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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 IN RE ENRIQUE V. GREENBERG,
12 Debtor,

Case No.: 20-cv-00506-GPC-MDD
Bankruptcy No. 19-00878-MM11

13 **ORDER DENYING APPELLEE’S**
14 **MOTION TO DISMISS APPEAL**

15 [ECF No. 12.]

16
17 ENRIQUE V. GREENBERG,
18 Appellant,
19 v.
20 CHAMPION MORTGAGE COMPANY,
21 Appellee.
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24 Before the Court is Appellee Champion Mortgage Company’s (“Appellee”)
25 Motion to Dismiss Appellant Enrique V. Greenberg’s (“Appellant”) Appeal of the
26 Bankruptcy Court’s Order Overruling Objection to Claim 2-2. The Court finds this
27 motion suitable for disposition without oral argument pursuant to Civ. L.R. 7.1(d)(1).
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1 Having considered the parties' submissions and for the reasons set forth below, the Court
2 hereby **DENIES** the Motion to Dismiss.

3 **BACKGROUND**

4 Appellant's bankruptcy appeal arises out of the bankruptcy court's order ("Order
5 on Claim 2-2") overruling his objections to Appellee's proof of claim ("Claim 2-2") in
6 Greenberg's most recent bankruptcy case, originally filed in bankruptcy court under
7 Chapter 11 of the Bankruptcy Code on February 20, 2019 ("Current Bankruptcy Case").
8 ECF No. 1 at 4; Bk. No. 19-00878-MM11. Appellee asserts Claim 2-2 based on a
9 reverse mortgage loan evidenced by an adjustable rate note executed by Appellant's
10 mother, Antonia Cortes. ECF No. 12 at 6, 10; Bk. No. 19-00878-MM11 Claims Register,
11 Claim 2-2. The note is secured by a deed of trust against Appellant's principal residence
12 in Temecula, California ("Property"). ECF No. 12 at 6; Bk. No. 19-00878-MM11 Claims
13 Register, Claim 2-2. Both parties acknowledge that several of Appellant's prior
14 bankruptcy cases are relevant to Appellant's appeal of the Order on Claim 2-2.

15 **I. Bankruptcy Proceedings¹**

16 On January 17, 2014, Appellant filed a voluntary petition for relief under Chapter 7
17 of the Bankruptcy Code ("2014 Bankruptcy Case"). *See* Bk. No. 14-00260-MM7, ECF
18 No. 1. In the 2014 Bankruptcy Case, the bankruptcy court appointed Leslie Gladstone
19 ("Trustee") as the Chapter 7 Trustee for the benefit of the bankruptcy estate. Bk. No. 14-
20 00260-MM7, ECF No. 2. The Trustee discovered an incorrect digit in the legal
21 description of the Property in the Deed of Trust and on April 16, 2014, filed an adversary
22 complaint against U.S. Bank National Association ("U.S. Bank"), Appellee's predecessor
23 in interest, to avoid the Deed of Trust. Bk. No. 14-90052-MM, ECF No. 1. The Trustee
24 and U.S. Bank later reached a compromise in which the Trustee agreed to execute the
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27 ¹ The Court takes judicial notice of the orders and pleadings filed in Appellant's previous bankruptcy
28 cases pursuant to Fed. R. Evid. 201 and Fed. R. Bankr. P. 9017. *Lee v. City of Los Angeles*, 250 F.3d
668, 689 (9th Cir. 2001).

1 documents needed to correct the error in the legal description in the Deed of Trust and
2 U.S. Bank agreed to pay the Trustee \$58,000 for the benefit of the bankruptcy estate. Bk.
3 No. 14-00260-MM7, ECF No. 150. On March 12, 2015, the Trustee filed a Notice of
4 Intended Action requesting court approval of the compromise, which Appellant opposed.
5 Bk. No. 14-00260-MM7, ECF No. 115, 119. On July 6, 2015, the bankruptcy court
6 issued an order approving the settlement and authorized the Trustee to execute and
7 deliver documents necessary to reform the Deed of Trust (“Compromise Order”). Bk.
8 No. 14-00260-MM7, ECF No. 150. Appellant did not appeal this decision. *See* Bk. No.
9 14-00260-MM7. On September 11, 2015, the Trustee executed the Corrective Deed of
10 Trust and delivered the original to U.S. Bank, but the original was lost or misplaced.
11 ECF No. 13-1 at 27; Bk. No. 14-00260-MM7, ECF No. 150. The Corrective Deed of
12 Trust was not recorded until December 20, 2017. ECF No. 12 at 8; ECF No. 17 at 16.

