UNITED STATES BANKRUPTCY COURT
Eastern District of California

Honorable Michael S. McManus
Bankruptcy Judge
Sacramento, California

November 6, 2017 at 10:00 a.m.

No written opposition has been filed to the following motions set for argument on this calendar: 3, 4, 6, 7, 8, 9

When Judge McManus convenes court, he will ask whether anyone wishes to oppose this motion. If you wish to oppose the motion, tell Judge McManus there is opposition. Please do not identify yourself or explain the nature of your opposition. If there is opposition, the motion will remain on calendar and Judge McManus will hear from you when he calls the motion for argument.

If there is no opposition, the moving party should inform Judge McManus if it declines to accept the tentative ruling. Do not make your appearance or explain why you do not accept the ruling. If you do not accept the ruling, Judge McManus will hear from you when he calls the motion for argument.

If no one indicates they oppose the motion and if the moving party does not reject the tentative ruling, that ruling will become the final ruling. The motion will not be called for argument and the parties are free to leave (unless they have other matters on the calendar).

MOTIONS ARE ARRANGED ON THIS CALENDAR IN TWO SEPARATE SECTIONS. A CASE MAY HAVE A MOTION IN EITHER OR BOTH SECTIONS. **THE FIRST SECTION INCLUDES ALL MOTIONS THAT WILL BE RESOLVED WITH A HEARING. A TENTATIVE RULING IS GIVEN FOR EACH MOTION. THE SECOND SECTION INCLUDES ALL MOTIONS THAT HAVE BEEN RESOLVED BY THE COURT WITHOUT A HEARING. A FINAL RULING IS GIVEN FOR EACH MOTION. WITHIN EACH SECTION, CASES ARE ORGANIZED BY THE LAST TWO DIGITS OF THE CASE NUMBER.**

ITEMS WITH TENTATIVE RULINGS: IF A CALENDAR ITEM HAS BEEN SET FOR HEARING BY THE COURT PURSUANT TO AN ORDER TO SHOW CAUSE OR AN ORDER SHORTENING TIME, OR BY A PARTY PURSUANT TO LOCAL BANKRUPTCY RULE 3007-1(c)(1) OR LOCAL BANKRUPTCY RULE 9014-1(f)(1), AND IF ALL PARTIES AGREE WITH THE TENTATIVE RULING, THERE IS NO NEED TO APPEAR FOR ARGUMENT. HOWEVER, IT IS INCUMBENT ON EACH PARTY TO ASCERTAIN WHETHER ALL OTHER PARTIES WILL ACCEPT A RULING AND FOREGO ORAL ARGUMENT. IF A PARTY APPEARS, THE HEARING WILL PROCEED WHETHER OR NOT ALL PARTIES ARE PRESENT. AT THE CONCLUSION OF THE HEARING, THE COURT WILL ANNOUNCE ITS DISPOSITION OF THE ITEM AND IT MAY DIRECT THAT THE TENTATIVE RULING, AS ORIGINALLY WRITTEN OR AS AMENDED BY THE COURT, BE APPENDED TO THE MINUTES OF THE HEARING AS THE COURT'S FINDINGS AND CONCLUSIONS.

IF A MOTION OR AN OBJECTION IS SET FOR HEARING BY A PARTY PURSUANT TO LOCAL BANKRUPTCY RULE 3007-1(c)(2) OR LOCAL BANKRUPTCY RULE 9014-1(f)(2), RESPONDENTS WERE NOT REQUIRED TO FILE WRITTEN OPPOSITION TO THE RELIEF REQUESTED. RESPONDENTS MAY APPEAR AT THE HEARING AND RAISE OPPOSITION ORALLY. IF THAT OPPOSITION RAISES A POTENTIALLY MERITORIOUS DEFENSE OR ISSUE, THE COURT WILL GIVE THE RESPONDENT AN OPPORTUNITY TO FILE WRITTEN OPPOSITION AND SET A FINAL HEARING UNLESS THERE IS NO NEED TO DEVELOP THE WRITTEN RECORD FURTHER.

