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6 *Counsel for Shelley D. Krohn, Chapter 7 Trustee*

7
8 **UNITED STATES BANKRUPTCY COURT**
9 **DISTRICT OF NEVADA**

10 In re:
11 AMERI-DREAM REALTY, LLC,
12 Debtor.

Case No. BK-S-15-10110-GS
Chapter 7

**TRUSTEE’S FOURTH OMNIBUS
OBJECTION TO PROOFS OF CLAIM
PURSUANT TO 11 U.S.C. § 502(b)(1) AND
FEDERAL RULE OF BANKRUPTCY
PROCEDURE 3007—CLAIM NUMBERS
475-1, 476-1, 477-1, 478-1, 479-1, 480-1, 481-
1, 482-1, 483-1, 484-1, 485-1, 486-1, 487-1,
488-1, 489-1, 490-1, 492-1, 495-1, 496-1, 497-
1, 498-1, 499-1, 500-1, 501-1, 502-1, 503-1,
504-1, 507-1, 510-1, 511-1, 512-1, 513-1, 514-
1, 515-1, 516-1, 517-1, 518-1, 519-1, 520-1,
521-1, 522-1, 523-1, 524-1, 525-1, 526-1, 528-
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548-1, 549-1, 560-1, 561-1, 562-1, 563-1, 564-
1, 565-1, 566-1, 567-1, 568-1, 569-1, 570-1,
571-1, 572-1, 573-1, 574-1, 581-1, 613-1, 614-
1, 615-1, 616-1, 617-1, 618-1, 619-1, 620-1,
621-1, 622-1, 623-1, 624-1, 625-1, 626-1, 627-
1, AND 628-1, BASED ON IMPROPER
ASSERTION OF A PRIORITY CLAIM
BY A LANDLORD FOR A SECURITY
DEPOSIT**

Date of Hearing: September 3, 2020
Time of Hearing: 9:30 a.m.
Place: Courtroom No. To Be Determined
Foley Federal Building
300 Las Vegas Blvd., S.

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Las Vegas, NV 89101

Judge: Honorable Gary Spraker ¹

Shelley D. Krohn, the duly appointed Chapter 7 Trustee in the above-captioned bankruptcy case (the “Trustee”), by and through her counsel of record, Jacob L. Houmand, Esq. and Bradley G. Sims, Esq. of the Houmand Law Firm, Ltd., hereby submits the *Trustee’s Fourth Omnibus Objection To Proofs Of Claim Pursuant To 11 U.S.C. § 502(B)(1) And Federal Rule Of Bankruptcy Procedure 3007—Claim Numbers 475-1, 476-1, 477-1, 478-1, 479-1, 480-1, 481-1, 482-1, 483-1, 484-1, 485-1, 486-1, 487-1, 488-1, 489-1, 490-1, 492-1, 495-1, 496-1, 497-1, 498-1, 499-1, 500-1, 501-1, 502-1, 503-1, 504-1, 507-1, 510-1, 511-1, 512-1, 513-1, 514-1, 515-1, 516-1, 517-1, 518-1, 519-1, 520-1, 521-1, 522-1, 523-1, 524-1, 525-1, 526-1, 528-1, 529-1, 530-1, 531-1, 532-1, 533-1, 534-1, 535-1, 536-1, 537-1, 538-1, 539-1, 540-1, 541-1, 542-1, 543-1, 544-1, 545-1, 546-1, 547-1, 548-1, 549-1, 560-1, 561-1, 562-1, 563-1, 564-1, 565-1, 566-1, 567-1, 568-1, 569-1, 570-1, 571-1, 572-1, 573-1, 574-1, 581-1, 613-1, 614-1, 615-1, 616-1, 617-1, 618-1, 619-1, 620-1, 621-1, 622-1, 623-1, 624-1, 625-1, 626-1, 627-1, and 628-1, Based On Improper Assertion Of A Priority Claim by a Landlord For a Security Deposit* (the “Objection”). The Objection is based on the following Memorandum of Points and Authorities and the *Declaration of Shelley D. Krohn In Support of Trustee’s Fourth Omnibus Objection To Proofs Of Claim Pursuant To 11 U.S.C. § 502(B)(1) And Federal Rule Of Bankruptcy Procedure 3007—Claim Numbers 475-1, 476-1, 477-1, 478-1, 479-1, 480-1, 481-1, 482-1, 483-1, 484-1, 485-1, 486-1, 487-1, 488-1, 489-1, 490-1, 492-1, 495-1, 496-1, 497-1, 498-1, 499-1, 500-1, 501-1, 502-1, 503-1, 504-1, 507-1, 510-1, 511-1, 512-1, 513-1, 514-1, 515-1, 516-1, 517-1, 518-1, 519-1, 520-1, 521-1, 522-1, 523-1, 524-1, 525-1, 526-1, 528-1, 529-1, 530-1, 531-1, 532-1, 533-1, 534-1, 535-1, 536-1, 537-1, 538-1, 539-1, 540-1, 541-1, 542-1, 543-1, 544-1, 545-1, 546-1, 547-1, 548-1, 549-1, 560-1, 561-1, 562-1, 563-1, 564-1, 565-1, 566-1, 567-1, 568-1, 569-1, 570-1, 571-*

¹ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The Federal Rules of Civil Procedure will be referred to as “FRCP” and the Federal Rules of Bankruptcy Procedure will be referred to as “FRBP.” The Local Rules of Practice for the United States Bankruptcy Court for the District of Nevada shall be referred to as the “Local Rules”.

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1 1, 572-1, 573-1, 574-1, 581-1, 613-1, 614-1, 615-1, 616-1, 617-1, 618-1, 619-1, 620-1, 621-1,
2 622-1, 623-1, 624-1, 625-1, 626-1, 627-1, and 628-1, Based On Improper Assertion Of A Priority
3 Claim by a Landlord For a Security Deposit (the “Trustee Declaration”), which is filed separately
4 and concurrently with this Court pursuant to Local Rule 9014(c)(2). The Objection is also based
5 on the pleadings and papers on file herein, and any argument that may be entertained at the
6 hearing on the Objection.²

7 **In accordance with FRBP 3007(e)(1), the Trustee directs all claimants receiving this**
8 **objection to locate their names and claims in this objection.**

9 **MEMORANDUM OF POINTS AND AUTHORITIES**

10 **I. INTRODUCTION**

11 This Omnibus Objection relates to a series of proofs of claim that assert priority under
12 Section 507(a)(7) by landlords for security deposits. These proofs of claim are not entitled to
13 priority pursuant to 11 U.S.C. § 507(a)(7) as only tenants are allowed a priority claim for security
14 deposits. For this reason, the Trustee seeks an order finding that these proofs of claim are not
15 entitled to priority under Section 507(a)(7).

16 **II. JURISDICTION AND VENUE**

17 This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1134. This
18 is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue before this Court is appropriate
19 under 28 U.S.C. §§ 1408 and 1409. This matter constitutes a core proceeding under 28 U.S.C. §
20 157(b)(2). Pursuant to Local Rule 9014.2, if the Court determines that absent consent of the
21 parties the Court cannot enter final orders or judgment regarding the Objection consistent with
22 Article III of the United States Constitution, the Firm consents to entry of final orders and
23 judgment by this Court. The statutory basis for the relief sought herein are Section 502(b)(1) and
24 FRBP 3007.

25 ...

26 _____
27 ² The Trustee also requests that the Court take judicial notice of all pleadings filed in the above-
28 referenced bankruptcy case, including adversary proceedings, pursuant to Federal Rule of
Evidence 201, incorporated by reference by FRBP 9017.

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III. CLAIMS OBJECTED TO IN THIS OMNIBUS OBJECTION

In accordance with FRBP 3007(e)(2) and (3) the following proofs of claim are objected to herein:

Claimant	Proof of Claim No.	Grounds for objection ³
3 M Brothers, LLC	475-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.
Chan, Alfredo	623-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.
Chan, Francis S. and Lucy Y Chan	520-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.
Chan, Howard and Susan Liang	543-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.
Chan, Wayne	535-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.
Chan, Wayne	544-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.
Chen, Christie X.	517-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.

