

RON BENDER (SBN 143364)
J.P. FRITZ (SBN 245240)
LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
10250 Constellation Boulevard, Suite 1700
Los Angeles, California 90067
Telephone: (310) 229-1234; Facsimile: (310) 229-1244
Email: RB@LNBYB.COM; JPF@LNBYB.COM

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

In re:
SANFORD DEUTSCH,

CASE NO.: 1:12-bk-20070AA

Debtor(s).

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: June 25, 2014

Time: 10:00 a.m.

Location: U.S. Bankruptcy Courthouse, 3rd Floor, Courtroom 303; 21041 Burbank Blvd., Woodland Hills, CA 91367

Type of Sale: Public Private

Last date to file objections:
July 11, 2014

Description of Property to be Sold: Debtor's 12.5% membership interest in Grandview Retirement Center LLC

Grandview Retirement Center LLC owns and operates a residential care facility for hte elderly, located at 2211 West Sixth Street, Los Angeles, CA 90057.

The real property is not the subject of the sale, only the Debtor's 12.5% membership interest in the LLC.

Terms and Conditions of Sale: Sale without overbid to Grandview Retirement Center LLC and/or its members;

Purchase price of \$458,000 without opportunity for overbid; Free and clear of all liens, claims, and interests;

Court finding that the buyer is afforded the protections of section 363(m) of the Bankruptcy Code

Waiver of the 14-day stay pursuant to Rule 6004(h) of the Federal Rules of Bankruptcy Procedure

Please see attached notice for more information.

Proposed Sale Price: \$458,000.

Overbid Procedure (If Any): None

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

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

Sale Hearing: June 25, 2014, at 10:00 a.m.

Courtroom 303, 21041 Burbank Blvd., Woodland Hills, CA

Contact: Ron Bender - 310-229-1234 (Counsel to Debtor)

Date: 6/4/14

1 RON BENDER (SBN 143364)
2 J.P. FRITZ (SBN 245240)
3 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
4 10250 Constellation Blvd., Suite 1700
5 Los Angeles, California 90067
6 Telephone: (310) 229-1234
7 Facsimile: (310) 229-1244
8 Email: rb@lnbyb.com, jpf@lnbyb.com

9 Attorneys for Chapter 11 Debtor and Debtor in Possession

10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **SAN FERNANDO VALLEY DIVISION**

13 In re:) Case No.: 1:12-bk-20070-AA
14)
15 SANFORD DEUTSCH,) Chapter 11 Case
16)
17 Debtor and Debtor in Possession.) **NOTICE OF HEARING ON**
18) **DEBTOR’S MOTION FOR ENTRY OF**
19) **AN ORDER: (1) APPROVING SALE**
20) **OF DEBTOR’S INTEREST IN**
21) **GRANDVIEW RETIREMENT**
22) **CENTER LLC FREE AND CLEAR OF**
23) **ALL LIENS, CLAIMS AND**
24) **INTERESTS; (2) WAIVING THE 14-**
25) **DAY STAY PERIOD SET FORTH IN**
26) **BANKRUPTCY RULE 6004(h); AND**
27) **(3) GRANTING RELATED RELIEF**
28)
29)
30) Hearing:
31) Date: June 25, 2014
32) Time: 10:00 a.m.
33) Place: Courtroom 303
34) 21041 Burbank Blvd.
35) Woodland Hills, CA 91367
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1 PLEASE TAKE NOTICE that a hearing will be held on June 25, 2014, at 10:00 a.m., for
2 the Bankruptcy Court to consider the motion (the "Motion") filed by Sanford Deutsch, the
3 chapter 11 debtor and debtor in possession in the above-captioned bankruptcy case (the
4 "Debtor"), seeking the entry of an order of the Bankruptcy Court (A) pursuant to 11 U.S.C. §
5 363(f) approving the Debtor's sale of his 12.5% interest in Grandview Retirement Center LLC
6 ("Grandview") free and clear of all liens, claims and interests ("Encumbrances") to Grandview
7 Retirement Center LLC and/or its members ("Buyer") for a purchase price of \$458,000; (B)
8 waiving the 14-day stay period set forth in Bankruptcy Rule 6004(h) to enable the sale to close
9 as quickly as possible; and (C) granting certain other related relief. A more detailed analysis of
10 the status of this case and the bases for the Motion are set forth in the concurrently filed
11 Memorandum of Points and Authorities and Declaration of Sanford Deutsch. A copy of the sale
12 agreement (the "Sale Agreement") is attached as Exhibit "A" to the concurrently filed
13 Declaration of Sanford Deutsch.

