

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

**Tuesday, September 9, 2025**

**Hearing Room      201**

9:00 AM

9: -

**Chapter 0**

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Docket      0

**Tentative Ruling:**

9/9/2025 6:54:49 AM

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**CONT...**

**Chapter 0**

- NONE LISTED -

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**9:22-10340    Michael H. Lesseos**

**Chapter 13**

**#1.00    Hearing re: [152] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 1582 Glenbrock Lane, Thousand Oaks aka Newbury Park, CA 91320**

Docket      152

**Tentative Ruling:**

**September 9, 2025**

**Appearances are waived. The Court will grant the Motion pursuant to 11 U.S.C. § 362(d)(1) for the reasons set forth *infra*, but will deny the Motion as to its requests that the Court terminate the co-debtor stay and waive Fed. R. Bankr. P. 4001(a)(3). Movant to upload a conforming order within 7 days.**

U.S. Bank NA, successor trustee to Bank of America, NA, successor in interest to LaSalle Bank NA, as trustee, on behalf of the holders of the WaMu Mortgage Pass-Through Certificates Series 2007-HY1 Trust ("Movant") seeks a lifting of the automatic stay pursuant to 11 U.S.C. § 362(d)(1) in relation to the real property located at 1582 Glenbrock Lane, Thousand Oaks, CA 91320 (the "Property") of Michael Lesseos (the "Debtor") on the grounds that the Debtor has failed to make postpetition mortgage payments as they became due under the *5<sup>th</sup> Amended Chapter 13 Plan* (the "Plan"). *See* Docket No. 152, *Notice and Motion for Relief from the Automatic 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), and (5) if relief is not granted, adequate protection be ordered. *See id.* p. 5.

*Notice*

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**CONT... Michael H. Lesseos**

**Chapter 13**

Under LBR 4001-1(1)(C)(iii), the motion, notice of hearing, and all supporting documents must be served by the moving party in the time and manner prescribed in LBR 9013-1(d) on any applicable co-debtor where relief is sought from the co-debtor stay under 11 U.S.C. §§ 1201 or 1301. Pursuant to this Court's LBR 9013-3(d)(2)(B), service by U.S. Mail must list the exact street address of each person or entity served.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on August 13, 2025, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 12.

The Motion and notice thereof were served upon Deborah Lesseos, the non-filing co-debtor, via U.S. Mail First class postage prepaid to 1852 Glenbrook Lane, Newbury Park, California 91320. *See id.* The Debtor identifies "Deborah Lesseos" as co-debtor on that *Schedule H: Your Codebtors*. *See* Docket No. 29, *Schedule H: Your Codebtors*, p. 1. Deborah Lesseos's address is 310 E. McCoy Lane, Unit 6A, Santa Maria, California 93455. *See id.* Therefore, the service upon the non-filing co-debtor was improper.

*Response*

On August 26, 2025, the Debtor filed that *Response to Motion Regarding the Automatic Stay* (the "Response"). *See* Docket No. 155. In the Response, the Debtor asserts that (1) the Property is necessary for an effective reorganization because it is the Debtor's principal residence, and (2) the Debtor will offer adequate protection to cure the arrears. *See id.*

*Analysis*

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay [] for cause, including the lack of adequate protection of an interest in property of such party in interest." Failure to make postpetition mortgage payments as they become due in a Chapter 13 case may constitute "cause" for relief from the automatic

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**CONT... Michael H. Lesseos**

**Chapter 13**

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. 83, pp. 5-6, Class 2. Movant asserts that the Debtor has not made Plan payments consisting of eight (8) postpetition, postconfirmation payments of \$2,062.73 and three (3) unpaid postpetition, postconfirmation payments of \$2,002.68. *See* Docket No. 152, p. 9. Less a suspense account balance of \$1,608.08, Movant asserts that there is a total postpetition delinquency of \$20,901.80 (as of the date of the Motion) with a payment of \$2,002.68 becoming due June 1, 2025. *See id.* According to the Motion, the last payment of \$2,250.00 was received by Movant on April 28, 2025. *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 eleven (11) postpetition, postconfirmation mortgage payments pursuant to the terms of the Plan. Therefore, the Motion will be granted.

As to the request to terminate the co-debtor stay pursuant to of 11 U.S.C. § 1201(a) or § 1301(a), the non-filing co-debtor was not served with the Motion at the proper address. Therefore, the request to terminate the co-debtor stay is denied.

As to Fed. R. Bankr. P. 4001(a)(3), "[t]he purpose of this provision is to permit a short period of time for the debtor or the party opposing relief to seek a stay pending an appeal of the order." *In re Sternitzky*, 635 B.R. 353, 361 (Bankr. W.D. Wis. 2021). "The party obtaining relief from the automatic stay may persuade the court to grant a shorter time period for the debtor to seek a stay pending appeal, or even grant no time." *Id.* 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.

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

Michael H. Lesseos

Represented By  
Michael F Chekian

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**CONT... Michael H. Lesseos**

**Chapter 13**

**Movant(s):**

U.S. Bank NA, successor trustee to

Represented By

Richard L. Stevenson

Nancy L Lee

Holly R Shilliday

Sean C Ferry

David Coats

Sarah Arlene Dooley-Lewis

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:22-10983 Mansour Nejadrasool**

**Chapter 13**

**#2.00** CONT'D Hearing re: [59] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 2722 Rainfield Ave, Westlake Village, CA 91362

fr. 8-19-25,

Docket 59

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

Counsel for Movant and the Debtor appeared at the August 19, 2025, hearing and requested a continuance to allow the Debtor to become current. There is no evidence before the Court that the Debtor is current. The Motion is granted. Movant to lodge a conforming order within 7 days.

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

Mansour Nejadrasool

Represented By  
Nathan A Berneman

**Movant(s):**

PNC Bank, National Association

Represented By  
Holly R Shilliday  
Christine Kinderdine  
Kristin A Schuler-Hintz

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:24-10756 Peter David Slingerland**

**Chapter 13**

**#3.00** CONT'D Hearing re: [36] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 2380 Chippewa Lane, Ventura, CA 93001

fr. 7-8-25,

Docket 36

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

Counsel for Movant and the Debtor appeared at the July 8, 2025, hearing and requested a continuance to allow the parties to discuss an adequate protection agreement. No adequate protection agreement has been filed to date. The Motion is granted for the reasons set forth in the July 8, 2025, tentative ruling. Movant is to upload a conforming order within 7 days.

**July 8, 2025**

**Appearances 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, but will deny the request to waive Fed. R. Bankr. P. 4001(a), for the reasons stated *infra*. Movant to upload a conforming order within 7 days.**

NewRez LLC d/b/a Shellpoint Mortgage Servicing as servicer for Federal Home Loan Mortgage Corporation, as Trustee for Freddie Mac Seasoned Loans Structured Transaction Trust, Series 2021-1 ("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 2380 Chippewa Lane, Ventura, California 93001 (the "Property") of Peter David Slingerland (the "Debtor") on the grounds that (1) Movant's interest in the Property is not adequately protected, and (2) the Debtor has failed to make postpetition mortgage payments as they became due under the *First Amended Chapter 13 Plan* (the "Plan").



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**CONT... Peter David Slingerland**

**Chapter 13**

*See* Docket No. 36, *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) at its option, offer, provide and enter into a potential forbearance agreement, loan modification, refinance agreement or other loan workout or loss mitigation agreement by contacting the Debtor, (3) terminate the co-debtor stay of 11 U.S.C. § 1301(a), (4) waiver of the 14-day stay prescribed by FRBP 4001(a)(3), (5) if relief from stay is not granted, adequate protection be ordered, and (6) reasonable attorney fees and court filing costs not to exceed \$1,549.00. *See id.*, p 5, *Continuation Page*.

*Notice*

On June 10, 2025, the Motion was filed and served upon the Debtor and the non-filing co-debtor via U.S. Mail, first class, postage prepaid. *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, nor any other party served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

*Analysis*

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay [] for cause, including the lack of adequate protection of an interest in property of such party in interest." "Failure to make post-confirmation payments can constitute cause for lifting the stay." *See In re Ellis*, 60 B.R. 432, 435 (9th Cir. 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. 21, pp. 5-6, Class 2. Movant asserts that the Debtor defaulted on three (3) unpaid postconfirmation payments of \$1,389.51. *See* Docket No. 36, p. 9. Less a suspense account of \$15.98, Movant asserts a total postconfirmation delinquency of \$4,152.55

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**CONT... Peter David Slingerland**

**Chapter 13**

(as of the date of the Motion) with a payment of \$1,389.51 becoming due June 1, 2025. *See id.* According to the Motion, the last monthly payment of \$1,400.00 was received by Movant on March 18, 2025. *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/postconfirmation mortgage payments pursuant to the terms of the Plan.

As to Fed. R. Bankr. P. 4001(a)(3), "[t]he purpose of this provision is to permit a short period of time for the debtor or the party opposing relief to seek a stay pending an appeal of the order." *See In re Sternitzky*, 635 B.R. 353, 361 (Bankr. W.D. Wis. 2021). "The party obtaining relief from the automatic stay may persuade the court to grant a shorter time period for the debtor to seek a stay pending appeal, or even grant no time." *See id.* 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.

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

Peter David Slingerland

Represented By  
Kevin Tang

**Movant(s):**

NewRez LLC d/b/a Shellpoint

Represented By  
Jacqueline D Serrao

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:24-10788    Dalton Sebastian Cullors and Jennifer Lynn Cullors**

**Chapter 13**

**#4.00**    Hearing re: [41] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 401 South "U" Street, Lompoc, California 93436

Docket      41

**\*\*\* VACATED \*\*\*    REASON: Order granting relief from stay entered  
9/8/2025**

**Tentative Ruling:**

**September 9, 2025**

**Appearances are waived. The Court will grant the Motion pursuant to 11 U.S.C. § 362(d)(1) for the reasons set forth *infra*, but will deny the Motion as to its request that the Court waive Fed. R. Bankr. P. 4001(a)(3). Movant to upload a conforming order within 7 days.**

Wells Fargo Bank, National Association as Trustee for Soundview Home Loan Trust 2007-OPT4, Asset-Backed Certificates, Series 2007-OPT4 ("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 401 South "U" Street, Lompoc, California 93436 (the "Property") of Dalton Sebastian Cullors and Jennifer Lynn Cullors (the "Debtors") on the grounds that the Debtors have failed to make postpetition mortgage payments as they became due under the *Original Chapter 13 Plan* (the "Plan"). See Docket No. 41, *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 Debtors, (3) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(3), and (4) if relief from stay is not granted, adequate protection be entered. See *id.*, p. 5.

*Notice*

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

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**Dalton Sebastian Cullors and Jennifer Lynn Cullors**

**Chapter 13**

postage prepaid on July 31, 2025, notifying the Debtors that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 15. 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.

*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 Debtors are required to make regular payments to Movant under the terms of the prepetition lending agreement. *See* Docket No. 2, pp. 5-6, Class 2. Movant asserts that the Debtors defaulted on Plan payments consisting of three (3) unpaid postconfirmation payments of \$1,561.62. *See* Docket No. 41, p. 9. Including attorneys' fees of \$950.00 and less a suspense account of \$1,560.41, Movant asserts that there is a total postconfirmation delinquency of \$4,074.45 (as of the date of the Motion) with a payment of \$1,592.23 becoming due August 1, 2025. *See id.* According to the Motion, the last monthly payment of \$1,561.62 was received by Movant on June 30, 2025. *See id.*

Cause has been shown sufficient to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1) due to the Debtors' failure to make no less than three (3) postpetition/postconfirmation mortgage payments pursuant to the terms of the Plan.

As to Fed. R. Bankr. P. 4001(a)(3), "[t]he purpose of this provision is to permit a

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short period of time for the debtor or the party opposing relief to seek a stay pending an appeal of the order.'" *In re Sternitzky*, 635 B.R. 353, 361 (Bankr. W.D. Wis. 2021). "The party obtaining relief from the automatic stay may persuade the court to grant a shorter time period for the debtor to seek a stay pending appeal, or even grant no time." *Id.* 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.

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

Dalton Sebastian Cullors

Represented By  
Rabin Pournazarian

**Joint Debtor(s):**

Jennifer Lynn Cullors

Represented By  
Rabin Pournazarian

**Movant(s):**

WELLS FARGO BANK,

Represented By  
Dane W Exnowski  
Theron S Covey  
Joseph C Delmotte

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:24-11424 Arberdella Dudley**

**Chapter 13**

**#5.00** Hearing re: [36] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 1503 Torero Drive, Oxnard, CA 93030

Docket 36

**Tentative Ruling:**

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**Appearances are waived. The Court will grant the Motion pursuant to 11 U.S.C. § 362(d)(1) for the reasons set forth *infra*, but will deny the Motion as to its requests that the Court terminate the codebtor stay and waive Fed. R. Bankr. P. 4001(a)(3). Movant to upload a conforming order within 7 days.**

Wells Fargo Bank N.A., As Trustee For Carrington Mortgage Loan Trust Series 2006- NC2 Asset-Backed Pass-Through Certificates ("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 1503 Torero Drive, Oxnard, CA 93030 (the "Property") of Arberdella Dudley (the "Debtor") on the grounds that the Debtor has failed to make postpetition mortgage payments as they became due under the *2nd Amended Chapter 13 Plan* (the "Plan"). See Docket No. 36, *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 codebtor stay of 11 U.S.C. § 1301(a), (4) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(3), and (5) if relief is not granted, adequate protection be ordered. See *id.*, p. 5, *Continuation to Page 5*.

*Notice*

Under LBR 4001-1(1)(C)(iii), the motion, notice of hearing, and all supporting

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documents must be served by the moving party in the time and manner prescribed in LBR 9013-1(d) on any applicable co-debtor where relief is sought from the co-debtor stay under 11 U.S.C. §§ 1201 or 1301. Pursuant to this Court's LBR 9013-3(d)(2)(B), service by U.S. Mail must list the exact street address of each person or entity served.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on August 19, 2025, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See* Docket No. 36, *Proof of Service of Document*, p. 12. The Debtor does not identify a codebtor on that *Schedule H: Your Codebtors* or include a non-filing spouse on that *Schedule I: Your Income*. *See* Docket No. 12, *Schedule H: Your Codebtors*, p. 1; *Schedule I: Your Income*, p. 2. The Deed of trust filed in support of the Motion lists "Jonathan Dudley" as a "Borrower". *See* Docket No. 36, at *Exhibit 1*. However, Jonathan Dudley does not appear as being served on the *Proof of Service of Document*. *See* Docket No. 36, *Proof of Service of Document*, p. 12. Therefore, service upon the non-filing codebtor was improper.

*Response*

On August 26, 2025, the Debtor filed that *Response to Motion Regarding the Automatic Stay and Declaration(s) In Support* (the "Response"). *See* Docket No. 38. In the Response, the Debtor asserts that the Debtor and Movant are working on an adequate protection agreement. *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,

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435 (9th Cir. BAP 1985).

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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. 25, pp. 5-6, Class 2. Movant asserts that the Debtor has not made Plan payments consisting of one (1) post-petition, preconfirmation payment of \$3,219.46 and two (2) postpetition, postconfirmation payments of \$3,219.46 each. *See* Docket No. 36 p. 9. Less a suspense account balance of \$1,295.00, Movant asserts that there is a total postpetition delinquency of \$8,363.38 (as of the date of the Motion) with a payment of \$3,219.46 becoming due September 1, 2025. *See id.* According to the Motion, the last monthly payment of \$1,296.00 was received by Movant on August 6, 2025. *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 mortgage payments pursuant to the terms of the Plan. Therefore, the Motion will be granted.

As to the request to terminate the co-debtor stay pursuant to of 11 U.S.C. § 1201(a) or § 1301(a), the non-filing codebtor was not served with the Motion. Therefore, the request to terminate the codebtor stay is denied.

As to Fed. R. Bankr. P. 4001(a)(3), "[t]he purpose of this provision is to permit a short period of time for the debtor or the party opposing relief to seek a stay pending an appeal of the order." *In re Sternitzky*, 635 B.R. 353, 361 (Bankr. W.D. Wis. 2021). "The party obtaining relief from the automatic stay may persuade the court to grant a shorter time period for the debtor to seek a stay pending appeal, or even grant no time." *Id.* 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.

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

Arberdella Dudley

Represented By  
Joshua Sternberg



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**Chapter 13**

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

**United States Bankruptcy Court  
Central District of California  
Northern Division  
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**Hearing Room 201**

9:00 AM

**9:25-10175 Paul Francis Clarke**

**Chapter 7**

**#6.00** Hearing re: [14] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 1545 S Monte Viento Street, Malibu CA 91711

Docket 14

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

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

Richard Barlowe ("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 1545 South Monte Viento Street, Malibu, CA 91711 (the "Property") of the Debtor on the grounds that (1) the bankruptcy case was filed in bad faith, 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. 14, *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) confirmation that no stay is in effect, (2) waiver of the 14-day stay pursuant to Fed. R. Bankr. P. 4001(a)(3), (3) the order be binding and effective in any bankruptcy case commenced by or against any debtor who claim and interest in the property for a period of 180 days from the hearing on the Motion without further notice, and (4) the order be binding and effective in any future bankruptcy case, no matter who the debtor may be without further notice. *See id.*, p. 5.

*Notice*

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**Paul Francis Clarke**

**Chapter 7**

Pursuant to this Court's Local Rule 4001-1(c)(1)(C)(i), a lift stay motion must be served by the moving party upon "[t]he debtor and debtor's attorney (if any)." Under Local Rule 9013-1(e), the attached proof of service must also indicate the filed document was served via Notice of Electronic Filing ("NEF") on parties registered to receive such service. Under the Federal Rules of Bankruptcy Procedure, to properly serve a motion for relief from automatic stay upon an individual in accordance with Fed. R. Bankr. P. 4001(a)(1), Fed. R. Bankr. P. 9014(b), and Fed. R. Bankr. P. 7004(b)(1), the Motion may be served via one of the methods prescribed under Fed. R. Civ. P. 4(e)-(f), or upon an individual in the United States, "service may be made within the United States by first class mail postage prepaid." Fed. R. Bankr. P. 7004(b).

The Motion was filed and served on August 12, 2025, upon the Debtor's attorney, counsel for BMW Financial Services NA, LLC, and the Chapter 7 trustee via "Court Notice of Electronic Filing." *See Proof of Service of Document*. The Debtor is not listed as a recipient via NEF, nor does the Motion list his real property address on the *Proof of Service of Document* as having been served via U.S. Mail first class, postage prepaid. Therefore, notice of the Motion was improper.

*Analysis*

*11 U.S.C § 362(d)(1) – Bad Faith*

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

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

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

Movant asserts that the bankruptcy case was filed in bad faith because "Movant is the only creditor, or one of very few creditors, listed or scheduled in the Debtor's case commencement documents." *See* Docket No. 14, p. 3. Movant further asserts that the "Debtor failed to repay the loan on September 1, 2024, resulting in the filing of the current Notice of Default. A non-judicial foreclosure sale was set for March 4, 2025. This bankruptcy was filed on February 12, 2025, for the sole purpose of frustrating the foreclosure." *See id.*, *Memorandum of Points and Authorities*, p. 12.

