

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>WEILAND GOLDEN LLP                  Jeffrey I. Golden, State Bar No. 133040                  jgolden@wglp.com                  Reem J. Bello, State Bar No. 198840                  rbello@wglp.com                  Beth E. Gaschen, State Bar No. 245894                  bgaschen@wglp.com                  650 Town Center Drive, Suite 950                  Costa Mesa, California 92626                  Telephone: (714) 966-1000                  Facsimile: (714) 966-1002</p> <p><input type="checkbox"/> Individual appearing without attorney  <input checked="" type="checkbox"/> Attorney for: Chapter 7 Trustee Weneta M.A. Kosmala</p>	<p>FOR COURT USE ONLY</p>
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**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**

<p>In re: PAUL EDALAT,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 8:14-bk-14529-TA CHAPTER: 7</p> <p style="text-align: center;"><b>NOTICE OF SALE OF ESTATE PROPERTY</b></p>
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<p><b>Sale Date:</b> 03/10/2015</p>	<p><b>Time:</b> 11:00 am</p>
<p><b>Location:</b> Courtroom 5B, United States Bankruptcy Court, 411 West Fourth Street, Santa Ana, California 92701</p>	

**Type of Sale:**  Public  Private      **Last date to file objections:** 02/24/2015

**Description of property to be sold:** A 2003 Lamborghini Murcielago and a 1999 Ferrari Modena (the "Vehicles").

**Terms and conditions of sale:** See attached Notice of Hearing. Consignment and sale is pursuant to Sections 363(b) and (f) and is subject to Bankruptcy Court Approval. Sale will be by consignment through AutoKennel, Inc. and agent Paul Kramer.

**Proposed sale price:** See attached Notice of Hearing

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 attached Notice of Hearing regarding consignment of Vehicles.  
\_\_\_\_\_  
\_\_\_\_\_

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

March 10, 2015 at 11:00 a.m., Courtroom 5B, United States  
Bankruptcy Court, 411 West Fourth Street, Santa Ana, CA 92701  
\_\_\_\_\_  
\_\_\_\_\_  
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**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Jeffrey I. Golden, Esq.  
Weiland Golden LLP  
650 Town Center Drive, Suite 950  
Costa Mesa, CA 92626  
Tel: (714) 966-1000 Fax: (714) 966-1002  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: 02/17/2015

1 **WEILAND GOLDEN LLP**  
Jeffrey I. Golden, State Bar No. 133040  
2 jgolden@wglp.com  
Reem J. Bello, State Bar No. 198840  
3 rbello@wglp.com  
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5 Costa Mesa, California 92626  
Telephone: (714) 966-1000  
6 Facsimile: (714) 966-1002  
7 Attorneys for Chapter 7 Trustee  
Weneta M.A. Kosmala  
8

9 **UNITED STATES BANKRUPTCY COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **SANTA ANA DIVISION**

12 In re  
13 PAUL EDALAT,  
14 Debtor.

Case No. 8:14-bk-14529-TA

Chapter 7

**NOTICE OF HEARING ON CHAPTER 7  
TRUSTEE'S MOTION FOR ORDER  
AUTHORIZING:**

- 16 (1) **CONSIGNMENT AND SALE OF**  
17 **VEHICLES PURSUANT TO 11 U.S.C.**  
**§§ 363(b) AND (f); AND**  
18 (2) **EMPLOYMENT OF AUTOKENNEL,**  
**INC. AND AGENT PAUL KRAMER**  
19 **PURSUANT TO 11 U.S.C. §§ 327**  
**AND 328**

20 **DATE: March 10, 2015**  
21 **TIME: 11:00 a.m.**  
22 **PLACE: Courtroom 5B**  
**411 West Fourth Street**  
**Santa Ana, California 92701**

23 **TO ALL CREDITORS AND PARTIES IN INTEREST:**

24 **PLEASE TAKE NOTICE** that on March 10, 2015, at 11:00 a.m. in Courtroom 5B of  
25 the United States Bankruptcy Court located at 411 West Fourth Street, Santa Ana,  
California, the Court will hear the *Motion for Order Authorizing: (1) Consignment and Sale*  
26 *of Vehicles Pursuant to 11 U.S.C. §§ 363(b) and (f); and (2) Employment of AutoKennel,*  
*Inc. and Agent Paul Kramer* (the "Motion") filed by Weneta M.A. Kosmala, the chapter 7  
27 trustee (the "Trustee") of the bankruptcy estate (the "Estate") of Paul Edalat (the  
28 "Debtor").

