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8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SANTA ANA DIVISION**

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

**SUPPLEMENTAL BRIEF IN SUPPORT OF
CHAPTER 11 TRUSTEE'S MOTION FOR
ORDER AUTHORIZING ABANDONMENT
OF CERTAIN REAL AND PERSONAL
PROPERTY; AND DECLARATION OF
THOMAS H. CASEY IN SUPPORT**

[Declaration of Stewart I. Weston Filed
Concurrently]

Hearing
DATE: August 6, 2010
TIME: 10:00 a.m.
PLACE: Courtroom 5A
411 W. Fourth St.
Santa Ana, CA 92701

**Weiland, Golden,
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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
9 company
- 10 — Affects SUNDANCER
11 APARTMENTS, LLC, a California
12 limited liability company
- 13 — Affects DOBSON SPRINGS, LLC,
14 an Arizona limited liability company
- 15 — Affects VILLA ROSE AVENUE,
16 LLC, a California limited liability
17 company
- 18 — Affects HARBOR VIEW
19 CONDOMINIUMS, LLC, a
20 California limited liability company
- 21 — Affects PPA OPPORTUNITY
22 FUND, LLC, a California limited
23 liability company
- 24 — Affects PPA EQUITIES, LLC, a
25 California limited liability company
- 26 — Affects PPA DESERT VIEW, LLC,
27 a California limited liability
28 company
- Affects RIDGEMONT
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 **TO THE HONORABLE ERITHE A. SMITH, UNITED STATES BANKRUPTCY JUDGE:**

2 Thomas H. Casey, the chapter 11 trustee (the "Trustee") for the jointly administered
3 estates of the above-captioned debtors (each a "Debtor" and collectively, the "Debtors"),
4 files this supplemental brief (the "Supplement") in support of the *Motion for Order*
5 *Authorizing Abandonment of Certain Real and Personal Property* (the "Motion") [Docket
6 No. 789]. In support of the Supplement, the Trustee submits the attached Declaration of
7 Thomas H. Casey (the "Casey Declaration"). The Declaration of Stewart I. Weston (the
8 "Weston Declaration") in support of the Supplement is being filed concurrently.

9 The Court initially heard the Motion on May 20, 2010. At the request of the Joint
10 Committee of Unsecured Creditors, the Trustee agreed to continue the hearing on the
11 Motion for approximately 60 days as to the following nine Properties¹ (collectively, the
12 "Remaining Properties") for further analysis of the value of such properties:

- 13 1. 630 Nebraska, Long Beach, CA;
- 14 2. 638 Nebraska, Long Beach, CA;
- 15 3. 761 Rose, Long Beach CA;
- 16 4. 1365 Ohio, Long Beach, CA;
- 17 5. 1610 Cherry, Long Beach, CA;
- 18 6. 1742 Cherry, Long Beach, CA;
- 19 7. 2225-2233 Pine, Long Beach, CA;
- 20 8. 1765 Cedar, Long Beach, CA; and
- 21 9. 709 Elm Street, Long Beach, CA.

22 With the exception of the Remaining Properties, the Court granted the Motion by order
23 entered on May 20, 2010 [Docket No. 842]. The Court continued the hearing on the
24 Motion as to the Remaining Properties to August 6, 2010.

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¹ Capitalized terms not expressly defined herein shall have the meanings ascribed to them in the Motion.

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1 Following the hearing on the Motion, the Trustee retained a broker, Marcus &
2 Millichap ("M&M"), subject to Court approval, and M&M performed a valuation for each of
3 the Remaining Properties estimating the sale price range for each Remaining Property.
4 The valuation reports for the Remaining Properties (collectively, the "Valuation Reports")
5 are attached to the Weston Declaration as Exhibits "10" through "18." Based on the
6 Valuation Reports, the Trustee prepared an analysis of the equity in the Remaining
7 Properties, taking into consideration the estimated average sales price, costs of sale, and
8 the debt secured by the Remaining Properties. The equity analyses prepared by the
9 Trustee are attached to the Casey Declaration as Exhibits "1" through "9."

