9:00 AM

9: - **Chapter 0**

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Docket 0

Tentative Ruling:

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CONT... **Chapter 0**

- NONE LISTED -

9:00 AM

9:24-11003 Haroution Papazian **Chapter 13**

#1.00 HearingRE: [47] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2024 Hyundai Ioniq 5, VIN: KM8KN4DE4RU269787 . (Hong, Rosemary)

Docket 47

Tentative Ruling:

August 25, 2026

Appearances waived. The Motion is granted pursuant to 11 U.S.C. § 362(d)(1). The request to waive Fed. R. Bankr. P. 4001(a)(4) is granted. Movant to lodge a conforming order within 7 days.

On July 27, 2026, Hyundai Capital America as servicer for Hyundai Lease Titling Trust, its assignees and/or successors ("Movant") filed that *Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (Personal Property)* (the "Motion") seeking to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1) in relation to a 2024 Hyundai Ioniq 5 (the "Vehicle") of Haroution Papazian (the "Debtor") on the grounds that (1) Movant's interest in the Vehicle is not adequately protected 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, (3) the lease has matured, been rejected or deemed rejected by operation of law, and (4) Movant regained possession of the Vehicle postpetition on April 30, 2026. *See* Docket No. 47, 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, (2) waiver of the 14-day stay provided under Fed. R. Bankr. P. 4001(a)(4), and (3) if relief is not granted, the Court order adequate protection. *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via United States mail first class, postage prepaid on July 27, 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*

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CONT... **Haroution Papazian** **Chapter 13**

Service of Document. *See id.,* 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." 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).

The Debtor filed that *Chapter 13 Plan* (the "Plan") on September 2, 2024. *See* Docket No. 2. Under the terms of the Plan, the Debtor assumed the Vehicle's unexpired lease with Movant. *See* Docket No. 2, p. 11, Class 7. Movant asserts a secured claim against the Vehicle in the amount of $8,431.22. *See* Docket No. 47, p. 8. The claim is swelling by the day due to an absence of postconfirmation payments by the Debtor. *See id.,* p. 9. The postconfirmation payments to Movant on the Vehicle pursuant to the underlying loan agreement are tardy with one (1) payment in the amount of $310.67 and one (1) payment in the amount of $376.86. *See id*. Including postpetition advances of $7,414.44, Movant asserts that there is a total postpetition delinquency of $8,101.97. *See id.,* p. 9. It appears that the Debtor's last monthly payment of $376.86 was received by Movant on March 21, 2026. *See id.,* p. 8.

Additionally, Movant argues that the lease on the Vehicle was rejected by operation of law on April 30, 2026. *See id.,* p. 7. Furthermore, there is no evidence that the Debtor has insurance on the Vehicle. *See id.,* p. 3.

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CONT... Haroution Papazian Chapter 13

In light of the Debtor's failure to make postconfirmation payments, the ever-eroding equity in the Vehicle due to the lack of payments, the rejection of the lease on the Vehicle, 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).

Party Information

Debtor(s):

Haroution Papazian	Represented By James G. Beirne

Trustee(s):

Elizabeth (ND) F Rojas (TR)	Pro Se

9:00 AM

9:25-11123 Ruby Curiel Castillo **Chapter 7**

#2.00 HearingRE: [29] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2019 Subaru Ascent . (Martinez, Kirsten)

Docket 29

Tentative Ruling:

August 25, 2026

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

On July 20, 2026, JPMorgan Chase Bank, N.A. ("Movant") filed that *Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362* (the "Motion") seeking to lift the automatic stay pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2) in relation to a 2019 Subaru Ascent (the "Vehicle") of Ruby Curiel Castillo (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, and (2) pursuant to 11 U.S.C. § 362(d)(2)(A), the Debtor has no equity in the Vehicle; and, pursuant to 11 § 362(d)(2)(B), the Vehicle is not necessary for an effective reorganization. *See* Docket No. 29, 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 provided under Fed. R. Bankr. P. 4001(a)(4). *See id*., p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on 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 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)(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 asserts through the Motion that its secured claim in this matter, the Vehicle of which serves as collateral for said claim, totals $20,259.01 as of June 24, 2026. *See* Docket No. 29, p. 8. According to a J.D. Power Used Cars/Trucks report, the value of the Vehicle is $18,575. *See id.*, at *Exhibit 4*. 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).

Movant asserts a secured claim against the Vehicle in the amount of $20,259.01. *See* Docket No. 29, p. 8. Movant asserts that the Debtor is in arrears in the amount of "$N/A." *See id*. However, it appears that the Debtor's last monthly payment of

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CONT... Ruby Curiel Castillo **Chapter 7**

$435.01 was received by Movant on December 31, 2025, after Movant charged off the account. *See id.*, at *Exhibit 3.*

In light of the Debtor's failure to make post-petition 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):

Ruby Curiel Castillo	Represented By Malgorzata Hackett

Trustee(s):

Nancy J Zamora (TR)	Pro Se

9:00 AM
9:26-10004 David Lester Griffin and Edita Kovalova Griffin **Chapter 13**

#3.00 HearingRE: [43] Motion for Relief from Stay . (Medioni, Daniel)

Docket 43

Tentative Ruling:

August 25, 2026

Appearances required.

Trentwood Canyon Homeowners Association ("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 2478 Swanfield Court, Unit 2, Thousand Oaks, CA 91361 (the "Property") of David Lester Griffin and Edita Kovalova Griffin (the "Debtors") on the grounds that (1) Movant's interest in the Property is not protected by an adequate equity cushion and the fair market value is declining, and (2) the Debtors have failed to make post-petition payments due to Movant. *See* Docket No. 43, *Notice of Motion and 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 (1) to proceed under applicable nonbankruptcy law to enforce its remedies to foreclose upon and obtain possession of the Property, (2) for waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(3), (3) that the order be binding and effective in any bankruptcy case commenced by or against any debtor who claims any interest in the Property for a period of 180 days from the hearing on the Motion without further notice, and (4) if relief from stay is not granted, adequate protection be ordered. *See id.* at p. 5.

Notice

The Motion and notice thereof were served upon the Debtors via U.S. Mail First class, postage prepaid on July 27, 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* Docket No. 44, *Proof of Service of Document.*

On August 10, 2026, the Debtors filed that *Response to Motion Regarding the*

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CONT... David Lester Griffin and Edita Kovalova Griffin Chapter 13

Automatic Stay (the "Response"). *See* Docket No. 52. In the Response the Debtors assert that (1) Movant has an equity cushion of $407,000 which is sufficient to provide adequate protection, and (2) the Debtors hope to work out an adequate protection order with Movant. *See id.*, p. 2.

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).

"’The issues of adequate protection and equity in the property are irrelevant in the face of post-confirmation payment defaults because creditors are entitled to rely upon the debtors’ responsibilities to make their post-confirmation payments. The debtors are not required to remain in Chapter 13 if they cannot satisfy the obligations which they proposed as feasible and which they voluntarily assumed.’" *In re Williams*, 68 B.R. 442, 443 (Bankr. M.D. Ga. 1987)(citing *In re Davis*, 64 B.R. 358, 359-360 (Bankr. S.D.N.Y. 1986)). "Strictly speaking [], adequate protection is only intended to protect a creditor during the period between the filing of the petition and plan confirmation." *In re Dumbuya*, 428 B.R. 410, 416 (Bankr. N.D. Oh. 2009)(citing *In re Walters*, 203 B.R. 122, 123-124 (Bankr. S.D. Ill. 1996)). "Once [] a plan is confirmed by the court a creditor seeking relief from the stay, based upon a debtor’s default in payment under a plan, must establish that the debtor’s breach of the plan, itself, provides ‘cause’ to lift the stay. The issue of ‘adequate protection’ becomes moot." *Id.* (citing *In re Schultz*, 325 B.R. 197, 201 (Bankr. N.D. Oh. 2005)).

Movant asserts "[p]ostpetition mortgage payments due on the note secured by a deed of trust on the Property have not been made to Movant." *See* Docket No. 43, p. 3, ¶ 4(a)(3)(B). In total, Movant asserts that the Debtors have not paid $12,254.14 in post-petition assessments.

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CONT... **David Lester Griffin and Edita Kovalova Griffin** **Chapter 13**

If the Debtors have not fully paid post-petition assessments, cause exists to lift the stay.

Party Information

Debtor(s):

David Lester Griffin	Represented By Nathan A Berneman

Joint Debtor(s):

Edita Kovalova Griffin	Represented By Nathan A Berneman

Trustee(s):

Elizabeth (ND) F Rojas (TR)	Pro Se

9:00 AM

9:26-10004 David Lester Griffin and Edita Kovalova Griffin **Chapter 13**

#4.00 HearingRE: [49] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2019 Mercedes-Benz S560V VIN: WDDUG8DB7KA436449 . (Hong, Rosemary)

Docket 49

Tentative Ruling:

August 25, 2026

Appearances required.

On July 31, 2026, Mercedes-Benz Financial Services USA LLC, its assignees and/or successors ("Movant") filed that *Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (Personal Property)* (the "Motion") seeking to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1) in relation to a 2019 Mercedes-Benz S560V (the "Vehicle") of David Lester Griffin and Edita Kovalova Griffin (the "Debtors") on the grounds that (1) the fair market value of the Vehicle is declining and payments are not being made to Movant sufficient to protect Movant's interest against the decline, and (2) proof of insurance regarding the Vehicle has not been provided to Movant, despite the Debtors' obligation to insure the collateral under the terms of Movant's contract with the Debtor. *See* Docket No. 49, 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) waiver of the 14-day stay provided under Fed. R. Bankr. P. 4001(a)(4), and (3) if relief from stay is not granted, the Court order adequate protection. *See id*., p. 5.

The Motion was filed on July 31, 2026, and served upon the Debtors via U.S. Mail first class, postage prepaid on the same date. *See* Docket No. 30, *Proof of Service of Document.*

On August 10, 2026, the Debtors filed that *Response to Motion Regarding the Automatic Stay* (the "Response"). *See* Docket No. 51. In the Response the Debtors assert that they have "paid the amount owed to Movant in full." *See id.*, p. 2.

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 Debtors 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 Property in the amount of $35,544.06. *See* Docket No. 49, p. 8. Movant asserts that the Debtors are in arrears in the amount of $3,600.06. *See id.* It appears that the Debtors' last monthly payment of $1,199.88 was received by Movant on April 6, 2026. *See id.* In the Response, the Debtors assert that they have paid $3,599.64 to Movant. *See* Docket No. 51, *Declaration of David Griffin*, ¶ 6. The Debtors provide a printout entitled "Payment Confirmation", however, there is no indication to whom the payment was made. Are the Debtors current?

Movant additionally asserts that the Debtors have failed to provide Movant with evidence of insurance on the Vehicle. *See id.*, p. 10. The Response does not address the lack of insurance. Is the Vehicle insured?

Party Information

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CONT... David Lester Griffin and Edita Kovalova Griffin **Chapter 13**

Debtor(s):

David Lester Griffin	Represented By Nathan A Berneman

Joint Debtor(s):

Edita Kovalova Griffin	Represented By Nathan A Berneman

Trustee(s):

Elizabeth (ND) F Rojas (TR)	Pro Se

9:00 AM

9:26-10261 Shawna Marie Nichols **Chapter 13**

#5.00 HearingRE: [22] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 384 Imperial Avenue, Ventura, California 9300 . (Serrao, Jacqueline)

Docket 22

Tentative Ruling:

August 25, 2026

Appearances are waived. The Court will grant the Motion pursuant to 11 U.S.C. § 362(d)(1), including the request to waive the co-debtor stay, for the reasons set forth *infra*. The request to waive Fed. R. Bankr. P. 4001(a)(4) is denied. Movant to upload a conforming order within 7 days.

NewRez LLC as servicer for HSBC Bank USA, National Association, as Trustee for Wells Fargo Asset Securities Corporation Mortgage Pass-Through Certificates, Series 2006-AR14 ("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 384 Imperial Avenue, Ventura, California 93004 (the "Property") of Shawna Marie Nichols (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. 22, *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), (4) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(3) [superseded by Fed. R. Bankr. P. 4001(a)(4)], and (5) if relief from stay is not granted, adequate protection be ordered. *See id.,* p. 5.

Notice

9:00 AM
CONT... Shawna Marie Nichols **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 31, 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. 12. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Neither the Debtor, non-filing co-debtor, 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 Debtor and non-filing co-debtor.

Analysis

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

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. 11, pp. 5-6, Class 2. Movant asserts that the Debtor has not made Plan payments consisting of three (3) postpetition preconfirmation payments of $4,552.44. *See* Docket No. 22, p. 9. Less a suspense account balance of $4,119.06, Movant asserts that there is a total postpetition delinquency of $9,538.26 (as of the July 3, 2026) with a payment of $4,754.29 becoming due August 1, 2026. *See id*. According to the Motion, the last monthly payment of $4,407.98 was received by Movant on May 15, 2026. *See id.*

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. Therefore, the

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CONT... Shawna Marie Nichols **Chapter 13**

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):

Shawna Marie Nichols	Represented By Joshua Sternberg

Trustee(s):

Elizabeth (ND) F Rojas (TR)	Pro Se

9:00 AM
9:26-10848 David Jerry Bell **Chapter 7**

#6.00 HearingRE: [11] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 150 Brins Way, Dripping Springs, Texas 78620 , with proof of service. (Delmotte, Joseph)

Docket 11

Tentative Ruling:

August 25, 2026

Appearances waived. The Court will grant the Motion pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2), 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.

Rocket Mortgage, LLC ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2) in relation to the residential real property located at 150 Brins Way, Dripping Springs, Texas 78620 (the "Property") of David Jerry Bell (the "Debtor") on the grounds that (1) Movant's interest in the Property is not protected by an adequate equity cushion, and (2) pursuant to 11 U.S.C. § 362(d)(2)(A), the Debtor has no equity in the Property and pursuant to 11 U.S.C. § 362(d)(2)(B) the Property is not necessary for an effective reorganization. *See* Docket No. 11, *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, (2) at its option, offer, provide and enter into a potential forbearance agreement or other loan workout/loss mitigation agreement by contacting the Debtor, and (3) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(3) [superseded by Fed. R. Bankr. P. 4001(a)(4)]. *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on July 23, 2026, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id*. at *Proof of Service of Document*, p. 61. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Neither the Debtor, nor any other party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

Legal Standard

Pursuant to 11 U.S.C. § 362(d)(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 $37,992.18, which represents six (6) unpaid payments of $6,135.92 each (as of the date of the Motion) with a payment of $6,135.92 becoming due July 1, 2026. *See* Docket No. 11, p. 8. 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 $636,787.62. *See id.* As of the petition date of June 7, 2026, Movant asserts that the fair market value of the Property is $622,500 per the Debtor's *Schedule A/B*. *See id.,* at *Exhibit 4, Schedule A/B: Property,* p. 1. The equity cushion in the Property exceeding Movant's liens is asserted to be negative $14,287.62 or -2.3% of the fair market value of the Property. *See id.*, p. 8. Subtracting the total liens on the Property (Movant's lien in the amount of $636,787.62), the Debtor's equity in the Property is negative $14,287.62. *See id.*

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. Cause has additionally been shown sufficient to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(2) due to the lack of equity in the Property and because the Property is not necessary for reorganization in a Chapter 7.

As to Fed. R. Bankr. P. 4001(a)(4), no analysis has been provided to support the request to waive the application of Fed. R. Bankr. P. 4001(a)(4), and so the Court declines to do so.

Party Information

Debtor(s):

David Jerry Bell — Represented By
Daniel A Higson

9:00 AM

CONT... **David Jerry Bell** **Chapter 7**

Trustee(s):

Nancy J Zamora (TR)	Pro Se

9:00 AM

9:26-10950 Lisa Marie Espy and Richard Michael Espy **Chapter 7**

#7.00 HearingRE: [14] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 8500 GRAVES CREEK RD ATASCADERO California 93422 .

Docket 14

Tentative Ruling:

August 25, 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.

Guaranteed Rate, Inc. ("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 8500 Graves Creek Road, Atascadero, CA 93422 (the "Property") of Lisa Marie Espy and Richard Michael Espy (the "Debtors") on the grounds that Movant's interest in the Property is not protected by an adequate equity cushion. *See* Docket No. 14, *Notice of Motion and 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, (2) at its option, offer, provide and enter into a potential forbearance agreement or other loan workout/loss mitigation agreement by contacting the Debtors, (3) termination of the co-debtor stay under 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.

The Motion and notice thereof were served upon the Debtors via United States mail first class, postage prepaid on July 24, 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.* at *Proof of Service of Document*, p. 12. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Neither the Debtors, 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 Debtors.

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).

Analysis

Here, Movant first contends that arrearages total $9,523.71, which represents seven

9:00 AM

CONT... Lisa Marie Espy and Richard Michael Espy Chapter 7

(7) unpaid payments of $1360.53 each (as of the date of the Motion), with a payment of $1360.53 becoming due July 26, 2026. *See* Docket No. 14, p. 8.

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 $118,591.84. *See id*., p. 8. As of the petition date of June 29, 2026, Movant asserts that the fair market value of the Property is $1,241,000.00 per the Debtors' *Schedule A/B*. *See id.* at *Exhibit 4.* Movant asserts that it maintains an equity cushion in the Property. *See id.,* p. 8. Subtracting the total liens on the Property (including the senior lien of Chase Mortgage in the amount of $619,584.00, the junior lien of Fountainhead SBL LLC in the amount of $398,666.00, and Movant's junior lien in the amount of $118,591.84) from the fair market value of the Property, the Debtors' equity cushion is $104,158.20 or 8.4% of the fair market value of the Property, which is below the 20% threshold held sufficient in *In re Mellor*. *See id.* In addition, the Debtors are not making payments to Movant, and have not opposed the Motion.

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.

As to Fed. R. Bankr. P. 4001(a)(4), no analysis has been provided to support the request to waive the application of Fed. R. Bankr. P. 4001(a)(3), and so the Court declines to do so.

Party Information

Debtor(s):

Lisa Marie Espy	Represented By Sarah Lampi Little

Joint Debtor(s):

Richard Michael Espy	Represented By Sarah Lampi Little

Trustee(s):

Jeremy W. Faith (TR)	Pro Se

10:00 AM

9:24-10937 LAGS Recovery Centers, Inc **Chapter 7**

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

Docket 88

Tentative Ruling:

August 25, 2026

Appearances waived.

