

1 Peter J. Mastan (State Bar No. 190250)  
*peter.mastan@dinsmore.com*  
2 Christopher Celentino (State Bar No. 131688)  
*christopher.celentino@dinsmore.com*  
3 Mikel R. Bistrow (State Bar No. 102978)  
*mikel.bistrow@dinsmore.com*  
4 DINSMORE & SHOHL LLP  
550 Hope St., Suite 1765  
5 Los Angeles, California 90071  
Telephone: 213-335-7737

6  
7 Counsel to the Chapter 11 Trustee,  
R. Todd Neilson

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**UNITED STATES BANKRUPTCY COURT**

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**CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

11 In re:

12

REGDALIN PROPERTIES, LLC,

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Debtor.

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Case No. 2:18-bk-20868-BB

Chapter 11

**NOTICE OF MOTION AND MOTION FOR  
ORDER AUTHORIZING SALE OF REAL  
PROPERTY LOCATED AT 6507  
TEESDALE AVENUE: (A) OUTSIDE THE  
ORDINARY COURSE OF BUSINESS,  
FREE AND CLEAR OF CLAIMS, LIENS,  
ENCUMBRANCES AND INTERESTS;  
(B) APPROVING THE FORM AND  
MANNER OF NOTICE AND BID  
PROCESS; MEMORANDUM OF POINTS  
AND AUTHORITIES; DECLARATIONS  
OF R. TODD NEILSON, JANE SHORE  
AND PETER J. MASTAN IN SUPPORT  
THEREOF; AND EXHIBITS**

Date: May 1, 2019

Time: 10:00 a.m.

Ctrm: Courtroom 1539

255 E. Temple Street

Los Angeles, CA 90012

Judge: Hon. Sheri Bluebond

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1 TO (A) THE DEBTOR, (B) THE OFFICE OF THE UNITED STATES TRUSTEE, (C) ALL  
2 SCHEDULED CREDITORS OF THE ESTATE OR PERSONS HAVING FILED PROOFS  
3 OF CLAIM, (D) ALL PERSONS REQUESTING SPECIAL NOTICE, (E) ALL LIEN  
4 HOLDERS OF RECORD, AND THEIR RESPECTIVE COUNSEL OF RECORD, IF ANY:

5 NOTICE IS HEREBY GIVEN that, on May 1, 2019, on the 10:00 a.m. calendar, in  
6 Courtroom 1539 of the United States Bankruptcy Court located at 255 E. Temple Street, Los  
7 Angeles, California 90012, the Honorable Sheri Bluebond, United States Bankruptcy Judge  
8 presiding, will conduct a hearing on the “Motion for Order Authorizing Sale of Real Property  
9 Located at 6507 Teesdale Avenue: (A) Outside the Ordinary Course of Business, Free and Clear of  
10 Claims, Liens, Encumbrances, and Interests; (B) Approving the Form and Manner of Notice and Bid  
11 Process; Memorandum of Points and Authorities; Declarations of R. Todd Neilson, Jane Shore and  
12 Peter J. Mastan in Support thereof; and Exhibits” (the “Motion”) filed by R. Todd Neilson,  
13 Chapter 11 trustee (the “Trustee”) of the bankruptcy estate (the “Estate”) of Regdalin Properties,  
14 LLC (“Regdalin” or the “Debtor”). Specifically, through the Motion, the Trustee seeks an order that  
15 does all of the following:

- 16 1. Grants the Motion.
- 17 2. Approves the “Counter Offer” attached to the Motion as Exhibit B.
- 18 3. Pursuant to Section 363(b) of the Bankruptcy Code, authorizes, directs, and  
19 empowers the Trustee and the Estate to take any and all actions necessary or appropriate to:
  - 20 a. Consummate, as set forth in the Counter Offer, the sale to Albert Grigoryan  
21 (the “Grigoryan”), or a successful overbidder (in either case, as applicable, the “Buyer”), of the real  
22 property commonly known as 6507 Teesdale Avenue, North Hollywood, California 91606 (the  
23 “Property”),<sup>1</sup> APN: 2325-021-029, and legally described as:

24 LOT 49 OF TRACT NO. 13140, IN THE CITY OF LOS ANGELES,  
25 COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER  
26

27  
28 <sup>1</sup> The Property is sometimes referred to as being in City of North Hollywood, and sometimes  
as being in the Valley Village area of the City of Los Angeles.

1 MAP RECORDED IN BOOK 253 PAGES 19 AND 20 OF MAPS, IN  
2 THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

3 **b.** Close the sale as contemplated in the Counter Offer; and

4 **c.** Execute and deliver, perform under, consummate, implement and close fully  
5 the proposed sale transaction contemplated in the Counter Offer, together with all additional  
6 instruments and documents that may be reasonably necessary or desirable to implement the Counter  
7 Offer and the sale, including, without limitation, any other ancillary documents, or as may be  
8 reasonably necessary or appropriate to the performance of the obligations as contemplated by the  
9 Counter Offer and such other ancillary documents. Without otherwise limiting the relief sought  
10 herein, authorizes the Trustee, in his capacity as trustee of the Estate, to execute and deliver all  
11 documents necessary to consummate the sale of the Property and close escrow on behalf of the  
12 Debtor and the Estate, and to take any and all actions on behalf of the Debtor and the Estate to  
13 consummate and close the sale and/or to effectuate the transaction and matters relating thereto or  
14 thereunder and under the Counter Offer. Without limiting the rights of the Trustee, requires the  
15 Debtor and its respective agents and representatives to cooperate with respect to consummation of  
16 the sale and not take any action to interfere with the implementation or administration of the sale.

17 **4.** Authorizes the Trustee to pay through escrow all usual and customary costs of sale,  
18 including without limitation (a) brokers' commissions of 5% (totaling approximately \$47,500), (b)  
19 escrow fees, (c) title insurance fees, (d) recording fees, (e) messenger fees, and (f) liens of record, in  
20 each case to the extent not disputed by the Trustee. Authorizes the Trustee to pay through escrow (i)  
21 the liens of any and all taxing authorities, and (ii) \$200,000 on account of the lien recorded in favor  
22 of Pelican Holdings LLC., as to an undivided (59.8%) interest, Jeffrey Hoefflin 401K Profit Sharing  
23 Plan, as to an undivided (21.8%) interest; and Nadel & Associates Profit Sharing Plan, as to an  
24 undivided (18.4%) interest, on July 7, 2017 as Instrument Number 17-758452, which lien has been  
25 assigned of record to SBK Holdings, USA, Inc. ("SBK") by recorded Instrument Number 18-740647  
26 on July 24, 2018.

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1           **5.**     To the extent otherwise required to do so, relieves the brokers receiving commissions  
2 in connection with the proposed sale of any obligation that they may otherwise have had to file fee  
3 applications.

4           **6.**     The Trustee's sale of the Property is free and clear of all claims, liens and interests, as  
5 set forth in the Motion, including without limitation the following claims, liens or interests which are  
6 recorded with the Los Angeles County Recorder:

7               **a.**     General and special taxes and assessments for the fiscal year 2019-2020.

8               **b.**     General and special taxes and assessments for the fiscal year 2018-2019.

9               **c.**     The lien of defaulted taxes for the fiscal year 2017-2018, and any subsequent  
10 delinquencies.

11              **d.**     The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5  
12 commencing with Section 75 of the California Revenue and Taxation Code.

13              **e.**     The deed of trust recorded October 31, 2016 as Instrument Number 16-  
14 1343746 reflecting a beneficiary of The Evergreen Advantage, LLC.

15              **f.**     The deed of trust recorded January 19, 2017 as Instrument Number 17-74239  
16 reflecting a beneficiary of Benjamin Javaherian.

17              **g.**     The deed of trust recorded June 8, 2017 as Instrument Number 17-633793  
18 reflecting a beneficiary of Jeffrey D. Hoefflin MD Inc., 401K Profit Sharing Plan as to an undivided  
19 (55%) interest; and Pelican Holdings LLC., as to an undivided (45%) interest.

20              **h.**     The deed of trust recorded July 7, 2017 as Instrument Number 17-758452  
21 reflecting a beneficiary of Pelican Holdings LLC., as to an undivided (59.8%); Jeffrey Hoefflin  
22 401K Profit Sharing Plan, as to an undivided (21.8%) interest, and Nadel & Associates Profit  
23 Sharing Plan, as to an undivided (18.4%) interest (including, to the extent necessary the assignment  
24 of that deed of trust to SBK Holdings, USA, Inc. as set forth in Instrument Number 18-740647 and  
25 recorded July 24, 2018.

26              **i.**     The lien for unsecured property taxes, evidenced by a certificate recorded by  
27 the tax collector of Los Angeles County, recorded August 11, 2017, as Instrument No. 17-908969.

28 ///

1           j.       The notice of pendency of action (and any claim or interest associated  
2 therewith) recorded March 27, 2018 as Instrument Number 18-289353 by plaintiff SBK Holdings  
3 USA, Inc.

4           7.       Determines that, to the extent that any portion of a claim, lien or interest in or to the  
5 Property is not paid through escrow, such claims(s), lien(s), and interest(s) in and to the Property  
6 shall attach to the net sale proceeds that are received by the Trustee through escrow with the same  
7 validity, priority, force and effect as such claims, liens, and interests had with respect to the  
8 Property.

9           8.       Determines that the Counter Offer was entered into in good faith, in an arm's-length  
10 transaction and the Buyer is acting in good faith within the meaning of 11 U.S.C. § 363(m).

11          9.       Determines that adequate notice of the hearing on the Motion was given and approves  
12 the overbid procedure proposed in the Motion.

13          10.      Determines that the terms and provisions of the Order on the Motion shall be binding  
14 in all respects upon the Buyer, the Debtor, the Trustee and any subsequent trustees appointed  
15 pursuant to Chapter 7 of the Bankruptcy Code, the Estate, all creditors and interest holders of the  
16 Debtor and the Estate, all parties having received notice of the Motion, and all interested parties, and  
17 their respective successors and assigns, including, but not limited to (a) any creditor asserting a lien,  
18 claim, or other interest in the Property, and (b) SBK Holdings, USA, Inc.

19          11.      Determines that a certified copy of the Order on the Motion may be filed with the  
20 appropriate clerk and/or recorded with the county recorder to evidence conclusively the release or  
21 cancellation of the claims, liens, and interests as set forth in that Order.

22          12.      Determines that the Order on the Motion may be presented to and shall be binding  
23 upon and govern the acts of all persons and entities, including, without limitation, all filing agents,  
24 filing officers, title agents, title companies, escrow agents, recorders of mortgages, recorders of  
25 deeds, registrars of deeds, administrative agencies, federal, state and local governmental agencies or  
26 departments, secretaries of state, federal and local officials, and all other persons and entities who  
27 may be required by operation of law, the duties of their office, or contract, to accept, file, register or  
28 otherwise record or release any documents or instruments, or who may be required to report or

1 insure any title or state of title in or to any Property; and directs each of the foregoing persons and  
2 entities to accept for filing any and all of the documents and instruments necessary and appropriate  
3 to consummate the transactions contemplated by the Sale Agreement.

4 **13.** Authorizes the Title Company or any other issuer of a title policy insuring the  
5 Trustee's sale of the Property, if any, and the Escrow Agent, to be entitled to rely upon the Order on  
6 the Motion in connection with the Sale.

7 **14.** Determines that the failure to specifically include any particular provision of the  
8 Counter Offer in the Order on the Motion does not diminish or impair the effectiveness of such  
9 provision, it being the intent of the Bankruptcy Court that the Counter Offer is authorized and  
10 approved in its entirety.

11 **15.** Determines that, to the extent that the Order on the Motion is inconsistent with any  
12 prior order or pleading, the terms of the Order on the Motion shall govern. Determines that, to the  
13 extent the terms of the Order on the Motion are inconsistent with the terms of the Counter Offer, the  
14 terms of the Order on the Motion shall govern.

15 **16.** Determines that the Order on the Motion constitutes a final and appealable order  
16 within the meaning of 28 U.S.C. § 158(a). Determines that the fourteen (14) day stay period set  
17 forth in Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 and 9014 of the Federal Rules of  
18 Bankruptcy Procedure, to the extent applicable, are waived; and notwithstanding Bankruptcy Rules  
19 4001(a)(3), 6004(h), 6006(d), 7062 or 9014 or Rule 62(a) of the Federal Rules of Civil Procedure,  
20 the Order on the Motion shall be immediately effective and enforceable upon its entry and there shall  
21 be no stay of execution or otherwise of the Order on the Motion. Determines that, in the absence of  
22 any person or entity obtaining a stay pending appeal of the Order on the Motion, the Trustee, the  
23 Estate and the buyer (whether the Buyer or a successful overbidder) are free to close the sale under  
24 the Counter Offer at any time, subject to the terms of the Counter Offer.

25 **17.** Determines that the Bankruptcy Court will retain jurisdiction to, among other things,  
26 interpret, implement, and enforce the terms and provisions of the Order on the Motion and the  
27 Counter Offer, all amendments thereto and any waivers and consents thereunder and each of the  
28 agreements executed in connection therewith to which the Trustee or the Estate are a party or which

1 will be assigned by the Estate to the Buyer, and to adjudicate, if necessary, any and all disputes  
2 concerning or relating in any way to the sale. Further determines that the Bankruptcy Court will  
3 retain jurisdiction over any matter or dispute arising from or relating to the implementation of the  
4 Order on the Motion. Without limiting the foregoing, determines that the Bankruptcy Court retains  
5 jurisdiction, pursuant to its statutory powers under 28 U.S.C. § 157(b)(2), to, among other things,  
6 interpret, implement, and enforce the terms and provisions of the Order on the Motion, the Counter  
7 Offer, all amendments thereto and any waivers and consents thereunder and any documents executed  
8 in connection therewith to which the Trustee is a party, including, but not limited to, retaining  
9 jurisdiction to: (a) compel delivery of the Property to the Buyer; (b) interpret, implement and enforce  
10 the provisions of the Order on the Motion and any related order; (c) any challenge to the overbid  
11 procedure and/or the conduct of the sale hearing; (d) protect Buyer against any liens, claims,  
12 encumbrances and interests in the Property as to which the Property is sold free and clear of under  
13 the Order on the Motion; and (e) any disputes related to the Counter Offer or the Order on the  
14 Motion.

15 **NOTICE IS FURTHER GIVEN** that the Motion is made pursuant to 11 U.S.C. §§ 363(b)  
16 and 363(m), Federal Rules of Bankruptcy Procedure 2002 and 6004, and Local Bankruptcy Rules  
17 6004-1 and 9013-1 on the grounds that the proposed assignment is in the best interests of the Estate  
18 in that the sale will maximize the value of the Property for the benefit of the Estate's unsecured  
19 creditors, either by (a) resulting in available unsecured funds through escrow, or alternatively  
20 (b) reducing the amount of the cross-collateralized lien that exists as against the Estate's real  
21 property located at 14027 Margate Street, Sherman Oaks, California 91401.

22 **NOTICE IS FURTHER GIVEN** that the Motion is based upon (a) this Notice of Motion;  
23 (b) the attached Memorandum of Points and Authorities, Declarations of R. Todd Neilson, Jane  
24 Schore, and Peter J. Mastan, and Exhibits; (c) the concurrently filed Notice of Filing of Motion;  
25 (d) the pleadings on file with the Court of which the Court is requested to take judicial notice; and  
26 (e) such further evidence that may be properly submitted prior to or at the hearing on the Motion.

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1 NOTICE IS FURTHER GIVEN that, pursuant to Local Bankruptcy Rule 9013-1(f),  
2 any opposition to the Motion must be in writing; must be filed with the Court and served upon  
3 the Trustee, the Office of the United States Trustee, and the Debtors at the addresses set forth  
4 below not later than 14 days before the hearing on the Motion; and must include a complete  
5 written statement of all reasons in opposition thereto or in support or joinder thereof,  
6 declarations and copies of all photographs and documentary evidence on which the responding  
7 party intends to rely, and any responding memorandum of points and authorities:

8 For Filing With the Court  
Clerk's Office  
9 United States Bankruptcy Court  
255 E. Temple Street, Room 940  
10 Los Angeles, California 90012

For Service on Office of U.S. Trustee  
Office of the U.S. Trustee  
915 Wilshire Blvd., Suite 1850  
Los Angeles, CA 90017

11 For Service on Hon. Sheri Bluebond,  
Bankruptcy Judge  
12 Hon. Sheri Bluebond  
United States Bankruptcy Court  
13 Central District of California  
Edward R. Roybal Federal Building and  
14 Courthouse  
255 E. Temple Street, Suite 1534  
15 Los Angeles, CA 90012

For Service on the Debtor  
Regdalin Properties LLC  
150 S. Rodeo Drive, Suite 290  
Beverly Hills, CA 90212-2409

and

Henrik Mosesi, Esq.  
Law Offices of Henrik Mosesi  
1540 W. Glenoaks Blvd., Suite 206  
Glendale, CA 91201

16 For Service on the Trustee  
R. Todd Neilson, Trustee  
17 c/o Peter J. Mastan, Esq.  
Dinsmore & Shohl LLP  
18 550 South Hope Street, Suite 1765  
Los Angeles, California 90071-2627  
19

20 NOTICE IS FURTHER GIVEN that, pursuant to Local Bankruptcy Rule 9013-1(h),  
21 failure to timely file and serve an objection may be deemed by the Court to be consent to  
22 granting the relief requested in the Motion.

23 DATED: April 8, 2019

Respectfully submitted,

DINSMORE & SHOHL LLP

25 By  \_\_\_\_\_

26 Peter J. Mastan

27 Attorneys for R. Todd Neilson, Chapter 11 Trustee of  
28 the Bankruptcy Estate of Regdalin Properties LLC



1 MEMORANDUM OF POINTS AND AUTHORITIES

2  
3 I. INTRODUCTION

4 R. Todd Neilson, Chapter 11 trustee (the "Trustee") of bankruptcy estate (the "Estate") of  
5 Regdalin Properties, LLC (the "Debtor" or "Regdalin") in the above-captioned bankruptcy case (the  
6 "Case"), submits this Memorandum of Points and Authorities in support of his "Motion for Order  
7 Authorizing Sale of Real Property Located at 6507 Teesdale Avenue: (A) Outside the Ordinary  
8 Course of Business, Free and Clear of Claims, Liens, Encumbrances, and Interests; (B) Approving  
9 the Form and Manner of Notice and Bid Process; Memorandum of Points and Authorities;  
10 Declarations of R. Todd Neilson, Jane Shore and Peter J. Mastan in Support thereof; and Exhibits"  
11 (the "Motion").

12 The relief sought by the Motion is detailed in the preceding Notice of Motion. Among other  
13 things, the Trustee seeks authority to sell, subject to overbid, the real property commonly known as  
14 6507 Teesdale Avenue, North Hollywood, California (the "Property") to Albert Grigoryan for  
15 \$915,000. The Trustee also seeks an order (a) determining that the buyer (whether Grigoryan or a  
16 successful overbidder) is a good faith purchaser, entitled to the protections of 11 U.S.C. § 363(m);  
17 and (b) to eliminate the fourteen-day stay on the effectiveness of any order approving the sale  
18 otherwise applicable pursuant to Rule 6004(g).

