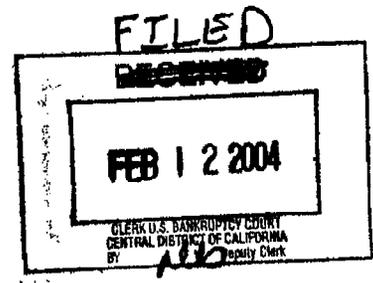


OF 171

Attorney or Party Name, Address, Telephone and Fax Number, and CA State Bar No.

LEONARD M. SHULMAN – Bar No. 126349
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FOR COURT USE ONLY



**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

In re:

RALPH E. SOHN,

Debtor(s).

CASE NO.: SA 03-17786 RA
Chapter 7

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: **Hearing Date: March 9, 2004** Time: **11:00 a.m.**

Location: **U.S. Bankruptcy Court, 411 E. Fourth Street, Santa Ana, California**

Type of Sale: Public Private Last date to file objections: **February 23, 2004**

Description of Property to be Sold: Real Property Located at: 3 Via Las Rosas, Laguna Niguel, California

Terms and Conditions of Sale: See the attached Hearing Notice

Proposed Sale Price: See the attached Hearing Notice

Overbid Procedure (If Any): See the attached Hearing Notice

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

March 9, 2004 at 11:00 A.M., Courtroom 1368, U.S. Bankruptcy Court, 411 East Fourth Street, Santa Ana, California

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Leonard M. Shulman , Esq.
Marshack Shulman Hodges & Bastian LLP
26632 Towne Centre, Suite 300, Foothill Ranch, CA 92610
Telephone: (949) 340-3400; Facsimile: (949) 340-3000

Date: February 12, 2004

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Attorneys for Richard A. Marshack
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION

<p>In re</p> <p>RALPH E. SOHN,</p> <p>Debtor.</p>	<p>Case No. SA 03-17786 RA</p> <p>Chapter 7</p> <p>NOTICE OF CHAPTER 7 TRUSTEE'S MOTION FOR ORDER (1) AUTHORIZING SALE OF REAL PROPERTY PURSUANT TO BANKRUPTCY CODE 363(b)(1); (2) APPROVING OF OVERBID PROCEDURES; (3) AUTHORIZING PAYMENT OF REAL ESTATE COMMISSION; AND (4) APPROVAL OF SETTLEMENT AGREEMENTS</p> <p>[Real Property Located At: 3 Via Las Rosas, Laguna Niguel, California]</p> <p>Date: March 9, 2004 Time: 11:00 a.m. Place: Courtroom 6C 411 E. Fourth Street Santa Ana, California</p>
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PLEASE TAKE NOTICE that on March 9, 2004, at 11:00 a.m. in Courtroom 6C of the above entitled Court located at 411 E. Fourth Street, Santa Ana, California, Richard A. Marshack, Chapter 7 Trustee ("Trustee") for the bankruptcy estate of Ralph E. Sohn ("Debtor") will bring a Motion For Order (1) Authorizing Sale Of Real Property Pursuant To Bankruptcy Code 363(B)(1); (2) Approving Of Overbid Procedures; (3) Authorizing Payment Of Real Estate Commission; And (4) Approval Of Settlement Agreements ("Sale Motion").

BACKGROUND INFORMATION

The Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code on or about September 18, 2003 ("Petition Date").

Richard A. Marshack is the duly appointed, qualified and acting Chapter 7 Trustee for the Debtor's bankruptcy estate.

The primary assets of this estate are the Residence defined below and a large parcel of undeveloped commercial property in Murrietta, California. The Murrietta Property is currently listed for sale.

The Trustee has an offer from Walmart to purchase the Murrietta Property for \$3.2 million. Unfortunately, both consensual and non-consensual judgment liens exceed the purchase offer of the Murrietta Property. However, based upon the sale of the Residence and the payoff of four (4) judgment liens that encumber both assets, the Trustee will be able to realize value out of the Murrietta Property.

The Residential Property is located at 3 Via Las Rosas, Laguna Niguel, California 92677 (the "Property"). The Debtor has scheduled the value of the Real Property at \$1,400,000.

The preliminary title report for the Property indicates that it is secured by a first Deed of Trust in favor of Wells Fargo Bank in the amount of \$701,000.

Consensual liens on the Property as scheduled by the Debtor include a tax lien in favor of County of Orange in the amount of \$11,000.00 and a Second Deed of Trust in favor of Wells Fargo bank in the amount of \$250,000.00.

Pursuant to the Order Approving the Employment of Real Estate Agent, entered on February 6, 2004, Randy Ora of Prudential California Realty as estate's real estate has been employed and actively marketing the Property since:

Mr. Ora has placed said Property in the multiple listing service. The listing price for the Property was \$1,895,000.

Mr. Ora marketed the Property through advertisements in various newspapers including the Orange County Register and the Los Angeles Times.

The Trustee has received an offer through Mr. Ora from Angelo Rinaldi ("Buyer") to purchase the Property for \$1,800,000. The purchase price includes a deposit of \$15,000 (the "Deposit") The Buyer has already tendered the Deposit to the escrow company.

