

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Leonard M. Shulman - Bar No. 126349 Mark Bradshaw – Bar No. 192540 SHULMAN HODGES &amp; BASTIAN LLP 8105 Irvine Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400; Facsimile: (949) 340-3000 Email: lshulman@shblp.com; mbradshaw@shblp.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Steve Sedgwick, Debtor in Possession</p>	<p>FOR COURT USE ONLY</p>
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<p><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION</b></p>	
<p>In re:</p> <p>STEVE SEDGWICK,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 8:12-bk-18323 TA CHAPTER: 11</p> <p style="text-align: center;"><b>NOTICE OF SALE OF ESTATE PROPERTY</b></p>

<p><b>Sale Date:</b> 07/24/2013</p>	<p><b>Time:</b> 10:00 am</p>
<p><b>Location:</b> Courtroom 5B. Fifth Floor, U.S. Bankruptcy Court, 411 West Fourth Street, Santa Ana, CA 92701</p>	

**Type of Sale:**  Public  Private **Last date to file objections:** 07/10/2013

**Description of property to be sold:** Real Property located at 23102 Maravilla Lane, Coto de Caza, CA 92679 ("Maravilla Property") and the associated personal property ("Personal Property").

**Terms and conditions of sale:** Free and clear of certain liens pursuant to Bankruptcy Code §§ 363(b)(1) and (f). Purchase price for the Maravilla Property is \$2,180,000 and the purchase price for the associated Personal Property is \$160,000. The sale of the Maravilla Property will be a short sale as real property taxes, brokerage commissions and other the other costs of sale will be from funds that would otherwise go to the first trust deed holder on the Maravilla Property, HSBC, based on the large debt it is owed. See attached for more information.

**Proposed sale price:** \$2,180,000 for the Maravilla Property and \$160,000 for the Personal Property.

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):** Potential overbidders must bid an initial amount of at least \$10,000 over the consideration offered by the Buyer, or \$2,190,000 for the Maravilla Property and \$170,000 for the associated Personal Property.

Minimum bid increments thereafter: Maravilla Property: \$5,000; and Personal Property: \$5,000. See attached.

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

July 24, 2013 at 10:00 A.M.

Courtroom 5B, Fifth Floor

U.S. Bankruptcy Court

411 West Fourth Street

Santa Ana, CA 92701

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

Leonard M. Shulman Esq., and Mark Bradshaw, Esq.

SHULMAN HODGES & BASTIAN LLP

8105 Irvine Center Drive, Suite 600, Irvine, CA 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

email: lshulman@shbllp.com; mbradshaw@shbllp.com

Date: 06/25/2013

1 **In re Steve Sedgwick**  
2 **Case No. 8:12-bk-18323-TA**

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

4 **I. INTRODUCTION**

5 Steve Sedgwick, the debtor and debtor in possession herein (“Debtor”), brings this Motion  
6 for Order: (1) Approving the Short Sale of Real Property of the Estate Free and Clear of Liens  
7 Pursuant to Bankruptcy Code §§ 363(b) and (f); (2) Authorizing the Sale of the Associated  
8 Personal Property; (3) Authorizing the Sales to be Subject to Overbids, Combined With Notice  
9 of Bidding Procedures and Request for Approval of Bidding Procedures Utilized (4) Approving  
10 Payment of Real Estate Commission; and (5) Granting Related Relief (“Sale Motion”).

11 **A. The Sale of the Maravilla Property**

12 As set forth below, this is a **short sale** of the real property located at 23102 Maravilla  
13 Lane, Coto de Caza, CA 92679 (“Maravilla Property”). The Debtor has received an offer from  
14 Americo Mortgage Corporation (“Buyer”) to purchase the Maravilla Property free and clear of  
15 all liens for \$2,180,000. A true and correct copy of the Residential Purchase Agreement and  
16 Joint Escrow Instructions governing the sale of the Maravilla Property is attached as Exhibit 1 to  
17 the Declaration of Steve Sedgwick annexed to the Sale Motion (“Sedgwick Declaration”).

18 The purchase funds for the Maravilla Property will be used to satisfy (1) real property  
19 taxes, (2) brokerage commissions, and (3) closing costs and other monetary obligations the  
20 Debtor and his non-debtor spouse as the sellers of the Property would normally need to pay at  
21 the close of escrow (including but not limited to escrow charges, title charges, documentary  
22 transfer taxes). The balance of the net sale proceeds will be used to pay the senior lienholder on  
23 the Property, HSBC Bank USA, National Association, as Trustee for the holders of the Deutsche  
24 Alt-A Securities, Inc. Mortgage Loan Trust, Mortgage Pass-Through Certificates Series 2007-  
25 OA4 (“HSBC”). This is a true short sale as real property taxes, brokerage commissions and  
26 other the other costs of sale will be from funds that would otherwise go to the first trust deed  
27 holder on the Maravilla Property, HSBC, based on the large debt its owed. It is anticipated that  
28 HSBC will consent to the proposed short sale.