Before the Court is the *Trustee's Final Report* (the "Report") filed by the duly appointed Chapter 7 Trustee, Jerry W. Faith (the "Trustee"), for the bankruptcy estate of LAGS Recovery Centers, Inc. (the "Debtor"), filed on July 20, 2026. *See* Docket No. 88.

On May 19, 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 November 19, 2024, to May 18, 2026, through which MF requests allowance, on a final basis, of fees in the amount of $40,564.50 and reimbursement of expenses in the amount of $1,520.92. *See* Docket No. 86, p. 6, lines 9-15.

On May 12, 2026, Grobstein Teeple, LLP ("GT"), in its capacity as accountant to the Trustee, filed that *First and Final Application for Compensation and Reimbursement of Expenses of Grobstein Teeple, LLP as Accountants for the Chapter 7 Trustee* (the "GT Application"), covering the period from June 19, 2025, to May 12, 2026, through which GT requests allowance, on a final basis, of fees in the amount of $8,360.50 and reimbursement of expenses in the amount of $149.87. *See* Docket No. 85, p. 1, lines 26-28.

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. 89. On July 22, 2026,

10:00 AM
CONT... LAGS Recovery Centers, Inc Chapter 7

the Notice was served on the remaining mailing matrix by BNC notice. *See* Docket No. 90. 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 $92,708.97 in cash on hand. *See* Docket No. 88, p. 1.

Through the Report, the Trustee, *inter alia*, seeks (1) the payment of the Trustee's statutory fee of $7,942.50 pursuant to 11 U.S.C. § 326(a) and reimbursement of expenses in the amount of $13.40, (2) the payment of fees in the amount of $40,564.50 and reimbursement of expenses in the amount of $1,520.92 related to the MF Application, and (3) the payment of fees in the amount of $8,360.50 and reimbursement of expenses in the amount of $149.87 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 $34,157.28. *See id.,* at *Exhibit D.* This amount is sufficient to pay approximately 23.3% of general unsecured claims. *See id*., p. 13.

Pursuant to 11 U.S.C. § 330, the Court (1) allows and approves payment to MF, on a final basis, fees in the amount of $40,564.50 and reimbursement of expenses in the amount of $1,520.92, and (2) allows and approves payment to GT, on a final basis, fees in the amount of $8,360.50 and reimbursement of expenses in the amount of $149.87.

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 $7,942.50 and reimbursement of the Trustee's expenses in the amount of $13.40.

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

Party Information

Debtor(s):

LAGS Recovery Centers, Inc Represented By

10:00 AM
CONT... **LAGS Recovery Centers, Inc** **Chapter 7**

Michael B Clayton

Trustee(s):

Jeremy W. Faith (TR)	Represented By Jonathan Serrano

10:00 AM

9:24-11074 Tillamook Investments, Inc. **Chapter 7**

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

Docket 120

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Tillamook Investments, Inc. — Represented By
Stephen H Kim

Trustee(s):

Jeremy W. Faith (TR) — Represented By
Timothy J Yoo
Michael G D'Alba

10:00 AM

9:24-11077 595s7th LLC **Chapter 7**

#10.00 HearingRE: [37] Motion 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) Approving Stipulation To Vacate And Reimbursement Of Broker; Memorandum Of Points And Authorities And Declarations In Support Thereof (POS Attached)

Docket 37

Tentative Ruling:

August 25, 2025

Appearances required.

Background

On September 23, 2024, 595s7th LLC (the "Debtor") filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1. Sandra McBeth is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 2.

Among the property that the Debtor scheduled is an interest in that real property located at 557 S. 10th Street, Grover Beach, California 93433-2721 (APN: 060-288-016) (the "Property"). *See* Docket No. 1, *Schedule A/B: Assets – Real and Personal Property*, p. 11. The Debtor indicated that a "fraudulent deed was recorded in favor of Makat Investments, LLC on 7/18/2022 which transferred bare legal title to Makat Investments subject to a resulting trust in favor of Debtor." *See id.*

The Debtor scheduled one encumbrance against the Property which is held by the San Luis Obispo Tax Collector ("SLOTC") in the amount of $12,784.48. *See id.* at *Schedule D: Creditors Who Have Claims Secured by Property*, p. 14.

On November 25, 2024, the Trustee commenced an adversary proceeding against Makat Investments, LLC ("Makat") to avoid the purported transfer of the title to the Property by the Debtor to Makat. *See* Case 9:24-ap-01040-RC (the "Adversary Proceeding"), Docket No. 1. On May 7, 2026, that Court entered that *Final Judgment* in which the Court, among other things, found that the transfer of the Property to Makat "was and is void *ab initio*, is a nullity, and is hereby cancelled." *See id.* at Docket No. 83, p. 2 lines 10-12.

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) Approving Stipulation to Vacate and Reimbursement of Broker* (the "Motion") filed by the Trustee on August 4, 2026. *See* Docket No. 37.

Through the Motion, the Trustee seeks to sell the Property free and clear of all liens and encumbrances to Claude W Saiz (the "Buyer") for $590,000.00 (the "Purchase Price"), with no contingencies, subject to overbid at public auction. *See id*. at p. 2. 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 $59,500.00 and provide proof of ability to close escrow unconditionally in a form acceptable to the Trustee at least seven calendar days prior to the hearing on the Motion. *See id*. The auction, if an overbidder present themselves, is to take place with the initial overbid set at $595,000.00, and with subsequent bids in $5,000 increments. *See id*.

The Motion further seeks (1) authorization for the payment of unpaid and undisputed property taxes to SLOTC in the amount of $32,269.43, (2) authorization for the payment of the real estate broker's commissions including reimbursement to the Trustee's broker for $5,000 advanced to the former occupants of the Property so that the occupants would vacate the Property, and (3) authorization for payment of the closing costs directly from escrow from the sale. *See id.* at p. 14.

After these payments, the sale of the Property is estimated by the Trustee to net the Estate approximately $510,530.47. *See id.* at p. 8. Also, the Trustee indicated the sale will produce no capital gain tax consequences. *See id.* at p. 8 lines 23-25.

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.

10:00 AM
CONT... 595s7th LLC **Chapter 7**

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 August 4, 2026, the Trustee filed that *Notice of 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 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) Approving Stipulation to Vacate and Reimbursement of Broker* (the "Notice"). *See* Docket No. 38. The Notice was served via Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid. *See id.* at *Proof of Service of Document*, pp. 6-8.

On August 4, 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. 39.

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

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 proposed bidding procedures are reasonable, and unlikely to chill bidding. Parties are essentially placed on the same footing as the Buyer, with the exception of being required to overbid the Buyer by less than 1% of the Purchase Price. The proposed bidding increments are also less than 1% of the Purchase Price and any initial overbid.

The Court approves the proposed bidding procedures.

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 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 $510,530.47. The 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.

10:00 AM

CONT... **595s7th LLC** **Chapter 7**

The Motion meets 11 U.S.C. § 363(b).

Free and Clear of Liens and Interests

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 $590,000.00. *See* Docket No. 37, p. 2. The Trustee asserts that the aggregate value of all liens on the Property is approximately $32,269.43. *See id.* at p. 8. Under 11 U.S.C. § 363(f)(3), the Purchase Price exceeds the value of the liens against the Property.

The Court grants 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 they "have no affiliation with [the Debtor, the Trustee,] or the Trustee's general bankruptcy counsel" and that the "proposed sale transaction is the product of arm's length, good faith negotiations between and among the Trustee [] and [the Buyer]." *See* Docket No. 37, *Declaration of Claude W Saiz*, p. 20, lines 7-9 and 12-14.

The Court makes a finding of good faith under 11 U.S.C. § 363(m).

Commission of Broker and Reimbursement of Expenses

Pursuant to that *Application of Chapter 7 Trustee to Employ Nexthome Central Coast as Real Estate Broker and to Enter Into Exclusive Listing Agreement* (the "Trustee's Broker Application"), filed on May 19, 2026, NextHome Central Coast (the "Broker") stated it "agreed to accept as compensation a commission of three percent (3%) of the purchase price […and it would] share the commission with the buyer's broker in a manner to be negotiated and disclosed to the Court." *See* Docket No. 29, *Declaration of Richard Keenan*, p.5 line 26 to p. 6 line 3. The Broker further stated that it was disinterested as defined in 11 U.S.C. § 101(14) and that it was not a creditor of the Debtor. *See id.* at p. 6 lines 13-14.

On June 18, 2026, the Court entered that *Order Authorizing Chapter 7 Trustee to Employ NextHome Central Coast as Real Estate Broker and to Enter into Exclusive Listing Agreement* approving the Trustee's Broker Application. *See* Docket No. 35.

Although the Trustee's Broker Application, and specifically the declaration of Richard Keenan, provides that the Broker has "agreed to accept as compensation a commission of three percent (3%) of the purchase price," and that "[t]he Broker will share the commission with the buyer's broker," the Motion requests a total of 5% of the Purchase Price as a commission. Is the commission to be paid not limited to what the Broker specifically agreed to in their declaration and in the Trustee's Broker Application?

Further, the Broker attested through the Trustee's Broker Application that it was disinterested and not a creditor of the Debtor, however, prior to the Trustee's Broker Application being filed, the Broker, on May 14, 2025, advanced $2,000 on behalf of the Trustee to the occupants of the Property (pursuant to a stipulation between the Trustee and the occupants that was not approved by or presented to the Court). At that point, was the Broker not an administrative creditor of the Debtor's bankruptcy estate? Pursuant to 11 U.S.C. § 328(c), "the court may deny allowance of compensation for services and reimbursement of expenses of a professional person employed under section 327 [] of this title if, at any time during such professional person's employment under section 327 [] of this title, such professional person is not a disinterested person, or represents or holds an interest adverse to the interest of the estate with respect to the matter on which such professional person is employed." Assuming that the Broker was an administrative expense priority creditor at the time of the Trustee's Broker Application, and assuming that fact prevented the Broker from being disinterested, it seems to the Court that denial of any compensation in the form of a commission would be appropriate.

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, in part. It seems to the Court that the Broker is not entitled to any compensation or their failure to disclose that they held an administrative expense priority claim at the time of their proposed employment by the bankruptcy estate. If the Court were to look past that issue, there remains the issue that the Broker agreed to share a 3% commission in the Trustee's Broker Application with the Buyer's broker, but now seeks to share a 5% commission.

Party Information

Debtor(s):

595s7th LLC — Represented By
Stephen H Kim
Michael G D'Alba

10:00 AM

CONT... **595s7th LLC** **Chapter 7**

Trustee(s):

Sandra McBeth (TR)	Represented By Timothy J Yoo Michael G D'Alba

<u>10:00 AM</u>
9:24-11409 Adelaida Cellars, Inc. **Chapter 11**

#11.00 HearingRE: [310] Application for Compensation First and Final Application of Raines Feldman Littrell LLP, for Fees and Expenses Incurred as the Debtor's Bankruptcy Counsel for the Period of December 13, 2024, through and Including June 25, 2026; Declaration of Kyra E. Andrassy in Support Thereof for Kyra E Andrassy, Debtor's Attorney, Period: 12/13/2024 to 6/25/2026, Fee: $413,216.50, Expenses: $13,592.31.

Docket 310

Tentative Ruling:

<u>August 25, 2026</u>

Appearances required.

Background

On December 13, 2024, Adelaida Cellars, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1.

On January 31, 2025, the Court entered that *Order Approving Application to Employ Raines Feldman Littrell LLP as General Bankruptcy Counsel Effective as of December 13, 2024* (the "Employment Order"), authorizing the employment of Raines Feldman Littrell LLP (the "Firm") as the Debtor's general bankruptcy counsel. *See* Docket No. 71.

On January 21, 2026, the Firm filed that *Notice of Increase in Hourly Rates for Raines Feldman Littrell LLP Effective January 1, 2026* (the "Notice of Increase"), wherein, *inter alia*, the Firm informed parties-in-interest that Hamid R. Rafatjoo ("Rafatjoo") would be billed at an hourly rate of $1,450, effective as of January 1, 2026. *See id.*

On August 4, 2026, the Firm filed that *First and Final Application of Raines Feldman Littrell LLP, for Fees and Expenses Incurred as the Debtor's Bankruptcy Counsel for the Period December 13, 2024, Through and Including June 25, 2026* (the "Application"). *See* Docket No. 310. Through the Application, the Firm seeks allowance, on a final basis, of fees in the amount of $413,216.50, and reimbursement of expenses in the amount of $13,592.31 for the period of December 13, 2024, through and including June 25, 2026. *See id.* at p. 2.

Notice

On August 4, 2026, the Debtor filed that *Omnibus Notice of Hearing on Final Applications for Allowance and Payment of Compensation and Reimbursement of Expenses of Retained Professionals* (the "Notice"). *See* Docket No. 313. The Notice was served via United States mail, first class, postage prepaid and Notice of Electronic Filing [NEF] on the Debtor, creditors, and the United States Trustee. *See id.*, *Proof of Service of Document*, pp. 4-18. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Application. The Court therefore takes the default of all non-responding parties served with the Notice.

11 U.S.C. § 330

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

In the instant case, the Firm's employment by the Debtor as its general bankruptcy counsel was approved through the Employment Order. In reviewing the invoices

10:00 AM
CONT... Adelaida Cellars, Inc. **Chapter 11**

attached to the Application, the Court finds, on a final basis, that the services performed by the Firm, on behalf of the Debtor, were necessary and beneficial to the administration of the estate, were properly documented, and are reasonable considering the factors found in 11 U.S.C. § 330(a)(3).

An issue is that Rafatjoo billed 17.50 hours at $1,575. *See* Docket No. 310, p. 126, line 7. Did the Notice of Increase not inform parties-in-interest that the hourly rate as of January 1, 2026, would be $1,450 for Rafatjoo? If so, the Application should be reduced by $2,187.50, resulting in fees of $411,029 and expenses of $13,592.31.

A further issue is that of this Court's Local Rule 2016-1(a)(1)(J), which provides that a fee application must contain "[a] separately filed declaration from the client indicating that the client has reviewed the fee application and has no objection to it." *See also* Local Rule 2016-1(c)(2). The Court finds no such declaration with the Application.

Party Information

Debtor(s):

Adelaida Cellars, Inc.	Represented By Hamid R Rafatjoo Kyra E Andrassy

10:00 AM
9:24-11409 **Adelaida Cellars, Inc.** **Chapter 11**

#12.00 HearingRE: [311] Application for Compensation First and Final Application of Force Ten Advisors, LLC, for Fees and Expenses Incurred in Connection with Providing Nicholas D. Rubin as Chief Restructuring Officer and Providing Restructuring Support Personnel for the Period December 13, 2024 through and Including June 25, 2026; Declaration of Nicholas D. Rubin in Support Thereof for Kyra E Andrassy, Other Professional, Period: 12/13/2024 to 6/25/2026, Fee: $329,667.00, Expenses: $577.69.

Docket 311

Tentative Ruling:

August 25, 2026

Appearances waived.

Background

On December 13, 2024, Adelaida Cellars, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1.

On March 6, 2025, the Court entered that *Order Approving Motion for Entry of an Order (1) Authorizing the Debtor to Retain Force Ten Partners, LLC to Provide Nicholas Rubin as Chief Restructuring Officer and Restructuring Advisor Personnel, as Necessary, Effective as of December 13, 2024; (II) Approving the Retention Agreement; and (III) Granting Related Relief* (the "Employment Order"), authorizing the employment of Force Ten Partners, LLC (the "CRO") as the Debtor's chief restructuring officer. *See* Docket No. 99.

On April 23, 2026, the Court entered that *Order Approving Motion for Entry of Order (I) Authorizing the Debtor to Retain Force Ten Advisors, LLC to Provide Nicholas Rubin as Chief Restructuring Officer and Restructuring Advisor Personnel, as Necessary, Effective as of January 2, 2026; (II) Approving the Retention Agreement; and (III) Granting Related Relief* (the "Second Employment Order"), authorizing the employment of Force Ten Advisors, LLC as the successor to the CRO. *See* Docket No. 286.

10:00 AM
CONT... **Adelaida Cellars, Inc.** **Chapter 11**

On August 4, 2026, the CRO filed that *First and Final Application of Force Advisors Partners, LLC for Fees and Expenses Incurred in Connection with Providing Nicholas D. Rubin as Chief Restructuring Officer and Providing Restructuring Support Personnel for the Period December 13, 2024, Through and Including June 25, 2026* (the "Application"). *See* Docket No. 311. Through the Application, the CRO seeks allowance, on a final basis, of fees in the amount of $329,667.00, and reimbursement of expenses in the amount of $577.69 for the period of December 13, 2024, through and including June 25, 2026. *See id.* at p. 2.

Notice

On August 4, 2026, the Debtor filed that *Omnibus Notice of Hearing on Final Applications for Allowance and Payment of Compensation and Reimbursement of Expenses of Retained Professionals* (the "Notice"). *See* Docket No. 313. The Notice was served via United States mail, first class, postage prepaid and Notice of Electronic Filing [NEF] on the Debtor, creditors, and the United States Trustee. *See id.*, *Proof of Service of Document*, pp. 4-18. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Application. The Court therefore takes the default of all non-responding parties served with the Notice.

11 U.S.C. § 330

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

10:00 AM
CONT... Adelaida Cellars, Inc. **Chapter 11**

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

In the instant case, the CRO's employment by the Debtor as its chief restructuring officer was approved through the Employment Order and the Second Employment Order. In reviewing the invoices attached to the Application, the Court finds, on a final basis, that the services performed by the CRO, on behalf of the Debtor, were necessary and beneficial to the administration of the estate, were properly documented, and are reasonable considering the factors found in 11 U.S.C. § 330(a)(3). The Court allows fees, on a final basis, of $329,667.00 and expenses of $577.69 for the period of December 13, 2024, through and including June 25, 2026. The Debtor is authorized to pay the balance of the Application in accordance with its confirmed plan of reorganization.