IF THE COURT SETS A FINAL HEARING, UNLESS THE PARTIES REQUEST A DIFFERENT SCHEDULE

THAT IS APPROVED BY THE COURT, THE FINAL HEARING WILL TAKE PLACE ON DECEMBER 4, 2017 AT 10:00 A.M. OPPOSITION MUST BE FILED AND SERVED BY NOVEMBER 13, 2017, AND ANY REPLY MUST BE FILED AND SERVED BY NOVEMBER 27, 2017. THE MOVING/OBJECTING PARTY IS TO GIVE NOTICE OF THESE DATES.

ITEMS WITH FINAL RULINGS: THERE WILL BE NO HEARING ON THE ITEMS WITH FINAL RULINGS. INSTEAD, EACH OF THESE ITEMS HAS BEEN DISPOSED OF AS INDICATED IN THE FINAL RULING BELOW. THAT RULING ALSO WILL BE APPENDED TO THE MINUTES. THIS FINAL RULING MAY OR MAY NOT BE A FINAL ADJUDICATION ON THE MERITS. IF ALL PARTIES HAVE AGREED TO A CONTINUANCE OR HAVE RESOLVED THE MATTER BY STIPULATION, THEY MUST ADVISE THE COURTROOM DEPUTY CLERK PRIOR TO HEARING IN ORDER TO DETERMINE WHETHER THE COURT VACATE THE FINAL RULING IN FAVOR OF THE CONTINUANCE OR THE STIPULATED DISPOSITION.

ORDERS: UNLESS THE COURT ANNOUNCES THAT IT WILL PREPARE AN ORDER, THE PREVAILING PARTY SHALL LODGE A PROPOSED ORDER WITHIN 14 DAYS OF THE HEARING.

1.	17-24100-A-7 DNL-3	HOWARD DAY AND PHANTIP BOUCHER	MOTION TO SELL 10-16-17 [49]

Tentative Ruling: The motion will be granted.

The chapter 7 trustee requests authority to sell "as is" and "where is" for $405,000 real property in Citrus Heights, California, to Raul Martinez and Cesar Martin.

The trustee asks for authority to sell free and clear of two encumbrances, held by Cheryl Johnson and Robert Spurlock, and asks for approval of the payment of the real estate broker's commission.

11 U.S.C. § 363(b) allows the trustee to sell property of the estate, other than in the ordinary course of business. Under 11 U.S.C. § 363(f), the trustee may sell property of the estate free and clear of liens only if: 1) applicable nonbankruptcy law permits sale of such property free and clear of such liens; 2) the entity holding the lien consents; 3) the proposed purchase price exceeds the aggregate value of the liens encumbering the property; 4) the lien is in bona fide dispute; or 5) the entity could be compelled to accept a money satisfaction of the lien.

The property is subject to the following interests and encumbrances:

(i) the debtors' exemption claim in the amount of $175,000,

(ii) a mortgage in favor of Seaton Enterprise for approximately $47,000,

(iii) a special tax assessment for approximately $22,000,

(iv) a mortgage for approximately $155,000 based on an unrecorded deed of trust in favor of Cheryl Johnson,

(v) a judicial lien, now totaling approximately $125,000, in favor of Robert Spurlock.

From the sale proceeds, the trustee will pay the apportioned sales costs, the Seaton mortgage, and the special assessment. As to the remaining encumbrances against the property, the trustee has entered into a settlement agreement with the debtors, Cheryl Johnson, and Robert Spurlock, providing that:

– the debtors will receive $150,000 in full satisfaction of their exemption, with the $25,000 reduction to be split evenly between Ms. Johnson and Mr. Spurlock,

– Ms. Johnson and Mr. Spurlock consent to the subject sale, free and clear of their encumbrances,

– Ms. Johnson's deed is deemed avoided and preserved for the benefit of the estate, to be paid off from escrow to the estate,

– Mr. Spurlock will receive $5,000 upon close of escrow,

– Ms. Johnson and Mr. Spurlock will receive $15,000 to be split evenly between them, upon close of escrow,

– Mr. Spurlock will receive the remaining proceeds, up to the outstanding amount of his lien.

