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3 UNITED STATES BANKRUPTCY COURT
4 EASTERN DISTRICT OF CALIFORNIA
5 FRESNO DIVISION

6 In re) Case No. 10-19194-B-12
7 Richard Forrest,)
8 Debtor.)
9 Richard Forrest,) Adversary Proc. No. 10-1282
10 Plaintiff,)
11 v.)
12 Generation Leasing, LLC,)
13 Defendant.)
14

15 JUDGMENT

16 Hilton A. Ryder, Esq., appeared on behalf of the plaintiff/debtor, Richard Forrest.
17 David R. Jenkins, Esq., appeared on behalf of the defendant/creditor, Generation
18 Leasing, LLC.

19 In this adversary proceeding, the debtor/plaintiff, Richard Forrest
20 (“Forrest”) seeks (1) to avoid a preferential transfer, a prepetition judgment lien,
21 under 11 U.S.C. § 547, and (2) to adjudicate the nature, extent, and validity of
22 defendant, Generation Leasing, LLC’s (“Generation”) interest in certain farm
23 equipment.¹ Generation admits that the disputed transfer is avoidable and that
24 issue is uncontested. Generation offered in its responsive pleading to stipulation
25 to a judgment avoiding the judgment lien.

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28 ¹The two issues were not properly pled as separate claims for relief in the
amended complaint. However, there is no dispute as to the nature of the issues to be
decided.

The real dispute involves a transaction between the parties embodied in a document entitled “Asset Lease Agreement” dated June 26, 2007 (the “2007 Agreement”). Forrest contends that the 2007 Agreement is nothing more than a financing agreement, and that Generation has a properly perfected security interest in the subject farm equipment. Generation contends that the 2007 Agreement is a true lease which must be assumed in Forrest’s chapter 12 plan. By agreement of the parties, the issue was submitted for decision based on the documents and briefs in the record.

The court has reviewed the 2007 Agreement and the applicable law. Based thereon, the court made an oral ruling in favor of Forrest with a summary of its findings of fact and conclusions of law at the chapter 12 status conference on July 7, 2011. Neither party requested written findings of fact and conclusions of law to supplement the court's oral ruling. Based thereon,

IT IS HEREBY ORDERED that judgment shall be entered in favor of Forrest on the first issue. Generation's prepetition abstract of judgment issued in Superior Court Case Number 08CECG03439DRF and recorded on March 22, 2010, with the Fresno County Recorder as document number 2010-0037342 is hereby avoided pursuant to 11 U.S.C. § 547(b).

IT IS FURTHER ORDERED that judgment shall be entered in favor Forrest on the second issue. The 2007 Agreement is determined to be a financing agreement and Generation is a secured creditor with a perfected lien against the equipment identified therein. The parties shall bear their own costs.

Dated: July 15, 2011

/s/ W. Richard Lee
W. Richard Lee
United States Bankruptcy Judge