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

Party Information

Debtor(s):

Adelaida Cellars, Inc.	Represented By Hamid R Rafatjoo Kyra E Andrassy

10:00 AM

9:24-11409 **Adelaida Cellars, Inc.** **Chapter 11**

#13.00 Hearing

RE: [312] Application for Compensation First and Final Application of Baker Tilly Advisory Group, LP for Fees and Expenses as Debtor's Tax Accountant for the Period of December 13, 2024 through and Including June 25, 2026 for Kyra E Andrassy, Accountant, Period: 12/13/2024 to 6/25/2026, Fee: $6,291.25, Expenses: $314.56.

Docket 312

***** VACATED ***** **REASON: Withdrawn by movant on 8/6/26**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Adelaida Cellars, Inc. — Represented By
Hamid R Rafatjoo
Kyra E Andrassy

10:00 AM

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

#14.00 CONT'D Hearing re: [437] Application for payment of interim fees and/or expenses (11 U.S.C. § 331) for Bean Hunt Harris & Company, accountant

Period: 3/12/2025 to 3/31/2026 - Fees: $224,547.45; Expenses: $286.21

FR. 5-19-26, 7-07-26,

Docket 437

Tentative Ruling:

August 25, 2026

Appearances waived.

The Court has reviewed that *Supplement to Bean Hunt Harris & Company's First Interim Fee Application for Compensation for Services Rendered and Reimbursement of Expenses* (the "Supplement"). *See* Docket No. 561. In reviewing the Supplement, it appears that the Application's request as to fees is being adjusted downward, to $216,916.21.

The Court will approve the Application, on an interim basis, for fees in the amount of $216,916.21, and reimbursement of expenses in the amount of $286.21, pursuant to 11 U.S.C. § 331.

Applicant is to lodge a conforming order within 7 days.

July 7, 2026

Appearances waived.

The Court finds no further pleadings relating to the Application as of June 29, 2026. The Application is denied without prejudice. The Applicant is to lodge a conforming order within 7 days.

10:00 AM

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

May 19, 2026

Appearances required.

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*. On July 1, 2025, the Court entered that *Order Granting Application by Debtor-in-Possession to Employ Bean Hunt Harris & Company as General Certified Public Accountant Nunc Pro Tunc*, employing Bean Hunt Harris & Company as general certified public accountant (the "Applicant") as of March 12, 2025. *See* Docket No. 62.

On April 28, 2026, the Applicant filed that *Application for Payment of: Interim Fees and/or Expense (11 U.S.C. § 331)* (the "Application"). *See* Docket No. 437. Through the Application, the Applicant seeks allowance, on an interim basis, of fees in the amount of $224,547.45 and reimbursement of expenses in the amount of $286.21 for the period of March 12, 2025, through March 31, 2026. *See id.* at pp. 2-3 and 7.

On April 28, 2026, the Applicant filed that *Notice of Hearing on Application for Payment of Interim or Final Fees and/or Expenses Under 11 U.S.C. § 331 or § 330* (the "Notice"). *See* Docket No. 438. The Notice was served upon the Debtor, all creditors, and the United States trustee via Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid. *See id.*, *Proof of Service Document*, pp. 4-13.

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.

"[C]ourts which have addressed the specific subject of the relationship of applications for compensation by attorneys and accountants have unanimously concluded that 'an accountant's application for compensation is reviewed under the same standard applying to attorneys.'" *In re Lani Bird, Inc.*, 113 B.R. 672, 673 (Bankr. D. HI 1990) (quoting *In re R & B Institutional Sales, Inc.*, 65 B.R. 876, 884 (Bankr. W.D. Pa.

1986)).

This Court's Local Rule 2016-1(a) applies to accountants. *See* Local Rule 2016-1(a)(1). Pursuant to this Court's Local Rule 2016-1(a)(1)(E)(iii), "[t]ime spent must be accounted for in tenths of an hour and broken down in detail by the specific task performed. Lumping of services is not satisfactory." "Lumping services in a single billing entry in a fee application is 'universally disapproved' by bankruptcy courts." *In re Thomas*, 2009 WL 7751299 *5 (9th Cir. BAP 2009)(quoting *In re Recycling Indus., Inc.*, 243 B.R. 396, 406 (Bankr. D. Colo. 2000) and *In re Telcar, Inc.*, 2007 WL 1438376 *3 (Bankr. D. Id. 2007)).

Here, the time entries for the invoices supporting the Application are nearly all lumped, and many of the time entries are not in tenths of an hour. Some of the time entries involve "prepar[ing] Quitclaim Deeds and additional forms for county." *See* Docket No. 437-4, p. 37. It is unclear to the Court why an accountant would be preparing legal documents for filing related to property of the estate.

The Court is inclined to deny the Application without prejudice so that the Applicant can submit revised billing entries.

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**

#15.00 HearingRE: [562] Motion to disgorge attorney's fees under 11 U.S.C. section 329 by U.S. Trustee Notice of Motion and Motion to Determine Whether Compensation Paid to Counsel Was Excessive; Memorandum of Points and Authorities; Declaration of Veronica Hernandez in Support Thereof . (Fittipaldi, Brian)

Docket 562

Tentative Ruling:

August 25, 2026

Appearances required.

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*. Counsel to the Debtor on the Petition Date was Law Offices of Reed H. Olmstead ("Olmstead"). *See id.* at p. 4. Olmstead received a retainer of $50,000.00 by the Debtor. *See* Docket No. 13, *Disclosure of Compensation of Attorney for Debtor(s)*, p. 59. Olmstead has not filed an employment or fee application in the Debtor's bankruptcy case.

On May 7, 2025, the Debtor filed that *Substitution of Attorney*, substituting Vanessa Haberbush as counsel to the Debtor in the place of Olmstead. *See* Docket No. 18. On that same date, the Court ordered Olmstead to "refund the balance of the retainer to the Debtor by May 8, 2025." *See* Docket No. 21.

It appears that Olmstead did not comply with the Court's order requiring the return of the retainer.

On June 30, 2026, the Office of the United States Trustee (the "OUST") filed that *Notice of Motion and Motion of United States Trustee to Determine Whether Compensation Paid to Counsel was Excessive Under 11 U.S.C. § 329 and F.R.B.P. 2017* (the "Motion"), requesting an order, *inter alia*, "[d]irecting [Olmstead] to provide evidence with a declaration as to the date of the retainer tendered by the Debtor and provide documentation of any and all work done on behalf of the Debtor."

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

See Docket No. 562, p. 7, lines 6-9.

Assuming that the retainer held by Olmstead is a security retainer, "a security retainer is property of the estate…" *In re Dick Cepek, Inc.*, 339 B.R. 730, 740 (9th Cir. BAP 2006). To be paid from estate property, attorneys for debtors-in-possession must obtain preapproval by the bankruptcy court. *See* 11 U.S.C. § 327(a); *see also In re Auto Parts Club, Inc.*, 191 B.R. 848, 850 (Bankr. S.D. Cal. 1996) and Fed. R. Bankr. P. 2014(a). Olmstead has never sought approval of their employment in the Debtor's bankruptcy case, or filed a fee application, the later of which requires pre-approval of the former.

The Court has already ordered Olmstead to return the retainer, or those amounts that have not been already spent by Olmstead. For the Debtor, did the Court enter a written order to this effect? If not, for the OUST, the Court is inclined to grant the Motion, requiring Olmstead to disgorge the retainer, but was Olmstead ever served with notice of the hearing on the Motion?

Party Information

Debtor(s):

Santa Paula Hay & Grain and

Represented By
Vanessa M Haberbush
Lane K Bogard
David R Haberbush

10:00 AM

9:25-10438 Alejandro Lara **Chapter 13**

#16.00 HearingRE: [72] 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: $1,660.00, Expenses: $10.53.

Docket 72

Tentative Ruling:

August 25, 2026

Appearances required.

Party Information

Debtor(s):

Alejandro Lara — Represented By Kevin T Simon

Trustee(s):

Elizabeth (ND) F Rojas (TR) — Pro Se

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

#17.00 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, 8-11-26,

Docket 58

Tentative Ruling:

August 25, 2026

Appearances required.

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

10:00 AM

CONT... Alejandro Lara Chapter 13

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 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

9:25-11104 Training Systems Design, LLC **Chapter 7**

#18.00 Hearing

RE: [39] Motion for Turnover of Property Chapter 7 Trustee's Motion for Order Compelling Chase and Mechanics Bank to Turn Over Property of the Estate; Memorandum of Points and Authorities; Declaration of Jonathan Serrano in Support Thereof; and Exhibits (Serrano, Jonathan)

Docket 39

***** VACATED *** REASON: Withdrawn by movant 8/10/2026.**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Training Systems Design, LLC	Represented By Brent D George

Trustee(s):

Jeremy W. Faith (TR)	Represented By Jonathan Serrano

10:00 AM
9:25-11352 Westside Tow and Transport Inc. **Chapter 11**

#19.00 HearingRE: [207] U.S. Trustee Motion to dismiss or convert case; Memorandum of Points and Authorities; Declaration of Maria D. Marquez in Support Thereof with proof of service . (Fittipaldi, Brian)

Docket 207

Tentative Ruling:

August 25, 2026

Appearances required.

Background

On October 8, 2025, Westside Tow and Transport Inc. (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*.

Before the Court is *United States Trustee's Notice of Motion and Motion Under 11 U.S.C. § 1112(b) to Dismiss or, in the Alternative, to Convert Case* (the Motion"), filed by the Office of the United States Trustee (the "OUST") on June 26, 2026. *See* Docket No. 207. Through the Motion, the OUST seeks to have the Debtor's case dismissed pursuant to 11 U.S.C. § 1112(b)(4)(C), (F), and (H) because "the debtor has failed to pay U.S. Trustee quarterly fees for two quarters, including the 4th quarter of 2025 and the 1st quarter of 2026 and file a Monthly Operating Report for the Month of April 2026." *See id.* at p. 4

On August 11, 2026, the Debtor filed *Debtor's Opposition to U.S. Trustee's Motion Under 11 U.S.C. § 1112(b) to Dismiss or, in the Alternative, to Convert Case* (the "Opposition"). *See* Docket No. 244. Through the Opposition, the Debtor asserts that it has come current on the fourth quarter fees of 2025, but is behind by $6,945.04 for the first quarter of 2026, and behind on the second quarter of 2026 by $11,994.00. *See id.* at pp. 2-3. The Debtor asserts it is current on filing its Monthly Operating Reports (MORs). *See id.* at p. 3.

Notice

Pursuant to Fed. R. Bankr. P. 2002(a)(4), a movant "must give the debtor, the trustee, all creditors, and all indenture trustees at least 21 days' notice by mail of [] a hearing on a motion to dismiss a Chapter [] 11 [] case or to convert it to another chapter…" On June 26, 2026, the UST filed that *Notice of U.S. Trustee's Motion to Dismiss or Convert Case* (the "Notice"). *See* Docket No. 209. The Notice was served upon the Debtor, Debtor's counsel, and all creditors via BNC notice. *See* Docket No. 213.

Analysis

Pursuant to 11 U.S.C. § 1112(b)(1), "[e]xcept as provided in paragraph (2) and subsection (c), on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause…"

A motion to dismiss or convert a Chapter 11 case under 11 U.S.C. § 1112(b) normally requires a two-step analysis: (1) determine whether "cause" exists to dismiss or convert; and (2) then determine which option is in the best interest of creditors and the estate. *See* 11 U.S.C. § 1112(b); *see also In re Marciano*, 459 B.R. 27, 48 (9th Cir. BAP 2011).

The burden of establishing "cause" for dismissal under 11 U.S.C. § 1112(b) rests with the party seeking dismissal. *See In re Rosenblum*, 608 B.R. 529, 536 (Bankr. D. Nev 2019). The movant must show "cause" by a "preponderance of the evidence." *In re Woodbrook Assocs.*, 19 F.3d 317 (7th Cir. 1994).

"The bankruptcy court has broad discretion in determining what constitutes 'cause' under section 1112(b)." *In re Sullivan*, 522 B.R. 604, 614 (9th Cir. BAP 2014).

Section 1112(b)(4) of the Bankruptcy Code sets forth a non-exhaustive list of sixteen (16) circumstances amounting to "cause."

11 U.S.C. § 1112(b)(4)(C) – Failure to Maintain Insurance

Pursuant to 11 U.S.C. § 1112(b)(4)(C), "the term ‘cause’ includes [] failure to maintain appropriate insurance that poses a risk to the estate or to the public."

Here, the UST asserts that cause exists under 11 U.S.C. § 1112(b)(4)(C) due to the Debtor’s failure to maintain insurance. Although the Motion does not directly address or state the Debtor lacks insurance coverage, the Debtor in the Opposition states that it is maintaining insurance but that it has not made its August payment that became due on August 6, 2026. *See* Docket No. 245, *Westside Tow and Transport Inc.’s Seventh Chapter 11 Status Report*, p. 2 lines 17-22.

The Court will inquire with the Debtor whether it has made the August insurance payment, and, if not, whether the insurance coverage has been canceled. If the insurance coverage has been canceled, the Court will find that cause exists under 11 U.S.C. § 1112(b)(4)(C).

11 U.S.C. § 1112(b)(4)(F) – Failure to Timely Satisfy Filing or Reporting Requirements

Pursuant to 11 U.S.C. § 1112(b)(4)(C), "the term ‘cause’ includes [] unexcused failure to satisfy timely any filing or reporting requirement established by this title or by any rule applicable to a case under this chapter."

The failure to file timely, complete and accurate MORs constitutes cause for dismissal. *In re DRTMG*, 667 B.R. 862, 872-73 (Bankr. S.D. Ohio 2025); *see also In re Bowers Inv. Co., LLC*, 553 B.R. 762, 774 (Bankr. D. Alaska 2016) ("missing monthly operating report supports a finding of cause, due to the debtor’s unexcused failure to timely satisfy any reporting requirement.").

Here, the Debtor, in the Opposition, admits that it filed its April, May, and June MORs late. Moreover, "all the previous MORs (with the exception of June 2026) had inaccurate information" and the Debtor needs to file amended MORs for each of its months of operation in bankruptcy. *See* Docket No. 245, *Westside Tow and Transport Inc.’s Seventh Chapter 11 Status Report*, p. 3 lines 1-6. As such, not only has the Debtor consistently failed to file MORs throughout its almost year stay in bankruptcy timely, but those operating reports that were filed contained inaccurate information.

10:00 AM
CONT... **Westside Tow and Transport Inc.** **Chapter 11**

The Court finds that cause exists under § 1112(b)(4)(F).

11 U.S.C. § 1112(b)(4)(K) – Failure to Pay Quarterly Fees

Pursuant to 11 U.S.C. § 1112(b)(4)(K), "the term 'cause' includes [] failure to pay any fees or charges required under chapter 123 of title 28."

The failure to timely pay OUST quarterly fees "alone is cause for dismissal or conversion under § 1112(b)(4)(K)" and in fact a court can raise such a failure to pay quarterly fees sua sponte. *In re Pryor*, 2016 WL 6835372, at *8-9 (9th Cir. BAP 2016) (no error in finding cause based on failure to timely pay UST quarterly fees) (citing *In re Leeward Subdivision Partners, LLC*, 2010 WL 6259983 (9th Cir. BAP 2010); and 11 U.S.C. § 105(a)).

Here, the Debtor has not timely paid the OUST's quarterly fees. The Debtor still owes almost $7,000 in fees for the first quarter of 2026, and has not made any payment towards fees for the second quarter which are almost $12,000. The Court finds that cause exits under 11 U.S.C. § 1112(b)(4)(K).

Conversion of Dismissal

As the Court finds cause exist under 11 U.S.C. § 1112(b), it must either convert or dismiss the instant case.

The Court is inclined to dismiss the instant case.

First, the Court has lifted the stay regarding assets that are critical to the Debtor's business.

Second, it is unclear to the Court what benefit a Chapter 7 trustee would provide to unsecured creditors or whether there would be any assets for such a trustee to administer, even if creditors that were granted relief from stay have not foreclosed upon substantially all the Debtor's assets. For example, as of June 2026, the Debtor listed prepetition secured debts of approximately $6.3 million with total assets of $6.7 million, however, the approximately $400,000 delta does not account for accrued interest, accrued attorney's fees, or the accrual of professional fees in the interim.

10:00 AM
CONT... **Westside Tow and Transport Inc.** **Chapter 11**

As such, the Court is inclined to find that dismissal is in the interest of creditors.

Conclusion

The Court finds that causes exists, and will dismiss the instant case. The OUST is to upload a conforming order within 7 days.

Party Information

Debtor(s):

Westside Tow and Transport Inc.	Represented By William E. Winfield

10:00 AM

9:25-11352 Westside Tow and Transport Inc. **Chapter 11**

#20.00 HearingRE: [211] Application to Employ Nelson Comis Kettle & Kinney LLP as General Bankruptcy Counsel Application of Debtor and Debtor-In-Possession Westside Tow and Transport Inc. for Authority to Employ Nelson Comis Kettle & Kinney LLP as General Bankruptcy Counsel

Docket 211

Tentative Ruling:

August 25, 2026

Appearances required.

Before the Court is that *Application of Debtor and Debtor-in-Possession Westside Tow and Transport Inc. for Authority to Employ Nelson Comis Kettle & Kinney LLP as General Bankruptcy Counsel*. *See* Docket No. 211. That *Attorney Client Retainer Agreement* provides that a retainer of $10,000 was "paid by Mr. Wamba," but that "[t] he source of the retainer is to be client funds on hand." *See id.* at p. 11.

Is the Debtor's cash the source of the retainer, or is the source solely non-estate cash? If the cash is from estate bank accounts, does it constitute cash collateral? If so, is there agreement to use the cash collateral for these purposes?

Party Information

Debtor(s):

Westside Tow and Transport Inc.	Represented By William E. Winfield

10:00 AM
9:26-10132 **Nicholas Brooks and Natalia Brooks** **Chapter 7**

#21.00 CONT'D Hearing
RE: [37] Emergency Ex Parte Application to Sever Joint Petition and Impose Stay (Form 4001-1.IMPOSE.STAY.MOTION) . (ES9)

FR. 6-23-26, 7-28-26,

Docket 37

Tentative Ruling:

August 25, 2026

Appearances required.

Background

On January 30, 2026, Nicholas Brooks ("Nicholas") and Natalia Brooks ("Natalia," and with Nicholas, the "Debtors") filed a voluntary petition for relief pursuant to Chapter 7 of Title 11 of the United States Code (the "Petition"). *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. Both Nicholas and Natalia appear to have signed the Petition. *See id.* at p. 6.

