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in accordance with Bankruptcy Rule 2002(i), and (3) any party with a direct pecuniary interest in the subject matter of the particular Limited Notice Matter or its counsel. In addition, the Trustee requests that the Court allow notice to be sent via e-mail to those creditors that authorize service by such method. If the relief requested herein is granted, the burden, complication, delay and cost to the Debtor's estate that is associated with administering the Case and providing notice of the proceedings in this Case to all of the parties would be dramatically reduced. In an effort to reduce creditor concerns about diminishing returns to creditors due to administrative expenses, the Trustee believes that by limiting notice of all matters identified in Bankruptcy Rule 2002, it will help allay creditor cost concerns and reduce costs to the estate.

PLEASE TAKE FURTHER NOTICE that the Motion is based on this Notice and Motion, the attached *Memorandum of Points and Authorities*, the Declaration of R. Todd Neilson filed in support hereof, the arguments of counsel at any hearing hereon, and other admissible evidence properly brought before the United States Bankruptcy Court for the Central District of California, Santa Ana Division (the "Court"). In addition, the Trustee requests that the Court take judicial notice of all documents filed with the Court in this Case.

PLEASE TAKE FURTHER NOTICE that, pursuant to Bankruptcy Local Rule 9013-1(o)(1), any objection to or request for hearing on the Motion must be filed and served upon the Trustee within fourteen (14) days of the mailing of this Notice. Any objection or request for hearing must be accompanied by any declarations or memoranda of law that the objecting or requesting party wishes to present in support of its position. If there is no timely objection or request for hearing, the Court may grant the relief requested in the Motion by default. If an objection or request for hearing is timely made, the Trustee will set the matter for hearing and will provide at least fourteen (14) days' written notice of the hearing to the objecting or requesting party.

WHEREFORE, the Trustee respectfully requests that this Court enter an order (1) limiting the scope and manner of notice as set forth herein and in the Memorandum of Points and Authorities

¹ The Trustee is currently unaware of the exact number of creditors in the case as the Debtor did not file its Schedules of Assets and Liabilities and the Trustee is working to determine the scope of creditors.

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1	attached hereto, and (2) granting such other and further relief as is just and proper under the	
2	circumstances.	
3	THE CANADA C	T
4	Dated: June 12, 2014 PACHULSKI STANG ZIEHL & JONES LL	ıΡ
5	By <u>/s/ Linda F. Cantor</u> Linda F. Cantor	
6		า
7	[Proposed] Counsel for R. Todd Neilson Chapter 7 Trustee for the Tulving Company, Inc.	1,
8	Company, mc.	
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PACHULSKI STANG ZIEHL & JONES LLP Attorneys at Law Los Angeles, California

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MEMORANDUM OF POINTS AND AUTHORITIES

I.

INTRODUCTION

The Trustee is seeking an order of this Court limiting notice to be given on certain motions and applications that might be filed in this Case as set forth below. Such a procedure is necessary and appropriate to reduce creditor concerns in this case regarding excessive administrative costs and diminishing returns to creditors. Requiring notice to, and service upon, so many persons or entities would substantially increase the cost and administrative burden on the estate and diminish the assets ultimately available for creditors without conferring any meaningful benefit on the Debtor's creditors. The Trustee submits that the proposed limited scope of notice is necessary to avoid the unnecessary administrative costs of serving notice of all pleadings on hundreds of parties, many of whom will not even read such notices, while simultaneously assuring that the interested parties in this Case receive proper and sufficient notice of all matters. In addition, the Trustee requests that the Court allow notice to be sent via e-mail to those creditors that authorize service by such method.

II.

STATEMENT OF FACTS

A. <u>Jurisdiction and Venue</u>

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The Background of the Debtor's Business

The Debtor is a California corporation. Hannes Tulving, Jr. is the President and sole equity holder of the Debtor. The Debtor was in the business of selling and purchasing gold, silver, coins, bullion, and other precious metals through its internet website or by phone. Over the past year, customer complaints against the Debtor concerning delayed or undelivered orders were increasingly made to the Better Business Bureau as well as various law enforcement agencies. In early March, 2014, a class-action lawsuit was filed against the Debtor and Hannes Tulving, Jr. in the United States District Court, Northern District of California. The Debtor ceased operations on or about March 3,

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2014. Shortly before the initiation of these proceedings, a raid was conducted at the business offices of the Debtor by the Secret Service and the Department of Justice and the Debtor's computers, documents and inventory were seized for an ongoing criminal investigation.

