

1 JAMES J. JOSEPH (State Bar No. 053840)  
2 2029 Century Park East, Third Floor  
3 Los Angeles, California 90067-2904  
4 Telephone: (310) 277-0077  
5 Facsimile: (310) 277-5735

6 Chapter 7 Trustee

7  
8 UNITED STATES BANKRUPTCY COURT  
9 CENTRAL DISTRICT OF CALIFORNIA  
10 SANTA ANA DIVISION

11 In re ) Case No. SA 06-11254-ES  
12 HIGH PARK INVESTMENT GROUP, INC., ) Chapter 7  
13 Debtor. ) NOTICE OF MOTION AND MOTION  
14 ) AUTHORIZING ABANDONMENT OF  
15 ) REAL PROPERTY; MEMORANDUM OF  
16 ) POINTS AND AUTHORITIES;  
17 ) DECLARATION OF JAMES J. JOSEPH  
18 )  
19 ) Date: March 6, 2007  
20 ) Time: 10:30 a.m.  
21 ) Ctrm: "5D"  
22 ) 411 W. 4th Street  
23 ) Santa Ana, CA

24 TO THE DEBTOR, ROB EVANS & ASSOCIATES, LLC; TO REVEREND AND  
25 MRS. JAMES B. HARRISON:

26 PLEASE TAKE NOTICE that at the date, time and place stated  
27 above or as soon thereafter as the matter may be heard, the  
28 undersigned Chapter 7 Trustee will and does hereby move for  
authority to abandon real property of this estate and commonly  
known as: 259 Via Ballena, San Clemente, CA 92672; 408 Calle  
Vista Torito, San Clemente, CA 92672; 27091 Calle Juanita, Dana  
Point, CA 92624; 2055 Old Mammoth Road, Mammoth Lakes, CA 93546;  
1706 Forest Trail, Mammoth Lakes, CA 93546; 713 Avenida Columbo

1 Avenue, San Clemente, CA 92672; 24602 La Hermosa, Laguna Niguel,  
2 CA 92677; 255 Via Ballena, San Clemente, CA 92672; 2142 Coast  
3 Avenue, San Marcos, CA 92069; 215 Calle Tinaja, San Clemente, CA  
4 92672; 32 Campanilla, San Clemente, CA 92673; 34562 Via Verde,  
5 Dana Point, CA 92624; 3 Marbella, San Clemente, CA 92672; 424  
6 Avenida Salvador, San Clemente, CA 92672; 933 Avenida Presidio,  
7 San Clemente, CA 92673; Goldrush and Ramar Road, Bullhead City, AZ  
8 86442; and 33333 Mulholland Highway, Malibu, CA 90265.

9 The motion is and will be made upon the grounds that said  
10 real estate is burdensome and of inconsequential value to this  
11 estate and is and will be based upon this notice, the memorandum  
12 of points and authorities including the declaration of James J.  
13 Joseph submitted herewith and upon such other and further matters  
14 as the Court might consider at time of hearing.

15 PLEASE BE ADVISED that any opposition to the motion must be  
16 in writing and in conformity with Local Bankruptcy Rule 9013-1  
17 (a) (7) and must be served upon the undersigned at the address set  
18 forth in the upper left-hand corner of this notice and upon the  
19 United States Trustee, 411 W. 4th Street, Room 9041, Santa Ana, CA  
20 92701, and filed with the Court no later than 14 days prior to  
21 hearing and that failure to file and serve opposition in  
22 conformity with the foregoing may be deemed consent to the relief  
23 sought.

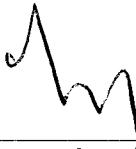
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25 Dated: January 19, 2007

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By:   
James J. Joseph  
Chapter 7 Trustee

1 MEMORANDUM OF POINTS AND AUTHORITIES

2  
3 I. PROCEDURAL STATUS

4 On November 22, 2006, James J. Joseph, Chapter 7 Trustee,  
5 gave notice pursuant to Local Bankruptcy Rule 6004-1(a) of his  
6 intention to abandon real property to creditors, the Debtor and  
7 parties-in-interest and no objection was filed save and except by  
8 Reverend and Mrs. James B. Harrison. Accordingly, this motion is  
9 directed principally to Reverend and Mrs. Harrison.

10  
11 II. FACTS

12 This Chapter 7 case was commenced on July 31, 2006 by the  
13 Debtor's Receiver, Rob Evans & Associates, LLC, pursuant to an  
14 order of the United States District Court in case no. SACV 1090  
15 CJC (MLGx), an enforcement action commenced by the United States  
16 Securities and Exchange Commission.

17 The Debtor's business *modus operandi* was as follows: using  
18 proceeds of loans from institutional lenders, the Debtor would  
19 purchase residences in need of substantial rehabilitation, many in  
20 the San Clemente, California area. The Debtor would then solicit  
21 money, typically from individuals, to remodel the properties.  
22 These subsequent "investors" were promised a share of the proceeds  
23 when the Debtor sold the remodeled property plus a substantial  
24 rate of interest if the property was not sold within an agreed  
25 time. Although the investors typically received a deed of trust,  
26 the deed of trust usually was not against the property promised  
27 and/or not of the priority promised.

1 The debtor's president, Edward R. Showalter has entered a  
2 guilty plea to federal criminal charges in case no. 06-CR-00192-  
3 AG-All, pending in the United States District Court, Central  
4 District of California, Southern Division, and is scheduled to be  
5 sentenced on February 26, 2007.

6 During his tenure, the federal receiver performed an  
7 extensive analysis of the Debtor's assets and liabilities with  
8 particular emphasis on the real property owed by the Debtor and  
9 the encumbrances, both institutional and "investor" against that  
10 real property. In its report filed on November 22, 2005 with the  
11 District Court, the receiver concludes:

12 "The total of the institutional and individual  
13 investor financing is \$27.8 million. When compared to  
14 the estimated gross property values of \$18.5 million,  
15 there is an indicated shortfall of \$9.3 million. That  
16 shortfall will be imposed on the individual investors,  
17 who are the junior lien holders recorded behind the  
18 institutional lenders. The shortfall is more than 60%  
19 of the total individual investment, not including the  
20 additional fees, and will probably increase from unpaid  
21 property taxes and selling expenses."

22 Exhibit "1" to that report shows relatively nominal positive  
23 equity in only three of seventeen properties analyzed and such  
24 equity as may have existed in those properties, 408 Calle Vista  
25 Torito in San Clemente, (\$51,000.00 of equity on an \$850,000.00  
26 valuation), 1706 Forest Trail, Mammoth Lakes (\$74,900.00 of equity  
27 on a \$779,000.00 valuation), and 33333 Mulholland Highway, Malibu  
28 (\$300,000.00 on a \$3,000,000.00 valuation) has been or would be  
consumed by interest accruals since November of 2005 and by costs  
of sale if an attempt were made to liquidate.

All the rest of the properties reflect no or negative equity.

///  
28

1 Subsequent investigation revealed that the "headquarters  
2 property" at 621 W. Rosecrans, Gardena property, 18 on Exhibit "1"  
3 to the receiver's report, was transferred by the Debtor prior to  
4 the institution of the receivership and subsequently foreclosed  
5 prior to the filing of this case.

6

7 III. ARGUMENT

8 Trustee's argument can be brief. 11 U.S.C. § 554(a)  
9 provides: "After notice and a hearing, the trustee may abandon  
10 any property of the estate that is burdensome to the estate or  
11 that is of inconsequential value and benefit to the estate."  
12 Trustee submits that the real estate which is the subject of this  
13 motion is both burdensome and of inconsequential value.

14

15 IV. CONCLUSION

16 For the reasons stated, Trustee's motion should be granted.

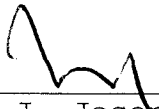
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18 Dated: January 19, 2007 Respectfully submitted,

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By:   
James J. Joseph  
Chapter 7 Trustee

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1 an agreed time. Although the investors usually received a deed of  
2 trust, the deed of trust typically was not against the property  
3 promised and/or not of the priority promised.

4 5. The debtor's president, Edward R. Showalter has entered  
5 a guilty plea to federal criminal charges in case no. 06-CR-00192-  
6 AG-All, United States District Court, Central District of  
7 California, Southern Division, and is scheduled to be sentenced on  
8 February 26, 2007.

9 6. During his tenure, the federal receiver performed an  
10 extensive analysis of the Debtor's assets and liabilities with  
11 particular emphasis on the real property owed by the Debtor and  
12 the encumbrances, both institutional and "investor" against that  
13 real property. The receiver's analysis concludes in his report  
14 filed November 22, 2005 with the United States District Court, a  
15 true copy being attached hereto as Exhibit "3":

16 "The total of the institutional and individual  
17 investor financing is \$27.8 million. When compared to  
18 the estimated gross property values of \$18.5 million,  
19 there is an indicated shortfall of \$9.3 million. That  
20 shortfall will be imposed on the individual investors,  
21 who are the junior lien holders recorded behind the  
22 institutional lenders. The shortfall is more than 60%  
23 of the total individual investment, not including the  
24 additional fees, and will probably increase from unpaid  
25 property taxes and selling expenses."

26 7. Exhibit "1" to that report which is Exhibit "3" to this  
27 declaration shows relatively nominal positive equity in only  
28 three of seventeen properties analyzed and such equity as may have  
existed in those properties, 408 Calle Vista Torito in San  
Clemente, (\$51,000.00 of equity on an \$850,000.00 valuation), 1706  
Forest Trail, Mammoth Lakes (\$74,900.00 of equity on a \$779,000.00  
valuation), and 33333 Mulholland Highway, Malibu (\$300,000.00 on a

1 \$3,000,000.00 valuation) has been or would be consumed by interest  
2 accruals since November of 2005 and by costs of sale if an attempt  
3 were made to liquidate.

4 8. All the rest of the properties reflect no or negative  
5 equity.

6 9. Subsequent investigation revealed that the "headquarters  
7 property" at 621 W. Rosecrans, Gardena property, 18 on Exhibit "1"  
8 to the receiver's report, was transferred by the Debtor prior to  
9 the institution of the receivership and subsequently foreclosed  
10 prior to the filing of this case.

11 10. If called as a witness in this matter I could and would  
12 of my personal knowledge competently testify to the foregoing.

13

14 I declare under penalty of perjury under the laws of the  
15 State of California that the foregoing is true and correct.

16 Executed this 19 day of January, 2007, at Los Angeles,  
17 California.

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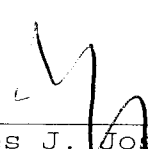
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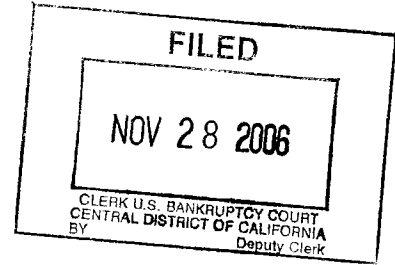
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\_\_\_\_\_  
James J. Joseph



1 JAMES J. JOSEPH (State Bar No. 053840)  
2 2029 Century Park East, Third Floor  
3 Los Angeles, California 90067-2904  
Telephone: (310) 277-0077  
Facsimile: (310) 277-5735

4 Chapter 7 Trustee



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

11 In re ) Case No. SA 06-11254-ES  
12 )  
12 HIGH PARK INVESTMENT GROUP, INC., ) Chapter 7  
13 )  
13 Debtor. ) NOTICE OF INTENTION TO ABANDON  
14 ) ESTATE INTEREST IN REAL  
14 ) PROPERTY [11 U.S.C. § 554,  
15 ) LOCAL BANKRUPTCY RULE 6004-  
15 ) 1(a)]  
16 )  
16 ) [No hearing required]

17 PLEASE TAKE NOTICE that on or after fifteen (15) days from  
18 the service of this document upon you the undersigned Chapter 7  
19 Trustee will abandon as property of the estate the real property  
20 set forth on Exhibit "A" to this notice. The debtor was the  
21 subject of an SEC enforcement action in the United States District  
22 Court, Central District of California, Southern Division, Case No.  
23 SACV 05-1090-CJC in which a receiver was appointed and the  
24 receiver conducted extensive investigation respecting the real  
25 property listed on Exhibit "A" and the encumbrances against the  
26 same. Based upon the receiver's investigation and the  
27 undersigned's own investigation, the undersigned believes that the  
28 real estate listed on Exhibit "A" is encumbered beyond its value,

1 contains no realizable equity for this bankruptcy estate and is  
2 therefore burdensome and of inconsequential value to this estate.

3 If you have any objection to the foregoing then you must,

4 within fifteen (15) days of receipt of this notice of the court.

In re <b>High Park Investment Group, Inc.</b>	Debtor.	Case No.: <b>SA06-11254 ES</b>	(If known)
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## SCHEDULE A - REAL PROPERTY

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY
<b>1_259 Via Ballena San Clemente, CA 92672</b>	<b>Fee Owner</b>
<b>2_408 Calle Vista Torito San Clemente, CA 92672</b>	<b>Fee Owner</b>
<b>3_27091 Calle Juanita Dana Point, CA 92624</b>	<b>Fee Owner</b>
<b>4_2055 Old Mammoth Road Mammoth Lakes, CA 93546</b>	<b>Fee Owner</b>
<b>5_1706 Forest Trail Mammoth Lakes, CA 93546</b>	<b>Fee Owner</b>
<b>6_713 Avenida Columbo Avenue San Clemente, CA 92672</b>	<b>Fee Owner</b>
<b>7_24602 La Hermosa Laguna Niguel, CA 92677</b>	<b>Fee Owner</b>
<b>8_255 Via Ballena San Clemente, CA 92672</b>	<b>Fee Owner</b>
<b>9_215 Calle Tinaja San Clemente, CA 92672</b>	<b>Fee Owner</b>
<b>9A_32 Campanilla San Clemente, CA 92673</b>	<b>Fee Owner</b>
<b>9B_34562 Via Verde Dana Point, CA 92624</b>	<b>Fee Owner</b>
<b>9C_3 Marbella San Clemente, CA 92673</b>	<b>Fee Owner</b>
<b>9D_424 Avenida Salvador San Clemente, CA 92672</b>	<b>Fee Owner</b>
<b>9E_933 Avenida Presidio San Clemente, CA 92673</b>	<b>Fee Owner</b>
<b>9F_Goldrush and Ramar Road Bullhead City, AZ 86442</b>	<b>Fee Owner</b>
<b>9G_33333 Mulholland Parkway Malibu, CA 90265</b>	<b>Fee Owner</b>

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PROOF OF SERVICE

I, Anne D. Shimogaki, declare:

I am employed by the law firm of DANNING, GILL, DIAMOND & KOLLITZ, LLP, in the County of Los Angeles, State of California. I am employed in the office of a member of the bar of this court at whose direction the service was made. I am over the age of 18 years and am not a party to the within action. My business address is 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904.

On November 22, 2006, I served the following document(s):

NOTICE OF INTENTION TO ABANDON ESTATE INTEREST IN REAL PROPERTY 11 U.S.C. § 554, LOCAL BANKRUPTCY RULE 6004-1(a)

on the interested parties addressed as follows:

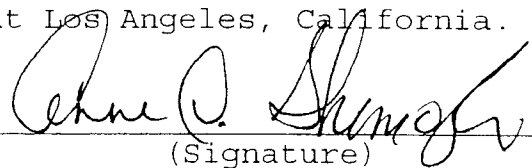
[SEE ATTACHED SERVICE LIST.]

(By Mail) I placed the document for collection and deposit in the mail. I am familiar with this firm's practice for the collection and processing of correspondence for mailing. Under that practice, the document would be placed in a sealed envelope and deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904, in the ordinary course of business. The documents served were placed in sealed envelopes and placed for collection and mailing following ordinary business practices.

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

Executed on November 22, 2006, at Los Angeles, California.

\_\_\_\_\_  
Anne D. Shimogaki  
(Type or print name)

  
\_\_\_\_\_  
(Signature)

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SERVICE LIST

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



Debtor  
High Park Investment Group, Inc.  
621 W. Rosecrans Avenue  
Los Angeles, CA 90248



**Attorney for Debtor**  
Leslie Anne Hawes, Esq.  
McKenna, Long & Aldridge, LLP  
444 S. Flower Street, 8th Fl.  
Los Angeles, CA 90071



**ALL CREDITORS AND REQUEST FOR  
SPECIAL NOTICE  
(SEE ATTACHED LIST)**