13 On October 13, 2015, Appellant filed a voluntary petition for relief under Chapter
14 11 (“2015 Bankruptcy Case”).² Bk. No. 15-06578-MM11. On April 25, 2016, Appellant
15 filed an objection to the proof of claim of U.S. Bank, which Appellant had filed on U.S.
16 Bank’s behalf. Bk. No. 15-06578-MM11, ECF No. 68; Claims Register, Claim 3. On
17 May 3, 2016, U.S. Bank moved the bankruptcy court for relief from the automatic stay to
18 allow U.S. Bank to commence a state court action to quiet title, reform the deed, and
19 obtain related declaratory relief. Bk. No. 15-06578-MM11, ECF No. 74. U.S. Bank
20 argued the state court action was necessary despite the Compromise Order because
21 although the Compromise Order rendered U.S. Bank’s interest in the Property that of a
22 secured creditor, the Compromise Order had not resolved the issue given that it was
23 Cortes—not Appellant—who was party to the original Deed of Trust. *Id.* On July 18,
24 2016, the bankruptcy court ordered that the automatic stay be terminated to allow U.S.
25 Bank to proceed in state court to determine its rights in the Property, overruled
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28 ² On July 13, 2015, Appellant filed a first voluntary petition for relief under Chapter 11. Bk. No. 15-
04631-MM11, ECF No. 1. Neither party contends the July 2015 case is relevant to this appeal.

1 Appellant's objections, and deemed the claims withdrawn without prejudice. Bk. No. 15-
2 06578-MM11, ECF Nos. 134, 154. Appellant appealed and moved to stay that order
3 pending appeal, and additionally moved for reconsideration of the order, but the
4 bankruptcy court denied both motions. Bk. No. 15-06578-MM11, ECF Nos. 109, 117,
5 139, 154, 171. On October 28, 2016, the bankruptcy court dismissed the 2015
6 Bankruptcy Case. Bk. No. 15-06578-MM11, ECF No. 207. The Bankruptcy Appellate
7 Panel of the Ninth Circuit then dismissed as moot Appellant's appeal of the order
8 granting relief from the automatic stay. BAP No. SC-16-1212, ECF No. 23.

9 On February 20, 2019, Appellant filed the Current Bankruptcy Case under Chapter
10 11. Bk. No. 19-00878-MM11, ECF No. 1. On August 15, 2019, Appellee filed its
11 Amended Proof of Claim in the amount of \$274,709.60. Bk. No. 19-00878-MM11,
12 Claims Register, Claim 2-2. On October 21, 2019, Appellant filed his objection to Claim
13 2-2, challenging the validity of the Corrective Deed of Trust based upon the bankruptcy
14 court's order in the 2015 Bankruptcy Case permitting U.S. Bank to litigate the
15 reformation issue in state court, among other arguments. Bk. No. 19-00878-MM11, ECF
16 No. 56. The Parties then filed further briefing on the objection to Claim 2-2. Bk. No. 19-
17 00878-MM11, ECF Nos. 62, 79, 81, 89. On March 3, 2020, the bankruptcy court issued
18 its Order on Claim 2-2, overruling Appellant's objections as a matter of law. Bk. No. 19-
19 00878-MM11, ECF No. 103. The bankruptcy court found that it had already litigated
20 and ruled upon the Trustee's authority to execute the corrective deed of trust, and thus
21 that the doctrines of res judicata and collateral estoppel barred Appellant from relitigating
22 the validity of the Corrective Deed of Trust. *Id.* The bankruptcy court did not make a
23 determination as to the proper dollar amount of Claim 2-2. *Id.*