Procedural Background of Case C.

The Debtor commenced this case by the filing of a voluntary petition for relief under chapter 11 of the Bankruptcy Code on March 10, 2014. In light of the pending criminal investigation and other ongoing litigation, on March 18, 2014, the United States Trustee filed a Stipulation Appointing Chapter 11 Trustee [Docket No. 15] ("Stipulation"), which was signed by both the Debtor and its attorney. The Stipulation was approved by the Bankruptcy Court on March 18, 2014 [Docket No. 16] and an Order was entered by the Court on March 21, 2014 approving the U.S. Trustee's Application for the Appointment of a Chapter 11 Trustee, appointing R. Todd Neilson as trustee of the Debtor's estate [Docket No. 22]. On April 30, 2014, the Trustee filed a motion to convert the case to chapter 7 [Docket No. 74] which motion was granted at a hearing on May 22, 2014. On May 29, 2014 the Court entered an order converting this Case to chapter 7 [Docket No. 108]. A Notice of Appointment of Trustee and Fixing of Bond; Acceptance of Appointment as Interim Trustee was filed on June 10, 2014 [Docket No. 126], appointing R. Todd Neilson as Trustee.

III.

ARGUMENT

Proposed Limited Notice A.

The Trustee requests that the Court limit the scope of service of all notices, motions, or applications, including, but not limited to, the following:

- any proposed use, sale, or lease of property of the estate pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rules 2002(a)(2), 4001(b), and 6004);
- any proposed approval of a compromise or settlement of a controversy pursuant to section Bankruptcy Rules 2002(a)(3) and 9019 and/or section 363 of the Bankruptcy Code;
- any proposed abandonment or disposition of property of the estate pursuant to section 554 of the Bankruptcy Code and Bankruptcy Rules 6007(a) or (c);
- any proposed assumption, assumption and assignment or rejection of contracts or leases under section 365 of the Bankruptcy Code and Bankruptcy Rule 6006(a) or (c);

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- any proposal to prohibit or condition the use, sale or lease of property pursuant to § 363 of the Bankruptcy Code or Bankruptcy Rule 4001(a);
- any proposed objections to claims pursuant to section 502 of the Bankruptcy Code or Bankruptcy Rules 3002, 3003 or 3007;
- any proposed application for employment of professionals pursuant to sections 327, 1103 or 1104 of the Bankruptcy Code or Bankruptcy Rule 2014;
- a hearing on any other contested matter in this case that requires notice to all creditors or equity holders pursuant to the Bankruptcy Code, Bankruptcy Rule 9014, or the Local Bankruptcy Rules; and
- all other pleadings, papers, and requests for relief or other order of the Court, except as limited below.

(The notices, motions and applications for which the Trustee is seeking to limit notice are hereinafter referred to as the "Limited Notice Matters.")

Specifically, the Trustee proposes that notices regarding the Limited Notice Matters that will be heard on regular notice be served by NEF notice or, if not on the NEF service list, first class mail or via e-mail upon obtaining consent from such party², upon only: (a) the Office of the United States Trustee, (b) parties that have filed and do file with the Court requests for notice of all matters in accordance with Bankruptcy Rule 2002(i), (c) the Debtor's agent for service, (d) any party with a direct pecuniary interest in the subject matter of the particular Limited Notice Matter or its counsel, and (e) any party requesting and consenting to e-mail notice of the Limited Notice Matters (collectively, the "Limited Service List").

Notwithstanding the foregoing, the relief requested in this Motion does not affect the rights of all creditors and parties-in-interest in these cases to receive notice of the following matters or proceedings: (a) the meeting of creditors; (b) the deadline for filing proofs of claim; and (c) the hearing on any motion to convert or dismiss the case. Moreover, the Trustee has caused to be established a website for creditors in this case which provides information regarding pending matters and other case events at http://tulvingbankruptcy.com.

² See Local Rule 9036-1(a)(1) (The NEF automatically generated upon the filing of a document constitutes notice and service by electronic means for all persons and entities that have consented to electronic service of any document.).

B. The Court Has Authority to Limit the Scope of Notice

Bankruptcy Rule 2002(i) provides, in pertinent part, as follows:

[T]he Court may order that notices required by subdivision (a)(2), (3) and (6) of this rule be transmitted to the United States Trustee and be mailed only to the committees . . . appointed under § 1102 of the Code or to their authorized agents and to the creditors and equity security holders who serve on the trustee or Debtors in possession and file a request that all notices be mailed to them.

