Cas		/21 Entered 08/23/21 21:55:42 Desc age 1 of 59
2 3 4 5	D. EDWARD HAYS, #162507 ehays@marshackhays.com DAVID A. WOOD, #272406 dwood@marshackhays.com TINHO MANG, #322146 tmang@marshackhays.com MARSHACK HAYS LLP 870 Roosevelt Irvine, CA 92620 Telephone: (949) 333-7777 Facsimile: (949) 333-7778 Attorneys for Chapter 7 Trustee, RICHARD A. MARSHACK UNITED STATES BA	NKRUPTCY COURT
10	CENTRAL DISTRICT OF CALIFO	DRNIA – SANTA ANA DIVISION
11	In re	Case No. 8:20-bk-13014-MW
12	NORTHERN HOLDING, LLC,	Chapter 7
13	Debtor.	REPLY IN SUPPORT OF CHAPTER 7 TRUSTEE'S MOTION FOR ORDER
14		COMPELLING TURNOVER OF ESTATE PROPERTY PURSUANT TO 11 U.S.C.
15 16		§ 542(A) AND FOR DETERMINATION THAT EVICTION MORATORIA DO NOT APPLY TO TURNOVER OF BANKRUPTCY ESTATE PROPERTY
17 18		Date: August 30, 2021 Time: 2:00 p.m.
19		Ctrm: 6C Address: 411 W. Fourth Street, Santa Ana, CA 92701
20		
21	TO THE HONORABLE MARK S. WALLACE, U	JNITED STATES BANKRUPTCY JUDGE, THE
22	OFFICE OF THE UNITED STATES TRUSTEE, A	AND ALL INTERESTED PARTIES:
23	Richard A. Marshack, in his capacity as Ch	apter 7 Trustee ("Trustee") of the Bankruptcy
24	Estate ("Estate") of Northern Holding, LLC ("Debt	tor"), files this reply in support of his motion [Dk.
25	162] ("Motion") to compel turnover of Estate prop	erty from Erich Russell, Joanne Russell, Brice
26	Garrett, Sarah Garrett, and all other unknown and u	unauthorized occupants of 2380 Live Oak Road,
27	Paso Robles, CA ("Live Oak Property"), and (as su	applemented) for a determination that the newly-
28		
	REPLY IN SUPPORT OF TURNOVER	MOTION FOR LIVE OAK PROPERTY

issued moratoria on evictions issued by the U.S. Centers for Disease Control and Prevention
 ("CDC") which was signed one day after the Motion was filed.

³ **1.** Summary of Reply

Anyone in possession of property of the estate "shall deliver to the trustee, and account for,
such property or the value of such property." The opposition filed on behalf of Erich Russell and
Joanne Russell (but not the other respondents, Brice Garrett and Sarah Garrett) cites no authority for
its arguments and attaches no evidence excusing the mandatory provisions of turnover.

8 Notwithstanding the procedural and substantive objections raised in opposition to the Motion, the
9 Court has the discretion to grant the relief requested by the Trustee.

10 2

2. Background Facts

Erich Russell, Joanne Russell, Brice Garrett, Sarah Garrett (collectively, "Occupants") reside
at the real property located at and commonly known as 2380 Live Oak Road, Paso Robles, CA
(previously defined as "Live Oak Property"). Erich Russell and Joanne Russell ("Russells") live in
the larger 7,500 square foot residence at the Live Oak Property, and their children Brice Garrett and
Sarah Garrett ("Garretts") live in a separate, smaller home located at the Live Oak Property. The
Live Oak Property including both residences constitute property of the bankruptcy estate.

None of the Occupants have ever paid any rent in cash to the Estate or the Trustee. Instead,
the Russells take the position that any rent obligation is offset by an alleged \$12,000 monthly
consulting fee owed to the Russells by Debtor. A true and correct, executed copy of the document
repeatedly referred to as a consulting agreement by the Russells is attached to the Declaration of
Tinho Mang ("Mang Declaration") as Exhibit "1."

The supposed consulting agreement (bearing a signature date of October 27, 2020) contains
no agreement from Northern Holding, LLC (Debtor) to pay compensation to the Russells. Moreover,
the supposed consulting agreement does not appear to obligate the Russells to provide services to
Debtor. Rather, the scope of work only mentions "Russell/Rabbit Ridge."

Also, on or around October 27, 2020, the Russells transferred and quitclaimed substantially
 encumbered real properties (including the Live Oak Property) to Debtor with no contemporaneous
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exchange of cash. Instead, it appeared that the transfer was for the assumption of debt and creation
 of obligations by Debtor in favor of the Russells in the total amount of approximately \$30 million.
 On October 28, 2020, Debtor filed a voluntary petition for bankruptcy under Chapter 11 of
 Title 11 of the United States Code, initiating the above-captioned bankruptcy case.

While Debtor operated as a debtor-in-possession, the Occupants remained in possession of
the Live Oak Property. Some time around March 1, 2021, the Garretts moved into the Live Oak
Property, as reflected in Debtor's February 2021 monthly operating report filed on March 31, 2021.

8 A true and correct copy of the February 2021 operating report is attached to the Mang Declaration as

9 Exhibit "2." Specifically, page 27 of the operating report states that "Brice Garrett moved in 3/1/21"

10 and has a monthly rental obligation of \$1,200. See Mang Decl., Exh. 2 at 27.

On June 15, 2021, as Dk. No. 116, the Court entered an order converting the case to Chapter
7. Richard A. Marshack is the duly-appointed and acting Chapter 7 trustee.

After weeks of negotiations regarding turnover of the Live Oak Property without any
substantive response from the Russells or the Occupants, Trustee was left with no choice but to file
the Motion for turnover on August 2, 2021, as Dk. No. 162. The hearing on the Motion was set for
August 30, 2021.

On August 3, 2021, the United States Centers for Disease Control and Prevention ("CDC")
issued a new moratorium on evictions due to the delta variant of the novel COVID-19 coronavirus
("Reissued CDC Order").

On August 9, 2021, as Dk. No. 185, Trustee filed and served a supplemental brief regarding
the application of the Reissued CDC Order. The supplemental brief was filed and served 21 days
prior to the hearing on the Motion and the Trustee respectfully requests that the supplemental
evidence and arguments be considered by the Court because the Reissued CDC Order did not exist
on the date that the Motion was filed.

Notice of the Motion was served on Erich Russell, Joanne Russell, Brice Garrett, Sarah
Garrett (i.e. all occupants of the Live Oak Property), and Kari Ley, Esq., attorney for Erich Russell.
A true and correct copy of the notice of motion and attached proof of service is attached to the Mang
Declaration as Exhibit "3."

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After the filing of the Motion, Mr. Ley contacted undersigned counsel and sent a letter
 essentially taking the position that the turnover motion was meritless and should be denied in its
 entirety. A true and correct copy of the letter from Mr. Ley is attached to the Mang Declaration as
 Exhibit "4."

5 Mr. Ley also informed undersigned counsel that the Garretts had received actual notice of the
6 Motion but that he did not represent the Garretts. See, Mang Declaration.

7 On August 17, 2021, as Dk. No. 193, an opposition to the Motion was filed on behalf of the
8 Russells. As Dk. Nos. 194-195, two declarations were filed in support of the opposition.

9 Negotiations regarding the stipulated turnover of the Live Oak Property and terms for such
10 turnover remain ongoing. Trustee has circulated a further stipulation for turnover to counsel for the
11 Russells but no actual agreement has yet been reached. Trustee therefore files this reply to preserve
12 the Estate's rights.

13

3. Legal Argument

14 "Except as provided in subsection (c) or (d) of this section, an entity, other than a custodian, 15 in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease 16 under section 363 of this title, or that the debtor may exempt under section 522 of this title, shall 17 deliver to the trustee, and account for, such property or the value of such property, unless such 18 property is of inconsequential value or benefit to the estate." 11 U.S.C. § 542(a). "§ 542 provides, 19 with just a few exceptions, that an entity (other than a custodian) in possession of property of the 20 bankruptcy estate 'shall deliver to the trustee, and account for' that property." City of Chicago v. 21 Fulton, 141 S.Ct. 585, 589 (2021).

22

A.

The opposition was late-filed.

23 "[E]ach interested party opposing or responding to the motion must file and serve the
24 response (Response) on the moving party and the United States trustee not later than 14 days before
25 the date designated for hearing." Local Bankruptcy Rule 9013-1(f)(1).

The opposition filed by the Russells was filed on August 17, 2021, which is 13 days prior to the scheduled hearing on the Motion, and fifteen days after the Motion was filed. The opposition is thus one day late and is untimely. The Court may in its discretion disregard the filing of the
 opposition. *See* Local Bankruptcy Rule 9013-1(h).

3 4

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В.

The requirement of an adversary proceeding for turnover from a third party nondebtor can be waived by the Court.

As cited in the Motion, while FRBP 7001 provides that a proceeding to recover property

6 from a non-debtor entity is an adversary proceeding, the Court may waive that requirement. See In re

7 Gerwer, 898 F.2d 730, 734 (9th Cir. 1990) ("Austein contends that Bankruptcy Rule 7001 requires

8 an adversary proceeding to recover property... and that therefore the Trustee erroneously proceeded

9 by motion... Austein was not harmed [because the proceeding was a contested matter]..."). See also,

10 Darby v. Zimmerman (In re Popp), 323 B.R. 260, 269 (B.A.P. 9th Cir. 2005) ["It is unclear,

11 however, if *Rodeo* forbids a bankruptcy court from ever making such a finding in a contested matter

12 (as opposed to an adversary proceeding) or whether Rodeo employs prudential principles of efficient

13 dispute resolution to channel disputes over issues such as ownership into a single, appropriate

14 forum."]. Without regard to whether the entity in control of property of the estate is a debtor or non-

15 debtor, turnover is a requirement imposed by the Bankruptcy Code. See Weber v. SEFCU (In re

16 Weber), 719 F.3d 72, 80-81 (2d Cir. 2013). The requirement of an adversary proceeding does not

17 appear to be an absolute mandate, as discussed by Justice Sotomayor in her concurrence in *Fulton*:

18 The trouble with \$542(a), however, is that turnover proceedings can be quite slow. The Federal Rules of Bankruptcy Procedure treat most "proceeding[s] to recover . . . 19 property" as "adversary proceedings." Rule 7001(1). Such actions are, in simplified terms, "essentially full civil lawsuits carried out under the umbrella of [a] bankruptcy 20 case." Bullard v. Blue Hills Bank, 575 U. S. 496, 505, 135 S. Ct. 1686, 191 L. Ed. 2d 621 (2015). Because adversary proceedings require more process, they take more time. 21 Of the turnover proceedings filed after July 2019 and concluding before June 2020, the average case was pending for over 100 days. See Administrative Office of the United 22 States Courts, Time Intervals in Months From Filing to Closing of Adversary Proceedings Filed Under 11 U.S.C. §542 for the 12-Month Period Ending June 30, 23 2020, Washington, DC: Sept. 25, 2020.