10 As can be seen from the attached equity analyses, the Remaining Properties are
11 likely overencumbered leaving no equity for the benefit of the Debtors' estates. The
12 estimated net sales proceeds, after costs of sale, for each of the Remaining Properties is
13 less than the debt secured by each property. While certain of the Remaining Properties
14 may have minimal equity after the satisfaction of the senior secured debt, such properties
15 are also subject to second deeds of trust, which eliminates any potential equity. Thus, the
16 Trustee does not believe that the sale of the Remaining Properties will result in any value
17 to the general unsecured creditors. Moreover, as stated in the Motion, the Remaining
18 Properties are not projected to generate sufficient income after debt service at a market
19 interest rate to pay a meaningful return to general unsecured creditors, if any at all.

20 Based on the foregoing, and for the reasons stated in the Motion, the Trustee
21 believes that the Remaining Properties are of inconsequential value and benefit to the
22 estates, and that retaining such properties will be burdensome to the estates.

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1 Accordingly, the Trustee requests that the Motion be granted as to the Remaining
2 Properties.

3 Dated: July 16, 2010

WEILAND, GOLDEN,
SMILEY, WANG EKVALL & STROK, LLP

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5 By: 
6 ROBERT S. MARTICELLO
7 Counsel for Chapter 11 Trustee,
8 Thomas H. Casey
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DECLARATION OF THOMAS H. CASEY

I, Thomas H. Casey, declare as follows:

1. I am the chapter 11 trustee (the "Trustee") for the jointly administered estates of the above-captioned debtors (collectively, the "Debtors"). I am submitting this declaration in support of the supplemental brief (the "Supplement") in support of the *Motion for Order Authorizing Abandonment of Certain Real and Personal Property* (the "Motion"). All terms not defined herein shall have the meaning ascribed to them in the Supplement. I know each of the following facts to be true of my own personal knowledge and if called as a witness, I could and would competently testify with respect thereto.

2. Attached hereto as Exhibits "1" through "9" are analyses of the equity in the Remaining Properties, which were prepared under my supervision and at my direction.


3. The property value used for each equity analysis is based on the Valuation Reports prepared by M&M and attached to the Weston Declaration filed concurrently with this Motion. Specifically, the property value is the average sale price based on the sale price range contained in the Valuation Reports.

4. The amount of the first trust deed and second trust deed, if any, for each Remaining Property was calculated by my financial advisor based on information obtained from the Debtors' books and records.

5. Based on the valuations performed by M&M and the analyses attached hereto, I do not believe that the sale of the Remaining Properties will result in any value to the general unsecured creditors.

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

Executed on this 16th day of July, 2010, at Costa Mesa, California.


Thomas H. Casey

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EXHIBIT 1

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 630 Nebraska Avenue, Long Beach, CA

**No second trust deed(s) / current on taxes

Value as of 6/11/10 ¹		\$625,000
Less: COS (7%)		\$43,750
Adjusted Value		\$581,250
Less: 1 st TD ²		\$657,324
NET EQUITY		(\$76,074)

¹Average of sales range: \$600,000 to \$650,000; however, even at the higher sales price, this property has no equity.

²Balance on 1st and 2nd trust deeds as of May, 2010 (per worksheet prepared by D. Hahn)

EXHIBIT 2

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 638 Nebraska Avenue, Long Beach, CA

**current on taxes

Value as of 6/11/10 ¹		\$660,000
Less: COS (7%)		\$46,200
Adjusted Value		\$613,800
Less: 1 st TD ²		\$806,025
Less: 2 nd TD		\$280,264
NET EQUITY		(\$472,489)

¹Average of sales range: \$630,000 to \$690,000; however, even at the higher sales price, this property has no equity.

²Balance of 1st and 2nd trust deeds as of May, 2010 (per worksheet prepared by D. Hahn)

EXHIBIT 3

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 761 Rose, Long Beach, CA

**No second trust deed(s) / current on taxes

Value as of 6/11/10 ¹		\$825,000
Less: COS (7%)		\$57,750
Adjusted Value		\$767,250
Less: 1 st TD ²		\$847,561
NET EQUITY		(\$80,311)

¹Average of sales range: \$800,000 to \$850,000; however, even at the higher sales price, this property has no equity.

²Balance on 1st trust deed as of May, 2010 (per worksheet prepared by D. Hahn)

EXHIBIT 4

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 1365 Ohio Avenue, Long Beach, CA

**Current on taxes

Value as of 6/11/10 ¹		\$875,000
Less: COS (7%)		\$61,250
Adjusted Value		\$813,750
Less: 1 st TD ²		\$828,154
Less: 2 nd TD		\$300,000
NET EQUITY		(\$314,404)

¹Average of sales range: \$850,000 to \$900,000; however, even at the higher sales price, this property has no equity.

