensation with proof of service for William C Beall, Trustee's Attorney, Period: 2/28/2024 to 6/30/2026, Fee: $15025, Expenses: $55.48.

Docket 44

Tentative Ruling:

August 11, 2026

Appearances waived.

Background

On February 21, 2024, JMY Farms, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1. Jerry Namba is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 5.

On February 28, 2024, Trustee filed that *Application of Chapter 7 Trustee to Employ Counsel* (the "Employment Application"), which Employment Application sought the employment of Beall & Burkhardt, APC ("B&B") as general insolvency counsel to the Trustee. *See* Docket No. 13. The Employment Application provided that "William C. Beall's present hourly rate is $575.00 per hour." *See id.* at p. 3, lines 1-2; *see also id.* at p. 4, lines 11-12 and Docket No. 14, p. 2, *Notice of Opportunity to Request a Hearing on Application of Chapter 7 Trustee to Employ Counsel,* line 4.

On March 25, 2024, the Court entered that *Order on Application of Trustee to Employ Counsel* (the "Employment Order"), authorizing the employment of B&B as Trustee's counsel. *See* Docket No. 17.

On January 15, 2025, B&B filed that *Notice of Change in Hourly Rates*, informing parties-in-interest that Mr. Beall's rate had increased to $650 as of February 1, 2025. *See* Docket No. 28.

10:00 AM

CONT... JMY Farms, Inc. Chapter 7

On July 17, 2026, B&B filed that *Application for Payment of: Interim Fees and/or Expenses (11 U.S.C. § 331)* (the "Fee Application"). *See* Docket No. 44. Through the Fee Application, B&B seeks allowance, on an interim basis, of fees in the amount of $15,025.00 and reimbursement of expenses in the amount of $55.48, for the period of February 28, 2024 through June 30, 2026. *See id.,* pp. 2-3.

On July 17, 2026, B&B filed that *Notice of Hearing on Application for Payment of: Interim Fees and/or Expenses* (the "Notice"). *See* Docket No. 45. The Notice was served via Notice of Electronic Filing ("NEF") and United States mail, first class, postage prepaid on the Debtor, the creditors, the Trustee, 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.

Having reviewed the Application, the exhibits, and the declarations in support, the Court finds the time spent by the B&B appropriate, reasonable, and beneficial under the circumstances. B&B is allowed, on an interim basis, and pursuant to 11 U.S.C. § 331, fees in the amount of $15,025 and reimbursement of expenses in the amount of $55.48.

B&B is to upload a conforming order within 7 days.

Party Information

Debtor(s):

JMY Farms, Inc.	Represented By Daniel A Higson

Trustee(s):

Jerry Namba (TR)	Represented By William C Beall

10:00 AM
9:24-10944 40800SEGC LLC **Chapter 7**

#12.00 CONT'D Hearing
RE: [72] Motion to Sell Property of the Estate Free and Clear of Liens under Section 363(f) Chapter 7 Trustees Motion For Order: (1) Authorizing Sale Of Estates Right, Title And Interest In Real Property Free And Clear Of Liens, Claims And Interests; (2) Approving Overbid Procedure; (3) Approving Payment Of Commissions; (4) Finding Purchaser Is Good Faith Purchaser; (5) Waiving Stay Under Rule 6004(H); And (6) Reimbursing Locksmith Charges; Memorandum Of Points And Authorities And Declarations In Support Thereof (POS Attached). (D'Alba, Michael)

FR. 7-28-26,

Docket 72

Tentative Ruling:

August 11, 2026

Appearances required.

Background

On August 19, 2024, 40800SEGC LLC (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy*. Jerry Namba is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 4, *Notice of Chapter 7 Bankruptcy Case – No Proof of Claim Deadline*.

Among the property that the Debtor scheduled is an interest in that real property located at 3705 Nuestro Road, Live Oak, California 95993 (the "Property"). *See* Docket No. 1, *Schedule A/B: Assets – Real and Personal Property*, p. 11. The Debtor indicated that the Property was "subject [to] a quiet title/cancellation of deed instrument litigation currently ongoing in the Superior Court of California, County of Sutter," as a deed for the Property was recorded by Makat Investments, LLC ("Makat"), and, according to the Debtor, without authority. *See id.*

The Debtor scheduled three encumbrances as against the Property: (1) one held by the

Sutter County Tax Collector ("SCTC") in the amount of $90,000 for property taxes; and (2) two liens held by AgWest Farm Credit ("AgWest") in the amount of $1,500,000 and $250,000 related to a deed of trust and secured line of credit, respectively. *See id*. at *Schedule D: Creditors Who Have Claims Secured by Property*, pp. 14-15.

On September 27, 2024, the Trustee commenced an adversary proceeding against Makat to avoid the purported transfer of the title to the Property by the Debtor to Makat. *See* Case 9:24-ap-01038-RC (the "Adversary Proceeding"), Docket No. 1. On May 18, 2026, that Court entered that *Summary Judgment* in which the Court, among other things, found that the transfer of the Property to Makat "was a transfer of an interest of [the Debtor's] property" and that the transfer is void. *See id.* at Docket No. 120, pp. 1-2.

On December 27, 2024, the SCTC filed that secured *Proof of Claim* for real property taxes related to the Property in the amount of $43,382.64. *See* Claim No. 5-1. The Motion, *infra*, asserts SCTC is currently owed $107,113 related to property taxes on the Property. *See* Docket No. 72, p. 9.

On January 28, 2025, AgWest filed that secured *Proof of Claim* for $1,509,671.85 related to the Property. *See* Claim No. 7-1. The Motion, *infra*, asserts AgWest is currently owed $1,849,626. *See* Docket No. 72, p. 9.

Before the Court is *Chapter 7 Trustee's Motion for Order: (1) Authorizing Sale of Estate's Right, Title and Interest in Real Property Free and Clear of Liens, Claims and Interests; (2) Approving Overbid Procedure; (3) Approving Payment of Commissions; (4) Finding Purchaser is Good Faith Purchaser; (5) Waiving Stay Under Rule 6004(h); and (6) Reimbursing Locksmith Charges* (the "Motion") filed by the Trustee on July 7, 2026. *See* Docket No. 72.

Through the Motion, the Trustee seeks to sell the Property free and clear of all liens and encumbrances to SD Parking LLC (the "Buyer") for $2,608,000.00 (the "Purchase Price"), with no contingencies, subject to overbid at public auction. *See id.* at p. 2 lines 15-27. **[FN1]** As to overbids, the Trustee through the Motion seeks approval of certain bidding procedures. Those bidding procedures require any potential overbidder to deposit with the Trustee $2,618,000 and provide proof of ability to close escrow unconditionally without contingencies of any kind within seven calendar days prior to the hearing on the Motion. *See id*. **[FN2]** The auction, if an overbidder presents itself, is to take place with the initial overbid set at $2,618,000, and with any subsequent bids made in $10,000 increments. *See id*. The Trustee also seeks a good faith finding under 11 U.S.C. § 363(m) for the Buyer, and a waiver of Fed. R. Bankr. P. 6004(h). *See id*. at p. 3 lines 13-14.

The Motion further seeks (1) authorization for the payment of unpaid and undisputed property taxes to SCTC, (2) authorization for the payment of the real estate broker's commissions including reimbursement to the Trustee's broker for $358 advanced for locksmith charges, (3) authorization for payment of the closing costs directly from escrow from the sale, and (4) authorization for payment of AgWest's undisputed lien. *See id.* at p. 15.

After these payments, the sale of the Property is estimated by the Trustee to net the Estate approximately $442,621. *See id.* at p. 9. Also, the Trustee indicated the sale will produce no capital gain tax consequences. *See id.* at p. 10 lines 11-13.

On July 14, 2026, SCTC filed that *Limited Objection of Sutter County to Chapter 7 Trustee's Motion for Order: (1) Authorizing Sale of Estate's Right, Title, and Interest in Real Property Free and Clear of Liens, Claims, and Interests; (2) Approving Overbid Procedure; (3) Approving Payment of Commissions; (4) Finding Purchaser is Good Faith Purchaser; (5) Waiving Stay Under Rule 6004(h); and (6) Reimbursing Locksmith Charges* (the "SCTC Objection"). *See* Docket No. 81. SCTC provided through the SCTC Objection that it "does not oppose the proposed sale requested by the Motion provided that the real property taxes are paid in full at closing." *See id.* at pp. 1-2.

On July 16, 2026, AgWest filed *AgWest Farm Credit, FLCA's Limited Objection to Chapter 7 Trustee's Motion for Order: (1) Authorizing Sale of Estate's Right, Title, and Interest in Real Property Free and Clear of Liens, Claims, and Interests; (2) Approving Overbid Procedure; (3) Approving Payment of Commissions; (4) Finding Purchaser is Good Faith Purchaser; (5) Waiving Stay Under Rule 6004(h); and (6) Reimbursing Locksmith Charges* (the "AgWest Objection"). *See* Docket No. 89. AgWest, through the AgWest Objection, provided that it "does not oppose the Motion insofar it provides for AgWest to be paid in full from close of escrow upon sale of the

Property." *See id.* at p. 2.

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 July 9, 2026, the Trustee filed that *Notice of New Hearing on Chapter 7 Trustee's Motion for Order: (1) Authorizing Sale of Estate's Right, Title and Interest in Real Property Free and Clear of Liens, Claims and Interets; (2) Approving Overbid Procedure; (3) Approving Payment of Commissions; (4) Finding Purchaser is a Good Faith Purchaser; (5) Waiving Stay Under Rule 6004(h); and (6) Reimbursing Locksmith Charges* (the "New Notice"). *See* Docket No. 79. The New Notice was served on all creditors, the Debtor, and the United States Trustee via Notice of Electronic Filing (NEF) and United States mail first class, postage prepaid on July 9, 2026. *See id.*, at *Proof of Service Document*, pp. 7-12.

On July 9, 2026, the Trustee also filed that *Notice of Sale of Estate Property* (the "Notice of Sale") which was posted on the Court's website. *See* Docket No. 78.

No further opposition was timely filed to the Motion. The Court, therefore, takes the default of all parties served with the Notice and Motion, with the exception of SCTC and AgWest.

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 maximize the proceeds to the estate. *In re Abbots Dairies of PA, Inc.*, 788 F.2d 143, 149 (3d Cir. 1986).

Here, the Court notes that the proposed bidding procedures within the Motion are not consistent. The Motion first stated any overbidder must deposit the full overbid price and then stated that the deposit is 10% of the Purchase Price. The Notice of Sale also indicated the deposit is $2,618,000 million. Potential bidders in reviewing the Notice of Sale would be of the mind that a deposit that exceeds the Purchase Price must be posted with the Trustee to qualify as an overbidder, which is not the case. The Motion would provide a potential bidder with conflicting information.

It seems to the Cour that these inconsistencies could, and may have very well chilled bidding.

The Sale

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, there is certainly a sound business purpose for approving the Motion, as one of the Trustee's primary duties is to liquidate assets of the estate. After a period of

10:00 AM
CONT... **40800SEGC LLC** **Chapter 7**

marketing by the Trustee's real property broker, the Trustee has accepted the offer at issue, which provides a net recovery to the estate of approximately $447,512. The New Notice was served on all creditors of the Debtor's bankruptcy estate. Both the Trustee and the Buyer were represented by their own brokers, and appear to have negotiated at arm's length.

The Motion meets 11 U.S.C. § 363(b).

Free and Clear of Liens and Interests

Section 363(f) of the Bankruptcy Code permits a sale of property of the bankruptcy estate "free and clear of any interest in such property of an entity other than the estate" if any one of the following five conditions is met:

(1) applicable non-bankruptcy law permits sale of such property free and clear of such interest;

(2) such entity consents;

(3) 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;

(4) such interest is a bona fide dispute; or

(5) such entity could be compelled, in legal or equitable proceeding, to accept a money satisfaction of such interest.

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 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)…").

The Motion was served on all creditors and as indicated above, SCTC and AgWest have filed limited objections requesting only that they be paid from escrow, but they have otherwise provided consent as to the Motion. No further oppositions have been filed. As such, all lien claimants have consented to the sale under 11 U.S.C. § 363(f)(2).

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").

The Purchase Price is $2,608,000.00. *See* Docket No. 72, p. 2. The Trustee asserts that the aggregate value of all liens on the Property is approximately $1,956,739.00. *See id.,* p. 12, lines 6-9. Under 11 U.S.C. § 363(f)(3), the Purchase Price exceeds the value of the liens against the Property. *See id.,* p. 12.

The Court is inclined to grant the Motion under 11 U.S.C. § 363(f).

11 U.S.C. § 363(m)

"Under 11 U.S.C. § 363(m), with certain exceptions [], when an appellant fails to obtain a stay of an order that permits the sale of a debtor's assets to a good faith purchaser, the appeal is rendered moot." *See In re Southwest Products, Inc.*, 144 B.R. 100, 102 (9th Cir. BAP 1992). "Although the Bankruptcy Code and rules do not define good faith, courts have indicated that a lack of good faith is shown by 'fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders." *Id.* at 103 (citing *In re Ewell*, 958 F.2d 276, 281 (9th Cir. 1992).

Here, there does not appear to be any collusion or fraud related to the sale negotiation with the Buyer and purchase of the Property. The Buyer attested that "SD Parking has no affiliation with the Debtor, this bankruptcy estate, the Trustee," or the Trustee's general bankruptcy counsel. *See* Docket No. 72, *Declaration of Gurpreet Dosanjh*, p. 23, lines 11-12.

The Court is inclined to make a finding of good faith under 11 U.S.C. § 363(m).

Commission of Broker

Pursuant to that *Application of Chapter 7 Trustee to Employ American Real Estate Services Group d/b/a Keller Williams Realty Yuba Sutter and/or KW Realty Yuba Sutter and to Enter Into Exclusive Listing Agreement* (the "Trustee's Broker Application")*,* [t]he Trustee has agreed to pay a six percent (6%) commission to the Keller Williams Realty Yuba Sutter and/or KW Realty Yuba Sutter (the "Trustee's Broker") in connection with the listing and sale of the Property," and "[t]he Broker will share the commission with the buyer's broker in a manner to be negotiated and disclosed to the Court and creditors in the sale motion for the Property." *See* Docket No. 50, p. 2, lines 19-24.

On May 22, 2026, the Court entered that *Order Authorizing Chapter 7 Trustee to Employ American Real Estate Services Group d/b/a Keller Williams Realty Yuba Sutter and/or KW Realty Yuba Sutter and to Enter into Exclusive Listing Agreement,* ordering that the Trustee's Broker Application was approved and that the Trustee was authorized to enter into the exclusive listing agreement with Trustee's Broker concerning the Property. *See* Docket No. 59, p. 1. Under the terms and conditions of the exclusive listing agreement, the Trustee's Broker will receive a commission of three and one-half percent (3.5%) and the Buyer broker will receive a commission of two and one-half percent (2.5%). *See* Docket No. 73, p. 2.

The Court approves the proposed distribution of payment of the broker's commissions and related sales costs including the $358 for locksmith services.

Waiver of 6004(h)

Pursuant to Fed. R. Bankr. P. 6004(h), "[u]nless the court orders otherwise, an order authorizing the use, sale, or lease of property [] is stayed for 14 days after the order is entered." "The rule was intended to provide time for an objecting party to appeal a sale order before such order could be implemented." *In re Weiss Multi-Strategy Advisers LLC*, 665 B.R. 578, 594 (Bankr. S.D.N.Y. 2024). "Collier suggests that because the purpose of the rule is to 'protect the rights of an objecting party,' a court should eliminate the 14-day stay period and allow the sale to close immediately in all cases where there has been no objection to the procedure." *Id.* (citing 10 *Collier on Bankruptcy* § 6004.10 (16th 2019)).

Here, there is no opposition to the substance of the Motion. The Court is inclined to waive Fed. R. Bankr. P. 6004(h).

Conclusion

The Court is inclined to grant the Motion. However, the Court will inquire with the Trustee as to the inconsistent deposit requirements for overbidding.

[FN1] The Buyer has also agreed to pay Butte Basin Management (a company that has managed the walnut farm on the Property including conducting the harvest) $78,842.47 after the closing of the sale for the work Butte Basin Management has already done for the 2026 autumn harvest.

[FN2] However, the Motion and the New Notice indicates that the deposit is to actually be $261,800. *See* Docket No. 72, p. 6 lines 25-28; and Docket No. 79, p. 4 lines 9-13. Yet, the notice posted to the Court's website indicates the deposit is equal to the Purchase Price. *See* Docket No. 78, p. 3.

Party Information

Debtor(s):

40800SEGC LLC	Represented By Stephen H Kim

Trustee(s):

Jerry Namba (TR)	Represented By Michael G D'Alba Timothy J Yoo

10:00 AM

9:24-10954 **Ronald E. Sweeney** **Chapter 11**

#13.00 HearingRE: [203] Motion to Dismiss Debtor Notice of Auction Results and Motion to Dismiss Chapter 11 Case; Declarations of Kathy Clark, Ronald E. Sweeney and David B. Zolkin in Support Thereof

Docket 203

Tentative Ruling:

August 11, 2026

Appearances waived.

This matter is continued to August 12, 2026, at 11:00 a.m.

Party Information

Debtor(s):

Ronald E. Sweeney	Represented By David B Zolkin James R Selth

10:00 AM
9:24-10954 Ronald E. Sweeney **Chapter 11**

#14.00 CONT'D Hearing re: [146] Debtor's motion for order authorizing: (1) the employment and payment upon closing of Harcourts Blue Water pursuant to 11 U.S.C. §§ 327 and 328(a) as auctioneer; (2) the terms of auction; and (3) the sale of the real property located at 31532 Victoria Point Rd., Malibu, CA 90265, free and clear of liens and interests pursuant to 11 U.S.C. § 363(b), (f), (m) and (n)

fr. 2-11-26, 5-06-26, 7-08-26,

Docket 146

Tentative Ruling:

August 11, 2026

Appearances waived.

This matter is continued to August 12, 2026, at 11:00 a.m.

July 8, 2026

Appearances required.

What impact on the balance of the Motion does the Court's approval of that *Notice of Motion and Motion for Order Authorizing Further Extension of Key Dates of Process for Sale of the Real Property Located at 31532 Victoria Point Rd., Malibu, California 90265* (Docket No. 194) have?

February 11, 2026

Appearances required.

Background

10:00 AM

CONT... Ronald E. Sweeney Chapter 11

On August 21, 2024 (the "Petition Date"), Ronald E. Sweeney (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 Individuals Filing for Bankruptcy*. The Debtor scheduled as an asset a parcel of real property located at 31532 Victoria Point Rd., Malibu, CA 90265 (the "Property"), with a value of $12 million. *See id.* at p. 16, *Schedule A/B: Property*. The Property has a number of liens claimed against it. Cenlar FSB claims a lien against the Property in the amount of $5,534,699.90, at an interest rate of 6.75% as of the Petition Date. *See* Claim No. 7. The IRS claims a lien against the Property in the amount of $3,020,630.46. *See* Claim No. 6. The FTB claims a lien against the Property in the amount of $167,273.36. *See* Claim No. 5. According to the Debtor, Los Angeles County Tax Assessor's Office claims a lien against the Property in the amount of $28,591.78. *See* Docket No. 146, *Debtor's Notice of Motion and Motion for Order Authorizing: (1) the Employment and Payment Upon Closing of Harcourts Blue Water Pursuant to 11 U.S.C. §§ 327 and 328(a) as Auctioneer; (2) the Terms of Auction; and (3) the Sale of the Real Property Located at 31532 Victoria Point Rd., Malibu, California 90265, Free and Clear of Liens and Interests Pursuant to 11 U.S.C. §§ 363(b), (f), (m) and (n)* (the "Motion"), p. 13, lines 7-8.