19 By this Motion, the Trustee also seeks approval of the proposed overbid procedures set forth  
20 herein, as well as the auction (the "Auction") process, if applicable. The Trustee requests that, to the  
21 extent that there is one or more qualified overbidders with respect to the Property, that the  
22 Bankruptcy Court conduct the Auction concurrently with the hearing (the "Sale Hearing") on the  
23 Motion, and that, at the Sale Hearing, the Bankruptcy Court approve the sale of the Property to  
24 Grigoryan, or other successful bidder (the "Successful Bidder").

25 By this Motion the Trustee also seeks authority to pay the costs of the proposed sale and  
26 various liens of record, as well as brokers' commission and ancillary closing costs, as further set  
27 forth below.

28 ///

1 **II. JURISDICTION**

2 The Bankruptcy Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and  
3 1334. This Motion is a core proceeding within the meaning of 28 U.S.C. § 57(b)(2). Venue is  
4 proper pursuant to 28 U.S.C. §§1408 and 1409. The statutory bases for the relief requested herein  
5 are §§ 105(a), 363, 365, 503 and 507 of title 11 of the United States Code (the "Bankruptcy Code"),  
6 Rules 2002, 6004, 6006, 9006, 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the  
7 "Bankruptcy Rules"), and Local Bankruptcy Rule 9013.

8 **III. STATEMENT OF FACTS**

9 **A. The Debtor's Bankruptcy Filing**

10 On or about September 17, 2018, the Debtor filed a voluntary petition for relief under  
11 Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of  
12 California (the "Court" or "Bankruptcy Court") commencing the case (the "Case") entitled *In re*  
13 *Regdalin Properties, LLC*, U.S.B.C. Case No. 2:18-bk-2086-BB.

14 On or about October 1, 2018, the Debtor filed various Schedules of Assets and Liabilities,  
15 including its Schedule A/B [Docket No. 25]. The Debtor's Schedule A/B identified as property of  
16 the Estate, among other real properties, the real property commonly known a 6507 Teesdale Ave.,  
17 North Hollywood, California 91606 (the "Property"). In its Schedules, the Debtor identified the  
18 Property as having a value of \$900,000 and being subject to liens of \$200,000.

19 **B. The Trustee's Appointment**

20 On or about September 26, 2018, SBK Holdings USA, Inc. ("SBK") filed a Motion for  
21 Appointment of Chapter 11 Trustee [Docket No. 11] (the "Trustee Motion").

22 On or about October 26, 2018, the Trustee Motion was granted and, on or about November 1,  
23 2018, the Trustee was appointed trustee in the Case.

24 **C. The Trustee's Retention of Real Estate Brokers**

25 On January 22, 2019, the Trustee filed his application seeking authority to employ Coldwell  
26 Banker ("Coldwell") to list and sell the Property (among others). [Docket No. 127]. Such  
27 employment was approved by order entered on February 20, 2019 [Docket No. 140]. Among other  
28 things, that order provided as follows:

1 The Trustee is authorized to employ Coldwell Banker (the “Broker”) to list, market  
2 and assist the Trustee in selling . . . 6507 Teesdale Avenue . . . with the Broker’s  
3 compensation for services rendered to be paid without further Court order . . . through  
4 escrow, at each closing of each sale . . .

5 \* \* \*

6 The Broker’s compensation will be an amount equal to 5% of the gross sale price . . .

7 **D. The Property**

8 The Property is a single family residence located in North Hollywood, California. It is  
9 sometimes referred to as being located in the Valley Village area of the City of Los Angeles. The  
10 Property is currently unoccupied.

11 Debtor scheduled the Property with a value of \$900,000. After consultation with his real  
12 estate agents, the Trustee listed the Property for sale at \$875,000.

13 **E. Liens Against the Property**

14 **1. The Pelican Lien Assigned to SBK**

15 While scheduled by the Debtor as having only \$200,000 in liens, the Trustee has determined  
16 that this is inaccurate. Specifically, based on information provided to the Trustee by SBK, a review  
17 of the Preliminary Title Report obtained by the Trustee from First American Title Company, and  
18 other recorded documents obtained by the Trustee through title, it now appears that:

19 (a) On July 7, 2017, a \$1.9 million deed of trust (the “Pelican Lien”) was  
20 recorded against the Property as Instrument Number 17-758452 in favor of Pelican Holdings  
21 LLC., as to an undivided (59.8%) interest; Jeffrey Hoefflin 401K Profit Sharing Plan, as to  
22 an undivided (21.8%) interest; and Nadel & Associates Profit Sharing Plan, as to an  
23 undivided (18.4%) interest.

24 (b) The Pelican Lien purports to have been cross-collateralized by three real  
25 properties which were then in Regdalin’s name. Those real properties were (i) the Property,  
26 (ii) the real property located at 14027 Margate Street, Sherman Oaks, California 91401 (the  
27 “Margate Property”), and (c) the real property located at 24366 La Mesina Court, Calabasas,  
28 California 91302 (the “La Mesina Property”).

1 (c) The promissory note secured by the Pelican Lien provided in part as follows:

2 **1.4 Agreement for Partial Reconveyance:** Maker and Holders  
3 acknowledge, agree, and accept the following terms for partial [sic]  
4 reconveyance of the deed of trust associated with this note, also dated 28  
5 June 2017 . . . :

6 If Maker sells parcel 1, known as 6507 Teesdale Avenue, LA, CA  
7 91606, Holder will issue a demand in the exact amount of \$750,000.00,  
8 plus any outstanding or/and pro-rated interest payments due the Holders.  
9 Upon the payoff of this amount, due to the sale of parcel 1, Holders agree  
10 to reconvey their interest in parcel 1, leaving a balance of \$1,150,000.00  
11 on parcel 2. Monthly interest payments will adjust to reflect that balance  
12 outstanding.

13 If Maker sells parcel 2, known as 14027 Margate Street LA, CA  
14 91401, Holders will issue a demand in the exact amount of \$1,300,000.00,  
15 plus any outstanding or/and pro-rated interest payments due the Holders.  
16 Upon payoff in this amount, due to the sale of parcel 2, Holders agree to  
17 reconvey their interest in parcel 2, leaving a balance of \$600,000.00 on  
18 parcel 1.

19 **2.1 Deed of Trust as security.** This Note is secured by, among  
20 other things, that certain long form Deed of Trust with assignment of  
21 rents, dates as of substantially even date herewith . . . which encumbers  
22 the interest of Trustor in the "Property" (as such term is defined in the  
23 Deed of Trust), which consists principally of real property and  
24 improvements thereon located generally at 6507 Teesdale, (North  
25 Hollywood Area), Los Angeles, CA 91606 APN: 2325-021-029 (as to  
26 parcel 1 in first position) and 14027 Margate Street, (Sherman Oaks Area),  
27 Los Angeles, CA 91401 APN: 2247-018-032 (as to parcel 2 in second  
28 position) and more particularly described in said Deed of Trust.

18 (d) On July 24, 2018, an assignment of the Pelican Deed of Trust was recorded as  
19 Instrument Number 20180740647 reflecting the transfer of that deed of trust to SBK.

20 (e) On August 16, 2018, a "Trustee's Deed Upon Sale" was recorded as  
21 Instrument Number 20180826928 purporting to reflect SBK's foreclosure upon the La  
22 Messina property, at which foreclosure sale SBK purports to have bid \$400,000.00.

23 **2. Other Liens Appearing on the Public Record**

24 In addition to the Pelican Lien, the Preliminary Title Report obtained by the Trustee reflects  
25 the following:

26 (a) General and special taxes and assessments for the fiscal year 2019-2020.

27 (b) General and special taxes and assessments for the fiscal year 2018-2019, first  
28 and second installments plus penalties totaling approximately \$13,374.07.

1 (c) The lien for defaulted taxes for the fiscal year 2017-2018, and any subsequent  
2 delinquencies in the approximate amount of \$15,036.44.

3 (d) The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5  
4 commencing with Section 75 of the California Revenue and Taxation Code, in an unknown  
5 amount, if at all.

6 (e) A deed of trust in the face amount of \$500,000 recorded on October 31, 2016  
7 as Instrument Number 16-1343746 in favor of The Evergreen Advantage, LLC, which  
8 appears to have been reconveyed by a Deed of Reconveyance recorded June 22, 2017 as  
9 Instrument Number 17-692574.

10 (f) A deed of trust in the face amount of \$800,000 recorded on January 19, 2017  
11 as Instrument Number 17-74239 in favor of Benjamin Javaherian, which Deed of Trust the  
12 Trustee understands from Mr. Javaherian to have been reconveyed and is not outstanding as  
13 against the Property.

14 (g) A deed of trust in the face amount of \$750,000 recorded on June 8, 2017 as  
15 Instrument Number 17-633793 in favor of Jeffrey Hoefflin MD Inc. 401K profit Sharing  
16 Plan and Pelican Holdings LLC, which deed of trust appears to have been reconveyed by a  
17 Substitution of Trustee and Deed of Full Reconveyance recorded on July 7, 2017 as  
18 Instrument Number 17-758451.

19 (h) A lien for unsecured property taxes, evidenced by a certificate recorded by the  
20 tax collector of Los Angeles County, recorded August 11, 2017, as Instrument Number 17-  
21 908969 in the approximate amount of \$3,521.60.

22 (i) A Notice of pendency of action recorded March 27, 2018 as Instrument  
23 Number 18-289353 in favor of SBK as plaintiff against the Debtor.

24 **IV. THE PROPOSED SALE**

25 **A. Free and Clear Sale**

26 The Property is to be sold free and clear of all liens, claims in interests, including those  
27 specified above. This notwithstanding, the Trustee intends to pay through escrow the undisputed  
28 portion of (a) all outstanding taxes, and (b) the Pelican Lien (payable to SBK), currently to the extent

1 of \$200,000. To the extent not paid through escrow, all claims, liens and interests of record against  
2 the Property shall attach to the sale proceeds with the same force, effect, and priority as such claims,  
3 liens, and interests had as against the Property prior to sale.<sup>2</sup>

4 **B. The Trustee's Marketing Efforts**

5 As noted above, the Trustee entered into an agreement with the Broker to obtain assistance in  
6 selling the Property. The Broker marketed the Property and is still marketing the Property for  
7 overbids. The Broker's marketing efforts include listing the Property on the local Multiple Listing  
8 Service, and a syndicated network of more than 1000 real estate websites that include Trulia, Zillow,  
9 CAMoves, Yahoo, and LA Times. The Broker received more than 60 inquiries concerning the  
10 Property. The Property received more than 3,500 "agent" views on the MLS and over 20,000 views  
11 on the syndicated websites. The Broker conducted a "broker's open house" on January 22, 2019,  
12 and a public open house on January 26 and 27, 2019. More than 80 visitors attended the open  
13 houses. The Property was also advertised twice in Coldwell Banker Magazine which is distributed  
14 throughout Los Angeles.

15 **C. Offers on the Property**

16 To date, the Trustee has received a total of four offers on the Property. Those offers ranged  
17 from \$715,000 to \$915,000 (the \$915,000 offer being that of the proposed buyer here Mr.  
18 Grigoryan). The offers generally included a provision for 20% down payment. The Grigoryan offer  
19 provided for a 50% down payment. After considering all offers, the Trustee entered into a purchase  
20 and sale agreement in the form of the Counter Offer attached hereto as Exhibit B.

21 The Buyer has deposited to escrow an initial deposit of \$27,450 (i.e., 3% of the proposed  
22 purchase price).

23 ///

24

25 <sup>2</sup> The Trustee and SBK are in settlement discussions concerning the "Pelican Lien" and  
26 SBK's foreclosure on the La Messina Property, and subject to Bankruptcy Court approval and  
27 documentation, believe that they have reached a compromise with respect to those subjects. Until  
28 that settlement can be completed, however, and for purposes of this Motion and sale, the Trustee and  
SBK have agreed to limit the distribution to SBK on account of the Pelican Lien through escrow to  
\$200,000. The balance of the Pelican Lien, if any, will attach to the sale proceeds with the same  
validity, force, effect, and priority that the Pelican Lien had against the Property prior to its sale.

1           **D.     Summary of the Proposed Sale**

2           The Trustee has determined that it is in the best interest of the Estate to proceed with the Sale  
3 of the Property to Grigoryan for the sum of \$915,000. This Motion seeks approval for the Trustee to  
4 sell the Property on substantially the terms and conditions set forth in the Counter Offer, which  
5 reflects the material terms agreed to between Grigoryan and the Trustee. The parties may agree on  
6 minor, non-material changes to the Counter Offer before the hearing on the Motion.

7           In connection with the proposed sale, the Trustee anticipates paying the Broker's commission  
8 in an amount equal to 5% of the ultimate purchase price (which based on a sale price of \$915,000  
9 would total \$45,750). Consistent with the Court's order authorizing the Trustee's employment of the  
10 Broker, the Trustee seeks approval to pay the Broker's commission directly to the Broker (split  
11 among the Broker and the buyer's agent, if any) through escrow without the need for further order,  
12 and further relieving the brokers receiving commissions of any obligation that they may otherwise  
13 have to file a fee application. The Trustee also seeks authority to pay through escrow or otherwise,  
14 any and all normal and customary fees which include but are not limited to: title fees, escrow agent  
15 fees, recording charges, and property taxes.

16           The Trustee also seeks an order determining that the Buyer (whether Grigoryan or a  
17 successful overbidder) is a good faith purchaser entitled to the protections of 11 U.S.C. § 363(m).  
18 As discussed more fully below, Grigoryan does not have any connection or relationship with the  
19 Trustee, the Trustee's counsel, or to the Broker employed by the Trustee.

20           The Trustee proposes to sell the Property free and clear of all claims, liens, and interests with  
21 such claims, liens, and interests – to the extent not paid through escrow - to attach to the proceeds of  
22 the sale in the same order and priority as existing-pre-petition, and subject to all avoidance claims  
23 and powers and the rights and defenses of the Trustee and the Estate. Notwithstanding the  
24 foregoing, the Trustee intends to pay through escrow: (a) all undisputed taxes against the Property  
25 (and related prorations), and (b) the undisputed portion of the Pelican Lien (which is in favor of  
26 SBK) which amount as agreed between SBK and the Trustee is \$200,000. The Trustee estimates the  
27 following with respect to sale proceeds:

28     ///



1	Gross Sales Price	\$915,000
2	Brokers' Commissions	\$45,750
3	Other Costs of Sale, including tax liens	\$39,739
4	Pelican Lien (to SBK)	\$200,000
5		
6	Net to the Estate (subject to disputed liens and claims)	\$629,511
7		

8 The proposed Sale is subject to overbids as set forth below. The initial deposit made by  
9 Grigoryan is refundable only if the conditions to the sale are not satisfied or Grigoryan is not the  
10 Successful Bidder in the event overbids are received, or if the sale is not approved. The proposed  
11 sale shall be "as is," "where is," "with all faults," and "with no warranties," and the transfer of the  
12 Property shall be by quitclaim deed.

13 The Trustee expects to pay at closing, in addition to the Broker's commission and costs of  
14 sale, the taxes owing to Los Angeles County and the Pelican Lien (in each case to the extent not  
15 disputed by the Trustee, which means \$200,000 with respect to the Pelican Lien). All other claims,  
16 liens and interests against the Property (including without limitation the lien of record of Jahaverian  
17 and claims of SBK – other than with respect to the Pelican Lien - embodied in its *lis pendens* and the  
18 unpaid portion of the Pelican Lien, if any) will attach to the net proceeds of the sale, in the same  
19 order and priority as existing pre-petition, and subject to avoidance claims and powers, and all rights  
20 and defenses of the Trustee and the Estate.

21 **E. Tax Implications**

22 Inasmuch as the Debtor is a limited liability company, and that such entity is a "pass-  
23 through" entity for tax purposes, the Trustee is advised that there will be no tax liability to the Estate  
24 resulting from the sale of the Property.

25 **V. PROPOSED SALE AND BID PROCEDURES, AND AUCTION PROCEDURES**

26 Any potential overbidder is encouraged to obtain a copy of the Motion and contact the  
27 Trustee's counsel prior to the hearing. The Property will be sold subject to overbid at an open

28 ///



1 Auction to be conducted by the Trustee before the Court at the time that this Motion is heard. The  
2 Trustee has established the following overbid procedures, which he requests govern any bidding:

3       1. Any person or entity that is interested in purchasing the Property (each a "Bidder")  
4 must serve the Trustee and his counsel with an initial bid in conformance with this paragraph (an  
5 "Overbid"), such that any Overbid is actually received no later than two days before the  
6 commencement of the Auction (the "Bid Deadline"). The Overbid shall be on substantially the same  
7 terms as the Sale Agreement, or on better terms.

8       2. Any person or entity that submits a timely, conforming Overbid shall be deemed a  
9 "Qualified Bidder" and may bid for the Property at the Auction. Unless otherwise permitted by the  
10 Court, any entity or person that fails to submit a timely, conforming bid shall be disqualified from  
11 bidding for the Property.

12       3. The Trustee, subject to the rights of a Bidder or party in interest to raise an issue with  
13 the Court, shall have sole authority to determine whether a party is a Qualified Bidder and whether  
14 one bid is better than another bid.

15       4. Any Overbid must remain open until the conclusion of the Auction of the Property to  
16 be held at the hearing on the Motion.

17       5. Any Overbid must provide for a minimum purchase price of at least \$25,000.00 over  
18 the Sale price of \$915,000. Subsequent overbids shall be in minimum increments of at least  
19 \$5,000.00.

20       6. Any Overbid must be for the Property "as is," "where is," and "with all faults" and  
21 shall not contain any financing, due diligence, or any other contingency fee, termination fee, or any  
22 similar fee or expense reimbursement.

23       7. Any Overbid must be accompanied by a deposit of \$27,450 in certified funds, which  
24 funds shall be nonrefundable (absent default by the Trustee) if the Overbid is determined by the  
25 Court to be the highest and best bid for the Property (the "Best Bid"), and proof satisfactory to the  
26 Trustee that such Bidder has sufficient funds to complete the Sale.

27       8. Any Overbid must be made by a person or entity who has completed its due diligence  
28 review of the Property and is satisfied with the results thereof.

1           9.       If the Trustee receives a timely, conforming Overbid for the Property, the Court will  
2 conduct the Auction of the Property at the Sale Hearing, at which all Qualified Bidders may  
3 participate. The Auction shall be governed by the following procedures: (a) All Qualified Bidders  
4 shall be deemed to have consented to the core jurisdiction of the Court and to have waived any right  
5 to jury trial in connection with any disputes relating to the Auction or the Sale of the Property;  
6 (b) the minimum bidding increment during the Auction shall be \$5,000.00 (the "Increment Bid  
7 Requirement"); (c) bidding shall commence at \$940,000 (i.e., \$25,000.00 over the Buyer's initial bid  
8 of \$915,000) or such higher amount if a Qualified Bidder has submitted a higher initial Overbid; and  
9 (d) the Court will determine which of the bids is the best bid (the "Successful Bidder").

