



**UNITED STATES BANKRUPTCY COURT
Eastern District of California
Honorable René Lastreto II
Department B – Courtroom #13
Fresno, California
Hearing Date: Tuesday, March 11, 2025**

Unless otherwise ordered, all matters before the Honorable René Lastreto II, shall be simultaneously: (1) **In Person** at, Courtroom #13 (Fresno hearings only), (2) via **ZoomGov Video**, (3) via **ZoomGov Telephone**, and (4) via **CourtCall**. You may choose any of these options unless otherwise ordered or stated below.

All parties or their attorneys who wish to appear at a hearing remotely must sign up by **4:00 p.m. one business day** prior to the hearing. Information regarding how to sign up can be found on the **Remote Appearances** page of our website at <https://www.caeb.uscourts.gov/Calendar/CourtAppearances>. Each party/attorney who has signed up will receive a Zoom link or phone number, meeting I.D., and password via e-mail.

If the deadline to sign up has passed, parties and their attorneys who wish to appear remotely must contact the Courtroom Deputy for the Department holding the hearing.

Please also note the following:

- Parties in interest and/or their attorneys may connect to the video or audio feed free of charge and should select which method they will use to appear when signing up.
- Members of the public and the press who wish to attend by ZoomGov may only listen in to the hearing using the Zoom telephone number. Video participation or observing are not permitted.
- Members of the public and the press may not listen in to trials or evidentiary hearings, though they may attend in person unless otherwise ordered.

To appear remotely for law and motion or status conference proceedings, you must comply with the following guidelines and procedures:

1. Review the [Pre-Hearing Dispositions](#) prior to appearing at the hearing.
2. Parties appearing via CourtCall are encouraged to review the [CourtCall Appearance Information](#). If you are appearing by ZoomGov phone or video, please join at least 10 minutes prior to the start of the calendar and wait with your microphone muted until the matter is called.

Unauthorized Recording is Prohibited: Any recording of a court proceeding held by video or teleconference, including "screen shots" or other audio or visual copying of a hearing is prohibited. Violation may result in sanctions, including removal of court-issued media credentials, denial of entry to future hearings, or any other sanctions deemed necessary by the court. For more information on photographing, recording, or broadcasting Judicial Proceedings, please refer to Local Rule 173(a) of the United States District Court for the Eastern District of California.

INSTRUCTIONS FOR PRE-HEARING DISPOSITIONS

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, and all parties will need to appear at the hearing unless otherwise ordered. 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 no hearing on these matters. 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.

Post-Publication Changes: The court endeavors to publish its rulings as soon as possible. However, calendar preparation is ongoing, and these rulings may be revised or updated at any time prior to 4:00 p.m. the day before the scheduled hearings. Please check at that time for any possible updates.

9:30 AM

1. [24-12751](#)-B-11 **IN RE: BIKRAM SINGH AND HARSIMRAN SANDHU**
[JM-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY
2-3-2025 [\[123\]](#)

DEERE & COMPANY/MV
PETER FEAR/ATTY. FOR DBT.
JAMES MACLEOD/ATTY. FOR MV.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in
conformance with the ruling below.

Deere & Company ("Movant") seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) and (d)(2) with respect to certain personal property, specifically farming equipment, described below (collectively "the Farming Equipment"). Doc. #123 et seq. Movant also requests waiver of the 14-day stay of Fed. R. Bankr. P. ("Rule") 4001(a)(3). *Id.* Bikram Singh and Harsimran Sandhu (collectively "Debtors") did not oppose. The motion is accompanied by (a) Exhibits in the form of the various retail installment contracts through which the equipment was purchased; (b) the Declaration of William Ross, litigation administrator for Movant; and (c) Movant's Section 362 Information Sheet. Docs. ##125-127.

The Farming Equipment is broken up by Movant into ten categories ("Equipment Groups") based on the specific retail installment contract pursuant to which the equipment was purchased.

According to the Ross Declaration, the Farming Equipment which is the subject of this motion includes the following:

Equipment Group 1

1. 1 COE S7 Side Mount Shaker.
2. 1 Flory 6633 Heavy Duty Sweeper.

Equipment Group 2

1. 2 John Deer HPX815E Gators.

Equipment Group 3

1. 1 COE S7-R Side Mount Shaker.
2. 1 John Deere 5125ML Tractor.
3. 1 John Deere 5115ML Tractor.
4. 1 Keydollar Orchard Tractor Attachments.
5. 1 Schmeiser Vel V Blade Leveler.

Equipment Group 4

1. 1 John Deere 5115ML tractor.

Equipment Group 5

1. 2 Rears IFA-96 Flail Mowers.

Equipment Group 6

1. 1 Flory 6634 Nut Sweeper

Equipment Group 7

1. 1 Flory CP-87 Windrow Defoliator

Equipment Group 8

1. 1 Jackrabbit Jackrunner 180 Shuttle.
2. 1 Jackrabbit 30/36 elevator.
3. 1 Exact E3850 Nut Harvester.
4. 1 Flory 140 Conveyer Cart.

Equipment Group 9

1. 1 Flory V62 Sweeper

Equipment Group 10

1. 1 Jackrabbit 30/36 Elevator.

Doc. #126. Movant declares that, as of the petition date, the total amount owing under the ten contracts for the Farming Equipment was \$905,777.61. *Id.* Movant avers that the total fair market value (replacement value) of the Farming Equipment is \$547,884.00. *Id.* Movant asserts that no payments have been made on any of the contracts since September 22, 2024, and the Declaration outlines with greater specificity the dates upon which Debtors made payments for each of the ten contracts, as well as the applicable interest rate for Each contract. *Id.* Finally, each of the ten contracts is cross-collateralized with all the others. *Id.*

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the debtor, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

No party in interest timely filed written opposition, and the defaults of all nonresponding parties are entered. This motion will be GRANTED. 11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case-by-case basis." *In re Mac Donald*, 755 F.2d 715, 717 (9th Cir. 1985).

11 U.S.C. § 362(d)(2) allows the court to grant relief from the stay if the debtor does not have an equity in such property and such property is not necessary to an effective reorganization.

After review of the included evidence, the court finds that "cause" exists to lift the stay because Debtors have not made any payments on any of the Farm Equipment contracts since September of 2024, and for some of the contracts, for a much longer period of delinquency. The Movant has produced evidence that Debtors are delinquent at least \$27,592.80 and the entire balance of \$941,764.60 is due. Docs. #23, #25.

The court also finds that the Debtors do not have any equity in the Farm Equipment and the property is not necessary to an effective reorganization. The un rebutted evidence from Movant indicates that the Farm Equipment has a fair market value of \$547,884.00, but the amount owed to Movant is \$905,777.61. Doc. #126. Debtors have the burden to establish that the property is necessary to an effective reorganization. § 362(g)(2). Debtors have not opposed the motion. So, lack of equity has been established. And absent any evidence from the Debtors, the Farm Equipment is not necessary for an effective reorganization.

Accordingly, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) and (d)(2) to permit the movant to dispose of its collateral pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. The order shall also provide that the bankruptcy proceeding has been finalized for purposes of California Civil Code § 2923.5.

The 14-day stay of Rule 4001(a)(3) will be ordered waived because Debtors have failed to make pre- and post-petition payments to Movant.

2. [25-10088](#)-B-11 **IN RE: AMY CORPUS**
[CAE-1](#)

STATUS CONFERENCE RE: CHAPTER 11 SUBCHAPTER V VOLUNTARY PETITION
1-14-2025 [\[1\]](#)

PETER FEAR/ATTY. FOR DBT.

NO RULING.

3. [25-10088](#)-B-11 **IN RE: AMY CORPUS**
[FW-5](#)

MOTION TO APPROVE LEASE AGREEMENT
2-21-2025 [\[49\]](#)

AMY CORPUS/MV
PETER FEAR/ATTY. FOR DBT.
OST 2/24/25

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted.

ORDER: The minutes of the hearing will be the court's
findings and conclusions. The Moving Party shall
submit a proposed order after hearing.

Amy Corpus, Debtor-in-Possession ("Debtor" or "DIP" or "Movant") in the above-styled Chapter 11 case, moves for authorization to enter into a lease of commercial space for her business, Kalos Specialized Services ("Kalos"), at 4420 N. First Street, Suites 115, 116, 117C and 120 ("the Property"). Doc. #49. The other party to the lease is BeriCon Partners LLC ("BeriCon"), from whom Debtor and Kalos already rent some space. Id. The motion argues that authorizing this lease would permit Debtor to centralize Kalos' business operations as a cost-saving measure. Id.

The motion is accompanied by an Exhibit in the form of a draft of the proposed lease agreement and a Declaration from the DIP outlining the business rationale for the proposed lease. Docs. #50, #52.

This matter will be called and proceed as scheduled. Written opposition was not required, and opposition may be presented at the hearing. In the absence of opposition at the hearing, this motion may be GRANTED provided that Movant has complied with the order shortening time ("OST"). It appears that Movant did so. See Docs. #53, #55, #57. This motion was set for hearing on shortened notice with an OST under the procedure specified in Local Rule of Practice ("LBR") 9014-1(f)(3). Consequently, the creditors, 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 offer 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. Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter.

