

FILED & ENTERED

JUL 01 2010

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
CLERK U.S. BANKRUPTCY COURT  
Central District of California  
J.P. Noguera DEPUTY CLERK

In re:  
Riverfront Ventures, LLC, a Delaware limited liability

Case No: 1:09-bk-18832-MT

Chapter: 11

**MEMORANDUM OF RULING RE VALUATION OF  
PROPERTY FOLLOWING EVIDENTIARY  
HEARING ON CREDITOR EAST WEST BANK'S  
MOTIONS FOR RELIEF FROM THE AUTOMATIC  
STAY [Originally entered due on docket for case  
no. 1:09-bk-16565MT due to clerical error]**

Debtor(s).

**I. Introduction**

East West Bank (the "movant") has filed two motions for relief from stay. The first motion relates to real property, the legal description of which is Fresno County DOC-2005-0111102 ("Single Family Parcel"). The second motion also relates to real property, the legal description of which is Fresno County DOC-2007-00665617 ("Industrial Parcel").

The debtor obtained two loans from the movant in the amount of \$1,410,000 (secured by a trust deed on the Single Family Parcel) and \$1,180,000 (secured by a trust deed on the Industrial Parcel). Each of the trust deeds are in favor of the movant.

The motion for relief from stay as to the Single Family Parcel alleged that the property is worth only \$820,000, while the outstanding debt is \$1,523,122. The motion concerning the Industrial Parcel claimed that the debt is similarly undersecured, with the property valued at \$810,000 and outstanding debt of \$1,278,049. The debtor filed oppositions to each of the motions for relief from stay. In the oppositions, the debtor asserts that the value of the properties is significantly higher than the value claimed by the movant. Additionally, there is a dispute as to how much is precisely owed due to a disagreement over default interest.

1 The Single Family Parcel consists of 10.77 acres and is approved for the construction of  
2 85 single family homes. The Industrial Parcel consists of approximately 5 acres and was  
3 zoned for 200,000 square feet of Class A industrial space. The Debtor also previously owned  
4 a parcel consisting of 230 single family lots (the "CPB Parcel"), which was sold in a previously  
5 approved transaction.

6 The debtor was not able to obtain a formal appraisal of either the Single Family Parcel or  
7 the Industrial Parcel in time for the initial hearing on the motion. In its initial opposition, the  
8 debtor submitted the declarations of both David Schwartzman (the debtor's principal) and  
9 Bradley Woomer (the debtor's Chief Financial Officer). The debtor later filed a declaration of  
10 its appraiser, followed up by a report after the final hearing. An evidentiary hearing was held  
11 over four days. Appraisers Robert Farwell, Chris Stavros, and Jack Alexander testified. One of  
12 debtor's principals, David Schwartzman, also testified.

## 13 14 **II. Law**

15 A movant may be entitled to relief from the automatic stay "for cause, including the lack of  
16 adequate protection of an interest in property . . . ." 11 U.S.C. §362(d)(1). The term "adequate  
17 protection" is not defined in the Bankruptcy Code, but may include "1) periodic cash payments  
18 equivalent to decrease in value, 2) an additional or replacement lien on other property, or 3)  
19 other relief that provides the indubitable equivalent," including an equity cushion. *In re Mellor*,  
20 734 F.2d 1936, 1400 (9th Cir. 1984) (citations omitted). Merely being undersecured is not  
21 sufficient to justify cause for relief or the order of adequate protection payments; rather, the  
22 property must also be declining in value. *United Sav. Ass'n of Texas v. Timbers of Inwood*  
23 *Forest Assocs., Ltd.*, 484 U.S. 365, 370 (1988).