Nancy J. Zamora (the "Trustee") is the duly appointed Chapter 7 trustee of the Debtor's bankruptcy estate. *See* Docket No. 4, *Notice of Chapter 7 Bankruptcy Case – No Proof of Claim Deadline*, p. 1.

The Debtors scheduled a parcel of real property located at 6840 West Santa Barbara Avenua, Ventura, CA 93001 (the "Property") with a value of $1,068,000, and with the Debtors alone having an interest in the Property. *See* Docket No. 8-1, *Schedule A/B: Property*, p. 3. The Debtors scheduled three (3) liens against the Property: (1) NewRez in the amount of $562,589; and (2) two liens in favor of Steve Brooks ("Steve") in the amounts of $80,000 and $50,000. *See id.* at pp. 11-13, *Schedule D: Creditors Who Have Claims Secured by Property*. Approximately $19,186.56 in unsecured claims were filed against the Debtors. *See* Claim Nos. 1-13.

On June 26, 2026, the Court entered that *Order Approving Stipulation by and Between Trustee and Trust Deed Holder Steve Brooks Regarding Consent for Sale of Real Property Free and Clear of Liens Pursuant to 11 U.S.C. § 363(f)(2) and Carve-Out for Estate* (the "Stipulated Order"). *See* Docket No. 73. Through the Stipulated Order, the Trustee may sell the Property free and clear of Steve's liens, subject to a $25,000 carve-out for the Debtors' bankruptcy estate and an exchange of releases as between Steve and the Debtors' bankruptcy estate. *See id.* The Stipulated Order could result in a material payout to unsecured creditors.

On March 23, 2026, Fiona Fiorini filed that *Complaint to Determine Non Dischargeability of Debt Under Section 523(a)(2) of the Bankruptcy Cose and Denial of Discharge Under Section 727(a)(4) of the Bankruptcy Code (1) Deny Discharge (s727) (2) Determine Nondischargeability* (the "Complaint") as against the Debtors. *See* Docket No. 23.

The Debtors apparently separated after the Petition Date. *See* Docket No. 63, *Trustee's Status Report Related to Case Administration and Hearings Noticed for June 23, 2026*, p. 9, lines 10-11.

On May 29, 2026, Natalia filed that *Emergency Ex Parte Application to Sever Joint Petition and Impose Stay* (the "Motion"). *See* Docket No. 37. Through the Motion, Natalia requested that: (1) the Debtors' bankruptcy case be severed; (2) Natalia's then severed Chapter 7 case be dismissed; (3) the Court enter an order staying the Trustee's sale of the Property; (4) the Court set aside Steve's deeds of trust as fraudulent transfers; (5) the Court open a fraud investigation, presumably against Nicholas and Steve; and (6) the Court refer the matter to the Office of the United States Trustee for investigation. *See id.* at pp. 4-5. Natalia asserted that "the joint petition was procured by fraud and forgery," and that she is "a permanently disabled person who will suffer catastrophic harm" if the Property is sold. *See id.* at p. 2.

<u>*Notice*</u>

Pursuant to Fed. R. Bankr. P. 2002(a)(4), "all creditors [must receive] at least 21 days'

10:00 AM

CONT... Nicholas Brooks and Natalia Brooks **Chapter 7**

notice by mail of [] a hearing on a motion to dismiss a Chapter 7 [] case []." This Court's Local Rule 9013-1(c)(2) provides that "[e]very motion must be accompanied by a written notice of motion specifying briefly the relief requested in the motion and, if applicable, the date, time and place of hearing." "[T]he notice of motion must advise the opposing party that LBR 9013-1(f) requires a written response to be filed and served at least 14 days before the hearing."

Here, there has been no notice of a hearing on the Motion that complies with Fed. R. Bankr. P. 2002(a)(4) or this Court's Local Rule 9013-1(c)(2).

Analysis

Pursuant to 11 U.S.C. § 302(a), "[a] joint case under a chapter of this title is commenced by the filing with the bankruptcy court of a single petition under such chapter by an individual that may be a debtor under such chapter and such individual's spouse." "Courts have interpreted section 302(b) of the Bankruptcy Code, which governs joint cases, as giving courts the discretion to determine whether a joint case should be severed." *In re Monplaisir*, 669 B.R. 717. 723 (Bankr. S.D.N.Y. 2025) (internal citations omitted). Some courts have approved of the severing of a joint petition utilizing 11 U.S.C. § 105(a), which provides that "[t]he court may issue any order, or judgment that is necessary or appropriate to carry out the provisions of this title." *See In re Shjeflo*, 383 B.R. 192 (Bankr. N.D. Okl. 2008).

"Dismissal of a voluntary chapter 7 case is governed by § 707, which states that a court may dismiss a chapter 7 case 'only for cause[.]' [] A debtor must establish cause to obtain dismissal of a voluntary chapter 7 case." *In re Bartee*, 317 B.R. 362, 366 (9th Cir. BAP 2004). "In the Ninth Circuit, 'a voluntary Chapter 7 debtor is entitled to dismissal of his case so long as such dismissal will cause no 'legal prejudice' to interested parties.'" *Id.* (quoting *In re Leach*, 130 B.R. 855, 857 (9th Cir. BAP 1991)). "Debtors bear the burden of proving that dismissal would not prejudice their creditors." *Id.*

Here, Natalia argued through the Motion that the Petition was filed without her authorization in a fraudulent scheme between Nicholas, and perhaps their bankruptcy counsel. However, when questioned at the initial hearing on the Motion by the Court, Natalia changed course, and admitted that not only did she meet with counsel, who explained the bankruptcy process to her and Nicholas, but that she in-fact signed the Petition and other documents in the case that bear her signature. Whilst Natalia makes several representations regarding her mental health in the Motion, when questioned at the initial hearing on the Motion by the Court, Natalia asserted that she was of sound mind when the Petition was being executed and filed.

Natalia argued through the Motion that her bankruptcy case should be severed so that it may be dismissed, but she gave no reason as to why it should be dismissed other than her representations that the Petition was a "forgery," and the fact that she desires that the Property not be sold. As noted *supra*, the Court finds no evidence of forgery regarding the filing of the Petition or other case commencement documents in this case. What is more, even if the Court did dismiss Natalia's bankruptcy case, the Property is community property, and would still be subject to sale by the Trustee in Nicholas's bankruptcy case.

Still, the Court does not appreciate what legal prejudice would be suffered if Natalia's hypothetically severed individual Chapter 7 case were dismissed.

The Court is inclined to grant the Motion insofar as Natalia's Chapter 7 case will be severed, and then dismissed. All other relief of the Motion would be denied. However, as no party-in-interest has been notified of a deadline by which any response to the Motion must be filed in conjunction with this Court's Local Rule 9013-1(c)(2), the Court is inclined to continue the hearing on the Motion to allow appropriate notice to be given.

July 28, 2026

Appearances required.

Background

10:00 AM

CONT... **Nicholas Brooks and Natalia Brooks** **Chapter 7**

On January 30, 2026, Nicholas Brooks ("Nicholas") and Natalia Brooks ("Natalia" and jointly with Nicholas, the "Debtors") filed a voluntary petition for relief pursuant to Chapter 7 of Title 11 of the United States Code (the "Petition"). *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. 4, *Notice of Chapter 7 Bankruptcy Case – No Proof of Claim Deadline*.

Among the property that the Debtors scheduled is that real property located at 6840 West Santa Barbara Avenue, Ventura, CA 93001-0000 (the "Property") valued at $1,068,000.00. *See* Docket No. 24, *Schedule A/B: Your Property*, p. 2. The Debtors claim a homestead exemption of $722,502.00 in the Property. *See id.* at *Schedule C: The Property You Claim as Exempt*, p. 9. The Debtors also scheduled three liens against the Property: (1) one deed of trust held by NewRez in the amount of $562,589.00; and (2) two deeds of trust held by Steve Brooks ("Steve") in the amount of $80,000 and $50,000, respectively. *See* Docket No. 8, *Schedule D: Creditors Who Have Claims Secured by Property*, pp. 11-13.

On May 29, 2026, Natalia filed that *Emergency Ex Parte Application to Sever Joint Petition and Impose Stay* (the "Motion"). *See* Docket No. 37. The Motion seeks to dismiss the instant bankruptcy case as to Natalia, as Natalia asserts that the Petition "was procured by fraud and forgery," and to impose a stay of any sale of the Property. *See id.*

Despite several allegations of forged signatures by Natalia, at a prior hearing in the instant bankruptcy case, Natalia suggested that she did in-fact review and sign the Petition and schedules, and did in-fact meet with former counsel. So, to the extent the Motion seeks to dismiss the instant case as to Natalia as an unauthorized filing, the Motion is denied.

To the extent the Motion seeks a stay of any sale of the Property, the Motion is also denied. The Court has entered that *Order Approving Stipulation by and Between Trustee and Trust Deed Holder Steve Brooks Regarding Consent for Sale of Real Property Free and Clear of Liens Pursuant to 11 U.S.C. § 363(f)(2) and Carve-Out for Estate*, whereby the Debtors' bankruptcy estate is to receive a carve-out from Steve's liens if and when the Property is sold by the Trustee. *See* Docket No. 73. What is more, the Trustee has represented on the record that she has reviewed Steve's liens on the Property, and finds no legal basis to challenge the liens. Natalia has filed a complaint against Steve seeking to avoid his liens over the Property, but that complaint has not been served, and it is not clear that Natalia has standing to bring many of the causes of action pled. Lastly, the Trustee has not yet moved the Court to sell the Property. If and when such a motion is filed, all parties-in-interest will have an opportunity to oppose any sale.

The Court will enter its own order denying the Motion.

June 23, 2026

Appearances required.

Background

On January 30, 2026, a voluntary petition for relief (the "Petition") was filed on behalf of Nicholas Brooks ("Nicholas") and Natalia Brooks ("Natalia" and jointly with Nicholas, the "Debtors") pursuant to Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. **[FN1]** Nancy J Zamora is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 4.

The Petition was filed by the Debtors' attorney Todd J. Mannis ("Mannis"). *See* Docket No. 1, p. 7.

The Petition appears to be signed with "wet signatures" by Nicholas, Natalia, and Mannis. *See id.* at pp. 6-9.

Among the property that the Debtors scheduled is that real property located at 6840 West Santa Barbara Avenue, Ventura, CA 93001-0000 (the "Property") valued at $1,068,000.00. *See* Docket No. 24, *Schedule A/B: Your Property*, p. 2. The Debtors claim a homestead exemption of $722,502.00 in the Property. *See id.* at *Schedule C: The Property You Claim as Exempt*, p. 9. The Debtor also scheduled three liens against the Property: (1) one deed of trust held by NewRez in the amount of $562,589.00; and (2) two deeds of trust held by Steve Brooks ("Steve") in the amount of $80,000 and $50,000, respectively. *See* Docket No. 8, *Schedule D: Creditors Who Have Claims Secured by Property*, pp. 11-13.

On March 23, 2026, Fiona Fiorina ("Fiorina") filed that *Complaint to Determine Non Dischargebility [sic] of Debt Under Section 523A(A)(2) [sic] of the Bankruptcy Code and Denial of Discharge Under Section 727(A)(4) of the Bankruptcy Code (1) Deny Discharge (s727) (2) Determine Nondischargeability* (the "Fiorina Complaint") against the Debtors seeking to determine a state court judgment nondischargeable under 11 U.S.C. § 523(a) and deny the Debtors their discharge pursuant to 11 U.S.C. § 727. *See* Case # 9:26-ap-01009-RC (the "Fiorina Adversary"), Docket No. 1. The Fiorina Complaint relates to monies either loaned by Fiorina to the Debtors for the purchase of the Property or invested in the Property, and certain representations made by the Debtors in the Petition. *See id.*

On April 20, 2026, the Debtors filed that *Answer* (the "Answer") to the Fiorina Complaint. *See id.* at Docket No. 8. The Answer appears to have been signed with "wet signatures" by both Nicholas and Natalia. *See id.* at p. 4.

On April 23, 2026, the Trustee issued that report of no distribution. *See* Docket entry dated April 23, 2026, and Docket No. 27.

On May 12, 2026, Natalia filed that *Emergency Motion to Sever Joint Petition and Reopen Fraud Investigation as to Co-Debtor Natalia Brooks* (the "Sever Motion") seeking to have her bankruptcy filing deemed void as a result of a fraud and forgery by Nicholas. *See* Docket No. 28. Natalia, through the Sever Motion, alleges (1) that she never signed the Petition or the schedules, (2) that she was denied access by Nicholas to all her financial documents, and (3) that she was denied access to Mannis. *See id.* at p. 1.

On May 14, 2026, the Trustee withdrew her report of no distribution and filed that *Notification of Asset Case*. *See* Docket Nos. 29 and 30, respectively.

On May 18, 2026, the Trustee filed that *Application by Nancy Hofmeier Zamora, Chapter 7 Trustee, for Approval to Employ the One Luxury Properties as Real Estate Broker* (the "Application") seeking to employ The ONE Luxury Properties ("Broker") as the real estate broker to sell the Property. *See* Docket No. 33.

On May 19, 2026, Mannis filed that *Motion to be Relieved as Counsel for the Debtors Pursuant to LBR 2091-1(a) Due to Conflict of Interest* (the "Motion to Withdraw") seeking an order from the Court to withdraw as counsel for the Debtors due to (1) Natalia filing the Sever Motion on her own, (2) Natalia's allegations that Nicholas has defrauded and coerced Natalia, and (3) the Debtors recent pursuit of a divorce. *See* Docket No. 35.

On June 9, 2026, Natalia filed that *Adversary Complaint for Objection to Claims, Avoidance of Fraudulent Transfers, Turnover of Estate Property, Recovery of Exempt Assets, Declaratory Relief, and Injunctive Relief. See* Docket No. 44; and Case # 9:25-ap-01022-RC (the "Natalia Adversary"), Docket No. 1. On June 11, 2026, Natalia filed that *First Amended Complaint for Objection to Claims, Avoidance of Fraudulent Transfers, Turnover of Estate Property, Recovery of Exempt Assets, Declaratory Relief, and Injunctive Relief* (the "Natalia Complaint") as against (1) Nicholas and (2) Steve, the father of Nicholas. *See* Natalia Adversary, Docket No. 7. Through the Natalia Complaint, Natalia alleges Steve and Nicholas have created fraudulent liens on the Property in favor Steve and that Nicholas has engaged in various abuses of Natalia. *See id.*

On June 10, 2026, the Court issued that (1) *Order Setting Application for Hearing* setting the Application for a hearing, (2) *Order Setting Motion to be Relieved as Counsel for Debtor Pursuant to Local Bankruptcy Rule 2091-1(a) Due to Conflict of Interest for Hearing* setting the Motion to Withdraw for hearing, and (3) *Order Setting Trustee's Employment of Real Estate Broker for Hearing* setting the Application for hearing. *See* Docket Nos. 45, 47, and 49, respectively.

On June 11, 2026, the Trustee filed that *Stipulation by and Between Trustee and Trust Deed Holder Steve Brooks Regarding Consent for Sale of Real Property Free and Clear of Liens Pursuant 11 U.S.C. §363(f)(2) and Carve-Out for Estate* (the "Stipulation"). *See* Docket No. 53. Through the Stipulation, Steve, a lienholder on the Property, agreed to consent to the sale of the Property and to provide a $25,000 carve-out for the benefit of the Debtors' bankruptcy estate. *See id.* The Stipulation does not provide any releases of claims to either the Trustee or Steve. *See id.*

On June 15, 2026, the Court issued that *Order Setting Stipulation by and Between*

10:00 AM
CONT... **Nicholas Brooks and Natalia Brooks** **Chapter 7**

Trustee and Trust Deed Holder Steve Brooks Regarding Consent for Sale of Real Property Free and Clear of Liens Pursuant to 11 U.S.C. §363(f)(2) and Carve-Out for Estate for Hearing, setting the Stipulation for hearing. *See* Docket No. 60.

Analysis

Was Natalia's Filing an Authorized Bankruptcy Petition

Pursuant to Fed. R. Bankr. P. 1004.1, "[i]f an infant or an incompetent person does not have a representative: (1) a next friend or guardian ad litem may file the petition; and (2) the court must appoint a guardian ad litem or issue any other order needed to protect the interest of the infant debtor or incompetent debtor." "Neither the Bankruptcy Code nor the Federal Rules of Bankruptcy Procedure define the term 'incompetency.' Bankruptcy courts routinely look to the incompetency laws of the state of the debtor's domicile for guidance." *In re Saldana*, 2025 WL 1335115 *3 (Bankr. C.D. Cal. 2025)(citing *In re Alexander*, 2024 WL 4995909 *2 (Bankr. M.D. Ala. 2024) and *In re Maes*, 616 B.R. 784, 797 (Bankr. D. Colo. 2020)). "Under California law, a party is incompetent 'if he or she lacks the capacity to understand the nature or consequences of the proceeding, or is unable to assist counsel in the preparation of the case.'" *Id.* (citing *Golden Gate Way, LLC v. Stewart*, 2012 WL 4482053 *2 (N.D. Cal. 2012)).

Pursuant to Fed. R. Bankr. P. 1008, "[a] petition, list, schedule, statement, and any amendment must be verified or must contain an unsworn declaration under 28 U.S.C. § 1746." "The signature requirement found in Fed. R. Bankr. P. 1008 is 'a means of not only authorizing the filing of those documents, but of verifying, under penalty of perjury, that they [the debtors] have reviewed the information contained therein and that it is true and correct to the best of their knowledge, information and belief.'" *In re Mennona*, *2023 WL 149957* *15 (Bankr. D. Colo. 2023)(citing, *inter alia*, *In re Bradley*, 495 B.R. 747, 760 (Bankr. S.D. Tex. 2013)). "There are 'no circumstances that would ever justify an attorney filing a petition, any Schedule, or a SOFA [] without first obtaining the debtor's signature…'" *Id.* "[T]he purpose of debtor's signature on the petition is not merely to affirm that the information contained in the petition is true and correct. Logic dictates that only the debtor can state under oath that the information provided in his or her petition is true and correct." *In re Wenk*, 296 B.R. 719, 725 (Bankr. E.D. Va. 2002) (internal citations omitted). "Moreover, debtor's signature indicates debtor's consent to the bankruptcy filing, consent which can only be given by debtor." *Id.* "The attorney's role is to provide counsel and advise a potential debtor on the effects and consequences of filing bankruptcy, not to unilaterally make that most personal and important decision on behalf of the individual." *In re T.H.*, 529 B.R. 112, 137-138 Bankr. E.D. Va. 2015)(internal citations omitted).

