UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF CALIFORNIA

Honorable Fredrick E. Clement Fresno Federal Courthouse 2500 Tulare Street, 5th Floor Courtroom 11, Department A Fresno, California

PRE-HEARING DISPOSITIONS

DAY: THURSDAY DATE: JANUARY 23, 2020 CALENDAR: 9:00 A.M. CHAPTER 7 CASES

Each matter on this calendar will have one of three possible designations: No Ruling, Tentative Ruling, or Final Ruling. These instructions apply to those designations.

No Ruling: All parties will need to appear at the hearing unless otherwise ordered.

Tentative Ruling: If a matter has been designated as a tentative ruling it will be called. The court may continue the hearing on the matter, set a briefing schedule or enter other orders appropriate for efficient and proper resolution of the matter. The original moving or objecting party shall give notice of the continued hearing date and the deadlines. The minutes of the hearing will be the court's findings and conclusions.

Final Ruling: Unless otherwise ordered, there will be <u>no hearing on</u> <u>these matters</u>. The final disposition of the matter is set forth in the ruling and it will appear in the minutes. The final ruling may or may not finally adjudicate the matter. If it is finally adjudicated, the minutes constitute the court's findings and conclusions.

Orders: Unless the court specifies in the tentative or final ruling that it will issue an order, the prevailing party shall lodge an order within 14 days of the final hearing on the matter.

1. $\frac{19-15004}{JHW-1}$ -A-7 IN RE: GUADALUPE HERNANDEZ

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-19-2019 [15]

TD AUTO FINANCE LLC/MV THOMAS GILLIS/ATTY. FOR DBT. JENNIFER WANG/ATTY. FOR MV.

Final Ruling

Motion: Stay Relief
Notice: LBR 9014-1(f)(1); written opposition required
Disposition: Granted
Order: Civil minute order

Subject: 2017 Nissan Altima
Value of Collateral: \$12,671.00
Liens Encumbering Collateral: \$23,331.17

Unopposed motions are subject to the rules of default. Fed. R. Civ. P.55, *incorporated by* Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987).

STAY RELIEF

Section 362(d)(2) authorizes stay relief if the debtor lacks equity in the property and the property is not necessary to an effective reorganization. 11 U.S.C. § 362(d)(2). Chapter 7 is a mechanism for liquidation, not reorganization, and, therefore, property of the estate is never necessary for reorganization. In re Casgul of Nevada, Inc., 22 B.R. 65, 66 (B.A.P. 9th Cir. 1982). In this case, the aggregate amount due all liens exceeds the value of the collateral and the debtor has no equity in the property. The motion will be granted, and the 14-day stay of Federal Rule of Bankruptcy Procedure 4001(a)(3) will be waived. No other relief will be awarded.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

TD Auto Finance, LLC's motion for relief from the automatic stay has been presented to the court. Having entered the default of respondent for failure to appear, timely oppose, or otherwise defend in the matter, and having considered the well-pleaded facts of the motion,

IT IS ORDERED that the motion is granted. The automatic stay is vacated with respect to the property described in the motion, commonly known as 2017 Nissan Altima, as to all parties in interest. The 14-day stay of the order under Federal Rule of Bankruptcy Procedure 4001(a)(3) is waived. Any party with standing may pursue its rights against the property pursuant to applicable nonbankruptcy law.

IT IS FURTHER ORDERED that no other relief is awarded. To the extent that the motion includes any request for attorney's fees or other costs for bringing this motion, the request is denied.

2. <u>14-12905</u>-A-7 **IN RE: MARIE ABD-ELAAL** NES-7

MOTION TO AVOID LIEN OF CAPITAL ONE BANK (USA) NA 12-20-2019 [126]

MARIE ABD-ELAAL/MV NEIL SCHWARTZ/ATTY. FOR DBT.

Final Ruling

Motion: Avoid Lien that Impairs Exemption in Real Property Notice: LBR 9014-1(f)(1); written opposition required Disposition: Continued to February 25, 2020 at 1:00 p.m. Order: Civil minute order

The motion seeks to avoid the responding party's lien on the moving party's real property.

Other motions to avoid judicial liens on the same subject real property are being continued for a further hearing to resolve a procedural issue. To avoid entering inconsistent orders regarding the subject real property's value or the amounts of liens or exemptions, the court will continue this motion to coincide with the other lien-avoidance motions.