³ Unless otherwise stated, page references are to the page within this motion stating the legal argument for the objection.

1	Chen, Edwin and Xiao	502-1	Claim improperly asserts priority under 11
2	Mei Su		U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	Chen, Edwin and Xiao	503-1	Claim improperly asserts priority under 11
5	Mei Su		U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Chen, Jeffrey and	495-1	Claim improperly asserts priority under 11
8	Shirley Zheng		U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Chen, Jeffrey and	496-1	Claim improperly asserts priority under 11
11	Shirley Zheng		U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	Chen, Jeffrey and	497-1	Claim improperly asserts priority under 11
14	Shirley Zheng		U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Chen, Jeffrey and	499-1	Claim improperly asserts priority under 11
17	Shirley Zheng		U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Chen, Jeffrey and	500-1	Claim improperly asserts priority under 11
20	Shirley Zheng		U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Chen, Jeffrey and	501-1	Claim improperly asserts priority under 11
23	Shirley Zheng		U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Cheng, Monita May	512-1	Claim improperly asserts priority under 11
26	Fong		U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1	Cheung, Hung Kin and	547-1	Claim improperly asserts priority under 11
2	Mi Kuen Ching		U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	Chien, Ling Chen	613-1	Claim improperly asserts priority under 11
5			U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Ching, Ho Mu Lin	561-1	Claim improperly asserts priority under 11
8			U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Ching, Wai Chung	560-1	Claim improperly asserts priority under 11
11			U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	Chou, Tau-San and	504-1	Claim improperly asserts priority under 11
14	Shun-Ten Lee		U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Chua, Juanito and Juliet	621-1	Claim improperly asserts priority under 11
17	T. Chua		U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Chua, Juanito and Juliet	624-1	Claim improperly asserts priority under 11
20	T. Chua		U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Dannenberg, Lorraine	511-1	Claim improperly asserts priority under 11
23			U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Delta Food	514-1	Claim improperly asserts priority under 11
26	International, Inc.		U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1	Dong, Jeffrey and	516-1	Claim improperly asserts priority under 11
2	Xinbai Zhang		U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	Edmimi, Inc.	524-1	Claim improperly asserts priority under 11
5			U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Fang, Amy Cui and	523-1	Claim improperly asserts priority under 11
8	Hep Yuen Lum		U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Fang, Yue	492-1	Claim improperly asserts priority under 11
11			U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	Feng, Li	528-1	Claim improperly asserts priority under 11
14			U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Feng, Li	529-1	Claim improperly asserts priority under 11
17			U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Feng, Li	530-1	Claim improperly asserts priority under 11
20			U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Gao, Yao	484-1	Claim improperly asserts priority under 11
23			U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	He, Hao Ran, Qi Ping	539-1	Claim improperly asserts priority under 11
26	Zhu and Qi Hong Zhu		U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1	Hon, Enoch and Ka	507-1	Claim improperly asserts priority under 11
2	Wong		U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	Hong, Kin K.	566-1	Claim improperly asserts priority under 11
5			U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Huang, Johnny Y.	569-1	Claim improperly asserts priority under 11
8			U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Huang, Ling Peng	626-1	Claim improperly asserts priority under 11
11			U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	J L C General Corp.	537-1	Claim improperly asserts priority under 11
14			U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Jin, Fengbin	616-1	Claim improperly asserts priority under 11
17			U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	JMTA Properties, LLC	617-1	Claim improperly asserts priority under 11
20			U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Kim, Christina and	620-1	Claim improperly asserts priority under 11
23	Richard Kim		U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Kwan, Kin and Sandy	614-1	Claim improperly asserts priority under 11
26	Liu		U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1	Kwan, Kin and Sandy	615-1	Claim improperly asserts priority under 11
2	Liu		U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	La, Phyllis	567-1	Claim improperly asserts priority under 11
5			U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Lai, Po Yi	479-1	Claim improperly asserts priority under 11
8			U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Lam, Doan Huu	490-1	Claim improperly asserts priority under 11
11			U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	Lam, Shirley	532-1	Claim improperly asserts priority under 11
14			U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Lau, James Yuen Hung	515-1	Claim improperly asserts priority under 11
17	and Shui Tai Lau		U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Lee, Hsing Fang and	542-1	Claim improperly asserts priority under 11
20	Huitang Ma		U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Lee, Wai and Yu Chun	526-1	Claim improperly asserts priority under 11
23	Lee		U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Lee, Wai and Yu Chun	533-1	Claim improperly asserts priority under 11
26	Lee		U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1	Lei, Hamilton	531-1	Claim improperly asserts priority under 11
2			U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	Lei, Zi Fan and Pei No	570-1	Claim improperly asserts priority under 11
5	Lei		U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Leung, Ricky and	574-1	Claim improperly asserts priority under 11
8	Hsueh Mei Leong		U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Liang, Huai Xing and	521-1	Claim improperly asserts priority under 11
11	Han Ming Tam		U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	Liang, Susan	549-1	Claim improperly asserts priority under 11
14			U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Lin, Ho Mu	481-1	Claim improperly asserts priority under 11
17			U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Lin, Ho Mu	482-1	Claim improperly asserts priority under 11
20			U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Lin, Ho Mu	573-1	Claim improperly asserts priority under 11
23			U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Lin, Lian Wen	525-1	Claim improperly asserts priority under 11
26			U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
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1	Liu, Kenny and Eva	480-1	Claim improperly asserts priority under 11
2	Liu		U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	Liu, William	568-1	Claim improperly asserts priority under 11
5			U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Louie, Chung Lok and	513-1	Claim improperly asserts priority under 11
8	Mei Chun Lee		U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Lui, James	522-1	Claim improperly asserts priority under 11
11			U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	Lui, James	534-1	Claim improperly asserts priority under 11
14			U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Nathan Lui	628-1	Claim improperly asserts priority under 11
17			U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Luu, Loui and Muoi	486-1	Claim improperly asserts priority under 11
20			U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Ma, Iris	478-1	Claim improperly asserts priority under 11
23			U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Mok, Stephen	519-1	Claim improperly asserts priority under 11
26			U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1	Ngu, Janna and Angie	565-1	Claim improperly asserts priority under 11
2	Ngu		U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	Nguyen, Jimmy	572-1	Claim improperly asserts priority under 11
5			U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Nguyen, Jimmy	618-1	Claim improperly asserts priority under 11
8			U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Ooi, Kee Seong and	518-1	Claim improperly asserts priority under 11
11	Jing Xu		U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	S H B 2, LLC	548-1	Claim improperly asserts priority under 11
14			U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Tang, Thanh	536-1	Claim improperly asserts priority under 11
17			U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Tang, Thanh	546-1	Claim improperly asserts priority under 11
20			U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Tang, Thanh and	541-1	Claim improperly asserts priority under 11
23	Alyssa Tang		U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Tang, Yanhong	489-1	Claim improperly asserts priority under 11
26			U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1	TCl and YYN Invest	476-1	Claim improperly asserts priority under 11
2	Holding Corp.		U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	TCl and YYN Invest	477-1	Claim improperly asserts priority under 11
5	Holding Corp.		U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Truong, David Su and	485-1	Claim improperly asserts priority under 11
8	My Loi		U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Wong, Jenny Zheng	562-1	Claim improperly asserts priority under 11
11	and Pak Hoi Wong		U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	Wong, Jenny Zheng,	563-1	Claim improperly asserts priority under 11
14	Pak Hoi Wong, and		U.S.C. § 507(a)(7). This type of priority claim
15	Ella Wong		may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Wu, Xing He and Jian	487-1	Claim improperly asserts priority under 11
17	Hua Huang		U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Wu, Xing He and Jian	488-1	Claim improperly asserts priority under 11
20	Hua Huang		U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Yu, Hong	510-1	Claim improperly asserts priority under 11
23			U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Zeng, Lan Sui	538-1	Claim improperly asserts priority under 11
26			U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1	Zeng, Lan Sui	622-1	Claim improperly asserts priority under 11
2			U.S.C. § 507(a)(7). This type of priority claim
3			may not be asserted by a landlord. <i>See</i> p. 32-33.
4	Zeng, Lan Sui	627-1	Claim improperly asserts priority under 11
5			U.S.C. § 507(a)(7). This type of priority claim
6			may not be asserted by a landlord. <i>See</i> p. 32-33.
7	Zhao, Qijie and Qize	483-1	Claim improperly asserts priority under 11
8	Zhao		U.S.C. § 507(a)(7). This type of priority claim
9			may not be asserted by a landlord. <i>See</i> p. 32-33.
10	Zheng, Lin	498-1	Claim improperly asserts priority under 11
11			U.S.C. § 507(a)(7). This type of priority claim
12			may not be asserted by a landlord. <i>See</i> p. 32-33.
13	Zhiying, Inc.	540-1	Claim improperly asserts priority under 11
14			U.S.C. § 507(a)(7). This type of priority claim
15			may not be asserted by a landlord. <i>See</i> p. 32-33.
16	Zhou, Jun-Fang	581-1	Claim improperly asserts priority under 11
17			U.S.C. § 507(a)(7). This type of priority claim
18			may not be asserted by a landlord. <i>See</i> p. 32-33.
19	Zhou, Zhong Rong	619-1	Claim improperly asserts priority under 11
20			U.S.C. § 507(a)(7). This type of priority claim
21			may not be asserted by a landlord. <i>See</i> p. 32-33.
22	Zhu, Jie	545-1	Claim improperly asserts priority under 11
23			U.S.C. § 507(a)(7). This type of priority claim
24			may not be asserted by a landlord. <i>See</i> p. 32-33.
25	Zhu, Meisheng	571-1	Claim improperly asserts priority under 11
26			U.S.C. § 507(a)(7). This type of priority claim
27			may not be asserted by a landlord. <i>See</i> p. 32-33.
28			