1 The Debtor does not currently anticipate there will be net sale proceeds from the sale of  
2 the Maravilla Property in excess of the amount owed to HSBC. As such, through the short sale,  
3 no funds will be paid to the second priority lienholder on the Property, Real Time Resolutions,  
4 Inc. (“Real Time”). If there are net sale proceeds beyond the lien of HSBC, such funds will be  
5 used to pay the second priority lien of Real Time.

6 The Maravilla Property has been on the market for since March and while there has been  
7 some interest, the Buyer’s offer is the only material offer received thus far by the Debtor. With  
8 the secured lender payoff increasing every month, the Debtor believes the Maravilla Property  
9 must be sold as soon as possible in order to maximize the value received for the Property.

10 The Debtor believes that HSBC will have no objection to the sale as proposed (i.e. all real  
11 property taxes and all approved costs will be paid through escrow and the lien of HSBC will be  
12 paid at the reduced amount agreed to by the lender as full satisfaction of its lien.) The Debtor  
13 does understand that HSBC may want to negotiate the final allowed or disallowed costs and/or  
14 the final payoff to the lender. The Debtor requests authorization to work with and agree with the  
15 lender to resolve the allowance and disallowance of costs and/or payoff amounts as part of the  
16 escrow closing without the need for further notice, hearing or Court order.

17 The Debtor proposes to sell the Maravilla Property free and clear of all liens junior to  
18 HSBC under Bankruptcy Code sections 363(f)(1), (3) and (5). If this Sale Motion is not  
19 approved, any and all benefit to the Estate will be completely lost as it is likely that HSBC will  
20 foreclose on the Maravilla Property on account of its underwater status and the delinquent  
21 obligations.

22 As such, the Debtor believes that good cause exists to approve the sale of the Maravilla  
23 Property so the Debtor does not lose this favorable business opportunity.

24 **B. The Sale of the Personal Property**

25 The Buyer has also made an offer to purchase the personal property associated with the  
26 Maravilla Property (“Personal Property”) for \$160,000, cash. A true and correct copy of the  
27 Asset Purchase Agreement governing the sale of the Personal Property is attached as Exhibit 2 to  
28 the Sedgwick Declaration annexed to the Sale Motion. A list of the Personal Property to be

1 purchased by the Buyer is attached to the Asset Purchase Agreement. The Buyer's purchase of  
2 the Personal Property is contingent on the Buyer being the purchaser of the Maravilla Property.

3 The Debtor does not believe that there are liens impacting the Personal Property items to  
4 be sold. Out of an abundance of caution, the Debtor requests that sale of the Personal Property  
5 shall be free and clear of all liens, claims, interests and encumbrances pursuant to Bankruptcy  
6 Code Section 363(f). The Personal Property shall be delivered to the Buyer free and clear of all  
7 liens and encumbrances. Out of an abundance of caution, any liens and interests against the  
8 Personal Property that are not paid/resolved through escrow shall attach to the sale proceeds that  
9 may be generated through the sale with the same force, effect, validity, and priority as such liens  
10 or interests had with respect to the Personal Property prior to the sale.

11 There are numerous separate Personal Property items to be sold, many of which are large,  
12 heavy and cumbersome to move and store. If the Buyer does not purchase the Personal Property  
13 concurrent with the purchase of the Maravilla Property, upon closing of the sale of the Maravilla  
14 Property, the Personal Property items would have to be moved and stored. The moving and  
15 storage costs to the Estate could be astronomical and would most likely outweigh any benefit the  
16 Estate would achieve through the sale of the Personal Property at a later date.

17 As such, the Debtor believes that good cause exists to approve the sale of the Personal  
18 Property so the Debtor does not lose this favorable business opportunity.

## 19 **II. RELEVANT FACTS**

### 20 **A. Case Commencement**

21 The Debtor commenced his bankruptcy case under Chapter 11 by filing a Voluntary  
22 Petition on July 8, 2012.

23 The Debtor is continuing in possession of his property and operating and managing his  
24 business as debtor in possession pursuant to Bankruptcy Code Sections 1107 and 1108.

### 25 **B. The Maravilla Property**

26 A principal asset of the Estate is the Debtor's interest in the Property located in Orange  
27 County at 23102 Maravilla Lane, Coto de Caza, CA 92679. The Property is legally described as  
28 follows:

1 Lot 56 of Tract 9507, in the City of Coto de Caza area, County of Orange,  
2 California, as per Map recorded in Book 432, Page(s) 21 to 38, of Miscellaneous  
Maps in the Office of the County Recorder of Said County.