CIVIL MINUTE ORDER

IT IS ORDERED that this hearing is continued to February 25, 2020 at 1:00 p.m. to coincide with other motions to avoid judicial lien on the same subject real property.

3. <u>14-12905</u>-A-7 IN RE: MARIE ABD-ELAAL NES-8

MOTION TO AVOID LIEN OF AMERICAN EXPRESS CENTURION BANK 12-20-2019 [132]

MARIE ABD-ELAAL/MV NEIL SCHWARTZ/ATTY. FOR DBT.

Final Ruling

Motion: Avoid Lien that Impairs Exemption in Real Property Notice: LBR 9014-1(f)(1); written opposition required Disposition: Continued to February 25, 2020 at 1:00 p.m. Order: Civil minute order

The motion seeks to avoid the responding party's lien on the moving party's real property.

A motion to avoid a lien is a contested matter requiring service of the motion in the manner provided by Federal Rule of Bankruptcy Procedure 7004. Fed. R. Bankr. P. 4003(d), 9014(b); see also In re Villar, 317 B.R. 88, 92 n.6 (B.A.P. 9th Cir. 2004). Under Rule 7004, service on FDIC-insured institutions must "be made by certified mail addressed to an officer of the institution" unless one of the exceptions applies. Fed. R. Bankr. P. 7004(h).

Service of the motion was insufficient. Service of the motion was not made by certified mail or was not addressed to an officer of the responding party. No showing has been made that the exceptions in Rule 7004(h) are applicable. See Fed. R. Bankr. P. 7004(h)(1)-(3).

The court will continue this hearing to February 25, 2020 at 1:00 p.m. to coincide with other lien-avoidance motions on the subject real property. Movant shall serve respondent creditor in accordance with Rule 7004(h) not later than 28 days before the continued hearing. Movant is to indicate in the notice of continued hearing that opposition is to be filed not later than 14 days before the hearing. The court will issue the following civil minute order.

CIVIL MINUTE ORDER

IT IS ORDERED that this hearing is continued to February 25, 2020 at 1:00 p.m.

IT IS FURTHER ORDERED that not later than January 28, 2020, Movant shall serve in the manner required by Fed. R. Bankr. P. 7004(b)(3), (h), (1) the motion, ancillary documents, and (2) a Notice of Continued Hearing on the respondent creditor. The Notice of Continued Hearing shall indicate that opposition is to be made in writing and filed not later than February 11, 2020.

IT IS ALSO ORDERED that not later than January 28, 2020, the movant shall file a Certificate of Service indicating compliance with the terms of the preceding paragraph.

4. $\frac{19-13006}{TGF-1}$ -A-7 IN RE: FERNANDO/CARMEN PORTILLO

CONTINUED MOTION TO AVOID LIEN OF JOHN GSCHWEND 10-14-2019 [14]

FERNANDO PORTILLO/MV VINCENT GORSKI/ATTY. FOR DBT. RESPONSIVE PLEADING

No Ruling

5. $\frac{19-12511}{KAS-4}$ -A-7 IN RE: FAULKNER TRUCKING, INC.

MOTION FOR COMPENSATION BY THE LAW OFFICE OF COLEMAN & HOROWITT, LLP FOR KELSEY A. SEIB, TRUSTEES ATTORNEY(S) 12-23-2019 [95]

RILEY WALTER/ATTY. FOR DBT.

Final Ruling

Application: Allowance of Interim Compensation and Expense
Reimbursement
Notice: LBR 9014-1(f)(1); written opposition required
Disposition: Approved
Order: Civil minute order

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, *incorporated by* Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this application was required not less than 14 days before the hearing on the application. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987).

COMPENSATION AND EXPENSES

In this Chapter 7 case, Coleman & Horowitt, LLP, attorney for the trustee, has applied for an allowance of interim compensation and reimbursement of expenses. The application requests that the court allow compensation in the amount of \$11,931.50 and reimbursement of expenses in the amount of \$1,756.55.

Section 330(a) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services" rendered by a trustee, examiner or professional person employed under § 327 or § 1103 and "reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Reasonable compensation is determined by considering all relevant factors. See id. § 330(a)(3).

