

Overbid procedure (if any): Potential overbidders must bid an initial amount of at least \$3,000 over the consideration offered by the Buyer, (total of at least \$383,000.) Minium bid increments after that shall be \$1,000.

See attached for more information.

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

March 31, 2015 at 2:30 p.m.

Courtroom 1675

U.S. Bankruptcy Court

255 East Temple Street

Los Angeles, CA 90012

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Lynda T. Bui, Esq. and Elyza P. Eshaghi, Esq.

SHULMAN HODGES & BASTIAN LLP

100 Sepctrum Center Drive, Suite 600, Irvine, CA 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: lbuit@shbllp.com; eeshaghi@shbllp.com

Date: 02/25/2015

1 **In re Sandra Nineth Gonzalez**
2 **Case No. 2:14-bk-29115-RK**

3 **Attachment to Notice of Sale of Estate Property:**

4 **I. INTRODUCTION**

5 John J. Menchaca, Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of
6 Sandra Nineth Gonzalez (“Debtor”), will bring a Motion for Order: (1) Approving the Sale of
7 Real Property of the Estate Pursuant to Bankruptcy Code § 363(b)(1) and Subject to Overbids,
8 Combined With Notice of Bid Procedures and Request for Approval of the Bid Procedures
9 Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief
10 (“Sale Motion”).

11 The Trustee received an offer from Michelle Salsbury and Kathleen Cooper (collectively
12 “Buyer”) to purchase the real property located at 1923 New Jersey Street, Los Angeles,
13 California 90033 (“Property”) for \$380,000, subject to overbids. The Property is a single family
14 residence.

15 The Buyer’s offer is the result of negotiations between the Trustee and the Buyer for the
16 highest and best offer. Additionally, the sale will be subject to the Bid Procedures set forth
17 below. The Bid Procedures provide, among other things, that bids must be in writing and be
18 received by the Trustee and the Trustee’s counsel, Shulman Hodges & Bastian LLP to the
19 attention of Lynda T. Bui **on or before 4:00 p.m. (California time) on March 26, 2015**. If
20 overbids are received, the final bidding round for the Property shall be held at the hearing on the
21 Sale Motion in order to allow all potential bidders the opportunity to overbid and purchase the
22 Property. At the final bidding round to be conducted before the Court, the Trustee will seek
23 entry of an order, *inter alia*, authorizing and approving the sale of the Property to the bidder who
24 the Trustee, in the exercise of his business judgment, may determine to have made the highest
25 and best offer to purchase the Property, consistent with the Bid Procedures. The hearing on the
26 Sale Motion may be adjourned or rescheduled without notice other than by an announcement of
27 the adjourned date at the hearing on the Sale Motion.

1 Through the sale, the Trustee is expected to generate proceeds of approximately \$139,995
2 for the benefit of the Estate and its creditors. In the event the purchase price is increased by a
3 successful overbid, the estimated net proceeds will increase.

4 The Court's Claims Register indicates that there have been four general unsecured claims
5 filed totaling \$14,357.89. Thus, if the sale is approved, unsecured creditors are expected to
6 receive a full distribution of their claims.

7 In summary, the Trustee believes that good cause exists to grant the Sale Motion so the
8 Trustee does not lose this favorable business opportunity.

9 II. RELEVANT FACTS

10 A. Case Commencement

11 The Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code
12 on October 8, 2014.

13 John J. Menchaca is the duly appointed, qualified and acting Chapter 7 trustee for the
14 Debtor's Estate.

15 B. Claims Against the Estate

16 The last day to file proof of claims in this case is March 2, 2015 (government claims are
17 due by April 6, 2015). The Court's Claims Register indicates that as of February 23, 2015, there
18 have been four general unsecured claims filed totaling \$14,357.89.