24 In addition to cause under 11 U.S.C. §362(d)(1), relief from the automatic stay may be  
25 granted where the debtor does not have any equity in the subject property and the subject  
26 property is not necessary for an effective reorganization. 11 U.S.C. §362(d)(2). "In order to  
27 meet its burden of proving that property is necessary for an effective reorganization under 11  
28 U.S.C. § 362(d)(2), a debtor must prove that the property is important to the reorganization and  
that the reorganization is feasible." *In re Cambridge Woodbridge Apts., LLC*, 292 B.R. 832,

1 840 (Bankr. N.D. Ohio 2003). This requires “not merely a showing that if there is conceivably  
2 to be an effective reorganization, this property will be needed for it; but that the property is  
3 essential for an effective reorganization *that is in prospect*,” meaning a “reasonable possibility  
4 of successful reorganization within a reasonable time.” *Timbers*, 484 U.S. at 375-76  
5 (emphasis in original). Whether property is necessary to an effective reorganization is a  
6 “moving target which is more difficult to attain as the Chapter 11 case progresses.” *In re Sun*  
7 *Valley Newspapers, Inc.*, 171 B.R. 71, 75 (9th Cir. BAP 1994), *citing In re Holly's Inc.*, 140 B.R.  
8 643, 700 (Bankr. W.D. Mich. 1992). Once the exclusivity period has expired, “the debtor must  
9 demonstrate that a successful reorganization within a reasonable time is assured.” *Id.*  
10

### 11 **III. Findings of Fact**

#### 12 Appraisers and Appraisal Methods Used:

13 Jack Alexander is a California Certified General Appraiser and currently completing the  
14 course work for an MAI and SRA designation. He has significant appraisal experience and  
15 has done a significant number of appraisals in the Fresno area. He has been qualified as  
16 an expert witness in numerous cases in California. His testimony was at time evasive and too  
17 generalized. He was persuasive in highlighting certain site improvements to both parcels and  
18 one comparable for the Single Family Parcel, but not persuasive on most other points.

19 Robert Farwell is a California Certified General Appraiser with an MAI designation. He  
20 has extensive appraisal experience and was the supervising appraiser on the Cushman &  
21 Wakefield (“C&W”) report. He has also been qualified as an expert witness in numerous cases  
22 in California. Christopher Stavros, a California Certified General Appraiser, assisted him with  
23 the appraisal reports. Farwell had not visited the properties used in the C&W appraisal, but  
24 that was not required where another member of the team responsible for the report had done  
25 so. Both were professional, thorough and convincing in their choice of most comparables and  
26 the adjustments made thereto.

27 Mr. Schwartzman also submitted declarations and testified as to the value of the  
28 properties. He has no appraisal experience but has been a developer for 19 years. He has  
built 3500 homes and condominiums and been involved with 50 different real estate projects, a

1 number of them commercial real estate. While he is quite knowledgeable about both  
2 residential and commercial real estate developments, he was not as qualified to render an  
3 opinion on actual value as the three certified appraisers who testified. His approach assumed  
4 various factors which simply have not been shown to exist in this market, most notably funding  
5 to complete such real estate developments in the Fresno market. He relied on a Discounted  
6 Cash Flow Method for the Single Family Parcel.

7 Mr. Schwartzman's testimony can only be considered where specific site improvements  
8 are supported with documents or photographs and where his personal knowledge of the  
9 property was supported by sufficient specific detail. His testimony on any other subject was  
10 just too loose and unsupported. He originally declared that the Single Family Parcel could be  
11 completed with a \$5.4 million construction loan, but in his testimony he proposed a theory  
12 where he could complete construction with only \$600,000 out of pocket. He was inconsistent  
13 and confusing on a number of other areas and appears to be just throwing out any theory  
14 which supports his plans for the property, regardless of how realistic it is.

15 All four witnesses were very familiar with the Fresno area. Alexander's appraisal  
16 experience in Fresno, especially as to industrial properties, was not as extensive as that of  
17 Stavros or Farwell. The C&W appraisal report done by Farwell and Stavros was completed on  
18 or about February 15, 2010, while the Alexander appraisal was incomplete at the time of the  
19 hearing, but conducted around March 30, 2010.

