



**UNITED STATES BANKRUPTCY COURT  
Eastern District of California  
Honorable René Lastreto II  
Department B – Courtroom #13  
Fresno, California  
Hearing Date: Tuesday, August 26, 2025**

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

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

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

Please also note the following:

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

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

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

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

## INSTRUCTIONS FOR PRE-HEARING DISPOSITIONS

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

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

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

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

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

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

9:30 AM

1. [25-12231](#)-B-11     **IN RE: THE ROMAN CATHOLIC BISHOP OF FRESNO**  
[CAE-1](#)

STATUS CONFERENCE RE: CHAPTER 11 VOLUNTARY PETITION  
7-1-2025    [[1](#)]

HAGOP BEDOYAN/ATTY. FOR DBT.

NO RULING.

11:00 AM

1. [25-12225](#)-B-7     **IN RE: LUZ AVILA**

REAFFIRMATION AGREEMENT WITH MERCO CREDIT UNION  
7-30-2025     [\[14\]](#)

ERIC ESCAMILLA/ATTY. FOR DBT.

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

DISPOSITION:     Denied.

ORDER:     The court will issue an order.

Debtor's counsel will inform debtor that no appearance is necessary.

A Reaffirmation Agreement between Luz Maria Avila ("Debtor") and MERCO Credit Union for a 2020 Infiniti Q60 ("Vehicle") was filed on July 30, 2025. Doc. #14.

11 U.S.C. § 524(c)(6)(A)(ii) states "An agreement between a holder of a claim and the debtor, the consideration for which, in whole or in part, is based on a debt that is dischargeable in a case under this title is enforceable only to any extent enforceable under applicable non-bankruptcy law, whether or not discharge of such debt is waived, only if the court approves such agreement as in the best interest of the debtor."

The documents submitted in support of the reaffirmation agreement include information that the Debtor is a co-signer on the contract. This means another party may be liable for this obligation.

The court finds no evidence that this Reaffirmation Agreement is in the best interest of the Debtor. Accordingly, approval of the Reaffirmation Agreement between Debtor and MERCO Credit Union will be DENIED.

2. [25-12131](#)-B-7     **IN RE: JENNIFER SMITH**

PRO SE REAFFIRMATION AGREEMENT WITH NOBLE CREDIT UNION  
7-30-2025     [\[14\]](#)

NO RULING.

3. [25-12232](#)-B-7      **IN RE: MARIA SOLANO**

PRO SE REAFFIRMATION AGREEMENT WITH EXETER FINANCE LLC  
7-28-2025    [[18](#)]

NO RULING.

4. [25-11536](#)-B-7      **IN RE: ADRIANA TOVAR**

PRO SE REAFFIRMATION AGREEMENT WITH ARVEST BANK  
8-7-2025    [[19](#)]

NO RULING.

5. [25-11536](#)-B-7      **IN RE: ADRIANA TOVAR**

PRO SE REAFFIRMATION AGREEMENT WITH KINECTA FEDERAL CREDIT  
UNION  
8-5-2025    [[16](#)]

NO RULING.

6. [25-11648](#)-B-7      **IN RE: PAUL POLANCO**

PRO SE REAFFIRMATION AGREEMENT WITH LAKEVIEW LOAN SERVICING,  
LLC  
8-7-2025    [[24](#)]

NO RULING.

7. [25-11561](#)-B-7      **IN RE: CHRISTOPHER/SARAH ARAMBEL**

PRO SE REAFFIRMATION AGREEMENT WITH LENDMARK FINANCIAL  
SERVICES, LLC  
8-7-2025    [\[16\]](#)

TIMOTHY SPRINGER/ATTY. FOR DBT.

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

DISPOSITION:      Dropped.

ORDER:              The court will issue an order.

Debtors' counsel will inform debtors that no appearance is necessary.

A Reaffirmation Agreement between Christopher Michel and Sarah Elizabeth Arambel ("Debtors") and Landmark Financial Services, LLC for a 2003 Chevrolet Silverado was filed on August 7, 2005. Doc. #16.

The court is not approving or denying approval of the reaffirmation agreement. Debtors were represented by counsel when they entered into the reaffirmation agreement. Pursuant to 11 U.S.C. § 524(c)(3), if the debtor is represented by counsel, the agreement must be accompanied by an affidavit of the debtor's attorney attesting to the referenced items before the agreement will have legal effect. *In re Minardi*, 399 B.R. 841, 846 (Bankr. N.D. Ok, 2009) (emphasis in original). The reaffirmation agreement, in the absence of a declaration by Debtors' counsel, does not meet the requirements of 11 U.S.C. § 524(c) and is not enforceable.

The Debtors shall have 14 days to refile the reaffirmation agreement properly signed and endorsed by the attorney.

8. [25-11561](#)-B-7     **IN RE: CHRISTOPHER/SARAH ARAMBEL**

PRO SE REAFFIRMATION AGREEMENT WITH PENTAGON FEDERAL CREDIT UNION  
8-7-2025     [\[18\]](#)

TIMOTHY SPRINGER/ATTY. FOR DBT.

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

DISPOSITION:     Dropped.

ORDER:             The court will issue an order.

Debtors' counsel will inform debtors that no appearance is necessary.

A Reaffirmation Agreement between Christopher Michel and Sarah Elizabeth Arambel ("Debtors") and Pentagon Federal Credit Union for a 2016 Jeep Wrangler Unlimited Sahara Sport was filed on August 7, 2005. Doc. #18.

The court is not approving or denying approval of the reaffirmation agreement. Debtors were represented by counsel when they entered into the reaffirmation agreement. Pursuant to 11 U.S.C. § 524(c)(3), if the debtor is represented by counsel, the agreement must be accompanied by an affidavit of the debtor's attorney attesting to the referenced items before the agreement will have legal effect. *In re Minardi*, 399 B.R. 841, 846 (Bankr. N.D. Ok, 2009) (emphasis in original). The reaffirmation agreement, in the absence of a declaration by Debtors' counsel, does not meet the requirements of 11 U.S.C. § 524(c) and is not enforceable.

The Debtors shall have 14 days to refile the reaffirmation agreement properly signed and endorsed by the attorney.

1:30 PM

1. [24-12602](#)-B-7     **IN RE: DEANNA RECTOR**  
[SLL-10](#)

RESCHEDULED HEARING RE: MOTION TO AVOID LIEN OF STATE FARM  
GENERAL INS. CO.  
6-23-2025    [[105](#)]

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

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

DISPOSITION:        Granted.

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

Deanna Rector ("Debtor") moves for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of State Farm General Insurance Co. ("State Farm" or "Creditor") for judgment creditor SureTec Insurance Co. ("SureTec"), encumbering residential real property located at 1699 Champagne St., Tulare, California ("Property"). Doc. #105.