10 **VI. THE SALE AND BID PROCEDURES ARE FAIR AND REASONABLE**  
11 **AND SHOULD BE APPROVED**

12           By this Motion, the Trustee requests that the Sale Hearing be set at the same time as the  
13 Auction, to occur concurrently with the hearing on this Motion. Applying Bankruptcy Code § 363,  
14 bankruptcy courts frequently have considered and approved auction and sale procedures as part and  
15 parcel of the auction, and in the immediate minutes before it is to begin, the Trustee seeks approval  
16 of the Court of the reasonableness of the procedures set forth herein by which the Trustee intends to  
17 conduct the Auction. *See, e.g., Doehring v. Crown Corp. (In re Crown Corp.)*, 679 F.2d 774, 775  
18 (9th Cir. 1982) (noting that the district court had required specified minimum overbid amounts,  
19 deposits, and the form of purchase agreement to be used by bidders); *In re Crowthers McCall*  
20 *Pattern, Inc.*, 114 B.R. 877, 879 (Bankr. S.D.N.Y. 1990) (noting that the bankruptcy court had  
21 entered an order requiring that overbids be made in specified minimum increments with deposits); *In*  
22 *re Table Talk, Inc.*, 53 B.R. 937, 943 (Bankr. D. Mass. 1985) (noting that Bankruptcy Code § 363  
23 requires notice and a hearing prior to the establishment of sale and bid procedures for the sale of  
24 property of the estate).

25           The Motion and Sale provide for an Auction process to provide for an open opportunity for  
26 other prospective purchasers. As set forth above, the bid procedures are designed to establish  
27 "ground rules" for the Auction, including rules governing the process by which a potential buyer

28 ///

1 may become a Qualified Bidder and submit a Qualified Bid; the deadline for the submission of bids;  
2 and the time and place of, and procedures governing the Auction, if Qualified Bids are received.

3 The Trustee believes that the bid procedures described above establish appropriate  
4 parameters under the circumstances of this Case. The bid procedures will allow the Court to conduct  
5 the Auction in a controlled, fair and open fashion that will encourage participation by financially  
6 capable bidders who demonstrate the ability to consummate a transaction, if any.

7 The Trustee submits that sufficient cause exists to approve the proposed bid procedures as  
8 reasonable. The Auction and proposed bid procedures will enable other parties to have the chance  
9 and opportunity to bid for the purchase of the Property.

## 10 **VII. POINTS AND AUTHORITIES IN SUPPORT**

### 11 **A. Legal Authority to Approve Sale**

12 Under § 363, a trustee is empowered to sell assets of the estate "after notice and a hearing."  
13 11 U.S.C. § 102(1). The standards for approval of a sale pursuant to § 363(b)(1) require that the  
14 proponent of the sale establish that: "(1) a sound business purpose exists for the sale; (2) the sale is  
15 in the best interest of the estate, *i.e.*, the sale price is fair and reasonable; (3) notice to creditors was  
16 proper; and (4) the sale is made in good faith." *In re Slates*, 2012 WL 5359489 (B.A.P. 9th Cir.  
17 Oct. 31, 2012) (unpublished) (citing *In re Wilde Horse Enters., Inc.*, 136 B.R. 830, 841 (Bankr. C.D.  
18 Cal. 1991); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1069  
19 (2d Cir. 1983)). As discussed more fully below, the Trustee's proposed sale of the Property meets  
20 each of these requirements.

#### 21 **1. Sound Business Purpose**

22 The decision to sell property out of the ordinary course of a debtor's business must be based  
23 on the reasonable business judgment of the trustee. *In re Continental Air Lines, Inc.*, 780 F.2d 1223,  
24 1226 (5th Cir. 1986); *In re Lionel Corp.*, 722 F.2d 1063, 1070 (2nd Cir. 1983). In determining  
25 whether the business purpose is justified under Section 363(b)(1), bankruptcy courts apply a flexible,  
26 case-by-case approach. *See In re Walter*, 83 B.R. 14, 19 (B.A.P. 9th Cir. 1988) ("the bankruptcy  
27 judge should consider all salient factors pertaining to the proceeding and, accordingly, act to further  
28 the diverse interests of the debtor, creditors and equity holders, alike.") (quoting *In re Continental*

1 *Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986)). The court should approve a sale of property  
2 under § 363(b)(1) if the trustee has established a sound business purpose for the proposed  
3 transaction. *In re Walter*, 83 B.R. 14, 16 (9th Cir. BAP 1988); *In re Wilde Horse Enters., Inc.*, 136  
4 B.R. 830 (Bankr. C.D. Cal. 1991). The business judgment standard is deferential. *In re Lahijani*,  
5 325 B.R. 282, 289 (B.A.P. 9th Cir. 2005) ("Ordinarily, the position of the trustee is afforded  
6 deference, particularly where business judgment is entailed in the analysis or where there is no  
7 objection.").

8         The decision to sell the Property is based upon the Trustee's reasonable business judgment.  
9 First, the Property is subject to one or more liens, and currently there are no payments being made on  
10 those liens. Accordingly, the equity value of the Property is eroding, but can be preserved through  
11 the Trustee's sale of the Property. Second, there is no tenant in the property leaving the property  
12 subject to potential vandalism and squatters. Third, the Property is one of seven real properties  
13 scheduled by the Debtor in the Case. None of the real properties is actually producing positive cash  
14 flow to the Estate. Having evaluated the Debtor's business, the Trustee has concluded that all of the  
15 scheduled real properties should be liquidated or otherwise disposed of through this Case (the Court  
16 having already approved the Trustee's abandonment of the "Hart" property and the Trustee's sale of  
17 the "Magnolia" property). Under these circumstances, the Trustee's business judgment to liquidate  
18 the Property is sound.

19                 **2.         Reasonable Price**

20         The price is fair, reasonable, and it conforms with the current market of comparable sales.  
21 The Buyer's offer of \$915,000 is the highest and best offer on the Property received, is higher than  
22 the scheduled value of the Property, and is expected to result in significant net proceeds to the  
23 Estate, or alternatively create equity in the Margate Property (which is cross-collateralized by the  
24 Pelican Lien). The Property has been subjected to the market and the Buyer's offer is the best of the  
25 four offers received by the Trustee. Moreover, the Property will be sold at Auction if other bids are  
26 received, and the Brokers will continue trying to generate overbids and Auction participation. As a  
27 result, the price is reasonable and in the best interests of the Estate.

28 ///

1                   **3.     Notice**

2                   The Trustee will give notice of the Motion to the Debtor, the United States Trustee, all  
3 known creditors, the holders of liens, and persons who have otherwise made offers on the Property.  
4 Moreover, notice of the Auction and bidding procedures will be published on the MLS. As a result,  
5 Trustee asserts that notice has been properly given. A Form 6004-2 Notice of Sale is concurrently  
6 submitted with this Motion for publication on the Court's website.

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

8                   “Good faith encompasses fair value, and further speaks to the integrity of the transaction.” *In*  
9 *re Wilde Horse Entres., Inc.*, 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991) (internal quotation marks  
10 omitted). Bad faith includes collusion between buyer and seller or otherwise taking unfair advantage  
11 of other potential purchasers, such as a collusive insider transaction. *Id.*; *see also In re Indus. Valley*  
12 *Refrigeration & Air Conditioning Supplies, Inc.*, 77 B.R. 15, 17 (Bankr. E.D. Pa. 1987). The sale of  
13 the Property was negotiated at arms' length. The Property has been actively marketed. The Auction  
14 will be properly publicized, and the Trustee has accepted the highest and best offer. The Trustee is  
15 not aware of any undisclosed side-deals. As a result, the sale is made in good faith.

16                   **B.     Sale of the Property Free and Clear of All Claims, Liens, and Interests Under**  
17                   **11 U.S.C. § 363(f)**

18                   The Trustee seeks authority to complete the sale free and clear of all claims, liens and  
19 interests. Section 363(f) allows a trustee to sell property of the bankruptcy estate "free and clear of  
20 any interest in such property of an entity," if any one of the following five conditions is met:

- 21                   (1) Applicable non-bankruptcy law permits a sale of such property free  
22                   and clear of such interest;  
23                   (2) Such entity consents;  
24                   (3) Such interest is a lien and the price at which such property is to be  
25                   sold is greater than the aggregate value of all liens on such property;  
26                   (4) Such interest is in bona fide dispute; or  
27                   (5) Such entity could be compelled, in a legal or equitable proceeding,  
28                   to accept money satisfaction of such interest.

26 11 U.S.C. § 363(f).

27 ///

28 ///

1 Here, the Trustee submits that these conditions are met in this instance as follows:

2 (a) General and special taxes and assessments for the fiscal year 2019-2020. The  
3 Trustee intends to pay such through escrow on a prorated basis.

4 (b) General and special taxes and assessments for the fiscal year 2018-2019, first  
5 and second installments plus penalties totaling approximately \$13,374.07. The Trustee intends to  
6 pay these taxes through escrow to the extent not disputed.

7 (c) The lien for defaulted taxes for the fiscal year 2017-2018, and any subsequent  
8 delinquencies in the approximate amount of \$15,036.44. The Trustee intends to pay these through  
9 escrow to the extent not disputed.

10 (d) The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5  
11 commencing with Section 75 of the California Revenue and Taxation Code, in an unknown amount,  
12 if at all. The Trustee intends to pay these through escrow, to the extent not disputed – but Trustee is  
13 not currently aware of the existence of such.

14 (e) A deed of trust in the face amount of \$500,000 recorded on October 31, 2016  
15 as Instrument Number 16-1343746 in favor of The Evergreen Advantage, LLC, which appears to  
16 have been reconveyed by a Deed of Reconveyance recorded June 22, 2017 as Instrument Number  
17 17-692574. This is not be paid through escrow.

18 (f) A deed of trust in the face amount of \$800,000 recorded on January 19, 2017  
19 as Instrument Number 17-74239 in favor of Benjamin Javaherian, which Deed of Trust the Trustee  
20 understands from Mr. Javaherian to have been reconveyed and is not outstanding as against the  
21 Property. This lien is disputed and is believed by the Trustee to have been satisfied through  
22 subsequent encumbrances, the Trustee's counsel having been told as much by Mr. Javaherian. This  
23 will not be paid through escrow.

24 (g) A deed of trust in the face amount of \$750,000 recorded on June 8, 2017 as  
25 Instrument Number 17-633793 in favor of Jeffrey Hoefflin MD Inc. 401K profit Sharing Plan and  
26 Pelican Holdings LLC, which deed of trust appears to have been reconveyed by a Substitution of  
27 Trustee and Deed of Full Reconveyance recorded on July 7, 2017 as Instrument Number 17-758451.  
28 This will not be paid through escrow.

1 (h) A deed of trust in the face amount of \$1.9 million recorded on July 7, 2017 as  
2 Instrument Number 17-758452 in favor of Pelican Holdings, LLC, as to an undivided (59.8%)  
3 Interest; Jeffrey Hoefflin 401K Profit Sharing Plan, as to an undivided (21.8%) interest; and Nadel &  
4 Associates Profit Sharing Plan, as to an undivided (18.4%) interest. This lien has been assigned of  
5 record to SBK and is the subject of dispute and settlement discussions as between the Trustee and  
6 SBK. The Trustee will be paying \$200,000 of this lien through escrow.

7 (i) A lien for unsecured property taxes, evidenced by a certificate recorded by the  
8 tax collector of Los Angeles County, recorded August 11, 2017, as Instrument Number 17-908969 in  
9 the approximate amount of \$3,521.60.

10 (j) A Notice of pendency of action recorded March 27, 2018 as Instrument  
11 Number 18-289353 in favor of SBK as plaintiff against the Debtor. SBK has consented to the sale  
12 free and clear of this claim.

13 Any liens, claims or interests sold free and clear of and not paid at closing by the Trustee  
14 shall attach to the sale proceeds with the same priority and validity as they attached to the Property  
15 itself.

16 **C. Waiver of the Fourteen-Day Period for Effectiveness of Sale Order**

17 Bankruptcy Rule 6004(h) provides that "an order authorizing the use, sale, or lease of  
18 property other than cash collateral is stayed until the expiration of 14 days after entry of the order,  
19 unless the court orders otherwise." FRBP 6004(h). The legislative history to Rule 6004 provides:

20 The court may, in its discretion, order that Rule 6004(g) [now 6004(h)]  
21 is not applicable so that the property may be used, sold, or leased  
22 immediately in accordance with the order entered by the court.  
Alternatively, the court may order that the stay under Rule 6004(g)  
[now 6004(h)] is for a fixed period less than 10 [now 14] days.

23 Given the notice and full opportunity to object, respond, or participate in overbid procedures  
24 presented by this Motion, the Trustee believes that it is appropriate and good cause exists for the  
25 Court to order that Bankruptcy Rule 6004(h) is not applicable, and the Property may be sold  
26 immediately. Accordingly, the Trustee requests that the Court authorize the Sale to be effectuated  
27 immediately upon entry of the order approving this Motion.

28 ///



1           **D. Good Faith Purchaser Determination**

2           The proposed Buyer is a good faith purchaser entitled to the protections of § 363(m).  
3           “Though the Bankruptcy Code and Rules do not provide a definition of good faith, courts generally  
4           have followed traditional equitable principles in holding that a good faith purchaser is one who buys  
5           ‘in good faith’ and ‘for value.’” *In re Ewell*, 958 F.2d 276, 281 (9th Cir. 1992) (citing *In re Abbotts*  
6           *Dairies of Pennsylvania, Inc.*, 788 F.2d 143, 147 (3rd Cir. 1986)). Lack of good faith may be shown  
7           by “fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take  
8           grossly unfair advantage of other bidders.” *In re Ewell*, 958 F.2d 276, 281 (9th Cir. 1992) (quoting  
9           *In re Suchy*, 786 F.2d 900, 902 (9th Cir. 1985)); *see also In re Indus. Valley Refrigeration & Air*  
10           *Conditioning Supplies, Inc.*, 77 B.R. 15, 17 (Bankr. E.D. Pa. 1987) (good faith requirement “focuses  
11           principally on the element of special treatment of the debtor's insiders in the sale transaction”).

12           To the best of the Trustee’s knowledge, the Buyer is a buyer in good faith. The Buyer is  
13           paying market value for the Property (the Property having been subjected to the market and being  
14           further subject to an overbid procedure). Moreover, the terms of the sale are as set forth in the  
15           Counter Offer. The Trustee is not aware of any undisclosed terms or side deals. Based upon the  
16           foregoing, the Trustee submits that the Motion satisfies the standards for approval of a sale of the  
17           Property outside of the ordinary course of business pursuant to § 363(b), and good cause exists to  
18           make a finding that the Buyer is purchasing the Property in "good faith" pursuant to § 363(m). To  
19           the extent that the Property is purchased by a successful overbidder through an auction process, the  
20           Court should make a § 363(m) good faith finding as to that buyer as well.

21           **VII. THE BROKERS’ COMMISSION SHOULD BE APPROVED**

22           The Trustee has employed the Broker to market and sell the Property on the terms and  
23           conditions stated in the Exclusive Right to Represent Owner for Sale or Lease of Real Property  
24           (together with the Addendum thereto, collectively, the "Listing Agreement"). Pursuant to the Listing  
25           Agreement, the Broker and the Buyer's broker will be paid a total commission of five percent (5%)  
26           from the proceeds of the sale of the Property, if the sale is approved by the Court and the sale is  
27           consummated. The Trustee requests that he be permitted to pay the Broker its commission (to be  
28           split with the Buyer’s broker) directly out of escrow upon the close of the sale without further order



1 of the Court and that any broker receiving a commission be relieved of any obligation that it may  
2 otherwise have to file a fee application. Such order is consistent with the Court's order approving  
3 the Broker's employment.

4 **VIII. CONCLUSION**

5 Based on the foregoing, the Trustee respectfully requests that the Court grant the Motion and  
6 enter an order that grants the relief requested in the Notice of this Motion.

7  
8 DATED: April 8, 2019

Respectfully submitted,

DINSMORE & SHOHL LLP

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11 By: 

Peter J. Mastan

Counsel to the Chapter 11 Trustee, R. Todd Neilson

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**DECLARATION OF R. TODD NEILSON**

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2 I, R. TODD NEILSON, declare as follows:

3       **1.** I am the duly appointed, qualified, and acting Chapter 11 Trustee (the "Trustee") for  
4 the bankruptcy estate of the Debtor.

5       **2.** I submit this declaration in support of my Motion for Order Authorizing Sale of Real  
6 Property Located at 6507 Teesdale Avenue: (A) Outside the Ordinary Course of Business, Free and  
7 Clear of Claims, Liens, Encumbrances and Interests; (B) Approving the Form and Manner of Notice  
8 and Bid Process (the "Motion"). Capitalized terms not defined herein are as defined in the Motion.

9       **3.** The facts stated below are personally known to me, except for those matters based  
10 upon information and belief and as to those, I believe them to be true. If called as a witness, I could  
11 and would competently testify to the truth of such facts.

12       **4.** Commencing in January 2018, I engaged the Brokers to market the Property for sale.  
13 I discussed the value, condition and market conditions with the Brokers and was advised that an  
14 accurate value of the Property for the listing was \$875,000.

15       **5.** The Property was listed by the Brokers with a listing price of \$875,000. A true and  
16 correct copy of the Listing Agreement is attached to the application seeking approval of the Brokers'  
17 employment [Docket No. 127].

18       **6.** Through my Brokers, I obtained the PTR to show all known liens, claims,  
19 encumbrances and interests of record in the Property, a copy of which is attached hereto as  
20 Exhibit "A."

21       **7.** To date, I have received a total of four offers on the Property. Those offers ranged  
22 from \$715,000 to \$915,000. Subject to Bankruptcy Court approval and overbid, I accepted the  
23 \$915,000 offer which is the subject of the sale agreement (in the form of a Counter Offer) which is  
24 attached hereto as Exhibit "B."

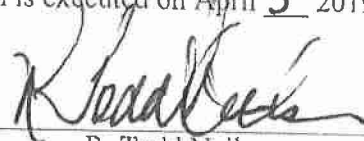
25       **8.** Based on my communications with my Brokers, I believe that a sale of the Property  
26 on the terms set forth in the Counter Offer is fair, reasonable, and in the best interests of the Estate.  
27 The Property is vacant and not producing any income. I believe that the sale of the Property, as  
28 proposed in the attached Motion, will generate significant funds for the Estate.

1           9.       I do not believe that there will be any tax consequences or tax implications to the  
2 Estate as a result of the Property's sale because the Debtor is a limited liability company, which is a  
3 "pass-through" entity for tax purposes.

4           10.       To the best of my knowledge, the Counter Offer includes all of the terms of the  
5 proposed sale and neither I nor anyone on my behalf has made any undisclosed side deals with  
6 respect to the proposed sale.

7           I declare under penalty of perjury under the laws of the United States of America that the  
8 foregoing is true and correct, and that this declaration is executed on April <sup>7<sup>th</sup></sup> 5 2019 at

9 DRAPER, UTAH



R. Todd Neilson

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1 DECLARATION OF JANE SCHORE

2 I, JANE SCHORE, declare:

3 1. I am a real estate sales agent with Coldwell Banker, the Bankruptcy Court approved  
4 broker for R. Todd Neilson, Chapter 11 trustee (the "Trustee") of the bankruptcy estate (the  
5 "Estate") of Regdalin Properties, LLC.

6 2. I submit this declaration in support of the attached Motion for Order Authorizing Sale  
7 of Real Property Located at 6507 Teesdale Avenue: (A) Outside the Ordinary Course of Business,  
8 Free and Clear of Claims, Liens, Encumbrances and Interests; (B) Approving the Form and Manner  
9 of Notice and Bid Process (the "Motion"). Capitalized terms not defined herein are as defined in  
10 the Motion.

11 3. The facts stated below are personally known to me, except for those matters based  
12 upon information and belief and as to those, I believe them to be true. If called as a witness, I could  
13 and would competently testify to the truth of such facts.