11 U.S.C. § 363(b)(1) allows the trustee to "sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 1184 states:

Subject to such limitations or conditions as the court may prescribe, a debtor in possession shall have all the rights, other than the right to compensation under section 330 of this title [11 USCS § 330], and powers, and shall perform all functions and duties, except the duties specified in paragraphs (2), (3), and (4) of section 1106(a) of this title [11 USCS § 1106(a)], of a trustee serving in a case under this chapter [11 USCS §§ 1101 et seq.], including operating the business of the debtor.

11 U.S.C.S. § 1184. Relocating Kalos' business operations is outside the normal course of Kalos' business-providing services to disabled individuals. Accordingly, pursuant to 11 U.S.C. § 363(b)(1) and 11 U.S.C. § 1184, DIP may enter into the lease agreement subject to court approval.

Kalos' main office is located at 4420 N. First Street ("the Main Office"). Doc. #49. Debtor declares that in 2020, Kalos opened a new division to facilitate what is described as "a Community Integration Program" to work with developmentally disabled adults. Doc. #52. At the time, Kalos did not have sufficient office space at the Main Office to meet their needs in effectuating the new program and so entered into a lease at a different location on Fresno Street ("the CIP Office"). The specific office suites occupied, and the rent presently being paid for each are outlined in the Motion and Declaration. Docs. #49, #52.

DIP proposes to let the lease on the CIP Office lapse in June of 2025 and enter into a new lease with BeriCon to lease additional space at the Main Office. Doc. #52. By doing so, DIP anticipates streamlining the efficiency of Kalos's operations, eliminating redundant expenses (such as utilities and security for two separate facilities), and better serving Kalos' clients. Id. It appears that the new proposed lease will be slightly more than Kalos is currently paying for the two separate facilities, but DIP anticipates that the lease payments at the CIP Office will increase if they are forced to renew that lease after it lapses in June. Id.

"To approve the use, sale or lease of property outside the ordinary course of business, this Court need only determine that the Debtor's decision is supported by 'some articulated business justification.'" *In re Kabuto Ariz. Props., LLC*, No. 2:09-bk-11282-GBN, 2009 Bankr. LEXIS 4961, at *65-67 (Bankr. D. Ariz. Dec. 9, 2009) (citations omitted). When applying the "business judgment" rule, courts show great deference to a debtor's decision-making, and the court should grant the relief requested if the Debtor demonstrates a sound business justification therefor. *Id.* To determine whether the "business judgment" standard has been met, the court need only "examine whether a reasonable businessperson would make a similar decision under similar circumstances." *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006).

Based on the information provided to the court, it appears that approval of this lease agreement is in the best interests of the estate because it will streamline Kalos' efficiency and eliminate redundant expenses. The decision to enter into the new lease appears to be supported by a valid business judgment and proposed in good faith. Therefore, this sale appears to be an appropriate exercise of Debtor's business judgment and will be given deference. In the absence of any opposition at the hearing, the court is inclined to GRANT the motion.

4. [17-13797](#)-B-9 **IN RE: TULARE LOCAL HEALTHCARE DISTRICT**
[WJH-18](#)

CONTINUED OBJECTION TO CLAIM OF TULARE HOSPITALIST GROUP,
CLAIM NUMBER 231
1-8-2020 [\[1784\]](#)

TULARE LOCAL HEALTHCARE DISTRICT/MV
RILEY WALTER/ATTY. FOR DBT.

FINAL RULING: There will be no hearing in this matter.

DISPOSITION: Concluded and dropped from calendar.

ORDER: The court will prepare the order.

On March 4, 2025, a Joint Stipulation of the parties was filed which resolves this Objection and which was subsequently approved by this court. Accordingly, this matter will be CONCLUDED and DROPPED from the calendar.

5. [17-13797](#)-B-9 **IN RE: TULARE LOCAL HEALTHCARE DISTRICT**
[WJH-19](#)

CONTINUED OBJECTION TO CLAIM OF GUPTA-KUMAR
MEDICAL PRACTICE, CLAIM NUMBER 232
1-8-2020 [[1789](#)]

TULARE LOCAL HEALTHCARE DISTRICT/MV
RILEY WALTER/ATTY. FOR DBT.

FINAL RULING: There will be no hearing in this matter.

DISPOSITION: Concluded and dropped from calendar.

ORDER: The court will prepare the order.

On March 4, 2025, a Joint Stipulation of the parties was filed which resolves this Objection and which was subsequently approved by this court. Accordingly, this matter will be CONCLUDED and DROPPED from the calendar.

6. [17-13797](#)-B-9 **IN RE: TULARE LOCAL HEALTHCARE DISTRICT**
[WJH-25](#)

CONTINUED OBJECTION TO CLAIM OF INPATIENT HOSPITAL GROUP, INC.,
CLAIM NUMBER 230
1-10-2020 [[1834](#)]

TULARE LOCAL HEALTHCARE DISTRICT/MV
RILEY WALTER/ATTY. FOR DBT.

FINAL RULING: There will be no hearing in this matter.

DISPOSITION: Concluded and dropped from calendar.

ORDER: The court will prepare the order.

On March 4, 2025, a Joint Stipulation of the parties was filed which resolves this Objection and which was subsequently approved by this court. Accordingly, this matter will be CONCLUDED and DROPPED from the calendar.

7. [24-12751](#)-B-11 **IN RE: BIKRAM SINGH AND HARSIMRAN SANDHU**
[FRB-3](#)

MOTION AUTHORIZING RECEIVER TO OBTAIN POST-PETITION FINANCING
3-6-2025 [[147](#)]

AMERICAN AGCREDIT, PCA/MV
PETER FEAR/ATTY. FOR DBT.
OST 3/7/25

**After posting the original pre-hearing dispositions, the court has
supplemented its intended ruling on this matter.**

NO RULING.

1:30 PM

1. [24-12602](#)-B-7 **IN RE: DEANNA RECTOR**
[SLL-2](#)

MOTION TO AVOID LIEN OF AMERICAN EXPRESS NATIONAL BANK
1-30-2025 [\[46\]](#)

DEANNA RECTOR/MV
STEPHEN LABIAK/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in
conformance with the ruling below.

Deanna Rector ("Debtor") moves for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of American Express National Bank ("AENB" or "Creditor") encumbering residential real property located at 1699 Champagne St., Tulare, California ("Property"). Doc. #46.

This motion is one of four motions to avoid judicial liens filed contemporaneously by Debtor. These motions address outstanding judicial lienholders as follows, in descending order of priority:

1. Cavalry SPV I, LLC. (DCN SLL-5; Doc. #56 et seq.; Item #4).
2. Unifund CCR, LLC. (DCN SLL-4; Doc. #51 et seq.; Item #3)
3. Midland Funding LLC. (DCN SLL-3; Doc. #41 et seq.; Item #2)
4. American Express National Bank. (DCN SLL-2; Doc. #46 et seq.; Item #1).

(collectively "the Four Liens"). *See docket generally.*

Debtor complied with Fed. R. Bankr. P. 7004(b)(3) by serving an officer of Creditor authorized to receive service on January 30, 2025. Doc. #50. Debtor also complied with Rule 7004(h), which requires service to be made on an insured depository institution by certified mail and addressed to an officer except where the three exceptions specified in subsections (h)(1)-(3) apply. *Id.*

No party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of

any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

To avoid a lien under 11 U.S.C. § 522(f)(1), the movant must establish four elements: (1) there must be an exemption to which the debtor would be entitled under § 522(b); (2) the property must be listed on the debtor's schedules as exempt; (3) the lien must impair the exemption; and (4) the lien must be either a judicial lien or a non-possessory, non-purchase money security interest in personal property listed in § 522(f)(1)(B). § 522(f)(1); *Goswami v. MTC Distrib. (In re Goswami)*, 304 B.R. 386, 390-91 (B.A.P. 9th Cir. 2003) (quoting *In re Mohring*, 142 B.R. 389, 392 (Bankr. E.D. Cal. 1992), *aff'd*, 24 F.3d 247 (9th Cir. 1994)).

Regarding AENB, a judgment was entered against Debtor in favor of Creditor in the amount of \$5,408.26 on January 18, 2022. Doc. #49 (*Exhib. C*). The abstract of judgment was issued on March 14, 2022, and was recorded in Tulare County on March 16, 2022. *Id.* That lien attached to Debtor's interest in Property. *Id.*; Doc. #48. Debtor estimates that the current amount owed on account of this lien is \$5,408.26. *Id.*

As of the petition date, Property had an approximate value of \$366,260.00. Doc. #1 (*Sched. A/B*). Debtor claimed a \$522,000.00 exemption in Property pursuant to Cal. Code Civ. Proc. ("CCP") § 704.730. Doc. #14 (*Amended Sched. C*).

