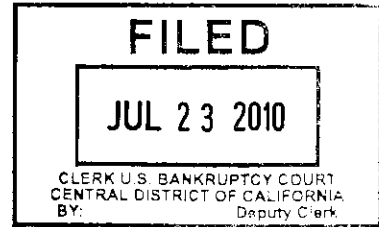


1 Robin Mashal (California State Bar No. 205003)
2 Peter Y. Hong (California State Bar No. 213620)
3 **HONG & MASHAL, LLP**
4 1875 Century Park East, Suite 600
5 Los Angeles, California 90067-2507
6 Telephone: (310) 286-2000
7 Facsimile: (310) 286-2525



6 Attorneys for Creditor,
7 NATIONAL GOLD & DIAMOND CENTER, INC.

8
9 UNITED STATES BANKRUPTCY COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 LOS ANGELES DIVISION

12
13 In re:
14 MINERVA P. ESMILLA,
15 Debtor.

Case No.: 2:08-bk-12485-VZ

Assigned to Hon. Vincent P. Zurzolo
Chapter 7

**SUPPLEMENTAL OPPOSITION TO
DEBTOR'S MOTION TO AVOID
LIEN UNDER 11 U.S.C. § 522(f)
(REAL PROPERTY);
DECLARATION OF ROBIN
MASHAL; EXHIBIT**

16
17
18
19
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21
22 TO THE HONORABLE COURT, TO THE DEBTOR, TO ALL INTERESTED
23 PARTIES, AND TO THEIR ATTORNEY(S) OF RECORD:

24 NATIONAL GOLD & DIAMOND CENTER, INC. ("Creditor") hereby
25 respectfully submits its Supplemental Opposition to the Motion of MINERVA P.
26 ESMILLA ("Debtor") to Avoid Lien under 11 U.S.C. § 522(f) (Real Property), scheduled
27 to be heard on July 27, 2010, at 11:00 a.m., in Courtroom 1368, at 255 East Temple
28 Street, Los Angeles, California.

ORIGINAL

1 **I. INTRODUCTION.**

2 Creditor's claims against the Debtor herein are based on commercial debts
3 incurred by Debtor when she made wholesale purchase of diamonds and jewelry from
4 Creditor for purposes of resale. On June 16, 2010, Creditor filed its original Opposition
5 papers to Debtor's Motion to Avoid Lien under 11 U.S.C. § 522(f). Creditor hereby files
6 its supplemental Opposition papers, and incorporates by references the original
7 Opposition papers on file herein.

8
9 **II. AS PROVIDED IN THE ORIGINAL OPPOSITION PAPERS, CREDITOR
10 HAS BEEN PREJUDICED BY DEBTOR'S NEARLY TWO AND HALF
11 YEAR DELAY TO BRING HER MOTION HEREIN.**

12 This Court should reject Debtor's Motion herein, because Debtor's nearly two and
13 half year delay in challenging Creditor's liens have been prejudicial. "The key factor in
14 allowing the late avoidance of a lien pursuant to § 522(f) is whether the creditor is
15 sufficiently prejudiced so that it would be inequitable to allow avoidance of the lien." ITT
16 Financial Serv. v. Ricks (In re Ricks), 89 B.R. 73, 75-76 (9th Cir. BAP 1988). See also In
17 re Biannucci, 4 F.3d 526, 528 (7th Cir. 1993) ("delay may be prejudicial when it is
18 combined with other factors."). Here Debtor is attempting to use lower property values
19 to argue for avoidance of Creditor's lien, and this is clearly prejudicial to Creditor.