24 One hundred days is a long time to wait for a creditor to return your car, especially when you need that car to get to work so you can earn an income and make your 25 bankruptcy-plan payments. To address this problem, some courts have adopted strategies to hurry things along. At least one bankruptcy court has held that §542(a)'s 26 turnover obligation is automatic even absent a court order. See In re Larimer, 27 B. R. 514, 516 (Idaho 1983). Other courts apparently will permit debtors to seek turnover by 27 simple motion, in lieu of filing a full adversary proceeding, at least where the creditor has received adequate notice. See Tr. of Oral Arg. 81 (counsel for the City stating that 28 "[i]n most bankruptcy courts, if a creditor responds to a motion [for turnover] by" arguing that the debtor should have instituted an adversary proceeding, the bankruptcy judge will ask whether the creditor received "actual notice"); Brief for United States as

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Amicus Curiae 32 (reporting that "some courts have granted [turnover] orders based solely on a motion"); *but see, e.g., In re Denby-Peterson*, 941 F. 3d 115, 128-131 (3d Cir. 2019) (holding that debtors must seek turnover through adversary proceedings). Similarly, even when a turnover request does take the form of an adversary proceeding, bankruptcy courts may find it prudent to expedite proceedings or order preliminary relief requiring temporary turnover. *See, e.g., In re Reid*, 423 B.R. 726, 727-728 (Bkrtcy. Ct. ED Pa. 2010); *see generally* 10 COLLIER ON BANKRUPTCY ¶ 7065.02 (16th ed. 2019).

6 Fulton, 141 S.Ct. at 594-95 (Sotomayor, J.) (concurring) (emphasis added).

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7 Here, all of the Occupants received actual notice of the Motion and there was an opposition 8 filed by the Russells to the Motion. The Ninth Circuit has never ruled that an adversary proceeding is 9 an absolute requirement to obtaining a turnover order from a non-debtor party. Instead, the Ninth 10 Circuit in *Gerwer* specifically overruled that procedural argument. More specifically, the key inquiry 11 should be whether the respondent to the turnover motion is afforded adequate due process before the 12 entry of an adverse order. See Starky v. Birdsell (In re Starky), 522 B.R. 220, 228-29 (B.A.P. 9th Cir. 13 2014) (In a dispute over the procedural requirement of an adversary proceeding under FRBP 14 7001(2), the BAP reasoned that "[t]he issue then becomes whether some of the procedural difference 15 between contested matters and adversary proceedings prejudiced the Debtors in any meaningful 16 way."). 17 The Russells seek to assert a mere procedural argument that the Trustee failed to file an 18 adversary proceeding instead of a motion for turnover, and thus the Motion should be denied

19 pursuant to FRBP 7001(1). Instead, in furtherance of delay which will damage the Estate, the

20 Russells contend that Trustee should be required to file a separate adversary proceeding which

would re-start the responsive deadline for the Russells to file an answer to the turnover complaint.
But, the facts are clear that the Russells are in continuing, unauthorized possession and control of

property of the Estate to the severe detriment of creditors.

None of the cases cited by the opposition are binding on this Court. Instead, the decisions from the Ninth Circuit cited above make it clear that, at least in this circuit, a turnover order can be issued by motion so long as adequate process is afforded to respondents. All of the Occupants have received actual notice of the Motion and had 14 days (as opposed to the minimum of 7 days) to file a response or opposition to the Motion. To the extent that the Court finds that additional process is due

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to the Occupants, Trustee respectfully requests that the Court simply provide a continuance of the 1 2 hearing on the Motion and provide a schedule for any further briefing the Court may find necessary. 3 Otherwise, Occupants will undoubtedly use further delay tactics to hamper the Trustee's 4 administration of Estate property. If the Court determines that an adversary proceeding is required to 5 obtain turnover from the Occupants, and that no basis for waiver of the requirement exists in this 6 case, Trustee will file such an adversary proceeding.

7

i.

Trustee has not claimed or alleged an emergency.

8 The opposition states that "[t]he false emergency claimed by the Trustee lacks factual or 9 legal support." Opposition [Dk. 193] at 3:19.

10 The Motion does not claim any emergency nor does the scare-quoted word "emergency" 11 appear in the Motion. The Motion was filed on 28 days' notice (more than the minimum 21 days' 12 notice) without any request for an order shortening time. Trustee fully admits that no sale documents 13 have been signed,¹ because the interested buyer party is conducting due diligence on the growing 14 conditions at the Live Oak Property. Trustee, however, requires turnover and full possession of the 15 Live Oak Property in order to consummate a sale – the buyer is unwilling to even entertain an offer 16 until the Live Oak Property has been vacated or there is an order providing that Trustee may seek a 17 writ of assistance to remove all occupants from the Live Oak Property. Trustee is not subdividing the 18 Live Oak Property in connection with a sale, and the Riboli parties will not purchase the Live Oak 19 Property with unauthorized, uncooperative occupants.

20

ii. The Garretts apparently have not filed an opposition.

21 Counsel for the Garretts informed undersigned counsel that the Garretts were aware of the 22 Motion and had a strong objection to the Motion (although no one has ever reached out to the 23 Trustee or counsel regarding the Garretts' basis for opposing the Motion). Pursuant to the Local 24 Rules, failure to timely file an opposition or response may be construed as consent to the relief 25 requested in the motion. The Court may exercise its discretion to deem the Garretts' failure to file a 26 response or opposition to the Motion to be consent to the relief requested in the Motion pursuant to 27

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¹ The Opposition falsely states that the Trustee claimed "an actual purchase agreement" where no such claim appears in the Motion. See Opposition [Dk. 193] at 4:4-5.

1 LBR 9013-1(h), and issue an order as requested in the Motion to compel turnover from the Garretts.

2 3

C. The Russells' position that rent has been prepaid or is offset by consulting fees is meritless.

4 In response to Trustee's demand for an order directing payment of delinquent or unpaid 5 rental obligations, the Russells apparently are taking the position that there is a \$12,000 monthly 6 "rental credit" under a "consulting agreement." See Opposition [Dk. 193] at 4:24-25. After asserting 7 an apparent defense to payment of rent, the Opposition then complains that "[n]oticeably missing 8 from the motion is a copy of the Consulting Agreement." See Opposition [Dk. 193] at 4:18. The 9 burden of production is not on the Trustee to prove up and then knock down any asserted defense by 10 the Occupants. Nonetheless, a copy of the document apparently referred to as a consulting agreement 11 is attached to the Mang Declaration as Exhibit "1."

12

i.

ii.

No consulting agreement was attached to the opposition.

"A Response must be a complete written statement of all reasons in opposition thereto or in
support, declarations and copies of all evidence on which the responding party intends to rely, and
any responding memorandum of points and authorities." Local Bankruptcy Rule 9013-1(f)(2).
"Factual contentions involved in any motion, opposition or other response to a motion, or reply,
must be presented, heard, and determined upon declarations and other written evidence." Local
Bankruptcy Rule 9013-1(i).

The Russells assert a defense to nonpayment of rent based on an alleged consulting
agreement. No consulting agreement, however, was attached to their opposition. The Russells'
failure to attach a consulting agreement should result in the Court overruling their asserted defense
to nonpayment.

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- 24

The document asserted to be a consulting agreement does not obligate the Debtor.

Rent is owed by the Russells to the Debtor under the Live Oak Lease (as defined in the
Motion), a lease executed one day prior to bankruptcy which obligated the Russells to pay \$12,000
per month to the Debtor, Northern Holding, LLC. The document referred to as a consulting
agreement, however, is entitled "Scope of Work: Russell/ Rabbit Ridge: Founder Roles" and does

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not contain language which obligates either the Russells or the Debtor or any other entity to provide
 services or compensation. The four subheadings of the document are "Objectives," "Duration,"
 "Deliverables," and "Specifications." The document is signed by Joanne Russell, Erich Russell, and
 Lee Codding and the notary's certificate appended to the document crosses out the section for
 "Capacity(ies) Claimed by Signer(s)" which indicates that the document was signed in each
 signatory's individual capacity.

7 Trustee does not agree that this document is a valid consulting agreement which obligates the
8 Debtor. The face of the document does not appear to obligate the Debtor to do anything at all. Thus,
9 any contrary argument by the Russells that they have a consulting agreement which results in a
10 complete rent offset is unsupported by any evidence and should be overruled.

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iii. There is no evidence that the Russells are providing any value or benefit to the Estate.

Even if there were a valid, operative consulting agreement (which there is insufficient evidence to prove), there is no evidence attached to the Opposition to support that any value or benefit has been received by the Trustee or the Estate from the Russells. The argument in the Opposition that "the industry rate for the services provided by the Russells is well in excess of \$15,000 salary and \$12,000 rental credit" is wholly unsupported by any evidence. Even the declaration of Erich Russell filed as Dk. No. 194 fails to identify the services, value, and benefit provided to the Estate by Mr. Russell.

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iv. The Garretts have not raised any defense to nonpayment of rent.

According to the February 2021 monthly operating report, the monthly rental obligation for the Garretts for their occupancy of a portion of the Live Oak Property was \$1,200. No rent has ever been paid to the Trustee by the Garretts and they have not provided the Trustee with any reason for their nonpayment of the rent state in the monthly operating report. Trustee is unaware of any written rental agreement for the Garretts and there is no evidence of one in the Opposition. In summary, there is no valid defense to turnover justifying any further delays.

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D. The Reissued CDC Order does not apply in this case – and the Russells' last-ditch declarations contradict their position that rent is current.

4 As explained in the Trustee's supplemental brief filed and served on August 9, 2021, the 5 Reissued CDC Order does not apply to turnover proceedings in bankruptcy. In re Machevsky, 2021 6 Bankr. LEXIS 31 (Bankr. C.D. Cal. Jan. 8, 2021) [interpreting a previous version of the CDC order]. 7 The Bankruptcy Code and its turnover obligations fall well outside the definition of an eviction for 8 nonpayment of rent due to the COVID-19 pandemic. Trustee's authority to seek a turnover order is 9 simply inappositely compared to a residential eviction by a landlord, and as argued in the 10 supplemental brief, the Court should find that the Reissued CDC Order does not apply to any 11 turnover obligations or turnover order for the Live Oak Property. In fact, the Reissued CDC Order 12 specifically provides that "This Order does not apply... to the extent its application is prohibited by 13 Federal court order." Reissued CDC Order at 13.

14 As for the Russells' claim that they are qualified "covered persons" under the meaning of the Reissued CDC Order, their declarations in support of this end are contradictory on their face to the 15 16 Russells' otherwise declared position. Basically, the Russells are taking the position in the first half 17 of the opposition that rent is current and completely offset by consulting income. In the second half 18 of the opposition, they take the opposite position that they are unable to pay rent because of a 19 substantial loss in income. Second, the declarant for the CDC declarations must check a box in both 20 column A and column B to qualify as a "covered person." However, the declarations only check the 21 box for "My work hours or wages have been cut" which is completely nonsensical in light of the fact 22 that the Russells were owner-operators of Rabbit Ridge and the only reason that their wages or hours 23 would be cut is if they cut those hours themselves (not to mention that there is no reason that the cut 24 in wages or hours is attributable to the COVID-19 pandemic which began (at least in full effect in 25 the United States) in March 2020, seven months prior to the bankruptcy petition date. These 26 positions are completely contradictory and the declarations attached to the Russell Declaration are 27 lacking any sort of credibility. Cf. Reissued CDC Order at 14 ("This Order does not preclude a 28

landlord from challenging the truthfulness of a tenant's, lessee's, or resident's declaration in court,
 as permitted under state or local law.").

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No declarations were ever provided by the Garretts.

Even if the Court finds that the Reissued CDC Order might apply to the Live Oak Property,
the Garretts plainly do not qualify as covered persons under the Reissued CDC Order because no
qualifying declaration was ever transmitted to the Trustee. Thus, the Court should determine that the
Garretts do not qualify as covered persons within the meaning of the Reissued CDC Order.

8 4. Conclusion

i.