Property is heavily encumbered, as illustrated as follows:

1. A first deed of trust held by Carrington Mortgage in the amount of **\$193,931.00**.
2. A second deed of trust held by HUD in the amount of **\$10,652.59**.
3. 10 Tulare County property tax liens totaling **\$4,936.23** and incurred between March 22, 2016, and September 25, 2024.
4. A judicial lien in the amount of **\$2,709.56** by Central Creditor's Bureau recorded on January 4, 2017.
5. A judicial lien in the amount of **\$53,701.27** by L.A. Commercial Group, Inc. recorded on August 1, 2017.
6. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on August 18, 2017.

7. A judicial lien in the amount of **\$6,643.95** by State Farm General Insurance recorded on November 10, 2017.
8. A judicial lien in the amount of **\$155,921.85** by Everardo Magan and Shawnda Magana recorded on June 1, 2018.
9. A judicial lien in the amount of **\$43,704.99** by Fortune Energy Inc. recorded on August 28, 2018.
10. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on September 26, 2018.
11. A judicial lien in the amount of **\$317,184.81** by State Farm General Ins. Co. recorded on March 22, 2019.
12. A judicial lien in the amount of **\$10,600.29** by Cavalry SPV I, LLC recorded on November 19, 2019.
13. A judicial lien in the amount of **\$18,780.04** by Unifund CCR, LLC recorded on February 4, 2020.
14. A judicial lien in the amount of **\$13,587.89** by Midland Funding LLC recorded on May 12, 2021. SLL-3
15. A judicial lien in the amount of **\$5,408.26** by American Express National Bank recorded on March 16, 2022.
16. A second junior judicial lien in the amount of **\$3,586.61** by Cavalry SPV I, LLC recorded on November 13, 2023. This lien was avoided by a court order dated January 13, 2025. Doc. #40.

Docs. ##46,48. When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999).

Ordinarily, liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). Perfected judicial liens which were recorded prior to the junior-most lien are grouped with the unavoidable liens.

Here, it appears there is insufficient equity to which any of the Four Liens may attach. The total owed for the liens which hold priority over the Four Liens is \$588,455.37.

With that in mind, Property's encumbrances can be illustrated as follows:

Creditor	Amount	Recorded	Status
1. Carrington Mortgage	\$193,931.00		Unavoidable
2. HUD	\$10,672.59		Unavoidable
3. Tax liens	\$4,936.34		Unavoidable
4. All judicial liens recorded prior to the Four Liens	\$599,455.37	Pre-11/19/2019	Status Unknown
5. The Four Liens	\$48,376.48	11/19/23 or later	Avoidable

"Under the full avoidance approach, as used in *Brantz*, the only way a lien would be avoided 'in full' was if the debtor's gross equity were equal to or less than the amount of the exemption." *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 596 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999), citing *In re Brantz*, 106 B.R. 62, 68 (Bankr. E.D. Pa. 1989) ("Avoidance of all judicial liens results unless (3) [the result of deducting the debtor's allowable exemptions and the sum of all liens not avoided from the value of the property] is a positive figure."), citing *In re Magosin*, 75 B.R. 545, 547 (Bankr. E.D. Pa. 1987) (judicial lien was avoidable in its entirety where equity is less than exemption).

Even if the three most junior liens are avoided, leaving only the \$10,600.29 lien of Cavalry SPV I, LLC (the most senior of the liens which Debtor seeks to avoid) ("Cavalry"), there would be insufficient equity to support any of the Four Liens. Strict application of the § 522(f)(2) formula with respect to the Cavalry lien is illustrated as follows:

Amount of Cavalry's lien (the remaining junior lien after the other three are avoided)		10,600.29
Total amount of unavoidable liens (incl. liens not yet avoided)	+	192,791.00
Debtor's claimed exemption in Property	+	362,000.00
<i>Sum</i>	=	\$600,000.00
Debtor's claimed value of interest absent liens	-	\$235,700.00
Extent lien impairs exemption	=	\$364,300.00

All Points Capital Corp. v. Meyer (In re Meyer), 373 B.R. 84, 91 (B.A.P. 9th Cir. 2007); *accord. Hanger* 217 B.R. at 596, *Higgins v. Household Fin. Corp. (In re Higgins)*, 201 B.R. 965, 967 (B.A.P. 9th Cir. 1996); *cf. Brantz*, 106 B.R. at 68, *Magosin*, 75 B.R. at 549-50, *In re Piersol*, 244 B.R. 309, 311 (Bankr. E.D. Pa. 2000). Since there is no equity for any of the Four Liens to attach and this case does not involve fractional interests or co-owned property with non-debtor third parties, the § 522(f)(2) formula can be re-illustrated using the *Brantz* formula with the same result:

Fair market value of Property	\$366,260.00
Total amount of unavoidable liens (incl. liens not yet avoided)	- \$808,995.30
Homestead exemption	- 522,000.00
Remaining equity for judicial liens	= (\$964,735.30)
Cavalry's judicial lien	- \$10,600.29
Extent Debtor's exemption impaired	= (\$975,335.59)

After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support any of the judicial liens which Debtor presently seeks to avoid. Therefore, the fixing of Creditor's judicial lien impairs Debtor's exemption in the Property and its fixing will be avoided.

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that AENB's lien is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.

2. [24-12602](#)-B-7 **IN RE: DEANNA RECTOR**
[SLL-3](#)

MOTION TO AVOID LIEN OF MIDLAND FUNDING LLC
1-30-2025 [[41](#)]

DEANNA RECTOR/MV
STEPHEN LABIAK/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

Deanna Rector ("Debtor") moves for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of Midland Funding LLC et al ("Midland" or "Creditor") encumbering residential real property located at 1699 Champagne St., Tulare, California ("Property"). Doc. #46.

This motion is one of four motions to avoid judicial liens filed contemporaneously by Debtor. These motions address outstanding judicial lienholders as follows, in descending order of priority:

1. Cavalry SPV I, LLC. (DCN SLL-5; Doc. #56 et seq.; Item #4).
2. Unifund CCR, LLC. (DCN SLL-4; Doc. #51 et seq.; Item #3)
3. Midland Funding LLC. (DCN SLL-3; Doc. #41 et seq.; Item #2)

4. American Express National Bank. (DCN SLL-2; Doc. #46 et seq.; Item #1).

(collectively "the Four Liens"). See docket generally.

Debtor complied with Fed. R. Bankr. P. 7004(b)(3) by serving an officer of Creditor authorized to receive service on January 30, 2025. Doc. #50.

No party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

To avoid a lien under 11 U.S.C. § 522(f)(1), the movant must establish four elements: (1) there must be an exemption to which the debtor would be entitled under § 522(b); (2) the property must be listed on the debtor's schedules as exempt; (3) the lien must impair the exemption; and (4) the lien must be either a judicial lien or a non-possessory, non-purchase money security interest in personal property listed in § 522(f)(1)(B). § 522(f)(1); *Goswami v. MTC Distrib. (In re Goswami)*, 304 B.R. 386, 390-91 (B.A.P. 9th Cir. 2003) (quoting *In re Mohring*, 142 B.R. 389, 392 (Bankr. E.D. Cal. 1992), *aff'd*, 24 F.3d 247 (9th Cir. 1994)).

Regarding Midland, a judgment was entered against Debtor in favor of Creditor in the amount of \$13,587.89 on March 18, 2020. Doc. #44 (*Exhib. C*). The abstract of judgment was issued on February 10, 2021, and was recorded in Tulare County on May 12, 2021. *Id.* That lien attached to Debtor's interest in Property. *Id.*; Doc. #43. Debtor estimates that the current amount owed on account of this lien is \$13,587.89. *Id.*

As of the petition date, Property had an approximate value of \$366,260.00. Doc. #1 (*Sched. A/B*). Debtor claimed a \$522,000.00

exemption in Property pursuant to Cal. Code Civ. Proc. ("CCP")
§ 704.730. Doc. #14 (*Amended Sched. C*).

Property is heavily encumbered, as illustrated as follows:

1. A first deed of trust held by Carrington Mortgage in the amount of **\$193,931.00**.
2. A second deed of trust held by HUD in the amount of **\$10,652.59**.
3. 10 Tulare County property tax liens totaling **\$4,936.23** and incurred between March 22, 2016, and September 25, 2024.
4. A judicial lien in the amount of **\$2,709.56** by Central Creditor's Bureau recorded on January 4, 2017.
5. A judicial lien in the amount of **\$53,701.27** by L.A. Commercial Group, Inc. recorded on August 1, 2017.
6. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on August 18, 2017.
7. A judicial lien in the amount of **\$6,643.95** by State Farm General Insurance recorded on November 10, 2017.
8. A judicial lien in the amount of **\$155,921.85** by Everardo Magan and Shawnda Magana recorded on June 1, 2018.
9. A judicial lien in the amount of **\$43,704.99** by Fortune Energy Inc. recorded on August 28, 2018.
10. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on September 26, 2018.
11. A judicial lien in the amount of **\$317,184.81** by State Farm General Ins. Co. recorded on March 22, 2019.
12. A judicial lien in the amount of **\$10,600.29** by Cavalry SPV I, LLC recorded on November 19, 2019.
13. A judicial lien in the amount of **\$18,780.04** by Unifund CCR, LLC recorded on February 4, 2020.
14. A judicial lien in the amount of **\$13,587.89** by Midland Funding LLC recorded on May 12, 2021. SLL-3
15. A judicial lien in the amount of **\$5,408.26** by American Express National Bank recorded on March 16, 2022.
16. A second junior judicial lien in the amount of **\$3,586.61** by Cavalry SPV I, LLC recorded on November 13, 2023. This lien was avoided by a court order dated January 13, 2025. Doc. #40.