20 Alexander and Schwartzman attacked the C&W appraisal fairly vociferously. After  
21 Farwell and Stavros explained their conclusions in detail, it became clear that most of the  
22 criticisms were unfounded. The debtor has set up straw men to knock down with respect to  
23 extensive testimony relating to zoning and projected use, the type buildings planned for the  
24 Industrial Parcel, and appropriate appraisal method.

### 25 Zoning

26 Each of the witnesses testified about the correct zoning of the sites at issue as well as  
27 some of the comparables. In some situations, the properties would need to be rezoned for the  
28 uses intended. In every case, however, it appeared that this was easily done and the use  
either had already been approved or would easily be approved. All the discussion of the 2005

1 or 2025 general plans were also largely irrelevant for the same reason as well as because both  
2 the C&W and Alexander appraisals evidenced awareness of the 2025 plan. Debtor alleged that  
3 Farwell's assumption of agricultural zoning for the Single Family Parcel caused his valuation to  
4 be wrong. The appraisal's analysis, however, is based on an assumption that residential  
5 housing can be built on the site consistent with the debtor's site plan. The zoning of the subject  
6 properties are non-issues and do not materially affect the value. The intended light industrial  
7 use appears to be the likely outcome of any future use of the industrial property, and any buyer  
8 is likely to assume such zoning is easily obtainable. (See C&W appraisal at p. 20-21.) The  
9 Single Family Parcel is also in compliance with current and future zoning rules. The zoning  
10 needs planned by the debtor were the ones taken into consideration for the sales  
11 comparisons.

#### 12 Appraisal Method

13 Schwartzman attacked the comparable sales analysis used by the movant's appraiser,  
14 as there are so few comparable sales, and they go back as far as 2 years. According to Mr.  
15 Schwartzman, the comparable sales analysis is inappropriate for these properties because of  
16 the development he proposes. He argues that the proper analysis should employ the income  
17 model and a residual value analytical model. Using these models, the debtor concludes that  
18 the Single Family Parcel has a value of \$2,742,525. Mr. Schwartzman argues as to the  
19 Industrial Parcel that the income value is the more appropriate valuation method, and under  
20 that analysis the Industrial Parcel will be worth \$12,752,164 after construction, resulting in  
21 \$5,101,478 in equity.

22 Farwell testified that the cost analysis method would not be appropriate here because  
23 the market is oversupplied, and with such raw land, there is insufficient information about  
24 future costs available. He also stated in his appraisal report that there would likely be negative  
25 value with such an approach because of the slow absorption rate for new development in the  
26 Fresno market for the next year or more. Alexander did not directly contradict Schwartzman  
27 but seemed to rely exclusively on a sales comparison approach as well. The sales comparison  
28 approach is the only appropriate one to use in these valuations in light of these market  
conditions. Significantly, the debtor's plan and disclosure statement confirms that new

1 financing is not available except as a priming lien for the development required for an income  
2 model or residual value approach. With no financing to complete the development, anything  
3 but a sales comparison valuation is not realistic here.

#### 4 Nature of Approved Plans

5 Alexander criticized Farwell for assuming one large 200,000 square foot warehouse on  
6 the Industrial Parcel when, in fact seven smaller ones were planned. This criticism appears to  
7 be misplaced as the C&W ("C&W") appraisal assumed the smaller buildings at the inception.  
8 (See Addendum B to Industrial Appraisal) Farwell's later declaration and testimony appears to  
9 have been solely in response to arguments raised by the debtor. Woomer filed a declaration in  
10 opposition to the motion for RFS and provided his analysis of the costs and income for a  
11 212,990 square foot structure on the site. (¶ 21, Woomer Declaration.) Schwartzman first  
12 adopted Woomer's statements (¶17, Schwartzman Declaration), but then testified at the  
13 hearing that rather than one large structure, the plans were for seven smaller industrial  
14 buildings. Mr. Schwartzman's testimony and Exhibit 2, the architectural site plans for the  
15 parcel, resolved the question of what was being planned for the site. Riverfront Ventures has  
16 received plan approval for seven smaller industrial buildings.