19 C. The Property

20 A true and correct copy of a preliminary title report on the Property dated
21 February 9, 2015 is attached as **Exhibit 1** to the Declaration of John J. Menchaca annexed to the
22 Sale Motion ("Menchaca Declaration"). The preliminary title report indicates the legal
23 description for the Property as follows:¹

24 THE LAND REFERRED IS SITUATED IN THE COUNTY OF
25 LOS ANGELES, STATE OF CALIFORNIA, AND IS
DESCRIBED AS FOLLOWS:

26 PARCEL 1:

27 _____
28 ¹ The legal description for the Property is believed to be accurate but may be corrected or
updated by the title company in the transfer documents as necessary to complete the
proposed sale transaction.

1 ALL OF LOT 8 OF SWANFELDT TRACT, IN THE CITY OF
2 LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE
3 OF CALIFORNIA, AS SAID LOT 15 SHOWN ON MAP
4 RECORDED IN BOOK 8 PAGE 85 OF MAPS, IN THE OFFICE
5 OF THE COUNTY RECORDER OF SAID COUNTY.

6 EXCEPT THAT PORTION OF SAID LOT 8 CONVEYED TO
7 THE STATE OF CALIFORNIA BY DEED RECORDED
8 JANUARY 24, 1957 IN BOOK 53458 PAGE 124 IN RECORDS
9 OF SAID COUNTY.

10 PARCEL 2:

11 THAT PORTION OF LOT 7 OF SWANFELDT TRACT, IN THE
12 CITY OF LOS ANGELES, IN THE COUNTY OF LOS
13 ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP
14 RECORDED IN BOOK 8 PAGE 85 OF MAPS, IN THE OFFICE
15 OF THE COUNTY RECORDER OF SAID COUNTY,
16 DESCRIBED AS FOLLOWS:

17 BEGINNING AT THE MOST WESTERLY CORNER OF SAID
18 LOT 7; THENCE NORTH 28° 06' 59" EAST, ALONG THE
19 NORTHWESTERLY LINE OF SAID LOT, 90.71 FEET;
20 THENCE SOUTH 40° 22' 15" WEST 88.16 FEET TO THE
21 NORTHEASTERLY LINE OF THAT CERTAIN AREA
22 DESCRIBED AS PARCEL 5 IN RELINQUISHMENT TO THE
23 CITY OF LOS ANGELES, RECORDED IN BOOK R1231
24 PAGES 830 TO 846 INCLUSIVE OF OFFICIAL RECORDS IN
25 SAID OFFICE, SAID NORTHEASTERLY LINE LYING IN A
26 NON-TANGENT CURVE CONCAVE SOUTHERLY AND
27 HAVING A RADIUS OF 35.00 FEET; THENCE WESTERLY
28 ALONG SAID CURVE, FROM A TANGENT BEARING
NORTH 48° 28' 04" WEST, THROUGH AN ANGLE OF 60° 03'
45", AN ARC DISTANCE OF 36.69 FEET TO A POINT IN THE
SOUTHWESTERLY LINE OF SAID LOT DISTANT
SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE,
1.93 FEET FROM SAID MOST WESTERLY CORNER OF
SAID LOT; THENCE NORTHWESTERLY, ALONG SAID
SOUTHWESTERLY LINE, 1.93 FEET TO THE POINT OF
BEGINNING.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND
OTHER HYDROCARBON SUBSTANCES LYING BELOW A
DEPTH OF 100 FEET FROM THE SURFACE OF SAID
PROPERTY BUT WITH NO RIGHT OF SURFACE ENTRY, AS
PROVIDED IN THE DEED RECORDED JANUARY 24, 1957
AS INSTRUMENT NO. 1788, OFFICIAL RECORDS.

25 In her Schedules, the Debtor (i) valued the Property at \$277,000, (ii) listed one lien in
26 favor of Bank of America, N.A., in the amount of \$207,580, and (iii) claimed an exemption in
27 the Property pursuant to C.C.P. § 704.730 in the amount of \$69,420. True and correct copies of
28

1 the Debtor's Schedules A, C and D are attached as **Exhibit 2** to the Menchaca Declaration
2 annexed to the Sale Motion.