Docs. #41, #43. When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999). Ordinarily, liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). Perfected judicial liens which were recorded prior to the junior-most lien are grouped with the unavoidable liens.

Here, it appears there is insufficient equity to which any of the Four Liens may attach. The total owed for the liens which hold priority over the Four Liens is \$588,455.37.

With that in mind, Property's encumbrances can be illustrated as follows:

Creditor	Amount	Recorded	Status
1. Carrington Mortgage	\$193,931.00		Unavoidable
2. HUD	\$10,672.59		Unavoidable
3. Tax liens	\$4,936.34		Unavoidable
4. All judicial liens recorded prior to the Four Liens	\$599,455.37	Pre-11/19/2019	Status Unknown
5. The Four Liens	\$48,376.48	11/19/23 or later	Avoidable

"Under the full avoidance approach, as used in *Brantz*, the only way a lien would be avoided 'in full' was if the debtor's gross equity were equal to or less than the amount of the exemption." *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 596 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999), citing *In re Brantz*, 106 B.R. 62, 68 (Bankr. E.D. Pa. 1989) ("Avoidance of all judicial liens results unless (3) [the result of deducting the debtor's allowable exemptions and the sum of all liens not avoided from the value of the property] is a positive figure."), citing *In re Magosin*, 75 B.R. 545, 547 (Bankr. E.D. Pa. 1987) (judicial lien was avoidable in its entirety where equity is less than exemption).

Even if the three most junior liens are avoided, leaving only the \$10,600.29 lien of Cavalry SPV I, LLC (the most senior of the liens which Debtor seeks to avoid) ("Cavalry"), there would be insufficient equity to support any of the Four Liens. Strict application of the § 522(f)(2) formula with respect to the Cavalry lien is illustrated as follows:

Amount of Cavalry's lien (the remaining junior lien after the other three are avoided)		10,600.29
Total amount of unavoidable liens (incl. liens not yet avoided)	+	192,791.00
Debtor's claimed exemption in Property	+	362,000.00
<i>Sum</i>	=	\$600,000.00
Debtor's claimed value of interest absent liens	-	\$235,700.00
Extent lien impairs exemption	=	\$364,300.00

All Points Capital Corp. v. Meyer (In re Meyer), 373 B.R. 84, 91 (B.A.P. 9th Cir. 2007); *accord. Hanger* 217 B.R. at 596, *Higgins v. Household Fin. Corp. (In re Higgins)*, 201 B.R. 965, 967 (B.A.P. 9th Cir. 1996); *cf. Brantz*, 106 B.R. at 68, *Magosin*, 75 B.R. at 549-50, *In re Piersol*, 244 B.R. 309, 311 (Bankr. E.D. Pa. 2000). Since there is no equity for any of the Four Liens to attach and this case does not involve fractional interests or co-owned property with non-debtor

third parties, the § 522(f)(2) formula can be re-illustrated using the Brantz formula with the same result:

Fair market value of Property		\$366,260.00
Total amount of unavoidable liens (incl. liens not yet avoided)	-	\$808,995.30
Homestead exemption	-	522,000.00
Remaining equity for judicial liens	=	(\$964,735.30)
Cavalry's judicial lien	-	\$10,600.29
Extent Debtor's exemption impaired	=	(\$975,335.59)

After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support any of the judicial liens which Debtor presently seeks to avoid. Therefore, the fixing of Creditor's judicial lien impairs Debtor's exemption in the Property and its fixing will be avoided.

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that Midland's lien is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.

3. [24-12602](#)-B-7 **IN RE: DEANNA RECTOR**
[SLL-4](#)

MOTION TO AVOID LIEN OF UNIFUND CCR, LLC
1-30-2025 [\[51\]](#)

DEANNA RECTOR/MV
STEPHEN LABIAK/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

Deanna Rector ("Debtor") moves for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of Unifund CCR, LLC ("Unifund" or "Creditor") encumbering residential real property located at 1699 Champagne St., Tulare, California ("Property"). Doc. #51.

This motion is one of four motions to avoid judicial liens filed contemporaneously by Debtor. These motions address outstanding judicial lienholders as follows, in descending order of priority:

1. Cavalry SPV I, LLC. (DCN SLL-5; Doc. #56 et seq.; Item #4, below).
2. Unifund CCR, LLC. (DCN SLL-4; Doc. #51 et seq.; Item #3)
3. Midland Funding LLC. (DCN SLL-3; Doc. #41 et seq.; Item #2)
4. American Express National Bank. (DCN SLL-2; Doc. #46 et seq.; Item #1).

(collectively "the Four Liens"). See *docket generally*.

Debtor complied with Fed. R. Bankr. P. 7004(b)(3) by serving an officer of Creditor authorized to receive service on January 30, 2025. Doc. #50.

No party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

To avoid a lien under 11 U.S.C. § 522(f)(1), the movant must establish four elements: (1) there must be an exemption to which the debtor would be entitled under § 522(b); (2) the property must be listed on the debtor's schedules as exempt; (3) the lien must impair the exemption; and (4) the lien must be either a judicial lien or a non-possessory, non-purchase money security interest in personal property listed in § 522(f)(1)(B). § 522(f)(1); *Goswami v. MTC Distrib. (In re Goswami)*, 304 B.R. 386, 390-91 (B.A.P. 9th Cir. 2003) (quoting *In re Mohring*, 142 B.R. 389, 392 (Bankr. E.D. Cal. 1992), *aff'd*, 24 F.3d 247 (9th Cir. 1994)).

Regarding Unifund, a judgment was entered against Debtor in favor of Creditor in the amount of \$18,780.04 on November 22, 2019. Doc. #54 (*Exhib. C*). The abstract of judgment was issued on January 23, 2020, and was recorded in Tulare County on February 4, 2020. *Id.* That lien attached to Debtor's interest in Property. *Id.*; Doc. #54 Debtor estimates that the current amount owed on account of this lien is \$18,780.04. *Id.*

As of the petition date, Property had an approximate value of \$366,260.00. Doc. #1 (*Sched. A/B*). Debtor claimed a \$522,000.00 exemption in Property pursuant to Cal. Code Civ. Proc. ("CCP") § 704.730. Doc. #14 (*Amended Sched. C*).

Property is heavily encumbered, as illustrated as follows:

1. A first deed of trust held by Carrington Mortgage in the amount of **\$193,931.00**.
2. A second deed of trust held by HUD in the amount of **\$10,652.59**.
3. 10 Tulare County property tax liens totaling **\$4,936.23** and incurred between March 22, 2016, and September 25, 2024.
4. A judicial lien in the amount of **\$2,709.56** by Central Creditor's Bureau recorded on January 4, 2017.
5. A judicial lien in the amount of **\$53,701.27** by L.A. Commercial Group, Inc. recorded on August 1, 2017.
6. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on August 18, 2017.
7. A judicial lien in the amount of **\$6,643.95** by State Farm General Insurance recorded on November 10, 2017.
8. A judicial lien in the amount of **\$155,921.85** by Everardo Magan and Shawnda Magana recorded on June 1, 2018.
9. A judicial lien in the amount of **\$43,704.99** by Fortune Energy Inc. recorded on August 28, 2018.
10. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on September 26, 2018.
11. A judicial lien in the amount of **\$317,184.81** by State Farm General Ins. Co. recorded on March 22, 2019.
12. A judicial lien in the amount of **\$10,600.29** by Cavalry SPV I, LLC recorded on November 19, 2019.
13. A judicial lien in the amount of **\$18,780.04** by Unifund CCR, LLC recorded on February 4, 2020.
14. A judicial lien in the amount of **\$13,587.89** by Midland Funding LLC recorded on May 12, 2021. SLL-3
15. A judicial lien in the amount of **\$5,408.26** by American Express National Bank recorded on March 16, 2022.
16. A second junior judicial lien in the amount of **\$3,586.61** by Cavalry SPV I, LLC recorded on November 13, 2023. This lien was avoided by a court order dated January 13, 2025. Doc. #40.

Docs. #51, #53. When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999). Ordinarily, liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). Perfected judicial liens which were recorded prior to the junior-most lien are grouped with the unavoidable liens.

Here, it appears there is insufficient equity to which any of the Four Liens may attach. The total owed for the liens which hold priority over the Four Liens is \$588,455.37.