1 2 3 4	Zhu, Qi Hong 564-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.
5 6 7	Zhu, Thomas Z. 625-1	Claim improperly asserts priority under 11 U.S.C. § 507(a)(7). This type of priority claim may not be asserted by a landlord. <i>See</i> p. 32-33.

IV. STATEMENT OF FACTS

1. On January 9, 2015 (the “Petition Date”), the Debtor filed a voluntary bankruptcy pursuant to Chapter 7 of Title 11 of the United States Code [ECF No. 1]⁴. *See* Trustee Declaration.

2. On January 9, 2015, Victoria L. Nelson (“Trustee Nelson”) was appointed as the Chapter 7 Trustee in the Debtor’s bankruptcy case [ECF No. 4]. *See* Trustee Declaration.

3. On January 28, 2015, the Court entered an *Amended Notice of Chapter 7 Bankruptcy Case* [ECF No. 12] that established May 14, 2015, as the deadline for creditors to file proofs of claim. *See* Trustee Declaration.

4. On February 9, 2015, Trustee Nelson filed an *Application for Order Authorizing Employment of the Garden City Group, LLC As Claims and Noticing Agent* [ECF No. 88]. *See* Trustee Declaration.

5. On February 27, 2015, the Court entered an *Order Granting Application for Order Authorizing Employment of the Garden City Group, LLC As Claims and Noticing Agent* [ECF No. 128]. *See* Trustee Declaration.

6. Since its employment, Garden City Group (“GCG”) has been maintaining the Proofs of Claim that have been submitted by creditors. *See* Trustee Declaration.

7. On January 13, 2018, Trustee Nelson died. *See* Trustee Declaration.

...

⁴ All references to “ECF No.” are to the numbers assigned to the documents filed in the case as they appear on the docket maintained by the clerk of the court.

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1 8. On January 19, 2018, the Trustee was appointed as the successor Chapter 7 Trustee
2 in the Debtor’s bankruptcy case. *See* Trustee Declaration.

3 9. On May 8, 2015, 3 M Brothers, LLC filed a claim claiming priority under 11
4 U.S.C. § 507(a)(7) in the amount of \$3,634.00 based on deposit toward purchase, lease or rental
5 of property. A true and correct copy of Claim 475-1 is attached to the Trustee Declaration as
6 **Exhibit “1”**.

7 10. On May 8, 2015, TCl and YYN Invest Holding Corp. filed a claim claiming
8 priority under 11 U.S.C. § 507(a)(7) in the amount of \$2,495.00 based on deposit toward
9 purchase, lease or rental of property. A true and correct copy of Claim 476-1 is attached to the
10 Trustee Declaration as **Exhibit “2”**.

11 11. On May 8, 2015, TCl and YYN Invest Holding Corp. filed a claim claiming
12 priority under 11 U.S.C. § 507(a)(7) in the amount of \$1,200.00 based on deposit toward
13 purchase, lease or rental of property. A true and correct copy of Claim 477-1 is attached to the
14 Trustee Declaration as **Exhibit “3”**.

15 12. On May 8, 2015, Iris Ma filed a claim claiming priority under 11 U.S.C. §
16 507(a)(7) in the amount of \$1,300.00 based on deposit toward purchase, lease or rental of
17 property. A true and correct copy of Claim 478-1 is attached to the Trustee Declaration as **Exhibit**
18 **“4”**.

19 13. On May 8, 2015, Po Yi Lai filed a claim claiming priority under 11 U.S.C. §
20 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease or rental of
21 property. A true and correct copy of Claim 479-1 is attached to the Trustee Declaration as **Exhibit**
22 **“5”**.

23 14. On May 8, 2015, Kenny Liu and Eva Liu filed a claim claiming priority under 11
24 U.S.C. § 507(a)(7) in the amount of \$1,350.00 based on deposit toward purchase, lease or rental
25 of property. A true and correct copy of Claim 480-1 is attached to the Trustee Declaration as
26 **Exhibit “6”**.

27 15. On May 8, 2015, Ho Mu Lin filed a claim claiming priority under 11 U.S.C. §
28 507(a)(7) in the amount of \$3,600.00 based on deposit toward purchase, lease or rental of

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1 property. A true and correct copy of Claim 481-1 is attached to the Trustee Declaration as **Exhibit**
2 **“7”**.

3 16. On May 8, 2015, Ho Mu Lin filed a claim claiming priority under 11 U.S.C. §
4 507(a)(7) in the amount of \$1,600.00 based on deposit toward purchase, lease or rental of
5 property. A true and correct copy of Claim 482-1 is attached to the Trustee Declaration as **Exhibit**
6 **“8”**.

7 17. On May 8, 2015, Qijie Zhao and Qize Zhao filed a claim claiming priority under
8 11 U.S.C. § 507(a)(7) in the amount of \$1,900.00 based on deposit toward purchase, lease or
9 rental of property. A true and correct copy of Claim 483-1 is attached to the Trustee Declaration
10 as **Exhibit “9”**.

11 18. On May 8, 2015, Yao Gao filed a claim claiming priority under 11 U.S.C. §
12 507(a)(7) in the amount of \$1,750.00 based on deposit toward purchase, lease or rental of
13 property. A true and correct copy of Claim 484-1 is attached to the Trustee Declaration as **Exhibit**
14 **“10”**.

15 19. On May 8, 2015, David Su Truong and My Loi filed a claim claiming priority
16 under 11 U.S.C. § 507(a)(7) in the amount of \$1,500.00 based on deposit toward purchase, lease
17 or rental of property. A true and correct copy of Claim 485-1 is attached to the Trustee
18 Declaration as **Exhibit “11”**.

