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FILED & ENTERED

FEB 26 2014

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

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8 **CHANGES MADE BY COURT**
9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SANTA ANA DIVISION**

12 In re:

13 LINDA J. MARTIN, an individual,

14 Debtor and Debtor-in-
15 Possession.

Case No. 8:13-bk-13134-TA

Chapter 11 Proceeding

ORDER ON DEBTOR'S MOTION FOR ORDER:

- 16 1. **AUTHORIZING SALE OF PROPERTY (239
17 Carnation Ave., Corona Del Mar, California)
18 FREE AND CLEAR OF LIENS AND FINDING
19 BUYER TO BE GOOD FAITH PURCHASER
20 PURSUANT TO 11 U.S.C. §363(b), (f) and (m);**
- 21 2. **APPROVAL OF THE SALE AS AN
22 COLLATERALIZED INSTALLMENT SALE
23 PURSUANT TO I.R.S. CODE § 453;**
- 24 3. **APPROVAL OF OVERBID PROCEDURES;
AND**
- 25 4. **AUTHORIZING COMPENSATION OF REAL
26 ESTATE BROKER.**

Hearing Date: January 22, 2013
Time: 10:00 a.m.
Place: 5B

27 On January 22, 2013 at 10:00 a.m. in Courtroom 5B of the United States Bankruptcy
28 Court located at 411 West Fourth Street, Santa Ana, California 92701, the motion of Linda
Martin, Debtor and Debtor-in-Possession herein ("Debtor"), an Order: Authorizing Sale ("Sale")
of Property Free and Clear of Liens and Finding Buyer to be Good Faith Purchaser Pursuant to

1 11 U.S.C. Sections §363(b), (f) and (m); Approval of the Sale as Collateralized Installment Sale
2 Pursuant to I.R.S. Code Section 453 between Debtor and S. Crow Collateral Corporation
3 ("SCC"); Approval of Overbid Procedures; Authorizing Compensation of Real Estate Broker;
4 Authorizing Debtor to Incur Post-Petition Financing to Pay Off All Her Creditors (pursuant to 11
5 U.S.C. Section 364) with the Loan Proceeds (the "Sale Motion") [Docket No. 54] came on for
6 hearing on regular notice. The Honorable Judge Theodor C. Albert presiding. All appearances
7 were noted on the record. At the hearing, Debtor withdrew her request in the Sale Motion to
8 Authorize Debtor to Incur Post-Petition Financing to Pay Off All Her Creditors (pursuant to 11
9 U.S.C. Section 364)

10 THEREFORE, upon the record of the hearing on the Motion and findings recited on the
11 record and all other pleadings and proceedings in this case, including the Motion and all papers
12 filed in support thereof, no objections having been filed, after proper notice was provided; and
13 after due deliberation and good and sufficient cause appearing therefore,

14 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

- 15 1. Debtor's request in the Sale Motion to Authorize Debtor to Incur Post-Petition
16 Financing to Pay Off All Her Creditors (pursuant to 11 U.S.C. Section 364) was
17 withdrawn by the Debtor.
- 18 2. Subject to the terms of this Order, the Debtor is authorized to perform on the
19 contract and related documents with S. Crow Collateral Corporation ("SCC"),
20 executed versions of which are attached hereto as Exhibits "1", "2", "3", "4",
21 "5", "6", "7", "8" and "9"(which are, respectively, the same as Exhibits "3", "4"
22 "5", "6", "7", "8", "9" "10" and "11" to the Declaration of Stanley D. Crow
23 filed in support of the Sale Motion (dkt # 57).
- 24 3. Debtor and SCC have created new escrow instructions to reflect the Court's
25 ruling noted in items #14 and #15 below regarding Goe & Forsythe, LLP holding
26 the proceeds from the sale of the Property. Attached hereto as Exhibits "2" and
27 "8" are the revised and executed Supplemental Closing Instructions and a New
28 Loan Closing Instructions needed to comply with the Court's ruling.

- 1 4. As a result of the contracts entered into with SCC as noted in #2 above, Debtor
2 will transfer the real property known as 239 Carnation Ave., Corona Del Mar,
3 California ("Property") to SCC and then SCC will sell the Property to Jeff
4 McAinch ("Buyer"), or his assigns, for \$3,900,000, to purchase the Property,
5 which transactions are approved pursuant to 11 U.S.C. §363(b) (f) and (m).
- 6 5. Jeff McAinch, or his assigns, is approved as the final buyer of the Property for
7 \$3,900,000, pursuant to the terms of the Residential Purchase Agreement and
8 signed Counter Offer with three (3) Addendums (collectively the "CRPA")
9 attached as Exhibit "1" to the Linda Martin Declaration, which is attached to the
10 Sale Motion.
- 11 6. Wilmington Trust Company, as successor Trustee to Bank of America, National
12 Association, successor by merger of LaSalle Bank National Association, as
13 Trustee for Morgan Stanly Mortgage Loan Trust 2007-10XS, Mortgage Pass-
14 Through Certificates, Series 2007 (the "Lender") has a valid, first priority lien
15 against the Property that as of January 31, 2014 is in the amount of
16 \$1,608,674.59, subject to an updated payoff demand valid through the close of
17 escrow to be submitted upon receipt from Lender. The transfer of the Property to
18 SCC and the sale of the Property to the final Buyer is free and clear of all liens
19 and interest against the Property with the lien of the Lender immediately attaching
20 to the proceeds from the transfer of the Property to SCC and the sale of the
21 Property by SCC to the final Buyer to the same extent and priority that existed
22 prior to the Debtor's bankruptcy case.
- 23 7. Debtor is authorized to sign any and all documents necessary, and to undertake
24 any non-material amendments and modifications necessary, to complete the sale
25 of the Property without further notice, hearing or Court order.
- 26 8. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and
27 enforceable immediately upon entry and its provisions shall be self-executing and
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1 the fourteen day stay of a sale provided for in Bankruptcy Rule 6004(h) is hereby
2 waived to allow the sale of the Property to close forthwith.

3 9. All of the remaining funds held in escrow, which are the Property of SCC and
4 subject to the Lender's lien noted in paragraph 6 above, will be transferred to the
5 trust account of Debtor's counsel, Goe & Forsythe, LLP, in order for Goe &
6 Forsythe, LLP to pay the creditors of Debtor's estate and to hold enough monies
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1 in its trust account as an estimate of the professional fees pending Court approval of such
2 professional fees and costs.

3 APPROVED BY:

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5 DATED: February 26, 2014

GOE & FORSYTHE, LLP

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7 By: /s/Marc C. Forsythe
8 Marc C. Forsythe
9 Attorneys for Debtor and Debtor-in-
10 Possession

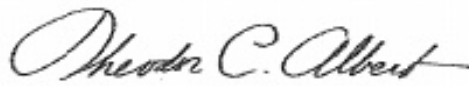
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12 DATED: February 26, 2014

PITE DUNCAN, LLP

13 By: _____
14 Casey O'Connell
15 Attorneys for Wilmington Trust Company, as
16 successor Trustee to Bank of America,
17 National Association, successor by merger of
18 LaSalle Bank National Association, as
19 Trustee for Morgan Stanly Mortgage Loan
20 Trust 2007-10XS, Mortgage Pass-Through
21 Certificates, Series 2007

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23 ###

24 Date: February 26, 2014



Theodore C. Albert
United States Bankruptcy Judge

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