14 4. Commencing in or about January 2019, I and my sales team began to market the  
15 Property for sale on behalf of the Trustee. I personally toured the Property and examined  
16 comparable sales for the Property. Based on this and the current market conditions I advised the  
17 Trustee to list the Property for sale at \$875,000.00.

18 5. The marketing efforts that I (or my co-listing agent performed) included listing the  
19 Property on the local Multiple Listing Service, and a syndicated network of more than 1,000 real  
20 estate websites that include Trulia, Zillow, CAMoves, Yahoo, and LA Times. My team and I  
21 received more than 60 inquiries concerning the Property. The Property received more than 3,500  
22 "agent" views on the MLS and over 20,000 views on the syndicated websites. I or my team  
23 conducted a "broker's open house" on January 22, 2019, and a public open house on January 26 and

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1 27, 2019. More than 80 visitors attended the open houses. The Property was also advertised twice  
2 in Coldwell Banker Magazine which is distributed throughout Los Angeles.

3 I declare under penalty of perjury that the foregoing is true and correct and that this  
4 declaration was executed this 8<sup>th</sup> day of April 2019 at Los Angeles, California.

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DECLARATION OF PETER J. MASTAN

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2 **I, PETER J. MASTAN, declare:**

3           1.       I am an attorney admitted to practice before this Court and the courts of this State. I  
4 am a partner of the law firm Dinsmore & Shohl LLP, counsel to R. Todd Neilson, Chapter 11 trustee  
5 of the bankruptcy estate of Regdalin Properties, LLC.

6           2.       I submit this declaration in support of the attached Motion for Order Authorizing Sale  
7 of Real Property Located at 6507 Teesdale Avenue: (A) Outside the Ordinary Course of Business,  
8 Free and Clear of Claims, Liens, Encumbrances and Interests; (B) Approving the Form and Manner  
9 of Notice and Bid Process (the "Motion").

10          3.       Exhibit C is an email that I received on April 5, 2019 from David Kupetz, counsel to  
11 SBK Holdings, USA, Inc. consenting to the Trustee's sale of the Property free and clear of SBK's  
12 interests.

13          4.       Exhibit D includes certain documents recorded with the Los Angeles County  
14 Recorder concerning the Pelican Lien, including (a) a deed of trust recorded July 7, 2017 as  
15 Instrument Number 20170758452 (the "Pelican Deed of Trust"), (b) an assignment of deed of trust  
16 recorded July 24, 2018 as Instrument Number 20180740647 with respect to the Pelican Deed of  
17 Trust, and (c) a trustee's deed upon sale with respect to the La Mesina Property and the Pelican Deed  
18 of Trust.

19          5.       Exhibit E are documents provided to me by Mr. Kupetz concerning the Pelican Lien,  
20 including a document entitled "Allonge" and a document entitled "Promissory Note Secured by  
21 Deed of Trust."

22               I declare under penalty of perjury that the foregoing is true and correct and that this  
23 declaration was executed this 8<sup>th</sup> day of April 2019 at Los Angeles, California.

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26 \_\_\_\_\_  
27 Peter J. Mastan  
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# EXHIBIT A

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CLTA Preliminary Report Form  
(Rev. 11/06)

Order Number: TOR-5860465  
Page Number: 1



*First American Title*

## First American Title Company

4 First American Way  
Santa Ana, CA 92707

California Department of Insurance License No. 151

Order Number: TOR-5860465 (dt)

Title Officer:	Debbie Tognetti
Phone:	(714)250-8579
Fax No.:	(714)481-2956
E-Mail:	FAHQ-RA-octitle3@firstam.com
Property:	6507 Teesdale Avenue Los Angeles, CA 91606

### PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

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**EXHIBIT A**



Dated as of January 16, 2019 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance (2013) and ALTA Ext Loan Policy 1056.06 (06-17-06) if the land described is an improved residential lot or condominium unit on which there is located a one-to-four family residence; or ALTA Standard Owner's Policy 2006 (WRE 06-17-06) and the ALTA Loan Policy 2006 (06-17-06) if the land described is an unimproved residential lot or condominium unit

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Regdalin Properties, llc

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2019-2020, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2018-2019.
 

First Installment:	\$6,368.61, DELINQUENT
Penalty:	\$636.86
Second Installment:	\$6,368.60, OPEN
Penalty:	\$0.00
Tax Rate Area:	44-00013
A. P. No.:	2325-021-029
3. The lien of defaulted taxes for the fiscal year 2017-2018, and any subsequent delinquencies.

Tax Rate Area:	44-00013
A. P. No.:	2325-021-029
Amount to redeem:	\$15,036.44
Valid through:	JANUARY 2019
Amount to redeem:	\$15,223.30
Valid through:	FEBRUARY 2019

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Order Number: TOR-5860465  
Page Number: 3

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

4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
5. Any and all offers of dedications, conditions, restrictions, easements, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description including but not limited to: PUBLIC UTILITIES EASEMENT and incidental purposes affecting said land.
6. Covenants, conditions, restrictions and easements in the document recorded in Book 6140 of Deeds, Page 294 , which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
7. Covenants, conditions, restrictions and easements in the document recorded May 11, 1956 as BOOK 19568, PAGE 115 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
8. A deed of trust to secure an original indebtedness of \$500,000.00 recorded October 31, 2016 as INSTRUMENT NO. 16-1343746 OF OFFICIAL RECORDS.  
 Dated: October 26, 2016  
 Trustor: REGDALIN PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY  
 Trustee: CALIFORNIA TD SPECIALISTS, A CALIFORNIA CORPORATION  
 Beneficiary: THE EVERGREEN ADVANTAGE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

Notes:

- a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, we will require all of the following prior to the recordation of any documents or the issuance of any policy of title insurance:
  - i. Original note and deed of trust.
  - ii. Payoff demand statement signed by all present beneficiaries.
  - iii. Request for reconveyance signed by all present beneficiaries.
- b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.
- c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company

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Order Number: TOR-5860465  
Page Number: 4

The effect of a document entitled "DEED OF RECONVEYANCE", recorded June 22, 2017 as INSTRUMENT NO. 17-692574 of Official Records.

Note: The Company will require satisfactory proof of full payment of the debt secured by said mortgage or deed of trust prior to removing this exception or insuring the contemplated transaction.

- 9. A deed of trust to secure an original indebtedness of \$800,000.00 recorded January 19, 2017 as INSTRUMENT NO. 17-74239 OF OFFICIAL RECORDS.

Dated: January 17, 2017  
Trustor: REGDALIN PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY  
Trustee: D & G ESCROW CORPORATION, A CALIFORNIA CORPORATION  
Beneficiary: BENJAMIN JAVAHERIAN, A MARRIED MAN

Affects: The land and other property.

Notes:

- a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, we will require all of the following prior to the recordation of any documents or the issuance of any policy of title insurance:
  - i. Original note and deed of trust.
  - ii. Payoff demand statement signed by all present beneficiaries.
  - iii. Request for reconveyance signed by all present beneficiaries.
- b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.
- c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company

- 10. A deed of trust to secure an original indebtedness of \$750,000.00 recorded June 08, 2017 as INSTRUMENT NO. 17-633793 OF OFFICIAL RECORDS.

Dated: June 06, 2017  
Trustor: REGDALIN PROPERTIES, LLC  
Trustee: TITLE 365.COM  
Beneficiary: JEFFREY D HOEFFLIN MD INC., 401K PROFIT SHARING PLAN, AS TO AN UNDIVIDED (55%) INTEREST; AND PELICAN HOLDINGS LLC., AS TO AN UNDIVIDED (45%) INTEREST

Notes:

- a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, we will require all of the following prior to the recordation of any documents or the issuance of any policy of title insurance:
  - i. Original note and deed of trust.
  - ii. Payoff demand statement signed by all present beneficiaries.
  - iii. Request for reconveyance signed by all present beneficiaries.
- b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.
- c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company

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Order Number: TOR-5860465  
Page Number: 5

Affects: The land and other property.

The effect of a document entitled "SUBSTITUTION OF TRUSTEE AND DEED OF FULL RECONVEYANCE", recorded July 07, 2017 as INSTRUMENT NO. 17-758451 of Official Records.

Note: The Company will require satisfactory proof of full payment of the debt secured by said mortgage or deed of trust prior to removing this exception or insuring the contemplated transaction.

11. A deed of trust to secure an original indebtedness of \$1,900,000.00 recorded JULY 07, 2017 as INSTRUMENT NO. 17-758452 OF OFFICIAL RECORDS.  
Dated: JUNE 28, 2017  
Trustor: REGDALIN PROPERTIES, LLC  
Trustee: TITLE365.COM  
Beneficiary: PELICAN HOLDINGS LLC., AS TO AN UNDIVIDED (59.8%) INTEREST; JEFFREY HOEFFLIN 401K PROFIT SHARING PLAN, AS TO AN UNDIVIDED (21.8%) INTEREST; AND NADEL & ASSOCIATES PROFIT SHARING PLAN, AS TO AN UNDIVIDED (18.4%) INTEREST

Affects: The land and other property.

Notes:

- a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, we will require all of the following prior to the recordation of any documents or the issuance of any policy of title insurance:
- i. Original note and deed of trust.
  - ii. Payoff demand statement signed by all present beneficiaries.
  - iii. Request for reconveyance signed by all present beneficiaries.
- b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.
- c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company

A notice of default recorded MARCH 13, 2018 as INSTRUMENT NO. 18-239492 OF OFFICIAL RECORDS.

A document recorded JUNE 20, 2018 as INSTRUMENT NO. 18-619051 OF OFFICIAL RECORDS provides that REAL PROPERTY TRUSTEE, INC. was substituted as trustee under the deed of trust.

A notice of trustee's sale recorded JUNE 22, 2018 as INSTRUMENT NO. 18-625824 OF OFFICIAL RECORDS.

According to the public records, the beneficial interest under the deed of trust was assigned to SBK HOLDINGS USA, INC., A CALIFORNIA CORPORATION by assignment recorded JULY 24, 2018 as INSTRUMENT NO. 18-740647 OF OFFICIAL RECORDS.

12. A lien for unsecured property taxes, evidenced by a certificate recorded by the tax collector of Los Angeles County, recorded August 11, 2017, as INSTRUMENT NO. 17-908969 OF OFFICIAL RECORDS.

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Order Number: TOR-5860465  
Page Number: 6

Debtor: REGDALIN PROPERTIES LLC  
Year & No.: 2016 & 40364157  
Amount: \$3521.60, and any other amounts due thereunder.

13. Notice of pendency of action recorded MARCH 27, 2018 as INSTRUMENT NO. 18-289353 of Official Records.

Court: SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES, CENTRAL DISTRICT  
Case No.: BC677454  
Plaintiff: SBK HOLDINGS USA, INC., A CALIFORNIA CORPORATION  
Defendant: REGDALIN PROPERTIES LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; REGDALIN HOLDINGS LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; 11420 OXNARD ST LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; MANUK ABOYAN, AN INDIVIDUAL; ALL PERSONS UNKNOWN, CLAIMING ANY LEGAL OR EQUITABLE RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN THE PROPERTY DESCRIBED IN THE COMPLAINT ADVERSE TO PLAINTIFF'S TITLE, OR ANY CLOUD UPON PLAINTIFF'S TITLE THERETO; AND DOES 1-50, INCLUSIVE  
Purpose: AFFECTS TITLE TO REAL PROPERTY

14. Proceedings pending in the Bankruptcy Court of the CENTRAL District of the U.S. District Court, California, entitled in re: REGDALIN PROPERTIES, LLC DBA CALIFORNIA'S BEST HOLDINGS, LLC, debtor, Case No. 2:18-BK-20868-BB, wherein a petition for relief was filed under Chapter 11 on September 17, 2018.
15. Water rights, claims or title to water, whether or not shown by the public records.
16. This transaction may be subject to a Geographic Targeting Order ("GTO") issued pursuant to the Bank Secrecy Act. Information necessary to comply with the GTO must be provided prior to the closing. This transaction will not be insured until this information is submitted, reviewed and found to be complete.

**Prior to the issuance of any policy of title insurance, the Company will require:**

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17. With respect to REGDALIN PROPERTIES, LLC, a limited liability company:
- a. A copy of its operating agreement and any amendments thereto;
  - b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
  - c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
  - d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
    - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
    - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
  - e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require

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**INFORMATIONAL NOTES**

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) Single Family Residence known as 6507 TEESDALE AVENUE, LOS ANGELES, CA.

2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

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

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**LEGAL DESCRIPTION**

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOT 49 OF TRACT NO. 13140, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 253 PAGES 19 AND 20 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 2325-021-029

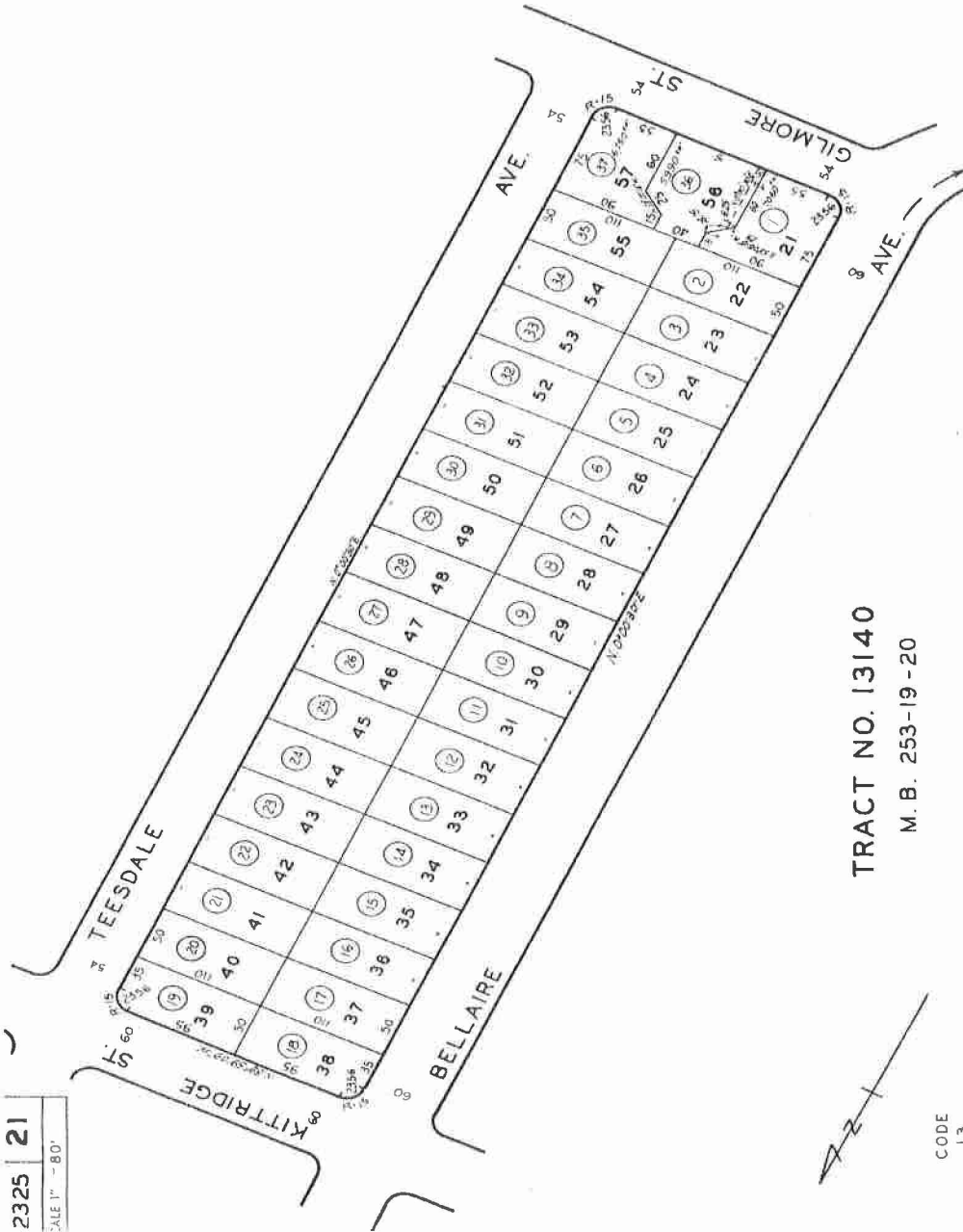
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REVISED  
4-11-64  
11-09-62  
2/3-65

ASSESSOR'S MAP  
COUNTY OF LOS ANGELES, CALIF.



TRACT NO. 13140  
M. B. 253-19-20

CODE  
13

1395 FOR PREV. ASSMT. SEE: 2325-21

2325 21  
SCALE 1" = 80'

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**NOTICE**

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

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**EXHIBIT A**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**CLTA STANDARD COVERAGE POLICY – 1990**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public, records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**  
**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;

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- d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.
- This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
  3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
  4. Risks:
    - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
    - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
    - c. that result in no loss to You; or
    - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
  5. Failure to pay value for Your Title.
  6. Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
    - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
  7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
  8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:  
For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.  
The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

**2006 ALTA LOAN POLICY (06-17-06)**  
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

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- (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
  5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
  6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
    - (a) a fraudulent conveyance or fraudulent transfer, or
    - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
  7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

[Except as provided in Schedule B - Part II, [ t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

**[PART I**

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**PART II**

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

**2006 ALTA OWNER'S POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

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- (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
    - (a) a fraudulent conveyance or fraudulent transfer, or
    - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
  5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of: [The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

#### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the

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Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

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**First American Title**

**Privacy Information**

**We Are Committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

**Applicability**

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

**Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information that we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

**Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

**Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

**Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**Information Obtained Through Our Web Site**

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

**Business Relationships**

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

**Cookies**

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. [FirstAm.com](http://FirstAm.com) uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

**Fair Information Values**

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

**Use** We should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

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# EXHIBIT B

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### COUNTER-OFFER

This agreement (the "Agreement" or "Counter-Offer") is intended to set forth the terms and conditions of a contract for the purchase by and sale to Albert Grigoryan (the "Buyer") from R. Todd Neilson (the "Seller" or "Trustee"), solely in his capacity as the duly appointed, qualified, and acting chapter 11 trustee for the estate of the debtor Regdalin Properties, LLC ("the "Debtor"), of the real property more commonly known as 6507 Teesdale Ave, North Hollywood, California (the "Property"). When executed below, this Agreement will constitute conclusive evidence and the exclusive terms and conditions of the contract for such purchase and sale (the "Sale") of the Property and will supersede and replace in its entirety Buyer's written offer and all attachments in support thereof dated January 26, 2019 (the "Offer") and any oral or written negotiations since the Offer.

**PURCHASE PRICE; DEPOSIT; ESCROW.** The purchase price for the Property shall be \$915,000 (the "Purchase Price"). Buyer shall make an initial deposit of \$27,450 (the "Initial Deposit") in the form of cashier's check or wire transfer made payable to "A&A Escrow Services, Inc." (the "Escrow Holder") which shall be delivered to A&A Escrow Services, Inc., 415 N Crescent Drive, Suite 320, Beverly Hills, California 90210, within two (2) business days of (i) acceptance of this Counter-Offer by Buyer, (ii) Seller's execution of the Affirmation Agreement in the form attached hereto as Exhibit "A", and (iii) Buyer's receipt of a copy of the fully executed Counter-Offer and the Affirmation Agreement.