The Debtor lists the Property, a Land Rover, various personal items, a potential class action, and \$1,350.21 in cash and checking on his schedules. *See* Docket No. 1, *Schedule A/B: Property*. The Debtor further lists \$1,079,533.76 in secured claims and \$343,779.99 in unsecured claims on his schedules. *See id.*, *Schedule D: Creditors Who Have Claims Secured by Property, Schedule E/F: Creditors Who Have Unsecured Claims*. The Debtor also discloses negative monthly income. *See id.* at *Schedule J: Your Expenses*.

The Court is not entirely persuaded that this case was filed in bad faith. The Debtor's primary motivation in filing bankruptcy may have been to stop the foreclosure of the Property. However, the Debtor lists \$343,779.99 in unsecured claims on his Schedule E/F, which he largely seeks to discharge. *See id.* On April 19, 2025, the Chapter 7 trustee issued a Report of Distribution, which indicates that "[c]laims scheduled to be discharged without payment (without deducting the value of collateral or debts excepted from discharge): \$202,553.75". *See* Docket Entry Dated 04/19/2025. On August 13, 2025, the Court entered that *Order of Discharge – Chapter 7*, which indicates to this Court that the Debtor's purpose for filing bankruptcy is not solely to stop the foreclosure of the Property. *See* Docket No. 17. Therefore, Movant has not established that the bankruptcy case was filed in bad faith.

*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

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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 issues is whether there is equity in the property." *In re Preuss*, 15 B.R. 896, 897 (9th Cir. BAP 1981).

Movant asserts a secured claim against the Property in the amount of \$325,731.40. *See* Docket No. 14, p. 7. As of July 7, 2025, Movant asserts that the fair market value of the Property is \$675,000.00 per an appraisal of the Property. *See id.* at *Exhibit 7*. Subtracting the total liens on the Property (including Movant's lien, the junior lien of Shuff Law Firm in the amount of \$27,000.00, the junior lien of Summers Levine & Kretzmer LL in the amount of \$680,339.16, the junior lien of Sunshine Partners Limited in the amount of \$69,400.33 and taxes in the amount of \$1,363,705.91), the Debtor's equity in the Property is negative \$1,716,176.79. *See id.*; *Declaration of Richard Barlowe*, ¶ 22. Cause has 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.

*Fed. R. Bankr. P. 4001(a)(3)*

As to Fed. R. Bankr. P. 4001(a)(3), "[t]he purpose of this provision is to permit a short period of time for the debtor or the party opposing relief to seek a stay pending an appeal of the order." *In re Sternitzky*, 635 B.R. 353, 361 (Bankr. W.D. Wis. 2021). "The party obtaining relief from the automatic stay may persuade the court to grant a shorter time period for the debtor to seek a stay pending appeal, or even grant no time." *See id.* While Movant requests waiver of the 14 day stay under Fed. R. Bankr. P. 4001(a)(3), no legal analysis has been provided to support the request, and so the Court declines to grant the request. *See* Docket No. 14, *Memorandum of Points and Authorities*, p. 13.

*180 Day Bar*

Movant further requests "[a] 180 bar against subsequent filings" and that "a bar is appropriate against subsequent filings is requested in the interest of judicial economy

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and fairness." *See id.* However, Movant does not request dismissal or provide a legal basis for the dismissal of the Debtor's bankruptcy case. Therefore, the Court declines to grant the request.

*Conclusion*

Movant has failed to establish cause under 11 U.S.C. § 362(d)(1). Movant has established cause under 11 U.S.C. § 362(d)(2), but failed to establish grounds for waiver of the 14 day stay under Fed. R. Bankr. P. 4001(a)(3) or a 180-day bar to refiling. However, notice of the Motion remains deficient. The Motion is denied.

<b>Party Information</b>
--------------------------

**Debtor(s):**

Paul Francis Clarke

Represented By  
John D Faucher

**Movant(s):**

Richard Barlowe

Represented By  
Randy S Snyder

**Trustee(s):**

Sandra McBeth (TR)

Pro Se

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**9:25-10600    Marcos Jonathan Lazaro**

**Chapter 7**

**#7.00    Hearing re: [26] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2007 Chevrolet Suburban 1500**

Docket      26

**Tentative Ruling:**

**September 9, 2025**

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

On July 30, 2025, CoastHills Federal Credit Union ("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) in relation to a 2007 Chevrolet Suburban 1500 (the "Vehicle") of Marcos Jonathan Lazaro (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) Movant regained possession of the Vehicle prepetition on April 30, 2025. *See* Docket No. 26, pp. 3-4.

In addition to lifting the stay, Movant requests (1) relief to proceed under applicable nonbankruptcy law to enforce its remedies to repossess and sell the Vehicle, and (2) waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(3). *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on July 30, 2025, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 12. 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

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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).

Here, Movant asserts a secured claim against the Property in the amount of \$2,911.18. *See* Docket No. 26, p. 8. Movant asserts that the Debtor is in arrears in the amount of \$1,684.76. *See id.* It appears that the Debtor's last monthly payment of \$240.68 was received by Movant on January 11, 2025. *See id.* Additionally, Movant regained possession of the Vehicle prepetition on April 30, 2025. *See id.*, p. 4.

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

<b>Party Information</b>
--------------------------

**Debtor(s):**

Marcos Jonathan Lazaro

Pro Se

**Movant(s):**

CoastHills Federal Credit Union

Represented By  
John Mendonza

**Trustee(s):**

Jeremy W. Faith (TR)

Pro Se



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**9:25-10600    Marcos Jonathan Lazaro**

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**#8.00**    Hearing re: [27] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2013 Land Rover Range Rover

Docket      27

**Tentative Ruling:**

**September 9, 2025**

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

On July 30, 2025, CoastHills Federal Credit Union ("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) in relation to a 2013 Land Rover Range Rover (the "Vehicle") of Marcos Jonathan Lazaro (the "Debtor") on the grounds that Movant's interest in the Vehicle is not protected by an adequate equity cushion and the fair market value of the Vehicle is declining. *See* Docket No. 27, pp. 3-4.

In addition to lifting the stay, Movant requests (1) relief to proceed under applicable nonbankruptcy law to enforce its remedies to repossess and sell the Vehicle, and (2) waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(3). *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on July 30, 2025, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 12. 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.

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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).

Here, Movant asserts a secured claim against the Property in the amount of \$24,584.38. *See* Docket No. 27, p. 8. Movant asserts that the Debtor is in arrears in the amount of \$5,268.46. *See id.* It appears that the Debtor's last monthly payment of \$878.39 was received by Movant on January 13, 2025. *See id.*

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)(3) as no analysis has been provided by Movant as to why such relief is warranted.

<b>Party Information</b>
--------------------------

**Debtor(s):**

Marcos Jonathan Lazaro

Pro Se

**Movant(s):**

CoastHills Federal Credit Union

Represented By  
John Mendonza

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**Trustee(s):**

Jeremy W. Faith (TR)

Pro Se

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**9:25-10600    Marcos Jonathan Lazaro**

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**#9.00**    Hearing re: [28] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2006 Winnebago Journey RV

Docket      28

**Tentative Ruling:**

**September 9, 2025**

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

On July 30, 2025, CoastHills Federal Credit Union ("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) in relation to a 2006 Winnebago Journey RV (the "Vehicle") of Marcos Jonathan Lazaro (the "Debtor") on the grounds that Movant's interest in the Vehicle is not protected by an adequate equity cushion and the fair market value of the Vehicle is declining. *See* Docket No. 28, pp. 3-4.

In addition to lifting the stay, Movant requests (1) relief to proceed under applicable nonbankruptcy law to enforce its remedies to repossess and sell the Vehicle, and (2) waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(3). *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on July 30, 2025, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 12. 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.

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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).

Here, Movant asserts a secured claim against the Property in the amount of \$68,130.09. *See* Docket No. 28, p. 8. Movant asserts that the Debtor is in arrears in the amount of \$8,407.20. *See id.* It appears that the Debtor's last monthly payment of \$840.72 was received by Movant on September 20, 2024. *See id.*

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)(3) as no analysis has been provided by Movant as to why such relief is warranted.

<b>Party Information</b>
--------------------------

**Debtor(s):**

Marcos Jonathan Lazaro

Pro Se

**Movant(s):**

CoastHills Federal Credit Union

Represented By  
John Mendonza

**Trustee(s):**

Jeremy W. Faith (TR)

Pro Se

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**9:25-10702    Pierce Gonzalo Pedroso**

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**#10.00    Hearing re: [9] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2016 GMC Sierra 1500**

Docket      9

**Tentative Ruling:**

**September 9, 2025**

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

On July 30, 2025, Wells Fargo Bank, N.A., dba Wells Fargo Auto ("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 2016 GMC Sierra 1500 (the "Vehicle") of Pierce Gonzalo Pedroso (the "Debtor") on the grounds that (1) Movant's interest in the Vehicle is not protected by an adequate equity cushion and the fair market value of the Vehicle is declining, (2) proof of insurance regarding the Vehicle has not been provided to Movant, despite the Debtor's obligation to insure the collateral under the terms of Movant's contract with the Debtor, and (3) pursuant to 11 U.S.C. § 362(d)(2)(A), the Debtor has no equity in the Vehicle; and, pursuant to 11 U.S.C. § 362(d)(2)(B), the Vehicle is not necessary for an effective reorganization. *See* Docket No. 9, pp. 3-4.

In addition to lifting the stay, Movant requests (1) relief to proceed under applicable nonbankruptcy law to enforce its remedies to repossess and sell the Vehicle, and (2) waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(3). *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on July 30, 2025, 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

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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 issues is whether there is equity in the property." *In re Preuss*, 15 B.R. 896, 897 (9th Cir. BAP 1981).

Here, Movant first contends that its interest in the Vehicle is not adequately protected. Movant asserts a secured claim against the Vehicle in the amount of \$22,082.60. *See* Docket No. 9, p. 8. According to the J.D. Power Used Cars/Trucks report, the Vehicle has a fair market value of \$21,175.00. *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). 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

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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 \$22,082.60. *See* Docket No. 9, p. 8. Movant asserts that the Debtor is in arrears in the amount of \$2,738.89. *See id.* It appears that the Debtor's last monthly payment of \$672.10 was received by Movant on March 17, 2025. *See id.* Additionally, the Debtor has failed to provide Movant with evidence of insurance on the Vehicle. *See id.*, p. 10.

In light of the Debtor's failure to make postpetition payments, the ever-eroding equity in the Vehicle due to the lack of payments, and the failure to provide evidence of insurance on the Vehicle, "cause" exists to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1).

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

The Court will not waive the 14-day stay under Fed. R. Bankr. P. 4001(a)(3) as no analysis has been provided by Movant as to why such relief is warranted.

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

Pierce Gonzalo Pedroso

Represented By  
Kevin T Simon

**Movant(s):**

Wells Fargo Bank, N.A., dba Wells

Represented By  
Kirsten Martinez

**Trustee(s):**

Sandra McBeth (TR)

Pro Se



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**9:25-10876 Alma E Oliva Pablin**

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**#11.00** Hearing re: [8] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2022 Toyota Corolla

Docket 8

**Tentative Ruling:**

**September 9, 2025**

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

On July 30, 2025, Toyota Motor Credit Corporation ("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 2022 Toyota Corolla (the "Vehicle") of Alma E. Oliva Pablin (the "Debtor") on the grounds that (1) Movant's interest in the Vehicle is not protected by an adequate equity cushion and the fair market value of the Vehicle is declining, (2) proof of insurance regarding the Vehicle has not been provided to Movant, despite the Debtor's obligation to insure the collateral under the terms of Movant's contract with the Debtor, and (3) the Debtor filed a statement of intention that indicates the Debtor's intent to surrender the Vehicle. *See* Docket No. 8, pp. 3-4.

In addition to lifting the stay, Movant requests (1) relief to proceed under applicable nonbankruptcy law to enforce its remedies to repossess and sell the Vehicle, and (2) waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(3). *See id.*, p. 5.

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on July 30, 2025, 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

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served with the Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all non-responding parties, including the Debtor.

Analysis

*11 U.S.C. § 362(d)(1)*

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay for cause, including the lack of adequate protection of an interest in property of such party in interest." Beyond the lack of adequate protection, "cause" is determined on a case-by-case basis. *See In re MacDonald*, 755 F.2d 715, 717 (9th Cir. 1985). The failure of a debtor to make post-petition payments on a secured obligation may constitute cause. *See In re Watson*, 286 B.R. 594, 604 (Bankr. D. NJ 2002). Courts have held that the failure of a debtor to maintain insurance over a secured creditor's collateral works as a failure to adequately protect the secured creditor in said collateral, and such lack of adequate protection constitutes cause to lift the stay. *See In re El Patio, Ltd.*, 6 BR 518, 522 (Bankr. C.D. Cal. 1980); *see also In re DB Capital Holdings, LLC*, 454 B.R. 804, 817 (Bankr. Colo. 2011); *In re Olayer*, 577 B.R. 464, 472 (Bankr. W.D. Pa. 2017) ("The failure to maintain adequate insurance to protect the value of estate assets is a breach of the debtor's fundamental obligations, needlessly expenses the estate to the risk of a catastrophic loss, and may constitute sufficient cause for stay relief.").

Here, Movant asserts a secured claim against the Property in the amount of \$17,141.19. *See* Docket No. 8, p. 8. Movant asserts that the Debtor is in arrears in the amount of \$1,370.61. *See id.* It appears that the Debtor's last monthly payment of \$449.38 was received by Movant on May 22, 2025. *See id.* Additionally, the Debtor has failed to provide Movant with evidence of insurance on the Vehicle and the Debtor filed that *Statement of Intention for Individuals Filing Under Chapter 7* that indicates that the Debtor intends to surrender the Vehicle. *See id.* at *Exhibit 5*.

In light of the Debtor's failure to make postpetition payments, the ever-eroding equity in the Vehicle due to the lack of payments, the failure to provide evidence of insurance on the Vehicle, and the Debtor's intention to surrender the Vehicle, "cause" exists to lift the automatic stay pursuant to 11 U.S.C. § 362(d)(1).

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

Alma E Oliva Pablin

Represented By  
Bryan Diaz

**Movant(s):**

Toyota Motor Credit Corporation

Represented By  
Kirsten Martinez

**Trustee(s):**

Sandra McBeth (TR)

Pro Se

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**9:25-10950 Antonio Medina Nunez and Blanca Estela Nunez**

**Chapter 7**

**#12.00** Hearing re: [7] Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2018 Chevrolet Traverse, VIN: 1GNERKKW2JJ142068

Docket 7

**Tentative Ruling:**

**September 9, 2025**

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

On July 30, 2024, TD Bank, N.A., successor in interest to TD Auto Finance, LLC ("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) in relation to a 2018 Chevrolet Traverse (the "Vehicle") of Antonio Medina Nunez and Blanca Estela Nunez (the "Debtors") on the grounds that monthly payments per the contract are not being made to Movant. *See* Docket No. 7, 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)(3), and (3) if relief from stay is not granted, the Court order adequate protection. *See id.* at p. 5.

The Motion and notice thereof were served upon the Debtors via U.S. Mail First class, postage prepaid on July 30, 2025, notifying the Debtors that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, 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.

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Analysis

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

Here, Movant asserts a secured claim against the Property in the amount of \$12,747.10. *See* Docket No. 7, p. 8. Movant asserts that the Debtors are in arrears in the amount of \$837.72. *See id.* It appears that the Debtors' last monthly payment of \$446.53 was received by Movant on July 7, 2025. *See id.*

In light of the Debtors' failure to make postpetition 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)(3) as no analysis has been provided by Movant as to why such relief is warranted.

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

Antonio Medina Nunez

Represented By  
Todd J Mannis

**Joint Debtor(s):**

Blanca Estela Nunez

Represented By  
Todd J Mannis

**Movant(s):**

TD Bank, N.A., successor in interest

Represented By

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Sheryl K Ith**

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**Trustee(s):**

Amy L Goldman (TR)

Pro Se

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**9:25-10972 Hector Ayala**

**Chapter 7**

**#13.00** Hearing re: [17] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 914 Walnut Drive, Oxnard, California 93036-1836

Docket 17

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

*Background*

On August 31, 2022, Hector Ayala (the "Debtor") filed a petition for relief under Chapter 7 of Title 11 of the United States Code. *See* Case No. 9:22-bk-10675-RC (the "Prior Case"). The Debtor received a discharge in the Prior Case on December 5, 2022. *See* the Prior Case, Docket No. 19.

On July 23, 2025 (the "Petition Date"), the Debtor filed a further voluntary Chapter 7 petition under Title 11 of the United States Code. *See* Case No. 9:25-bk-10972-RC (this "Case") (hereinafter all citations to the Docket will refer to this Case unless otherwise specified). On August 29, 2025, the Debtor filed *Debtor's Motion to Convert Case Under 11 U.S.C. §§ 706(a) or 1112(a)*, seeking to convert this Case from one under Chapter 7 to Chapter 13. *See* Docket No. 20.

*Motion*

MAN Investment Corporation, A California Corporation ("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 914 Walnut Dr., Oxnard, CA 93036-1836 (the "Property") of the Debtor on the grounds that (1) Movant's interest in the Property is not adequately protected by an adequate equity cushion, (2) the bankruptcy case was filed in bad faith, (3) postpetition mortgage payments due on the note have not been made to Movant, and the loan matured on December 15, 2024, (4) the Debtor filed a

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statement of intentions that indicates his intention to surrender the Property [FN 1], and (5) 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. 17, *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) waiver of the 14-day stay prescribed by Fed. R. Bankr. P. 4001(a)(3), and (3) that the order be binding in any and all chapters following any subsequent conversion of this case under a different chapter of Title 11 of the United States Code, unless a specific exception has been provided. *See id.*, p. 5, *Memorandum of Points and Authorities in Support of Motion for Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d)(1)* (the "Memo").

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on August 11, 2025, 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*, pp. 12-14. 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) – Lack of Adequate Protection*

Pursuant to 11 U.S.C. § 362(d)(1), "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay [] for cause, including the lack of adequate protection of an interest in property of such party in interest." 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.N.J. 2002). While the term "adequate protection" is not defined in the Code, 11



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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).