In light of the trustee's settlement with the debtors, Ms. Johnson, and Mr. Spurlock, the sale is in the best interest of the creditors and the estate. The trustee anticipates the estate to net approximately $135,000 for the benefit of unsecured creditors. Given the consent of Ms. Johnson and Mr. Spurlock to the sale, it will be approved free and clear of their encumbrances against the property, under section 363(f)(2).

The court will authorize payment of the real estate commission, consistent with the estate's broker's court-approved terms of employment.

2. 15-20102-A-7 MUKHTIAR TAKHER — MOTION TO SELL
NOS-3 — 10-3-17 [109]

Tentative Ruling: The motion will be granted.

The chapter 7 trustee requests authority to sell "as is," "where is," "with all faults," and without representation and warranty 3,000 shares of Feather River Bancorp., Inc. common stock for $24,000 ($8.00/share) to Horizon Trust FBO William D. Spears IRA. The trustee also asks for waiver of the 14-day period of Fed. R. Bankr. P. 6004(h) and asks for a section 363(m) good faith determination.

11 U.S.C. § 363(b) allows the trustee to sell property of the estate, other than in the ordinary course of business.

The motion does not indicate that the shares are encumbered. The shares are only subject to a $4,607.37 exemption claim by the debtor. The trustee estimates that taxes on the sale "will be minimal."

The sale will generate some proceeds for distribution to creditors of the estate. Hence, the sale will be approved pursuant to 11 U.S.C. § 363(b), as it is in the best interests of the creditors and the estate.

The court will waive the 14-day period of Rule 6004(h) and will make a good faith determination under section 363(m), but only upon the filing of a declaration attesting to the buyer's good faith. As of the time this motion was filed, there is no such declaration in the record.

3. 17-26654-A-7 RICHARD DESCHAMPS — MOTION FOR RELIEF FROM AUTOMATIC STAY
KDS-18 — 10-11-17 [17]
HOMECOMING AT CREEKSIDE, L.L.C. VS.

Tentative Ruling: Because less than 28 days' notice of the hearing was given by the creditor, this motion is deemed brought pursuant to Local Bankruptcy Rule 9014-1(f)(2). Consequently, the other creditors, the debtor, the trustee, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offers opposition to the motion, the court will set a briefing schedule and a final hearing unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion. Below is the court's tentative ruling, rendered on the assumption that there will be no opposition to the motion. Obviously, if there is opposition, the court may reconsider this tentative ruling.

The motion will be granted.

The movant, Homecoming At Creekside, L.L.C., seeks relief from the automatic stay as to real property in Sacramento, California.

The movant is the owner of the property and the debtors leased it from the movant. Movant received a judgment for possession of the premises against the debtor on September 21, 2017 in an unlawful detainer action brought in state court. Docket 20, Ex. A. A writ of execution was issued, and a Sheriff's lockout was scheduled for October 11, 2017. The debtor filed this bankruptcy case on October 6, 2017.

This is a liquidation proceeding and the debtor has no ownership interest in the property as the movant is the legal owner of it. Also, the debtor's tenancy interest in the property terminated upon entry of judgment in the unlawful detainer action in favor of the movant. See In re Windmill Farms, Inc., 841 F.2d 1467, 1470 (9th Cir. 1988); In re Smith, 105 B.R. 50, 53 (Bankr. C.D. Cal. 1989).

This is cause for the granting of relief from stay. Accordingly, the motion will be granted for cause pursuant to 11 U.S.C. § 362(d)(1) to permit the movant to exercise its state law remedies in accordance with the orders and judgments of the state court in the unlawful detainer action.

No monetary claim may be collected from the debtor. The movant is limited to recovering possession of the property to the extent permitted by the state court. No other relief will be awarded.

No fees and costs will be awarded because the movant is not an over-secured creditor. See 11 U.S.C. § 506.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be waived.

4. 17-25662-A-7 CORINA VARGAS HERNANDEZ — MOTION FOR RELIEF FROM AUTOMATIC STAY
VVF-1
AMERICAN HONDA FINANCE CORP. VS. — 10-20-17 [23]

Tentative Ruling: Because less than 28 days' notice of the hearing was given by the creditor, this motion is deemed brought pursuant to Local Bankruptcy Rule 9014-1(f)(2). Consequently, the other creditors, the debtor, the trustee, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offers opposition to the motion, the court will set a briefing schedule and a final hearing unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion. Below is the court's tentative ruling, rendered on the assumption that there will be no opposition to the motion. Obviously, if there is opposition, the court may reconsider this tentative ruling.