19 20. On May 8, 2015, Loui Luu and Muoi Loi filed a claim claiming priority under 11
20 U.S.C. § 507(a)(7) in the amount of \$1,375.00 based on deposit toward purchase, lease or rental
21 of property. A true and correct copy of Claim 486-1 is attached to the Trustee Declaration as
22 **Exhibit “12”**.

23 21. On May 8, 2015, Xing He Wu and Jian Hua Huang filed a claim claiming priority
24 under 11 U.S.C. § 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease
25 or rental of property. A true and correct copy of Claim 487-1 is attached to the Trustee
26 Declaration as **Exhibit “13”**.

27 22. On May 8, 2015, Xing He Wu and Jian Hua Huang filed a claim claiming priority
28 under 11 U.S.C. § 507(a)(7) in the amount of \$1,700.00 based on deposit toward purchase, lease

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1 or rental of property. A true and correct copy of Claim 488-1 is attached to the Trustee
2 Declaration as **Exhibit “14”**.

3 23. On May 8, 2015, Yanhong Tang filed a claim claiming priority under 11 U.S.C. §
4 507(a)(7) in the amount of \$2,100.00 based on deposit toward purchase, lease or rental of
5 property. A true and correct copy of Claim 489-1 is attached to the Trustee Declaration as **Exhibit**
6 **“15”**.

7 24. On May 8, 2015, Doan Huu Lam filed a claim claiming priority under 11 U.S.C. §
8 507(a)(7) in the amount of \$1,250.00 based on deposit toward purchase, lease or rental of
9 property. A true and correct copy of Claim 490-1 is attached to the Trustee Declaration as **Exhibit**
10 **“16”**.

11 25. On May 8, 2015, Yue Fang filed a claim claiming priority under 11 U.S.C. §
12 507(a)(7) in the amount of \$1,525.00 based on deposit toward purchase, lease or rental of
13 property. A true and correct copy of Claim 492-1 is attached to the Trustee Declaration as **Exhibit**
14 **“17”**.

15 26. On May 8, 2015, Jeffrey Chen and Shirley Zheng filed a claim claiming priority
16 under 11 U.S.C. § 507(a)(7) in the amount of \$1,750.00 based on deposit toward purchase, lease
17 or rental of property. A true and correct copy of Claim 495-1 is attached to the Trustee
18 Declaration as **Exhibit “18”**.

19 27. On May 8, 2015, Jeffrey Chen and Shirley Zheng filed a claim claiming priority
20 under 11 U.S.C. § 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease
21 or rental of property. A true and correct copy of Claim 496-1 is attached to the Trustee
22 Declaration as **Exhibit “19”**.

23 28. On May 8, 2015, Jeffrey Chen and Shirley Zheng filed a claim claiming priority
24 under 11 U.S.C. § 507(a)(7) in the amount of \$2,400.00 based on deposit toward purchase, lease
25 or rental of property. A true and correct copy of Claim 497-1 is attached to the Trustee
26 Declaration as **Exhibit “20”**.

27 29. On May 8, 2015, Lin Zheng filed a claim claiming priority under 11 U.S.C. §
28 507(a)(7) in the amount of \$2,864.00 based on deposit toward purchase, lease or rental of

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1 property. A true and correct copy of Claim 498-1 is attached to the Trustee Declaration as **Exhibit**
2 **“21”**.

3 30. On May 8, 2015, Jeffrey Chen and Shirley Zheng filed a claim claiming priority
4 under 11 U.S.C. § 507(a)(7) in the amount of \$1,800.00 based on deposit toward purchase, lease
5 or rental of property. A true and correct copy of Claim 499-1 is attached to the Trustee
6 Declaration as **Exhibit “22”**.

7 31. On May 8, 2015, Jeffrey Chen and Shirley Zheng filed a claim claiming priority
8 under 11 U.S.C. § 507(a)(7) in the amount of \$1,900.00 based on deposit toward purchase, lease
9 or rental of property. A true and correct copy of Claim 500-1 is attached to the Trustee
10 Declaration as **Exhibit “23”**.

11 32. On May 8, 2015, Jeffrey Chen and Shirley Zheng filed a claim claiming priority
12 under 11 U.S.C. § 507(a)(7) in the amount of \$1,395.00 based on deposit toward purchase, lease
13 or rental of property. A true and correct copy of Claim 501-1 is attached to the Trustee
14 Declaration as **Exhibit “24”**.

15 33. On May 8, 2015, Edwin Chen and Xiao Mei Su filed a claim claiming priority
16 under 11 U.S.C. § 507(a)(7) in the amount of \$2,000.00 based on deposit toward purchase, lease
17 or rental of property. A true and correct copy of Claim 502-1 is attached to the Trustee
18 Declaration as **Exhibit “25”**.

19 34. On May 8, 2015, Edwin Chen and Xiao Mei Su filed a claim claiming priority
20 under 11 U.S.C. § 507(a)(7) in the amount of \$1,400.00 based on deposit toward purchase, lease
21 or rental of property. A true and correct copy of Claim 503-1 is attached to the Trustee
22 Declaration as **Exhibit “26”**.

23 35. On May 8, 2015, Tau-San Chou and Shun-Ten Lee filed a claim claiming priority
24 under 11 U.S.C. § 507(a)(7) in the amount of \$1,300.00 based on deposit toward purchase, lease
25 or rental of property. A true and correct copy of Claim 504-1 is attached to the Trustee
26 Declaration as **Exhibit “27”**.

27 36. On May 11, 2015, Enoch Hon and Ka Wong filed a claim claiming priority under
28 11 U.S.C. § 507(a)(7) in the amount of \$1,825.00 based on deposit toward purchase, lease or

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1 rental of property. A true and correct copy of Claim 507-1 is attached to the Trustee Declaration
2 as **Exhibit “28”**.

3 37. On May 11, 2015, Hong Yu filed a claim claiming priority under 11 U.S.C. §
4 507(a)(7) in the amount of \$3,600.00 based on deposit toward purchase, lease or rental of
5 property. A true and correct copy of Claim 510-1 is attached to the Trustee Declaration as **Exhibit**
6 **“29”**.

7 38. On May 11, 2015, Lorraine Dannenberg filed a claim claiming priority under 11
8 U.S.C. § 507(a)(7) in the amount of \$850.00 based on deposit toward purchase, lease or rental of
9 property. A true and correct copy of Claim 511-1 is attached to the Trustee Declaration as **Exhibit**
10 **“30”**.

11 39. On May 11, 2015, Monita May Fong Cheng filed a claim claiming priority under
12 11 U.S.C. § 507(a)(7) in the amount of \$2,450.00 based on deposit toward purchase, lease or
13 rental of property. A true and correct copy of Claim 512-1 is attached to the Trustee Declaration
14 as **Exhibit “31”**.

15 40. On May 11, 2015, Chung Lok Louie and Mei Chun Lee filed a claim claiming
16 priority under 11 U.S.C. § 507(a)(7) in the amount of \$1,500.00 based on deposit toward
17 purchase, lease or rental of property. A true and correct copy of Claim 513-1 is attached to the
18 Trustee Declaration as **Exhibit “32”**.

19 41. On May 11, 2015, Delta Food International, Inc. filed a claim claiming priority
20 under 11 U.S.C. § 507(a)(7) in the amount of \$5,085.00 based on deposit toward purchase, lease
21 or rental of property. A true and correct copy of Claim 514-1 is attached to the Trustee
22 Declaration as **Exhibit “33”**.

23 42. On May 11, 2015, James Yuen Hung Lau and Shui Tai Lau filed a claim claiming
24 priority under 11 U.S.C. § 507(a)(7) in the amount of \$1,530.00 based on deposit toward
25 purchase, lease or rental of property. A true and correct copy of Claim 515-1 is attached to the
26 Trustee Declaration as **Exhibit “34”**.