With that in mind, Property's encumbrances can be illustrated as follows:

Creditor	Amount	Recorded	Status
1. Carrington Mortgage	\$193,931.00		Unavoidable
2. HUD	\$10,672.59		Unavoidable
3. Tax liens	\$4,936.34		Unavoidable
4. All judicial liens recorded prior to the Four Liens	\$599,455.37	Pre-11/19/2019	Status Unknown
5. The Four Liens	\$48,376.48	11/19/23 or later	Avoidable

"Under the full avoidance approach, as used in *Brantz*, the only way a lien would be avoided 'in full' was if the debtor's gross equity were equal to or less than the amount of the exemption." *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 596 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999), citing *In re Brantz*, 106 B.R. 62, 68 (Bankr. E.D. Pa. 1989) ("Avoidance of all judicial liens results unless (3) [the result of deducting the debtor's allowable exemptions and the sum of all liens not avoided from the value of the property] is a positive figure."), citing *In re Magosin*, 75 B.R. 545, 547 (Bankr. E.D. Pa. 1987) (judicial lien was avoidable in its entirety where equity is less than exemption).

Even if the three most junior liens are avoided, leaving only the \$10,600.29 lien of Cavalry SPV I, LLC (the most senior of the liens which Debtor seeks to avoid) ("Cavalry"), there would be insufficient equity to support any of the Four Liens. Strict application of the § 522(f)(2) formula with respect to the Cavalry lien is illustrated as follows:

Amount of Cavalry's lien (the remaining junior lien after the other three are avoided)		10,600.29
Total amount of unavoidable liens (incl. liens not yet avoided)	+	192,791.00
Debtor's claimed exemption in Property	+	362,000.00
<i>Sum</i>	=	\$600,000.00
Debtor's claimed value of interest absent liens	-	\$235,700.00
Extent lien impairs exemption	=	\$364,300.00

All Points Capital Corp. v. Meyer (In re Meyer), 373 B.R. 84, 91 (B.A.P. 9th Cir. 2007); *accord. Hanger* 217 B.R. at 596, *Higgins v. Household Fin. Corp. (In re Higgins)*, 201 B.R. 965, 967 (B.A.P. 9th Cir. 1996); *cf. Brantz*, 106 B.R. at 68, *Magosin*, 75 B.R. at 549-50, *In*

re *Piersol*, 244 B.R. 309, 311 (Bankr. E.D. Pa. 2000). Since there is no equity for any of the Four Liens to attach and this case does not involve fractional interests or co-owned property with non-debtor third parties, the § 522(f)(2) formula can be re-illustrated using the *Brantz* formula with the same result:

Fair market value of Property	\$366,260.00
Total amount of unavoidable liens (incl. liens not yet avoided)	- \$808,995.30
Homestead exemption	- 522,000.00
Remaining equity for judicial liens	= (\$964,735.30)
Cavalry's judicial lien	- \$10,600.29
Extent Debtor's exemption impaired	= (\$975,335.59)

After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support any of the judicial liens which Debtor presently seeks to avoid. Therefore, the fixing of Creditor's judicial lien impairs Debtor's exemption in the Property and its fixing will be avoided.

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that Unifund's lien is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.

4. [24-12602](#)-B-7 **IN RE: DEANNA RECTOR**
[SLL-5](#)

MOTION TO AVOID LIEN OF CAVALRY SPV I, LLC
1-30-2025 [\[56\]](#)

DEANNA RECTOR/MV
STEPHEN LABIAK/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

Deanna Rector ("Debtor") moves for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of Cavalry SPV I, LLC ("Cavalry" or "Creditor") encumbering residential real property located at 1699 Champagne St., Tulare, California ("Property"). Doc. #56.

This motion is one of four motions to avoid judicial liens filed contemporaneously by Debtor. These motions address outstanding judicial lienholders as follows, in descending order of priority:

1. Cavalry SPV I, LLC. (DCN SLL-5; Doc. #56 et seq.; Item #4).
2. Unifund CCR, LLC. (DCN SLL-4; Doc. #51 et seq.; Item #3)
3. Midland Funding LLC. (DCN SLL-3; Doc. #41 et seq.; Item #2)
4. American Express National Bank. (DCN SLL-2; Doc. #46 et seq.; Item #1).

(collectively "the Four Liens"). *See docket generally.*

Debtor complied with Fed. R. Bankr. P. 7004(b)(3) by serving an officer of Creditor authorized to receive service on January 30, 2025. Doc. #50. Debtor also complied with Rule 7004(h), which requires service to be made on an insured depository institution by certified mail and addressed to an officer except where the three exceptions specified in subsections (h)(1)-(3) apply. *Id.*

No party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

To avoid a lien under 11 U.S.C. § 522(f)(1), the movant must establish four elements: (1) there must be an exemption to which the debtor would be entitled under § 522(b); (2) the property must be listed on the debtor's schedules as exempt; (3) the lien must impair the exemption; and (4) the lien must be either a judicial lien or a non-possessory, non-purchase money security interest in personal property listed in § 522(f)(1)(B). § 522(f)(1); *Goswami v. MTC Distrib. (In re Goswami)*, 304 B.R. 386, 390-91 (B.A.P. 9th Cir. 2003) (quoting *In re Mohring*, 142 B.R. 389, 392 (Bankr. E.D. Cal. 1992), *aff'd*, 24 F.3d 247 (9th Cir. 1994)).

Regarding Cavalry, a judgment was entered against Debtor in favor of Creditor in the amount of \$10,600.29 on August 16, 2019. Doc. #58 (*Exhib. C*). The abstract of judgment was issued on October 21, 2019, and was recorded in Tulare County on November 19, 2019. *Id.* That lien attached to Debtor's interest in Property. *Id.*; Doc. #59. Debtor estimates that the current amount owed on account of this lien is \$10,600.29. *Id.*

As of the petition date, Property had an approximate value of \$366,260.00. Doc. #1 (*Sched. A/B*). Debtor claimed a \$522,000.00 exemption in Property pursuant to Cal. Code Civ. Proc. ("CCP") § 704.730. Doc. #14 (*Amended Sched. C*).

Property is heavily encumbered, as illustrated as follows:

1. A first deed of trust held by Carrington Mortgage in the amount of **\$193,931.00**.
2. A second deed of trust held by HUD in the amount of **\$10,652.59**.
3. 10 Tulare County property tax liens totaling **\$4,936.23** and incurred between March 22, 2016, and September 25, 2024.
4. A judicial lien in the amount of **\$2,709.56** by Central Creditor's Bureau recorded on January 4, 2017.
5. A judicial lien in the amount of **\$53,701.27** by L.A. Commercial Group, Inc. recorded on August 1, 2017.
6. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on August 18, 2017.
7. A judicial lien in the amount of **\$6,643.95** by State Farm General Insurance recorded on November 10, 2017.
8. A judicial lien in the amount of **\$155,921.85** by Everardo Magan and Shawnda Magana recorded on June 1, 2018.
9. A judicial lien in the amount of **\$43,704.99** by Fortune Energy Inc. recorded on August 28, 2018.
10. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on September 26, 2018.
11. A judicial lien in the amount of **\$317,184.81** by State Farm General Ins. Co. recorded on March 22, 2019.
12. A judicial lien in the amount of **\$10,600.29** by Cavalry SPV I, LLC recorded on November 19, 2019.
13. A judicial lien in the amount of **\$18,780.04** by Unifund CCR, LLC recorded on February 4, 2020.
14. A judicial lien in the amount of **\$13,587.89** by Midland Funding LLC recorded on May 12, 2021. SLL-3
15. A judicial lien in the amount of **\$5,408.26** by American Express National Bank recorded on March 16, 2022.
16. A second junior judicial lien in the amount of **\$3,586.61** by Cavalry SPV I, LLC recorded on November 13, 2023. This lien was avoided by a court order dated January 13, 2025. Doc. #40.

Docs. #56, #59. When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens

must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999). Ordinarily, liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). Perfected judicial liens which were recorded prior to the junior-most lien are grouped with the unavoidable liens.

Here, it appears there is insufficient equity to which any of the Four Liens may attach. The total owed for the liens which hold priority over the Four Liens is \$588,455.37.

With that in mind, Property's encumbrances can be illustrated as follows:

Creditor	Amount	Recorded	Status
1. Carrington Mortgage	\$193,931.00		Unavoidable
2. HUD	\$10,672.59		Unavoidable
3. Tax liens	\$4,936.34		Unavoidable
4. All judicial liens recorded prior to the Four Liens	\$599,455.37	Pre-11/19/2019	Status Unknown
5. The Four Liens	\$48,376.48	11/19/23 or later	Avoidable

"Under the full avoidance approach, as used in *Brantz*, the only way a lien would be avoided 'in full' was if the debtor's gross equity were equal to or less than the amount of the exemption." *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 596 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999), citing *In re Brantz*, 106 B.R. 62, 68 (Bankr. E.D. Pa. 1989) ("Avoidance of all judicial liens results unless (3) [the result of deducting the debtor's allowable exemptions and the sum of all liens not avoided from the value of the property] is a positive figure."), citing *In re Magosin*, 75 B.R. 545, 547 (Bankr. E.D. Pa. 1987) (judicial lien was avoidable in its entirety where equity is less than exemption).