The motion will be granted.

The movant, American Honda Finance Corp., seeks relief from the automatic stay with respect to a 2015 Honda Accord. The vehicle has a value of $16,350 and its secured claim is approximately $33,054.76.

The court concludes that there is no equity in the vehicle and no evidence exists that it is necessary to a reorganization or that the trustee can

administer it for the benefit of the creditors. Further, the debtor has not made three pre-petition and two post-petition payments to the movant. And, in the statement of intention, the debtor has indicated an intent to surrender the vehicle. Docket 1. The movant states that the movant acquired possession of the vehicle prior to the filing of the chapter 7 petition. Docket 25 at 3. This is cause for the granting of relief from stay.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) and (2) to permit the movant to repossess its collateral, dispose of it pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded.

Because the movant has not established that the value of its collateral exceeds the amount of its secured claim, the court awards no fees and costs in connection with the movant's secured claim as a result of the filing and prosecution of this motion. 11 U.S.C. § 506(b).

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived due to the fact that the movant obtained possession of the vehicle prior to the filing of chapter 7 petition.

5. 16-23886-A-7 NORMAN WEGARD — MOTION TO SELL
SCB-6 — 10-5-17 [55]

Tentative Ruling: The motion will be granted.

The chapter 7 trustee requests authority to sell for $13,900 the estate's interest in a 2008 Toyota Tundra to West Coast Connection. The property has scheduled value of $16,600, and the debtor claimed an exemption in the amount of $3,050. The trustee also asks for waiver of the 14-day period of Fed. R. Bankr. P. 6004(h).

11 U.S.C. § 363(b) allows the trustee to sell property of the estate, other than in the ordinary course of business. The sale will generate some proceeds for distribution to creditors of the estate. Hence, the sale will be approved pursuant to 11 U.S.C. § 363(b), as it is in the best interests of the creditors and the estate. The court will waive the 14-day period of Rule 6004(h).

6. 17-25087-A-7 LESLIE ALLISON — MOTION TO AVOID JUDICIAL LIEN
MB-1 — 10-23-17 [20]
VS. CAPITAL ONE

Tentative Ruling: Because less than 28 days' notice of the hearing was given by the debtor, this motion is deemed brought pursuant to Local Bankruptcy Rule 9014-1(f)(2). Consequently, the respondent creditor and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offers opposition to the motion, the court will set a briefing schedule and a final hearing unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion. Below is the court's tentative ruling, rendered on the assumption that there will be no opposition to the motion. Obviously, if there is opposition, the court may reconsider this tentative ruling.

The motion will be granted.

A judgment was entered against the debtor in favor of Capitol One Bank for the

sum of $4,170.32 on June 7, 2017. The abstract of judgment was recorded with Sutter County on June 16, 2017. That lien attached to the debtor's interest in a residential real property in Yuba City, California.

The motion will be granted pursuant to 11 U.S.C. § 522(f)(1)(A). The subject real property had an approximate value of $362,000 as of the petition date. Dockets 13 & 1. The unavoidable liens totaled $486,554 on that same date, consisting of a single mortgage in favor of Ocwen. Dockets 13 & 1. The debtor claimed an exemption pursuant to Cal. Civ. Proc. Code § 703.140 in the amount of $1.00 in Schedule C. Dockets 13 & 1.

The respondent holds a judicial lien created by the recordation of an abstract of judgment in the chain of title of the subject real property. After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is no equity to support the judicial lien. Therefore, the fixing of this judicial lien impairs the debtor's exemption of the real property and its fixing will be avoided subject to 11 U.S.C. § 349(b)(1)(B).