17 There does not appear to have been any confusion over the size of the approved  
18 buildings when the C&W appraisal was written. Farwell's testimony was in response to the  
19 Schwartzman and Woomer declarations, and related to the income valuation approach  
20 championed by Schwartzman. Farwell's conclusions as to value have not been impeached by  
21 this issue and are still consistent with the sales comparison approach most applicable here to  
22 raw land.

#### 23 Existing Site Improvements

24 There was testimony concerning what improvements have been made to each parcel  
25 and how this compares to the improvements made to comparable properties. Stavros testified  
26 credibly that he took site improvements into consideration when he prepared the appraisal.  
27 Farwell was, however, not aware of some of the site improvements. Farwell did check the City  
28 of Fresno Land Division and Engineering Department and found no storm drain or flood control  
for the Industrial site. Schwartzman's testimony that gas and utilities had been brought to the

1 pads of the proposed building sites was uncontradicted. There had also been some rough  
2 grading of the streets on the Industrial site. There was never any summary of exactly what  
3 had been done to each site and how that differed from comparable sales.

4 The debtor seeks to have any improvements made to the sites added dollar for dollar to  
5 the Bank's valuation totals. This approach is not supported by a sales comparison approach.  
6 Stavros already took some of the improvements into consideration, and the condition of the  
7 property is relevant solely as it compares to other properties, not for the specific amounts  
8 spent on improvements. Given the extent of the site improvements shown through  
9 Schwartzman's testimony, however, Stavros minimized the site improvements somewhat in his  
10 comparisons to other properties. The amounts spent on a site were never shown to translate  
11 to a dollar for dollar increase over the C&W conclusion.

#### 12 The Industrial Parcel 's Value

13 While Farwell called the location of the Industrial Parcel "pioneering ," the analysis  
14 provided by Stavros and supported by Grubb & Ellis data, demonstrates that it is simply an  
15 inferior location over many of the comparables for industrial warehouse space. Alexander's  
16 assertion that the northwest submarket is superior for industrial space was not supported by  
17 the evidence. Although Alexander said that Herndon and Highway 99 is a big commercial area,  
18 there is a higher concentration of industrial properties in the southeast division. The subject  
19 property is at the extreme northern perimeter of the industrial area, three miles from where  
20 most space is rented. This affects the quality of the comparables used as properties in the  
21 southeast are generally in a superior location.

22 Alexander's industrial comparable properties hinged heavily on the assumption that the  
23 subject's location was equal or superior to other industrial properties that had sold. He also did  
24 not adequately distinguish between potential commercial or retail space and industrial  
25 warehouse space. The flyer for property for sale right down the street from the debtor's  
26 property suffered from that same problem. Not only was it not yet sold, but it was for  
27 commercial property with much greater visibility.

28 The C&W appraisal uses much better comparable sales in reaching its conclusion.  
Although Alexander testified that a number of the C&W comparable sales did not actually close

1 or that he had trouble locating them, Stavros' rebuttal testimony demonstrated that these sales  
2 did, in fact, occur and the details contained in the original appraisal report were accurate.

3 Because the C&W appraisal minimized the improvements to the site, but otherwise was  
4 solid and persuasive, movant's value of \$810,000 will be used and \$400,000 is added based  
5 on Schwartzman's testimony as to what improvements were made. While this may not be the  
6 exact adjustment required in comparison to similarly improved sites in the area, it provides  
7 additional credit for improvements that were actually made, but reflects that the C&W appraisal  
8 already contemplated some work was done. It is not higher because no comparable sales  
9 evidence or testimony was provided indicating that the market would adequately recognize  
10 much value in only partial utility access, some road base and incomplete grading. Sales  
11 prospects are still low for this parcel. Over the next 12 months, vacancy rates are expected to  
12 increase in industrial space in this area and rents will remain flat. (C&W report at p. 15). The  
13 total value of the Industrial Parcel is, accordingly, \$1,210,000.