Even if the three most junior liens are avoided, leaving only the \$10,600.29 lien of Cavalry SPV I, LLC (the most senior of the liens which Debtor seeks to avoid) ("Cavalry"), there would be insufficient equity to support any of the Four Liens. Strict application of the § 522(f)(2) formula with respect to the Cavalry lien is illustrated as follows:

Amount of Cavalry's lien (the remaining junior lien after the other three are avoided)		10,600.29
Total amount of unavoidable liens (incl. liens not yet avoided)	+	192,791.00
Debtor's claimed exemption in Property	+	362,000.00
<i>Sum</i>	=	\$600,000.00
Debtor's claimed value of interest absent liens	-	\$235,700.00
Extent lien impairs exemption	=	\$364,300.00

All Points Capital Corp. v. Meyer (In re Meyer), 373 B.R. 84, 91 (B.A.P. 9th Cir. 2007); accord. *Hanger* 217 B.R. at 596, *Higgins v. Household Fin. Corp. (In re Higgins)*, 201 B.R. 965, 967 (B.A.P. 9th Cir. 1996); cf. *Brantz*, 106 B.R. at 68, *Magosin*, 75 B.R. at 549-50, *In re Piersol*, 244 B.R. 309, 311 (Bankr. E.D. Pa. 2000). Since there is no equity for any of the Four Liens to attach and this case does not involve fractional interests or co-owned property with non-debtor third parties, the § 522(f)(2) formula can be re-illustrated using the *Brantz* formula with the same result:

Fair market value of Property		\$366,260.00
Total amount of unavoidable liens (incl. liens not yet avoided)	-	\$808,995.30
Homestead exemption	-	522,000.00
Remaining equity for judicial liens	=	(\$964,735.30)
Cavalry's judicial lien	-	\$10,600.29
Extent Debtor's exemption impaired	=	(\$975,335.59)

After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support any of the judicial liens which Debtor presently seeks to avoid. Therefore, the fixing of Creditor's judicial lien impairs Debtor's exemption in the Property and its fixing will be avoided.

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that Cavalry's lien is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.

5. [24-12021](#)-B-7 **IN RE: ASHLEY/VINCENT FLESOURAS**
[JCW-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY
1-31-2025 [\[20\]](#)

GUILD MORTGAGE COMPANY LLC/MV
SETH HANSON/ATTY. FOR DBT.
JENNIFER WONG/ATTY. FOR MV.
DISCHARGED 11/4/24; WITHDRAWN

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Withdrawn; taken off calendar.

NO ORDER REQUIRED.

Movant Guild Mortgage Company, LLC withdrew this motion for relief from the automatic stay on February 20, 2025. Doc. #26. Accordingly, this matter will be taken off calendar pursuant to the withdrawal.

6. [25-10130](#)-B-7 **IN RE: DAVID ROBLES**
[SKI-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY
2-3-2025 [\[12\]](#)

AMERICREDIT FINANCIAL SERVICES, INC./MV
LAYNE HAYDEN/ATTY. FOR DBT.
SHERYL ITH/ATTY. FOR MV.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

AmeriCredit Financial Services, Inc. ("Movant") seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to a 2023 Chevrolet Camaro (VIN: 1G1FK1R63P0115244) ("Vehicle"). Doc. #12. Movant also requests waiver of the 14-day stay of Fed. R. Bankr. P. 4001(a)(3). *Id.*

David Robles ("Debtor") did not file opposition and no other party in interest filed written opposition. Debtor's Statement of Intention indicated that the Vehicle would be surrendered. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the

creditors, the debtor, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amount of damages). *Televideo Systems, Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case-by-case basis." *In re Mac Donald*, 755 F.2d 715, 717 (9th Cir. 1985).

11 U.S.C. § 362(d)(2) allows the court to grant relief from the stay if the debtor does not have an equity in such property and such property is not necessary to an effective reorganization.

After review of the included evidence, the court finds that "cause" exists to lift the stay because Debtor has failed to make at least two complete pre-petition payments. The Movant has produced evidence that Debtor is delinquent at least \$2,767.60. Doc. #15.

The court also finds that the Debtor does not have any equity in the Vehicle and the Vehicle is not necessary to an effective reorganization because Debtor is in chapter 7. The Vehicle is valued at \$76,225.00 and Debtor owes \$76,691.42. Docs. ##15-16.

Accordingly, the motion will be granted pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2) to permit the Movant to dispose of its collateral pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded. According to the Debtor's Statement of Intention, the Vehicle will be surrendered.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived because Debtor has failed to make at least two pre-petition payments to Movant and the Vehicle is a depreciating asset.

7. [24-12855](#)-B-7 **IN RE: MARTIN/ANNA JAIME**
[DS-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY
1-31-2025 [\[23\]](#)

MLD MORTGAGE, INC./MV
MARK ZIMMERMAN/ATTY. FOR DBT.
DANIEL SINGER/ATTY. FOR MV.
DISCHARGED 1/2/25

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Denied without prejudice or Granted in part and denied
as moot in part as indicated below.

ORDER: The Moving Party shall submit a proposed order in
conformance with the ruling below.

MLD Mortgage, Inc. ("Movant") seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1) with respect to 2816 S. Teddy Street, Visalia, California 93277 ("Property"). Doc. #23. Movant also requests waiver of the 14-day stay of Fed. R. Bankr. P. 4001(a)(3). *Id.*

Martin and Anna Jaime ("Debtors") did not oppose. No other party in interest timely filed written opposition. This motion will be GRANTED. As a preliminary matter, the certificate of service (Doc. #29) is not the current version (Rev. 1/8/2025) and does not comply with LBR 7005-1. LBR 7005-1 requires the movant to attach the Clerk of the Court's official matrices containing the names and addresses of all parties served. The Clerk's matrices are available on the court's website or through PACER, shall be downloaded not more than seven days prior to the date of serving the pleadings or other documents, and shall reflect the date of download. LBR 7005-1(d).

Here, the certificate of service does not attach any service list. Doc. #29.

Typically, this motion would be denied without prejudice for the above deficiency. However, Fed. R. Civ. P. 4(1)(3), *incorporated by* Fed. R. Bankr. P. 7004(a)(1), provides that failure to prove service does not affect the validity of service, and the court may permit the proof of service to be amended. But a conforming Certificate of Service must be filed as indicated below or the motion will be DENIED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the debtor, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amount of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

11 U.S.C. § 362(c)(2)(C) provides that the automatic stay of § 362(a) continues until a discharge is granted. The debtors' discharge was entered on January 2, 2025. Doc. #20. Therefore, the automatic stay terminated with respect to the debtors on January 2, 2025. This motion will be DENIED AS MOOT IN PART as to the debtors' interest and will be GRANTED IN PART for cause shown as to the chapter 7 trustee's (or estate's) interest.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case-by-case basis." *In re Mac Donald*, 755 F.2d 715, 717 (9th Cir. 1985).

After review of the included evidence, the court finds that "cause" exists to lift the stay because Debtors have failed to make at least two (2) post-petition payments. The Movant has produced evidence that Debtors are delinquent at least \$4,779.86 and the entire balance of \$332,768.66 is due. Docs. #26, #28.

The court will grant the relief *provided* an amended Certificate of Service conforming to the local rules is filed 24 hours before the hearing. If no conforming Certificate of Service is filed, the court will DENY the motion.

If the conforming COS is filed as indicated, the motion will be granted pursuant to 11 U.S.C. § 362(d)(1) to permit the Movant to dispose of its collateral pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded.

Provided a confirming COS is filed as indicated, the 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived because Debtors have failed to make at least two (2) post-petition payments to Movant.

8. [24-13458](#)-B-7 **IN RE: ARMANDO ARZATE-GALARZA**
[KMM-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY
2-6-2025 [\[13\]](#)

NISSAN MOTOR ACCEPTANCE COMPANY LLC/MV
JOSEPH PEARL/ATTY. FOR DBT.
KIRSTEN MARTINEZ/ATTY. FOR MV.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in
conformance with the ruling below.

Nissan Motor Acceptance Company ("Movant") seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to a 2024 Nissan Altima, (V.I.N. 1N4BL4DV5RN368970) (Vehicle"). Doc. #13.

Armando Arzate-Galarza ("Debtor") did not file opposition and no other party in interest filed written opposition. Debtor's Statement of Intention indicated that the Vehicle would be surrendered. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the debtor, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amount of damages). *Televideo Systems, Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

11 U.S.C. § 362(d)(1) allows the court to grant relief from the stay for cause, including the lack of adequate protection. "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case-by-case basis." *In re Mac Donald*, 755 F.2d 715, 717 (9th Cir. 1985).

11 U.S.C. § 362(d)(2) allows the court to grant relief from the stay if the debtor does not have an equity in such property and such property is not necessary to an effective reorganization.

After review of the included evidence, the court finds that "cause" exists to lift the stay because Debtor has failed to make at least two (2) complete pre-petition payments and two (2) post-petition payments. The Movant has produced evidence that Debtor is delinquent at least \$2,564.10. Docs. #15, #17.

