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<p><b>UNITED STATES BANKRUPTCY COURT</b> <b>CENTRAL DISTRICT OF CALIFORNIA - SAN FERNANDO VALLEY DIVISION</b></p>			
<p>In re:</p> <p>WORLD OF MISTRY, LLC,</p> <p>Debtor(s).</p>		<p>CASE NO.: 1:25-bk-10602-VK</p> <p>CHAPTER: 11</p> <p><b>NOTICE OF SALE OF ESTATE PROPERTY</b></p>	

<b>Sale Date:</b> 09/24/2025	<b>Time:</b> 1:30 pm
<b>Location:</b> Courtroom 301, 21041 Burbank Boulevard, Woodland Hills, CA 91367	

**Type of Sale:** ☒ Public ☐ Private

**Last date to file objections: 09/10/2025**

**Description of property to be sold:**

Approximately 2.4 acres of land upon which is situated an approximately 2,000 square foot office and an approximately 3,000 square foot garage/shed, located at 14597 Aliso Drive, Fontana, CA 92337-7160 (APN 0236-122-02-0-000)

### Terms and conditions of sale:

See Attached sale motion at p. 10, ¶ 18a-i for terms and conditions of sale, including that \$4.1 million is the minimum bid amount.

**Proposed sale price: \$ 4,100,000.00**

**Overbid procedure (if any):** See Attached sale motion at p. 10, ¶ 18.a-i for terms and conditions of sale, including that \$4.1 million is the minimum bid amount.

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

Date: September 24, 2025

Time: 1:30 p.m.

Place: Courtroom 301

21041 Burbank Boulevard

Woodland Hills, CA 91367

[Held after auction sale heard on the same date and at the same time.]

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

Broker - MATHEW SKOGEBO, LEE & ASSOCIATES, 3240 Mission Inn Avenue, Riverside, California 92507  
(Phone: 951-276-3646; Email: mskogebo@lee-associates.com)

Attorneys - RON BENDER and TODD M. ARNOLD, LEVENE, NEALE, BENDER, YOO & GOLUBCHIK L.L.P.  
2818 La Cienega Avenue, Los Angeles, California 90034  
(Phone: 310-229-1234; Email rb@lnbyg.com; tma@lnbyg.com)

Date: 09/03/2025

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

In re:

WORLD OF MISTRY, LLC,

Debtor and Debtor in Possession.

Case No.: 1:25-bk-10602-VK

Chapter 11 Case

**DEBTOR'S NOTICE OF MOTION AND MOTION  
FOR AN ORDER:**

**(1) APPROVING THE SALE OF THE DEBTOR'S  
FONTANA REAL PROPERTY FREE AND  
CLEAR OF ALL LIENS, CLAIMS,  
ENCUMBRANCES AND INTERESTS, WITH THE  
EXCEPTION OF ENUMERATED EXCLUSIONS;**

**(2) FINDING THAT THE BUYER IS A GOOD  
FAITH PURCHASER;**

**(3) AUTHORIZING AND APPROVING THE  
PAYMENT OF CERTAIN CLAIMS FROM SALE  
PROCEEDS;**

**(4) WAIVING THE FOURTEEN-DAY STAY  
PERIOD SET FORTH IN BANKRUPTCY RULE  
6004(h); AND**

**(5) PROVIDING RELATED RELIEF;  
MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATIONS IN  
SUPPORT THEREOF**

Hearing:

Date: September 24, 2025

Time: 1:30 p.m.

Place: Courtroom 301  
21041 Burbank Boulevard  
Woodland Hills, CA 91367

1           **PLEASE TAKE NOTICE** that World of Mistry, LLC, the Chapter 11 debtor and debtor  
2 in possession herein (the “Debtor”), hereby moves, pursuant to this motion (the “Sale Motion”), for  
3 the entry of an order (the “Sale Order”):

4           (1) pursuant to 11 U.S.C. §§ 363(b) and (f), approving the sale of the Debtor’s  
5 principal asset, approximately 2.4 acres of land upon which is situated an approximately 2,000 square  
6 foot office and an approximately 3,000 square foot garage/shed, located at 14597 Aliso Drive,  
7 Fontana, CA 92337-7160 (APN 0236-122-02-0-000) (the “Fontana Property”), to the winning bidder  
8 (the “Buyer”) at the auction (the “Auction Sale”) of the Fontana Property to be conducted at the  
9 Court on September 24, 2025, at 1:30 p.m., pursuant to the bidding procedures (the “Bidding  
10 Procedures”) approved by the Court, free and clear of any and all liens, claims, encumbrances, and  
11 interests, with the exception of Title Report Items 13-14 (the “Excepted Items”) set forth in Schedule  
12 B, Part II of the preliminary title report for the Fontana Property (the “Title Report”), a true and  
13 correct copy of which is attached hereto as **Exhibit “1,”** provided that the claims of any taxing  
14 authorities or governmental units (as defined in 11 U.S.C. § 101(27)) apportioned to the Debtor that  
15 are secured by liens against the Fontana Property and included in the non-Excepted Items shall be  
16 paid in full upon the close of escrow, for a purchase price to be determined at the Auction Sale (the  
17 “Purchase Price”), pursuant to the standard CAR form purchase agreement and related sale  
18 documents (the “Purchase Agreement”), which are required to be used pursuant the Bidding  
19 Procedures;

20           (2) pursuant to 11 U.S.C. § 363(m) finding that the Buyer is a “good faith”  
21 purchaser entitled to the protections afforded under 11 U.S.C. § 363(m);<sup>1</sup>

22           (3) authorizing the Debtor to pay from the proceeds of the sale of the Fontana  
23 Property out of escrow on closing: (a) the claims of any taxing authorities or governmental units (as  
24 defined in 11 U.S.C. § 101(27)) apportioned to the Debtor that are secured by liens included in the  
25

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26 <sup>1</sup> Pursuant to the Bidding Procedures, the Auction and selection and approval of the Buyer, as well as the hearing on this  
27 Sale Motion, will all occur on September 24, 2025. Therefore, after the hearing on the Sale Motion and the selection  
28 and approval of the Buyer, but prior to entry of the Sale Order, the Debtor or the Buyer will file a declaration or  
declarations and/or provide oral testimony by the Buyer at the hearing in support of a finding that the Buyer is a “good  
faith” purchaser entitled to the protections afforded under 11 U.S.C. § 363(m).

1 non-Excepted Items, (b) the commission of 4% of the Purchase Price owed to the Debtor's broker,  
2 Lee & Associates Commercial Real Estate Services, Inc. ("Lee & Associates"), pursuant to the  
3 Debtor's application to employ the Lee & Associates (the "L&A Employment Application") and the  
4 Court's order (the "L&A Employment Order") approving the L&A Employment Application, (c) any  
5 portion of Lee & Associates' 4% commission that Lee & Associates has agreed to share with the  
6 broker representing the Buyer, as allowed pursuant to the L&A Employment Application and the  
7 L&A Employment Order, (d) any other customary escrow closing fees and charges allocated to the  
8 Debtor, (e) outstanding secured property taxes due to the San Bernardino County Tax Collector (the  
9 "County") through the date of closing of the sale transaction, which the Debtor understands to be in  
10 the total current approximate amount of \$76,490.28 (Title Report Items 9-12), (f) the claim of  
11 Enterprise Bank & Trust (fka First Choice Bank) (the "Bank") for a mortgage loan secured by a first  
12 position deed of trust on the Fontana Property, which the Debtor understands to be in the total current  
13 approximate amount of \$1,580,000 (Title Report Item 15), provided that, if there is any dispute about  
14 the amount owed to any creditor with a claim secured by the Fontana Property, the Debtor/escrow  
15 shall pay the undisputed portion of the subject claim out of escrow and escrow shall retain a balance  
16 equal to the disputed portion of any such claim with the subject secured creditor's lien to attach to  
17 such proceeds with the same extent, priority, and validity as its pre-Petition Date lien on the Fontana  
18 Property, and (g) the net sale proceeds remaining in escrow after the payment of the foregoing  
19 amounts in items (a) through (f) to be paid to the Debtor and held in the Debtor's debtor in  
20 possession bank account pending a further order of the Court or dismissal of the Debtor's bankruptcy  
21 case;

22 (4) authorizing the Debtor's bankruptcy counsel, Levene, Neale, Bender, Yoo  
23 & Golubchik L.L.P. ("LNBYG"), to hold the \$410,000 deposit paid by the Buyer in a trust account  
24 maintained by LNBYG to fund the Debtor's pending Plan (as defined and described below), which  
25 requires the payment of all allowed claims, in full, soon after the effective date of the Plan, with any  
26 balance of such funds to be returned to the Debtor after the payment of all allowed claims as required

1 by the Plan or other further order of the Court;<sup>2</sup>

2 (5) waiving the 14-day stay period set forth in Rule 6004(h) of the Federal  
3 Rules of Bankruptcy Procedure (“FRBP”) to enable the sale of the Fontana Property to close as  
4 quickly as possible; and

5 (6) providing such other relief as is appropriate under the circumstances.

6 **PLEASE TAKE FURTHER NOTICE** that, per the Bidding Procedures, the principal  
7 terms and conditions of the proposed sale to the Buyer approved at the Auction Sale shall include  
8 the following:<sup>3</sup>

- 9 • Required Form of Purchase Agreement: Standard CAR form(s).<sup>4</sup>
- 10 • Name of Buyer: TBD at the Auction Sale.
- 11 • Purchase Price: TBD at the Auction Sale, provided that the Bidding  
12 Procedures require a minimum bid amount of at least \$4.1 million.
- 13 • Deposit: 10% of the bidder’s initial bid amount, which, per the Bidding  
14 Procedures, will be deemed non-refundable if the bidder is deemed by the Court as the  
15 winning bidder at the Auction Sale and the Buyer fails to close its purchase of the Fontana  
16 Property within two weeks following the date of entry of the Sale Order by the Court, unless  
17 the Debtor provides the winning bidder with an extension of the closing date.
- 18 • Estimated Costs of Sale: Total of 6% comprised of a 4% commission for  
19 Lee & Associates, which may be shared with a cooperating Buyer broker with Lee &  
20 Associates consent, plus any customary closing costs.
- 21 • Condition of Fontana Property: “As-is” and “Where is.”
- 22 • Contingencies: None, other than the entry of the Sale Order, and there can  
23 be no condition that the Sale Order becomes a final order.

24 \_\_\_\_\_  
25 <sup>2</sup> The Debtor may decide to seek a dismissal of its chapter 11 case following the sale closing in which case all allowed  
claims would be paid in full in connection with any such dismissal.

26 <sup>3</sup> This is a summary only. To the extent there is any inconsistency between this summary and the terms of the Purchase  
Agreement, the terms of the Purchase Agreement shall govern.

27 <sup>4</sup> Pursuant to the Bidding Procedures, September 19, 2025 is the deadline for prospective bidders to submit Purchase  
Agreements (and other documents, information, and materials required by the Bidding Procedures). By noon on  
28 September 22, the Debtor will file a status report with the Court regarding qualified bidders and their opening bid  
amounts that will include any executed Purchase Agreements as exhibits.

1                   •     Other Terms: The Debtor's sale of the Fontana Property shall be free and  
2 clear of any and all liens, claims, encumbrances, and interests, other than the Excepted Items,  
3 which non-excepted liens, claims, encumbrances, and interests the Debtor believes are  
4 limited to Title Report Items 13-14, which are covenants, conditions, restrictions, and  
5 easements, and a disclosure that the Fontana Property lies within the boundaries of the  
6 Southwest Industrial Park Redevelopment Project Area.

7                   •     Potential Tax Consequences: It is possible or likely that there will be  
8 capital gains taxes owed in connection with the sale. However, because the Debtor is a pass-  
9 through entity, the Debtor understands that any such tax obligation will pass to Scrap  
10 Solutions, Inc. ("SSI"), the Debtor's parent company, which owns 100% of the Membership  
11 Interests in the Debtor.

12               **PLEASE TAKE FURTHER NOTICE** that, pursuant to LBR 9013-1(f), any opposition  
13 to the Sale Motion must (1) be in writing and include all reasons and evidence in support of the  
14 opposition, (2) be filed with the Bankruptcy Court **at least fourteen (14) days prior to the hearing**  
15 **on the Sale Motion**, and (3) be served on the United States Trustee and counsel for the Debtor,  
16 whose contact information is set forth on the first page of this Notice of Motion and Motion.

17               **PLEASE TAKE FURTHER NOTICE** that, pursuant to LBR 9013-1(h), the Court  
18 may deem the failure of any party to file a timely opposition to the Sale Motion to constitute consent  
19 to the granting of the Sale Motion and the relief requested herein.

20               **WHEREFORE**, the Debtor respectfully requests that this Court (1) enter a Sale Order  
21 granting the Sale Motion and providing the relief requested in paragraphs (1) through (6) of the above  
22 Sale Motion and (2) grant such further and additional relief as the Court deems just and proper.

23  
24 Dated: September 3, 2025

LEVENE, NEALE, BENDER, YOO  
& GOLUBCHIK L.L.P.

