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Trustee  
7

8  
9 **UNITED STATES BANKRUPTCY COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **LOS ANGELES DIVISION**

12 In re  
13 SOLOMON & KING MANAGEMENT  
GROUP, LLC,  
14 Debtor.

Case No. 2:18-bk-20379-WB

Chapter 7

**TRUSTEE'S NOTICE OF MOTION AND  
MOTION: (1) TO APPROVE SALE OF  
REAL PROPERTY COMMONLY  
KNOWN AS 2374 GRANDEUR AVENUE,  
ALTADENA, CALIFORNIA FREE AND  
CLEAR OF LIENS AND CLAIMS, (2) TO  
AUTHORIZE PAYMENT OF REAL  
ESTATE BROKERS' COMMISSIONS,  
AND (3) FOR TURNOVER AGAINST  
DEBTOR AND ITS PRINCIPAL, KYMM  
SNOWDEN; MEMORANDUM OF  
POINTS AND AUTHORITIES,  
DECLARATIONS OF BRAD D.  
KRASNOFF, SONIA SINGH AND  
PAMELA TEMPLE, AND REQUEST FOR  
JUDICIAL NOTICE IN SUPPORT  
THEREOF**

Date: April 4, 2019  
Time: 2:00 p.m.  
Place: Courtroom 1375  
255 E. Temple Street  
Los Angeles, California 90012

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1 NOTICE IS GIVEN that on April 4, 2019, at 2:00 p.m., or as soon thereafter the matter  
2 may be heard, in Courtroom 1375 of the United States Bankruptcy Court, 255 E. Temple Street,  
3 Los Angeles, California, Brad D. Krasnoff, the Chapter 7 trustee (the "Trustee") for the estate of  
4 Solomon & King Management Group, LLC (the "Debtor"), will and hereby does move the Court  
5 under 11 U.S.C. § 363 and Local Bankruptcy Rules 6004-1(c) and 9013-1, for an order  
6 confirming the sale by the Trustee of the parcel of real property commonly known as 2374  
7 Grandeur Avenue, Altadena, California (the "Property") to Carlstrom Investment Group, LLC (the  
8 "Buyer") for \$530,000, all cash (the "Motion"). The sale is to be "as is" and "where is" with no  
9 warranty or recourse whatsoever. The Court may entertain higher and better bids at the time of  
10 the hearing on the Motion.

11 The Motion is based upon this Notice of Motion and Motion, and the attached  
12 Memorandum of Points and Authorities, Declaration of Brad D. Krasnoff, Declaration of Sonia  
13 Singh, Declaration of Pamela Temple, and Request for Judicial Notice; the separately filed notice  
14 of the Motion; the papers and pleadings in the Debtor's bankruptcy case; and such other evidence  
15 that may be presented at the hearing.

16 Pursuant to Local Bankruptcy Rule 6004-1(c), the Trustee provides the following  
17 information:

- 18 A. The date, time and place of the hearing on the Motion are set forth above.
- 19 B. The Buyer is Carlstrom Investment Group, LLC. The Buyer's address is 2335-115  
20 E. Colorado Bl. Ste. 193, Pasadena, California 91107.
- 21 C. The Property to be sold consists of the Trustee's right, title and interest in real  
22 property commonly known as 2374 Grandeur Avenue, Altadena, California 91001. Title to the  
23 Property is vested in the Debtor.
- 24 D. The terms and conditions of the sale are that the Property is being sold for  
25 \$530,000 cash, "as is," "where is," and with no warranty or recourse whatsoever, subject to higher  
26 and better bids. There are no contingencies other than Court approval.
- 27 E. The Trustee intends to sell the Property free and clear of all liens and claims  
28 (collectively the "Subject Liens") as provided below, with those liens removed from the Property,

1 and the allowed amounts of certain liens and claims to be paid through escrow, and any disputed  
2 sums to attach to like amounts of the net sale proceeds, with the same force, effect, validity and  
3 priority that they had as of the petition date as against the Property as follows:

4 (1) Allowed real property taxes due for the Property to the County of Los  
5 Angeles (the "County"). The Trustee proposes to pay through escrow all undisputed sums  
6 asserted by the County through the sale date.