The Debtor claimed a homestead exemption of $699,421 in the Property. *See* Docket No. 1, *Schedule C: The Property You Claim as Exempt*, p. 23.

On November 18, 2024, the Court entered that *Order re Motion in Individual Chapter 11 Case to Authorize Debtor-In-Possession to Employ Professional Other than General Counsel*, approving the Debtor's request to employ Compass as the real property broker for the Property. *See* Docket No. 52.

Now, more than a year after Compass was employed to sell the Property, the Debtor files the Motion to employ a different broker to market, stage, and sell the Property via online auction. Specifically, the Debtor, through the Motion, seeks to employ Harcourts Blue Water ("HBW") to sell the Property through an April 16, 2026, online auction, pursuant to 11 U.S.C. §§ 363(b), (f), and (m). *See* Docket No. 146.

10:00 AM
CONT... **Ronald E. Sweeney** **Chapter 11**

Analysis

Whilst the Motion appears postured at the instant hearing to be one simply requesting approval of sale procedures, the Court addresses issues that may impede that analysis.

Employment

Pursuant to 11 U.S.C. § 327(a), "the trustee, with the court's approval, may employ one or more [] auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title." 11 U.S.C. § 327(a); *see also* 11 U.S.C. § 1107(a) (granting the debtor-in-possession full authority as representative of the estate typical of a trustee). Pursuant to 11 U.S.C. § 328(a), "[t]he trustee . . . , with the court's approval, may employ or authorize the employment of a professional person under section 327 . . . of this title . . . on any reasonable terms and conditions of employment . . . ." 11 U.S.C. § 328(a). Section 11 U.S.C. § 504(a) provides that "a person receiving compensation or reimbursement under section 503(b)(2) [] of this title may not share or agree to share – (1) any such compensation or reimbursement with another person; or (2) any compensation or reimbursement received by another person under such sections."

Here, the Debtor has previously employed Compass to market and sell the Property. "[N]o formal written offers were ever received," and "the Debtor's prior listing agreement with Compass expired in or about April of last year." *See* Docket No. 146, p. 12, lines 19-22. According to that *Residential Listing Agreement*, Compass agreed to market and attempt to sell the Property through and including January 23, 2025. *See* Docket No. 47, *Motion to Employ Professional Other Than General Bankruptcy Counsel*, p. 20.

Yet, the Motion provides that, if approved, HBW will "share[]" 1% of its commission with Compass. *See* Docket No. 146, p. 3, lines 5-6. That *Residential Listing Agreement* attached to the Motion aptly refers to this 1% sharing as a "referral fee." *See id.* at p. 36. The Court's questions for the Debtor are: (1) why would Compass be entitled to any of the proceeds of HBW's efforts to market, stage and sell the Property; and (2) would this sharing not be violative of 11 U.S.C. § 504? Removal of the referral fee would reduce the commissions related to a sale of the Property to 3.5%, would it not?

10:00 AM
CONT... Ronald E. Sweeney **Chapter 11**

11 U.S.C. § 363(f)

Section 363(f) of the Bankruptcy Code permits a sale of property of the bankruptcy estate "free and clear of any interest in such property of an entity other than the estate" if any one of the following five conditions is met:

> (1) applicable non-bankruptcy law permits sale of such property free and clear of such interest;
>
> (2) such entity consents;
>
> (3) 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;
>
> (4) such interest is a bona fide dispute; or
>
> (5) such entity could be compelled, in legal or equitable proceeding, to accept a money satisfaction of such interest.

"Section 363(f)(3) recognizes that a lien holder has an interest in a sale of its collateral, and can successfully oppose the sale if the proceeds do not pay the full amount of debt secured by the property being sold." *In re Popp*, 323 B.R. 260, 266 (9th Cir. BAP 2005). The Ninth Circuit BAP has held that 11 U.S.C. § 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." *In re PW, LLC*, 391 B.R. 25, 41 (9th Cir. BAP 2008).

In the case at bar, the Motion's analysis appears to focus on 11 U.S.C. § 363(f)(3) to allow the Property to be sold free and clear of all liens and encumbrances. *See* Docket No. 146, pp. 22-23. So starts and ends the Court's analysis. The Debtor discloses $8,738,674 in liens against the Property. *See id.* at p. 13, lines 1-18. As some of these liens may be overencumbered, with interest, fees, and costs, the total amount of liens could be, and is likely larger than this number. *See* 11 U.S.C. § 506(b). This speaks nothing of the Debtor's claimed homestead exemption in the Property or the commission of HBW.

Since this is an auction, and assuming a floor, or reserve, would initial bids not need to exceed the value of all liens against the Property, taking into account 11 U.S.C. § 506(b), the value of the commission at the reserve price, plus the Debtor's homestead exemption? At $6 million, the opening bid amount, the Court could not provide the Debtor's deliverable to the buyer, a free and clear order.

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 bid procedures appear to provide the Debtor's estate with an opportunity to obtain the highest and best price for the Property, assuming the 11 U.S.C. § 363(f) and commission issues are resolved. The Court will make further findings on the bidding procedures once the remaining issues raised herein are addressed.

Party Information

Debtor(s):

Ronald E. Sweeney — Represented By
David B Zolkin

10:00 AM
CONT... **Ronald E. Sweeney** **Chapter 11**

James R Selth

Movant(s):

Ronald E. Sweeney	Represented By David B Zolkin David B Zolkin David B Zolkin James R Selth James R Selth James R Selth

10:00 AM
9:24-11024 **Shannon Kathleen Koester** **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 Jerry Namba. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report. Filed by United States Trustee. (united states trustee (pca))

Docket 80

Tentative Ruling:

August 11, 2026

Appearances required.

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, Jerry Namba (the "Trustee"), for the bankruptcy estate of Shannon Kathleen Koester (the "Debtor"), filed on July 13, 2026. *See* Docket No. 80.

On April 13, 2026, Margulies Faith, LLP ("MF"), in its capacity as counsel to the Trustee, filed that *Application for Payment of: Final Fees and/or Expenses (11 U.S.C. § 330)* (the "MF Application"), covering the period from October 2, 2024, to March 31, 2026, through which MF requests allowance, on a final basis, of fees in the amount of $57,232.00 and reimbursement of expenses in the amount of $2,265.13. *See* Docket No. 79, p. 6, lines 6-9.

On March 18, 2026, Hahn Fife & Company, LLP ("HF"), in its capacity as accountant to the Trustee, filed that *First and Final Fee Application of Hahn Fife & Company, LLP For Allowance of Fees & Expenses From January 7, 2025 Through March 18, 2026* (the "HF Application"), through which HF requests allowance, on a final basis, of fees in the amount of $2,756.00 and reimbursement of expenses in the amount of $301.20. *See* Docket No. 76, p. 4, lines 3-7.

On July 13, 2026, the Trustee filed that *Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object* (the "Notice") and served on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 81. On July 15, 2026, the Notice was served on the remaining mailing matrix by BNC notice. *See* Docket No. 82. Pursuant to this Court's Local Rule 9013-(h), "if a party does not timely file

10:00 AM
CONT... **Shannon Kathleen Koester** **Chapter 7**

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 $130,653.32 in cash on hand. *See* Docket No. 80, p. 1.

Through the Report, the Trustee, *inter alia*, seeks (1) the payment of the Trustee's statutory fee of $50,765.35 pursuant to 11 U.S.C. § 326(a), (2) the payment of fees in the amount of $57,232.00 and reimbursement of expenses in the amount of $2,265.13 related to the MF Application, and (3) the payment of fees in the amount of $2,756.00 and reimbursement of expenses in the amount of $301.20 related to the HF Application. *See id*., at *Exhibit D*.

After payment to professionals and the Trustee, the balance of cash on hand for unsecured creditors is $17,333.64. *See id.,* at *Exhibit D.* This amount is sufficient to pay approximately half of priority unsecured claims. *See id*., p. 13.

As to the MF Application, the Court notes that 26.8 hours (and perhaps as many as 30.2 hours) were spent drafting a motion for turnover and corresponding pleadings. This was a fairly straightforward motion of about ten (10) pages, with some of those pages being devoted to the cover and end pages. It is difficult for the Court to appreciate why it would have taken more than half a day to draft the motion. Similarly, 14.4 hours, at least, were spent drafting a straightforward sale motion. It is beyond the Court's understanding as to why this motion too was more than a half days' worth of drafting. If the Court approves the MF Application, it will reduce the application by 26.8 hours, at $565, or $15,142. This would leave allowed fees of $42,090.

The Trustee's requested statutory fee of $50,765.35 is a bit of a temple scratcher. Beyond professional fees, unsecured claims under the Report are to receive a total of $17,333.64. Most of the requested statutory fee is related to the liquidation and payment from escrow of the Debtor's homestead to secured creditors. Further, most of what the Trustee obtained from the Debtor's homestead exemption, nearly 90%, is to be used to pay professional fees. At bottom, the Trustee spent $113,319.68 to pay

10:00 AM

CONT... Shannon Kathleen Koester Chapter 7

out $17,333.64 to unsecured creditors.

As noted supra, the Court is not inclined to allow more than $42,090 on the MF Application, which would increase the pay out to unsecured creditors by less than the $15,142 delta, since the Trustee would still receive a full commission if the Report is approved.

The Court will hear from the Trustee, but is inclined to take the Report under submission, to allow the Court to provide a written opinion.

Party Information

Debtor(s):

Shannon Kathleen Koester	Represented By Leslie A Tos

Trustee(s):

Jerry Namba (TR)	Represented By Meghann A Triplett Jeremy Faith

10:00 AM
9:25-10314 Santa Paula Hay & Grain and Ranches **Chapter 11**

#16.00 HearingRE: [585] Application to Employ Cappello & Noel LLP as Special Litigation Counsel (Haberbush, Vanessa)

Docket 585

Tentative Ruling:

August 11, 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 (the "Petition"). *See* Docket No. 1.

On March 3, 2026, the Court entered that *Order Granting Debtor's and Debtor-in-Possession's Motion for an Order Approving Settlement Between Debtor, on the One Hand, and Guadalupe J. Guzman, Ofelia Guzman, Guadalupe A. Guzman, and Yeisi B. Guzman, on the Other, Pursuant to Federal Rule of Bankruptcy Procedure 9019* (the "9019 Order"), approving the settlement between the Debtor and the Debtor's partners. *See* Docket No. 242. The approved settlement was memorialized in that *Settlement Agreement* (the "Agreement"). *See* Docket No. 226-2. The Agreement provided, *inter alia*, that:

> [The Debtor] shall assume and be responsible for, and indemnify the parties from any liabilities arising out of and/or claims asserted by anyone (i) That existed as of the petition date and are listed in the Amended Schedules D, E, and/or F filed in [the Debtor's] Bankruptcy Case, a list of which is attached hereto as Exhibit '1'; (ii) that are incurred for the benefit of [the Debtor's] business operations, properties, or the Property; (iii) That are secured against the Property and/or properties of Santa Paula; (iv) That have or may arise where the parties incur liability for [the Debtor's] benefit or on its behalf,

including without limitation, any personal tax liabilities incurred by the partners arising from the sale of the Property or properties of [the Debtor] or operation of [the Debtor's] business; and (v) That are not based on a partner's willful misconduct or gross negligence (the 'Claims').

See id. at p. 5.

On May 14, 2026, the District Attorney for the County of Ventura filed that *Complaint For Permanent Injunction; Civil Penalties and Other Equitable Relief* (the "Complaint") against the Debtor, the Debtor's partners, and the Carmen Guzman Revocable Family Trust Dated July 24, 2015, requesting certain injunctions related to portions of real property that were included in the Agreement, and for civil penalties for conduct on those properties dating back to 2017. *See* Docket No. 585-5.

On July 21, 2026, the Debtor filed that *Application by Debtor and Debtor-in-Possession for Order Authorizing the Expanded Employment of Cappello & Noël LLP as Special Litigation Counsel* (the "Application"). *See* Docket No. 585. Through the Application, the Debtor seeks authority to expand its employment of Cappello & Noël LLP (the "Firm"), as special litigation counsel, "to investigate and defend the DA Litigation against any claims that may be asserted against the estate in connection with [the Complaint]." *See id.* at p. 5 lines 14-15. If approved, "the Firm will simultaneously represent the general partners in connection with [the Complaint] and related matters," but that the Debtor and the estate shall have the primary responsibility for paying fees and reimbursing expenses that are approved by the Court." *See id.* at p. 7, lines 16-19.

Notice

On July 21, 2026, the Debtor filed *Notice of Application by Debtor and Debtor-in-Possession for Order Authorizing the Expanded Employment of Cappello & Noel LLP as Special Litigation Counsel* (the "Notice"). *See* Docket No. 586. On July 21, 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. 8-19. 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

11 U.S.C. § 327(a)

Pursuant to 11 U.S.C. § 327(a), "the trustee, with the court's approval, may employ one or more attorneys [] that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title." "Approval/disapproval of a professional's employment application is within the bankruptcy judge's sound discretion…" *See California Bankruptcy Practice Guide* (The Rutter Group 2023 Update) ¶ 4:9. "[I]t is clearly *not* the function of a court to blindly appoint counsel first, upon request, and then ask questions or cut compensation later. Entry of an order appointing counsel is a judicial act, not to be exercised lightly. [] It is never *presumed* that a request for counsel is justified." *In re Rheam of Indiana, Inc.*, 111 B.R. 87, 100 (Bankr. E.D. Pa. 1990). "The determinative question in approving the employment of a professional person is whether it is reasonably necessary during the administration of the estate to have professional persons, such as attorneys or accountants, employed." *Collier on Bankruptcy* ¶ 327.02[1] (Richard Levin & Henry J. Sommer eds., 16th ed.). "An attorney for a trustee should not be employed unless the attorney's special professional skills are necessary for the protection and benefit of the estate or will further the aims of the case." *Id.* "The trustee must be able to articulate the reasons why counsel is necessary and why he selected the particular applicant." *In re Computer Learning Centers, Inc.*, 272 B.R. 897, 903 (Bankr. E.D. Va. 2001) (internal citations omitted).

Here, as to the prepetition claims that the Debtor indemnified its partners for through the Agreement, the Complaint is not one of the claims scheduled by the Debtor in its bankruptcy schedules, and it is not altogether clear to the Court that the Complaint constitutes a Claim, as that term is defined in the Agreement. This despite footnote 5 of the Application, which provides that "[the Debtor] has assumed this liability and agreed to indemnify all the partners for it." *See* Docket No. 585, p. 9, fn 5.

What is more, even if the Agreement did require that the Debtor indemnify the partners for any relief awarded through the Complaint, that indemnification does not relate to willful or gross negligent conduct. How can the Debtor at this juncture know whether the conduct complained of in the Compliant relates to the willful or gross-negligent conduct of the Debtor's partners? Further, and assuming that there is liability that ultimately affects the Debtor's bankruptcy estate, how can the Debtor know now whether it would be seeking contribution from the Debtor's partners?

Additionally, the Agreement provided that the Debtor would, at most, indemnify the Debtor's partners for the Claims. Did the Agreement create a duty to defend and pay for the Debtor's partners' attorneys' fees and costs, or rather just to indemnify them for these costs? Should the Debtor's partners' claims for any indemnification now be granted administrative priority, or are these pre-petition unsecured claims?

Assuming the Application is limited solely to the Debtor, is the $100,000 still appropriate given the reduced representation?

It seems to the Court that the Debtor's partners must employ their own counsel relating to the Complaint, and that if the Debtor is to move forward with the Application solely as to the Debtor's bankruptcy estate and the Complaint, there are questions regarding the post-petition retainer required, and that *Retainer for Legal Services between Capello & Noël LLP and Lupe and Carmen Guzman Revocable Family Trust, dated July 24, 2015; Guadalupe A. Guzman, and individual and Trustee' Guadalupe J. Guzman, an individual; Ofelia Guzman, and individual; and Yeisi Brayen Guzman, an individual*. *See* Docket No. 585-3.

Party Information

Debtor(s):

Santa Paula Hay & Grain and — Represented By
Vanessa M Haberbush
Lane K Bogard
David R Haberbush

10:00 AM

9:25-10314 Santa Paula Hay & Grain and Ranches Chapter 11

#17.00 HearingRE: [587] Motion to Approve Compromise Under Rule 9019 (Haberbush, Vanessa)

Docket 587

Tentative Ruling:

August 11, 2026

Appearances waived.

Background

On March 12, 2025 (the "Petition Date"), 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 125 South Tenth Street, Santa Paula, CA 93060, (APN: 101-0-214-225) (the "Restaurant") valued at $1.2 million. *See* Docket No. 613, *Schedule A/B: Assets – Real and Personal Property*, p. 9.

On May 22, 2026, the Court entered that *Order Granting Motion to (1) Sell the Estate's Interests in Real Property Located at 125 S. 10th Street, Santa Paula, CA 93060, APN 101-0-214-225 (the "Restaurant"), 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 "Sale Order"), authorizing the Debtor to sell the Restaurant for $1.8 million. *See* Docket No. 510.

Michelle Rontell, Trustee of Trust B of the Steve and Michelle Rontell Family Trust of 2012 ("Rontell"), successor in interest to Mid Valley Services, Inc. (collectively "Mid Valley"), held a lien against the Restaurant. *See* Docket Nos. 510 and 588.

Among other things, the Sale Order provided that the Debtor was to pay Mid Valley

$502,835.39 from the sale of the Restaurant and to hold $17,000 for attorneys' fees related to Mid Valley's claim in a segregated account pending further order of this Court. *See id.* at p. 7 lines 4-5 and 17-22.

Before the Court is *Debtor's and Debtor-in-Possession's Motion for an Order Approving Settlement Between Debtor, on the One Hand, and Michelle Rontell, as Trustee of Trust B of the Steve and Michelle Rontell Family Trust of 2012, Successor in Interest to Mid Valley Services, Inc., on the Other Hand, With Respect to Attorneys' Fees of Asserted Pursuant to Federal Rule of Bankruptcy Procedure 9019* (the "9019 Motion") filed by the Debtor on July 21, 2026. *See* Docket No. 587. **[FN1]** Through the 9019 Motion, the Debtor seeks approval of that *Stipulation Resolving Dispute Regarding Mid Valley Services, Inc. Claim for Attorneys' Fees as Related to Its First Priority Lien Recorded on June 25, 2019* (the "Agreement"), in which the Debtor and Mid Valley agreed to payment of $17,000 instead of $20,977 for Mid Valley's claimed attorneys' fees related to Mid Valley's lien against the Restaurant. *See id.* at pp. 20-22.

Notice

Pursuant to Rule 2002(a)(3) "the clerk, or some other 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 . . . the hearing on approval of the compromise of settlement of a controversy other than approval of an agreement pursuant to Rule 4001(d), unless the court for cause shown directs that notice not be sent."

On July 21, 2026, the Debtor filed that *Notice of Debtor's and Debtor-in-Possession's Motion for an Order Between Debtor, on the One Hand, and Michelle Rontell, as Trustee of Trust B of the Steve and Michelle Rontell Family Trust of 2012, Successor in Interest to Mid Valley Services, Inc., on the Other Hand, With Respect to Attorneys' Fees of Asserted Pursuant to Federal Rule of Bankruptcy Procedure 9019* (the "Notice"). *See* Docket No. 588. On July 21, 2026, the Debtor served the Notice via Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid upon the United States Trustee and all creditors. *See id.* at *Proof of Service of Document*, pp. 5-16.