The court also finds that the Debtor does not have any equity in the Vehicle and the Vehicle is not necessary to an effective reorganization because Debtor is in chapter 7. The Vehicle is valued at \$27,325.00 and Debtor owes \$38,251.37. Docs. #15, #17.

Accordingly, the motion will be granted pursuant to 11 U.S.C. §§ 362(d)(1) and (d)(2) to permit the Movant to dispose of its collateral pursuant to applicable law and to use the proceeds from its disposition to satisfy its claim. No other relief is awarded. According to the Debtor's Statement of Intention, the Vehicle will be surrendered.

9. [24-13159](#)-B-7 **IN RE: DUSTIN/ADRIANA RYAN**
[RAS-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY
2-6-2025 [\[16\]](#)

U.S. BANK NATIONAL ASSOCIATION/MV
R. BELL/ATTY. FOR DBT.
SEAN FERRY/ATTY. FOR MV.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Denied without prejudice.

ORDER: The court will issue an order.

This motion is DENIED WITHOUT PREJUDICE for failure to comply with the Local Rules of Practice ("LBR").

Here the notice (Doc. #17) did not comply with LBR 9014-1(d)(3)(B)(i), which requires the notice of hearing to include the names and addresses of persons who must be served with any opposition. Neither the Chapter Trustee nor the U.S. Trustee were listed as persons to serve.

As an informative matter, Rules 4001(a)(1) and 9014(b) require a motion for relief from the automatic stay to be served pursuant to Rule 7004, which was done here. Doc. #21. But in Sections 6 of Movant's certificate of service, the declarant should have checked the

appropriate boxes for first class mail under Rule 7004. *Id.* It appears that Movant did comply with Rule 7004 but failed to check the correct boxes evidencing the same. Movant also failed to use the current version of the court's *Official Certificate of Service EDC Form 7-005*, Rev. 1/8/2025.

Counsel is advised to review the local rules and ensure procedure compliance in subsequent matters.

For the foregoing reasons, this motion will be DENIED WITHOUT PREJUDICE.

10. [21-10574](#)-B-7 **IN RE: MARK/JEANNETTE ESPARZA**
[MAE-3](#)

MOTION TO AVOID LIEN OF COLLMGMTRESO
2-11-2025 [\[60\]](#)

JEANNETTE ESPARZA/MV
WILLIAM EDWARDS/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

Mark and Jeannette Esparza ("Debtor") move for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of Collmgmtreso aka Royal Palms Apartments assigned to Collectibles Management Resources ("Creditor") in the sum of \$5,602.12 and encumbering residential real property located at 3201 Redlands Dr., Bakersfield, CA 93306 ("Property"). Doc. #60.

Debtor complied with Fed. R. Bankr. P. 7004(b)(3) by serving Creditor's registered agent for service of process via certified mail on February 11, 2025. Doc. #63.

No party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

To avoid a lien under 11 U.S.C. § 522(f)(1), the movant must establish four elements: (1) there must be an exemption to which the debtor would be entitled under § 522(b); (2) the property must be listed on the debtor's schedules as exempt; (3) the lien must impair the exemption; and (4) the lien must be either a judicial lien or a non-possessory, non-purchase money security interest in personal property listed in § 522(f)(1)(B). § 522(f)(1); *Goswami v. MTC Distrib. (In re Goswami)*, 304 B.R. 386, 390-91 (B.A.P. 9th Cir. 2003) (quoting *In re Mohring*, 142 B.R. 389, 392 (Bankr. E.D. Cal. 1992), *aff'd*, 24 F.3d 247 (9th Cir. 1994)).

Here, a judgment was originally entered against Debtors in favor of Creditor in the amount of \$2,935.66 on June 29, 2009. (Exhib. A). The abstract of judgment was issued on September 4, 2009, and was recorded in Kings County on September 9, 2000. *Id.* An Application for Renewal was filed on July 5, 2018, and recorded on March 29, 2019. *Id.* The total renewed judgment was \$5,602.12. *Id.* That lien attached to Debtor's interest in Property. Debtor estimates that the current amount owed on account of this lien is \$7,605.00. *Id.*

As of the petition date, Property had an approximate value of \$215,000.00. Doc. #1 (Sched. A/B). Debtor claimed a \$600,000.00 exemption in the Property pursuant to Cal. Code Civ. Proc. ("CCP") § 704.730. Doc. #43 (Amended Sched. C).

Property is encumbered by a first deed of trust in favor of Loancare LLC in the amount of \$188,211.00 as of the petition date. Doc. #1 (Sched. D). Property is also encumbered by a second deed of trust in favor of Loancare LLC in the amount of \$49,524.00. Property's encumbrances can be illustrated as follows:

Creditor	Amount	Recorded	Status
1. Loancare LLC 1	\$188,211.00		Unavoidable
2. Loancare LLC 2	\$49,524.00		Unavoidable
3. Creditor	\$5,602.12	9/9/2009	Avoidable

When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999). Liens already avoided are

excluded from the exemption impairment calculation. *Ibid.*;
 § 522(f)(2)(B). This is the only avoidable lien on the Property.

"Under the full avoidance approach, as used in *Brantz*, the only way a lien would be avoided 'in full' was if the debtor's gross equity were equal to or less than the amount of the exemption." *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 596 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999), citing *In re Brantz*, 106 B.R. 62, 68 (Bankr. E.D. Pa. 1989) ("Avoidance of all judicial liens results unless (3) [the result of deducting the debtor's allowable exemptions and the sum of all liens not avoided from the value of the property] is a positive figure."), citing *In re Magosin*, 75 B.R. 545, 547 (Bankr. E.D. Pa. 1987) (judicial lien was avoidable in its entirety where equity is less than exemption).

This lien is the most junior lien subject to avoidance and there is not any equity to support the lien. Strict application of the § 522(f)(2) formula with respect to Creditor's junior lien is illustrated as follows:

Amount of judgment lien		5,602.12
Total amount of unavoidable liens (incl. liens not yet avoided)	+	237,735.00
Debtor's claimed exemption in Property	+	30,000.00
<i>Sum</i>	=	\$600,000.00
Debtor's claimed value of interest absent liens	-	\$215,000.00
Extent lien impairs exemption	=	\$385,000.00

All Points Capital Corp. v. Meyer (In re Meyer), 373 B.R. 84, 91 (B.A.P. 9th Cir. 2007); *accord. Hanger* 217 B.R. at 596, *Higgins v. Household Fin. Corp. (In re Higgins)*, 201 B.R. 965, 967 (B.A.P. 9th Cir. 1996); *cf. Brantz*, 106 B.R. at 68, *Magosin*, 75 B.R. at 549-50, *In re Piersol*, 244 B.R. 309, 311 (Bankr. E.D. Pa. 2000). Since there is no equity for liens to attach and this case does not involve fractional interests or co-owned property with non-debtor third parties, the § 522(f)(2) formula can be re-illustrated using the *Brantz* formula with the same result:

Fair market value of Property		\$215,000.00
Total amount of unavoidable liens (incl. liens not yet avoided)	-	\$237,735.00
Homestead exemption	-	30,000.00
Remaining equity for judicial liens	=	(\$52,735.00)
Creditor's judicial lien	-	\$5,602.12
Extent Debtor's exemption impaired	=	(\$58,337.12)

After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support any judicial

liens. Therefore, the fixing of Creditor's judicial lien impairs Debtor's exemption in the Property and its fixing will be avoided.

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that Creditor's lien is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.

11. [24-13677](#)-B-7 **IN RE: MARTIN/VICKY RODRIGUEZ**
[JDR-2](#)

MOTION TO CONTINUE CASE ADMINISTRATION, SUBSTITUTE PARTY,
AS TO JOINT DEBTOR
2-21-2025 [\[16\]](#)

VICKY RODRIGUEZ/MV
JEFFREY ROWE/ATTY. FOR DBT.

TENTATIVE RULING: This matter will proceed as scheduled.

DISPOSITION: Granted.

ORDER: The minutes of the hearing will be the court's findings and conclusions. The Moving Party shall submit a proposed order after hearing.

On January 13, 2025, Vicky Rodriguez, co-debtor in the above-styled case ("Decedent"), passed away. Doc. #16. Decedent is survived by joint debtor Martin Rodriguez ("Debtor"). #18. Debtor seeks an (1) appointing Debtor as the representative of Decedent at the continued 341 meeting of creditors; and (2) waiving the post-petition education requirements for entry of discharge as to Decedent in this chapter 7 case. Doc. #16.

Written opposition was not required and may be presented at the hearing. In the absence of opposition, this motion will be GRANTED.

This motion was filed and served pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2) and will proceed as scheduled. Unless opposition is presented at the hearing, the court intends to enter the respondents' defaults and grant the motion. If opposition is presented at the hearing, the court will consider the opposition and whether further hearing is proper pursuant to LBR 9014-1(f)(2). The court will issue an order if a further hearing is necessary.

Upon the death of a debtor in a bankruptcy case that has not been closed, LBR 1016-1(a) provides that a notice of death shall be filed within sixty (60) days of the death of a debtor by counsel or the person intending to be appointed as the representative for or successor to a deceased debtor pursuant to Fed. R. Civ. P. ("Civ.

Rule”) 25(a) (Fed. R. Bankr. P. (“Rule”) 7025). The notice of death shall be served on all other parties in interest, and a redacted copy of the death certificate shall be filed as an exhibit to the notice of death.

LBR 1016-1(b) permits the notice of death and requests for the following relief to be combined into a single motion for omnibus relief under Civ. Rule 18(a) (Rules 7018, 9014(c)):

- 1) Substitution as the representative for or successor to the deceased debtor in the bankruptcy case pursuant to Civ. Rule 25(a);
- 2) Waiver of the post-petition education requirement for entry of discharge under 11 U.S.C. § 727(a)(11).

Pursuant to LBR 1016-1, Debtor filed this motion for omnibus relief with a notice of death and redacted death certificate for Decedent. Doc. #16 *et seq.*

Death or incompetency of the debtor shall not abate a liquidation case under chapter 7 of the Code [11 USCS §§ 701 *et seq.*]. In such event the estate shall be administered and the case concluded in the same manner, so far as possible, as though the death or incompetency had not occurred.

Fed. R. Bankr. Pro. 1016(a). Debtor believes she is the best person qualified to represent Decedent through the duration of this case. Doc. #18. Debtor has completed a personal financial management course. Doc. #11.

11 U.S.C. 727(c)(11) states that the court shall not grant a discharge to a debtor who fails to complete a personal financial management course, except that this requirement shall not apply to a debtor who the court determines, after notice and a hearing, is not able to complete that requirement due to incapacity or disability as defined in 11 U.S.C. § 109(h).

While there does not appear to be a Ninth Circuit case addressing this issue, several courts have found in the context of Chapter 7 cases that the death of a debtor between the filing of a petition and entry of discharge represents an “incapacity” within the meaning of § 109(h). *See, e.g., In re Shorter*, 544 B.R. 654, 670 (Bankr. E.D. Ark. 2015) (assessing death as “a condition equivalent to either disability or incapacity”); *In re Thomas*, No. 07-00097, 2008 Bankr. LEXIS 4519, 2008 WL 4835911, at *1 (Bankr. D.C. Nov. 6, 2008) (waiving requirement for deceased Chapter 7 debtor to complete financial management course because his death is an incapacity); *In re Henderson*, No. 06-52439-C, 2008 Bankr. LEXIS 1490, 2008 WL 1740529, at *1 (Bankr. W.D. Tex. Apr. 9, 2008) (determining that death is a disability under the definition in Section 109(h)(4)); *In re Robles*, No. 07-30747-C, 2007 Bankr. LEXIS 4239, 2007 WL 4410395, at *2 (Bankr.

W.D. Tex. Dec. 13, 2007) (observing that Chapter 7 debtor's death was "the ultimate disability" in terms of debtor's ability to participate in an instructional course on financial management); *In re Trembulak*, 362 B.R. 205, 207 (Bankr. D.N.J. 2007) (allowing deceased debtor to be excused from financial management course under section 109(h) (4) because "clearly the Debtor . . . cannot participate" in the course nor would it aid him in the future).

Written opposition was not required. If no opposition is presented at the hearing, the court is inclined to GRANT this motion. Debtor will be authorized to act as Decedent's successor to the extent necessary to complete this Chapter 7 case, and the post-petition education requirement for entry of discharged that is required by 727(c) (11) will be waived.

12. [24-12995](#)-B-7 **IN RE: SAUL MAYORGA GUEVARA AND DELIA MAYORGA**
[SL-1](#)

MOTION TO AVOID LIEN OF FIRST FEDERAL LEASING
2-4-2025 [\[22\]](#)

DELIA MAYORGA/MV
SCOTT LYONS/ATTY. FOR DBT.

FINAL RULING: There will be no hearing on this matter.

DISPOSITION: Granted.

ORDER: The Moving Party shall submit a proposed order in conformance with the ruling below.

Saul Mayorga Guevera and Delia Mayorga ("Debtor") move for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of First Federal Leasing, a division of First Bank Richmond ("Creditor") in the sum of \$93,528.29 and encumbering residential real property located at 2849 W. Orchard Ct., Visalia, CA 93277 ("Property"). Doc. #22.

Debtor complied with Fed. R. Bankr. P. 7004(b) (3) by serving Creditor's registered agent for service of process via certified mail on February 11, 2025. Doc. #63. Debtor also complied with Rule 7004(h), which requires service to be made on an insured depository institution by **certified mail and addressed to an officer** except where the three exceptions specified in subsections (h) (1)-(3) apply.

No party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f) (1). The failure of the

creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition 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. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

To avoid a lien under 11 U.S.C. § 522(f)(1), the movant must establish four elements: (1) there must be an exemption to which the debtor would be entitled under § 522(b); (2) the property must be listed on the debtor's schedules as exempt; (3) the lien must impair the exemption; and (4) the lien must be either a judicial lien or a non-possessory, non-purchase money security interest in personal property listed in § 522(f)(1)(B). § 522(f)(1); *Goswami v. MTC Distrib. (In re Goswami)*, 304 B.R. 386, 390-91 (B.A.P. 9th Cir. 2003) (quoting *In re Mohring*, 142 B.R. 389, 392 (Bankr. E.D. Cal. 1992), *aff'd*, 24 F.3d 247 (9th Cir. 1994)).

Here, a judgment was originally entered against Debtors in favor of Creditor in the amount of \$93,528.29 on July 24, 2024. Doc. #25 (Exhib. D). The abstract of judgment was issued on August 13, 2024, and was recorded in Tulare County on August 19, 2024. *Id.* That lien attached to Debtor's interest in Property. Docs. ##24-25. Debtor estimates that the current amount owed on account of this lien is \$93,528.29. *Id.*

As of the petition date, Property had an approximate value of \$346,700.00. Doc. #1 (Sched. A/B). Debtor claimed a \$362,000.00 exemption in the Property pursuant to Cal. Code Civ. Proc. ("CCP") § 704.140(b)(1). Doc. #1 (Sched. C).

Property is encumbered by a first deed of trust in favor of U.S. Bank ("USB") in the amount of \$169,742.00 as of the petition date. Doc. #1 (Sched. D). Property is also encumbered by a second deed of trust in favor of Goodleap LLC in the amount of \$23,049.00. Property's encumbrances can be illustrated as follows:

Creditor	Amount	Recorded	Status
1. USB	\$169,742.00		Unavoidable
2. Goodleap LLC	\$23,049.00		Unavoidable
3. Creditor	\$93,582.29	8/19/24	Avoidable

When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999). Liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). This is the only avoidable lien on the Property.

"Under the full avoidance approach, as used in *Brantz*, the only way a lien would be avoided 'in full' was if the debtor's gross equity were equal to or less than the amount of the exemption." *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 596 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999), citing *In re Brantz*, 106 B.R. 62, 68 (Bankr. E.D. Pa. 1989) ("Avoidance of all judicial liens results unless (3) [the result of deducting the debtor's allowable exemptions and the sum of all liens not avoided from the value of the property] is a positive figure."), citing *In re Magosin*, 75 B.R. 545, 547 (Bankr. E.D. Pa. 1987) (judicial lien was avoidable in its entirety where equity is less than exemption).

This lien is the most junior lien subject to avoidance and there is not any equity to support the lien. Strict application of the § 522(f)(2) formula with respect to Creditor's junior lien is illustrated as follows:

Amount of judgment lien		93,582.29
Total amount of unavoidable liens (incl. liens not yet avoided)	+	192,791.00
Debtor's claimed exemption in Property	+	362,000.00
<i>Sum</i>	=	\$600,000.00
Debtor's claimed value of interest absent liens	-	\$346,700.00
Extent lien impairs exemption	=	\$253,300.00

All Points Capital Corp. v. Meyer (In re Meyer), 373 B.R. 84, 91 (B.A.P. 9th Cir. 2007); *accord. Hanger* 217 B.R. at 596, *Higgins v. Household Fin. Corp. (In re Higgins)*, 201 B.R. 965, 967 (B.A.P. 9th Cir. 1996); *cf. Brantz*, 106 B.R. at 68, *Magosin*, 75 B.R. at 549-50, *In re Piersol*, 244 B.R. 309, 311 (Bankr. E.D. Pa. 2000). Since there is no equity for liens to attach and this case does not involve fractional interests or co-owned property with non-debtor third parties, the § 522(f)(2) formula can be re-illustrated using the *Brantz* formula with the same result:

Fair market value of Property		\$346,700.00
Total amount of unavoidable liens (incl. liens not yet avoided)	-	\$192,791.00
Homestead exemption	-	362,000.00
Remaining equity for judicial liens	=	(\$208,091.00)
Creditor's judicial lien	-	\$93,582.29
Extent Debtor's exemption impaired	=	(\$301,673.29)

After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support any judicial liens. Therefore, the fixing of Creditor's judicial lien impairs Debtor's exemption in the Property and its fixing will be avoided.

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that Creditor's lien is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.