

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  Leonard M. Shulman - Bar No. 126349 Melissa Davis Lowe – Bar No. 245521 SHULMAN BASTIAN FRIEDMAN & BUI LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: LShulman@shulmanbastian.com MLowe@shulmanbastian.com  <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Richard A. Marshack, Chapter 7 Trustee	FOR COURT USE ONLY
<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION</b>	
In re:  RAVCO CONSTRUCTION, INC.,       Debtor(s).	CASE NO.: 8:23-bk-12070-TA CHAPTER: 7       <b>NOTICE OF SALE OF ESTATE PROPERTY</b>

<b>Sale Date:</b> 01/23/2024	<b>Time:</b> 11:00 am
<b>Location:</b> United States Bankruptcy Court, 411 West Fourth Street, Courtroom 5B, Santa Ana, CA 92701	

**Type of Sale:** ☒ Public ☐ Private **Last date to file objections:** 01/09/2024

**Description of property to be sold:** 2014 Chevrolet Silverado Pickup Truck, (2) 2011 Isuzu NPR Flatbed Truck, and  
3) Toyota Mdl 7FGCU25 Forklift

**Terms and conditions of sale:** See attached Sale Motion

**Proposed sale price:** Not Less Than \$19,250 (Floor Price)

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*): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

January 23, 2024 at 11:00 a.m.  
United States Bankruptcy Court  
411 West Fourth Street, Courtroom 5B  
Santa Ana, CA 92701  
\_\_\_\_\_  
\_\_\_\_\_

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

Melissa Davis Lowe, Esq.  
Shulman Bastian Friedman & Bui LLP  
100 Spectrum Center Drive, Suite 600  
Irvine, California 92618  
Telephone: (949) 340-3400  
Facsimile: (949) 340-3000  
Email: MLowe@shulmanbastian.com  
\_\_\_\_\_

Date: 01/02/2024

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Leonard M. Shulman - Bar No. 126349 Melissa Davis Lowe – Bar No. 245521 SHULMAN BASTIAN FRIEDMAN &amp; BUI LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: LShulman@shulmanbastian.com MLowe@shulmanbastian.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Richard A. Marshack, Chapter 7 Trustee</p>		<p>FOR COURT USE ONLY</p>	
<p><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION</b></p>			
<p>In re:</p> <p>RAVCO CONSTRUCTION, INC.,</p>		<p>CASE NO.: 8:23-bk-12070-TA</p> <p>CHAPTER: 7</p> <p><b>NOTICE OF MOTION FOR:</b></p> <p>(1) EMPLOY CHARLES KLAUS/ABC SERVICES GROUP INC., DBA ABC AUCTION AND APPRAISAL SERVICES; AND (2) SELL PROPERTY OF THE ESTATE (A) OUTSIDE THE ORDINARY COURSE OF BUSINESS; (B) FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES, AND (C) FOR DETERMINATION OF GOOD FAITH PURCHASER UNDER 11 U.S.C. § 363(m)</p> <p>[2014 Chevrolet Silverado Pickup Truck, 2011 Isuzu NPR Flatbed Truck, and Toyota Mdl 7FGCU25 Forklift]</p> <p><b>(Specify name of Motion)</b></p> <p>DATE: 01/23/2024 TIME: 11:00 am COURTROOM: 5B PLACE: United States Bankruptcy Court 411 West Fourth Street Santa Ana, CA 92701</p>	
<p>Debtor(s).</p>			

1. TO (*specify name*): Honorable Theodor C. Albert, United States Bankruptcy Judge, the Office of the U.S. Trustee,  
the Debtor and Its Counsel, and all Interested Parties
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **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.)

4. **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 fourteen (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.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The 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.

Date: 01/02/2024

SHULMAN BASTIAN FRIEDMAN & BUI LLP  
Printed name of law firm

/s/ Melissa Davis Lowe  
Signature

Melissa Davis Lowe  
Printed name of attorney

Leonard M. Shulman – Bar No. 126349  
Melissa Davis Lowe – Bar No. 245521  
**SHULMAN BASTIAN FRIEDMAN & BUI LLP**  
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mlowe@shulmanbastian.com

Attorneys for Richard A. Marshack,  
Chapter 7 Trustee

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

In re

**RAVCO CONSTRUCTION, INC.,**

Debtor.

Case No. 8:23-bk-12070-TA

Chapter 7

**CHAPTER 7 TRUSTEE’S MOTION TO:**

**(1) EMPLOY CHARLES KLAUS/ABC SERVICES GROUP INC., DBA ABC AUCTION AND APPRAISAL SERVICES; AND**

**(2) SELL PROPERTY OF THE ESTATE (A) OUTSIDE THE ORDINARY COURSE OF BUSINESS; (B) FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES, AND (C) FOR DETERMINATION OF GOOD FAITH PURCHASER UNDER 11 U.S.C. § 363(m);**

**MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF CHARLES KLAUS AND RICHARD A. MARSHACK IN SUPPORT THEREOF**

**Hearing**

Date: January 23, 2024

Time: 11:00 a.m.