27 43. On May 11, 2015, Jeffrey Dong and Xinbai Zhang filed a claim claiming priority
28 under 11 U.S.C. § 507(a)(7) in the amount of \$2,080.00 based on deposit toward purchase, lease

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1 or rental of property. A true and correct copy of Claim 516-1 is attached to the Trustee
2 Declaration as **Exhibit “35”**.

3 44. On May 11, 2015, Christie X. Chen filed a claim claiming priority under 11 U.S.C.
4 § 507(a)(7) in the amount of \$1,250.00 based on deposit toward purchase, lease or rental of
5 property. A true and correct copy of Claim 517-1 is attached to the Trustee Declaration as **Exhibit**
6 **“36”**.

7 45. On May 11, 2015, Kee Seong Ooi and Jing Xu filed a claim claiming priority
8 under 11 U.S.C. § 507(a)(7) in the amount of \$1,995.00 based on deposit toward purchase, lease
9 or rental of property. A true and correct copy of Claim 518-1 is attached to the Trustee
10 Declaration as **Exhibit “37”**.

11 46. On May 11, 2015, Stephen Mok filed a claim claiming priority under 11 U.S.C. §
12 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease or rental of
13 property. A true and correct copy of Claim 519-1 is attached to the Trustee Declaration as **Exhibit**
14 **“38”**.

15 47. On May 11, 2015, Francis S. Chan and Lucy Y Chan filed a claim claiming
16 priority under 11 U.S.C. § 507(a)(7) in the amount of \$1,550.00 based on deposit toward
17 purchase, lease or rental of property. A true and correct copy of Claim 520-1 is attached to the
18 Trustee Declaration as **Exhibit “39”**.

19 48. On May 11, 2015, Huai Xing Liang and Han Ming Tam filed a claim claiming
20 priority under 11 U.S.C. § 507(a)(7) in the amount of \$1,400.00 based on deposit toward
21 purchase, lease or rental of property. A true and correct copy of Claim 521-1 is attached to the
22 Trustee Declaration as **Exhibit “40”**.

23 49. On May 11, 2015, James Lui filed a claim claiming priority under 11 U.S.C. §
24 507(a)(7) in the amount of \$1,450.00 based on deposit toward purchase, lease or rental of
25 property. A true and correct copy of Claim 522-1 is attached to the Trustee Declaration as **Exhibit**
26 **“41”**.

27 50. On May 11, 2015, Amy Cui Fang and Hep Yuen Lum filed a claim claiming
28 priority under 11 U.S.C. § 507(a)(7) in the amount of \$1,760.00 based on deposit toward

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1 purchase, lease or rental of property. A true and correct copy of Claim 523-1 is attached to the
2 Trustee Declaration as **Exhibit “42”**.

3 51. On May 11, 2015, Edmimi, Inc. filed a claim claiming priority under 11 U.S.C. §
4 507(a)(7) in the amount of \$3,100.00 based on deposit toward purchase, lease or rental of
5 property. A true and correct copy of Claim 524-1 is attached to the Trustee Declaration as **Exhibit**
6 **“43”**.

7 52. On May 11, 2015, Lian Wen Lin filed a claim claiming priority under 11 U.S.C. §
8 507(a)(7) in the amount of \$1,400.00 based on deposit toward purchase, lease or rental of
9 property. A true and correct copy of Claim 525-1 is attached to the Trustee Declaration as **Exhibit**
10 **“44”**.

11 53. On May 11, 2015, Wai Lee and Yu Chun Lee filed a claim claiming priority under
12 11 U.S.C. § 507(a)(7) in the amount of \$1,530.00 based on deposit toward purchase, lease or
13 rental of property. A true and correct copy of Claim 526-1 is attached to the Trustee Declaration
14 as **Exhibit “45”**.

15 54. On May 11, 2015, Li Feng filed a claim claiming priority under 11 U.S.C. §
16 507(a)(7) in the amount of \$1,000.00 based on deposit toward purchase, lease or rental of
17 property. A true and correct copy of Claim 528-1 is attached to the Trustee Declaration as **Exhibit**
18 **“46”**.

19 55. On May 11, 2015, Li Feng filed a claim claiming priority under 11 U.S.C. §
20 507(a)(7) in the amount of \$1,000.00 based on deposit toward purchase, lease or rental of
21 property. A true and correct copy of Claim 529-1 is attached to the Trustee Declaration as **Exhibit**
22 **“47”**.

23 56. On May 11, 2015, Li Feng filed a claim claiming priority under 11 U.S.C. §
24 507(a)(7) in the amount of \$1,000.00 based on deposit toward purchase, lease or rental of
25 property. A true and correct copy of Claim 530-1 is attached to the Trustee Declaration as **Exhibit**
26 **“48”**.

27 57. On May 11, 2015, Hamilton Lei filed a claim claiming priority under 11 U.S.C. §
28 507(a)(7) in the amount of \$775.00 based on deposit toward purchase, lease or rental of property.

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1 A true and correct copy of Claim 531-1 is attached to the Trustee Declaration as **Exhibit “49”**.

2 58. On May 11, 2015, Shirley Lam filed a claim claiming priority under 11 U.S.C. §
3 507(a)(7) in the amount of \$1,450.00 based on deposit toward purchase, lease or rental of
4 property. A true and correct copy of Claim 532-1 is attached to the Trustee Declaration as **Exhibit**
5 **“50”**.

6 59. On May 11, 2015, Wai Lee and Yu Chun Lee filed a claim claiming priority under
7 11 U.S.C. § 507(a)(7) in the amount of \$1,650.00 based on deposit toward purchase, lease or
8 rental of property. A true and correct copy of Claim 533-1 is attached to the Trustee Declaration
9 as **Exhibit “51”**.

10 60. On May 11, 2015, James Lui filed a claim claiming priority under 11 U.S.C. §
11 507(a)(7) in the amount of \$1,925.00 based on deposit toward purchase, lease or rental of
12 property. A true and correct copy of Claim 534-1 is attached to the Trustee Declaration as **Exhibit**
13 **“52”**.

14 61. On May 11, 2015, Wayne Chan filed a claim claiming priority under 11 U.S.C. §
15 507(a)(7) in the amount of \$2,325.00 based on deposit toward purchase, lease or rental of
16 property. A true and correct copy of Claim 535-1 is attached to the Trustee Declaration as **Exhibit**
17 **“53”**.

18 62. On May 11, 2015, Thanh Tang filed a claim claiming priority under 11 U.S.C. §
19 507(a)(7) in the amount of \$1,450.00 based on deposit toward purchase, lease or rental of
20 property. A true and correct copy of Claim 536-1 is attached to the Trustee Declaration as **Exhibit**
21 **“54”**.

22 63. On May 11, 2015, J L C General Corp. filed a claim claiming priority under 11
23 U.S.C. § 507(a)(7) in the amount of \$1,200.00 based on deposit toward purchase, lease or rental
24 of property. A true and correct copy of Claim 537-1 is attached to the Trustee Declaration as
25 **Exhibit “55”**.

26 64. On May 11, 2015, Lan Sui Zeng filed a claim claiming priority under 11 U.S.C. §
27 507(a)(7) in the amount of \$1,450.00 based on deposit toward purchase, lease or rental of
28 property. A true and correct copy of Claim 538-1 is attached to the Trustee Declaration as **Exhibit**

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1 “56”.

2 65. On May 11, 2015, Hao Ran He, Qi Ping Zhu and Qi Hong Zhu filed a claim
3 claiming priority under 11 U.S.C. § 507(a)(7) in the amount of \$2,750.00 based on deposit toward
4 purchase, lease or rental of property. A true and correct copy of Claim 539-1 is attached to the
5 Trustee Declaration as **Exhibit “57”**.

6 66. On May 11, 2015, Zhiying, Inc. filed a claim claiming priority under 11 U.S.C. §
7 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease or rental of
8 property. A true and correct copy of Claim 540-1 is attached to the Trustee Declaration as **Exhibit**
9 **“58”**.

