

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

In re Jeffrey S. Beier

In re Beier · No. 8:24-cv-00752-ODW · Decided June 27, 2025

SUMMARY

The United States District Court for the Central District of California reviews Jeffrey S. Beier’s appeal from bankruptcy-court orders overruling his objection to The Bank of New York Mellon’s secured proof of claim and denying reconsideration. The district court affirms, concluding that the bankruptcy court properly allocated the burden of proof, correctly determined that BONY held the note and deed of trust under California law, and did not err in treating the lien as attaching to the property-sale proceeds.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Otis D. Wright, II
JURISDICTION	United States District Court for the Central District of California
DECIDED	June 27, 2025
DOCKET	8:24-cv-00752-ODW
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the United States Bankruptcy Court for the Central District of California concerning an order overruling Beier's objection to The Bank of New York Mellon's proof of claim and an order denying reconsideration.
STANDARD OF REVIEW	Conclusions of law are reviewed de novo, factual findings are reviewed for clear error, and the bankruptcy court's interpretation of its own orders is reviewed for abuse of discretion.
PRECEDENTIAL VALUE	unpublished
PARTIES	Jeffrey S. Beier, Debtor-Appellant v. The Bank of New York Mellon, Defendant-Appellee

TOPICS

- proof of claim
- uniform commercial code
- appellate procedure
- standard of review
- chapter 7

PRACTICE AREAS

Bankruptcy

Secured transactions

Negotiable instruments

Appellate procedure

Real estate

QUESTIONS PRESENTED

1. Whether the bankruptcy court improperly shifted the burden of proof in adjudicating Beier's objection to BONY's proof of claim.
2. Whether BONY was the holder of the promissory note and deed of trust under California law.
3. Whether the bankruptcy court correctly interpreted its sale order as attaching BONY's lien to the property's sale proceeds.
4. Whether the bankruptcy court properly denied reconsideration based on purportedly newly discovered evidence and alleged clear error.

HOLDINGS

1. The bankruptcy court applied the correct burden-of-proof framework by requiring BONY's proof of claim to establish prima facie validity and determining that BONY's evidence satisfied its burden after Beier's objection.
2. BONY was the holder of the note and therefore entitled to enforce it and assert the related claim.
3. BONY held the beneficiary interest in the deed of trust because the recorded assignments provided an unbroken chain from MERS to BONY.
4. The bankruptcy court did not abuse its discretion in interpreting the sale order as attaching BONY's lien to the property's sale proceeds.
5. The bankruptcy court properly denied reconsideration because the evidence was not newly discovered and did not establish clear error or undermine BONY's current status as holder.

KEY QUOTATIONS

"A proof of claim is "prima facie evidence of the validity and amount of the claim." (at App. 401–03)

"If an objector "produces sufficient evidence to negate one or more of the sworn facts in the proof of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence." (at App. 401–03)

"Accordingly, the evidence supports that Countrywide Home Loans, Inc., who issued the loan and originally indorsed it to JPMorgan, crossed out the original indorsement and attached the allonge to the Note. This resulted in an indorsement in blank, meaning that the holder of the loan is entitled to payment." (at App. 237–38)

"Had the bankruptcy court intended to detach the sale proceeds from BONY's lien, there would be no basis for the trustee to distribute the sale proceeds to BONY." (at Section IV.A.3)

FACTUAL BACKGROUND

Jeffrey and Toni Beier executed a \$1,470,000 promissory note and deed of trust in 2005 concerning California real property. The note originally bore an indorsement to JPMorgan that was crossed out, and an attached allonge did not identify a payee; BONY possessed the note and recorded assignments traced the deed of trust from MERS to BONY. During Beier's bankruptcy, the property was sold for \$3.2 million, BONY received a \$2.4 million interim distribution, and the remaining proceeds were held pending litigation. Beier objected to BONY's secured proof of claim and later sought reconsideration based on an earlier filing suggesting Wells Fargo had possessed or claimed the note.

PROCEDURAL HISTORY

Beier filed a Chapter 11 bankruptcy case that was later converted to Chapter 7. BONY filed a secured proof of claim for \$2,786,180.50. After the bankruptcy court overruled Beier's objection and denied his motion for reconsideration, Beier appealed to the district court, which affirmed both orders and directed the Clerk to close the case.

DISPOSITION

affirmed

CASES CITED

- In re Salazar, 430 F.3d 992, 994 (9th Cir. 2005)
- Lopez v. Catalina Channel Express, Inc., 974 F.3d 1030, 1033 (9th Cir. 2020)
- Lundell v. Anchor Constr. Specialists, Inc. (In re Lundell), 223 F.3d 1035, 1039–40 (9th Cir. 2000)
- Wright v. Holm (In re Holm), 931 F.2d 620, 623 (9th Cir. 1991)
- Butner v. United States, 440 U.S. 48, 54 (1979)
- In re Lane, 959 F.3d 1226, 1228 (9th Cir. 2020)
- Branch Banking & Tr. Co. v. D.M.S.I., LLC, 871 F.3d 751, 757 n.1 (9th Cir. 2017)
- Monterey S.P. P'ship v. W.L. Bangham, Inc., 49 Cal. 3d 454, 460 (1989)
- Yvanova v. New Century Mortg. Corp., 62 Cal. 4th 919, 928 (2016)
- Kirschner v. Blixseth, No. 2:11-cv-08283-GAF (SPx), 2014 WL 12573851, at *8 (C.D. Cal. June 18, 2014), aff'd, 667 F. App'x 643 (9th Cir. 2016)
- Lopez v. United Guar. Residential Ins. Co., No. 2:16-cv-07898-CAS (SKx), 2016 WL 7117244, at *4 (C.D. Cal. Dec. 5, 2016)
- Schwartz v. U.S. Bank, Nat'l Ass'n, No. 2:11-cv-08754-MMM (JCGx), 2012 WL 10423214, at *6 & n.26 (C.D. Cal. Aug. 3, 2012)
- Wilshire Courtyard v. Cal. Franchise Tax Bd. (In re Wilshire Courtyard), 729 F.3d 1279, 1289 (9th Cir. 2013)
- Rosales v. Wallace (In re Wallace), 490 B.R. 898, 906 (B.A.P. 9th Cir. 2013)
- In re Groves, 652 B.R. 104, 114 (B.A.P. 9th Cir. 2023), aff'd, No. 23-60040, 2024 WL 3041548 (9th Cir. June 18, 2024)
- 389 Orange St. Partners v. Arnold, 179 F.3d 656, 665 (9th Cir. 1999)
- Wallis v. J.R. Simplot Co., 26 F.3d 885, 892 n.6 (9th Cir. 1994)