7. 15-22990-A-7 XTREME ELECTRIC, INC — MOTION FOR ADMINISTRATIVE EXPENSES
JRR-6 — 10-9-17 [130]

Tentative Ruling: Because less than 28 days' notice of the hearing was given by the debtor, this motion is deemed brought pursuant to Local Bankruptcy Rule 9014-1(f)(2). Consequently, the creditors, the trustee, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offers opposition to the motion, the court will set a briefing schedule and a final hearing unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion. Below is the court's tentative ruling, rendered on the assumption that there will be no opposition to the motion. Obviously, if there is opposition, the court may reconsider this tentative ruling..

The motion will be granted.

The trustee asks that post-petition estate federal income tax liability for the 2016-17 tax year in the amount of $1,200 be allowed as an administrative expense.

11 U.S.C. § 503(b)(1)(B) provides that "[a]fter notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including –

(1) . . . (B) any tax-- (I) incurred by the estate, whether secured or unsecured, including property taxes for which liability is in rem, in personam, or both, except a tax of a kind specified in section 507(a)(8) of this title."

This case was filed on April 13, 2015. The tax liability in question was incurred in 2016 and 2017. As the tax was incurred post-petition, the court will allow it as an administrative expense claim under section 503(b)(1)(B) and it may be paid as such. The motion will be granted.

8. 15-22990-A-7 XTREME ELECTRIC, INC — MOTION TO APPROVE COMPENSATION OF ACCOUNTANT
JRR-7 — 10-9-17 [134]

Tentative Ruling: Because less than 28 days' notice of the hearing was given

by the debtor, this motion is deemed brought pursuant to Local Bankruptcy Rule 9014-1(f)(2). Consequently, the creditors, the trustee, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offers opposition to the motion, the court will set a briefing schedule and a final hearing unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion. Below is the court's tentative ruling, rendered on the assumption that there will be no opposition to the motion. Obviously, if there is opposition, the court may reconsider this tentative ruling.

The motion will be granted.

Gene Gonzales of Gonzales & Associates, Inc., accountant for the estate, has filed its first and final motion for approval of compensation. The requested compensation consists of $1,331.00 in fees and $07.80 in expenses, for a total of $1,338.80. This motion covers the period from September 5, 2017 through September 5, 2017. The court approved the movant's employment as the estate's accountant on March 23, 2017. In performing its services, the movant charged an hourly rate of $325.

11 U.S.C. § 330(a)(1)(A)&(B) permits approval of "reasonable compensation for actual, necessary services rendered by . . . [a] professional person" and "reimbursement for actual, necessary expenses." The movant's services included the review of prior tax returns and the preparation of 2017 estate tax returns. The movant also discussed tax issues with the trustee.

The court concludes that the compensation is for actual and necessary services rendered in the administration of this estate. The compensation will be approved.

9. 17-25193-A-7 BRYAN/MELLISSA MCCLOUGHAN — MOTION FOR RELIEF FROM AUTOMATIC STAY
JHW-1 — 10-2-17 [28]
FORD MOTOR CREDIT COMPANY L.L.C. VS.

Tentative Ruling: The motion will be dismissed as moot.

The movant, Ford Motor Credit Company L.L.C., seeks relief from the automatic stay with respect to a 2014 Ford Fusion. The vehicle has a value of $29,824, and its secured claim is approximately $38,194.

11 U.S.C. § 521(a)(2)(A) requires an individual chapter 7 debtor to file a statement of intention with reference to property that secures a debt. The statement must be filed within 30 days of the filing of the petition (or within 30 days of a conversion order, when applicable) or by the date of the meeting of creditors, whichever is earlier. The debtor must disclose in the statement whether he or she intends to retain or surrender the property, whether the property is claimed as exempt, and whether the debtor intends to redeem such property or reaffirm the debt it secures. See 11 U.S.C. § 521(a)(2)(A); Fed. R. Bankr. P. 1019(1)(B).

The debtors' chapter 13 case was converted to one under chapter 7 on August 18, 2017. A meeting of creditors for the chapter 7 case was first convened on September 27, 2017. Therefore, a statement of intention that refers to the movant's property and debt was due no later than September 27, 2017. The debtors filed a statement of intention on August 18, 2017, indicating an intent to reaffirm the debt secured by the vehicle.