State Farm was properly served on June 23, 2025, by certified mail to the person designated as the agents for service of process for both State Farm and SureTec and to the CEOs of both entities. Doc. #109.

This motion is one of three motions to avoid judicial liens filed contemporaneously by Debtor and presently pending before the court. These motions address outstanding judicial lienholders as follows, in descending order of priority:

1. L.A. Commercial Group, Inc. (DCN SLL-12, Doc. #115 *et seq.*;
2. Scott Nabors (DCN SLL-11, Doc. #110 *et seq.*; and
3. State Farm General Insurance (DCN SLL-10, Doc. #105 *et seq.* (this lien).

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

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

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. *Cf. Ghazali v. Moran*, 46



F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See *Boone v. Burk (In re Eliapo)*, 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

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

Regarding State Farm, a judgment was entered against Debtor in favor of Creditor in the amount of \$6,653.95 on August 31, 2017. Doc. #107 (*Exhib. C*). The abstract of judgment was issued on September 26, 2017, and was recorded in Tulare County on November 10, 2017. *Id.* That lien attached to Debtor's interest in Property. *Id.*; Doc. #108. Debtor estimates that the current amount owed on account of this lien is \$6,643.95. *Id.*

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

Property is heavily encumbered, as illustrated as follows:

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

7. **A judicial lien in the amount of \$6,643.95 by State Farm General Insurance recorded on November 10, 2017 (this lien).**
8. A judicial lien in the amount of **\$155,921.85** by Everardo Magana and Shawnda Magana recorded on June 1, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #96.
9. A judicial lien in the amount of **\$43,704.99** by Fortune Energy Inc. recorded on August 28, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #94.
10. A judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on September 26, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #95.
11. A judicial lien in the amount of **\$317,184.81** by State Farm General Ins. Co. recorded on March 22, 2019, (i.e. this matter). This lien was avoided by a court order dated June 4, 2025. Doc. #93.
12. A judicial lien in the amount of **\$10,600.29** by Cavalry SPV I, LLC recorded on November 19, 2019. This lien was avoided by a court order dated March 13, 2025. Doc. 69.
13. A judicial lien in the amount of **\$18,780.04** by Unifund CCR, LLC recorded on February 4, 2020. This lien was avoided by a court order dated March 13, 2025. Doc. #71.
14. A judicial lien in the amount of **\$13,587.89** by Midland Funding LLC recorded on May 12, 2021. This lien was avoided by a court order dated March 13, 2025. Doc. #70.
15. A judicial lien in the amount of **\$5,408.26** by American Express National Bank recorded on March 16, 2022. This lien was avoided by a court order dated March 13, 2025. Doc. #69.
16. A second junior judicial lien in the amount of **\$3,586.61** by Cavalry SPV I, LLC recorded on November 13, 2023. This lien was avoided by a court order dated January 13, 2025. Doc. #40.

Doc. ##46, 48. When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999). Ordinarily, liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). Perfected judicial liens which were recorded prior to the junior-most lien are grouped with the unavoidable liens. Here, it appears there is insufficient equity to which any of the Three Liens may attach. The total owed for the liens which hold priority over the Three Liens is \$212,249.49.

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

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

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

Creditor	Amount	Recorded	Status
1. Carrington Mortgage	\$193,931.00		Unavoidable
2. HUD	\$10,672.59		Unavoidable
3. Tax liens	\$4,936.34		Unavoidable
4. All judicial liens recorded prior to the Three Liens	\$2,709.56	Pre-8/1/2017	Status Unknown
5. The Three Liens	\$79,934.16	8/1/2017 or later	Avoidable

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

The total amount of all unavoidable liens and all other liens with priority over the Three Liens is \$212,249.49. Even if the two most junior liens are avoided, leaving only the \$53,701.27 lien of L.A. Commercial Group, Inc. ("the L.A. Commercial lien"), the most senior of the liens which Debtor seeks to avoid at this time, there would be insufficient equity to support any of the Three Liens. Strict application of the § 522(f)(2) formula with respect to the Cavalry lien is illustrated as follows:

Amount of L.A. Commercial judgment lien		53,701.23
Total amount of unavoidable liens (incl. liens not yet avoided)	+	212,249.49
Debtor's claimed exemption in Property	+	362,000.00
<i>Sum</i>	=	\$627,950.72
Debtor's claimed value of interest absent liens	-	552,000.00
Extent lien impairs exemption	=	\$75,950.72

*All Points Capital Corp. v. Meyer (In re Meyer)*, 373 B.R. 84, 91 (B.A.P. 9th Cir. 2007); accord. *Hanger* 217 B.R. at 596, *Higgins v. Household Fin. Corp. (In re Higgins)*, 201 B.R. 965, 967 (B.A.P. 9th

Cir. 1996); *cf. Brantz*, 106 B.R. at 68, *Magosin*, 75 B.R. at 549-50, *In re Piersol*, 244 B.R. 309, 311 (Bankr. E.D. Pa. 2000). Since there is no equity for any of the Four Liens to attach and this case does not involve fractional interests or co-owned property with non-debtor third parties, the § 522(f)(2) formula can be re-illustrated using the *Brantz* formula with the same result:

Fair market value of Property		\$552,000.00
Total amount of unavoidable liens (incl. liens not yet avoided)	-	\$212,249.49
Homestead exemption	-	362,000.00
Remaining equity for judicial liens	=	(\$22,249.49)
L.A. Commercial's judicial lien	-	\$53,701.23
Extent Debtor's exemption impaired	=	(\$75,950.72)

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

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that State Farm's lien recorded on November 10, 2017, is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.

2. [24-12602](#)-B-7      **IN RE: DEANNA RECTOR**  
[SLL-11](#)

RESCHEDULED HEARING RE: MOTION TO AVOID LIEN OF SCOTT NABORS  
6-23-2025    [\[110\]](#)

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

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

DISPOSITION:      Granted.

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

Deanna Rector ("Debtor") moves for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of Scott Nabors ("Nabors"), encumbering residential real property located at 1699 Champagne St., Tulare, California ("Property"). Doc. #110.

Nabors was properly served on June 23, 2025, by certified mail. Doc. #114.

