

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>CARMELA T. PAGAY (SBN 195603) LEVENE, NEALE, BENDER, YOO &amp; BRILL L.L.P. 10250 Constellation Boulevard, Suite 1700 Los Angeles, California 90067 Telephone: (310) 229-1234 Facsimile: (310) 229-1244 Email: ctp@lnbyb.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input type="checkbox"/> Attorney for: Todd A. Frealy, Chapter 7 Trustee</p>	<p>FOR COURT USE ONLY</p>
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<p><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b></p>	
<p>In re: MICHAEL ERIC KNIGHT,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 6:13-bk-19258-SY CHAPTER: 7</p> <p style="text-align: center;"><b>NOTICE OF SALE OF ESTATE PROPERTY</b></p>

<p><b>Sale Date:</b> 12/15/2016</p>	<p><b>Time:</b> 9:30 am</p>
<p><b>Location:</b> United States Bankruptcy Court, Courtroom 302, 3420 Twelfth Street, Riverside, California 92501</p>	

**Type of Sale:**  Public  Private      **Last date to file objections:** 12/01/2016

**Description of property to be sold:** Any and all of the bankruptcy estate's right, title, and interest in an Order Disallowing Debtor's Claim of Exemption and for Turnover of Property of the Estate (the "Judgment"), subject to the terms of a Settlement Agreement (the "Agreement") between the Trustee and the Debtor (both of which documents are attached hereto as Exhibits 1 and 2), as of December 1, 2016

**Terms and conditions of sale:** Condition of Property: Property purchased "as-is" without any representations or warranties of any kind subject to the terms of the Agreement, as of December 1, 2016.

**Proposed sale price:** \$ 10,500.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any): See Proposed Overbidding Procedures attached as Exhibit 3 hereto.

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

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

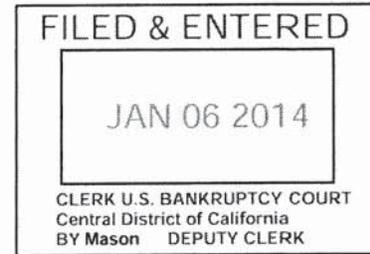
Carmela T. Pagay, Esq.  
Levene, Neale, Bender, Yoo & Brill L.L.P.  
10250 Constellation Boulevard, Suite 1700  
Los Angeles, CA 90012  
Telephone: (310) 229-1234  
Facsimile: (310) 229-1244  
Email: ctp@lnbyb.com

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Date: 11/18/2016

# Exhibit 1

1 TODD A. FREALY (State Bar No. 198780)  
2 CHAPTER 7 TRUSTEE  
3 3403 Tenth Street, Suite 709  
4 Riverside, CA 92501  
5 Telephone: (951) 784-4122  
6 Facsimile: (951) 784-7143  
7 Email: tafrustee@lnbyb.com



8 UNITED STATES BANKRUPTCY COURT  
9 CENTRAL DISTRICT OF CALIFORNIA  
10 RIVERSIDE DIVISION

11 In re  
12 MICHAEL ERIC KNIGHT,  
13 Debtor.

Case No. 6:13-bk-19258-DS

Chapter 7

**ORDER GRANTING CHAPTER 7  
TRUSTEE'S MOTION FOR ORDER  
DISALLOWING DEBTOR'S CLAIM  
OF EXEMPTION AND FOR  
TURNOVER OF PROPERTY OF THE  
ESTATE**

[Federal Rule of Bankruptcy Procedure  
4003(b); 11 U.S.C. Sections 541 and 542]

Date: December 19, 2013

Time: 1:30 p.m.

Place: Courtroom 304

U.S. Bankruptcy Court

3420 Twelfth Street

Riverside, California 92501

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24 The motion entitled "Chapter 7 Trustee's Notice of Motion and Motion for: 1. Order  
25 Disallowing Debtor's Claim of Exemption; 2. For Turnover of Property of the Estate; and 3.  
26 Compelling Debtor to Produce Bank Statements" (the "Motion"), filed by Todd Frealy, the  
27 chapter 7 trustee (the "Trustee") for the bankruptcy estate of Michael Eric Knight (the "Debtor"),  
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1 came on for hearing on December 19, 2013 at 1:30 p.m., in the above-entitled Court via telephone  
2 conference before the Honorable Deborah J. Saltzman, United States Bankruptcy Judge.