14 Grandview is the owner of the real property located at 2211 West Sixth Street, Los
15 Angeles, California 90057, which property is operated as a residential care facility for the
16 elderly. The Debtor owns a 12.5% minority interest in Grandview. The Debtor is on the brink
17 of successfully reorganizing and confirming a plan of reorganization, which will enable the
18 Debtor to emerge from his bankruptcy case after nearly two years in chapter 11. However, the
19 Debtor needs to obtain additional cash of approximately \$450,000 to provide the Debtor with
20 sufficient funds to confirm his plan of reorganization. While the Debtor has other assets which
21 could be sold to raise this money, such other assets primarily consist of real estate ownership
22 interests with other partners, which would involve complicated and time consummating actions
23 to turn into net cash for the Debtor. The Debtor therefore determined that if he could obtain a
24 reasonably fair purchase price for his minority interest in Grandview, then proceeding with a sale
25 of his interest in Grandview made the most sense. The Grandview operating agreement does not
26 provide minority owners with any easy means by which to sell their minority interest, and, even
27 if it did, it is typically not possible to find buyers interested in paying a full value purchase price
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1 for a minority interest in a partnership, which gives rise to what is commonly known as a
2 “minority ownership discount”. The Debtor currently receives approximately \$3,700 per month
3 from Grandview, which equates to approximately \$44,400 per year. The \$458,000 purchase
4 price offered to the Debtor by Grandview or its members equates to more than 10 times the
5 Debtor’s annual revenue from Grandview. Even though the Debtor believes that he would likely
6 receive somewhat more than this amount if the entire Grandview property was sold and the
7 Debtor received his 12.5% interest of the net sale proceeds, the Debtor has no ability to force a
8 sale of the entire Grandview property, and the other partners of Grandview have made it clear
9 that they have no interest in causing a sale of the entire Grandview property. Under the
10 circumstances, the Debtor believes that proceeding with a sale of his 12.5% interest in
11 Grandview for \$458,000 is in the best interests of his estate and will facilitate his successful
12 emergence from chapter 11. This sale is not subject to overbid.

13 PLEASE TAKE FURTHER NOTICE that any objection to the Motion must be filed with
14 the Bankruptcy Court and be served on counsel to the Debtor by no later than June 11, 2014.

15 PLEASE TAKE FURTHER NOTICE that the Bankruptcy Court may determine that any
16 party in interest, including any creditor who asserts a lien against the Debtor’s interest in
17 Grandview, who does not file a timely objection to the Motion will be deemed to consent to the
18 relief requested by the Debtor in the Motion.

19 Dated: June 4, 2013

SANFORD DEUTSCH

20 By: /s/ Ron Bender
21 RON BENDER
22 JOHN-PATRICK M. FRITZ
23 LEVENE, NEALE, BENDER,
24 YOO & BRILL L.L.P.
25 Attorneys for Chapter 11
26 Debtor and Debtor in Possession
27
28

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 Boulevard, Suite 1700, Los Angeles, California 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*) **June 4, 2014**, 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*) **June 4, 2014**, 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 4, 2014**, 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.

Served by Personal Delivery

Hon. Alan Ahart
U.S. Bankruptcy Court
21041 Burbank Blvd., Ctrm 303
Woodland Hills, CA 91367