3 Parcel No. 804-211-06  
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5 The Maravilla Property serves as the Debtor's primary residence. Title to the Maravilla  
6 Property is held jointly with Debtor's non-debtor spouse, Robin Sedgwick. Mrs. Sedgwick  
7 consents to the sale of the Maravilla Property as proposed in this Motion.

8 In his original Schedule A, the Debtor valued the Maravilla Property at \$4,700,000.  
9 More recently, the Debtor's real estate professional, Bob Burgoon of Alliance Real Estate  
10 Services, advised that the current value of the Maravilla Property is approximately \$2,800,000.

11 On October 16, 2012, HSBC filed a proof of claim in the Debtor's case (listed as Claim  
12 No. 6 on the Court's Claims Register) asserting a first priority secured claim against the  
13 Maravilla Property in the amount of \$3,705,531.75 (arrearage \$518,828.80.) Attached as  
14 Exhibit 3 to the Declaration of Steve Sedgwick annexed to the Sale Motion is true and correct  
15 copy of the HSBC proof of claim.

16 On August 3, 2012, Real Time filed a proof of claim in the Debtor's case (listed as Claim  
17 No. 2 on the Court's Claims Register) asserting a second priority secured claim against the  
18 Maravilla Property in the amount of \$220,081.34 (arrearage \$43,952.52.) Attached as Exhibit 4  
19 to the Sedgwick Declaration annexed to the Sale Motion is true and correct copy of the Real  
20 Time proof of claim.

21 **C. Employment of Real Estate Broker, Marketing Efforts and Basis for the Value of**  
22 **the Maravilla Property**

23 On April 17, 2013, the Debtor filed an application to employ Bob Burgoon of Alliance  
24 Real Estate Services as his real estate broker ("Broker") ("Employment Application") (docket  
25 number 74) to assist the Debtor and his non-debtor spouse with effectively listing and marketing  
26 the Maravilla Property for sale, as well as negotiating a short sale with the secured lender and  
27 sale price to prospective buyers. The listing agreement called for real estate commission to be  
28 paid of six percent of the sale price (includes fees for short sale negotiation). No objection to the

1 Employment Application was timely filed and an Court order approving the Employment  
2 Application has been submitted to the Court but not yet entered.

3 The Broker has more than ten years of experience in the sale of real property as well as  
4 property valuations and is familiar with valuing real property in today's economic environment.  
5 The Broker listed the Maravilla Property on the MLS for \$2,800,000. It was also agreed that if  
6 no buyer was found, the Maravilla Property listing price would be adjusted accordingly.

7 The Maravilla Property has been on the market since March 2013 and while there has  
8 been some interest in the Property, the Buyer's offer is the only material offer received thus far  
9 by the Debtor.

10 From his over ten years of experience with short sales, the Broker is aware that the  
11 lenders will often obtain their own appraisals or otherwise determine the fair market value of the  
12 subject real property before approving the short sale. As such, the Broker believes that HSBC  
13 has or will have obtained its own appraisal of the Maravilla Property before approving the short  
14 sale and HSBC will have determined that the proposed sale price is for fair market value.

15 **D. Liens and Encumbrances Against the Maravilla Property and Their Proposed**  
16 **Treatment Through the Sale**

17 The Debtor believes that the total liens against the Maravilla Property exceed \$4,000,000.  
18 The following chart sets forth and accounts for all of the recorded liens and encumbrances  
19 against the Maravilla Property and their proposed treatment through the sale:

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<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owed</u>	<u>Proposed Payout Amount</u>	<u>Treatment of Lien Through the Sale</u>
21 Orange County 22 Treasurer and 23 Tax Collector	Real property taxes	It is believed that HSBC has paid outstanding taxes owed.	To Be Determined	All outstanding real property taxes will be paid in full through escrow on the sale transaction

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1 **E. Summary of the Purchase Offers and Summary of the Sale Terms for the Maravilla**  
2 **Property and the Associated Personal Property**

3 The Debtor has received an offer from the Buyer to purchase the Maravilla Property for  
4 \$2,180,000. Attached as Exhibit 1 to the Sedgwick Declaration annexed to the Sale Motion is a  
5 true and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions  
6 (“Maravilla Property Agreement”) for which the Debtor is seeking Court approval.

7 The Buyer has also made the contingent offer to purchase the Personal Property  
8 associated with the Maravilla Property pursuant to the terms of the Asset Purchase Agreement  
9 attached as Exhibit 2 to the Sedgwick Declaration annexed to the Sale Motion.