Fed. R. Bankr. P. 2002(i). In addition, Bankruptcy Rules 4001, 6004, 6006, 9006, 9007, 9013, 9014, and 9019 each allow this Court to determine those parties to whom the Trustee must provide notice. Given the number of parties-in-interest in this Case, it would be impractical and would impose a large administrative and economic burden upon the Debtor's estate if the Trustee were required to mail notice of every matter in this Case to all parties listed on the creditor matrix.

C. Proposed Notice Procedures

As permitted by Bankruptcy Rules 2002(i) and (m), the Trustee proposes that the Court enter an order that, to the extent allowed, limits the parties upon whom the Trustee must serve the Limited Notice Matters in this Case. This Order should also designate the manner of service as set forth below regarding all matters for which the Bankruptcy Code and the Bankruptcy Rules authorize the Court to designate the manner of service, including matters subject to Bankruptcy Rules 2002(i), 4001, 6004, 6006 or 6007. This Order should also allow the Trustee to give notice via e-mail to those creditors that authorize service by such method. It is well within the Court's authority to regulate notices and to approve the notice procedures proposed by the Trustee. Furthermore, these notice procedures will minimize administrative burdens in this Case without diminishing creditor participation.

Pursuant to Local Bankruptcy Rule 9075-1(a)(6), motions filed that require emergency or expedited relief must be served by e-mail, fax or personal service. In some instances, service by one of the means listed is not possible within the time frame available or is not practical (e.g., service on a very large group for which the debtor has no fax or e-mail addresses readily available). The Trustee proposes that service of emergency or expedited Limited Notice Matters be upon only the

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Limited Service List and that, in addition to the service methods authorized by Local Bankruptcy Rule 9075-1, service of emergency or expedited Limited Notice Matters by NEF notice, e-mail or overnight delivery, if such notice will be delivered prior to the scheduled hearing time, be authorized.

The Limited Notice Procedures are Necessary and Appropriate D.

The above proposed limited notice procedures are necessary and appropriate given that the creditor body is cognizant of the administrative costs and burdens on the estate and many of the creditors would not be interested in receiving copies of all the Limited Notice Matters but would find service of all these motions and other documents wasteful. Requiring notice to, and service upon, so many parties, therefore, would substantially augment the cost and administrative burden on the estate without conferring any meaningful corresponding benefit, and thus would diminish the assets ultimately available for distributions to the Debtor's creditors. Further, allowing service of an emergency motion by NEF notice, e-mail, or by overnight delivery in the instances outlined above provides parties on the Limited Service List with adequate notice and preserves the Trustee's ability to bring such matters on a timely and efficient basis. The Trustee submits that such notice constitutes due and sufficient notice of the Limited Notice Matters.

Notice of this Motion and Any Order Approving Same Ε.

The Trustee will serve all parties listed on the Debtor's mailing matrix as well as all parties requesting special notice with Notice of this Motion. All parties therefore will have an adequate opportunity to object to the relief requested herein. In that way, all parties will have adequate notice that in order to receive notices in this Case they will need to file requests for special notice or requests for and consent to e-mail notice. The Trustee will provide a copy of the Limited Service List to any creditor or party in interest that requests it. Provided the order on this Motion is granted, the Trustee will post information concerning the election to receive e-mail notice to the creditor body on the creditor website.

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PACHULSKI STANG ZIEHL & JONES LLP ATTORNEYS AT LAW LOS ANGELES, CALIPORNIA

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IV.

CONCLUSION

WHEREFORE, to facilitate the efficient administration of this Case, and to reduce the significant costs, delays, and burdens that would be associated with providing notice of all matters in this Case to all creditors, the Trustee hereby respectfully requests that the Court enter the order granting (a) the relief requested herein; (b) finding that notice of the Motion is sufficient under the circumstances; and (c) granting such other and further relief as is just and proper under the circumstances.

Dated: June 12, 2014

PACHULSKI STANG ZIEHL & JONES LLP

By: /s/ Linda F. Cantor Linda F. Cantor (SBN 153762)

[Proposed] Counsel for R. Todd Neilson, Chapter 7 Trustee of the Tulving Company, Inc.