The court finds that the compensation and expenses sought are reasonable, and the court will approve the application on an interim basis as to the amounts requested. Such amounts shall be perfected, and may be adjusted, by a final application for compensation and expenses, which shall be filed prior to case closure.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

Coleman & Horowitt, LLP's application for allowance of interim compensation and reimbursement of expenses has been presented to the court. Having entered the default of respondent for failure to appear, timely oppose, or otherwise defend in the matter, and having considered the well-pleaded facts of the application,

IT IS ORDERED that the application is approved. The court allows interim compensation in the amount of \$11,931.50 and reimbursement of expenses in the amount of \$1,756.55. The fees and costs are allowed pursuant to 11 U.S.C. § 331 as interim fees and costs, subject to final review and allowance pursuant to 11 U.S.C. § 330. Such allowed amounts shall be perfected, and may be adjusted, by a final application for allowance of compensation and reimbursement of expenses, which shall be filed prior to case closure.

IT IS FURTHER ORDERED that the trustee is authorized without further order of this court to pay from the estate the aggregate amount allowed by this order in accordance with the Bankruptcy Code and the distribution priorities of § 726.

6. <u>19-13927</u>-A-7 IN RE: WILLIAM RODRIGUEZ EPE-1

MOTION TO EXTEND TIME 12-19-2019 [21]

WILLIAM RODRIGUEZ/MV ERIC ESCAMILLA/ATTY. FOR DBT.

Final Ruling

Motion: Defer Discharge
Notice: LBR 9014-1(f)(1); written opposition required
Disposition: Granted
Order: Civil minute order

Creditor: PennyMac Loan Servicing Collateral: 5332 N. Salinas Avenue, Fresno, CA Duration of Deferral: 60 Days (approximately)

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, *incorporated by* Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987).

DISCUSSION

Federal Rule of Bankruptcy Procedure 4004(c)(1) governs the timing of Chapter 7 discharge. As a rule, the discharge of debts issues after expiration of the deadline for objection to the debtor's discharge has passed.

At least one notable exception exists. "Notwithstanding Rule 4004(c)(1), on motion of the debtor, the court may defer the entry of an order granting a discharge for 30 days and, on motion within that period, the court may defer entry of the order to a date certain." Fed. R. Bankr. P. 4004(c)(2). Cause and good faith are the standards by which a bankruptcy court should decide to defer the discharge. In re Rich, 544 B.R. 436 (Bankr. E.D. Cal. 2016). Among the species of cause are ongoing discussion to reaffirm a debt. In re Roderick, 425 B.R. 556 (Bankr. E.D. Cal. 2010); 11 U.S.C. § 524(c)(1) (requiring reaffirmations to be made before discharge is entered).

Here, the debtor seeks to defer discharge to negotiate and reaffirm the secured debt described herein. The court finds both cause and good faith on the part of the debtor and will grant the motion.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

William A. Rodriguez's motion has been presented to the court. Having entered the default of respondent for failure to appear, timely oppose, or otherwise defend in the matter, and having considered the well-pleaded facts of the motion,

IT IS ORDERED that the motion is granted; and

IT IS FURTHER ORDERED that the Clerk of the Court shall not enter discharge prior to February 22, 2020.

7. <u>19-14831</u>-A-7 **IN RE: MARIA SANDOVAL** MOTION FOR WAIVER OF THE CHAPTER 7 FILING FEE 11-20-2019 [<u>2</u>]

GEORGE ALONSO/ATTY. FOR DBT.

No Ruling

8. $\frac{11-61336}{DRJ-2}$ -A-7 IN RE: LEO/LUISA GONZALEZ

MOTION TO AVOID LIEN OF ALLY FINANCIAL INC. 12-17-2019 [37]

LEO GONZALEZ/MV DAVID JENKINS/ATTY. FOR DBT.

Final Ruling

Motion: Avoid Lien that Impairs Exemption Notice: LBR 9014-1(f)(1); written opposition required Disposition: Granted Order: Prepared by moving party

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, *incorporated by* Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987).

Section 522(f) of the Bankruptcy Code authorizes the court to avoid a lien "on an interest of the debtor in property to the extent that such lien impairs an exemption to which the debtor would have been entitled." 11 U.S.C. § 522(f)(1). There are four elements to avoidance of a lien that impairs an exemption: (1) there must be an exemption to which the debtor would have been entitled; (2) the property must be listed on the schedules and claimed as exempt; (3) the lien must impair the exemption claimed; and (4) the lien must be a judicial lien or nonpossessory, nonpurchase-money security interest in property described in § 522(f)(1)(B). Goswami v. MTC Distrib. (In re Goswami), 304 B.R. 386, 390-91 (B.A.P. 9th Cir. 2003). Impairment is statutorily defined: a lien impairs an exemption "to the extent that the sum of - (i) the lien; (ii) all other liens on the property; and (iii) the amount of the exemption that the debtor could claim if there were no liens on the property; exceeds the value that the debtor's interest in the property would have in the absence of any liens." 11 U.S.C. § 522(f)(2)(A).