24 On March 17, 2020, Appellant appealed the Order on Claim 2-2 to this Court.
25 ECF No. 1. While this appeal has been pending, Appellant's Chapter 11 case proceeded
26 in bankruptcy court as Appellant did not seek a stay pending appeal. On August 6, 2020,
27 the bankruptcy court dismissed Appellant's bankruptcy case and barred him from filing
28 another bankruptcy case for 180 days. Bk. No. 19-00878-MM11, ECF No. 206. On

1 August 7, 2020, Appellant appealed the bankruptcy court’s dismissal of his case to this
2 Court. Case No. 20-cv-1532-GPC-MDD, ECF No. 1.

3 **II. District Court Proceedings**

4 After the filing of his present appeal, Appellant failed to timely file his opening
5 brief. On July 22, 2020, the Court issued an Order to Show Cause as to why the appeal
6 should not be dismissed. ECF No. 11. On July 27, 2020, Appellee filed the instant
7 Motion to Dismiss, arguing that the appeal is moot and the Court lacks jurisdiction to
8 grant relief. ECF No. 12. On July 31, 2020, Appellant filed a response to the Court’s
9 Order to Show Cause, explaining that he had mistakenly filed his opening brief with the
10 bankruptcy court and attaching the brief as an exhibit. ECF No. 17. On September 4,
11 2020, Appellant filed his response to Appellee’s Motion to Dismiss. ECF No. 23. On
12 September 11, 2020, Appellee filed its reply. ECF No. 24.

13 **LEGAL STANDARD**

14 The Court has jurisdiction to review a bankruptcy court’s final orders pursuant to
15 28 U.S.C. § 158(a). A district court reviews the bankruptcy court’s findings of fact for
16 clear error and its conclusions of law de novo. *Havelock v. Taxel*, 67 F.3d 187, 191 (9th
17 Cir. 1995). Fed. R. Bankr. Proc. 8013. Mootness is a jurisdictional issue that the Court
18 reviews de novo. *In re Baker & Drake*, 35 F.3d 1348, 1351 (9th Cir. 1994). “On appeal,
19 the appellant has the burden of establishing that the appellate court has jurisdiction to
20 hear the case.” *In re Ozenne*, 841 F.3d 810, 814 (9th Cir. 2016) (citing *Melendres v.*
21 *Maricopa Cty.*, 815 F.3d 645, 649 (9th Cir. 2016)).

22 **DISCUSSION**

23 Appellee seeks dismissal of Appellant’s appeal of Order on Claim 2-2 on two
24 grounds: (1) The appeal is moot; and (2) the Court lacks jurisdiction because Appellee
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1 failed to timely appeal the bankruptcy court’s 2015 Compromise Order.³ ECF No. 12 at
2 12–16.

3 **I. The Appeal is Not Moot**

4 Appellee contends that the appeal is both constitutionally and equitably moot.
5 Appellee argues that the appeal is constitutionally moot because Appellant’s Current
6 Bankruptcy Case has been dismissed and the bankruptcy court’s Order on Claim 2-2 will
7 not have preclusive effect. ECF No. 12 at 13. In the alternative, Appellee argues that the
8 Court should find the appeal equitably moot because it would be inequitable for the Court
9 to consider the appeal. *Id.* at 14–15. Appellant argues that the appeal is not moot
10 because appeal is the only appropriate means of deciding the deed reformation issue and
11 dismissing the appeal as moot would be a manifest injustice. ECF No. 23 at 8.