**FINANCIAL WHEREWITHAL.** Buyer shall deliver to the Seller, within two (2) business days of (i) acceptance of this Counter-Offer by Buyer, (ii) Seller's execution of the Affirmation Agreement in the form attached hereto as Exhibit "A", and (iii) Buyer's receipt of a copy of the fully executed Counter-Offer and the Affirmation Agreement, proof of committed funds available to Buyer sufficient to enable Buyer to consummate the acquisition contemplated herein, which proof shall be in the form of a letter of credit, loan commitment, or other form acceptable to Seller in Seller's sole discretion. In the event that either (i) Buyer fails timely to provide any such proof, or (ii) Seller determines, in Seller's sole discretion, that any proof of funds provided to Seller by Buyer is unacceptable, Seller shall have the right, at Seller's option, to provide written notice to Buyer that this Counter-Offer is terminated. In the event that Seller exercises such termination right, this Counter-Offer shall terminate effective as of the date of Seller's written notice to Buyer, whereupon the Initial Deposit (if theretofore deposited with the Escrow Holder) shall be returned to Buyer and Buyer and Seller shall each be relieved of any further obligations hereunder.

**ESCROW INSTRUCTIONS.** Escrow instructions corresponding to the terms of this Agreement shall be provided by the Escrow Holder and signed by the parties within five (5) business days of the date of Buyer's and Seller's receipt of said escrow instructions. Buyer and Seller shall deposit such documents and instruments with the Escrow Holder as and when reasonably required to complete the sale. Buyer shall be free to assign this Agreement to another person or entity (the "Assignee") subject to Seller's prior review and written approval (which approval Seller may grant or withhold in his sole discretion), but Buyer shall

remain liable hereunder, together with such Assignee, in the event that such Assignee fails to perform any of Buyer's obligations hereunder.

**BUYER'S DUE DILIGENCE; FINANCING; AND CANCELLATION RIGHT.** Buyer shall have twenty-one (21) calendar days from the date of execution hereof to perform, complete, and satisfy all contingencies, financing, inspections, investigations, tests and reviews of reports, and to complete all due diligence which Buyer desires for the Sale of the Property, including, but not limited to performing and completing any geological, soil, structural, environmental, or other tests, inspections, and investigations desired by Buyer. Buyer may, not later than the end of the twenty-one (21) day due diligence period, provide Seller written notice of Buyer's election to withdraw from this Agreement because of Buyer's inability to complete or dissatisfaction with the results of any of those matters (the "Notice of Cancellation"), in which event Buyer's and Seller's obligations under this Agreement shall be terminated and Buyer shall receive a full refund of Buyer's deposit. If Buyer fails to give such Notice of Cancellation within such due diligence period, all such contingencies shall be automatically removed and Buyer's obligation to proceed shall be non-contingent except as provided herein for (i) Buyer's review of a preliminary title report and underlying documents respecting the title to the Property (as set forth below), and (ii) Bankruptcy Court approval of this Agreement and the Sale (as set forth below).

**TITLE; TITLE INSURANCE.** Within three (3) business days after acceptance of this Agreement, First American Title Company or such other title company of Seller's choice (the "Title Company") will be instructed to provide a preliminary report of the condition of title to the Property, including copies of underlying documents referred to in Schedule B thereof, for Buyer's review. Buyer shall have three (3) business days after receipt of the preliminary title report and underlying documents in which to provide Seller written notice (the "Notice of Title Disapproval") that Buyer disapproves the condition of title with respect to a material matter(s) that interfere with the use or marketability of the Property for the purpose for which it is currently used or intended to be used. Such notice must refer to the specific exception(s) in Schedule B of the preliminary title report and the specific underlying document(s) which are the basis for Buyer's disapproval. Within five (5) business days after receipt of the Notice of title Disapproval, Seller may, in Seller's sole discretion, either (i) cancel this Agreement and the Sale, in which event Buyer's and Seller's obligations under this Agreement shall be terminated and Buyer shall receive a full refund of the Initial Deposit, or (ii) elect to correct the item(s) that were disapproved by Buyer, in which event the Sale shall proceed. Seller may correct such item by any means that will result in the Title Company either removing the disapproved exception(s) from the preliminary report, providing title insurance coverage by endorsement against such exception(s), or providing that the order approving the Sale entered by the Bankruptcy Court shall resolve such exception in a manner acceptable to Buyer. At the close of the Sale, Seller shall convey and Buyer shall accept title to the Property as shown in Schedule B of the preliminary title report, subject to any corrections as in this paragraph above, free and clear of all monetary liens, subject to the terms of the Agreement and the order approving the Sale. Seller shall pay the costs of a CLTA Standard Owner's policy of title insurance.

**REMOVAL OF CONTINGENCIES; COURT CONFIRMATION; CLOSING; DELIVERY**

**OF POSSESSION.** If Buyer does not give Seller written Notice of Cancellation or Notice of Title Disapproval as and when provided in this Agreement, Buyer's silence shall be deemed acceptance and Buyer shall be deemed to have satisfied and removed all of Buyer's contingencies and to proceed with the Sale. Seller shall then file a motion with the Bankruptcy Court to confirm the Sale, which sale shall be subject to qualified overbids as approved by the Bankruptcy Court. Upon such removal of contingencies, Buyer shall be unconditionally obligated to proceed with the Sale, subject only to Bankruptcy Court confirmation as set forth below. If the Bankruptcy Court confirms the Sale to Buyer, the closing shall take place as soon as practicable after entry of the order approving the Sale, but no later than the first business day after fourteen (14) calendar days following the entry of the operative order approving the Sale. The closing shall occur on the date the deed transferring the Property to Buyer is recorded with the County Recorder where the Property is located. Occupancy shall be delivered to Buyer upon Escrow Holder's confirmation of recording.

**BANKRUPTCY SALE.** Buyer acknowledges that Seller is a trustee duly appointed to administer the Debtor's bankruptcy estate, and is a party to this Agreement solely in that capacity. Seller and his brokers and agents (collectively, the "Seller's Brokers") have not and will not determine the condition or fitness for use of the Property for any particular purpose. The Sale shall be "as is," "where is," "with all faults," and with no warranty by or recourse whatsoever to Seller or Seller's Brokers herein. Transfer of the Property shall be by Quitclaim Deed. All parties acknowledge that Seller is a party to this Agreement solely in his capacity as trustee of the Debtor's estate and that in the event of any default in the performance of any of Seller's obligations under the Offer (as modified hereby) or in the event that any other claim is asserted against Seller, the Trustee, or the estate in connection with this transaction, the Trustee shall in no event have any personal liability whatsoever (whether in his individual capacity or otherwise), it being expressly understood and agreed that Buyer's sole recourse, if any, in such event shall be to the assets of the Debtor's estate.

**TAXES; PRORATIONS; COSTS OF SALE.** All real property taxes and assessments for the current tax year shown in the current County Tax Bill shall be prorated between Seller and Buyer and charged as of the closing date to the applicable accounts of Seller and Buyer. The Sale shall be free and clear of any homeowner's association assessments and all real property taxes (other than those prorated as provided above) enforceable against the Property through the closing date of the Sale. Escrow fees shall be split between Buyer and Seller in the manner customary in the County where the Property is located. Seller shall pay any real property transfer tax. Seller shall pay the cost of a Natural Hazard Disclosure Report, from a vendor selected by Seller, to be furnished to Buyer through escrow. Buyer shall pay and have sole responsibility for compliance with any requirements imposed on the Property or this Sale by any governmental agency(ies), including compliance with any applicable governmental retrofit requirements. Buyer shall pay the cost of recording the deed. Buyer and Seller shall each pay their own expenses of every other type except as specifically provided in this Agreement.

**BANKRUPTCY COURT APPROVAL; OVERBIDDING.** The Sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better qualified bids received by Seller through and including the Bankruptcy Court hearing to confirm the Sale. Payment of any and all real estate brokers' commissions is also subject to notice to creditors and approval by the Bankruptcy Court. Buyer acknowledges and agrees that Seller may not seek to obtain the Bankruptcy Court's approval if Seller has determined that it would be in the best interest of the bankruptcy estate not to do so.

**BROKERS.** Seller is represented by Coldwell Banker. Buyer is represented by Home Realty(the "Buyer's Brokers"). Subject to Bankruptcy Court approval, Seller will pay a real estate broker's commission aggregating 5% of net sales price of the Property to the Brokers as follows: 2.5% to Coldwell Banker and 2.5% to Home Realty in connection with the closing of the Sale. Seller's Brokers and Buyer's Brokers are collectively referred to herein as the "Brokers". No commission or compensation shall be due or payable to Brokers in connection with this Agreement or Sale except from the cash proceeds of an actual Sale of the Property that closes to Buyer. Buyer hereby represents and warrants that, other than the Brokers, Buyer has not dealt with any broker, finder, or other person entitled to any fee, commission, or other compensation in connection with the Sale and Buyer shall indemnify, defend, protect, and hold Seller and the related bankruptcy estate harmless of, from, and against any claims, demands, actions, causes of action, losses, liabilities, costs, and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as Seller may suffer or incur in the event that any claims for any such fees, commissions, or other compensation of any kind are hereafter asserted.

**MATERIAL CHANGE OF CONDITION.** In the event of any material change in the condition of the Property after the date of acceptance of this Counter-Offer, if Buyer demands repair of any resulting actual damage to the Property, Seller may, at Seller's sole option: (i) elect to terminate this Agreement, in which event Buyer's and Seller's obligations to buy or sell shall terminate and the Initial Deposit shall be refunded to Buyer; or (ii) make required repairs at the bankruptcy estate's expense; or (iii) assign any insurance proceeds for the damage to the Property to Buyer as of the close of the Sale; or (iv) credit the cost of such repairs to Buyer through escrow, it being agreed that in the event that Seller elects and complies with subpart (b), (c), or (d) of this paragraph, Buyer's obligation to proceed with the Sale shall be unaffected by any such material change in the condition of the Property.

**REMEDY FOR BUYER'S OR SELLER'S FAILURE TO CLOSE.** Buyer's sole remedy in the event that the Sale fails to close as a result of Seller's inability or failure to close for any reason, including but not limited to the reason of failure to obtain approval of the Sale by the Bankruptcy Court, shall be the mutual release of Buyer's and Seller's obligations to buy or sell and a full refund of the Initial Deposit (plus any increase thereof by Buyer). In the event Buyer fails to close the Sale for any reason other than Seller's default, after Buyer's contingencies have been removed as under this Agreement, Buyer's Initial Deposit (plus any increase thereof by Buyer) shall be paid over to Seller and retained by Seller as liquidated damages without further legal action. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than three percent (3%) of the Purchase Price. This provision shall apply equally to the Initial Deposit (and any increase thereof by Buyer).

AG [Buyer's Initials]



**BANKRUPTCY COURT JURISDICTION.** The United States Bankruptcy Court for the Central District of California, Los Angeles Division shall have sole and exclusive jurisdiction to interpret and enforce the terms of this Agreement and Buyer hereby consents and submits to such exclusive jurisdiction. This Agreement shall be interpreted and enforced pursuant to the laws of the State of California, the United States of America, and title 11 of the United States Code.

**"AS-IS," "WHERE-IS" CONDITION; NO WARRANTIES.** Buyer acknowledges and agrees that, to the maximum extent permitted by law, the sale contemplated by this Agreement is made "as-is," "where-is," and "with all faults," except as specifically provided in this Agreement. Seller and Seller's Brokers have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, concerning or respecting (i) the value of the Property; (ii) the income to be derived from the Property; (iii) the suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) the habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) the manner, quality, state of repair, or lack of repair of the Property; (vi) the nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) the compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body; (viii) the manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) the compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as "hazardous substances, hazardous materials, or toxic substances" or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901, et seq.), the Toxic Substance Control Act (15 U.S.C. § 2601, et seq.), the Clean Water Act (33 U.S.C. § 1251, et seq.), California Health and Safety Code §§ 25117 or 25316, or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content, completeness or accuracy of any due diligence materials or preliminary report regarding title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any

other matter. Without in any manner limiting the foregoing, Buyer hereby acknowledges and agrees that (i) Seller's Brokers have provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller's Brokers shall, for all purposes of this Agreement, be deemed to have been disclosed to Buyer by the Seller, as well.

**BROKERS.** Seller's Brokers herein have not and will not perform any inspections, investigations, or due diligence on behalf of Buyer unless otherwise specified herein. Buyer is informed that Buyer must arrange for any inspections and investigations desired by Buyer utilizing suitable third party professionals selected and compensated by Buyer. In no event shall Seller have any liability or responsibility for any representation, warranty, statement made, or information furnished by Seller's Brokers, or any other person or entity, concerning the Property, this Agreement, or any other matter, unless expressly set forth in writing and signed personally by Seller.

**OPPORTUNITY TO INSPECT; BUYER'S SOLE RELIANCE.** Buyer represents, warrants, acknowledges, and agrees that Buyer has been given the opportunity to inspect and investigate the Property and all other facts and circumstances deemed by Buyer relevant and significant, and to review information and documentation affecting the Property. In deciding to proceed with the Sale, Buyer is relying solely on Buyer's own inspections and investigation of the Property (including by any outside professionals whom Buyer has elected to engage for such services) and review of such information and documentation, and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information made available to Buyer or provided or to be provided by or on behalf of Seller with respect to the Property was obtained from a variety of sources and that neither Seller nor Seller's Brokers nor any other person has made or makes any representations as to the accuracy or completeness of such information. Buyer hereby fully and irrevocably releases all such sources and preparers of information and documentation affecting the Property which were retained or engaged by Seller or Seller's Brokers from any and all claims that Buyer may now or hereafter have against such sources and preparers of information, for any costs, expenses, losses, liabilities, damages, demands, actions, or causes of action arising from any such information or documentation. **NEITHER SELLER NOR BROKERS HAVE PROVIDED OR WILL PROVIDE ANY LEGAL OR TAX ADVICE TO BUYER.** Buyer is informed that Buyer must obtain any such advice, if desired by Buyer, from independent professionals selected and engaged by Buyer.

**PHYSICAL, GEOLOGICAL, PEST CONTROL, AND ENVIRONMENTAL INSPECTIONS AND INVESTIGATIONS.**

A. BUYER SHALL CONDUCT THOROUGH PHYSICAL, GEOLOGICAL, PEST CONTROL, ENVIRONMENTAL INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS MAY BE DETERMINED BY BUYER, THROUGH QUALIFIED PROFESSIONALS SELECTED BY BUYER. Seller and Seller's Brokers strongly recommend that Buyer fully exercise and not waive such inspections and investigations.

B. Buyer shall select and employ, at Buyer's sole expense, a licensed engineer(s), architect(s), contractor(s), geologist(s), pest control licensee(s), environmental consultant(s), or other qualified professional(s), to make inspection(s) and investigations of the Property, including, but not limited to, (i) its general structure, plumbing, heating, air conditioning (if any), electrical system, built-in appliances, cesspool/sewer/septic system, well, roof, soils, foundation, mechanical systems, pool, spa, related equipment and filters, sprinklers, and those other matters affecting the desirability of the Property (all if and only to the extent any such structures, systems, and components are presently a part of the Property); (ii) any actual or potential wood destroying pests or other conditions damaging to the Property or any portion thereof; (iii) environmental hazards, substances, products, or conditions, including without limitation, asbestos, formaldehyde, lead, lead-based paint, contaminated soil or water, fuel, chemical storage tanks, hazardous waste, electromagnetic fields, and radon gas, any of which may constitute a health risk; (iv) the presence or absence of any required governmental permits, inspections, applications, approvals, and certificates of occupancy, and compliance or lack of compliance with building codes and laws applicable to the Property; (v) plans and specifications for the Property; (vi) all applicable zoning, municipal, county, state, and federal, including those affecting the past, current, or any future use of the Property; (vii) deed restrictions and other matters of public record which may govern, restrict, condition, or prohibit the use, alteration, or development of the Property; and (viii) generally, without limitation, any and all other items and matters of whatsoever nature, character, or description, which Buyer deems material to Buyer's interests, in, on, or affecting the Property, and to approve or disapprove said inspection within the period and in the manner set forth in this Agreement.

**COMPLETE AGREEMENT; NO OTHER REPRESENTATIONS OR WARRANTIES.**

Seller shall not be liable or bound in any manner by any oral or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee, contractor, or other person. Buyer further acknowledges and agrees Seller has no obligations to make repairs, replacements, or improvements to the Property except as may otherwise be expressly stated herein. Without limiting any other provision hereof, Buyer represents, warrants, and covenants to Seller that, except for Seller's express representations and warranties specified in this Agreement, Buyer is relying solely upon Buyer's own investigation of the Property.

**WRITTEN AFFIRMATION OF SELLER REQUIRED.** Buyer understands that Seller may continue to receive and respond to other offers on the Property and may be making several counter-offers concurrently containing the same or different terms. This Counter-Offer shall not be binding until accepted by Buyer and executed by Buyer and Seller on the signature page below; and then approved by Seller, in Seller's sole discretion, in the form of the Seller's "Affirmation of Agreement" attached hereto as Exhibit "A" which, if so executed by Seller, will constitute Seller's agreement that Seller will sell the Property to Buyer, subject to Bankruptcy Court approval, the rights of any overbidding parties, and the terms and conditions of this Agreement. Buyer further acknowledges that it would be imprudent and unrealistic to rely



upon the expectation of entering into a binding agreement regarding the subject matter of this Counter-Offer prior to receipt of Seller's Affirmation of Agreement, and further represents to Seller that any efforts to complete due diligence, or to perform any of the obligations provided herein shall not be considered as evidence of binding intent without Seller's Affirmation of Agreement, and understands that BUYER'S ACCEPTANCE HEREOF SHALL HAVE NO FORCE OR EFFECT PRIOR TO BUYER'S RECEIPT OF SUCH AFFIRMATION OF AGREEMENT SIGNED BY SELLER.

**ATTORNEYS' FEES.** In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Agreement, the prevailing party in that action or proceeding shall be entitled to have and recover from the non-prevailing party all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may suffer or incur in the pursuit or defense of such action or proceeding.

**EXPIRATION OF COUNTER-OFFER.** This Counter-Offer shall expire if not accepted by Buyer by delivering a copy hereof, fully signed and initialed by Buyer, to Seller, on or before close of business February 8, 2019. Such acceptance shall nevertheless be subject to the receipt of Seller's Affirmation of Agreement.

**AGREED AND ACCEPTED:**

BUYER:

Dated: 2-7-2019

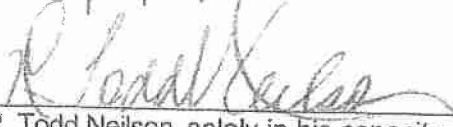
By:

  
\_\_\_\_\_  
Albert Grigoryan

SELLER (subject to execution of Seller's Affirmation of Agreement):

Dated: 2/5/19

By:

  
\_\_\_\_\_  
R. Todd Neilson, solely in his capacity as Chapter 11 Trustee for Regdalin Properties, LLC

**EXHIBIT "A"**

**SELLER'S AFFIRMATION OF AGREEMENT**

Seller hereby acknowledges Buyer's acceptance of the foregoing Counter-Offer and affirmatively agrees to sell the Property to Buyer on the terms and conditions of the foregoing Agreement, but subject to Bankruptcy Court approval and any qualified overbidders. Seller shall revoke any other outstanding Counter-Offer made to other prospective buyers or make the same subject and subordinate to this Agreement.

