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12

13 **UNITED STATES BANKRUPTCY COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **SANTA ANA DIVISION**

16 In re
17 JAMES C. GIANULIAS,
18
19 Debtor and Debtor-in-Possession.

) Case No. 8:08-bk-13150-RK
) [Substantively Consolidated With:
) Case No. 8:08-bk-13151-RK]

) Chapter 11

20 CAMEO HOMES, a California corporation,
21
22 Debtor and Debtor-in-Possession.

) **NOTICE OF INTENTION OF CAMEO**
) **HOMES TO ABANDON INTEREST IN**
) **FRENCH VALLEY 40 LLC [11 U.S.C.**
) **§554(a)]**

) [Local Bankruptcy Rule 6007-1]

23
24 RELATES TO CAMEO HOMES.
25

) [No Hearing Set]

1 **TO THE HONORABLE ROBERT KWAN, UNITED STATES BANKRUPTCY JUDGE,**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, THE OFFICIAL COMMITTEE OF**
3 **UNSECURED CREDITORS, CREDITORS, AND OTHER PARTIES-IN-INTEREST:**

4 **PLEASE TAKE NOTICE** that, pursuant to 11 U.S.C. § 554(a), Cameo Homes, a
5 California corporation ("Cameo"), one of the debtors and debtors-in-possession in these
6 substantively-consolidated cases,¹ intends to and will abandon Cameo's interest in French Valley
7 40 LLC, a California limited liability company ("French Valley"). Cameo holds an approximately
8 1% interest in French Valley. The other 99% is owned by Mr. Gianulias, the other debtor in these
9 cases.

10 French Valley is the owner of a proposed 27 unit detached single-family development in
11 the Winchester area of unincorporated Riverside County, California (the "Property"). The
12 proposed project was to consist of single- and two-story detached homes ranging from
13 approximately 3,250 to 3,900 square feet with pricing projected from \$660,000 to \$690,000. The
14 lots were to average 20,000 square feet. At this time, all processing on the project has stopped.

15 Famille Holdings ("Famille") holds a first trust deed on the Property, based on a loan by
16 Famille to French Valley in the principal amount of \$3,000,000, but has not yet foreclosed.² The
17 Debtors guaranteed this loan, as well as certain other loans made by Famille. In February 2010,
18 the Debtors entered into a settlement with Famille which resolved all issues between the parties.
19 The settlement provides that Famille will receive an Allowed General Unsecured Claim against
20 each of the Debtors in the amount of \$12,500,000 in full and final settlement of all claims asserted
21 against the Debtors by Famille. In addition, the settlement provides that Famille will maintain its
22 existing deed of trust on the Property and shall reconvey the Property to French Valley upon
23 payment of \$1,000,000 made on or before December 31, 2011. If the Property is not sold on or
24 before December 31, 2011, Famille may foreclose on the Property. In addition, although French
25 Valley is not required to cure unpaid back taxes and/or maintain real property taxes, should French

26 _____
27 ¹ James C. Gianulias ("Mr. Gianulias") is the other debtor herein (collectively, Mr.
28 Gianulias and Cameo are referred to as the "Debtors").

² As of October 22, 2008, Famille's claim was approximately \$3,326,667.60 in principal
and interest.

1 Valley fail to cure outstanding back taxes and/or maintain the current real property taxes, Famille
2 may elect to foreclose prior to December 31, 2011.

3 Based on the foregoing, Cameo is informed and believes that there is and will be no
4 realizable equity in French Valley that would benefit its estate.³ Hence, Cameo believes that the
5 proposed abandonment of the estate's interest in French Valley is in the best interests of the estate
6 and its creditors.

7 **PLEASE TAKE FURTHER NOTICE** that, pursuant to Rule 6007-1 of the Local
8 Bankruptcy Rules for the United States Bankruptcy Court for the Central District of California,
9 any objections or request for hearing with respect to the abandonment proposed by this Notice
10 must be filed with the Court and served on counsel for Cameo, at the address indicated in the
11 upper left hand corner of the first page of this Notice, and the United States Trustee not more than
12 fourteen (14) days after service of this Notice, which date is noted below.

13 **PLEASE TAKE FURTHER NOTICE** that, if no request for hearing is timely filed and
14 served, Cameo will be deemed to have abandoned the estate's interest in French Valley effective
15 as of the expiration of the fourteen (14) days objection period. No Court order will be required for
16 the abandonment to be effective.

17 **PLEASE TAKE FURTHER NOTICE** that, if a timely objection and request for hearing
18 is filed and served, Cameo shall, within twenty-one (21) days from the date of service of such
19 objection, contact the Court to obtain a hearing date and give not less than fourteen (14) days

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27 ³ As noted above, Mr. Gianulias currently owns 99% of French Valley. Mr. Gianulias is
28 not abandoning his interest in French Valley and, following Cameo's abandonment of its 1%
interest, will own 100% of French Valley.

1 notice of the hearing to each objecting party and to the Office of the United States Trustee.

2 Dated: March 25, 2010

IRELL & MANELLA LLP

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By: /s/ Kerri A. Lyman

5

Alan J. Friedman

6

Kerri A. Lyman

IRELL & MANELLA LLP

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Attorneys for Debtors and

Debtors-in-Possessions

8

9

-and-

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William N. Lobel

Mike D. Neue

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THE LOBEL FIRM, LLP

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Attorneys for Debtors and

Debtors-in-Possession

13

14 Mailing Date: March 25, 2010

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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: 840 Newport Center Drive, Suite 400, Newport Beach, CA 92660

The foregoing document described as **NOTICE OF INTENTION OF CAMEO HOMES TO ABANDON INTERESTS IN FRENCH VALLEY 40 LLC [11 U.S.C. §554(a)]** 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 March 25, 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 _____, 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 March 25, 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.*

Chambers of Honorable Robert W. Kwan
United States Bankruptcy Court
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.

3/25/2010

Date

Lori Gauthier

Type Name

/s/ Lori Gauthier

Signature

SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") :

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