10 Summaries<sup>2</sup> of the terms and highlights of the Maravilla Property Agreement and the  
11 Asset Purchase Agreement for the associated Personal Property are discussed below:

12 1. The Maravilla Property Agreement

14 Buyer:	Americo Mortgage Corporation, Attn President, 25431 Cabot Road, Suite 200, Laguna Hills, CA 92653.
15 Purchase Price:	\$2,180,000 for the Maravilla Property. 16 The Debtor is proposing that the senior lienholder, HSBC, agree to reduce its loan balance by an amount sufficient to permit the proceeds of the sale to pay the lender’s loan balance (as reduced), real property taxes, brokerage commissions, closing costs and other monetary obligations the Agreement requires the Debtor and his non-debtor spouse as the sellers of the Property to pay at the close of escrow (including but not limited to escrow charges, title charges, documentary transfer taxes) without requiring the Debtor and his non-debtor spouse to place any funds into escrow or have any continuing obligation to the lender. 17 18 19
20 Escrow Holder and Escrow Closing Date:	The escrow holder shall be Seller’s choice. 21 Escrow is scheduled to close as soon as possible after Court approval of the sale and approval by HSBC. 22

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28 <sup>2</sup> The summary and discussion are not meant to be a complete review of every provision of the Agreement.

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<p>Costs of Sale and Payments Through Escrow (including Real Estate Agent Commission):</p>	<ul style="list-style-type: none"> <li>• Outstanding real property taxes shall be paid.<sup>3</sup></li> <li>• 6% broker’s commission, or \$130,800, to be split between the Debtor’s Broker and the Buyer’s real estate broker as follows: Debtor’s Broker, Bob Burgoon of Alliance Real Estate Services in the amount of \$65,400 and Buyer’s real estate broker, Greg Babakhanian of Silver Rock Advisors in the amount of \$65,400.</li> <li>• Payment of all closing costs and other monetary obligations the Agreement requires the Debtor and his non-debtor spouse as the sellers of the Maravilla Property to pay at the close of escrow (including but not limited to escrow charges, title charges, documentary transfer taxes) without requiring the Debtor and his non-debtor spouse to place any funds into escrow or have any continuing obligation to the senior lienholder HSBC.</li> <li>• Payment of the balance of the sale proceeds, to the senior lienholder, HSBC.</li> </ul>
<p>Bankruptcy Court Approval:</p>	<p>The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California and entry of final order approving this Sale Motion.</p>
<p>Terms of Sale - Purchase Without Warranties:</p>	<p>Buyer acknowledges that Buyer is purchasing the Maravilla 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 Maravilla Property. Buyer represents and warrants that Buyer is purchasing the Maravilla Property as a result of its own investigations and is not buying the Maravilla 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, except as expressly set forth in the Maravilla Property Agreement. Buyer acknowledges that Buyer has inspected the Maravilla Property, and upon closing of Escrow governed by the Maravilla Property Agreement, Buyer forever waives, for itself, its heirs, successors and assigns, all claims against the Debtor, the Debtor’s Estate, the non-debtor spouse of the Debtor, their attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Maravilla Property</p>
<p>Terms of Sale - Free and Clear of Liens and Encumbrances:</p>	<p>The sale of the Maravilla Property shall be free and clear of all liens, claims, interests and encumbrances pursuant to Bankruptcy Code Section 363(f). The Maravilla Property shall be delivered to the Buyer free and clear of all liens and encumbrances.</p> <p>Out of an abundance of caution, any liens and interests against the Maravilla Property that are not paid/resolved through escrow shall attach to the residual sale proceeds, <b>if any</b>, that may be generated through the sale with the same force, effect, validity, and priority as such liens or interests had with respect to the Maravilla Property prior to the sale</p>
<p>Terms of Sale - Good Faith Finding:</p>	<p>The proposed sale has been brought in good faith and has been negotiated on an “arms length” basis. The negotiations with the Buyer have resulted in an offer to sell the Estate’s interest in the Maravilla Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Debtor shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion.</p>
<p>Terms of Sale - Waiver of Rule 6004(h):</p>	<p>The Debtor requests that the Court waive the fourteen-day stay of the order approving the sale of the Maravilla Property under Federal Rules of Bankruptcy Procedure 6004(h) such that the sale of the Maravilla Property can close as soon as possible after entry of the Court order approving the Sale Motion and the Maravilla Property Agreement.</p>

<sup>3</sup> All real property taxes and assessments for the current tax year shown in the current county tax bill shall be prorated between Seller and Buyer and charged as of the closing date to the applicable accounts of Seller and Buyer.