Pursuant to this Court's Local Bankruptcy Rule ("LBR") 9013-1(f)(1), "each interested party opposing or responding to the motion must file and serve the

10:00 AM
CONT... Santa Paula Hay & Grain and Ranches Chapter 11

response . . . on the moving party and the United States trustee not later than 14 days before the date designated for hearing." Pursuant to LBR 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 has timely filed a response to the 9019 Motion. This Court therefore takes the default of all non-responding parties that were properly served with the Notice, pursuant to LBR 9013-1(h).

Analysis

Pursuant to Rule 9019(a), "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a).

The bankruptcy court has great latitude in approving settlement agreements. *See In re A & C Properties*, 784 F.2d 1377, 1380-81 (9th Cir. 1986). A proposed settlement may only be approved if it is "fair and equitable." *See In re Woodson*, 839 F.2d 610, 620 (9th Cir. 1988); *see also In re Guy F. Atkinson Co. of California*, 242 B.R. 497, 502 (9th Cir. BAP 1999) ("At its base, the approval of a settlement turns on the question of whether the compromise is in the best interest of the estate."). Under this standard, the court must consider: (a) the probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (d) the paramount interest of the creditors and a proper deference to their reasonable views in the premises. *See In re Woodson*, 839 F.2d at 620. A court generally gives deference to a trustee's business judgment in deciding whether to settle a matter. *See In re Mickey Thompson Entertainment Group, Inc.*, 292 B.R. 415, 420 (9th Cir. BAP 2003). "Each factor need not be treated in a vacuum; rather, the factors should be considered as a whole to determine whether the settlement compares favorably with the expected rewards of litigation." *In re W. Funding Inc.*, 550 B.R. 841, 851 (9th Cir. BAP 2016).

"The law favors compromise, 'and as long as the bankruptcy court amply considered the various factors that determined the reasonableness of the compromise, the court's decision should be affirmed.'" *In re Open Medicine Institute, Inc.*, 639 B.R. 169, 181 (9th Cir. BAP 2022) (citing *In re A & C Props.*, 784 F.2d at 1383)). "Moreover, '[w]hen assessing a compromise, courts need not rule upon disputed facts and questions of law, but rather only canvass the issues. A mini trial is not required.'" *Id.* (citing *In re Schmitt*, 215 B.R. 417, 423 (9th Cir. BAP 1997)).

"'The bankruptcy court's decision to approve a compromise is reviewed for abuse of discretion.'" *Id.* at 180 (citing *In re Mickey Thompson Ent. Grp.*, 292 B.R. 415, 420 (9th Cir. BAP 2003)).

Probability of Success in Litigation

The Debtor does not dispute that Mid Valley is entitled to its attorneys' fees, but rather contends that such fees must be reasonable, and that the claimed fees by Mid Valley were not reasonable. The Debtor does not address its probability of success in litigating whether Mid Valley's claimed attorneys' fees are reasonable. As such, the Court is unable to determine whether this factor weighs in favor of approving the Agreement.

Collectability

This factor is not applicable.

Complexity, Expense, Inconvenience, and Delay Attendant to Continued Litigation

The Debtor asserts that litigating the reasonableness of attorneys' fees is fact specific, expensive, and tedious. Additionally, the Debtor states that the more the Debtor litigates the reasonableness of the claimed fees, the more Mid Valley's attorneys' fees claim would grow. Although the Debtor does not state how much litigating Mid Valley's claim would cost, the Agreement provides the $3,977 in savings, and any discovery and evidentiary hearing would certainly cost more than the $17,000 to be paid over to Mid Valley. Due to this cost savings and the avoidance of additional costs and fees, the Court finds that this factor weighs in favor of approving the Agreement.

The Interest of Creditors

The Debtor asserts the Agreement is in the interest of creditors because the Agreement resolves Mid Valley's claim fully preventing the further accrual of any interest, attorneys' fees, or administrative expenses related to the Debtor's own attorneys' fees.

10:00 AM

CONT... Santa Paula Hay & Grain and Ranches **Chapter 11**

The Court finds that this factor weighs in favor of approving the Agreement.

Conclusion

The Court approves the Agreement. The Debtor is to upload a conforming order within 7 days.

[FN1] The Debtor also filed that *Stipulation Resolving Dispute Regarding Mid Valley Services, Inc. Claim for Attorneys' Fees as Related to Its First Priority Lien Recorded on June 25, 2019* (the "Stipulation") which the Court set for hearing. *See* Docket Nos. 450 and 08, respectively. The Stipulation seeks the same relief as requested in the 9019 Motion.

Party Information

Debtor(s):

Santa Paula Hay & Grain and	Represented By Vanessa M Haberbush Lane K Bogard David R Haberbush

10:00 AM
9:25-10314 **Santa Paula Hay & Grain and Ranches** **Chapter 11**

#18.00 Hearing
RE: [450] Stipulation Resolving Dispute Regarding Mid Valley Servcies, Inc. Claim for Attorneys' Fees as Related to Its First Priority Lien Recorded On June 25, 2019 By Michelle Rontell and Debtor

Docket 450

Tentative Ruling:

August 11, 2026

Appearances waived.

This matter is resolved by *Debtor's and Debtor-in-Possession's Motion for an Order Approving Settlement Between Debtor, on the One Hand, and Michelle Rontell, as Trustee of Trust B of the Steve and Michelle Rontell Family Trust of 2012, Successor in Interest to Mid Valley Services, Inc., on the Other Hand, With Respect to Attorneys' Fees of Asserted Pursuant to Federal Rule of Bankruptcy Procedure 9019. See* Docket No. 587

Party Information

Debtor(s):

Santa Paula Hay & Grain and — Represented By
Vanessa M Haberbush
Lane K Bogard
David R Haberbush

10:00 AM

9:25-10314 Santa Paula Hay & Grain and Ranches **Chapter 11**

#19.00 HearingRE: [592] Motion to Sell Property of the Estate Free and Clear of Liens under Section 363(f) (A) 80 Acres of Agricultural Land, off of Ave 2, Tulare, CA; APN: 342-080-019 and 342-080-023 (Ranch 2") and (B) 80 Acres of Agricultural Land, off of Ave. 2, Tulare, CA; APN: 342-080-020 and 342-080-024 (Avenue 2 Ranch) (Ranch 2 and Avenue 2 Ranch, Collectively, the Property). (Haberbush, Vanessa)

Docket 592

Tentative Ruling:

August 11, 2026

Appearances required.

Background

On March 12, 2025 (the "Petition Date"), 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 consisting of 80 acres of agricultural land located off Avenue 2 in Tulare, California (APN: 342-080-020 and 342-080-024) (the "Avenue 2 Property") and 80 acres of agricultural land located off Avenue 2 in Tulare, California (APN: 342-080-019 and 342-080-023) ("Ranch 2"). *See* Docket No. 613, *Schedule A/B*, pp. 7-8.

The Debtor scheduled five liens against the Ranch 2: (1) one lien held by the Employment Development Department ("EDD") in the amount of $95,000; (2) one lien held by Eastern Tule GSA ("ET-GSA") in the amount of $41,518.90; (3) one lien held by Kern County Treasurer-Tax ("KCTC") in the amount of $13,702.39; and (4) two liens held by Zions Agricultural Finance ("Zions") in the amount of $3,046,104.99 and $1,994,000, respectively. *See* Docket 367, *Schedule D: Creditors Who Have Claims Secured by Property*, pp. 42, 41, 58, 71, and 73, respectively. **[FN1]**

10:00 AM

CONT... Santa Paula Hay & Grain and Ranches Chapter 11

The Debtor scheduled three liens against the Avenue 2 Property: (1) one lien held by the EDD in the amount of $95,000; (2) one lien held by the KCTC in the amount of $11,421.65; and (3) one lien held by Zions in the amount of $1,625,402.86. *See id.* at pp. 42, 57-58 and 72, respectively.

On March 18, 2026, the Court entered that *Order Granting Debtor's and Debtor-in-Possession's 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 "Bidding Procedures Order") in which the Court approved auction procedures as to certain real properties (including the Avenue 2 Property and Ranch 2) of the Debtor. *See* Docket No. 305.

On March 3, 2026, the Court approved the employment of Buxman Group (the "Broker") to sell, among other properties, Ranch 2 and Avenue 2 Property. *See* Docket No. 243. On April 1, 2026, the Court approved the employment of Ten-X, LLC (the "Auctioneer") as the online auctioneer of certain of the Debtor's real properties to conduct the auction as provided for in the Bidding Procedures Order. *See* Docket No. 342.

Before the Court is that *Motion to (1) Sell the Estate's Interests in Real Property Described as (A) 80 Acres of Agricultural Land, Off of Ave 2, Tulare, CA; APN: 342-080-019 and 342-080-023 ("Ranch 2") and (B) 80 Acres of Agricultural Land, Off of Ave. 2, Tulare, CA; APN 342-080-020 and 342-080-024 ("Avenue 2 Ranch") (Ranch 2 and Avenue 2 Ranch, Collectively, the "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 July 21, 2026. *See* Docket No. 592.

Through the Motion, the Debtor seeks to sell the Avenue 2 Property and Ranch 2 free and clear of certain identified liens and encumbrances to Adrian Gonzalez (the "Buyer") as the successful bidder at the online auction for $290,001 (the "Purchases Price") without contingencies. *See id.* at pp. 2-3. The Buyer will also pay $20,000 to the Auctioneer. *See id.* at p. 26 lines 7-9.

The Motion indicates that the Debtor will apportion the sale proceeds evenly (50/50 split) between Ranch 2 and Avenue 2 Property, after reduction of the Purchase Price for closing costs and the Broker's commission. *See id.* at p. 26 lines 14-16.

The Debtor asserts that, in addition to the liens already scheduled, Ranch 2 is subject to several additional liens: (1) one lien held by the Tulare County Tax Collector ("TCTC") for property taxes in the amount of $23,418.45; and (2) two liens held by U.S. Bank in the amount of $3,670,962.79 and $2,309,873.63, respectively. *See id.* at p. 14 line 24 to p. 15 line 13. Additionally, the Debtor asserts that ET-GSA is now owed $29,844.01. *See id.* at p. 15 lines 14-18.

The Debtor asserts that, in addition to the liens already scheduled, Avenue 2 Property is subject to several additional liens: (1) one lien held by the Tulare County Tax Collector ("TCTC") in the amount of $18,698.69; and (2) one lien held by ET-GSA in $26,338.50. *See id.* at p. 15 line 26 to p. 16 line 17. Additionally, the Debtor asserts that Zions is now owed $1,764,130.84. *See id.* at p. 16 lines 2-12.

Further, the Debtor asserts that the sale of Ranch 2 and Avenue 2 Property may produce tax liabilities of approximately $18,760 and $9,600, respectively, however, this does not consider any net operating losses which may reduce the tax to $0.00. *See id.* at p. 17 lines 7-12.

Ranch 2 and Avenue 2 Property were actively marketed by the Auctioneer for 45 days and by the Broker and the auction lasted from May 21, 2026, to June 2, 2026. *See id.* at *Declaration of Guadalupe A. Guzman*, p. 32, lines 1-9.

Lastly, the Debtor requests that Fed. R. Bankr. P. 6004(h) be waived. *See id.* at p. 29 lines 7-8.

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 July 21, 2026, the Debtor filed that *Notice of Motion to (1) Sell the Estate's Interests in Real Property Described as (A) 80 Acres of Agricultural Land, Off of Ave 2, Tulare, Ca; APN: 342-080-019 and 342-080-023 ("Ranch 2") and (B) 80 Acres of Agricultural Land, Off of Ave. 2, Tulare, Ca; APN 342-080-020 and 342-080-024 ("Avenue 2 Ranch") (Ranch 2 and Avenue 2 Ranch, Collectively, the "Property") Free and Clear of All Claims, Liens, and Interest 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. 593. 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. 13-24. 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 July 21, 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. 594. The Debtor also previously posted the same form on May 4, 2026. *See* Docket No. 447.

Analysis

The Sale

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).

Notice is proper as stated above. The purpose for the proposed sale is two-fold. First, liquidating certain property is in-line with the Debtor's stated reorganization strategy. Second, the sale reduces various debts to U.S. Bank and Zions that encumber certain other assets of the Debtor.

The Purchase Price is fair and reasonable as Ranch 2 and Avenue 2 Property have been listed for sale for several months and could not be sold via a conventional sale. Further, the properties were subject to overbid at a two-week public online auction. Lastly, the sale appears to be proposed in good faith as there is no evidence otherwise.

The Motion meets 11 U.S.C. § 363(b).

11 U.S.C. § 363(f)

The Motion seeks to sell Ranch 2 and Avenue 2 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) and (5).

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 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).

Here, the Court has not heard directly from any of the secured creditors that they in fact do expressly consent to the sale.

11 U.S.C. § 363(f)(5)

Pursuant to 11 U.S.C. § 363(f)(5), "[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 could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest." "The leading case in this circuit interpreting § 363(f)(5)" is *In re PW, LLC*, 391 B.R. 25 (9th Cir. BAP 2008). *In re Hassen Imports P'ship*, 502 B.R. 851, 858 (C.D. Cal. 2013). "We parse this paragraph to contain at least three elements: that (1) a proceeding exists or could be brought, in which (2) the nondebtor could be compelled to accept a money satisfaction of (3) its interest." *In re PW, LLC*, 391 B.R. at 41. An "interest" includes a lien on real property. *Id.* at 42. "We assume that paragraph (5) refers to a legal and equitable proceeding in which the nondebtor could be compelled to take *less* than the value of the claim secured by the interest." *Id.*

"[F]oreclosures are 'legal and equitable proceedings' under § 363(f)(5)…" *In re Hassen Imports P'ship*, 502 B.R. at 862 (citing *In re Jolan, Inc.*, 403 B.R. 866 (Bankr. W.D. Wash. 2009) and *In re Boston Generating, LLC*, 440 B.R. 302 (Bankr. S.D.N.Y. 2010)). In a hypothetical foreclosure of a senior lien, "the junior lienholder would lose their lien on the foreclosed property, and receive in exchange a lien attaching to the proceeds from the foreclosure sale." *Id.* (citing Miller & Starr, *5 Cal. Real Est.* § 11:100 (3d ed.)).

Here, the hypothetical foreclosure of TCTC (assuming TCTC and not KCTC is the correct property tax lien holder) would eliminate the junior liens under California law like those liens of the ET-GSA, U.S. Bank, Zion and the EDD.

The Court will approve the sale of the Avenue 2 Property and Ranch 2 free and clear of the ET-GSA liens, the U.S. Bank lien, and the Zions lien pursuant to 11 U.S.C. § 363(f)(5).

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).

Here, there was an opportunity for competitive bidding as the sale occurred through a two-week public auction. Moreover, the Debtor's principal has stated that the Debtor and the Buyer have no connection other than the Buyer having provided the highest and best offer to purchases the properties. *See* Docket No. 592, at *Declaration of Guadalupe A. Guzman*, p. 35 ¶ 21

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 Motion.

Conclusion

The Court is inclined to approve the Motion.

The Court will inquire with the Debtor as the inconsistencies in the Debtor's schedules and the Motion as to secured creditors. For example, the Debtor's schedules state Ranch 2 and Avenue 2 Property are encumbered by property taxes due to Kern County whereas the Motion lists Tulare County. Also, the Debtor's schedules do not list U.S. Bank as a secured creditor on either Ranch 2 and Avenue 2 Property, but the Motion does. Although the Court does not question that the Purchase Price is fair and reasonable and that the properties can be sold free and clear of liens, the Court stops to inquire what exact liens the properties are to be sold free and clear from.

[FN1] The Debtor's schedules list the EDD as having a lien on all real property. The Debtor paid the EDD in full or has their full payoff held in a segregated account

10:00 AM
CONT... Santa Paula Hay & Grain and Ranches **Chapter 11**

through a prior sale. *See* Docket No. 550.

Party Information

Debtor(s):

Santa Paula Hay & Grain and — Represented By
Vanessa M Haberbush
Lane K Bogard
David R Haberbush

10:00 AM
9:25-10314 Santa Paula Hay & Grain and Ranches **Chapter 11**

#20.00 HearingRE: [595] Motion to Sell Property of the Estate Free and Clear of Liens under Section 363(f) 100 Acres of Agricultural Land, Highway 155 and Highway 65, Delano, CA 93215, APN: 051-101-15-00-2 (Ranch 4). (Haberbush, Vanessa)

Docket 595

Tentative Ruling:

August 11, 2026

Appearances required.

Background

On March 12, 2025 (the "Petition Date"), 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 consisting of 100 acres of agricultural land located off Highway 155 and Highway 65 in Delano, California (APN: 051-101-15-00-2) ("Ranch 4") which the Debtor valued at $1,000,000.00. *See* Docket No. 613, *Schedule A/B: Assets – Real and Personal Property*, p. 7.

The Debtor scheduled three liens against Ranch 4: (1) one lien held by the Employment Development Department ("EDD") in the amount of $95,000; (2) one lien held by AgWest Farm Credit ("AgWest") in the amount of $3,381,975.12; and (3) one lien held by Kern County Treasurer-Tax ("KCTC") in the amount of $18,472.62. *See* Docket 367, *Schedule D: Creditors Who Have Claims Secured by Property*, pp. 42, 38, and 55. **[FN1] [FN2]**

On March 18, 2026, the Court issued that *Order Granting Debtor's and Debtor-in-Possession's 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 "Bidding Procedures Order") in which the Court approved auction procedures as to certain real properties (including Ranch 4) of the Debtor. *See* Docket No. 305.

On March 3, 2026, the Court approved the employment of Buxman Group (the "Broker") to sell, among other properties, Ranch 4. *See* Docket No. 243. On April 1, 2026, the Court approved the employment of Ten-X, LLC (the "Auctioneer") as the online auctioneer of certain of the Debtor's real properties to conduct the auction as provided for in the Bidding Procedures Order. *See* Docket No. 342.

Before the Court is that *Motion to (1) Sell the Estate's Interests in Real Property Described as 100 Acres of Agricultural Land, Highway 155 and Highway 65, Delano, CA 93215, APN: 051-101-15-00-2 ("Ranch 4"), 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 July 21, 2026. *See* Docket No. 595.

Through the Motion, the Debtor seeks to sell Ranch 4 free and clear of certain liens and encumbrances to Sidhu Farm California, LLC (the "Buyer") as the successful bidder at the online auction for $563,500 (the "Purchases Price") without contingencies. *See id.* at pp. 9-10. The Buyer will also pay $20,000 to the Auctioneer. *See id.* at p. 11 lines 27-28.

The Debtor now asserts, through the Motion, that Ranch 4 is encumbered only by AgWest's lien in an updated amount of $3,880,325.37 and by KCTC's liens in the amount of $337,722.28. *See id.* at pp. 12-14. Additionally, through the Motion, the Debtor disputes KCTC's lien and seeks to sell Ranch 4 free and clear of the KCTC lien with the $337,722.28 being placed in a segregated account until the proper amount is determined. *See id.* at p. 13 and p. 20 lines 4-5.

Further, the Debtor asserts that the sale of Ranch 4 may produce tax liabilities of approximately $7,290, however, this does not consider any net operating losses which may reduce the tax to $0.00. *See id.* at p. 14 lines 7-15.

Ranch 4 was actively marketed by the Auctioneer for 45 days and by the Broker and the auction lasted from May 21, 2026, to June 2, 2026. *See id.* at *Declaration of*

Guadalupe A. Guzman, pp. 33-34 ¶9.