3 The Court, having considered the Motion, the supporting declaration, and exhibits, the  
4 Debtor's opposition and the Trustee's Reply, the arguments of the Trustee and Debtor's counsel  
5 during the hearing on the Motion, and good cause appearing,

6 IT IS HEREBY ORDERED that:

- 7 1. The Motion is granted;
- 8 2. The Debtor's claim of exemption pursuant to California Code of Civil Procedure  
9 Section 703.140(b)(5) in the property described as "Received Money from 'Betty Knight Meyers  
10 Trust' Through Mom's estate" is disallowed;
- 11 3. The Debtor shall turn over the sum of \$31,477.43 to the Trustee within 14 days of  
12 entry of this order; and
- 13 4. The Debtor shall turn over account statements for all of his financial accounts from  
14 April 1, 2013 to the present, to the Trustee within 14 days of entry of this order.

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24 Date: January 6, 2014

  
\_\_\_\_\_  
Deborah J. Saltzman  
United States Bankruptcy Judge

## NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*) **ORDER GRANTING CHAPTER 7 TRUSTEE'S MOTION FOR ORDER DISALLOWING DEBTOR'S CLAIM OF EXEMPTION AND FOR TURNOVER OF PROPERTY OF THE ESTATE** was entered on the date indicated as Entered on the first page of this judgment or order and will be served in the manner stated below:

1. **SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)** Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of (*date*) **December 20, 2013**, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below.

- Anerio V Altman lakeforestpacer@gmail.com
- Michael J Bujold Michael.J.Bujold@usdoj.gov
- Todd A. Frealy (TR) taftrustee@lnbyb.com, tfrealy@ecf.epiqsystems.com
- United States Trustee (RS) ustpreion16.rs.ecf@usdoj.gov

Service information continued on attached page

2. **SERVED BY THE COURT VIA UNITED STATES MAIL:** A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

Debtor

Michael Eric Knight  
32355 Via Destello  
Temecula, CA 92592

Service information continued on attached page

3. **TO BE SERVED BY THE LODGING PARTY:** Within 72 hours after receipt of a copy of this judgment or order which bears an Entered stamp, the party lodging the judgment or order will serve a complete copy bearing an Entered stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

Recovery Management Systems Corporation  
25 SE 2nd Avenue, Suite 1120  
Miami, FL 33131-1605

Service information continued on attached page

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

# Exhibit 2

## SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made by and between Michael Eric Knight (the "Debtor") and Todd A. Frealy, the Chapter 7 trustee for the bankruptcy estate of the Debtor (the "Trustee").

1. RECITALS: This Agreement is made with reference to the following facts:
  - a. On May 24, 2013, the Debtor filed a Voluntary Petition under Chapter 7 of the Bankruptcy Code. The case is pending before the United States Bankruptcy Court for the Central District of California ("Court") and is titled In re Michael Eric Knight, Case No. 6:13-bk-19258-SY (the "Case").
  - b. On or about January 6, 2014, the Order Granting Chapter 7 Trustee's Motion for Order Disallowing Debtor's Claim of Exemption and for Turnover of Property of the Estate (the "Order") was entered in the Case. The Order provided, *inter alia*, that the Debtor shall turn over the sum of \$31,477.43 (the "Funds") to the Trustee.
  - c. The Debtor failed to turn over the Funds to the Trustee. On or about April 1, 2015, the Trustee obtained a Writ of Execution to be able to collect the Funds from the Debtor via the wage garnishment process.
  - d. The parties have agreed to settle the estate's enforcement of its Writ of Execution pursuant to the terms of this Agreement.
  
2. PAYMENT:
  - a. The Debtor shall pay the estate the sum of \$500 per month, on the tenth day of each month, starting on June 10, 2015, and continuing until the entire sum of \$31,477.43 is paid in full.
  - b. All payments made by the Debtor pursuant this Agreement shall be free and clear of any claim of exemption by the Debtor and shall made payable to "Todd A. Frealy, Chapter 7 Trustee" and mailed to the following address:

Todd A. Frealy, Chapter 7 Trustee  
3403 Tenth Street, Suite 709  
Riverside, CA 92501

3. APPROVAL BY THE COURT

The effectiveness of this Agreement is subject to the Court's approval by entry of an order authorizing this Agreement. The Trustee shall file a motion for an order approving this Agreement with the Court.

4. BREACH OF AGREEMENT

Should the Debtor default under the terms of this Agreement, the Trustee shall be entitled to proceed with garnishment of the Debtor's wages and pursue any and all remedies available to the Trustee, provided, however, that Trustee shall provide the Debtor with a 7-Day Notice to Cure any default, via email to Debtor's counsel, Anerio Altman, prior to declaring any breach of this Agreement.