Place: Courtroom 5B

United States Bankruptcy Court  
411 West Fourth Street  
Santa Ana, CA 92701

**TO THE HONORABLE THEODOR C. ALBERT, UNITED STATES BANKRUPTCY JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL INTERESTED PARTIES:**

Richard A. Marshack (the “Trustee”), the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate (the “Estate”) of Ravco Construction, Inc. (the “Debtor”), brings this Motion to (1) Employ Charles Klaus/ABC Services Group Inc., dba ABC Auction and Appraisal Services and (2) Sell Property of the Estate (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens, Claims and Encumbrances, and (C) for Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m) (“Motion”).

## **I. INTRODUCTION**

By this Motion, the Trustee seeks to sell certain of the Debtor’s vehicles consisting of (1) 2014 Chevrolet Silverado Pickup Truck, (2) 2011 Isuzu NPR Flatbed Truck, and (3) Toyota Mdl 7FGCU25 Forklift (collectively, the “Vehicles”), free and clear of liens, claims, interests, and encumbrances to prospective buyers.

In connection therewith, the Trustee seeks to employ Charles Klaus/ABC Services Group Inc., dba ABC Auction and Appraisal Services (the “Broker”) and compensate the Broker as set forth herein as his broker to market and sell the Vehicles for the best and highest price, but in no event less than the collective sum of \$19,250 as set forth below.<sup>1</sup>

The Trustee expects that the sale of the Vehicles will net the Estate (after payment of the Broker’s costs of sale) at least \$11,340 and likely much more. Such sum, combined with other assets in the Estate, are expected to provide a meaningful distribution to unsecured creditors in this case.

## **II. BACKGROUND**

The Debtor filed a voluntary petition under Chapter 7 of the Bankruptcy Code on October 10, 2023 (“Petition Date”).

Richard A. Marshack is the duly appointed, qualified and acting Chapter 7 Trustee for the Estate.

The Debtor’s Schedule A/B [Dkt. 1] listed ownership interests in certain assets, including but not limited to the Vehicles which are the subject of this Motion.

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<sup>1</sup> If the Vehicles are not sold for the “Floor Prices” as defined and set forth herein within one hundred and twenty (120) days of entry of an order granting this Motion, the Trustee requests authorization to then sell the Vehicles for up to fifteen percent (15%) less than the Floor Prices.

Based on the Broker's experience, Broker has provided estimated fair market values for the Vehicles as set forth below:

- (1) 2014 Chevrolet Silverado Pickup Truck, between \$5,500 and \$6,500.
- (2) 2011 Isuzu NPR Flatbed Truck, between \$9,000 and \$12,500.
- (3) Toyota Mdl 7FGCU25 Forklift, between \$4,750 and \$5,500.

Thus, the total value for the Vehicles is estimated to be between \$19,250 and \$24,500.

### III. EMPLOYMENT OF BROKER

With this Motion, the Trustee seeks the Court's approval to sell the Vehicles and in order to do so, requires the assistance of a broker with sufficient knowledge and experience marketing vehicles to ensure that the Vehicles are sold for the best and highest price. To that end, the Trustee seeks Court approval to employ the Broker. The Broker's experience is set forth in his Resume attached as Exhibit 2 to the Declaration of Charles Klaus (the "Klaus Declaration").

The Trustee submits that the Broker is in the best position to represent the Trustee and the Estate to market the Vehicles for sale.

#### A. Services to be Performed

In order to market the Vehicles most effectively, and thereby to liquidate the same for the best and highest price, the Trustee has solicited the assistance of the Broker. Broker, on behalf of Trustee, has agreed to represent the Estate in the sale of the Vehicles and the Trustee desires to enter into the Agreement for Exclusive Authorization to Sell Vehicles ("Agreement"), in substantially the same form as attached to the Klaus Declaration as Exhibit 1.

The Broker shall only sell one or more of the Vehicles if the following minimum gross sales price is achieved per Vehicle (the "Floor Prices"):

- (1) \$5,500 for the 2014 Chevrolet Silverado Pickup Truck.
- (2) \$9,000 for the 2011 Isuzu NPR Flatbed Truck.
- (3) \$4,750 for the Toyota Mdl 7FGCU25 Forklift.

#### B. Compensation Procedure

In consideration for such services and without further application or Court order, Broker will receive, upon consummation of a sale, a fee equal to eighteen percent (18%) of the gross sale

proceeds from the buyer of the Vehicles. In addition, the Broker will be reimbursed its costs of sale, for which the Estate will be responsible. The Broker's costs of sale, including but not limited to the cost of marketing and advertising, labor costs to prepare the Vehicles for sale, take pictures, manage the check out process on the sale and deal with title issues, and other out of pocket costs, are estimated to be no more than \$7,910, and likely less than that.