25 By: /s/ Todd M. Arnold

26 RON BENDER

TODD M. ARNOLD

27 Attorneys for Chapter 11 Debtor and Debtor in Possession  
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**MEMORANDUM OF POINTS AND AUTHORITIES**<sup>5</sup>

**I.**

**STATEMENT OF FACTS**

**A. GENERAL BACKGROUND.**

1. On April 11, 2025 (the “Petition Date”), the Debtor initiated its bankruptcy case by filing a voluntary petition under Chapter 11 of 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”).<sup>6</sup>

2. The Debtor continues to operate its business and manage its affairs as a debtor in possession pursuant to Sections 1107(a) and 1108. No committee, trustee, or examiner has been appointed in this bankruptcy case.

**B. DESCRIPTION AND HISTORY OF THE DEBTOR’S BUSINESS AND THE PRINCIPAL ASSET OF THE ESTATE.**

3. Amit Syal and Reena Mistry (the “Individuals”), husband and wife, each own 50% of SSI. The Debtor is a wholly owned subsidiary of SSI, which has two other wholly owned subsidiaries – Aliso Recycling, LLC and Rudy’s Express Auto Dismantling, LLC.

4. The Debtor’s principal asset is the Fontana Property, an industrial real property located at 14597 Aliso Dr., Fontana, CA 92337-7160 that the Debtor purchased in November 2017 for \$1.75 million. The Fontana Property is approximately 2.4 acres upon which is situated an approximately 2,000 square foot office and an approximately 3,000 square foot garage/shed. The Fontana Property is in close proximity to the 10 and 15 freeways providing it with remarkable access. Importantly, the Fontana Property is permitted/zoned as a recycling yard, which would materially increase the value for any buyer that requires such permitting/zoning.

5. The Debtor’s purchase of the Fontana Property was financed by a loan (the “Loan”) from the Bank (*i.e.*, Enterprise Bank & Trust (fka First Choice Bank). The Individuals guarantied the Loan and secured such guaranty with a lien on their personal residence located at 5409 Sheffield Lane, Santa Clarita, California 91350 (the “Santa Clarita Property”).

<sup>5</sup> Unless otherwise stated, capitalized terms in this Memorandum have the same meanings ascribed to them in the preceding Sale Motion.

<sup>6</sup> Unless otherwise stated, all Section references herein are to the Bankruptcy Code.

6. The Debtor's business is the ownership and maintenance of the Fontana Property. The Debtor does not operate a business on the Fontana Property, but its affiliate, SSI, does operate an auto dismantling business at the Fontana Property.

C. **THE REASONS FOR FILING FOR BANKRUPTCY PROTECTION AND THE EXIT STRATEGY.**

7. In or about late September 2024, the Debtor became financially unable to service the Loan and was also unable to pay real property taxes that came due on the Fontana Property. As a result, (a) on November 27, 2024, the Bank filed a Notice of Default against the Fontana Property, and (b) on December 6, 2024, the Bank filed a Notice of Default against the Santa Clarita Property. As of the Petition Date, the Debtor owed the Bank approximately \$1.460 million on the Loan. At present, the Bank asserts that approximately \$1,580,000 would be owed if the Debtor closes a sale of the Fontana Property on or about October 10, 2025, as contemplated by the Bidding Procedures discussed hereinabove and below.

8. In response to the threat of foreclosure on the Fontana Property and the loss of substantial equity therein, and in an effort to realize value from the Fontana Property to pay the Bank and outstanding property taxes currently in the approximate amount of \$77,000, the Debtor entered into a listing agreement with Lee & Associates pursuant to which Lee & Associates was engaged to assist the Debtor with its efforts to lease or sell the Fontana Property.

9. As discussed below, the Bidding Procedures provide for a minimum bid amount of \$4.1 million, and Lee & Associates believes that the Fontana Property is worth materially more than \$4.1 million. Therefore, there is at least \$2.197 million of equity in the Fontana Property (minimum bid amount of \$4.1 million, less Lee & Associates commission of \$164,000 (4% of the \$4.1 million minimum bid amount), less the County's secured claim in the approximate amount of \$76,490 for property taxes, less the Bank's secured claim in the approximate amount of \$1.580 million, less customary escrow closing fees and charges (estimated at 2% of the \$4.1 million minimum bid amount).

10. Unfortunately, given the unique nature of the Fontana Property and the desire of the Debtor to maximize its value by finding a tenant or buyer that requires the Fontana Property's

1 valuable permitting/zoning that is difficult to obtain, the Debtor was not able to quickly find a tenant  
2 or buyer. The Debtor was also not able to refinance the Loan in the compressed time frame. As a  
3 result, on or about March 5, 2025, the Bank recorded Notice of Sales against the Fontana Property and  
4 the Santa Clarita Property and scheduled foreclosure sales for April 14, 2025 (*i.e.*, just days before the  
5 April 11, 2025 Petition Date) and April 15, 2025, respectively.

6 11. In consideration of the foregoing, and after considering the best interests of its  
7 creditors and SSI, the Debtor's sole equity holder, since this should be a surplus estate, the Debtor  
8 filed for bankruptcy protection on the Petition Date. This bankruptcy case was intended to afford the  
9 Debtor, and has afforded the Debtor, with the ability to (a) stay the Bank's foreclosure on the Fontana  
10 Property, (b) pursue a sale of the Fontana Property for the highest and best price under the  
11 circumstances so that the Debtor can pay the holders of allowed claims in full and maximize the return  
12 to SSI in what should be a surplus estate, and (c) propose and seek confirmation of a plan providing  
13 for the payment of all allowed claims in full from the proceeds of a sale of the Fontana Property, with  
14 any surplus after the payment of allowed claims to be paid to SSI.

15 12. For similar reasons, on April 14, 2025, the Individuals filed their own bankruptcy  
16 case, which is related to the Debtor's Bankruptcy case and pending before this Court as case number  
17 1:25-bk-10644-VK, to avoid having their personal residence (*i.e.*, the Santa Clarita Property), which  
18 also has substantial equity, being foreclosed upon.

19 **D. CLAIMS PURPORTEDLY SECURED BY THE FONTANA PROPERTY AND**  
20 **OTHER CLAIMS.**

21 13. As set forth in the Debtor's Schedules of Assets and Liabilities (the "Schedules")  
22 [Dkt. 19] and the current claims register, the Debtor's only pre-petition creditors are (a) the Bank  
23 [Proof of Claim 3] and the County [Proof of Claim 1], which, as further discussed below, have  
24 claims allegedly secured by the Fontana Property, (b) the Franchise Tax Board, which has an alleged  
25 priority unsecured claim in the amount of \$2,553.37 an alleged general unsecured claim in the  
26 amount of \$230.67 [Proof of Claim 2], and (c) the IRS, which has an alleged general unsecured  
27 claim in the amount of \$9,350.57 [Proof of Claim 4].  
28

14. Consistent with the foregoing, the Title Report attached hereto as **Exhibit “1”** includes the following deeds of trust against the Property to secure alleged claims:

Title Report Item No.	Claimant	Lien Position After Property Taxes	Initial Claim Amount Per Title Report	Current Estimated Claim
9-12	The County (Property Taxes)		\$65,734.03	\$76,490.28 [Per Proof of Claim 1]
15	The Bank (the Loan to purchase the Fontana Property)	1	\$1,579,300.00	\$1,460,024.53 as of the Petition Date [Per Proof of Claim 3]  \$1,580,000 estimated as of October 10, 2025, the projected closing date of the sale of the Fontana Property contemplated by the Bidding Procedures discussed hereinabove and below.

**E. THE DEBTOR’S PENDING PLAN AND THE BIDDING PROCEDURES.**

15. On July 9, 2025, the Debtor filed its (a) *Disclosure Statement Describing Debtor’s Chapter 11 Liquidating Plan Dated July 9, 2025* (the “Disclosure Statement”) [Dkt. 59 and refiled with an appropriate signature as Dkt. 63], and (b) *Chapter 11 Liquidating Plan Dated July 9, 2025* (the “Plan”) [Dkt. 60].

16. In summary, the Plan (a) is to be funded from a sale of the Fontana Property, which, as discussed above, is the Debtor’s principal asset, which is intended to be effectuated prior to the effective date of the Plan, and (b) provides for the payment of all allowed claims, in full, with interest, and, therefore, does not have any impaired classes and does not require any solicitation or voting. In connection with the anticipated pre-effective date sale of the Fontana Property, the Disclosure Statement and Plan projected the following sale-related dates (the “Sale Dates”):

<u>Date</u>	<u>Filing/Event</u>
7/9/25	File Bid Procedures Motion
7/30/2025 at 1:30 p.m.	Hearing on Bid Procedures Motion
9/5/2025 (later changed to 9/19/25 for the reasons discussed below)	Deadline for bidders to qualify and submit qualified bids
9/24/2025 at 1:30 p.m.	Auction Sale and hearing on Fontana Property Sale Motion

17. In furtherance of the foregoing anticipated pre-effective date sale of the Fontana Property to fund the Plan and the related Sale Dates set forth in the Disclosure Statement and Plan, also on July 9, 2025, the Debtor filed a motion (the “Bidding Procedures Motion”) [Dkt. 55] to approve Bidding Procedures generally consistent with those outlined in the Disclosure Statement and Plan, but providing for a later deadline of September 19, 2025 for the submission of initial bids on the Fontana Property in order to facilitate more bidding on the Fontana Property.

18. On August 7, 2025, the Court entered its order (the “Bidding Procedures Order”) [Dkt. 77], pursuant to which the Court granted the Bidding Procedures Motion and approved the following Bidding Procedures:

a. The Auction Sale of the Fontana Property shall be held in the Court on September 24, 2025, at 1:30 p.m.;

b. In order to be eligible to participate in the Auction Sale, prospective bidders need to do each of the following: (i) submit to the Debtor’s real estate broker, Lee & Associates (Attention: Mathew Skogebo), an offer on the standard CAR form with a minimum bid of \$4.1 million by no later than September 19, 2025; (ii) the offer must not include any remaining contingencies to closing (*e.g.*, inspection, permitting, environmental, or otherwise) other than the bidder being deemed to be the winning bidder at the Auction Sale and the entry of the Sale Order approving the sale of the Fontana Property to the winning bidder free and clear (which means that bidders must complete all inspections, etc. prior to submitting their bid) and there can be no condition upon the Sale Order becoming a final order; (iii) provide Lee & Associates with proof of the bidder’s financial ability to close its purchase if the bidder is approved by the Court as the winning bidder; and (iv) submit a deposit equal to 10% of the bidder’s bid into a

1 trust account maintained by LNBYG, bankruptcy counsel to the Debtor, which deposit  
2 will be deemed non-refundable if the bidder is deemed by the Court to be the winning  
3 bidder at the Auction Sale and fails to close its purchase of the Fontana Property within  
4 two weeks following the date of entry of the Sale Order by the Court unless the Debtor  
5 provides the winning bidder with an extension of the closing date;

6 c. The Sale Order will not include any provision that the winning bidder's  
7 obligation to close its purchase of the Fontana Property is conditioned upon the Sale  
8 Order becoming a final order. Rather, the Sale Order shall include provisions that the  
9 sale may be consummated immediately upon its entry pursuant to FRBP;

10 d. All timely submitted bids shall be binding and irrevocable until the  
11 conclusion of the Auction Sale and must continue to remain binding and irrevocable  
12 following the conclusion of the Auction Sale if the bid is deemed by the Court to be the  
13 winning bid at the Auction Sale;

14 e. The deposits of all other bidders who are not deemed to be the winning  
15 bidder at the Auction Sale will be promptly returned by LNBYG to the bidder unless a  
16 bidder elects to serve as a back-up bidder;

17 f. If only one qualified bid is submitted, the Debtor will seek the Court's  
18 approval of that bid at the Auction Sale;

19 g. If more than one qualified bid is submitted, the highest bid will serve as  
20 the initial bid at the Auction Sale. All overbids must be in increments of \$25,000 or any  
21 higher figure that is wholly divisible by \$25,000. If more than one qualified bid is  
22 submitted, bidding shall continue until the Court, at the Debtor's request, approves a bid  
23 as the winning bid at the Auction Sale;

24 h. LNBYG will direct and preside over the Auction Sale with the Court to be  
25 the arbiter of any dispute that arises. Before the commencement of the Auction Sale,  
26 each qualified bidder must acknowledge on the record that (i) it has not engaged in any  
27 collusion with respect to the bidding, (ii) its bid is a good faith bona fide offer, and (iii) it  
28



1 intends to consummate the proposed transaction if deemed to be the winning bidder by  
2 the Court; and

3 i. With the approval of the Court, the Debtor shall have the right to deviate  
4 from the forgoing Bidding Procedures if the Debtor deems that doing so is in the best  
5 interests of its bankruptcy estate.

6 19. Pursuant to the Court's *Order Setting Deadlines Concerning Adequacy Of*  
7 *Debtor's Proposed Disclosure Statement* [Dkt. 66], the Court, *inter alia*, (a) set August 20, 2025 as  
8 the deadline for objections to the Disclosure Statement, and (b) set a hearing on September 10, 2025  
9 to consider approval of the Disclosure Statement.

10 20. There were no objections to the Disclosure Statement. However, after the Debtor  
11 filed its Disclosure Statement and Plan, the UST raised certain concerns regarding those pleadings.