The responding party's judicial lien, all other liens, and the exemption amount together exceed the property's value by an amount greater than or equal to the judicial lien. As a result, the responding party's judicial lien will be avoided entirely.

9. <u>19-10460</u>-A-7 IN RE: SEC SUPPLY, INC. DMG-3

MOTION FOR ADMINISTRATIVE EXPENSES 12-23-2019 [35]

JEFFREY VETTER/MV LEONARD WELSH/ATTY. FOR DBT. D. GARDNER/ATTY. FOR MV.

No Ruling

10. <u>19-14361</u>-A-7 **IN RE: MIGUEL PEREZ** BPC-1

MOTION FOR RELIEF FROM AUTOMATIC STAY 1-9-2020 [16]

THE GOLDEN 1 CREDIT UNION/MV R. BELL/ATTY. FOR DBT. MICRO HAAG/ATTY. FOR MV.

Tentative Ruling

Motion: Stay Relief Notice: LBR 9014-1(f)(2); no written opposition required Disposition: Granted Order: Civil minute order

Subject: 2016 Dodge Ram 2500
Value of Collateral: \$36,000.00
Liens Encumbering Collateral: \$41,388.00

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, *incorporated by* Fed. R. Bankr. P. 7055, 9014(c). The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987).

STAY RELIEF

Section 362(d)(2) authorizes stay relief if the debtor lacks equity in the property and the property is not necessary to an effective reorganization. 11 U.S.C. § 362(d)(2). Chapter 7 is a mechanism for liquidation, not reorganization, and, therefore, property of the estate is never necessary for reorganization. In re Casgul of Nevada, Inc., 22 B.R. 65, 66 (B.A.P. 9th Cir. 1982). In this case, the aggregate amount due all liens exceeds the value of the collateral and the debtor has no equity in the property. The motion will be granted, and the 14-day stay of Federal Rule of Bankruptcy Procedure 4001(a)(3) will be waived. No other relief will be awarded.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

The Golden 1 Credit Union's motion for relief from the automatic stay has been presented to the court. Having entered the default of respondent for failure to appear, timely oppose, or otherwise defend in the matter, and having considered the well-pleaded facts of the motion, IT IS ORDERED that the motion is granted. The automatic stay is vacated with respect to the property described in the motion, commonly known as 2016 Dodge Ram 2500, as to all parties in interest. The 14-day stay of the order under Federal Rule of Bankruptcy Procedure 4001(a)(3) is waived. Any party with standing may pursue its rights against the property pursuant to applicable non-bankruptcy law.

IT IS FURTHER ORDERED that no other relief is awarded. To the extent that the motion includes any request for attorney's fees or other costs for bringing this motion, the request is denied.

11. $\frac{19-14870}{\text{APN}-1}$ -A-7 IN RE: TIM WILLIAMS

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-18-2019 [12]

FORD MOTOR CREDIT COMPANY/MV WILLIAM OLCOTT/ATTY. FOR DBT. AUSTIN NAGEL/ATTY. FOR MV.

Final Ruling

Motion: Stay Relief
Notice: LBR 9014-1(f)(1); written opposition required
Disposition: Granted
Order: Civil minute order

Subject: 2017 Ford Focus

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, *incorporated by* Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987).

STAY RELIEF

Subsection (d)(1) of § 362 of Title 11 provides for relief from stay for "cause, including the lack of adequate protection of an interest in property of such party." 11 U.S.C. § 362(d)(1). Adequate protection may consist of a lump sum cash payment or periodic cash payments to the entity entitled to adequate protection "to the extent that the stay . . . results in a decrease in the value of such entity's interest in property." 11 U.S.C. § 361(1).

The Debtor has filed a Statement of Intention to surrender the property. ECF 1. This constitutes cause for stay relief.