7 (2) An abstract of judgment recorded against Lila King on or about March 13,  
8 2009, as instrument no. 09-367277 securing an award of \$11,042.46 in favor of Cach, LLC  
9 ("Cach")<sup>1</sup>. The Trustee disputes Cach's lien, and proposes that the lien be removed from the  
10 Property and attach to like amounts of the net sale proceeds, with the same force, effect, validity  
11 and priority that it had as of the Petition Date against the Property.

12 (3) A deed of trust recorded on or about November 6, 2014 as instrument no.  
13 14-1180129 securing an original obligation of \$802,500 in favor of Mortgage Electronic  
14 Registration Systems, Inc., which mortgage was assigned to Reverse Mortgage Solutions, Inc.  
15 ("Reverse Mortgage") per instrument no. 16-276748 recorded on or about March 15, 2016. The  
16 Trustee proposes to pay through escrow all undisputed sums asserted by Reverse Mortgage.

17 (4) A deed of trust recorded on or about July 28, 2016 as instrument no. 16-  
18 888270 securing an original obligation of \$5,500 in favor of Habitat Restoration, LLC ("Habitat").  
19 The Trustee proposes to pay through escrow all undisputed sums asserted by Habitat.

20 (5) An abstract of judgment recorded on or about January 20, 2015 against Lila  
21 King as instrument no. 15-64885 securing an award of \$11,868.45 in favor of Ford Motor Credit  
22 Company LLC ("Ford"). The Trustee proposes to pay through escrow all undisputed sums  
23 asserted by Ford.

24 F. The proposed sale is subject to overbids, and the Trustee is requesting that the  
25 Court approve the following overbid procedures:

26  
27 \_\_\_\_\_  
28 <sup>1</sup> Lila King had title to the Property until September 12, 2016, pursuant to a grant deed recorded in  
the Los Angeles County Recorder's office as instrument no. 20161091097, transferring title from  
Lila King to the Debtor.

1           The proposed sale is subject to higher and better bids. Overbidders must appear at the  
2 hearing, submit the overbid before or at the hearing, and deposit with the Trustee or at the hearing  
3 a cashier's check in the amount of \$16,050 payable to "Brad D. Krasnoff, Trustee." The  
4 minimum initial overbid amount is \$535,000, and bidding, if any, shall proceed in increments of  
5 \$1,000. The Trustee holds discretion in accepting or rejecting all overbids.

6           The prevailing overbidder's deposit shall be nonrefundable in the event that the Court  
7 confirms the sale to that party but, for any reason whatsoever, the party fails to close the sale  
8 timely. The overbidding party will be bound by all of the terms of the proposal set forth in the  
9 agreement proposed for confirmation except as to price, without contingencies, including any  
10 financing contingency, and shall close the escrow no more than 30 days, but not less than 15  
11 calendar days after the entry of an order approving the Motion.

12           The Trustee also proposes that the Court confirm a back-up buyer so that, in the event that  
13 the prevailing buyer fails to close the sale timely, the Trustee may sell the Property to the back-up  
14 buyer for the amount of such back-up buyer's last bid. The Trustee is authorized to hold the back-  
15 up buyer's deposit pending the closing of the sale to the prevailing bidder. If the prevailing bidder  
16 closes the sale, the Trustee will immediately return the back-up buyer's deposit. If the prevailing  
17 buyer fails to close the sale timely, the back-up buyer will be bound by all of the terms of the  
18 proposal set forth in the agreement proposed for confirmation except as to price, without  
19 contingencies, including any financing contingency, and shall close the escrow within 10 calendar  
20 days after written notice from the Trustee that the prevailing party has defaulted. The back-up  
21 buyer's deposit shall be nonrefundable in the event that the back-up buyer fails to close the sale  
22 timely.