Here, Movant first contends that its interest in the Property is not adequately protected. Movant asserts that the loan became all due and payable because it matured on December 15, 2024. *See* Docket No. 17, the Memo, p. 5. Movant recorded a notice of default on March 20, 2025, and a notice of sale on June 30, 2025. *See id.*, p. 7. Movant asserts a secured claim against the Property in the amount of \$202,896.44. *See id.*

As of the petition date of July 23, 2025, Movant asserts that the fair market value of the Property was \$750,000.00 per the Debtor's *Schedule A/B: Property*. *See id.* at *Exhibit 9*. Movant asserts that the equity cushion in the Property exceeding Movant's debt and any liens senior to Movant's debt is \$0 or 0.00% of the fair market value of the Property. *See id.*, p. 8. Subtracting the total liens on the Property as outlined in the Memo (including the senior lien of SPS in the amount of \$260,000.00, Movant's lien, the July 25, 2017 Federal Tax Lien in the amount of \$36,888.78, the August 29, 2017 Federal Tax Lien in the amount of \$14,679.94, the September 6, 2017 Federal Tax Lien in the amount of \$17,765.17, the December 20, 2017 Ventura County

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Unsecured Tax Lien in the amount of \$272.07, the May 2, 2018 Federal Tax Lien in the amount of \$15,857.37, the August 1, 2018 Federal Tax Lien in the amount of \$9,860.10, the December 5, 2018 Ventura County Unsecured Tax Lien in the amount of \$274.70, the June 19, 2019 Federal Tax Lien in the amount of \$9,066.10, the December 1, 2021 Federal Tax Lien in the amount of \$28.34, the February 14, 2022 Federal Tax Lien in the amount of \$28,497.40, the October 7, 2022 State Compensation Fund judgment in the amount of \$88,549.01), the Court calculates equity in the amount of \$65,364.58 or 8.7%, which is below the 20% cushion held to be sufficient under *In re Mellor*. [FN 2] However, it is unclear what the Debtor intends on doing as a Chapter 13 debtor, if the conversion motion is granted.

*11 U.S.C § 362(d)(1) – Bad Faith*

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

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

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

Movant asserts that the bankruptcy case was filed in bad faith because there is no equity in the Property, there are no non-exempt assets for the Chapter 7 trustee to administer, and the Debtor is not eligible to receive a chapter 7 discharge in this Case given that he received a discharge in the Prior Case on December 5, 2022. *See* Docket 17, the Memo, p. 7. As indicated above, the Property has equity in the amount of

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\$65,364.58. The Debtor does not claim an exemption in the Property. *See* Docket No. 15, *Schedule C: The Property You Claim as Exempt*. According to the Debtor's *Schedule E/F: Creditors Who Have Unsecured Claims*, the Debtor has seven unsecured creditors with claims totaling \$875,999.00. *See id.*, *Schedule E/F: Creditors Who Have Unsecured Claims*. A large portion of the unsecured claims is for the "Dept of Treasury" in the amount of \$800,000.00. *See id.*, p. 3.

11 U.S.C. § 727(a) provides that "[t]he court shall grant the debtor a discharge, unless— . . . (8) the debtor has been granted a discharge under this section, under section 1141 of this title, or under section 14, 371, or 476 of the Bankruptcy Act, in a case commenced within 8 years before the date of the filing of the petition." Here, the Debtor received a discharge in the Prior Case on December 5, 2022. The Prior Case was commenced August 31, 2022, which is within 8 years before the Petition Date. *See* the Prior Case. Therefore, the Debtor is not eligible for a discharge in this Case unless this Case is converted to Chapter 13.

*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 (B.A.P. 9th Cir. 1981).

Since reorganization is not relevant in Chapter 7, the only issue is whether there is equity in the property. As indicated above, if the Court uses the figures in the Memo, there is \$65,364.58 in equity in the Property. Conversely, if the Court uses the figures in Schedule B, there is no equity in the Property. Again, this all presumes this Case will not be converted to Chapter 13.

*Fed. R. Bankr. P. 4001(a)(3)*

As to Fed. R. Bankr. P. 4001(a)(3), "[t]he purpose of this provision is to permit a

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short period of time for the debtor or the party opposing relief to seek a stay pending an appeal of the order.'" *In re Sternitzky*, 635 B.R. 353, 361 (Bankr. W.D. Wis. 2021). "The party obtaining relief from the automatic stay may persuade the court to grant a shorter time period for the debtor to seek a stay pending appeal, or even grant no time." *Id.* 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 if the Court decides to grant the Motion.

**[FN 1]** The Debtor filed that *Statement of Intention for Individuals Filing Under Chapter 7*, which indicates that the Debtor wishes to retain, and not surrender, the Property. *See* Docket No. 15, *Statement of Intention for Individuals Filing Under Chapter 7*, p. 2.

**[FN 2]** There are additional liens listed on that *Commonwealth Land Title Insurance Company SCHEDULE B* (the "Schedule B") that are not listed in the Memo. *See* Docket No. 17 at *Exhibit 10*. It is not clear to the Court why some liens are included in the Memo and why some liens are not included in the Memo. Movant asserts that there are total tax liens in the amount of \$349,016.63. *See id.*, Memo, p. 4. However, the Court calculates that the tax liens listed in the Memo by Movant total \$221,738.98. Additionally, if the Court includes all the liens listed in the Schedule B (with the exception of the released judgment lien of Ford Motor Credit Company LLC), the Court calculates total liens of \$1,037,469.69. Which figure is the Court supposed to use?

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

Hector Ayala

Represented By  
Brian Nomi

**Movant(s):**

MAN INVESTMENT

Represented By  
Arnold L Graff

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**Trustee(s):**

Jeremy W. Faith (TR)

Pro Se

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**9:25-11033 Hospice Partners, Inc.**

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**#14.00** Hearing re: [6] Notice of motion and motion for relief from the automatic stay with supporting declarations UNLAWFUL DETAINER RE: 445 Higuera Street, San Luis Obispo, CA 93401

Docket 6

**Tentative Ruling:**

**September 9, 2025**

**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) is denied. Movant to lodge a conforming order within 7 days.**

Lamson-Elliott Investments, LLC ("Movant") seeks relief as to the premises of the nonresidential property located at 445 Higuera Street, San Luis Obispo, CA 93401 (the "Premises") through an order pursuant to 11 U.S.C. § 362(d)(1) on the grounds that the debtor Hospice Partners, Inc.'s (the "Debtor") right to possession of the Premises should be terminated because lease payments have not been made after the filing of the bankruptcy petition and pursuant to 11 U.S.C. § 362(d)(2)(A), as the Debtor has no equity in the Premises, and pursuant to 11 U.S.C. § 362(d)(2)(B), the Premises are not necessary for reorganization. *See Motion for Relief from the Automatic Stay or for An Order Confirming That Automatic Stay Does Not Apply Under 11 U.S.C. § 362(l)* (the "Motion") (Docket No. 6).

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 Premises, (2) a designated law enforcement officer may evict the Debtor and any other occupant from the Premises regardless of any future bankruptcy filing concerning the Premises for a period of 180 days from the hearing of this motion without further notice, (3) the order be binding and effective in any bankruptcy case commenced by or against the Debtor for a period of 180 days, so that no further automatic stay shall arise in that case as to the Premises, and (4) if relief from stay is not granted with respect to the Premises because the Premises is the subject of a lease that may be assumable; adequate protection in the form of regular payments at the lease rate from petition date until assumption or rejection of the lease. *See id.*, pp,

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**CONT... Hospice Partners, Inc.**  
5-6.

**Chapter 7**

Notice

The Motion and notice thereof were served upon the Debtor via U.S. Mail First class, postage prepaid on August 15, 2025, notifying the Debtor that pursuant to this Court's Local Rule 9013-1(d), any opposition to the Motion must be filed and served no less than fourteen (14) days prior to the hearing on the Motion. *See id.*, *Proof of Service of Document*, p. 11. 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).

As to "cause" under 11 U.S.C. § 362, Movant asserts that the Debtor has not paid monthly rent of \$10,300.00 beginning on August 1, 2025, the same day the Debtor filed for bankruptcy. *See* Docket No. 6, p. 7. Schedule G identifies the lease agreement associated with the Premises with Movant. *See* Docket No. 1, *Schedule G: Executory Contracts and Unexpired Leases*, p. 1. The failure to pay post-petition lease payments on real property lease may constitute cause to lift the stay under 11 U.S.C. § 362(d)(1). *See In re Rocchio*, 125 B.R. 345, 347 (Bankr. D. RI 1991); *see also In re Touloumis*, 170 B.R. 825 (Bankr. S.D.N.Y. 1994); 11 U.S.C. § 365(d)(3) (A).

As the Debtor has failed to make at least one lease payment to Movant post-petition, and given the lack of opposition to the Motion, the Motion is granted pursuant to 11

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**CONT...**      **Hospice Partners, Inc.**  
U.S.C. § 362(d)(1).

**Chapter 7**

*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 issues is whether there is equity in the property." *In re Preuss*, 15 B.R. 896, 897 (9th Cir. BAP 1981).

As there exists no equity in the Property for the Debtor, because the instant case is one under Chapter 7, and given the lack of any opposition to the Motion, the Motion is granted pursuant to 11 U.S.C. § 362(d)(2).

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

Hospice Partners, Inc.

Represented By  
Paul F Ready

**Movant(s):**

Lamson-Elliott Investments, LLC

Represented By  
Edwin J Rambuski

**Trustee(s):**

Nancy J Zamora (TR)

Pro Se



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**9:24-11215 La Verne Rambla, LLC**

**Chapter 7**

**#15.00** CONT'D Hearing re: Order to Show Cause why the Bankruptcy Case  
Should not be Dismissed

fr. 8-19-25,

Docket 127

**\*\*\* VACATED \*\*\* REASON: Hearing continued to 9/9/2025 at 1:00 p.m.  
per order entered 8/27/2025**

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

**August 19, 2025**

**Appearances required.**

See Docket Item 10.

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

La Verne Rambla, LLC

Represented By  
Roseann Frazee

**Trustee(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

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**9:24-11215 La Verne Rambla, LLC**

**Chapter 7**

**#16.00** CONT'D Hearing re: [107] Trustee's motion for order authorizing sale of property:  
(A) outside the ordinary course of business; (B) free and clear of liens;  
(C) subject to overbids; and (D) for determination of good faith purchaser under 11 U.S.C. § 363(m)

fr. 7-15-25, 8-19-25,

Docket 107

**\*\*\* VACATED \*\*\* REASON: Hearing continued to 9/9/2025 at 1:00 p.m.  
per order entered 8/27/2025**

**Tentative Ruling:**

**September 9, 2025**

**Appearances required. The Sale Motion is denied for the reasons set forth *infra*.  
The Trustee is to upload a conforming order within 7 days.**

**Background**

On October 23, 2024, La Verne Rambla, LLC (the "Debtor") filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy* (this "Case"). Jeremy W. Faith is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 3, *Notice of Chapter 7 Bankruptcy Case*.

*The Malibu Residence and the Malibu Lot*

The Debtor scheduled real properties located at 3229 Rambla Pacifico Street, Malibu, California 90265 (the "3229 Property" or the "Residence") and 3227 Rambla Pacifico Street, Malibu California 90265, which is an undeveloped lot adjacent to the Residence, (the "3227 Property" or the "Lot" and jointly with the Residence the "Properties"). *See* Docket No. 7, *Schedule D*, p. 6.

On August 2, 2017, a criminal complaint was filed against the Debtor's sole principal,

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**CONT...**

**La Verne Rambla, LLC**

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Bernhard Fritsch ("Fritsch") by the United States of America alleging that Fritsch committed wire fraud and violated 18 U.S.C. § 1343. *See* Docket No. 107, *Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) for Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m)* (the "Sale Motion"), p. 11 lines 9-13. On November 30, 2017, Fritsch, through a quick claim deed, transferred the Properties to himself and then recorded a deed of trust listing himself as the trustor and the Clerk of Court for the United States District Court for the Central District of California (the "District Court") as the beneficiary in the amount of \$7,200,000. *See id.* at lines 14-20. The Trustee asserts that the subject deed of trust granting the United States an interest only listed the APN for the Residence, but included the legal description of both the Residence and the Lot. *See id.*

In June 2020, a Judge of the District Court entered an order modifying the appearance bond and permitting Fritsch to pledge the Lot as security for a loan. *See id.* at p. 12. On June 19, 2020, a reconveyance "was recorded reconveying the December 11, 2017, deed of trust, which was secured by [the Properties]." *See id.*

On April 3, 2025, Fritsch was convicted of wire fraud in violation of 18 U.S.C. § 1343, and on June 2, 2025, the District Court revoked the bond and remanded Fritsch back to custody, but Fritsch has apparently not yet been located. *See id.* at pp. 12-13.

The United States only asserts a security interest in the Residence. *See* Docket No. 111, *United States' Response to Trustee's Motion for Order Authorizing Sale of Real Property*, p. 2.

On December 16, 2022, the Debtor and Jayco Premium Finance of California, Inc. ("Jayco") entered into that *Secured Note* (the "3229 Loan"), whereby Jayco loaned the Debtor \$5.5 million secured by the Residence. *See* Docket No. 48, *Declaration of Jenni Robinson in Support of Opposition of Jayco Premium Finance of California, Inc., to Debtor's Motion to Convert Chapter 7 Case to Chapter 11 Case Pursuant to 11 U.S.C. § 706(a), Exhibit 1 and 2*. "The amount due under the [3229] Loan as of May 30, 2025, is at least \$7,770,889.82." *See* Docket No. 112, *Jayco Premium Finance of California's Opposition to Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of*

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*Liens; (C) Subject to Overbids; and (D) for Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m) (the "Jayco Opposition")*, p. 9 lines 23-24.

On July 8, 2025, Jayco filed that *Complaint to Determine Priority of Liens by Quiet Title and Declaratory Relief Pursuant to 28 U.S.C. § 157(b)(2)(K)* (the "Complaint") against the Debtor, the Trustee, and the District Court to determine that Jayco's lien is valis and in first position on the Residence. *See* Docket No. 119. It appears, in the Complaint, that Jayco does not seek to determine or question the validity of the United States' interest in the Residence, but instead only seeks and asserts that it's lien (Jayco's) has first priority; however, in the Jayco Opposition, Jayco states that the "District Court lacks a security interest against either of the Properties." *See id.*; and Docket No. 112, p. 4 lines 23-24.

*History of the Case*

On January 7, 2025, the Trustee filed *Chapter 7 Trustee's Motion for Order: (1) Designating Bernard Fritsch as Person Responsible for Debtor Pursuant to FRBP 9001(5)(A); (2) Compelling Debtor and Bernard Fritsch to Attend 11 U.S.C. § 341(a) Meeting of Creditors Under 11 U.S.C. §§ 105(A), 341(A), and 521 (A)(3); (3) Compelling Debtor and Bernard Fritsch to Turn Over Books and Records; (4) Compelling Debtor, Bernard Fritsch, and All Other Occupants to Vacate and Turn Over Real Properties to Trustee; (5) Establishing Procedures for Removal of Personal Property; and (6) Authorizing Issuance of Writ of Assistance* (the "Motion to Compel"). *See* Docket No. 33. Among other things, the Motion to Compel sought turnover of the Properties to the Trustee by the Debtor and the attendance of the Debtor at the meeting of creditors through Fritsch. *See id.* On January 31, 2025, the Court entered that *Order Granting in Part and Continuing in Part Chapter 7 Trustee's Motion for Order: (1) Designating Bernard Fritsch as Person Responsible for Debtor Pursuant to FRBP 9001(5)(A); (2) Compelling Debtor and Bernard Fritsch to Attend 11 U.S.C. § 341(a) Meeting of Creditors Under 11 U.S.C. §§ 105(A), 341(A), and 521 (A)(3); (3) Compelling Debtor and Bernard Fritsch to Turn Over Books and Records; (4) Compelling Debtor, Bernard Fritsch, and All Other Occupants to Vacate and Turn Over Real Properties to Trustee; (5) Establishing Procedures for Removal of Personal Property; and (6) Authorizing Issuance of Writ of Assistance* (the "Order"). *See* Docket No. 57. The Order, in part, required attendance of the Debtor at the continued meeting of creditors, and the turnover to the

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Trustee by the Debtor of those effects required to access the Properties. *See id.*

On January 15, 2025, the Debtor filed that *Motion to Convert Chapter 7 Case to Chapter 11 Case Pursuant to 11 U.S.C. § 706(a)* (the "Motion to Convert"). *See* Docket No. 39. Through the Motion to Convert, the Debtor sought conversion of the instant case from one under Chapter 7 to one under Chapter 11 to allow the Debtor, as its reorganization strategy, to lease the Properties. *See id.* at pp. 1-2. On February 21, 2025, the Court denied the Motion to Convert. *See* Docket No. 85, *Order Denying Motion to Convert Chapter 7 Case to Chapter 11 Case Pursuant to 11 U.S.C. § 706(a)*.

On April 11, 2025, the Trustee filed that *Application to Employ Coldwell Banker Realty as Chapter 7 Trustee's Real Estate Broker to Act as Real Estate Broker to Market and Sell Real Property Located at 3227 and 3229 Rambla Pacifico Street, Malibu, Ca 90265* (the "Application") seeking to employ Coldwell Banker Realty ("Broker") to sell the Properties. *See* Docket No. 96.

The Application stated that Broker would list the Properties for a collective purchase price of \$13,900,000.00. *See id.* at p. 4. On April 29, 2025, the Court approved the employment of the Broker. *See* Docket No. 101, *Order Granting Application to Employ Coldwell Banker Realty as Chapter 7 Trustee's Real Estate Broker to Act as Real Estate Broker to Market and Sell Real Property Located at 3227 and 3229 Rambla Pacifico Street, Malibu, Ca 90265*.

*The Sale Motion*

Before the Court is the Sale Motion. *See* Docket No. 107.

Through the Sale Motion, the Trustee seeks to sell the Properties as-is, where-is, free and clear of all liens and encumbrances, to COT Realty, LLC (the "Buyer") for \$7,250,000.00 (the "Purchase Price"), allocating \$5,408,109.00 to the Residence and \$1,841,891.00 to the Lot (a 75/25 split), subject to overbid. *See id.* Pursuant to the proposed overbid procedures, any party wishing to overbid must provide a \$220,500.00 deposit to the Trustee and demonstrate an ability to close on the Properties and purchase the Properties under substantially the same conditions as the Buyer, including purchasing both of the Properties instead of just one of them. *See id.*

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The Initial overbid must be no less than \$7,350,000.00, with each bid in \$100,000.00 increments. *See id.* Lastly, the Trustee requests a good faith purchaser finding pursuant to 11 U.S.C. § 363(m). *See id.* at p. 7, lines 25-26.

On July 1, 2025, Jayco filed the Jayco Opposition. *See* Docket No. 112.

Through the Jayco Opposition, Jayco opposes the Motion and the sale asserting that (1) the Properties were listed at least \$6 million below what the Application indicated and that the Properties did not have sufficient marketing time, and (2) the Properties should not be sold together as separate sales would obtain higher sale prices (as well as questioning the allocation of the Purchase Price between the Residence and the Lot). *See id.* Moreover, Jayco argues that it has a valid and proper lien on the Residence, but the structure of the sale effectively destroys its right to credit bid on the Residence. *See id.* Additionally, the Jayco Opposition includes a request that the Trustee be compelled to abandon the Properties as being over encumbered without holding any benefit to the estate. *See id.*

On July 7, 2025, Prosperous filed that *Conditional Opposition of Secured Creditor Prosperous Sierra Capital, Inc. to Chapter 7 Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) For Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m) [ECF No. 107]* (the "Prosperous Opposition"). *See* Docket No. 118.