9 There is no procedural bar to the Court issuing the determination requested by the Trustee in
10 the Motion, as timely supplemented, that the Reissued CDC Order does not apply in this case, for all
11 of the unrebutted reasons stated in the Motion and supplement. As for the procedural objection to the
12 issuance of a turnover order against the Occupants by way of motion rather than adversary
13 proceeding, this objection elevates form over substance and can and should be waived by the Court.
14 There is no evidence or argument that presents any *prima facie* defense to turnover.

15 The fact is that the Occupants all received actual notice of the turnover motion, have actual 16 notice of their turnover obligations, filed substantive responses (or waived any objection by not 17 filing a substantive response), and will not be prejudiced by the disposition of this matter by motion 18 as opposed to adversary proceeding. On the other hand, the Estate will be greatly prejudiced by the 19 multi-month delay of filing and prosecuting an adversary proceeding for turnover from the 20 Occupants where they have no defense to their continued unauthorized occupancy and only seek to 21 delay and hamper the Trustee's administration.

23	DATED: August 23, 2021	MARSHACK HAYS LLP
24		/s/ Tinho Mang
25		By: D. EDWARD HAYS
26		TINHO MANG Attorneys for Chapter 7 Trustee
27		RICHARD A. MARSHACK
28		
		10
	REPLY IN SUPPORT OF TU: 4824-2330-5952.v.1	RNOVER MOTION FOR LIVE OAK PROPERTY

Cas	e 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 12 of 59
1	Declaration of Tinho Mang
2	I, TINHO MANG, declare and state as follows:
3	1. I am an associate attorney in the law firm Marshack Hays LLP, counsel of record for
4	Richard A. Marshack, the Chapter 7 trustee ("Trustee") for the bankruptcy estate ("Estate") of
5	Northern Holding, LLC ("Debtor").
6	2. I am an individual over 18 years of age and competent to make this declaration.
7	Except as set forth as matters of judicial notice, I have personal knowledge of the matters set forth in
8	this Declaration, and if called upon to do so I could and would competently testify to these facts.
9	3. All terms not defined herein are used as they are defined in the Motion.
10	4. A true and correct copy of a document which I am informed is the document referred
11	to by the Russells as a consulting agreement providing a defense to payment of rent is attached as
12	Exhibit "1."
13	5. A true and correct copy of the Debtor's February 2021 monthly operating report is
14	attached as Exhibit "2."
15	6. A true and correct copy of the notice of motion and proof of service for the Motion
16	which shows that the notice of Motion was mailed to all Occupants is attached as Exhibit "3."
17	7. I corresponded via e-mail and telephone calls with the attorney for Erich Russell and
18	Joanne Russell ("Russells"), Mr. Kari Ley, regarding the filing of the Motion and the Russells'
19	response to the Motion. A true and correct copy of the letter sent to me by Mr. Ley on August 9,
20	2021 is attached as Exhibit "4."
21	8. Mr. Ley also informed me that the Russells' children Brice Garrett and Sarah Garrett
22	had received a copy of the Motion and objected to the Trustee's demand for turnover. However, to
23	the best of my knowledge, no response has ever been received by me or the Trustee's office
	regarding the motion for turnover.
25	9. According to the February 2021 monthly operating report, the Garretts are
26	responsible for payment of rent at the rate of \$1,200 per month. I was informed by the Debtor's
27	principal Lee Codding that there is no written rental agreement for the Live Oak Property.
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REPLY TO MOTION FOR TURNOVER OF LIVE OAK

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1	10. To the best of my knowledge, no declaration from Brice Garrett or Sarah Garrett
2	regarding the application of the moratorium on evictions issued by the CDC has ever been received
3	by myself, my office, or the Trustee's office.
4	I declare under penalty of perjury that the foregoing is true and correct. Executed on August
5	23, 2021.
6	/s/ Tinho Mang TINHO MANG
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	REPLY TO MOTION FOR TURNOVER OF LIVE OAK
	4824-2330-5952,v.1

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EXHIBIT 1

2 .

October, 2020

Scope of Work: Russell/ Rabbit Ridge: Founder Roles

Objectives

- To continue as founders to execute best practices and robust business development in operations, branding, DTC, wine club, compliance and farming.
- To enable business recapitalization and merger with new partner entity.
- To ensure security and longevity of family wine legacy in Russell, Rabbit Ridge and others.
- To provide strategy for sales channel and, as needed, DTC sales and marketing/branding optimizing business development and brand equity.

Duration

- Beginning effective October 27, 2020.

Deliverables

Continue optimal operations of winery, vineyard and facility.

Continue leading operations team with collaboration from Steven Jones and Lee Codding.

Partner to meet business development objectives.

Maximize business value to ensure optimal return on equities exchange for notes due seller.

Work on fine-tuning business in interim to maximize valuation on merger.

Specifications

1

Russell combined monthly value received of \$27,000; \$15,000 cash and \$12,000 value of residential lease on Russell Live Oak Villa.

OU

Joanne Russell

Bv Erich Russell

By: Lee Codding

Northern Holding, LLC

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California	
County of Jan Luin Db14pd)	notary
On DCT 27, 2020 before me, Chr	15hw M. Voshal public,
Date	Here Insert Name and Title of the Officer
personally appeared TDANNL RUGG	II, Frich Rugsell,
	Name(s) of Signer(s)
LERAN CODDING	

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

WMUSOY Signature of Notary Public

Place Notary Seal Above

CHRISTINE M. VOSHAL Notary Public - California

San Luis Obispo County Commission # 2203267

My Comm. Expires Jul 27, 2021

OPTIONAL ·

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document Title or Type of Document: Document Date: 10 Ultrational Content Signer(s) Other Than Named Above:	Rabbet Ridge Russell Number of Pages:
\square Partner $_$ \square Limited \square General	Signer's Name:

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Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 17 of 59

EXHIBIT 2

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 18 of 59 Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED ST Main Document Page 105136 E OFFICE OF THE UNITED STATES TRUSTEE CENTRAL DISTRICT OF CALIFORNIA

In Re:	CHAPTER 11 (BUSINESS)
Northern Holding, LLC	Case Number: 8:20-bk-13014-MW
	Operating Report Number: 5
Debtor(s).	For the Month Ending: 2/28/2021
	AND DISBURSEMENTS L DIP ACCOUNT
1. TOTAL RECEIPTS PER ALL PRIOR GENERA	AL ACCOUNT REPORTS 9,705.00
2. LESS: TOTAL DISBURSEMENTS PER ALL ACCOUNT REPORTS	PRIOR GENERAL 10.00
3. BEGINNING BALANCE:	9,695.00
 4. RECEIPTS DURING CURRENT PERIOD: *Custom Crush Income - for amounts billed in Januar *Custom Crush Income - for amounts billed in Februa *Custom Crush Revenue billed at net-30 day term The remaining Custom Crush Revenue billed in The remaining Custom Crush Revenue billed in **Transfers from 1172 Property DIP Account (7686) **Made in error, see comments on page 7 (1st pa TOTAL RECEIPTS THIS PERIOD: 	ary <u>2,061.14</u> ns. March is \$10,294.86 - payment is due in March. March is \$9,658.00 - payment is due in April. <u>15,550.00</u>
5. BALANCE:	38,708.14
 6. LESS: TOTAL DISBURSEMENTS DURING C Transfers to Other DIP Accounts (from page 2) Disbursements (from page 2) TOTAL DISBURSEMENTS THIS PERIOD:*** 7. ENDING BALANCE: 	503.96 34,030.72
	1,175.10
8. General DIP Account Number:	xxxxx3473 Wells Fargo Bank, N.A.
Depository Name & Location:	P.O. Box 6995 Portland, OR 97228-6995

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the to whom, terms, and date of Court Order or Report of Sale.

siness; attach an exhibit specifying what was sold,

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 19 of 59

Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc TOTAL DISBURSEMENT Main Document Page 2 of 30

Date mm/dd/yyyy	Check Number	Payee or DIP account	D	*Amount	**Amount	
			Purpose	Transfered	Disbursed	Amount
2/17/2021	1304	Nevarez Farm Labor	Farm Labor		5,721.12	5,721.
2/26/2021	1307	Nevarez Farm Labor	Farm Labor		6,416.40	6,416.4
2/2/2021	Cash	Nevarez Farm Labor	Farm Labor		4,000.00	4,000.0
2/8/2021	Cash	Nevarez Farm Labor	Farm Labor		5,000.00	5,000.
2/10/2021	Cash	Nevarez Farm Labor	Farm Labor		4,900.00	4,900.
2/12/2021	Cash	Nevarez Farm Labor	Farm Labor		300.00	300.
			Paso Robles Inn Transaction Error - Managing Member reimbursed the 1172 Property account on			
2/16/2021	EFT	xxxxx7686	2/26/21	503.96	200.00	503.
2/16/2021	Cash	Nevarez Farm Labor	Farm Labor		300.00	300.
2/16/2021	Cash	Nevarez Farm Labor	Farm Labor		300.00	300.
2/17/2021	Cash	Nevarez Farm Labor	Farm Labor		1,000.00	1,000.
2/18/2021	Cash	Nevarez Farm Labor	Farm Labor		300.00	300.
2/19/2021	Cash	Nevarez Farm Labor	Farm Labor		300.00	300.
2/22/2021 2/22/2021	Cash	Nevarez Farm Labor	Farm Labor		300.00	300.0
	Cash	Nevarez Farm Labor	Farm Labor		300.00	300.0
2/22/2021	Cash	Nevarez Farm Labor	Farm Labor		300.00	300.0
2/23/2021	Cash	Nevarez Farm Labor	Farm Labor		900.00	900.0
2/24/2021	Cash	Nevarez Farm Labor	Farm Labor		650.00	650.0
2/26/2021 2/26/2021	EFT EFT	Chubb Insurance Chubb Insurance	Service Fee Insurance Expense		1.95 3,041.25	3,041.2

* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will be filled in for you.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

Case 8:20-bk-13014-MW	Doc 198	Filed 08/23/2	21 Entered 08/23/21 21:55:42	Desc
	Main Doc	ument Pag	ge 20 of 59	

Case 8:20-bk-13014-MW	Doc 104 Filed 03/31 Main Document ACP BANK RECONCILIA	/21 Entered 03/31/21 age 3 of 30 TION	12:14:16	Desc
Bank statement Date:	2/28/2021	Balance on Statement:		\$4,173.46
Plus deposits in transit (a):	Deposit Date	Deposit Amount		
TOTAL DEPOSITS IN TRANSIT				0.00
Less Outstanding Checks (a): <u>Check Number</u>	Check Date	Check Amount		
TOTAL OUTSTANDING CHECKS:				0.00
Bank statement Adjustments: Explanation of Adjustments-				
ADJUSTED BANK BALANCE:				\$4,173.46

* It is acceptable to replace this form with a similar form ** Please attach a detailed explanation of any bank statement adjustment

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 21 of 59 Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED ST Main Document MEND age 4 of 30 E OFFICE OF THE UNITED STATES TRUSTEE CENTRAL DISTRICT OF CALIFORNIA

In Re:	CHAPTER 11 (BUSINESS)
Northern Holding, LLC Debtor(s).	Case Number:8:20-bk-13014-MWOperating Report Number:5For the Month Ending:2/28/2021
	AND DISBURSEMENTS ASH COLLATERAL DIP ACCOUNT
 *TOTAL RECEIPTS PER ALL PRIOR GENER *\$12K is Live Oak Property rental income depose 	,
2. LESS: TOTAL DISBURSEMENTS PER ALL ACCOUNT REPORTS	PRIOR GENERAL 12,012.00
3. BEGINNING BALANCE:	13.00
4. RECEIPTS DURING CURRENT PERIOD: Grape Sales	0.00
TOTAL RECEIPTS THIS PERIOD:	0.00
5. BALANCE:	13.00
6. LESS: TOTAL DISBURSEMENTS DURING C Transfers to other DIP accounts (from page 2) Disbursements (from page 2)	CURRENT PERIOD 0.00 10.00
TOTAL DISBURSEMENTS THIS PERIOD:***	10.00
7. ENDING BALANCE:	3.00
8. Texas Road Property CC DIP Account Number:	xxxxx7678 Wells Fargo Bank, N.A.
Depository Name & Location:	P.O. Box 6995 Portland, OR 97228-6995

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 22 of 59

Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc TOTAL DISBURSEMENTS FROM TEXAS ROAD PROPERTY (ASH Page 5 of 30 DIP ACCOUNT FOR CURRENT PERIOD

Date	Check Number	Payee or DIP	D	*Amount Transfered	**Amount Disbursed	
nm/dd/yyyy		account	Purpose	Transfered		Amount
2/26/2021	EFT	Wells Fargo	Monthly Service Fee		10.00	10.0
		TOTAL DIS	BURSEMENTS THIS PERIOD	0.00	10.00	\$10.

* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will

be filled in for you.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 23 of 59

Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc TEXAS ROAD PROVAL DOCUMENCOL Page 6 of 30 PACCOUNT BANK RECONCILIATION

Bank statement Date:	2/28/2021	Balance on Statement:	\$3.00
Plus deposits in transit (a):	Deposit Date	Deposit Amount	
TOTAL DEPOSITS IN TRANSIT Less Outstanding Checks (a): <u>Check Number</u>	Check Date	Check Amount	0.00
TOTAL OUTSTANDING CHECKS:			0.00
Bank statement Adjustments: Explanation of Adjustments-			
ADJUSTED BANK BALANCE:			\$3.00

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 24 of 59 Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED ST Main Document Page 7 of 30 E OFFICE OF THE UNITED STATES TRUSTEE CENTRAL DISTRICT OF CALIFORNIA

In Re:

CHAPTER 11 (BUSINESS)

Northern Holding, LLC Debtor(s).	Case Number: Operating Report Number: For the Month Ending:	8:20-bk-13014-MW 5 2/28/2021
	AND DISBURSEMENTS COLLATERAL DIP ACCOUN	ĨT
1. TOTAL RECEIPTS PER ALL PRIOR GENER.	AL ACCOUNT REPORTS	33,625.00
2. LESS: TOTAL DISBURSEMENTS PER ALL ACCOUNT REPORTS	PRIOR GENERAL	0.00
3. BEGINNING BALANCE:		33,625.00
 4. RECEIPTS DURING CURRENT PERIOD: Winery Facility Rental Income *Apartment Unit Rental Income *See rents attachment at page 27 *Contribution from Managing Member Managing Member Reimbursement - See page 2 TOTAL RECEIPTS THIS PERIOD: 	<u>30,000.00</u> 2,055.04 <u>14,641.00</u> 503.96	47,200.00
5. BALANCE:		80,825.00
 6. LESS: TOTAL DISBURSEMENTS DURING C *Transfers to General DIP & Deposit Return *Includes \$15,000.00 Deposit Return Disbursements (from page 2) 	<u> </u>]
TOTAL DISBURSEMENTS THIS PERIOD:***	·	30,562.00
7. ENDING BALANCE:		50,263.00
8. 1172 Property CC DIP Account Number:	xxxxxx7686 Wells Fargo Bank, N.A.	

Depository Name & Location:

P.O. Box 6995 Portland, OR 97228-6995

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 25 of 59

TOTAL DISBURSEMENTS FROM 1172 Main Doc 104 TV Elect 03/31/21 Entered 03/31/21 12:14:16 Desc Main Document Page 8 of 30

Date	Check	Payee or DIP		*Amount	**Amount	
mm/dd/yyyy	Number	account	Purpose	Transfered	Disbursed	Amount
2/2/2021	EFT	Wells Fargo	Deposited Item Return Fee		12.00	12.00
2/2/2021	EFT	xxxxx7686	1/29/21 Deposit Returned	15,000.00	12.00	15,000.00
2/10/2021	EFT	xxxxx3473	*Transfer to General DIP	10,000.00		10,000.00
2/12/2021	EFT	xxxxx3473	*Transfer to General DIP	1,700.00		1,700.00
2/12/2021	EFT	xxxxx3473	*Transfer to General DIP	500.00		500.00
2/17/2021	EFT	xxxxx3473	*Transfer to General DIP	600.00		600.00
2/19/2021	EFT	xxxxx3473	*Transfer to General DIP	650.00		650.00
2/22/2021	EFT	xxxxx3473	*Transfer to General DIP	1,200.00		1,200.00
2/23/2021	EFT	xxxxx3473	*Transfer to General DIP	900.00		900.00
2/23/2021	211	MANARAS 175		,000.000		,00.00
			*The above charges total \$15,550.00 and were made out of this account in error. The Managing Member replaced funds totaling \$14,641.00 on 2/26/21 and the remaining \$909.00 will be replaced on 3/31/21.			
		TOTAL D	ISBURSEMENTS THIS PERIOD:	30,550.00	12.00	\$30,562.00

* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will be filled in for you.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 26 of 59

Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc 1172 PROPERMAIN DocuMent A TPage 9 bf 30 COUNT BANK RECONCILIATION

Bank statement Date:	2/28/2021	Balance on Statement:	\$50,263.00
Plus deposits in transit (a):	Deposit Date	Deposit Amount	
TOTAL DEPOSITS IN TRANSIT Less Outstanding Checks (a): <u>Check Number</u>	Check Date	Check Amount	0.00
TOTAL OUTSTANDING CHECKS: Bank statement Adjustments:			0.00
ADJUSTED BANK BALANCE:			\$50,263.00

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 27 of 59 Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc UNITED STMAIN DOC 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc

In Re:

Northern Holding, LLC

CHAPTER	11	(BUSINESS)	

Case Number:	8:20-bk-13014-MW
Operating Report Number:	5
For the Month Ending:	2/28/2021

I. CASH RECEIPTS AND DISBURSEMENTS A. LIVE OAK PROPERTY CASH COLLATERAL DIP ACCOUNT

Debtor(s).

1.	TOTAL RECEIPTS PER ALL PRIOR GENERAL	39,025.00	
	LESS: TOTAL DISBURSEMENTS PER ALL PE CCOUNT REPORTS	RIOR GENERAL	15,000.00
3.	BEGINNING BALANCE:		24,025.00
4.	RECEIPTS DURING CURRENT PERIOD: *Unit 1 Rental Income *See rents attachment at page 27 **Unit 2 Rental Income **Brice Garrett moved in 3/1/21, rent is \$1,200.00/mo. Grape Sales	0.00 0.00	- - -
	TOTAL RECEIPTS THIS PERIOD:		0.00
5.	BALANCE:		24,025.00
6.	LESS: TOTAL DISBURSEMENTS DURING CU 1/29/21 Rent Check Returned (from page 2) Disbursements (from page 2) TOTAL DISBURSEMENTS THIS PERIOD:***	PERIOD 24,000.00 22.00	24,022.00
7.	ENDING BALANCE:		3.00
8.	Live Oak Property CC DIP Account Number:	xxxxxx7694 Wells Fargo Bank, N.A.	
	Depository Name & Location:	P.O. Box 6995 Portland, OR 97228-6995	

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 28 of 59

Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc TOTAL DISBURSEMENTS FROM LIVE ON FOR DECLINE Page 11 of 30

Date	Check	Payee or DIP		*Amount	**Amount	
mm/dd/yyyy	Number	account	Purpose	Transfered	Disbursed	Amount
2/2/2021	EFT	Wells Fargo	Deposited Item Returned Fee 1/29/20 Rent Check Returned		12.00	12.0
2/2/2021	EFT	xxxxxx7694	1/29/20 Rent Check Returned	24,000.00		24,000.0
2/26/2021	EFT	Wells Fargo	Monthly Service Fee		10.00	10.00
	-					
		TOTAL	DISBURSEMENTS THIS PERIOD:	24,000.00	22.00	\$24,022.0

* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will

Page 11 of 30

be filled in for you.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

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Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc LIVE OAK PROMAIN Document OL Page 12 op 30 ACCOUNT BANK RECONCILIATION

Bank statement Date:	2/28/2021	Balance on Statement:	\$3.00
Plus deposits in transit (a):	Deposit Date	Deposit Amount	
TOTAL DEPOSITS IN TRANSIT Less Outstanding Checks (a): <u>Check Number</u>	Check Date	Check Amount	0.00
TOTAL OUTSTANDING CHECKS:			0.00
Bank statement Adjustments: Explanation of Adjustments-			
ADJUSTED BANK BALANCE:			\$3.00

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

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Case 8:20-bk-13014-MW

Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc Main Document Page 13 of 30

Wells Fargo Combined Statement of Accounts

February 28, 2021
Page 1 of 9



NORTHERN HOLDING LLC GENERAL ACCOUNT DEBTOR IN POSSESSION CH11 CASE #20-13014 (CCA) 13217 JAMBOREE RD # 429 TUSTIN CA 92782-9158

Questions?

Available by phone 24 hours a day, 7 days a week: We accept all relay calls, including 711 1-800-CALL-WELLS (1-800-225-5935)

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (114) P.O. Box 6995 Portland, OR 97228-6995

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Summary of accounts

(114)

Checking/Prepaid and Savings

Account	Page	Account number	Ending balance last statement	Ending balance this statement
Initiate Business Checking [™]	2	3473	9,695.00	4,173.46
Initiate Business Checking ^{se}	4	7678	13.00	3.00
Initiate Business Checking	5	7686	33,625.00	50,263.00
Initiate Business Checking [™]	7	7694	24,025.00	3.00
	Total deposi	t accounts	\$67,358.00	\$54,442.46

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 31 of 59

Case 8:20-bk-13014-MW

MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc Main Document Page 14 of 30

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Initiate Business Checking[™]

Statement period activity summary Beginning balance on 2/1 Deposits/Credits Withdrawals/Debits	\$9,695.00 29,013.14 - 34,534.68	Account number: 3473 NORTHERN HOLDING LLC GENERAL ACCOUNT DEBTOR IN POSSESSION CH11 CASE #20-13014 (CCA)
Ending balance on 2/28	\$4,173.46	California account terms and conditions apply
		For Direct Deposit use Routing Number (RTN): 121042882
		For Wire Transfers use

For Wire Transfers use Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo branch.