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1 G. The estimated net sale proceeds to be received by the bankruptcy estate are  
2 \$56,008.29, calculated as follows:

3	Purchase Price	\$530,000
4	Less: County Lien	(\$4,991.71, estimate)
5	Cach Lien	(\$22,000, estimate with interest) <sup>2</sup>
6	Reverse Mortgage Lien	(\$405,000, estimate with interest) <sup>3</sup>
7	Habitat Lien	(\$7,000, estimate with interest)
8	Ford Lien	(\$8,500) <sup>4</sup>
9	Costs of Sale (5%)	(\$26,500)
10	Net Equity	\$56,008.29

11 H. The Trustee also seeks authority from the Court to pay commissions of the  
12 broker(s) through escrow aggregating 4% as follows: 2% to Pacific Union International as the  
13 Buyer's broker in connection with the closing of this sale; and 2% to the Trustee's broker in  
14 connection with closing of this sale to be split as follows – 1% to Coldwell Banker and 1% to  
15 Bennion Deville Homes. If a sale of the Property is confirmed as a result of a higher and better  
16 offer to overbidder(s) represented by different broker(s), then the proposed commission for the  
17 Property of 4% of the purchase price will be split 2% to the Trustee's broker, and 2% to the broker  
18 for the successful overbidder.

19 I. The Trustee's proposed accountants have advised that there will no Federal and  
20 California capital gain taxes due as a result of the proposed sale.

21 J. Any objection to the Motion must be filed and served not later than 14 days before  
22 the date of the hearing.

23

24

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25 <sup>2</sup> The Trustee disputes Cach's lien on the grounds that it has appeared to have expired by its own  
26 terms as set forth in Cal. Code Civ. P. § 697.310.

27 <sup>3</sup> Pursuant to the Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (*docket no.*  
28 *21*) filed by Reverse Mortgage on or about December 21, 2018, Reverse Mortgage's total claim as  
of November 29, 2018 was \$396,588.13.

<sup>4</sup> Counsel for Ford has advised that Ford will accept a payoff of \$8,500 for its lien, which is  
presently worth approximately \$17,000 with interest.

1 K. The Trustee also seeks a Court ruling that the party(ies) to whom the Court  
2 confirms the sale and any backup buyers are good faith purchasers for purposes of 11 U.S.C. §  
3 363(m).

4 L. The Trustee requests an order directing the Debtor and its managing member,  
5 Kymm Snowden, who currently resides at the Property, and any other occupants of the Property,  
6 to vacate and turnover the Property to the Trustee within seven (7) calendar days after the hearing  
7 on the Motion. Further, in the event that the Debtor, Kymm Snowden and any other occupants of  
8 the Property fail to vacate and turnover the Property to the Trustee within seven (7) calendar days  
9 after the hearing on the Motion, the Trustee further requests that upon the Trustee's filing a  
10 declaration so stating, the Court enter an order directing the Clerk of the Court to issue a writ of  
11 possession authorizing the United States Marshals Service to enforce the turnover, without need  
12 for any motion, hearing or other proceeding.

13 M. If no objections are made to the proposed sale, the Trustee requests that the Court  
14 waive the applicability of Federal Rule of Bankruptcy Procedure 6004(h).

15 NOTICE IS GIVEN that pursuant to Local Bankruptcy Rule 9013-1(f), each interested  
16 party opposing, joining in, or responding to the Motion must, not later than 14 days before the  
17 date of the hearing, file with the Clerk of the Bankruptcy Court and serve upon the Trustee's  
18 general counsel, Eric P. Israel and Sonia Singh, Danning, Gill, Diamond & Kollitz, LLP, 1900  
19 Avenue of the Stars, 11th Floor, Los Angeles, California 90067-4402, and the United States  
20 Trustee, 915 Wilshire Blvd., Suite 1850, Los Angeles, California 90017, either: (i) a complete  
21 written statement of all reasons in opposition thereto or in support or joinder thereof, declarations  
22 and copies of all photographs and documentary evidence on which the responding party intends to  
23 rely, and any responding memorandum of points and authorities; or (ii) a written statement that  
24 the Motion will not be opposed.

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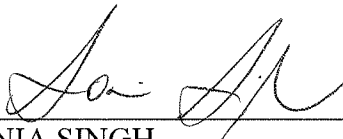
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Pursuant to Local Bankruptcy Rule 9013-1(h), failure to timely file and serve papers may be deemed by the Court to be consent to the granting of the Motion.

DATED: March 14, 2019

DANNING, GILL, DIAMOND & KOLLITZ, LLP

By:   
SONIA SINGH  
Attorneys for Brad D. Krasnoff, Chapter 7 Trustee

1 MEMORANDUM OF POINTS AND AUTHORITIES

2  
3 I.