20 **III. AS PROVIDED IN THE ORIGINAL OPPOSITION PAPERS, DEBTOR
21 HAS PROVIDED A CONSENSUAL LIEN TO CREDITOR BASED ON
22 THE STIPULATION FOR ENTRY OF JUDGMENT, AND HAS
23 AFFIRMED HER OBLIGATIONS TO THE CREDITOR.**

24 In January 2010, Debtor reaffirmed her obligations to Creditor by stipulating to
25 entry of judgment in favor of Creditor, in the amount of Creditor's attachment lien (see
26 "Exhibit I"). Paragraph 1 of that Stipulation provides the Judgment shall be enforceable
27 against Debtor's attached properties. Paragraph 4 of the Stipulation provides Debtor
28 "waives any rights she may have to stay of execution of Judgment...or to have an

1 appeal....” Paragraph 8 of the Stipulation provides that Debtor has been represented by
2 legal counsel of her choice with respect to form and contents of the Stipulation and the
3 advisability of executing the Stipulation. Therefore, Debtor has waived any challenges
4 to Creditor’s liens.

5
6 **IV. THIS COURT SHOULD DENY DEBTOR’S MOTION HEREIN, AS THE**
7 **DEBTOR FAILS TO PROVIDE PROPERTY FAIR MARKET VALUE AS**
8 **OF THE TIME DEBTOR’S PETITION WAS FILED.**

9 Debtor’s motion herein should be denied as Debtor has failed to provide the value
10 of her Condominium as of the date her bankruptcy petition was filed. Petition date is
11 operative date to make all Section 522(f) determinations. In re Salanoa, 263 B.R. 120
12 (Bankr., S.D. Cal. 2001); Goswami v. MTC Distrib. (In re Goswami), 304 B.R. 386
13 (B.A.P. 9th Cir. 2003). Exemption rights in bankruptcy, pursuant to Section 522, are
14 determined as of date petition is filed. In re Yau, 115 B.R. 245 (Bankr. C.D. Cal 1990);
15 In re Sanford, 403 B.R. 831 (Bankr., Nev. 2009). “As with any motion to avoid a
16 judgment under section 522(f), the debtor carries the burden to establish the value of his
17 property as of the date of the bankruptcy filing.” In re Kelly, 311 B.R. 341, 345 (Bankr.
18 W.D.N.Y. 2004).

19 Although a creditor does not have the burden to establish the value of a Debtor’s
20 property in opposition papers, Creditor here has retained a licensed real estate appraiser
21 and made instructions for an appraisal of Debtor’s condominium retrospective as to
22 February 27, 2008. A true copy of this appraisal is attached hereto as “**Exhibit J**”. This
23 appraisal conservatively places the value of Debtor’s condominium at \$365,000.00 as of
24 the date of the bankruptcy petition.

$$50.00\% \times [\$365,000 - \$140,000] = \$112,000$$

25 Debtor’s equity in her Condo at the bankruptcy filing was at least \$112,000, which
26 equity was far greater than the sum of Debtor’s \$50,000 claimed homestead and
27 Creditor’s \$49,595.20 judicial lien. Therefore, there has been in impairment of Debtor’s
28 homestead and her motion herein should be denied.

1 **V. CONCLUSION.**

2 Based on the above arguments, points and authorities, the attached Declaration
3 and Exhibits, Creditor respectfully requests that this Court denies Debtor's motion herein
4 because: (1) Debtor's delay in bringing her motion to challenge Creditor's judicial lien
5 has been prejudicial to Plaintiff as she tries to use a lower property valuation in
6 contravention of the Bankruptcy Code, (2) Debtor has stipulated to entry of judgment in
7 the amount of attachment lien in favor of Creditor and waived stay of execution, (3)
8 Debtor fails her burden to present value of her Condo as of the date she filed her
9 bankruptcy petition; and (4) Based on appraisal provided by Creditor there was no
10 impairment of Debtor's homestead amount as of the date of her bankruptcy petition.