10 67. On May 11, 2015, Thanh Tang and Alyssa Tang filed a claim claiming priority
11 under 11 U.S.C. § 507(a)(7) in the amount of \$1,700.00 based on deposit toward purchase, lease
12 or rental of property. A true and correct copy of Claim 541-1 is attached to the Trustee
13 Declaration as **Exhibit “59”**.

14 68. On May 11, 2015, Hsing Fang Lee and Huitang Ma filed a claim claiming priority
15 under 11 U.S.C. § 507(a)(7) in the amount of \$2,075.00 based on deposit toward purchase, lease
16 or rental of property. A true and correct copy of Claim 542-1 is attached to the Trustee
17 Declaration as **Exhibit “60”**.

18 69. On May 11, 2015, Howard Chan and Susan Liang filed a claim claiming priority
19 under 11 U.S.C. § 507(a)(7) in the amount of \$1,475.00 based on deposit toward purchase, lease
20 or rental of property. A true and correct copy of Claim 543-1 is attached to the Trustee
21 Declaration as **Exhibit “61”**.

22 70. On May 11, 2015, Wayne Chan filed a claim claiming priority under 11 U.S.C. §
23 507(a)(7) in the amount of \$1,110.00 based on deposit toward purchase, lease or rental of
24 property. A true and correct copy of Claim 544-1 is attached to the Trustee Declaration as **Exhibit**
25 **“62”**.

26 71. On May 11, 2015, Jie Zhu filed a claim claiming priority under 11 U.S.C. §
27 507(a)(7) in the amount of \$1,750.00 based on deposit toward purchase, lease or rental of
28 property. A true and correct copy of Claim 545-1 is attached to the Trustee Declaration as **Exhibit**

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1 “63”.

2 72. On May 11, 2015, Thanh Tang filed a claim claiming priority under 11 U.S.C. §
3 507(a)(7) in the amount of \$1,400.00 based on deposit toward purchase, lease or rental of
4 property. A true and correct copy of Claim 546-1 is attached to the Trustee Declaration as **Exhibit**
5 “64”.

6 73. On May 11, 2015, Hung Kin Cheung and Mi Kuen Ching filed a claim claiming
7 priority under 11 U.S.C. § 507(a)(7) in the amount of \$1,850.00 based on deposit toward
8 purchase, lease or rental of property. A true and correct copy of Claim 547-1 is attached to the
9 Trustee Declaration as **Exhibit “65”**.

10 74. On May 11, 2015, S H B 2, LLC filed a claim claiming priority under 11 U.S.C. §
11 507(a)(7) in the amount of \$1,900.00 based on deposit toward purchase, lease or rental of
12 property. A true and correct copy of Claim 548-1 is attached to the Trustee Declaration as **Exhibit**
13 “66”.

14 75. On May 11, 2015, Susan Liang filed a claim claiming priority under 11 U.S.C. §
15 507(a)(7) in the amount of \$1,650.00 based on deposit toward purchase, lease or rental of
16 property. A true and correct copy of Claim 549-1 is attached to the Trustee Declaration as **Exhibit**
17 “67”.

18 76. On May 11, 2015, Wai Chung Ching filed a claim claiming priority under 11
19 U.S.C. § 507(a)(7) in the amount of \$4,100.00 based on deposit toward purchase, lease or rental
20 of property. A true and correct copy of Claim 560-1 is attached to the Trustee Declaration as
21 **Exhibit “68”**.

22 77. On May 11, 2015, Ho Mu Lin Ching filed a claim claiming priority under 11
23 U.S.C. § 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease or rental
24 of property. A true and correct copy of Claim 561-1 is attached to the Trustee Declaration as
25 **Exhibit “69”**.

26 78. On May 11, 2015, Jenny Zheng Wong and Pak Hoi Wong filed a claim claiming
27 priority under 11 U.S.C. § 507(a)(7) in the amount of \$2,550.00 based on deposit toward
28 purchase, lease or rental of property. A true and correct copy of Claim 562-1 is attached to the

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1 Trustee Declaration as **Exhibit “70”**.

2 79. On May 11, 2015, Jenny Zheng Wong, Pak Hoi Wong, and Ella Wong filed a
3 claim claiming priority under 11 U.S.C. § 507(a)(7) in the amount of \$4,200.00 based on deposit
4 toward purchase, lease or rental of property. A true and correct copy of Claim 563-1 is attached to
5 the Trustee Declaration as **Exhibit “71”**.

6 80. On May 11, 2015, Qi Hong Zhu filed a claim claiming priority under 11 U.S.C. §
7 507(a)(7) in the amount of \$1,645.00 based on deposit toward purchase, lease or rental of
8 property. A true and correct copy of Claim 564-1 is attached to the Trustee Declaration as **Exhibit**
9 **“72”**.

10 81. On May 11, 2015, Janna Ngu and Angie Ngu filed a claim claiming priority under
11 11 U.S.C. § 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease or
12 rental of property. A true and correct copy of Claim 565-1 is attached to the Trustee Declaration
13 as **Exhibit “73”**.

14 82. On May 11, 2015, Kin K. Hong filed a claim claiming priority under 11 U.S.C. §
15 507(a)(7) in the amount of \$2,500.00 based on deposit toward purchase, lease or rental of
16 property. A true and correct copy of Claim 566-1 is attached to the Trustee Declaration as **Exhibit**
17 **“74”**.

18 83. On May 11, 2015, Phyllis La filed a claim claiming priority under 11 U.S.C. §
19 507(a)(7) in the amount of \$2,700.00 based on deposit toward purchase, lease or rental of
20 property. A true and correct copy of Claim 567-1 is attached to the Trustee Declaration as **Exhibit**
21 **“75”**.

22 84. On May 11, 2015, William Liu filed a claim claiming priority under 11 U.S.C. §
23 507(a)(7) in the amount of \$1,600.00 based on deposit toward purchase, lease or rental of
24 property. A true and correct copy of Claim 568-1 is attached to the Trustee Declaration as **Exhibit**
25 **“76”**.

26 85. On May 11, 2015, Johnny Y. Huang filed a claim claiming priority under 11
27 U.S.C. § 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease or rental
28 of property. A true and correct copy of Claim 569-1 is attached to the Trustee Declaration as

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1 **Exhibit “77”.**

2 86. On May 11, 2015, Zi Fan Lei and Pei No Lei filed a claim claiming priority under
3 11 U.S.C. § 507(a)(7) in the amount of \$1,450.00 based on deposit toward purchase, lease or
4 rental of property. A true and correct copy of Claim 570-1 is attached to the Trustee Declaration
5 as **Exhibit “78”.**

6 87. On May 11, 2015, Meisheng Zhu filed a claim claiming priority under 11 U.S.C. §
7 507(a)(7) in the amount of \$1,550.00 based on deposit toward purchase, lease or rental of
8 property. A true and correct copy of Claim 571-1 is attached to the Trustee Declaration as **Exhibit**
9 **“79”.**

10 88. On May 11, 2015, Jimmy Nguyen filed a claim claiming priority under 11 U.S.C.
11 § 507(a)(7) in the amount of \$1,400.00 based on deposit toward purchase, lease or rental of
12 property. A true and correct copy of Claim 572-1 is attached to the Trustee Declaration as **Exhibit**
13 **“80”.**

14 89. On May 11, 2015, Ho Mu Lin filed a claim claiming priority under 11 U.S.C. §
15 507(a)(7) in the amount of \$2,000.00 based on deposit toward purchase, lease or rental of
16 property. A true and correct copy of Claim 573-1 is attached to the Trustee Declaration as **Exhibit**
17 **“81”.**

18 90. On May 11, 2015, Ricky Leung and Hsueh Mei Leong filed a claim claiming
19 priority under 11 U.S.C. § 507(a)(7) in the amount of \$2,500.00 based on deposit toward
20 purchase, lease or rental of property. A true and correct copy of Claim 574-1 is attached to the
21 Trustee Declaration as **Exhibit “82”.**

22 91. On May 11, 2015, Jun-Fang Zhou filed a claim claiming priority under 11 U.S.C. §
23 507(a)(7) in the amount of \$1,825.00 based on deposit toward purchase, lease or rental of
24 property. A true and correct copy of Claim 581-1 is attached to the Trustee Declaration as **Exhibit**
25 **“83”.**

26 92. On May 11, 2015, Ling Chen Chien filed a claim for \$6,125.00 and claiming
27 priority under 11 U.S.C. § 507(a)(7) in the amount of \$2,775.00 based on deposit toward
28 purchase, lease or rental of property. A true and correct copy of Claim 613-1 is attached to the

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1 Trustee Declaration as **Exhibit “84”**.