"The verification requirement under Bankruptcy Rule 1008 relates to Bankruptcy Rule 9011(b) because, by failing to obtain the debtor's verification as to the accuracy of the documents he files, an attorney falsely represents to the court that the 'allegations and other factual contentions have evidentiary support.'" *In re Bradley*, 495 B.R. 747, 779 (Bankr. S.D. Tex. 2013); *see also See In re Phillips*, 433 F.3d 1068, 1071 (8th Cir. 2006).

To start, Natalia, through her own assertions, appears to suffer from various mental health issues. In fact, Natalia states in the Natalia Compliant that she is "a 100% disabled person" and "suffers from severe bipolar disorder with psychotic manic episodes, depression, anxiety, and debilitating orthopedic issues rendering her a vulnerable and dependent adult with cognitive impairments." *See* Natalia Adversary, Docket No. 7, pp. 3-4. Natalia alleges that in July 2025 "[s]he was legally and medically incapable of understanding or executing any legal document." *See id.* at p. 7. As such, although the Court is aware of the dynamic nature of medical conditions, the Court inquires whether Natalia was an incompetent person under Fed. R. Bankr. P. 1004.1 at the time of the filing of the Petition. If so, then would not the Petition need to have been executed by a legal representative of Natalia on her behalf?

Next, the Court inquires whether Natalia's signature was forged on the Petition. Natalia states, in the Sever Motion, that she never saw the Petition or any of the filed schedules. If this is the case (and the Court has no evidence or declaration to the contrary) then is not the Petition, as to Natalia, an unauthorized filing that should be dismissed?

The Court will, *inter alia*, hear from Mannis regarding whether he spoke to Natalia, how he verified her identity, and how he obtained her signature on documents he filed on her behalf.

10:00 AM
CONT... **Nicholas Brooks and Natalia Brooks** **Chapter 7**

Employment, Sale of the Property, and the Stipulation

Third, if the Court is to dismiss Natalia, how would the Trustee's sale of the Property in Nicholas' bankruptcy case be affected? Would the Trustee not continue to market and sell the Property if the Property is community property? Further, any liens against the Property, to the extent they are disputed, can be resolved after the sale through the filed adversary complaints. Why must the sale of the Property be enjoined until that time?

Fourth, the Trustee is not requesting to sell the Property at this time, but merely to employ the Broker and have the Stipulation approved, which would provide a way for a carve-out from the purported liens for the benefit of the estate if the Property is indeed sold.

Withdrawal of Counsel

Pursuant to this Court's Local Rule 2091-1(e)(2), "[u]nless good cause is shown and the ends of justice require, no substitution or withdrawal will be allowed that will cause unreasonable delay in prosecution of the case or proceeding to completion." "District courts have broad discretion in determining what constitutes good cause to withdraw under a particular set of circumstances." *ORZ, GmbH and Co. KG v. Thaler*, 2018 WL 6333693 *1 (C.D. Cal. 2018)(citing *Thompson v. Special Enforcement, Inc.*, 2008 WL 48114040 *2 (C.D. Cal. 2008)).

"Absent undue prejudice to the clients' interests or to the proceedings in the case, '[t]he decision to grant or deny counsel's motion to withdraw is committed to the sound discretion of the trial court.'" *Id.* "In ruling on a motion to withdraw as counsel, courts generally consider: '(1) the reasons why withdrawal is sought; (2) the prejudice withdrawal may cause to other litigants; (3) the harm withdrawal might cause the administration of justice; and (4) the degree to which withdrawal will delay the resolution of the case.'" *Id.* (citing *Beard v. Shuttermart of Cal., Inc.*, 2008 WL 410694 *2 (S.D. Cal. 2008)).

However, when a court considers the withdrawal of an attorney from representing a minor or incompetent person, the court has an obligation to protect the incompetent person during litigation by conducting "an adequate inquiry by holing a hearing and

10:00 AM
CONT... Nicholas Brooks and Natalia Brooks Chapter 7

ordering counsel to submit evidence, and the record showed that the attorney-client relationship had broken down." *Adamson v. Hayes*, 709 F.App'x 853, 855 (9th Cir. 2017) (finding the district court did not abuse its discretion in permitting withdrawal of an attorney it appointed to serve as guardian ad litem and as counsel).

"Withdrawal of counsel is governed by the standards of professional conduct required of members of the State Bar of California." *U.S. v. Schaedler-Moore*, 2025 WL 834217 *1 (S.D. Cal. 2025)(citing *Nehad v. Mukasey*, 535 F.3d 962, 970 (9th Cir. 2008)).

Pursuant to California's Rule of Professional Conduct 1.7(b), "[a] lawyer shall not, without informed written consent[] from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client []."

Pursuant to California's Rule of Professional Conduct 1.16(a), "a lawyer []where representation has commenced, shall withdraw from the representation of a client if: [] (2) the lawyer knows[] or reasonably should know[] that the representation will result in violation of these rules or of the State Bar Act."

Here, due to the patent conflict that has arisen between Nicholas and Natalia (i.e. the divorce and Natalia Complaint alleging Nicholas forged Natalia's signature and committed fraud against Natalia), Mannis has an actual conflict and is materially limited in his representation to the Debtors. The Court is inclined to permit Mannis to withdraw, however, the Court has several inquiries. As stated *supra*, the Petition is alleged to have been a forgery and not approved or signed by Natalia. Even if not a forgery, Natalia claims to be an incapacitated person. The Court will want to understand the facts.

[FN1] Unless otherwise noted, all citations to the docket refer to case 9:25-bk-10132-RC.

Party Information

Debtor(s):

Nicholas Brooks Represented By

10:00 AM
CONT... **Nicholas Brooks and Natalia Brooks** **Chapter 7**

Todd J Mannis

Joint Debtor(s):

Natalia Brooks — Represented By
Todd J Mannis

Trustee(s):

Nancy J Zamora (TR) — Pro Se

10:00 AM

9:26-10132 Nicholas Brooks **Chapter 7**

Adv#: 9:26-01022 Brooks v. Brooks et al

#22.00 CONT'D Hearing
RE: [8] Emergency Ex Parte Application for (1) Order Shortening Time (2) Temporary Restraining Order Prohibiting Sale, Lising, Marketing, or Transfer of Homestead Property Located at 6840 W. Santa Barbara Ave, Ventura, CA 93001 (3) Order to Show Cause RE: Preliminary Injunction (4) Stay of All Sale Proceedings Pending Resolution of Adversary Proceeding 9:26-AP-01022-RC (5) Order Requiring Service of all main case filings on Natalia Brooks. (ES9).

FR. 7-28-26,

Docket 8

Tentative Ruling:

August 25, 2026

Appearances required.

On June 11, 2026, Natalia Brooks ("Natalia") filed as against Nicholas Brooks and Steve Brooks that *First Amended Complaint for Objection to Claims, Avoidance of Fraudulent Transfers, Turnover of Estate Property, Recovery of Exempt Assets, Declaratory Relief, and Injunctive Relief* (the "Complaint"). *See* Docket No. 7. That the Court can conclude, neither the Complaint nor any summons have been served on Nicholas Brooks or Steve Brooks.

Before the Court is that *Emergency Ex Parte Application for: (1) Order Shortening Time; (2) Temporary Restraining Order Prohibiting Sale, Listing, Marketing, or Transfer of Homestead Property Located at 6840 W. Santa Barbara Ave., Ventura, CA 93001; (3) Order to Show Cause re: Preliminary Injunction; (4) Stay of All Sale Proceedings Pending Resolution of Adversary Proceeding 9:26-ap-01022-RC; (5) Order Requiring Service of All Main Case Filings on Natalia Brooks* (the "Application"). *See* Docket No. 8. At bottom, it appears that the aim of the Application is to prohibit any sale of certain real property of the estate by the Chapter

10:00 AM

CONT... Nicholas Brooks **Chapter 7**

7 trustee until the Complaint is finally resolved.

The Court's initial assessment is that the Complaint is not yet at issue, more than two (2) months since its filing. The Court is being asked to enter a preliminary injunction on a complaint that has never been served, and, that the Court can appreciate, may never be served. Second, the Chapter 7 trustee is not a party to the Complaint. Any injunction against the sale of the real property would properly be brought in the main bankruptcy case, would it not? Third, the Court has seen no motion to sell any real property of Natalia. Is the relief sought through the Application not more appropriately brought in response to a bidding procedures motion, or a sale motion, if such a motion is ever even brought by the Chapter 7 trustee? Fourth, as there is no pending sale of any real property of Natalia that the Court has been made aware of, there appears to be no emergency prohibiting a regularly noticed motion, wherever that motion is to be appropriately filed. Lastly, if the Court is to entertain a motion to prohibit the Chapter 7 trustee from selling an asset of Natalia's bankruptcy estate, it must be brought under a noticed motion that complies with this Court's Local Rules and the Federal Rules of Bankruptcy Procedure.

The Application is denied.

July 28, 2026

Appearances required.

Party Information

Debtor(s):

Nicholas Brooks	Represented By Todd J Mannis

Defendant(s):

Nicholas Brooks	Pro Se
Steve Brooks	Represented By William C Beall

10:00 AM
CONT... **Nicholas Brooks** **Chapter 7**

Joint Debtor(s):

Natalia Brooks	Represented By Todd J Mannis

Plaintiff(s):

Natalia Brooks	Pro Se

Trustee(s):

Nancy J Zamora (TR)	Pro Se

10:00 AM
9:26-10192 Eugene Francis Hovanec **Chapter 13**

#23.00 HearingRE: [31] Motion for Authority to Incur Debt (Ch 13)

Docket 31

Tentative Ruling:

August 25, 2026

Appearance required.

Background

On February 12, 2026, Eugene Francis Hovanec (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 Individuals Filing for Bankruptcy*.

On May 25, 2026, the Debtor filed that *Second Amended Chapter 13 Plan* (the "Plan"). *See* Docket No. 22. The Plan provides for monthly payments of $215.00 for months one through six and then monthly payments of $1,148.00 for months seven through sixty for total payments of $63,282.00. *See id.* at p. 2. This is sufficient to pay general unsecured creditors 0.00% of claims or alternatively $10.56. *See id.* at p. 3. The Court has yet to confirm the Plan. *See* Docket No. 33.

The Debtor's current monthly income is $4,207.15 with expenses of $3,991.66, which includes a monthly vehicle lease payment of $748.66. *See* Docket No. 30.

Before the Court is *Debtor's Motion for Authority to Incur Debt [Personal Property]* (the "Motion") filed by the Debtor on June 13, 2026. *See* Docket No. 31. Through the Motion, the Debtor seeks authority to enter into a vehicle lease for a 2026 Jeep Grand Cherokee (the "Vehicle") for a lease term of 36 months, at $745.00 per month. *See id.* at p. 1. The Debtor asserts that their "current vehicle lease is set to expire in two months" and that they "still need[] a vehicle for employment and to remain self-sufficient." *See id.*

Notice

10:00 AM
CONT... Eugene Francis Hovanec **Chapter 13**

Pursuant to this Court's Local Rule 3017-1(x), "[a]ll motions and applications must be served [] on the chapter 13 trustee, debtor [], and all creditors…"

The Motion does not appear to have been served on all creditors. *See* Docket No. 31, p. 24, *Proof of Service of Document*.

As best as the Court is able to conclude, that *Amended Notice of Motion for; Debtor's Motion for Authority to Incur Debt [Personal Property]* is the controlling notice of the hearing on the Motion. *See* Docket No. 40. Less than all creditors were served with the Notice. *See id.* at p. 40, *Proof of Service of Document*.

The Motion is denied for lack of proper service.

Analysis

Some courts have held that in analyzing a Chapter 13 debtor's request to obtain financing post-petition, the following factors should be considered. Is the borrowing reasonable and necessary? Is it in the best interests of the debtor and the estate? Is there a sound business justification for the financing? Did the debtor shop and find reasonable market terms? Was the financing at issue the most favorable option? Id this an exercise of reasonable business judgment? Will the financing interfere with the plan? *See In re Ward*, 546 B.R. 667, 679 (Bankr. N.D. Tex. 2016).

First, the Debtor discloses net income of $215.49. *See* Docket No. 31, p. 21. Shortly, the Plan payment, if the Plan is confirmed, will increase to $1,148.00. How precisely is the Vehicle anywhere near affordable for the Debtor given the step up in the Plan payments?

Second, what has the Debtor done to find a more affordable form of transportation, whether a car or otherwise?

Third, why is the Debtor leasing a vehicle from a dealership in Virginia Beach, Virginia, when the Debtor lives in Westlake Village, California?

Lastly, the Motion does not provide a copy of the proposed lease, but only a document

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CONT... Eugene Francis Hovanec **Chapter 13**

titled *Account Notification: Upgrade Eligible* which states that "with approved credit" the Debtor can upgrade to the Vehicle for $745.00 per month. The letter is dated April 10, 2026. Has the dealership been informed that the Debtor is in bankruptcy? Also, without a copy of the lease, the Court has not been apprised of the complete cost of leasing the Vehicle.

The Motion is further declined on the merits. The Court has little advanced by the Debtor to allow it to analyze the appropriateness of the proposed financing.

Party Information

Debtor(s):

Eugene Francis Hovanec	Represented By Juanita V Miller

Trustee(s):

Elizabeth (ND) F Rojas (TR)	Pro Se

10:00 AM
9:26-10483 Kelsi Lorraine Sanders **Chapter 7**

#24.00 HearingRE: [16] Motion to Dismiss Case for Abuse and Notice of Motion (BNC) and Motion to Dismiss Case Pursuant to 11 U.S.C. §707(b)(3); Memorandum of Points and Authorities; Declaration of Veronica Hernandez in Support Thereof with proof of service (Fittipaldi, Brian)

Docket 16

Tentative Ruling:

August 25, 2026

Appearances required.

Background

On April 8, 2026, Kelsi Lorraine Sanders (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 341(a) meeting of creditors was originally set for May 14, 2026, and Jeremy W. Faith is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 6.

The Debtor states in their schedules that their debts are primarily consumer debts. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*, p. 6; and *Summary of Your Assets and Liabilities and Certain Statistical Information*, p. 11. The Debtor also indicates that their total liabilities are $66,333.30 consisting entirely of nonpriority unsecured claims. *See id.* at *Summary of Your Assets and Liabilities and Certain Statistical Information*, p. 10; and *Schedule E/F: Creditors Who Have Unsecured Claims*, p. 33.

The Debtor's monthly income including the Debtor's non-filing spouse's income is $14,223.58, whereas the Debtor and the Debtor's non-filing spouse's monthly expenses are $6,450.14. *See id.* at *Schedule I: Your Income*, p. 38; and *Schedule J: Your Expenses*, p. 41. This leaves a total net monthly income of $7,773.44. *See id.* at *Schedule J: Your Expenses*, p. 41.

10:00 AM
CONT... **Kelsi Lorraine Sanders** **Chapter 7**

The Debtor also lists a divorce proceeding in the Superior Court of California for the County of Ventura that had already concluded. *See id.* at *Statement of Financial Affairs for Individuals Filing for Bankruptcy*, p. 50.

Before the Court is that *Notice of Motion and Motion to Dismiss Case Pursuant to 11 U.S.C. § 707(b)(3)* (the "Motion") filed by the Office of the United States Trustee (the "OUST") on June 18, 2026. *See* Docket No. 16. Through the Motion, the OUST seeks a dismissal of the Debtor's case pursuant to 11 U.S.C. § 707(b)(3) because the Debtor's bankruptcy case is an abuse of Chapter 7 due to the Debtor's ability to repay all their unsecured debt over a 36-month period in Chapter 13. *See id.* at p. 4.

Notice

Pursuant to Fed. R. Bankr. P. 1017(e)(1), "[o]n motion under § 707(b), the court may dismiss an individual debtor's Chapter 7 case for abuse []. The Court may do so only after a hearing on notice to: the debtor; the trustee; the United States trustee; and any other entity as the court orders. (2) Except as § 704(b)(2) provides, a motion to dismiss a case for abuse under § 707(b) [] must be filed within 60 days after the first date set for the meeting of creditors under § 341(a). [] The motion must: (A) set forth all matters to be considered at the hearing; and (B) if made under § 707(b)(1) and (3), state with particularity the circumstance alleged to constitute abuse."

On June 18, 2026, the Motion was served upon the Trustee and the OUST via Notice of Electronic Filing [NEF] and upon the Debtor via United States mail, first class, postage prepaid. *See* Docket No. 16, *Proof of Service of Document*, pp. 74-75. The OUST also filed that *Notice of Motion to Dismiss Case for Substantial Abuse of the Bankruptcy System* (the "Notice"). *See id.* at p. 77. The Notice was served upon all parties via BNC notice. *See* Docket No. 18. 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

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CONT... **Kelsi Lorraine Sanders** **Chapter 7**

Pursuant to 11 U.S.C. § 707(b), "(1) [a]fter notice and a hearing, the court, on [] a motion by the United States trustee [] may dismiss a case filed by an individual debtor under this chapter whose debts are primarily consumer debts, [] if it finds that the granting of relief would be an abuse of the provisions of this chapter. [] (3) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter in a case in which the presumption in paragraph (2)(A)(i) does not arise or is rebutted, the court shall consider—(A) whether the debtor filed the petition in bad faith; or (B) the totality of the circumstances (including whether the debtor seeks to reject a personal services contract and the financial need for such rejection as sought by the debtor) of the debtor's financial situation demonstrates abuse."

"The primary factor defining substantial abuse is the debtor's ability to pay his debts as determined by the ability to fund a Chapter 13 plan [and as a result, the Ninth Circuit has held…] that a 'debtor's ability to pay his debts will, standing alone, justify a section 707(b) dismissal.'" *In re Price*, 353 F.3d 1135, 1140 (9th Cir. 2004) (quoting *In re Kelly*, 841 F.2d 908, 914 (9th Cir. 1988)).