Broker is aware of the provisions of Bankruptcy Code Section 328(a) and has agreed, notwithstanding the terms and conditions of employment herein set forth, that the Court may allow compensation different from the compensation provided herein if such terms and conditions proved to have been improvident in light of developments unanticipated at the time of the fixing of such terms and condition.

**C. Connections with the Debtor and Other Parties**

Except as disclosed in this Application and to the best of Mr. Klaus' knowledge, neither Mr. Klaus nor any of the persons employed by Mr. Klaus, has any connection with Debtor or Debtor's attorneys or accountants, Debtor's creditors, or any other outside party in interest or their respective attorneys or accountants.

To the best of Mr. Klaus' knowledge, and as set forth in the attached Klaus Declaration, none of the persons comprising or employed by Mr. Klaus/ABC Services Group Inc., dba ABC Auction and Appraisal Services, have any connection to any judge of the United States Bankruptcy Court for the Central District of California, the United States Trustee, or any person currently employed in the Office of the United States Trustee.

Finally, other than being employed by the Trustee in other cases, to the best of Mr. Klaus' knowledge, and as set forth in the attached Klaus Declaration, none of the persons comprising or employed by Mr. Klaus/ABC Services Group Inc., dba ABC Auction and Appraisal Services, have any connection to the Trustee.

**D. Disinterestedness**

Pursuant to Pursuant to LBR 2014-1(b)(1)(B), "The application must be accompanied by a declaration of the person to be employed establishing disinterestedness or disclosing the nature of any interest held by such person."



Pursuant to 11 U.S.C. §101(14)(c), “disinterested person” means a person that... does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.” As noted by the Ninth Circuit Court of Appeals, “[a] generally accepted definition of ‘adverse interest’ is the (1) possession or assertion of an economic interest that would tend to lessen the value of the bankruptcy estate; or (2) possession or assertion of an economic interest that would create either an actual or potential dispute in which the estate is a rival claimant; or (3) possession of a predisposition under circumstances that create a bias against the estate.” *AFI Holding, supra*, 530 F.3d at 845. The Trustee believes that Mr. Klaus is a “disinterested person” within the meaning of 11 U.S.C. §101(14).

Neither Mr. Klaus nor any of the persons employed by Broker is a creditor, equity security holder, or insider, and was otherwise owed any funds by Debtor as of the Petition Date. No member of the Broker or the Broker’s firm is or was ever a director, officer, or employee of Debtor. Finally, Broker and its employees do not have an interest materially adverse to Debtor, the Estate, or any class of creditors or equity security holders.

#### IV. SALE OF THE VEHICLES

As set forth above, the Trustee seeks authority to sell the Vehicles. Upon entry of an order approving the Motion, the Trustee shall be authorized to conclude, at Trustee’s sole discretion, a sale of one or more of the Vehicles for the Floor Prices as follows:

- (1) \$5,500 for the 2014 Chevrolet Silverado Pickup Truck.
- (2) \$9,000 for the 2011 Isuzu NPR Flatbed Truck.
- (3) \$4,750 for the Toyota Mdl 7FGCU25 Forklift.

##### A. Legal Standard for Sale Under 11 U.S.C. § 363(b)(1)

After notice and a hearing, a trustee may sell estate assets outside the ordinary course of business. 11 U.S.C. § 363(b)(1). The Ninth Circuit Court of Appeals has ruled in cases under the Bankruptcy Code that a sale of a debtor’s property should be approved if it is in the best interests of the estate and creditors. *In re Huntington Ltd.*, 654 F.2d 578, 589 (9th Cir. 1991); *In re Equity Funding Corp.*, 492 F.2d 793, 794 (9th Cir. 1974).

In evaluating the propriety of a sale of property of the estate, courts have evaluated whether: (i) a “sound business purpose” justifies the sale; (ii) “accurate and reasonable notice” of the sale was provided; (iii) “the price to be paid is adequate, i.e., fair and reasonable;” and (iv) “good faith, i.e., the absence of any lucrative deals with insiders, is present.” *In re Wilde Horse Enters., Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991). An examination of each of the above four factors reveal that the proposed sales of the Vehicles here should be approved.

**1. A Sound Business Justification Exists**

In this regard, the trustee is afforded great judicial deference in the exercise of his business judgment. *In re Lahijani*, 325 B.R. 282, 289 (9th Cir. BAP 2005); *GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd.*, 331 B.R. 251, 254 (N.D. Tex. 2005). The application of the business judgment test affords a trustee discretion in balancing the costs and benefits of administering or disposing of estate assets according to the needs of the estate. *See In re Canyon P’ship*, 55 B.R. 520, 524 (Bankr. S.D. Cal. 1985).