2 93. On May 11, 2015, Kin Kwan and Sandy Liu filed a claim for \$3,600.00 and
3 claiming priority under 11 U.S.C. § 507(a)(7) in the amount of \$2,775.00 based on deposit toward
4 purchase, lease or rental of property. A true and correct copy of Claim 614-1 is attached to the
5 Trustee Declaration as **Exhibit “85”**.

6 94. On May 11, 2015, Kin Kwan and Sandy Liu filed a claim claiming priority under
7 11 U.S.C. § 507(a)(7) in the amount of \$1,200.00 based on deposit toward purchase, lease or
8 rental of property. A true and correct copy of Claim 615-1 is attached to the Trustee Declaration
9 as **Exhibit “86”**.

10 95. On May 11, 2015, Fengbin Jin filed a claim claiming priority under 11 U.S.C. §
11 507(a)(7) in the amount of \$1,395.00 based on deposit toward purchase, lease or rental of
12 property. A true and correct copy of Claim 616-1 is attached to the Trustee Declaration as **Exhibit**
13 **“87”**.

14 96. On May 11, 2015, JMTA Properties, LLC filed a claim claiming priority under 11
15 U.S.C. § 507(a)(7) in the amount of \$1,475.00 based on deposit toward purchase, lease or rental
16 of property. A true and correct copy of Claim 617-1 is attached to the Trustee Declaration as
17 **Exhibit “88”**.

18 97. On May 11, 2015, Jimmy Nguyen filed a claim claiming priority under 11 U.S.C.
19 § 507(a)(7) in the amount of \$1,405.00 based on deposit toward purchase, lease or rental of
20 property. A true and correct copy of Claim 618-1 is attached to the Trustee Declaration as **Exhibit**
21 **“89”**.

22 98. On May 11, 2015, Zhong Rong Zhou filed a claim claiming priority under 11
23 U.S.C. § 507(a)(7) in the amount of \$1,379.00 based on deposit toward purchase, lease or rental
24 of property. A true and correct copy of Claim 619-1 is attached to the Trustee Declaration as
25 **Exhibit “90”**.

26 99. On May 11, 2015, Christina Kim and Richard Kim filed a claim claiming priority
27 under 11 U.S.C. § 507(a)(7) in the amount of \$2,095.00 based on deposit toward purchase, lease
28 or rental of property. A true and correct copy of Claim 620-1 is attached to the Trustee

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1 Declaration as **Exhibit “91”**.

2 100. On May 11, 2015, Juanito Chua and Juliet T. Chua filed a claim claiming priority
3 under 11 U.S.C. § 507(a)(7) in the amount of \$2,300.00 based on deposit toward purchase, lease
4 or rental of property. A true and correct copy of Claim 621-1 is attached to the Trustee
5 Declaration as **Exhibit “92”**.

6 101. On May 11, 2015, Lan Sui Zeng filed a claim claiming priority under 11 U.S.C. §
7 507(a)(7) in the amount of \$1,850.00 based on deposit toward purchase, lease or rental of
8 property. A true and correct copy of Claim 622-1 is attached to the Trustee Declaration as **Exhibit**
9 **“93”**.

10 102. On May 11, 2015, Alfredo Chan filed a claim claiming priority under 11 U.S.C. §
11 507(a)(7) in the amount of \$1,625.00 based on deposit toward purchase, lease or rental of
12 property. A true and correct copy of Claim 623-1 is attached to the Trustee Declaration as **Exhibit**
13 **“94”**.

14 103. On May 11, 2015, Juanito Chua and Juliet T. Chua filed a claim claiming priority
15 under 11 U.S.C. § 507(a)(7) in the amount of \$1,675.00 based on deposit toward purchase, lease
16 or rental of property. A true and correct copy of Claim 624-1 is attached to the Trustee
17 Declaration as **Exhibit “95”**.

18 104. On May 11, 2015, Thomas Z. Zhu filed a claim claiming priority under 11 U.S.C.
19 § 507(a)(7) in the amount of \$1,825.00 based on deposit toward purchase, lease or rental of
20 property. A true and correct copy of Claim 625-1 is attached to the Trustee Declaration as **Exhibit**
21 **“96”**.

22 105. On May 11, 2015, Ling Peng Huang filed a claim claiming priority under 11
23 U.S.C. § 507(a)(7) in the amount of \$1,730.00 based on deposit toward purchase, lease or rental
24 of property. A true and correct copy of Claim 626-1 is attached to the Trustee Declaration as
25 **Exhibit “97”**.

26 106. On May 11, 2015, Lan Sui Zeng filed a claim claiming priority under 11 U.S.C. §
27 507(a)(7) in the amount of \$1,850.00 based on deposit toward purchase, lease or rental of
28 property. A true and correct copy of Claim 627-1 is attached to the Trustee Declaration as **Exhibit**

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1 “98”.

2 107. On May 11, 2015, Nathan Lui filed a claim claiming priority under 11 U.S.C. §
3 507(a)(7) in the amount of \$1,450.00 based on deposit toward purchase, lease or rental of
4 property. A true and correct copy of Claim 628-1 is attached to the Trustee Declaration as **Exhibit**
5 “99”.

6 108. On February 10, 2020, the Court entered an *Order Granting Ex Parte Motion to*
7 *Permit the Joinder of Objections to Proofs of Claim Pursuant to Federal Rule of Bankruptcy*
8 *Procedure 3007(c)* [ECF No. 306].

9 109. The Trustee now seeks an order finding that Claims 475-1, 476-1, 477-1, 478-1,
10 479-1, 480-1, 481-1, 482-1, 483-1, 484-1, 485-1, 486-1, 487-1, 488-1, 489-1, 490-1, 492-1, 495-
11 1, 496-1, 497-1, 498-1, 499-1, 500-1, 501-1, 502-1, 503-1, 504-1, 507-1, 510-1, 511-1, 512-1,
12 513-1, 514-1, 515-1, 516-1, 517-1, 518-1, 519-1, 520-1, 521-1, 522-1, 523-1, 524-1, 525-1, 526-
13 1, 528-1, 529-1, 530-1, 531-1, 532-1, 533-1, 534-1, 535-1, 536-1, 537-1, 538-1, 539-1, 540-1,
14 541-1, 542-1, 543-1, 544-1, 545-1, 546-1, 547-1, 548-1, 549-1, 560-1, 561-1, 562-1, 563-1, 564-
15 1, 565-1, 566-1, 567-1, 568-1, 569-1, 570-1, 571-1, 572-1, 573-1, 574-1, 581-1, 613-1, 614-1,
16 615-1, 616-1, 617-1, 618-1, 619-1, 620-1, 621-1, 622-1, 623-1, 624-1, 625-1, 626-1, 627-1, and
17 628-1 are not entitled to priority under Section 507(a)(7), and reclassifying these claims as
18 general unsecured claims.