3 **D. Broker Employment, Marketing Efforts and Basis for Value of the Property**

4 On December 31, 2014, the Trustee filed an application to employ Aaron Juarez of
5 Re/Max Masters Realty (docket 17) ("Employment Application"), as his real estate broker
6 ("Broker") to assist in the marketing the Property for sale. Despite the Debtor opposing the
7 Employment Application, at a hearing held on February 17, 2015, the Court granted the
8 Employment Application and an Order authorizing the Broker's employment was lodged with
9 the Court on February 18, 2015 (docket 47).

10 The listing agreement with the Broker provides for a real estate commission to be paid of
11 six percent of the sale price.

12 The Estate does not have the funds to obtain a formal written appraisal for the estimated
13 value of the Property. The Broker has more than twenty years of experience in the sale of real
14 property as well as property valuations and is familiar with valuing real property in today's
15 economic environment. The Broker inspected the Property and believed it had fair market value
16 that supported it be listed for sale at \$380,000. The listing price was determined on comparable
17 sales of similar properties in the area. The Trustee is advised by his Broker that there have been
18 approximately 45 inquiries on the Property at the list price of \$380,000.

19 The Trustee believes that the proposed sale, subject to overbids, will be at fair market
20 value. Given that the sale is subject to overbids, it is anticipated that the Trustee will receive the
21 best and highest value for the Property and therefore the proposed sale price is fair and
22 reasonable. Moreover, with the secured payoff to the lender on the Property increasing every
23 month, the Trustee believes the Property must be sold as soon as possible in order to maximize
24 the benefit for the Estate.

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1 **E. Debtors' Motion to Compel Abandonment of the Property**

2 On January 13, 2015, the Debtor file a Motion for Order Authorizing Trustee to Abandon
3 Debtor's Real Property Pursuant to 11 U.S.C. § 544(b) (docket 23) ("Abandonment Motion"). In
4 her Abandonment Motion, the Debtors asserts that based on appraisals she has obtained, that the
5 value of the Property is only \$277,000. The Trustee filed an opposition to the Abandonment
6 Motion (docket 42) asserting, amount other things that (i) the Debtor's appraisals are misleading
7 as the comparable sales are not comparable at all in terms of square footage, and other
8 characteristics of the Property and (ii) in contrast to the Debtor's valuation, the Trustee's Broker
9 has received approximately 45 inquiries on the Property at the list price of \$380,000. A pretrial
10 conference on the Abandonment Motion has been scheduled for June 30, 2015.

11 Due to the pending Abandonment Motion and previous efforts by the Debtor to challenge
12 the Trustee's valuation and to prevent the administration of the Property, the Trustee is fearful
13 that the Debtor may not cooperate in the sale of the Property. In fact, the Trustee's Broker has
14 had very limited access to the Property so that it may be shown to the Buyer and other
15 prospective purchasers. Based on this and so that the Trustee may close on the sale of the
16 Property without delay, the Trustee requests that the Order approving the Sale Motion also
17 include the following relief: (i) that the Debtor and/or any and all other occupants in possession
18 of the Property to immediately turnover exclusive possession and control of the Property to the
19 Trustee so that the sale of the Property can close and the Property delivered to the Buyer or
20 successful bidder, (ii) in the event the Debtor or other occupants fail to turnover possession of
21 the Property one business day before the scheduled closing, that the U.S. Marshal or the Sheriff
22 of Los Angeles County may be directed to immediately evict the Debtor and/or any and all other
23 occupants in possession of the Property without further order from this Court, (iii) ruling that the
24 Order approving the Sale Motion is all that is needed to provide to the U.S. Marshal or the
25 Sheriff of Los Angeles County in order for the Debtor and all other occupants from the Property
26 to be evicted and no further Court order is required to be obtained or be shown to the U.S.
27 Marshal or Sheriff of Los Angeles County in order to evict the Debtor and/or any other
28 occupants of the Property.