This motion is one of three motions to avoid judicial liens filed contemporaneously by Debtor and presently pending before the court. These motions address outstanding judicial lienholders as follows, in descending order of priority:

1. L.A. Commercial Group, Inc. (DCN SLL-12, Doc. #115 *et seq.*);
2. Scott Nabors (DCN SLL-11, Doc. #110 *et seq.*) (this lien); and
3. State Farm General Insurance (DCN SLL-10, Doc. #105 *et seq.*)

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

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

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. See *Boone v. Burk (In re Eliapo)*, 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

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

Regarding Nabors, a judgment was entered against Debtor in favor of Creditor in the amount of \$19,588.94 on June 23, 2017. Doc. #112 (*Exhib. C*). The abstract of judgment was issued on July 19, 2017, and was recorded in Tulare County on August 10, 2017. *Id.* That lien attached to Debtor's interest in Property. *Id.*; Doc. #113. Debtor

estimates that the current amount owed on account of this lien is \$19,588.94. *Id.*

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

Property is heavily encumbered, as illustrated as follows:

1. A first deed of trust held by Carrington Mortgage in the amount of **\$193,931.00**.
2. A second deed of trust held by HUD in the amount of **\$10,652.59**.
3. 10 Tulare County property tax liens totaling **\$4,936.23** and incurred between March 22, 2016, and September 25, 2024.
4. A judicial lien in the amount of **\$2,709.56** by Central Creditor's Bureau recorded on January 4, 2017.
5. A judicial lien in the amount of **\$53,701.27** by L.A. Commercial Group, Inc. recorded on August 1, 2017.
6. **A judicial lien in the amount of \$19,588.94 by Scott Nabors recorded on August 18, 2017 (this lien).**
7. A judicial lien in the amount of \$6,643.95 by State Farm General Insurance recorded on November 10, 2017. Avoided per Item #1, above.
8. A judicial lien in the amount of **\$155,921.85** by Everardo Magana and Shawnda Magana recorded on June 1, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #96.
9. A judicial lien in the amount of **\$43,704.99** by Fortune Energy Inc. recorded on August 28, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #94.
10. A second judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on September 26, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #95.
11. A second judicial lien in the amount of **\$317,184.81** by State Farm General Ins. Co. recorded on March 22, 2019, (i.e. this matter). This lien was avoided by a court order dated June 4, 2025. Doc. #93.
12. A judicial lien in the amount of **\$10,600.29** by Cavalry SPV I, LLC recorded on November 19, 2019. This lien was avoided by a court order dated March 13, 2025. Doc. 69.
13. A judicial lien in the amount of **\$18,780.04** by Unifund CCR, LLC recorded on February 4, 2020. This lien was avoided by a court order dated March 13, 2025. Doc. #71.
14. A judicial lien in the amount of **\$13,587.89** by Midland Funding LLC recorded on May 12, 2021. This lien was avoided by a court order dated March 13, 2025. Doc. #70.
15. A judicial lien in the amount of **\$5,408.26** by American Express National Bank recorded on March 16, 2022. This lien was avoided by a court order dated March 13, 2025. Doc. #69.

16. A second junior judicial lien in the amount of **\$3,586.61** by Cavalry SPV I, LLC recorded on November 13, 2023. This lien was avoided by a court order dated January 13, 2025. Doc. #40.

Docs. ##46, 48. When a debtor seeks to avoid multiple liens under § 522(f)(1) and there is equity to which liens can attach, the liens must be avoided in the reverse order of their priority. *Bank of Am. Nat'l Tr. & Sav. Ass'n v. Hanger (In re Hanger)*, 217 B.R. 592, 595 (B.A.P. 9th Cir. 1997), *aff'd*, 196 F.3d 1292 (9th Cir. 1999). Ordinarily, liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). Perfected judicial liens which were recorded prior to the junior-most lien are grouped with the unavoidable liens. Here, it appears there is insufficient equity to which any of the Three Liens may attach. The total owed for the liens which hold priority over the Three Liens is \$212,249.49.

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

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

Creditor	Amount	Recorded	Status
1. Carrington Mortgage	\$193,931.00		Unavoidable
2. HUD	\$10,672.59		Unavoidable
3. Tax liens	\$4,936.34		Unavoidable
4. All judicial liens recorded prior to the Three Liens	\$2,709.56	Pre-8/1/2017	Status Unknown
5. The Three Liens	\$79,934.16	8/1/2017 or later	Avoidable

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

The total amount of all unavoidable liens and all other liens with priority over the Three Liens is \$212,249.49. Even if the two most junior liens are avoided, leaving only the \$53,701.27 lien of L.A. Commercial Group, Inc. ("the L.A. Commercial lien"), the most senior of the liens which Debtor seeks to avoid at this time, there would be insufficient equity to support any of the Three Liens. Strict application of the § 522(f)(2) formula with respect to the Cavalry lien is illustrated as follows:

Amount of judgment lien		53,701.23
Total amount of unavoidable liens (incl. liens not yet avoided)	+	212,249.49
Debtor's claimed exemption in Property	+	362,000.00
<i>Sum</i>	=	\$627,950.72
Debtor's claimed value of interest absent liens	-	552,000.00
Extent lien impairs exemption	=	\$75,950.72

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

Fair market value of Property		\$552,000.00
Total amount of unavoidable liens (incl. liens not yet avoided)	-	\$212,249.49
Homestead exemption	-	362,000.00
Remaining equity for judicial liens	=	(\$22,249.49)
L.A. Commercial's judicial lien	-	\$53,701.23
Extent Debtor's exemption impaired	=	(\$75,950.72)

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

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that Scott Nabors' lien recorded on August 18, 2017, is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.



3. [24-12602](#)-B-7     **IN RE: DEANNA RECTOR**  
[SLL-12](#)

RESCHEDULED HEARING RE: MOTION TO AVOID LIEN OF  
LA COMMERCIAL GROUP INC.  
6-23-2025    [\[115\]](#)

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

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

DISPOSITION:     Granted.

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

Deanna Rector ("Debtor") moves for an order avoiding a judicial lien pursuant to 11 U.S.C. § 522(f) in favor of L.A. Commercial Group, Inc., a Corp., d/b/a Continental Commercial Group ("L.A. Commercial" or "Creditor"), encumbering residential real property located at 1699 Champagne St., Tulare, California ("Property"). Doc. #115.

L.A. Commercial was properly served on June 23, 2025, by certified mail to both the person designated as the agent for service of process for Creditor and to Creditor's CEO. Doc. #119.

This motion is one of three motions to avoid judicial liens filed contemporaneously by Debtor and presently pending before the court. These motions address outstanding judicial lienholders as follows, in descending order of priority:

1. L.A. Commercial Group, Inc. (DCN SLL-12, Doc. #115 *et seq.*) (this lien);
2. Scott Nabors (DCN SLL-11, Doc. #110 *et seq.*) (Item #2, above); and
3. State Farm General Insurance (DCN SLL-10, Doc. #105 *et seq.*) (Item #1, above)

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

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

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the chapter 7 trustee, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. *See Boone v. Burk (In re Eliapo)*, 468 F.3d 592

(9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

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

Regarding L.A. Commercial, a judgment was entered against Debtor in favor of Creditor in the amount of \$53,701.25 on June 15, 2017. Doc. #117 (*Exhib. C*). The abstract of judgment was issued on July 6, 2017, and was recorded in Tulare County on August 1, 2017. *Id.* That lien attached to Debtor's interest in Property. *Id.*; Doc. #118. Debtor estimates that the current amount owed on account of this lien is \$53,701.27. *Id.*

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

Property is heavily encumbered, as illustrated as follows:

1. A first deed of trust held by Carrington Mortgage in the amount of **\$193,931.00**.
2. A second deed of trust held by HUD in the amount of **\$10,652.59**.
3. 10 Tulare County property tax liens totaling **\$4,936.23** and incurred between March 22, 2016, and September 25, 2024.
4. A judicial lien in the amount of **\$2,709.56** by Central Creditor's Bureau recorded on January 4, 2017.
5. **A judicial lien in the amount of \$53,701.27 by L.A. Commercial Group, Inc. recorded on August 1, 2017 (this lien).**
6. A judicial lien in the amount of \$19,588.94 by Scott Nabors recorded on August 18, 2017. Avoided per Item #2, above.
7. A judicial lien in the amount of \$6,643.95 by State Farm General Insurance recorded on November 10, 2017. Avoided per Item #1, above.