Lastly, the Debtor requests that Fed. R. Bankr. P. 6004(h) be waived. *See id.* at p. 30 lines 13-15.

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 July 21, 2026, the Debtor filed that *Notice of Motion to (1) Sell the Estate's Interests in Real Property Described as 100 Acres of Agricultural Land, Highway 155 and Highway 65, Delano, CA 93215, APN: 051-101-15-00-2 ("Ranch 4") Free and Clear of All Claims, Liens, and Interest 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. 596. 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. 11-22. No party served with the Notice, other than AgWest, has filed a response or opposition to the Motion. The Court therefore takes the default of all non-responding parties served with the Notice.

On July 21, 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. 597. The Debtor also previously posted the same form on May 4, 2026. *See* Docket No. 446.

Analysis

The Sale

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).

Notice is proper as stated above. The purpose for the proposed sale is two-fold. First, liquidating certain property is in-line with the Debtor's stated reorganization strategy. Second, the sale reduces various debts to AgWest that encumber certain other assets of the Debtor.

The Purchase Price is fair and reasonable as Ranch 4 has been listed for sale for several months and could not be sold via a conventional sale. Further, Ranch 4 was subject to overbid at a two-week public online auction. Lastly, the sale appears to be proposed in good faith as there is no evidence otherwise.

The Motion meets 11 U.S.C. § 363(b).

11 U.S.C. § 363(f)

The Motion seeks to sell the Ranch 4 to the Buyer, free and clear of liens, claims and interests in Ranch 4 pursuant to 11 U.S.C. §§ 363(f)(2), (4), and (5).

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

10:00 AM
CONT... Santa Paula Hay & Grain and Ranches **Chapter 11**

other than the estate, only if [] such entity consents."

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

Here, AgWest filed *AgWest Farm Credit's Omnibus Response and Limited Objection to Debtor's Motion to Sell Real Property Free and Clear of All Claims, Liens and Interests; Demand for Adequate Protection* (the "AgWest Response") in which AgWest stated its "has no objection to the sale of Ranch 4 for [the Purchase Price] and consents to the sale of Ranch 4" if (1) AgWest's lien attaches to the proceeds of the sale, (2) all net proceeds from the sale after setting aside $337,722.28 for KCTC are paid to AgWest, and (3) all surplus funds from the $337,722.28 after paying the KCTC property taxes are paid to AgWest. *See* Docket No. 618, p. 2 lines 16-24.

The Court pauses. That *Estimated Master Statement* provides that the amounts to be distributed from the Purchase Price will be reduced by $23,465.56 related to "2025 Water District Charges to Kern-Tulare Water District." *See* Docket No. 595-2. Is this amount being paid through the Purchase Price, and, if so, how does this affect the AgWest Response?

<u>11 U.S.C. § 363(f)(4)</u>

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 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 states that it has no opposition to payment of KCTC's claim for property taxes to the extent such property taxes are properly assessed, but the Debtor

10:00 AM
CONT... **Santa Paula Hay & Grain and Ranches** **Chapter 11**

does assert that the entire KCTC claim for $337,722.28 is overstated, and KCTC has not demonstrated it is entitled to its full claim. More specifically, the Debtor states KCTC has not demonstrated what amounts of the $337,722.28 related to real property taxes and what amounts relate to personal property taxes (no such personal property liens have been recorded on Ranch 4). Further, even if the entire KCTC claim relates to property taxes, the Debtor disputes the claim as being overstated due to inaccurate assessments of Ranch 4, especially considering how low the Purchase Price of Ranch 4 is in comparison with the assessed value for the property taxes.

The Debtor does not argue that no property taxes are owed to KCTC, but rather it appears the Debtor merely asserts the amount is less than the current claim. As such, it seems that the Debtor does not dispute that KCTC has a valid lien, but only the correct amount of that lien. Although this may be insufficient to sell the Property completely free and clear of KCTC's lien, the Court does find a dispute exists.

11 U.S.C. § 363(f)(5)

Pursuant to 11 U.S.C. § 363(f)(5), "[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 could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest." "The leading case in this circuit interpreting § 363(f)(5)" is *In re PW, LLC*, 391 B.R. 25 (9th Cir. BAP 2008). *In re Hassen Imports P'ship*, 502 B.R. 851, 858 (C.D. Cal. 2013). "We parse this paragraph to contain at least three elements: that (1) a proceeding exists or could be brought, in which (2) the nondebtor could be compelled to accept a money satisfaction of (3) its interest." *In re PW, LLC*, 391 B.R. at 41. An "interest" includes a lien on real property. *Id.* at 42. "We assume that paragraph (5) refers to a legal and equitable proceeding in which the nondebtor could be compelled to take *less* than the value of the claim secured by the interest." *Id.*

"[F]oreclosures are 'legal and equitable proceedings' under § 363(f)(5)…" *In re Hassen Imports P'ship*, 502 B.R. at 862 (citing *In re Jolan, Inc.*, 403 B.R. 866 (Bankr. W.D. Wash. 2009) and *In re Boston Generating, LLC*, 440 B.R. 302 (Bankr. S.D.N.Y. 2010)). In a hypothetical foreclosure of a senior lien, "the junior lienholder would lose their lien on the foreclosed property, and receive in exchange a lien attaching to the proceeds from the foreclosure sale." *Id.* (citing Miller & Starr, *5 Cal. Real Est.* §

11:100 (3d ed.)).

Here, the hypothetical foreclosure of KCTC's tax lien would eliminate the junior liens under California law like those liens of the AgWest and the EDD.

The Court will approve the sale of Ranch 4 free and clear of the AgWest and EDD lien pursuant to 11 U.S.C. § 363(f)(5).

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).

Here, there was an opportunity for competitive bidding as the sale occurred through a two-week public auction. Moreover, the Debtor's principal has stated that the Debtor and Buyer have no connection other than the Buyer having provided the highest and best offer to purchases the properties. *See* Docket No. 595, at *Declaration of Guadalupe A. Guzman*, p. 37 ¶ 16.

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 Motion.

Conclusion

The Court is inclined to approve the Motion.

The Court will inquire with the Debtor as to the EDD claim and the conditions listed out in the AgWest Response. The Court will further inquire with the Debtor as to the extent of the dispute with KCTC and how the Court is to permit the sale with KCTC's lien under 11 U.S.C. § 363(f)(4). Does not the Debtor dispute just a portion of the lien? Did the Debtor not schedule at least $18,472.62 of property taxes as to Ranch 4 as not being disputed? The Court will inquire with the Debtor about the amounts to be paid to Kern-Tulare Water District.

Lastly, the Debtor, in an associated sale motion (*see* Docket No. 598), lists Exchange Bank has perhaps holding a lien against Ranch 4 or windmills on Ranch 4. Why was Exchange Bank's lien not addressed in the Motion?

[FN1] The Debtor also scheduled AgWest as holding a lien as against water irrigation equipment, wells, and water rights related to Ranch 4. *See* Docket 367, *Schedule D: Creditors Who Have Claims Secured by Property*, p. 49.

[FN2] The Debtor's schedules list the EDD as having a lien on all real property. The Debtor paid the EDD in full or has their full payoff held in a segregated account through a prior sale. *See* Docket No. 550.

Party Information

Debtor(s):

Santa Paula Hay & Grain and	Represented By Vanessa M Haberbush Lane K Bogard David R Haberbush

10:00 AM

9:25-10314 Santa Paula Hay & Grain and Ranches **Chapter 11**

#21.00 HearingRE: [598] Motion to Sell Property of the Estate Free and Clear of Liens under Section 363(f) 192 Acres of Agricultural Land, 24007 Avenue 2, Delano, CA; APN: 051-010-31-00-5; 051-010-34-01-3; 051-010-43-00-0; 051-010-44-00-3; 051-010-45-00-6; and 051-010-46 (Ranch 10). (Haberbush, Vanessa)

Docket 598

Tentative Ruling:

August 11, 2026

Appearances required.

Background

On March 12, 2025 (the "Petition Date"), 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 consisting of 192 acres of agricultural land located at 24007 Avenue 2, Delano, California (APN 051-010-31-00-5; 051-010-34-01-3; 051-010-43-00-0; 051-010-44-00-3; 051-010-45-00-6; and 051-010-46) ("Ranch 10") which the Debtor valued at $290,000.00. *See* Docket No. 613, *Schedule A/B: Assets – Real and Personal Property*, p. 10.

The Debtor scheduled three liens against Ranch 10: (1) one lien held by the Employment Development Department ("EDD") in the amount of $95,000; (2) one lien held by AgWest Farm Credit ("AgWest") in the amount of $3,381,975.12; and (3) one lien held by Kern County Treasurer-Tax ("KCTC") in the amount of $110,230.70. *See* Docket 367, *Schedule D: Creditors Who Have Claims Secured by Property*, pp. 42, 38, and 55-56. **[FN1] [FN2]**

On March 18, 2026, the Court issued that *Order Granting Debtor's and Debtor-in-Possession's 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 "Bidding Procedures Order") in which the Court approved auction procedures as to certain real properties (including Ranch 10) of the Debtor which involved auctioning the properties via a public online auction across a two week period after marketing. *See* Docket No. 305.

On March 3, 2026, the Court approved the employment of Buxman Group (the "Broker") to sell, among other properties, Ranch 10. *See* Docket No. 243. On April 1, 2026, the Court approved the employment of Ten-X, LLC (the "Auctioneer") as the online auctioneer of certain of the Debtor's real properties to conduct the auction as provided for in the Bidding Procedures Order. *See* Docket No. 342.

Before the Court is that *Motion to (1) Sell the Estate's Interests in Real Property Described as 192 Acres of Agricultural Land, 24007 Avenue 2, Delano, CA; APN 051-010-31-00-5; 051-010-34-01-3; 051-010-43-00-0; 051-010-44-00-3; 051-010-45-00-6; AND 051 010-46 ("Ranch 10"), 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 July 21, 2026. *See* Docket No. 598.

Through the Motion, the Debtor seeks to sell Ranch 10 free and clear of certain liens and encumbrances to Adrian Gonzalez (the "Buyer") as the successful bidder at the online auction for $562,000 (the "Purchases Price") without contingencies. *See id.* at p. 11 lines 26 to p. 12 line 2. The Buyer will also pay $20,000 to the Auctioneer. *See id.* at p. 13 lines 27-28.
The Debtor now asserts, through the Motion, that Ranch 10 is encumbered only by AgWest's lien in an updated amount of $3,880,325.37 and by KCTC's liens in the amount of $875,033.55. *See id.* at pp. 14-16. Additionally, through the Motion, the Debtor disputes KCTC's lien and seeks to sell Ranch 10 free and clear of the KCTC with the net sale proceeds being placed in a segregated account until the proper tax amount is determined. *See id.* at pp. 14-15 and p. 26 line 26 to p. 27 line 1.

Exchange Bank also holds a lien against Ranch 10 recorded on March 8, 2024, in the amount of $11,422.26. *See id.* at p. 16 lines 12-14. **[FN3]** However, the Debtor disputes this lien and asserts that Exchange Bank is secured by equipment and not by real property. *See id.* at lines 15-28.

Further, the Debtor asserts that the sale of Ranch 10 may produce tax liabilities of approximately $41,930, however, this does not consider any net operating losses which may reduce the tax to $0.00. *See id.* at p. 17 lines 20-27.

Ranch 10 was actively marketed by the Auctioneer for 45 days and by the Broker and the auction lasted from May 21, 2026, to June 2, 2026. *See id.* at *Declaration of Guadalupe A. Guzman*, pp. 37-38 ¶9.

Lastly, the Debtor requests that Fed. R. Bankr. P. 6004(h) be waived. *See id.* at p. 34 lines 22-24.

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 July 21, 2026, the Debtor filed that *Notice of Motion to (1) Sell the Estate's Interests in Real Property Described as 192 Acres of Agricultural Land, 24007 Avenue 2, Delano, CA; APN 051-010-31-00-5; 051-010-34-01-3; 051-010-43-00-0; 051-010-44-00-3; 051-010-45-00-6; AND 051 010-46 ("Ranch 10"), 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. 599. 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. 12-23. No party served with the Notice, other than AgWest, has filed a response or opposition to the Motion. The Court therefore takes the default of all non-responding parties served with the Notice.

On July 21, 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. 600. The Debtor also previously posted the same form on May 4, 2026. *See* Docket No. 446.

Analysis

The Sale

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).

Notice is proper as stated above. The purpose for the proposed sale is two-fold. First, liquidating certain property is in-line with the Debtor's stated reorganization strategy. Second, the sale reduces the debt owed to KCTC and has the potential (depending on the determination of KCTC's lien) to reduce the amounts owed to AgWest that encumber certain other assets of the Debtor.

The Purchase Price is fair and reasonable as Ranch 10 has been listed for sale for several months and could not be sold via a conventional sale. Further, Ranch 10 was subject to overbid at a two-week public online auction. Lastly, the sale appears to be proposed in good faith as there is no evidence otherwise.

However, the Court does pause to consider what value the sale brings to the Debtor's bankruptcy estate if it is fully encumbered by a tax lien?

11 U.S.C. § 363(f)

The Motion seeks to sell the Ranch 10 to the Buyer, free and clear of liens, claims and interests in the Blythe Property pursuant to 11 U.S.C. §§ 363(f)(2), (4), and (5).

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 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).

Here, AgWest filed *AgWest Farm Credit's Omnibus Response and Limited Objection to Debtor's Motion to Sell Real Property Free and Clear of All Claims, Liens and Interests; Demand for Adequate Protection* (the "AgWest Response") in which AgWest states its "has no objection to the sale of Ranch 10 for [the Purchase Price] and consents to the sale of Ranch 10" if (1) the net proceeds are placed into a blocked interest bearing account, (2) AgWest's lien attaches to the net proceeds of the sale, and (3) all surplus funds after KCTC's real property tax claim is satisfied are promptly paid to AgWest. *See* Docket No. 618, p. 3 lines 11-19.

AgWest has consented to the sale of Ranch 10 and the Court is inclined to sell Ranch 10 free and clear of AgWest's lien, but the Court will hear from the Debtor as to AgWest's three conditions.

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

10:00 AM
CONT... **Santa Paula Hay & Grain and Ranches** **Chapter 11**

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 states that it has no opposition to payment of KCTC's claim for property taxes to the extent such property taxes are properly assessed, but the Debtor does assert that the entirety of KCTC's claim for $875,033.55 is overstated and KCTC has not demonstrated it is entitled to its full claim. More specifically, the Debtor states KCTC has not demonstrated what amounts of the $875,033.55 related to real property taxes and what amounts relate to personal property taxes. Further, even if the entire KCTC claim relates to property taxes, the Debtor disputes the claim as being overstated due to inaccurate assessments of Ranch 10, especially considering the Purchase Price of Ranch 10 in comparison with the assessed value for the property taxes.

The Debtor does not argue that no property taxes are owed to KCTC, but rather it appears the Debtor merely asserts the amount is less than the current claim. As such, it seems that the Debtor does not dispute that KCTC has a valid lien, but only the correct amount of that lien. Although this may be insufficient to sell the Property completely free and clear of KCTC's lien, the Court does find a dispute exists.

And as to the lien held by Exchange Bank, the Debtor asserts Exchange Bank's lien is only as to personal property and wind machines that were never located on Ranch 10. The Debtor also claims that the wind machines that Exchange Bank has a lien against never became fixtures. The Court find that a dispute exists as to Exchange Bank's lien against Ranch 10.

11 U.S.C. § 363(f)(5)

Pursuant to 11 U.S.C. § 363(f)(5), "[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 could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest." "The leading case in this circuit interpreting § 363(f)(5)" is *In re PW, LLC*, 391 B.R. 25 (9th Cir. BAP 2008). *In re Hassen Imports P'ship*, 502 B.R. 851, 858 (C.D. Cal. 2013). "We parse this paragraph to contain at least three elements: that (1) a proceeding exists or could be brought, in which (2) the nondebtor could be compelled to accept a money satisfaction of (3) its interest." *In re PW, LLC*, 391 B.R. at 41. An "interest" includes a lien on real property. *Id.* at 42. "We assume that paragraph (5) refers to a legal and equitable proceeding in which the nondebtor could be compelled to take *less* than the value of the claim secured by the interest." *Id.*

"[F]oreclosures are 'legal and equitable proceedings' under § 363(f)(5)…" *In re Hassen Imports P'ship*, 502 B.R. at 862 (citing *In re Jolan, Inc.*, 403 B.R. 866 (Bankr. W.D. Wash. 2009) and *In re Boston Generating, LLC*, 440 B.R. 302 (Bankr. S.D.N.Y. 2010)). In a hypothetical foreclosure of a senior lien, "the junior lienholder would lose their lien on the foreclosed property, and receive in exchange a lien attaching to the proceeds from the foreclosure sale." *Id.* (citing Miller & Starr, *5 Cal. Real Est.* § 11:100 (3d ed.)).

Here, the hypothetical foreclosure of KCTC's tax lien would eliminate the junior liens under California law like those liens of the AgWest, the EDD, and Exchange Bank.

The Court will approve the sale of Ranch 10 free and clear of the AgWest's lien, the EDD's lien, and Exchange Bank's lien pursuant to 11 U.S.C. § 363(f)(5).

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).

Here, there was an opportunity for competitive bidding as the sale occurred through a two-week public auction. Moreover, the Debtor's principal has stated that the Debtor and Buyer have no connection other than the Buyer having provided the highest and best offer to purchases the properties. *See* Docket No. 598, at *Declaration of Guadalupe A. Guzman*, p. 42 ¶ 17; and *Declaration of Adrian Gonzalez*, p. 49 ¶4.

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 Motion.

Conclusion

The Court is inclined to approve the Motion. However, the Court will hear from the Debtor as to why Ranch 10 should be sold instead of abandoned, and how such a sale further advances reorganization efforts. Additionally, the Court is uncertain how Ranch 10 can be sold completely free and clear of KCTC's lien considering that the Debtor only disputes the amount of the lien and scheduled an undisputed lien in favor of KCTC in the amount of $110,230.70. Lastly, the Court will hear from the Debtor as to the EDD claim and AgWest's conditions to the sale.

[FN1] The Debtor also scheduled Farm Credit West, FLCA as holding a lien as against water irrigation equipment, wells, and water rights related to Ranch 10. *See* Docket 367, *Schedule D: Creditors Who Have Claims Secured by Property*, p. 49.

[FN2] The Debtor's schedules list the EDD as having a lien on all real property. The Debtor paid the EDD in full or has their full payoff held in a segregated account through a prior sale. *See* Docket No. 550.

[FN3] The Debtor scheduled to two liens in favor of Exchange Bank: (1) one lien in the amount of $115,000 as against "Item 687 - Wind Machines (6);" and (2) one lien in the amount of $22,000 as against "Item 736 – 2019 – EB 0464 – Wind Machines x1." *See* Docket 367, *Schedule D: Creditors Who Have Claims Secured by Property*, pp. 42-43.

Party Information

10:00 AM

CONT... **Santa Paula Hay & Grain and Ranches** **Chapter 11**

Debtor(s):

Santa Paula Hay & Grain and	Represented By Vanessa M Haberbush Lane K Bogard David R Haberbush

10:00 AM

9:25-10314 **Santa Paula Hay & Grain and Ranches** **Chapter 11**

#22.00 HearingRE: [601] Motion to Sell Property of the Estate Free and Clear of Liens under Section 363(f) 120 Acres of Agricultural Land, Kyte and Whistler Rd., Bakersfield, CA 93308, APN: 060-390-06-00-0; 060-390-24-00-2; 060-390-26-00-8; 060-390-22-02; and 060-390-22-04 (The "Property" And/or "Ranch 25"). (Haberbush, Vanessa)

Docket 601

Tentative Ruling:

August 11, 2026

Appearances required.

