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SEP 13 2010
CLERK U.S. BANKRUPTCY COURT
Central District of California
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8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SANTA ANA DIVISION**

11 In re
12 PPA HOLDINGS, LLC, a California limited
13 liability company,
14 Debtor and
15 Debtor-in-Possession.

Case No. 8:09-bk-16353-ES
Chapter 11
(Jointly Administered with Case Nos.
8:09-bk-16355-ES; 8:09-bk-16358-ES;
8:09-bk-16361-ES; 8:09-bk-16363-ES;
8:09-bk-16367-ES; 8:09-bk-16369-ES;
8:09-bk-16371-ES; 8:09-bk-16372-ES;
8:09-bk-16378-ES; 8:09-bk-16380-ES;
8:09-bk-16383-ES; 8:09-bk-16385-ES;
8:09-bk-16386-ES; 8:09-bk-16388-ES;
8:09-bk-16390-ES; 8:09-bk-16393-ES;
8:09-bk-16395-ES; 8:09-bk-16396-ES;
8:09-bk-16399-ES; 8:09-bk-16402-ES; and
8:09-bk-16404-ES)

- 16 Affects All Debtors
- 17 Affects PPA HOLDINGS, LLC, a
California limited liability company
- 18 Affects PACIFIC PROPERTY
ASSETS, LLC, a California limited
19 liability company
- 20 Affects PPA RIVERSIDE
APARTMENTS, a California limited
21 liability company
- 22 Affects PACIFIC PROPERTY
ASSETS II, LLC, a California
23 limited liability company
- 24 Affects BELL COVE, LLC, a
California limited liability company
- 25 Affects COUNTRY CLUB
GREENS, LLC, a California limited
26 liability company
- 27 Affects SYCAMORE SHADOWS,
LLC, a California limited liability
28 company

**ORDER GRANTING MOTION FOR
ORDER:**
1. **CONVERTING THE DEBTORS'
CASES FROM CHAPTER 11 TO
CHAPTER 7 PURSUANT TO
11 U.S.C. § 1112(b); AND**
2. **AUTHORIZING THE CONTINUED
OPERATION OF THE DEBTORS'
PROPERTIES PENDING SALE
PURSUANT TO 11 U.S.C. § 721**

DATE: September 2, 2010
TIME: 10:30 a.m.
CTRM: Courtroom 5A
411 W. Fourth St.
Santa Ana, CA 92701

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Smiley, Wang Ekvall & Strok, LLP**
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- 1 — Affects PPA ARIZONA I, LLC, a
2 Delaware limited liability company
- 3 — Affects PPA ARIZONA II, LLC, a
4 Delaware limited liability company
- 5 — Affects PPA VISTA VILLAGE, LLC,
6 an Arizona limited liability company
- 7 — Affects PPA TOWNE CENTER,
8 LLC, a California limited liability
company
- 9 — Affects SUNDANCER
10 APARTMENTS, LLC, a California
11 limited liability company
- 12 — Affects DOBSON SPRINGS, LLC,
13 an Arizona limited liability company
- 14 — Affects VILLA ROSE AVENUE,
15 LLC, a California limited liability
company
- 16 — Affects HARBOR VIEW
17 CONDOMINIUMS, LLC, a
18 California limited liability company
- 19 — Affects PPA OPPORTUNITY
20 FUND, LLC, a California limited
21 liability company
- 22 — Affects PPA EQUITIES, LLC, a
23 California limited liability company
- 24 — Affects PPA DESERT VIEW, LLC,
25 a California limited liability
26 company
- 27 — Affects RIDGEMONT
28 CONDOMINIUMS, LLC, a
California limited liability company
- Affects VILLA LAS BRISAS
CONDOMINIUMS, LLC, a
California limited liability company
- Affects 2130 GROUP
PARTNERSHIP, LLC, an Arizona
limited liability company
- Affects AAA INVESTMENT
PROPERTIES, LLC, an Arizona
limited liability company

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1 On September 2, 2010, at 10:30 a.m. in Courtroom 5A of the United States
2 Bankruptcy Court located at 411 West Fourth Street, Santa Ana, California, the Court
3 heard the *Motion for Order: (1) Converting the Debtors' Cases from Chapter 11 to*
4 *Chapter 7 Pursuant to 11 U.S.C. § 1112(b); and (2) Authorizing the Continued Operation*
5 *of the Debtors' Properties Pending Sale Pursuant to 11 U.S.C. § 721* [Docket No. 959]
6 (the "Motion") filed by Thomas H. Casey, the chapter 11 trustee (the "Trustee") for the
7 jointly administered bankruptcy estates of the above-captioned debtors (each, a "Debtor"
8 and collectively, the "Debtors"). All appearances were as noted on the record.

9 This Court, having considered the Motion and all papers submitted in support
10 thereof and opposition thereto, including the memorandum of points and authorities filed
11 in support of the Motion, the declarations and exhibits attached thereto, the supplement to
12 the Motion filed by the Trustee [Docket No. 970], the opposition to the Motion filed by
13 certain individual investor creditors (the "Opposition") [Docket No. 983], the Trustee's reply
14 to the Opposition (the "Reply") [Docket No. 997], and the statement of position regarding
15 the Motion filed by the Official Committee of Unsecured Creditors [Docket No. 982], and
16 finding that notice and service of the Motion were proper, and, based on the authority and
17 analysis set forth in the Motion and the Reply,

18 **IT IS HEREBY ORDERED** that:

- 19 1. The Motion is granted.
- 20 2. The Debtors' cases are converted from chapter 11 to chapter 7 pursuant to
21 11 U.S.C. § 1112(b).
- 22 3. The Trustee is authorized to continue to operate the following properties
23 pending sale for a period of six (6) months from the date of entry of this Order pursuant to
24 11 U.S.C. § 721:
- 25 a. 3626 East Pacific Coast Highway, Long Beach, CA;
 - 26 b. 612-622 Nebraska, Long Beach, CA;
 - 27 c. 1121-1170 Daisy Avenue, Long Beach, CA;
 - 28 d. 1525 Pine Street, Long Beach, CA;

- 1 e. 2032 West Linden Avenue, Riverside, CA; and
2 f. 2052 West Linden Avenue, Riverside, CA.
3 4. Nothing herein shall preclude the Trustee from obtaining a further order of
4 this Court extending the authority to operate the above-listed properties pursuant to 11
5 U.S.C. § 721.