2. The Personal Property Asset Purchase Agreement

Buyer:	Americo Mortgage Corporation, Attn President, 25431 Cabot Road, Suite 200, Laguna Hills, CA 92653.
Purchase Price and Contingency for Concurrent Purchase of the Maravilla Property:	\$160,000 for the Personal Property Associated with the Maravilla Property. The sale is contingent on the Buyer being the successful buyer for the Maravilla Property.
Escrow Holder and Escrow Closing Date:	The escrow holder shall be Debtor's counsel, Shulman Hodges & Bastian LLP. Escrow is scheduled to close concurrent with the sale of the Maravilla Property to the Buyer.
Costs of Sale and Payments Through Escrow:	<ul style="list-style-type: none"> <li>No costs of sale other than the Debtor's costs for documenting the sale (the Personal Property Asset Purchase Agreement) and this Sale Motion.</li> <li>All proceeds from the sale of the Personal Property shall be paid to the Debtor for his operating expenses and for funding his Chapter 11 Plan.</li> </ul>
Bankruptcy Court Approval:	The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California and entry of final order approving this Sale Motion.
Terms of Sale - Purchase Without Warranties:	Buyer acknowledges that Buyer is purchasing the Personal 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. Buyer represents and warrants that Buyer is purchasing the Personal Property as a result of its own investigations and is not buying the Personal 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, except as expressly set forth in the Personal Property Asset Purchase Agreement. Buyer acknowledges that Buyer has inspected the Personal Property, and upon closing of Escrow governed by the Personal Property Asset Purchase Agreement, Buyer forever waives, for itself, its heirs, successors and assigns, all claims against the Debtor, the Debtor's Estate, the non-debtor spouse of the Debtor, their attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Personal Property
Terms of Sale - Free and Clear of Liens and Encumbrances:	<p>The Debtor does not believe that there are liens impacting the Personal Property items to be sold. Out of an abundance of caution, the Debtor requests that sale of the Personal Property shall be free and clear of all liens, claims, interests and encumbrances pursuant to Bankruptcy Code Section 363(f). The Personal Property shall be delivered to the Buyer free and clear of all liens and encumbrances.</p> <p>Out of an abundance of caution, any liens and interests against the Personal Property that are not paid/resolved through escrow shall attach to the sale proceeds that may be generated through the sale with the same force, effect, validity, and priority as such liens or interests had with respect to the Personal Property prior to the sale.</p>
Terms of Sale - Good Faith Finding:	The proposed sale has been brought in good faith and has been negotiated on an "arms length" basis. The negotiations with the Buyer have resulted in an offer to sell the Estate's interest in the Personal Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Debtor shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion.
Terms of Sale - Waiver of Rule 6004(h):	The Debtor requests that the Court waive the fourteen-day stay of the order approving the sale of the Personal Property under Federal Rules of Bankruptcy Procedure 6004(h) such that the sale of the Property can close as soon as possible after entry of the Court order approving the Sale Motion and the Personal Property Asset Purchase Agreement.

1 **F. Notice of Bidding Procedures**

2 The Buyer's offers presented in this Sale Motion are the best offers that the Debtor has  
3 received for the Maravilla Property and the associated Personal Property. The Debtor submits  
4 that the Maravilla Property has been extensively marketed and at this time there are no viable  
5 alternative buyers for the Maravilla Property other than the Buyer. Nevertheless, the Debtor  
6 believes it would benefit HSBC and the Estate to permit all interested parties to receive  
7 information and bid for the Maravilla Property and the Personal Property instead of selling to the  
8 Buyer on an exclusive basis.

9 Accordingly, in order to obtain the highest and best offer for the benefit of the creditors  
10 of this Estate, the Debtor also seeks Court approval of the following bidding procedures  
11 ("Bidding Procedures"):

12 • Potential overbidders must bid an initial amount of at least \$10,000 over the  
13 consideration offered by the Buyer, or total consideration of \$2,190,000 for the Maravilla  
14 Property and \$170,000 for the associated Personal Property. Minimum bid increments thereafter  
15 shall be \$5,000 for the Maravilla Property and \$5,000 for the associated Personal Property. The  
Debtor shall have sole discretion in determining which overbid is the best for the Estate and will  
seek approval from the Court of the same.

16 • Overbids must be in writing and be received by the Debtor's counsel, Shulman  
17 Hodges & Bastian LLP to the attention of Mark Bradshaw, on or before **4:00 p.m. (California  
time) on the date which is three days prior to the hearing on the Sale Motion.**

18 • Overbids must be accompanied by certified funds in an amount equal to three  
19 percent of the overbid purchase price(s).

20 • The overbidder must also provide evidence of having sufficient specifically  
21 committed funds to complete the transaction or a lending commitment for the bid amount and  
22 such other documentation relevant to the bidder's ability to qualify as the purchaser of Maravilla  
Property and/or the Personal Property, as the case may be, and ability to close the sale(s) and  
immediately and unconditionally pay the winning bid purchase price(s) at closing.