Background

On March 12, 2025 (the "Petition Date"), 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 consisting of 120 acres of agricultural land located at Kyte and Whistler Road, Bakersfield, California 93308 (APNs: 060-390-06-00-0; 060-390-24-00-2; 060-390-26-00-8; 060-390-22-02; and 060-390-22-04) ("Ranch 25") which the Debtor valued at $1.2 million. *See* Docket No. 613, *Schedule A/B: Assets – Real and Personal Property*, p. 10.

The Debtor scheduled three liens against Ranch 25: (1) one lien held by the Employment Development Department ("EDD") in the amount of $95,000; (2) one lien held by AgWest Farm Credit ("AgWest") in the amount of $3,381,975.12; and (3) one lien held by Kern County Treasurer-Tax ("KCTC") in the amount of $49,192.55. *See* Docket 367, *Schedule D: Creditors Who Have Claims Secured by Property*, pp. 42, 38, and 58. **[FN1] [FN2]**

On March 18, 2026, the Court issued that *Order Granting Debtor's and Debtor-in-Possession's Motion for Order Authorizing Auction Process to Offer For Sale and Obtain Offers to Purchase the Estate's Interests in Real Properties Identified as*

10:00 AM
CONT... **Santa Paula Hay & Grain and Ranches** **Chapter 11**

Ranch 2, Ranch 4, Ranch 10, Ranch 25, Jasmine Ranch, Ranch 65, Avenue 2 Ranch, and Bull Ranch (Collectively, the "Real Properties") (the "Bidding Procedures Order") in which the Court approved auction procedures as to certain real properties (including Ranch 25) of the Debtor involving the auctioning of properties via a public online auction across a two week period after marketing. *See* Docket No. 305.

On March 3, 2026, the Court approved the employment of Buxman Group (the "Broker") to sell, among other properties, Ranch 25. *See* Docket No. 243. On April 1, 2026, the Court approved the employment of Ten-X, LLC (the "Auctioneer") as the online auctioneer of certain of the Debtor's real properties to conduct the auction as provided for in the Bidding Procedures Order. *See* Docket No. 342.

Before the Court is that *Motion to (1) Sell the Estate's Interests in Real Property Described as 120 Acres of Agricultural Land, Kyte and Whistler Rd., Bakersfield, CA 93308, APN: 060-390-06-00-0; 060-390-24-00-2; 060-390-26-00-8; 060-390-22-02; and 060-390-22-04) (the "Property" and/or "Ranch 25"), 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 July 21, 2026. *See* Docket No. 601.

Through the Motion, the Debtor seeks to sell Ranch 25 free and clear of certain liens and encumbrances to Aramex Farm, LLC (the "Buyer") as the successful bidder at the online auction for $622,900 (the "Purchases Price") without contingencies. *See id.* at p. 4 lines 7-9; p. 9 line 26; and p. 10 lines 1-2. The Buyer will also pay $20,000 to the Auctioneer. *See id*.

The Debtor asserts, through the Motion, that Ranch 25 is encumbered by AgWest's lien in an updated amount of $3,880,325.37 and by KCTC's liens in the amount of $100,629.11. *See id.* at pp. 12-15. Additionally, the Debtor asserts that the Cawelo Water District ("CWD") has a claim secured by Ranch 25 in the amount of $455,829.74 based upon water assessments which have a similar "priority lien like property taxes" and that Farm Credit Leasing Services Corporation ("Farm Credit Leasing") holds a lien against personal property, perhaps located at Ranch 25, in an unknown amount. *See id.* at p. 13 lines 15-18 and p. 14 lines 4-8.

However, on April 13, 2026, CWD filed an unsecured claim and does not claim a secured interest in Ranch 25. *See* Claim Nos. 58-1 and 61-1; and Docket No. 621,

10:00 AM
CONT... **Santa Paula Hay & Grain and Ranches** **Chapter 11**

Declaration of David Halopoff, p. 5 n.4.

Also, through the Motion, the Debtor disputes both KCTC's lien and Farm Credit Leasing's lien. *See id.* at p. 18. The Debtor disputes KCTC's lien as being inflated by either including personal property taxes or assessing the property taxes at an overstated value of Ranch 25. *See id.* The Debtor asserts that the Farm Credit Leasing lien is only as against personal property arising from equipment leases and not from any encumbrances against Ranch 25. *See id.* at pp. 18-19 and 24.

Further, the Debtor asserts that the sale of Ranch 25 may produce tax liabilities of approximately $39,890, however, this does not consider any net operating losses which may reduce the tax to $0.00. *See id.* at p. 15 lines 10-17.

Ranch 25 was actively marketed by the Auctioneer for 45 days and by the Broker and the auction lasted from May 21, 2026, to June 2, 2026. *See id.* at *Declaration of Guadalupe A. Guzman*, pp. 35-26 ¶9.

Lastly, the Debtor requests that Fed. R. Bankr. P. 6004(h) be waived. *See id.* at p. 32 lines 14-16.

<u>*Notice*</u>

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 July 21, 2026, the Debtor filed that *Notice of Motion to (1) Sell the Estates Interests in Real Property Described as 120 Acres of Agricultural Land, Kyte and Whistler Rd., Bakersfield, CA 93308, APN: 060-390-06-00-0; 060-390-24-00-2; 060-390-26-00-8; 060-390-22-02; and 060-390-22-04) (the "Property" and/or "Ranch 25"), 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"), informing parties-in-interest of the filing of the Motion, the contents of the Motion, and the deadline to respond to the Motion, 14-days prior to the hearing on the Motion. *See* Docket No. 602. The Notice was served via U.S. Mail, postage prepaid, on the mailing matrix the day it was filed with the Court. *See id.* at pp. 12-23, *Proof of Service of Document*. Beyond the CWD Response and the AgWest Response (defined infra), no responses were filed to the Motion. The Court takes the default of all parties serviced with the Notice that did not timely file a response to the Motion.

Responses and Replies

On July 28, 2026, CWD filed that *Response to Motion to (1) Sell the Estate's Interests in Real Property Described as 120 Acres of Agricultural Land, Kyte and Whistler Road, Bakersfield, CA 93308, APN: 060-390-26-00-8; 060-390-24-00-2; 060-390-26-00-8; 060-390-22-02; and 060-390-22-04) (the "Property" and/or "Ranch 25"), 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 "CWD Response"). *See* Docket No. 621. Through the CWD Response, CWD provides an offer to purchase Ranch 25 for cash in the amount of $730,000 and a reduction of the CWD Claim by $227,914.87. *See id.* at p. 2.

On July 28, 2026, AgWest filed *AgWest Farm Credit's Omnibus Response and Limited Objection to Debtor's Motion to Sell Real Property Free and Clear of All Claims, Liens and Interests; Demand for Adequate Protection* (the "AgWest Response"). *See* Docket No. 618. Through the AgWest Response, AgWest does not oppose the sale or the Purchase Price of Ranch 25, however, AgWest does oppose payment to CWD for its unsecured claim. *See id.* at p. 4. AgWest also consents to the sale upon the following conditions: (1) AgWest's lien attaches to the net proceeds of the sale; (2) the sums of $100,629.11 and $455,829.74 are held in a blocked interest bearing account until the validity and extent of the KCTC and CWD liens can be determined; (3) all net proceeds beyond the funds deposited into blocked accounts be paid to AgWest; and (4) any surplus funds after paying KCTC's property tax liens and

CWD's lien are promptly paid to AgWest. *See id.*

On August 4, 2026, the Debtor filed *Debtor and Debtor-in-Possession's Omnibus Reply to AgWest Farm Credit's Omnibus Response and Limited Objection to Debtor's Motions to Sell Real Property [Ranch 4, Ranch 10, and Ranch 25] Free and Clear of All Claims Liens and Interests* through which the Debtor consents to all of AgWest's conditions to sale of Ranch 25. *See* Docket No. 625. The Debtor now also disputes that CWD has any security interest in Ranch 25. *See id.*

On August 4, 2026, the Debtor filed *Debtor and Debtor-in-Possession's Reply to Cawelo Water District's Response to Debtor's Motion to (1) Sell the Estate's Interests in Real Property Described as 120 Acres of Agricultural Land, Kyte and Whistler Rd., Bakersfield, CA 93308, APN: 060-390-06-00-0; 060-390-24-00-2; 060-390-26-00-8; 060-390-22-02; and 060-390-22-04) (the "Property" and/or "Ranch 25"), 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)* in which the Debtor states that it "defers to the Court on whether to entertain the offer" of CWD but that the Debtor does have concerns with allowing new parties to bid after the auction closed. *See* Docket No. 626.

<u>Analysis</u>

The Sale

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).

Notice is proper as stated above. The purpose for the proposed sale is two-fold. First, liquidating certain property is in-line with the Debtor's stated reorganization strategy. Second, the sale reduces the debt owed to KCTC and AgWest.

The Purchase Price is fair and reasonable as Ranch 25 has been listed for sale for several months and could not be sold via a conventional sale. Further, Ranch 25 was subject to overbid at a two-week public online auction. Lastly, the sale appears to be proposed in good faith as there is no evidence otherwise.

The Court will hear from CWD and its ability to overbid on Ranch 25.

11 U.S.C. § 363(f)

The Motion seeks to sell the Ranch 25 to the Buyer, free and clear of liens, claims and interests in the Blythe Property pursuant to 11 U.S.C. §§ 363(f)(2), (4), and (5).

<u>11 U.S.C. § 363(f)(2)</u>

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 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).

Here, AgWest has provided its express consent to the sale of Ranch 25 through the AgWest Response and the Debtor has agreed to all of AgWest's conditions. Further, CWD does not assert a lien or security interest in Ranch 25 either through its filed proof of claim or through the CWD Response. As such, the Court finds that CWD admits it has no lien against Ranch 25.

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 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 states that it has no opposition to payment of KCTC's claim for property taxes to the extent such property taxes are properly assessed, but the Debtor does assert that the entirety of KCTC's claim for $100,629.11 is overstated and KCTC has not demonstrated it is entitled to its full claim. More specifically, the Debtor states KCTC has not demonstrated what amounts of the $100,629.11 are related to real property taxes and what amounts relate to personal property taxes. Further, even if the entire KCTC claim relates to property taxes, the Debtor disputes the claim as being overstated due to inaccurate assessments of Ranch 25 especially considering the Purchase Price of Ranch 25 in comparison with the assessed value for the property taxes.

The Debtor does not argue that no property taxes are owed to KCTC, but rather it appears the Debtor merely asserts the amount is less than the current claim. As such, it seems that the Debtor does not dispute that KCTC has a valid lien, but only the correct amount of that lien. Although this may be insufficient to sell the Property completely free and clear of KCTC's lien, the Court does find a dispute exists.

11 U.S.C. § 363(f)(5)

Pursuant to 11 U.S.C. § 363(f)(5), "[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 could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest." "The leading case in this circuit interpreting § 363(f)(5)" is *In re PW, LLC*, 391 B.R. 25 (9th Cir. BAP 2008). *In re Hassen Imports P'ship*, 502 B.R. 851, 858 (C.D. Cal. 2013). "We parse this paragraph to contain at least three elements: that (1) a proceeding exists or could be brought, in which (2) the nondebtor could be compelled to accept a money satisfaction of (3) its interest." *In re PW, LLC*, 391 B.R. at 41. An "interest" includes a lien on real property. *Id.* at 42. "We assume that paragraph (5) refers to a legal and equitable proceeding in which the nondebtor could be compelled to take *less* than the value of the claim secured by the interest." *Id.*

"[F]oreclosures are 'legal and equitable proceedings' under § 363(f)(5)…" *In re Hassen Imports P'ship*, 502 B.R. at 862 (citing *In re Jolan, Inc.*, 403 B.R. 866 (Bankr. W.D. Wash. 2009) and *In re Boston Generating, LLC*, 440 B.R. 302 (Bankr. S.D.N.Y. 2010)). In a hypothetical foreclosure of a senior lien, "the junior lienholder would lose their lien on the foreclosed property, and receive in exchange a lien attaching to the proceeds from the foreclosure sale." *Id.* (citing Miller & Starr, *5 Cal. Real Est.* § 11:100 (3d ed.)).

Here, the hypothetical foreclosure of KCTC's tax lien would eliminate the junior liens under California law like those liens of the AgWest, the EDD, and Credit Leasing.

The Court will approve the sale of Ranch 25 free and clear of the AgWest's lien and the EDD's lien pursuant to 11 U.S.C. § 363(f)(5).

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).

As such, any good faith finding will be made after the Court hears from the parties in interest after any overbids are in fact made.

Fed. R. Bankr. P. 6004

The Court is inclined to waive Fed. R. Bankr. P. 6004(h) for the reasons provided in the Motion, however, the Court will hear from parties in interest after considering any further overbids.

10:00 AM

CONT... **Santa Paula Hay & Grain and Ranches** **Chapter 11**

Conclusion

The Court is inclined to approve the Motion, but will hear from CWD and the Debtor as to the potential overbid of the Buyer's bid. Additionally, the Court is uncertain how Ranch 25 can be sold completely free and clear of KCTC's lien considering that the Debtor only disputes the amount of the lien and scheduled an undisputed lien in favor of KCTC in the amount of $49,192.55. Lastly, the Court will hear from the Debtor as to the EDD claim.

[FN1] The Debtor also scheduled Farm Credit West, FLCA as holding a lien as against water irrigation equipment, wells, and water rights related to Ranch 25. *See* Docket 367, *Schedule D: Creditors Who Have Claims Secured by Property*, p. 49.

[FN2] The Debtor's schedules list the EDD as having a lien on all real property. The Debtor paid the EDD in full or has their full payoff held in a segregated account through a prior sale. *See* Docket No. 550.

Party Information

Debtor(s):

Santa Paula Hay & Grain and — Represented By
Vanessa M Haberbush
Lane K Bogard
David R Haberbush

10:00 AM

9:25-10915 Outer Aisle Gourmet, LLC **Chapter 11**

#23.00 CONT'D Hearing
RE: [267] Application for Compensation First And Final Application For Compensation And Reimbursement Of Expenses Of Winthrop Golubow Hollander, LLP, General Insolvency Counsel To Debtor And Debtor In Possession; Memorandum Of Points And Authorities; Declarations Of Charles Sweat And Garrick A. Hollander In Support Thereof for Jordyn Paperny, Debtor's Attorney, Period: 7/10/2025 to 5/31/2026, Fee: $734,205.50, Expenses: $26,818.55.

FR. 7-07-26,

Docket 267

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

July 7, 2026

Appearances waived.

The hearing on the application is continued to August 11, 2026, at 10:00 a.m.

Party Information

Debtor(s):

Outer Aisle Gourmet, LLC — Represented By
Garrick A Hollander
Jordyn Paperny

10:00 AM
9:25-11005 Omer A Bharoocha **Chapter 7**

#24.00 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. Filed by United States Trustee. (united states trustee (pca))

Docket 25

Tentative Ruling:

August 11, 2026

Appearances waived.

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 Omer A Bharoocha (the "Debtor"), filed on July 6, 2026. *See* Docket No. 25.

On November 13, 2025, the Court entered that *Order on Trustee's Motion Under LBR 2016-2 For Authorization to Employ Paraprofessionals and/or Authorization to Pay Flat Fee to Tax Preparer* authorizing the Trustee to pay Donald T. Fife, CPA a flat fee of $1,000 as a tax preparer. *See* Docket No. 21.

On July 6, 2026, the Trustee filed that *Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object* (the "Notice") and served on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 26. On July 10, 2026, the Notice was served on the remaining mailing matrix by BNC notice. *See* Docket No. 27. Pursuant to this Court's Local Rule 9013-(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 $18,470.32 in cash on hand. *See* Docket No. 25, p. 1.

10:00 AM
CONT... Omer A Bharoocha Chapter 7

Through the Report, the Trustee, *inter alia*, seeks (1) the payment of the Trustee's statutory fee of $2,720.93 pursuant to 11 U.S.C. § 326(a) and reimbursement of costs in the amount of $383.99. *See id*. at *Exhibit D*.

After payment the approved payment to Donald T. Fife, CPA and the Trustee, the balance of cash on hand for unsecured creditors is $15,365.40. *See id.,* at *Exhibit D.* This amount is sufficient to pay 13.369% of unsecured claims. *See id*., p. 14.

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 $2,720.93 and reimbursement of costs in the amount of $383.99.

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

Party Information

Debtor(s):

Omer A Bharoocha	Represented By Karen L Grant

Trustee(s):

Sandra McBeth (TR)	Pro Se

10:00 AM
9:25-11123 Ruby Curiel Castillo **Chapter 7**

#25.00 CONT'D HRG
Chapter 7 Trustee's Final Report, Application for Compensation and Application(s) for Compensation of Professionals filed on behalf of Trustee Nancy J. Zamora, Esq.. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report. Filed by United States Trustee. (united states trustee (pca))

FR. 7-07-26,

Docket 25

Tentative Ruling:

August 11, 2026

Appearances waived.

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, Nancy J Zamora (the "Trustee"), for the bankruptcy estate of Ruby Curiel Castillo (the "Debtor"), filed on June 24, 2026. *See* Docket No. 25.

On June 24, 2026, the Trustee filed that *Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object* (the "Notice") and served on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 26. On June 28, 2026, the Notice was served on the remaining mailing matrix by BNC notice. *See* Docket No. 27. Pursuant to this Court's Local Rule 9013-(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 $1,060.80 in cash on hand. *See* Docket No. 25, p. 1.

Through the Report, the Trustee, *inter alia*, seeks (1) the payment of the Trustee's statutory fee of $265.20 pursuant to 11 U.S.C. § 326(a) and reimbursement of costs in the amount of $37.62. *See id*., at *Exhibit D*.

After payment to the Trustee, the balance of cash on hand for unsecured creditors is $757.98. *See id.,* at *Exhibit D.* This amount is sufficient to pay 2.1% of unsecured claims. *See id*., p. 11.

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 $265.20 and reimbursement of costs in the amount of $37.62.

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

July 7, 2026

Appearances waived.

A hearing on a trustee final report appears to have been set and a *Notice of Trustee's Final Report and Application for Compensation and Deadline to Object* to be filed, however, no report appears to have been filed. *See* docket entry dated June 15, 2026; and Docket No. 21. The Court's clerk issued that *Notice to Filer of Error and/or Deficient Document* instructing a report to be re-filed. *See* Docket No. 22.

The Court will continue to the matter to August 11, 2026, at 10:00 am so that a final report can be properly filed.

Party Information

Debtor(s):

Ruby Curiel Castillo — Represented By
Malgorzata Hackett

Trustee(s):

Nancy J Zamora (TR) — Pro Se

10:00 AM
9:25-11210 Matthew Nash **Chapter 7**

#26.00 CONT'D Hearing re: [31] Robert Reed's objection to property claimed as exempt

fr. 4-21-26, 6-02-26,

Docket 31

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

June 2, 2026

Appearances required.

Background

On September 11, 2025 (the "Petition Date"), Matthew Nash (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1. Jeremy W. Faith is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 6.

The Real Property and Notice of Lien

Among the property that the Debtor scheduled is an interest in real property located at 108 Marian Way, Pismo Beach, CA 93449 (the "Real Property"). *See* Docket No. 16*, Schedule A/B: Property*, p. 2. More specifically, the Debtor stated he "was awarded return of a $75,000 down payment and half the equity after sale [of the Real Property]" in his divorce proceedings. *See id.*
The Debtor claimed an exemption in the Real Property of "100% of the fair market

value, up to any applicable statutory limit" under California Code of Civ. P. § 704.730. *See id.* at *Schedule C: The Property You Claim as Exempt*, p. 8. The Debtor lives at 233 Cross Street, Arroyo Grande, CA 93420. *See* Docket No. 1, p. 2.