Transaction history

	Check	Deposits/	Withdrawals/	Ending daily
	lumber Description	Credits	Debits	balance
2/2	Withdrawal Made In A Branch/Store		4,000.00	5,695.0
2/8	Withdrawal Made In A Branch/Store		5,000.00	695.0
2/10	Online Transfer From Northern Holding LLC Business Checking	10,000.00		
210	xxxxx7686 Ref #lb09St54NW on 02/10/21			
2/10	Withdrawal Made In A Branch/Store		4,900.00	5,795.0
2/12	Online Transfer From Northern Holding LLC Business Checking	1,700.00		
	xxxxx7686 Ref #lb09T7Hc37 on 02/12/21			
2/12	ATM Withdrawal authorized on 02/12 546 Spring Street Paso		300.00	7,195.0
	Robles CA 0009061 ATM ID 0756A Card 1273			
2/16	Online Transfer From Northern Holding LLC Business Checking	500.00		
	xxxxxx7686 Ref #lb09Tzdggw on 02/16/21			
2/16	Purchase authorized on 02/12 Paso Robles Inn 8052382660 CA		503.96	
	S461043679417032 Card 1273			
2/16	ATM Withdrawal authorized on 02/15 546 Spring Street Paso		300.00	
	Robles CA 0000522 ATM ID 0756A Card 1273			
2/16	ATM Withdrawal authorized on 02/16 546 Spring Street Paso		300.00	6,591.0
	Robles CA 0002937 ATM ID 0756B Card 1273			
2/17	Online Transfer From Northern Holding LLC Business Checking	600.00		
	xxxxxx7686 Ref #lb09V6Fdxw on 02/17/21			
2/17	Cash eWithdrawal in Branch/Store 02/17/2021 17:00 Pm 546		1,000.00	
	Spring St Paso Robles CA 1273			
2/17	1304 Check		5,721.12	469.9
2/18	ATM Withdrawal authorized on 02/18 546 Spring Street Paso		300.00	169.9
	Robles CA 0001216 ATM ID 0756A Card 1273			
2/19	Online Transfer From Northern Holding LLC Business Checking	650.00		
	xxxxx7686 Ref #b09Vjmbw2 on 02/19/21			
2/19	ATM Withdrawal authorized on 02/19 546 Spring Street Paso		300.00	519.9
	Robles CA 0001538 ATM ID 0756A Card 1273			
2/22	Online Transfer From Northern Holding LLC Business Checking	1,200.00		
	xxxxxx7686 Ref #lb09W2Vvjs on 02/22/21			
2/22	ATM Withdrawal authorized on 02/21 Edinger & Beach		300.00	
	Huntington Bc CA 0004670 ATM ID 0820L Card 1273			
2/22	ATM Withdrawal authorized on 02/22 100 Orange Orange CA		300.00	
	0001787 ATM ID 2686L Card 1273			
2/22	ATM Withdrawal authorized on 02/22 273 East 10th St Gilroy CA		300.00	819.9
	0000138 ATM ID 0481E Card 1273			

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Case 8:20-bk-13014-MW

W Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc Main Document Page 15 of 30

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	Check		Deposits/	Withdrawals/	Ending daily
Date	Number	Description	Credits	Debits	balance
2/23		Online Transfer From Northern Holding LLC Business Checking xxxxxx7686 Ref #Ib09W9Fgxj on 02/23/21	900.00		
2/23		ATM Withdrawal authorized on 02/23 546 Spring Street Paso Robles CA 0007870 ATM ID 1797x Card 1273		900.00	819.92
2/24		Edeposit IN Branch/Store 02/24/21 03:30:15 Pm 546 Spring St Paso Robles CA 1273	7,389.94		
2/24		ATM Withdrawal authorized on 02/24 546 Spring Street Paso Robles CA 0006618 ATM ID 0756N Card 1273		650.00	7,559.86
2/26		Edeposit IN Branch/Store 02/26/21 12:19:01 Pm 665 Marsh St San Luis Obispo CA 1273	6,073.20		
2/26	<	Business to Business ACH Debit - Chubb-Ci Ins.Prem 210225 Ci Chubb, Chubb		1.95	
2/26	¢	Business to Business ACH Debit - Chubb-Ci Ins.Prem 210225 Ci Chubb, Chubb		3,041.25	
2/26	1307	Check		6,416.40	4,173.46
Ending bal	ance on 2/28				4,173.46
Totals			\$29,013.14	\$34,534.68	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your

Summary of checks written (checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount	Number	Date	Amount
1304	2/17	5,721.12	1307 *	2/26	6,416.40

* Gap in check sequence.

Monthly service fee summary

For a complete list of fees and detailed account information, see the disclosures applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 02/01/2021 - 02/28/2021	Standard monthly service fee \$10.00	You paid \$0.00
How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements · Average ledger balance	\$1,000.00	\$4,418.00 🗹
Minimum daily balance	\$500.00	\$169.92

The Monthly service fee summary fee period ending date shown above includes a Saturday, Sunday, or holiday which are non-business days. Transactions occurring after the last business day of the month will be included in your next fee period. C1/C1

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	5,000	0	0.0030	0.00
Transactions	20	100	0	0.50	0.00
Total convice observes					\$0.00

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Other Wells Fargo Benefits

Our National Business Banking Center customer service number 1-800-CALL-WELLS (1-800-225-5935) hours of operation have temporarily changed to 7:00 a.m. to 11:00 p.m. Eastern Time, Monday through Saturday and Sunday 9:00 a.m. to 10:00 p.m. Eastern Time. Access to our automated banking system, the ability to report a fraud claim on your business credit or debit card, and access to report a lost or stolen business card will continue to be available 24 hours a day, 7 days per week. Thank you for banking with Wells Fargo. We appreciate your business.



Effective on or after April 1, 2021, Wells Fargo will no longer issue temporary debit cards, including Wells Fargo Instant Issue Debit Cards, Wells Fargo Business Instant Issue Debit Cards, and EasyPay Instant Cards. If you need a replacement card, you may request one by signing on to Wells Fargo Online[®] or calling the number on your statement. Once requested, replacement cards arrive by mail in 5 to 7 calendar days. You may add your Wells Fargo Debit Card or EasyPay Card to a Wells Fargo-supported digital wallet on your mobile device so you can make secure, convenient purchases in stores, online, and in apps, and access Wells Fargo ATMs while you wait for your replacement card. For more details on digital wallets, please visit **wellsfargo.com/mobile/payments.** Availability may be affected by your mobile carrier's coverage area. Your mobile carrier's message and data rates may apply. Some ATMs within secure locations may require a physical card for entry.

Effective on or after April 1, 2021, the ATM Access Code feature will no longer be available to access your accounts at Wells Fargo ATMs. You may continue to access Wells Fargo ATMs using your Wells Fargo Debit, ATM or EasyPay Card, or with a Wells Fargo-supported digital wallet on your mobile device. For more information about adding your card to a digital wallet, please visit wellsfargo.com/mobile/payments. Availability may be affected by your mobile carrier's coverage area. Your mobile carrier's message and data rates may apply. Some ATMs within secure locations may require a physical card for entry. Note: After the ATM Access Code feature for accessing Wells Fargo accounts is discontinued, the "Use an Access Code" button may continue to be displayed on Wells Fargo ATMs to support other services.

Initiate Business Checking[™]

Stat	tement period activity summary	
	Beginning balance on 2/1	\$13.00
	Deposits/Credits	0.00
	Withdrawals/Debits	- 10.00
	Ending balance on 2/28	\$3.00

Account number:	7678
NORTHERN HOLDIN	GLLC
CASH COLLATERAL	and the second
DEBTOR IN POSSES	
CH11 CASE #20-1301	14 (CCA)
California account term	is and conditions apply
For Direct Deposit use Routing Number (RTN	
For Wire Transfers use Routing Number (RTN	New Second States and States

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo branch.

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Transaction history

	Check		Deposits/	Withdrawals/	Ending daily
Date	Number	Description	Credits	Debits	balance
2/26		Monthly Service Fee		10.00	3.00
Ending bal	ance on 2/28				3.00
Totals			\$0.00	\$10.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, see the disclosures applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 02/01/2021 - 02/28/2021	Standard monthly service fee \$10.00	You paid \$10.00
How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements		
Average ledger balance	\$1,000.00	\$13.00 🗌
Minimum daily balance	\$500.00	\$13.00

The Monthly service ree summary ree period ending date shown above includes a saturday, sunday, or folicity which are non-ousiness days Transactions occurring after the last business day of the month will be included in your next fee period. crict

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	5,000	0	0.0030	0.00
Transactions	0	100	0	0.50	0.00
Total service charges					\$0.00

Initiate Business Checking[™]

St	atement period activity summary	
	Beginning balance on 2/1	\$33,625.00
	Deposits/Credits	47,200.00
	Withdrawals/Debits	- 30,562.00
	Ending balance on 2/28	\$50,263.00

Account number:	7686
NORTHERN HOLDIN	IG LLC
CASH COLLATERAL	.2
DEBTOR IN POSSES	SION
CH11 CASE #20-130	14 (CCA)
California account term	ns and conditions apply
For Direct Deposit use	в
Routing Number (RTN	I): 121042882
For Wire Transfers us	e
Routing Number (RTN	I): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo branch.

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Transaction history

	Check		Deposits/	Withdrawals/	Ending daily
Date	Number	Description	Credits	Debits	balance
2/2		Cashed/Deposited Item Retn Unpaid Fee		12.00	
2/2		Deposited Item Retn Unpaid - Paper 210202		15,000.00	18,613.00
2/10		Online Transfer to Northern Holding LLC Business Checking xxxxxx3473 Ref #lb09St54NW on 02/10/21		10,000.00	8,613.00
2/12		Online Transfer to Northern Holding LLC Business Checking xxxxxx3473 Ref #lb09T7Hc37 on 02/12/21		1,700.00	6,913.00
2/16		Online Transfer to Northern Holding LLC Business Checking xxxxxx3473 Ref #lb09Tzdggw on 02/16/21		500.00	6,413.00
2/17		Online Transfer to Northern Holding LLC Business Checking xxxxxx3473 Ref #lb09V6Fdxw on 02/17/21		600.00	5,813.00
2/19		Online Transfer to Northern Holding LLC Business Checking xxxxxxx473 Ref #lb09Vjmbw2 on 02/19/21		650.00	5,163.00
2/22		Online Transfer to Northern Holding LLC Business Checking xxxxxx3473 Ref #lb09W2Vvjs on 02/22/21		1,200.00	3,963.00
2/23		Online Transfer to Northern Holding LLC Business Checking xxxxxx3473 Ref #lb09W9Fgxj on 02/23/21		900.00	3,063.00
2/26		Deposit Made In A Branch/Store	47,200.00		50,263.00
Ending bala	ance on 2/28				50,263.00
Totals			\$47,200.00	\$30,562.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, see the disclosures applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 02/01/2021 - 02/28/2021	Standard monthly service fee \$10.00	You paid \$0.00	
How to avoid the monthly service fee	Minimum required	This fee period	
Have any ONE of the following account requirements			
Average ledger balance	\$1,000.00	\$15,174.00	
Minimum daily balance	\$500.00	\$3,063.00	

The Monthly service fee summary fee period ending date shown above includes a Saturday, Sunday, or holiday which are non-business days. Transactions occurring after the last business day of the month will be included in your next fee period. C1/C1

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	5,000	0	0.0030	0.00
Transactions	11	100	0	0.50	0.00
Total service charges					\$0.00

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Initiate Business Checking[™]

Statement period activity summary		Account number: 7694	
Beginning balance on 2/1 Deposits/Credits Withdrawals/Debits	\$24,025.00 0.00 - 24,022.00	NORTHERN HOLDING LLC CASH COLLATERAL 3 DEBTOR IN POSSESSION CH11 CASE #20-13014 (CCA) California account terms and conditions apply For Direct Deposit use Routing Number (RTN): 121042882	
Ending balance on 2/28	\$3.00		
		For Wire Transfers use Routing Number (RTN): 121000248	

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo branch.

Transaction history

2/26 Ending balance on 2	Monthly Service Fee		10.00	3.00
2/2 2/2	Cashed/Deposited Item Retn Unpaid Fee Deposited Item Retn Unpaid - Paper 210202		24,000.00	13.00
Date Nun	heck ber Description Orthout Provided New Pate Uppeid Fee	Deposits/ Credits	Withdrawals/ Debits 12.00	Ending daily balance

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, see the disclosures applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 02/01/2021 - 02/28/2021	Standard monthly service fee \$10.00	You paid \$10.00
How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements Average ledger balance	\$1,000.00	\$871.00
Minimum daily balance	\$500.00	\$13.00

The Monthly service fee summary fee period ending date shown above includes a Saturday, Sunday, or holiday which are non-business days. Transactions occurring after the last business day of the month will be included in your next fee period.