12 21. On July 31, 2025, the Debtor filed its *Stipulation Re: Proposed Amendments To*  
13 *(1) Disclosure Statement Describing Debtor's Chapter 11 Liquidating Plan Dated July 9, 2025 And*  
14 *(2) Debtor's Chapter 11 Liquidating Plan Dated July 9, 2025* (the "DS/Plan Stipulation") [Dkt. 74],  
15 which is a stipulation between the Debtor and the UST intended to resolve all of the aforementioned  
16 concerns raised by the UST to the Debtor's Disclosure Statement and Plan. On August 7, 2025, the  
17 Court entered its order [Dkt. 78] approving the DS/Plan Stipulation.

18 **F. THE EMPLOYMENT OF LEE & ASSOCIATES AND THE MARKETING OF**  
19 **THE FONTANA PROPERTY AND OFFERS FOR THE PROPERTY.**

20 22. On May 9, 2025, the Debtor filed the L&A Employment Application [Dkt. 36] to  
21 employ Lee & Associates as the Debtor's real estate broker to assist the Debtor in its efforts to market  
22 and sell the Fontana Property. The Employment Application provided, *inter alia*, that, (a) Lee &  
23 Associates compensation would be determined pursuant to Section 328, and (b) in exchange for its  
24 services, Lee & Associates would be paid 4.0% of the Purchase Price of the Fontana Property upon  
25 the close of escrow of any sale of the Fontana Property, provided that Lee & Associates could agree to  
26 share a portion of its commission with any broker representing any Buyer approved by the Court that  
27 closes a sale of the Fontana Property.

23. On June 2, 2025, the Court entered its L&A Employment Order [Dkt. 47], approving the L&A Employment Application, including the terms for compensation set forth therein.

24. As discussed in the L&A Employment Application, Lee & Associates were the Debtor's pre-Petition Date brokers in connection with the marketing and sale of the Fontana Property. Since its retention, Lee & Associates broadly and extensively marketed the Fontana Property by taking, among others, the following actions:

a. Listing the Fontana Property Auction Sale on the MLS on June 11, 2024 and making pricing adjustments to the current listing price of \$4.1 million, which represents the minimum bid amount approved by the Court;

b. Publicly listing the Fontana Property Auction Sale on the following sites:

- Lee & Associates: ([lee-associates.com/properties](http://lee-associates.com/properties));
- CREXI: (<https://www.crex.com/properties/1777134/california-14597-aliso-dr>);
- Loopnet: (<https://www.loopnet.com/Listing/14597-Aliso-Dr-Fontana-CA/37053478/>);
- Property Shark: (<https://www.propertyshark.com/cre/commercial-property/us/ca/fontana/14597-aliso-dr-1/>);
- Commercial Search: (<https://www.commercialsearch.com/commercial-property/us/ca/fontana/14597-aliso-dr-1/>);
- Yardi: (<https://www.yardi.com/>) (subscriber site);
- AIR: (<https://www.aircre.com/>) (subscriber site);
- Costar: (<https://www.costar.com/>) (subscriber site);
- Digsy: (<https://www.getdigsy.com/products>);
- Yardi: (<https://www.yardi.com/>) (subscriber site); and
- ILS: (<https://ilssc.com/cre-advertisement/>) (subscriber site).

c. Sending an email blast with the listing for the Fontana Property to all of Lee & Associates' approximately 80 offices across the United States, including the 24 offices located in Southern California;

d. Sending an email blast with the listing for the Fontana Property to every commercial real estate agent in Southern California at a number of other large brokerages, including, but not limited to those at JLL, CBRE, Daum, Colliers, Matthews, Cushman, Harvest Realty, and SRS Industrial;

e. Sending the brochure for the Fontana Property to 23 parties expressing specific interest in the Fontana Property, together with the Court-approved Bidding Procedures and the Phase 1 and 2 environmental reports for the Fontana Property; and

f. Since the Fontana Property Auction Sale was listed, providing tours of the Fontana Property for two interested parties, with a third tour set for Thursday, September 4, 2025.

25. Based on all of the foregoing and his expertise, Mathew Skogebo, Lee & Associates primary broker in connection with the Debtor's efforts to market and sell the Fontana Property, believes that, under the circumstances and the Bidding Procedures approved by the Court, the Debtor will obtain the highest and best Purchase Price for the Fontana Property at the Auction Sale. Based on the foregoing, the Debtor also believes that Purchase Price obtained at the Auction Sale of the Fontana Property will represent the highest and best price that can be obtained for the Fontana Property under the circumstances.

**G. THE PROPOSED AUCTION SALE AND FLOW OF FUNDS.**

26. Per the Bidding Procedures, the principal terms and conditions of the proposed sale to the Buyer approved at the Auction Sale shall include the following:<sup>7</sup>

- Required Form of Purchase Agreement: Standard CAR form(s).<sup>8</sup>
- Name of Buyer: TBD at the Auction Sale.
- Purchase Price: TBD at the Auction Sale, provided that the Bidding

Procedures require a minimum bid amount of \$4.1 million.

<sup>7</sup> This is a summary only. To the extent there is any inconsistency between this summary and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall govern.

<sup>8</sup> Pursuant to the Bidding Procedures, September 19, 2025 is the deadline for prospective bidders to submit Purchase Agreements (and other documents, information, and materials required by the Bidding Procedures). By noon on September 22, the Debtor will file a status report with the Court regarding qualified bidders and their opening bid amounts that will include any executed Purchase Agreements as exhibits.

1                   •       Deposit: 10% of the Buyer's initial bid amount, which, per the Bidding  
2 Procedures, will be deemed non-refundable if the bidder is deemed by the Court as the  
3 winning bidder and Buyer at the Auction Sale and fails to close its purchase of the Fontana  
4 Property within two weeks following the date of entry of the Sale Order by the Court, unless  
5 the Debtor provides the winning bidder with an extension of the closing date.

6                   •       Estimated Costs of Sale: Total of 6% comprised of a 4% commission for  
7 Lee & Associates, which may be shared with a cooperating buyer broker with Lee &  
8 Associates consent, plus any customary closing costs.

9                   •       Condition of Fontana Property: "As-is" and "Where is."

10                  •       Contingencies: None, other than the entry of the Sale Order, and there can  
11 be no condition that the Sale Order becoming a final order.

12                  •       Other Terms: The Debtor's sale of the Fontana Property shall be free and  
13 clear of any and all liens, claims, encumbrances, and interests, other than the Excepted Items,  
14 which non-excepted liens, claims, encumbrances, and interests the Debtor believes are  
15 limited to Title Report Items 13-14, which are covenants, conditions, restrictions, and  
16 easements, and a disclosure that the Fontana Property lies within the boundaries of the  
17 Southwest Industrial Park Redevelopment Project Area.

18                  •       Potential Tax Consequences: It is likely that there will be capital gains  
19 taxes owed in connection with the sale. However, because the Debtor is a pass-through  
20 entity, the obligation will pass to SSI, the Debtor's parent company, which owns 100% of the  
21 Membership Interests in the Debtor.

22 ///

23 ///

24 ///

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27. Based on a minimum Purchase Price of \$4.1 million required by the Bidding Procedures, the Debtor estimates the following flowing flow of funds:

<b>Purchase Price</b>	<b>\$4,100,000.00</b>
Lee & Associates 4% commission, which may be shared with any broker representing any Buyer approved by the Court that closes a sale of the Fontana Property	-\$164,000.00
The County (Property Taxes) (Per Proof of Claim 1)	-\$76,490.28
The Bank (The Loan to purchase the Fontana Property) (Estimated per Proof of Claim 3 and discussions with the Bank regarding the estimated amount of its claim as of October 10, 2025, the projected closing date of the sale of the Fontana Property contemplated by the Bidding Procedures	-\$1,580,000.00
Customary escrow closing fees and charges allocated to the Debtor (estimated at 2% of the Purchase Price)	-\$82,000.00
<b>Balance to Estate</b>	<b>\$2,197,509.72<sup>9</sup></b>

## II.

### LEGAL ARGUMENT

#### A. THE COURT SHOULD APPROVE THE SALE OF THE FONTANA PROPERTY TO THE BUYER.

##### 1. THE DEBTOR HAS COMPLIED WITH ALL APPLICABLE NOTICE REQUIREMENTS.

Section 363(b)(1) provides that the Debtor, “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Section 102(1) defines “after notice and a hearing” as after such notice as is appropriate in the particular circumstances, and such opportunity for hearing as is appropriate in the particular circumstances. 11 U.S.C. § 102(1)(A).

<sup>9</sup> With the 10% deposit to be held in a segregated account by LNBYG and the balance to be held by the Debtor in its DIP account – all pending further order of the Court as described herein.

FRBP 6004(a) provides, in pertinent part, that notice of a proposed sale not in the ordinary course of business must be given pursuant to FRBP 2002(a)(2), (c)(1), (i) and (k), and, if applicable, in accordance with Section 363(b)(2). Fed. R. Bankr. P. 6004(a). FRBP 2002(a)(2) requires at least 21 days' notice by mail to the debtor, any trustee, and all creditors and indenture trustees of a proposed sale of property of the estate other than in the ordinary course of business, unless the Court, for cause shown, shortens the time or directs another method of giving notice. Fed. R. Bankr.P. 2002(a)(2). FRBP 2002(c)(1) requires that the notice of a proposed sale include the date, time and place of any public sale, the terms and conditions of any private sale, and the time fixed for filing objections; it also provides that the notice of sale or property is sufficient if it generally describes the property. Fed. R. Bankr. P. 2002(c)(1). FRBP 2002(i) requires that the notice of a proposed sale be served on any committee elected under Section 705 or appointed under Section 1102. Fed. R. Bankr. P. 2002(i). FRBP 2002(i) is inapplicable in this case, because no committee was appointed in this case. FRBP 2002(k) requires that the notice be given to the United States Trustee. Fed.R.Bankr.P. 2002(k).

In addition, LBR 6004-1 requires that the notice contain the information specified in LBR 6004-1(c)(3) and that an additional copy of the notice be submitted to the Clerk of the Bankruptcy Court together with a Form F 6004-2.NOTICE.SALE at the time of filing for purposes of publication. LBR 6004-1(c)(3) and (f).

The Debtor has complied with all of the above provisions of the Bankruptcy Code, the FRBP and the LBR. The Debtor has complied with FRBP 6004(a) and 2002(a)(2), (c)(1), and (k), as well as LBR 6004-1(c)(3), because the Notice of the Sale Motion, which was served 21 days before the hearing on the Sale Motion, includes all of the required information set forth above, including, without limitation, (1) the Bidding Procedures and the dates and deadlines therein, (2) the date, time, and place of the Auction Sale and the hearing on the Sale Motion to approve the proposed sale of the Fontana Property to the winning bidder at the Auction Sale, which is on the same date and time as the hearing on the Sale Motion, (3) the deadline for objecting to the Sale Motion, and (4) the Notice of the Sale Motion, together with the Sale Motion and its annexed Memorandum, Declarations, and Exhibits, have been served on the Office of the United States Trustee, the Debtor, all of the Debtor's

1 known creditors, all alleged secured creditors appearing on the Title Report, and all parties requesting  
2 special notice.

3 Further, as required by LBR 6004-1(f), concurrently with the filing hereof, the Debtor  
4 submitted an additional copy of the Notice of the Sale Motion, which includes required information  
5 about the proposed Auction Sale of the Fontana Property, with the Clerk of the Bankruptcy Court  
6 together with a Form F 6004-2 NOTICE.SALE for purposes of publication.

7 Based on the foregoing, all applicable notice requirements have been satisfied.

8 **2. THE SALE OF THE FONTANA PROPERTY TO THE BUYER SHOULD**  
9 **BE APPROVED, BECAUSE GOOD BUSINESS REASONS FOR THE**  
10 **SALE EXIST, THE PURCHASE PRICE FOR THE FONTANA**  
11 **PROPERTY IS FAIR AND REASONABLE, AND THE PROPOSED SALE**  
12 **IS IN THE BEST INTERESTS OF THE ESTATE AND ITS CREDITORS.**

13 As a general matter, a court considering a motion to approve a sale under Section 363(b)  
14 should determine from the evidence presented before it that a “good business reason” exists to grant  
15 such a motion. *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983). In addition, the court must  
16 further find that the sale is in the best interest of the estate. To make this determination, the Court  
17 should consider whether:

- 18 (1) the sale is fair and reasonable, *i.e.*, the price to be paid is adequate;  
19 (2) the property has been given adequate marketing;  
20 (3) the sale is in good faith, *i.e.*, there is an absence of any lucrative  
21 deals with insiders, and  
(4) adequate notice has been provided to creditors.

22 *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841-2 (Bankr. C.D. Cal. 1991); *In re The Landing*,  
23 156 B.R. 246, 249 (Bankr. E.D. Mo. 1993); *In re Mama’s Original Foods, Inc.*, 234 B.R. 500, 502-  
24 505 (C.D. Cal. 1999). Here, the proposed sale of the Fontana Property to the Buyer pursuant to the  
25 terms of the Purchase Agreement or to successful Overbidder approved by the Court satisfies each of  
26 these requirements.