SELLER

Dated: \_\_\_\_\_

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

R. Todd Neilson, solely in his capacity as Chapter 7 Trustee for Regdalin Properties, LLC

# EXHIBIT C

000059

**Mastan, Peter**

---

**From:** Kupetz, David S. <dkupetz@sulmeyerlaw.com>  
**Sent:** Friday, April 5, 2019 10:12 AM  
**To:** Mastan, Peter  
**Cc:** Hami, Asa S.  
**Subject:** Regdalin/SBK - sale of Teesdale property

Peter,

Per our discussion, SBK consents to the Trustee's sale of the Teesdale property free and clear of all of SBK's rights in and to the property (whether those rights are by lien or by the claim embodied in its lis pendens), with SBK's rights in and to the property to attach to the sale proceeds and subject to the agreement that SBK has reached with the Trustee that the Trustee will pay to SBK through escrow \$200,000 from his sale of the Teesdale property.

David



David S. Kupetz  
333 South Grand Avenue, Suite 3400  
Los Angeles, CA 90071  
Direct Line: 213.617.5274  
E-Mail: [dkupetz@sulmeyerlaw.com](mailto:dkupetz@sulmeyerlaw.com)  
URL: [www.sulmeyerlaw.com](http://www.sulmeyerlaw.com)  
Voice: 213.626.2311 Fax: 213.629.4520  
[www.linkedin.com/in/davidkupetz](http://www.linkedin.com/in/davidkupetz)

\*\*\*\*\*  
This e-mail message is for the sole use of the intended recipient(s) and may contain confidential or legally privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail, delete this message from your computer and destroy all copies of the original message.  
\*\*\*\*\*

# EXHIBIT D

000061

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20180826928



Pages:  
0004

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

08/16/18 AT 08:00AM

FEES:	26.00
TAXES:	0.00
OTHER:	0.00
SB2:	75.00
PAID:	101.00



LEADSHEET



201808160120029

00015611067



009282562

SEQ:  
19

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

EM472

R38

EXHIBIT D

000082





## TRUSTEE'S DEED UPON SALE

TS #: 18-00008  
Loan #: 3615 MSK  
Order #: 8730587

All requirements per California Statutes regarding the mailing, personal delivery and publication of copies of Notice of Default and Election to Sell under Deed of Trust and Notice of Trustee's Sale, and the posting of copies of Notice of Trustee's Sale have been complied with. Trustee, in compliance with said Notice of Trustee's sale and in exercise of its powers under said Deed of Trust sold said real property at public auction on 8/14/2018. Grantee, being the highest bidder at said sale, became the purchaser of said property, and (a) paid therefore to said Trustee the amount bid, being \$400,000.00, in lawful money of the United States, or (b) made a credit bid as the beneficiary of the above-described deed of trust.

In witness thereof, **Real Property Trustee, Inc.**, as Trustee, has this day, caused its name to be hereunto affixed by its officer thereunto duly authorized by its corporation by-laws.

Date: 8/14/2018

Real Property Trustee, Inc., as trustee

By:

  
\_\_\_\_\_  
Mike Kemel, Trustee Sale Officer

EXHIBIT D

000064

Exhibit "A"

ALL OF LOT 32 OF TRACT NO. 33915, IN THE CITY OF CALABASAS, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 1045, PAGES 88 TO 93 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY OF LOS ANGELES AND THAT PORTION OF LOT 33 OF SAID TRACT NO. 33915 LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHERLY TERMINUS OF THAT CERTAIN COURSE IN THE WESTERLY LINE OF SAID LOT 33 HAVING A BEARING OF NORTH 5 DEGREES 54 MINUTES 43 SECONDS EAST AND A DISTANCE OF 45.00 FEET THENCE NORTH 5 DEGREES 54 MINUTES 43 SECONDS EAST ALONG SAID WESTERLY LINE 23.07 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 84 DEGREES 28 MINUTES 08 SECONDS EAST 147.01 FEET TO A POINT IN THE EASTERLY LINE OF SAID LOT 33.

EXCEPT THEREFROM ALL RIGHTS TO MINERALS, OIL, GAS, TARS, HYDROCARBON AND METALLIFEROUS SUBSTANCES OF EVERY KIND, TOGETHER WITH THE RIGHT TO DRILL OR MINE FOR SAME, WITHOUT, HOWEVER, THE RIGHT TO DRILL OR MINE THROUGH THE SURFACE OF THE UPPER 500 FEET OF THE SUBSURFACE OF THE PROPERTY. NOTWITHSTANDING THE RESERVATION CONTAINED HEREIN, GRANTOR SHALL HAVE NO RIGHT OF SURFACE ENTRY, NOR SHALL THE RESERVATION OF THE RIGHT TO DRILL OR MINE BE CONDUCTED IN ANY WAY OR MANNER WHICH WAY NOW, OR IN THE FUTURE, AFFECT OR INTERFERE WITH EITHER THE DEVELOPMENT OF THE SUBJECT PROPERTY BY GRANTEEES OR THE FUTURE ENJOYMENT OF USE THEREOF BY ANY THIRD PARTY, AS PROVIDED IN THE GRANT DEED RECORDED JUNE 28, 1983 AS INSTRUMENT NO. 83-724245, OFFICIAL RECORDS.

APN: 2069-033-066

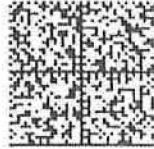
000066

EXHIBIT D



REGISTRAR-RECORDER/COUNTY CLERK  
DOCUMENT ANALYSIS & RECORDING SECTION  
P.O. BOX 1250  
NORWALK, CA 90651-1250

**IMPORTANT NOTICE ON BACK**



U.S. POSTAGE >>> PITNEY BOWES  
ZIP 90650 \$ 000.47<sup>0</sup>  
02 1W  
0001402544 AUG 29 2018

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9143631838 0002

**EXHIBIT D**

# IMPORTANT NOTICE TO NEW PROPERTY OWNERS REGARDING PAYMENT OF PROPERTY TAXES

## ANNUAL JOINT CONSOLIDATED PROPERTY TAX BILL

A new annual property tax bill *IS NOT* mailed when an ownership change occurs. If you do not receive an annual property tax bill by November 1, please visit [lacountypropertytax.com](http://lacountypropertytax.com) for information on when taxes are due, how much is due, and how to obtain a Substitute Secured Property Tax Bill. Failure to receive a property tax bill *IS NOT* a legal reason to cancel penalties. It is *YOUR* responsibility to obtain the amount of taxes due and ensure timely payment. The annual property tax bill is payable in two installments which are delinquent and accrue penalties if not paid by December 10<sup>th</sup> and April 10<sup>th</sup> respectively.

## SUPPLEMENTAL PROPERTY TAX BILL

California law requires that property be reassessed upon change of ownership or completion of new construction. This may result in an additional tax liability. If an additional tax liability is assessed, a supplemental property tax bill(s) for the additional taxes will be mailed to you within the next few months.

The address in the upper left hand corner of your grant deed will become the address of record for your tax bills. If this address is not correct please visit [lacountypropertytax.com](http://lacountypropertytax.com) for information on how to change your mailing address.

## WARNING

If you pay your property taxes with your mortgage payment (impound account) upon receipt of a supplemental property tax bill contact your lender. The tax collector does not provide your lender with a copy of the supplemental property tax bill. Confusion between the owner and the lender *IS NOT* a legal reason to cancel penalties for late payments. Read your supplemental property tax bill carefully as the penalty dates for each installment may be different than your annual property tax bill. If you have any questions, please contact the Tax Collector at [info@lacounty.gov](mailto:info@lacounty.gov) or you may call us at PROPTAX at 1 (213) 974-2111 or write to us at P.O. Box 512102, Los Angeles, California 90051.

FORM 785686E REV 1/17 PO 1/17

000087

EXHIBIT D



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20170758452



Pages:  
0008

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

07/07/17 AT 08:00AM

FEES:	61.00
TAXES:	0.00
OTHER:	0.00
PAID:	61.00



LEADSHEET



2017070210016

00013946874



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SEQ:  
09

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

R27

DAR#

EXHIBIT D

000689

2

Recording Requested By  
Title365.com  
801 North Brand Blvd., suite 320  
Glendale, Ca 91203

When Recorded Mail To  
Pelican Holdings LLC.  
369 South Doheny Dr. #195  
Beverly Hills, CA 90211

Title No.: CA0310-17009725-30  
Escrow No.: 3038-IS



Space above this line for recorder's use

**DEED OF TRUST AND ASSIGNMENT OF RENTS**

RECORDER: INDEX FOR SPÉCIAL NOTICE

This Deed of Trust and Assignment of Rents ("Deed of Trust"), made this 28th day of June 2017, among the Trustor, Regdalin Properties, LLC (herein "Borrower"), Title365.com, 801 North Brand Blvd., Suite 320, Glendale, CA 91203 (herein "Trustee"), and the Beneficiaries, Pelican Holdings LLC., as to an undivided (59.8%) interest; Jeffrey Hoefflin 401k Profit Sharing Plan, as to an undivided (21.8%) interest; and Nadel & Associates Profit Sharing Plan, as to an undivided (18.4%) interest (herein "Lender").

**GRANT IN TRUST, WITH POWER OF SALE**

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants, transfers, conveys and assigns to Trustee, in trust, with power of sale, the following described properties located in the county of Los Angeles, State of California, (the "Real Property") which has the addresses of 6507 Teesdale Avenue, (North Hollywood Area), Los Angeles, CA 91606 APN: 2325-021-029; 14027 Margate Street, (Sherman Oaks Area), Los Angeles, CA 91401 APN: 2247-018-032; and 24366 La Masina Court, Calabasas, CA 91302 APN: 2069-033-066 (herein "Property Address");

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

**Parcel 1:**

The land hereinafter referred to is situated in the City of Los Angeles, County of Los Angeles, State of CA, and is described as follows:

**Parcel 1:**

Lot 49 of Tract No. 13140, in the City of Los Angeles, County of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 253, Pages 19 and 20, of Maps, in the Office of the County Recorder of said County. Except therefrom all oil, gas, minerals and other hydrocarbon substances, lying below a depth of 500 feet, without the right of surface entry.  
APN: 2325-021-029

**Parcel 2:**

The land hereinafter referred to is situated in the City of Los Angeles, County of Los Angeles, State of CA, and is described as follows:

**Parcel 2:**

Parcels A of Parcel Map LA No. 2009-3920, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 372, Pages 70 and 71 of Parcel Maps, in the Office of the County Recorder of said County. Except therefrom all oil, gas, minerals and other hydrocarbon substances, lying below a depth of 500 feet, without the right of surface entry.  
APN: 2247-018-032

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**Parcel 3:**

The land hereinafter referred to is situated in the City of Calabasas, County of Los Angeles, State of CA, and is described as follows:

All of Lot 32 of Tract No. 33915, in the City of Calabasas, in the County of Los Angeles, State of California, as shown on map recorded in Book 1045, pages 88 to 93 inclusive of Maps, in the office of the county recorder of said County of Los

Angeles and that portion of Lot 33 of said Tract No. 33915 lying southerly of the following described line: Commencing at the Southerly terminus of that certain course in the Westerly line of said Lot 33 having a bearing of north

5 degrees 54 minutes 43 seconds East and a distance of 45.00 feet thence North 5 degrees 54 minutes 43 seconds east

along said Westerly line 23.07 feet to the true point of beginning; thence South 84 degrees 28 minutes 08 seconds East

147.01 feet to a point in the easterly line of said lot 33.

Except therefrom all rights to minerals, oil, gas, tars, hydrocarbon and metalliferous substances of every kind, together

with the right to drill or mine for same, without, however, the right to drill or mine through the surface of the upper 500 feet

of the subsurface of the property. notwithstanding the reservation contained herein, grantor shall have no right of surface

entry, nor shall the reservation of the right to drill or mine be conducted in any way or manner which way now, or in the

future, affect or interfere with either the development of the subject property by grantees or the future enjoyment of use

thereof by any third party, as provided in the grant deed recorded June 28, 1983 as Instrument No. 83-724245, official


records.

APN: 2069-033-066

Recorder of said County. TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, and water rights, and water stock, architectural and grading plans, specifications, engineering, approvals, permits, construction contractors, vendor agreements and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; all contract rights pursuant to any purchase and sale agreements or any other agreement, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Lender), which arise from or relate to construction on the Real Property or to any business now or later to be conducted on it, or to the Real Property generally; together with and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

**THIS DEED OF TRUST IS MADE TO SECURE TO LENDER:**

(a) the repayment of the indebtedness evidenced by Borrower's note (herein "Note") dated June 28, 2017, in the principal sum of U.S. \$1,900,000.00, with payment of interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; the performance of the covenants and agreements of Borrower herein contained; and (b) repayment of any future advances, with interest thereon, made to the Borrower by Lender when evidenced by promissory notes stating that said notes are secured hereby (herein "Future Advances"); (c) performance of each and every agreement, obligation, covenant and condition made by or imposed upon Borrower under this Deed of Trust (including, without limitation, those contained in any document incorporated by reference herein) and all supplements, amendments, modifications, extensions and renewals thereof; and in addition (d) this Deed of Trust shall provide the same security on behalf of the Lender, to cover extensions, modifications or renewals, including without limitation, extensions, modifications or renewals of the Note at a different rate of interest; and the performance of the covenants and agreements of Borrower herein contained.

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Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property that the Property is unencumbered except for encumbrances of record, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

UNIFORM COVENANTS. BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

1. **Payments of Principal and/or Interest.** Borrower shall promptly pay, when due, the principal of and/or interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note and the principal of and/or interest on any Future Advances secured by this Deed of Trust.

2. **Funds for Taxes and Insurance (Impounds).** Subject to applicable law, and if required by the Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an Institutional Lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such an agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under Paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, if applicable, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. **Prior Mortgages and Deeds of Trust; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid, at least 10 days before delinquency, all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

5. **Hazard Insurance.** Borrower agrees to provide, maintain and deliver to Lender fire insurance satisfactory and with loss payable to Lender. The amount collected under any fire or other insurance policy may be applied by Lender upon any indebtedness secured hereby and in such order as Lender may determine, or at option of Lender the entire amount so collected or any part thereof may be released to the Borrower. Such application or release shall not cure or waive any Default or Notice of Default hereunder or invalidate any act done pursuant to such notice.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

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In the event of a loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply their insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

If Borrower obtains earthquake, flood or any other hazard insurance, or any other insurance on the Property and such insurance is not specifically required by the Lender, then such insurance shall: (i) name the Lender as loss payee thereunder, and (ii) be subject to all of the provisions of this paragraph 5.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

**7. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which affects Lender's interest in the Property, including but not limited to proceedings by the Lender to obtain relief from stay in any bankruptcy proceeding which would prohibit Lender enforcing its rights under the Deed of Trust, then Lender, at Lender's option, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, including but not limited to payment of delinquent taxes and assessments, insurance premiums due, and delinquent amounts owed to prior lien holders, shall become additional indebtedness of Borrower secured by this Deed of Trust. Such amounts as are disbursed by Lender shall be payable, upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable on the Note. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

**8. Inspection.** Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

**9. Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.


**10. Remedies Cumulative.** All remedies provided in this Deed of Trust are distinct and cumulative to any other or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several.

**12. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower or the Property at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lenders, Jeffrey Hoefflin 401k Profit Sharing Plan and Pelican Holdings LLC., 369 South Doheny Dr., #195, Beverly Hills, CA 90211; (and) Nadel & Associates Profit Sharing Plan, 29800 Agoura Rd., Suite 205, Agoura Hills, CA, 91301; or to such other address as Lender or Agent may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**13. Governing Law.** This Deed of Trust shall be governed by the Laws of the State of California. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not effect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust are declared to be severable.

**14. Lender's Right to Require The Loan to be Paid Off Immediately.** If without Lender's prior written consent the Property encumbered by this Deed of Trust or any portion thereof or any interest therein is sold, conveyed, mortgaged, transferred, encumbered (including, but not limited to, land sale leaseback, installment sale contract, lease-option leaseback, contract for deed

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or conditional sales contract financing), hypothecated, assigned, leased in its entirety for a term of greater than two (2) years or transferred, if the borrower shall be voluntarily or involuntarily divested of title to the Property, or any portion thereof or any interest therein, in any manner, or if more than 25% of the stock, limited partnership interests, managing or non-managing membership interests or any other direct or indirect legal or beneficial ownership interests (as the case may be) of Borrower or any partner, member, shareholder or any other direct or indirect legal or beneficial owner of Borrower shall be sold, conveyed, mortgaged, transferred, hypothecated, assigned or encumbered (each of such foregoing events shall be referred to herein as a "Transfer"), the whole sum of outstanding principal and all accrued and unpaid interest under the Note secured hereby shall, at the option of Lender and without notice, become immediately due and payable. Lender's option hereunder may be exercised at any time after any such Transfer event, and the acceptance by Lender of one or more installments of principal or interest under the Note from any person thereafter shall not constitute a waiver of Lender's option. Consent to one such Transfer shall not be deemed to be a waiver of the right to require such consent to future successive Transfers. Notwithstanding the foregoing, if this Deed of Trust is a lien on residential property containing one to four units, then, the term "Transfer" shall not include a further encumbrance of the Property by a lien that is junior to this Deed of Trust upon the death of a joint tenant.

**15. Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, and without regard to the adequacy of any security for the indebtedness hereby secured, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by Agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

**16. Default; Acceleration; Additional Remedies.** Any of the following events shall be deemed a default under this Deed of Trust: (a) the occurrence of a default in the payment, when due, of principal or interest on the Note or any other sum secured hereby; or (b) the occurrence of a default under any term, covenant, agreement, condition, provision, representation or warranty of Borrower contained in this Deed of Trust or any other agreement secured hereby; or (c) the occurrence of a default under any other note evidencing a loan made by Lender or serviced, arranged or made by or its Affiliates to Borrower or Borrower's partner, member, subsidiary or Borrower's Affiliate. As used in this Deed of Trust, "Affiliate" means any person or entity directly or indirectly controlling, controlled by or under common control with a designated person or entity. Upon the occurrence of any default under this Deed of Trust, Lender may, at its option, declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written Notice of Default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Trustee shall be entitled to rely upon the correctness of such notice. Lender also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as then may be required by law following the recordation of said Notice of Default and Notice of Sale having been given as then required by law, Trustee, without demand on Borrower, shall sell said property at the time and place fixed by it in said Notice of Sale, either as a whole or in separate parcels and in such order as it may determine (but subject to any statutory right of Borrower to direct the order in which said property, if consisting of several lots or parcels, shall be sold), at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property to sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including Borrower, Trustee, or Lender, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate prescribed in the Note; all other sums then secured thereby; and the remainder, if any, to the person or persons legally entitled thereto.

**17. Reconveyance.** Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." The Trustee may destroy said Note, this Deed or Trust (and any other documents related thereto) upon the first to occur of the following: 5 years after issuance of a full reconveyance; or, recordation of the Note and Deed of Trust in a form or medium which permits their reproduction for 5 years following issuance of a full reconveyance.

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18. **Substitution of Trustee.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

19. **Statement of Obligation.** Lender may collect a fee, not to exceed the maximum amount permitted by law, for furnishing the statement of obligations as provided by Section 2943 of the Civil Code of California.