On June 28, 2023, Robert Reed ("Reed") obtained in the Superior Court of California, County of Santa Barbara, a default judgment as against the Debtor in the amount of $146,900.00. *See* Docket No. 32, *Request for Judicial Notice in Support of Robert Reed's Objection to Property Claimed as Exempt* (the "RJN"), *Exhibit 5*, pp. 19-20.

On February 15, 2024, Reed filed that *Notice of Lien* as against the Debtor in Debtor's divorce proceedings and served the *Notice of Lien* on the Debtor. *See id.* at *Exhibit 6*, pp. 22-24. The *Notice of Lien*, among other things, states that the Debtor "may claim an exemption for all or any portion of the money or property within 30 days after receiving notice of the creation of the lien. The exemption is waived if it is not claimed in time." *See id.* at p. 22.

The Vehicle

Also, among the property the Debtor scheduled is 2022 BMW X5 (the "Vehicle") valued at $13,014.00. *See* Docket No. 16, *Schedule A/B: Property*, p. 3. The Debtor claimed an exemption in the Vehicle up to the "100% of the fair market value, up to any applicable statutory limit" under California Code of Civ. P. § 704.010. *See id.* at *Schedule C: The Property You Claim as Exempt*, p. 8.

The Objection

On February 12, 2026, Reed filed *Robert Reed's Objection to Property Claimed as Exempt* (the "Objection"). *See* Docket No. 31. Through the Objection, Reed objects to the Debtor's claimed exemptions in the Real Property and the Vehicle. *See id.*

As to the Vehicle, Reed asserts that the Debtor's exemption should be limited to $7,500 instead of the entire value of the Vehicle. *See id.* at p. 6, lines 13-16.

As to the Real Property, Reed makes two arguments as why the Debtor is not entitled his claimed homestead exemption: (1) the Real Property was sold and the sale proceeds have not been reinvested within six months as required by Cal. Code of Civ.

P. § 704.720(b); and (2) the Debtor waived his homestead exemption by failing to claim an exemption within 30 days of being served with a notice of a judgment lien by Reed prior to this bankruptcy. *See id.* at pp. 3-6.

No opposition or response to the Objection has been filed. On April 8, 2026, the Debtor filed that *Substitution of Attorney*, denoting that the Debtor is now proceeding in the instant case *pro se*. *See* Docket No. 53.

Notice

Pursuant to Fed. R. Bankr. P. 4003(b)(4), "[a] copy of any objection, other than one filed by the trustee under (b)(2), must be delivered or mailed to: the trustee; the debtor; the debtor's attorney; the person who filed the list of exempt property; and that person's attorney."

On February 12, 2026, Reed filed *Notice of Hearing on Objection to Exemption* (the "Notice"), informing the Debtor and the Debtor's counsel, at the time, that pursuant to this Court's Local Rule 9013-1, any opposition to the Objection must be filed and served no less than fourteen (14) days prior to the hearing on the Objection. *See* Docket No. 33. On February 12, 2026, the Notice and Objection were served on the Debtor, the Debtor's counsel, the Trustee, and the Office of the United States Trustee via Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid. *See* Docket No. 33, *Proof of Service of Document*, p. 3; and Docket No. 31, *Proof of Service of Document*, p. 8.

On April 8, 2026, the Court issued that *Order Approving Stipulation to Continue Hearing on Objection to Exemption* (the "Order") continuing the hearing on the Objection to June 2, 2026, and providing that any response "times shall be as provided in the Local Rules based upon the continued hearing date." *See* Docket No. 54. The Order was served upon the Debtor, Debtor's counsel of record, the Trustee, and the Office of the United States Trustee via BNC notice. *See* Docket No. 56.

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." Here, the Debtor has not filed a response to the Objection. The Court takes the default of the Debtor.

Analysis

The RJN

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." *See 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.'"); *see also Rosal v. First Fed. Bank of Cal.*, 671 F.Supp. 2d 1111, 1120-21 (N.D. Cal. 2009) (court took judicial notice of deed of trust). 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 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."

On February 12, 2026, Reed filed RJN. *See* Docket No. 32. Through the RJN, Reed requests that the Court take judicial notice of nine documents consisting of (1) filings in the Debtor's bankruptcy case ("Bankruptcy Filings"), (2) two deeds recorded in the County of San Luis Obispo (the "Deeds"), (3) a petition for legal separation of marriage filed in a state court ("Divorce Petition"), (4) a judgment issued by the Superior Court of California, County of Santa Barbara ("Judgment"), (5) a notice of lien filed in the Superior Court of California, County of San Luis Obispo ("Notice of Lien"), (6) what appears to be a partial retyped state court docket ("Retyped Docket"), (7) a state court filings made by Teah Nash ("State Court Filing"), and (8) a Carfax report ("Carfax Report"). *See id.*

There has been no opposition to the RJN.

The documents that comprise the Bankruptcy Filings, the Deeds, the Divorce Petition, the Judgment, the Notice of Lien, and State Court Filing are appropriate for judicial notice. The Court takes judicial notice of these documents; however, the Court does not take judicial notice of the facts asserted in the State Court Filing. Further, the Retyped Docket and the Carfax Report are not appropriate for judicial notice as these are not matters of public record.

The Exemptions and Objection

Pursuant to 11 U.S.C. § 522(l), "[t]he debtor shall file a list of property that the debtor claims as exempt under subsection (b) of this section … Unless a party in interest objects, the property claimed as exempt on such list is exempt." However, California has opted out of the Federal Bankruptcy exemptions and debtors can only use exemptions allowed under state law. *See In re Bhangoo*, 634 B.R. 80 (9th Cir. BAP 2021).

Pursuant to Fed. R. Bankr. P. 4003(c), "[i]n a hearing under this Rule 4003, the objecting party has the burden of proving that an exemption was not properly claimed." *See In re Diaz*, 547 B.R. 329, 336 (9th Cir. BAP 2016) ("Generally, a debtor's claimed exemption is presumptively valid, and the party objecting to a debtor's exemption has the burden of proving that the exemption is improper.") (citing *In re Carter*, 182 F.3d 1027, 1029 n.3 (9th Cir. 1999) and Fed. R. Bankr. P. 4003(c)).

<u>The Vehicle – Cal. Code of Civ. P. § 704.010</u>

Pursuant to Cal. Code of Civ. P. 704.010(a), "[a]ny combination of the following is exempt in the amount of seven thousand five hundred dollars ($7,500): (1) The aggregate equity in motor vehicles. (2) The proceeds of an execution sale of a motor vehicle. (3) The proceeds of insurance or other indemnification for the loss, damage, or destruction of a motor vehicle."

Here, the Debtor claimed an exemption up to the full fair market value of the Vehicle under Cal. Code of Civ. P. § 704.010 and valued the Vehicle at $13,014.00. As the exemption under Cal. Code. Of Civ. P. § 704.010 is limited to the total amount of $7,500.00, the Court will sustain the Objection limiting the Debtor's claimed exemption as to the Vehicle to $7,500.00.

<u>The Real Property – Cal. Code of Civ. P. § 704.730</u>

The threshold question here is whether the Real Property is the Debtor's homestead.

Pursuant to Cal. Code of Civ. P. § 704.710(c), a "'[h]omestead' means the principal dwelling (1) in which the judgment debtor or the judgment debtor's spouse resided on the date the judgment creditor's lien attached to the dwelling, and (2) in which the judgment debtor or the judgment debtor's spouse resided continuously thereafter until the date of the court determination that the dwelling is a homestead."

Pursuant to Cal. Code of Civ. P. § 704.720(a), "[a] homestead if exempt from sale under this division to the extent provided in Section 704.800." "If the judgment debtor and spouse of the judgment debtor reside in separate homesteads, only the homestead of one of the spouses is exempt and only the proceeds of the exempt homestead are exempt." Cal. Code of Civ. P. § 704.720(c). "If a judgment debtor is not currently residing in the homestead, but his or her separated or former spouse continues to reside in or exercise control over possession of the homestead, that judgment debtor continues to be entitled to an exemption under this article until entry of judgment or other legally enforceable agreement dividing the community property between the judgment debtor and the separated or former spouse, or until a later time period as specified by court order." Cal. Code of Civ. P. § 704.720(d).

"The automatic homestead exemption protects a debtor from a forced sale and requires that the debtor reside in the homestead property at the time of a forced sale." *In re Diaz*, 547 B.R. 329, 334 (9th Cir. BAP 2016)(internal citations omitted). "The filing of a bankruptcy petition constitutes a forced sale for purposes of the automatic homestead exemption." *Id.* A debtor "is entitled to claim the exemption only if [they] resided in the Property on the petition date." *Id.* at 335. "Under California law, the relevant factors for determining if a debtor resides in a property are the physical fact of the occupancy of the property and the debtor's intention to live there." *Id.*

Here, the Debtor did not live in the Real Property as of the Petition Date. In fact, the Debtor had not lived in the Real Property in the three (3) years preceding the Petition Date. *See* Docket No. 1-1, *Statement of Financial Affairs for Individuals Filing for Bankruptcy*, p. 1. It appears that the Real Property was scheduled to be sold by the Debtor's former spouse at some point in 2025, and pursuant to an order by the Family Court. *See* Docket No. 32, *Exhibit 8*, pp. 32, lines 13-14 and p. 35, lines 3-7. The Real Property has sold, though it is not clear if the Real Property sold prior to, or after the Petition Date. If the Real Property was not sold prior to the Petition Date, did/does the Real Property act as the Debtor's homestead through his former spouse's occupancy?

A) The Reinvestment Requirement

"If a homestead is sold under this division or is damaged or destroyed or is acquired for public use, the proceeds of sale or of insurance or other indemnification for damage or destruction of the homestead or the proceeds received as compensation for a homestead acquired for public use are exempt in the amount of the homestead exemption provided in Section 704.730. The proceeds are exempt for a period of six months after the time the proceeds are actually received by the judgment debtor, except that, if a homestead exemption is applied to other property of the judgment debtor or the judgment debtor's spouse during that period, the proceeds thereafter are not exempt." Cal. Code of Civ. P. § 704.720(b).

If a homestead property is sold, whether a homestead exemption is continued to be recognized is "contingent on their reinvestment of the proceeds in a new homestead within six months of receipt." *In re Jacobson*, 676 F.3d 1193, 1199 (9th Cir. 2012).

Here, the Objection merely quotes Cal. Code Civ. P. § 704.720(b), but does not make any argument or assertion that the Real Property has indeed been sold or that the Debtor has received funds from the sale of the Real Property. Further, Court has not been presented with any admissible evidence that the Real Property has been sold in the RJN or that the Debtor has received the funds from any sale. Reed has not carried his burden to demonstrate that the Debtor has not complied with Cal. Code Civ. P. § 704.720(b). As such, the Court overrules the Objection as to Cal. Code Civ. P. § 704.720(b) regarding the Real Property.

B) Waiver for Failing to Claim an Exemption in Divorce Proceeding

Pursuant to Cal. Code of Civ. P. § 708.410(a), "[a] judgment creditor who has a money judgment against a judgment debtor who is a party to a pending action or special proceeding may obtain a lien under this article, to the extent required to satisfy the judgment creditor's money judgment, on both of the following: (1) Any cause of action of such judgment debtor for money or property that is the subject of the action or proceeding. (2) The rights of such judgment debtor to money or property under any judgment subsequently procured in the action or proceeding. (b) To obtain a lien under this article, the judgment creditor shall file a notice of lien and an abstract or certified copy of the judgment creditor's money judgment in the pending action or special proceeding."

"Thus, by the plain language of this statute, upon filing of the notice of lien [judgment creditor] obtained a lien not only on the cause of action, but also all 'money or property' that [the judgment debtor] would procure in the action." *In re Landes*, 626 B.R. 531, 546 (Bankr. E.D. Cal. 2021). Further, Cal. Code of Civ. P. § 708.410 applies to marital dissolution proceedings and it does not matter whether a judgment debtor is either a plaintiff or defendant in the subject litigation. *In re Landes*, 2019 WL 7372665 (9th Cir. BAP 2019).

Pursuant to Cal. Code of Civ. P. § 708.450, "[i]f a lien is created under this article, the judgment debtor may claim that all or any portion of the money or property that the judgment debtor may recover in the action or special proceeding is exempt from enforcement of a money judgment. The claim shall be made by application on noticed motion to the court in which the action or special proceeding is pending, filed and served on the judgment creditor not later than 30 days after the judgment debtor has notice of the creation of the lien. Service shall be made personally or by mail. The judgment debtor shall execute an affidavit in support of the application that includes all the matters set forth in subdivision (b) of Section 703.520. No notice of opposition to the claim of exemption is required. **The failure of the judgment debtor to make a claim of exemption under this section constitutes a waiver of the exemption**." (emphasis added).

However, some bankruptcy courts – largely within the context of motions to avoid liens pursuant to 11 U.S.C. § 522(f) – have found that a debtor's failure to claim an exemption in a state court action and waiver of the exemption does not preclude the debtor from claiming that exemption in bankruptcy and avoiding a creditor's lien.

Here, prior to addressing whether a procedural waiver of an exemption in a divorce proceeding precludes the Debtor from claiming his homestead exemption, the Court must find that Reed has a valid lien in compliance with Cal. Code of Civ. P. § 708.410, and that the Debtor failed to make a claim of exemption in the divorce

10:00 AM
CONT... **Matthew Nash** **Chapter 7**

proceeding. However, the Court is unable to make either finding.

As to the validity of Reed's lien, the RJN provided the Court with the Notice of Lien, yet it is not clear that an abstract or certified copy of the Judgment was filed in the divorce proceedings as required by California law. Additionally, it is not clear whether the Notice of Lien was served on all parties (i.e. Teah Nash, the Debtor's spouse/ex-spouse) in the divorce proceeding as also required.

Further, Reed has not provided the Court with a copy of the docket of the divorce proceedings and the Court is unable to determine whether the Debtor did or did not make a claim of exemption in the divorce proceedings.

As such, Reed has not carried his burden to show that he has a valid lien against the Real Property and that Debtor did in fact procedurally waive his right to claim an exemption in the Real Property. The Court does not have sufficient evidence before it to reach whether the Debtor is precluded from claiming his homestead exemption due to waiver.

The Objection as to the homestead exemption is overruled.

Reed is to lodge a conforming order within 7 days.

Party Information

Debtor(s):

Matthew Nash	Represented By William C Beall Paul F Ready

Trustee(s):

Jeremy W. Faith (TR)	Pro Se

10:00 AM

9:25-11210 Matthew Nash **Chapter 7**

#27.00 CONT'D

Order to Show Cause re: Contempt for violation of 11 U.S.C. § 362(a)

FR. 6-2-26,

Docket 43

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

Party Information

Debtor(s):

Matthew Nash	Represented By William C Beall Paul F Ready

Trustee(s):

Jeremy W. Faith (TR)	Pro Se

10:00 AM
9:25-11490 Hall Martin Verkennis and Leslie Yaneth Verkennis **Chapter 7**

#28.00 Chapter 7 Trustee's Final Report, Application for Compensation and Application(s) for Compensation of Professionals filed on behalf of Trustee Nancy J. Zamora, Esq.. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report. Filed by United States Trustee. (united states trustee (pca))

Docket 29

Tentative Ruling:

August 11, 2026

Appearances waived.

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, Nancy J Zamora (the "Trustee"), for the bankruptcy estate of Hall Martin Verkennis and Leslie Yaneth Verkennis (jointly, the "Debtors"), filed on July 16, 2026. *See* Docket No. 29.

On July 16, 2026, the Trustee filed that *Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object* (the "Notice") and served on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 30. On July 18, 2026, the Notice was served on the remaining mailing matrix by BNC notice. *See* Docket No. 31. Pursuant to this Court's Local Rule 9013-(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 $4,850.10 in cash on hand. *See* Docket No. 29, p. 1.

Through the Report, the Trustee, *inter alia*, seeks (1) the payment of the Trustee's statutory fee of $1,212.53 pursuant to 11 U.S.C. § 326(a) and reimbursement of costs in the amount of $34.40. *See id.*, at *Exhibit D*.

10:00 AM

CONT... Hall Martin Verkennis and Leslie Yaneth Verkennis **Chapter 7**

After payment to the Trustee, the balance of cash on hand for unsecured creditors is $3,603.17. *See id.,* at *Exhibit D.* This amount is sufficient to pay 21.3% of unsecured claims. *See id*., p. 13.

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 $1,212.53 and reimbursement of costs in the amount of $34.40.

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

Party Information

Debtor(s):

Hall Martin Verkennis — Represented By Daniel A Higson

Joint Debtor(s):

Leslie Yaneth Verkennis — Represented By Daniel A Higson

Trustee(s):

Nancy J Zamora (TR) — Pro Se

10:00 AM
9:25-11666 **Michael Wayne Rankin and Jordanoff Gregory P** **Chapter 7**

#29.00 CONT'D Hearing
RE: [25] Motion to Approve Compromise Under Rule 9019 --Trustee's Motion for Order Approving Stipulation Between Trustee and Debtors Regarding Employment Claim; Memorandum of Points and Authorities; Supporting Declaration, with proof of service, (Zamora (TR), Nancy)

FR. 7-28-26,

Docket 25

Tentative Ruling:

August 11, 2026

Appearances required.

Background

On December 9, 2025 (the "Petition Date"), Michael Wayne Rankin ("Rankin") and Jordanoff Gregory P ("Gregory," and jointly with Rankin, the "Debtors") filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1. Nancy J Zamora is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 6.

Among the property that the Debtors scheduled is that "Employment Law Case" (the "Employment Claim") which the Debtors indicated its value as being unknown. *See* Docket No. 10, *Schedule A/B: Your Property*, p. 8. Further, the Debtors claimed an exemption of an "unknown" value in the Employment Claim pursuant to Cal. Code of Civ. P. §§ 704.140(a) and 704.150(a). *See* Docket No. 14, *Schedule C: The Property You Claim as Exempt*, p. 3. It is not clear to the Court that the Exemption was served on creditors.

The Employment Claim relates to allegations of discrimination, violation of employment law, and wrongful termination of Rankin by his former employer, Teradata Operations Inc. ("TOI"), that occurred prior to the Petition Date. *See* Docket No. 25, *Trustee's Motion for Order Approving Stipulation By and Between Trustee* *and Debtors Regarding Employment Claim* (the "9019 Motion with Rankin"), p. 2 lines 11-15.

On June 22, 2026, the Court authorized the employment of Grochow Law, a Professional Corporation ("Grochow Law"), as special litigation counsel to the Trustee to pursue the Employment Claim through arbitration and to be paid a contingent fee of 40-42%. *See* Docket No. 35, *Order Approving Application by Chapter 7 Trustee for Approval to Employ Grochow Law, a Professional Corporation as Special Litigation Counsel*.

On April 30, 2026, the Trustee and Rankin entered into that *Stipulation By and Between Trustee and Debtors Regarding Employment Claim* (the "Stipulation"). *See* Docket No. 25, *Exhibit A*, pp. 13-17. Through the 9019 Motion with Rankin, the Trustee seeks approval of the Stipulation through which the Trustee – to avoid litigation about the claimed exemption in the Employment Claim – and the Debtors agreed that after deducting any attorney's fees and costs arising from the Employment Claim the Trustee and the Debtors would split the net proceeds from the Employment claim evenly (a 50/50 split of net proceeds). *See id.* at p. 15 lines 3-15. The Stipulation further provides that the Debtors shall not claim an exemption in the bankruptcy estate's net proceeds. *See id.* at p. 17 lines 2-3.