4 FACTUAL STATEMENT

5 A. Bankruptcy Background

6 On or about September 5, 2018 (the "Petition Date"), Solomon & King Management  
7 Group, LLC (the "Debtor") filed a voluntary petition for relief under Chapter 7 of title 11 of the  
8 United States Code (the "Bankruptcy Code"), thereby commencing bankruptcy case no. 2:18-bk-  
9 20379-WB. Brad D. Krasnoff thereafter accepted appointment as the Chapter 7 trustee (the  
10 "Trustee") for the estate and continues to serve in that capacity for the benefit of the estate and its  
11 creditors.

12  
13 B. The Property

14 The Debtor disclosed on its Schedule A/B filed on or about September 19, 2018 (*docket*  
15 *no. 11*), its interest in a parcel of real property commonly known as 2374 Grandeur Avenue,  
16 Altadena, California (the "Property"). The Debtor's Schedule A/B reflect that the value of the  
17 Debtor's interest in the property was \$656,000. The Los Angeles County Tax Assessor has  
18 assigned assessor's parcel number 5827-015-027 to the Property.

19 In its Schedule D filed on or about September 19, 2018 (*docket no. 11*), the Debtor  
20 scheduled two liens against the Property: a lien for \$5,500 in favor of Habitat Restoration and a  
21 lien for \$400,000 in favor of Reverse Mortgage Solutions.

22  
23 C. The Real Estate Brokers and their Marketing Efforts for the Property

24 Pursuant to the order of the Court entered on or about January 15, 2019 (*docket no. 26*),  
25 the Trustee employed Coldwell Banker Residential Broker and Bennion Deville Homes (the  
26 "Trustee's Broker") as his real estate broker. A copy of the order is attached as Exhibit "3" to the  
27 Request for Judicial Notice attached hereto. The Trustee's Broker listed the Property on the  
28 Multiple Listing Service at \$539,950. The Trustee's Broker also showed the Property to potential

1 purchasers. The Trustee's Broker will post the proposed sale information on the Multiple Listing  
2 Service.

3  
4 D. The Proposed Sale

5 The Trustee received through the Broker an offer from Carlstrom Investment Group, LLC  
6 (the "Buyer") to purchase the Property for \$530,000, all cash. The Trustee accepted the offer,  
7 subject to Court approval and overbids. A copy of the Purchase and Sale Agreement is attached  
8 as Exhibit "1" to the Declaration of Brad D. Krasnoff (the "Trustee's Declaration") attached  
9 hereto. The Buyer is represented by Pacific Union International. The offer from the Buyer was  
10 the highest and best offer the Trustee received for the Property.

11 The proposed sale of the Property is "as is," "where is," with no warranty or recourse  
12 whatsoever, subject only to overbid and Court approval. The proposed sale was reached via arms-  
13 length negotiations.

14  
15 E. Identity of Liens and Claims Against the Property

16 The Trustee has obtained a preliminary title report on the Property dated January 30, 2019  
17 (the "Title Report"). A copy of the Title Report is attached to the Trustee's Declaration as Exhibit  
18 "2." According to the Title Report, the following liens and claims are of record against the  
19 Property:

- 20 1. Liens for real property taxes in favor of the County of Los Angeles (the "County").
- 21 2. An abstract of judgment recorded against Lila King on or about March 13, 2009, as  
22 instrument no. 09-367277 securing an award of \$11,042.46 in favor of Cach, LLC ("Cach").
- 23 3. A deed of trust recorded on or about November 6, 2014 as instrument no. 14-  
24 1180129 securing an original obligation of \$802,500 in favor of Mortgage Electronic Registration  
25 Systems, Inc., which mortgage was assigned to Reverse Mortgage Solutions, Inc. ("Reverse  
26 Mortgage") per instrument no. 16-276748 recorded on or about March 15, 2016.
- 27 4. A deed of trust recorded on or about July 28, 2016 as instrument no. 16-888270  
28 securing an original obligation of \$5,500 in favor of Habitat Restoration, LLC ("Habitat").