12 **A. Constitutional Mootness**

13 Article III of the U.S. Constitution limits the jurisdiction of federal courts to actual
14 cases and controversies. U.S. Const., Art. III § 2, cl. 1. Federal courts cannot exercise
15 jurisdiction over a case if it is moot, but “the party moving for dismissal on mootness
16 grounds bears a heavy burden.” *Jacobus v. Alaska*, 338 F.3d 1095, 1103 (9th Cir. 2003).
17 “An appeal is moot if events have occurred after the entry of the order being appealed
18 that prevent an appellate court from granting effective relief.” *In re Dynamic Brokers,*
19 *Inc.*, 293 B.R. 489, 493–94 (B.A.P. 9th Cir. 2003) (citing *In re Weinstein*, 227 B.R. 284,
20 289 (B.A.P. 9th Cir. 1998)). When a bankruptcy case has subsequently been dismissed,
21 an appeal of a prior order closely related to the debtor’s reorganization will often be
22 moot. *In re Bevan*, 327 F.3d 994, 996–97 (9th Cir. 2003). However, not all matters are
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26 ³ Appellee raises on reply that the Court should grant the motion to dismiss because Appellant still has
27 not filed his opening brief on the district court docket as a separate document, and instead only attached
28 the opening brief as an exhibit to his response to the Order to Show Cause. ECF No. 24 at 5. The Court
finds that Appellant’s response shows cause as to why his case should not be dismissed but will order
Appellant to file the opening brief on this Court’s docket.

1 “mooted simply because they touch on a bankruptcy proceeding or were adjudicated in
2 it.” *Id.* at 997.

3 The Ninth Circuit has “decided that ‘the allowance or disallowance of a claim in
4 bankruptcy is binding and conclusive on all parties or their privies, and being in the
5 nature of a final judgment, furnishes a basis for a plea of res judicata.’” *Id.* (quoting
6 *Siegel v. Fed. Home Loan Mortgage Corp.*, 143 F.3d 525, 529 (9th Cir.1998)). The
7 bankruptcy court’s allowance or disallowance of a claim will have res judicata effect not
8 just in bankruptcy proceedings, but in future proceedings in state and federal courts that
9 involve the same rights adjudicated in the order on the claim. *Siegel*, 143 F.3d at 529; *see*
10 *also In re Rivera*, No. BR 5:14-54193, 2016 WL 5868693, at *8 (B.A.P. 9th Cir. Aug. 16,
11 2016) (“[I]t is clear that the Claim Order now is final, and the amount established in the
12 Claim is binding between the parties and has preclusive effect in courts outside of the
13 bankruptcy court.”) (internal citation omitted). A reviewing court that reverses a claim
14 allowance or disallowance order on appeal prevents the order from being binding on the
15 appellant in subsequent proceedings and provides the appellant with effective relief. *See*
16 *In re Latin*, No. BAP.EC-08-1082-JUMKH, 2009 WL 7751424, at *4 (B.A.P. 9th Cir.
17 Feb. 11, 2009). Appeals of binding claim allowance or disallowance orders are thus not
18 mooted by the dismissal of the underlying bankruptcy case. *Bevan*, 327 F.3d at 997; *see*
19 *also In re Zulueta*, 520 F. App’x 558, 559 (9th Cir. 2013) (“This case is not rendered
20 moot by the dismissal of Zulueta’s bankruptcy petition because the issue [that formed the
21 basis of the bankruptcy court’s order allowing the claim] survives dismissal of the
22 Chapter 13 bankruptcy proceedings.”); *In re Choudhuri*, No. BAP NC-14-1140, 2014
23 WL 5861374, at *5 (B.A.P. 9th Cir. Nov. 12, 2014) (“[O]ur decision concerning the
24 propriety of the bankruptcy court’s decision about the [proof of claim] is a matter of
25 consequence, and we could conceivably relieve Choudhuri of the burden of a potentially
26 erroneous decision.”).

27 The Court therefore considers whether the bankruptcy court’s Order on Claim 2-2
28 was a final judgment that would subject Appellant to res judicata or collateral estoppel in