8. A judicial lien in the amount of **\$155,921.85** by Everardo Magana and Shawnda Magana recorded on June 1, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #96.
9. A judicial lien in the amount of **\$43,704.99** by Fortune Energy Inc. recorded on August 28, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #94.
10. A second judicial lien in the amount of **\$19,588.94** by Scott Nabors recorded on September 26, 2018. This lien was avoided by a court order dated June 4, 2025. Doc. #95.
11. A second judicial lien in the amount of **\$317,184.81** by State Farm General Ins. Co. recorded on March 22, 2019, (i.e. this matter). This lien was avoided by a court order dated June 4, 2025. Doc. #93.
12. A judicial lien in the amount of **\$10,600.29** by Cavalry SPV I, LLC recorded on November 19, 2019. This lien was avoided by a court order dated March 13, 2025. Doc. 69.
13. A judicial lien in the amount of **\$18,780.04** by Unifund CCR, LLC recorded on February 4, 2020. This lien was avoided by a court order dated March 13, 2025. Doc. #71.
14. A judicial lien in the amount of **\$13,587.89** by Midland Funding LLC recorded on May 12, 2021. This lien was avoided by a court order dated March 13, 2025. Doc. #70.
15. A judicial lien in the amount of **\$5,408.26** by American Express National Bank recorded on March 16, 2022. This lien was avoided by a court order dated March 13, 2025. Doc. #69.
16. A second junior judicial lien in the amount of **\$3,586.61** by Cavalry SPV I, LLC recorded on November 13, 2023. This lien was avoided by a court order dated January 13, 2025. Doc. #40.

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

Ordinarily, liens already avoided are excluded from the exemption impairment calculation. *Ibid.*; § 522(f)(2)(B). Perfected judicial liens which were recorded prior to the junior-most lien are grouped with the unavoidable liens. Here, it appears there is insufficient equity to which any of the Three Liens may attach. The total owed for the liens which hold priority over the Three Liens is \$212,249.49.

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

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

Creditor	Amount	Recorded	Status
1. Carrington Mortgage	\$193,931.00		Unavoidable
2. HUD	\$10,672.59		Unavoidable
3. Tax liens	\$4,936.34		Unavoidable
4. All judicial liens recorded prior to the Three Liens	\$2,709.56	Pre-8/1/2017	Status Unknown
5. The Three Liens	\$79,934.16	8/1/2017 or later	Avoidable

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

The total amount of all unavoidable liens and all other liens with priority over the Three Liens is \$212,249.49. Even if the two most junior liens are avoided, leaving only the \$53,701.27 lien of L.A. Commercial Group, Inc. ("the L.A. Commercial lien"), the most senior of the liens which Debtor seeks to avoid at this time, there would be insufficient equity to support any of the Three Liens. Strict application of the § 522(f)(2) formula with respect to the Cavalry lien is illustrated as follows:

Amount of judgment lien		53,701.23
Total amount of unavoidable liens (incl. liens not yet avoided)	+	212,249.49
Debtor's claimed exemption in Property	+	362,000.00
<i>Sum</i>	=	\$627,950.72
Debtor's claimed value of interest absent liens	-	552,000.00
Extent lien impairs exemption	=	\$75,950.72

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

Fair market value of Property	\$552,000.00
Total amount of unavoidable liens (incl. liens not yet avoided)	- \$212,249.49
Homestead exemption	- 362,000.00
Remaining equity for judicial liens	= (\$22,249.49)
L.A. Commercial's judicial lien	- \$53,701.23
Extent Debtor's exemption impaired	= (\$75,950.72)

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

Debtor has established the four elements necessary to avoid a lien under § 522(f)(1). Accordingly, this motion will be GRANTED. The proposed order shall state that L.A. Commercial's lien recorded on August 1, 2017, is avoided from the subject Property only and include a copy of the abstract of judgment as an exhibit.

4. [24-13719](#)-B-7 **IN RE: B & B AGRI SERVICES INC.**  
[GG-1](#)

MOTION TO DISMISS CASE  
7-28-2025 [[33](#)]

DINAH PARLAN/MV  
ROBERT WILLIAMS/ATTY. FOR DBT.  
ANERIO ALTMAN/ATTY. FOR MV.  
RESPONSIVE PLEADING

NO RULING.

This matter will proceed as a scheduling conference in anticipation of an evidentiary hearing to be heard at a future date to resolve the disputed issues of fact raised by Movant's Motion to Dismiss, which both Debtor and Trustee oppose. Based on the pleadings, it appears both the Trustee and Movant request an evidentiary hearing. All parties should be prepared to present a discovery schedule including a discovery cut-off date. They should also be prepared to suggest a schedule for further hearings, filing pre-trial statements, and a pre-trial conference.

5. [25-12621](#)-B-7     **IN RE: ANTONIO PENA TORRES AND ROSALVA PENA**  
[GT-1](#)

MOTION TO COMPEL ABANDONMENT  
8-12-2025    [\[12\]](#)

ROSALVA PENA/MV  
GRISELDA TORRES/ATTY. FOR DBT.

TENTATIVE RULING:            This matter will proceed as scheduled.

DISPOSITION:                Granted.

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

Antonio Pena Torres ("Torres") and Rosalva Pena (collectively "Debtors") move for an order compelling chapter 7 trustee Irma C. Edmonds ("Trustee") to abandon the estate's interest in certain property (collectively, the "Business Assets") used in the operation of Debtor's business, TPT Transportation, LLC. ("TPT") Doc. #12.

Written opposition was not required and may be presented at the hearing. In the absence of opposition, the court is inclined to GRANT this motion.