In this case, the facts surrounding the sale of the Vehicles support the Trustee’s business decision to sell the Vehicles. The sale of the Vehicles will net no less than \$11,340 (\$19,250 gross sale price less \$7,910 costs of sale), and likely more, to the Estate which, along with the liquidation of other assets of the Estate, will generate funds for a meaningful distribution to unsecured creditors. Accordingly, the Trustee submits selling the Vehicles in the manner set forth herein will benefit the Estate in that it allows the Trustee to monetize the Vehicles for the best and highest prices—all of which inure to the benefit of the Estate and its creditors.

**2. The Estimated Sale Prices are Reasonable and Adequate**

In any sale of estate assets, the ultimate purpose is to obtain the highest price for the property sold. *In re Chung King, Inc.*, 753 F.2d 547 (7th Cir. 1985); *In re Alpha Indus., Inc.*, 84 B.R. 703, 705 (Bankr. Mont. 1988).

Over the past weeks, the Trustee, with the assistance of the Broker, has attempted to ascertain the values of the Vehicles to determine what fair and reasonable prices would be for the Vehicles. The Broker has determined approximate values for the Vehicles set forth herein and defined as the “Floor Prices.” The values attributed to the Vehicles are estimated fair market value

wholesale prices. The proposed Floor Prices are designed to maximize the value of the Estate's interests in the Vehicles.

As the Estate will not have to pay any commission, but yet only pay for any out of pocket expenses of the Broker, and given the depreciating values of the Vehicles, the Trustee believes the Floor Prices for the Vehicles are fair and reasonable prices.

### **3. Accurate and Reasonable Notice**

The Trustee must give notice of any sale of property of the Estate. 11 U.S.C. §363(b)(1). In the instant matter, the Trustee will give notice to all known creditors and parties-in-interest in this bankruptcy case. The Trustee respectfully suggests that the service of the Motion is appropriate and constitutes adequate and reasonable notice of the sale of the Vehicles.

### **4. Sale Made in Good Faith**

The sales of the Vehicles is proposed in good faith. The "good faith" requirement focuses principally on the element of special treatment of a debtor's insiders in a sale transaction. *In re Industrial Valley Refrig. and Air Conditioning Supplies, Inc.*, 77 B.R. 15, 21 (Bankr. E.D. Pa. 1987).

Here, any buyer of the Vehicles will not be an "insider" as defined under 11 U.S.C. § 101(31)(C). Buyers will be members of the general public. As such, each sale will be transacted at arms' length. Accordingly, based on the foregoing, the Trustee submits that the sales of the Vehicles are based on his sound business judgment and therefore, the proposed sales of the Vehicles should be approved.

### **B. The Sale Should be Approved Free and Clear of All Liens and Encumbrances**

The Trustee seeks authority to complete the sale of the Vehicles free and clear of all liens, claims, and interests. Section 363(f) of the Bankruptcy Code provides that a trustee may sell property free and clear of any interest in such property if one of the following conditions is satisfied:

- (1) applicable non bankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;

- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in *bona fide* dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

Because Bankruptcy Code section 363(f) is stated in the disjunctive, satisfaction of any of its five requirements will suffice to permit the sale of the assets “free and clear” of liens and interests. *See In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“Section 363(f) is written in the disjunctive, not the conjunctive, and if any of the five conditions is met, the debtor has the authority to conduct the sale free and clear of all liens.”).

Here, based on a UCC-1 search and the Debtor’s bankruptcy schedules, the Trustee believes there are no liens against the Vehicles but out of an abundance of caution, the Trustee asks the Vehicles be sold free and clear of all interests, with any such interests to attach to the sale proceeds with the same validity and priority as existed prior to the sale or be paid in full.

**C Buyers are Entitled to Protection as a Good Faith Purchaser Under 11 U.S.C. § 363 (m)**

“[W]hen a bankruptcy court authorizes a sale of assets pursuant to § 363(b)(1) of the Bankruptcy Code, it is required to make a finding with respect to the ‘good faith’ of the purchaser.” *In re Abbotts Dairies*, 788 F.2d 143, 149-150 (3rd Cir. 1986). The purpose of such a finding is to facilitate the operation of section 363(m) of the Bankruptcy Code, which provides for certain protections to be provided to good faith purchasers from the trustee pursuant to section 363. In this respect, section 363(m) provides:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal. 11 U.S.C. § 363(m).

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1 While the Bankruptcy Code does not define “good faith”, the Ninth Circuit has held that:

2 [G]ood faith . . . speaks to the integrity of his conduct in the course of the  
3 sale proceedings. Typically, the misconduct that would destroy a  
4 purchaser’s good faith status at a judicial sale involves fraud, collusion  
5 between the purchaser and other bidders or the trustee, or an attempt to  
6 take grossly unfair advantage of other bidders.

7 *Alpha Indus., supra; Southwest Products, Inc. v. Durkin (In re Southwest Products, Inc.)*, 144 B.R.  
8 100, 103 (B.A.P. 9th Cir. 1992); *Wilsey v. Central Washington Bank (In re Adams Apple, Inc.)*,  
9 829 F.2d 1484, 1489 (9th Cir. 1987).