1           5.       An abstract of judgment recorded against Lila King on or about January 20, 2015  
2 as instrument no. 15-64885 securing an award of \$11,868.45 in favor of Ford Motor Credit  
3 Company LLC (“Ford”).  
4

5 F.       Proposed Treatment of Liens and Other Interests

6           The Trustee intends to sell the Property free and clear of all liens and claims (collectively,  
7 the “Subject Liens”) as provided below, with those liens removed from the Property and the  
8 allowed amounts of certain liens and claims to be paid through escrow, and any disputed sums to  
9 attach to the net sale proceeds, subject to the costs of sale, with the same force, effect, validity and  
10 priority that they had as of the Petition Date as against the Property. If the Trustee no longer  
11 disputes an amount, in whole or in part, then he requests authority to pay said amount from the net  
12 sale proceeds without any further notice, hearing or order of the Court.

13           1.       The County

14           The Title Report reflects that the first installment of real property taxes for the current  
15 fiscal year 2018-2019 has not been paid and the second installment is open and not yet due. All  
16 undisputed sums due to the County will be paid through escrow. The Trustee is not seeking  
17 authority to sell the Property free and clear of any lien securing the payment of real property taxes  
18 and assessments that are or become due and payable after the date on which the sale closes.

19           2.       Cach

20           Cach’s lien is the subject of a bona fide dispute. Its lien appears to have expired by its  
21 own terms as set forth in Cal. Code Civ. P. § 697.310. Accordingly, the Trustee proposes to sell  
22 the Property free and clear of Cach’s lien, with the lien attaching to like amounts of the net sale  
23 proceeds with the same force, effect, validity and priority that it had as of the Petition Date as  
24 against the Property.

25           3.       Reverse Mortgage

26           Based on the Motion for Relief from the Automatic Stay Under 11 U.S.C. § 362 (*docket*  
27 *no. 21*) filed by Reverse Mortgage on or about December 21, 2018, Reverse Mortgage’s total  
28 claim as of November 29, 2018 was \$396,588.13. The Trustee proposes to pay the undisputed

1 sums asserted by Reverse Mortgage under its deed of trust through escrow, which is presently  
2 estimated to be worth \$405,000 with interest. Any disputed portions will attach to like amounts of  
3 the net sale proceeds with the same force, effect, validity and priority that they had as of the  
4 Petition Date as against the Property.

5 4. Habitat

6 The Trustee proposes to pay the undisputed sums asserted by Habitat under its deed of  
7 trust through escrow, which is presently estimated to be worth \$7,000 with interest. Any disputed  
8 portions will attach to like amounts of the net sale proceeds with the same force, effect, validity  
9 and priority that they had as of the Petition Date as against the Property.

10 5. Ford

11 The Trustee proposes to pay Ford's judgment of \$11,868.45 in full at the time of closing,  
12 which is presently worth \$17,000 with interest, but counsel for Ford has advised that it will accept  
13 a payoff of \$8,500. A copy of Trustee's counsel's e-mail correspondence with Ford's counsel  
14 regarding Ford's payoff is attached as Exhibit "4" to the Declaration of Sonia Singh attached  
15 hereto. Any disputed portions will attach to like amounts of the net sale proceeds with the same  
16 force, effect, validity and priority that they had as of the Petition Date as against the Property.

17  
18 G. Proposed Overbid Procedures

19 The Trustee requests that the Court approve the following procedure for overbids:

20 The proposed sale is subject to higher and better bids. Overbidders must appear at the  
21 hearing, submit the overbid before or at the hearing, and deposit with the Trustee or at the hearing  
22 a cashier's check in the amount of \$16,050 payable to "Brad D. Krasnoff, Trustee." The  
23 minimum initial overbid amount is \$535,000, and bidding, if any, shall proceed in increments of  
24 \$1,000. The Trustee holds discretion in accepting or rejecting all overbids.

25 The prevailing overbidder's deposit shall be nonrefundable in the event that the Court  
26 confirms the sale to that party but, for any reason whatsoever, the party fails to close the sale  
27 timely. The overbidding party will be bound by all of the terms of the proposal set forth in the  
28 agreement proposed for confirmation except as to price, without contingencies, including any

1 financing contingency, and shall close the escrow no more than 30 days, but not less than 15  
2 calendar days after the entry of an order approving the Motion.