11 U.S.C. § 521(a)(2)(B) requires that a chapter 7 individual debtor, within 30 days after the first date set for the meeting of creditors, perform his or her intention with respect to such property.

If the property securing the debt is personal property and an individual chapter 7 debtor fails to file a statement of intention, or fails to indicate in the statement that he or she either will redeem the property or enter into a reaffirmation agreement, or fails to timely surrender, redeem, or reaffirm, the automatic stay is automatically terminated and the property is no longer property of the bankruptcy estate. See 11 U.S.C. § 362(h).

Here, although the debtor indicated an intent to reaffirm the debt secured by the vehicle, the debtor did not move to reaffirm within the 30-day deadline after the September 27, 2017 meeting of creditors or any time after. No reaffirmation agreement has been filed, nor has the debtor requested an extension of the 30-day period. As a result, the automatic stay automatically terminated on October 27, 2017, 30 days after the meeting of creditors.

The trustee may avoid automatic termination of the automatic stay by filing a motion within whichever of the two 30-day periods set by section 521(a)(2) is applicable, and proving that such property is of consequential value or benefit to the estate. If proven, the court must order appropriate adequate protection of the creditor's interest in its collateral and order the debtor to deliver possession of the property to the trustee. If not proven, the automatic stay terminates upon the conclusion of the hearing on the trustee's motion. See 11 U.S.C. § 362(h)(2).

The trustee in this case has filed no such motion and the time to do so has expired.

Therefore, without this motion being filed, the automatic stay terminated on October 27, 2017.

Nothing in section 362(h)(1), however, permits the court to issue an order confirming the automatic stay's termination. 11 U.S.C. § 362(j) authorizes the court to issue an order confirming that the automatic stay has terminated under 11 U.S.C. § 362(c). See also 11 U.S.C. § 362(c)(4)(A)(ii). But, this case does not implicate section 362(c). Section 362(h) is applicable and it does not provide for the issuance of an order confirming the termination of the automatic stay. Therefore, if the movant needs a declaration of rights under section 362(h), an adversary proceeding seeking such declaration is necessary. See Fed. R. Bankr. P. 7001.

FINAL RULINGS BEGIN HERE

10.	17-24100-A-7 DNL-2	HOWARD DAY AND PHANTIP BOUCHER	MOTION TO APPROVE COMPROMISE 10-9-17 [44]

Final Ruling: This motion has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the creditors, the debtor, the U.S. Trustee, and any other party in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered as consent to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument.

The motion will be granted.

The trustee requests approval of a settlement agreement among the estate, the debtors, creditor Cheryl Johnson, and creditor Robert Spurlock, resolving competing interests in real property of the estate in Citrus Heights, California. The debtors have claimed a $175,000 exemption in the property. Cheryl Johnson holds a mortgage for approximately $155,000 against the property, based on an unrecorded deed of trust. Robert Spurlock holds a judicial lien for approximately $125,000 against the property.

The property is subject to the following other encumbrances:

(i) a mortgage in favor of Seaton Enterprise for approximately $47,000, and

(ii) a special tax assessment for approximately $22,000.

As the trustee desires to sell the property for the benefit of the estate, the parties have compromised their interests in the property.

Under the terms of the compromise, Ms. Johnson and Mr. Spurlock consent to the trustee's sale of the property, free and clear of their encumbrances against the property. Ms. Johnson's deed will be deemed avoided and recovered for the benefit of the estate. The trustee will apportion the sale proceeds as follows:

– sale costs;
– pay the Seaton mortgage and special tax assessment;
– $150,000 on account of the debtors' $175,000 exemption, with the $25,000 reduction to be split evenly between Ms. Johnson and Mr. Spurlock;
– $5,000 upon close of escrow to Mr. Spurlock;
– $15,000 upon close of escrow, to be split evenly between Ms. Johnson and Mr. Spurlock;
– $135,000 to the estate for Ms. Johnson's approximately $155,000 mortgage; and
– the remaining proceeds to Mr. Spurlock, up to the outstanding amount of his judgment.

The parties will also exchange mutual releases.