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

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

To grant a motion to abandon property, the bankruptcy court must find either that: (1) the property is burdensome to the estate or (2) of inconsequential value and inconsequential benefit to the estate. *In re Vu*, 245 B.R. 644, 647 (B.A.P. 9th Cir. 2000). As one court noted, "an order compelling abandonment is the exception, not the rule. Abandonment should only be compelled in order to help the creditors by assuring some benefit in the administration of each asset . . . . Absent an attempt by the trustee to churn property worthless to the estate just to increase fees, abandonment should rarely be ordered." *In re K.C. Mach. & Tool Co.*, 816 F.2d 238, 246 (6th Cir. 1987). In evaluating a proposal to abandon property, it is the interests of the estate and the creditors that have primary

consideration, not the interests of the debtor. *In re Johnson*, 49 F.3d 538, 541 (9th Cir. 1995) (noting that the debtor is not mentioned in § 554). *In re Galloway*, No. AZ-13-1085-PaKiTa, 2014 Bankr. LEXIS 3626, at \*16-17 (B.A.P. 9th Cir. 2014).

Debtor seeks to compel Trustee to abandon the Business Assets, which are listed in the schedules as follows:

Asset	Value	Lien	Exemption	Net
2015 Freightliner Cascadia ("the Truck")	\$16,900.00	\$23,910.00	\$0.00 703.140 (b) (2)	\$0.00
I-phone 16 ProMax	\$600.00	\$0.00	\$600.00 703.140 (b) (6)	\$0.00
Accounts Receivable Bank of America Account	\$4,250.00	\$0.00	\$4,250.00 703.140 (b) (5)	\$0.00

Doc. #12; Doc. #1 (Sched. A/B, C, and D). The Truck is fully encumbered by the lien of Travis Credit Union with a total indebtedness of \$23,910.00. Doc. #1 (Sched. D). The remaining Business Assets are not encumbered by any secured creditors but are both fully exempted under Cal. Code Civ. Proc. § 704.060. Doc. #1 (Sched. C & D).

Torres certifies that he is qualified and eligible to claim the exemptions as stated under applicable law and understands that if for any reason it is determined that he is not qualified to claim an exemption in the property listed, or if there is some other error in the exemption claimed, Trustee may demand that Debtor compensate the estate for any damage caused by the claimed exemption. Doc. #14. Debtor agrees to not amend the exemptions affecting the Business Assets unless Trustee stipulated to that amendment or such relief is granted by further order of the court. *Id.*

Written opposition was not required and may be presented at the hearing. In the absence of opposition, the court will find that the Business Assets are of inconsequential value and benefit to the estate. The Business Assets were accurately scheduled and is encumbered or exempted in their entirety. Therefore, the court intends to GRANT this motion.

The order shall specifically include the property to be abandoned.

6. [24-13623](#)-B-7     **IN RE: VANITY SHORTER**  
[LNH-2](#)

MOTION TO SELL AND/OR MOTION FOR COMPENSATION FOR  
WATSON REALTY, BROKER(S)  
7-29-2025    [\[32\]](#)

JEFFREY VETTER/MV  
D. GARDNER/ATTY. FOR DBT.  
LISA HOLDER/ATTY. FOR MV.

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

DISPOSITION:             Granted.

ORDER:                    The Moving Party shall submit a proposed order  
after hearing.

Chapter 7 trustee Jeffrey M. Vetter ("Trustee") moves for authority pursuant to 11 U.S.C. § 363 to sell the interest of Vanity Shorter ("Debtor") and Charles Shorter ("Co-owner") (collectively "the Shorters") in community real property located at 3112 Saratoga Street, Bakersfield, California ("the Property"), for \$290,000.00 to Fabian P. Perez and Fermin Perezarce (collectively "Buyers") or the highest bidder at the hearing. Doc. #32 et seq. Trustee also requests authorization to pay 6% of the final sale price as a broker commission to Paula D. Vargas of Watson Realty ("Broker"), to be split with the broker, if any, for the eventual buyer. *Id.*

The motion is accompanied by:

1. A Declaration from Co-Owner evincing his consent to the sale;
2. Exhibits consisting of the grant deed to the Shorters, the purchase and sale agreement ("the Purchase Agreement"), the "Tesla Fixture Filing" regarding rooftop solar panels, and Notice of Independent Solar Energy Contract; and
3. A Declaration by Trustee.

Docs. ##34-36.

No party in interest timely filed written opposition. This motion will be GRANTED, and the hearing will proceed for bid solicitations only.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1) and Rule 2002(a)(2) and (a)(6). 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). Therefore, the defaults of the above-mentioned parties in interest are entered and



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

#### BACKGROUND

Debtor filed this Chapter 7 case on December 17, 2024. Doc. #1. Trustee was appointed on an interim basis that same day, and the appointment was confirmed at the 341 Meeting of Creditors conducted on January 17, 2025. Doc. #5; *Docket generally*. In the course of administering the estate, Trustee investigated the estate's assets, which included Property.

Trustee has secured an offer from and executed a Purchase Agreement with Buyers to sell Property to them for \$290,000.00 and now requests approval under 11 U.S.C. § 363(b) to complete the sale. Doc. #36.

#### DISCUSSION

##### Sale of Property

11 U.S.C. § 363(b)(1) allows the trustee to "sell, or lease, other than in the ordinary course of business, property of the estate." Proposed sales under 11 U.S.C. § 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*, 594 B.R. 883, 887 (Bankr. D. Alaska 2018) citing *240 N. Brand Partners v. Colony GFP Partners, Ltd. P'ship (In re 240 N. Brand Partners)*, 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996); *In re Wilde Horse Enters., Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991). In the context of sales of estate property under § 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*, 594 B.R. at 889, quoting 3 Collier on Bankruptcy ¶ 363.02[4] (Richard Levin & Henry J. Sommer, 16th ed.). "[T]he trustee's business judgment is to be given 'great judicial deference.'" *Id.*, citing *In re Psychometric Sys., Inc.*, 367 B.R. 670, 674 (Bankr. D. Colo. 2007); *In re Bakalis*, 220 B.R. 525, 531-32 (Bankr. E.D.N.Y. 1998).

Sales to an insider are subject to heightened scrutiny. *Alaska Fishing Adventure, LLC*, 594 B.R. at 887 citing *Mission Product Holdings, Inc. v. Old Cold, LLC (In re Old Cold LLC)*, 558 B.R. 500, 516 (B.A.P. 1st Cir. 2016). There is nothing in the record suggesting that Proposed Buyers are insiders with respect to Debtor. Buyers are neither listed in the schedules nor the master address list. Docs. #1, #4.

Property is listed in *Schedule A/B* with a value of \$407,600.00. Doc. #1 (Schedule A/B). However, Trustee declares that, after investigation, he concluded that the value of the Property was only \$290,000.00. Doc. #36.

Debtor originally claimed an exemption of \$361,000.00 under C.C.P. § 704.730. Doc. #1 (Schedule C). On March 12, 2025, Debtor filed an *Amended Schedule C* which removed the Property and replaced it with an exemption on Co-owner's new home. Doc. #14. The Property is encumbered by a mortgage in the amount of \$159,205.00 held by United Wholesale Mortgage. Doc. #1 (Schedule D); Doc. #28 (Amended Schedule D).