1 future proceedings. The bankruptcy court ordered that Appellant’s objections to the
2 claim be overruled and that Appellant was barred from relitigating the validity of the
3 corrective deed of trust. Bk. No. 19-00878-MM11, ECF No. 103. Appellee argues that
4 there is no risk that the Order on Claim 2-2 will have preclusive effect, because Appellant
5 is already barred by res judicata from asserting the grounds raised in his objections to
6 Claim 2-2. ECF No. 12 at 13. But whether Appellant is barred from challenging the
7 Corrective Deed of Trust based on the doctrine of res judicata is the question to be
8 decided on this appeal. This case differs from *In re Dodev*, in which the Bankruptcy
9 Appellate Panel found effective relief could not be granted on appeal of a claim
10 allowance order based on a creditor’s lack of standing because “a potentially preclusive
11 order on the standing issues has already been rendered.” *In re Dodev*, No. 2:14-BK-
12 02116-MCW, 2015 WL 4069034, at *5–6. There, a district court in a separate civil
13 action had already decided the standing issue raised by the debtor on appeal, so there
14 would have been a decision on the creditor’s standing entitled to res judicata effect
15 regardless of the panel’s resolution of the appeal. *Id.* Here, however, at the merits stage
16 of this appeal, the Court could conceivably determine that Greenberg is not barred from
17 relitigating the validity of the Corrective Deed of Trust, and thus reversal of the Order on
18 Claim 2-2 would provide Greenberg with effective relief.

19 Appellee further argues that the Order on Claim 2-2 will not have preclusive effect
20 because it did not make a finding as to the amount of the claim. ECF No. 12 at 13.
21 Although the bankruptcy court did not make a determination as to the proper dollar
22 amount of Claim 2-2, its decision overruling Appellant’s objections operated as an
23 allowance of Appellee’s claim and therefore would be binding on Appellant in future
24 proceedings. Because the bankruptcy court allowed Appellee’s claim, Appellee was later
25 entitled to vote on Greenberg’s plan of reorganization. *See* 11 U.S.C. § 1126(a) (holders
26 of allowed claims are permitted to vote on reorganization plan). This situation is unlike
27 *In re Aziz*, cited by Appellee, in which the Bankruptcy Appellate Panel found an appeal
28 of a claim objection order moot where the bankruptcy court had neither allowed nor

1 disallowed the creditor’s claim, and thus had not reached the merits of the claim at all. *In*
2 *re Aziz*, No. BAP AZ-16-1133-BTAF, 2017 WL 3494805, at *2 (B.A.P. 9th Cir. Aug. 3,
3 2017).

4 Accordingly, if the Court were to reverse the bankruptcy court’s Order on Claim 2-
5 2, that decision would prevent the allowance of Claim 2-2 from having preclusive effect
6 in subsequent proceedings. The Court therefore DENIES Appellee’s Motion to Dismiss
7 on the basis that the appeal is constitutionally moot.

8 **B. Equitable Mootness**

9 The equitable mootness doctrine derives from the policy that debtors, creditors,
10 and third parties should be able to rely on the finality of bankruptcy court orders. *In re*
11 *Thorpe Insulation Co.*, 677 F.3d 869, 880 (9th Cir. 2012). An appeal of a bankruptcy
12 court order may be equitably moot if there has been a “comprehensive change of
13 circumstances . . . so as to render it inequitable for [the] court to consider the merits of
14 the appeal.” *Id.* (quoting *In re Roberts Farms*, 652 F.2d 793, 798 (9th Cir. 1981). To
15 determine if a bankruptcy appeal is equitably moot, the Court “will look first at whether a
16 stay was sought, for absent that a party has not fully pursued its rights.” *Id.* If a stay was
17 sought but was denied, the Court next considers “whether substantial consummation of
18 the plan has occurred,” “the effect a remedy may have on third parties not before the
19 court,” and “whether the bankruptcy court can fashion effective and equitable relief
20 without completely knocking the props out from under the plan and thereby creating an
21 uncontrollable situation for the bankruptcy court.” *Id.* Although *In re Thorpe* involved a
22 consummated plan, “the general principles apply to any equitable mootness analysis.” *In*
23 *re Kong*, No. BAP CC-15-1371-KITAL, 2016 WL 3267588, at *6 (B.A.P. 9th Cir. June
24 6, 2016); *see also In re Focus Media, Inc.*, 378 F.3d 916, 923–24 (9th Cir. 2004)
25 (applying equitable mootness analysis to appeal seeking termination of bankruptcy
26 proceedings and disgorgement of attorneys’ fees paid to creditors’ attorneys); *In re Isom*,
27 No. 4:15-BK-40763, 2020 WL 1950905, at *5–6 (B.A.P. 9th Cir. Apr. 22, 2020)

1 (applying *Thorpe* to determine whether substantial consummation of a settlement
2 rendered appeal moot).