"Whether a debtor has the ability to repay creditors under § 707(b)(3)(B) is a question of fact that requires a bankruptcy court to examine the debtor's actual income and expenses." *In re Ng,* 477 B.R. 118, 126 (9th Cir. BAP 2012) (citing *In re Ross-Tousey*, 549 F.3d 1148, 1162 (7th Cir. 2008)). "In performing this review, 'courts may take into account both current and foreseeable circumstances.'" *Id.* (quoting *In re Hartwick*, 359 B.R. 16, 21 (D. N.H. 2007)).

Here, the Debtor has failed to respond to, or oppose the Motion. As such, the Court has just the Debtor's schedules before it, which schedules demonstrate that the Debtor with their non-filing spouse have net monthly income of $7,773.44. This scheduled net income is sufficient to fund a Chapter 11 or Chapter 13 plan that would pay the scheduled unsecured claims in full. This, the Debtor's ability to repay their unsecured creditors in full, is grounds to grant the Motion under 11 U.S.C. § 707(b)(3).

Further, the Court is unapprised of any other facts that would justify the Debtor's filing for bankruptcy protection under Chapter 7. The Court is unaware of any condition or event such as illness, disability, or other calamity that precipitated or caused the Debtor's bankruptcy filing. Although the Debtor concluded a divorce

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CONT... Kelsi Lorraine Sanders Chapter 7

proceeding within the past year, the Debtor appears to have remarried as the Debtor indicates that they are married in their schedules, and even included their non-filing spouse's income.

The totality of the circumstances weighs in favor of dismissing the Debtor's case despite (1) the Debtor's budget not appearing excessive, (2) the Debtor's statement of income and expense not appearing to contain misrepresentations, (3) the Debtor not obtaining cash advancements or consumer goods without an ability to repay, and (4) the Debtor's schedules not demonstrating eve-of-bankruptcy purchases.

In short, the Court finds that the Debtor can repay their debts in full through a Chapter 11 or Chapter 13 plan, and as such, the Debtor's chapter 7 case must be dismissed.

Conclusion

The Court grants the Motion. The OUST is to upload a conforming order within 7 days.

Party Information

Debtor(s):

Kelsi Lorraine Sanders Pro Se

Trustee(s):

Jeremy W. Faith (TR) Pro Se

10:00 AM

9:26-10544 Louis Acosta and Sandra Acosta **Chapter 11**

#25.00 HearingRE: [56] Application for Compensation for Henry D Paloci, Debtor's Attorney, Period: 4/17/2026 to 6/30/2026, Fee: $9560.00, Expenses: $264.27.

Docket 56

Tentative Ruling:

August 25, 2026

Appearances required.

Before the Court is that *Application for Payment of: Interim Fees and/or Expenses (11 U.S.C. § 331)* (the "Application") filed by Henry D. Paloci III, PA ("Applicant"), general insolvency counsel to Louis Acosta and Sandra Acosta (jointly, the "Debtors") for the time period of April 17, 2026, through June 30, 2026, requesting allowance, on an interim basis, of fees in the amount of $9,560.00 and expenses of $264.27. *See* Docket No. 56.

Pursuant to Fed. R. Bankr. P. 2002(a)(6), Applicant "shall give the debtor, the trustee, all creditors and indenture trustees at least 21 days' notice by mail of [] a hearing on any entity's request for compensation or reimbursement of expenses of the request exceeds $1,000." This Court's Local Rule 2016-1(a)(2)(B) provides that "Applicant must serve not less than 21 days notice of the hearing on the debtor or debtor in possession, the trustee (if any), the creditors' committee or the 20 largest unsecured creditors if no committee has been appointed, any other committee appointed in the case, counsel for any of the foregoing, the United States trustee, and any other party in interest entitled to notice under FRBP 2002."

On August 3, 2026, the Applicant filed that *Notice of Hearing Re: Interim Fee Application of Henry D. Paloci III PA Debtors' Counsel* (the "Notice"). *See* Docket No. 57. On August 3, 2026, the Notice was served upon the United States Trustee, the Debtors, and the creditor mailing matrix via Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid. *See id.* at *Proof of Service of*

10:00 AM

CONT... Louis Acosta and Sandra Acosta **Chapter 11**

Document, pp. 3-6.

Pursuant to this Court's Local Rule 2016-1(a)(1)(J), a fee application must contain "[a] separately filed declaration from the client that the client has reviewed the fee application and has no objection to it."

The Court finds no such declaration or statement from Applicant that the Debtors refused to provide such a declaration.

As such, the Court is inclined to deny the Application without prejudice.

Party Information

Debtor(s):

Louis Acosta — Represented By Henry D Paloci

Joint Debtor(s):

Sandra Acosta — Represented By Henry D Paloci

10:00 AM

9:26-10592 **Miles Xicayan Hidalgo** **Chapter 13**

#26.00 CONT'D Hearing
RE: [14] Motion for Setting Property Value Collateral held by TD Bank, N.A. (notice) with Proof of Service

fR. 6-16-26, 7-07-26,

Docket 14

***** VACATED ***** **REASON: Withdrawn by movant on 7/22/2026.**

Tentative Ruling:

July 7, 2026

Appearances required.

Background

On April 24, 2026 (the "Petition Date"), Miles Hidalgo (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 Individuals Filing for Bankruptcy*.

Among the property that the Debtor scheduled is a 2020 Tesla Model Y (the "Vehicle"), which the Debtor valued at $15,345.00. *See id.* at *Schedule A/B: Property*, p. 12. The valuation was "based on Autotrader.com." *See id.*

On May 4, 2026, TD Bank, N.A. ("TD Bank") filed that *Proof of Claim* (the "Claim") in the total amount of $24,981.81. *See* Claim No. 2-1. The Claim is secured by the Vehicle in the amount of $22,520.00. *See id.*

Before the Court is that *Notice of Motion for: Debtor's Motion to Value Collateral Held by TD Bank, N.A.* (the "Motion"), filed by the Debtor on May 22, 2026. *See* Docket No. 14. The Motion seeks, pursuant to 11 U.S.C. § 506(a) and Fed. R. Bankr. P. 3012, a determination that the value of the Vehicle is $15,345.00, and to bifurcate TD Bank's Claim. *See id.*

Included in the Motion is that *Declaration of Miles Hidalgo* (the "Declaration"). *See* Docket No. 14, p. 6. The Declaration is defective, or at least not fully executed, as it does not state the place at which, nor the date on which the Debtor signed the

Declaration. *See* 28 U.S.C. § 1746.
The Debtor asserts, through the Declaration, that the Vehicle "was worth $15,345.00 at the time of filing." *See id.* at ¶ 4. Additionally, the Debtor asserts that the attached JD Power printout states the Vehicle was worth $15,345.00 as of April 23, 2026; however, the attached exhibit does not provide a valuation of the Vehicle as of any specific date, but merely lists the "average price paid" for similar vehicles. *See id.* at pp. 6 and 8. The printout does state that it was updated as of April 19, 2026, prior to the Petition date. *See id.* at p. 8.

Notice

Pursuant to Rule 7004(h), "service on an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act) shall be made by certified mail addressed to an officer of the institution . . . unless the institution has appeared by its attorney, in which case the attorney shall be served by first class mail . . ." Fed. R. Bankr. P. 7004(h)(1).

The Motion and notice thereof were properly served upon counsel for TD Bank via United States mail, first class, postage prepaid on May 22, 2026, using the address provided in TD Bank's *Notice of Appearance and Request for Notice*, as well as the following address: "Attorney for TD Bank, N.A. / Aaron J. Nash, Esq. / Evans Petree PC / 1715 Aaron Brenner Drive, Suite 800 / Memphis, TN 38120." *See* Docket No. 12; and Docket No. 14, *Proof of Service of Document*, pp. 20-21. The Motion and notice thereof were also properly served upon an officer of TD Bank via certified mail on May 22, 2026, using the following address: "TD Bank, National Association / Attn: Raymond Chun, CEO / 2035 Limestone Road / Wilmington, DE 19808." *See id.* The same were also served upon the United States Trustee and the Chapter 13 Trustee via Notice of Electronic Filing ("NEF"). *See id*.

The Motion and notice thereof notified all parties of the hearing on the Motion, and that, pursuant to this Court's Local Rule 9013-1(f), the deadline to file and serve a written response is fourteen (14) days before the date designated for hearing. *See id*. 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." LBR 9013-1(h). No party served with the Motion has timely filed an opposition thereto. The Court therefore takes the default of all non-responding parties.

Analysis

Valuation of Collateral

Pursuant to Fed. R. Bankr. P. 3012(a), "[o]n a party in interest's request, after notice and a hearing, the court may determine the amount of a secured claim under § 506(a) …"

Pursuant to 11 U.S.C. § 506(a)(1), "[a]n allowed claim of a creditor secured by a lien on property in which the estate has an interest . . . is a secured claim to the extent of the value of such creditor's interest in the estate's interest in such property . . . and is an unsecured claim to the extent that the value of such creditor's interest . . . is less than the amount of such allowed claim. Such value shall be determined in light of the purpose of the valuation and of the proposed disposition or use of such property, and in conjunction with any hearing on such disposition or use or on a plan affecting such creditor's interest." 11 U.S.C. § 506(a)(1).

Pursuant to 11 U.S.C. § 506(a)(2), "[i]f the debtor is an individual . . . , such value with respect to personal property securing an allowed claim shall be determined based on the replacement value of such property as of the date of the filing of the petition without deduction for costs of sale or marketing. With respect to property acquired for personal, family, or household purposes, replacement value shall mean the price a retail merchant would charge for property of that kind considering the age and condition of the property at the time value is determined."

Here, the Debtor states in the Declaration, based on his "knowledge as owner" and the JD Power printout that the Vehicle "was worth $15,345.00 at the time of filing." *See* Docket No. 14, p. 6, lines 10-14. It is not clear whether the "filing" the Debtor is referencing is the date of the filing of the Motion, or the Petition Date. What is more, despite the Debtor's knowledge, the Debtor appears to be basing the valuation on the JD Power report.

The Court cannot consider the JD Power printout as appropriate evidence of the Vehicle's value as of the Petition Date because (1) the printout does not provide any date of valuation, (2) April 23, 2026, is not the Petition date, and (3) the "printout" merely provides an average price paid and a price range instead of an actual valuation.

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CONT... **Miles Xicayan Hidalgo** **Chapter 13**

As such, due to the lack of reliable evidence in support of the Motion, the Court denies the Motion.

June 16, 2026

Appearances waived.

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

Party Information

Debtor(s):

Miles Xicayan Hidalgo — Represented By
Rabin Pournazarian

Trustee(s):

Elizabeth (ND) F Rojas (TR) — Pro Se

10:00 AM
9:26-10708 **Daniel Rivera** **Chapter 7**

#27.00 HearingRE: [15] Motion to Dismiss Case for Abuse and Notice of Motion (BNC) and Motion to Dismiss Case Pursuant to 11 U.S.C. §§ 707(b)(2) and 707(b)(3); Memorandum of Points and Authorities; Declaration of Veronica Hernandez in Support Thereof with proof of service

Docket 15

Tentative Ruling:

August 25, 2026

Appearances required.

Background

On May 12, 2026, Daniel Rivera (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1. The 341(a) meeting of creditors was originally set for June 18, 2026, and Nancy J Zamora is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 5.

The Debtor states in his schedules that his debts are primarily consumer debts. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*, p. 6; and *Summary of Your Assets and Liabilities and Certain Statistical Information*, p. 11. The Debtor's debts consist of a secured claim in the amount of $266,573.00 on the Debtor's primary residence and unsecured claims in the amount of $18,384.00. *See id.* at *Schedule D: Creditors Who Have Claims Secured by Property*, p. 21 and *Schedule E/F: Creditors Who Have Unsecured Claims*, p. 24.
The Debtor states his post-tax monthly income (including the Debtor's non-filing spouse's income) is $7,790.88 (a pre-payroll reduction amount of $10,686.08) which includes $183.99 of voluntary contributions towards a retirement plan. *See id.* at *Schedule I: Your Income*, p. 28.

The Debtor lists his monthly expenses including those of the Debtor's non-filing spouse as $7,779.17, which leaves a total net monthly income of $11.71. *See id.* at *Schedule J: Your Expenses*, p. 30. This includes (1) $300 a month for "[e] ntertainment, clubs, recreation, newspapers, magazines, and books," (2) $200 a month for "2023 Back Taxes," (3) $100 a month to support the "Debtor's Mother," and (4) $500 a month for "Non Filing Spouse." *See id.*

Additionally, the Debtor's Mean Test demonstrates that there is a presumption of abuse, yet the Debtor did not check the correct box. *See id.* at *Chapter 7 Means Test Calculation*, pp. 52 and 59. The Debtor also does not list any special circumstances under 11 U.S.C. § 707(b)(2)(B). *See id.* at p. 60.

Before the Court is that *Notice of Motion and Motion to Dismiss Case Pursuant to 11 U.S.C. §§ 707(b)(2) and 707(b)(3)* (the "Motion") filed by the Office of the United States Trustee ("OUST") on June 26, 2026. *See* Docket No. 15. Through the Motion, the OUST seeks a dismissal of the Debtor's case pursuant to 11 U.S.C. §§ 707(b)(2) and (3) because the Debtor's bankruptcy case is an abuse of Chapter 7 due to a presumption of abuse under 11 U.S.C. § 707(b)(2) and because the Debtor has the ability to repay all his unsecured debt within a 36-month period in Chapter 13. *See id.* at p. 4.

Notice

Pursuant to Fed. R. Bankr. P. 1017(e)(1), "[o]n motion under §707(b), the court may dismiss an individual debtor's Chapter 7 case for abuse []. The Court may do so only after a hearing on notice to: the debtor; the trustee; the United States trustee; and any other entity as the court orders. (2) Except as §704(b)(2), a motion to dismiss a case for abuse under § 707(b) [] must be filed within 60 days after the first date set for the meeting of creditors under § 341(a). [] The motion must: (A) set forth all matters to be considered at the hearing; and (b) if made under § 707(b)(1) and (3), state with particularity the circumstance alleged to constitute abuse."

On June 26, 2026, the Motion was served upon the Trustee via Notice of Electronic Filing [NEF] and upon the Debtor via United States mail, first class, postage prepaid. *See* Docket No. 15, *Proof of Service of Document*, pp. 19-21. The OUST also filed that *Notice of Motion to Dismiss Case for Substantial Abuse of the Bankruptcy System* (the "Notice"). *See id.* at p. 21. The Notice was served upon all parties via BNC notice. *See* Docket No. 17.

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CONT... **Daniel Rivera** **Chapter 7**

On June 26, 2026, OUST issued that *Clerk's Notice of United States Trustee's Statement of Presumed Abuse* (the "Notice of Abuse"). *See* Docket No. 14. The Notice of Abuse was served via BNC notice. *See* Docket No. 18.

Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." Neither the Debtor nor any other party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

Analysis

Pursuant to 11 U.S.C. § 707(b), "(1) [a]fter notice and a hearing, the court, on [] a motion by the United States trustee [] may dismiss a case filed by an individual debtor under this chapter whose debts are primarily consumer debts, [] if it finds that the granting of relief would be an abuse of the provisions of this chapter."

"Section 707(b)(1) provides that a case of an individual debtor whose debts are primarily consumer debts may be dismissed if the court finds, after notice and a hearing, that granting a discharge would be an abuse of chapter 7." *In re Lamug*, 403 B.R. 47, 52 (Bankr. N.D. Cal. 2009). "Section 707(b) provides two methods under which to determine if 'abuse' is present: (1) presumed abuse under the objective Means Test prescribed in § 707(b)(2); and (2) the more subjective test found in § 707(b)(3), which is based on a debtor's good faith and/or the totality of the circumstances." *Id. See In re Baeza*, 398 B.R. 692, 694 (Bankr. E.D. Cal. 2008) (two standards for determining abuse: (1) Means Test under § 707(b)(2), and (2) totality of circumstances under § 707(b)(3)).

"The means test measures the debtor's 'current monthly income' and determines whether that income (less certain allowed expenses and then multiplied by 60) exceeds threshold amounts designated in the statute." *In re Drury*, 2016 WL 4437555, at * 3 (9th Cir. BAP 2016) (citing 11 U.S.C. § 707(b)(2)(A)). *See In re Baeza*, 398 B.R. 692, 694 (Bankr. E.D. Cal. 2008) ("The function of the Means Test is to estimate the ability of chapter 7 debtors to repay their debts. If the debtor's annualized income exceeds the applicable median family income, and the Means Test shows that the debtor has the ability to repay the lesser of 25% of the nonpriority unsecured claims, or [$17,150], over a period of five years, then a presumption of abuse arises. Section 707(b)(2)(A) prescribes a comprehensive list of allowable expenses for making that determination."). At the time of the Debtor's bankruptcy filing, the relevant designated statutory threshold amount for the Means Test was $17,150.

Dismissal under 11 U.S.C. § 707(b)(2) is "proper so long as a presumption of abuse [arises]" and the debtor does not rebut the presumption. *In re Reed*, 422 B.R. 214, 227 (C.D. Cal. 2009).

Under § 707(b)(3), "courts have examined the totality of the circumstances [] utilizing criteria such as the following: (1) Whether the debtor has a likelihood of sufficient future income to fund a Chapter 11, 12, or 13 plan which would pay a substantial portion of the unsecured claims; (2) Whether the debtor's petition was filed as a consequence of illness, disability, unemployment, or some other calamity; (3) Whether the schedules suggest the debtor obtained cash advancements and consumer goods on credit exceeding his or her ability to repay them; (4) Whether the debtor's proposed family budget is excessive or extravagant; (5) Whether the debtor's statement of income and expenses is misrepresentative of the debtor's financial condition; and (6) Whether the debtor has engaged in eve-of-bankruptcy purchases." *I n re Price*, 353 F.3d 1135, 1139-40 (9th Cir. 2004) (citation omitted). **[FN1]**

However, "[t]he primary factor defining substantial abuse is the debtor's ability to pay his debts as determined by the ability to fund a Chapter 13 plan [and as a result, the Ninth Circuit has held…] that a 'debtor's ability to pay his debts will, standing alone, justify a section 707(b) dismissal.'" *Id.* at 1140 (quoting *In re Kelly*, 841 F.2d 908, 914 (9th Cir. 1988)).