Through the Prosperous Opposition, Prosperous does not object to the sale of the Lot, but objects to the Purchase Price. *See id.* Prosperous argues that the Properties were listed far below what the Application indicated and were poorly marketed. *See id.* Additionally, the Prosperous Opposition contains a request that the Trustee be compelled to abandon the Properties as only a sale price of \$11 million would be sufficient to pay the liens on the Properties. *See id.*

On July 10, 2025, the Trustee filed *Trustee's Omnibus Reply to United States' Response to Trustee's Motion for Order Authorizing Sale of Real Property; (2) Jayco Premium Finance of California's Opposition to Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) For Determination of*

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*Good Faith Purchaser Under 11 U.S.C. § 363(m); and (3) Conditional Opposition of Secured Creditor Prosperous Sierra Capital, Inc. to Chapter 7 Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) For Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m) (the "Reply"). See Docket No. 122.*

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 June 24, 2025, the Trustee filed that *Notice of Trustee's Motion for Order Authorizing Sale of Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) For Determination of Good Faith Purchaser Under 11 U.S.C. Section 363(m) (the "Notice"). See Docket No. 108.* On June 24, 2025, the Notice was served via Notice of Electronic Filing (NEF) and U.S. mail first class, postage prepaid upon the creditor mailing matrix. *See id.*, at *Proof of Service Document*, pp. 9-11.

On August 18, 2025, Jayco filed that *Stipulation to: (1) Continue Hearing on Trustee's Motion to Sell Real Property, Court's Order to Show Cause re: Dismissal, and Motions by Jayco Premium Finance for Relief from Stay, to Compel Abandonment of Property and to Dismiss Bankruptcy Case; (2) Modify Bid Procedures in Connection with Motion to Sell Real Property (the "Stipulation"). See Docket No. 147.* Through the Stipulation, by and among the Trustee, Jayco, Prosperous, the parties agreed that the bidding procedures in the Sale Motion would be modified so that the Residence and the Lot could be purchased separately, Jayco may credit bid its claim against the Residence, Prosperous may credit bid its claim against the Lot, and the deposit for qualified bids is 6% of their overbid. *See id.* at p.



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3-4. Jayco may "veto" any sale of the Residence, and Prosperous may "veto" any sale of the Lot insofar as any such sales do not pay their claims in full. On August 27, 2025, the Court approved the Stipulation. *See* Docket No. 153.

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, as modified by the Stipulation, could reduce the Purchase Price if the Trustee's arguments at the prior hearing on the Sale Motion were to be believed. That is, the splitting of the Properties into essentially two (2) sales would work a harm to the Purchase Price.

*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



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(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).

"It is universally recognized, however, that the sale of a fully encumbered asset is generally prohibited." *In re KVN Corp., Inc.*, 514 B.R. 1, 5 (9th Cir. BAP 2014) (internal citations omitted). *The Handbook for Chapter 7 Trustees* provides that "[g]enerally, a trustee should not sell property subject to a security interest unless the sale generates funds for the benefit of unsecured creditors." *Id.* When an asset is fully encumbered, "the trustee's proper function is to abandon the property, not administer it, because the sale would yield no benefit to unsecured creditors." *Id.* at 6.

The Court agrees with Jayco and Prosperous. Here, a sale of the Properties to the Buyer will yield no benefit to unsecured creditors absent overbids on both Properties in an amount exceeding \$8,434,377.73, plus the millions of dollars that comprise the purported lien of the United States if that claim stands. The Residence and the Lot could be sold separately, but as the Trustee has mentioned, it is his belief that such a sale would result in lower prices for the Properties. The Court finds no appropriate purpose served in holding an auction, and utilizing this Court's limited resources for a sale to the Buyer, or, in the alternative, and likely, credit bids. The Court does not find that the Trustee in-fact disputes the liens of Jayco or Prosperous at this juncture. The Sale Motion is denied.

**August 19, 2025**

**Appearances required.**

See Docket Item 10.

**July 15, 2025**

**Appearances required.**

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

La Verne Rambla, LLC

Represented By

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Roseann Frazee

**Movant(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

**Trustee(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

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**#17.00** CONT'D Hearing re: [133] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY  
RE: 3229 Rambla Pacifico, Malibu, CA 90265

fr. 8-19-25,

Docket 133

**\*\*\* VACATED \*\*\* REASON: Hearing continued to 9/9/2025 at 1:00 p.m.  
per order entered 8/27/2025**

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

This motion has been withdrawn by the movant. *See* Docket No. 153, *Order Approving Stipulation to: (1) Continue Hearings to Sell Real Property, Court's Order to Show Cause re: Dismissal, and Motions by Jayco Premium Finance for Relief from Stay, to Compel Abandonment of Property and to Dismiss Bankruptcy Case; (2) Modify Bid Procedures in Connection with Motion to Sell Real Property.*

**August 19, 2025**

**Appearances required.**

Chambers has received no less than two messages from the Trustee since August 14, 2025, informing the Court that the matters on calendar for August 19, 2025, *in toto*, are to be continued by agreement of the parties, and that a stipulation regarding the same would be forthcoming. The Court finds no such stipulation, now on August 18, 2025. It is unclear to the Court what matters are going forward, and which are not.

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

La Verne Rambla, LLC

Represented By  
Roseann Frazee

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**Chapter 7**

**Movant(s):**

Jayco Premium Finance of

Represented By  
Michael B Reynolds  
Nicholas S Couchot

**Trustee(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

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**9:24-11215 La Verne Rambla, LLC**

**Chapter 7**

**#18.00** CONT'D Hearing re: [134] Jayco Premium Finance of California, Inc.'s motion for: (I) chapter 7 trustee's abandonment of real property, or; (II) dismissal of the bankruptcy case

fr. 8-19-25,

Docket 134

**\*\*\* VACATED \*\*\* REASON: Hearing continued to 9/9/2025 at 1:00 p.m.  
per order entered 8/27/2025**

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

This motion has been withdrawn by the movant. *See* Docket No. 153, *Order Approving Stipulation to: (1) Continue Hearings to Sell Real Property, Court's Order to Show Cause re: Dismissal, and Motions by Jayco Premium Finance for Relief from Stay, to Compel Abandonment of Property and to Dismiss Bankruptcy Case; (2) Modify Bid Procedures in Connection with Motion to Sell Real Property.*

**August 19, 2025**

**Appearances required.**

See Docket Item 10.

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

La Verne Rambla, LLC

Represented By  
Roseann Frazee

**Movant(s):**

Jayco Premium Finance of

Represented By  
Michael B Reynolds

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9:00 AM

**CONT... La Verne Rambla, LLC**

**Chapter 7**

**Trustee(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

**United States Bankruptcy Court  
Central District of California  
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**9:24-10147 Gina Alcaraz and Saul Alcaraz**

**Chapter 7**

**#19.00** Chapter 7 Trustee's Final Report, Application for Compensation and Application(s) for Compensation of Professionals filed on behalf of Trustee Jerry Namba. The United States Trustee has reviewed the Chapter 7 Trustee's Final Report

Docket 73

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

Before the Court is the *Trustee's Final Report (TFR)* (the "Report") filed by the duly appointed Chapter 7 Trustee, Jerry Namba (the "Trustee"), for the bankruptcy estate of Gina Alcaraz and Saul Alcaraz (jointly, the "Debtors") filed on July 31, 2025. *See* Docket No. 73.

On April 4, 2025, Levene, Neale, Bender, Yoo & Golubchik L.L.P. ("LNBY&G"), in its capacity as counsel to the Trustee, filed *Levene, Neale, Bender, Yoo & Golubchik L.L.P.'s Application for Payment of Final Fees and/or Expenses (11 U.S.C. § 330)* (the "LNBY&G Application") through which LNBY&G requests on a final basis, allowance and payment of fees in the amount of \$19,632.50 and reimbursement of expenses in the amount of \$137.42 for the period of June 10, 2024, through April 4, 2025. *See* Docket No. 69.

On April 7, 2025, Hahn Fife & Company, LLP ("HF"), in its capacity as accountant to the Trustee, filed that *First and Final Fee Application for Allowance of Fees & Costs for Hahn Fife & Company, LLP* (the "HF Application") through which HF requests, on a final basis, fees in the amount of \$3,339.00 and reimbursement of expenses in the amount of \$454.30. *See* Docket No. 71, p. 4.

On July 31, 2025, the Trustee filed that *Notice of Trustee's Final Report and Application for Compensation and Deadline to Object* (the "Notice") and served the Notice on the Notice of Electronic Filing [NEF] parties. *See* Docket No. 74. On July

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**CONT... Gina Alcaraz and Saul Alcaraz**

**Chapter 7**

31, 2025, the Notice was served on the remaining mailing matrix by BNC notice. *See* Docket No. 75. Pursuant to this Court's Local Rule 9013-1(h), "if a party does not timely file and serve documents, the court may deem this to be consent to the granting or denial of the motion, as the case may be." No party served with the Notice has timely filed an opposition to the Report. The Court therefore takes the default of all non-responding parties.

As of the date of the filing of the Report, the Trustee had approximately \$119,868.95 in cash on hand. *See* Docket No. 73, p. 1.

Through the Report, the Trustee, *inter alia*, seeks (1) the payment of the Trustee's statutory fee of \$9,250.00 pursuant to 11 U.S.C. § 326(a) and reimbursement of expenses in the amount of \$25.36, (2) the payment of \$19,632.50 in fees and the reimbursement of \$137.42 in expenses related to the LNBY&G Application, and (3) the payment of \$3,339.00 in fees and the reimbursement of \$454.30 in expenses related to the HF Application. *See id.* at p. 12, *Exhibit D*.

After payment to professionals and the Trustee, the balance of cash on hand for unsecured creditors is \$87,049.13. *See id.* at p. 13. The *pro-rata* distribution to unsecured creditors is 21.0%. *See id.*

Pursuant to 11 U.S.C. § 330, the Court allows LNBY&G, on a final basis, fees in the amount of \$19,632.50 and expenses in the amount of \$137.42 and approves payment of the allowed fees in the amount of \$19,632.50 and expenses in the amount of \$137.42; and allows HF, on a final basis, fees in the amount of \$3,339.00 and expenses in the amount of \$454.30 and approves payment of the allowed fees in the amount of \$3,339.00 and expenses in the amount of \$454.30. The Trustee is awarded their statutory fee in the amount of \$9,250.00 and reimbursement of the Trustee's expenses in the amount of \$25.36, and approves the payment of the allowed fee in the amount of \$9,250.00 and expenses in the amount of \$6.60.

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

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

Gina Alcaraz

Represented By  
William C Beall



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**CONT... Gina Alcaraz and Saul Alcaraz**

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**Joint Debtor(s):**

Saul Alcaraz

Represented By  
William C Beall

**Trustee(s):**

Jerry Namba (TR)

Represented By  
Timothy J Yoo  
Michael G D'Alba

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

**Chapter 7**

**#20.00** CONT'D Status Conference re: [100] Objection to Claim #12 by Claimant  
Geringer  
Capital, Inc., successor-in-interest to Miller Carbonic, Inc., in the  
amount of \$ 541,917.01

fr. 5-6-25, 6-17-25,

Docket 100

**\*\*\* VACATED \*\*\* REASON: Hearing continued to 9/30/25 at 1:00 p.m.  
per order entered 8/12/25**

**Tentative Ruling:**

**May 6, 2025**

**Appearances waived.**

The hearing is continued to June 17, 2025, pursuant to that *Stipulation to Continue  
Hearing on Objection to Proof of Claim of Geringer Capital, Inc., Successor-In-  
Interest to Miller Carbonic, Inc. [Claim Number 12]*. See Docket No. 112.

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

Thomas Anthony Ferro

Represented By  
Robert M Yaspan  
Debra Brand  
Joseph G McCarty

**Trustee(s):**

Jerry Namba (TR)

Represented By  
Timothy J Yoo

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**9:25-10522    Daniel Burrell, Sr. and Elba Burrell**

**Chapter 7**

**#21.00**    Hearing re: [51] Amended motion for sanctions against Alliant Credit Union for willful violation of the automatic stay under 11 U.S.C. § 362(k) - (related document(s): 48 Motion For Sanctions for Violation of the Automatic Stay

Docket      51

**\*\*\* VACATED \*\*\*    REASON: Hearing continued to 9/30/25 at 1:00p.m.  
per order entered 8/15/25.**

**Tentative Ruling:**

- NONE LISTED -

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

Daniel Burrell Sr.	Pro Se
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**Joint Debtor(s):**

Elba Burrell	Pro Se
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**Movant(s):**

Daniel Burrell Sr.	Pro Se
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Elba Burrell	Pro Se
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**Trustee(s):**

Sandra McBeth (TR)	Pro Se
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**9:23-10420    Kevin Holly and Elizabeth Holly**

**Chapter 7**

**#22.00**    CONT'D Order to Show Cause why bankruptcy case  
should not be reclosed

fr. 8-19-25,

Docket      40

**Tentative Ruling:**

**September 9, 2025**

**Appearances required. Counsel to Degarimore, Inc. is to appear, *in-person*. No remote appearances will be allowed.**

Degarimore, Inc. ("Degarimore") filed that *Notice of Motion and Motion to (1) Reopen Bankruptcy Case Pursuant to 11 U.S.C. § 350(b); and (2) Determine Nondischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(2) and § 523(a)(3)* (the "Motion") on January 29, 2025, requesting that the instant case be reopened to allow it to file a complaint to determine dischargeability. *See* Docket No. 24. The Motion was re-filed on March 10, 2025, due to Degarimore's failure to file the Motion originally in compliance with this Court's Local Rules. *See* Docket No. 31. The Motion was eventually approved on May 19, 2025. *See* Docket No. 37. Given the lack of progress in the case, the Court on July 25, 2025, issued its show cause order regarding the re-closing of the case. *See* Docket No. 40.

On August 19, 2025, Degarimore filed that *Complaint to Determine Dischargeability of Debt (11 U.S.C. §§ 523(a)(2)(A) and 523 (a)(3)(B))* (the "Complaint"). *See* Case No. 9:25-ap-01036-RC, Docket No. 1. The Court's Clerk has informed Degarimore, twice, that the Complaint fails to comply with this Court's Local Rules, and must be immediately corrected. *See id.* at Docket Nos. 2 and 5.

On August 19, 2025, the Court's Clerk issued that *Summons and Notice of Status Conference in Adversary Proceeding* (the "Summons"). *See id.* at Docket No. 3. As of September 2, 2025, no proof of service of the Summons has been filed, and the issues with the Complaint have not been corrected. If the Summons has not been

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**CONT... Kevin Holly and Elizabeth Holly**

**Chapter 7**

served, the deadline to do so has lapsed. *See* Fed. R. Bankr. P. 7004(e).

The Court is inclined to reclose the case and dismiss the Complaint for lack of prosecution.

**August 19, 2025**

**Appearances waived.**

Before the Court is the Court's *Order to Show Cause Why Bankruptcy Case Should Not Be Reclosed* (the "OSC") issued on July 25, 2025. *See* Docket No. 40. On March 10, 2025, Degarimore, Inc. ("Degarimore") moved the Court to reopen the subject bankruptcy case to determine nondischargeability of a debt. *See* Docket No. 37. To date no such nondischargeability complaint has been filed.

On August, 5, 2025, Degarimore filed that *Declaration of Jake Y. Jung Regarding OSC Re: Why Bankruptcy Case Should Not Be Reclosed* (the "Response") in which Jake Jung states "[s]ince the Court granted the [motion to reopen, Degarimore] mistakenly understood that the subject debt was determined to be nondischargeable." *See* Docket No. 42, *Declaration of Jake Y. Jung*, p. 2. Attached to the Response is a draft complaint for nondischargeability. *See id.* at *Exhibit A*, pp. 3-8.

To allow Degarimore to take further steps, the Court continues the hearing on the OSC to September 9, 2025, at 1:00 p.m.

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

Kevin Holly	Pro Se
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**Joint Debtor(s):**

Elizabeth Holly	Pro Se
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**Trustee(s):**

Jerry Namba (TR)	Pro Se
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**9:25-10144    Felipa Ruthe Richland**

**Chapter 7**

**#23.00**    Hearing re: [162] Motion of Kogan Law Firm, APC for an order authorizing withdrawal as counsel for Felipa Ruthe Richland

Docket      162

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

**Background**

On February 5, 2025, Felipa Ruthe Richland (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*. Nancy J Zamora is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 6, *Notice of Chapter 7 Bankruptcy Case – No Proof of Claim Deadline*.

On March 5, 2025, the Debtor filed that *Substitution of Attorney* in which the Kogan Law Firm, APC ("KLF") substituted into the bankruptcy case to represent the Debtor. *See* Docket No. 30.

On May 27, 2025, the Court entered that *Order of Discharge – Chapter 7*. *See* Docket No. 117. There are no current adversary actions pending against the Debtor. Additionally, the Debtor, after the real property at 188 Pinecrest Road, Thousand Oaks, California 91361 was sold by the Trustee, received her homestead exemption in the amount of \$722,220.00. *See* Docket Nos. 160 and 156, p. 10.

Before the Court is that *Motion of Kogan Law Firm, APC for an Order Authorizing Withdrawal as Counsel for Felipa Ruthe Richland* (the "Motion") filed on August 14, 2025. *See* Docket No. 162. Through the Motion, KLF seeks an order approving its withdrawal as counsel to the Debtor in this bankruptcy case. *See id.* KLF asserts that there has been a "complete breakdown in the communications between [the Debtor]

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**CONT... Felipa Ruthe Richland**

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and KLF [...that] affects the ability of KLF to continue the professional relationship that is required for effective representation." *See id.* at p. 3, lines 17-21. KLF further asserts that it has been "left virtually in the dark as to activities and goals in the bankruptcy case." *See id.* at lines 12-13.

Notice

Pursuant to this Court's Local Rule 2091-1(c)(1), "[a]n attorney seeking withdrawal or substitution who has appeared on behalf of an entity in any matter concerning the administration of the case must give notice of the proposed substitution or motion for leave to withdraw to the debtor, the United States trustee, any case trustee, any committee appointed in the case, and counsel for any of the foregoing."

On Augst 14, 2025, KLF filed that *Notice of Motion and Hearing on Motion of Kogan Law Firm, APC for an Order Authorizing Withdrawal as Counsel for Felipa Ruthe Richland* (the "Notice"). *See* Docket No. 163. On August 14, 2025, the Notice was served on the United States Trustee, the Trustee, and the Trustee's counsel via Notice of Electronic Filing [NEF]. *See id.* at *Proof of Service of Document*, pp. 4-6. On August 14, 2025, the Notice was served on the Debtor via United States mail, first class, postage prepaid on. *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." No party served with the Notice or Motion has timely filed an opposition to the Motion. The Court therefore takes the default of all properly served non-responding parties.