3 Appellee contends that the Court should find Appellant’s appeal equitably moot
4 because Appellant failed to seek a stay pending this appeal and the underlying
5 bankruptcy case was dismissed. ECF No. 12 at 14. The bankruptcy court docket
6 confirms that following the bankruptcy court’s Order on Claim 2-2, Appellant did not
7 seek a stay of the underlying bankruptcy proceedings while this appeal progressed, and
8 instead only sought a stay of dismissal of the case once the bankruptcy court granted
9 Appellee’s motion to dismiss months later. Bk. No. 19-00878-MM11, ECF No. 210. In
10 his response, Appellant does not address his failure to seek a stay.

11 In *In re Thorpe*, the court identified the appellant’s failure to seek a stay as the first
12 consideration in determining whether an appeal is equitably moot. *In re Thorpe*, 677
13 F.3d at 880. Subsequent decisions have been inconsistent as to whether the failure to
14 seek a stay is dispositive, or whether courts must take into account all of the *In re Thorpe*
15 factors even if the appellant failed to seek a stay. In *In re Mortgages Ltd.*, the Ninth
16 Circuit noted a “general rule . . . that appeals from orders where the objecting party did
17 not seek a stay are moot.” *In re Mortgages Ltd.*, 771 F.3d 1211, 1216 (9th Cir. 2014).
18 However, the Bankruptcy Appellate Panel of the Ninth Circuit has “recognized the
19 ‘tension’ in Ninth Circuit authority concerning the issue of an appellant’s failure to seek a
20 stay and whether that failure conclusively moots an appeal.” *In re Kong*, 2016 WL
21 3267588, at *6. Other decisions have indicated that in addition to the failure to seek a
22 stay, “there must also be some subsequent event that would render consideration of the
23 issues on appeal inequitable, and thereby trigger an equitable mootness analysis.” *In re*
24 *Zuercher Tr. of 1999*, No. BAP NC-13-1299, 2014 WL 7191348, at *7 (B.A.P. 9th Cir.
25 Dec. 17, 2014); *see also In re Eliminator Custom Boats, Inc.*, No. BAP CC-19-1003-
26 KUFL, 2019 WL 4733525, at *4 (B.A.P. 9th Cir. Sept. 23, 2019) (“[F]ailure to seek or
27 obtain a stay does not automatically result in equitable mootness.”). Here, Appellant
28 does not provide an “adequate reason”—or any reason—as to why he failed to seek a stay

1 in the bankruptcy court pending appeal. *In re Mortgages Ltd.*, 771 F.3d at 1216 (citing *In*
2 *re Roberts Farms*, 652 F.2d at 798). Accordingly, the threshold consideration laid out in
3 *In re Thorpe* weighs in favor of finding this appeal equitably moot.

4 Although the first *In re Thorpe* factor weighs against Appellant, “[e]quitably
5 mootness is not a punishment for choosing not to seek a stay.” *In re Reed*, No. BAP CC-
6 16-1028-DKIF, 2016 WL 7189834, at *4 (B.A.P. 9th Cir. Dec. 2, 2016). Rather, the
7 Court must consider the other *In re Thorpe* factors, which go to the question of whether a
8 “comprehensive change in circumstances” has occurred that would make hearing the
9 appeal inequitable. *In re Thorpe*, 677 F.3d at 880. As to the second factor, Appellee
10 concedes that there has not been substantial consummation of a plan because no plan has
11 been confirmed. ECF No. 12 at 14. And although Appellee argues that an order of the
12 Court reversing the bankruptcy court’s order would cloud title to the property and impact
13 the marketability of the loan and sale of the property, it does not identify any past
14 transactions with third parties that would need to be reversed or otherwise affected,
15 causing the third factor to weigh in Appellant’s favor. *See In re Mortgages Ltd.*, 771
16 F.3d at 1218; ECF No. 12 at 15.