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**Summary of Motion**

Through litigation, the Trustee obtained the turnover of a 2003 Lamborghini Murcielago (the "Lamborghini"), and a 1999 Ferrari Modena (the "Ferrari" and together with the Lamborghini, the "Vehicles") that were not disclosed by the Debtor. By this Motion, the Trustee seeks authority to consign and sell the Vehicles and to employ AutoKennel, Inc. ("AutoKennel"), a licensed California automotive dealer, and Paul Kramer, agent of AutoKennel (together, the "Sales Agent") in connection with the consignment and sale of the Vehicles. Sales Agent estimates that the total value of the Vehicles is approximately \$188,000.

**Background**

The Debtor filed a voluntary chapter 7 petition on July 22, 2014 (the "Petition Date"). The Debtor filed his bankruptcy schedules (the "Schedules") and statement of financial affairs on August 15, 2014. The Debtor's initial § 341(a) meeting of creditors was held on September 4, 2014, and was continued to October 2, 2014. The Debtor failed to appear on this date and the meeting of creditors was continued to October 23, 2014. A continued meeting of creditors was conducted on October 23, 2014, and was continued to December 11, 2014.

During the Trustee's examination of the Debtor at the initial and subsequent 341(a) meetings, she discovered undisclosed assets that the Debtor failed to list in his Schedules, including the Vehicles. To date, no amendments to the Schedules have been filed. Based on information from the Debtor, there are no liens on the Vehicles.

On October 27, 2014, the Trustee filed her complaint for turnover of the Vehicles (among other assets) pursuant to 11 U.S.C. § 542(a), commencing adversary proceeding no. 8:14-ap-01283-TA (the "Adversary Action"). Also on October 27, 2014, the Trustee filed the *Emergency (Ex Parte) Motion for Order Granting Turnover of Assets of the Estate and for Temporary Restraining Order* (the "Ex Parte Motion") which was heard by the Court the following day. On October 28, 2014, the Court entered an order granting the Ex Parte Motion and authorizing the Trustee to take possession of the Vehicles (the "Turnover Order"). Upon the entry of the Turnover Order, the Trustee's agent, Independent Management Services, arranged to have the Vehicles towed to Crevier Classic Cars in Costa Mesa, where the cars were placed in storage.

Based on Sales Agent's projection of value, the Trustee believes there is significant net equity in the Vehicles as follows:

Lamborghini estimated value (per Sales Agent):	\$120,000
Less 8% costs of sale:	<u>\$ 9,600</u>
Lamborghini net equity:	\$110,400
Ferrari estimated value (per Sales Agent):	\$ 68,000
Less 9% costs of sale:	<u>\$ 6,120</u>
Ferrari net equity:	\$ 61,880
Total net equity:	\$172,280

The estimated net equity in the Vehicles would allow for a substantial distribution to creditors of the Estate. Based on information from the Debtor, the Trustee believes the Vehicles were recently in operating condition. Based on Paul Kramer's inspection of the Vehicles, they need batteries and possibly other repairs. Depending on the extent of the repairs or parts required, their estimated current market value could be lower.

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**Employment of Sales Agent**

The Trustee proposes to employ Sales Agent to inspect the interior and exterior of the Vehicles, to determine the value of the Vehicles, to store, insure and detail the Vehicles, to advertise the Vehicles at Sales Agent's expense, to show the Vehicles to interested parties, to represent the Estate in connection with the sale of the Vehicles, and to advise the Trustee with respect to obtaining the highest and best offer available for the Vehicles in the present market. While the Vehicles are in Sales Agent's possession, Sales Agent will add the Trustee as an additional loss payee to its insurance policy for any damage to the Vehicles. Sales Agent will insure and store the Vehicles free of charge to the Estate pending sale.

Sales Agent is highly experienced, does not hold an interest adverse to the Estate, is not a creditor of the Debtor, and no one employed by Sales Agent is related to the bankruptcy judge in this case.

The terms of Sales Agent's proposed employment provide that Sales Agent will receive a commission up to 8% of the purchase price of the Lamborghini and up to 9% of the purchase price of the Ferrari. In the event minor repairs or parts (including batteries) are required in order to allow the Vehicles to be demonstrated to prospective buyers, Sales Agent will request authorization from the Trustee for Sales Agent to advance the cost of such minor repairs or parts, which amounts, if any, will be reimbursed to Sales Agent at the conclusion of each respective sale, along with Sales Agent's commission.

**Proposed Consignment and Sale of Vehicles**

The Trustee proposes to consign and sell the Vehicles through Sales Agent. The salient terms of the proposed consignment and sale are as follows:

- (1) Sales Agent shall be authorized to sell the Lamborghini at a purchase price of \$114,000 or higher, without further order of the Court;
- (2) Sales Agent shall be authorized to sell the Ferrari at a purchase price of \$64,000 or higher, without further order of the Court;
- (3) Sales Agent shall be responsible for collecting the purchase price from the buyer, providing a bill of sale to the buyer, paying all applicable sales taxes, and transferring title to the buyer through the California Department of Motor Vehicles. No later than 5 days following consummation of each sale, Sales Agent shall turn over to the Trustee: (a) gross sale proceeds less applicable sales taxes, transfer fees, commission and reimbursement for any minor repairs or parts, and (b) an itemized accounting of the sale.