19 **V. LEGAL ARGUMENT**

20 **A. The Standard For Disallowance of Proofs of Claim**

21 Pursuant to section 502, a filed proof of claim is deemed allowed, unless a party in interest
22 objects thereto. *See* 11 U.S.C. § 502(a). The United States Court of Appeals for the Ninth Circuit
23 has described the obligations of a creditor in establishing their claim and the burdens relating to
24 proofs of claim objections:

25 Inasmuch as Rule 3001(f) and section 502(a) provide that a claim or
26 interest as to which proof is filed is "deemed allowed," the burden
27 of initially going forward with the evidence as to the validity and
28 the amount of the claim is that of the objector to that claim. In short,
the allegations of the proof of claim are taken as true. **If those
allegations set forth all the necessary facts to establish a claim**

1 **and are not self-contradictory, they prima facie establish the**
 2 **claim.** Should objection be taken, the objector is then called upon to
 3 produce evidence and show facts tending to defeat the claim by
 4 probative force equal to that of the allegations of the proofs of claim
 5 themselves. But **the ultimate burden of persuasion is always on**
 6 **the claimant.** Thus, it may be said that the proof of claim is some
 7 evidence as to its validity and amount.

8 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991) (quoting 3 L. King, COLLIER ON
 9 BANKRUPTCY § 502.02, at 502-22 (15th ed. 1991)) (emphasis removed) (emphasis added); *see*
 10 also *Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1040 (9th Cir. 2000) (holding that
 11 the bankruptcy court correctly understood that the ultimate burden of persuasion was on the
 12 creditor); *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (B.A.P. 9th Cir. 1993) (holding
 13 claimant bears ultimate burden of persuasion as to validity and amount of the claim by a
 14 preponderance of the evidence). Accordingly, to be entitled to prima facie validity of a claim, a
 15 proof of claim must set forth all necessary facts to establish the claim. *Wright*, 931 F.2d at 623.
 16 Furthermore, the ultimate burden is always on the claimant, and a claim must be denied if the
 17 claimant cannot carry this burden after an objection showing facts tending to defeat the claim. *Id.*
 18 If the objector produces sufficient evidence to negate one or more of the sworn facts in the proof
 19 of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance
 20 of the evidence. *See Lundell*, 223 F.3d at 1039 (citations omitted).

21 In accordance with Section 502(b), the validity and amount of the claim shall be
 22 determined as of the date of the filing of the bankruptcy petition. Section 502(b)(1) requires
 23 disallowance of a claim if “such claim is unenforceable against the debtor and property of the
 24 debtor, under any agreement or applicable law for a reason other than because such claim is
 25 contingent or unmatured . . .” 11 U.S.C. § 502(b)(1). The “applicable law” referenced in Section
 26 502(b)(1) includes bankruptcy law as well as other federal and state laws. A trustee is therefore
 27 allowed to raise any federal or state law defenses to a claim. *See In re G.I. Indus., Inc.*, 204 F.3d
 28 1276, 1281 (9th Cir. 2000) (stating that a claim cannot be allowed under Section 502(b)(1) if it is
 29 unenforceable under nonbankruptcy law); *Johnson v. Righetti*, 756 F.2d 738, 741 (9th Cir. 1985)
 30 (finding that the validity of the claim may be determined under state law); *In re Eastview Estates*

1 II, 713 F.2d 443, 447 (9th Cir. 1983) (applying California law).

2 **B. The Claims in Question Are Not Entitled to Priority Under Section 507(a)(7)**

3 Section 507(a)(7) states:

4 (a) The following expenses and claims have priority in the following
5 order:

6 *****

7 (7) Seventh, allowed unsecured claims of individuals, to
8 the extent of \$2,850 for each such individual, arising
9 from the deposit, before the commencement of the
10 case, of money in connection with the purchase, lease,
11 or rental of property, or the purchase of services, for the
12 personal, family, or household use of such individuals,
13 that were not delivered or provided.

12 Case law establishes that tenants are entitled to seventh level priority. The Code provides
13 a seventh priority for allowed, unsecured claims of individuals who deposited money with
14 the debtor prepetition and in connection with the purchase, lease, or rental of property, or the
15 purchase of services, for the personal, family, or household use of such an individual where the
16 debtor failed to deliver such property or services. This priority is limited to the extent of \$2,775
17 for each such individual and has been referred to as the “consumer priority.”

18 Courts have interpreted “individual” in its ordinary sense: An individual means “one
19 natural person” and does not include business entities such as corporations or partnerships. *See In*
20 *re James R. Corbitt Co.*, 48 B.R. 937, 939 (Bankr. E.D. Va. 1985); *In re Carolina Sales Corp.*,
21 43 B.R. 596, 597 (Bankr. E.D.N.C. 1984). A residential tenant who pays a security deposit is
22 entitled to a §507(a)(7) priority claim in the landlord's bankruptcy case. *See Guarracino v.*
23 *Hoffman*, 246 B.R. 130, 134 (D. Mass. 2000)(“Given that non-commercial tenant security
24 deposits are within the scope of the statute and legislative history evidences Congress’ intent to
25 protect a consumer's money held in trust, it follows that the \$1300 security deposit should be
26 given administrative priority.”); *In re River Vill. Assocs.*, 161 B.R. 127, 133-34 (Bankr. E.D. Pa.
27 1993) aff'd, 181 B.R. 795 (E.D. Pa. 1995) (holding that each tenant’s claim for security deposits
28 is entitled to priority in landlord’s Chapter 11 case); *In re Wise*, 120 B.R. 537, 545-47(Bankr. D.

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1 Alaska 1990) (contractual assignee of tenant security deposits was entitled to assert consumer
2 deposit priority).

3 The Court in *Guarracino* held that Section 507(6) allowing sixth-level (now Section
4 507(a)(7) allowing seventh-level) priority to unsecured claims for the recovery of sums deposited
5 with debtor in connection with the purchase, lease or rental of property was enacted to
6 protect unsuspecting individuals who deposit money into what is tantamount to a trust fund.
7 In the instant case, it is the individual tenants who deposited the money, not the landlords.
8 Therefore, the tenants, and only the tenants, are entitled to a priority claim.

9 Here, each of the claims objected to was filed by a landlord, asserting a priority claim
10 under 11 U.S.C. § 507(a)(7). The deposits in question were not for the purchase, lease, or rental of
11 property for the personal, family, or household of those asserting the claim. Accordingly, these
12 claims should be reclassified as general unsecured claims.

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VI. CONCLUSION

For the foregoing reasons, the Trustee respectfully requests that the Court enter an order: (i) sustaining the Objections to claim numbers 475-1, 476-1, 477-1, 478-1, 479-1, 480-1, 481-1, 482-1, 483-1, 484-1, 485-1, 486-1, 487-1, 488-1, 489-1, 490-1, 492-1, 495-1, 496-1, 497-1, 498-1, 499-1, 500-1, 501-1, 502-1, 503-1, 504-1, 507-1, 510-1, 511-1, 512-1, 513-1, 514-1, 515-1, 516-1, 517-1, 518-1, 519-1, 520-1, 521-1, 522-1, 523-1, 524-1, 525-1, 526-1, 528-1, 529-1, 530-1, 531-1, 532-1, 533-1, 534-1, 535-1, 536-1, 537-1, 538-1, 539-1, 540-1, 541-1, 542-1, 543-1, 544-1, 545-1, 546-1, 547-1, 548-1, 549-1, 560-1, 561-1, 562-1, 563-1, 564-1, 565-1, 566-1, 567-1, 568-1, 569-1, 570-1, 571-1, 572-1, 573-1, 574-1, 581-1, 613-1, 614-1, 615-1, 616-1, 617-1, 618-1, 619-1, 620-1, 621-1, 622-1, 623-1, 624-1, 625-1, 626-1, 627-1, and 628-1 and reclassify these claims as general unsecured claims; and (ii) for such other and further relief as is just and proper.

Dated this 24th day of July, 2020.

HOUAMAND LAW FIRM, LTD.

By: */s/ Bradley G. Sims, Esq.*
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Counsel for Shelley D. Krohn, Chapter 7 Trustee

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