MISCELLANEOUS PROVISIONS

20. **General Provisions.** Borrower acknowledges and agrees that time is of the essence with respect to the obligations under this Deed of Trust and the Note secured by this Deed of Trust. A determination that any provision of this Deed of Trust is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Deed of Trust to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Deed of Trust may not be amended except in a writing specifically intended for such purpose and executed by Borrower and Lender. Captions and headings in this Deed of Trust are for convenience only and shall be disregarded for any other purpose. The words "include" and "including" shall be interpreted as if followed by the words "without limitation." This Deed of Trust, and its validity, enforcement and interpretation, shall be governed by California law (without regard to any conflict of laws principles) and applicable United States federal law.

21. **Final Expression/No Oral Agreements.** READ THIS DOCUMENT CAREFULLY. THIS DEED OF TRUST REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

22. **Acceptance by Lender of a Partial Payment After Notice of Default.** By accepting partial payment (payments which do not satisfy a default or delinquency in full) of any sums secured by this Deed of Trust after a Notice of Default has been recorded, or by accepting late performance of any obligation secured by this Deed of Trust, or by adding any payment so made to the loan secured by this Deed of Trust, whether or not such payments are made pursuant to a court order, the Lender does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to make any such prompt payment or to perform any such act. No exercise of any right or remedy of the Lender or Trustee under this Deed of Trust shall constitute a waiver of any other right or remedy contained in this Deed of Trust or provided by law.

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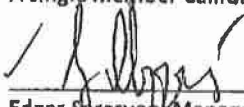
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EXHIBIT D

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Regdalin Properties, LLC,  
A single member California Limited Liability Company

  
Edgar Sargsyan, Manager

**REQUEST FOR SPECIAL NOTICE OF DEFAULT AND FORECLOSURE  
UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Deed of Trust to give Notice to Lender care of Lender's Servicing Agent, at it's address set forth on page one of this Deed of Trust, of any default under the superior encumbrances and of any sale or other foreclosure action.

IN WITNESS WHEREOF, BORROWER HAS EXECUTED THIS DEED OF TRUST

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.

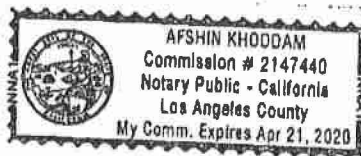
STATE OF CALIFORNIA  
COUNTY OF Los Angeles

On 7, 5, 17, before me, AFSHIN KHODDAM a Notary Public, personally appeared Edgar Sargsyan, who proved to me on the basis of satisfactory evidence to be the person whose name is 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 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 that laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal,

  
Notary Public commissioned for said County and State



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20180740647



Pages:  
0008

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

07/24/18 AT 04:54PM

FEEs:	38.00
TAXES:	0.00
OTHER:	0.00
SB2:	75.00
PAID:	113.00



LEADSHEET



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009235367

SEQ:  
01

DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED

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EXHIBIT D

RECORDING REQUESTED BY AND MAIL TO:  
(Name and mailing address, including city, state,  
and ZIP code, of requesting party)

Armen G. Mitilian, Esq.  
MITILIAN LAW GROUP, APLC  
16633 Ventura Boulevard, Suite 1000  
Encino, California 91436



SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

### DOCUMENT TITLE

- ABSTRACT OF JUDGMENT
- ACKNOWLEDGMENT OF SATISFACTION OF JUDGMENT
- OTHER (specify): ASSIGNMENT OF DEED OF TRUST

**EXHIBIT D**

080678

**RECORDING REQUESTED BY**

**SBK Holdings USA, LLC**

AND WHEN RECORDED MAIL TO

Armen G. Mitilian, Esq.  
Mitilian Law Group, APLC  
16633 Ventura Blvd., Ste 1000  
Encino, CA 91436

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**ASSIGNMENT OF DEED OF TRUST**

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APN: 2325-021-029; 2247-018-032; 2069-033-066

**FOR VALUE RECEIVED**, each of the undersigned hereby absolutely, irrevocably and unconditionally sells, grants, assigns and transfers, sets over, conveys and endorses to **SBK Holdings USA, Inc., a California corporation**, all beneficial interest under that certain Deed of Trust dated June 28, 2017 executed by **Edgar Sargsyan, Manager, of Regdalin Properties, LLC, Trustor, Title365.com, Trustee, Pelican Holdings LLC., as to an undivided (59.8%) interest; Jeffrey Hoefflin 401k Profit Sharing Plan, as to an undivided (21.8%) interest; Nadel & Associates Profit Sharing Plan, as to an undivided (18.4%) interest**, Beneficiary/Lender and recorded as Instrument No. **20170758452** on **July 7, 2017** in the Official Records in the County Recorder's office of Los Angeles County, California, AS DESCRIBED IN SAID DEED OF TRUST, regarding the real properties more particularly described on Exhibit "A" attached hereto and incorporated by this reference, TOGETHER with the note or notes therein described or referred to, the money due and to become due thereon with interest, and all rights accrued or to accrue under said Deed of Trust.


Dated 7-19-18

**Pelican Holdings LLC., as to an undivided (59.8%) interest**

  
\_\_\_\_\_  
Jeffrey Hoefflin


Dated 7-19-18

**Jeffrey Hoefflin 401k Profit Sharing Plan, as to an undivided (21.8%) interest**

  
\_\_\_\_\_  
Jeffrey Hoefflin

Dated 7-18-18

**Nadel & Associates Profit Sharing Plan, as to an undivided (18.4%) interest**

  
\_\_\_\_\_  
Mark Nadel



**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 Los Angeles )  
On 7/18/18 before me, Joel Sanchez, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared Mark Madel  
Name(s) of Signer(s)

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 Joel Sanchez  
Signature of Notary Public

Place Notary Seal Above

**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: Assignment of Deed of Trust  
Document Date: \_\_\_\_\_ Number of Pages: 1  
Signer(s) Other Than Named Above: Jeffrey Hoefflin

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

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**EXHIBIT D**

**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 Los Angeles )  
On 7/19/18 before me, Joel Sanchez, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared Jeffrey Hoefflin  
Name(s) of Signer(s)

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 [Handwritten Signature]  
Signature of Notary Public

Place Notary Seal Above

**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: Assignment of Deed of Trust  
Document Date: \_\_\_\_\_ Number of Pages: 1  
Signer(s) Other Than Named Above: Mark Nadel

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

By signing below, SBK Holdings USA, Inc., a California corporation ("SBK Holdings") hereby acknowledges and agrees that as of the date of the Assignment of Deed of Trust, SBK Holdings shall be the owner of all rights, title and interest in, under and to the Deed of Trust dated June 28, 2017 executed by Edgar Sargsyan, Manager, of Regdalin Properties, LLC, Trustor, Title365.com, Trustee, Pelican Holdings LLC., as to an undivided (59.8%) interest; Jeffrey Hoefflin 401k Profit Sharing Plan, as to an undivided (21.8%) interest; Nadel & Associates Profit Sharing Plan, as to an undivided (18.4%) interest, Beneficiary/Lender and recorded as Instrument No. 20170758452 on July 7, 2017, in the Official Records in the County Recorder's office of Los Angeles County, California, as described in said Deed of Trust, regarding the real properties more particularly described on Exhibit "A" attached hereto and incorporated by this reference, together with the note or notes therein described or referred to, the money due and to become due thereon with interest, and all rights accrued or to accrue under said Deed of Trust

**ASSIGNEE**

SBK HOLDINGS USA, INC.

By: 

Name: Levon Termendzhyan

Title: President

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**EXHIBIT D**

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 Los Angeles )

On July 23<sup>rd</sup>, 2018 before me, Jennifer Joy, Notary Public, personally appeared Levon Termendzhyan, 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:  (seal)

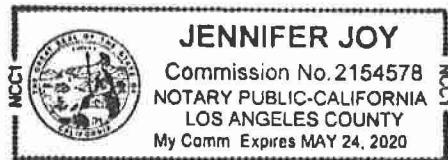


EXHIBIT A

PARCEL 1:

APN: 2325-021-029

LOT 49 OF TRACT NO. 13140, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 253, PAGES 19 AND 20, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, LYING BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY.

PARCEL 2:

APN: 2247-018-032

PARCELS A.OF PARCEL MAP LA NO. 2009-3920, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 372, PAGES 70 AND 71 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, LYING BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY.

PARCEL 3:

APN: 2069-033-066

ALL OF LOT 32 OF TRACT NO. 33915, IN THE CITY OF CALABASAS, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 1045, PAGES 88 TO 93 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY OF LOS ANGELES AND THAT PORTION OF LOT 33 OF SAID TRACT NO. 33915 LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHERLY TERMINUS OF THAT CERTAIN COURSE IN THE WESTERLY LINE OF SAID LOT 33 HAVING A BEARING OF NORTH 5 DEGREES 54 MINUTES 43 SECONDS EAST AND A DISTANCE OF 45.00 FEET THENCE NORTH 5 DEGREES 54 MINUTES 43 SECONDS EAST ALONG SAID WESTERLY LINE 23.07 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 84 DEGREES 28 MINUTES 08 SECONDS EAST 147.01 FEET TO A POINT IN THE EASTERLY LINE OF SAID LOT 33.

EXCEPT THEREFROM ALL RIGHTS TO MINERALS, OIL, GAS, TARS, HYDROCARBON AND METALLIFEROUS SUBSTANCES OF EVERY KIND, TOGETHER WITH THE RIGHT TO DRILL OR MINE FOR SAME, WITHOUT, HOWEVER, THE RIGHT TO DRILL OR MINE THROUGH THE SURFACE OF THE UPPER 500 FEET OF THE SUBSURFACE OF THE PROPERTY. NOTWITHSTANDING THE RESERVATION CONTAINED HEREIN, GRANTOR SHALL HAVE NO RIGHT OF SURFACE ENTRY, NOR SHALL THE RESERVATION OF THE RIGHT TO DRILL OR MINE BE CONDUCTED IN ANY WAY OR MANNER WHICH WAY NOW, OR IN THE FUTURE, AFFECT OR INTERFERE WITH EITHER THE DEVELOPMENT OF THE SUBJECT PROPERTY BY GRANTEEES OR THE FUTURE ENJOYMENT OF USE THEREOF BY ANY THIRD PARTY, AS PROVIDED IN THE GRANT DEED RECORDED JUNE 28, 1983 AS INSTRUMENT NO. 83-724245, OFFICIAL RECORDS.

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EXHIBIT D

# EXHIBIT E

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**ALLONGE**

FOR VALUE RECEIVED, the undersigned, the original or successor payee under that Promissory Note dated June 28, 2017, in the original amount of \$1,900,000.00 made by Regdalin Properties, LLC, and payable to the order of Pelican Holdings LLC., as to an undivided (59.8%) interest; Jeffrey Hoefflin 401k Profit Sharing Plan, as to an undivided (21.8%) interest; Nadel & Associates Profit Sharing Plan, as to an undivided (18.4%) interest (the "Note"), to which this endorsement is affixed, absolutely assigns, transfers, endorses, negotiates, and sets over to and makes payable to the order of SBK Holdings USA, Inc. ("Purchaser"), the Note, without recourse, representation or warranty of any kind.

This assignment includes the Note, all interest, principal, and other sums due or to become due under the Note, and all other rights of any nature accrued or to accrue under the Note.


**Pelican Holdings LLC., as to an undivided (59.8%) interest**

Dated 7-19-18

  
\_\_\_\_\_  
Jeffrey Hoefflin

**Jeffrey Hoefflin 401k Profit Sharing Plan, as to an undivided (21.8%) interest**

Dated 7-19-18

  
\_\_\_\_\_  
Jeffrey Hoefflin

**Nadel & Associates Profit Sharing Plan, as to an undivided (18.4%) interest**

Dated 7-18-18

  
\_\_\_\_\_  
Mark Nadel

**PROMISSORY NOTE SECURED BY DEED OF TRUST**

RE: **6507 Teesdale Avenue, (North Hollywood Area), Los Angeles, CA 91606 APN: 2325-021-029, In first position, as parcel 1- as described in Deed of Trust**  
**14027 Margate Street, (Sherman Oaks Area), Los Angeles, CA 91401 APN: 2247-018-032, In first position, as parcel 2- as described in Deed of Trust**  
**24366 La Masina Court, Calabasas, CA 91302 APN: 2069-033-066 In second position, as parcel 3-as described in Deed of Trust**

Date: June 28, 2017  
Loan Number: 3615 MSK

U.S. \$1,900,000.00

FOR VALUE RECEIVED, at the times and in the manner hereinafter stated, the undersigned, Regdalin Properties, LLC ("Maker") whose mailing address is 13854 Albers St., Sherman Oaks, CA 91481 promises to pay to the order of Pelican Holdings LLC., as to an undivided (59.8%) interest; Jeffrey Hoefflin 401k Profit Sharing Plan, as to an undivided (21.8%) interest; and Nadel & Associates Profit Sharing Plan, as to an undivided (18.4%) interest ("Holders"), at such place or places, either within or without the State of California, as Holder may from time to time designate in writing, in legal tender of the United States of America, the principal sum of One Million Nine Hundred Thousand U.S. Dollars and Zero Cents (U.S. \$1,900,000.00) with interest on the unpaid principal at the rates and upon the terms and conditions set forth herein below.

1. Payment of Principal and Interest. Principal and interest under this Promissory Note (this "Note") shall be payable as follows:

1.1 Interest Rate: Interest shall accrue on the principal sum of this Note outstanding, from and including June 28, 2017, until repaid at the rate of (10.00%) per annum.

1.2 Monthly Interest Payment. Monthly payments of interest only, with interest computed at the above described rate of Ten Percent (10.00%) in the total amount of Fifteen Thousand Eight Hundred and Thirty-Three Dollars and Thirty-Three Cents US (\$15,833.33) per month, which shall be due and payable on the first day of each month, with the first payment commencing on September 01, 2017. Maker acknowledges and agrees that interest for the month of July shall be calculated at the interest rate of (\$527.78) per day and shall be paid to individual Holders by Maker, in advance, from the date of actual funding, until the end of the month of July 2017, through the escrow. Maker acknowledges, agrees, and accepts that interest only payments will be paid to the individual Holders at the addresses as described in the Deed of Trust, as follows:

**Pelican Holdings LLC.- \$9,468.33** per month due on the 1<sup>st</sup> of each month, commencing September 1, 2017. Per diem rate, starting July 01, 2017: **\$315.61**

**Jeffrey Hoefflin 401k Profit Sharing Plan- \$3,451.67** per month due on the 1<sup>st</sup> of each month, paid in arrears and commencing September 1, 2017. Per diem rate, starting July 01, 2017: **\$115.06**

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NOTE Page 1 of 8

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**EXHIBIT E**



**Nadel & Associates Profit Sharing Plan- \$2,913.33** per month due on the 1<sup>st</sup> of each month, paid in arrears and commencing September 1, 2017. Per diem rate, starting July 3, 2017: **\$97.11**

ADDITIONAL INTEREST: \*\*Maker acknowledges, agrees, and accepts interest accrued on (\$800,000.00) Eight Hundred Thousand Dollars and Zero Cents US, funded to title by Pelican Holdings, LLC, on June 29<sup>th</sup>, 2017 has earned interest in the amount of \$222.22 per diem for the dates of June 29 and 30, 2017, for a total of \$444.44, and shall be collected by the escrow and paid to the Holder (Pelican Holdings LLC) by the Maker.

**1.3 Pre-Payment Penalty.** Maker acknowledges, agrees, and accepts that a pre-payment penalty will apply to this loan. There is a prepayment penalty. If the Maker pays off this loan within the first full two (2) months after recordation, an interest penalty, in the amount of **(\$38,000.00)** will be charged to the Maker by the Holders, and will be due the Holders by the Maker, per demand.

**1.4 Balloon Payment of Principal.** The entire principal of this Note shall be due and payable on **August 01, 2018** ("Maturity Date") without any grace period or any delay whatsoever. Maker acknowledges that there is no extension granted to it for the payment of principal which shall be due and payable on the Maturity Date. Maker acknowledges that on the Maturity Date, beside the entire principal, Maker shall be liable for the final monthly interest payment and any other accrued interest which has not been paid, plus any and all late charges and other expenses payable to Holder, if any, as due and payable under this Note.

**1.4 a Agreement for Partial Reconveyance:** Maker and Holders acknowledge, agree, and accept the following terms for partial reconveyance of the deed of trust associated with this note, also dated 28 June 2017, and insured by title365.com under title order number CA0310-17009725-30:

If Maker sells parcel 1, known as 6507 Teesdale Avenue, LA, CA 91606, Holder will issue a demand in the exact amount of \$750,000.00, plus any outstanding or/and pro-rated interest payments due the Holders. Upon the payoff in this amount, due to the sale of parcel 1, Holders agree to reconvey their interest in parcel 1, leaving a balance of \$1,150,000.00 on parcel 2. Monthly interest payments will adjust to reflect that balance outstanding.

If Maker sells parcel 2, known as 14027 Margate Street LA, CA 91401, Holders will issue a demand in the exact amount of \$1,300,000.00, plus any outstanding or/and pro-rated interest payments due the Holders. Upon payoff in this amount, due to the sale of parcel 2, Holders agree to reconvey their interest in parcel 2, leaving a balance of \$600,000.00 on parcel 1. Monthly interest payments will adjust to reflect that balance outstanding.

If a sale of either or both properties occurs within the pre-payment penalty term as described in item 1.3 of this note, the penalty will apply, and be due the Holders by the Maker.

**1.5 Application of Payments.** Each payment hereunder shall, when made, be credited first to late charges and other expenses payable to Holder as provided herein, if any, then to interest then due and payable, and the remainder to principal so credited. A payment shall be deemed "made" when and only when funds are actually tendered to Holder or Holder's designated depository by valid check drawn on a California bank account with "sufficient funds" or by other readily available funds.

**2. Security for this Note:**

**EXHIBIT E**

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2.1 **Deed of Trust as security.** This Note is secured by, among other things, that certain long form Deed of Trust with assignment of rents, dated as of substantially even date herewith ("the deed of trust"), executed by certain individuals who make up the maker, as Trustor, to **Title365.com**, as Trustee, in favor of Holder, as Beneficiary, which encumbers the interests of Trustor in the "Property" (as such term is defined in the Deed of Trust), which consists principally of real property and improvements thereon located generally at **6507 Teesdale Avenue, (North Hollywood Area), Los Angeles, CA 91606 APN: 2325-021-029 (as to parcel 1 in first position) and 14027 Margate Street, (Sherman Oaks Area), Los Angeles, CA 91401 APN: 2247-018-032 (as to parcel 2 in second position)** and more particularly described in said Deed of Trust.

3. **Interest Rate Upon Default:** Should Maker default in the payment of any of the indebtedness evidenced hereby or in the performance of any of its obligations under any of the Loan Documents, after the entire principal amount hereby shall have become due and payable, whether by acceleration, at maturity or otherwise (but only after the expiration of applicable cure or grace periods, if any, specifically provided for in the relevant Loan Documents), the entire unpaid balance of that principal sum plus interest accrued to the date of non-payment shall bear interest at the "Demand Rate", which is the lesser of (a) eighteen (18%) per annum, or (b) the highest rate permitted by law. Said Demand Rate shall only apply for such periods that Maker remains in default; the interest rate shall return to **10.00% per annum** following the cure of any such default.