10 As the Klaus Declaration demonstrates, the sale of each one of the Vehicles will be  
11 conducted as arms’ length transactions and in good faith under applicable legal standards. For  
12 these reasons, the Trustee requests that Court make a factual determination that the prospective  
13 buyers of the Vehicles are good faith purchasers as defined under 11 U.S.C. § 363(m).

#### 14 **V. THE COURT SHOULD PERMIT IMMEDIATE RELIEF**

15 The Trustee requests that the Court waive Bankruptcy Rule 6004(h) (“Rule  
16 6004(h)”), which provides that an “order authorizing the use, sale, or lease of property . . . is stayed  
17 until the expiration of 14 days after entry of the order, unless the court orders otherwise.” (emphasis  
18 added). Although Rule 6004(h) is silent as to when a court should “order otherwise” and eliminate  
19 or reduce the fourteen (14) day stay period, Collier on Bankruptcy suggests that the fourteen (14)  
20 day stay period should be eliminated to permit a sale or other transaction to close immediately  
21 “where there has been no objection to the procedure.” 10 Collier on Bankruptcy ¶ 6004.11 (Alan  
22 N. Resnick & Henry J. Somme reds., 16th ed.).

23 Here, a waiver of Rule 6004(h) will permit the Broker to immediately market and sell the  
24 Vehicles, which are depreciating assets, for the benefit of the bankruptcy estate and its creditors  
25 and should, therefore, be granted.

#### 26 **VI. CONCLUSION**

27 **WHEREFORE**, the Trustee respectfully requests that this Court enter an order:

- 28 1. Granting the Motion;
2. Authorizing the employment of the Broker;
3. Approving the Agreement attached as Exhibit “1” to the Klaus Declaration;

4. Authorizing the compensation procedure, whereby Broker will receive a broker commission paid by the buyers of each of the Vehicles plus reimbursement of costs from the Estate;

5. Authorizing the Trustee to sell the Vehicles without further order of the Court, as follows: 2014 Chevrolet Silverado Pickup Truck for no less than \$5,500; 2011 Isuzu NPR Flatbed Truck for no less than \$9,000; and Mdl 7FGCU25 Forklift for no less than \$4,750; and further, if after one hundred and twenty (120) days after entry of the Order approving this Motion, there has not been a sale of one or more of the Vehicles, then the Trustee, at his discretion, may sell the Vehicles for up to a fifteen percent (15%) discount off the Floor Prices;

6. Authorizing the sales of the Vehicles outside the ordinary course of business, and further authorizing the sales of the Vehicles, free and clear of all liens, claims, interests and encumbrances. Any claims, liens, interests and encumbrances of record shall attach to the sales proceeds with the same validity and priority as existed on the Petition Date;

7. Authorizing the Trustee to sign all documents necessary to consummate the sales of the Vehicles;

8. Finding that any purchaser of one of more of the Vehicles qualifies as a “good faith” purchaser entitled to all of the protections and benefits of 11 U.S.C. § 363(m);

9. Waiving the 14-day stay provided in Rule 6004(h);

10. Granting such other and further relief the Court deems just and proper.

**SHULMAN BASTIAN FRIEDMAN & BUI LLP**

Dated: January 2, 2024

/s/ Melissa Davis Lowe  
Melissa Davis Lowe  
Attorneys for Richard A. Marshack  
Chapter 7 Trustee for the bankruptcy estate of  
Ravco Construction, Inc.

# DECLARATION

**DECLARATION OF CHARLES KLAUS**

I, Charles Klaus, declare and state as follows:

1. The matters stated herein are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify thereto. I am the President of ABC Services Group Inc., dba ABC Auction and Appraisal Services and am authorized to and make this declaration on its behalf. My resume setting forth my background and experience is attached hereto as Exhibit 2.

2. I am familiar with the Motion to (1) Employ Charles Klaus/ABC Services Group Inc., dba ABC Auction and Appraisal Services and (2) Sell Property of the Estate (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens, Claims and Encumbrances, and (C) for Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m) ("Motion") and the Vehicles described therein and believe that I am qualified to represent the Trustee and the Estate in connection with marketing and selling the Vehicles. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Motion.

3. The Vehicles subject to the Motion consist of:

- (1) 2014 Chevrolet Silverado Pickup Truck – (valued at \$5,500 - \$6,500)
- (2) 2011 Isuzu NPR Flatbed Truck, - (valued at \$9,000 – \$12,500)
- (3) Toyota Mdl 7FGCU25 Forklift – (valued at \$4,750 - \$5,500)

4. Over the past weeks, I have attempted to ascertain the values of the Vehicles to determine what fair and reasonable prices would be for the Vehicles. The approximate values listed above for the Vehicles reflect my best estimation of the fair market value wholesale prices the Vehicles.

5. I have agreed to accept employment as Broker to market and sale the Vehicles on the terms and conditions set forth in the agreement, a true and correct copy of which is attached hereto as Exhibit 1.