5. REPRESENTATIONS AND WARRANTIES

Each of the parties to this Agreement represents, warrants, and agrees as to itself as follows:

- a. No party (nor any officer, agent, employee, representative, or attorney of or for any party) has made any statement or representation to any other party regarding any fact relied upon in entering into this Agreement, and each party does not rely upon any statement, representation or promise of any other party (or of any officer, agent, employee, representative, or attorney for the other party), in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.
- b. Each party to this Agreement has made such investigation of facts pertaining to this settlement and this Agreement and of all the matters pertaining thereto as it deems necessary.
- c. Each party has read this Agreement and understands the contents hereof.
- d. Each party has not heretofore assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the claims, demands, and cause or causes of action disposed of by this Agreement.
- e. The parties will execute all such further and additional documents as shall be reasonable, convenient, necessary or desirable to carry out the provisions of this Agreement.

6. SETTLEMENT

This Agreement affects the settlement of claims which are denied and contested and nothing contained herein shall be construed as an admission by any party hereto of any liability of any kind to any other party. Each of the parties hereto denies any liability in connection with any claim and intends merely to avoid litigation and buy its peace.

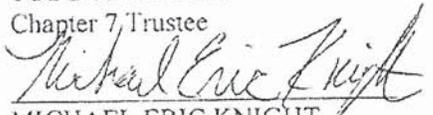
7. MISCELLANEOUS

- a. This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the parties hereunder shall be

- b. This Agreement is the entire Agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Agreement may be amended only by an agreement in writing.
- c. Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party.
- d. Each party shall be responsible for, and may not seek reimbursement from its adverse party for, the costs, expenses, and attorneys' fees that it incurred in connection with the settlement and negotiation of this Agreement.
- e. The parties hereto agree that the United States Bankruptcy Court for the Central District of California shall have sole and exclusive jurisdiction, sitting without a jury, to hear and determine any disputes that arise under or on account of this Agreement.
- f. If any of the provisions of this Agreement are held by the court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall nonetheless continue in full force and effect without being impaired or invalidated in any way.
- g. In the event of litigation relating to this Agreement, the prevailing party shall be entitled to attorneys' fees.
- h. This Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart (including facsimile signatures) shall be deemed an original, and when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties.

This Agreement, consisting of 3 pages, is made and entered into on and as of September 22, 2015, in Los Angeles County, State of California.

  
TODD A. FREALY  
Chapter 7 Trustee

  
MICHAEL ERIC KNIGHT  
Debtor

# **Exhibit 3**

**FOR PURCHASE OF PROPERTY**

1. Anyone interested in submitting an overbid with respect to the purchase of the Judgment must attend the hearing on the Motion or be represented by an individual at the hearing (either in person or telephonically) with authority to participate in the overbid process.
2. An overbid will be defined as an initial bid of \$1,000 above the \$10,500 proposed purchase price or higher with each additional overbid to be in \$1,000 increments.
3. Overbidders (except for the Purchasers) must deliver a deposit to the Trustee's counsel by way of cashier's check made payable to "Todd A. Frealy, Chapter 7 Trustee," in the amount of \$1,150 (the "Deposit") no later than 5 court days prior to the hearing on the Motion.
4. Overbidders must purchase the Judgment on the same terms and conditions as the Purchaser.
5. The Deposit of the successful overbidder shall be forfeited if such party is thereafter unable to complete the purchase of the Judgment within 15 calendar days of entry of the order confirming the sale.
6. In the event the successful overbidder cannot timely complete the purchase of the Judgment, the Trustee shall be authorized to proceed with the sale to the next highest overbidder.
7. If there are any qualified overbidders, an auction of the Judgment shall be held during the hearing on the Motion (on **December 15, 2016 at 9:30 a.m.**) at which time the Court shall determine the highest and best bid for the Judgment.

## 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:  
10250 Constellation Blvd., Suite 1700, Los Angeles, CA 90067

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*) **November 18, 2016**, I checked the CM/ECF docket for this bankruptcy case and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Anerio V Altman lakeforestpacer@gmail.com, acolytehuli@gmail.com
- Michael J Bujold Michael.J.Bujold@usdoj.gov
- Todd A. Frealy (TR) taitrustee@lnbyb.com, tfrealy@ecf.epiqsystems.com
- Carmela Pagay ctp@lnbyb.com
- Lindsey L Smith lls@lnbyb.com, lls@ecf.inforuptcy.com
- United States Trustee (RS) ustpreion16.rs.ecf@usdoj.gov

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) **November 18, 2016**, 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.

Honorable Scott H. Yun  
US Bankruptcy Ct - Central Dist of CA  
3420 Twelfth St, Ste 345 / Ctrm 302  
Riverside, CA 92501-3819

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*) \_\_\_\_\_, 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.

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.

November 18, 2016 Megan Wertz  
*Date Printed Name*

/s/ Megan Wertz  
*Signature*