17 The fourth factor—whether the district court’s grant of relief would “create an
18 uncontrollable situation for the bankruptcy court” due to the difficulty in devising an
19 equitable remedy on remand—also weighs against Appellee. *In re Thorpe*, 677 F.3d at
20 881, 883. Although reversing the bankruptcy court’s Order on Claim 2-2, as Appellant
21 urges, could involve reaching as far back in Appellant’s bankruptcy court proceedings as
22 the Compromise Order from the 2014 Bankruptcy Case, the only change in
23 circumstances to have occurred since the Order on Claim 2-2 is that the bankruptcy case
24 has been dismissed. Unlike the consummation of a complex reorganization plan, to
25 “unscramble the eggs” at this stage of proceedings—when Appellee identifies no
26 transactions subsequent to the Order on Claim 2-2 that would have to be reversed—
27 would not be impractical or inequitable. *See In re Castaic Partners II, LLC*, 823 F.3d
28 966, 968 (9th Cir. 2016). Appellee’s primary argument—that the issues Appellant raises

1 on appeal have been litigated numerous times in the bankruptcy court over the course of
2 several cases—is certainly relevant to the res judicata analysis, but it does not suggest that
3 there has been such a significant change in the status quo since the Order on Claim 2-2
4 that considering the merits of this appeal would be inequitable.

5 Because Appellant has failed to bear the heavy burden of demonstrating the appeal
6 is moot, the Court DENIES Appellant’s Motion to Dismiss the appeal as equitably moot.

7 **II. The Court is Not Deprived of Jurisdiction to Hear the Present Appeal Due to**
8 **Appellant’s Failure to Appeal the 2015 Compromise Order**

9 Appellee additionally argues that this Court lacks jurisdiction to review the
10 Compromise Order, which it argues would need to be vacated were Appellant to prevail
11 on this appeal, because Appellant did not appeal that order. ECF No. 12 at 13. Appellant
12 does not dispute that he did not appeal the Compromise Order.

13 The Court lacks jurisdiction to hear an appeal of a bankruptcy court’s order when it
14 is not timely appealed. *In re Ozenne*, 841 F.3d at 814 (citing Fed. R. Bankr. P. 8002); *In*
15 *re Mouradick*, 13 F.3d 326, 327 (9th Cir. 1994). The Court therefore would not have
16 jurisdiction to consider an appeal of the Compromise Order. However, Appellant does
17 not directly appeal the Compromise Order. The issues Appellant raises in this appeal of
18 Order on Claim 2-2 are (1) whether the question of the Corrective Deed of Trust’s
19 validity is barred by res judicata or collateral estoppel and (2) various arguments related
20 to the Corrective Deed of Trust’s validity. ECF No. 17 at 10–14. Whether Appellant’s
21 arguments related to the Corrective Deed of Trust’s validity are precluded by res judicata
22 or collateral estoppel due to the 2015 Compromise Order is not a threshold jurisdictional
23 question, but is instead the question to be decided on this appeal. *See In re George*, 318
24 B.R. 729, 736 (B.A.P. 9th Cir. 2004), *aff’d*, 144 F. App’x 636 (9th Cir. 2005); *Rycoline*
25 *Prod., Inc. v. C & W Unlimited*, 109 F.3d 883, 886 (3d Cir. 1997).

26 Accordingly, the Court DENIES Appellee’s Motion to Dismiss for lack of
27 jurisdiction over appeal of the Compromise Order.

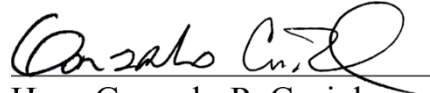
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1 **CONCLUSION**

2 For the reasons above, the Court **DENIES** Appellee's Motion to Dismiss. The
3 Court further **ORDERS** that Appellant file his opening brief on the docket for this case
4 as a separate document no later than **October 13, 2020**.

5 **IT IS SO ORDERED.**

6 Dated: October 6, 2020

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8 Hon. Gonzalo P. Curiel
9 United States District Judge
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