1                   **a.     Sound Business Purpose.**

2                   The Ninth Circuit Bankruptcy Appellate Panel in *Walter v. Sunwest Bank (In re Walter)*,  
3 83 B.R. 14, 19 (B.A.P. 9th Cir. 1988) has adopted a flexible case-by-case test to determine whether  
4 the business purpose for a proposed sale justifies disposition of property of the estate under Section  
5 363(b).

6                   The facts pertaining to the Auction Sale at issue here amply substantiate the Debtor's  
7 business decision that the contemplated sale of the Fontana Property to the winning bidder for the  
8 Purchase Price, both as determined at the Auction Sale, pursuant the subject Purchase Agreement  
9 serves the best interests of the estate and merits the approval of this Court. As noted above, the  
10 Debtor's exit strategy under the pending Plan is based on the pre-confirmation sale of the Fontana  
11 Property to generate sufficient funds to pay all allowed claims, in full. As also discussed above,  
12 while the Debtor believes that the ultimate Purchase Price for the Fontana Property will be materially  
13 higher than the \$4.1 million minimum Purchase Price required by the Bidding Procedures, a sale  
14 price of \$4.1 million is projected to generate sufficient funds to pay all allowed claims in full with an  
15 over \$2 million surplus to the Debtor's equity holder.

16                  Given the foregoing, there can be little doubt that the proposed Auction Sale is in the best  
17 interests of the estate and its creditors, as well as the Debtor's sole equity holder, SSI, which is owned  
18 50/50 by the Individuals, both of whom support the Sale Motion. Under these circumstances the  
19 proposed Auction Sale of the Fontana Property represents a sound exercise of the Debtor's business  
20 judgment.

21                   **b.     Fair and Reasonable Price.**

22                  In order for a sale to be approved under Section 363(b), the purchase price must be fair  
23 and reasonable. *See generally, In re Canyon Partnership*, 55 B.R. 520 (Bankr. S.D. Cal. 1985). The  
24 trustee is given substantial discretion in this regard. *Id.* In addition, Courts have broad discretion  
25 with respect to matters under section 363(b). *See Big Shanty Land Corp. v. Comer Properties, Inc.*,  
26 61 B.R. 272, 278 (Bankr. N.D. Ga. 1985). In any sale of estate assets, the ultimate purpose is to  
27 obtain the highest price for the property sold. *Wilde Horse Enterprises, Inc.*, 136 B.R. at 841 (citing  
28 *In re Chung King, Inc.*, 753 F.2d 547 (7<sup>th</sup> Cir. 1985)), *In re Alpha Industries, Inc.*, 84 B.R. 703, 705



1 (Bankr. Mont. 1988).

2 As noted above, the Auction Sale is being conducted pursuant to the Bidding Procedures  
3 approved by the Court's Bidding Procedures Order and after expansive marketing of the Fontana  
4 Property and the Auction Sale by the Debtor's broker, Lee & Associates, which is a large brokerage  
5 operating across the United States and in Canada. The Debtor and Lee & Associates believe that the  
6 foregoing will result in the Fontana Property being sold for the highest and best price under the  
7 circumstances.

8 Based on the foregoing, the Debtor submits that the Purchase Price obtained at the  
9 Auction Sale of the Fontana Property will represent a fair and reasonable value for the Fontana  
10 Property in today's marketplace.

11 **c. Adequate Marketing.**

12 The expansive efforts undertaken by Lee & Associates to market the Fontana Property  
13 are set forth in detail above and are not repeated here. In consideration of the foregoing, the Fontana  
14 Property has been adequately marketed.

15 **d. Good Faith.**

16 When a Bankruptcy Court authorizes a sale of assets pursuant to Section 363(b)(1), it is  
17 required to make a finding with respect to the "good faith" of the purchaser. *In re Abbotts Dairies*,  
18 788 F.2d at 149. Such a procedure ensures that Section 363(b)(1) will not be employed to circumvent  
19 creditor protections. *Id.* at 150. With respect to the Debtor's conduct in conjunction with the  
20 proposed sale of the Fontana Property, the good faith requirement focuses principally on whether  
21 there is any evidence of "fraud, collusion between the purchaser and other bidders or the trustee, or  
22 an attempt to take grossly unfair advantage of other bidders." *Abbotts Dairies*, 788 F.2d at 147;  
23 *Wilde Horse Enterprises*, 136 B.R. at 842.

24 Here, the Purchase Agreement to be used by all bidders, including the one ultimately  
25 selected as the Buyer at the Auction Sale, is a form widely utilized in California commercial real  
26 property sale transactions and will have to include terms that comply with those specified in the  
27 Court-approved Bidding Procedures. Based on the foregoing, the Debtor submits that the terms of  
28 the Purchase Agreement entered into with the bidder selected as the Buyer at the Auction Sale will be

1 the result of arms-length negotiations.

2 Further, the Debtor has no basis to believe that the Purchase Agreement resulting from  
3 the competitive bidding process at the Auction Sale conducted pursuant to the Court-approved  
4 Bidding Procedures and the resulting Purchase Price offered by the Buyer and accepted by the Debtor  
5 (subject to Court approval) will be the product of any collusion.

6 As to connections with the Buyer, pursuant to the Bidding Procedures, the Auction and  
7 selection and approval of the Buyer, as well as the hearing on this Sale Motion, will not occur until  
8 September 24, 2025. Therefore, after the hearing on the Sale Motion and the selection and approval  
9 of the Buyer, but prior to entry of the Sale Order, the Debtor will file a declaration or declarations  
10 disclosing any connections with the Buyer (or the lack thereof) in support of a finding that the  
11 ultimate Buyer is a “good faith” purchaser entitled to the protections afforded under Section 363(m).

12 Based on the foregoing and subject to the submission of a declaration or declarations in  
13 support of a “good faith” finding, the Debtor submits that there has been, and will be, no fraud or  
14 collusion in connection with the proposed sale of the Fontana Property. In that case, the good faith  
15 requirement will have been satisfied.

16 **e. Accurate and Reasonable Notice.**

17 The purpose of the notice is to provide an opportunity for objections and hearing before  
18 the Court if there are objections. *In re Karpe*, 84 B.R. 926, 930 (Bankr. M.D.Pa. 1988). A notice is  
19 sufficient if it includes the terms and conditions of the sale and if it states the time for filing  
20 objections. *Id.*

21 As set forth in detail in Paragraph II.A.1 above, the Debtor has complied with all of the  
22 applicable notice provisions of the Bankruptcy Code, the FRBP and the LBR. Thus, the Notice of the  
23 Sale Motion (and proposed sale of the Fontana Property) should be deemed adequate, accurate, and  
24 reasonable by the Court.

1        **B. THE COURT SHOULD APPROVE THE SALE OF THE FONTANA PROPERTY**  
2        **FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND**  
3        **INTERESTS, OTHER THAN THE EXCEPTED ITEMS, TO THE BUYER.**

4        **1. APPLICABLE STANDARDS.**

5        The Court has the power to authorize the sale of property free and clear of liens, claims,  
6        or interests. *See* 11 U.S.C. § 363(f); *In re Gerwer*, 898 F.2d 730, 733 (9th Cir. 1990).

7        Section 363(f) permits a sale of property “free and clear of any interest in such property  
8        of an entity other than the estate” if ***any one*** of the following five conditions is met:

- 9                    (1) applicable nonbankruptcy law permits sale of such property free  
10                   and clear of such interest;
- 11                   (2) such entity consents;
- 12                   (3) such interest is a lien and the price at which such property is to be  
13                   sold is greater than the aggregate value of all liens on such  
14                   property;
- 15                   (4) such interest is in bona fide dispute; or
- 16                   (5) such entity could be compelled, in a legal or equitable proceeding,  
17                   to accept a money satisfaction of such interest.

18        11 U.S.C. § 363(f). Section 363(f) is written in the disjunctive; thus, satisfaction of any one of the  
19        five conditions is sufficient to sell property free and clear of liens. *See e.g., Citicorp Homeowners*  
20        *Services, Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988); *Mutual Life Ins. Co. of*  
21        *New York v. Red Oak Farms, Inc. (In re Red Oak Farms, Inc.)*, 36 B.R. 856, 858 (Bankr. W.D. Mo.  
22        1984).

23        **2. THE COURT SHOULD APPROVE THE SALE OF THE FONTANA**  
24        **PROPERTY FREE AND CLEAR OF THE NON-EXCEPTED ITEMS IN**  
25        **THE TITLE REPORT TO THE BUYER.**

26        Here, the sale of the Fontana Property to the Buyer selected and approved at the Auction  
27        Sale can be free and clear of all liens, claims, encumbrances, and interests, other than the Excepted  
28        Items, because one or more provisions of Section 363(f) has been or will be satisfied as to each  
alleged secured claim.

1                   a.     Section 363(f)(2).

2                   In regard to Section 363(f)(2), the “consent” of an entity asserting an interest in the  
3 property sought to be sold, as referenced in Section 363(f)(2), can be implied if such entity fails to  
4 make a timely objection to the sale after receiving notice of the sale. *In re Eliot*, 94 B.R. 343, 345  
5 (E.D. Pa. 1988). In the *Eliot* case, the bankruptcy court approved the sale by a trustee of certain real  
6 property that was subject to a mortgage in favor of Citicorp. Citicorp had received notice of the sale,  
7 but did not file any timely objection to the sale. After the sale occurred, Citicorp filed a motion to set  
8 aside the sale, which was handled by the bankruptcy court as an adversary proceeding. The  
9 bankruptcy court dismissed the complaint to set aside the sale, and Citicorp appealed the ruling. The  
10 district court affirmed the dismissal, and, in so doing, stated:

11                             ... if any of the five conditions of § 363(f) are met, the Trustee has the  
12 authority to conduct the sale free and clear of all liens.

13                             In this case, the authority for the sale can be found in 11 U.S.C. §  
14 363(f)(2). That section allows the Trustee to sell the property free and  
15 clear of all liens because Citicorp consented to the sale. **Citicorp**  
16 **consented to the sale by failing to make any timely objection after**  
17 **receiving notice of the sale.** Citicorp contends that implied consent is  
18 insufficient to satisfy the consent requirement of § 363(f)(2). I disagree.

19 *Eliot*, 94 B.R. at 345 (emphasis added). In its ruling, the *Eliot* court relied on *In re Gabel*, 61 B.R. 661  
20 (Bankr. W.D. La. 1985), which held that implied consent is sufficient to authorize a sale under §  
21 363(f)(2). *See also, In re Ex-Cel Concrete Company, Inc.*, 178 B.R. 198, 203 (B.A.P. 9th Cir. 1995)  
22 (“The issue here is whether there was consent or non-opposition by Citicorp.”); *In re Paddlewheels,*  
23 *Inc.*, 2007 WL 1035151 (Bankr. E.D.La. April 2, 2007) (“The Sale Motion complies with section  
24 363(f) of the Bankruptcy Code, in that the Trustee either obtained the consent of Whitney to the sale  
25 of the Vessel to Buyer or Whitney had no objection to the Sale.”).

26                   Here, the proposed sale of the Fontana Property is projected to generate sufficient funds  
27 to pay the secured claims of that the County and the Bank, the only creditors with claims secured by  
28 the Fontana Property, in full. Therefore, the Debtor believes that the County and the Bank will

1 consent to the proposed sale of the Fontana Property, either affirmatively or by the absence of any  
2 objection to the Saale Motion.

3 To the extent that the County and/or the Bank consents to the sale of the Fontana  
4 Property free and clear by one of the two means discussed above, the Court should approve the sale  
5 of the Fontana Property free and clear of such secured creditors' liens pursuant to Section 363(f)(2),  
6 provided that all alleged liens against the Fontana Property shall attach to the proceeds of the sale of  
7 the Fontana Property with the same extent, validity, and priority as the alleged pre-petition liens held  
8 by the County and the Bank.

9 **b. Section 363(f)(3).**

10 Under Section 363(f)(3), a debtor in possession may sell property free and clear of any  
11 interest if "such interest is a lien and the price at which such property is to be sold is greater than the  
12 aggregate value of all liens on such property."

13 Here, the County and the Bank's liens secure their claims totaling approximately  
14 \$1,656,490 (approximately \$76,490 for the County and approximately \$1,580,000 for the Bank). The  
15 minimum bid amount of \$4.1 million greatly exceeds the foregoing total amount of claims secured by  
16 the Fontana Property. Therefore, the requirements of Section 363(f)(3) will be satisfied by any  
17 Purchase Price paid for the Fontana Property that meets the minimum bid amount required by the  
18 Bidding Procedures. In that case, the Debtor can sell free and clear of the County and the Bank's  
19 liens pursuant to Section 363(f)(3), provided that all alleged liens against the Fontana Property shall  
20 attach to the proceeds of the sale of the Fontana Property with the same extent, validity, and priority  
21 as the alleged pre-petition liens held by the County and the Bank

22 **C. THE COURT SHOULD APPROVE THE PAYMENT OF CERTAIN CLAIMS**  
23 **FROM SALE PROCEEDS UPON THE CLOSE OF THE SALE OF THE**  
24 **FONTANA PROPERTY.**

25 LBR 6004-1(h) provides as follows:

26 Unless otherwise ordered by the court, all proceeds of a sale must be paid  
27 directly to any appointed trustee, the debtor in possession, or subchapter V  
28 trustee in possession. A disbursement of proceeds must not be made  
without a specific order of the court authorizing the disbursement, *except*

1 for payment to secured creditors, payment to a debtor of exempt proceeds,  
2 and payment for expenses of sale. Proceeds may be disbursed to pay  
3 auctioneer's fees and brokers' commissions without additional order of the  
4 court if payment is consistent with the terms of the order approving the  
5 sale or authorizing the employment of the auctioneer or broker.