Although the terms of the sale are fully set forth in the Residential Purchase Agreement and the Addendum attached thereto the essential terms can be summarized as follows:

- a. The sale price is \$1,800,000 ("Purchase Price").
- b. The Buyers understand that the sale is "as is", thus the Trustee is not making any representation, warranties, either express or implied as to the Property's condition, uses (prior, present and future), or otherwise. Moreover, Buyers is expressly aware and fully informed that the Trustee is selling the Property in his capacity as Trustee for the bankruptcy estate with no liability to the Trustee personally.
- c. This sale is subject to overbid and expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Santa Ana Division.
- d. Escrow is scheduled to close within 15 days after the Bankruptcy Court Approves the sale of the Property.

The Trustee shall approve in writing all disbursements to be made from escrow on the sale of the Property. Escrow shall not be authorized to disburse any funds without the prior written approval of the Trustee.

If the Trustee is unable to complete escrow because of unknown defects in the title, or because the liens and encumbrances exceed the amount known to the Trustee, or by being divested of title by the Bankruptcy Court, or because the income tax consequences of the sale are excessive, the Buyer's sole damages shall be limited to the refunds of any Deposit less escrow charges.

The proposed sale has been brought in good faith and has been negotiated on an "arms length" basis. The negotiations with the Buyers have resulted in an offer to sell the Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion.

Through escrow on the sale of the Property, and subject to Bankruptcy Court approval, the Trustee shall pay compensation for real estate broker in a total amount not to exceed six percent (6%) of the gross selling price.

The sale contemplated by the Trustee will be subject to the following overbid procedures:

- a. Potential overbidders must bid an initial amount of at least Twenty Thousand Dollars (\$20,000.00) over the Purchase Price offered by the Buyers. Minimum bid increments thereafter shall be Ten Thousand Dollars (\$10,000.00).
- b. Overbids must be in writing and be received by the Trustee's counsel, Marshack Shulman Hodges & Bastian LLP to the attention of Leonard M. Shulman by no three (3) days

prior to the hearing on the motion to the Bankruptcy Court seeking approval of this Agreement.

c. Overbids must be accompanied by certified funds in the amount of Fifty Thousand Dollars (\$50,000.00).

a. The overbidder must seek to acquire the Property on terms and conditions not less favorable to the Debtor's bankruptcy estate than the terms and conditions to which the Buyers have agreed to purchase the Property as set forth in and any competing bidder must be obligated to perform within the same time that the Buyers would be obligated to perform under the Residential Purchase Agreement and its attachments.

b. If overbids are received, the final bidding round shall be held concurrent with the Bankruptcy Court hearing on the Trustee's motion for a Bankruptcy Court approving this sale Motion in order to allow all potential bidders the opportunity to overbid and purchase the Property.

c. The overbidder's deposit shall be refunded within ten (10) days of the final bidding round in the event that said overbidder is outbid.

However, in order to generate funds for the benefit of unsecured creditors (estimated to exceed \$450,000), the Trustee successfully negotiated discounted payoffs from the non-consensual lien holders above, (i.e. Textron, Kelly, Bombardier and Transamerican) such that each will accept no more than eighty percent (80%) of the principal sum of such liens. Consequently, the "net equity" for the estate is estimated to be approximately \$196,031.36.

Because this sale is subject to overbids, the estimated net to the Estate will increase if the sale is confirmed to an overbidder.

As described above four (4) judgment lien holders have agreed to discount their claim as follows:

Judgment Lien Holder	Payoff Plus Interest	Discounted Payoff
Textron Financial Corp	\$114,125.28	\$80,799.27
Kelly Staff Leasing	\$94,842.08	\$75,873.66
Bombardier Capital Inc.	\$148,568.40	\$117,246.00
Transamerica Comm'l Fin Corp.	\$54,281.09	\$40,710.82
Total	\$414,235.70	\$314,629.75

Trustee seeks approval of the four (4) agreements. This is in the best interest of the Estate as this should allow for unencumbered funds to be paid to unsecured creditors.

Through this Sale Motion, as provided in the Listing Agreement, the Trustee seeks authorization to pay a real estate broker commission of up to three percent (3%) to Prudential California Realty, as the Seller's agent, and an additional three percent (3%) to the Buyer's agent.

Requests for a copy of the Sale Motion should be in writing and directed to Leonard M. Shulman of Marshack Shulman Hodges & Bastian LLP at the address indicated above.

PLEASE TAKE FURTHER NOTICE, that any response, opposition or joinder as to the proposed Sale Motion must be in the form as required by Local Bankruptcy Rule 9013-1(a)(7) and filed with the Clerk of the above-entitled Court no later than fourteen (14) days before the date of the above-referenced hearing and a copy served on Marshack Shulman Hodges & Bastian LLP to the attention of Leonard M. Shulman at the address indicated above and the Office of the United States Trustee, Ronald Reagan Federal Building and United States Courthouse, 411 W. Fourth Street, Suite 9041, Santa Ana, California 92701-8000. Failure to timely respond may be deemed as acceptance of the proposed Sale Motion. SEE LOCAL BANKRUPTCY RULES 9013-1(a)(7) AND 9013-1(a)(11).