C1/C1
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Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	5,000	0	0.0030	0.00
Transactions	1	100	0	0.50	0.00
Total service charges					\$0.00

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General statement policies for Wells Fargo Bank

Account Balance Calculation Worksheet

Notice: Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery, P.O. Box 5058, Portland, OR 97208-5058.

Use the following worksheet to calculate your overall account balance.
 Go through your register and mark each check, withdrawal, ATM

You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

	transaction, payment, deposit or othe Be sure that your register shows any any service charges, automatic paym from your account during this stateme	interest paid into your account and ents or ATM transactions withdrawn					
	 Use the chart to the right to list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement. 						
1	ENTER						
	A. The ending balance						
	shown on your statement	\$					
	ADD						
1	B. Any deposits listed in your	\$					
	register or transfers into	\$					
	your account which are not	\$					
	shown on your statement.	+ \$					
		TOTAL \$					
4	CALCULATE THE SUBTOTAL						
	(Add Parts A and B)						
		TOTAL \$					
1	SUBTRACT						
1	C. The total outstanding checks and						
	withdrawals from the chart above	\$					
	CALCULATE THE ENDING BALANCE						
	(Part A + Part B - Part C)						
	This amount should be the same						
	as the current balance shown in						
	your check register	\$					

Number	Items Outstanding	Amount
	Total amou	

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ENDING BALANCES FOR THE PERIOD:

(Provide a copy of monthly account statements for each of the below)

4,173	General DIP Account (3473):
3	Texas Road Property Cash Collateral DIP Account (7678):
50,263	1172 Property Cash Collateral DIP Account (7686):
3	Live Oak Property Cash Collateral DIP Account (7694):

**Petty Cash (from below):

TOTAL CASH AVAILABLE:

54,442.46

0.00

tty Cash Transactio Date	Purpose	Amount
N/A		
TAL PETTY CAS	H TRANSACTIONS:	

TOTAL PETTY CASH TRANSACTIONS:

* Specify the Type of holding (e.g. CD, Savings Account, Investment Security), and the depository name, location & account# ** Attach Exhibit Itemizing all petty cash transactions

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Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc II. STATUS OF PANALED & THE SECURA CONTRACTS AND OTHER PARTIES TO EXECUTORY CONTRACTS

Creditor, Lessor, Etc.	Frequency of Payments (Mo/Qtr)	Amount of Payment	Post-Petition payments not made (Number)	Total Due
*Farm Credit West,				
FLCA (Cross-				
Collateralized Lien on				
1172, Live Oak, & Texas				
Road) *Note was called and ther	N/A	19,800,000.00		N/A
lienholder has not provid	led this information either	r, see Motion for Relie	er at Docket No. 11.	
			TOTAL DUE:	. 0.00

III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

TERIOD.	Gross Sales	Subject to Sales Tax:	N/A
		Total Wages Paid:	N/A
	Total Post-Petition Amounts Owing	Amount Delinquent	Date Delinquent Amount Due
Federal Withholding	N/A	0.00	N/A
State Withholding	N/A	0.00	N/A
FICA- Employer's Share	N/A	0.00	N/A
FICA- Employee's Share	N/A	0.00	N/A
Federal Unemployment	N/A	0.00	N/A
Sales and Use	N/A	0.00	N/A
Real Property	N/A	0.00	N/A
TOTAL:	0.00	0.00	

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Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc IV. AGING OMAIn Obcomentary Page 24 of Socervable

	*Accounts Payable	Accounts Receivable		
	Post-Petition	Pre-Petition	Post-Petition	
30 days or less	0.00	N/A	0.00	
31 - 60 days	0.00	N/A	0.00	
61 - 90 days	0.00	N/A	0.00	
91 - 120 days	0.00	N/A	0.00	
Over 120 days	N/A	N/A	N/A	
TOTAL:	0.00	0.00	0.00	

V. INSURANCE COVERAGE

	Name of Carrier		Policy Expiration Date	Premium Paid Through (Date)
	Chubb Insurance	1,000,000/5,839,100	4/15/2021	4/15/2021
Worker's Compensation				
Casualty	N/A			
Vehicle	N/A			

VI. UNITED STATES TRUSTEE QUARTERLY FEES (TOTAL PAYMENTS)

Quarterly Period Ending (Date)	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing
31-Dec-2020	0.00	325.00	28-Jan-2021	325.00	0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
		325.00		325.00	0.00

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

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Name of Insider	Date of Order Authorizing Compensation	*Authorized Gross Compensation	Gross Compensation Paid During the Month
N/A			

VIII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

Name of Insider	Date of Order Authorizing Compensation	Description	Amount Paid During the Month
N/A			

* Please indicate how compensation was identified in the order (e.g. \$1,000/week, \$2,500/month)

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Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 Desc IX Main Document OSPage 26 01:30 I (ACCRUAL BASIS ONLY)

	Current Month	Cumulative Post-Petition
*Sales/Revenue:		
*Please See Attachment on Page 27		
Custom Crush Income	9,658.00	43,096.00
Rental Income	28,600.00	114,400.00
Grape Sales	0.00	0.00
Less: Returns/Discounts	0.00	0.00
Net Sales/Revenue	38,258.00	157,496.00
Cost of Goods Sold:		
Beginning Inventory at cost	0.00	0.00
Purchases	0.00	0.00
Less: Ending Inventory at cost	0.00	0.00
Cost of Goods Sold (COGS)	0.00	0.00
Gross Profit	38,258.00	157,496.00
Other Operating Income (Itemize)	0.00	0.00
_		
*Operating Expenses:		
*Please See Attachment on Pages 28 *Farm Labor	20.097.52	20.097.52
	30,987.52	30,987.52
Other Taxes (Itemize)	0.00 Unknown	0.00 Unknown
Depreciation and Amortization Rent Expense - Real Property	0.00	0.00
Lease Expense - Personal Property Insurance	0.00	0.00
Real Property Taxes	3,041.25	3,041.25
Telephone and Utilities	0.00	0.00
Repairs and Maintenance	0.00	0.00
Miscellaneous Operating Expenses (Itemize)	0.00	0.00
Miscenaneous Operating Expenses (itemize)	0.00	0.00
Total Operating Expenses	34,028.77	34,028.77
Net Gain/(Loss) from Operations	4,229.23	123,467.23
*Non-Operating Income:		
*Please See Attachment on Page 28		
Interest Income	0.00	0.00
*Contributions from Managing Member	14,641.00	14,741.00
Other (Itemize)	0.00	0.00
Total Non-Operating income	14,641.00	14,741.00
Non-Operating Expenses:		
Legal and Professional (Itemize)	0.00	0.00
Bank/Service Fees	45.95	67.95
Other (Itemize)	0.00	0.00
Total Non-Operating Expenses	45.95	67.95
NET INCOME/(LOSS)	18,824.28	138,140.28

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	Live Oak Unit #1	Live Oak Unit #2	Comments	1172 Winery facility	Comments	1172 Apartment	Comments
Tenant	Brice Garrett moved in 3/1/21	Erich Russell		Rabbit Ridge Wine		Bill Tolar	
Rental Amount	\$1,200	\$12,000		\$15,000		\$1,600	
Date Nov. Rent Received	N/A	11/1/2020		10/29/2020		11/4/2020	
Date Nov. Rent Deposited	N/A	12/30/2020	Deposit Returned 1/4/21; Collection Efforts Underway	12/30/2020		1/29/2021	
Date Dec. Rent Received	N/A	12/1/2020		12/3/2020		12/5/2020	
Date Dec. Rent Deposited	N/A	1/29/2021	Deposit Returned 2/2/21; Collection Efforts Underway	1/29/2021	Deposit Returned 2/2/21 & Replaced 2/26/21	1/29/2021	
Date Jan. Rent Received	N/A	1/29/2021		2/26/2021		1/4/2021	
Date Jan. Rent Deposited	N/A	1/29/2021	Deposit Returned 2/2/21; Collection Efforts Underway	2/26/2021		1/29/2021	\$600 was paid 1/4/2021 and deposited on 1/29/2021; remainder of \$1,200 paid and desposited on 2/26/2021
Date Feb. Rent Received	N/A			3/30/2021		2/26/2021	
Date Feb. Rent Deposited	N/A			3/30/2021		2/26/2021	\$855 (of \$1,600) paid and deposited 2/26/2021

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Table 1

Date	Amount	Reference	Date		
11/21/2020	\$2,165.00	Insurance	11/21/2021		
12/1/2020	\$500.00	MOR retainer	12/1/2002		
12/15/2020	\$2,165.00	Insurance	12/15/2021		
1/13/2021	\$200.00	MOR replenish	1/13/2021		
1/20/2021	\$2,165.00	Insurance	1/20/2021		
1/28/2021	\$325.00	Quarterly Trustee Fee	1/28/2021		
2/27/2021	\$14641.00	Farming expense – labor contractor	2/27/2021	\$503.96 Refund additional to that deposit from member for Paso Robles inn charge made in error on general account	
Running total	\$22,161.00				

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	(ACCRUAL DASIS O	NL1)	
ASSETS	C	urrent Month End	
Current Assets:	C		
Unrestricted Cash		43,096.00	
Restricted Cash	—	11,440.00	
Accounts Receivable	—	0.00	
Inventory	—	0.00	
Notes Receivable	—	0.00	
Prepaid Expenses	—	0.00	
Other (Itemize)	—	0.00	
Other (Rennize)	Total Current Assets	0.00	54,536.00
Decements Direct and Deciment		28 000 000 00	
Property, Plant, and Equipment		28,000,000.00	
Accumulated Depreciation/Dep		Unknown	28,000,000,00
Net Pro	operty, Plant, and Equipment		28,000,000.00
Other Assets (Net of Amortizat	ion):		
Due from Insiders		0.00	
Other (Itemize)		0.00	
	Total Other Assets		0.00
TOTAL ASSETS			28,054,536.00
LIABILITIES			
Post-petition Liabilities:			
Accounts Payable		0.00	
Taxes Payable	_	0.00	
Notes Payable	_	0.00	
Professional fees	_	0.00	
Secured Debt	_	0.00	
Other (Itemize)	_	0.00	
	Total Post-petition Liabilities		0.00
Pre-petition Liabilities:			
Secured Liabilities	_	23,020,244.10	
Priority Liabilities		0.00	
Unsecured Liabilities		6,440,000.00	
Other (Itemize)		0.00	
	Total Pre-petition Liabilities		29,460,244.10
TOTAL LIABILITIES			29,460,244.10
EQUITY:			
Pre-petition Owners' Equity		(1,543,848.38)	
Post-petition Profit/(Loss)		138,140.28	
Direct Charges to Equity	_	0.00	(1.1000.1-)
TOTAL EQUITY			(1,405,708.10)
TOTAL LIABILITIES & EQU	ITY Page 29 of 30		28,054,536.00
	6		EXHIBIT 2
			_ · -

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C	Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Main Document Page 47 of 59	2 De	esc
	Case 8:20-bk-13014-MW Doc 104 Filed 03/31/21 Entered 03/31/21 12:14:16 D Main Document ^{TTO} Page 30 of 30)esc	
1.	Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below:	No X	Yes
2.	Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below:	No No	Yes
	State what progress was made during the reporting period toward filing a plan of reorganization Farming efforts continue to protect asset value an income stream. Hilco ready to engage in manage sale of assets- pending court approval Describe potential future developments which may have a significant impact on the case:	-	
HilCo	o anticipates having property marketed with competing bids received by 90 Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period. None	days	out.
6.	Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below.		Yes
I,	Leroy Codding, Managing Member declare under penalty of perjury that I have fully read and understood the foregoing debtor-in- possession operating report and that the information contained herein is true and complete to the best of my knowledge.		