#### 14 The Single Family Parcel

15 The C&W comparables were mostly similar in size and took the location of the subject  
16 property into account. The testimony of how the subject property differed from Clovis  
17 adequately explained the adjustments made for location on movant's comparables 1 and 2.  
18 The fact that a few of these comparables were originally farm land causes comparables 4 and  
19 5 to be somewhat on the low side given that there was more site development done at the  
20 subject parcel. Credit for the site work is discussed below in evaluating how the per acre cost  
21 should be increased.

22 In general, only numbers 1 and 6 were persuasive on Alexander's choice of  
23 comparables. The remainder were shown to be poor comparisons. Alexander used a 1 acre  
24 site located near the Fresno Airport as comparable sale. Mr. Stavros' testimony was  
25 persuasive that this should not be used at all since it is so small and was purchased by the  
26 City of Fresno for a non-residential use.

27 Alexander points to the Barclay Square/Clovis Property as a inferior to the Single Family  
28 Parcel. Stavros' testimony was persuasive that this property was in an exclusive neighborhood  
where homes sell for three times the price of the homes to be built on the subject property. Mr.



1 Alexander's positive adjustments to this property based on location and traffic flow make no  
2 sense. The photographs taken by Stavros (Exhibit 7) combined with his description of the  
3 property demonstrate that the Barclay square sites are much further along than the Single  
4 Family Parcel because they contain finished streets and completed lots, each stubbed with  
5 utilities.

6 Alexander's comparable number 6 is a decent comparable property, similar in size and  
7 state of development. His adjustment upwards of 50% for location, 40% for access and 50%  
8 for traffic, however, made the final comparable price not credible. These were excessive  
9 adjustments.

10 The debtor faults the C&W appraisers for not visiting the debtor's comparables,  
11 forgetting that the debtor delayed getting any sort of appraisal on these properties until over  
12 nine months into the case when it was forced to address the movant's appraisal in a motion for  
13 relief from stay. Mr. Alexander filed solely a declaration only a few days before the valuation  
14 hearing after the bank's motion was continued three weeks at debtor's request. There was little  
15 opportunity to visit each of Alexander's comparables, so the fact that Stavros did not visit all of  
16 them is of little weight, given Stavros' knowledge of the sales from other records.

17 The adjustments Alexander made for traffic count made no sense. These adjustments  
18 appeared to either contradict or duplicate other considerations of value, but had no meaning in  
19 the context of these sales. Traffic count would be relevant if these were retail properties or if  
20 the property was in a poor location with traffic problems, but it appears to be used in  
21 Alexander's analysis to manipulate value. Stavros' and Farwell's testimony that such  
22 adjustments were inappropriate was convincing.

23 Alexander criticized the C&W appraisal for the range in parcel size of the Single Family  
24 Parcel comparables, but then he does the same thing in his report. He also faulted significant  
25 adjustments for distance from the subject property and date of sale, but again does the same  
26 thing with some of his comparables. The reality is that such adjustments are necessary in a  
27 market where there are so few sales. The limited number of sales must be used and the  
28 validity of the adjustments depends on the reason for it as well as the credibility of the  
appraiser.

1           Density of Building

2           Plans for the Single Family Parcel have been approved for greater density than the CPB  
3 parcel sold recently by the debtor. Every appraiser agreed that greater profit could be  
4 obtained by a parcel built with more homes. This is because the development costs for  
5 preparing the building sites are spread over a greater number of home sites. No witness  
6 credibly provided a specific amount or formula as to exactly what the greater value is. This  
7 appears to be just one factor to be considered, along with many others.