A copy of the consignment agreement (the "Agreement") between the Trustee and Sales Agent is attached as Exhibit "3" to the Motion.

**Summary of Bases for Relief**

The Trustee believes that the proposed employment of Sales Agent and the consignment and sale of the Vehicles has a legitimate business justification and is in the best interest of the Estate as it will permit the value of the Vehicles to be maximized.

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2 **Summary of Relief Sought by the Motion**

3 By the Motion, Trustee seeks entry of an order providing for the following relief:

4 1. Granting the Motion;

5 2. Authorizing the Trustee to employ Sales Agent on the terms and conditions  
6 set forth herein pursuant to 11 U.S.C. §§ 327 and 328;

7 3. Approving the terms of the Agreement attached as Exhibit "3" to the Motion  
8 and authorizing the Trustee to enter into the Agreement;

9 4. Authorizing the Trustee to consign and sell the Lamborghini as-is, where-is,  
10 without representation or warranty, free and clear of any and all liens and interests  
11 pursuant to 11 U.S.C. §§ 363(b) and (f), provided that the purchase price is \$114,000 or  
12 higher, without further order of the Court;

13 5. Authorizing the Trustee to consign and sell the Ferrari as-is, where-is,  
14 without representation or warranty, free and clear of any and all liens and interests  
15 pursuant to 11 U.S.C. §§ 363(b) and (f), provided that the purchase price is \$64,000 or  
16 higher, without further order of the Court;

17 6. Authorizing the Trustee to take any and all necessary action to consummate  
18 the sale of the Vehicles;

19 7. Authorizing the Trustee to pay Sales Agent's commission up to 8% for the  
20 Lamborghini upon the consummation of the sale of the Lamborghini, and authorizing the  
21 Trustee to reimburse Sales Agent for the cost of any pre-authorized minor repairs or parts;

22 8. Authorizing the Trustee to pay Sales Agent's commission up to 9% for the  
23 Ferrari upon the consummation of the sale of the Ferrari, and authorizing the Trustee to  
24 reimburse Sales Agent for the cost of any pre-authorized minor repairs or parts;

25 9. Directing the California Department of Motor Vehicles to transfer title to each  
26 of the Vehicles to the respective purchaser; and

27 10. For such other and further relief as the Court may deem just and proper.

28 The Motion is on file with the Bankruptcy Court.

**Your Rights May Be Affected.** You should read these papers carefully and  
discuss them with your attorney, if you have one. (If you do not have an attorney, you  
may wish to consult one.)

**Deadline for Opposition Papers.** This Motion is being heard on regular notice  
pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written  
response with the Court and serve a copy of it upon the Movant or Movant's attorney at  
the address set forth above no less than **14 days** prior to the above hearing date. If you  
fail to file a written response to this Motion within such time period, the Court may treat  
such failure as a waiver of your right to oppose the Motion and may grant the requested  
relief.

1           **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure.** The  
2 undersigned hereby verifies that the above hearing date and time were available for this  
type of Motion according to the judge's self-calendaring procedures.

3           **PLEASE TAKE FURTHER NOTICE** that any party requesting a copy of the Motion  
4 or any supporting documents filed with the Court with respect to the Motion may contact  
counsel for the Trustee, Jeffrey I. Golden, Weiland Golden LLP, by email at  
5 jgolden@wglp.com, by mail at 650 Town Center Drive, Suite 950, Costa Mesa, California  
92626, or by telephone at (714) 966-1000.

6 Dated: February 17, 2015

WEILAND GOLDEN LLP

7  
8 By: /s/ JEFFREY I. GOLDEN  
9 JEFFREY I. GOLDEN  
Attorneys for Weneta M.A. Kosmala,  
Chapter 7 Trustee

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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:

**650 Town Center Drive, Suite 950, Costa Mesa, California 92626**

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF HEARING ON CHAPTER 7 TRUSTEE'S MOTION FOR ORDER AUTHORIZING: (1) CONSIGNMENT AND SALE OF VEHICLES PURSUANT TO 11 U.S.C. §§ 363(B) AND (F); AND (2) EMPLOYMENT OF AUTOKENNEL, INC. AND AGENT PAUL KRAMER PURSUANT TO 11 U.S.C. §§ 327 AND 328** 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 indicated 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 17, 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:

Service information continued on attached page

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

On (*date*) **February 17, 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 17, 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.

The Honorable Theodor C. Albert, 411 W. 4<sup>th</sup> Street, 5<sup>th</sup> Floor, 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.