Principal for Debtor-in-Possession

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EXHIBIT 3

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Cas	se 8:20-bk-13014-MW Doc 198 Filed 0 Main Document	08/23/21 Entered 08/23/21 21:55:42 Desc Page 49 of 59				
Cas	e 8:20-bk-13014-MW Doc 163 Filed 08/02	/21 Entered 08/02/21 20:00:59 Desc Page 1 of 6				
1	D. EDWARD HAYS, #162507					
2	ehays@marshackhays.com DAVID A. WOOD, #272406					
3	dwood@marshackhays.com TINHO MANG, #322146					
4	tmang@marshackhays.com MARSHACK HAYS LLP					
5	870 Roosevelt Irvine, CA 92620					
6	Telephone: (949) 333-7777 Facsimile: (949) 333-7778					
7	Attorneys for Chapter 7 Trustee, RICHARD A. MARSHACK					
8	RICHARD A. MARSHACK					
9	UNITED STATES BA	NKRUPTCY COURT				
10	CENTRAL DISTRICT OF CALIFO	ORNIA – SANTA ANA DIVISION				
11	In re	Case No. 8:20-bk-13014-MW				
12	NORTHERN HOLDING, LLC,	Chapter 7				
13	Debtor.	NOTICE OF MOTION FOR ORDER COMPELLING TURNOVER OF ESTATE				
14		PROPERTY PURSUANT TO 11 U.S.C. § 542(A) AND FOR DETERMINATION				
15 16		THÀT EVICTION MORATORIA DO NOT APPLY TO TURNOVER OF BANKRUPTCY ESTATE PROPERTY				
17		Hearing:				
18		Date: August 30, 2021 Time: 2:00 p.m.				
19		Ctrm: 6C Address: 411 W. Fourth Street, Santa Ana,				
20		CA 92701				
21	TO THE HONORABLE MARK S. WALLACE, U	JNITED STATES BANKRUPTCY JUDGE, THE				
22	OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:					
23	PLEASE TAKE NOTICE that Richard A. Marshack, in his capacity as Chapter 7 Trustee					
24	("Trustee") of the Bankruptcy Estate ("Estate") of Northern Holding, LLC ("Debtor"), has filed a					
25	motion for an order (A) compelling turnover of real estate and various personal property assets					
26	located at 2380 Live Oak Rd., Paso Robles, CA ("Live Oak Property"); (2) 1172 San Marcos Road,					
27	Paso Robles, CA 93446 ("San Marcos Property"), and (3) real property located at APN 027-145-022					
28	in Paso Robles, CA ("Texas Road Property," collectively with the Live Oak Property and the San					
		I OVER OF LIVE OAK PROPERTY				

Case 8:20-bk-13014-MW Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 50 of 59 Case 8:20-bk-13014-MW Doc 163 Filed 08/02/21 Entered 08/02/21 20:00:59 Desc Main Document Page 2 of 6

Marcos Property, the "Properties"); and (B) establishing procedures for enforcement of the turnover
 ("Motion"). Trustee needs possession of the Properties so that he deliver possession of the Properties
 to any interested buyer without delay for the benefit of the Estate. The Motion is scheduled for the
 date and time listed on page 1 of the Motion.

In this case, property of the Estate principally includes the Properties, which combined,
consist of over 470 acres of vineyards, a 7,500 square-foot residence, and 45,000 square-foot wine
production facility in Paso Robles, CA. The Properties are currently occupied by Rabbit Ridge
Winery and the family of Erich Russell, who allegedly have leases with Debtor that were entered
into the day prior to the Petition Date, have refused to turn over possession and vacate, and have
failed to pay post-petition rent and failed to pay the post-petition monthly insurance premiums.

11 The failure to turn over the Properties is harming the Estate because no party has made any 12 post-petition rent payments nor were monthly insurance premiums for general liability, excess 13 liability, and property insurance ever paid. Both the Trustee and the principal secured creditor in this 14 case, Farm Credit West, FCLA ("FCW") believes that the continued occupancy of the Properties by 15 parties failing to adequately maintain the Properties or pay any compensation to the Estate results in 16 irreparable harm to the Estate. Additionally, the Trustee has received an offer on the Live Oak 17 Property from a serious, sophisticated party, the Riboli family which operates the San Antonio 18 Winery – and this buyer is deep into its due diligence, including conducting site tests. One of the 19 conditions for the sale of the Live Oak Property is that the Trustee can deliver immediate possession 20 of the Live Oak Property to the buyer. Since his appointment, the Trustee has demanded that Mr. 21 Russell and his family sign a stipulation for turnover of the Properties, including and especially the 22 Live Oak Property, with a continued and sustained lack of a substantive response (i.e. yes or no). 23 The Trustee sought to negotiate in good faith and believes that, at this point, the Russells are simply 24 engaging in bad faith delay tactics. The Court should enter an order directing all occupants of the 25 |Live Oak Property, including the Russells and their adult children (who are also living rent-free at 26 the Live Oak Property) to vacate the Properties and remove all personal possessions no later than September 1, 2021. 27

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Furthermore, to effectuate any turnover order, Trustee is informed that the United States
 Marshals Service ("Marshals") also requires a specific finding from the Court that no moratorium on
 evictions, including the recently-expired moratorium issued by the director of the Centers for
 Disease Control and Prevention ("CDC") applies, in the event that a writ of assistance is necessary
 to enforce the turnover order.

6 The complete scope and terms of the relief are detailed in the Motion a copy of which can be
7 obtained by contacting D. Edward Hays or Tinho Mang whose contact information is listed in the
8 top left-hand corner of the first page of this Notice.

9 The Motion is based upon this Notice, the Declaration of Richard A. Marshack,
10 memorandum of points and authorities, the pleadings and files in the Debtor's bankruptcy case, and
11 upon such further oral and documentary evidence as may be presented to the Court. If you do not
12 oppose the motion described above, then you need take no further action.

13 PLEASE TAKE FURTHER NOTICE that any opposition or other responsive pleadings 14 must be in the form as required by Rules 9013-1(f) and (o) of the Local Bankruptcy Rules and filed 15 with the Clerk of the above-entitled Court no later than 14 days prior to the hearing with a copy 16 served on the professionals at the addresses indicated above. A copy of any response or request for 17 hearing must be served on Marshack Hays LLP to the attention of D. Edward Hays, David A. Wood 18 and Tinho Mang at the address indicated above and served on the Office of the United States 19 Trustee, 411 W. Fourth Street, Suite 7160, Santa Ana, CA 92701. Failure to timely respond may be 20 deemed as acceptance of the proposed employment. See LBR 9013-1(h).

21

21	
22	Dated: August 2, 2021 MARSHACK HAYS LLP /s/ Tinho Mang
23	By: D. EDWARD HAYS
24	DAVID A. WOOD TINHO MANG
25	Attorneys for Chapter 7 Trustee RICHARD A. MARSHACK
26	
27	
28	
	3
	NOTICE OF MOTION FOR TURNOVER OF LIVE OAK PROPERTY 4837-0183-4931, v. 1

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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: 870 Roosevelt, Irvine, CA 92620

A TRUE AND CORRECT COPY OF THE FOREGOING DOCUMENT ENTITLED: NOTICE OF MOTION FOR ORDER COMPELLING TURNOVER OF ESTATE PROPERTY PURSUANT TO 11 U.S.C. § 542(A) AND FOR DETERMINATION THAT EVICTION MORATORIA DO NOT APPLY TO TURNOVER OF BANKRUPTCY 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. <u>TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)</u>: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On <u>August</u> <u>2, 2021</u>, 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:

Service information continued on attached page

2. <u>SERVED BY UNITED STATES MAIL</u>: On <u>August 2, 2021</u>, 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 <u>will be completed</u> no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC ATTN: OFFICER, A MANAGING OR GENERAL AGENT, OR TO ANY OTHER AGENT AUTHORIZED BY APPOINTMENT OR LAW TO RECEIVE SERVICE 13217 JAMBOREE RD #429 TUSTIN, CA 92782

Service information continued on attached page

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 <u>August 2, 2021</u>, 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 <u>will be completed</u> no later than 24 hours after the document is filed.

VIA PERSONAL DELIVERY: PRESIDING JUDGE'S COPY

HONORABLE MARK S. WALLACE UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT OF CALIFORNIA RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE 411 WEST FOURTH STREET, SUITE 6135 / COURTROOM 6C SANTA ANA, CA 92701-4593

Service information continued on attached page

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

August 2, 2021 Layla Buchanan

Date

Printed Name

/s/ Layla Buchanan Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

F 9013-3.1.PROOF.SERVICE

EXHIBIT 3 Page 51

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1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): CONTINUED:

- ATTORNEY FOR U.S. TRUSTEE (SA): Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA: Michael J Gomez mgomez@frandzel.com, dmoore@frandzel.com
- ATTORNEY FOR TRUSTEE RICHARD A MARSHACK (TR): D Edward Hays ehays@marshackhays.com, ehays@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@marshackhays.com; cmendoza@ecf.courtdrive.com
- ATTORNEY FOR TRUSTEE RICHARD A MARSHACK (TR): Tinho Mang tmang@marshackhays.com, tmang@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@ecf.courtdrive.com
- TRUSTEE RICHARD A MARSHACK (TR): Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@iq7technology.com; ecf.alert+Marshack@titlexi.com
- ATTORNEY FOR INTERESTED PARTY BANK DIRECT CAPITAL FINANCE: Elissa Miller emiller@sulmeyerlaw.com, emillersk@ecf.inforuptcy.com; ccaldwell@sulmeyerlaw.com
- ATTORNEY FOR DEBTOR NORTHERN HOLDING LLC: Roksana D. Moradi-Brovia roksana@rhmfirm.com, matt@rhmfirm.com; janita@rhmfirm.com; susie@rhmfirm.com; max@rhmfirm.com; priscilla@rhmfirm.com; pardis@rhmfirm.com; russ@rhmfirm.com; rebeca@rhmfirm.com; david@rhmfirm.com; sloan@rhmfirm.com
- ATTORNEY FOR CREDITOR ADLER BELMONT GROUP, INC.: Paul F Ready tamara@farmerandready.com
- ATTORNEY FOR DEBTOR NORTHERN HOLDING LLC: Matthew D. Resnik matt@rhmfirm.com, roksana@rhmfirm.com; janita@rhmfirm.com; susie@rhmfirm.com; max@rhmfirm.com; priscilla@rhmfirm.com; pardis@rhmfirm.com; russ@rhmfirm.com; rebeca@rhmfirm.com; david@rhmfirm.com; sloan@rhmfirm.com
- UNITED STATES TRUSTEE (SA): United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov
- ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA: Reed S Waddell rwaddell@frandzel.com, sking@frandzel.com
- ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA: Gerrick Warrington gwarrington@frandzel.com, sking@frandzel.com
- INTERESTED PARTY COURTESY NEF: David Wood dwood@marshackhays.com, dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com

2. SERVED BY UNITED STATES MAIL: CONTINUED:

INTERESTED PARTY

ERICH RUSSELL C/O KARI L. LEY, ATTORNEY AT LAW 264 CLOVIS AVENUE, SUITE 208 CLOVIS, CA 93612

INTERESTED PARTY

ERICH RUSSELL 2380 LIVE OAK ROAD PASO ROBLES, CA 93446-9693

INTERESTED PARTY

JOANNE RUSSELL 2380 LIVE OAK ROAD PASO ROBLES, CA 93446-9693

SECURED CREDITOR

FARM CREDIT WEST 3755 ATHERTON RD 11707 FAIR OAKS BLVD ROCKLIN, CA 95765

SECURED CREDITOR / POC ADDRESS

FARM CREDIT WEST, FLCA C/O MICHAEL J. GOMEZ FRANDZEL ROBINS BLOOM & CSATO, L.C. 1000 WILSHIRE BOULEVARD, 19TH FLOOR LOS ANGELES, CA 90017-2457