Analysis

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*

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**CONT... Felipa Ruthe Richland**

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*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)). "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)). "Under the California professional conduct rules, an attorney may withdraw if 'the client by other conduct renders it unreasonably difficult for the lawyer to carry out the representation effectively.'" *Id.*

"A client's repeated failure to communicate with counsel in not responding to phone calls and written communication is sufficient to be considered conduct making it unreasonably difficult for counsel to carry out the litigation." *Beard v. Shuttermart of Cal., Inc.*, 2008 WL 410694 \*2 (S.D. Cal. 2008) (citing *Steele v. Hernandez*, 2007 Lexis 40568 \*2-3 (E.D. Cal. 2007)).

In the instant case, KLF asserts that there has been a complete breakdown in the communications between it and the Debtor, despite making significant efforts to communicate with the Debtor via mail, e-mail, text messages, and telephone calls. Despite these efforts, KLF asserts it has not received any directive from the Debtor or received any additional goals that the Debtor would like to achieve in this bankruptcy case.

Furthermore, having received no objection, the Court is unaware of any prejudice that might result to other litigants, delay of the case, or harm to justice by granting the withdrawal request.

*Conclusion*



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**Chapter 7**

The Court is inclined to grant the Motion.

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

Felipa Ruthe Richland

Represented By  
Michael S Kogan

**Movant(s):**

Felipa Ruthe Richland

Represented By  
Michael S Kogan

**Trustee(s):**

Nancy J Zamora (TR)

Pro Se

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**9:25-10651 Ruth Pimentel**

**Chapter 7**

**#24.00** Hearing re: [25] Motion to dismiss case pursuant  
to 11 U.S.C. § 707(b)(3)(A)

Docket 25

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

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

Ruth Pimentel

Pro Se

**Trustee(s):**

Jeremy W. Faith (TR)

Pro Se

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**9:25-10695    Karen V. Tallent**

**Chapter 7**

**#25.00**    CONT'D Hearing re: [10] Motion for intentional violation of  
the automatic stay

fr. 7-15-25, 8-5-25,

Docket      10

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

**July 15, 2025**

**Appearances required. All appearances are to be made in-person. The Court  
will allow no remote appearances.**

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

Karen V. Tallent

Represented By  
Edwin J Rambuski

**Movant(s):**

Karen V. Tallent

Represented By  
Edwin J Rambuski  
Edwin J Rambuski

**Trustee(s):**

Sandra McBeth (TR)

Pro Se

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**9:25-10631 BKS CAMBRIA LLC**

**Chapter 7**

**#26.00** Hearing re: [77] Application for approval of employment  
of attorney for debtor

Docket 77

**Tentative Ruling:**

**September 9, 2025**

**Appearances required. The application is denied for lack of proper notice and service.**

**Background**

On May 12, 2025, BKS Cambria LLC (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy*. The petition was signed by Wiley Ramey ("Applicant") as counsel to the Debtor. *See id.* at p. 6. On May 23, 2025, the Debtor filed that *Disclosure of Compensation of Attorney for Debtor* (the "Disclosure"), which provided that Applicant received \$7,500 prior to the petition date, and would be paid "hourly." *See* Docket No. 39.

On June 6, 2025, the Debtor filed that *Application for Employment of Attorney* (the "Application"). *See* Docket No. 43. The Application seeks employment of Applicant as counsel to the Debtor. *See id.* It is unclear, in reviewing the Application, under what section of the Bankruptcy Code the Debtor seeks to employ Applicant under. While the Application and the Disclosure seem to suggest that Applicant would be employed on an hourly basis, presumably under 11 U.S.C. § 327, Applicant has made overtures in Court hearings that he intends on charging a flat rate of \$7,500. As this Court's Local Rule 2014-1(b)(1)(A) provides, "[t]he application must specify unambiguously whether the professional seeks compensation pursuant to 11 U.S.C. § 328 or 11 U.S.C. § 330." The Application makes no such specification.

On June 27, 2025, the United States Trustee filed that *Objection of the United States*

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**CONT...      BKS CAMBRIA LLC**

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*Trustee to Employment Application of Wiley Ramey as Attorney for the Debtor*, raising issues regarding the Application's compliance with this Court's Local Rule 2014-1, and the lack of certain information regarding the \$7,500 retainer. *See* Docket No. 57.

On July 10, 2025, the Court entered that *Order to Show Cause Why Bankruptcy Case Should Not Be Dismissed or Converted* (the "OSC"). *See* Docket No. 63. Given, *inter alia*, the Debtor's failure, as a company, to obtain approval by the Court of employment of counsel nearly two (2) months into the case, the Debtor's failure to file a plan of reorganization, which, after 90 days from the petition, would allow for the quick-trigger stay relief provisions of 11 U.S.C. § 362(d)(3), and statements by Applicant that an insider of the Debtor would assert a homestead exemption in the property of the Debtor, the Court ordered the Debtor to show cause why the bankruptcy case should not be converted to Chapter 7 or dismissed. *See id.* The OSC informed the Debtor that it was to "file and serve a written response to [the OSC] on or before July 17, 2025," and that "[f]ailure to file a written response may be deemed consent to the dismissal or conversion of the case." *See id.* at p. 2, lines 19-24. July 17, 2025, came and went, without a response to the OSC by the Debtor. The Court took the Debtor's failure to timely respond to the OSC as the Debtor's consent to conversion or dismissal of the Debtor's bankruptcy case, and converted the bankruptcy case to Chapter 7 on July 31, 2025. *See* Docket Nos. 85 and 87.

On July 24, 2025, the Debtor filed that *Application for Approval of Employment of Attorney for Debtor* (the "Second Application"). *See* Docket No. 82. The Second Application seeks to employ Applicant on seemingly different bases than the Application, although it not entirely clear that the Second Application is to replace the Application. The Second Application appears at first review to seek employment of Applicant pursuant to 11 U.S.C. § 328(a), "on a no look fee basis." *See id.* at p. 1, lines 23-27. The no-look fee is to be the \$7,500 paid to Applicant prior to the petition date, less the filing fee and costs. *See id.* at p. 2, lines 3-4. However, this no-look fee is only for certain defined tasks. *See id.* at pp. 2-3. Any tasks not defined are to be paid hourly "after further approval from this court..." *See id.* at p. 2, lines 6-9. So, the Application appears to be a hybrid of 11 U.S.C. § 327 and 11 U.S.C. § 328. This

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is different than what is contained in the Disclosure, where Applicant disclosed that it solely agreed to be paid "hourly."

Filed with the Second Application was that *Statement of Disinterestedness for Employment of Professional Person Under FRBP 2014* (the "Statement"). See Docket No. 82. The Statement does not disclose the services that Applicant was to provide to the Debtor as required by the form. See *id.* at p. 1. The Statement describes the terms of compensation as a "[f]ixed fee of \$7,500 to include filing fees and associated costs of filing." See *id.* However, as noted, the Second Application denotes potential hourly fees in addition to the flat, no-look fee. The source of the retainer, and any hourly compensation are not disclosed in the Statement as required by the form. See *id.*

The Court set the Second Application for hearing to take place on September 9, 2025. See Docket No. 83.

Analysis

*Notice*

This Court's Local Rule 2014-1(b)(2)(A) requires that notice of an application to employ a professional by the debtor be served "on the United States trustee, the debtor [], the creditor's 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, and any other party in interest entitled to notice under FRBP 2002."

Assuming for the moment that it is the Second Application that the Debtor is advancing, rather than the Application, the Second Application was served on William Beall, Esq., Maria Marquez, Esq., John Haan, Esq., and Brian Fittipaldi, Esq. See Docket No. 82-2, *Proof of Service of Document*. The Second Application was not served on the Internal Revenue Service (Claim No. 2), Bernd Schaefer (Claim No. 3) or the Debtor.

This Court's Local Rule 2014-1(b)(3)(C) requires any notice of an employment application to describe "the source and amount of any retainer, the date on which it

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was paid, and any provision regarding replenishment thereof." The Second Application contains no description of the source of the \$7,500 paid to Applicant or the date on which it was paid.

The Second Application is denied for defective notice and service.

*11 U.S.C. §§ 327 and 328*

Pursuant to 11 U.S.C. § 327(a), "the trustee, with the court's approval, may employ one or more attorneys [] that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title." "The trustee [] may employ or authorize the employment of a professional person under section 327 [] of this title [] on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed percentage fee basis, or on a contingent fee basis." 11 U.S.C. § 328(a).

To start, it seems to the Court that the Second Application would cover only the petition date through the date of conversion of the Debtor's bankruptcy case to Chapter 7. With that limitation, the Court is not inclined to employ Applicant under the terms of the Second Application.

First, it is not clear what the terms of employment are. It seems that Applicant has agreed to file the petition and schedules, appear at the meeting of creditors, and negotiate and file a sale motion for the "no look fee" of \$7,500, less the filing fee and costs. All else will apparently be completed on an hourly fee basis. The Debtor disclosed, not in the Application or the Second Application, but in a status report, that "it is not estimated that [Applicant's] fees will exceed more than \$5,000-\$7,000 per month." See Docket No. 51, p. 4, lines 12-15. Who is to pay Applicant the hourly fee of \$5,000 to \$7,000 per month?

*Disinterestedness*

A disinterested person is defined as a person that (A) is not a creditor, an equity security holder, or an insider; (B) is not and was not, within 2 years before the date of

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**CONT... BKS CAMBRIA LLC**

**Chapter 7**

the filing of the petition, a director, officer, or employee of the debtor; and (C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason." 11 U.S.C. § 101(14). Section 101(14)(C) of the Bankruptcy Code is referred to as a catch-all clause. "The purpose of the catch-all clause is to prevent a conflict even if the professional person under consideration promises to report such conflict if it arises." 3 Collier on Bankruptcy ¶ 327.04 2[a][iii][E] (Richard Levin & Henry J. Sommer eds., 16th ed)(internal citations omitted).

"The Code's definition of disinterestedness 'covers not only actual impropriety, but the appearance of impropriety as well.'" In re AFI Holding, Inc., 530 F.3d at 850 (internal citations omitted). "For the purposes of disinterestedness, a lawyer has an interest materially adverse to the interest of the estate if the lawyer either holds or represents such an interest." Id. at 848. "A person who is not disinterested as that term is defined in §101(14) is disqualified from acting as a professional for the estate.'" In re Hummer Transportation, 2014 WL 412534 \*4 (Bankr. E.D. Cal. 2014) (citing In re Capitol Metals Co., Inc., 228 B.R. 724, 726-727 (9th Cir. BAP 1998)).

Here, Applicant discloses that "has represented the manager of the Debtor since October 2017..." See Docket No. 51, p. 4, lines 6-12. It is not clear, but it appears that Applicant wishes/wished to represent both the Debtor, and a creditor of the Debtor, Bern Schaefers. The Court, if/when a properly noticed application is filed, will want to hear from Applicant about why this does not create a conflict, and whether that conflict is disqualifying.

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

BKS CAMBRIA LLC

Represented By  
Wiley P Ramey

**Movant(s):**

BKS CAMBRIA LLC

Represented By



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**CONT... BKS CAMBRIA LLC**

**Chapter 7**

Wiley P Ramey

**Trustee(s):**

Nancy J Zamora (TR)

Pro Se

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**9:25-10631 BKS CAMBRIA LLC**

**Chapter 7**

**#27.00** Hearing re: [78] Motion to sell property of the estate and  
employ realtors (11 U.S.C. § 363 (b)(1)(A))

Docket 78

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

<b>Party Information</b>
--------------------------

**Debtor(s):**

BKS CAMBRIA LLC

Represented By  
Wiley P Ramey

**Movant(s):**

BKS CAMBRIA LLC

Represented By  
Wiley P Ramey

**Trustee(s):**

Nancy J Zamora (TR)

Pro Se

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**9:20-10273 Francisco J Gomez Lino and Socorro Perez Gomez**

**Chapter 13**

**#28.00** Hearing re: [88] Motion to excuse Francisco Gomex-Lino from post-petition financial management course and to waive the requirement for him to file an application for discharge

Docket 88

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

Having received no opposition, the Motion is granted. Movant is to upload a conforming order within 7 days.

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

Francisco J Gomez Lino

Represented By  
Todd J Mannis

**Joint Debtor(s):**

Socorro Perez Gomez

Represented By  
Todd J Mannis

**Movant(s):**

Francisco J Gomez Lino

Represented By  
Todd J Mannis

Socorro Perez Gomez

Represented By  
Todd J Mannis

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:25-10101 Carlos Alejandro Martinez and Sonia C Martinez**

**Chapter 13**

**#29.00** CONT'D Hearing re: [14] Objection to claim #7 by claimant  
Franchise Tax Board in the amount of \$7,829.56

fr. 4-22-25, 7-8-25, 8-19-25,

Docket 14

**\*\*\* VACATED \*\*\* REASON: Objection to Claim Withdrawn by Movant  
on 8/20/25.**

**Tentative Ruling:**

**August 19, 2025**

**Appearances required.**

It is unclear to the Court where this matter stands.

**July 8, 2025**

**Appearances required.**

Since April 22, 2025, the FTB has filed an amended proof of claim, reducing the Claim to \$6,872.17. *See* Claim No. 7-2. The Court finds nothing more filed from the Debtor as to the Claim. The Court will inquire whether the Debtor continues to dispute the Claim, and, if so, whether the FTB has reviewed the Debtor's claimed amended tax filings.

**April 22, 2025**

**Appearances required.**

**Background**

On January 30, 2025, Carlos Alejandro and Sonia C. Martinez filed a voluntary petition for relief under Chapter 13 of Title 11 of the United States Code. *See* Docket

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**Chapter 13**

No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*.

On February 24, 2025, the Franchise Tax Board (the "FTB") filed proof of claim 7 in the Debtors' bankruptcy case in the amount of \$7,829.56 (the "Claim"). *See* Claim No. 7. The Claim relates to taxes owed for tax years 2022 and 2023, plus penalties, interest and costs. *See id.* at p. 4.

On March 18, 2025, the Debtors filed that *Notice of Objection to Claim* (the "Objection"), objecting to the Claim on the basis that an amended tax return filed on March 3, 2025, results in a tax refund to the Debtors, and not any amounts owed to the FTB. *See* Docket No. 14.

On April 8, 2025, the FTB filed *Franchise Tax Board's Response and Opposition to Debtors' Objection to Claim No. 7* (the "Response"). *See* Docket No. 16. The FTB, through the Response, argues that the Objection should be overruled in that other than submitting an amended tax return, the Debtors have not carried their burden to rebut the presumptive validity of the Claim. *See id.*

*Analysis*

"A claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest [] objects." *See* 11 U.S.C. § 501(a). "There is an evidentiary presumption that a correctly prepared proof of claim is valid as to liability and amount." *In re Garner*, 246 B.R. 617, 620 (9th Cir. BAP 2000). "A proof of claim executed and filed in accordance with these rules shall constitute prima facie evidence of the validity and amount of the claim." *See* Fed. R. Bankr. P. 3001(f). "The presumption treating the proof of claim as prima facie evidence of validity and amount operates to create a mere rebuttable presumption." *In re Garner*, 246 B.R. at 622. "The mechanics of what it takes to rebut the presumption are driven by the nature of the presumption as 'prima facie' evidence of the claim's validity." *Id.* at 623. The proof of claim is more than 'some' evidence; it is, unless rebutted, 'prima facie' evidence." *Id.* "One rebuts evidence with counter-evidence." *Id.*

Pursuant to 11 U.S.C. § 502(a), a proof of claim is deemed allowed unless a party in interest objects. Section 502(b) of the Bankruptcy Code enumerates an exhaustive list of reasons for sustaining an objection to a proof of claim. *See* 11 U.S.C. § 502(b). Pursuant to 11 U.S.C. § 502(b)(1), upon the filing of an objection to a claim, "the

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court, after notice and a hearing, shall determine the amount of such claim [] and shall allow such claim in such amount, except to the extent that such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured."

Here, the Claim has been filed by the FTB, which includes amounts owed related to certain tax periods. The Debtors, through the Objection, include tax returns recently filed, with nothing more. At some point the FTB will receive the tax returns if they were indeed filed, and either correct the Claim, or stand firm. At this juncture, the Court is inclined to continue the Objection to allow the FTB time to review any tax returns submitted by the Debtors.

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

Carlos Alejandro Martinez

Represented By  
Shawn S White

**Joint Debtor(s):**

Sonia C Martinez

Represented By  
Shawn S White

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:25-10497 Wayne Carl Fulton and Linda Scanlin Fulton**

**Chapter 13**

**#30.00** Hearing re: [39] Objection to claimed exemption in homestead

Docket 39

**\*\*\* VACATED \*\*\* REASON: Hearing continued to 11/4/25 at 1:00 p.m.  
per order entered 8/27/25**

**Tentative Ruling:**

- NONE LISTED -

<b>Party Information</b>
--------------------------

**Debtor(s):**

Wayne Carl Fulton

Represented By  
Jenny L Doling

**Joint Debtor(s):**

Linda Scanlin Fulton

Represented By  
Jenny L Doling

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:25-10497 Wayne Carl Fulton and Linda Scanlin Fulton**

**Chapter 13**

**#31.00** Hearing re: [43] Debtor's motion to avoid lien under  
11 U.S.C. § 522(f) (Real Property)

Docket 43

**\*\*\* VACATED \*\*\* REASON: Hearing continued to 11/4/25 at 1:00 p.m.  
per order entered 8/27/25**

**Tentative Ruling:**

- NONE LISTED -

<b>Party Information</b>
--------------------------

**Debtor(s):**

Wayne Carl Fulton

Represented By  
Jenny L Doling

**Joint Debtor(s):**

Linda Scanlin Fulton

Represented By  
Jenny L Doling

**Movant(s):**

Wayne Carl Fulton

Represented By  
Jenny L Doling  
Jenny L Doling  
Jenny L Doling

Linda Scanlin Fulton

Represented By  
Jenny L Doling  
Jenny L Doling  
Jenny L Doling

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se



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**9:25-10107 Alicia Realica Alinaya**

**Chapter 13**

**#32.00** CONT'D Hearing re: [30] Objection to Claim No. 8 filed by  
Steven Walczak & Samantha Walczak

fr. 6-17-25, 7-8-25,

Docket 30

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

The Court will hear from the parties regarding the status of the state court matter. If a default prove-up hearing has been set, the Court is inclined to continue the hearing on the objection until the state court enters judgment either in favor of the debtor, or the creditor.

**July 8, 2025**

**Appearances required.**

Assuming the Court grants that *Notice of Motion and Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (Action in Nonbankruptcy Forum)* (Docket No. 34), the Court is inclined to continue the hearing on the Claim Objection to allow the state court to adjudicate the underlying bases for Claimants' Claim. The Court is inclined, again, assuming its grants the lift stay motion, to continue the hearing on the Claim Objection to September 9, 2025, at 1:00 p.m. If the state court's final ruling materializes prior to the continued hearing, the Court will hear a motion to advance the continued hearing on the Claim Objection.

**June 17, 2025**

**Appearances required.**

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**CONT... Alicia Realica Alinaya**

**Chapter 13**

Background

On January 30, 2025, Alicia Realica Alinaya (the "Debtor") filed a voluntary petition for relief under Chapter 13 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*.