Trustee declares that the Property has a Tesla rooftop solar system and related infrastructure ("the Tesla System") which are encumbered by a fixture filing by Tesla. Doc. #36. Trustee declares that he has been unable to contact the appropriate personnel at Tesla but asserts that the Shorters must initiate the transfer of ownership of the Tesla System to the eventual purchaser and that the Tesla System is not being sold as part of this motion and will receive no funds from escrow. *Id.*

Trustee entered into the Purchase Agreement with Buyers to sell Property for \$260,000.00, subject to certain conditions, most notably that the Property is "as-is where-is condition with no warranties or disclosures." Doc. #35, pg. 8.

Trustee references a preliminary title report but does not include it as an exhibit. Doc. #36. Trustee represents that there are no encumbrances on the Property other the deed of trust and Tesla's fixture filing and that property taxes appear to be current. *Id.*

If sold at the proposed sale price, Trustee estimates the benefit to the estate as follows:

Sale price	\$290,000.00
Deed of trust & costs	- \$157,600.00
Estimated broker fee (6%)	- \$17,400.00
Escrow Costs/title insurance (2%)	- \$5,800.00
<b>Estimated net proceeds to estate</b>	<b>= \$109,200.00</b>

*Id.*

The sale under these circumstances should maximize potential recovery for the estate. The sale of the Property appears to be in the best interests of the estate because it will pay off the deed of trust in favor of United Wholesale Mortgage and provide liquidity that can be distributed for the benefit of unsecured claims. The sale appears to be supported by a valid business judgment and proposed in good faith. There are no objections to the motion. Therefore, this sale is an appropriate exercise of Trustee's business judgment and will be given deference.

### Real Estate Brokers' Compensation

This motion affects the proposed disposition of estate assets and the Broker. Under Fed. R. Civ. P. ("Civ. Rule") 21 (Rule 7021 incorporated in contested matters under Rule 9014(c)), the court will exercise its discretion to add Broker as a party.

LBR 9014-1(d)(5)(B)(ii) permits joinder of claims for authorization for the sale of real property and allowance of fees and expenses for such professional under 11 U.S.C. §§ 327, 328, 330, 363, and Rule 6004.

On April 21, 2025, Trustee moved to employ Broker to assist the trustee in carrying out the trustee's duties by selling property of the estate. Doc. #18. The court authorized Broker's employment on April 29, 2025, under 11 U.S.C. §§ 327 and 329-331. Doc. #22.

Pursuant to the employment order, Trustee requests to compensate Broker with a commission of 6%, which will be split equally between Broker and the real estate broker for the eventual buyer. Doc. #32. The Buyers have employed David Mercado of Mercado and Associates Real Estate, Inc. ("Mercado") as their broker. Broker and Mercado would each receive 3% commission or \$8,700.00, if there are no overbidders and Property is sold at the proposed sale price. The court will authorize Trustee to pay broker commissions as prayed.

### Overbid Procedure

Any party wishing to overbid shall, prior to the hearing, comply with the overbid procedures as outlined in the Motion and the Notice accompanying the Motion. Docs. ##32-33.

### Waiver of 14-day Stay

Trustee does not request waiver of the 14-day stay of Rule 6004(h), and no such relief will be granted.

### Conclusion

No party in interest timely filed written opposition. This motion will be GRANTED. Trustee will be authorized: (1) to sell the Property to the price to be split evenly between Broker and the buyer's broker, as determined at the hearing prevailing bidder at the hearing, as determined at the hearing; (2) to execute all documents necessary to effectuate the sale of the Property; (3) to pay broker commission in the amount of 6% of the total sale; and (4) to pay all costs, commissions, and real property taxes directly from escrow. The 14-day stay of Rule 6004(h) will not be ordered waived.

7. [25-10527](#)-B-7     **IN RE: CELESTINE APUSEN**  
[KL-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY  
7-28-2025    [\[64\]](#)

LOGIX FEDERAL CREDIT UNION/MV  
ROBERT WILLIAMS/ATTY. FOR DBT.  
LIOR KATZ/ATTY. FOR MV.

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

DISPOSITION:     Granted in part. Attorney's fees denied without  
                      prejudice.

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

Logix Federal Credit Union ("Movant") seeks relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (d)(2) with respect to a 2020 Tesla Model 3 ("Vehicle"). Doc. #64. Movant also requests waiver of the 14-day stay of Fed. R. Bankr. P. 4001(a)(4). *Id.*

Celestine Apusen ("Debtor") did not oppose and no party in interest timely filed written opposition. This motion will be GRANTED.

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1). The failure of the creditors, the debtor, the U.S. Trustee, or any other party in interest to file written opposition at least 14 days prior to the hearing as required by LBR 9014-1(f)(1)(B) may be deemed a waiver of any opposition to the granting of the motion. *Cf. Ghazali v. Moran*, 46 F.3d 52, 53 (9th Cir. 1995). Further, because the court will not materially alter the relief requested by the moving party, an actual hearing is unnecessary. *See Boone v. Burk (In re Eliapo)*, 468 F.3d 592 (9th Cir. 2006). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will be resolved without oral argument. Upon default, factual allegations will be taken as true (except those relating to amount of damages). *Televideo Systems, Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

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

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

After review of the included evidence, the court finds that "cause" exists to lift the stay because Debtor has missed five (5) post-petition payments totaling amount of \$3,310.40. Docs. ##66-67.

The court also finds that the Debtor does not have any equity in the Vehicle and the Vehicle is not necessary to an effective reorganization because Debtor is in chapter 7. The Vehicle is valued at \$15,000.00 and Debtor owes \$21,630.02. Doc. #66

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

The request for attorney's fees is denied. Movant must separately file and set for hearing a motion for compensation in compliance with the LBR and Federal Rules of Bankruptcy Procedure. If Movant does, then the court will consider that motion on its merits at the appropriate time.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(4) will be ordered waived because Debtor has failed to make at least five (5) post-petition payments to Movant, and the Vehicle is a depreciating asset.

8. [25-11833](#)-B-7      **IN RE: DANIEL AMAYA AND ZAYNA VILLARREAL**

ORDER TO SHOW CAUSE - FAILURE TO PAY FEES  
8-6-2025    [[25](#)]

MARK ZIMMERMAN/ATTY. FOR DBT.

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

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

DISPOSITION:      The OSC will be vacated.

ORDER:              The court will issue an order.

The record shows that the \$199.00 filing fee was paid on August 21, 2025. Accordingly, this order to show cause will be VACATED.