23 • The overbidder must seek to acquire the Maravilla Property and/or the Personal  
24 Property, as the case may be, on terms and conditions not less favorable to the Estate than the  
25 terms and conditions to which the Buyer has agreed as set forth in the Maravilla Property  
Agreement attached as Exhibit 1 to the Sedgwick Declaration annexed to the Sale Motion and/or  
the Personal Property Asset Purchase Agreement attached as Exhibit 2 to the Sedgwick  
Declaration annexed to the Sale Motion, including closing on the sale of the sale(s) in the same  
time parameters as the Buyer.

26 • All competing bids must acknowledge that the Maravilla Property and/or the  
27 Personal Property, as the case may be, are being sold on an "AS IS" basis without warranties of  
28 any kind, expressed or implied, being given by the Seller, concerning the condition of the  
Maravilla Property and/or the Personal Property, as the case may be, or the quality of the title  
thereto, or any other matters relating to the Maravilla Property and/or the Personal Property, as

1 the case may be.. The competing bid buyer must represent and warrant that he/she is purchasing  
2 the Maravilla Property and/or the Personal Property, as the case may be, as a result of their own  
3 investigations and are not buying the Maravilla Property and/or the Personal Property, as the  
4 case may be, pursuant to any representation made by any broker, agent, accountant, attorney or  
5 employee acting at the direction, or on the behalf of the Seller. The competing bidder must  
6 acknowledge that he/she has inspected the Maravilla Property and/or the Personal Property, as  
7 the case may be., and upon closing of escrow, the Buyer forever waives, for himself/herself, their  
8 heirs, successors and assigns, all claims against the Debtor, the Debtor's Estate, the non-debtor  
9 spouse, their attorneys, agents and employees, and agents, arising or which might otherwise arise  
10 in the future concerning the Maravilla Property and/or the Personal Property, as the case may be.

• If overbids are received, the final bidding round(s) shall be held at the hearing on  
11 the Sale Motion in order to allow all potential bidders the opportunity to overbid and purchase  
12 the Maravilla Property and/or the Personal Property, as the case may be. At the final bidding  
13 round, the Debtor or his counsel will, in the exercise of their business judgment and subject to  
14 Court approval, accept the bidder who has made the highest and best offer to purchase the  
15 Maravilla Property and/or the Personal Property, as the case may be, consistent with the Bidding  
16 Procedures ("Successful Bidder").

• At the hearing on the Sale Motion, the Debtor will seek entry of an order, *inter*  
17 *alia*, authorizing and approving the sale of the Maravilla Property and/or the Personal Property,  
18 as the case may be, to the Successful Bidder. The hearing on the Sale Motion may be adjourned  
19 or rescheduled without notice other than by an announcement of the adjourned date at the  
20 hearing on the Sale Motion.

• In the event the Successful Bidder fails to close on the sale of the Maravilla  
21 Property and/or the Personal Property, as the case may be, within the time parameters approved  
22 by the Court, the Debtor shall retain the Successful Bidder's Deposit and will be released from  
23 his obligation to sell the Maravilla Property and/or the Personal Property, as the case may be, to  
24 the Successful Bidder and the Debtor may then sell the Maravilla Property and/or the Personal  
25 Property, as the case may be, to the first back-up bidder approved by the Court at the hearing on  
26 the Sale Motion ("First Back-Up Bidder").

• In the event First Back-Up Bidder fails to close on the sale of the Maravilla  
27 Property and/or the Personal Property, as the case may be, within the time parameters approved  
28 by the Court, the Debtor shall retain the First Back-Up Bidder's Deposit and will be released  
from his obligation to sell the Maravilla Property and/or the Personal Property, as the case may  
be, to the First Back-Up Bidder and the Debtor may then sell the Maravilla Property and/or the  
Personal Property, as the case may be, to the second back-up bidder approved by the Court at the  
hearing on the Sale Motion ("Second Back-Up Bidder").

## 21 **G. Tax Consequences**

22 With regards to the Marvilla Property, this is a short sale. The sale will be for less than  
23 the Debtor's original purchase price and improvement costs attributed to the Maravilla Property.

24 With regards to the Personal Property, the sale will be for less than the Debtor's original  
25 purchase costs attributed to the Personal Property. Furthermore, as set forth on the Personal  
26 Property Asset Purchase Agreement, the total value of the Personal Property is \$168,374, while  
27 the purchase price will be \$160,000. Although the purchase price is less than the total value, by  
28 selling the Personal Property to the Buyer, the Debtor will eliminate costs to the Estate that

1 would be incurred if the Debtor was required to move and store Personal Property for sale at a  
2 later date. There are numerous separate Personal Property items, many of which are large, heavy  
3 and cumbersome to move and store. The moving and storage costs to the Estate could be  
4 astronomical and would most likely outweigh any benefit the Estate would achieve through the  
5 sale of the Personal Property at a later date.