11
12 Respectfully submitted,

13 **HONG & MASHAL, LLP**

14
15 Dated: July 22, 2010

16 By: 

17 Robin Mashal,
18 Peter Y. Hong,
19 Attorneys for Creditor
20 NATIONAL GOLD & DIAMOND
21 CENTER, INC.

DECLARATION OF ROBIN MASHAL

Robin Mashal, hereby declares:

1. I am the attorney for NATIONAL GOLD & DIAMOND CENTER, INC. (“Creditor”), a creditor of MINERVA P. ESMILLA (“Debtor”). I am licensed to practice law before all courts of the State of California, and also admitted to the Federal Courts in the Central District of California. I am over 18 years of age. My office is located at 1875 Century Park East, Suite 600, Los Angeles, California 90067-2507.

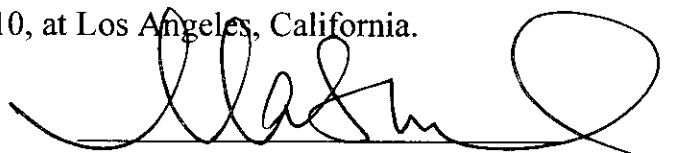
2. This Declaration is made out in support of Creditor’s supplemental opposition papers to Debtor’s motion to avoid Creditor’s liens under 11 U.S.C. § 522(f). I am fully competent to make this declaration.

3. This office has been making various attempts to reach Debtor’s counsel to obtain appointment for Creditor’s real estate appraiser to visit and appraise Debtor’s condominium located at 21828 S. Vermont, Unit # 1, Torrance, California (the “Condo”) and the delays on the side of Debtor’s counsel caused the delay in obtaining the appraisal and filing it with the Court.

4. This office retained Armando J. Ortiz (“Appraiser”), who is a California Certified General Real Estate Appraiser, holder of license number AG027708, for the purpose of obtaining an appraisal of the Condo. I instructed the Appraiser to appraise the Condo retrospectively as of February 27, 2008, and provide an official appraisal report of the same. Appraiser provided an appraisal of the Condo a true copy of which is attached hereto as “**Exhibit J**” and incorporated herein by this reference. At the bottom of “page 2 of 6”, the report provides retrospective valuation of the Condo as of February 27, 2008, at \$365,000.00

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this July 22, 2010, at Los Angeles, California.



Robin Mashal

Exterior-Only Inspection Residential Appraisal Report



File # 0610A1705

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 21828 South Vermont Avenue #1 City Torrance State CA Zip Code 90502-2104
 Borrower Realist: Esmilla / Pagdanganan Owner of Record Realist: Esmilla / Pagdanganan County Los Angeles
 Legal Description TR-51112 Lot 1 Condo Unit 101
 Assessor's Parcel # 7344-002-033 Tax Year 2008 R.E. Taxes \$ 2,243.11
 Neighborhood Name N/A Map Reference 764/B6 Census Tract 5435.03
 Occupant Owner Tenant Vacant Special Assessments \$ PUD HOA \$ 107 per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) RETROSPECTIVE MARKET VALUE
 Lender/Client HONG & MASHAL LLP Address 1875 Century Park East, Los Angeles CA 90067
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). NDCDATA/MLS/BROKER/Realist. Subject has not listed for sale in MLS during the past 12 months.

I did I did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed N/A

Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? Yes No Date Sour N/A

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. N/A

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	PRICE	AGE	One-Unit	Property Values	Increasing	Stable	Declining	\$ (000)	(yrs)	2-4 Unit	%
<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	<input checked="" type="checkbox"/> 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	<input type="checkbox"/> Demand/Supply	<input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	325	Low	15	Multi-Family	10	%		
<input checked="" type="checkbox"/> Rapid <input checked="" type="checkbox"/> Slow	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	<input checked="" type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	420	High	55	Commercial	10	%		
Neighborhood Boundaries To the north is Torrance Blvd., to the south is 228th St. to the east is Main St. and to the west is Normandie Ave. Subject is in an unincorporated County area of Los **				365	Prod.	30	Other		%		

Neighborhood Description Employment centers and amenities are located within a 1-mile radius which is considered Good for the area. This is an established neighborhood typical to this local market area. No adverse influences noted that would affect the subject neighborhood's market stability. ** Los Angeles known as West Carson /Harbor Gateway, with Mailing, or common address in Torrance

Market Conditions (including support for the above conclusions) The market for residential condominiums is generally stable-to-declining. SEE ADDITIONAL REMARKS SECTION

Dimensions N/A Area 1,194 Shape N/A View Residential

Specific Zoning Classification LCCM Zoning Description Condominium / Pud

Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe.