6. I have agreed and understand, notwithstanding the terms and conditions of the employment set forth herein, that the Court may allow compensation different if such terms and



1 conditions prove to have been improvident in light of developments unanticipated at the time of  
2 fixing such terms and conditions.

3 7. To the best of my knowledge, neither I, nor any of my employees have had any  
4 business, professional or other connection with the Debtor, the Debtor's creditors or any party in  
5 interest in this proceeding. None of the persons comprising or employed by Broker have any  
6 connection to any judge of the United States Bankruptcy Court for the Central District of  
7 California, the United States Trustee, or any person currently employed in the Office of the United  
8 States Trustee.

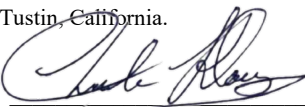
9 8. To the best of my knowledge, neither ABC Services Group Inc., dba ABC Auction  
10 and Appraisal Services nor I represent any interest which would be adverse to this Estate or its  
11 creditors or any party in interest in this proceeding and I am a "disinterested person" as the term  
12 is defined in Bankruptcy Code Section 101(14). Neither ABC Services Group Inc., dba ABC  
13 Auction and Appraisal Services nor I have a pre-petition claim against the Debtor's bankruptcy  
14 estate. And other than being employed by the Trustee in other cases, neither I nor the Broker have  
15 any connection to the Trustee.

16 9. I have received no retainer for the services to be performed during the Chapter 7  
17 case herein.

18 10. I submit that the proposed sales of the Vehicles are made in good faith. The  
19 Vehicles will not be sold to any person or entity that qualifies as an "insider" as defined under 11  
20 U.S.C. §101(31)(C). The sale of the Vehicles will be conducted at arms' length transactions and  
21 in good faith under applicable legal standards. I expect the buyers will be dealers and members of  
22 the general public.

23 I declare under penalty of perjury under the laws of the United States of America that the  
24 foregoing is true and correct.

25 Executed on December 31, 2023, at Tustin, California.



Charles Klaus

# DECLARATION

**DECLARATION OF RICHARD A. MARSHACK**

I, Richard A. Marshack, declare and state as follows:

1. I am an attorney duly licensed to practice in this Court and am the duly appointed and acting Chapter 7 Trustee of the Bankruptcy Estate of Ravco Construction, Inc. I have personal knowledge of the facts described herein and if called as a witness, I could and would testify competently thereto.

2. I submit this Declaration in support of my Motion to (1) Employ Charles Klaus/ABC Services Group Inc., dba ABC Auction and Appraisal Services and (2) Sell Property of the Estate (A) Outside the Ordinary Course of Business; (B) Free and Clear of Liens, Claims and Encumbrances, and (C) for Determination of Good Faith Purchaser Under 11 U.S.C. § 363(m) (“Motion”). All capitalized terms used herein shall have the meanings ascribed to them in the annexed Motion, unless otherwise stated.

3. The Debtor’s Schedule A/B [Dkt. 1] lists ownership interests in certain assets, including but not limited to the Vehicles which are the subject of this Motion, and consist of the following (the “Vehicles”):

- (1) 2014 Chevrolet Silverado Pickup Truck
- (2) 2011 Isuzu NPR Flatbed Truck
- (3) Toyota Mdl 7FGCU25 Forklift.

4. By the Motion, I seek court approval to sell the Vehicles and in such regard have retained Charles Klaus/ABC Services Group Inc., dba ABC Auction and Appraisal Services (“Broker”) to market and sell the Vehicles pursuant to the terms set forth in the Agreement attached to the Klaus Declaration as Exhibit 1.

5. Through the Motion, I seek an Order for sale of the Vehicles for no less than the Floor Prices set forth in the Motion, unless subject to up to a fifteen percent (15%) discount if any of the Vehicles have not sold at the Floor Prices within one hundred and twenty (120) days after entry of an Order approving the Motion.

6. There are no arrangements between myself and Broker for the sharing of any commission or compensation received or to be received in connection with this case and the selling

1 of the Vehicles, and I will not be sharing in any compensation or commission Broker may receive  
2 in connection with this case and the selling of the Vehicles.

3 7. I submit selling the Vehicles in the foregoing manner provided in the Motion and  
4 herein is supported by my business judgment and will benefit the Estate in that it allows the Trustee  
5 to monetize the Vehicles for the best and highest prices – all of which inure to the benefit of the  
6 Estate and its creditors.

7 8. I submit that the proposed sales of the Vehicles are made in good faith. The  
8 Vehicles will not be sold to any person or entity that qualifies as an “insider” as defined under 11  
9 U.S.C. §101(31)(C). As such, I believe that sale of Vehicles will be transacted at arm’s length.

10 9. Based upon a UCC-1 search and the Debtor’s bankruptcy schedules, I believe there  
11 are no liens against the Vehicles. Accordingly, I request the Court allow the Vehicles to be sold  
12 free and clear of all interests, with any such interests to attach to the sale proceeds with the same  
13 validity and priority as existed prior to the sale or be paid in full.

