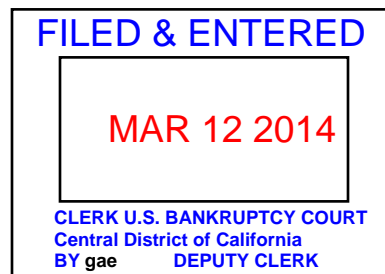


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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re
MANUEL ANTONIO ALFARO and
MARIA INES ALFARO,
Debtors.
MANUEL ANTONIO ALFARO and
MARIA INES ALFARO,
Plaintiff(s),
vs.
LVNV FUNDING, LLC, et al.
Defendants.

Case No. 2:13-bk-25032-RK
Chapter 7
Adv No. 2:13-ap-02003-RK

ORDER DISMISSING ADVERSARY
PROCEEDING FOR LACK OF SUBJECT
MATTER JURISDICTION AND FAILURE
TO STATE A CLAIM UPON WHICH
RELIEF CAN BE GRANTED AND
DENYING MOTION FOR DEFAULT
JUDGMENT AS MOOT

HEARING:
DATE: March 11, 2014
TIME: 2:30 p.m.
PLACE: Courtroom 1675
255 East Temple Street
Los Angeles, CA 90012

On October 7, 2013, Plaintiffs Manuel Antonio Alfaro and Maria Ines Alfaro filed an Adversary Complaint in this case (Docket No. 1, Complaint). Later, on November 8, 2013, they filed their Motion for Default Judgment (Docket No. 7, the "Motion"). In considering the Motion for Default Judgment and reviewing the allegations of the

1 Complaint, the court determined that the Complaint raised issues of whether the court
2 had subject matter jurisdiction over this adversary proceeding and whether the Complaint
3 stated a claim upon which relief could be granted, and therefore, issued an order to show
4 cause why the complaint and adversary proceeding should not be dismissed. Rule 7012
5 of the Federal Rules of Bankruptcy Procedure, incorporating by reference, Rules 12(b)(1)
6 and (6) of the Federal Rules of Civil Procedure.

7 Having reviewed and considered the Motion and Supplemental Brief, it is HEREBY
8 ORDERED that the court determines that this case should be dismissed for lack of
9 subject matter jurisdiction and/or failure to state a claim upon which relief can be granted
10 because Plaintiffs are impermissibly engaging in a collateral attack of a final judgment of
11 the Superior Court of California for the County of Los Angeles against Plaintiff Maria Ines
12 Alfaro that she incurred debt for the purchase of certain goods by seeking in this case to
13 void the lien based on that judgment. Plaintiffs essentially allege in their complaint that
14 the judgment lien against Mrs. Alfaro is void because she does not owe the liability
15 reduced to judgment, which allegation goes to the merits of the judgment, which is a final
16 judgment of another court, a state court. This court lacks subject matter jurisdiction to set
17 aside the judgment of the state court because a federal court is to accord a judgment of a
18 state court full faith and credit as such judgment has in the courts of such state and this
19 includes application of a preclusion doctrine, such as res judicata. 28 U.S.C. § 1738;
20 *Caldeira v. County of Kauai*, 866 F.2d 1175, 1177-1178 (9th Cir. 1989). The state court
21 judgment of liability against Mrs. Alfaro has res judicata effect on its face. *See Goddard*
22 *v. Security Title Insurance & Guarantee Co.*, 14 Cal. 2d 47, 51-52 (1939) (under the
23 general doctrine of res judicata, a final judgment rendered on the merits by a court having
24 jurisdiction of the cause is conclusive of the rights of the parties and those in privity with
25 them, and is a complete bar to a new suit between them on the same cause of
26 action)(citations omitted). Plaintiffs have not shown how this court has subject matter
27 jurisdiction in response to the court's order to show cause.

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