On June 24, 2026, the Trustee, Rankin, and TOI entered into that *Settlement Agreement and General Release of All Claims* (the "Agreement"). *See* Docket No. 39, *Trustee's Motion for Order Approving Settlement Agreement* (the "9019 Motion with TOI"), pp. 16-26. Through the 9019 Motion with TOI, the Trustee seeks approval of the Agreement. *See id.* The Agreement provides that TOI will pay $65,000 to the Trustee and the Trustee will dismiss the Employment Claim with prejudice. *See id.* at pp. 17-18. The Agreement also provides for mutual releases between the parties. Further, Rankin has consented to the Agreement. *See id.* at p. 24.

In addition to approval of the Agreement, the Trustee, through the 9019 Motion with TOI, seeks approval to retain $21,008.29 for the benefit of the Estate, to pay $21,008.29 to the Debtors on part of their exemption in the Employment Claim, and to pay Grochow Law $22,624.32 (a reduced contingent fee of 35%) in fees and reimbursement of $359.10 in costs. *See id*. at p. 2 lines 11-22.

10:00 AM
CONT... **Michael Wayne Rankin and Jordanoff Gregory P** **Chapter 7**

Notice

Pursuant to Rule 2002(a)(3) "the clerk, or some other 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 . . . the hearing on approval of the compromise of settlement of a controversy other than approval of an agreement pursuant to Rule 4001(d), unless the court for cause shown directs that notice not be sent."

On June 22, 2026, the Court issued that *Order Setting for Hearing Trustee's Motion for Order Approving Stipulation By and Between Trustee and Debtors Regarding Employment Claim* (the "Order Setting Hearing") setting the 9019 Motion with Rankin for hearing. *See* Docket No. 33. The Order Setting Hearing was served via BNC notice. *See* Docket No. 36.

On July 9, 2026, the Trustee filed that *Second Amended Notice of Trustee's Motion for Order Approving Settlement Agreement to Correct Hearing Date* (the "Agreement Notice"), which provided notice of the 9019 Motion with TOI. *See* Docket No. 46. On July 9, 2026, the Trustee served the Agreement Notice upon the Debtors' counsel, the United States Trustee, and all creditors via Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid. *See id.* at *Proof of Service of Document*, pp. 6-7.

Pursuant to this Court's Local Bankruptcy Rule ("LBR") 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 LBR 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 has timely filed a response to the Motion. This Court therefore takes the default of all non-responding parties that were properly served with the Notice, pursuant to LBR 9013-1(h).

Analysis

Pursuant to Rule 9019(a), "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a).

The bankruptcy court has great latitude in approving settlement agreements. *See In re A & C Properties*, 784 F.2d 1377, 1380-81 (9th Cir. 1986). A proposed settlement may only be approved if it is "fair and equitable." *See In re Woodson*, 839 F.2d 610, 620 (9th Cir. 1988); *see also In re Guy F. Atkinson Co. of California*, 242 B.R. 497, 502 (9th Cir. BAP 1999) ("At its base, the approval of a settlement turns on the question of whether the compromise is in the best interest of the estate."). Under this standard, the court must consider: (a) the probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (d) the paramount interest of the creditors and a proper deference to their reasonable views in the premises. *See In re Woodson*, 839 F.2d at 620. A court generally gives deference to a trustee's business judgment in deciding whether to settle a matter. *See In re Mickey Thompson Entertainment Group, Inc.*, 292 B.R. 415, 420 (9th Cir. BAP 2003). "Each factor need not be treated in a vacuum; rather, the factors should be considered as a whole to determine whether the settlement compares favorably with the expected rewards of litigation." *In re W. Funding Inc.*, 550 B.R. 841, 851 (9th Cir. BAP 2016).

"The law favors compromise, 'and as long as the bankruptcy court amply considered the various factors that determined the reasonableness of the compromise, the court's decision should be affirmed.'" *In re Open Medicine Institute, Inc.*, 639 B.R. 169, 181 (9th Cir. BAP 2022) (citing *In re A & C Props.*, 784 F.2d at 1383)). "Moreover, '[w] hen assessing a compromise, courts need not rule upon disputed facts and questions of law, but rather only canvass the issues. A mini trial is not required.'" *Id.* (citing *In re Schmitt*, 215 B.R. 417, 423 (9th Cir. BAP 1997)).

"'The bankruptcy court's decision to approve a compromise is reviewed for abuse of discretion.'" *Id.* at 180 (citing *In re Mickey Thompson Ent. Grp.*, 292 B.R. 415, 420 (9th Cir. BAP 2003)).

To start, the Trustee is settling two related matters. First, the Trustee is settling a potential objection to the Debtors' claimed exemption in the Employment Claim such that the Estate and the Debtors will split the Employment Claim settlement proceeds equally; and second, the Trustee with Rankin is settling the Employment Claim with TOI for $65,000.

10:00 AM
CONT... **Michael Wayne Rankin and Jordanoff Gregory P** **Chapter 7**

Probability of Success in Litigation

The Trustee, through the 9019 Motion with TOI, indicates that arbitration could result in a reduced judgment on the Employment Claim and that the arbitrator may not award any economic damages due to Rankin's failure to mitigate damages.

As to the 9019 Motion with Rankin, the Trustee indicates that she would likely succeed in objecting to the claim exemption. Yet, the Trustee also indicates that without Rankin's participation and cooperation, the likelihood of success is significantly reduced. Thus, as to the Stipulation, although the likelihood of success in objecting to the exemption is high, this factor weighs in favor approval because the Stipulation increases the probability of success as to obtaining an arbitration, the only source of funds.

Collectability

The Trustee states that there are not impediments to collecting an award against TOI. This factor weighs against approving the Agreement.

As to the 9019 Motion with Rankin, there is no difficulty in collecting since all proceeds will come from TOI. This factor weighs against approving the Stipulation.

Complexity, Expense, Inconvenience, and Delay Attendant to Continued Litigation

The Trustee asserts that further litigation would require additional discovery including the retention of experts which increase costs and delay. The Court has no understanding of what is at stake in the Employment Claim. That is, is the Court settling a $100,000 claim, or a $1 million claim? Whether a $65,000 resolution is appropriate hinges on one of the most critical, but unknown facts to the Court; what is the cost benefit?

Without more, this factor weighs in denying the 9019 Motions.

The Interest of Creditors

Here, some portion of $21,008.29, after the payment of administrative expense claims, will go to unsecured creditors. Whether this is in the interest of unsecured creditors, again, hinges on an unknown fact. What is the estate potentially giving up in favor of the settlements?

Conclusion

The Court is not opposed to the Stipulation or Agreement in principal, but the Court is stymied in its analysis by the lack of information on what the estate is giving up in exchange for the settlement.

As to the claimed exemption, if the Debtors have not served the amended exemptions on creditors, are the Debtors leaving in play the $21,008.29 that is to flow to them, as creditors may still have an open window to object to the Debtors' claimed exemptions?

Lastly, the Court is not opposed to the fee to Grochow Law, but how is the Court to approve reimbursement of costs without any record or documentation of such costs? The expenses are not great, but the 9019 Motion with TOI requests that the Court approve the expenses in the blind.

July 28, 2026

Appearances waived.

The hearing on the motion is continued to August 11, 2026, at 10:00 am., to be heard alongside the *Trustee's Motion for Order Approving Settlement Agreement*.

Party Information

Debtor(s):

Michael Wayne Rankin	Represented By Gary Polston

Joint Debtor(s):

Jordanoff Gregory P	Represented By Gary Polston

10:00 AM
CONT... **Michael Wayne Rankin and Jordanoff Gregory P** **Chapter 7**

Trustee(s):
Nancy J Zamora (TR) Pro Se

10:00 AM

9:25-11666 Michael Wayne Rankin and Jordanoff Gregory P **Chapter 7**

#30.00 HearingRE: [39] Motion to Approve Compromise Under Rule 9019 --Trustee's Motion for Order Approving Settlement Agreement; Memorandum of Points and Authorities; Supporting Declaration, with proof of service, (Zamora (TR), Nancy)

Docket 39

Tentative Ruling:

August 11, 2026

Appearances required.

See calendar item 29.

Party Information	
Debtor(s):	
Michael Wayne Rankin	Represented By Gary Polston
Joint Debtor(s):	
Jordanoff Gregory P	Represented By Gary Polston
Trustee(s):	
Nancy J Zamora (TR)	Pro Se

10:00 AM
9:26-10097 **Danny Alberto Rosales** **Chapter 7**

#31.00 Chapter 7 Trustee's Final Report, Application for Compensation and Application(s) for Compensation of Professionals filed on behalf of Trustee Nancy J. Zamora, Esq.. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report. Filed by United States Trustee. (united states trustee (pca))

Docket 19

Tentative Ruling:

August 11, 2026

Appearances waived.

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, Nancy J Zamora (the "Trustee"), for the bankruptcy estate of Danny Alberto Rosales (the "Debtor"), filed on July 16, 2026. *See* Docket No. 19.

On July 16, 2026, the Trustee filed that *Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object* (the "Notice") and served on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 20. On July 18, 2026, the Notice was served on the remaining mailing matrix by BNC notice. *See* Docket No. 21. Pursuant to this Court's Local Rule 9013-(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 $4,423.00 in cash on hand. *See* Docket No. 19, p. 1.

Through the Report, the Trustee, *inter alia*, seeks (1) the payment of the Trustee's statutory fee of $1,105.75 pursuant to 11 U.S.C. § 326(a) and reimbursement of costs in the amount of $254.10. *See id*., at *Exhibit D*.

10:00 AM

CONT... Danny Alberto Rosales Chapter 7

After payment to the Trustee, the balance of cash on hand for unsecured creditors is $3,063.15. *See id.,* at *Exhibit D.* This amount is sufficient to pay 0.4% of unsecured claims. *See id*., p. 13.

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 $1,105.75 and reimbursement of costs in the amount of $254.10.

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

Party Information

Debtor(s):

Danny Alberto Rosales	Represented By Brent D George

Trustee(s):

Nancy J Zamora (TR)	Pro Se

10:00 AM
9:26-10121 Dante Antonio Bogan and Randi Akiko Bogan **Chapter 7**

#32.00 Chapter 7 Trustee's Final Report, Application for Compensation and Application(s) for Compensation of Professionals filed on behalf of Trustee Nancy J. Zamora, Esq.. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report. Filed by United States Trustee. (united states trustee (pca))

Docket 26

Tentative Ruling:

August 11, 2026

Appearances waived.

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, Nancy J Zamora (the "Trustee"), for the bankruptcy estate of Dante Antonio Bogan and Randi Akiko Bogan (jointly, the "Debtors"), filed on July 20, 2026. *See* Docket No. 26.

On July 20, 2026, the Trustee filed that *Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object* (the "Notice") and served on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 27. On July 22, 2026, the Notice was served on the remaining mailing matrix by BNC notice. *See* Docket No. 28. Pursuant to this Court's Local Rule 9013-(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 $1,918.00 in cash on hand. *See* Docket No. 26, p. 1.

Through the Report, the Trustee, *inter alia*, seeks (1) the payment of the Trustee's statutory fee of $479.50 pursuant to 11 U.S.C. § 326(a) and reimbursement of costs in the amount of $49.00. *See id*., at *Exhibit D*.

10:00 AM

CONT... **Dante Antonio Bogan and Randi Akiko Bogan** **Chapter 7**

After payment to the Trustee, the balance of cash on hand for unsecured creditors is $1,389.50. *See id.,* at *Exhibit D.* This amount is sufficient to pay 0.00% of unsecured claims, non-priority claims, after paying pro rata payments to priority unsecured claims. *See id*., p. 15.

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 $479.50 and reimbursement of costs in the amount of $49.00.

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

Party Information

Debtor(s):

Dante Antonio Bogan — Represented By Daniel A Higson

Joint Debtor(s):

Randi Akiko Bogan — Represented By Daniel A Higson

Trustee(s):

Nancy J Zamora (TR) — Pro Se

10:00 AM
9:26-10718 Natalie Renna **Chapter 7**

#33.00 HearingRE: [10] Motion For Order Authorizing And Instructing Longbridge Financial LLC To Continue To Allow Debtor Renna To Draw On Her Reverse Mortgage

Docket 10

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

Party Information

Debtor(s):

Natalie Renna	Represented By Jeffrey J Hagen

Trustee(s):

Jeremy W. Faith (TR)	Pro Se

10:00 AM

9:26-11014 Tracy Ann Eighmy **Chapter 7**

#34.00 ORDER TO SHOW CAUSE RE: DISMISSAL

Docket 9

Tentative Ruling:

August 11, 2026

Appearances required.

Background

On July 15, 2026, (the "Petition Date") at 2:05 pm, Tracy Ann Eighmy (the "Debtor") filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code (the "Petition"). *See* Docket No 1. As a part of the Petition, the Debtors attested that they received "a briefing from an approved credit counseling agency within 180 days before I filed this bankruptcy petition, and I received a certificate of completion." *See id.* at p. 5.

On July 17, 2026, the Debtor filed that *Certificate of Counseling* (the "First Certificate"), which provided that on "July 16, 2026, at 9:34 o'clock AM MST" the Debtor received credit counseling from $$$$$Simple Class, Inc. that complied with the provisions of 11 U.S.C §§ 109(h) and 111. *See* Docket No. 8.

On July 17, 2026, the Court entered that *Order to Show Cause Re: Dismissal* (the "OSC"), requiring the Debtor to appear and show cause why the Court should not dismiss the Petition due to the Debtor's failure to obtain credit counseling prior to the Petition Date in conformance with 11 U.S.C. § 109(h). *See* Docket No. 9.

On July 24, 2026, the Debtor filed that *Certificate of Counseling* (the "Second Certificate") which provided that on "July 15, 2026, at 4:56 o'clock PM MST" the Debtor received credit counseling from $$$$$Simple Class, Inc. that complied with the provisions of 11 U.S.C §§ 109(h) and 111. *See* Docket No. 13.

Analysis

Pursuant to 11 U.S.C. § 109(h)(1), "an individual may not be a debtor under this title

10:00 AM
CONT... **Tracy Ann Eighmy** **Chapter 7**

unless such individual has, during the 180-day period ending on the date of filing of the petition by such individual, received from an approved nonprofit budget and credit counseling agency described in section 111(a) an individual or group briefing (including a briefing conducted by telephone or on the Internet) that outlined the opportunities for available credit counseling and assisted such individual in performing a related budget analysis." The Ninth Circuit BAP has held that "[t]o us, the command of § 109(h) is clear, and unless one of the stated exceptions applies, and individual 'may not be a debtor' unless she has received credit counseling prior to filing her bankruptcy petition." *In re Gibson*, 2011 WL 7145612 *4 (9th Cir. BAP 2011)(citing 11 U.S.C. § 109(h)(1)). The Ninth Circuit BAP indicates strict adherence to the prepetition requirements. *See id.* at *4. "The bankruptcy court has no discretion to fashion its own exceptions or to otherwise excuse noncompliance with § 109(h)'s eligibility requirement, which clearly expresses Congress's intent to require prepetition credit counseling in virtually all circumstances." *In re Raybould*, 2019 WL 1448015 *4 (9th Cir. BAP 2019); *see also In re Gibson*, 2011 WL 7145612 at *3.

Section 707(a) provides that "[t]he court may dismiss a case under this chapter only after notice and a hearing and only for cause…" The Ninth Circuit BAP has held that the failure to obtain the mandatory pre-petition credit counsel constitutes cause under 11 U.S.C. § 707(a). *See In re Franco*, 2016 WL 3227154 *4-5 (9th Cir. BAP 2016). Whilst some courts have held that striking a petition for an individual debtor's failure to comply with 11 U.S.C. § 109(h) is appropriate, "[t]he majority of courts considering the issue have found that dismissal of the case is mandatory if the debtor failed to comply with the credit counseling requirement of 11 U.S.C. § 109(h)." *In re Crawford*, 420 B.R. 833, 837-838 (Bankr. D.N.M. 2009)(internal citations omitted).

Here, Section 109(h)(1) of the Bankruptcy Code required that the Debtor participate in a credit counseling course between the dates of January 16, 2026, and prior to the Petition having been filed on the Petition Date. The First Certificate indicates that the Debtor received the required counseling on July 16, 2026, two days after the Petition was filed. *See* Docket No. 8. Further, the Second Certificate indicates that the Debtor received the required counseling on the Petition Date but an hour after the Petition was filed. *See* Docket No. 13. The Debtor has not provided the Court with any reason to find that any of the exceptions to 11 U.S.C. § 109(h) apply here.

10:00 AM

CONT... **Tracy Ann Eighmy** **Chapter 7**

The Court is inclined to dismiss this case for the Debtor's failure to comply with 11 U.S.C. § 109(h)(1).

Party Information

Debtor(s):

Tracy Ann Eighmy	Represented By Malgorzata Hackett

Trustee(s):

Nancy J Zamora (TR)	Pro Se

10:00 AM
9:25-10438 **Alejandro Lara** **Chapter 13**

#35.00 CONT'D Hearing
RE: [58] Application for Compensation Application of Attorney for Debtor for Additional Fees and Related Expenses in a Pending Chapter 13 Case Subject to a RARA; with proof of service for Kevin T Simon, Debtor's Attorney, Period: to, Fee: $1345.00, Expenses: $10.23.

FR. 7-28-26,

Docket 58

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

July 28, 2026

Appearances waived.

On May 8, 2026, Law Office of Kevin T. Simon ("Applicant") filed that *Application of Attorney for Debtor for Additional Fees and Related Expenses in a Pending Chapter 13 Case Subject to a Rights and Responsibilities Agreement (RARA)* (the "Application"). *See* Docket No. 58. On June 1, 2026, the Court entered that *Order Setting Application of Attorney for Debtor for Additional Fees and Related Expenses in a Pending Chapter 13 Case Subject to a Rights and Responsibilities Agreement for Hearing* (the "Order"), setting the Application for hearing, and notifying Applicant that not all creditors were served with the Application. *See* Docket No. 63.

Pursuant to Fed. R. Bankr. P. 2002(a)(6), "all creditors [must receive] at least 21 days' notice by mail of [] a hearing on a request for compensation or for reimbursement of expenses, if the request exceeds $1,000." Pursuant to this Court's Local Rule

10:00 AM
CONT... **Alejandro Lara** **Chapter 13**

3015-1(x), "[a]ll motions and application must be served [] on [] all creditors []…"

As the order provides, Southern California Edison, Westlake Financial and So Cal Gas were not served with the Application. *See* Docket No. 63, p. 2. The Application is denied. Applicant is to lodge a conforming order within 7 days.

Party Information

Debtor(s):

Alejandro Lara — Represented By Kevin T Simon

Trustee(s):

Elizabeth (ND) F Rojas (TR) — Pro Se

10:00 AM

9:24-10572 Thomas Anthony Ferro **Chapter 7**

#36.00 CONT'D Hearing re: [153] Cal-West Equities, Inc's objection to debtor's homestead exemption

fr. 12-9-25, 2-24-26, 5-5-26, 6-02-26, 6-16-26, 7-28-26,

Docket 153

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

July 28, 2026

Appearances waived.

The hearing on the objection is continued to August 11, 2026, at 10:00 a.m.

June 16, 2026

Appearances required.