6 LBR 6004-1(h) (emphasis added).

7 Here, while arguably not required under LBR 6004-1(h), pursuant to the Sale Motion, the  
8 Debtor is requesting authority to pay the following from the proceeds of the sale of the Fontana  
9 Property out of escrow on closing: (1) the claims of any taxing authorities or governmental units (as  
10 defined in 11 U.S.C. § 101(27)) apportioned to the Debtor prior to the close of the sale that are  
11 secured by liens included in the non-Excepted Items, (2) the commission of 4% of the Purchase Price  
12 owed to the Debtor's broker, Lee & Associates, pursuant to the Debtor's L&A Employment  
13 Application and the Court's L&A Employment Order approving the L&A Employment Application,  
14 (3) any portion of Lee & Associates' 4% commission that Lee & Associates has agreed to share with  
15 the broker representing the Buyer, as allowed pursuant to the L&A Employment Application and the  
16 L&A Employment Order, (4) any other customary escrow closing fees and charges allocated to the  
17 Debtor, (5) outstanding secured property taxes due to the County through the date of closing of sale  
18 transaction in the total current approximate amount of \$76,490.28 (Title Report Items 9-12), and (6)  
19 the claim of the Bank for a mortgage loan secured by a first position deed of trust on the Fontana  
20 Property in the total current amount of approximately \$1,580,000 (Title Report Item 15), provided  
21 that, if there is any dispute about the amount owed to any creditor with a claim secured by the  
22 Fontana Property, the Debtor/escrow shall pay the undisputed portion of the subject claim out of  
23 escrow and escrow shall retain a balance equal to the disputed portion of any such claim with the  
24 subject secured creditor's lien to attach to such proceeds with the same extent, priority, and validity  
25 as its pre-Petition Date lien on the Fontana Property, and (7) the net sale proceeds remaining in  
26 escrow after the payment of the foregoing amounts in items (1) through (6) to be paid to the Debtor  
27 and held in the Debtor's debtor in possession bank account pending a further order of the Court or  
28 dismissal of the Debtor's bankruptcy case.

In addition, LNBYG will continue to hold the \$410,000 deposit paid by the Buyer in a  
trust account maintained by LNBYG to fund the Debtor's pending Plan, which requires the payment

1 of all allowed claims, in full, soon after the effective date of the Plan, with any balance of such funds  
2 returned to the Debtor after the payment of all allowed claims as required by the Plan or other further  
3 order of the Court (unless the Debtor decides to dismiss its chapter 11 case in which case allowed  
4 claims would be paid in full connection with any such dismissal).

5 The foregoing payments in items (1) through (6) are consistent with allowed  
6 disbursements of sale proceeds under LBR 6004-1(h), and item (7) and LNBYG continuing to hold  
7 the \$410,000 deposit paid by the Buyer is consistent with efforts to ensure the timely payment of  
8 allowed claims as required by the Plan with the Debtor holding the balance of net proceeds from  
9 escrow following the closing of the sale of the Fontana Property.

10 **D. THE COURT SHOULD WAIVE THE 14-DAY STAY PERIOD SET FORTH IN**  
11 **BANKRUPTCY RULES 6004(h).**

12 FRBP 6004(h) provides, among other things, that an “order authorizing the ... sale ... of  
13 property . . . is stayed until the expiration of 14 days after entry of the court order, unless the court  
14 orders otherwise.” Fed.R.Bankr.P. 6004(h).

15 Here, it is important that the sale close as soon as possible (1) to reduce the chances that  
16 the Buyer fails to close due to the passage of time after the Auction Sale, (2) to limit the accrual of  
17 additional interest, taxes, and upkeep expenses that have to be paid by the estate, and (3) to limit the  
18 accrual of additional administrative expenses and speed the Debtor’s ability to fully administer the  
19 estate.

20 Based on the foregoing, the Debtor requests that the Court waive the stay under FRBP 6004(h)  
21 and that the Sale Order be effective immediately upon entry.

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1 **III.**

2 **CONCLUSION**

3 **WHEREFORE**, the Debtor respectfully requests that this Court (1) enter a Sale Order  
4 granting the Sale Motion and providing the relief requested in paragraphs (1) through (6) of the above  
5 Sale Motion and (2) grant such further and additional relief as the Court deems just and proper.

6  
7 Dated: September 3, 2025

LEVENE, NEALE, BENDER, YOO  
& GOLUBCHIK L.L.P.

8  
9 By: /s/ Todd M. Arnold

RON BENDER

TODD M. ARNOLD

10 Attorneys for Chapter 11 Debtor and Debtor in Possession  
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**DECLARATION OF AMIT SYAL**

I, AMIT SYAL, hereby declare as follows:

1. I am over 18 years of age. Except where otherwise stated, I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am an the Manager of World of Mistry, LLC, the Chapter 11 debtor and debtor-in-possession in the above-captioned Chapter 11 bankruptcy case (the “Debtor”).

3. I have reviewed and am familiar with and am knowledgeable about the books and records of the Debtor, which books and records are made in the regular practice of business, kept in the regular course of business, made by a person with knowledge of the events and information related thereto, and made at or near the time of events and information recorded.

4. I make this Declaration in support of the Sale Motion to which this Declaration is attached. Unless otherwise stated, all capitalized terms herein have the meanings ascribed to them in the Sale Motion.

5. On April 11, 2025 (the “Petition Date”), the Debtor initiated its bankruptcy case by filing a voluntary petition under Chapter 11 of the Bankruptcy Code.

6. The Debtor continues to operate its business and manage its affairs as a debtor in possession. No committee, trustee, or examiner has been appointed in this bankruptcy case.

7. My wife and I each own 50% of SSI. The Debtor is a wholly owned subsidiary of SSI, which has two other wholly owned subsidiaries – Aliso Recycling, LLC and Rudy’s Express Auto Dismantling, LLC.

8. The Debtor’s principal asset is the Fontana Property, an industrial real property located at 14597 Aliso Dr., Fontana, CA 92337-7160 that the Debtor purchased in November 2017 for \$1.75 million. The Fontana Property is approximately 2.4 acres upon which is situated an approximately 2,000 square foot office and an approximately 3,000 square foot garage/shed. The Fontana Property is in close proximity to the 10 and 15 freeways providing it with remarkable access. Importantly, the Fontana Property is permitted/zoned as a recycling yard, which would materially increase the value for any buyer that requires such permitting/zoning.

1           9.     The Debtor's purchase of the Fontana Property was financed by a loan (the  
2     "Loan") from the Bank (*i.e.*, Enterprise Bank & Trust (fka First Choice Bank). My wife and I  
3     guarantied the Loan and secured such guaranty with a lien on our personal residence located at 5409  
4     Sheffield Lane, Santa Clarita, California 91350 (the "Santa Clarita Property").

5           10.    The Debtor's business is the ownership and maintenance of the Fontana Property.  
6     The Debtor does not operate a business on the Fontana Property, but its affiliate, SSI, does operate an  
7     auto dismantling business at the Fontana Property.

8           11.    In or about late September 2024, the Debtor became financially unable to service  
9     the Loan and was also unable to pay real property taxes that came due on the Fontana Property. As a  
10    result, (a) on November 27, 2024, the Bank filed a Notice of Default against the Fontana Property, and  
11    (b) on December 6, 2024, the Bank filed a Notice of Default against the Santa Clarita Property. As of  
12    the Petition Date, the Debtor owed the Bank approximately \$1.460 million on the Loan. At present,  
13    the Bank asserts that approximately \$1,580,000 would be owed if the Debtor closes a sale of the  
14    Fontana Property on or about October 10, 2025, as contemplated by the Bidding Procedures discussed  
15    hereinabove and below.

16          12.    In response to the threat of foreclosure on the Fontana Property and the loss of  
17    substantial equity therein, and in an effort to realize value from the Fontana Property to pay the Bank  
18    and outstanding property taxes currently in the approximate amount of \$77,000, the Debtor entered  
19    into a listing agreement with Lee & Associates pursuant to which Lee & Associates was engaged to  
20    assist the Debtor with its efforts to lease or sell the Fontana Property.

21          13.    As discussed below, the Bidding Procedures provide for a minimum bid amount  
22    of \$4.1 million, and I believe that the Fontana Property is worth materially more than \$4.1 million.  
23    Therefore, there is at least \$2.197 million of equity in the Fontana Property (minimum bid amount of  
24    \$4.1 million, less Lee & Associates commission of \$164,000 (4% of the \$4.1 million minimum bid  
25    amount), less the County's secured claim in the approximate amount of \$76,490 for property taxes,  
26    less the Bank's secured claim in the approximate amount of \$1.580 million, less customary escrow  
27    closing fees and charges (estimated at 2% of the \$4.1 million minimum bid amount).

1           14. Unfortunately, given the unique nature of the Fontana Property and the desire of  
2 the Debtor to maximize its value by finding a tenant or buyer that requires the Fontana Property's  
3 valuable permitting/zoning that is difficult to obtain, the Debtor was not able to quickly find a tenant  
4 or buyer. The Debtor was also not able to refinance the Loan in the compressed time frame. As a  
5 result, on or about March 5, 2025, the Bank recorded Notice of Sales against the Fontana Property and  
6 the Santa Clarita Property and scheduled foreclosure sales for April 14, 2025 (*i.e.*, just days before the  
7 April 11, 2025 Petition Date) and April 15, 2025, respectively.

8           15. In consideration of the foregoing, and after considering the best interests of its  
9 creditors and SSI, the Debtor's sole equity holder, since this should be a surplus estate, the Debtor  
10 filed for bankruptcy protection on the Petition Date. This bankruptcy case was intended to afford the  
11 Debtor, and has afforded the Debtor, with the ability to (a) stay the Bank's foreclosure on the Fontana  
12 Property, (b) pursue a sale of the Fontana Property for the highest and best price under the  
13 circumstances so that the Debtor can pay the holders of allowed claims in full and maximize the return  
14 to SSI in what should be a surplus estate, and (c) propose and seek confirmation of a plan providing  
15 for the payment of all allowed claims in full from the proceeds of a sale of the Fontana Property, with  
16 any surplus after the payment of allowed claims to be paid to SSI.

17           16. For similar reasons, on April 14, 2025, my wife and I filed our own bankruptcy  
18 case, which is related to the Debtor's Bankruptcy case and pending before this Court as case number  
19 1:25-bk-10644-VK, to avoid having their personal residence (*i.e.*, the Santa Clarita Property), which  
20 also has substantial equity, being foreclosed upon.

21           17. As set forth in the Debtor's Schedules of Assets and Liabilities (the "Schedules")  
22 [Dkt. 19] and the current claims register, the Debtor's only pre-petition creditors are (a) the Bank  
23 [Proof of Claim 3] and the County [Proof of Claim 1], which, as further discussed below, have claims  
24 allegedly secured by the Fontana Property, (b) the Franchise Tax Board, which has an alleged priority  
25 unsecured claim in the amount of \$2,553.37 an alleged general unsecured claim in the amount of  
26 \$230.67 [Proof of Claim 2], and (c) the IRS, which has an alleged general unsecured claim in the  
27 amount of \$9,350.57 [Proof of Claim 4].  
28

18. Consistent with the foregoing, the Title Report attached hereto as **Exhibit “1”** includes the following deeds of trust against the Property to secure alleged claims:

Title Report Item No.	Claimant	Lien Position After Property Taxes	Initial Claim Amount Per Title Report	Current Estimated Claim
9-12	The County (Property Taxes)		\$65,734.03	\$76,490.28 [Per Proof of Claim 1]
15	The Bank (the Loan to purchase the Fontana Property)	1	\$1,579,300.00	\$1,460,024.53 as of the Petition Date [Per Proof of Claim 3]  \$1,580,000 estimated as of October 10, 2025, the projected closing date of the sale of the Fontana Property contemplated by the Bidding Procedures discussed hereinabove and below.

19. On July 9, 2025, the Debtor filed its (a) *Disclosure Statement Describing Debtor’s Chapter 11 Liquidating Plan Dated July 9, 2025* (the “Disclosure Statement”) [Dkt. 59 and refiled with an appropriate signature as Dkt. 63], and (b) *Chapter 11 Liquidating Plan Dated July 9, 2025* (the “Plan”) [Dkt. 60].