8           The debtor's extreme adjustment to value based on the sale of the CPB property is  
9 greatly inflated because the total amount required to prepare the different sites used in other  
10 comparables of both appraisers was never explored. Schwartzman's testimony and estimates  
11 to complete the project have also varied tremendously. Lastly, Alexander's use of other  
12 comparables raises issues that make his adjustments to the price of the CPB Parcel also  
13 suspect. An adjustment for density on this record would be speculative because the costs of  
14 existing property improvements on comparable properties used in each appraisal have not  
15 been broken out and compared with the subject properties.

16           CPB Parcel

17           The debtor owned a third parcel adjacent to the subject parcel. It was sold with court  
18 approval on March 15, 2010 for \$6,785,000. It was used by Alexander as Comparable  
19 Number 1 but was not taken into consideration by movant. One reason for the discrepancy  
20 between the movant's and the debtor's value for the Single Family Parcel is the fact that the  
21 sale of the CPB Parcel happened after the C&W appraisal was completed. Because of the  
22 location of the parcel and the recent date of sale, both parties agreed that this property is the  
23 best comparable . The "CPB Parcel" is approximately 51 net acres and is located adjacent to  
24 and north of the subject Single Family Parcel. The sales price of the CPB Parcel came to  
25 \$134,804/acre.

26           In light of this sale, the debtor contends that the value of its Single Family Parcel is  
27 \$235,907/acre, based on an approved density of 1.75 times that of the CPB Parcel. This  
28 approach to density and how it affects total value was unsupported by any testimony or  
evidence. The testimony supported some increase in value, but did not provide a basis for a

1 specific multiplier. In addition, the other comparables cannot be completely ignored where  
2 similarly developed properties to the subject sold for much less per acre. The other  
3 comparables show a range in value from \$42,222 to \$129,002 per acre, averaging \$66,884.  
4 (Farwell March 11, 2010 Declaration, paragraph 9.)

5 The movant's appraisal values the Single Family Parcel at \$76,137/acre. The movant  
6 correctly argues that site improvements are greater on the CPB Parcel, but did not provide  
7 specific estimates of how much it would take to bring the subject property up to the same level  
8 as the CPB Parcel. Even Alexander agreed that the CPB Parcel had more curbs and gutters.  
9 Alexander and Schwartzman gave conflicting testimony about what improvements had been  
10 made to the site. It appears both the subject parcel and the CPB Parcel are rough-graded and  
11 have sewers and fire hydrants. The photographs of the two parcels show dramatically different  
12 sites. The CPB parcel shows clearer grading, plenty of base rock on the roads and extensive  
13 curbs. The subject property is more overgrown, no curbs are seen and the roads do not  
14 appear to have base rock, even though Schwartzman testified that some was put down. While  
15 the CPB Parcel has more site improvements and is closer to being ready to develop, the  
16 difference in site improvements does not justify C&W's valuation of \$58,667 less per acre. The  
17 subject Single Family Parcel is also much smaller – 10.77 acres compared to the 51 net acres  
18 of the CPB Parcel, so the improvements were already made to a greater amount of land.  
19 Lastly, the competition of so many home sites in a condition closer to development so close to  
20 the Single Family Parcel may not bode well for its development.

21 Using the same per acre price as the CPB Parcel is the best approximation that can be  
22 made here. The movant's estimate of value is simply too low because the CPB sale was not  
23 taken into consideration, but how much higher it should be was never convincingly explained  
24 by either side. The lack of evidence from the debtor on the application of a density variable  
25 and the lack of specificity by the movant as to how a site improvement differential should  
26 adjust the comparable price roughly balance each other out. They both relate to future  
27 development costs. Any increased value in the subject property due to greater density is offset  
28 by its lower value due to less site improvement. Multiplying the CPB Parcel's \$134,804 an  
acre by the Single Family Parcel's 10.77 acres, the value of the Single Family Parcel can

1 reasonably be said to total \$1,451,839. Any greater increase would ignore the other  
2 comparable sales that the court has found credible.

