

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:)
)
SONJA PETEET,) CASE NO. 04-61438 JPK
) Chapter 7
Debtor.)

ORDER DENYING MOTION FOR AVOIDANCE OF JUDICIAL LIEN

This Chapter 7 case was initiated by a voluntary petition filed on March 26, 2004. Following the filing by the Trustee of a no asset report, the case was closed on July 29, 2004. On July 17, 2009, the debtor filed a motion to reopen the case, and at the same time filed a motion to avoid a judicial lien of Pioneer Financial LLC and of Anderson Motors, Inc. The case was reopened, but the motion for lien avoidance was denied by the court's order entered on September 2, 2009. On December 27, 2009, the debtor filed another motion for avoidance of the judicial lien of Pioneer Financial LLC. By order entered on March 3, 2010, a hearing was held on April 9, 2010 with respect to this motion. At that hearing, the debtor appeared in person and by counsel Inga Lewis-Shannon.

Testimony at the hearing by the debtor disclosed the following. At the time of the filing of the petition, the debtor had an interest in real estate commonly described as 300 West 54th Place, Merrillville, Indiana. The precise nature of the interest was not established at the hearing, however, it is probable that the property was held as tenants by the entirety with the debtor's spouse. There was a mortgage on this property which existed on the date of the filing of the petition. In February 2004 – prior to the filing of the case – Pioneer Financial LLC obtained a judgment against at least the debtor – whether the judgment was a joint judgment against the debtor and her spouse was not established. The property was sold in 2006, and pursuant to the terms of a dissolution of marriage arrangement between the debtor and her spouse, proceeds of the sale were divided between her and her spouse. However, due to the

judgment lien of Pioneer Financial LLC, \$9,000.00 was escrowed by the title insurer, derived from the debtor's share of the proceeds of the sale. This \$9,000.00 is apparently still in the possession of the entity which closed the sales transaction.

No interest in real estate was disclosed in Schedule A filed by the debtor in this case. No secured creditor was listed in Schedule D. Although the Statement of Financial Affairs designates the existence of a lawsuit involving Pioneer Financial LLC, that entity was not listed as a creditor in Schedule F. No exemption was claimed with respect to the subject real estate in Schedule C. The motion before the court at the April 9 hearing sought to avoid the judicial lien with respect to property which was not disclosed in Schedule A, in relation to a creditor not disclosed in either Schedule D or Schedule F, and to invoke an exemption never claimed in Schedule C. The court finds that the record does not establish the debtor's entitlement to the relief sought by the December 27, 2009 motion.

IT IS ORDERED that the foregoing motion is denied, without prejudice.

Dated at Hammond, Indiana on April 15, 2010.

/s/ J. Philip Klingeberger
J. Philip Klingeberger, Judge
United States Bankruptcy Court

Distribution:
Debtor, Attorney for Debtor
Trustee, US Trustee