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25 DATED: September 13, 2010
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United States Bankruptcy Judge

In re: PPA HOLDINGS, LLC, a California limited liability company Debtor(s).	CHAPTER: 11 CASE NUMBER: 8:09-bk-16353-ES
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NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

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:

650 Town Center Drive, Suite 950, Costa Mesa, California 92626

A true and correct copy of the foregoing document described **ORDER GRANTING MOTION FOR ORDER: (1) CONVERTING THE DEBTORS' CASES FROM CHAPTER 11 TO CHAPTER 7 PURSUANT TO 11 U.S.C. § 1112(B); AND (2) AUTHORIZING THE CONTINUED OPERATION OF THE DEBTORS' PROPERTIES PENDING SALE PURSUANT TO 11 U.S.C. § 721** 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 _____ 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 address(es) indicated below:

Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served): On September 7, 2010 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.*

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 September 7, 2010 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 personal delivery on the judge will be completed no later than 24 hours after the document is filed.

The Honorable Erithe A. Smith, Ctrm. 5A
United States Bankruptcy Court
Ronald Reagan Federal Building
411 W. Fourth Street
Santa Ana, CA 92701

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.

<u>9/7/2010</u> Date	<u>Margaret Sciesinski</u> Type Name	<u>/s/ Margaret Sciesinski</u> Signature
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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

In re:
PPA HOLDINGS, LLC, a California limited liability company
Debtor(s).

CHAPTER: 11

CASE NUMBER: **8:09-bk-16353-ES**

BY U.S. MAIL

United States Trustee
411 W. 4th Street
Suite 9041
Santa Ana, CA 92701

PPA Holdings LLC
3626 E Pacific Coast Hwy
Long Beach, CA 90804

Debtor

Nanette D. Sanders, Esq.
Todd C. Ringstad, Esq.
Ringstad & Sanders
2030 Main St Ste 1200
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Attorneys for Debtor

Richard W. Esterkin
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Los Angeles, CA 90071

Attorneys for Creditors' Committee

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Carlsbad, CA 92008

Attorneys for Various Creditors

In re: PPA HOLDINGS, LLC, a California limited liability company Debtor(s).	CHAPTER: 11 CASE NUMBER: 8:09-bk-16353-ES
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NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*) **ORDER GRANTING MOTION FOR ORDER: (1) CONVERTING THE DEBTORS' CASES FROM CHAPTER 11 TO CHAPTER 7 PURSUANT TO 11 U.S.C. § 1112(B); AND (2) AUTHORIZING THE CONTINUED OPERATION OF THE DEBTORS' PROPERTIES PENDING SALE PURSUANT TO 11 U.S.C. § 721** was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner indicated below:

I. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") - Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s), the foregoing document was served on the following person(s) by the court via NEF and hyperlink to the judgment or order. As of **September 7, 2010**, the following person(s) are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

II. SERVED BY THE COURT VIA U.S. MAIL: A copy of this notice and a true copy of this judgment or order was sent by United States Mail, first class, postage prepaid, to the following person(s) and/or entity(ies) at the address(es) indicated below:

PPA Holdings LLC
3626 E Pacific Coast Hwy
Long Beach, CA 90804
Debtor

Service information continued on attached page

III. TO BE SERVED BY THE LODGING PARTY: Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by U.S. Mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following person(s) and/or entity(ies) at the address(es), facsimile transmission number(s) and/or email address(es) indicated below:

Service information continued on attached page

In re:
PPA HOLDINGS, LLC, a California limited liability company
Debtor(s).

CHAPTER: 11

CASE NUMBER: 8:09-bk-16353-ES

SERVICE LIST FOR ENTERED ORDER

I. BY NOTICE OF ELECTRONIC FILING ("NEF")

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In re:
PPA HOLDINGS, LLC, a California limited liability company

Debtor(s).

CHAPTER: 11

CASE NUMBER: 8:09-bk-16353-ES

III. TO BE SERVED BY THE LODGING PARTY

GE Capital
P.O. Box 31001-0274
Pasadena, CA 91110-0274

Jay Stiehl
9721 Oak Pass Road
Beverly Hills, CA 90210

Key Bank
911 Main Street, Suite 1500
Kansas City, MO 64105

Joseph R. and Madaline F. Whittaker
Attn: Joseph R. Whittaker
462 E. Olive Street
Oxnard, CA 93033

Rob Warren
Investor's Property Services
27042 Town Center Drive, Suite 250
Foothill Ranch, Ca 92610

George O. Sandoval
P.O. Box 6091
Ventura, CA 93006

Creditors' Committee

Randy Roach
545 East 222nd Street
Carson, CA 90745

Rose E. Miller, Trustee
Attn: Rose and Rick Miller
31238 Janelle Lane
Winchester, CA 92596

James Brawner
P.O. Box 684
Pauma Valley, CA 92061

Irv Klotz
Attn: Robert Klotz
25041 Calle Madera
Lake Forest, CA 92630

III. SERVED VIA ELECTRONIC MAIL

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