The Debtor listed Steven and Samantha Walczak (the "Claimants") as unsecured creditors having a disputed claim of \$0.00 based upon the State Court Lawsuit, *infra*. *See* Docket No. 11, *Schedule E/F: Creditors Who Have Unsecured Claims*, p. 5.

On April 10, 2025, the Claimants filed that Proof of Claim No. 8 for \$876,318.34 (the "Claim") based upon a lawsuit in the Superior Court of California for the County of Ventura (Case No.: 56-2022-00563119-CU-OR-VTA) for (1) breach of CC&Rs, (2) nuisance, and (3) declaratory relief (the "State Court Lawsuit"). *See* Proof of Claim No. 8; and Docket No 37, *Exhibit 1*, pp. 6-18. Attached to the Claim is a motion by the Claimants in the State Court Lawsuit seeking a default judgment against the Debtor. *See* Proof of Claim No. 8, pp. 5-24.

Before the Court is that *Disallow Claim: Objection to Claim No. 8 Filed by Steven Walczak & Samantha Walczak & Samantha Walczak* (the "Claim Objection") filed by the Debtor on May 14, 2025, seeking to disallow the Claim entirely (1) as having no supporting documentation other than an application for default, (2) because the Claim – to the extent it is based upon the ongoing State Court Lawsuit – is contingent, unliquidated, disputed and thus not enforceable against the Debtor and should be disallowed entirely, and (3) because no judgment or default ruling has been made in the State Court Lawsuit. *See* Docket No. 30, *Declaration of Debtor Alicia Realica Alinaya in Support of Objection to Claim*, p. 7, and *Exhibit B*, pp. 36-39.

On June 3, 2025, the Claimants filed that *Response in Opposition to Debtor's Objection to Proof of Claim of Steven Walczak and Samantha Walczak* in which the Claimants oppose the Claim Objection. *See* Docket No. 37.

Notice

Pursuant to this Court's Local Bankruptcy Rule ("LBR") 3007-1(b), a claim objection

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**Chapter 13**

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

On May 14, 2025, the Debtor filed that *Notice of Motion for: Disallow Claim: Objection to Claim No. 8 Filed by Steven Walczak & Samantha Walczak* (the "Notice"). *See* Docket No. 31. On May 14, 2025, the Notice was filed and served via U.S. Mail on the Claimants at the address listed on both the Claim and on the creditor mailing matrix. *See id.* at pp. 2-4, *Proof of Service Document*; *see also* Claim No. 8-1.

In accordance with LBR 3007-1(b)(3)(A), "[a] response [to an objection] must be filed and served not later than 14 days prior to the date of hearing set forth in the notice..." Further, "[i]f a response is not timely filed and served, the court may grant the relief requested in the objection without further notice or hearing." *See* LBR 3007-1(b)(3)(B).

Notice of the Objection appears appropriate.

*Analysis*

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

Federal Rules of Bankruptcy Procedure ("Rule") 3001 applies to proofs of claims. Rule 3001(a) requires the creditor to attach the supporting documents to the proof of claim. *See* Fed. R. Bankr. P. 3001(a). Under Rule 3001(f) a proof of claim must be "executed and filed in accordance with these rules" in order to "constitute prima facie evidence of the validity and amount of the claim." *See* Fed. R. Bankr. P. 3001(f).

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"A duly executed proof of claim is prima facie evidence of the validity and amount of a claim. Rule 3001(f). The burden then switches to the objecting party to present evidence to overcome the prima facie case . . . *In Re Holm*, 931 F.2d 620, 623 (9th Cir. 1991)." *In Re Murgillo*, 176 B.R. 524, 529 (9th Cir. BAP 1995).

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

This Court's LBR 3007-1(c)(1) provides that "[a]n objection to claim must be supported by admissible evidence sufficient to overcome the evidentiary effect of a properly documented proof of claim executed and filed in accordance with FRBP 3001. The evidence must demonstrate that the proof of claim should be disallowed, reduced, subordinated, re-classified, or otherwise modified." "A copy of the complete proof of claim, including attachments or exhibits, must be attached to the objection to claim, together with the objector's declaration stating that the copy of the claim attached is a true and complete copy of the proof of claim on file with the court..." LBR 3007-1(c)(2).

The Debtor's first argument in the Claim Objection is that the Claim does not comply with Rule 3001(c)(1). *See* Docket No. 30, p. 3, lines 21-25. The Claim, however, is not based on a writing, but rather tort.

The Debtor's second argument seems to expand on their first argument, stating that "absolutely no documentation, no information and no references supporting her claim or when what her claim applies to" accompanied the Claim. *See id.* at p. 4, lines 1-2. Yet, the default motion was attached to the Claim.

Lastly, the Debtor argues that the Claim is contingent and unliquidated. "The Bankruptcy Code does not define the terms contingent or unliquidated." *In re Audre*,

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*Inc.*, 202 B.R. 490, 492 (Bankr. S.D. Cal. 1996)(citing *In re Nicholes*, 184 B.R. 82, 88 (9th Cir. BAP 1995)). "It is generally settled that 'if all events giving rise to liability occurred prior to the filing of the bankruptcy petition', the claim is not contingent." *Id.* (internal citations omitted). What events arose, related to the Claim, post-petition?

"The term liquidated has also acquired a working definition through case law." *Id.* "[T]he question whether a debt is liquidated turns on whether it is subject to 'ready determination and precision in computation of the amount due.'" *Id.* "[D]ebts based on unlitigated tort and quantum meruit claims are generally unliquidated because damages are not based on a fixed sum." *Id.* "[W]hether a debt is liquidated or not...does not depend strictly on whether the claim sounds in tort or in contract, but whether it is capable of ready computation." *Id.* at 493. It would seem to the Court that the Claim is unliquidated, but that fact alone appears easily remedied, as the State Court is primed to determine the amount of the State Court Lawsuit.

<b>Party Information</b>
--------------------------

**Debtor(s):**

Alicia Realica Alinaya

Represented By  
Ronda Baldwin-Kennedy

**Movant(s):**

Alicia Realica Alinaya

Represented By  
Ronda Baldwin-Kennedy

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:25-10130 San Juanita Aguirre**

**Chapter 13**

**#33.00** CONT'D Order to show cause why this bankruptcy case should not be dismissed because the debtor has another case pending

fr. 3-20-25, 5-20-25, 7-15-25,

Docket 8

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

This matter is continued to September 24, 2025, at 9:00 a.m.

**July 15, 2025**

See calendar item 23.

**May 20, 2025**

**Appearances required.**

**Background**

On February 2, 2025, a petition for relief under Chapter 13 of Title 11 of the United States Code (the "First Petition") was electronically filed by R. Grace Rodriguez ("Rodriguez") on behalf of San Juanita Aguirre ("Aguirre"). *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The Petition contains Aguirre's signature. *See id.* at p. 6. By signing the First Petition, Aguirre attested, under the penalty of perjury, that they "examined this petition, and [] declare [] that the information provided is true and correct." *See id.* The First Petition was also certified by Rodriguez. *See id.* at p. 7.

On the date the First Petition was filed, Rodriguez also filed, and signed, on behalf of

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**San Juanita Aguirre**

**Chapter 13**

Aguirre, that *Chapter 13 Plan*. See Docket No. 2. Rodriguez also filed on behalf of Aguirre that *Rights and Responsibilities Agreement between Debtor and Attorney for Debtor in a Chapter 13 Case (RARA)* (the "RARA"). See Docket No. 5. The RARA contained Aguirre's electronic signature, denoted by "/s/ San Juanita Aguirre." See *id.* at p. 6.

On February 3, 2025, Leonard Pena ("Pena"), on behalf of Aguirre, also filed a petition for relief under Chapter 13 of Title 11 of the United States Code (the "Second Petition"). See Case No. 9:25-bk-10131-RC, *Voluntary Petition for Individuals Filing for Bankruptcy*. [FN1] The Second Petition provides that no bankruptcy petition had been filed by Aguirre in the prior eight (8) years before the Second Petition was filed. See *id.* at p. 3.

Given the fact that Aguirre had two (2) Chapter 13 cases pending, on February 3, 2025, the Court entered that *Order to Show Cause Why This Bankruptcy Case Should Not Be Dismissed Because the Debtor has Another Case Pending* (the "OSC"). See Docket No. 8. In response to the OSC, on behalf of Aguirre, Pena filed that *Response of San Juanita Aguirre to Order to Show Cause Why This Bankruptcy Case Should Not Be Dismissed Because the Debtor Has Another Pending Case* (the "Aguirre Response"). See Docket No. 14.

Through the Aguirre Response, Aguirre provides that she "did not authorize the filing of [the First Petition] nor were [the First Petition], Schedules and Statements of Financial Affairs review *[sic]*, signed, or filed by her." See *id.* at p. 2, lines 1-4. Aguirre attests that on December 22, 2024, Rodriguez visited her at her home, "and discussed with [her] the Chapter 13 process and generally about [her] debts," and Aguirre gave Rodriguez her "original tax returns for 2022 and 2023 and [her] proof of income." See *id.* at p. 4, lines 3-6. "Rodriguez asked [Aguirre] to sign [her] name 5 times on a blank piece of paper which [Aguirre] did. [Aguirre] asked [Rodriguez] what was the point of [Aguirre] signing 5 times on a blank piece of paper and [Rodriguez] said 'I know why I need them.'" See *id.* at lines 7-10. "Other than the signing of the blank piece of paper [Aguirre] never signed any other documents." *Id.* at lines 11-12. Aguirre attests that "Rodriguez them *[sic]* told me that she would file my case on January 3, 2025." *Id.* at lines 13-14. Aguirre attests that Rodriguez "told [her] that the total fee for the bankruptcy was \$7,000 but that [Aguirre] need[ed] to pay [Rodriguez] \$2,500.00 up front. [Aguirre] gave [Rodriguez her] debit card and

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**Chapter 13**

[Rodriguez] used her phone to charge [Aguirre] \$2,500.00 and sent [Aguirre] an email receipt." *See id.* at lines 15-19.

Aguirre attests that she did not receive from Rodriguez "a retainer agreement or any other documents." *See id.* at lines 20-21. Aguirre attests that "[a]ll of the signatures that appear in [the First Petition], schedules, and related documents are not mine, I never signed those documents and are forgeries." *See id.* at p. 6, lines 7-11. Aguirre attests that she "never authorized [Rodriguez] to sign [Aguirre's] signature." *See id.* at lines 12-14. Aguirre attests that Rodriguez "never presented me any documents to review that would be filed with the Court. I reviewed the documents she filed in case no. 9:25-bk-10130-RC and I have never seen any of those documents, the documents were not signed by me and are incorrect in many respects." *See id.* at pp. 6-7.

Attached to the Aguirre Response as *Exhibit 1* is a receipt for \$2,500 purportedly paid by Aguirre to The Law Office of R. Grace Rodriguez, dated December 22, 2024. *See id.* at *Exhibit 1*.

Analysis

Pursuant to Fed. R. Bankr. P. 9011(a), "[e]very petition, pleading, written motion, and other document-except a list, schedule, or statement, or an amendment to one of them-must be signed by at least one attorney of record in the attorney's individual name."

"By presenting to the court a petition, pleading, written motion, or other document – 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 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; (3) the allegations and factual contentions have evidentiary support-or if specifically identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and (4) the denials or factual contentions are warranted on the evidence-or if specifically so identified, are reasonably based on a lack of information or belief." Fed. R. Bankr. P. 9011(b).

"The Court does not consider even the most exigent of circumstances as a justification for an attorney to disregard or ignore the duties of care and due diligence and the



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obligation to make a reasonable inquiry into a debtor's personal and financial circumstances." *In re T.H.*, 529 B.R. 112, 128 (Bankr. E.D. Va. 2015). "[W]hen an attorney files documents electronically in a bankruptcy case, he represents to the court and the world that he has 'secured an originally executed petition [or other document] physically signed by the debtor prior to electronically filing the case [or document].'" *In re Santos*, 616 B.R. 332, 351 (Bankr. N.D. Tex. 2020)(internal citations omitted).

This Court's Local Rule 9011-1(a) provides that "[e]xcept as provided below, every signature on a filed document must be handwritten in ink (holographic)." "Under no circumstances may a reproduction of the same holographic signature be used on multiple pages or in multiple documents." *Id.* "Each page that bears the signature of a person must actually have been signed by the person whose signature appears on such page." *Id.*

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 at \*15 (citing *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.*

"A basic obligation of an attorney filing a bankruptcy petition is that, prior to filing, the attorney obtains the debtor's authorization and original wet signature; this requirement is applicable regardless of the mechanism used to effectuate the filing." *In re T.H.*, 529 B.R. at 136. "In filing a case electronically, as with a paper filing, an attorney represents to this Court that the signatures on the filing are in fact the genuine signatures of the debtor and that the attorney obtained the proper authorization to affix those signatures prior to filing the case." *Id.* at 138 (internal citations omitted). "A rather obvious preliminary step in bankruptcy practice is that 'an attorney needs to know for certain that his client wishes to file for bankruptcy before a petition is filed.'" *In re Mennona*, 2023 WL 149957 \*15 (Bankr. D. Colo. 2023)(internal

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citations omitted).

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"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. at 137-138.

"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, law firm, or party that committed the violation or is responsible for it." Fed. R. Bankr. P. 9011(c). "On its own, the court may enter an order describing the specific conduct that appears to violate (b) and directing an attorney, law firm, or party to show cause why it has not violated (b)." Fed. R. Bankr. P. 9011(c)(3).

This Court's Local Rule 9011-3(a) provides that "[t]he violation of, or failure to conform to, the FRBP or these rules may subject the offending party or counsel to penalties, including monetary sanctions, the imposition of costs and attorneys' fees payable to opposing counsel, and/or dismissal of the case or proceeding." "There is no duty that the Court finds more unpleasant or less fulfilling than disciplining the attorneys that appear before it. Nonetheless, it is one of the most important duties that the Court must discharge because protecting the integrity of the system is paramount." *In re T.H.*, 529 B.R. at 134.

If the statements of Aguirre in the Aguirre Response are believed, the actions of Rodriguez in the instant case are disturbing on a number of levels. First, Rodriguez purportedly filed the First Petition without Aguirre having even seen the First Petition. In fact, Aguirre's signature was purportedly forged on the First Petition, and on other pleadings, through a cut and paste exercise where Rodriguez had Aguirre sign blank pieces of paper, only to utilize those signatures from those blank pieces of paper on documents filed with this Court, where Aguirre, under penalty of perjury, makes any number of claims, and Rodriguez certifies the same. What is more, Rodriguez certified that Aguirre paid her \$0 prior to February 2, 2025. *See* Docket No. 1, *Disclosure of Compensation of Attorney for Debtor(s)*, p. 51. Aguirre provides a receipt showing that \$2,500 was paid by Aguirre to The Law Office of R. Grace Rodriguez on December 22, 2024, which was the "up front" payment of the \$7,000 Rodriguez was to charge Aguirre. *See* Docket No. 14, p. 4, lines 15-19; *see also Id.* at

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*Exhibit 1.*

If Aguirre's Response is to be believed, this bankruptcy case was not authorized, and perhaps, should be expunged. The Court is inclined to continue the hearing on the OSC to June 12, 2025, at 9:00 a.m. The Court will require the Chapter 13 trustee, Pena, the Office of the United States Trustee, and Rodriguez to appear at the continued hearing. In the interim the Court is inclined to issue an order to show cause why Rodriguez should not be sanctioned in the amount of \$25,000 for her actions outlined herein.

[FN1] Unless otherwise noted, any reference to the Docket refers to the Docket in Case No. 9:25-bk-10130-RC.

<b>Party Information</b>
--------------------------

**Debtor(s):**

San Juanita Aguirre

Represented By  
R Grace Rodriguez  
Leonard Pena

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:25-10130 San Juanita Aguirre**

**Chapter 13**

**#34.00** CONT'D Order to show cause why the Court should not order sanctions against R. Grace Rodriguez, Esq. in the amount of \$25,000.00

fr. 7-15-25,

Docket 25

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

This matter is continued to September 24, 2025, at 9:00 a.m.

**July 15, 2025**

**Appearances required. R. Grace Rodriguez, Esq. ("Rodriguez") is to appear, in person. No remote appearances will be allowed for Rodriguez.**

On May 23, 2025, the Court entered that *Order to Show Cause Why the Court Should Not Order Sanctions Against R. Grace Rodriguez, Esq. in the Amount of \$25,000.00* (the "OSC"). See Docket No. 25. The OSC required Rodriguez to file and serve a written response to the OSC by June 24, 2025. See *id.* at p. 6, lines 1-2. Rodriguez filed no such response.

San Juanita Aguirre (the "Debtor"), the Office of the United States Trustee, and the Chapter 13 trustee, however, did submit responses to the OSC, all supportive of the Court's levy of sanctions against Rodriguez for Rodriguez's conduct in the instant case. See Docket Nos. 27, 28 and 31, respectively. Most troubling is the Debtor's declaration, which provides that the Debtor signed a blank piece of paper five (5) times, but that piece of paper never included the power of attorney language that Rodriguez filed as *Exhibit B* with that *Declaration of R. Grace Rodriguez Regarding Filing of Bankruptcy* (the "Declaration," Docket No. 22). See Docket No. 27, p. 5, lines 12-27. To be clear, and for the avoidance of any doubt, the Declaration was filed

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under the penalty of perjury.

The purported power of attorney is not dated, notarized, and does not contain any translation or declaration denoting that it was translated to the Debtor, who, the Court understands, is not an English speaker. The purported power of attorney provides that the Debtor is "aware of the contents of [her] petition," but the petition had not been filed, or even prepared, for many weeks after that meeting with the Debtor where Rodriguez obtained the five (5) signatures of the Debtor on what Rodriguez also purports was a power of attorney. How would the Debtor have known of the contents of a petition that was yet to be drafted?

Again, the Court has received nothing from Rodriguez outside of the Declaration.

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

San Juanita Aguirre

Represented By  
R Grace Rodriguez  
Leonard Pena

**Trustee(s):**

Elizabeth (ND) F Rojas (TR)

Pro Se

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**9:24-11375 Cynthia Joan Marcus**

**Chapter 11**

**#35.00** Hearing re: [57] United States Trustee's motion under 11 U.S.C. § 1112(b) to dismiss or convert case to chapter 7

Docket 57

**\*\*\* VACATED \*\*\* REASON: Case dismissed 8/11/25**

**Tentative Ruling:**

- NONE LISTED -

<b>Party Information</b>
--------------------------

**Debtor(s):**

Cynthia Joan Marcus

Represented By  
Reed H Olmstead

**Movant(s):**

United States Trustee (ND)

Represented By  
Brian David Fittipaldi

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**9:24-10090 Edward Ned Li**

**Chapter 11**

**#36.00** CONT'D Hearing RE: [30] Objection to Debtor's Claim of Exemptions Filed by Creditors CSS Enterprises, Inc., C. Shawn Skillern. (Winthrop, Rebecca) (Subchapter V)

fr. 5-21-24, 7-23-24, 8-20-24, 10-8-24, 11-21-24, 12-12-24, 5-21-25,

Docket 30

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

The motion has been withdrawn. *See* Docket No. 197, *Notice of Withdrawal of Creditors' Motion for Order Sustaining Creditors' Objections to (a) Debtor Edward N. Li's Claimed Exemptions and (b) Debtor's Motion for Order Sustaining Creditors' Objections to Debtor Edward N. Li's Subchapter V Eligibility*. Pursuant to Fed. R. Civ. P. 41(a)(2), "Plaintiff may dismiss by written stipulation signed by all parties who have appeared, or 'by court order, on terms that the court considers proper.'" *White v. County of Sacramento*, 2025 WL 525061 \*1 (E.D. Cal. 2025). Here, the parties have entered into a settlement agreement resolving the instant motion. *See* Docket No. 142, *Debtor's Amended Motion for Approval of Compromise between the Debtor and Creditors/Adversary Plaintiffs C. Shawn Skillern and CSS Enterprises, Inc. and with Creditor Central Coast Vascular, Inc. Pursuant to F.R.B.P. 9019*, p. 2, lines 12-16.