On a motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Fed. R. Bankr. P. 9019. Approval of a compromise must be based upon considerations of fairness and equity. In re A &

C Properties, 784 F.2d 1377, 1381 (9th Cir. 1986). The court must consider and balance four factors: 1) the probability of success in the litigation; 2) the difficulties, if any, to be encountered in the matter of collection; 3) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and 4) the paramount interest of the creditors with a proper deference to their reasonable views. In re Woodson, 839 F.2d 610, 620 (9th Cir. 1988).

The court concludes that the Woodson factors balance in favor of approving the compromise. That is, given the avoidance and recovery of Ms. Johnson's deed, given that the trustee will recover on account of Ms. Johnson's mortgage ahead of the judicial lien, given that the trustee expects to recover $135,000 out of approximately $155,000 owed under Ms. Johnson's mortgage, given the $25,000 reduction of the debtors' exemption in order to provide Ms. Johnson and Mr. Spurlock further incentive to settle, given the avoidance of much litigation, and given the inherent costs, risks, delay, and inconvenience of further litigation, the settlement is equitable and fair.

Therefore, the court concludes the compromise to be in the best interests of the creditors and the estate. The court may give weight to the opinions of the trustee, the parties, and their attorneys. In re Blair, 538 F.2d 849, 851 (9th Cir. 1976). Furthermore, the law favors compromise and not litigation for its own sake. Id. Accordingly, the motion will be granted.

11.	17-24100-A-7 MG-1	HOWARD DAY AND PHANTIP BOUCHER	MOTION TO EXTEND DEADLINE 9-28-17 [34]

Final Ruling: This motion has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the debtor, the U.S. Trustee, and any other party in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered as consent to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument.

The motion will be granted.

Creditor Cheryl Johnson moves for a second extension of the deadline to file a complaint under 11 U.S.C. § 523(a) and to object to exemptions, through and including the later of, October 27, 2017 or 14 days after entry of the order on the trustee's motion to approve the settlement between the estate, the debtors, Cheryl Johnson, and Robert Spurlock.

A court order was entered on September 6, 2017 extending these deadlines to September 29, 2017. Docket 25. This motion is timely as it was filed on September 28.

The movant has produced a stipulation signed by the debtors, further extending the deadlines as proposed by the motion. Given this stipulation, the court will grant the motion and enter an order extending both deadlines through and including the later of, October 27, 2017 or 14 days after entry of the order on the trustee's motion to approve the settlement. The motion will be granted.

12. 17-25300-A-7 MICHAEL/DENISE SAMPSON — MOTION FOR RELIEF FROM AUTOMATIC STAY
TGM-1 — 9-26-17 [14]
TOYOTA MOTOR CREDIT CORP. VS.

Final Ruling: This motion for relief from the automatic stay has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the debtor and the trustee, to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered as consent to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument.

The motion will be granted.

The movant, Toyota Motor Credit Corporation, seeks relief from the automatic stay with respect to a 2014 Toyota RAV4. The movant has produced evidence that the vehicle has a value of $16,350 and its secured claim is approximately $26,780. Docket 16.

The court concludes that there is no equity in the vehicle and no evidence exists that it is necessary to a reorganization or that the trustee can administer it for the benefit of the creditors. The court also notes that the trustee filed a report of no distribution on September 20, 2017. And, in the statement of intention, the debtor has indicated an intent to surrender the vehicle.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(2) to permit the movant to repossess its collateral, dispose of it pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded.

Because the movant has not established that the value of its collateral exceeds the amount of its secured claim, the court awards no fees and costs in connection with the movant's secured claim as a result of the filing and prosecution of this motion. 11 U.S.C. § 506(b).

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived due to the fact that the movant's vehicle is being used by the debtor without compensation and it is depreciating in value.

13. 11-35419-A-7 MARIA KOHYAR — MOTION TO AVOID JUDICIAL LIEN
JMC-2 — 9-27-17 [29]
VS. BANK OF AMERICA, N.A.

Final Ruling: This motion has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the respondent creditor and any other party in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered as consent to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument.

The motion will be granted.