6 Based on the foregoing, it is anticipated that there will be no tax liability generated from  
7 the sales.

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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*) **June 26, 2013**, 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:

- Jeffrey S Allison jallison@houser-law.com, chershey@houser-law.com *Attorney for Bank of America, NA*
- Cynthia R Allman bkdepartment@rtresolutions.com *Attorney for Real Time Resolutions, Inc.*
- Lawrence R Boivin lboivin@mileslegal.com *Attorney for HSBC Bank USA, National Association as Trustee*
- Mark Bradshaw mbradshaw@shbllp.com, sswartzell@shbllp.com *Attorney for Debtor*
- Mark Domeyer mdomeyer@mileslegal.com *Attorney for HSBC Bank USA, National Association as Trustee*
- Nancy S Goldenberg nancy.goldenberg@usdoj.gov *Attorney for Office of United States Trustee*
- Randall P Mroczynski randym@cookseylaw.com *Attorney for Daimler Trust successor in interest to DCFS Trust*
- Charles Tony Piccuta tpiccuta@houser-law.com, chershey@houser-law.com *Attorney for Bank of America N.A.*
- Kelly M Raftery bknotice@mccarthyholthus.com *Attorney for Wells Fargo Bank, N.A., as trustee, on behalf of the HarborView Mortgage Loan Trust Mortgage Loan Pass-Through Certificates, Series 2007-1, its assignees and/or successors*
- Cassandra J Richey cmartin@pprlaw.net *Attorney for Bank of America, N.A.*
- Leonard M Shulman lshulman@shbllp.com *Attorney for Debtor*
- Ramesh Singh claims@recoverycorp.com *NEF for Interested Party*
- United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov *Office of United States Trustee*
- Edward T Weber bknotice@rcolegal.com *NEF for Interested Party*

Service information continued on attached page

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

On (*date*) **June 26, 2013**, 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*) **June 26, 2013**, 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:**

**Honorable Theodor C. Albert, US Bankruptcy Court  
411 W Fourth St, Bin Beside 5th FI Elevators, Santa Ana, CA 92701**

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.

**June 26, 2013**  
Date

**Lorre Clapp**  
Printed Name

**/s/ Lorre Clapp**  
Signature

**U.S. MAIL SERVICE LIST**

**Buyer**

Americo Mortgage Corporation  
Attn President  
25431 Cabot Road, Suite 200  
Laguna Hills, CA 92653.

**Buyer's Broker**

Greg Babakhanian  
Silver Rock Advisors  
25431 Cabot Road, Suite 200  
Laguna Hills, CA 92653

**Debtor's Broker**

Bob Burgoon  
Alliance Real Estate Services  
555 Corporate Drive, Suite 100  
Ladera Ranch, CA 92694

**Secured Party**

Orange County Treasurer and Tax Collector  
P.O. Box 1438  
Santa Ana, CA 92702-1438

**Secured Party**

HSBC Bank USA, et al.  
c/o of Bank of America NA  
PO Box 660933  
Dallas, TX 75266-0933

**Attorney for HSBC Bank USA**

L. Bryant Jaquez, Esq.  
Miles Bauer Bergstrom & Winters LLP  
1231 E Dyer Road, Suite 100  
Santa Ana, CA 92705

**Secured Party**

Real Time Resolutions, Inc.  
Attn: Cynthia Allman, VP of Bankruptcy  
1750 Regal Row, Suite 120  
Dallas, TX 75235

Real Time Resolutions, Inc.  
Attn: Cynthia Allman, VP of Bankruptcy  
PO Box 35888  
Dallas, TX 75235

**CONTINUED ON FOLLOWING PAGE**

**U.S. MAIL SERVICE LIST CONTINUED.**

**INTERESTED PARTY**

UNITED STATES TRUSTEE (SA)  
411 W FOURTH ST., SUITE 9041  
SANTA ANA, CA 92701-4593

**SCHEDULE F CREDITOR**

BILL ADAMS  
3 LADBROOK GROVE  
COTO DE CAZA, CA 92679

**INTERESTED PARTY**

DAIMLER TRUST SUCCESSOR IN  
INTEREST TO DCFS TRUST  
C/O BK SERVICING, LLC  
PO BOX 131265  
ROSEVILLE, MN 55113

**CLAIMANT**

HSBC BANK USA, NATIONAL  
ASSOCIATION AS TRUSTEE...  
ATTN: MARK T. DOMEYER, ESQ.  
MILES, BAUER, BERGSTROM & WINTERS,  
LLP  
1231 E. DYER ROAD, SUITE 100  
SANTA ANA, CA 92705