The Motion is withdrawn, and the hearing vacated.

**October 8, 2024**

**Appearances required.**

Edward Ned Li (the "Debtor") filed a voluntary petition for relief under Chapter 11 of

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**CONT...**

**Edward Ned Li**

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Title 11 of the United States Code on January 27, 2024. *See* Docket No. 1, *Voluntary Petition for Individuals Filing for Bankruptcy*. The Debtor elected to proceed under Subchapter V of Chapter 11. *See id.* at p. 4.

On March 22, 2024, C. Shawn Skillern and CSS Enterprises, Inc. ("CSS") filed that *Motion for Order Sustaining Creditor's Objections to Debtor's Edward N. Li's Claimed Exemptions* (the "Exemption Objection"). *See* Docket No. 30. On March 25, 2024, CSS filed that *Motion for Order Sustaining Creditor's Objection to Debtor Edward N. Li's Subchapter V Eligibility* (the "Eligibility Objection"). *See* Docket No. 34. On April 25, 2024, the Debtor filed *Debtor's Chapter 11 Subchapter V Plan* (the "Plan"). *See* Docket No. 40. The Court has continued the hearings on the Exemption Objection and the Eligibility Objection from time to time at the request of the parties. *See* Docket Nos. 50, 62 and 74.

The Court has no understanding of the status of the Debtor's case or the pending motions at this juncture, as the Debtor has failed to file and serve a status conference report prior to the upcoming status conference as required by that *Order Setting Initial Status Conference*. *See* Docket No. 5. It appears that the disputes among the parties were mediated, and, in light of the absence of any notice of the outcome of the mediation, the Court presumes the mediation did not result in a full resolution of these disputes. *See* Docket No. 52.

As the instant matter is a Subchapter V case, and given the velocity with which cases under Subchapter V are to progress, the Court will posture the pending matters for resolution. To this end, the Court closes the record on the Exemption Objection and the Eligibility Objection, as the response deadlines have now passed. *See* Local Rule 9013-1(m)(4). The Court will hold an in-person hearing on the Exemption Objection and the Eligibility Objection on November 21, 2024, at 1:00 p.m. The Court will also hold a status conference on November 21, 2024, at 1:00 p.m., where, and subject to the outcome of the hearings on the Exemption Objection and the Eligibility Objection, the Court will establish a confirmation hearing and related dates for the Plan.

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

Edward Ned Li

Represented By  
Stella A Havkin



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**Trustee(s):**

Mark M Sharf (TR)

Pro Se

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**9:24-10090 Edward Ned Li**

**Chapter 11**

**#37.00** CONT'D Hearing RE: [34] Motion For Order Sustaining Objections to Debtors Subchapter V Eligibility (Winthrop, Rebecca) (Subchapter V)

fr. 6-4-24, 7-23-24, 8-20-24, 10-8-24, 11-21-24, 12-12-24, 5-21-25,

Docket 34

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

The motion has been withdrawn. *See* Docket No. 197, *Notice of Withdrawal of Creditors' Motion for Order Sustaining Creditors' Objections to (a) Debtor Edward N. Li's Claimed Exemptions and (b) Debtor's Motion for Order Sustaining Creditors' Objections to Debtor Edward N. Li's Subchapter V Eligibility*. Pursuant to Fed. R. Civ. P. 41(a)(2), "Plaintiff may dismiss by written stipulation signed by all parties who have appeared, or 'by court order, on terms that the court considers proper.'" *White v. County of Sacramento*, 2025 WL 525061 \*1 (E.D. Cal. 2025). Here, the parties have entered into a settlement agreement resolving the instant motion. *See* Docket No. 142, *Debtor's Amended Motion for Approval of Compromise between the Debtor and Creditors/Adversary Plaintiffs C. Shawn Skillern and CSS Enterprises, Inc. and with Creditor Central Coast Vascular, Inc. Pursuant to F.R.B.P. 9019*, p. 2, lines 12-16.

The Motion is withdrawn, and the hearing vacated.

**October 8, 2024**

See matter 26.

<b>Party Information</b>
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**CONT... Edward Ned Li**

**Chapter 11**

**Debtor(s):**

Edward Ned Li

Represented By  
Stella A Havkin

**Movant(s):**

CSS Enterprises, Inc.

Represented By  
Rebecca J Winthrop

C. Shawn Skillern

Represented By  
Rebecca J Winthrop

**Trustee(s):**

Mark M Sharf (TR)

Pro Se

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**9:24-10090 Edward Ned Li**

**Chapter 11**

**#38.00** CONT'D Hearing re: [170] First and final application of Mark M. Sharf, Subchapter V Trustee, for approval of compensation and reimbursement of expenses

Fees: \$14,388.00; Expenses: \$0.00

fr. 8-5-25,

Docket 170

**\*\*\* VACATED \*\*\* REASON: Order entered 9/3/2025 at docket #200 resolving this matter.**

**Tentative Ruling:**

**August 5, 2025**

**Appearances required.**

*Background*

On January 27, 2024, Edward Ned Li (the "Debtor") filed that *Voluntary Petition for Individuals Filing for Bankruptcy* under Chapter 11 of Title 11 of the United States Code (this "Case"). See Docket No. 1. On January 29, 2024, Mark Sharf was appointed as the Subchapter V Trustee (the "Trustee"). See Docket No. 7, *Notice of Appointment of Subchapter V Trustee*.

On July 24, 2025, the Court entered that *Order on Debtor's Motion to Dismiss the Bankruptcy Case*, dismissing this Case. See Docket No. 191. In dismissing this Case, the Court reserved jurisdiction over the fee applications of the Debtor's estate's professionals. See *id.* at p. 2, lines 3-5.

On July 14, 2025, the Trustee filed that *First and Final Application of Mark M. Sharf, Subchapter V Trustee, for Approval of Compensation and Reimbursement of Expenses for the Period from January 29, 2024 through July 11, 2025* (the "Application"). See Docket No. 170. Through the Application, the Trustee seeks allowance, on a final basis, of fees in the amount of \$14,388.00 for the period from January 29, 2024, through July 11, 2025. See *id.* at pp. 1-2.

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**Chapter 11**

*Notice*

On July 15, 2025, Havkin & Shrago Attorneys at Law filed that *Notice of Hearing on First and Final Fee Applications of Estate's Professionals* (the "Notice"). See Docket No. 174. Pursuant to this Court's Local Rule 2016-1(c)(3)(C), a notice of a final fee application in a Chapter 11 case "must" inform parties-in-interest of "the deadline for filing and serving a written opposition." Pursuant to this Court's Local Rule 9013-1(f)(1), a response to a motion must be filed and served "not later than 14 days before the date designated for hearing."

Here, the Court does not find any stated deadline for parties-in-interest to respond to the Application in the Notice.

*Analysis*

The Court finds the fees sought through the Application to be reasonable. The hourly fee multiplied by the number of hours expended by the Trustee were of a benefit to the Debtor's estate. Further, placing aside the issues with the Notice, there has been no opposition to the Application. Were the Notice to include the appropriate deadline for parties-in-interest to respond to the Application, and were there no opposition to the Application thereafter, the Court would, on a final basis, and pursuant to 11 U.S.C. § 330, allow the Trustee fees in the amount of \$14,388.00 and expenses of \$0, to be paid by the Debtor.

The Court will inquire with the Trustee about the contents of the Notice.

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

Edward Ned Li

Represented By  
Stella A Havkin

**Movant(s):**

Mark M Sharf (TR)

Pro Se

**Trustee(s):**

Mark M Sharf (TR)

Pro Se

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**Chapter 11**

**#39.00** CONT'D Hearing re: Application for payment of final fees and/or expenses (11 U.S.C. § 330) of Havkin & Shrago, general bankruptcy counsel for the debtor

Fees: \$79,635.00; Expenses: \$2,832.52

fr. 8-5-25,

Docket 173

**\*\*\* VACATED \*\*\* REASON: Order entered 9/3/2025 at docket #201 resolving this matter.**

**Tentative Ruling:**

**August 5, 2025**

**Appearances required.**

*Background*

On January 27, 2024, Edward Ned Li (the "Debtor") filed that *Voluntary Petition for Individuals Filing for Bankruptcy* under Chapter 11 of Title 11 of the United States Code. See Docket No. 1. On February 21, 2024, the Court entered that *Order re Motion in Individual Chapter 11 Case to Authorize Debtor-in-Possession to Employ General Counsel [11 U.S.C. § 327, LBR 2014-1]* (the "Employment Order"), authorizing the Debtor's employment of Havkin & Shrago Attorneys at Law (the "Applicant") as the Debtor's general insolvency counsel. See Docket No. 22.

On July 24, 2025, the Court entered that *Order on Debtor's Motion to Dismiss the Bankruptcy Case*, dismissing this Case, and reserving jurisdiction over the applications of the Debtor's estate's professionals for compensation and reimbursement of expenses. See Docket No. 191.

On July 15, 2025, the Applicant filed that *Application for Payment of Final Fees and/or Expenses (11 U.S.C. § 330)* (the "Application") seeking the allowance, on a final basis, of fees in the amount of \$79,635.00 and expenses of \$2,832.52, for the period of January 30, 2024, through July 15, 2025. See Docket No. 178.

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*Notice*

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 "[a]pplicant 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." Pursuant to this Court's Local Rule 2016-1(c)(3)(C), a notice of a final fee application in a Chapter 11 case "must" inform parties-in-interest of "the deadline for filing and serving a written opposition." Pursuant to this Court's Local Rule 9013-1(f)(1), a response to a motion must be filed and served "not later than 14 days before the date designated for hearing."

On July 15, 2025, the Debtor filed that *Notice of Hearing on First and Final Fee Applications of Estate's Professionals* (the "Notice"). See Docket No. 174.

Here, the Court does not find any stated deadline for parties-in-interest to respond to the Application in the Notice.

*Analysis*

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

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**Chapter 11**

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).

Here, the Employment Order authorizes services by the Applicant on behalf of the Debtor as general insolvency counsel. Having reviewed the Application, the exhibits, and the declarations in support, the Court finds the time spent by the Applicant appropriate, reasonable, and beneficial under the circumstances. Had the Notice appropriately notified parties-in-interest of the deadline to respond to the Application, and had there been no opposition to the Application, the Court would be inclined to approve the Application.

The Court will discuss the issues with the Notice outlined herein with the Applicant.

<b>Party Information</b>
--------------------------

**Debtor(s):**

Edward Ned Li

Represented By  
Stella A Havkin

**Movant(s):**

Havkin & Shrago Attorneys at Law

Represented By  
Stella A Havkin

**Trustee(s):**

Mark M Sharf (TR)

Pro Se



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**9:24-10090 Edward Ned Li**

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**#40.00 CONT'D Chapter 11 Status Conference (Subchapter V Case)**

fr. 3-19-24, 5-21-24, 7-23-24, 8-20-24, 10-8-24, 11-21-24,  
12-12-24, 5-21-25, 7-8-25,

Docket 1

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

In light of *Debtor's Declaration that All Creditors Have been Paid*, need this case remain open, or shall the Court dismiss the case? *See* Docket No. 196. The Court presumes all administrative creditors (i.e. professionals) have been paid, but will confirm this point with the Debtor.

**October 8, 2024**

See matter 26. The Court will also inquire with the U.S. Trustee regarding the Debtor's compliance with *Guidelines and Requirements for Chapter 11 Debtors in Possession*.

**March 19, 2024**

**Appearances required.**

The Court has reviewed that *Subchapter V Status Report*. *See* Docket No. 25. The Court will inquire with the U.S. Trustee regarding the Debtor's compliance with *Guidelines and Requirements for Chapter 11 Debtors in Possession*.

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

Edward Ned Li

Represented By  
Stella A Havkin

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**CONT... Edward Ned Li**

**Chapter 11**

**Trustee(s):**

Mark M Sharf (TR)

Pro Se

**United States Bankruptcy Court  
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**9:24-10909 Ramiro S Silva**

**Chapter 11**

**#41.00** CONT'D Hearing re: [222] Debtor Ramiro S. Silva's motion for entry of order authorizing debtor to enter into lease agreement with tenant for the premises located at 228 North Gaffey Street, San Pedro, CA 90731

fr. 8-19-25,

Docket 222

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

*Background*

On August 8, 2024, Ramiro S. Silva (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 July 29, 2025, the Debtor filed *Debtor Ramiro S. Silva's Motion for Entry of Order Authorizing Debtor to Enter into Lease Agreement with Tenant for the Premises Located at 228 North Gaffey Street, San Pedro, California 90731* (the "Lease Motion"). *See* Docket No. 222.

While the Lease Motion is titled as a motion to enter into a lease agreement, it is in fact a motion to enter a lease of the Debtor's estate's property, with an option by the lessee to purchase that property at the end of the lease term. More specifically, through the Lease Motion, the Debtor seeks to lease certain property of the Debtor's bankruptcy estate consisting of real property located at 228 North Gaffey Street, San Pedro, California 90731 (the "Property") to Carlos Flores and/or Assignee (the "Tenant") through a triple net lease for a two-year term with the Tenant (1) paying \$35,000 (the "Option Purchase Price") – non-refundable – for an option to purchase the Property at the end of the two year lease, and (2) paying monthly rent of \$2,625.00. *See id.* at p. 5. Additionally, the Tenant is responsible to insure the Property and pay for any remodel of the Property at its own expense. *See id.* Further, if the Tenant exercises its option to purchase the Property, the Tenant agrees to

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**CONT...**

**Ramiro S Silva**

**Chapter 11**

purchase the Property for \$649,000.00, less the Option Purchase Price and \$2,000 per month of rent paid. *See id.*

The Property has been subject to sale since October 18, 2024, when the Property was listed on the MLS for \$649,000. *See id.* at *Declaration of James Zappulla*, p. 13, ¶4. The Debtor employed Keller Williams South Bay Realty (the "Broker") who listed the Property on the MLS, multiple websites and social media platforms, and contacted thousands of brokers via direct email. *See id.* at p. 14, ¶8. The Broker did not conduct any showings or viewings of the Property due to its dilapidated condition. *See id.* Further, through the Broker's efforts, the Debtor received two offers on the Property – one in November 2024 for \$550,000.00 (however, this potential buyer backed out of the sale) and one in March 2025 for \$425,000 (however, this offer was rejected as too low). *See id.* at p. 13, ¶¶5-6.

Lastly, the Debtor requests the Tenant be found a good faith lessee pursuant to 11 U.S.C. § 363(m) and that Fed. R. Bankr. P. 6004(h) be waived. *See id.* at pp. 8-9.

*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 January 21, 2025, the Debtor filed that *Notice of Hearing of Debtor Ramiro S. Silva's Motion for Entry of Order Authorizing Debtor to Enter into Lease Agreement with Tenant for the Premises Located at 228 North Gaffey Street, San Pedro, California 90731* (the "Notice"). *See* Docket No. 223. The Notice was served on all creditors and the Office of the U.S. Trustee via Notice of Electronic Filing (NEF) and U.S. mail first class, postage prepaid. *See id.*, *Proof of Service Document*, pp. 3-6. No party served with the Notice filed a response or opposition to the Lease Motion.

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**CONT... Ramiro S Silva**

**Chapter 11**

The Court therefore takes the default of all parties served with the Notice.

*Analysis*

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).

The Court has some questions and comments.

Here, as noted *supra*, the subject transaction must be analyzed as a lease and a sale. This is because the Debtor is obtaining preapproval of the sale of the Property at the end of the lease term if the Tenant so elects, including the payment of broker commissions on the lease and the potential sale. There is an "Option Period" that begins on June 30, 2027, and ends of July 7, 2027. *See* Docket No. 222, pp. 23-24. At face value, leasing the Property through a triple net lease, and with tenant improvements that the Tenant is solely responsible for seems to make some sense, as the Property is currently uninhabited, and has not been sold since it was listed in the summer of 2024. At least two (2) offers to purchase the Property have been submitted outside of the Tenant's offer to lease/purchase the Property, but both offers were well below the asking price. It does not appear that the initial listing price for the Property has been lowered at all, even given its listing nearly a year ago. This is at least *indicia* that the Property has been marketed at too high of a price without any adjustment in the many months it has been listed. Whether the rental rate is at market is unknown to the Court. Beyond a conclusory statement by the Debtor's broker, it is unclear why the proposed rental rate represents a market rental rate for the Property.

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**CONT... Ramiro S Silva**

**Chapter 11**

As to the purchase portion of the lease/sale to the Tenant, the Tenant may purchase the Property for \$649,000 two years from the initial lease date, less the Option Purchase Price and \$2,000 of the monthly rental payments.

The Property may be subject to at least one secured claim. *See* Docket No. 31, *Schedule D: Creditors Who Have Claims Secured by Property*, p. 19. The Debtor did not request that the Property be sold free and clear of any claims or interests, and so any sale approved through the Lease Motion would not contain such a finding.

The Lease Motion requests that the Court approve of payments to brokers for commissions that were never disclosed to parties-in-interest through that *Application to Employ Real Estate Broker and to Enter Into Exclusive Listing Agreements* (the "Application"). *See* Docket No. 61. The Application sought this Court's approval of a 2% commission for the purchase price for the sale of the Property. *See id.* at p. 4, lines 13-24. The Debtor never sought approval of the employment of its real property broker for a commission unrelated to the sale of the Property. The Court will want to understand how the payment of a commission related to a lease of the Property complies with the notice and approval requirements of 11 U.S.C. §§ 328 and 330.

The Court will want to hear from the Debtor about their experience as landlords to commercial tenants. The Court is uninformed about the Debtor's knowledge of the laws and ordinances related to operating commercial property in San Pedro, and what processes will be in place to ensure that the operation of the Property, as a leased property, does not affect the Debtor's estate in terms of liability. It is not clear what the lessee intends on doing at the Property, and whether what the lessee intends on doing exposes the estate to any liability.

Is the Court correct that the Property is being sold without overbid opportunity? Has the lease/option to purchase been marketed?

