

FILED & ENTERED

MAY 01 2009

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY penning DEPUTY CLERK

1  
2  
3  
4  
5  
6  
7  
8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

10  
11 In re:

12 Salton Land Development, LLC,

16 Debtor(s).

Case No: 6:08-bk-26258-TD

Chapter: 11

13 MEMORANDUM OF DECISION AND ORDER TO  
14 SHOW CAUSE WHY CASE SHOULD NOT BE  
DISMISSED WITH BAR

15 Date: June 4, 2009

Time: 2:30 p.m.

16 Location: Courtroom 303

17  
18 The Debtor filed chapter 11 on November 19, 2008. This is essentially a single asset  
19 real estate case involving several thousand acres of raw, undeveloped desert property. The  
20 Debtor filed its proposed Disclosure Statement on February 17, 2009. A hearing thereon was  
21 scheduled for May 7, 2009 at 2:30 p.m.

22 Secured creditors D & A Intermediate-Term Mortgage Fund III, LP, Integrity Capital,  
23 Inc., and Auen Foundation each filed written opposition to the Debtor's Disclosure Statement.  
24 All objections contained in each such written opposition are sustained. It would appear from  
25 Debtor's papers that any possible Debtor action proposed is both speculative and illusory.

26 The Debtor's proposed Disclosure Statement is practically meaningless. It represents  
27 an empty promise, reflecting no source of funding, no constructive business activity, and no  
28

1 promise of reorganization or other valid chapter 11 purpose of any substance. Instead, it  
2 simply seeks approval of an open-ended period for Debtor to address more than \$17 million in  
3 acknowledged secured debt, all in default, all awaiting foreclosure.

4  
5 No appearance is necessary at the May 7, 2:30 p.m. hearing.

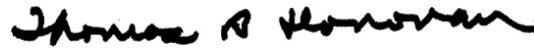
6 Debtor's Disclosure Statement contains no evidence of any kind to describe Debtor's  
7 financial history. There is no meaningful or useful discussion of any substantive business  
8 activity, past, present, or projected.

9 It would appear from Debtor's proposed Disclosure Statement and other filings herein  
10 that this case should be dismissed with a substantial bar against refiling.

11  
12 The court will dismiss this case unless cause is shown in writing sufficient to  
13 demonstrate persuasively the benefit to the estate and its creditors of any other proposed  
14 course of action. Any such response must be filed and served on all interested parties not  
15 later than May 21, 2009. Written opposition to any such response may be served and filed not  
16 later than May 28, 2009.

17  
18 The Disclosure Statement and status conference hearings are continued to June 4,  
19 2009 at 2:30 p.m.

20  
21  
22  
23  
24  
25 DATED: May 1, 2009

  
United States Bankruptcy Judge

1 **NOTE TO USERS OF THIS FORM:**

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

7 **NOTICE OF ENTERED ORDER AND SERVICE LIST**

8 Notice is given by the court that a judgment or order entitled (*specify*) **MEMORANDUM OF DECISION**  
9 **AND ORDER TO SHOW CAUSE WHY CASE SHOULD NOT BE DISMISSED WITH BAR**  
10 was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served  
11 in the manner indicated below:

12 **I. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling  
13 General Order(s) and Local Bankruptcy Rule(s), the foregoing document was served on the following  
14 person(s) by the court via NEF and hyperlink to the judgment or order. As of 5/1/09, the following person(s)  
15 are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive  
16 NEF transmission at the email address(es) indicated below.

17 Robert L Fisher on behalf of Creditor Auen Foundation  
18 rfisher@bkolaw.com

19 Pamela Labruyere on behalf of Creditor Integrity Capital, Inc.  
20 pamela@sgsslaw.com

21 Elizabeth A Lossing on behalf of U.S. Trustee United States Trustee (RS)  
22 elizabeth.lossing@usdoj.gov

23 Daniel J McCarthy on behalf of Debtor Salton Land Development, LLC  
24 dmccarthy@hillfarrer.com

25 Thomas E McCurnin on behalf of Creditor Auen Foundation  
26 tmccurnin@bkolaw.com

27 Richard J Pekin on behalf of Creditor D&A Intermediate Term Mortgage Fund III, L.P.  
28 rpekin@foxjohns.com

United States Trustee (RS)  
ustregion16.rs.ecf@usdoj.gov

Service information continued on attached page

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

31 Debtor  
32 Salton Land Development, LLC  
33 73-755 County Club Drive  
34 Palm Desert, CA 92260

35 Creditor  
36 Davide Holdings, LLC  
37 249 Las Entradas  
38 Santa Barbara, CA 93108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Creditor  
Tom Ward  
All One Valley Inc.  
73-070 Ramon Rd.  
Thousand Palms, CA 92276

Creditor  
Dave Baron  
800 East Tahquitz Canyon Way  
Palm Springs, CA 92262

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