February 17, 2015

*Date*

Kelly Adele

*Printed Name*

*/s/ Kelly Adele*

*Signature*

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

Paul Edalat  
401 Rockefeller, #1201  
Irvine, CA 92612

**Debtor**

Cabelas Club Visa  
Box 82519  
Lincoln, NE 68501

Audi Financial Services  
Box 5125  
Carol Springs, IL 60197

California State Board of Equalization  
Account Reference Group MIC 29  
P.O. Box 942879  
Sacramento, CA 94279

Capital One  
Box 30285  
Salt Lake City, UT 84130

Capital One Bank (USA), N.A.  
P.O. box 71083  
Charlotte, NC 28272

Employment Development Department  
Bankruptcy Group MIC 92E  
P.O. Box 826880  
Sacramento, CA 94280

Fact Products  
c/o Todd Mannis, Esq.  
4764 Park Granada, Ste 206  
Calabassas, CA 91302

Franchise Tax Board  
Bankruptcy Section, MS: A-340  
P.O. Box 2952  
Sacramento, CA 95812

Gateway Lending  
160 Riverview Drive  
Anaheim, CA 92808

Internal Revenue Service  
Box 7346  
Philadelphia, PA 19101

Luberski, Inc.  
Leibowitz Law Group  
4050 Katella Avenue  
Los Alamitos, CA 90720

Luberski, Inc.  
499 West Shaw Avenue, Ste 116  
Fresno, CA 93704

Paul Kramer  
AutoKennel  
1974 Charle Street  
Costa Mesa, CA 92627

Pentagon Federal Credit Union  
Box 1432  
Alexandria, VA 22313

Recovery Management Systems  
Corporation  
25 SE 2<sup>nd</sup> Avenue, Ste 1120  
Miami, FL 33131-1605

State of California-SBE  
Box 942879  
Sacramento, CA 94279

State Board of Equalization  
Special Operations Branch MIC 55  
P.O. Box 942879  
Sacramento, CA 94279

World's Foremost Bank  
Cabela's Club Visa  
P.O. Box 82609  
Lincoln, NE 68501

Zamucen and Curren  
c/o Lacey L. Navarrett  
17848 Sky Park Circle, Ste C  
Irvine, CA 92614

Zamucen and Curren LLP  
Lacey Navarrette, Esq.  
17848 Sky Park Circle, Ste C  
Irvine, CA 92614

**Electronic Mail Notice List**

- Reem J Bello rbello@wglp.com, kadele@wglp.com;lfisk@wglp.com;tziemann@wglp.com
- Frank Cadigan frank.cadigan@usdoj.gov
- Beth Gaschen bgaschen@wglp.com, kadele@wglp.com;lfisk@wglp.com;tziemann@wglp.com
- Jeffrey I Golden , kadele@wglp.com;lfisk@wglp.com;tziemann@wglp.com
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- D Edward Hays ehays@marshackhays.com, ecfmarshackhays@gmail.com
- Weneta M Kosmala (TR) ecf.alert+Kosmala@titlexi.com,  
wkosmala@txitrustee.com;dmf@txitrustee.com;kgeorge@kosmalalaw.com
- Gary Leibowitz attorneygary@gmail.com
- Faye C Rasch frasch@wglp.com, kadele@wglp.com;tziemann@wglp.com
- Avi Schild bk@atlasacq.com
- Ramesh Singh claims@recoverycorp.com
- Ashley M Teesdale ateesdale@marshackhays.com, ecfmarshackhays@gmail.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

## 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:

**650 Town Center Drive, Suite 950, Costa Mesa, California 92626**

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The Honorable Theodor C. Albert, 411 W. 4<sup>th</sup> Street, 5<sup>th</sup> Floor, 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.

February 17, 2015

*Date*

Kelly Adele

*Printed Name*

*/s/ Kelly Adele*

*Signature*

**Electronic Mail Notice List**

- Reem J Bello rbello@wglp.com, kadele@wglp.com;lfisk@wglp.com;tziemann@wglp.com
- Frank Cadigan frank.cadigan@usdoj.gov
- Beth Gaschen bgaschen@wglp.com, kadele@wglp.com;lfisk@wglp.com;tziemann@wglp.com
- Jeffrey I Golden , kadele@wglp.com;lfisk@wglp.com;tziemann@wglp.com
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- Weneta M Kosmala (TR) ecf.alert+Kosmala@titlexi.com,  
wkosmala@txitrustee.com;dmf@txitrustee.com;kgeorge@kosmalalaw.com
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- Faye C Rasch frasch@wglp.com, kadele@wglp.com;tziemann@wglp.com
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- Ramesh Singh claims@recoverycorp.com
- Ashley M Teesdale ateesdale@marshackhays.com, ecfmarshackhays@gmail.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov