

1 | replied with statements from SBBT's employees and directors and its
2 | general counsel that the SBBT employees and directors were not
3 | authorized to respond directly to the Debtor and that all
4 | communications by the Debtor were to be directed to SBBT's counsel
5 | only. The Debtor did not respect these requests and the constant
6 | bombardment continued. After the Debtor sent over 200 separate
7 | correspondences to SBBT directors and employees in a short time
8 | span, SBBT sought a restraining order against the Debtor to cease
9 | his unlawful harassment. On June 27, 2011, after a noticed hearing
10 | at which the Debtor appeared, the Santa Barbara Superior Court
11 | deemed that the Debtor's conduct was unlawful harassment and issued
12 | a Restraining Order against the Debtor which precluded him from
13 | directly contacting anyone at SBBT and that he was only to contact
14 | SBBT through its attorneys, Reicker, Pfau, Pyle & McRoy LLP ("the
15 | Reicker Firm"). The duration of the Restraining Order is for three
16 | years (the statutory maximum).

17 | 10. After the issuance of the Restraining Order, the Debtor
18 | began bombarding the Reicker Firm with the same unsubstantiated
19 | allegations of fraud, which he had previously sent to SBBT's
20 | directors and officers. These correspondences routinely numbered in
21 | excess of five or more per day. Just as before, these
22 | communications were for the most part repetitive and did not include
23 | any new information or allegations. The communications merely
24 | repeated the same allegations over and over. Nonetheless, SBBT's
25 | counsel repeatedly worked with the Debtor to come to an amicable
26 | resolution and, although there was nothing improper with SBBT's

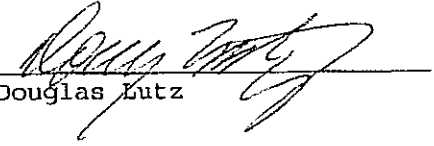
1 handling of the Loan or the Forbearance Agreement, SBBT made
2 numerous generous offers to assist the Debtor in curing his default.
3 The Debtor rejected all offers and maintained his unreasonable
4 position that the entire Loan must be forgiven by SBBT.

5 11. Seeing that discussions with the Debtor were futile, SBBT
6 proceeded with its foreclosure proceeding on the properties which
7 secure the Loan. On September 15, 2011 and several days prior to
8 the scheduled trustee sale, the Debtor filed his first Chapter 13
9 Bankruptcy Petition in this Court (the "First Petition"). The
10 Debtor made his post petition monthly mortgage payments to SBBT for
11 the months of October and November 2011. After the Debtor failed to
12 make his December 2011 payment to SBBT, as well as his Chapter 13
13 Plan payment due in December, this Court dismissed the First
14 Petition.

15 12. On December 27, 2011, the Debtor filed this most recent
16 Chapter 13 case. On January 9, 2012, SBBT filed its Proof of Claim
17 in the amount of \$434,589 as Claim No. 1. A copy of the Proof of
18 Claim is attached to the Debtor's Objection as Exhibit "1". SBBT
19 did not include its attorney's fees and costs in the claim, as the
20 fees and costs were ongoing. As of February 22, 2012, SBBT had
21 incurred fees and expenses to the Reicker Firm totaling
22 approximately \$58,700 and fees and expenses to its bankruptcy
23 counsel Karen L. Grant totaling \$8,953.68, as a result of the
24 Debtor's default under the Note and to enforce and protect its
25 interests under the Deed of Trust. The amount of these fees and
26 costs incurred by SBBT were largely due to the Debtor's own conduct

1 and the necessity to employ counsel to directly communicate with the
2 Debtor regarding any loan issues in accordance with the terms of the
3 restraining order. Even after his bankruptcy cases were filed, the
4 Debtor continued to send multiple daily emails to SBBT's counsel,
5 even after SBBT's counsel informed the Debtor and his bankruptcy
6 counsel that all communications should be directly between counsel
7 only.

8 I declare under penalty of perjury pursuant to the laws of the
9 United States of America that the foregoing is true and correct.
10 Executed this 29th day of March, 2012, at Santa Barbara, California.

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13 Douglas Lutz
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DECLARATION OF ROBERT FOROUZANDEH

1
2 I, Robert Forouzandeh, state and declare as follows:

3 1. I am an attorney at law duly licensed to practice in the
4 State of California and before the United States District Court for
5 the Central District of California, and am the attorney of record
6 for SANTA BARBARA BANK AND TRUST, N.A., f/k/a PACIFIC CAPITAL BANK
7 dba SANTA BARBARA BANK AND TRUST (hereinafter "SBBT").

8 2. I have personal knowledge of the matters set forth
9 herein. If called as a witness in this action, I could and would
10 testify competently to the matters contained herein from my personal
11 knowledge or from information communicated to me in the ordinary
12 course of business.

13 3. On or about October 6, 2003, the Debtor obtained a loan
14 from First Bank of San Luis Obispo in the amount of \$450,000. The
15 loan was evidenced by a promissory note ("the Note") and was secured
16 by a First Trust Deed against commercial real property located at
17 1311/1341 Paso Robles Street in Oceano California ("Paso Robles
18 Property") and a Second Deed of Trust against commercial real
19 property located at 470 Price Street in Pismo Beach, California
20 ("Price Street Property"). SBBT became the successor in interest on
21 the loan pursuant to a merger with First Bank of San Luis Obispo.

22 4. In December 2010, SBBT recorded a Notice of Default on the
23 Loan. In response, the Debtor began contacting various SBBT
24 officials in response to the Notice of Default. Although the Debtor
25 on countless occasions was instructed by SBBT to only contact our
26 firm regarding the Loan, the Debtor sent mass communications to all
of SBBT's Board of Directors, along with numerous other SBBT

1 employees. During these communications, the Debtor made numerous
2 unsubstantiated claims that SBBT committed fraud in relation to the
3 Loan and the Forbearance Agreement. SBBT investigated the Debtor's
4 accusations and determined that they were all without merit. On
5 behalf of SBBT, Diana Lee of my firm attended a mediation session
6 with the Debtor in May 2011.

7 5. When the mediation was unsuccessful, the Debtor began to
8 harass SBBT, by sending over 200 separate correspondences to SBBT
9 directors and employees in a short time span. Ultimately, our firm
10 sought a restraining order against the Debtor to cease his unlawful
11 harassment. On June 27, 2011, after a noticed hearing at which the
12 Debtor appeared, the Santa Barbara Superior Court deemed that the
13 Debtor's conduct was unlawful harassment and issued a Restraining
14 Order against the Debtor which precluded him from directly
15 contacting anyone at SBBT and that he was only to contact SBBT
16 through the Riecker firm. The duration of the Restraining Order is
17 for three years (the statutory maximum).

18 6. After the issuance of the Restraining Order, the Debtor
19 began bombarding my firm with the same unsubstantiated allegations
20 of fraud, which he had previously sent to SBBT's directors and
21 officers. These correspondences routinely numbered in excess of
22 five or more per day. Despite this bombardment we continued to
23 attempt to work out a resolution of the loan default. When that
24 effort was unsuccessful, we initiated a foreclosure proceeding on
25 the Deed of Trust securing SBBT's loan.
26

1 7. On September 15, 2011 the Debtor filed his first Chapter
2 13 Bankruptcy Petition in this Court (the "First Petition"). After
3 the Debtor failed to make his December 2011 payment to SBBT, as well
4 as his Chapter 13 Plan payment due in December, this Court dismissed
5 the First Petition. Following the filing of the bankruptcy case,
6 SBBT engaged the Law Offices of Karen L. Grant to assist it with the
7 bankruptcy case, however, my firm continued as the contact person
8 regarding the Debtor's loan pursuant to the terms of the restraining
9 order. During this time and continuing after the filing of the
10 Debtor's second chapter 13 case on December 27, 2011, the Debtor
11 continued to send multiple daily emails to counsel at my firm as
12 well as to Karen L. Grant, even after SBBT's counsel informed the
13 Debtor and his bankruptcy counsel that all communications should be
14 directly between counsel only.

15 8. Following the filing of the Debtor's second Chapter 13
16 case, the Debtor filed a motion for an order continuing the
17 automatic stay under §362(c)(3)(B) ("Stay Hearing"). I attended
18 the hearing with SBBT's bankruptcy counsel. At the hearing on
19 January 31, 2012, the court ordered that the stay be continued only
20 as to the Price St. Property and only through February 29, 2012.
21 The Court entered the Order Continuing the Automatic Stay on
22 February 21, 2012 ("the Stay Order"). The Stay Order allowed SBBT
23 to immediately proceed with its foreclosure sale on the Paso Robles
24 Property. Following the Stay Hearing, I spoke with Chris Gautschi,
25 counsel for the Debtor, who confirmed that the Debtor did not object
26 to the foreclosure on the Paso Robles Property and stated that SBBT

1 would be entitled to first apply \$131,323.83 of the foreclosure sale
2 proceeds to Debtor's past-due principal and interest on the loan and
3 use the remainder of the proceeds to pay off the attorney's fees and
4 costs that SBBT had incurred. Mr. Gautschi also confirmed that
5 there would be no principal reduction on the loan and the loan would
6 not be re-calculated and re-amortized until the past-due amount and
7 the attorney's fees and costs were satisfied. During this
8 conversation, the Debtor was several feet away and appeared to be
9 listening to our entire conversation and did not object in any way.

10 9. On or about February 21, 2012, the Court entered an order
11 continuing the stay on the Price St. Property to March 21, 2012
12 pursuant to a stipulation entered into between the parties ("March
13 Stay Order"). On February 21, 2012, I sent an email to Mr.
14 Gautschi, informing him that the trustee's sale would proceed on
15 February 22, 2012 on the Paso Robles Property and that the minimum
16 bid would be \$189,000. A copy of the February 21, 2012 email is
17 attached hereto as Exhibit "A". Neither the Debtor nor his counsel
18 objected to the minimum bid amount.

19 10. On February 22, 2012, the Paso Robles Property was sold
20 at a trustee's sale for \$189,000. On February 27, 2012, I sent an
21 email to Mr. Gautschi informing him that the Paso Robles Property
22 had sold for \$189,000 and \$131,323.83 was applied to the past-due
23 principal and interest on the loan. My email further informed him
24 that the balance of \$57,676.17 would be applied to credit the
25 outstanding attorney fees and costs incurred by SBBT as a result of
26 the Debtor's default as per our prior discussion. I informed him

1 that my firm's fees and costs were in excess of \$58,700 and this
 2 amount did not include the amount that SBBT had incurred in fees and
 3 costs to its bankruptcy counsel. I also informed him that while the
 4 full amount of SBBT's attorney fees and costs must be paid in order
 5 to cure the default on the loan, as a gesture of good faith, SBBT
 6 was rescinding the Notice of Default on the Price Street Property.
 7 After re-calculating and re-amortizing the loan and reserving its
 8 right to add the remaining unpaid attorney fees and costs, the new
 9 loan amount as of February 27, 2012 is \$297,622.87 and the mortgage
 10 payment due on March 6, 2012 was \$3,277.21. A copy of my February
 11 27, 2012 email to Mr. Gautschi is attached hereto as Exhibit "B".

12
 13 I declare under penalty of perjury pursuant to the laws of the
 14 United States of America that the foregoing is true and correct.
 15 Executed this 30th day of March, 2012, at Santa Barbara, California.

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 18 _____
 19 Robert Forouzandeh

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Karen Grant

From: "Robert Forouzandeh" <rforouzandeh@rppmh.com>
To: "Chris Gautschi" <sanschromo@yahoo.com>
Cc: "Mary Jo Barbeau" <mjbarbeau@rppmh.com>
Sent: Tuesday, February 21, 2012 3:08 PM
Subject: Bookout Oceano Property Sale

Chris,

The Oceano property is confirmed for the trustee sale tomorrow. The minimum bid price is going to be \$189,000. This number is based on taking the appraised price of \$265,000 - \$26,500 (10% standard deduction by the bank on all foreclosures) - \$9,274 for delinquent taxes - \$39,750 for demolition and repair due to the extremely poor condition of the structures on the property. There were no identifiable environmental issues so no deductions were necessary for that.

Let me know if you have any questions.

Robert B. Forouzandeh
Attorney at Law
Reicker, Pfau, Pyle & McRoy LLP
1421 State Street, Suite B
Santa Barbara, CA 93101

Tel: 805-966-2440
Fax: 805-966-3320
E-mail: rforouzandeh@rppmh.com
Website: www.reickerpfau.com

This e-mail may contain confidential and privileged material for the sole use of the intended recipient. Any review or distribution by others is strictly prohibited. If you are not the intended recipient, please contact the sender and delete this e-mail.

EXHIBIT A-22

Karen Grant

From: "Robert Forouzandeh" <rforouzandeh@rppmh.com>
To: "Chris Gautschi" <sanschromo@yahoo.com>
Cc: "Mary Jo Barbeau" <mjbarbeau@rppmh.com>; "Karen Grant" <kgrant@silcom.com>; "Diana Lee" <dlee@rppmh.com>
Sent: Monday, February 27, 2012 6:44 PM
Subject: Bookout

Chris,

The Oceano property sold at the trustee sale for \$189,000. Of that amount \$131,323.83 was applied to Mr. Bookout's past-due principal and interest on the loan (as specified in the Proof of Claim). That leaves \$57,676.17 of the trustee sale proceeds to be applied to pay off the attorneys fees and costs incurred by SBBT as a result of Mr. Bookout's default. As you mentioned, SBBT is entitled to credit its attorneys fees and costs incurred as a result of Mr. Bookout's default against the proceeds obtained from the trustee sale. My firm's fees and costs which have been incurred since early 2011 are in excess of \$58,700. This amount does not factor in the fees and costs incurred by Ms. Grant. Although our bill reflects a significant sum, it was driven exclusively by Mr. Bookout's own conduct. As you know Mr. Bookout has a propensity to drive up attorneys fees and costs through his repetitive email and telephone bombardment practices. Had Mr. Bookout not defaulted on the loan and then compounded the problem with his frivolous conduct the majority of these fees would not have been incurred.

Both the full amount of my office's fees and costs along with Ms. Grant's fees and costs must be paid in order to cure the current and ongoing default by Mr. Bookout on the loan. Nonetheless, as a gesture of good faith, SBBT has decided to rescind the Notice of Default on the Pismo Beach property, while reserving the right to seek payment for the remainder of the attorneys fees and costs SBBT incurred as a result of the default. The rescission of the Notice of Default should be completed this week. Due to the fact that the attorneys fees and costs exceed the remaining amount of the trustee sale proceeds, there will be no additional principal pay down on Mr. Bookout's loan, other than the \$131,323.83 amount set forth above.

Accordingly, Mr. Bookout's loan will be re-calculated and re-amortized as follows, with SBBT reserving the right to add the remaining unpaid attorneys fees and costs it incurred pursuant to Mr. Bookout's default:

\$434,589.19 (this was the total amount of principal and interest due including deferred payments and past due amounts as reflected in SBBT's proof of claim)
-
\$5,642.49 (reduction of loan principal as a result of post bankruptcy petition payments made by Mr. Bookout)
-
\$131,323.83 (past due interest and principal amount credited from trustee sale proceeds)
=
\$297,622.87

With 116 payments remaining on the note (with the first being due on March 6, 2012) at an interest rate of 5.25%, this yields a monthly payment amount of \$3,277.21.

I will be providing you with a revised monthly statement for March which reflects these figures shortly.

Please let me know if you have any questions and when you anticipate that Mr. Bookout will be dismissing his bankruptcy petition as you previously indicated that he would be doing once the loan was re-calculated with a lower monthly payment.

Robert B. Forouzandeh
Attorney at Law
Reicker, Pfau, Pyle & McRoy LLP
1421 State Street, Suite B
Santa Barbara, CA 93101

EXHIBIT B-23

3/15/2012

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:
924 Anacapa Street, Suite 1M, Santa Barbara, California 93101.

A true and correct copy of the foregoing document described as **RESPONSE TO DEBTOR'S OBJECTION TO SECURED CLAIM OF SANTA BARBARA BANK AND TRUST; DECLARATIONS OF DOUGLAS LUTZ AND ROBERT FOROUZANDEH 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 **March 30, 2012**, 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 **March 30, 2012**, 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 30, 2012, 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.

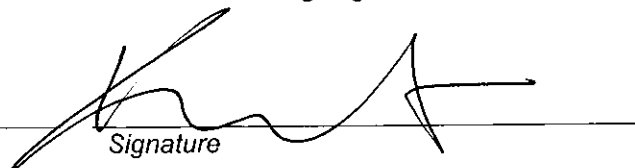
Honorable Robin L. Riblet (Via Hand Delivery)
1415 State Street
Santa Barbara, CA 93101

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.

March 30, 2012
Date

Karen L. Grant
Type Name


Signature

I. SERVED VIA NOTICE OF ELECTRONIC FILING

- David Dickson king@thetexasfirm.com, csquires@thetexasfirm.com
- Karen L Grant kgrant@silcom.com
- Elizabeth (ND) F Rojas (TR) cacb_ecf_nd@chl3wla.com
- Richard E Rossi poole@rossilegal.com
- United States Trustee (ND) ustpreion16.nd.ecf@usdoj.gov

II. SERVED VIA U.S. MAIL

William Arthur Bookout
470 Price Street
Pismo Beach, CA 93449