A judgment was entered against the debtor in favor of Bank of America for the sum of $126,022.42 on December 10, 2010. The abstract of judgment was recorded with Solano County on May 11, 2011. That lien attached to the debtor's interest in a residential real property on Brudenell Drive in Fairfield, California.

The motion will be granted pursuant to 11 U.S.C. § 522(f)(1)(A). The subject real property had an approximate value of $357,500 as of the petition date. Dockets 28, 31, 32. The unavoidable liens totaled $785,919.38 on that same date, consisting of a mortgage in favor of JPMorgan Chase Bank for $397,709, a mortgage in favor of Bank of America for $267,322, a tax lien in favor of the California Employment and Development Department for $42,973.14, and a tax lien in favor of the California Employment and Development Department for $77,915.24. Dockets 1, 31, 32. The debtor claimed an exemption pursuant to Cal. Civ. Proc. Code § 703.140(b)(5) in the amount of $100 in Amended Schedule C. Dockets 28, 31, 32.

The respondent holds a judicial lien created by the recordation of an abstract of judgment in the chain of title of the subject real property. After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is no equity to support the judicial lien. Therefore, the fixing of this judicial lien impairs the debtor's exemption of the real property and its fixing will be avoided subject to 11 U.S.C. § 349(b)(1)(B).

14. 17-25828-A-7 BRITANI LOMBA — MOTION FOR RELIEF FROM AUTOMATIC STAY
NLG-1 — 10-3-17 [15]
FIRST TECH FEDERAL CREDIT UNION VS.

Final Ruling: This motion for relief from the automatic stay has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the debtor and the trustee, to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered as consent to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument.

The motion will be granted.

The movant, First Tech Federal Credit Union, seeks relief from the automatic stay with respect to a 2013 Nissan Sentra. The movant has produced evidence that the vehicle has a value of $9,015 and its secured claim is approximately $16,328. Docket 18.

The court concludes that there is no equity in the vehicle and no evidence exists that it is necessary to a reorganization or that the trustee can administer it for the benefit of the creditors. The court also notes that the trustee filed a report of no distribution on September 27, 2017. And, in the statement of intention, the debtor has indicated an intent to surrender the vehicle.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(2) to permit the movant to repossess its collateral, dispose of it pursuant to applicable law and to use the proceeds from its disposition to satisfy its

claim. No other relief is awarded.

Because the movant has not established that the value of its collateral exceeds the amount of its secured claim, the court awards no fees and costs in connection with the movant's secured claim as a result of the filing and prosecution of this motion. 11 U.S.C. § 506(b).

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived due to the fact that the movant's vehicle is being used by the debtor without compensation and it is depreciating in value.

15. 10-27435-A-7 THOMAS GASSNER — OBJECTION TO EXEMPTIONS
DNL-5 — 3-31-17 [90]

Final Ruling: The hearing on this objection has been continued to January 29, 2018 at 10:00 a.m. Dockets 112 & 114.

16. 17-23142-A-7 MISTY CLARK — MOTION TO COMPEL ABANDONMENT
SLH-2 — 10-2-17 [39]

Final Ruling: This motion has been set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(1). The failure of the creditors, the trustee, the U.S. Trustee, and any other party in interest to file written opposition at least 14 days prior to the hearing as required by Local Bankruptcy Rule 9014-1(f)(1)(ii) is considered as consent to the granting of the motion. Cf. Ghazali v. Moran, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See Boone v. Burk (In re Eliapo), 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument.

The motion will be granted.

The debtors seek an order compelling the trustee to abandon the estate's interest in their real property, located at 10452 Dolecetto Drive, Rancho Cordova, California. No opposition have been filed. The trustee filed a statement of nonopposition on October 2, 2017.

11 U.S.C. § 554(b) provides that on request of a party in interest and after notice and a hearing, the court may order the trustee to abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.

The debtors have scheduled the value of the property at $214,232.94. The property is encumbered solely by a first deed of trust in favor of Wells Fargo in the amount of $115,709.00. The debtors have exempted $175,000.00 in the property pursuant to Cal. Civ. Pro. Code § 704.730.

Given the property's value, encumbrances, and exemption claim, the court concludes that the property is of inconsequential value to the estate. The motion will be granted.