14 I declare under penalty of perjury under the laws of the United States of America  
15 that the foregoing is true and correct.

16 Executed on December 29 2023.  
17 *in Calif.*

  
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RICHARD A. MARSHACK

# EXHIBIT 1

**EXCLUSIVE AUTHORIZATION TO CONDUCT AN  
ONLINE INTERNET PUBLIC SALE**

***ABC Auction and Appraisal Services, a division of ABC Services Group, Inc.,  
("Broker") and***

**Richard Marshack  
Chapter 7 Trustee for the Estate of:  
Ravco Construction, Inc., BK Case No. 8:23-bk-12070-TA  
1340 W. Collins Ave.  
Orange, CA 92867**

(collectively, "**Seller**") agree as follows:

1. **REPRESENTATION: TERMS OF SALE:** Broker shall represent Seller in connection with a piecemeal sale (the "Sale") of 2014 Chevrolet Silverado Chevrolet Pickup Truck, 2011 Isuzu NPR Flatbed Truck, and Toyota Mdl 7FGCU25 Forklift.

2. **COMMISSION:** The Assets may be sold by the piece and/or by the lot. Broker shall receive a fee equal to 18% of the gross sale proceeds, charged to Buyer for all Assets sold at the sale, It is understood and agreed that Broker shall pay (the Internet service provider utilized for the Sale), a fee for its services equal to 3% of the gross sale proceeds..

3. **WARRANTIES:**

(a) **IT IS UNDERSTOOD AND AGREED THAT, EXCEPT AS EXPRESSLY STATED HEREIN, BROKER SHALL NOT MAKE AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PURCHASED ASSETS, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

(b) **ANY PROSPECTIVE BUYER OF THE ASSETS SHALL ACKNOWLEDGE AND AGREE THAT THE ASSETS SHALL BE SOLD "AS IS, WHERE IS, WITH ALL FAULTS" AND SUCH BUYER SHALL NOT HAVE RELIED AND WILL NOT RELY ON ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PURCHASED ASSETS OR RELATING THERETO MADE OR FURNISHED BY SELLER, OR ITS REPRESENTATIVES, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, EXCEPT AS EXPRESSLY STATED IN ANY PURCHASE AGREEMENT.**

4. ADVERTISING: Broker shall advance all funds necessary for advertising as solely deemed necessary by Broker. The Trustee shall compensate the Broker for Court approved expenses within seven (7) calendar days of filing with the Court the Sale Report and the Trustee's Declaration, costs which shall not exceed the sum of \$7,910.00, unless authorized by Seller in writing.
5. LABOR, TRAVEL AND TRANSPORTATION: Broker shall advance and pay all labor and sale preparation (which shall include pre-sale n set-up, utilization of additional temporary help and post-sale in check-out). The Trustee shall compensate the Broker for Court approved expenses within seven (7) calendar days of filing with the Court the Sale Report and the Trustee's Declaration, costs which shall not exceed the estimates stated in the attached Budget, unless authorized by Seller in writing.
6. SALES PRE- OR POST-SALE: Broker shall be entitled to the Commission set on each sale generated whether such sale is conducted pre- or post-Sale. Neither Broker nor Seller shall accept a pre- or post-Sale bid without mutual written consent.
7. COLLECTION AND DISBURSEMENT OF SALE PROCEEDS: Broker shall collect all gross proceeds of the Sale and deposit them into a depository maintained by ABC Auction & Appraisal Services, all applicable sales taxes shall be paid out of such depository, and as soon as all sale proceeds are collected, Seller shall be issued a check for the net sale proceeds (defined as gross proceeds, less Broker's sales tax) within 21 business days after the Sale. The Broker's fees and costs shall be paid pursuant to the procedures as set forth in the Local Bankruptcy Court Rules.
8. SCHEDULED DATE OF THE SALE AND LOCATION: The Sale shall be scheduled and held as follows:
  - Sale shall occur no later than 90 days from the date of court approval; thereafter, Broker shall collect proceeds of sale, complete checkout and removal of assets, and return the premises broom clean approximately two weeks after the date of the Sale.
9. PERMITS AND LICENSES: Broker shall be responsible for obtaining all necessary City, State and Municipal licenses and permits for the Sale.
10. STANDARDS: The Sale shall be conducted in accordance with the professional standards and expectations of the used asset resale industry. However, Broker does not guarantee that any sale will be made.
11. PRE-SALE ESTIMATES: Seller acknowledges that pre-sale estimates are not a guarantee of price. As such, Seller shall not rely on such estimates as an indication of actual closing prices, if any such sale closing shall occur.

12. INSURANCE: Upon court approval, Seller will purchase insurance to cover fire and theft. Broker shall be added as an Additional Insured on any and all insurance policies. In the event of loss, damage or destruction to the Assets prior to the Sale, Broker shall be entitled to a 10% commission on such loss, damaged or destroyed Assets, plus reimbursement of expense advances under paragraphs 4, and 5, provided such loss damage or destruction is not related to Broker's action or neglect.