3 The Trustee also proposes that the Court confirm a back-up buyer so that, in the event that  
4 the prevailing buyer fails to close the sale timely, the Trustee may sell the Property to the back-up  
5 buyer for the amount of such back-up buyer's last bid. The Trustee is authorized to hold the back-  
6 up buyer's deposit pending the closing of the sale to the prevailing bidder. If the prevailing bidder  
7 closes the sale, the Trustee will immediately return the back-up buyer's deposit. If the prevailing  
8 buyer fails to close the sale timely, the back-up buyer will be bound by all of the terms of the  
9 proposal set forth in the agreement proposed for confirmation except as to price, without  
10 contingencies, including any financing contingency, and shall close the escrow within 10 calendar  
11 days after written notice from the Trustee that the prevailing party has defaulted. The back-up  
12 buyer's deposit shall be nonrefundable in the event that the back-up buyer fails to close the sale  
13 timely.

14  
15 H. Payment of Commissions to Real Estate Brokers through Escrow

16 The Trustee seeks an order from the Court authorizing him to pay commissions of the real  
17 estate brokers through escrow.

18 The Trustee proposes to pay an aggregate commission of 4% of the purchase price of the  
19 Property to the real estate brokers as follows: 2% to Pacific Union International as the Buyer's  
20 broker in connection with the closing of this sale; and 2% to the Trustee's Broker in connection  
21 with closing of this sale to be split as follows – 1% to Coldwell Banker and 1% to Bennion  
22 Deville Homes.<sup>5</sup> If a sale of the Property is confirmed as a result of a higher and better offer to  
23

24 \_\_\_\_\_  
25 <sup>5</sup> Pursuant to the Purchase and Sale Agreement, the Trustee initially agreed, subject to Court  
26 approval, to pay a real estate broker's commission of 6% of the sale price of the Property.  
27 However, based on the Trustee's discovery through the Title Report of the previously unknown  
28 abstracts of judgment recorded against Lila King, which had attached to the Property, in favor of  
Cach and Ford, the parties have agreed that the Trustee will seek Court approval to pay a real  
estate broker's commission of 4% of the sale price of the Property.



1 overbidder(s) represented by different broker(s), then the proposed commission for the Property of  
2 4% of the purchase price will be split 2% to the Trustee's Broker, and 2% to the broker for the  
3 successful overbidder.

4  
5 I. Estimated or Possible Tax Consequences to the Bankruptcy Estate

6 The Trustee's proposed accountants have advised that there will no Federal and California  
7 capital gain taxes due as a result of the proposed sale of the Property to the Buyer.

8  
9 J. Good Faith Finding

10 The Trustee also seeks a Court ruling that the party(ies) to whom the Court confirms the  
11 sale and any backup buyers are good faith purchasers for purposes of 11 U.S.C. § 363(m).

12  
13 K. Notice to Creditors and Potential Overbidders

14 Notice of this Motion and proposed sale will be served on all creditors and parties in  
15 interest. The Trustee requests that the Court approve the form and manner of the notice.

16  
17 II.

18 LEGAL ARGUMENT

19 A. The Sale is Supported by the Trustee's Sound Business Judgment and is in the Best  
20 Interests of the Estate and its Creditors

21 To enable the Trustee to fulfill his duty to "collect and reduce to money the property of the  
22 estate" (11 U.S.C. § 704(a)(1)), the trustee "after notice and a hearing, may use, sell, or lease,  
23 other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). In  
24 this Circuit and others, courts will authorize sales where the trustee's decision to sell assets  
25 outside the ordinary course of business is based upon sound business judgment. In re Continental  
26 Air Lines, Inc., 780 F.2d 1223, 1226 (5th Cir. 1986); In re Derivium Capital, LLC, 380 B.R. 392,  
27 404 (Bankr. D.S.C. 2007) ("In determining whether to approve a sale proposed by a trustee, courts  
28 generally apply a business judgment test"). Based on the Second Circuit's decision in In re Lionel