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

Ramiro S Silva

Represented By

Jeremy Faith

Samuel Mushegh Boyamian

Jonathan Serrano

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**CONT...**

**Ramiro S Silva**

Mitchell B Ludwig

**Chapter 11**

**Movant(s):**

Ramiro S Silva

Represented By

Jeremy Faith

Samuel Mushegh Boyamian

Jonathan Serrano

Mitchell B Ludwig

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**9:25-10985    Laurel Creek, LP, a California limited partnership**

**Chapter 11**

**#42.00**    CONT'D Hearing re: [24] Motion for orders: (i) authorizing the debtor to obtain post-petition financing pursuant to 11 U.S.C. §§ 105, 361, 362, 363(c), 363(e), 364(c), 364(d)(1) and 364(e); (ii) scheduling a final hearing pursuant to bankruptcy rules 4001(b) and 4001(c); and (iii) granting related relief

fr. 8-19-25,

Docket      24

**\*\*\* VACATED \*\*\*    REASON: Motion withdrawn by movant on 8/26/25.**

**Tentative Ruling:**

- NONE LISTED -

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

Laurel Creek, LP, a California

Represented By  
Jeffrey I Golden



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

**Chapter 7**

**#43.00** Hearing re: [342] Renewed motion for damages pursuant  
to 11 U.S.C. § 303(i)

Docket 342

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

<b>Party Information</b>
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**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

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

**Chapter 7**

**#44.00** CONT'D Evidentiary hearing re: [170] motion for damages pursuant to 11 U.S.C. 303(i)

fr. 5-7-24, 5-21-24, 9-19-24, 10-9-24, 11-20-24, 2-27-25,  
3-19-25, 5-6-25, 6-17-25, 7-15-25,

Docket 170

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

**June 17, 2025**

**Appearances waived.**

The hearing on this matter is continued to July 15, 2025, at 1:00 p.m.

**May 6, 2025**

**Appearances waived.**

The hearing on this matter is continued to June 17, 2025, at 1:00 p.m.

**November 20, 2024**

**Appearances required. Appearances may be made remotely.**

The Court has reviewed that *Status Report re Evidentiary Hearing*. See Docket No. 229. The Court will inquire about whether the BAP judgment will be appealed to the Ninth Circuit.

**May 7, 2024**

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**CONT... Carole D King**

**Chapter 7**

**In-person appearances required. No remote appearances will be allowed.**

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

Carole D King

Represented By  
William C Beall  
Carissa N Horowitz

**Movant(s):**

Carole D King

Represented By  
William C Beall  
Carissa N Horowitz

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**9:24-11215 La Verne Rambla, LLC**

**Chapter 7**

**#45.00** CONT'D Hearing re: Order to Show Cause why the Bankruptcy Case  
Should not be Dismissed

fr. 8-19-25,

Docket 127

**Tentative Ruling:**

**September 9, 2025**

**Appearances required.**

**August 19, 2025**

**Appearances required.**

See Docket Item 10.

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

La Verne Rambla, LLC

Represented By  
Roseann Frazee

**Trustee(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

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**9:24-11215 La Verne Rambla, LLC**

**Chapter 7**

**#46.00** CONT'D Hearing re: [107] Trustee's motion for order authorizing sale of property:  
(A) outside the ordinary course of business; (B) free and clear of liens;  
(C) subject to overbids; and (D) for determination of good faith purchaser under 11 U.S.C. § 363(m)

fr. 7-15-25, 8-19-25,

Docket 107

**Tentative Ruling:**

**September 9, 2025**

**Appearances required. The Sale Motion is denied for the reasons set forth *infra*. The Trustee is to upload a conforming order within 7 days.**

**Background**

On October 23, 2024, La Verne Rambla, LLC (the "Debtor") filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code. *See* Docket No. 1, *Voluntary Petition for Non-Individuals Filing for Bankruptcy* (this "Case"). Jeremy W. Faith is the duly appointed Chapter 7 trustee (the "Trustee"). *See* Docket No. 3, *Notice of Chapter 7 Bankruptcy Case*.

***The Malibu Residence and the Malibu Lot***

The Debtor scheduled real properties located at 3229 Rambla Pacifico Street, Malibu, California 90265 (the "3229 Property" or the "Residence") and 3227 Rambla Pacifico Street, Malibu California 90265, which is an undeveloped lot adjacent to the Residence, (the "3227 Property" or the "Lot" and jointly with the Residence the "Properties"). *See* Docket No. 7, *Schedule D*, p. 6.

On August 2, 2017, a criminal complaint was filed against the Debtor's sole principal, Bernhard Fritsch ("Fritsch") by the United States of America alleging that Fritsch

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**La Verne Rambla, LLC**

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committed wire fraud and violated 18 U.S.C. § 1343. *See* Docket No. 107, *Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) for Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m)* (the "Sale Motion"), p. 11 lines 9-13. On November 30, 2017, Fritsch, through a quick claim deed, transferred the Properties to himself and then recorded a deed of trust listing himself as the trustor and the Clerk of Court for the United States District Court for the Central District of California (the "District Court") as the beneficiary in the amount of \$7,200,000. *See id.* at lines 14-20. The Trustee asserts that the subject deed of trust granting the United States an interest only listed the APN for the Residence, but included the legal description of both the Residence and the Lot. *See id.*

In June 2020, a Judge of the District Court entered an order modifying the appearance bond and permitting Fritsch to pledge the Lot as security for a loan. *See id.* at p. 12. On June 19, 2020, a reconveyance "was recorded reconveying the December 11, 2017, deed of trust, which was secured by [the Properties]." *See id.*

On April 3, 2025, Fritsch was convicted of wire fraud in violation of 18 U.S.C. § 1343, and on June 2, 2025, the District Court revoked the bond and remanded Fritsch back to custody, but Fritsch has apparently not yet been located. *See id.* at pp. 12-13.

The United States only asserts a security interest in the Residence. *See* Docket No. 111, *United States' Response to Trustee's Motion for Order Authorizing Sale of Real Property*, p. 2.

On December 16, 2022, the Debtor and Jayco Premium Finance of California, Inc. ("Jayco") entered into that *Secured Note* (the "3229 Loan"), whereby Jayco loaned the Debtor \$5.5 million secured by the Residence. *See* Docket No. 48, *Declaration of Jenni Robinson in Support of Opposition of Jayco Premium Finance of California, Inc., to Debtor's Motion to Convert Chapter 7 Case to Chapter 11 Case Pursuant to 11 U.S.C. § 706(a), Exhibit 1 and 2*. "The amount due under the [3229] Loan as of May 30, 2025, is at least \$7,770,889.82." *See* Docket No. 112, *Jayco Premium Finance of California's Opposition to Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) for Determination of Good Faith Purchaser*

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*Under 11 U.S.C. § 363(m) (the "Jayco Opposition")*, p. 9 lines 23-24.

On July 8, 2025, Jayco filed that *Complaint to Determine Priority of Liens by Quiet Title and Declaratory Relief Pursuant to 28 U.S.C. § 157(b)(2)(K)* (the "Complaint") against the Debtor, the Trustee, and the District Court to determine that Jayco's lien is valis and in first position on the Residence. *See* Docket No. 119. It appears, in the Complaint, that Jayco does not seek to determine or question the validity of the United States' interest in the Residence, but instead only seeks and asserts that it's lien (Jayco's) has first priority; however, in the Jayco Opposition, Jayco states that the "District Court lacks a security interest against either of the Properties." *See id.*; and Docket No. 112, p. 4 lines 23-24.

*History of the Case*

On January 7, 2025, the Trustee filed *Chapter 7 Trustee's Motion for Order: (1) Designating Bernard Fritsch as Person Responsible for Debtor Pursuant to FRBP 9001(5)(A); (2) Compelling Debtor and Bernard Fritsch to Attend 11 U.S.C. § 341(a) Meeting of Creditors Under 11 U.S.C. §§ 105(A), 341(A), and 521 (A)(3); (3) Compelling Debtor and Bernard Fritsch to Turn Over Books and Records; (4) Compelling Debtor, Bernard Fritsch, and All Other Occupants to Vacate and Turn Over Real Properties to Trustee; (5) Establishing Procedures for Removal of Personal Property; and (6) Authorizing Issuance of Writ of Assistance* (the "Motion to Compel"). *See* Docket No. 33. Among other things, the Motion to Compel sought turnover of the Properties to the Trustee by the Debtor and the attendance of the Debtor at the meeting of creditors through Fritsch. *See id.* On January 31, 2025, the Court entered that *Order Granting in Part and Continuing in Part Chapter 7 Trustee's Motion for Order: (1) Designating Bernard Fritsch as Person Responsible for Debtor Pursuant to FRBP 9001(5)(A); (2) Compelling Debtor and Bernard Fritsch to Attend 11 U.S.C. § 341(a) Meeting of Creditors Under 11 U.S.C. §§ 105(A), 341(A), and 521 (A)(3); (3) Compelling Debtor and Bernard Fritsch to Turn Over Books and Records; (4) Compelling Debtor, Bernard Fritsch, and All Other Occupants to Vacate and Turn Over Real Properties to Trustee; (5) Establishing Procedures for Removal of Personal Property; and (6) Authorizing Issuance of Writ of Assistance* (the "Order"). *See* Docket No. 57. The Order, in part, required attendance of the Debtor at the continued meeting of creditors, and the turnover to the Trustee by the Debtor of those effects required to access the Properties. *See id.*

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On January 15, 2025, the Debtor filed that *Motion to Convert Chapter 7 Case to Chapter 11 Case Pursuant to 11 U.S.C. § 706(a)* (the "Motion to Convert"). See Docket No. 39. Through the Motion to Convert, the Debtor sought conversion of the instant case from one under Chapter 7 to one under Chapter 11 to allow the Debtor, as its reorganization strategy, to lease the Properties. See *id.* at pp. 1-2. On February 21, 2025, the Court denied the Motion to Convert. See Docket No. 85, *Order Denying Motion to Convert Chapter 7 Case to Chapter 11 Case Pursuant to 11 U.S.C. § 706(a)*.

On April 11, 2025, the Trustee filed that *Application to Employ Coldwell Banker Realty as Chapter 7 Trustee's Real Estate Broker to Act as Real Estate Broker to Market and Sell Real Property Located at 3227 and 3229 Rambla Pacifico Street, Malibu, Ca 90265* (the "Application") seeking to employ Coldwell Banker Realty ("Broker") to sell the Properties. See Docket No. 96.

The Application stated that Broker would list the Properties for a collective purchase price of \$13,900,000.00. See *id.* at p. 4. On April 29, 2025, the Court approved the employment of the Broker. See Docket No. 101, *Order Granting Application to Employ Coldwell Banker Realty as Chapter 7 Trustee's Real Estate Broker to Act as Real Estate Broker to Market and Sell Real Property Located at 3227 and 3229 Rambla Pacifico Street, Malibu, Ca 90265*.

*The Sale Motion*

Before the Court is the Sale Motion. See Docket No. 107.

Through the Sale Motion, the Trustee seeks to sell the Properties as-is, where-is, free and clear of all liens and encumbrances, to COT Realty, LLC (the "Buyer") for \$7,250,000.00 (the "Purchase Price"), allocating \$5,408,109.00 to the Residence and \$1,841,891.00 to the Lot (a 75/25 split), subject to overbid. See *id.* Pursuant to the proposed overbid procedures, any party wishing to overbid must provide a \$220,500.00 deposit to the Trustee and demonstrate an ability to close on the Properties and purchase the Properties under substantially the same conditions as the Buyer, including purchasing both of the Properties instead of just one of them. See *id.* The Initial overbid must be no less than \$7,350,000.00, with each bid in \$100,000.00



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increments. *See id.* Lastly, the Trustee requests a good faith purchaser finding pursuant to 11 U.S.C. § 363(m). *See id.* at p. 7, lines 25-26.

On July 1, 2025, Jayco filed the Jayco Opposition. *See* Docket No. 112.

Through the Jayco Opposition, Jayco opposes the Motion and the sale asserting that (1) the Properties were listed at least \$6 million below what the Application indicated and that the Properties did not have sufficient marketing time, and (2) the Properties should not be sold together as separate sales would obtain higher sale prices (as well as questioning the allocation of the Purchase Price between the Residence and the Lot). *See id.* Moreover, Jayco argues that it has a valid and proper lien on the Residence, but the structure of the sale effectively destroys its right to credit bid on the Residence. *See id.* Additionally, the Jayco Opposition includes a request that the Trustee be compelled to abandon the Properties as being over encumbered without holding any benefit to the estate. *See id.*

On July 7, 2025, Prosperous filed that *Conditional Opposition of Secured Creditor Prosperous Sierra Capital, Inc. to Chapter 7 Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) For Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m) [ECF No. 107]* (the "Prosperous Opposition"). *See* Docket No. 118.

Through the Prosperous Opposition, Prosperous does not object to the sale of the Lot, but objects to the Purchase Price. *See id.* Prosperous argues that the Properties were listed far below what the Application indicated and were poorly marketed. *See id.* Additionally, the Prosperous Opposition contains a request that the Trustee be compelled to abandon the Properties as only a sale price of \$11 million would be sufficient to pay the liens on the Properties. *See id.*

On July 10, 2025, the Trustee filed *Trustee's Omnibus Reply to United States' Response to Trustee's Motion for Order Authorizing Sale of Real Property; (2) Jayco Premium Finance of California's Opposition to Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) For Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m); and (3) Conditional Opposition of*

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*Secured Creditor Prosperous Sierra Capital, Inc. to Chapter 7 Trustee's Motion for Order Authorizing Sale of Real Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) For Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m) (the "Reply"). See Docket No. 122.*

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 June 24, 2025, the Trustee filed that *Notice of Trustee's Motion for Order Authorizing Sale of Property: (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens; (C) Subject to Overbids; and (D) For Determination of Good Faith Purchaser Under 11 U.S.C. Section 363(m) (the "Notice"). See Docket No. 108.* On June 24, 2025, the Notice was served via Notice of Electronic Filing (NEF) and U.S. mail first class, postage prepaid upon the creditor mailing matrix. *See id.*, at *Proof of Service Document*, pp. 9-11.

On August 18, 2025, Jayco filed that *Stipulation to: (1) Continue Hearing on Trustee's Motion to Sell Real Property, Court's Order to Show Cause re: Dismissal, and Motions by Jayco Premium Finance for Relief from Stay, to Compel Abandonment of Property and to Dismiss Bankruptcy Case; (2) Modify Bid Procedures in Connection with Motion to Sell Real Property (the "Stipulation"). See Docket No. 147.* Through the Stipulation, by and among the Trustee, Jayco, Prosperous, the parties agreed that the bidding procedures in the Sale Motion would be modified so that the Residence and the Lot could be purchased separately, Jayco may credit bid its claim against the Residence, Prosperous may credit bid its claim against the Lot, and the deposit for qualified bids is 6% of their overbid. *See id.* at p. 3-4. Jayco may "veto" any sale of the Residence, and Prosperous may "veto" any sale

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of the Lot insofar as any such sales do not pay their claims in full. On August 27, 2025, the Court approved the Stipulation. *See* Docket No. 153.

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, as modified by the Stipulation, could reduce the Purchase Price if the Trustee's arguments at the prior hearing on the Sale Motion were to be believed. That is, the splitting of the Properties into essentially two (2) sales would work a harm to the Purchase Price.

*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 §

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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).

"It is universally recognized, however, that the sale of a fully encumbered asset is generally prohibited." *In re KVN Corp., Inc.*, 514 B.R. 1, 5 (9th Cir. BAP 2014) (internal citations omitted). *The Handbook for Chapter 7 Trustees* provides that "[g]enerally, a trustee should not sell property subject to a security interest unless the sale generates funds for the benefit of unsecured creditors." *Id.* When an asset is fully encumbered, "the trustee's proper function is to abandon the property, not administer it, because the sale would yield no benefit to unsecured creditors." *Id.* at 6.

The Court agrees with Jayco and Prosperous. Here, a sale of the Properties to the Buyer will yield no benefit to unsecured creditors absent overbids on both Properties in an amount exceeding \$8,434,377.73, plus the millions of dollars that comprise the purported lien of the United States if that claim stands. The Residence and the Lot could be sold separately, but as the Trustee has mentioned, it is his belief that such a sale would result in lower prices for the Properties. The Court finds no appropriate purpose served in holding an auction, and utilizing this Court's limited resources for a sale to the Buyer, or, in the alternative, and likely, credit bids. The Court does not find that the Trustee in-fact disputes the liens of Jayco or Prosperous at this juncture. The Sale Motion is denied.

**August 19, 2025**

**Appearances required.**

See Docket Item 10.

**July 15, 2025**

**Appearances required.**

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

La Verne Rambla, LLC

Represented By  
Roseann Frazee

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**Chapter 7**

**Movant(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

**Trustee(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

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**Chapter 7**

**#47.00** CONT'D Hearing re: [133] Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY  
RE: 3229 Rambla Pacifico, Malibu, CA 90265

fr. 8-19-25,

Docket 133

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

This motion has been withdrawn by the movant. *See* Docket No. 153, *Order Approving Stipulation to: (1) Continue Hearings to Sell Real Property, Court's Order to Show Cause re: Dismissal, and Motions by Jayco Premium Finance for Relief from Stay, to Compel Abandonment of Property and to Dismiss Bankruptcy Case; (2) Modify Bid Procedures in Connection with Motion to Sell Real Property.*

**August 19, 2025**

**Appearances required.**

Chambers has received no less than two messages from the Trustee since August 14, 2025, informing the Court that the matters on calendar for August 19, 2025, *in toto*, are to be continued by agreement of the parties, and that a stipulation regarding the same would be forthcoming. The Court finds no such stipulation, now on August 18, 2025. It is unclear to the Court what matters are going forward, and which are not.

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

La Verne Rambla, LLC

Represented By  
Roseann Frazee

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**CONT... La Verne Rambla, LLC**

**Chapter 7**

**Movant(s):**

Jayco Premium Finance of

Represented By  
Michael B Reynolds  
Nicholas S Couchot

**Trustee(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood

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**9:24-11215 La Verne Rambla, LLC**

**Chapter 7**

**#48.00** CONT'D Hearing re: [134] Jayco Premium Finance of California, Inc.'s motion for: (I) chapter 7 trustee's abandonment of real property, or; (II) dismissal of the bankruptcy case

fr. 8-19-25,

Docket 134

**Tentative Ruling:**

**September 9, 2025**

**Appearances waived.**

This motion has been withdrawn by the movant. *See* Docket No. 153, *Order Approving Stipulation to: (1) Continue Hearings to Sell Real Property, Court's Order to Show Cause re: Dismissal, and Motions by Jayco Premium Finance for Relief from Stay, to Compel Abandonment of Property and to Dismiss Bankruptcy Case; (2) Modify Bid Procedures in Connection with Motion to Sell Real Property.*

**August 19, 2025**

**Appearances required.**

See Docket Item 10.

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

La Verne Rambla, LLC

Represented By  
Roseann Frazee

**Movant(s):**

Jayco Premium Finance of

Represented By  
Michael B Reynolds



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**Chapter 7**

**Trustee(s):**

Jeremy W. Faith (TR)

Represented By  
David Wood