20. In summary, the Plan (a) is to be funded from a sale of the Fontana Property, which, as discussed above, is the Debtor’s principal asset, which is intended to be effectuated prior to the effective date of the Plan, and (b) provides for the payment of all allowed claims, in full, with interest, and, therefore, does not have any impaired classes and does not require any solicitation or voting. In connection with the anticipated pre-effective date sale of the Fontana Property, the Disclosure Statement and Plan projected the following sale-related dates (the “Sale Dates”):

<u>Date</u>	<u>Filing/Event</u>
7/9/25	File Bid Procedures Motion
7/30/2025 at 1:30 p.m.	Hearing on Bid Procedures Motion
9/5/2025 (later changed to 9/19/25 for the reasons discussed below)	Deadline for bidders to qualify and submit qualified bids
9/24/2025 at 1:30 p.m.	Auction Sale and hearing on Fontana Property Sale Motion

21. In furtherance of the foregoing anticipated pre-effective date sale of the Fontana Property to fund the Plan and the related Sale Dates set forth in the Disclosure Statement and Plan, also on July 9, 2025, the Debtor filed a motion (the “Bidding Procedures Motion”) [Dkt. 55] to approve Bidding Procedures generally consistent with those outlined in the Disclosure Statement and Plan, but providing for a later deadline of September 19, 2025 for the submission of initial bids on the Fontana Property in order to facilitate more bidding on the Fontana Property.

22. On August 7, 2025, the Court entered its order (the “Bidding Procedures Order”) [Dkt. 77], pursuant to which the Court granted the Bidding Procedures Motion and approved the following Bidding Procedures:

a. The Auction Sale of the Fontana Property shall be held in the Court on September 24, 2025, at 1:30 p.m.;

b. In order to be eligible to participate in the Auction Sale, prospective bidders need to do each of the following: (i) submit to the Debtor’s real estate broker, Lee & Associates (Attention: Mathew Skogebo), an offer on the standard CAR form with a minimum bid of \$4.1 million by no later than September 19, 2025; (ii) the offer must not include any remaining contingencies to closing (*e.g.*, inspection, permitting, environmental, or otherwise) other than the bidder being deemed to be the winning bidder at the Auction Sale and the entry of the Sale Order approving the sale of the Fontana Property to the winning bidder free and clear (which means that bidders must complete all inspections, etc. prior to submitting their bid) and there can be no condition upon the Sale Order becoming a final order; (iii) provide Lee & Associates with proof of the bidder’s financial ability to close its purchase if the bidder is approved by the Court as the winning bidder; and (iv) submit a deposit equal to 10% of the bidder’s bid into a

1 trust account maintained by LNBYG, bankruptcy counsel to the Debtor, which deposit  
2 will be deemed non-refundable if the bidder is deemed by the Court to be the winning  
3 bidder at the Auction Sale and fails to close its purchase of the Fontana Property within  
4 two weeks following the date of entry of the Sale Order by the Court unless the Debtor  
5 provides the winning bidder with an extension of the closing date;

6 c. The Sale Order will not include any provision that the winning bidder's  
7 obligation to close its purchase of the Fontana Property is conditioned upon the Sale  
8 Order becoming a final order. Rather, the Sale Order shall include provisions that the  
9 sale may be consummated immediately upon its entry pursuant to FRBP;

10 d. All timely submitted bids shall be binding and irrevocable until the  
11 conclusion of the Auction Sale and must continue to remain binding and irrevocable  
12 following the conclusion of the Auction Sale if the bid is deemed by the Court to be the  
13 winning bid at the Auction Sale;

14 e. The deposits of all other bidders who are not deemed to be the winning  
15 bidder at the Auction Sale will be promptly returned by LNBYG to the bidder unless a  
16 bidder elects to serve as a back-up bidder;

17 f. If only one qualified bid is submitted, the Debtor will seek the Court's  
18 approval of that bid at the Auction Sale;

19 g. If more than one qualified bid is submitted, the highest bid will serve as  
20 the initial bid at the Auction Sale. All overbids must be in increments of \$25,000 or any  
21 higher figure that is wholly divisible by \$25,000. If more than one qualified bid is  
22 submitted, bidding shall continue until the Court, at the Debtor's request, approves a bid  
23 as the winning bid at the Auction Sale;

24 h. LNBYG will direct and preside over the Auction Sale with the Court to be  
25 the arbiter of any dispute that arises. Before the commencement of the Auction Sale,  
26 each qualified bidder must acknowledge on the record that (i) it has not engaged in any  
27 collusion with respect to the bidding, (ii) its bid is a good faith bona fide offer, and (iii) it  
28

1 intends to consummate the proposed transaction if deemed to be the winning bidder by  
2 the Court; and

3 i. With the approval of the Court, the Debtor shall have the right to deviate  
4 from the forgoing Bidding Procedures if the Debtor deems that doing so is in the best  
5 interests of its bankruptcy estate.

6 23. Pursuant to the Court's *Order Setting Deadlines Concerning Adequacy Of*  
7 *Debtor's Proposed Disclosure Statement* [Dkt. 66], the Court, *inter alia*, (a) set August 20, 2025 as  
8 the deadline for objections to the Disclosure Statement, and (b) set a hearing on September 10, 2025  
9 to consider approval of the Disclosure Statement.

10 24. There were no objections to the Disclosure Statement. However, after the Debtor  
11 filed its Disclosure Statement and Plan, the UST raised certain concerns regarding those pleadings.

12 25. On July 31, 2025, the Debtor filed its *Stipulation Re: Proposed Amendments To*  
13 *(1) Disclosure Statement Describing Debtor's Chapter 11 Liquidating Plan Dated July 9, 2025 And*  
14 *(2) Debtor's Chapter 11 Liquidating Plan Dated July 9, 2025* (the "DS/Plan Stipulation") [Dkt. 74],  
15 which is a stipulation between the Debtor and the UST intended to resolve all of the aforementioned  
16 concerns raised by the UST to the Debtor's Disclosure Statement and Plan. On August 7, 2025, the  
17 Court entered its order [Dkt. 78] approving the DS/Plan Stipulation.

18 26. On May 9, 2025, the Debtor filed the L&A Employment Application [Dkt. 36] to  
19 employ Lee & Associates as the Debtor's real estate broker to assist the Debtor in its efforts to  
20 market and sell the Fontana Property. The Employment Application provided, *inter alia*, that, (a) Lee  
21 & Associates compensation would be determined pursuant to Section 328, and (b) in exchange for its  
22 services, Lee & Associates would be paid 4.0% of the Purchase Price of the Fontana Property upon  
23 the close of escrow of any sale of the Fontana Property, provided that Lee & Associates could agree  
24 to share a portion of its commission with any broker representing any Buyer approved by the Court  
25 that closes a sale of the Fontana Property.

26 27. On June 2, 2025, the Court entered its L&A Employment Order [Dkt. 47],  
27 approving the L&A Employment Application, including the terms for compensation set forth therein.

28. As discussed in the L&A Employment Application, Lee & Associates were the Debtor's pre-Petition Date brokers in connection with the marketing and sale of the Fontana Property. Since its retention, Lee & Associates broadly and extensively marketed the Fontana Property as set forth in the annexed Declaration of Mathew Skogebo.

29. I am informed and believe, based on the annexed declaration of Mathew Skogebo, Lee & Associates primary broker in connection with the Debtor's efforts to market and sell the Fontana Property, that, based on all of the foregoing, the Debtor will obtain the highest and best Purchase Price for the Fontana Property at the Auction Sale that can be obtained for the Fontana Property under the circumstances.

30. Per the Bidding Procedures, the principal terms and conditions of the proposed sale to the Buyer approved at the Auction Sale shall include the following:<sup>10</sup>

- Required Form of Purchase Agreement: Standard CAR form(s).<sup>11</sup>
- Name of Buyer: TBD at the Auction Sale.
- Purchase Price: TBD at the Auction Sale, provided that the Bidding Procedures require a minimum bid amount of \$4.1 million.
- Deposit: 10% of the Buyer's initial bid amount, which, per the Bidding Procedures, will be deemed non-refundable if the bidder is deemed by the Court as the winning bidder and Buyer at the Auction Sale and fails to close its purchase of the Fontana Property within two weeks following the date of entry of the Sale Order by the Court, unless the Debtor provides the winning bidder with an extension of the closing date.
- Estimated Costs of Sale: Total of 6% comprised of a 4% commission for Lee & Associates, which may be shared with a cooperating buyer broker with Lee & Associates consent, plus any customary closing costs.
- Condition of Fontana Property: "As-is" and "Where is."

<sup>10</sup> This is a summary only. To the extent there is any inconsistency between this summary and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall govern.

<sup>11</sup> Pursuant to the Bidding Procedures, September 19, 2025 is the deadline for prospective bidders to submit Purchase Agreements (and other documents, information, and materials required by the Bidding Procedures). By noon on September 22, the Debtor will file a status report with the Court regarding qualified bidders and their opening bid amounts that will include any executed Purchase Agreements as exhibits.



1                     •       Contingencies: None, other than the entry of the Sale Order, and there can  
2                     be no condition that the Sale Order becoming a final order.

3                     •       Other Terms: The Debtor's sale of the Fontana Property shall be free and  
4                     clear of any and all liens, claims, encumbrances, and interests, other than the Excepted Items,  
5                     which non-excepted liens, claims, encumbrances, and interests the Debtor believes are  
6                     limited to Title Report Items 13-14, which are covenants, conditions, restrictions, and  
7                     easements, and a disclosure that the Fontana Property lies within the boundaries of the  
8                     Southwest Industrial Park Redevelopment Project Area.

9                     •       Potential Tax Consequences: It is likely that there will be capital gains  
10                    taxes owed in connection with the sale. However, because the Debtor is a pass-through  
11                    entity, the obligation will pass to SSI, the Debtor's parent company, which owns 100% of the  
12                    Membership Interests in the Debtor.

13                   31.     Based on a minimum Purchase Price of \$4.1 million required by the Bidding  
14                   Procedures, the Debtor estimates the following flowing flow of funds:

<b>Purchase Price</b>	<b>\$4,100,000.00</b>
Lee & Associates 4% commission, which may be shared with any broker representing any Buyer approved by the Court that closes a sale of the Fontana Property	-\$164,000.00
The County (Property Taxes) (Per Proof of Claim 1)	-\$76,490.28
The Bank (The Loan to purchase the Fontana Property) (Estimated per Proof of Claim 3 and discussions with the Bank regarding the estimated amount of its claim as of October 10, 2025, the projected closing date of the sale of the Fontana Property contemplated by the Bidding Procedures	-\$1,580,000.00
Customary escrow closing fees and charges allocated to the Debtor (estimated at 2% of the Purchase Price)	-\$82,000.00
<b>Balance to Estate</b>	<b>\$2,197,509.72</b>

26  
27                   32.     I believe that facts pertaining to the Auction Sale at issue here amply substantiate  
28                   my business decision that the contemplated sale of the Fontana Property to the winning bidder for the

1 Purchase Price, both as determined at the Auction Sale, pursuant the subject Purchase Agreement  
2 serves the best interests of the estate and merits the approval of this Court. As noted above, the  
3 Debtor's exit strategy under the pending Plan is based on the pre-confirmation sale of the Fontana  
4 Property to generate sufficient funds to pay all allowed claims, in full. As also discussed above, while  
5 I believe that the ultimate Purchase Price for the Fontana Property will be materially higher than the  
6 \$4.1 million minimum Purchase Price required by the Bidding Procedures, a sale price of \$4.1 million  
7 is projected to generate sufficient funds to pay all allowed claims in full with an over \$2 million  
8 surplus to the Debtor's equity holder.

9 33. For all of the reasons discussed herein, I submit that the Purchase Price obtained at  
10 the Auction Sale of the Fontana Property will represent a fair and reasonable value for the Fontana  
11 Property in today's marketplace.

12 34. The Purchase Agreement to be used by all bidders, including the one ultimately  
13 selected as the Buyer at the Auction Sale, is a form widely utilized in California commercial real  
14 property sale transactions and will have to include terms that comply with those specified in the Court-  
15 approved Bidding Procedures. Based on the foregoing, I submit that the terms of the Purchase  
16 Agreement entered into with the bidder selected as the Buyer at the Auction Sale will be the result of  
17 arms-length negotiations.

18 35. Further, I have no basis to believe that the Purchase Agreement resulting from the  
19 competitive bidding process at the Auction Sale conducted pursuant to the Court-approved Bidding  
20 Procedures and the resulting Purchase Price offered by the Buyer and accepted by the Debtor (subject  
21 to Court approval) will be the product of any collusion.

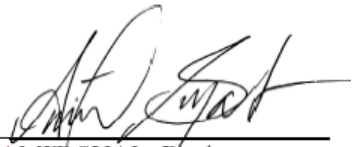
22 36. As to connections with the Buyer, pursuant to the Bidding Procedures, the Auction  
23 and selection and approval of the Buyer, as well as the hearing on this Sale Motion, will not occur  
24 until September 24, 2025. Therefore, after the hearing on the Sale Motion and the selection and  
25 approval of the Buyer, but prior to entry of the Sale Order, the Debtor will file a declaration or  
26 declarations disclosing any connections with the Buyer (or the lack thereof) in support of a finding  
27 that the ultimate Buyer is a "good faith" purchaser.  
28

1 37. Based on the foregoing and subject to the submission of a declaration or  
2 declarations in support of a “good faith” finding, I submit that there has been, and will be, no fraud or  
3 collusion in connection with the proposed sale of the Fontana Property.

4 I declare under penalty of perjury under the laws of the United States of America that the  
5 foregoing is true and correct to the best of my knowledge.