SECURED CREDITOR / POC ADDRESS FARM CREDIT WEST, FLCA ATTN: KEVIN E. RALPH

3755 ATHERTON DRIVE ROCKLIN CA 95765-3701

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Case 8:20-bk-13014-MW

Case 8:20-bk-13014-MW

SECURED CREDITOR / POC ADDRESS

JAMES W. HAMILTON ACTTC SAN LUIS OBISPO TAX COLLECTOR 1055 MONTEREY STREET SUITE D-290 SAN LUIS OBISPO CA 93408-1003

CREDITOR

BANK OF AMERICA PO BOX 15019 WILMINGTON, DE 19850-5019

CREDITOR

CIVIL PROCESS CLERK UNITED STATES ATTORNEY'S OFFICE FEDERAL BUILDING, ROOM 7516 300 NORTH LOS ANGELES STREET LOS ANGELES, CA 90012

NO ADDR PROVIDED

CREDITOR HILCO REAL ESTATE, LLC 5 REVERE DRIVE, SUITE 320 NORTHBROOK, IL 60062

CREDITOR

PG&E P.O. BOX 99700 SACRAMENTO, CA 95899-7300

CREDITOR

THOMAS K RACKERBY C/O TOM PROUNTZOS GOODMAN NEUMAN HAMILTON LLP ONE POST STREET, SUITE 2100 SAN FRANCISCO, CA 94104

INTERESTED PARTY

BRICE GARRETT 2380 LIVE OAK RD. PASO ROBLES, CA Doc 198 Filed 08/23/21 Entered 08/23/21 21:55:42 Desc Main Document Page 54 of 59 Doc 163 Filed 08/02/21 Entered 08/02/21 20:00:59 Desc

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SECURED CREDITOR

MORTGAGE LENDER SERVICES AS AGENT FARM CREDIT WEST, FLCA, AS TRUSTEE 11707 FAIR OAKS BLVD FAIR OAKS, CA 95628-2816

CREDITOR

CALIFORNIA DEPT OF TAX AND FEE ADMI SPECIAL OPS, MIC 29 PO BOX 942879 SACRAMENTO, CA 94279-0005

CREDITOR

ELECTRO-STEAM GENERATOR CORP. 50 INDEL AVENUE RANCOCAS, NJ 08073

CREDITOR / POC ADDRESS

INTERNAL REVENUE SERVICE P.O. BOX 7346 PHILADELPHIA, PA 19101-7346

CREDITOR

RABBIT RIDGE WINE SALES, INC. 179 NIBLICK RD, #406 PASO ROBLES, CA 93446-9693

CREDITOR

WEST COAST WINE PARTNERS 134 CHURCH STREET SONOMA, CA 95476-6612

INTERESTED PARTY

SARAH GARRETT 2380 LIVE OAK RD. PASO ROBLES, CA

CREDITOR

ATTORNEY GENERAL UNITED STATES DEPARTMENT OF JUSTICE BEN FRANKLIN STATION P.O. BOX 683 WASHINGTON, DC 20044

CREDITOR

CAPITAL ONE P.O. BOX 60599 CITY OF INDUSTRY, CA 91716-0599

CREDITOR / POC ADDRESS

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

OTHER PROFESSIONAL

LEE CODDING 13217 JAMBOREE RD #429 TUSTIN, CA 92782

CREDITOR

SUNBELT RENTALS P.O. BOX 409211 ATLANTA, GA 30384-9211

INTERESTED PARTY

ALL OCCUPANTS OF 2380 LIVE OAK RD. PASO ROBLES, CA CA 93446-9693

INTERESTED PARTY

ALL OCCUPANTS OF 1172 SAN MARCOS ROAD PASO ROBLES, CA 93466

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

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EXHIBIT 4

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THE LAW OFFICES OF KARI L. LEY

264 CLOVIS AVENUE, SUITE 208 CLOVIS, CALIFORNIA 93612 TELEPHONE : (559) 324-6545 FACSIMILE: (559) 324-6548 330 JAMES WAY, SUITE 170 PISMO BEACH, CALIFORNIA 93449 TELEPHONE: (805) 295-5550 FACSIMILE: (805) 295-5551

August 9, 2021

Via Email tmang@marshackhays.com

Mr. Tinho Mang, Esq. Marshack Hays LLP 870 Roosevelt Irvine, California 92620

> Re: In Re Northern Holding, LLC, United States Bankruptcy Court Central District of California - Santa Ana Division Case 8:20-bk-13014 - MW Motion for Turnover Order Scheduled for Hearing August 30, 2021.

Dear Mr. Mang:

I represent creditor Erich Russell in the above case. I am sending you this letter in an attempt to resolve the dubious turnover motion filed by your office in the above mentioned matter.

The first concern I have is whether the Bankruptcy Court even has jurisdiction over this matter as it applies to Erich Russell, Joanne Russell, Brice Garrett, and Sarah Garrett individually. While the Court may arguably have personal jurisdiction over Mr. Russell based on the Proof of Claim he filed in the case, it does not have personal jurisdiction over Joanne Russell or the Garretts. As admitted in your moving papers an Adversary Proceeding would normally be required to bring all parties and issues before the Court. Your office has failed to file the necessary Adversary Proceeding (falsely claiming an emergency - which is both legally and factually unsupported) or personally serving the Russells or Garretts. At that time they would be allowed to file a response and request a trial on the issues. If required to oppose the motion we will insist that an Adversary Proceeding be filed, personally served, and request a jury trial in District Court. Hopefully that can be avoided.

The second concern I have with the motion is that it claims there is an accepted and agreed upon agreement to purchase the property, and that immediate possession of the two houses on the property are required for the sale. Noticeably missing from your motion is the alleged purchase agreement to support your contentions. It is my understanding that no purchase agreement has been entered into or signed. It is also my understanding that the only interested buyer (the Riboli family) is not even interested in the current possession of the houses. To date their due diligence has focused solely the vineyard and water supply to the Live Oak property. In addition, it is my understanding that the Riboli family has requested a new well be drilled (at the cost of Farm Credit West "FCW") on the Live Oak property as part of it's due diligence and if FCW refuses to do so they will not purchase the property. So your claim of an actual purchase agreement and an "emergency" lacks factual support.

The third concern I have is your baseless claim that rent has not been paid by the Russells or Garretts for their occupancy of the two houses. The Agreement to Purchase a Corporation and Real Estate (Exhibit 2 to your motion) wherein Mr. Russell agreed to sell the real property to Northern

1

Holding, LLC, provided that \$163,050 in cash would be left in the account, Mr. Russell would be paid \$6,803,050, and the parties would execute a lease regarding the residences on the Live Oak property that would be effective on close. Pursuant to the Agreement to Purchase Northern Holding, LLC, and Erich and Joanne Russell entered into a Residential Lease/Rental Agreement (a copy of which is attached as Exhibit 3 to your motion). The Lease Agreement expressly provides that the \$12,000 monthly rental amount would be paid "from vineyard consulting income". Noticeably missing from your motion is a copy of the vineyard and winery consulting agreement which provided the services to be performed by the Russells and their compensation. Your office seems to believe that Mr. Russell's extensive winemaking and farming experience and services are of no value. Without Mr. Russell's knowledge, expertise and tireless efforts in producing the 2021 wine grape crop and operating the winery the property would be in dire condition, and the crop and wine LOST forever. Moreover, the industry rate for the services provided by the Russells is well in excess of \$15,000 salary and \$12,000 rental credit the Russells were to receive under the consulting agreement.

This brings me to my fourth concern regarding your motion. The grape harvest and wine making season begins in mid to late September. If you attempt to evict and fire Mr. Russell who is going to do that work?

My fifth concern regarding your motion is the current California and Federal eviction moratoriums and protection currently in effect that you baselessly argue are inapplicable. The Russells and Garretts would have eviction protections under both California and Federal law.

My sixth concern regarding your motion (as well as your office's overall handling of this case) is your complete failure to realize and/or appreciate the benefits to the Russells of allowing FCW to conduct it's trustee sale. Under California law upon conducting the trustee sale the Russells will be protected by the California anti deficiency and single action rule statutes. Your office's efforts to sell the property for less than fair market or the amount owed to FCW deprives the Russells of this substantial protection and we will fight any efforts you make to sell the property in bankruptcy unless FCW agrees to waive any deficiency claims against the Russells. It is currently our preference that the FCW trustee sale be allowed to go forward

As set forth above there are numerous flaws and substantial issues with your turnover motion which may take months to properly and finally resolve. Notwithstanding, Mr. and Mrs. Russell would be willing to stipulate to vacate the 2380 Live Oak primary residence on or before January 1, 2022 (the deadline in the Lease Agreement) to give them the time necessary to find a new place to live and sort through 25 years of accumulated property. Mr. Russell is also willing to continue performing the farming and wine making services under the vineyard and winery consulting agreement through that time at the agreed upon monthly \$15,000 salary and \$12,000 rental credit or other mutually agreeable fee or arrangement. It is my understanding the Garretts would also like to continue living at the second Live Oak residence that they have made substantial improvements to past that date and would be willing to enter into a lease agreement with the new owner when and if that happens. Please let me know your thoughts and positions ASAP as the substantial opposition to your motion is due Monday August 16.

Sincerely,

1 for Lay

cc Mr. Erich Russell and Mrs. Joanne Russell

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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: 870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: <u>REPLY IN SUPPORT OF CHAPTER 7</u> <u>TRUSTEE'S MOTION FOR ORDER COMPELLING TURNOVER OF ESTATE PROPERTY PURSUANT TO 11 U.S.C.</u> <u>§ 542(A) AND FOR DETERMINATION THAT EVICTION MORATORIA DO NOT APPLY TO TURNOVER OF</u> <u>BANKRUPTCY ESTATE PROPERTY</u> 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. <u>TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)</u>: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On <u>August</u> <u>23, 2021</u>, 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:

Service information continued on attached page

2. <u>SERVED BY UNITED STATES MAIL</u>: On <u>August 23, 2021</u>, 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 <u>will be completed</u> no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC ATTN: OFFICER, A MANAGING OR GENERAL AGENT, OR TO ANY OTHER AGENT AUTHORIZED BY APPOINTMENT OR LAW TO RECEIVE SERVICE 13217 JAMBOREE RD #429 TUSTIN, CA 92782 UNITED STATES TRUSTEE (SA) 411 W FOURTH ST., SUITE 7160 SANTA ANA, CA 92701-4593

Service information continued on attached page

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 <u>August 23, 2021</u>, 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 <u>will be completed</u> no later than 24 hours after the document is filed.

VIA PERSONAL DELIVERY: PRESIDING JUDGE'S COPY

HONORABLE MARK S. WALLACE UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT OF CALIFORNIA RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE 411 WEST FOURTH STREET, SUITE 6135 / COURTROOM 6C SANTA ANA, CA 92701-4593

Service information continued on attached page

I declare under penalty	of perjury under the law	vs of the United States that the foregoing is true and correct.
August 22, 2021	Lavla Ruchanan	/s/laula Buchanan

August 23, 2021	Layla Buchanan	/s/ Layla Buchanan
Date	Printed Name	Signature

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