The court does not address grounds for relief under § 362(d)(2) as relief is warranted under § 362(d)(1). The motion will be granted, and the 14-day stay of Federal Rule of Bankruptcy Procedure 4001(a)(3) will be waived. No other relief will be awarded.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

Ford Motor Credit Company's motion for relief from the automatic stay has been presented to the court. Having entered the default of respondent for failure to appear, timely oppose, or otherwise defend in the matter, and having considered the well-pleaded facts of the motion,

IT IS ORDERED that the motion is granted. The automatic stay is vacated with respect to the property described in the motion, commonly known as 2017 Ford Focus, as to all parties in interest. The 14-day stay of the order under Federal Rule of Bankruptcy Procedure 4001(a)(3) is waived. Any party with standing may pursue its rights against the property pursuant to applicable nonbankruptcy law.

IT IS FURTHER ORDERED that no other relief is awarded. To the extent that the motion includes any request for attorney's fees or other costs for bringing this motion, the request is denied.

12. 19-14372-A-7 IN RE: ELVIRA GUTIERREZ

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES 1-3-2020 [31]

THOMAS GILLIS/ATTY. FOR DBT. \$25.00 CONVERSION FILING FEE PAID 1/6/2020

Final Ruling

The filing fee having been paid in full, the order to show cause is discharged. The case will remain pending.

13. $\frac{18-14193}{\text{EMM}-1}$ -A-7 IN RE: SHEILA/DOUGLAS CHESLIK

MOTION FOR RELIEF FROM AUTOMATIC STAY 12-20-2019 [40]

CARRINGTON MORTGAGE SERVICES, LLC/MV ERIC ESCAMILLA/ATTY. FOR DBT. ERIN MCCARTNEY/ATTY. FOR MV.

Final Ruling

Motion: Stay Relief
Notice: LBR 9014-1(f)(1); written opposition required
Disposition: Granted
Order: Civil minute order

Subject: 1387 Linda Mesa Drive, Madera, California 93638

Unopposed motions are subject to the rules of default. Fed. R. Civ. P. 55, *incorporated by* Fed. R. Bankr. P. 7055, 9014(c). Written opposition to this motion was required not less than 14 days before the hearing on this motion. LBR 9014-1(f)(1)(B). None has been filed. The default of the responding party is entered. The court considers the record, accepting well-pleaded facts as true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987).

STAY RELIEF

Subsection (d)(1) of § 362 of Title 11 provides for relief from stay for "cause, including the lack of adequate protection of an interest in property of such party." 11 U.S.C. § 362(d)(1). Adequate protection may consist of a lump sum cash payment or periodic cash payments to the entity entitled to adequate protection "to the extent that the stay . . . results in a decrease in the value of such entity's interest in property." 11 U.S.C. § 361(1).

The debtor has missed 14 pre-petition payments totaling \$20,379.82 and 14 post-petition payments totaling \$19,988.02 due on the debt secured by the moving party's lien. This constitutes cause for stay relief.

The court does not address grounds for relief under § 362(d)(2) as relief is warranted under § 362(d)(1). The motion will be granted, and the 14-day stay of Federal Rule of Bankruptcy Procedure 4001(a)(3) will be waived. No other relief will be awarded.

CIVIL MINUTE ORDER

The court shall issue a civil minute order that conforms substantially to the following form:

Findings of fact and conclusions of law are stated in the civil minutes for the hearing.

Carrington Mortgage Services's motion for relief from the automatic stay has been presented to the court. Having entered the default of respondent for failure to appear, timely oppose, or otherwise defend in the matter, and having considered the well-pleaded facts of the motion,

IT IS ORDERED that the motion is granted. The automatic stay is vacated with respect to the property described in the motion, commonly known as 1387 Linda Mesa Drive, Madera, California 93638, as to all parties in interest. The 14-day stay of the order under Federal Rule of Bankruptcy Procedure 4001(a)(3) is waived. Any party with standing may pursue its rights against the property pursuant to applicable non-bankruptcy law.

IT IS FURTHER ORDERED that no other relief is awarded. To the extent that the motion includes any request for attorney's fees or other costs for bringing this motion, the request is denied.

14. 19-14300-A-7 IN RE: ANTOINETTE BEASLEY

MOTION TO CONVERT CASE FROM CHAPTER 7 TO CHAPTER 13 12-13-2019 [18]

ANTOINETTE BEASLEY/ATTY. FOR MV.

Final Ruling

The Chapter 7 case having been dismissed (ECF 27), the court will drop this motion to convert from the calendar as moot.