6 Executed on 3<sup>rd</sup> day of September 2025.

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AMIT SYAL, Declarant

**DECLARATION OF MATHEW SKOGEBO**

I, MATHEW SKOGEBO, hereby declare as follows:

1. I am over 18 years of age. Except where otherwise stated, I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I make this Declaration in support of the Sale Motion to which this Declaration is attached. Unless otherwise stated, all capitalized terms herein have the meanings ascribed to them in the Sale Motion.

3. I have been a California licensed real estate agent since 2015 under DRE license 01975345. I am a Vice President of Lee & Associates Commercial Real Estate Services, Inc. ("Lee & Associates") where I have been since 2013. A true and correct copy of my professional resumé is attached hereto as **Exhibit "2."**

4. Prior to the Petition Date, the Debtor entered into a listing agreement with Lee & Associates pursuant to which Lee & Associates was engaged to assist the Debtor with its efforts to lease or sell the Fontana Property.

5. As discussed in the Sale Motion, the Bidding Procedures provide for a minimum bid amount of \$4.1 million, but I believe that the Fontana Property is worth materially more than \$4.1 million.

6. On May 9, 2025, the Debtor filed the L&A Employment Application [Dkt. 36] to employ Lee & Associates as the Debtor's real estate broker to assist the Debtor in its efforts to market and sell the Fontana Property. The Employment Application provided, *inter alia*, that, (a) Lee & Associates compensation would be determined pursuant to Section 328, and (b) in exchange for its services, Lee & Associates would be paid 4.0% of the Purchase Price of the Fontana Property upon the close of escrow of any sale of the Fontana Property, provided that Lee & Associates could agree to share a portion of its commission with any broker representing any Buyer approved by the Court that closes a sale of the Fontana Property.

7. On June 2, 2025, the Court entered its L&A Employment Order [Dkt. 47], approving the L&A Employment Application, including the terms for compensation set forth therein.

8. As discussed in the L&A Employment Application, Lee & Associates were the Debtor's pre-Petition Date brokers in connection with the marketing and sale of the Fontana Property. Since its retention, Lee & Associates broadly and extensively marketed the Fontana Property by taking, among others, the following actions:

a. Listing the Fontana Property Auction Sale on the MLS on June 11, 2024 and making pricing adjustments to the current listing price of \$4.1 million, which represents the minimum bid amount approved by the Court;

b. Publicly listing the Fontana Property Auction Sale on the following sites:

- Lee & Associates: ([lee-associates.com/properties](http://lee-associates.com/properties));
- CREXI: (<https://www.crex.com/properties/1777134/california-14597-aliso-dr>);
- Loopnet: (<https://www.loopnet.com/Listing/14597-Aliso-Dr-Fontana-CA/37053478/>);
- Property Shark: (<https://www.propertyshark.com/cre/commercial-property/us/ca/fontana/14597-aliso-dr-1/>)
- Commercial Search: (<https://www.commercialsearch.com/commercial-property/us/ca/fontana/14597-aliso-dr-1/>);
- Yardi: (<https://www.yardi.com/>) (subscriber site);
- AIR: (<https://www.aircre.com/>) (subscriber site);
- Costar: (<https://www.costar.com/>) (subscriber site);
- Digsy: (<https://www.getdigsy.com/products>);
- Yardi: (<https://www.yardi.com/>) (subscriber site); and
- ILS: (<https://ilssc.com/cre-advertisement/>) (subscriber site).

c. Sending an email blast with the listing for the Fontana Property to all of Lee & Associates' approximately 80 offices across the United States, including the 24 offices located in Southern California;

d. Sending an email blast with the listing for the Fontana Property to every commercial real estate agent in Southern California at a number of other large brokerages, including, but not limited to those at JLL, CBRE, Daum, Colliers, Matthews, Cushman, Harvest Realty, and SRS Industrial;

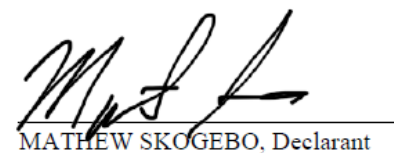
e. Sending the brochure for the Fontana Property to 23 parties expressing specific interest in the Fontana Property, together with the Court-approved Bidding Procedures and the Phase 1 and 2 environmental reports for the Fontana Property; and

f. Since the Fontana Property Auction Sale was listed, providing tours of the Fontana Property for two interested parties, with a third tour set for Thursday, September 4, 2025.

9. Based on all of the foregoing and my expertise in selling commercial real estate similar to the Fontana Property, including in the area where the Fontana Property is located, I believe that, under the circumstances and the Bidding Procedures approved by the Court, the Debtor will obtain the highest and best Purchase Price for the Fontana Property at the Auction Sale.

I declare and verify under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on this 3<sup>rd</sup> day of September 2025, at Riverside, California.



MATHEW SKOGEBO, Declarant

Case 1:25-bk-10602-VK	Doc 85	Filed 09/03/25	Entered 09/03/25 16:10:58	Desc
	Main Document		Page 47 of 69	
Case 1:25-bk-10602-VK	Doc 84	Filed 09/03/25	Entered 09/03/25 16:00:43	Desc
	Main Document		Page 45 of 66	

## **Exhibit 1**



**First American**

**Commitment for Title Insurance  
California - 2021 v. 01.00 (07-01-2021)**

**Transaction Identification Data, for which the Company assumes no liability as set forth in  
Commitment Condition 5.e.:**

Issuing Agent: First American Title Insurance Company National Commercial Services

Issuing Office: 901 Via Piemonte, Suite 150, Ontario, CA 91764

Commitment No.: **NCS-1257713-ONT1**

Issuing Office File No.: NCS-1257713-ONT1

Property Address: 14597 Aliso Drive, Fontana, CA 92337

Reference No.: 14597 Aliso Drive

Revision No.:

Escrow Officer/Assistant: /

Phone: /

Email: /

Title Officer/Assistant: Erin West/ IE Title Assistants

Phone: (909)510-6215/

Email: ewest@firstam.com/ ietitleassistants@firstam.com

**SCHEDULE A**

1. Commitment Date: March 28, 2025 at 7:30 AM
2. Policy to be issued:
  - a. ALTA® Standard Owner's Policy  
Proposed Insured: To Be Determined  
Proposed Amount of Insurance: \$To Be Determined  
The estate or interest to be insured: See Item 3 below
  - b. 2021 ALTA Policy - form(s) To Be Determined  
Proposed Insured: To Be Determined  
Proposed Amount of Insurance: \$To Be Determined  
The estate or interest to be insured: See Item 3 below
3. The estate or interest in the Land at the Commitment Date is:  
  
Fee
4. The Title is, at the Commitment Date, vested in:  
  
World of Mistry LLC., a Wyoming limited liability company
5. The Land is described as follows:

See Exhibit A attached hereto and made a part hereof

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**Commitment for Title Insurance  
California - 2021 v. 01.00 (07-01-2021)**

Commitment No. NCS-1257713-ONT1

**SCHEDULE B, PART I—Requirements**

All of the following Requirements must be met:

- A. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
- B. Pay the agreed amount for the estate or interest to be insured.
- C. Pay the premiums, fees, and charges for the Policy to the Company.
- D. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
- E. Releases(s) or Reconveyance(s) of Item(s): 15
- F. Other: NONE
- G. You must give us the following information:
  - a. Any off-record leases, surveys, etc.
  - b. Statement(s) of Identity, all parties.
  - c. Other: NONE

The following additional requirements, as indicated by "X", must be met:

- ☒ H. Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.
- ☒ I. The Company's Owner's Affidavit form (attached hereto) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- ☒ J. An ALTA/NSPS survey of recent date, which complies with the current minimum standard detail requirements for ALTA/NSPS land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or

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requirements as may be deemed necessary.

- ☒ K. The following LLC documentation is required from the seller:
  - a. a copy of the Articles of Organization.
  - b. a copy of the Operating Agreement, if applicable.
  - c. a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State.
  - d. express Company Consent to the current transaction.
- ☐ L. The following partnership documentation is required:
  - a. a copy of the partnership agreement, including all applicable amendments thereto.
  - b. a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State.
  - c. express Partnership Consent to the current transaction.
- ☐ M. The following corporation documentation is required:
  - a. a copy of the Articles of Incorporation.
  - b. a copy of the Bylaws, including all applicable Amendments thereto.
  - c. a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State.
  - d. express Corporate Resolution consenting to the current transaction.
- ☒ N. Based upon the Company's review of that certain partnership/operating agreement dated Not disclosed for the proposed insured herein, the following requirements must be met: Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.
- ☐ O. A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.

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- ☒ P. Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.
  
- ☒ Q. Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:
  - a. The Company's "Indemnity Agreement I" must be executed by the appropriate parties.
  - b. Financial statements from the appropriate parties must be submitted to the Company for review.
  - c. A copy of the construction contract must be submitted to the Company for review.
  - d. An inspection of the Land must be performed by the Company for verification of the phase of construction.
  - e. The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.

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California - 2021 v. 01.00 (07-01-2021)**

Commitment No. NCS-1257713-ONT1

### **SCHEDULE B, PART II—Exceptions**

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.**

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.
2. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
3. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
4. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
7. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.
8. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, geothermal resources, uranium, clay, rock, sand and gravel

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located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

9. General and special taxes and assessments for the fiscal year 2025-2026, a lien not yet due or payable.
10. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	\$10,316.40, DELINQUENT
Penalty:	\$1,031.63
Second Installment:	\$10,316.37, OPEN
Penalty:	\$0.00
Tax Rate Area:	010119
A. P. No.:	0236-122-02-0-000

11. The lien of defaulted taxes for the fiscal year 2022, and any subsequent delinquencies.

Tax Rate Area:	010119
A. P. No.:	0236-122-02-0-000
Amount to redeem:	\$53,784.25
Valid through:	April 2025
Amount to redeem:	\$54,386.00
Valid through:	May 2025

**Please contact the tax office to verify the payoff amount.**

12. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
13. Covenants, conditions, restrictions and easements in the document recorded as Book 334, Page 311 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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California - 2021 v. 01.00 (07-01-2021)**

14. The fact that the land lies within the boundaries of the Southwest Industrial Park Redevelopment Project Area, as disclosed by the document recorded July 25, 1977 as Book 9226, Page 982 of Official Records.
15. A deed of trust to secure an original indebtedness of \$1,579,300.00 recorded December 21, 2017 as Instrument No. 2017-0543561 of Official Records.
- Dated: December 18, 2017
- Trustor: World of Mistry LLC., a Wyoming limited liability company
- Trustee: First Choice Bank
- Beneficiary: First Choice Bank

A document entitled "Assignment of Rents" recorded December 21, 2017 as Instrument No. 2017-0543562 of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust.

The terms and provisions contained in the document entitled "Hazardous Substances Certificate and Indemnity Agreement" recorded December 27, 2017 as Instrument No. 2017-0546627 of Official Records.

A document recorded November 27, 2024 as Instrument No. 2024-0284975 of Official Records provides that S.B.S. Trust Deed Network, a California Corporation was substituted as trustee under the deed of trust.

A notice of default recorded November 27, 2024 as Instrument No. 2024-0284976 of Official Records.

A notice of trustee's sale recorded March 05, 2025 as Instrument No. 2025-0047802 of Official Records.

16. Terms and provisions of an unrecorded lease dated December 15, 2017, by and between Scrap Solutions, Inc, a California corporation as lessor and Rudy's Express Auto Dismantling, LLC, a Wyoming limited liability company as lessee, as disclosed by a Subordination Attornment and Non-Disturbance Agreement recorded December 21, 2017 as Instrument No. 2017-0543563 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.

17. Terms and provisions of an unrecorded lease dated December 18, 2017, by and between World of Mistry LLC, a Wyoming limited liability company as lessor and Scrap Solutions, Inc, a California

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California - 2021 v. 01.00 (07-01-2021)**

corporation as lessee, as disclosed by a Subordination Attornment and Non-Disturbance Agreement recorded December 21, 2017 as Instrument No. 2017-0543564 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.

18. Water rights, claims or title to water, whether or not shown by the Public Records.
19. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.
20. Rights of parties in possession.

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Form 50187306 (10-11-22)

Page 9 of 15





**First American**

**Commitment for Title Insurance  
California - 2021 v. 01.00 (07-01-2021)**

<b>INFORMATIONAL NOTES</b>
----------------------------

**ALERT - CA Senate Bill 2 imposes an additional fee of \$75 up to \$225 at the time of recording on certain transactions effective January 1, 2018. Please contact your First American Title representative for more information on how this may affect your closing.**

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Commercial Structure known as 14597 Aliso Drive, Fontana, CA.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:  
  
None
3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

The map attached, if any, may or may not be a survey of the land depicted thereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of this Commitment or the Policy, if any, to which the map is attached.

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**First American**

**Commitment for Title Insurance  
California - 2021 v. 01.00 (07-01-2021)**

Commitment No. NCS-1257713-ONT1

**EXHIBIT A**

The Land referred to herein below is situated in the City of Fontana, County of San Bernardino, State of California, and is described as follows:

The South 1/2 of the East 1/2 of the West 1/2 of Lot 945, according to map showing subdivision of lands belonging to SEMI-TROPIC LAND AND WATER COMPANY, as per plat recorded in Book 11 Page 12 of Maps, in the Office of the County Recorder of said County.