9. [25-10537](#)-B-7     **IN RE: MARGARET KNEEBONE**  
[PBB-1](#)

MOTION TO COMPEL ABANDONMENT  
7-23-2025    [\[21\]](#)

MARGARET KNEEBONE/MV  
PETER BUNTING/ATTY. FOR DBT.

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

DISPOSITION:        Granted.

ORDER:                The Moving Party shall submit a proposed order after hearing.

Margaret Ella Kneebone ("Debtor") moves for an order compelling chapter 7 trustee Irma C. Edmonds ("Trustee") to abandon the estate's interest in real property located at 41391 Long Hollow Drive, Coarsegold, California 93614 ("the Property"). Doc. #22 *et seq.*

This motion was set for hearing on 28 days' notice as required by Local Rule of Practice ("LBR") 9014-1(f)(1) and Rule 2002(a)(2) and (a)(6). 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). Therefore, the defaults of the above-mentioned parties in interest are entered and the matter will proceed for higher and better bids only. Upon default, factual allegations will be taken as true (except those relating to amounts of damages). *Televideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917 (9th Cir. 1987). Constitutional due process requires that a plaintiff make a *prima facie* showing that they are entitled to the relief sought, which the movant has done here.

No party in interest has responded, and the defaults of all nonresponding parties are entered. This motion will be GRANTED.

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

To grant a motion to abandon property, the bankruptcy court must find either that: (1) the property is burdensome to the estate or (2) of inconsequential value and inconsequential benefit to the estate. *In re Vu*, 245 B.R. 644, 647 (B.A.P. 9th Cir. 2000). As one court noted, "an order compelling abandonment is the exception, not the rule. Abandonment should only be compelled in order to help the creditors by assuring some benefit in the administration of each asset . . . . Absent an attempt by the trustee to churn property worthless to the

estate just to increase fees, abandonment should rarely be ordered." *In re K.C. Mach. & Tool Co.*, 816 F.2d 238, 246 (6th Cir. 1987). In evaluating a proposal to abandon property, it is the interests of the estate and the creditors that have primary consideration, not the interests of the debtor. *In re Johnson*, 49 F.3d 538, 541 (9th Cir. 1995) (noting that the debtor is not mentioned in § 554). *In re Galloway*, No. AZ-13-1085-PaKiTa, 2014 Bankr. LEXIS 3626, at \*16-17 (B.A.P. 9th Cir. 2014).

Debtor values the Property at \$300,000.00 but asserts that she has no interest in it and her name is on the title solely to provide financial assistance to Connor and Alicia Martinez ("the Owners") who reside in the Property. Doc. #13 (Amended Schedule A/B). The Property is subject to a \$288,774.00 lien held by Village Capital & Investments. Doc. #21. Debtor has not claimed an exemption in the Property. Doc. #1 (Schedule C).

Debtor declares that, after subtracting the secured lien from the value of the property, \$11,226.00 in equity would remain, of which she would be entitled to \$3,742.00 or one-third of the total. Doc. #24. Debtor asserts that, after escrow closing costs and fees are subtracted, there would not be sufficient proceeds available to the Trustee for a meaningful distribution to creditors. *Id.*

Debtor agrees to not amend the exemptions affecting the Business Assets unless Trustee stipulated to that amendment or such relief is granted by further order of the court. *Id.*

No party in interest has responded. The Property was accurately scheduled and is sufficiently encumbered such that any equity available to the estate after liquidation would be de minimis. Therefore, this motion is GRANTED.

The order shall specifically include the property to be abandoned.

10. [25-12256](#)-B-7      **IN RE: JAKE TOWNSEND AND MONICA CRESS**  
[KTS-1](#)

MOTION FOR RELIEF FROM AUTOMATIC STAY  
7-30-2025    [\[24\]](#)

BROADSTONE ALTON, LLC/MV  
CALVIN CLEMENTS/ATTY. FOR 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. Order preparation determined at the hearing.

Broadstone Alton, LLC ("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 1433 Steely, Irvine, CA 92614 ("the Property"). Doc. #24 *et seq.* Doc. #21. Movant also requests waiver of the 14-day stay of Fed. R. Bankr. P. ("Rule") 4001(a)(3). *Id.* The debtors in this pro se Chapter 7 case are Jake Townsend ("Townsend") and Monica Cress ("Cress") (collectively "the Debtors"). Doc. #1.

The motion is accompanied by (1) the Declaration of Wyatt Villarinho, who manages the Property on behalf of Movant, (2) the Relief from Stay Summary Sheet, and (3) Exhibits consisting of a copy of the lease agreement ("the Lease Agreement"), a Notice to Pay Rent or Quit the Property ("the Notice to Quit"), and the Complaint for Unlawful Detainer which Movant filed in the Orange County Superior Court ("the Complaint"). Docs. ##26-30.

The moving papers assert that Debtors are not parties to the lease. *Id.* On May 25, 2025, Movant commenced an unlawful detainer action ("the Unlawful Detainer Action") against tenants who are on the lease but whose names are redacted in the moving papers ("the Tenants"). Docs. ##26-27. On June 10, 2025, Townsend filed a Prejudgment Claim of Right to Possession and added himself to the Unlawful Detainer Action, filing an Answer to the complaint. *Id.* On July 3, 2025, Debtors filed this Chapter 7 case. *Id.*; Doc. #1.

Debtors are pro se. Their filings indicate the following relevant details. First, Townsend stated that he lived at 1440 E. Yale Ave., Apt. 207, Fresno, California, but that his mailing address was the same as the Property. Doc. #1. Cress stated that she lived at the Property. *Id.* Debtors listed Movant as a nonpriority unsecured creditor on Schedule E/F to whom Debtors owed an unspecified amount for "Credit" incurred on May 4, 2023. Doc. #21 (Schedule F, Line 4.3). It is unclear to the court whether this is intended to represent the amount owed to Movant on back rent.



On Schedule G, Debtors indicated that they are not party to any executory contracts or unexpired leases. Doc. #21 (Schedule G). Debtors estimate their monthly rental or home ownership expenses to be \$3,200.00, but there is no indication which residence this applies to. Doc. #21 (Schedule J).

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

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

Movant does not assert a claim for any unpaid rent against either Debtor and seeks only to allow the Unlawful Detainer Action to proceed so that Movant can regain possession of the Property.

11 U.S.C. § 362(c)(2)(C) provides that the automatic stay of § 362(a) continues until the case is closed, dismissed, or discharge is granted or denied, whichever is earliest. The case is ongoing, and so the automatic stay is still active.