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 4, 2014
Date

Lourdes Cruz
Printed Name

/s/ Lourdes Cruz
Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

- Ron Bender rb@lnbyb.com
- Ron Bender rb@lnbyb.com
- Irwin Chasalow chipchaz@aol.com
- Alan J Cohen acohen@cohenlawla.com
- Leslie A Cohen leslie@lesliecohenlaw.com, jaime@lesliecohenlaw.com; Brian@lesliecohenlaw.com
- Christopher D Crowell ccrowell@frandzel.com, efilings@frandzel.com; shom@frandzel.com
- Joseph A Eisenberg jae@jmbm.com, vr@jmbm.com; tgeher@jmbm.com; bt@jmbm.com; jae@ecf.inforuptcy.com
- Lisa Hill Fenning Lisa.Fenning@aporter.com, Jean.Kellett@aporter.com
- Lisa Hill Fenning Lisa.Fenning@aporter.com, Jean.Kellett@aporter.com
- Mark C Fields fields@markfieldslaw.com
- Jessica E Flynn jflynn@vandc.net
- Anthony A Friedman aaf@lnbyb.com
- Jerome Bennett Friedman jfriedman@flg-law.com, msobkowiak@flg-law.com; jmartinez@flg-law.com; sbiegenzahn@flg-law.com; rfranzoia@flg-law.com
- John-Patrick M Fritz jpf@lnrb.com
- John-patrick M Fritz jpf@lnrb.com
- Dolores Garcia dgarcia@portfoliorecovery.com
- Thomas M Geher tmg@jmbm.com, we1@jmbm.com; fc3@jmbm.com; tmg@ecf.inforuptcy.com
- Michael I Gottfried mgottfried@lgbfirm.com, ncereseto@lgbfirm.com; kalandy@lgbfirm.com; marizaga@lgbfirm.com; echulpaeff@lgbfirm.com; levans@lgbfirm.com
- Michelle S Grimberg msg@lnrb.com, angela@lnrb.com
- Steven T Gubner sgubner@ebg-law.com, ecf@ebg-law.com
- David S Hagen go4broq@earthlink.net
- Asa S Hami ahami@sulmeyerlaw.com, agonzalez@sulmeyerlaw.com; agonzalez@ecf.inforuptcy.com; ahami@ecf.inforuptcy.com
- Harry D. Hochman hhochman@pszjlaw.com, hhochman@pszjlaw.com
- Lawrence M Jacobson lmj@gfjlawfirm.com
- Elizabeth Jiang ejiang@sulmeyerlaw.com, elizabeth.z.jiang@gmail.com; ppenn@sulmeyerlaw.com; ejiang@ecf.inforuptcy.com; ppenn@ecf.inforuptcy.com
- Alan J Kornfeld akornfeld@pszjlaw.com, akornfeld@pszjlaw.com
- John P Kreis jkreis@kreislaw.com, j.kreis@ca.rr.com
- Jeffrey A Krieger jkrieger@ggfirm.com, kwoodson@greenbergglusker.com; calendar@greenbergglusker.com; sgaeta@greenbergglusker.com
- David S Kupetz dkupetz@sulmeyerlaw.com, dperez@sulmeyerlaw.com; dperez@ecf.inforuptcy.com; dkupetz@ecf.inforuptcy.com
- Lewis R Landau LLandau@HorganRosen.com
- Mary D Lane mal@msk.com, mec@msk.com
- Ann G Lee alee@grahamvaagelaw.com
- Thomas A. Lee 1 notices@becket-lee.com
- Paul J Leeds leedsp@higgslaw.com, reisingc@higgslaw.com
- Seth H Lieberman slieberman@pryorcashman.com
- Byron B Mauss efilings@amlegalgroup.com
- David W. Meadows david@davidwmeadowslaw.com
- Elissa Miller emiller@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com; emillersk@ecf.inforuptcy.com; dwalker@ecf.inforuptcy.com
- Byron Z Moldo bmoldo@ecjlaw.com, lpekru@ecjlaw.com
- Jeff Neiderman jneiderman@srbr-law.com
- Tom Roddy Normandin tnormandin@pnbd.com, nwong@pnbd.com
- Kelly M Raftery bknotice@mccarthyholthus.com
- Cassandra J Richey cmartin@pralc.com

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

- S Margaux Ross margaux.ross@usdoj.gov, margauxla@yahoo.com
- Justin Santarosa jsantarosa@hrbc.com
- Susan K Seflin sseflin@ebg-law.com
- Lindsey L Smith lls@lnbyb.com
- Douglas G Tennant dtennant@frankel-tennant.com
- Douglas G Tennant dtennant@frankel-tennant.com
- Eric J Testan etestan@frankel-tennant.com
- Michael D Testan mtestan@frankel-tennant.com
- United States Trustee (SV) ustpreion16.wh.ecf@usdoj.gov
- Susan L Vaage svaage@grahamvaagelaw.com
- Michael D Vanlochem janguiano@vandc.net
- Craig A Welin cwelin@frandzel.com, efiling@frandzel.com;bwilson@frandzel.com
- Beth Ann R Young bry@lnbyb.com
- Kristin A Zilberstein bknotice@mccarthyholthus.com, kzilberstein@mccarthyholthus.com