F. Liens and Encumbrances Against the Property and Their Proposed Treatment Through the Sale

The following chart sets forth the liens, encumbrances and other interests against the Property as detailed in a preliminary title report dated February 9, 2015 and also describes the proposed treatment of the liens, encumbrances and other interests through the sale:

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment</u>
Los Angeles Treasurer –Tax Collector	Real property taxes	\$2,025 and any pro-rata real property taxes not yet due ²	Pro-rata outstanding real property taxes will be paid through escrow on the sale transaction.
Bank of America, N.A., a National Association	Beneficiary of a deed of trust recorded February 10, 2011, instrument number 20110224853	\$207,580 (amount listed on Debtor’s Schedule D)	This lien will be paid through escrow on the sale of the Property in the amount approved by the lienholder.

In summary, all costs of sale, including escrow fees and real estate commissions will be paid at closing. In addition, all outstanding pro-rata real property taxes, city liens, if any, and amounts owed to Bank of America, N.A., will be paid through the sale.

G. The Purchase Offer and Summary of the Sale Terms

The Buyer offered to purchase the Property for \$380,000, subject to overbids. The purchase price includes a deposit of \$8,000. Attached as **Exhibit 3** to the Menchaca Declaration annexed to the Sale Motion is a true and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions and related addendum (collectively the “Agreement”).

A summary of the Agreement’s terms and highlights are discussed below, but the summary and discussion are not meant to be a complete review of every provision of the

² 2014-2015 2nd installment due 4/10/2015 of \$2,024.03.

1 Agreement. The Agreement itself is the legally binding document the Trustee seeks approval of
2 and, in the event of any inconsistency between the terms, provisions or effect of the Agreement
3 and the description of it in these pleadings, the Agreement alone shall govern and not these
4 pleadings or the descriptions herein.

5 In summary, the principal terms of the sale are as follows (the Trustee is referred to at
6 times as the “Seller” in the following summary):

7 Buyer:	Michelle Salsbury and Kathleen Cooper 1549 Baxter Street Los Angeles, CA 90026
8 Purchase Price:	\$380,000, subject to the Bid Procedures set forth below. \$8,000 deposit and balance of purchase price to be paid in cash at close of 9 escrow.
10 Escrow Holder:	Ticomo Valley Escrow Attention: Nora Wiles 109 N. Barranca Avenue Covina, CA 91723
11 Termite 12 Report/Repairs, Misc 13 Repairs and Home 14 Warranty:	The Buyer has agreed to waive the requirements and costs for a termite report and any repairs. The Buyer shall comply with any and all minimum mandatory government retrofit requirements. The Buyer will provide, if required by local law, a septic inspection and/or certificate. The Buyer will provide, and pay for, their own one-year home warranty plan.
15 Closing:	Escrow is scheduled to close within ten days of the entry of the order 16 approving the sale of the Property. The Trustee may extend this time under his sole discretion and based on his business judgment.
17 Escrow and Title 18 Costs; Other Costs:	The Estate and the Buyer shall each pay their own percent of escrow fees and title costs. The Seller shall be responsible for County and City transfer taxes or transfer 19 fees. The Seller will provide a Natural Hazards Disclosure Report from Property ID of California. Buyer understands that the Seller is, however, 20 exempt from signing the NHD report.
21 Bankruptcy Court 22 Approval:	The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Los Angeles Division and entry of final order approving the Agreement.
23 Broker Commission:	Through escrow on the sale of the Property, and subject to Court approval, the Trustee shall pay compensation for real estate agent services to the 24 Buyer’s agent and the Estate’s agent. The agents shall equally split the total amount of six percent of the gross selling price.