On January 20, 2026, Thomas Anthony Ferro (the "Debtor") filed *Debtor's Motion for Order Determining that Debtor Has Not Yet Received Exempt Homestead Proceeds or, in the Alternative, to Equitably Toll the Deadline for Thomas Ferro to Reinvest Homestead Exemption Proceeds* (the "Motion"). *See* Docket No. 186. The Motion related to insurance proceeds that the Debtor received due to the loss of his home in a fire, and specifically requested a finding that the insurance proceeds have "not been 'actually received'" by the Debtor, as that term is used in Cal. Code Civ. P. § 704.720 (the "Code Section"), or, in the alternative, that the Court equitably toll the reinvestment deadline found in the Code Section. *See id.* at p. 4, lines 3-12.

On February 10, 2026, the Debtor filed that *Stipulation to Dismiss Debtor's Motion for an Order Determining that Debtor Has Not Yet Received Exempt Homestead Proceeds or, in the Alternative, to Equitably Toll the Deadline for Thomas Ferro to Reinvest Homestead Exemption Proceeds* (the "Stipulation"). *See* Docket No. 204. The Stipulation was entered into by and between the Debtor, the Chapter 7 Trustee, and Cal-West Equities, Inc. ("Cal-West"). *See id.* at p. 1, lines 21-28. The Stipulation noted that the Debtor had in-fact purchased a new home with some or all of the insurance proceeds from his lost home, and the parties to the Stipulation agreed "that the Motion is now[, therefore] moot…" *See id.* at p. 2, lines 15-18. The Motion would only be moot, it seems to the Court, if the Debtor had timely reinvested the insurance proceeds pursuant to the Code Section, at least by the parties' measure, or the parties were in agreement that there would be a waiver of any challenge to a late reinvestment, perhaps agreeing to the equitable tolling request in the Motion. The Court made no findings as to the applicability of equitable tolling or the like to the Code Section.

On May 26, 2026, Cal-West filed *Cal-West Equities, Inc.'s Supplement to the Objection to Debtor's Homestead Exemption* (the "Supplement"). *See* Docket No. 232. Cal-West's opening salvo in the Supplement was that "Cal-West now provides this Supplement to the Objection to address the timeliness of Debtor's reinvestment of the Homestead proceeds." *See id.* at p. 2, lines 5-7.

The Court maintains some confusion. If Cal-West agreed that the Motion was moot, why would the core of the Motion, whether the insurance proceeds were timely reinvested, or, in the alternative, to extend that period, still be a live issue among the parties? Has Cal-West not waived this argument?

<u>February 24, 2026</u>

Appearances required.

The Court's query for the parties is, does that *Order on Stipulation to Dismiss Debtor's Motion for an Order Determining that Debtor Has Not Received Homestead Exemption Proceeds or, in the Alternative, to Equitably Toll the Deadline for Thomas Ferro to Reinvest Homestead Exemption Proceeds* resolve the instant objection?

December 9, 2025

Appearances required.

On May 22, 2024, Thomas Anthony Ferro (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The Debtor scheduled as an asset of the estate, real property located at 23448 W. Moon Shadows Drive, Malibu, CA (the "Property"). *See* Docket No. 1-1, *Schedule A/B: Property*, p. 1. The Debtor claimed an exemption in the Property in the amount of $699,426 pursuant to Cal. Code of Civ. P. § 704.730 (the "Exemption"). *See id.* at p. 10, *Schedule C: The Property You Claim as Exempt*. Through several stipulations between the Debtor and Cal-West Equities, Inc. ("Cal-West"), Cal-West's deadline to object to the Exemption was August 18, 2025. *See* Docket No. 149, *Order Approving Stipulation to Extend the Deadline for Cal-West Equities, Inc. to File an Objection to the Debtor's Homestead Exemption*.

The Property was destroyed by a fire in early 2025.

On August 18, 2025, Cal-West filed *Cal-West Equites, Inc.'s Objection to Debtor's Homestead Exemption* (the "Objection"). *See* Docket No. 153. It appears to the Court that the sole objection to the Exemption is that Cal-West believes that California law requires the reinvestment of insurance proceeds into the Property, or another property that the Debtor will reside at. *See id.* at pp. 5-6.

On November 25, 2025, the Debtor filed *Debtor's Opposition to Objection to*

10:00 AM

CONT... **Thomas Anthony Ferro** **Chapter 7**

Homestead Exemption Filed by Cal-West Equities, Inc., wherein the Debtor confirms that the Property was destroyed in a fire in early 2025, and that the Property was insured against loss. *See* Docket No. 174, p. 2, lines 18-19. The Debtor states that $930,102.56 in insurance proceeds were received on August 15, 2025, representing a "partial" loss payout. *See id.* at p. 3, lines 1-3. The Debtor states that they "intend[] to use the insurance proceeds to rebuild the Property." *See id.* at p. 2, line 24.

The parties appear to agree that the Objection will not be ripe for decision prior to February 15, 2026. Without deciding the merits, the Court is willing to continue the hearing on the Objection to February 24, 2026, at 1:00 p.m. The Court calls the matter for hearing to confirm that the issue of reinvestment described in the Objection is the sole timely objection to the Exemption, meaning, any further briefing would relate solely to the topics of reinvestment and extensions of the time for reinvestment. If so, the Court will also limit any further briefing to those topics, as all other objections to the Exemption appear to have been waived.

Party Information

Debtor(s):

Thomas Anthony Ferro	Represented By Debra Brand Joseph Gerard McCarty

Trustee(s):

Jerry Namba (TR)	Represented By Timothy J Yoo John N Tedford IV Carmela Pagay

10:00 AM
9:25-11711 Lori Ann Frost-Eranio **Chapter 7**

#37.00 CONT'D Hearing
RE: [35] Motion for Objection to Debtor's Claimed Homestead Exemption; Memorandum of Points and Authorities; Supporting Declaration, with proof of service, (Zamora (TR), Nancy)

FR. 6-16-26, 7-28-26,

Docket 35

Tentative Ruling:

August 11, 2026

Appearances required.

Is this matter ripe to be vacated from calendar?

July 28, 2026

Appearances required.

It appears that the objection has been resolved through that *Stipulation to Resolve Objection to Debtor's Claimed Homestead Exemption and Settle Related Issues* (the "Stipulation"). *See* Docket No. 44. The Court finds no order lodged on the Stipulation. In reviewing the Stipulation, the Court is not inclined to approve a broker's commission from the $100,000 settlement proceeds. These proceeds are coming from assets that are not the real property the broker has been employed to sell.

June 16, 2026

Appearances required.

Background

On December 17, 2025, Lori Ann Frost-Eranio (the "Debtor") filed a voluntary

10:00 AM

CONT... Lori Ann Frost-Eranio Chapter 7

petition for relief pursuant to Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. Nancy J Zamora is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 7, *Notice of Chapter 7 Bankruptcy Case – No Proof of Claim Deadline*.

Among the property that the Debtor scheduled is that real property located at 850 Albany Avenue, Ventura, CA 93004 (the "Property"), which the Debtor valued at $828,100.00. *See* Docket No. 24, *Schedule A/B: Property*. The Property is encumbered by a lien in the amount of $435,000.00 held by PHH / New Rez. *See* Docket No. 1, *Schedule D: Creditors Who Have Claims Secured by Property*, p. 23.

On March 16, 2026, the Debtor filed that amended *Schedule C: The Property You Claim as Exempt* claiming an exemption in the Property in the amount of $392,100.00 pursuant to "my equity in house" (the "Exemption"). *See* Docket No. 24, p. 11. The Exemption comprised the Debtor's second amended exemption in the Property. *See* Docket No. 6, *Schedule C: The Property You Claim as Exempt*.

On March 23, 2026, the Court issued that *Order of Discharge – Chapter 7*. *See* Docket No. 25.

On March 26, 2026, the Trustee filed that *Notice of Continued Meeting of Creditors and Appearance of Debtor [11 U.S.C. 341(a)]* continuing the 341(a) meeting of creditors to June 18, 2026. *See* Docket No. 28.

On May 26, 2026, the Trustee filed that *Motion for Objection to Debtor's Claimed Homestead Exemption* (the "Objection") objecting to the Exemption because (1) the Debtor failed to cite any statute for the Exemption, (2) the Debtor's prepetition actions (listing the Property for sale and considering a third party's offer to purchase the Property) demonstrate the Debtor did not have the intent to remain at the Property, and (3) the Debtor is unable to cure any default to the mortgage lender while there is an impending foreclosure sale of the Property. *See* Docket No. 35. However, the Objection appears to center on the Debtor's purported lack of ability and intent to remain residing in the Property. *See id.*

Notice

Pursuant to Fed. R. Bankr. P. 4003(b)(4), "[a] copy of any objection, other than one filed by the trustee under (b)(2), must be delivered or mailed to: the trustee; the debtor; the debtor's attorney; the person who filed the list of exempt property; and that person's attorney."

On May 26, 2026, the Trustee filed that *Notice of Motion for Objection to Debtor's Claimed Homestead Exemption* (the "Notice"), informing the Debtor that pursuant to this Court's Local Rule 9013-1, any opposition to the Objection must be filed and served no less than fourteen (14) days prior to the hearing on the Objection. *See* Docket No. 36. On May 26, 2026, the Notice and Objection were served on the Debtor and the Office of the United States Trustee via Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid. *See* Docket No. 35, *Proof of Service of Document*, p. 54; and Docket No. 36, *Proof of Service of Document*, pp. 4-5.

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." Here, the Debtor has not filed a response to the Objection. The Court takes the default of the Debtor.

Analysis

Pursuant to 11 U.S.C. § 522(l), "[t]he debtor shall file a list of property that the debtor claims as exempt under subsection (b) of this section … Unless a party in interest objects, the property claimed as exempt on such list is exempt." "California has opted out of the federal exemption scheme and permits its debtors only the exemptions allowable under state law." *In re Bhangoo*, 634 B.R. 80, 85 (9th Cir. BAP 2021); *see also* Cal. Code of Civ. P. § 703.130.

Pursuant to Fed. R. Bankr. P. 4003(c), "[i]n a hearing under this Rule 4003, the objecting party has the burden of proving that an exemption was not properly claimed." *See also In re Diaz*, 547 B.R. 329, 336 (9th Cir. BAP 2016) ("Generally, a debtor's claimed exemption is presumptively valid, and the party objecting to a debtor's exemption has the burden of proving that the exemption is improper.") (citing *In re Carter*, 182 F.3d 1027, 1029 n.3 (9th Cir. 1999) and Fed. R. Bankr. P. 4003(c)). "[W]here a state law exemption statute specifically allocates the burden of proof to the

10:00 AM
CONT... **Lori Ann Frost-Eranio** **Chapter 7**

debtor, Rule 4003(c) does not change that allocation." *Id.* at 337.

Pursuant to Cal Code of Civ. P. § 704.780(a)(1), "[t]he burden of proof [as to a claimed homestead…] is determined in the following manner: (1) If the records of the county tax assessor indicate that there is a current homeowner's exemption [] for the dwelling [], the judgment creditor has the burden of proof that the dwelling is not a homestead. [However, if there is not such a record,] the burden of proof that the dwelling is a homestead is on the person who claims that the dwelling is a homestead."

"Courts liberally construe the 'the law and facts to promote the beneficial purposes of the homestead legislation to benefit the debtor.'" *In re Gilman*, 887 F.3d 956, 964 (9th Cir. 2018) (quoting *Tarlesson v. Broadway Foreclosure Invs., LLC*, 184 Cal.App.4th 931, 936 (2010)). *See also In re Johnson*, 604 B.R. 875, 887 (Bankr. S.D. Cal. 2019) ("Requiring a debtor to prove an unreasonable intent to remain in the homestead is inconsistent with a liberal interpretation of the California homestead statutes").

Pursuant to Cal. Code of Civ. P. § 704.710(c), a "'[h]omestead' means the principal dwelling (1) in which the judgment debtor or the judgment debtor's spouse resided on the date the judgment creditor's lien attached to the dwelling, and (2) in which the judgment debtor or the judgment debtor's spouse resided continuously thereafter until the date of the court determination that the dwelling is a homestead."

"The automatic homestead exemption protects a debtor from a forced sale and requires that the debtor reside in the homestead property at the time of a forced sale." *In re Diaz*, 547 B.R. 329, 334 (9th Cir. BAP 2016)(internal citations omitted). "The filing of a bankruptcy petition constitutes a forced sale for purposes of the automatic homestead exemption." *Id.* A debtor "is entitled to claim the exemption only if [they] resided in the Property on the petition date." *Id.* at 335. "Under California law, the relevant factors for determining if a debtor resides in a property are the physical fact of the occupancy of the property and the debtor's intention to live there." *Id.*

As to the second factor, although a debtor may list real property for sale prior to the bankruptcy petition date to satisfy claims, that fact alone is not dispositive of the debtor's intent to reside in the real property post-petition. *See In re Gilman*, 608 B.R.

10:00 AM
CONT... **Lori Ann Frost-Eranio** **Chapter 7**

714, 721 (Bankr. C.D. Cal. 2019); *see also In re Gilman*, 887 F.3d at 965.

Here, the Trustee does not dispute that the Debtor physically occupied the Property prior to the petition date, on the petition date, and through the date of the filing of the Motion. *See* Docket No. 35, p. 3, lines 14-15. The question here, rather, is whether the Debtor intended to reside in the Property after the petition date. The Trustee argues the Debtor had listed the Property for sale prepetition and even considered an offer prior to the petition date. The Trustee also argues that the Debtor terminated the listing agreement with their broker post-petition because the mortgage holder would not approve of a sale at some point pre- or perhaps post-petition. The Trustee also notes that as of the petition date, the Debtor claimed no exemption in the Property, which, coupled with the pre-petition listing of the Property, illustrates that the Debtor did not intend to live at the Property after the petition date. *See id.* at p. 5, lines 5-9.

True, as the Trustee points out, the Debtor's originally filed *Schedule C* listed no exemptions. *See* Docket No. 1, p. 22. The Debtor's first amended *Schedule C*, however, and filed on the petition date, claimed an exemption in the property in the amount of $381,000. *See* Docket No. 6, p. 1. The amended exemption does not list the California state law code section for homestead exemptions, but the Debtor checks the box that they were claiming a homestead exemption in excess of $214,000. *See id.* The Debtor's *Statement of Intention for Individuals Filing Under Chapter 7* also denotes that the Debtor, as to the Property, intended to "[r]etain the property and enter into a Reaffirmation Agreement." *See id.* at p. 53.

On January 30, 2026, the mortgage lender on the Property forwarded the Debtor a letter informing the Debtor that it was denying at least two (2) forms of requests to modify the mortgage, but that "the account is conditionally eligible for other alternative(s) to foreclosure." *See* Docket No. 35, pp. 39-53.

It appears to the Court, by the evidence confronting it, that the Debtor indeed intended to reside at the Property as of the petition date, and has continued with that residence ever since. The Debtor's ability to stave off a foreclosure is certainly an issue the Debtor may have to contend with. The Debtor's schedules, however, show that the Debtor intended on reaffirming the mortgage obligation, meaning, staying in the Property.

10:00 AM

CONT... Lori Ann Frost-Eranio **Chapter 7**

As such, the Court overrules the Objection without prejudice. The Trustee is to upload a conforming order within 7 days.

Party Information

Debtor(s):

Lori Ann Frost-Eranio — Pro Se

Trustee(s):

Nancy J Zamora (TR) — Pro Se

10:00 AM

9:23-10057 **Unlikely Heroes, Inc.** **Chapter 7**

#38.00 HearingRE: [391] Motion Requiring Chapter 7 Trustee to Provide a Verified Accounting and Record Production; Preserving Evidence and Confidential Information; And Transmitting The Record to the United States Trustee for Review with Proof of Service.

Docket 391

Tentative Ruling:

August 11, 2026

Appearances required.

Party Information

Debtor(s):

Unlikely Heroes, Inc.	Represented By Richard P Towne

Trustee(s):

Sandra McBeth (TR)	Represented By William C Beall Carissa N Horowitz Ryan W Beall

10:00 AM

9:22-10673 Carole D King **Chapter 7**

#39.00 CONT'D Hearing re: [286] Motion to avoid lien with Coronitas Holdings, LLC

FR. 6/02/26, 7-07-26,

Docket 286

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

July 7, 2026

Appearances waived.

The hearing on the motion is continued to August 11, 2026, at 10:00 a.m.

June 2, 2026

Appearances waived.

The hearing on the motion is continued to July 7, 2026, at 10:00 a.m.

Party Information

Debtor(s):

Carole D King	Represented By William C Beall Carissa N Horowitz

10:00 AM

9:22-10674 **John E King** **Chapter 7**

#40.00 CONT'D Evidentiary hearing re: [342] Renewed motion for damages pursuant to 11 U.S.C. § 303(i)

fr. 9-9-25, 1-27-26, 2-19-26, 4-15-26, 7-07-26,

Docket 342

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

July 7, 2026

Appearances waived.

The hearing on the motion is continued to August 11, 2026, at 10:00 a.m.

January 27, 2026

Appearances required. The parties may appear remotely.

In assuming the matter is ripe for a hearing, the Court intends on setting an evidentiary hearing. To aid the Court and the parties with narrowing any issues to be tried, if any such narrowing is possible, the Court also intends on setting a pretrial conference.

September 9, 2025

Appearances required.

Party Information

10:00 AM

CONT... **John E King** **Chapter 7**

Debtor(s):

John E King	Represented By William C Beall Carissa N Horowitz

Movant(s):

John E King	Represented By William C Beall Carissa N Horowitz

10:00 AM
9:22-10674 **John E King** **Chapter 7**

#41.00 CONT'D Hearing re: [401] Motion to avoid lien with Coronitas Holdings, LLC

FR. 6-02-26, 7-07-26,

Docket 401

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

July 7, 2026

Appearances waived.

The hearing on the motion is continued to August 11, 2026, at 10:00 a.m.

June 2, 2026

Appearances waived.

The hearing on the motion is continued to July 7, 2026, at 10:00 a.m.

Party Information

Debtor(s):

John E King — Represented By
William C Beall
Carissa N Horowitz

10:00 AM

9:22-10674 John E King **Chapter 7**

#42.00 HearingRE: [434] Motion to Compel discovery responses with proof of service

Docket 434

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

Party Information

Debtor(s):

John E King

Represented By
William C Beall
Carissa N Horowitz

10:00 AM
9:22-10674 John E King **Chapter 7**

#43.00 HearingRE: [448] Motion to Stay Discovery and John King's Pending Motion to Compel Discovery; Memorandum of Points and Authorities

Docket 448

Tentative Ruling:

August 11, 2026

Appearances waived.

The hearing on the motion is continued to August 25, 2026, at 10:00 a.m.

Party Information

Debtor(s):

John E King

Represented By
William C Beall
Carissa N Horowitz

12:00 PM

9:24-10608 Brian Morgan Heit **Chapter 7**

Adv#: 9:24-01028 Gonzalez v. Adept Legal Counsel, PC et al

#44.00 HearingRE: [117] Motion to Reschedule Trial; Declarations

Docket 117

Tentative Ruling:

August 11, 2026

Appearances required.

Party Information	
Debtor(s):	
Brian Morgan Heit	Represented By Marcus G Tiggs Rachel M Sposato
Defendant(s):	
Adept Legal Counsel, PC	Represented By Brian Morgan Heit
Brian Morgan Heit	Represented By Brian Morgan Heit
Plaintiff(s):	
Daniel E. Gonzalez	Represented By Stella A Havkin
Trustee(s):	
Sandra McBeth (TR)	Pro Se