"Whether a debtor has the ability to repay creditors under § 707(b)(3)(B) is a question of fact that requires a bankruptcy court to examine the debtor's actual income and expenses." *In re Ng,* 477 B.R. 118, 126 (9th Cir. BAP 2012) (citing *In re Ross-Tousey*, 549 F.3d 1148, 1162 (7th Cir. 2008)). "In performing this review, 'courts may take into account both current and foreseeable circumstances.'" *Id.* (quoting *In re Hartwick*, 359 B.R. 16, 21 (D. N.H. 2007)).

Further, a bankruptcy court is permitted to disallow portions of a debtor's claimed monthly expenses such as retirement contributions, loan repayments, and tax

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CONT... Daniel Rivera Chapter 7

payments to determine if a debtor can repay their debts in a Chapter 13 plan. *In re Ng*, 477 B.R. at 127 and 130 ("In sum, we conclude that the bankruptcy court did not err in its decision to disallow Debtor's pension contribution, loan repayment and tax payment as adjustments to income in its § 707(b)(3) abuse analysis.").

Here, by the Debtor's own admission, abuse is presumed under 11 U.S.C. § 707(b)(2), because the Debtor's monthly disposable income for 60 months is over $160,000, which is significantly more than the $17,150 mark where the presumption of abuse arises. The Court will dismiss the Debtor's case under 11 U.S.C. § 707(b)(2).

Additionally, after limiting the Debtor's expenses to not include $300 a month for entertainment, $200 a month for back taxes, and $500 a month for "Non Filing Spouse," the Debtor has a net disposable income of a minimum of a $1,000 which is sufficient to pay the Debtor's unsecured claims of $18,384.00 through a Chapter 13 plan.

Further, the Debtor has failed to respond or oppose the Motion. As such, the Court is unapprised of any facts that would justify the Debtor's filing for bankruptcy protection under Chapter 7.

Conclusion

The Court grants the Motion under 11 U.S.C. §§ 707(b)(2) and (3). The OUST is to upload a conforming order with 7 days.

[FN1] "[C]ourts within the Ninth Circuit have held that *Price* is still controlling for determining abuse under § 707(b)(3)." *In re Suttice*, 487 B.R. 245, 250 (Bankr. C.D. Cal. 2013) (citing several cases including *In re Ng*, 477 B.R. 118, 126 (9th Cir. BAP 2012)).

Party Information

Debtor(s):

Daniel Rivera — Represented By
Melody D. Morris

10:00 AM

CONT... **Daniel Rivera** **Chapter 7**

Trustee(s):

Nancy J Zamora (TR) Pro Se

10:00 AM
9:26-10829 Sandra J. Stinson **Chapter 7**

#28.00 CONT'D Hearing

RE: [9] Motion to compel trustee to abandon interest in property of estate with proof of service.

FR. 7-07-26,

Docket 9

Tentative Ruling:

August 25, 2026

Appearances waived.

The Motion is granted. On July 9, 2026, the Trustee filed *Chapter 7 Trustee's Report of No Distribution*, specifically identifying the Property as an asset to be abandoned, thereby confirming the analysis found within the Motion. *See* Docket Entry Dated July 9, 2026.

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

July 7, 2026

Appearances required.

Background

On June 4, 2026, Sandra J. Stinson (the "Debtor") filed that *Voluntary Petition for Individuals Filing for Bankruptcy* pursuant to Chapter 7 of the 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 341(a) meeting of creditors is scheduled for July 9, 2026. *See* Docket No. 6

Among the property that the Debtor scheduled is that real property located at 8 La Cumbre Circle, Santa Barbara, CA 93105-0000 (the "Property") which the Debtor values at $1,300,000.00. *See* Docket No. 1, *Schedule A/B: Property*, p. 11. The Debtor claims an exemption in the Property in the amount of $578,499.04. *See id*. at *Schedule C: The Property You Claim as Exempt*, p. 17. Additionally, the Property is encumbered by a lien in the amount of $721,500.96 held by BMO Harris. *See id.* at *Schedule D: Creditors Who Have Claims Secured by Property*, p. 19.

Before the Court is that *Motion to Compel Abandonment of Real Property* (the "Motion") filed by the Debtor on June 13, 2026. *See* Docket No. 9. Through the Motion, the Debtor seeks an order compelling the Trustee to abandon the Property pursuant to 11 U.S.C. § 554(b). *See id.*

Notice

Pursuant to Fed. R. Bankr. P. 6007(b), "[a] party in interest may file and serve a motion to require the trustee [] to abandon property of the estate [which…] must be served on: the trustee []; all creditors; all indenture trustees; any committees appointed []; and the United States trustee."

On June 13, 2026, the Debtor filed that *Notice of Motion to Compel Abandonment of Real Property* (the "Notice") in which notice of the Motion was served upon the Trustee, all creditors, and the United States Trustee via Notice of Electronic Filing [NEF] and United States mail, first class, postage prepaid. *See* Docket No. 10, *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 Motion. The Court therefore takes the default of all non-responding parties served with the Notice.

Analysis

Pursuant to 11 U.S.C. § 554(b) "[o]n request of a party in interest and after notice and a hearing, the court may order the trustee to abandon any property of the estate that is

10:00 AM
CONT... Sandra J. Stinson Chapter 7

burdensome to the estate or that is of inconsequential value and benefit to the estate." "In order to approve a motion to abandon, the bankruptcy court must find either that (1) the property is burdensome to the estate or (2) of inconsequential value and inconsequential benefit to the estate." *In re Viet Vu*, 245 B.R. 644, 647 (9th Cir. BAP 2000).

"Property is burdensome to an estate if the expected cost of administering the asset would exceed the expected benefit[, or t]he cost of administering an asset might exceed the benefit when the asset is encumbered with liens in excess of its value, or when the value of the asset can be realized only through expensive litigation that may or may not result in recovery." *In re EuroGas, Inc.*, 755 F.App'x 825, 831 (10th Cir. 2019). "In short, determining whether an asset is burdensome to the estate requires the bankruptcy court to look at the big picture and consider an asset's value, encumbrances, and option (or lack thereof) for liquidation." *Id.*

"An order compelling abandonment is the exception, not the rule. Moreover, the Debtor has the burden to establish that subject property to be abandoned is burdensome or of inconsequential value." *In re Viet Vu, supra,* at 650.

Abandonment should only be compelled in order to help the creditors by assuring some benefit in the administration of each asset…Absent an attempt by the trustee to churn property worthless to the estate just to increase fees, abandonment should rarely be ordered." *Id*. at 647 (citing *In re K.C. Mach. & Tool Co.*, 816 F.2d 238, 245 (6th Cir. 1987)); *see also In re Gill*, 574 B.R. 709, 714 (9th Cir. BAP 2017). "[I]n evaluating a proposal to abandon property, it is the interests of the estate and the creditors that have primary consideration, not the interests of the debtor." *In re Galloway*, 2014 WL 4212621 *6 (9th Cir. BAP 2014).

"The bankruptcy trustee must determine, in his sound business judgment, what disposition is in the best interests of the estate." *Id*. In analyzing a motion to abandon under 11 U.S.C. § 554, "the Court need only find that the trustee made: (1) a business judgment; (2) made in good faith; (3) upon some reasonable basis; and (4) within the trustee's scope of authority." *In re Fulton*, 162 B.R. 539, 540 (W.D. Mo. 1993).

"Indeed, under Ninth Circuit law, a bankruptcy court is permitted to deny abandonment even when 'the factual predicates for abandonment under 11 U.S.C. §

10:00 AM
CONT... **Sandra J. Stinson** **Chapter 7**

554(a) are present.'" *Richards v. Marshack*, 2025 WL 885250 *2 (C.D. Cal. 2025) (citing *In re Johnston*, 49 F.3d 538, 540 (9th Cir. 1995)).

In the instance case, it is difficult to analyze the Motion. The Motion was filed just nine (9) days after the Debtor filed its bankruptcy case. The Trustee has yet to complete the meeting of creditors under 11 U.S.C. § 341(a) or complete his investigation of the estate. Further, the deadline to object to the Debtor's claimed homestead exemption is Property has yet to run.

Although (assuming the Debtor's valuation of the Property is correct and Debtor's claimed homestead is valid) the Property is likely burdensome to the estate, the Motion is premature.

The Court is inclined to deny the Motion without prejudice to allow the Trustee to complete the meeting of creditors and his investigation into the estate.

Party Information

Debtor(s):

Sandra J. Stinson	Represented By William C Beall

Trustee(s):

Jeremy W. Faith (TR)	Pro Se

10:00 AM
9:26-10838 Searchlight Media Inc. **Chapter 7**

#29.00 HearingRE: [12] Motion Motion Of Landlord Agoura Meadows LLC To Compel Performance Of Post-Petition Lease Obligations Or Other Appropriate Relief; Supporting Memorandum Of Points And Authorities

Docket 12

Tentative Ruling:

August 25, 2026

Appearances required. The Court is inclined to grant the Motion in part, and continue the Motion in part.

Background

On June 5, 2026 (the "Petition Date"), Searchlight Media 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 Non-Individuals Filing for Bankruptcy*. The Debtor scheduled no executory contracts or unexpired leases. *See id.* at p. 20, *Schedule G: Executory Contracts and Unexpired Leases*. Amy L Goldman (the "Trustee") is the duly appointed Chapter 7 trustee. *See* Docket No. 4, *Notice of Chapter 7 Bankruptcy Case – No Proof of Claim Deadline*.

On July 27, 2026, Agoura Meadows LLC ("Agoura") filed that *Motion of Landlord Agoura Meadows LLC to Compel Performance of Post-Petition Lease Obligations or Other Appropriate Relief* (the "Motion"). *See* Docket No. 12. Agoura, through the Motion, seeks payment of post-petition rent on premises leased by the Debtor at 5649 Kanan Road, Agoura Hills, CA (the "Property") pursuant to 11 U.S.C. § 365(d)(3), or, if the Trustee is unable to pay the lease amounts, that the lease be deemed rejected. *See id.* at p. 2, lines 1-5.

On August 11, 2026, the Trustee filed that *Opposition of Amy L. Goldman, Chapter 7 Trustee to Motion of Landlord Agoura Meadows LLC to Compel Performance of Post-Petition Lease Obligations or Other Appropriate Relief* (the "Opposition"). *See* Docket No. 19. The Trustee, through the Opposition, argues that the Debtor's bankruptcy estate has no money to pay the lease payments requested under the Motion, but that if Agoura stands pat, all may end well with a sale of the Debtor's business, including assumption and assignment of Agoura's lease. *See id.* No matter if the business is ever sold, argues the Trustee, because the Debtor's bankruptcy estate is administratively insolvent, Agoura is not entitled to payment on the lease above payment to all other administrative expense priority claims.

Analysis

Pursuant to 11 U.S.C. § 365(d)(3), "[t]he trustee shall timely perform all the obligations of the debtor [] arising from and after the order for relief under any unexpired lease of nonresidential real property, until such lease is assumed or rejected, notwithstanding section 503(b)(1) of this title." "The court may extend, for cause, the time for performance of any such obligation that arises within 60 days after the date of the order for relief, but the time for performance shall not be extended beyond such 60-day period." *Id.* Paying the contracted monthly rent is an obligation the Chapter 7 trustee must perform under 11 U.S.C. § 365(d)(3). *See In re Pacific-Atlantic Trading Co.*, 27 F.3d 401, 403 (9th Cir. 1994).

The parties here agree on the underlying facts. Agoura has an unexpired lease with the Debtor, despite the Debtor's representations otherwise in its schedules. *See* Docket No. 19, p. 3, lines 20-21; *see also* Docket No. 12, p. 3, lines 2-6. The parties also do not disagree that 11 U.S.C. § 365(d)(3) applies on the instant facts. So, under the auspices of 11 U.S.C. § 365(d)(3), the Trustee must pay rent to Agoura on the Property, timely, and in the amount required through the underlying lease.

The sole dispute is that "[t]he estate presently has no funds with which to make the payment demanded by [Agoura]." *See* Docket No. 19, p. 2, lines 15-16. It is not that Agoura lacks right to timely rental payments under 11 U.S.C. § 365(d)(3), but that the Debtor's bankruptcy estate simply cannot pay those amounts. So, requests the Trustee, the Court should award Agoura an administrative expense priority claim for unpaid rent, upon a motion not yet filed, allow the Debtor's bankruptcy estate to continue to utilize the Property in the interim, and perhaps, in the end, Agoura will be paid on its administrative expense priority claim, but not ahead of any other administrative expense claimants. *See id.* at p. 3, lines 11-14.

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CONT... **Searchlight Media Inc.** **Chapter 7**

Does the Trustee's position not turn 11 U.S.C. § 365(d)(3) on its head? Does 11 U.S.C. § 365(d)(3) not provide that rent is to be paid, "notwithstanding section 503(b)(1) of this title?" The reading of the Code section seems to be a plain one. Yes, as the Trustee notes, Agoura is entitled to an administrative expense priority claim under 11 U.S.C. § 503(b) for post-petition rent. "Notwithstanding" 11 U.S.C. § 503(b)(1), Agoura is further entitled to timely payment of the amounts that comprise that claim. "Timely" payment being defined under the lease. The Court struggles with the Trustee's view that despite the clear mandate of 11 U.S.C. § 365(d)(3), the Trustee may pay no rent to Agoura, and instead instruct it to file a motion for allowance of an administrative expense priority claim, to be paid at some unknown future date. If this were a proper (or allowable) reading of 11 U.S.C. § 365(d)(3), what purpose does this Code section serve?

The Trustee argues that to pay the rent now would place Agoura in a position of a super-priority administrative expense claimant. The Court does not follow. If a bankruptcy estate is administratively insolvent, and cannot meet the requirements of 11 U.S.C. § 365(d)(3), should the lease not be rejected or abandoned, *post haste*? How does the Court sync the aims of 11 U.S.C. §§ 365(d)(3) and 503(b)(1) where the bankruptcy estate cannot meet the former?

If the issue were one of time, meaning the Trustee just needed time to sort a sale out, does 11 U.S.C. § 365(d)(3) not provide a gap solution in the 60 day pause on performance upon the request of the Trustee? That is, the Trustee could make a case that the Debtor's bankruptcy estate should be provided a 60-day breather on the rent payments to Agoura. But given the relatively tight window of 60 days, was Congress not signaling to the Court that any such sale must happen quickly post-petition. At this juncture it matters not because the 60-day window has passed. However, the passage of the 60-day window must inform the parties as to the Court's discretion to order any further delay in payment to Agoura.

In sum, there is no money to pay Agoura what the Trustee must pay Agoura under 11 U.S.C. § 365(d)(3). Agoura's lease must be rejected or abandoned immediately. The Court is inclined to grant the Motion insofar as it requests that the lease between the Debtor and Agoura regarding the Property be rejected or abandoned, but will hear from the parties regarding which route is appropriate. The Court is inclined to continue the Motion in part to determine the amount of any claim Agoura may have

10:00 AM

CONT... **Searchlight Media Inc.** **Chapter 7**

against the Debtor's estate through the time of the rejection or abandonment of the lease.

Party Information

Debtor(s):

Searchlight Media Inc.	Represented By Kevin T Simon

Trustee(s):

Amy L Goldman (TR)	Represented By Anthony A. Friedman

10:00 AM

9:26-10849 Thomas Costabile Chapter 13

#30.00 HearingRE: [16] Motion to disgorge attorney's fees under 11 U.S.C. section 329 by U.S. Trustee Notice of Motion and Motion of United States Trustee to Determine Whether Compensation Paid to Counsel Was Excessive Under 11 U.S.C. §329 and F.R.B.P. 2017 and to Order Counsel to File a 2016(b) Statement; Points & Authorities; Declaration of Veronica Hernandez . (Fittipaldi, Brian)

Docket 16

Tentative Ruling:

August 25, 2026

Appearances required.

Background

On April 25, 2026, Thomas Costabile (the "Debtor") filed a skeletal voluntary petition for relief under Chapter 13 of Title 11 of the United States Code (the "First Petition"). *See* Case No. 9:26-bk-10594-RC, Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The First Petition did not disclose the Debtor's last four (4) digits of their social security number as required. *See id.* at p. 1. The Debtor as their counsel, Michael D. Kwasigroch ("Kwasigroch") signed the First Petition on March 25, 2026. *See id.* at pp. 6-7.

In signing the First Petition, the Debtor, under the penalty of perjury, attested to the fact that he had not "filed for bankruptcy within the last 8 years." *See id.* at p. 3. Kwasigroch declared and certified, as counsel to the Debtor and as the filer of the First Petition, that he had "no knowledge after an inquiry that the information in the schedules filed with the petition [was] incorrect." Both attestations were incorrect. The Debtor filed a bankruptcy petition on December 14, 2020 (Case No. 9:20-bk-11484), which Kwasigroch filed on behalf of the Debtor, and the Debtor filed a further bankruptcy case on December 1, 2023 (Case No. 9:23-11144). Both of the prior Chapter 13 cases were dismissed without having confirmed a Chapter 13 plan.

Beyond that *Statement About Your Social Security Numbers* (Docket No. 2), the

10:00 AM

CONT... **Thomas Costabile** **Chapter 13**

Debtor filed nothing more in the case, and so the First Petition was dismissed on May 12, 2026. *See id.* at Docket No. 11, *Order and Notice of Dismissal for Failure to File Schedules, Statements and/or Plan*.

On June 8, 2026, the Debtor filed a further skeletal petition for relief under Chapter 13 of Title 11 of the United States Code (the "Second Petition"). *See* Case No. 9:26-bk-10849-RC, Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The Second Petition is the First Petition, filed a second time, and without any revision. The Second Petition, therefore, provided that the Debtor had not "filed for bankruptcy within the last 8 years." *See id.* at p. 3. This, of course, was a false statement, made by the Debtor, under the penalty of perjury. As noted *supra*, the Second Petition was the Debtor's fourth bankruptcy filing in eight (8) years. As previously discussed regarding the First Petition, Kwasigroch declared and certified that the information in the Second Petition was correct, but as with the First Petition, there was no less than one (1) statement in the Second Petition that was incorrect, and Kwasigroch would have known that fact in that he filed two (2) prior bankruptcy cases on behalf of the Debtor within the eight (8) years preceding the Second Petition being filed. Yet again, filing nothing more than the Second Petition that *Statement About Your Social Security Numbers* (Docket No. 9), the case was dismissed on June 23, 2026. *See* Docket No. 12, *Order and Notice of Dismissal for Failure to File Schedules, Statements and/or Plan*.