For conveyancing purposes only: APN 0236-122-02-0-000

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**First American**

**Commitment for Title Insurance  
California - 2021 v. 01.00 (07-01-2021)**

**ALTA COMMITMENT FOR TITLE INSURANCE  
issued by  
FIRST AMERICAN TITLE INSURANCE COMPANY**

**NOTICE**

**IMPORTANT—READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.


THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, First American Title Insurance Company, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**FIRST AMERICAN TITLE INSURANCE COMPANY**

By:   
Kenneth D. DeGiorgio, President

By:   
Lisa W. Cornehl, Secretary

*This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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**First American**

**Commitment for Title Insurance  
California - 2021 v. 01.00 (07-01-2021)**

## **COMMITMENT CONDITIONS**

### **1. DEFINITIONS**

- a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- e. "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.
- g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
- i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:
  - a. the Notice;
  - b. the Commitment to Issue Policy;
  - c. the Commitment Conditions;
  - d. Schedule A;

*This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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**First American**

**Commitment for Title Insurance  
California - 2021 v. 01.00 (07-01-2021)**

- e. Schedule B, Part I—Requirements; and
- f. Schedule B, Part II—Exceptions; and
- g. a counter-signature by the Company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - i. comply with the Schedule B, Part I—Requirements;
  - ii. eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - iii. acquire the Title or create the Mortgage covered by this Commitment.
- b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.
- f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM**

- a. Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.
- c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or

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**First American**

**Commitment for Title Insurance  
California - 2021 v. 01.00 (07-01-2021)**

- oral, express or implied, relating to the subject matter of this Commitment.
- d. The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
  - e. Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
  - f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.
- 7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT**  
The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.
- 8. PRO-FORMA POLICY**  
The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.
- 9. CLAIMS PROCEDURES**  
This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.
- 10. CLASS ACTION**  
ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS COMMITMENT, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS COMMITMENT, ANY BREACH OF A COMMITMENT PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS COMMITMENT, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING. ANY POLICY ISSUED PURSUANT TO THIS COMMITMENT WILL CONTAIN A CLASS ACTION CONDITION.
- 11. ARBITRATION**  
The Policy contains an arbitration clause. All arbitrable matters when the Proposed Amount of Insurance is \$2,000,000 or less may be arbitrated at the election of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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Case 1:25-bk-10602-VK Doc 85 Filed 09/03/25 Entered 09/03/25 16:10:58 Desc  
Main Document Page 63 of 69

Case 1:25-bk-10602-VK Doc 84 Filed 09/03/25 Entered 09/03/25 16:00:43 Desc  
Main Document Page 61 of 66

## **Exhibit 2**





## MAT SKOGEBO

Vice President

INDUSTRIAL, INVESTMENT, & LAND

INLAND EMPIRE, CA

O 951.276.3646

C 951.204.1918

F 951.823.8646

[mskogebo@lee-associates.com](mailto:mskogebo@lee-associates.com)

[lee-associates.com](http://lee-associates.com)

3240 Mission Inn Ave.

Riverside, CA 92507

DRE: 01975345

### PARTIAL CLIENT LIST

- ▶ Birtcher Development
- ▶ ICO Development
- ▶ Triad Investments
- ▶ The Koll Company
- ▶ Coast Properties
- ▶ Greenwood & McKenzie
- ▶ Gildred Development
- ▶ Trane Co.
- ▶ SBETA
- ▶ Sierra Properties
- ▶ Coussoulis Development
- ▶ Andreg Enterprises
- ▶ LBA Realty
- ▶ Real Term Logistics
- ▶ Cabot

### PROFILE

Since joining Lee & Associates - Riverside in 2013, Mat has specialized in industrial transactions, including sales, leases, investment, and development in the San Bernardino, Rialto, Bloomington, and Fontana marketplaces. His focus on his clients in both a professional and personal way, as well as his ability to work effectively with others, has enabled him to make permanent affiliations as he negotiates sale and lease transactions. Mat's drive to achieve the best outcome for his clients in every transaction has earned him a place among the top three associates at Lee & Associates - Riverside every year since 2016.

### CAREER SUMMARY

#### Recent Highlighted Transactions:

- MTK SoCal Investments 200,000 SF (Development) SOLD
- MCTD Holding LLC 9,000 SF (Warehouse) SOLD
- NY Transport LLC 2.6 AC (Contractors Yard) SOLD
- NVY LLC 3,000 SF (Warehouse) SOLD
- Multy Industries Precision Machine 8,930 SF (Warehouse) SOLD
- Continental Express Inc. 2.4 AC (Trucking Yard) SOLD
- Wreckage Demolition 12,000 SF (Warehouse) SOLD
- Descansando Partners LP 16,800 SF (Warehouse) SOLD
- Lee Graber 12,960 SF (Warehouse) SOLD
- Descansando Partners LP 3,000 SF (Warehouse/Contractor's Yard) SOLD
- Clean Street LLC 2,000 SF (Warehouse/Contractor's Yard) SOLD
- BP Distribution LLC 1,860 SF (Multi-Tenant) LEASED
- 15362 Arrow Blvd 16,800 SF (Warehouse) LEASED
- LBA Realty 4.022 AC (Transportation Yard) SOLD
- Real Term Logistics 5.71 AC (Cross-Dock Transportation Yard) SOLD

### ACHIEVEMENTS

- 2016, 2017, 2018 Top 3 Associate (Lee & Associates-Riverside)

### EDUCATION

- BA, California State University, San Bernardino  
Business Administration, Marketing and Finance





## RYAN TURNQUIST

Senior Associate

INDUSTRIAL, INVESTMENT, & LAND

INLAND EMPIRE, CA

○ 951.276.3680

○ 951.314.5625

rturquist@lee-associates.com

DRE: 01971265

lee-associates.com

3240 Mission Inn Ave.

Riverside, CA 92507

DRE: 01048055

### PARTIAL CLIENT LIST

- ▶ Oakmont Development
- ▶ Pama Managment
- ▶ Kings Tire
- ▶ Sunny Designs
- ▶ MOC Products

### PROFILE

Ryan joined Lee & Associates - Riverside in 2020, he specializes in all aspects of Industrial real estate, including sales, leases, and investment in the Inland Empire.

Ryan has over five years of commercial real estate experience from his time with Newmark Knight Frank's Ontario office where he worked with a team of veteran industrial brokers. During his first 5 years in the business, Ryan has demonstrated an incredible work ethic making him a valuable advisor to his clients.

Ryan has been married for just under two years and enjoys mountain biking, off-roading, snowboarding and going to the river.

### CAREER SUMMARY

#### Recent Highlighted Transactions:

• Oakmont Industrial Group	27 AC (±550K SF Future Industrial Development)	\$34,420,000
• Pama Management	3.5 AC (±74K SF Future Industrial Development)	\$2,400,000
• Pama Management	5 AC (Future Development)	\$1,000,000
• Timp, LLC	22k SF Existing Industrial Building	\$3,6000,000
• Timp, LLC	20k SF Existing Industrial Building	\$3,300,000
• Kings Tire	60K SF	LEASED
• Sunny Designs	60K SF	LEASED
• F&S Villagra	10K SF	LEASED
• MOC Products	6K SF	LEASED (RENEWAL)

### PROFESSIONAL AFFILIATIONS

- American Industrial Real Estate Association
- NAIOP Inland Empire Chapter

### ACHIEVEMENTS

- Rising Star Award 2019

### EDUCATION

- BA, Grand Canyon University  
Business Marketing

## 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: 2818 La Cienega Avenue, Los Angeles, CA 90034.

A true and correct copy of the foregoing document entitled: **Debtor's Notice Of Motion And Motion For An Order: (1) Approving The Sale Of The Debtor's Fontana Real Property Free And Clear Of All Liens, Claims, Encumbrances And Interests, With The Exception Of Enumerated Exclusions; (2) Finding That The Buyer Is A Good Faith Purchaser; (3) Authorizing And Approving The Payment Of Certain Claims From Sale Proceeds; (4) Waiving The Fourteen-Day Stay Period Set Forth In Bankruptcy Rule 6004(h); And (5) Providing Related Relief; Memorandum Of Points And Authorities And Declarations In Support Thereof** 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 **September 3, 2025**, 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:

- Todd M Arnold tma@lnbyg.com
- Ron Bender rb@lnbyg.com
- Katherine Bunker kate.bunker@usdoj.gov
- Anthony A. Friedman aaf@lnbyg.com
- Timothy J Silverman tsilverman@scheerlawgroup.com, tsilverman1@ecf.courtdrive.com
- United States Trustee (SV) ustprejon16.wh.ecf@usdoj.gov

**2. SERVED BY UNITED STATES MAIL:** On **September 3, 2025**, 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.

**Honorable Victoria Kaufman**

United States Bankruptcy Court  
Central District of California  
21041 Burbank Boulevard, Suite 354 / Courtroom 301  
Woodland Hills, CA 91367

☒ Service list attached

**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 **September 3, 2025**, 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.

☐ Service list attached

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

September 3, 2025

Alayza Roberson

/s/ Alayza Roberson

Date

Type Name

Signature

Label Matrix for local noticing  
0973-1

Case 1:25-bk-10602-VK  
Central District of California  
San Fernando Valley  
Wed Sep 3 15:17:19 PDT 2025

World of Mistry, LLC  
5900 Sepulveda Blvd.  
Suite 435  
Van Nuys, CA 91411-2576

Enterprise Financial Services Corp.  
Attn: James B. Lally, CEO  
150 N. Meramec Avenue  
Saint Louis, MO 63105-3874

Internal Revenue Service  
P.O. Box 7346  
Philadelphia, PA 19101-7346

U.S. Trustee San Fernando Valley  
915 Wilshire Blvd.  
Suite 1850  
Los Angeles, CA 90017-3560

Anthony A. Friedman  
Levene, Neale, Bender, Yoo & Golubchik L  
2818 La Cienega Avenue  
Los Angeles, CA 90034-2618

Todd M Arnold  
Levene, Neale, Bender, Yoo & Golubchik L  
2818 La Cienega Avenue  
Los Angeles, CA 90034-2618

Enterprise Bank & Trust, its successors and  
c/o Scheer Law Group LLP  
85 Argonaut  
Suite 202  
Aliso Viejo, CA 92656-4128

San Fernando Valley Division  
21041 Burbank Blvd,  
Woodland Hills, CA 91367-6606

FRANCHISE TAX BOARD  
BANKRUPTCY SECTION MS A340  
PO BOX 2952  
SACRAMENTO CA 95812-2952

San Bernardino County  
Tax Collector  
172 West Third Street, First Floor  
San Bernardino, CA 92415-0320

United States Trustee (SV)  
915 Wilshire Blvd, Suite 1850  
Los Angeles, CA 90017-3560

Katherine Bunker  
915 Wilshire Blvd., Ste. 1850  
Los Angeles, CA 90017-3560

Levene, Neale, Bender, Yoo & Golubchik L.L.P  
2818 La Cienega Avenue  
Los Angeles, CA 90034-2618

Enterprise Bank & Trust  
Attn: James B. Lally, CEO  
44 E. Santa Fe  
Olathe, KS 66061

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

(p) SAN BERNARDINO COUNTY TAX COLLECTOR  
268 WEST HOSPITALITY LANE  
SAN BERNARDINO CA 92415-0901

Vanessa Ramirez  
c/o Jonathan Kent  
9595 Wilshire Blvd, Ste 900  
Beverly Hills, CA 90212-2509

Ron Bender  
Levene, Neale, Bender, Yoo & Golubchik L  
2818 La Cienega Avenue  
Los Angeles, CA 90034-2618

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified  
by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

San Bernardino Tax Collector  
Attn: Ensen Mason, Tax Collector  
268 West Hospitality Lane, First Fl  
San Bernardino, CA 92415-0360

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

Case 1:25-bk-10602-VK	Doc 84	Filed 09/03/25	Entered 09/03/25 16:00:43	Desc
(u)Lee & Associates Commercial Real Estate Se	(u)Enterprise Bank & Trust, successor in inte	Main Document Page 66 of 66		End of Label Matrix
				Mailable recipients 18
				Bypassed recipients 2
				Total 20

## 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: 2818 La Cienega Avenue, Los Angeles, CA 90034.

A true and correct copy of the foregoing document entitled: **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 **September 3, 2025**, 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:

- Todd M Arnold tma@lnbyg.com
- Ron Bender rb@lnbyg.com
- Katherine Bunker kate.bunker@usdoj.gov
- Anthony A. Friedman aaf@lnbyg.com
- Timothy J Silverman tsilverman@scheerlawgroup.com, tsilverman1@ecf.courtdrive.com
- United States Trustee (SV) ustpreion16.wh.ecf@usdoj.gov

**2. SERVED BY UNITED STATES MAIL:** On **September 3, 2025**, 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.

**Honorable Victoria Kaufman**

United States Bankruptcy Court  
Central District of California  
21041 Burbank Boulevard, Suite 354 / Courtroom 301  
Woodland Hills, CA 91367

☐ Service list attached

**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 **September 3, 2025**, 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.

☐ Service list attached

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

September 3, 2025

Alayza Roberson

/s/ Alayza Roberson

Date

Type Name

Signature