4. **Due on Further Encumbrance:** Maker acknowledges that the further encumbering of the Property (apart from the Deed of Trust) could significantly and materially alter, impair and reduce Holder's security for this Note. Therefore, in order to induce Holder to accept this Note, Maker agrees not to further encumber the Property (including without limitation by deed of trust, mortgage, assignment of leases or rents, installment or land-sale contract, pledge or similar mechanism), or any portion thereof, or any interest therein, unless the prior written consent of Holder is first obtained. Holder may grant or deny such consent in its sole and unfettered discretion.

5. **Due on Sale or Transfer:** Maker acknowledges that the transfer of the Property which is encumbered by the loan, evidenced by this Note, could significantly and materially alter, impair or reduce Holder's security for this Note. Therefore, in order to induce Holder to accept this Note, Maker agrees not to "transfer" (as defined below) the Property, or any portion thereof, or any interest therein, without the prior written consent of Holder. Holder may grant or deny such consent in its sole and unfettered discretion. If any such consent to transfer should be given, the transferee by such transfer shall automatically become subject to and obligated by this Note, the Deed of Trust and the of the Loan documents but maker's obligations hereunder. Consent to one such transfer shall not end herein in this Paragraph 5, "transfer" includes the sale, option to sell, contract to sell, agreement to sell, installment sale (land-sale contract), transfer, assignment, pledge, gift or grant, conveyance or further encumbrance of the Property or any portion thereof, or any interest herein, whether voluntary or involuntary, by operation of law or otherwise, or any other event which is described in Paragraphs 15 and 16 of Deed of Trust.

6. **Late Charge:** In the event that any given monthly payment required hereunder or under the Deed of Trust shall not be received by Holder within ten (10) days of the due date, a late charge of six cents (\$0.06) for each dollar (\$1.00) of the amount of such given monthly payment so overdue may be charged by Holder for the purpose of defraying the expense incident to handling such delinquent payment. Such late charge represents the reasonable estimate of Holder and Maker of a fair average compensation for the loss that may be sustained by Holder due to the failure of Maker to make timely payments. Such late charge shall be paid without prejudice to the right of Holder to collect any other amounts provided to be paid or to declare a default under this Note or the Deed of Trust. Any late

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NOTE Page 3 of 8

**EXHIBIT E**

charges which may accrue and for which notice has been provided shall be payable on the date the next monthly installment is due under this Note. The sum past due and Rate from the due date of shall bear interest at the sum past due until the date of the payment of such sum. In the event Maker tenders any payment due under this Note, to Holder in form of a check or draft drawn on a California bank account or a financial institution and such check or draft is returned or rejected for any reason, then, in addition to charges imposed by this Paragraph 6, Maker shall pay Holder an amount of \$150.00 to cover Holder's out-of pocket expenses and delays. This additional charge in no way waives or limits Holder's legal rights or remedies hereunder, or its rights to recover treble damages under California Civil Code §1719.

7. **Acceleration upon Default:** If any of the following events (collectively, "Events of Default") shall occur and be continuing:

(a) breach or default in timely payment of principal, interest, or any other Indebtedness or payments of money evidenced by this Note or the Deed of Trust, as and when required, after the expiration of a five (5)-day grace period, during which time Maker may cure the default but only by making the required payment; or

(b) breach or default in performance of any term, covenant, condition or agreement under this Note, the Deed of Trust or any of the other Loan Documents, other than relating to the payment of indebtedness or money; or

(c) maker applies for or consents to the appointment of a receiver or trustee for it or any portion of its personal or real property, or if such receiver or trustee is appointed for Maker or its property and is not discharged within thirty (30) days after the date of such appointment, or Maker makes an assignment for the benefit of creditors, or Maker admits in writing its inability to pay its debts as they become due, or Maker becomes insolvent, or a petition is filed by Maker pursuant to any of the provisions of the Bankruptcy Code, 11 U.S.C. Sections 101 et seq., as amended, or any similar or successor statute or such a petition is filed against Maker and is not dismissed or vacated within thirty (30) days after the date of filing; or

(d) there is an attachment or sequestration of any of the property of Maker and the same is not discharged or bonded within sixty (60) days; or

(e) a further encumbering or transfer of the Property in violation of the provisions of Paragraph 4 or 5 of this Note; or

(f) any representation, warranty or disclosure made to Holder by Maker proves to be materially false or misleading on the date as of which made, whether or not that representation or disclosure appears in the Loan Documents; or

(g) the occurrence of any of the events of default described in the Deed of Trust or the other Loan Documents; or

(h) at any time during the term of this Note, Maker's financial condition, its present net worth or credit rating is no longer the same as of the date of this Note or in Holder's sole discretion and opinion the fair market value of the Property is no longer the same or equal to the fair market value of the Property as of the date of this Note; **then and in any such event, Holder may without notice declare the entire principal balance evidenced hereby, plus all accrued and unpaid interest and any other amounts due under the Loan Documents, immediately due and payable.**

**EXHIBIT E**

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NOTE Page 4 of 8

8. **Representations, Warranties and Covenants of Maker:** Maker hereby covenants, agrees, discloses, represents and warrants that each and every one of the following is true and correct as of the date of this Note, and shall remain true and correct thereafter through the closing date and thereafter so long as any amount of principal or interest required to be paid under this Note remains unpaid.

8.1 **Ownership:** Maker, or certain individuals who make up the Maker, is and at the closing shall be the sole and exclusive owner of a fee simple absolute interest in and to the Property and at the closing no other person or entity will have any claims, any ownership right, title or interest in and to any portion of said Property. Without limitation on the foregoing, Maker represents and warrants that there are no tenant or person in possession of the Property, or is under a lease or has a tenancy relationship with Maker as it may relate to the Property and no one has any option to purchase any portion of the Property;

8.2 **Existing Encumbrances:** The Property shall at the closing not be encumbered by any deed of trust (said Deed of Trust be in the first position) which would make said Property serve as security for any underlying indebtedness of any person or entity, except for any existing lender's trust deeds, all of which will be reconveyed and released as part of the closing hereunder;

8.3 **Preservation of Collateral.** Maker will maintain, preserve and keep the property and shall make, or cause to be made, all necessary and appropriate repairs, renewals, replacements, substitutions, additions and betterments so that the efficiency of all improvements on the property at all times be properly preserved and maintained;

8.4 **Insurance.** Maker has maintained and will maintain, preserve and keep adequate policies of hazard insurance including fire, flood if necessary and liability, for the Property in effect commencing as of the closing date for so long as any amount of principal or interest required to be repaid under this Note remains unpaid, and Maker shall add Holder's name as additional insured (as a "loss payee") to said policy and will properly and promptly notify Holder in writing of any cancellation, amendment or modification thereof. The cost for all such policies shall be borne exclusively by Maker, and Maker agrees to submit evidence satisfactory to Holder upon reasonable request thereof, establishing that such policies are in effect;

8.5 **Notice of Claims.** Maker shall properly and promptly notify Holder in writing of any claims, suit or proceeding brought against Maker which, if adversely determined, would have an effect upon Maker's financial condition or business affairs or which in any way pertains to the Property or title thereto;

8.6 **Taxes.** Maker will pay in full when due all property taxes and assessments assessed against the Property and will submit evidence satisfactory to Maker of such payments upon request thereof;

8.7 **Environmental Compliance.** Maker represents that no one has generated manufactured, produced, stored, installed, constructed or disposed of on, under or about Property or transported to or from Property any flammable explosives, asbestos, radioactive materials, hazardous wastes or hazardous materials (as defined under applicable California and federal laws), toxic substances or related injurious materials (collectively, "Hazardous Materials") and no storage tank of any type exists under or about the Property. Without limiting the generality of any of the foregoing, Maker has no knowledge of any proceeding or inquiry by any governmental authority with respect to any violation of laws regarding Hazardous Materials on the Property or the migration thereof from or to other properties and as long as any amount of principal or interest required to be paid under this Note remains unpaid, no Hazardous Materials shall be brought, generated, manufactured, produced, stored

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at, on, in, around and/or under the Property and improvements, other than those used in the regular course of business and for which Maker or its current tenants have licenses from proper authority such as a government agency or regulatory body;

8.8 **Not in Default or Violation.** Maker is not in default under or in violation of any laws, order, writ, judgment, injunction, decree, determination or award. Maker is not in default under any obligation, agreement, instrument, loan, any lease or indenture, whether to a bank or otherwise;

8.9 **No Governmental Approvals Require.** Maker does not require any authorization, consent, approval, order, license, exemption from, or filing, registration, or qualification with, any governmental agency in connection with the execution and delivery by maker, and the performance by maker, of all or any of its obligations under the Loan Documents, except that filing and/or recording with governmental agencies may be required to perfect Liens, security interest, or other charges or encumbrances granted to Holder by Maker;

8.10 **Tax Liability** Maker has filed and shall file all tax returns (federal, state, and local) required to be filed and has paid and shall pay all taxes shown thereon to penalties, if any;

8.11 **Pending Litigation.** There are not actions, suits, or proceedings pending, or threatened, against or affecting the Maker, or involving the validity or enforceability of any of the Loan Documents or the priority of the lien of the Deed of Trust, at law or in equity, or before or by any governmental agency, except actions, suits, and proceedings that are fully covered by insurance or which, if adversely determined, would not substantially impair the ability of Maker to perform each and every one of its obligations under and by virtue of the Loan Documents; and Maker is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental agency;

8.12 **Violation of Laws.** Maker has no knowledge of any violations or notices of violations of any laws relating to the Property;

8.13 **Solvency.** Maker is and shall continue to be able to pay its debts as they mature and the realizable value of all its total assets is, and at all times that it may have obligations hereunder shall continue to be, sufficient to satisfy and all obligations hereunder;

8.14 **Permits.** Maker possesses all licenses, permits, franchises, patents, copyright, trademarks and trade names, or rights thereto, that are necessary to conduct its business substantially as now conducted and as presently proposed to be conducted, and Maker is not in material violation of any valid rights of others with respect to any of the foregoing;

8.15 **Survival.** The representations, warranties and covenants of Maker contained herein or in any document or certificate furnished or to be furnished to Holder pursuant to this Note, including without limitation the Loan Documents and any other documents to be executed by Maker hereunder, shall survive the closing and the recordation of the Deed of Trust and other documents hereunder with the Recorder; and

8.16 **Date.** Maker's representations and warranties will be true and correct as of the closing date as if made again on that date.

9. **Attorney's Fees.** In the event that suit be brought hereon by Holder or its assignee, or an attorney be employed or expenses be incurred to compel payment of this Note or any portion of the indebtedness evidenced hereby or to defend the priority of the Deed of Trust or as otherwise provided

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EXHIBIT E



in the Deed of Trust (with or without the actual commencement of a lawsuit), Maker promises to pay all such attorneys' fees, costs and expenses of investigation, all as actually incurred by Holder as a result thereof and including, without limitation, attorneys' fees, costs and expenses of investigation incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under Chapters 7, 11 or 13 of the Bankruptcy Code or any successor thereto penalties, if any;

10. **Waiver of Notice.** The maker hereby waives diligence, demand, presentment for payment, notice of nonpayment, protest and notice of protest and, specifically, consents to waive notice of any renewals or extensions of this Note, whether made to or in favor of Maker or any other person or persons. The pleading of any statute of limitations as a defense to any demand against Maker is expressly waived by Maker.

11. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of California.

12. **Exercise of Rights.** No single or partial exercise of any power granted to Holder under this Note, the Deed of Trust or any other agreement securing this Note shall preclude any other or further exercise thereof or the exercise of any other power. The release of any party liable under this Note shall not operate to release any other party liable hereunder.

13. **Successors and Assigns.** The terms of this Note apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. This Note may be freely assigned by Holder, but may not be assigned, in whole or in part, by Maker.

14. **Conditions Precedent.** Maker hereby certifies and declares that all acts, conditions and things required to be done and performed as conditions precedent to the execution and delivery of this Note, and to constitute this Note a valid obligation of the Maker in accordance with its terms, have been done and performed in compliance with all applicable laws.

15. **Jurisdiction and Venue.** Maker and every person who assumes the obligations of this Note hereby irrevocably submit to the jurisdiction of the courts of the United States of America for the Central District of California and of the State of California.

16. **Severability.** If any provision or any word, term, clause or part of any provision of this Note shall be invalid for any reason, the remainder of this Note and the provisions thereof shall remain in full force and effect.

17. **Exercise of Rights.** No single or partial exercise of any power granted to Holder under this Note shall preclude any other or further exercise thereof or the exercise of any other power. Holder shall at all times have the right to proceed against any portion of the security which secures payment of the indebtedness evidenced hereby in such order and manner as Holder may deem fit, without waiving any rights with respect to any other security. No delay or omission on the part of Holder in exercising any right under this Note, the Deed of Trust, Loan Documents or any other agreement securing this Note shall operate as a waiver of such right or of any other right. The release of any party liable under this Note shall not operate to release any other party liable hereunder.

18. **Right of Entry.** Holder or Holder's agent, representative, attorney or his successor-in-interest shall have the right at all times to enter the Property for whatever purpose Holder deems appropriate, including, without limitation, inspection of the Property and the posting of such notices and other written or printed material thereon as Holder may deem appropriate or desirable.

**EXHIBIT E**

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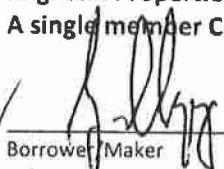
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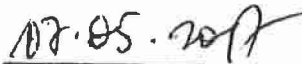
19. **Married Person.** Each married person who executes this Note in his or her individual capacity hereby agrees and expressly binds not only his or her separate property and his or her share of community property but also he or she represents, warrants and covenants, that he or she has obtained the express authorization of his or her respective spouse to bind their entire community property and it is hereby agreed that nothing herein shall be construed or affect the liability of his or her respective spouse.

20. **Joint and Several Liability.** Maker and each individual component of it shall be jointly and severally liable to Holder for any and all monetary debt and other obligations under this Note and the Loan Documents and each individual who makes up the Maker personally guarantees any and all monetary debt and other obligations under this Note and the Loan Documents.

IN WITNESS WHEREOF, BORROWER(S)/MAKER(S) HAVE EXECUTED THIS NOTE AS THE DATE FIRST WRITTEN ABOVE.

Regdalin Properties, LLC,  
A single member California Limited Liability Company

  
Borrower/Maker  
Edgar Sargsyan, Manager  
TIN: 27-5086011

  
Date

**DO NOT DESTROY THIS NOTE:** When paid it must be surrendered to the Trustee, together with the Deed of Trust securing same for cancellation, before reconveyance will be made.

**EXHIBIT E**

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INIT.   
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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: 550 S. Hope Street, Suite 1765, Los Angeles, CA 90071

A true and correct copy of the foregoing document described as: **NOTICE OF MOTION AND MOTION FOR ORDER AUTHORIZING SALE OF REAL PROPERTY LOCATED AT 6507 TEESDALE AVENUE; etc.** 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 indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** - Pursuant to controlling General Order(S) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **April 8, 2019**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addresses indicated below:

- **Eric Bensamochan** eric@eblawfirm.us, G63723@notify.cincompass.com
- **Mikel R Bistrow** mikel.bistrow@dinsmore.com, caron.burke@dinsmore.com
- **Christopher Celentino** chris.celentino@dinsmore.com, caron.burke@dinsmore.com;SDCMLFiles@DINSMORE.COM
- **Daniel K Fujimoto** wdk@wolffirm.com
- **Scott E Gizer** sgizer@earlysullivan.com, zgidding@earlysullivan.com
- **Asa S Hami** ahami@sulmeyerlaw.com, agonzalez@sulmeyerlaw.com;agonzalez@ecf.inforuptcy.com;ahami@ecf.inforuptcy.com

X  Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL** (indicate method for each person or entity served): On **April 8, 2019** I served the following person(s) and/or entity(ies) at the last known address(es) 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/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**BY FEDERAL EXPRESS**

**UNITED STATES BANKRUPTCY COURT**

Hon. Sheri Bluebond  
United States Bankruptcy Court  
Edward R. Roybal Federal  
Building and Courthouse  
255 E. Temple Street, Suite 1534  
Los Angeles, CA 90012

**BY FIRST CLASS U.S. MAIL**

**DEBTOR(S)**

Regdalin Properties, LLC  
150 S. Rodeo Drive., Suite 290  
Beverly Hills, CA 90212-2409

X  Service information continued on attached page

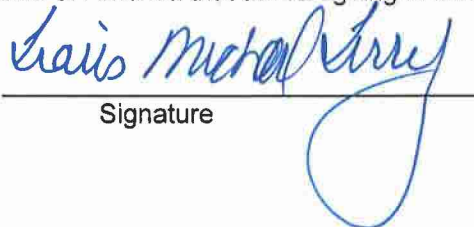
**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **April 8, 2019** I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method) by facsimile transmission and/or email as follows: Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

    Service information continued on attached page

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

**April 8, 2019**  
Date

**TRAVIS MICHAEL TERRY**  
Type name

  
Signature



**ADDITIONAL SERVICE INFORMATION (if needed):**

**SERVED BY THE COURT VIA NEF**

- **Jacqueline L James** jjames@hrhlaw.com
- **David S Kupetz** dkupetz@sulmeyerlaw.com, dperez@sulmeyerlaw.com; dperez@ecf.courtdrive.com; dkupetz@ecf.courtdrive.com
- **Kenneth G Lau** kenneth.g.lau@usdoj.gov
- **Zi Chao Lin** zlin@garrett-tully.com, dcameron@garrett-tully.com
- **Yevgeniya Lisitsa** gina@lisitsalaw.com, glisitsa@gmail.com
- **Richard D Marks** RDMarks@rdmpc.com
- **Peter J Mastan** peter.mastan@dinsmore.com
- **Daniel J McCarthy** dmccarthy@hillfarrer.com, spadilla@hillfarrer.com; docket@hillfarrer.com
- **Robert S McWhorter** rmcwhorter@buchalter.com, dbardon@buchalter.com; asmith@buchalter.com
- **Henrik Mosesi** hmosesi@gmail.com
- **R. Todd Neilson (TR)** tneilson@brg-expert.com, sgreenan@brg-expert.com; tneilson@ecf.epiqsystems.com; ntroszak@brg-expert.com
- **Lee S Raphael** ecfcca@ecf.courtdrive.com
- **William J Sexton** wsexton@hrhlaw.com
- **United States Trustee (LA)** ustpregion16.la.ecf@usdoj.gov
- **Claire K Wu** ckwu@sulmeyerlaw.com, mviramontes@sulmeyerlaw.com; ckwu@ecf.courtdrive.com; ckwu@ecf.inforuptcy.com

**BY FIRST CLASS U.S. MAIL**

**BUYER**

Albert Grigoryan  
1400 Irving Avenue  
Glendale, CA 91201

**BUYER'S BROKER**

iHome Realty  
Attn: Gevork George Geogdzhyan  
353 E. Angeleno Avenue, Suite A  
Burbank, CA 91502

**POTENTIAL LIENHOLDERS**

Benjamin Javaherian  
16358 Mandalay Dr  
Encino, CA 91436-3631

**POTENTIAL LIENHOLDERS**

The Evergreen Advantage, LLC  
1424 4<sup>th</sup> St, Suite 777  
Santa Monica, CA 90401

**POTENTIAL LIENHOLDERS**

Pelican Holdings  
5482 Wilshire Blvd. #325  
Los Angeles, CA 90036-4218

**POTENTIAL LIENHOLDERS**

Pelican Holdings LLC  
369 South Doheny Dr., #195  
Beverly Hills, CA 90211