²Balance of 1st and 2nd trust deeds as of May, 2010 (per worksheet prepared by D. Hahn)

EXHIBIT 5

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 1610 Cherry Avenue, Long Beach, CA

**Current on taxes

Value as of 6/11/10 ¹		\$1,170,000
Less: COS (7%)		\$81,900
Adjusted Value		\$1,088,100
Less: 1 st TD ²		\$1,064,740
Less: 2 nd TD		\$584,343
NET EQUITY		(\$560,983)

¹Average of sales range: \$1,140,000 to \$1,200,000; however, even at the higher sales price, this property has no equity.

²Balance of 1st and 2nd trust deeds as of May, 2010 (per worksheet prepared by D. Hahn)

EXHIBIT 6

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 1742 Cherry Avenue, Long Beach, CA

**Current on taxes

Value as of 6/11/10 ¹		\$1,170,000
Less: COS (7%)		\$81,900
Adjusted Value		\$1,088,100
Less: 1 st TD ²		\$1,075,562
Less: 2 nd TD		\$580,770
NET EQUITY		(\$568,232)

¹Average of sales range: \$1,140,000 to \$1,200,000; however, even at the higher sales price, this property has no equity.

²Balance of 1st and 2nd trust deeds as of May, 2010 (per worksheet prepared by D. Hahn)

EXHIBIT 7

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 2225 Pine Avenue, Long Beach, CA

**Current on taxes

Value as of 6/11/10 ¹		\$1,675,000
Less: COS (7%)		\$117,250
Adjusted Value		\$1,557,750
Less: 1 st TD ²		\$1,680,316
Less: 2 nd TD		\$582,556
NET EQUITY		(\$705,122)

¹Average of sales range: \$1,600,000 to \$1,750,000; however, even at the higher sales price, this property has no equity.

²Balance of 1st trust deed as of May, 2010 (per worksheet prepared by D. Hahn)

EXHIBIT 8

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 1765 Cedar Avenue, Long Beach, CA

**No second trust deed / current on taxes

Value as of 6/11/10 ¹		\$1,015,000
Less: COS (7%)		\$71,050
Adjusted Value		\$943,950
Less: 1 st TD ²		\$1,009,608
NET EQUITY		(\$65,658)

¹Average of sales range: \$965,000 to \$1,065,000; however, even at the higher sales price, this property has no equity.

²Balance of 1st trust deed as of May, 2010 (per worksheet prepared by D. Hahn)

EXHIBIT 9

EQUITY ANALYSIS WORKSHEET

Date of analysis: 7/15/10

Property location: 709 Elm Avenue, Long Beach, CA

**No second trust deed(s) / current on taxes

Value as of 6/11/10 ¹		\$1,025,000
Less: COS (7%)		\$71,750
Adjusted Value		\$953,250
Less: 1 st TD ²		\$1,153,687
NET EQUITY		(\$200,437)

¹Average of sales range: \$1,000,000 to \$1,050,000; however, even at the higher sales price, this property has no equity.

²Balance on 1st trust deed as of May, 2010 (per worksheet prepared by D. Hahn)

In re: PPA HOLDINGS, LLC	Debtor(s).	CHAPTER: 11
		CASE NUMBER: 8:09-bk-16353-ES

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, CA 92626

A true and correct copy of the foregoing document described **SUPPLEMENTAL BRIEF IN SUPPORT OF CHAPTER 11 TRUSTEE'S MOTION FOR ORDER AUTHORIZING ABANDONMENT OF CERTAIN REAL AND PERSONAL PROPERTY; AND DECLARATION OF THOMAS H. CASEY IN SUPPORT** 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 **July 16, 2010** 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 **July 16, 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 **July 16, 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.

07/16/10
Date

Margaret Sciesinski
Type Name

Isi Margaret Sciesinski
Signature

In re: PPA HOLDINGS, LLC	CHAPTER: 11
Debtor(s).	CASE NUMBER: 8:09-bk-16353-ES

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In re: PPA HOLDINGS, LLC	CHAPTER: 11
Debtor(s).	CASE NUMBER: 8:09-bk-16353-ES

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