3 **IV. Conclusion**

4 Debtor owes East West bank \$1,523,122 on the Single Family Parcel and \$1,278,049  
5 on the Industrial parcel. As both properties are worth significantly less than the amount owed  
6 to the movant, even if the disputed default interest is not counted, it is clear that there is no  
7 equity for the debtor. The question then is whether a reasonable reorganization is feasible.  
8 This requires “that the property is essential for an effective reorganization *that is in prospect*,”  
9 meaning a “reasonable possibility of successful reorganization within a reasonable time.”  
10 *Timbers*, 484 U.S. at 375-76 (emphasis in original). The debtor filed Chapter 11 on July 13,  
11 2009.

12 Relief from stay is required at this point. The debtor has had eleven months to market  
13 the property or find new financing to complete the development. The best the debtor was able  
14 to propose is a plan that requires a loan that would have to prime the movant’s already  
15 undersecured loan. The exclusivity period in this case expired on February 28, 2010, and the  
16 plan as initially proposed by the debtor far from assures successful reorganization. Both  
17 motions for relief from the automatic stay are granted.

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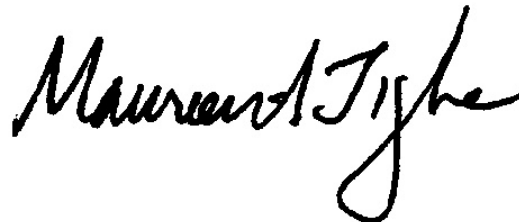
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1 Debtor has requested that relief be conditioned on not allowing a receiver come in so  
2 that plan confirmation can still be sought. At almost the one year anniversary of the case, the  
3 debtor has had sufficient time to confirm a plan and no further interference with the movant's  
4 rights to enforce it's state law remedies is warranted. Movant has requested a waiver of the 14  
5 day stay under FRBP 4001(a)(3). This is denied given the complexity and significance of this  
6 ruling to the debtor. There has been substantial investment by the debtor as well in these  
7 properties, so 14 days to consider its options is appropriate and generally provided for under  
8 FRBP 4001(a)(3).

9 East West Bank should upload an order in compliance with this ruling if it has not  
10 already done so.

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DATED: July 1, 2010

United States Bankruptcy Judge

**NOTE TO USERS OF THIS FORM:**

- 1) Attach this form to the last page of a proposed Order or Judgment. Do not file as a separate document.
- 2) The title of the judgment or order and all service information must be filled in by the party lodging the order.
- 3) **Category I.** below: The United States trustee and case trustee (if any) will always be in this category.
- 4) **Category II.** below: List **ONLY** addresses for debtor (and attorney), movant (or attorney) and person/entity (or attorney) who filed an opposition to the requested relief. **DO NOT** list an address if person/entity is listed in category I.

**NOTICE OF ENTERED ORDER AND SERVICE LIST**

Notice is given by the court that a judgment or order entitled (*specify*) **MEMORANDUM OF RULING RE VALUATION OF PROPERTY FOLLOWING EVIDENTIARY HEARING ON CREDITOR EAST WEST BANK'S MOTIONS FOR RELIEF FROM THE AUTOMATIC STAY** was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner indicated below:

**I. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s), the foregoing document was served on the following person(s) by the court via NEF and hyperlink to the judgment or order. As of June 29, 2010, the following person(s) are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email address(es) indicated below.

- Katherine Bunker kate.bunker@usdoj.gov
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Service information continued on attached page

**II. SERVED BY THE COURT VIA U.S. MAIL:** A copy of this notice and a true copy of this judgment or order was sent by U.S. Mail to the following person(s) and/or entity(ies) at the address(es) indicated below:

Service information continued on attached page

**III. 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 U.S. Mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following person(s) and/or entity(ies) at the address(es), facsimile transmission number(s) and/or email address(es) indicated below:

Service information continued on attached page