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Title Insurance:	The title insurance policy shall be subject only to liens, encumbrances, clouds and other matters as may appear on the preliminary title report, that are not to be removed at the close of Escrow, and have not been objected to by the Buyer. Should Seller be unwilling or unable to eliminate those title matters disapproved by the Buyer as above, the Seller may terminate the Agreement or; should Seller fail to deliver good and marketable title as provided above, Seller and the Buyer may terminate the Agreement. In either case, the Buyer's deposit shall be returned to the Buyer, and the Buyer shall have no recourse against Seller, John J. Menchaca, as Bankruptcy Trustee, individually, or the law firm of Shulman Hodges & Bastian LLP, the Estate or the Debtor, or any real estate agent, broker or attorney involved in the transaction.
Limitations of Sale:	The parties acknowledge that the operation of the law has placed the Trustee in a unique role as the Seller of the Subject Property. Due to the nature of the Trustee's role in administering the Estate, there are limitations as to the extent, type and character of the Agreement under which the Trustee can convey the Subject Property. The Trustee proposes to sell Subject Property to certain limitations. The parties acknowledge that they understand the terms under which the Subject Property is to be conveyed may vary substantially from the normal customs and trade within the real estate industry. Except where expressly mandated by operation of law, the Buyer consents to any such modifications and amendments
Purchase without Warranties and Buyer Contingencies:	The Buyer acknowledges that she is purchasing the Property from the Seller "AS IS" without warranties of any kind, expressed or implied, being given by the Seller, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property. The Seller is unable to remove any debris or personal property left on the property and does not warrant that there will be any appliances left on the Property. The Buyer represents and warrants that she is purchasing the Property as a result of her own investigations and is not buying the Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Seller. The Buyer shall have seventeen calendar days from acceptance to release all Buyer contingencies. Buyer shall, if VA financing is not available, accept available conforming/conventional financing terms including increasing their down payment accordingly. Upon release of all Buyer's contingencies, the Buyer acknowledges that the Buyer has inspected the Property, and upon closing of Escrow governed by the Agreement, the Buyer forever waives, for himself, his heirs, successors and assigns, all claims against the Debtor, her attorneys, agents and employees, the Debtor's Estate, John J. Menchaca as Trustee and individually, and his attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Property.
Trustee's Liability:	The Buyer acknowledges that the Trustee is acting in his official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, including the Agreement, the assets, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Subject Property and the Agreement; and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee has agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.

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Hold Harmless:	(a) The Buyer understands the terms and conditions of the entire purchase contract and holds the Estate and the realtors, brokers, agents, John J. Menchaca, Trustee and his attorneys, agents and employees, harmless from any liabilities arising from the Agreement. (b) All parties hereto further agree, jointly and severally, to pay on demand as well as to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of any kind or nature which in good faith, Escrow may incur or sustain in connection with or arising out of this Escrow and Escrow is hereby given a lien upon all the rights, titles and interest of each of the undersigned in all escrow papers and other property and monies deposited in this escrow, to protect the rights of escrow and to indemnify and reimburse Escrow under this Agreement. In the event this Escrow is not completed through fault or default of Buyer, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.
Jurisdiction of the Bankruptcy Court:	Any and all disputes which involve in any manner the Estate or John J. Menchaca, Trustee, arising from the Agreement and/or its Addendums or relating in any manner to the Subject Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.
Sale Subject to Overbidding	The sale of the Property is subject to the Bid Procedures described below.

A. Notice of the Bid Procedures

The Trustee has determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Property instead of selling the Property to the Buyer on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of this Estate, the Trustee is utilizing and also seeks Court approval of the following bid procedures ("Bid Procedures"):

1. Potential bidders must bid an initial amount of at least \$3,000 over the Purchase Price, or \$383,000. Minimum bid increments thereafter shall be \$1,000. The Trustee shall have sole discretion in determining which overbid is the best for the Estate and will seek approval from the Court of the same.

2. Bids must be in writing and be received by the Trustee and the Trustee's counsel, Shulman Hodges & Bastian LLP to the attention of Lynda T. Bui on or before **4:00 p.m. (California time) on March 26, 2015.**

3. Bids must be accompanied by certified funds in an amount equal to three percent of the overbid purchase price.

4. The bidder must also provide evidence of having sufficient specifically committed funds to complete the transaction or a lending commitment for the bid amount and such other documentation relevant to the bidder's ability to qualify as the purchaser of Property and ability to close the sale and immediately and unconditionally pay the winning bid purchase price at closing.

1 5. The bidder must seek to acquire the Property on terms and conditions not less
2 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase
3 the Property as set forth in the Agreement with the Buyer including closing on the sale in the
4 same time parameters as the Buyer.

5 6. All competing bids must acknowledge that the Property is being sold on an “AS
6 IS” basis without warranties of any kind, expressed or implied, being given by the Seller,
7 concerning the condition of the Property or the quality of the title thereto, or any other matters
8 relating to the Property. The competing bid buyer must represent and warrant that he/she is
9 purchasing the Property as a result of their own investigations and are not buying the Property
10 pursuant to any representation made by any broker, agent, accountant, attorney or employee
11 acting at the direction, or on the behalf of the Seller. The competing bidder must acknowledge
12 that he/she has inspected the Property, and upon closing of Escrow governed by the Agreement,
13 the Buyer forever waives, for himself/herself, their heirs, successors and assigns, all claims
14 against the Debtor, their attorneys, agents and employees, the Debtor’s Estate, John J. Menchaca
15 as Trustee and individually, and his attorneys, Shulman Hodges & Bastian LLP, his agents and
16 employees, arising or which might otherwise arise in the future concerning the Property.

17 7. If overbids are received, the final bidding round shall be held the final bidding
18 round for the Property shall be held at the hearing on the Sale Motion in order to allow all
19 potential bidders the opportunity to overbid and purchase the Property.

20 8. At the final bidding round to be conducted before the Court, the Trustee will seek
21 entry of an order, *inter alia*, authorizing and approving the sale of the Property to the bidder who
22 the Trustee, in the exercise of his business judgment, may determine to have made the highest
23 and best offer to purchase the Property, consistent with the Bid Procedures (“Successful
24 Bidder”). The hearing on the Sale Motion may be adjourned or rescheduled without notice other
25 than by an announcement of the adjourned date at the hearing on the Sale Motion.

26 9. In the event the Successful Bidder fails to close on the sale of the Property within
27 the time parameters approved by the Court, the Trustee shall retain the Successful Bidder’s
28 Deposit and will be released from his obligation to sell the Property to the Successful Bidder and
the Trustee may then sell the Property to the First Back-Up Bidder approved by the Court.

10 10. In the event First Back-Up Bidder fails to close on the sale of the Property within
11 the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder’s
12 Deposit and will be released from her obligation to sell the Property to the First Back-Up Bidder
13 and the Trustee may then sell the Property to the Second Back-Up Bidder approved by the Court.

14 **B. Discussion Regarding Overbids**

15 The Trustee is proposing the sale of the Property to be subject to the Bid Procedures. The
16 Bid Procedures will be provided to all creditors and any potential bidders or parties who have
17 shown an interest in the Property.

18 In addition, a Notice of Sale of Estate Property will be filed with the Court for posting on
19 the Court’s website under the link “Current Notices of Sales”, thereby giving notice to
20 additional potential interested parties.

21 Based on the foregoing, the Trustee believes that under the circumstances of this case, the
22 Property will have been appropriately marketed for bidding.

1 **C. Costs of Sale**

2 Under the listing agreement approved by the Court, the Broker is entitled to a
3 commission on the sale in the amount not to exceed six percent of the purchase price (\$22,800
4 based on the Buyer’s offer of \$380,000), which will be split between the Trustee’s Broker and
5 the Buyer’s real estate broker. Escrow fees shall be split between Buyer and Estate in the
6 manner customary in Los Angeles County, California where the Property is located.

7 **D. Tax Consequences**

8 The Trustee is evaluating issues regarding capital gains tax consequences and at this time,
9 has not determined what the capital gains taxes liability will be, if any, generated by the sale.
10 The Estate may be entitled to the capital gains exclusion because the Debtor may have resided in
11 the Property two of the last five years. If the Estate is not entitled to such exclusion, it is
12 anticipated that, based on real property records, the capital gains taxes will be less than \$12,000.³

13 **WHEREFORE**, the Trustee submits that good cause exists for granting the Sale Motion
14 and will request that the Court enter an order as follows:

- 15 1. Approving the Bid Procedures utilized by the Trustee as described above.
- 16 2. Authorizing the Trustee to sell the Property to the Buyer pursuant to the terms and
17 conditions as set forth in the Agreement attached as **Exhibit 3** to the Menchaca Declaration
18 annexed to the Sale Motion.
- 19 3. Authorizing the Trustee to sign any and all documents convenient and necessary
20 in pursuit of the sale as set forth above, including but not limited to any and all conveyances

21 _____
22 ³ Attached as **Exhibit 4** to the Menchaca Declaration annexed to the Sale Motion is a copy of a Grant Deed
23 for the Property vesting title in the Debtor. Assuming the documentary transfer tax listed on a Grant Deed of the
Property to Debtor in 2004 is based on the full purchase price:

Documentary Transfer Tax	\$302.50
Divided by \$.55	\$550
Multiplied by \$500 = Purchase Price in 2004	\$275,000
Sale Price	\$380,000
Less Estimated Original Purchase Price	(\$275,000)
Less Costs of Sale	(\$30,400)
Basis for Capital Gains	\$74,600
15% Tax	\$11,190

1 contemplated by the Agreement attached as **Exhibit 3** to the Menchaca Declaration annexed to
2 the Sale Motion.

3 4. So that the Trustee may close on the sale of the Property, (i) requiring the Debtor
4 and/or any and all other occupants in possession of the Property to immediately turnover
5 exclusive possession and control of the Property to the Trustee so that the sale of the Property
6 can close and the Property delivered to the Buyer or successful bidder, (ii) in the event the
7 Debtor or other occupants fail to turnover possession of the Property within one business day
8 after date of entry of the Court order approving the Sale Motion, that the U.S. Marshal or the
9 Sheriff of Orange County may be directed to immediately evict the Debtor and/or any and all
10 other occupants in possession of the Property without further order from this Court, (iii) ruling
11 that the Order approving the Sale Motion is all that is needed to provide to the U.S. Marshal or
12 the Sheriff of Orange County in order for the Debtor and all other occupants from the Property to
13 be evicted and no further Court order is required to be obtained or be shown to the U.S. Marshal
14 or Sheriff of Orange County in order to evict the Debtor and/or any other occupants of the
15 Property.

16 5. Approving the payment of the real estate commission in the total amount not to
17 exceed six percent of the final purchase price.

18 6. Authorizing the Trustee to pay the following from the proceeds of the sale of the
19 Property through escrow:

- 20 a. All real estate taxes owed to the Los Angeles County Tax Collector.
21 b. All amounts owed to Bank of America, N.A., or the current beneficiary of the
22 deed of trust impacting the Property as identified in the preliminary title report
23 attached as **Exhibit 1** to the Menchaca Declaration annexed to the Sale
24 Motion.

25 7. A determination by the Court that the Buyer is in good faith pursuant to
26 Bankruptcy Code Section 363(m).

27 8. Waiving the fourteen day stay of the order approving the sale of the Property
28 under Federal Rules of Bankruptcy Procedure 6004(h).

1 9. For such other and further relief as the Court deems just and proper under the
2 circumstances of this case.

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **8105 Irvine Center Drive, Suite 600, Irvine, California 92618**

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **February 25, 2015**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Aimee S Cobb** bkpoc@nmac.com *Attorney for Nissan Motor Acceptance*
- **Elyza P Eshaghi** eeshaghi@shbllp.com, twooten@shbllp.com *Attorney for Chapter 7 Trustee*
- **Theresa Hana** theresahana@yahoo.com *Attorney for the Debtor*
- **John J Menchaca (TR)** jmenchaca@menchacacpa.com, ca87@ecfcbis.com; igaeta@menchacacpa.com *Chapter 7 Trustee*
- **Leonard M Shulman** lshulman@shbllp.com *Chapter 7 Trustee*
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov *United States Trustee*

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) **February 25, 2015**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **February 25, 2015**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Judge's Copy - Via Messenger

Hon Robert Kwan, U.S. Bankruptcy Court, 255 E. Temple Street, bin outside of Suite 1682, Los Angeles, CA 90012