On June 29, 2026, the Office of the United States Trustee (the "OUST") filed that *Notice of Motion and Motion of United States Trustee to Determine Whether Compensation Paid to Counsel Was Excessive Under 11 U.S.C. §329 and F.R.B.P. 2017 and to Order Counsel to File a 2016(b) Statement* (the "Motion"). *See* Docket No. 16. The Motion seeks information by Kwasigroch regarding the amounts paid by the Debtor to Kwasigroch in connection with the Second Petition.

<u>*Notice*</u>

The Motion includes a notice of the hearing on the Motion, and informs parties-in-interest that any party wishing to respond to the Motion must do so in writing within 14 days of the hearing on the Motion in conformance with this Court's Local Rule 9013-1(f). *See id.* at p. 2, lines 8-12. The Motion was served via NEF on Kwasigroch and the Chapter 13 Trustee on June 29, 2026. *See id.* at p. 29, *Proof of Service of*

Document. That *Amended Notice of Hearing re: Corrected Zoom Information for Motion of United States Trustee to Determine Whether Compensation Paid to Counsel Was Excessive Under 11 U.S.C. § 329 and F.R.B.P. 2017 and to Order Counsel to File a 2016(b) Statement* was filed by the OUST on July 27, 2026, and served on the same date on the Debtor via U.S. Mail, and Kwasigroch and the Chapter 13 Trustee via NEF. *See* Docket No. 20. No response to the Motion has been filed.

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." The Court therefore takes the default of all non-responding parties, and accepts the Debtor's and Kwasigroch's failure to respond to the Motion as acquiescence to its prayed for relief.

Analysis

11 U.S.C. § 329

Pursuant to Fed. R. Bankr. P. 2016(b)(1), "[w]ithin 14 days after the order for relief-or at another time as the court orders-every debtor's attorney (whether or not applying for compensation) must file and send to the United States trustee the statement required by § 329." Section 329(a) of the Bankruptcy Code provides that "[a]ny attorney representing a debtor in a case under this title, or in connection with such a case, whether or not such attorney applies for compensation under this title, shall file with the court a statement of the compensation paid or agreed to be paid, if such payment or agreement was made after one year before the date of the filing of the petition, for services rendered or to be rendered in contemplation of or in connection with the case by such attorney, and the source of any such compensation."

Pursuant to Fed. R. Bankr. P. 2017(a), "[o]n a party in interest's motion, or on its own, the court may, after notice and a hearing, determine whether a debtor's direct or indirect payment of money or transfer of property to an attorney for services rendered or to be rendered was excessive if it was made: (1) in contemplation of the filing of a bankruptcy petition by or against the debtor; or (2) before the order for relief is entered in an involuntary case."

"If such compensation exceeds the reasonable value of any such services, the court

10:00 AM
CONT... Thomas Costabile **Chapter 13**

may cancel any such agreement, or order the return of any such payment, to the extent excessive, to (1) the estate, if the property transferred (A) would have been property of the estate; or (B) was to be paid by or on behalf of the debtor under a plan under chapter [] 13 of this title; or (2) the entity that made such payment." 11 U.S.C. § 329(b).

"Bankruptcy courts retain broad equitable powers to carry out the provisions of the Bankruptcy Code." *In re Sundquist*, 576 B.R. 858, 872 (Bankr. E.D. Cal. 2017) (internal citations omitted). "After a bankruptcy case is dismissed under § 349, there remains a residuum of federal bankruptcy jurisdiction." *Id.* "Such jurisdiction includes matters 'arising under' the Bankruptcy Code and ancillary matters, such as dealing with attorneys' fees." *Id.* "The § 329 obligation of an attorney for the debtor to disclose fees and fee arrangements is co-extensive with a debtor's involvement in a bankruptcy case and remains in effect for so long as § 1334 jurisdiction connected with that case survives." *Id.* at 875.

Kwasigroch had an affirmative duty under 11 U.S.C. § 329 to file with the Court a statement of the compensation paid or agreed to be paid, if such payment or agreement was made after one year before the date of the filing of the Second Petition, for services rendered or to be rendered in contemplation of or in connection with the case by Kwasigroch, and the source of any such compensation. Pursuant to Fed. R. Bankr. P. 2016(b)(1), that statement was due within fourteen (14) days of the Second Petition being filed. This was not done. The OUST now requests that Kwasigroch comply with 11 U.S.C. § 329 and Fed. R. Bankr. P. 2016 to allow the OUST to provide the Court with its concerns, if there are any, regarding the value of the services provided by Kwasigroch.

The Motion is granted. Kwasigroch is to file with the Court, and serve on parties-in-interest, a statement that complies with 11 U.S.C. § 329, within 15 days of an order granting this portion of the Motion.

The Court will continue the balance of the Motion to September 22, 2026, to allow the OUST to augment the Motion, if so chosen, based on a review of the statement to be filed pursuant to the order granting the disclosure request portion of the Motion.

Fed. R. Bankr. P. 9011

10:00 AM
CONT... **Thomas Costabile** **Chapter 13**

Pursuant to Fed. R. Bankr. P. 9011(a), "[e]very petition [] must be signed by at least one attorney of record in the attorney's name." "By presenting to the court a petition [] whether by signing, filing, submitting, or later advocating it—an attorney [] certifies that to the best of the person's knowledge, information, and belief formed after an inquiry reasonable under the circumstances: (1) it is not presented for any improper purpose, such as to harass, cause unnecessary delay, or needlessly increase litigation costs; (2) the claims, defenses, and other legal contentions are warranted by existing law or by a nonfrivolous argument to extend, modify, or reverse existing law, or to establish new law; [and] (3) the allegations and factual contentions have evidentiary support." Fed. R. Bankr. P. 9011(b).

"If after notice and a reasonable opportunity to respond, the court determines that (b) has been violated, the court may, subject to the conditions in this subdivision (c), impose an appropriate sanction on any attorney [] that committed the violation or is responsible for it." Fed. R. Bankr. P. 9011(c)(1).

"On its own, the court may enter an order describing the specific conduct that appears to violate (b) and directing an attorney [] to show cause why it has not violated (b)." Fed. R. Bankr. P. 9011(c).

Here, the Court has serious concerns. First, the Second Petition is nothing more than a re-filing of the First Petition. Presuming that the Debtor signed the First Petition, it does not appear that the Debtor actually signed documents to initiate the Second Petition. It seems that the Debtor's signature was simply recycled and used for the second bankruptcy filing. Fed. R. Bankr. P. 9011 requires that bankruptcy petitions be signed by the debtor(s) prior to their being filed. This signature requirement ensures that the Debtor reviews and understands the petition before it is filed. Logically, this means that one could not simply re-file a previously filed petition, with the debtor's prior signatures, as a new petition.

Had the Debtor reviewed the Second Petition before it was filed, the Debtor would have noticed that the Second Petition contained inaccuracies, and would have demanded that they be corrected before the filing of the Second Petition. An attorney cannot simply inform the debtor that the same petition would be filed again, and use verbal consent to file those pleadings, because facts can change. Or, as is the case here, the debtor may realize that information should be revised. From what the Court can observe, the Debtor never even saw the Second Petition. Kwasigroch simply filed the First Petition a second time. This, if true, is a violation of Fed. R. Bankr. P. 9011, at the very least.

What is more, the First and Second Petitions contain a misrepresentation as to the number of bankruptcy cases the Debtor had filed in the prior eight (8) years. Both petitions disclose that the Debtor had filed no bankruptcy petitions in the eight (8) years preceding the filing of the First and Second Petitions, when Kwasigroch would have first hand knowledge that the statement was false, each time it was made.

The Court will enter an order to show cause as to why Kwasigroch should not be sanctioned, monetarily and/or non-monetarily, including suspension from practice in the United States Bankruptcy Court for the Central District of California, for violating Fed. R. Bankr. P. 9011 for the reasons set forth herein.

Party Information

Debtor(s):

Thomas Costabile — Represented By
Michael D Kwasigroch

Trustee(s):

Elizabeth (ND) F Rojas (TR) — Pro Se

10:00 AM
9:26-10893 Michael Steven Mahan **Chapter 13**

#31.00 HearingRE: [19] Motion for Authority to Sell or Refinance Real Property under LBR 3015-1 (Ch 13)-No Fee (with Proof of Service)

Docket 19

Tentative Ruling:

August 25, 2026

Appearances required.

On June 18, 2026, Michael Steven Mahan (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 Individuals Filing for Bankruptcy*.

The Debtor scheduled real property located at 7 Carob Drive, Newbury Park, California 91320 (the "Property"), which the Debtor valued at $1,044,200. *See* Docket No. 11, *Schedule A/B: Property*, p. 3. The Property is encumbered by a mortgage held by PHH Mortgage in the amount of $514,467.00. *See id.* at *Schedule D: Creditors Who Have Claims Secured by Property*, p. 12. Additionally, the Debtor claims a homestead exemption in the Property in the amount of $746,375.00. *See id.* at *Schedule C: The Property You Claim as Exempt*, p. 9.

The meeting of creditors was scheduled for August 5, 2026. *See* Docket No. 5, *Notice of Chapter 13 Bankruptcy Case*.

Before the Court is *Debtor's Motion for Authority to Sell Real Property Under LBR 3015-1(p)* (the "Motion") filed by the Debtor on July 8, 2026. *See* Docket No. 19. Through the Motion, the Debtor seeks an order authorizing the sale of the Property, and to retain the net proceeds after payment of liens in satisfaction of their homestead exemption. *See id.*

On July 29, 2026, Elizabeth F. Rojas, the Chapter 13 trustee, (the "Trustee") filed that *Amended Trustee's Comments or Objection* (the "Objection") in which the Trustee opposes the Motion because the "the escrow company has advised the Trustee that no

10:00 AM

CONT... **Michael Steven Mahan** **Chapter 13**

sale is currently pending and no escrow has been opened." *See* Docket No. 26, p. 2.

The Court is inclined to deny the Motion. First, the deadline for parties-in-interest to oppose the Debtor's claimed homestead exemption has not yet lapsed. *See* Fed. R. Bankr. P. 4003(b). The Motion requests approval of a sale that allows the Debtor to receive all of the net proceeds to satisfy its homestead exemption before parties-in-interest have had a full opportunity to consider the homestead exemption. Second, as the Trustee argues, there is no sale to approve that the Court can make out from the Motion. The "Buyer" is left blank in the closing statement. The Court is being asked to approve of a sale that does not exist.

Party Information

Debtor(s):

Michael Steven Mahan — Represented By
Kevin T Simon

Trustee(s):

Elizabeth (ND) F Rojas (TR) — Pro Se

10:00 AM

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

#32.00 HearingRE: [318] Motion to Reconsider (related documents 314 Order on Generic Motion (BNC-PDF)) MOTION BY WOLVERINE ENDEAVORS VIII, LLC FOR RELIEF OF ORDER GRANTING CAROLE D. KINGS MOTION FOR DAMAGES PURSUANT TO FRBP RULE 9024

Docket 318

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Carole D King

Represented By
William C Beall
Carissa N Horowitz

10:00 AM

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

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

FR. 6/02/26, 7-07-26, 8-11-26,

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**

#34.00 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, 8-11-26,

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**

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

FR. 6-02-26, 7-07-26, 8-11-26,

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**

#36.00 CONT'D Hearing
RE: [434] Motion to Compel discovery responses with proof of service

FR. 8-11-26,

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**

#37.00 CONT'D Hearing
RE: [448] Motion to Stay Discovery and John King's Pending Motion to Compel Discovery; Memorandum of Points and Authorities

FR. 8-11-26,

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

10:00 AM

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

#38.00 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, 8-11-26,

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

10:00 AM
CONT... **Thomas Anthony Ferro** **Chapter 7**

'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>

10:00 AM
CONT... **Thomas Anthony Ferro** **Chapter 7**

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

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

#39.00 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, 8-11-26,

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

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

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

fr. 4-21-26, 6-02-26, 8-11-26,

Docket 31

Tentative Ruling:

August 25, 2026

Appearances required.

There remains no opposition to the Objection.

On July 10, 2026, Reed filed *Objecting Creditor Robert Reed's Supplemental Request for Judicial Notice in Support of Objecting Creditor Robert Reed's Objections to Debtor's Exemption Claims* (the "Supplemental RJN"). *See* Docket No. 78. Through the Supplemental RJN, Reed requests that the Court take judicial notice of eight documents consisting of (1) documents filed in the Debtor's divorce proceedings including, but not limited to, a notice of lien and abstract of judgment, and (2) various documents recorded with the San Luis Obispo County Recorder (collectively, the "Supplemental Documents"). *See id*; and Docket No. 76.

There has been no opposition to the Supplemental RJN.

The documents that comprise the Supplemental Documents, 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 – California Homestead Exemption

A) The Reinvestment Requirement

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."

"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).

Here, the Real Property was sold on November 3, 2025, with the proceeds of the sale being posted and obtained by the Debtor on November 4, 2025. *See* Docket No. 76, *Exhibit G*, pp. 134-35. Thus, the Debtor had until May 4, 2026, to reinvest the $140,220.92 he actually received from the sale of the Real Property.

As of the Petition Date, the Debtor resided at 233 Cross Street, Arroyo Grande, California 93420, which is in the County of San Louis Obispo (the "233 Cross Street Property"), and the Debtor has not filed any notice of change of address. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy,* p. 2. Despite residing at the 233 Cross Street Property on the Petition Date, the Debtor did not schedule an interest that real property. *See* Docket No. 1, *Schedule A/B: Property*, pp. 11-16. Also, the Debtor listed his expenses related to real estate taxes and real estate ownership as $0.00. *See id.* at *Schedule J: Your Expenses*, pp. 32-33.

Moreover, there is no record with the San Luis Obispo County Recorder of the Debtor obtaining any interest in any real property in the County of San Louis Obispo from July 2025 to July 2026. *See* Docket No. 76, *Exhibit I*, pp. 143-144.

Reed has demonstrated that the Debtor has not complied with Cal. Code Civ. P. § 704.720(b) and reinvested his homestead proceeds. Further, the Debtor has failed to response twice to the Objection, and as a result has failed to carry his burden. As such, the Court sustains the Objection as to Cal. Code Civ. P. § 704.720(b) regarding the Real Property.

Reed is to lodge a conforming order within 7 days.

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.

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

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)).

The Vehicle – Cal. Code of Civ. P. § 704.010

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.

The Real Property – Cal. Code of Civ. P. § 704.730

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

10:00 AM

CONT... Matthew Nash Chapter 7

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?

B) 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.

C) 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

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

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

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

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**

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

FR. 6-2-26, 8-11-26,

Docket 43

Tentative Ruling:

August 25, 2026

Appearances required.

On February 6, 2026, Matthew Nash (the "Debtor") filed that *Ex Parte Motion for Order to Show Cause in re Contempt for Violation of 11 U.S.C. 362(a)(2), and (3)* (the "Ex Parte Motion") requesting that the Court issue a show cause order as to why Robert Reed ("Reed") should not be held in contempt for violating the automatic stay related to the filing of various documents in the Debtor's divorce proceedings. *See* Docket No. 26. On February 24, 2026, Reed filed *Robert Reed's Opposition to Ex Parte Motion for Order to Show Cause in re Contempt* (the "Opposition"). *See* Docket No. 37. On March 3, 2026, the Debtor filed that *Reply Brief Re Motion for Order to Show Cause in Re Contempt for Violation of 11 U.S.C. 362(a)* (the "Reply"). *See* Docket No. 40.

The Court, at the hearing on March 10, 2026, on the Ex Parte Motion, expressed some confusion due to a limited record confronting the Court, and posed several questions regarding the Ex Parte Motion, including (1) whether Reed was solely seeking monies from the Debtor's spouse (ex-spouse), (2) whether the proceeds of the sale of the Property had been paid to the Debtor, (3) whether the Debtor's spouse (ex-spouse) received their portion of the sale proceeds, (4) whether the proceeds, if paid, were separate property or community property until a judgment was/is entered in the divorce proceeding, and (5) whether Reed is pursuing the Debtor's spouse (ex-spouse) for the fraudulent transfer of property that is subject to his lien.

On March 18, 2026, the Court issued that *Order to Show Cause in re Contempt for*

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

Violation of 11 U.S.C. 362(a) (the "OSC"), ordering Reed "to show cause why [he] should not be held in contempt [] for violations of 11 USC §§ 362(a)(2) and (3)" and allowing the parties to provide the Court with additional briefing to clarify the record. *See* Docket No. 43. On April 8, 2026, the Court issued that *Order on Stipulation to Continue Hearing on Order to Show Cause in re Contempt* ordering "any augmentation to the Ex Parte Motion [to be…] filed and served by the [Debtor…] on or before May 6, 2026" and that the opposition and reply deadlines are May 18, 2026, and May 26, 2026, respectively. *See* Docket No. 55.

The Debtor did not file any augmentation to the Ex Parte Motion or any additional documents.

On May 18, 2026, Reed filed *Robert Reed's Supplemental Opposition to Ex Parte Motion for Order to Show Cause in re Contempt* (the "OSC Response") in which Reed merely asserts that the Debtor stated that he had received over $180,000 from the sale of the Property at the 341(a) meeting of creditors on November 7, 2025. *See* Docket No. 61.

To start, it appears to the Court that the Debtor has abandoned his Ex Parte Motion and is no longer seeking contempt sanctions against Reed, as the Debtor failed to provide supplemental briefing, even after the Court expressed some confusion and doubt about the Ex Parte Motion.

Second, the Court does not have sufficient evidence before it to hold Reed in contempt or to find that Reed violated the automatic stay. Neither party – the Debtor nor Reed – has answered any of the Court's queries or shown that Reed acted directly against the Debtor or the estate's assets in violation of the automatic stay.

As such, the Court inclined to vacate the OSC and deny the Ex Parte Motion without prejudice.

August 11, 2026

Appearances waived.

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

10:00 AM

CONT... **Matthew Nash** **Chapter 7**

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

9:26-10718 Natalie Renna **Chapter 7**

#42.00 CONT'D Hearing
RE: [10] Motion For Order Authorizing And Instructing Longbridge Financial LLC To Continue To Allow Debtor Renna To Draw On Her Reverse Mortgage

FR. 8-11-26,

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