13. ADDITIONAL INVENTORY: Seller acknowledges that Broker may, at his discretion, enhance the sale with additional items to increase public attendance.

14. FREE RENT AND UTILITIES: Broker shall have the use of the premises and utilities, rent and cost free, for a period of time to prepare, sell and check out purchases to successful buyers.

15. TRADE NAME: Broker can use the trade name(s): ***Ravco Construction, Inc.***, in the Sale brochure and all media advertising in conjunction with the Sale.

16. SALE CANCELLATION RAMIFICATIONS: Should the Sale be canceled for any reason prior to sale date (other than at Broker's direction or discretion), Broker shall be fully reimbursed for all advertising, labor, and miscellaneous expenses incurred up to the date of cancellation. In the event such cancellation occurs after the mailing of brochures and media advertising, follow-up notices to the same mailing list will have to be printed and mailed, announcing the cancellation of the Sale. The same cancellation notices will be published in all media advertising that has been used for prior advertising. Seller agrees to reimburse Broker for all follow-up notices and media advertising.

17. MODIFICATIONS TO CONTRACT: This Agreement constitutes the entire Agreement concerning the subject matter hereof. No modification or waiver hereof shall be binding unless in writing and signed by or on behalf of both parties.

18. DISPUTE RESOLUTION: Any dispute, controversy or claim arising out of or relating to this contract, or breach thereof, shall be subject to the sole and exclusive jurisdiction of the U.S. Bankruptcy Court.

The undersigned accepts the foregoing under the described upon terms and conditions set forth and acknowledges receipt of a copy.

Dated: December \_\_\_, 2023

ABC Services Group Inc., dba ABC Auction and Appraisal Services  
13681 Newport Blvd., # 8-609 Tustin, CA 92780  
949-922-1211  
("Broker")



By: \_\_\_\_\_  
Charles Klaus, President

Ravco Construction, Inc.

By: \_\_\_\_\_

Its: Richard Marshack, Chapter 7 Trustee for the Estate of:  
Ravco Construction, Inc., BK Case 8:23-bk-12070-TA

Corporation's Federal I.D. Number: 95-3272267

(Or) Individual's Social Security Number: \_\_\_\_\_

# **EXHIBIT 2**

**QUALIFICATIONS OF ABC AUCTION & APPRAISAL SERVICES, A DIVISION OF  
ABC SERVICES GROUP, INC TO CONDUCT AUCTIONS/ASSET LIQUIDATIONS**

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Mr. Klaus, President of ABC Services Group, Inc., has over thirty years of experience in the field of capital management and disposition of assets in business insolvency situations, specializing in liquidations under General Assignment for the Benefit of Creditors. Mr. Klaus has been involved in the administration of judicial and out-of-court reorganizations of financially troubled companies, acting as a fiduciary in common law General Assignments, State Court Receiver, Liquidating Trustee, Provisional Director, and Sole Responsible Officer of entities operating under Chapter 11 of the Bankruptcy Code. Mr. Klaus is one of California's leading experts in liquidating tangible and intangible assets of companies under California General Assignment law.

Mr. Klaus was previously employed with Credit Management Association ("CMA") for a period of twenty-nine years. Much of that time was spent working in the Asset Liquidation/ Auction Division of CMA where Mr. Klaus learned the auction and appraisal business. Mr. Klaus attended the Missouri Auction & Appraisal School in 2000 where he became a certified personal property appraiser and a licensed auctioneer in the state of North Carolina. During that time, Mr. Klaus has personally conducted well over one hundred public auctions and orderly liquidations for the insolvency community such as commercial banks, asset-based lenders, bankruptcy Trustees, private equity and venture capital lenders. Mr. Klaus has also conducted over 100 appraisals and asset valuations for major lending institutions, tax attorneys, bankruptcy Trustees and private business sectors, verifying asset values for loans, buy/sell agreements, mergers and acquisitions and asset sales for tax purposes. During his career in the auction and appraisal business, Mr. Klaus gained extensive asset liquidation experience in commercial industries such as printing, plastics, industrial manufacturing, material handling equipment, tree and plant nurseries, woodworking, food processing, all sorts of commercial transport vehicles and equipment including trucks, tractors, construction equipment such as earth moving, road paving and many others.

In February 2018, Mr. Klaus formed ABC Auction & Appraisal Services which is a Division of ABC Services Group, Inc. ABC Auction & Appraisal Services provides services to the needs of the business insolvency community and professionals that he has worked with for over two decades.

**PROFESSIONAL TRAINING**

Missouri Auction School  
Certified Appraisers Guild of America

***PROFESSIONAL AFFILIATIONS***

Southern California Auctioneers Association  
California Bankruptcy Forum  
Turnaround Management Association  
California State Bar's Bankruptcy Law Advisory Commission (Committee Appointment 2008-2011)