**CLAIMANT**

KROSS LIEBERMAN & STONE INC  
1110 NAVAHO DRIVE, SUITE 501  
RALEIGH, NC 27609

**INTERESTED PARTY**

LEE HAMMER, ESQ.  
MCGUIRE WOODS, LLP  
1800 CENTURY PARK EAST  
LOS ANGELES, CA 90067-1501

**SCHEDULE D CREDITOR**

REAL TIME SOLUTIONS  
1750 REGAL ROW, #120  
DALLAS, TX 75236

**SCHEDULE F CREDITOR**

SANDRA SEDGWICK  
23102 MARAVILLA  
COTO DE CAZA, CA 92679

**CLAIMANT**

AMERICAN HONDA FINANCE  
CORPORATION  
PO BOX 168088  
IRVING, TX 75016-8088

**CLAIMANT**

CAPITAL RECOVERY III LLC  
C/O RECOVERY MANAGEMENT SYSTEMS  
CORP  
25 SE 2ND AVENUE SUITE 1120  
MIAMI FL 33131-1605

**CLAIMANT**

FRANCHISE TAX BOARD  
BANKRUPTCY SECTION MS A340  
PO BOX 2952  
SACRAMENTO CA 95812-2952

**CLAIMANT**

HSBC BANK USA  
C/O MARK T LOMEYER ESQ  
1231 E. DYER ROAD, SUITE 100  
SANTA ANA, CA 92705-5643

**CLAIMANT**

KROSS LIBERMAN AND STONE INC  
PO BOX 565  
MORRISVILLE, NC 27560-0565

**CLAIMANT**

LOS RANCHOS COMMUNITY ASSOC.  
23726 BIRTCHEER DRIVE  
LAKE FOREST, CA 92630

**CLAIMANT**

REAL TIME RESOLUTIONS, INC.  
1349 EMPIRE CENTRAL DR., SUITE 150  
PO BOX 36655  
DALLAS, TX 75247

**INTERESTED PARTY**

WELLS FARGO BANK, NA  
C/O SELECT PORTFOLIO SERVICING, INC  
3815 SOUTH WEST TEMPLE  
SALT LAKE CITY, UT 84115

**INTERESTED PARTY**

BANK OF AMERICA, N.A.  
C/O PROBER & RAPHAEL, ALC  
20750 VENTURA BLVD, SUITE 100  
WOODLAND HILLS, CA 91367

**CLAIMANT**

DCFS TRUST C/O MACDOWELL &  
ASSOCIATES, LTD.  
3636 BIRCH STREET, SUITE 290  
NEWPORT BEACH, CA 92660

**SCHEDULE D CREDITOR**

HARBOR VIEW MORTGAGE  
PO BOX 65250  
SALT LAKE CITY, UT 84165

**INTERESTED PARTY**

KENT SALVESON  
28391 AVENIDA LA MANCHA  
SAN JUAN CAPISTRANO, CA 92675

**CLAIMANT**

KROSS LIBERMAN & STONE INC  
137 TRANS AIR DRIVE  
MORRISVILLE, NC 27560-7211

**SCHEDULE F CREDITOR**

MCDOWELL & ASSOCIATES  
3636 BIRCH STREET  
NEWPORT BEACH, CA 92660

**INTERESTED PARTY**

RECOVERY MANAGEMENT SYSTEMS  
CORPORATION  
25 S.E. 2ND AVENUE, SUITE 1120  
MIAMI, FL 33131-1605

**CLAIMANT**

WELLS FARGO BANK, N.A., AS TRUSTEE, ON  
BEHALF OF THE HOLDERS OF THE  
HARBORVIEW MORTGAGE LOAN TRUST  
MORTGAGE LOAN PASS-THROUGH  
CERTIFICATES, SERIES 2007-1, ITS  
ASSIGNEES AND/OR SUCCESSORS, BY AND  
THROU  
C/O MCCARTHY & HOLTHUS, LLP  
1770 FOURTH AVENUE  
SAN DIEGO, CA 92101

**NOTICE**

CHASE BANK USB  
PO BOX 15298  
WILMINGTON, DE 19850-5298

**NOTICE**

JAVONNE M PHILLIPS ESQ  
MCCARTHY AND HOLTHUS LLP  
1770 FOURTH AVENUE  
SAN DIEGO, CA 92101-2607

RETURNED MAIL

**RETURNED 4/22/13; NOT DELIVERABLE**

**AS ADDRESSED; UNABLE TO**

**FORWARD**

**SCHEDULE D CREDITOR**

BANK OF AMERICA  
PO BOX 260599  
PLANO, TX 75024

**DUPLICATE**

**CLAIMANT**

DAIMLER TRUST SUCCESSOR IN INTEREST  
TO DCFS TRUST  
C/O BK SERVICING, LLC  
PO BOX 131265  
ROSEVILLE, MN 55113-0011