1 Corp., 722 F.2d 1063 (2d Cir. 1983), courts generally hold that the following four elements must  
2 exist to satisfy the “sound business judgment test”: (1) sound business reasons; (2) accurate and  
3 reasonable notice to interested persons; (3) an adequate, fair and reasonable price; and (4) good  
4 faith. See Stephens Indus., Inc. v. McClung, 789 F.2d 386, 390 (6th Cir. 1986) (affirming sale of  
5 debtor’s assets proposed by trustee as being supported by a sound business purpose); Lionel, 722  
6 F.2d at 1071. “Ordinarily, the position of the trustee is afforded deference, particularly where  
7 business judgment is entailed in the analysis or where there is no objection.” In re Lahijani, 325  
8 B.R. 282, 289 (B.A.P. 9th Cir. 2005); Derivium, 380 B.R. at 404 (“the Trustee’s business  
9 judgment is to be given ‘great judicial deference,’ [however] the Court must scrutinize whether  
10 the Trustee has fulfilled his duty to ‘maximize the value obtained from a sale’”).

11       The proposed sale is clearly an exercise of the sound business judgment of the Trustee.  
12 The Trustee believes that the proposed conduct of sale of the Property, subject to overbid at the  
13 hearing, is the best method by which to maximize the value of the estate’s interest in the Property  
14 in order to pay expenses of administration and claims of creditors. Here, the Trustee retained a  
15 licensed real estate broker to list, market and aid him in selling the Property. The Trustee’s  
16 Broker listed the Property on the Multiple Listing Service, and since approximately January 2019  
17 has marketed the Property on behalf of the Trustee. With the aid of his Broker, the Trustee  
18 obtained an offer from the Buyer of \$530,000, all cash. As set forth in the Declaration of Pamela  
19 Temple, the offer was the best offer obtained, and the price was arrived at following arms-length  
20 negotiations.

21       The sale is subject to overbids, so any and all qualified parties wishing to purchase the  
22 Property for a higher price may do so. As a result, the Trustee believes that the proposed sale is in  
23 the best interests of the estate and its creditors and should be approved.

24  
25 B.     The Court Should Approve the Sale of the Property Free and Clear of Liens and Claims

26       Section 363(f) of the Bankruptcy Code provides that, upon certain conditions, the trustee  
27 may sell property free and clear of a lien or interest in such property:

1 The trustee may sell property under subsection (b) or (c) of this  
2 section free and clear of any interest in such property of an entity  
other than the estate, only if—

3 (1) applicable nonbankruptcy law permits sale of such property free  
4 and clear of such interest;

5 (2) such entity consents;

6 (3) such interest is a lien and the price at which such property is to  
7 be sold is greater than the aggregate value of all liens on such  
property;

8 (4) such interest is in bona fide dispute; or

9 (5) such entity could be compelled, in a legal or equitable  
10 proceeding, to accept a money satisfaction of such interest.

11 11 U.S.C. § 363(f).

12 In this case, the Trustee seeks to sell the property free and clear of all liens and claims,  
13 which will be removed from the Property. The purchase price for the Property will be at least  
14 \$530,000, which is sufficient to satisfy all of the liens. See 11 U.S.C. § 363(f)(3). Moreover, the  
15 lienholders could be compelled to accept a money satisfaction of their interests. See 11 U.S.C.  
16 § 363(f)(5). The Trustee seeks authority to pay the allowable and undisputed amounts of the liens  
17 of the County, Reverse Mortgage, Habitat and Ford in full from escrow with disputed amounts  
18 attaching to like amounts of the net sale proceeds with the same force, effect, validity and priority  
19 that they had as to the Property on the Petition Date.

20 The Trustee disputes Cach's lien because as set forth above, it appears that Cach's lien has  
21 expired by its own terms as set forth in Cal. Code Civ. P. § 697.310. As such pursuant to  
22 § 363(f)(4), in light of the Trustee's disputes, the Trustee is authorized to sell the Property free  
23 and clear of Cach's alleged lien, and is requesting that such alleged lien be removed from the  
24 Property and attach to the net sale proceeds with the same force, effect, validity and priority that it  
25 had as to the Property on the Petition Date.

26 1. Penalties

27 The Trustee may avoid a lien that secures a claim of a kind specified in Section 726(a)(4)  
28 of the Bankruptcy Code, which includes claims: