

UNITED STATES BANKRUPTCY COURT  
Eastern District of California  
Honorable Jennifer E. Niemann  
Hearing Date: Wednesday, July 22, 2020  
Place: Department A - Courtroom #11  
Fresno, California

**ALL APPEARANCES MUST BE TELEPHONIC**  
**(Please see the court's website for instructions.)**

*Pursuant to District Court General Order 618, no persons are permitted to appear in court unless authorized by order of the court until further notice. All appearances of parties and attorneys shall be telephonic through CourtCall. The contact information for CourtCall to arrange for a phone appearance is: (866) 582-6878.*

**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. 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.

**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 POSSIBLE UPDATES.**

9:00 AM

1. [20-10911](#)-A-7     **IN RE: MARCO GARCIA RODRIGUEZ**  
[SL-1](#)

CONTINUED MOTION TO COMPEL ABANDONMENT  
5-12-2020    [[19](#)]

MARCO GARCIA RODRIGUEZ/MV

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 in conformance with the ruling below.

Marco Garcia Rodriguez (the "Debtor") filed a Motion for Order Compelling Abandonment of Sole Proprietorship Business Assets to Debtor (the "Motion") on May 12, 2020, seeking an order compelling the Chapter 7 Trustee to abandon certain assets of the Debtor's trucking business. Doc. #19.

The Motion was filed and served pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2), on fewer than twenty-eight (28) days' notice, and originally set for hearing on June 1, 2020. Doc #20. A hearing on this motion was continued to and held on June 8, 2020. Doc. #27. Another continued hearing was held on July 1, 2020, and this matter was continued again to allow the Debtor to amend his Schedules and Statement of Financial Affairs and re-notice the Motion for a hearing on July 22, 2020. Doc. #41. On July 2, 2020, the Debtor served notice of the continued hearing on the Motion to the Chapter 7 Trustee and all creditors. Doc. #43. On July 7, 2020, the Debtor filed amended Schedules A/B, C, I, and Statement of Financial Affairs. Doc. #47.

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

The Motion describes the property that the Debtor seeks the

Chapter 7 Trustee to abandon as assets of a sole proprietorship the Debtor operates as an independent contractor driver hired by XMR Transportation, Inc. Doc. #19. The Debtor states he is the sole owner of the business. Doc. #21, Rodriguez Decl. ¶ 4. The Debtor states that he also has a commercial driver's license. Id. at ¶ 5. The Debtor claims to own no commercial truck or trailer. Id. at ¶ 6. The Debtor says that all income from the business is the result of the Debtor's labor, and the only goodwill in the Debtor's business is the personal relationships he has developed with clients over the course of doing business. Id. at ¶ 4. The Debtor claims the commercial driver's license comprise the entirety of the business, and that he has claimed exemptions on each asset. Id. at ¶¶ 3, 6.

However, at hearing on June 8, 2020, the court noted several inconsistencies between the relief sought in the Motion and the Debtor's petition and schedules. Doc. #29. The Debtor's Schedule I, Item 1 listed the Debtor as employed as a handy man, and XMR Transportation, Inc. as the Debtor's employer. Doc. #1, Sched. I, Item 1. There was no evidence in the Petition, Schedules, or Statement of Financial Affairs that the Debtor is a sole proprietor or self-employed, see Doc. #1, Petition, Item 12, and Statement of Financial Affairs, Item 27; holds a commercial driver license, see Doc. #1, Schedule B, Item 27; has any legal or equitable interest in business-related property, see Doc. #1, Schedule B, Item 37; or derives any income from operating a business, see Doc. #1, Schedule I, Item 8a. The court recognized that the Statement of Financial Affairs, Item 27 indicates the Debtor had been self-employed. See Doc. #1.

The Debtor has since amended his Schedules and Statement of Financial Affairs to make the evidentiary record consistent. On June 18, 2020, the Debtor amended Schedule B, Item 27 to include a commercial driver's license with a value of \$0. Doc. #38. The Debtor also amended the Statement of Financial Affairs, Item. 27 to clarify that within four years prior to filing for bankruptcy, the Debtor was a sole proprietor or self-employed in as an independent contractor/truck driver. Id. On July 7, 2020, the Debtor filed additional amendments. Doc. #47. Amended Schedule I, Item 1 now shows the Debtor is self-employed as an independent truck driver; and Item 8a reports the Debtor's income is from operating a business. Id. The amended Statement of Financial Affairs, Item 4 now shows the source of the Debtor's income is from operating a business. Id.

The Motion describes the commercial driver's license and goodwill as the Debtor's business assets. Doc. #19, ¶ 4. The Debtor claims to have "exempted the entirety of the assets of the trucking business, *which is his commercial driver's license.*" Id. at ¶ 7 (emphasis added). The Motion lists an exemption claimed on only the commercial driver's license under California Code of Civil Procedure § 703.140(b)(6). Id. at ¶ 4. Of the business assets described in the Motion, only the commercial driver's license is listed on amended Schedule B and claimed as exempt on amended Schedule C. Doc. #47. The Motion does not set forth any law under which the Debtor claims an exemption on the goodwill, and the goodwill is not listed or

claimed as exempt in the Debtor's amended Schedules. See Doc. ##19, 47.

The Trustee has not opposed the Debtor's request for abandonment of the assets of the Debtor's trucking business, consisting of the commercial driver's license. After review of the evidence presented and the Debtor's petition, schedules, statements, and amendments thereto, the court finds the business assets consisting of the commercial driver's license to be of inconsequential value and benefit to the estate. The Debtor's claim of exemption in the commercial driver's license, if allowed, removes that asset from the estate.

Accordingly, pending any opposition at hearing, the court is inclined to grant the motion. The order shall specifically identify the commercial driver's license as the only asset to be abandoned.

2. [19-13914](#)-A-7     **IN RE: EDDIE/KRISTIE GEREKE**  
[RAS-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY  
6-19-2020    [\[70\]](#)

HSBC BANK USA, NATIONAL  
ASSOCIATION/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.

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.

The movant, HSBC Bank USA, National Association, as Trustee for Fremont Home Loan Trust 2006-D, Mortgage-Backed Certificates, Series 2006-D ("Movant"), seeks relief from the automatic stay under 11

U.S.C. §§ 362(d)(1) with respect to real property located at 2334 Camellia Street, Wasco, California 93280 ("Property"). Doc. #70.

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 10 complete pre- and post-petition payments. The movant has produced evidence that debtors are delinquent by at least \$8,744.15 and the entire balance of \$146,861.28 is due. Doc. #70, #72, #74.

Accordingly, 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.

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 Fed. R. Bankr. P. 4001(a)(3) will be ordered waived because debtor has failed to make at least 10 payments, both pre- and post-petition to Movant.

The request for attorney's fees will be denied pursuant to 11 U.S.C. §506(b).

3. [20-11518-A-7](#) **IN RE: DAVID CHAVEZ**  
[RAS-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY  
6-23-2020 [[31](#)]

U.S. BANK NATIONAL  
ASSOCIATION/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.

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.

The movant, U.S. Bank National Association ("Movant"), seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to real property located at 3524 West Coppola Avenue, Visalia, California ("Property"). Doc. #31.

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 6 complete pre- and post-petition payments. The movant has produced evidence that debtors are delinquent by at least \$9,405.42 and the entire balance of \$223,464.21 is due. Doc. #33, 35.

Accordingly, 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.

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 Fed. R. Bankr. P. 4001(a)(3) will not be ordered waived.

4. [18-14920](#)-A-7     **IN RE: SOUTH LAKES DAIRY FARM, A CALIFORNIA  
GENERAL PARTNERSHIP**  
[BMJ-16](#)

MOTION FOR COMPENSATION BY THE LAW OFFICE OF BAKER MANOCK &  
JENSEN, PC FOR J. JACKSON WASTE, TRUSTEES ATTORNEY(S)  
6-24-2020    [[292](#)]

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.

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 debtors, 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.

Baker Manock & Jensen, PC ("Movant"), counsel for Chapter 7 trustee David Sousa (the "Trustee"), requests allowance of interim compensation in the amount of \$22,927.50 and reimbursement of expenses in the amount of \$7,666.19 for services rendered from June 1, 2019 through April 30, 2020. Doc. #292.

Section 330(a)(1)(A) & (B) of the Bankruptcy Code permits approval of "reasonable compensation for actual necessary services rendered by . . . [a] professional person" and "reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1).

Movant's services included, without limitation: (1) providing advice to the Trustee concerning issues of estate administration; (2) coordinating with special counsel Blakeley, LLP; (3) preparing and filing of the motion to authorize payment of insurance expense; (4) preparing and filing motions authorizing the employment of professionals of the estate; (5) facilitating and preparing motions authorizing sales of estate property; (6) preparing and filing fee applications; (7) completing settlement with the Dias Law Firm, and (8) preparing and filing the motion to approve the compromise of controversy. Doc. ##292, 294, 296. Movant's request reflects a voluntary reduction of \$4,312.50 relating to time and expenses spent on the resubmission of a motion. Id. The court finds the Movant's services reasonable and necessary and the expenses requested actual and necessary. See also Doc. #295, Sousa Decl. ¶ 5.

Accordingly, the motion is GRANTED on an interim basis. The court allows interim compensation in the amount of \$22,927.50 and reimbursement of expenses in the amount of \$7,666.19. Movant is allowed interim fees and costs pursuant to 11 U.S.C. § 331, subject to final review and allowance pursuant to 11 U.S.C. § 330. Such allowed amounts shall be perfected, and may be adjusted, by a final application for allowance of compensation and reimbursement of expenses, which shall be filed prior to case closure. The Trustee is authorized to pay the fees allowed by this order from available funds only if the estate is administratively solvent and such payment will be consistent with the priorities of the Bankruptcy Code.

5. [18-14920](#)-A-7     **IN RE: SOUTH LAKES DAIRY FARM, A CALIFORNIA  
GENERAL PARTNERSHIP  
[BMJ-17](#)**

MOTION FOR COMPENSATION FOR SOUSA AND COMPANY, LLP,  
ACCOUNTANT(S)  
6-24-2020    [\[298\]](#)

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.

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 debtors, 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.

Sousa and Company, LLP ("Movant"), accountants for Chapter 7 trustee David Sousa (the "Trustee"), requests allowance of interim compensation in the amount of \$22,577.00 for services rendered from January 1, 2020 through June 16, 2020. Doc. #298. Movant does not request reimbursement of expenses. Id.

Section 330(a)(1)(A) & (B) of the Bankruptcy Code permits approval of "reasonable compensation for actual necessary services rendered by . . . [a] professional person" and "reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1).

Movant's services included, without limitation: (1) adjusting the debtor's accounting from an accrual basis to cash or income tax basis, and tying the debtor's accounting back to previously filed tax returns; (2) preparing income tax returns of the estate; and (3) preparing 1099 information returns, property tax returns, and environmental fee tax return. Doc. ##298, 300, 301. David Sousa in his capacity as managing partner of Movant and the CPA primarily responsible for this case exercised care to separate and distinguish his accountancy work from his work as the Trustee. Doc. #300, Sousa Decl. ¶ 5. The court finds the Movant's services reasonable and necessary.



Accordingly, the motion is GRANTED on an interim basis. The court allows interim compensation in the amount of \$22,577.00. Movant is allowed interim fees and costs pursuant to 11 U.S.C. § 331, subject to final review and allowance pursuant to 11 U.S.C. § 330. Such allowed amounts shall be perfected, and may be adjusted, by a final application for allowance of compensation and reimbursement of expenses, which shall be filed prior to case closure. The Trustee is authorized to pay the fees allowed by this order from available funds only if the estate is administratively solvent and such payment will be consistent with the priorities of the Bankruptcy Code.

6. [18-14920](#)-A-7     **IN RE: SOUTH LAKES DAIRY FARM, A CALIFORNIA**  
GENERAL PARTNERSHIP  
[RAC-11](#)

MOTION FOR COMPENSATION BY THE LAW OFFICE OF BLAKELEY LLP  
FOR RONALD A. CLIFFORD, SPECIAL COUNSEL(S)  
6-24-2020    [[303](#)]

RONALD CLIFFORD/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.

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 debtors, 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.

Blakely LLP ("Movant"), special counsel for Chapter 7 trustee David Sousa (the "Trustee"), requests allowance of interim compensation in the amount of \$20,836.00 and reimbursement of expenses in the amount of \$2,155.05 for services rendered from December 28, 2019 through May 17, 2020. Doc. #303.

Section 330(a)(1)(A) & (B) of the Bankruptcy Code permits approval of "reasonable compensation for actual necessary services rendered

by . . . [a] professional person" and "reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1).

Movant's services included, without limitation: (1) completing appearances and orders relating to successful objections to claims of the Schakel Family Trust and the Schakel Family Partnership, LP, which reduced unsecured claims in the case by \$841,112.00; (2) drafting and preparation for filing of a complaint in an adversary proceeding against ten insider defendants consisting of fourteen causes of action; and (3) preparing fee applications. Doc. ##303, 305, 306. The court finds the Movant's services reasonable and necessary and the expenses requested actual and necessary. See also Doc. #307, Sousa Decl. ¶ 5.

Accordingly, the motion is GRANTED on an interim basis. The court allows interim compensation in the amount of \$20,836.00 and reimbursement of expenses in the amount of \$2,155.05. Movant is allowed interim fees and costs pursuant to 11 U.S.C. § 331, subject to final review and allowance pursuant to 11 U.S.C. § 330. Such allowed amounts shall be perfected, and may be adjusted, by a final application for allowance of compensation and reimbursement of expenses, which shall be filed prior to case closure. The Trustee is authorized to pay the fees allowed by this order from available funds only if the estate is administratively solvent and such payment will be consistent with the priorities of the Bankruptcy Code.

7. [19-10148](#)-A-7     **IN RE: ROBERT LEHMANN**  
[ICE-2](#)

MOTION TO SELL  
6-19-2020    [[32](#)]

JAMES SALVEN/MV

TENTATIVE RULING:            This matter will proceed for higher and better bids only.

DISPOSITION:                  Granted.

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

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.

James Salven (the "Trustee"), the Chapter 7 trustee of the bankruptcy estate of Robert William Lehmann (the "Debtor") moves pursuant to 11 U.S.C. § 363(b)(1) and Federal Rule of Bankruptcy Procedure 6004(a) for authority to sell real property of the estate commonly known as N. Highland Drive, Porterville, California 93257, bearing Accessor's Parcel Number 247-140-001 (the "Property"), as-is, without warranty, to Margarito Cercas and Brenda Cercas (collectively, the "Buyers") for the purchase price of \$24,000.00, subject to overbid and the court's approval. Doc. #32.

Pursuant to 11 U.S.C. § 363(b)(1), the trustee, after notice and a hearing, may "use, sell, or lease, other than in the ordinary course of business, property of the estate." Proposed sales under section 363(b) are reviewed to determine whether they are: (1) in the best interests of the estate resulting from a fair and reasonable price; (2) supported by a valid business judgment; and (3) proposed in good faith. In re Alaska Fishing Adventure, LLC, No. 16-00327-GS, 2018 WL 6584772, at \*2 (Bankr. D. Alaska Dec. 11, 2018), citing 240 North Brand Partners, Ltd. v. Colony GFP Partners, LP (In re 240 N. Brand Partners, Ltd.), 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996), citing In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991). In the context of sales of estate property under section 363, a bankruptcy court "should determine only whether the trustee's judgment was reasonable and whether a sound business justification exists supporting the sale and its terms." Alaska Fishing Adventure, LLC, 2018 WL 6584772, at \*4, quoting 3 Collier on Bankruptcy ¶ 363.02[4] (Richard Levin & Henry J. Sommer eds., 16th ed.). "[T]he trustee's business judgment is to be given great judicial deference.'" Id., citing In re Psychometric Systems, Inc., 367 B.R. 670, 674 (Bankr. D. Colo. 2007), citing In re Bakalis, 220 B.R. 525, 531-32 (Bankr. E.D.N.Y. 1998).

The Trustee states that the proposed sale has a valid business justification and is in the best interests of the estate. Doc. #34, Tr.'s Decl. ¶ 11. The Buyers are unrelated third parties, and the proposed sale terms are the result of substantive negotiations between the Trustee and the Debtor, through respective counsel, and the Buyers. Id. at ¶ 7. The Property is to be sold as-is and without warranty, for the purchase price of \$24,000.00, for which the Buyers have already made a \$4,000.00 down payment and shall pay \$20,000.00 at the close of escrow to the Trustee. Id.; see also Doc. #35, Ex. A. The proposed sale is subject to overbid at hearing, with a recommended overbid increment of \$1,000.00. Doc. #32.

Subject to overbids at hearing, the court is inclined to grant the motion and finds that the sale of the Property is in the best interests of the estate, for a fair and reasonable price, supported by a valid business judgment, and proposed in good faith.

8. [20-11552](#)-A-7     **IN RE: MARIA PACHECO**  
[ABA-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY  
6-26-2020    [[26](#)]

NUVISION FEDERAL CREDIT  
UNION/MV

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

DISPOSITION:                    Denied without prejudice.

ORDER:                            The court will issue an order.

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

LBR 9014-1(f)(2)(C) states that motions filed on less than 28 days' notice, but at least 14 days' notice, require the movant to notify the respondent or respondents that no party in interest shall be required to file written opposition to the motion. Opposition, if any, shall be presented at the hearing on the motion. If opposition is presented, or if there is other good cause, the Court may continue the hearing to permit the filing of evidence and briefs.

The form and/or content of the notice do not comply with LBR 9014-1(d)(3)(B)(iii).

Rule 9014-1(d)(3)(B) requires the moving party to include more information in Notices than the old Rule 9014-1(d)(3) did. The court urges counsel to review the local rules in order to be compliant in future matters. The rules can be accessed on the court's website at <http://www.caeb.circ9.dcn/LocalRules.aspx>.

9. [16-11054](#)-A-7     **IN RE: CARMEN/SUSAN ZABALDO**  
[SL-2](#)

MOTION TO AVOID LIEN OF AMERICAN EXPRESS CENTURION BANK  
7-6-2020    [[93](#)]

CARMEN ZABALDO/MV

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 will submit a proposed order after hearing.

This motion was filed and served pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2), on fewer than twenty-eight (28) days' notice, 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.

Carmen Zabaldo and Susan M. Zabaldo (collectively, the "Debtors"), the debtors in this Chapter 7 case, move pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of American Express National Bank, fka American Express Centurion Bank ("Creditor") on their residential real property commonly known as 32737 Maverick Drive, Springville, California 93265 (the "Property"). Doc. #93.

In order 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). 11 U.S.C. § 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)).

A judgment was entered against the Debtors in the amount of \$22,004.77 in favor of Creditor on September 13, 2010. Doc. #96, Ex. D. The abstract of judgment was recorded with Tulare County on January 5, 2016. Id. That lien attached to the Debtors' interest in the Property. Id. at Ex. B. The Debtors value their interest in the Property at \$313,000.00, subject to the unavoidable lien of Chase Mortgage in the amount of \$299,789.91, and the Debtors' claim of exemption under California Code of Civil Procedure § 703.140(b)(1) of \$20,000.00. Id. at Exs. A-C. After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support Creditor's judicial lien. Therefore, the fixing of this judicial lien impairs the Debtors' exemption of the Property and its fixing will be avoided.

The Debtors have established the four elements necessary to avoid a lien under 11 U.S.C. § 522(f)(1). Accordingly, pending any opposition at hearing, the court is inclined to grant this motion.

10. [20-11555](#)-A-7     **IN RE: THOMAS GRAHAM**  
[SL-1](#)

MOTION TO AVOID LIEN OF KINGS FEDERAL CREDIT UNION  
7-6-2020    [\[19\]](#)

THOMAS GRAHAM/MV

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 will submit a proposed order after hearing.

This motion was filed and served pursuant to Local Rule of Practice ("LBR") 9014-1(f)(2), on fewer than twenty-eight (28) days' notice, 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.

Thomas G. Graham (collectively, the "Debtors"), the debtor in this Chapter 7 case, moves pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of Kings Federal Credit Union ("Creditor") on his residential real property commonly known as 3940 E. Cherry Avenue, Visalia, California 93292 (the "Property"). Doc. #19.

In order 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). 11 U.S.C. § 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)).

A judgment was entered against the Debtor in the amount of \$21,228.46 in favor of Creditor on November 29, 2018. Doc. #22, Ex. D. The abstract of judgment was recorded with Tulare County on January 17, 2019. Id. That lien attached to the Debtor's interest in the Property. Id. at Ex. B. The Debtor values his interest in the Property as \$275,868.00, subject to the unavoidable lien of Freedom Mortgage in the amount of \$216,679.00, and the Debtor's claim of exemption under California Code of Civil Procedure § 704.730 of \$75,000.00. Id. at Exs. A-C. After application of the arithmetical formula required by 11 U.S.C. § 522(f)(2)(A), there is insufficient equity to support Creditor's judicial lien. Therefore, the fixing of this judicial lien impairs the Debtor's exemption of the Property and its fixing will be avoided.

The Debtor has established the four elements necessary to avoid a lien under 11 U.S.C. § 522(f)(1). Accordingly, pending any opposition at hearing, the court is inclined to grant this motion.

11. [15-14862](#)-A-7     **IN RE: SERGIO CUEVAS**  
[ALG-2](#)

MOTION TO AVOID LIEN OF AMERICAN EXPRESS BANK, FSB  
6-18-2020    [\[37\]](#)

SERGIO CUEVAS/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.

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.

Sergio Cuevas (the "Debtor"), the debtor in this Chapter 7 case, moves pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of American Express Bank, FSB ("American Express") on his primary residence commonly known as 1010 S. Church Avenue, Reedley, California 93654 (the "Property"). Doc. #37.

The Debtor scheduled the value of his interest in the Property as \$155,000.00. Doc. #1, Sched. A/B. The Property is encumbered by two unavoidable, consensual liens, including a first deed of trust in favor of JP Morgan Chase Bank, N.A. in the amount of \$33,039.00, and a second deed of trust in favor of Ditech Financial LLC in the amount of \$33,312.00. Doc. #33, Sched. D. The Debtor has claimed an exemption under California Code of Civil Procedure § 704.730 in the amount of \$88,649.00. Id. at Sched. C.

Value of the Debtor's interest in the Property		\$155,000.00
1st Deed of Trust (JP Morgan Chase Bank, N.A.)	-	\$33,039.00
2nd Deed of Trust (Ditech Financial LLC)	-	\$33,312.00
Amount of the Debtor's claim of exemption in the Property	-	\$88,649.00
Amount of equity remaining in the Property	=	\$0.00

The Property is also encumbered by seven judicial liens, each of which the Debtor seeks to avoid by separate motions before the court, as follows:

Judgment Creditor	Amount of Lien	Date Perfected	Motion to Avoid Lien
American Express Bank, FSB	\$18,084.44	4/28/11	Doc. #37
Capital One Bank (USA), NA	\$16,244.92	8/19/11	Doc. #42
Citibank (South Dakota), NA	\$6,739.09	8/24/11	Doc. #49
Discover Bank	\$24,091.61	1/6/12	Doc. #75
CACH, LLC	\$4,956.68	7/26/13	Doc. #56
CACH, LLC	\$8,833.88	12/14/15 (9:06:37 a.m.)	Doc. #62
CACH, LLC	\$2,693.14	12/14/15 (9:06:46 a.m.)	Doc. #68

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). 11 U.S.C. § 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)).

Where the movant seeks to avoid multiple liens as impairing the debtor's exemptions, the liens must be avoided in the reverse order of their priority. Hanger v. Bank of Am. Nat'l Trust & Sav. Ass'n (In re Hanger), 196 F.3d 1292 (9th Cir. 1999), aff'g, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997). Liens already avoided are excluded from the exemption-impairment calculation with respect to other liens. Id.; 11 U.S.C. § 522(f)(2)(B). The court "must approach lien avoidance from the back of the line, or at least some point far enough back in line that there is no nonexempt equity in sight." All Points Capital Corp. v Meyer (In re Meyer), 373 B.R. 84, 87-88 (B.A.P. 9th Cir. 2007). "Judicial liens are avoided in reverse order until the marginal lien, i.e. the junior lien supported in part by equity, is reached." Id. at 88.

The court finds it unnecessary to apply the reverse-priority analysis individually to each of the judgment creditors' liens. See Meyer, 373 B.R. at 88. Under the reverse-priority analysis, American Express' senior judicial lien would be the last judicial lien to be



avoided because of its higher priority than the other judicial liens. This is because the court approaches lien avoidance at a point far enough back in line that there is no nonexempt equity in sight. See id. at 87-88. In determining whether American Express' lien may be avoided, the court must exclude all junior judicial liens that would already have been avoided under such analysis. See 11 U.S.C. § 522(f)(2)(B); Meyer, 373 B.R. at 87-88.

The Debtor's exemption in the Property will be considered impaired by American Express' lien to the extent that it, plus all other liens (excluding junior judicial liens lower in priority), plus the Debtor's exemption exceeds the value of the Debtor's interest in the Property. See 11 U.S.C. § 522(f)(2)(A).

Amount of American Express' Judicial Lien	+	\$18,084.44
Total amount of all other liens on the Property (excluding junior judicial liens)	+	\$66,351.00
Amount of the Debtor's claim of exemption in the Property	+	\$88,649.00
Value of the Debtor's interest in the Property	-	\$155,000.00
Extent of impairment of the Debtor's exemption in the Property	=	(\$18,084.44)

Because this sum exceeds the Property's value by an amount equal to or greater than the senior judicial lien, American Express' lien may be avoided entirely. Stated differently, the sum of the debt secured by the consensual liens plus the debtor's exemption amount equals or exceeds the fair market value of the real property, so all judicial liens on the debtor's property are avoidable under section 522(f). Therefore, the junior judicial liens of Capital One Bank (USA), NA; Citibank (South Dakota), NA; Discover Bank; and CACH, LLC may be avoided entirely. When the highest-priority judicial lien is avoidable, all other junior judicial liens are also avoidable, and it is unnecessary to apply the reverse-priority analysis to each judicial lien.

The Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion is GRANTED.

12. [15-14862](#)-A-7 **IN RE: SERGIO CUEVAS**  
[ALG-3](#)

MOTION TO AVOID LIEN OF CAPITAL ONE BANK (USA) N.A.  
6-18-2020 [[42](#)]

SERGIO CUEVAS/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.

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.

Sergio Cuevas (the "Debtor"), the debtor in this Chapter 7 case, moves pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of Capital One Bank (USA), NA on his primary residence commonly known as 1010 S. Church Avenue, Reedley, California 93654 (the "Property"). Doc. #42.

The Debtor scheduled the value of his interest in the Property as \$155,000.00. Doc. #1, Sched. A/B. The Property is encumbered by two unavoidable, consensual liens, including a first deed of trust in favor of JP Morgan Chase Bank, N.A. in the amount of \$33,039.00, and a second deed of trust in favor of Ditech Financial LLC in the amount of \$33,312.00. Doc. #33, Sched. D. The Debtor has claimed an exemption under California Code of Civil Procedure § 704.730 in the amount of \$88,649.00. Id. at Sched. C.

Value of the Debtor's interest in the Property		\$155,000.00
1st Deed of Trust (JP Morgan Chase Bank, N.A.)	-	\$33,039.00
2nd Deed of Trust (Ditech Financial LLC)	-	\$33,312.00
Amount of the Debtor's claim of exemption in the Property	-	\$88,649.00
Amount of equity remaining in the Property	=	\$0.00

The Property is also encumbered by seven judicial liens, each of which the Debtor seeks to avoid by separate motions before the court, as follows:

Judgment Creditor	Amount of Lien	Date Perfected	Motion to Avoid Lien
American Express Bank, FSB	\$18,084.44	4/28/11	Doc. #37
Capital One Bank (USA), NA	\$16,244.92	8/19/11	Doc. #42
Citibank (South Dakota), NA	\$6,739.09	8/24/11	Doc. #49

Discover Bank	\$24,091.61	1/6/12	Doc. #75
CACH, LLC	\$4,956.68	7/26/13	Doc. #56
CACH, LLC	\$8,833.88	12/14/15 (9:06:37 a.m.)	Doc. #62
CACH, LLC	\$2,693.14	12/14/15 (9:06:46 a.m.)	Doc. #68

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). 11 U.S.C. § 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)).

Where the movant seeks to avoid multiple liens as impairing the debtor's exemptions, the liens must be avoided in the reverse order of their priority. Hanger v. Bank of Am. Nat'l Trust & Sav. Ass'n (In re Hanger), 196 F.3d 1292 (9th Cir. 1999), aff'g, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997). Liens already avoided are excluded from the exemption-impairment calculation with respect to other liens. Id.; 11 U.S.C. § 522(f)(2)(B). The court "must approach lien avoidance from the back of the line, or at least some point far enough back in line that there is no nonexempt equity in sight." All Points Capital Corp. v Meyer (In re Meyer), 373 B.R. 84, 87-88 (B.A.P. 9th Cir. 2007). "Judicial liens are avoided in reverse order until the marginal lien, i.e. the junior lien supported in part by equity, is reached." Id. at 88.

The court finds it unnecessary to apply the reverse-priority analysis individually to each of the judgment creditors' liens. See Meyer, 373 B.R. at 88. Under the reverse-priority analysis, American Express' senior judicial lien would be the last judicial lien to be avoided because of its higher priority than the other judicial liens. This is because the court approaches lien avoidance at a point far enough back in line that there is no nonexempt equity in sight. See id. at 87-88. In determining whether American Express' lien may be avoided, the court must exclude all junior judicial liens that would already have been avoided under such analysis. See 11 U.S.C. § 522(f)(2)(B); Meyer, 373 B.R. at 87-88.

The Debtor's exemption in the Property will be considered impaired by American Express' lien to the extent that it, plus all other liens (excluding junior judicial liens lower in priority), plus the Debtor's exemption exceeds the value of the Debtor's interest in the Property. See 11 U.S.C. § 522(f)(2)(A).

Amount of American Express' Judicial Lien	+	\$18,084.44
Total amount of all other liens on the Property (excluding junior judicial liens)	+	\$66,351.00
Amount of the Debtor's claim of exemption in the Property	+	\$88,649.00

Value of the Debtor's interest in the Property	-	\$155,000.00
Extent of impairment of the Debtor's exemption in the Property	=	(\$18,084.44)

Because this sum exceeds the Property's value by an amount equal to or greater than the senior judicial lien, American Express' lien may be avoided entirely. Stated differently, the sum of the debt secured by the consensual liens plus the debtor's exemption amount equals or exceeds the fair market value of the real property, so all judicial liens on the debtor's property are avoidable under section 522(f). Therefore, the junior judicial liens of Capital One Bank (USA), NA; Citibank (South Dakota), NA; Discover Bank; and CACH, LLC may be avoided entirely. When the highest-priority judicial lien is avoidable, all other junior judicial liens are also avoidable, and it is unnecessary to apply the reverse-priority analysis to each judicial lien.

The Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion is GRANTED.

13. [15-14862](#)-A-7     **IN RE: SERGIO CUEVAS**  
[ALG-4](#)

MOTION TO AVOID LIEN OF CITIBANK (SOUTH DAKOTA), N A  
6-18-2020    [\[49\]](#)

SERGIO CUEVAS/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.

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.

Sergio Cuevas (the "Debtor"), the debtor in this Chapter 7 case, moves pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of Citibank (South Dakota), NA on his primary residence commonly known as 1010 S. Church Avenue, Reedley, California 93654 (the "Property"). Doc. #49.

The Debtor scheduled the value of his interest in the Property as \$155,000.00. Doc. #1, Sched. A/B. The Property is encumbered by two unavoidable, consensual liens, including a first deed of trust in favor of JP Morgan Chase Bank, N.A. in the amount of \$33,039.00, and a second deed of trust in favor of Ditech Financial LLC in the amount of \$33,312.00. Doc. #33, Sched. D. The Debtor has claimed an exemption under California Code of Civil Procedure § 704.730 in the amount of \$88,649.00. Id. at Sched. C.

Value of the Debtor's interest in the Property		\$155,000.00
1st Deed of Trust (JP Morgan Chase Bank, N.A.)	-	\$33,039.00
2nd Deed of Trust (Ditech Financial LLC)	-	\$33,312.00
Amount of the Debtor's claim of exemption in the Property	-	\$88,649.00
Amount of equity remaining in the Property	=	\$0.00

The Property is also encumbered by seven judicial liens, each of which the Debtor seeks to avoid by separate motions before the court, as follows:

Judgment Creditor	Amount of Lien	Date Perfected	Motion to Avoid Lien
American Express Bank, FSB	\$18,084.44	4/28/11	Doc. #37
Capital One Bank (USA), NA	\$16,244.92	8/19/11	Doc. #42
Citibank (South Dakota), NA	\$6,739.09	8/24/11	Doc. #49
Discover Bank	\$24,091.61	1/6/12	Doc. #75
CACH, LLC	\$4,956.68	7/26/13	Doc. #56
CACH, LLC	\$8,833.88	12/14/15 (9:06:37 a.m.)	Doc. #62
CACH, LLC	\$2,693.14	12/14/15 (9:06:46 a.m.)	Doc. #68

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). 11 U.S.C. § 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)).

Where the movant seeks to avoid multiple liens as impairing the debtor's exemptions, the liens must be avoided in the reverse order of their priority. Hanger v. Bank of Am. Nat'l Trust & Sav. Ass'n

(In re Hanger), 196 F.3d 1292 (9th Cir. 1999), aff'g, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997). Liens already avoided are excluded from the exemption-impairment calculation with respect to other liens. Id.; 11 U.S.C. § 522(f)(2)(B). The court "must approach lien avoidance from the back of the line, or at least some point far enough back in line that there is no nonexempt equity in sight." All Points Capital Corp. v Meyer (In re Meyer), 373 B.R. 84, 87-88 (B.A.P. 9th Cir. 2007). "Judicial liens are avoided in reverse order until the marginal lien, *i.e.* the junior lien supported in part by equity, is reached." Id. at 88.

The court finds it unnecessary to apply the reverse-priority analysis individually to each of the judgment creditors' liens. See Meyer, 373 B.R. at 88. Under the reverse-priority analysis, American Express' senior judicial lien would be the last judicial lien to be avoided because of its higher priority than the other judicial liens. This is because the court approaches lien avoidance at a point far enough back in line that there is no nonexempt equity in sight. See id. at 87-88. In determining whether American Express' lien may be avoided, the court must exclude all junior judicial liens that would already have been avoided under such analysis. See 11 U.S.C. § 522(f)(2)(B); Meyer, 373 B.R. at 87-88.

The Debtor's exemption in the Property will be considered impaired by American Express' lien to the extent that it, plus all other liens (excluding junior judicial liens lower in priority), plus the Debtor's exemption exceeds the value of the Debtor's interest in the Property. See 11 U.S.C. § 522(f)(2)(A).

Amount of American Express' Judicial Lien	+	\$18,084.44
Total amount of all other liens on the Property (excluding junior judicial liens)	+	\$66,351.00
Amount of the Debtor's claim of exemption in the Property	+	\$88,649.00
Value of the Debtor's interest in the Property	-	\$155,000.00
Extent of impairment of the Debtor's exemption in the Property	=	(\$18,084.44)

Because this sum exceeds the Property's value by an amount equal to or greater than the senior judicial lien, American Express' lien may be avoided entirely. Stated differently, the sum of the debt secured by the consensual liens plus the debtor's exemption amount equals or exceeds the fair market value of the real property, so all judicial liens on the debtor's property are avoidable under section 522(f). Therefore, the junior judicial liens of Capital One Bank (USA), NA; Citibank (South Dakota), NA; Discover Bank; and CACH, LLC may be avoided entirely. When the highest-priority judicial lien is avoidable, all other junior judicial liens are also avoidable, and it is unnecessary to apply the reverse-priority analysis to each judicial lien.

The Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion is GRANTED.

14. [15-14862](#)-A-7     **IN RE: SERGIO CUEVAS**  
[ALG-5](#)

MOTION TO AVOID LIEN OF DISCOVER BANK  
6-18-2020    [\[75\]](#)

SERGIO CUEVAS/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.

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.

Sergio Cuevas (the "Debtor"), the debtor in this Chapter 7 case, moves pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of Discover Bank on his primary residence commonly known as 1010 S. Church Avenue, Reedley, California 93654 (the "Property"). Doc. #75.

The Debtor scheduled the value of his interest in the Property as \$155,000.00. Doc. #1, Sched. A/B. The Property is encumbered by two unavoidable, consensual liens, including a first deed of trust in favor of JP Morgan Chase Bank, N.A. in the amount of \$33,039.00, and a second deed of trust in favor of Ditech Financial LLC in the amount of \$33,312.00. Doc. #33, Sched. D. The Debtor has claimed an exemption under California Code of Civil Procedure § 704.730 in the amount of \$88,649.00. Id. at Sched. C.

Value of the Debtor's interest in the Property		\$155,000.00
1st Deed of Trust (JP Morgan Chase Bank, N.A.)	-	\$33,039.00
2nd Deed of Trust (Ditech Financial LLC)	-	\$33,312.00
Amount of the Debtor's claim of exemption in the Property	-	\$88,649.00
Amount of equity remaining in the Property	=	\$0.00

The Property is also encumbered by seven judicial liens, each of which the Debtor seeks to avoid by separate motions before the court, as follows:

Judgment Creditor	Amount of Lien	Date Perfected	Motion to Avoid Lien
American Express Bank, FSB	\$18,084.44	4/28/11	Doc. #37
Capital One Bank (USA), NA	\$16,244.92	8/19/11	Doc. #42
Citibank (South Dakota), NA	\$6,739.09	8/24/11	Doc. #49
Discover Bank	\$24,091.61	1/6/12	Doc. #75
CACH, LLC	\$4,956.68	7/26/13	Doc. #56
CACH, LLC	\$8,833.88	12/14/15 (9:06:37 a.m.)	Doc. #62
CACH, LLC	\$2,693.14	12/14/15 (9:06:46 a.m.)	Doc. #68

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). 11 U.S.C. § 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)).

Where the movant seeks to avoid multiple liens as impairing the debtor's exemptions, the liens must be avoided in the reverse order of their priority. Hanger v. Bank of Am. Nat'l Trust & Sav. Ass'n (In re Hanger), 196 F.3d 1292 (9th Cir. 1999), aff'g, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997). Liens already avoided are excluded from the exemption-impairment calculation with respect to other liens. Id.; 11 U.S.C. § 522(f)(2)(B). The court "must approach lien avoidance from the back of the line, or at least some point far enough back in line that there is no nonexempt equity in sight." All Points Capital Corp. v Meyer (In re Meyer), 373 B.R. 84, 87-88 (B.A.P. 9th Cir. 2007). "Judicial liens are avoided in reverse order until the marginal lien, i.e. the junior lien supported in part by equity, is reached." Id. at 88.

The court finds it unnecessary to apply the reverse-priority analysis individually to each of the judgment creditors' liens. See Meyer, 373 B.R. at 88. Under the reverse-priority analysis, American Express' senior judicial lien would be the last judicial lien to be avoided because of its higher priority than the other judicial liens. This is because the court approaches lien avoidance at a point far enough back in line that there is no nonexempt equity in sight. See id. at 87-88. In determining whether American Express' lien may be avoided, the court must exclude all junior judicial liens that would already have been avoided under such analysis. See 11 U.S.C. § 522(f)(2)(B); Meyer, 373 B.R. at 87-88.



The Debtor's exemption in the Property will be considered impaired by American Express' lien to the extent that it, plus all other liens (excluding junior judicial liens lower in priority), plus the Debtor's exemption exceeds the value of the Debtor's interest in the Property. See 11 U.S.C. § 522(f)(2)(A).

Amount of American Express' Judicial Lien	+	\$18,084.44
Total amount of all other liens on the Property (excluding junior judicial liens)	+	\$66,351.00
Amount of the Debtor's claim of exemption in the Property	+	\$88,649.00
Value of the Debtor's interest in the Property	-	\$155,000.00
Extent of impairment of the Debtor's exemption in the Property	=	(\$18,084.44)

Because this sum exceeds the Property's value by an amount equal to or greater than the senior judicial lien, American Express' lien may be avoided entirely. Stated differently, the sum of the debt secured by the consensual liens plus the debtor's exemption amount equals or exceeds the fair market value of the real property, so all judicial liens on the debtor's property are avoidable under section 522(f). Therefore, the junior judicial liens of Capital One Bank (USA), NA; Citibank (South Dakota), NA; Discover Bank; and CACH, LLC may be avoided entirely. When the highest-priority judicial lien is avoidable, all other junior judicial liens are also avoidable, and it is unnecessary to apply the reverse-priority analysis to each judicial lien.

The Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion is GRANTED.

15. [15-14862](#)-A-7 **IN RE: SERGIO CUEVAS**  
[ALG-6](#)

MOTION TO AVOID LIEN OF CACH, LLC  
6-18-2020 [[56](#)]

SERGIO CUEVAS/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.

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.

Sergio Cuevas (the "Debtor"), the debtor in this Chapter 7 case, moves pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of CACH, LLC on his primary residence commonly known as 1010 S. Church Avenue, Reedley, California 93654 (the "Property"). Doc. #56.

The Debtor scheduled the value of his interest in the Property as \$155,000.00. Doc. #1, Sched. A/B. The Property is encumbered by two unavoidable, consensual liens, including a first deed of trust in favor of JP Morgan Chase Bank, N.A. in the amount of \$33,039.00, and a second deed of trust in favor of Ditech Financial LLC in the amount of \$33,312.00. Doc. #33, Sched. D. The Debtor has claimed an exemption under California Code of Civil Procedure § 704.730 in the amount of \$88,649.00. Id. at Sched. C.

Value of the Debtor's interest in the Property		\$155,000.00
1st Deed of Trust (JP Morgan Chase Bank, N.A.)	-	\$33,039.00
2nd Deed of Trust (Ditech Financial LLC)	-	\$33,312.00
Amount of the Debtor's claim of exemption in the Property	-	\$88,649.00
Amount of equity remaining in the Property	=	\$0.00

The Property is also encumbered by seven judicial liens, each of which the Debtor seeks to avoid by separate motions before the court, as follows:

Judgment Creditor	Amount of Lien	Date Perfected	Motion to Avoid Lien
American Express Bank, FSB	\$18,084.44	4/28/11	Doc. #37
Capital One Bank (USA), NA	\$16,244.92	8/19/11	Doc. #42
Citibank (South Dakota), NA	\$6,739.09	8/24/11	Doc. #49
Discover Bank	\$24,091.61	1/6/12	Doc. #75
CACH, LLC	\$4,956.68	7/26/13	Doc. #56
CACH, LLC	\$8,833.88	12/14/15 (9:06:37 a.m.)	Doc. #62
CACH, LLC	\$2,693.14	12/14/15 (9:06:46 a.m.)	Doc. #68

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). 11 U.S.C. § 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)).

Where the movant seeks to avoid multiple liens as impairing the debtor's exemptions, the liens must be avoided in the reverse order of their priority. Hanger v. Bank of Am. Nat'l Trust & Sav. Ass'n (In re Hanger), 196 F.3d 1292 (9th Cir. 1999), aff'g, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997). Liens already avoided are excluded from the exemption-impairment calculation with respect to other liens. Id.; 11 U.S.C. § 522(f)(2)(B). The court "must approach lien avoidance from the back of the line, or at least some point far enough back in line that there is no nonexempt equity in sight." All Points Capital Corp. v Meyer (In re Meyer), 373 B.R. 84, 87-88 (B.A.P. 9th Cir. 2007). "Judicial liens are avoided in reverse order until the marginal lien, i.e. the junior lien supported in part by equity, is reached." Id. at 88.

The court finds it unnecessary to apply the reverse-priority analysis individually to each of the judgment creditors' liens. See Meyer, 373 B.R. at 88. Under the reverse-priority analysis, American Express' senior judicial lien would be the last judicial lien to be avoided because of its higher priority than the other judicial liens. This is because the court approaches lien avoidance at a point far enough back in line that there is no nonexempt equity in sight. See id. at 87-88. In determining whether American Express' lien may be avoided, the court must exclude all junior judicial liens that would already have been avoided under such analysis. See 11 U.S.C. § 522(f)(2)(B); Meyer, 373 B.R. at 87-88.

The Debtor's exemption in the Property will be considered impaired by American Express' lien to the extent that it, plus all other liens (excluding junior judicial liens lower in priority), plus the Debtor's exemption exceeds the value of the Debtor's interest in the Property. See 11 U.S.C. § 522(f)(2)(A).

Amount of American Express' Judicial Lien	+	\$18,084.44
Total amount of all other liens on the Property (excluding junior judicial liens)	+	\$66,351.00
Amount of the Debtor's claim of exemption in the Property	+	\$88,649.00
Value of the Debtor's interest in the Property	-	\$155,000.00
Extent of impairment of the Debtor's exemption in the Property	=	(\$18,084.44)

Because this sum exceeds the Property's value by an amount equal to or greater than the senior judicial lien, American Express' lien may be avoided entirely. Stated differently, the sum of the debt secured by the consensual liens plus the debtor's exemption amount equals or exceeds the fair market value of the real property, so all judicial liens on the debtor's property are avoidable under section 522(f). Therefore, the junior judicial liens of Capital One Bank (USA), NA;

Citibank (South Dakota), NA; Discover Bank; and CACH, LLC may be avoided entirely. When the highest-priority judicial lien is avoidable, all other junior judicial liens are also avoidable, and it is unnecessary to apply the reverse-priority analysis to each judicial lien.

The Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion is GRANTED.

16. [15-14862](#)-A-7     **IN RE: SERGIO CUEVAS**  
[ALG-7](#)

MOTION TO AVOID LIEN OF CACH, LLC  
6-18-2020    [\[62\]](#)

SERGIO CUEVAS/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.

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.

Sergio Cuevas (the "Debtor"), the debtor in this Chapter 7 case, moves pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of CACH, LLC on his primary residence commonly known as 1010 S. Church Avenue, Reedley, California 93654 (the "Property"). Doc. #62.

The Debtor scheduled the value of his interest in the Property as \$155,000.00. Doc. #1, Sched. A/B. The Property is encumbered by two unavoidable, consensual liens, including a first deed of trust in favor of JP Morgan Chase Bank, N.A. in the amount of \$33,039.00, and a second deed of trust in favor of Ditech Financial LLC in the amount of \$33,312.00. Doc. #33, Sched. D. The Debtor has claimed an exemption under California Code of Civil Procedure § 704.730 in the amount of \$88,649.00. Id. at Sched. C.

Value of the Debtor's interest in the Property		\$155,000.00
1st Deed of Trust (JP Morgan Chase Bank, N.A.)	-	\$33,039.00
2nd Deed of Trust (Ditech Financial LLC)	-	\$33,312.00
Amount of the Debtor's claim of exemption in the Property	-	\$88,649.00
Amount of equity remaining in the Property	=	\$0.00

The Property is also encumbered by seven judicial liens, each of which the Debtor seeks to avoid by separate motions before the court, as follows:

Judgment Creditor	Amount of Lien	Date Perfected	Motion to Avoid Lien
American Express Bank, FSB	\$18,084.44	4/28/11	Doc. #37
Capital One Bank (USA), NA	\$16,244.92	8/19/11	Doc. #42
Citibank (South Dakota), NA	\$6,739.09	8/24/11	Doc. #49
Discover Bank	\$24,091.61	1/6/12	Doc. #75
CACH, LLC	\$4,956.68	7/26/13	Doc. #56
CACH, LLC	\$8,833.88	12/14/15 (9:06:37 a.m.)	Doc. #62
CACH, LLC	\$2,693.14	12/14/15 (9:06:46 a.m.)	Doc. #68

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). 11 U.S.C. § 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)).

Where the movant seeks to avoid multiple liens as impairing the debtor's exemptions, the liens must be avoided in the reverse order of their priority. Hanger v. Bank of Am. Nat'l Trust & Sav. Ass'n (In re Hanger), 196 F.3d 1292 (9th Cir. 1999), aff'g, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997). Liens already avoided are excluded from the exemption-impairment calculation with respect to other liens. Id.; 11 U.S.C. § 522(f)(2)(B). The court "must approach lien avoidance from the back of the line, or at least some point far enough back in line that there is no nonexempt equity in sight." All Points Capital Corp. v Meyer (In re Meyer), 373 B.R. 84, 87-88 (B.A.P. 9th Cir. 2007). "Judicial liens are avoided in reverse order until the marginal lien, i.e. the junior lien supported in part by equity, is reached." Id. at 88.

The court finds it unnecessary to apply the reverse-priority analysis individually to each of the judgment creditors' liens. See Meyer, 373 B.R. at 88. Under the reverse-priority analysis, American

Express' senior judicial lien would be the last judicial lien to be avoided because of its higher priority than the other judicial liens. This is because the court approaches lien avoidance at a point far enough back in line that there is no nonexempt equity in sight. See id. at 87-88. In determining whether American Express' lien may be avoided, the court must exclude all junior judicial liens that would already have been avoided under such analysis. See 11 U.S.C. § 522(f)(2)(B); Meyer, 373 B.R. at 87-88.

The Debtor's exemption in the Property will be considered impaired by American Express' lien to the extent that it, plus all other liens (excluding junior judicial liens lower in priority), plus the Debtor's exemption exceeds the value of the Debtor's interest in the Property. See 11 U.S.C. § 522(f)(2)(A).

Amount of American Express' Judicial Lien	+	\$18,084.44
Total amount of all other liens on the Property (excluding junior judicial liens)	+	\$66,351.00
Amount of the Debtor's claim of exemption in the Property	+	\$88,649.00
Value of the Debtor's interest in the Property	-	\$155,000.00
Extent of impairment of the Debtor's exemption in the Property	=	(\$18,084.44)

Because this sum exceeds the Property's value by an amount equal to or greater than the senior judicial lien, American Express' lien may be avoided entirely. Stated differently, the sum of the debt secured by the consensual liens plus the debtor's exemption amount equals or exceeds the fair market value of the real property, so all judicial liens on the debtor's property are avoidable under section 522(f). Therefore, the junior judicial liens of Capital One Bank (USA), NA; Citibank (South Dakota), NA; Discover Bank; and CACH, LLC may be avoided entirely. When the highest-priority judicial lien is avoidable, all other junior judicial liens are also avoidable, and it is unnecessary to apply the reverse-priority analysis to each judicial lien.

The Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion is GRANTED.

17. [15-14862](#)-A-7 **IN RE: SERGIO CUEVAS**  
[ALG-8](#)

MOTION TO AVOID LIEN OF CACH, LLC  
6-18-2020 [[68](#)]

SERGIO CUEVAS/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.

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.

Sergio Cuevas (the "Debtor"), the debtor in this Chapter 7 case, moved pursuant to 11 U.S.C. § 522(f) to avoid the judicial lien of CACH, LLC on his primary residence commonly known as 1010 S. Church Avenue, Reedley, California 93654 (the "Property"). Doc. #68.

The Debtor scheduled the value of his interest in the Property as \$155,000.00. Doc. #1, Sched. A/B. The Property is encumbered by two unavoidable, consensual liens, including a first deed of trust in favor of JP Morgan Chase Bank, N.A. in the amount of \$33,039.00, and a second deed of trust in favor of Ditech Financial LLC in the amount of \$33,312.00. Doc. #33, Sched. D. The Debtor has claimed an exemption under California Code of Civil Procedure § 704.730 in the amount of \$88,649.00. Id. at Sched. C.

Value of the Debtor's interest in the Property		\$155,000.00
1st Deed of Trust (JP Morgan Chase Bank, N.A.)	-	\$33,039.00
2nd Deed of Trust (Ditech Financial LLC)	-	\$33,312.00
Amount of the Debtor's claim of exemption in the Property	-	\$88,649.00
Amount of equity remaining in the Property	=	\$0.00

The Property is also encumbered by seven judicial liens, each of which the Debtor seeks to avoid by separate motions before the court, as follows:

Judgment Creditor	Amount of Lien	Date Perfectured	Motion to Avoid Lien
American Express Bank, FSB	\$18,084.44	4/28/11	Doc. #37
Capital One Bank (USA), NA	\$16,244.92	8/19/11	Doc. #42
Citibank (South Dakota), NA	\$6,739.09	8/24/11	Doc. #49
Discover Bank	\$24,091.61	1/6/12	Doc. #75
CACH, LLC	\$4,956.68	7/26/13	Doc. #56
CACH, LLC	\$8,833.88	12/14/15	Doc. #62

		(9:06:37 a.m.)	
CACH, LLC	\$2,693.14	12/14/15 (9:06:46 a.m.)	Doc. #68

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). 11 U.S.C. § 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)).

Where the movant seeks to avoid multiple liens as impairing the debtor's exemptions, the liens must be avoided in the reverse order of their priority. Hanger v. Bank of Am. Nat'l Trust & Sav. Ass'n (In re Hanger), 196 F.3d 1292 (9th Cir. 1999), aff'g, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997). Liens already avoided are excluded from the exemption-impairment calculation with respect to other liens. Id.; 11 U.S.C. § 522(f)(2)(B). The court "must approach lien avoidance from the back of the line, or at least some point far enough back in line that there is no nonexempt equity in sight." All Points Capital Corp. v Meyer (In re Meyer), 373 B.R. 84, 87-88 (B.A.P. 9th Cir. 2007). "Judicial liens are avoided in reverse order until the marginal lien, i.e. the junior lien supported in part by equity, is reached." Id. at 88.

The court finds it unnecessary to apply the reverse-priority analysis individually to each of the judgment creditors' liens. See Meyer, 373 B.R. at 88. Under the reverse-priority analysis, American Express' senior judicial lien would be the last judicial lien to be avoided because of its higher priority than the other judicial liens. This is because the court approaches lien avoidance at a point far enough back in line that there is no nonexempt equity in sight. See id. at 87-88. In determining whether American Express' lien may be avoided, the court must exclude all junior judicial liens that would already have been avoided under such analysis. See 11 U.S.C. § 522(f)(2)(B); Meyer, 373 B.R. at 87-88.

The Debtor's exemption in the Property will be considered impaired by American Express' lien to the extent that it, plus all other liens (excluding junior judicial liens lower in priority), plus the Debtor's exemption exceeds the value of the Debtor's interest in the Property. See 11 U.S.C. § 522(f)(2)(A).

Amount of American Express' Judicial Lien	+	\$18,084.44
Total amount of all other liens on the Property (excluding junior judicial liens)	+	\$66,351.00
Amount of the Debtor's claim of exemption in the Property	+	\$88,649.00
Value of the Debtor's interest in the Property	-	\$155,000.00
Extent of impairment of the Debtor's exemption in the Property	=	(\$18,084.44)



Because this sum exceeds the Property's value by an amount equal to or greater than the senior judicial lien, American Express' lien may be avoided entirely. Stated differently, the sum of the debt secured by the consensual liens plus the debtor's exemption amount equals or exceeds the fair market value of the real property, so all judicial liens on the debtor's property are avoidable under section 522(f). Therefore, the junior judicial liens of Capital One Bank (USA), NA; Citibank (South Dakota), NA; Discover Bank; and CACH, LLC may be avoided entirely. When the highest-priority judicial lien is avoidable, all other junior judicial liens are also avoidable, and it is unnecessary to apply the reverse-priority analysis to each judicial lien.

The Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion is GRANTED.

1. [17-13112](#)-A-11     **IN RE: PIONEER NURSERY, LLC**  
[FW-59](#)

MOTION FOR COMPENSATION BY THE LAW OFFICE OF WILKINS  
DROLSHAGEN & CZESHINSKI, LLP SPECIAL COUNSEL(S)  
6-22-2020    [\[915\]](#)

JAMES WILKINS/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.

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.

In this Chapter 11 case, the Law Office of Wilkins Drolshagen & Czeshinski LLP ("Movant"), special counsel for the debtor in possession Pioneer Nursery, LLC ("DIP"), has applied for an allowance of interim compensation and reimbursement of expenses. Doc. #915. The application requests that the court allow compensation in the amount of \$4,130.00 and reimbursement of expenses in the amount of \$20.10 for services rendered from December 1, 2019 through May 31, 2020. Id.

Section 330(a) of the Bankruptcy Code authorizes "reasonable compensation for actual, necessary services" rendered by counsel for the debtor in possession in a Chapter 11 case and "reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Reasonable compensation is determined by considering all relevant factors. See id. § 330(a)(3).

Most of the services rendered during the relevant time period of this application related to finalizing the settlement agreement reached at mediation between DIP and its insurers, continuing to

provide assistance with insurance-related issues, as well as assisting other counsel for DIP regarding claims against a potentially liable third-party, Micro Paradox. Doc. ##917, 919. The court finds that the compensation and expenses sought are reasonable, actual and necessary.

Accordingly, the motion is GRANTED on an interim basis. The court allows interim compensation in the amount of \$4,130.00 and reimbursement of expenses in the amount of \$20.10. The applicant is authorized to draw on any retainer held. Movant is allowed interim fees and costs pursuant to 11 U.S.C. § 331, subject to final review and allowance pursuant to 11 U.S.C. § 330. Such allowed amounts shall be perfected, and may be adjusted, by a final application for allowance of compensation and reimbursement of expenses, which shall be filed prior to case closure. DIP is authorized to pay the fees and costs allowed by this order from available funds only if the estate is administratively solvent and such payment will be consistent with the priorities of the Bankruptcy Code.

2. [19-15279](#)-A-11     **IN RE: MAGNOLIA PARK**

CONTINUED STATUS CONFERENCE RE: CHAPTER 11 VOLUNTARY  
PETITION  
12-19-2019    [[1](#)]

NO RULING

3. [19-15279](#)-A-11     **IN RE: MAGNOLIA PARK**  
[HLF-7](#)

MOTION TO DISMISS CASE  
7-2-2020    [[114](#)]

MAGNOLIA PARK/MV

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 will submit a proposed order after hearing.

This motion was filed and served pursuant to this court's order under Local Rule of Practice ("LBR") 9014-1(f)(3) shortening the time required by Federal Rule of Bankruptcy Procedure 2002 and will proceed as scheduled. Doc. #113. 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)(C). The court will issue an order if a further hearing is necessary.

Magnolia Park (the "Debtor"), the debtor in this Chapter 11 case, moves to voluntarily dismiss this case for cause pursuant to 11 U.S.C. § 1112(b). Doc. #114.

Pursuant to 11 U.S.C. § 1112(b)(1), "on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause unless the court determines that the appointment under section 1104(a) of a trustee or an examiner is in the best interests of creditors and the estate." Section 1112(b)(4) defines "cause" to include "substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation." 11 U.S.C. § 1112(b)(4). Section 1112(b)(2) permits dismissal unless "there is a reasonable likelihood that a plan will be confirmed . . . within a reasonable period of time." 11 U.S.C. § 1112(b)(2).

The Debtor filed this a voluntary petition for relief under Chapter 11 on December 19, 2019. Doc. #1. The Debtor operates Magnolia Park Assisted Living, a 48-bed assisted living facility in Visalia, California on real property formerly owned by a related entity, The Magnolia Group. Doc. #116, Hansen Decl. ¶ 2. The Debtor does not own the real property on where it operates. Id. at ¶ 3. That property was foreclosed upon in November 19, 2019, and is the subject of a judicial foreclosure action pending in the Tulare County Superior Court. Doc. #111; see also ABLP Reit, LLC v. The Magnolia Group, Inc., AP No. 20-01008 (Bankr. E.D. Cal. Feb. 7, 2020). The Debtor operates pursuant to a license issued to Esperanza Hansen, the owner and sole shareholder of the Debtor. Doc. #116, Hansen Decl. ¶ 2. As of the petition date, the Debtor had 24 residents; currently, the Debtor has 26 residents. Id.

The Debtor contends its best chance at reorganization was through a global settlement with The Magnolia Group and its primary creditor ABLP Properties Visalia, LLC ("ABLP"), but could not achieve such a settlement. Doc. #116, Hansen Decl. ¶ 3. The Debtor now believes that reorganization in bankruptcy is unattainable because ABLP's claim is too large to be worked out through a plan and still have the Debtor remain viable. Id. at ¶¶ 3-4. The Debtor does not believe the appointment of a Chapter 11 Trustee would increase the likelihood of reorganization. Id. at ¶ 4. Further, the Debtor does not believe conversion to Chapter 7 would be in the best interests of the creditors since the creditors could only be paid through an operating business. Id. At the status conference held on July 1, 2020, the United States Trustee and ABLP represented that they do not oppose dismissal of this case.

A review of the docket shows the May 2020 and June 2020 Monthly Operating Reports ("MOR") have not yet been filed. The last MOR was filed on May 14, 2020 for the month of April 2020. Doc. #97. The court is inclined to condition dismissal on the Debtor being current in the filing of its MORs.

Pending any opposition at hearing, the court finds cause exists to dismiss this case under 11 U.S.C. § 1112(b)(1), and that dismissal

of this case is in the best interests of creditors and the estate. Accordingly, the court is inclined to grant this motion conditioned on the Debtor being current in the filing of its MORs.

4. [19-14052](#)-A-11     **IN RE: BALDOMERO CISNEROS**

CONTINUED STATUS CONFERENCE RE: CHAPTER 11 VOLUNTARY  
PETITION  
9-25-2019    [[1](#)]

NO RULING

5. [19-14052](#)-A-11     **IN RE: BALDOMERO CISNEROS**  
[LKW-16](#)

MOTION TO DISMISS CASE  
7-16-2020    [[229](#)]

BALDOMERO CISNEROS/MV  
OST PENDING

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 will submit a proposed order after hearing.

This motion was filed and served pursuant to this court's order under Local Rule of Practice ("LBR") 9014-1(f)(3) shortening the time required by Federal Rule of Bankruptcy Procedure 2002 and will proceed as scheduled. Doc. #227. 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)(C). The court will issue an order if a further hearing is necessary.

Baldomero V. Cisneros (the "Debtor"), the debtor in this Chapter 11 case, moves to voluntarily dismiss this case for cause pursuant to 11 U.S.C. § 1112(b). Doc. #229.

Pursuant to 11 U.S.C. § 1112(b)(1), "on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause unless the court determines that the appointment under section 1104(a) of a trustee or an examiner is in the best interests of creditors and the estate." Section 1112(b)(4) defines "cause" to include "substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation." 11 U.S.C. § 1112(b)(4). Section 1112(b)(2)

permits dismissal unless "there is a reasonable likelihood that a plan will be confirmed . . . within a reasonable period of time." 11 U.S.C. § 1112(b)(2).

The Debtor filed this a voluntary petition for relief under Chapter 11 on September 25, 2019. Doc. #1. The Debtor owns and operates three restaurants in California. Doc. #232, Welsh Decl. ¶ 2. During the chapter 11 case, the Debtor has sold an On-Sale General Eating Place License and a single family residence located in Canoga Park, California and used the sale proceeds to reduce secured claims by approximately \$400,000. Id. The coronavirus has had a devastating impact on the Debtor's business, and the Debtor cannot propose a confirmable plan of reorganization at the present time. Id. at ¶ 3.

The Debtor believes he can participate in government relief enacted after the onset of the coronavirus, including the Paycheck Protection Program (the "PPP"). Id. at ¶ 4. However, lenders have told the Debtor that he cannot participate in the PPP if he is involved in a bankruptcy case. Id. The Debtor seeks dismissal of his bankruptcy case so he can participate in the PPP. Id.

A review of the docket shows the June 2020 Monthly Operating Report ("MOR") have not yet been filed. The last MOR was filed on July 15, 2020 for the month of May 2020. Doc. #225. The court is inclined to condition dismissal on the Debtor being current in the filing of his MORs.

Pending any opposition at hearing, the court finds cause exists to dismiss this case under 11 U.S.C. § 1112(b)(1), and that dismissal of this case is in the best interests of creditors and the estate. Accordingly, the court is inclined to grant this motion conditioned on the Debtor being current in the filing of his MORs.