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

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

When a movant prays for relief from the automatic stay to initiate or continue non-bankruptcy court proceedings, a bankruptcy court must consider the "Curtis factors" in making its decision. *In re Kronemyer*, 405 B.R. 915, 921 (9th Cir. B.A.P. 2009) (applying the factors articulated in *In re Curtis*, 40 B.R. 795, 799-800 (Bankr. D. Utah 1984). The relevant factors include:

1. whether the relief will result in a partial or complete resolution of the issues;
2. the lack of any connection with or interference with the bankruptcy case;
3. whether the foreign proceeding involves the debtor as a fiduciary;
4. whether a specialized tribunal has been established to hear the particular cause of action and whether that tribunal has the expertise to hear such cases;

5. whether the debtor's insurance carrier has assumed full financial responsibility for defending the litigation;
6. whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the goods or proceeds in question;
7. whether the litigation in another forum would prejudice the interests of other creditors, the creditors' committee and other interested parties;
8. whether the judgment claim arising from the foreign action is subject to equitable subordination under section 510(c);
9. whether movant's success in the foreign proceeding would result in a judicial lien avoidable by the debtor under section 522(f);
10. the interests of judicial economy and the expeditious and economical determination of litigation for the parties;
11. whether the foreign proceedings have progressed to the point where the parties are prepared for trial; and
12. the impact of the stay on the parties and the "balance of hurt."

*Truebro, Inc. v. Plumberex Specialty Prods., Inc. (In re Plumberex Specialty Prods., Inc.)*, 311 B.R. 551 (Bankr. C.D. Cal. 2004) (citing *Curtis*, 40 B.R. at 799-800); see also *Kronemyer*, 405 B.R. at 921.

Movant does not address the *Curtis* factors at all, but the court's assessment of them in light of the facts presented is as follows:

1. Whether the relief will result in a partial or complete resolution of the issues: The Unlawful Detainer Action only contains a state law claim for unlawful detainer, a claim which could be fully adjudicated relatively quickly in the state court if stay relief is granted.

2. The lack of any connection with or interference with the bankruptcy case: Movant argues that resolution of the State Court Action is wholly unrelated to the Debtor's bankruptcy case because the Property is not a part of the estate. Movant argues that Debtors have no ownership interest in the Property, are not party to the Lease Agreement, and cannot generate any income by transferring any interest in the lease. Doc. #24. While the Unlawful Detainer Action seeks to recover unpaid rent as well as possession of the Property, the Unlawful Detainer Action was filed against the Tenants and did not involve Debtors until Townsend added himself to that case. It appears that Movant does not seek to recover anything from Debtors. Thus, allowing the Unlawful Detainer Action to proceed will not impact the bankruptcy at all.

3. Whether the foreign proceeding involves the debtor as a fiduciary: This factor does not appear to be relevant.

4. Whether a specialized tribunal has been established to hear the particular cause of action and whether that tribunal has the expertise to hear such cases: An unlawful detainer action is, in this court's

view, a fairly straightforward legal proceeding that requires neither a specialized tribunal nor any particular expertise. That said, unlawful detainer is a matter of state law, and the state court is probably better situated to hear the Unlawful Detainer Action than this court given the absence of any nexus to the bankruptcy case.

5. Whether the debtor's insurance carrier has assumed full financial responsibility for defending the litigation: This factor does not appear to be relevant.

5. Whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the goods or proceeds in question: This factor does not appear to be relevant.

7. Whether the litigation in another forum would prejudice the interests of other creditors, the creditors' committee and other interested parties: Movant argues that allowing the Unlawful Detainer Action to proceed would not result in prejudice to any other creditors or interested parties. The Unlawful Detainer Action does not involve any estate assets or risk prejudice to any other aspect of the bankruptcy.

8. Whether the judgment claim arising from the foreign action is subject to equitable subordination under Section 510(c): This factor does not appear to be relevant.

9. Whether movant's success in the foreign proceeding would result in a judicial lien avoidable by the debtor under Section 522(f): As Movant does not seek to recover any money damages through the Unlawful Detainer Action, no lien against Debtors will result even if the Movant prevails in state court.

10. The interests of judicial economy and the expeditious and economical determination of litigation for the parties: Movant argues that granting stay relief will serve the interests of judicial economy, as the Unlawful Detainer Action has no connection to the bankruptcy estate or the bankruptcy case and only contains a state law claim to regain possession of property not a part of the estate. Movant directs the court to Ninth Circuit precedent stating that it:

will often be more appropriate to permit proceedings to continue in their place of origin, when no great prejudice to the bankruptcy estate would result, in order to leave the parties to their chosen forum and to relieve the bankruptcy court from many duties that may be handled elsewhere.

Doc. #38; *In re Santa Clara Cnty. Fair Ass'n, Inc.*, 180 B.R. 564, 566 (B.A.P. 9th Cir. 1995) (quoting S. Rep. No. 989, 95th Cong., 2d Sess. 50, reprinted in 1978 U.S.C.C.A.N. 5836).

11. Whether the foreign proceedings have progressed to the point where the parties are prepared for trial: As Debtors filed for Chapter 7 less than a month after inserting themselves into the Unlawful Detainer Action, this factor would support lifting the stay.

12. The impact of the stay on the parties and the "balance of hurt": As Movant notes, the "balance of hurt" favors lifting the stay. The Movant owns the Property and evict non-paying tenants but cannot do so due to this bankruptcy case which was filed by Debtors who are not party to the lease agreement. Movant cannot alleviate this "hurt" until the Unlawful Detainer Action is resolved, and Movant can either take possession of the Property or at least obtain a judicial determination of Movant's rights in the Property. Debtors, on the other hand, have no legal right to occupy the Property, either through ownership or a lease agreement.

After consideration of the *Curtis* factors, the court is inclined to find that they favor lifting the automatic stay as requested. If there is no opposition at the hearing, this motion will be GRANTED for the limited purpose of allowing the Unlawful Detainer Action to proceed in the State Court for the sole purpose of resolving the unlawful detainer question and Debtors' right, if any, to possession of the Property.

The 14-day stay of Fed. R. Bankr. P. 4001(a)(3) will be ordered waived so that Movant may proceed with the Unlawful Detainer Action as expeditiously as possible.

11. [25-10499](#)-B-7     **IN RE: JEFFREY REICH**  
[ADJ-3](#)

MOTION TO EMPLOY JOSEPH H. BOYD AS SPECIAL COUNSEL  
6-18-2025    [\[111\]](#)

IRMA EDMONDS/MV  
PETER BUNTING/ATTY. FOR DBT.  
ANTHONY JOHNSTON/ATTY. FOR MV.  
RESPONSIVE PLEADING

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

DISPOSITION:        Continued to September 23, 2025, at 1:30 p.m.

ORDER:                The court will issue the order.

The Debtor's pending motion to disqualify Shane Reich as counsel for Creditor Pamela Reich was taken under advisement and is still pending before the court. Because Shane Reich filed the only response to this motion (Doc. #121), the court cannot rule upon the instant motion until that motion to disqualify is resolved.

Accordingly, this matter is hereby CONTINUED to September 23, 2025, at 1:30 p.m. Pleadings are now closed.