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

<u>February 25, 2015</u>	<u>Lorre Clapp</u>	<u>/s/ Lorre Clapp</u>
Date	Printed Name	Signature

EMAIL SERVICE LIST

Buyer's Agent/Broker

David Frank
Peter Lorimer Group Estates, Inc.
Via email at: david@plgestates.com

Trustee's Agent/Broker

Aaron Juarez
Re/Max Masters Realty
Via email at: aaronjuarez76@gmail.com

Potential Bidder

Sean Kim c/o Coldwell Banker Residential Brokerage
Attn Gabriela Bauer
Via email at: gaby.bauer@cbzhomes.com

U.S. MAIL SERVICE

Buyer

Michelle Salsbury and Kathleen Cooper
1549 Baxter Street
Los Angeles, CA 90026

CONTINUED ON THE FOLLOWING PAGE.

U.S. MAIL SERVICE LIST CONTINUED.

DEBTOR

SANDRA NINETH GONZALEZ
1923 NEW JERSEY ST
LOS ANGELES, CA 90033-2820

NEF - INTERESTED PARTY

UNITED STATES TRUSTEE (LA)
915 WILSHIRE BLVD, SUITE 1850
LOS ANGELES, CA 90017-3560

CREDITOR LISTING

AMERICAN EXPRESS
P.O.BOX 981537
EL PASO, TX 79998-1537

COURT NOTICE MATRIX

AMERICAN EXPRESS BANK FSB
C/O BECKETT AND LEE LLP
POB 3001
MALVERN, PA 19355-0701

COURT NOTICE MATRIX

BANK OF AMERICA
PO BOX 982238
EL PASO TX 79998-2238

SCHEDULE D ADDRESS

BANK OF AMERICA, N.A.
4161 PIEDMONT PKWY
GREENSBORO, NC 27410

SCHEDULE F ADDRESS

BANK OF AMERICA
P.O. BOX 982235
EL PASO, TX 79998

COURT NOTICE MATRIX

CHASE BANK USA
P.O.BOX 15298
WILMINGTON, DE 19850-5298

COURT NOTICE MATRIX

DISCOVER BANK
DB SERVICING CORPORATION
PO BOX 3025
NEW ALBANY, OH 43054-3025

COURT NOTICE MATRIX

DISCOVER FINANCIAL SVCS LLC
P.O.BOX 15316
WILMINGTON, DE 19850-5316

COURT NOTICE MATRIX

EMPLOYMENT DEVELOPMENT DEPT
BANKRUPTCY GROUP MIC 92E
PO BOX 826880
SACRAMENTO, CA 94280-0001

COURT NOTICE MATRIX

FRANCHISE TAX BOARD
BANKRUPTCY SECTION MS: A-340
PO BOX 2952
SACRAMENTO, CA 95812-2952

COURT NOTICE MATRIX

HOME DEPOT/CITIBANK
P.O.BOX 6497
SIOUX FALLS, SD 57117-6497

COURT NOTICE MATRIX

LOS ANGELES CITY CLERK
P.O. BOX 53200
LOS ANGELES, CA 90053-0200

PREFERRED ADDRESS

NISSAN MOTOR ACCEPTANCE
CORPORATION
LOSS RECOVERY
PO BOX 660366
DALLAS TX 75266-0366

SCHEDULE D ADDRESS

NISSAN MOTOR ACCEPTANCE
8900 FREEPORT PKWY
IRVING, TX 75063

COURT NOTICE MATRIX

PYOD LLC ITS SUCCESSORS AND
ASSIGNS AS ASSIGNEE OF CITIBANK NA
RESURGENT CAPITAL SERVICES
PO BOX 19008
GREENVILLE, SC 29602-9008

NOTICE PURPOSES

LOS ANGELES COUNTY TREASURER AND
TAX COLLECTOR
PO BOX 54110
LOS ANGELES CA 90054-0110

RETURNED MAIL

LOS ANGELES DIVISION
255 EAST TEMPLE STREET,
LOS ANGELES, CA 90012-3332

BANK OF AMERICA
PO BOX 982238
EL PASO TX 79998-2238