Dated: February 11, 2004

MARSHACK SHULMAN HODGES & BASTIAN LLP

Leonard M. Shulman
Attorneys for Richard A. Marshack, Chapter 7 Trustee for the
Bankruptcy Estate of Ralph E. Sohn

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the City of Foothill Ranch, County of Orange, State of California. I am over the age of 18 years and not a party to the within action. My business address is 26632 Towne Centre Drive, Suite 300, Foothill Ranch, California 92610.

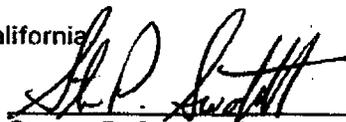
On February 12, 2004, I served the documents named below on the parties in this Action as follows:

DOCUMENT(S) SERVED: **NOTICE OF CHAPTER 7 TRUSTEE'S MOTION FOR ORDER (1) AUTHORIZING SALE OF REAL PROPERTY PURSUANT TO BANKRUPTCY CODE 363(b)(1); (2) APPROVING OF OVERBID PROCEDURES; (3) AUTHORIZING PAYMENT OF REAL ESTATE COMMISSION; AND (4) APPROVAL OF SETTLEMENT AGREEMENTS**

SERVED UPON: **SEE THE ATTACHED SERVICE LIST**

- (BY MAIL) I caused each such envelope, with postage thereon fully prepaid, to be placed in the United States mail at Foothill Ranch, California. I am readily familiar with the practice of Marshack Shulman Hodges & Bastian LLP for collection and processing of correspondence for mailing, said practice being that in the ordinary course of business, mail is deposited in the United States Postal Service the same day as it is placed for collection. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after deposit for mailing in affidavit.
- (BY FACSIMILE) The above-referenced document was transmitted by facsimile transmission and the transmission was reported as completed and without error. Pursuant to C.R.C. 2009(i), I either caused, or had someone cause, the transmitting machine to properly transmit the attached documents to the facsimile numbers shown on the service list.
- (BY OVERNIGHT DELIVERY) I am readily familiar with the practice of Marshack Shulman Hodges & Bastian LLP for collection and processing of documents for overnight delivery and know that the document(s) described herein will be deposited in a box or other facility regularly maintained by Federal Express for overnight delivery or for overnight delivery by Express Mail via the United States Postal Service.
- (BY PERSONAL SERVICE) I delivered to an authorized courier or driver authorized by ASAP Corporate Services, Inc. to receive documents to be delivered on the same date. A proof of service signed by the authorized courier shall be filed upon receipt from ASAP Corporate Services, Inc.
- (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
- (FEDERAL) I declare that I am employed in the office of a member of the bar of this court, at whose direction this service was made.

Executed on February 12, 2004, at Foothill Ranch, California



Steven P. Swartzell

SERVICE LIST

Interested Party
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STANA ANA, CA 92705

Secured Creditor
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BUNTING DRAYTON ALWARD
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SUITE 812
SAN FRANCISCO, CA 94104-5309

Schedule F Creditor
CREDITORS ADJUSTMENT BUREAU INC
LAW OFC KENNETH J FREED
14226 VENTURA BLVD
SHERMAN OAKS, CA 91423

Schedule F Creditor
FRED AND ROSA HERNANDEZ
C O DOUGLASS DAVERT
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LONG BEACH, CA 90802

Schedule F Creditor
KATHRYN HOLMES
C O DARRYL D DICKEY
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NORTHRIDGE, CA 91325-1660

Schedule F Creditor
MATTHEW GRIMSHAW
RUTAN TUCKER
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COSTA MESA, CA 92626-1931

Schedule F Creditor
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C O ROB SCHELLING
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PERRIS, CA 92570

Chapter 7 Trustee
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FOOTHILL RANCH, CA 92610

Secured Creditor
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SUITE 2400
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Secured Creditor
CALIFORNIA BANK AND TRUST
ATTN MANAGING AGENT
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LA HABRA, CA 90631

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C O LAW OFC OF VICTOR
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NEWPORT BCH, CA 92660-1715

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GE
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Schedule F Creditor
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C O T BRITT RUDMAN
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Schedule F Creditor
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ATTN MANAGING AGENT
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VENTURA, CA 93001-2862

Debtor
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LAGUNA NIGUEL, CA 92677

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WILMINGTON, DE 19850-8865

Schedule F Creditor
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C O ROBERT A SCHEFFING
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SUITE 402
HUNTINGTON BEAC, CA 92649

Schedule F Creditor
LYON FINANCIAL SERVICES INC
C O W JEFFREY FULTON
1545 HOTEL CIRCLE SOUTH SUITE 140
SAN DIEGO, CA 92108

Schedule F Creditor
ORANGE COUNTY TAX COLLECTOR
12 CIVIC CENTER PLAZA
SANTA ANA, CA 92701

Schedule F Creditor
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