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PACHULSKI STANG ZIEHL & JONES LLP ATTORNEYS AT LAW LOS ANGELES, CALIFORNIA

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DECLARATION OF R. TODD NEILSON

I, R. Todd Neilson, declare:

- I am the duly appointed chapter 7 trustee (the "Trustee") in the above-captioned 1. bankruptcy case (the "Case"). I make this Declaration on facts within my personal knowledge (albeit my own or that gathered by professionals rendering services to me), or as a result of having reviewed the court file in this Case. If called upon, I can and will competently testify to the facts stated herein.
- I make this Declaration in support of the Notice of Motion and Motion of Chapter 11 2. Trustee for Order Limiting Scope of Notice (the "Motion"). Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Motion.
- The Debtor had been in the business of selling and purchasing gold, silver, coins, 3. bullion, and other precious metals through its internet website or by phone. Over the past year, customer complaints against the Debtor concerning delayed or undelivered orders were increasingly made to the Better Business Bureau as well as various law enforcement agencies. In early March, 2014, a class-action lawsuit was filed against the Debtor and Hannes Tulving, Jr. in the United States District Court, Northern District of California. The Debtor ceased operations on or about March 3, 2014. Shortly before the initiation of these proceedings, a raid was conducted at the business offices of the Debtor by the Secret Service and the Department of Justice and the Debtor's computers, documents and inventory were seized for an ongoing criminal investigation.
- On March 10, 2014, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. In light of the pending criminal investigation and other ongoing litigation, on March 18, 2014, the United States Trustee filed a Stipulation Appointing Chapter 11 Trustee ("Stipulation") which was signed by both the Debtor and its attorney. The Stipulation was approved by the Bankruptcy Court on March 18, 2014 and an Order was entered by the Court on March 21, 2014, approving my appointment as Trustee of the Debtor's Chapter 11 estate. On April 30, 2014, I caused to have filed a motion to convert this Case to chapter 7, which motion was granted at a hearing on May 22, 2014. On May 29, 2014 the Court entered an order converting this Case to

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chapter 7 and I was appointed to serve as the chapter 7 trustee, pursuant to that certain Notice of Appointment of Trustee and Fixing of Bond; Acceptance of Appointment as Interim Trustee, filed on June 10, 2014 [Docket No. 126]. I am requesting that the Court limit the scope of service of all notices, motions, or applications, including, but not limited to, the following:

- any proposed use, sale, or lease of property of the estate pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rules 2002(a)(2), 4001(b), and 6004);
- any proposed approval of a compromise or settlement of a controversy pursuant to section Bankruptcy Rules 2002(a)(3) and 9019 and/or section 363 of the Bankruptcy Code:
- any proposed abandonment or disposition of property of the estate pursuant to section 554 of the Bankruptcy Code and Bankruptcy Rules 6007(a) or (c);
- any proposed assumption, assumption and assignment or rejection of contracts or leases under section 365 of the Bankruptcy Code and Bankruptcy Rule 6006(a) or (c);
- any proposal to prohibit or condition the use, sale or lease of property pursuant to § 363 of the Bankruptcy Code or Bankruptcy Rule 4001(a);
- any proposed objections to claims pursuant to section 502 of the Bankruptcy Code or Bankruptcy Rules 3002, 3003 or 3007;
- any proposed application for employment of professionals pursuant to sections 327, 1103 or 1104 of the Bankruptcy Code or Bankruptcy Rule 2014;
- a hearing on any other contested matter in this case that requires notice to all creditors or equity holders pursuant to the Bankruptcy Code, Bankruptcy Rule 9014, or the Local Bankruptcy Rules; and
- all other pleadings, papers, and requests for relief or other order of the Court, except as limited below.

The notices, motions and applications for which I am seeking to limit notice are hereinafter referred to as the "Limited Notice Matters." Specifically, the Trustee proposes that notices regarding the Limited Notice Matters that will be heard on regular notice be served by NEF notice or, if not on the NEF service list, first class mail or via e-mail upon obtaining consent from such party³, upon only: (a) the Office of the United States Trustee, (b) parties that have filed and do file with the Court requests for notice of all matters in accordance with Bankruptcy Rule 2002(i), (c) the Debtor's agent for service, (d) any party with a direct pecuniary interest in the subject matter of the particular Limited Notice Matter or its counsel, and (e) any party requesting and consenting to e-mail notice of the Limited Notice Matters (collectively, the "Limited Service List"). Notwithstanding the

³ See Local Rule 9036-1(a)(1) (The NEF automatically generated upon the filing of a document constitutes notice and service by electronic means for all persons and entities that have consented to electronic service of any document.).

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hearing on the dismissal or conversion of this Case. Moreover, I have caused to be established a website for creditors in this case which provides information regarding pending matters and other case events at http://tulvingbankruptcy.com.

The proposed limited notice procedures are necessary and appropriate given that the 5. creditor body is cognizant of the administrative costs and burdens on the estate and many of the creditors would not be interested in receiving copies of all the Limited Notice Matters but would find service of all these motions and other documents wasteful. Requiring notice to, and service upon, so many parties, therefore, would substantially augment the cost and administrative burden on the estate without conferring any meaningful corresponding benefit, and thus would diminish the assets ultimately available for distributions to Debtor's creditors. Further, allowing service of an emergency motion by NEF notice, e-mail, or by overnight delivery in the instances outlined above provides parties on the Limited Service List with adequate notice and preserves my ability to bring such matters on a timely and efficient basis. I submit that such notice constitutes due and sufficient notice of the Limited Notice Matters.

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

Executed this // day of June, 2014, at Los Angeles California.

PACHULSKI STANG ZIEHL & JONES LLP ATTORNEYS AT LAW LOS ANGELES, CALIFORNIA

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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 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document NOTICE OF MOTION AND MOTION OF CHAPTER 7 TRUSTEE FOR AN ORDER LIMITING SCOPE OF NOTICE; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF; DECLARATION OF R. TODD NEILSON will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On June 12, 2014, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

> Service information continued on attached page \boxtimes

2. SERVED BY UNITED STATES MAIL:

On June 12, 2014, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

> Service information continued on attached page \boxtimes

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on June 12, 2014, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Via Federal Express The Honorable Erithe A. Smith United States Bankruptcy Court Central District of California Ronald Reagan Federal Building and Courthouse

411 West Fourth Street, Suite 5040 / Courtroom 5A Santa Ana, CA 92701-4593

> X Service information continued on attached page

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

/s/ Janice G. Washington Janice G. Washington June 12, 2014 Signature Printed Name Date

1	1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):
3	8:14-bk-11492-ES Notice will be electronically mailed to: Andrew S Bisom on behalf of Debtor The Tulving Company Inc abisom@bisomlaw.com
5	Candice Bryner on behalf of Interested Party Candice Bryner candice@brynerlaw.com
6	Philip Burkhardt on behalf of Other Professional Karen Duddlesten phil@burkhardtandlarson.com, stacey@burkhardtandlarson.com
7 8	Stephen L Burton on behalf of Attorney Stephen L. Burton steveburtonlaw@aol.com
9	Linda F Cantor, ESQ on behalf of Other Professional Pachulski Stang Ziehl & Jones LLP lcantor@pszjlaw.com, lcantor@pszjlaw.com
10 11	Linda F Cantor, ESQ on behalf of Trustee R. Todd Neilson (TR) lcantor@pszjlaw.com, lcantor@pszjlaw.com
12	David L Gibbs on behalf of Creditor Kenneth W Stach david.gibbs@gibbslaw.com, ecf@gibbslaw.com
13 14	Nancy S Goldenberg on behalf of U.S. Trustee United States Trustee (SA) nancy.goldenberg@usdoj.gov
15	Lawrence J Hilton on behalf of Creditor Jeffrey Roth lhilton@oneil-llp.com, ssimmons@oneil-llp.com;kdonahue@oneil-llp.com
16 17	John H Kim on behalf of Creditor Ford Motor Credit Company LLC jkim@cookseylaw.com
18	Elizabeth A Lossing on behalf of U.S. Trustee United States Trustee (SA) elizabeth.lossing@usdoj.gov
19 20	R. Todd Neilson (TR) tneilson@brg-expert.com;tneilson@ecf.epiqsystems.com;ntroszak@brg
21	expert.com
22	Jason S Pomerantz on behalf of Trustee R. Todd Neilson (TR) jspomerantz@pszjlaw.com, jspomerantz@pszjlaw.com
23	Nanette D Sanders on behalf of Creditor Levon Gugasian becky@ringstadlaw.com
24	United States Trustee (SA)
25	ustpregion16.sa.ecf@usdoj.gov
26	
27	II