The subject is a permitted use under Planned Development Standards within the "C" Commercial / Manufacturing zone.

Utilities Public Other (describe) Public Other (describe) Off-site Improvements-Type Public Private

Electricity Water Siret Private

Gas Sanitary Sewer Alley Private

FEMA Special Flood Hazard Area Yes No FEMA Flood Zone Zn "X" FEMA Map # 065043-1935F FEMA Map Date 09/26/2008

Are the utilities and off-site improvements typical for the market area? Yes No If No, describe.

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe.

No adverse easements, encroachments or other conditions noted. The subject fronts a major 6-lane thoroughfare and a major Hospital complex. Significant traffic and traffic noise detriment noted. The subject complex has access control gates. The subject is a permitted use under Planned Development Standards within the "CM" Commercial / Manufacturing zone.

Source(s) Used for Physical Characteristics of Property Appraisal Files MLS Assessment and Tax Records Prior Inspection Property Owner

Other (describe) Exterior inspection Data Source(s) for Gross Living Area Realist

GENERAL DESCRIPTION		GENERAL DESCRIPTION		Heating / Cooling		Amenities		Car Storage		
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	Concrete Slab <input checked="" type="checkbox"/> Craw Space	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB	<input checked="" type="checkbox"/> Fireplace(s) #	None						
# of Stories One	Full Basement Finished	Radiant	Woodstove(s) #	Driveway # of Cars						
Type Det Att <input checked="" type="checkbox"/> S-Det/End Unit	Partial Basement Finished	Other	Patio/Deck	Driveway Surface						
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Exterior Walls Stucco/Avg	Fuel	<input checked="" type="checkbox"/> Porch	<input checked="" type="checkbox"/> Garage # of Cars	2					
Design (Style) Conventional	Roof Surface Tile/Avg	<input checked="" type="checkbox"/> Central Air Conditioning	Pool	Carport # of Cars						
Year Built 1994	Gutters & Downspouts Yes/Avg	<input checked="" type="checkbox"/> Individual	Fence	Attached	Detached					
Effective Age (Yrs) 10	Window Type Slide Alum/Avg	Other	Other	<input checked="" type="checkbox"/> Built-in						
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal	Finished area above grade contains: 5 Rooms 3 Bedrooms 2 Bath(s) 1,071 Square Feet of Gross Living Area Above Grade	Microwave	Washer/Dryer	Other (describe)						

Additional features (special energy efficient items, etc.) EXTRAORDINARY ASSUMPTION. It is assumed for purposes of valuation that the condition of the subject property was more-or-less "Average" as observed in the exterior inspection, as of the date of value.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) Subject is in average condition. External obsolescence due to traffic influence. No functional obsolescence noted. The effective age is estimated to be 10 years. Remaining economic life of improvements is estimated to be 50 years.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No. If Yes, describe.

No physical deficiencies or an adverse condition noted. No hazardous wastes or toxic substances were noted by casual observation.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No. If No, describe.

The subject conforms with the neighborhood in terms of quality, style and overall condition.

EXHIBIT J

Exterior-Only Inspection Residential Appraisal Report

File # 0610A1705

There are 19 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 295,000 to \$ 420,000.
 There are 12 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 300,000 to \$ 410,000.

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	21828 South Vermont Ave #1 Torrance, CA.	539 W. 220th St. #39 AP#7343-021-085	22533 S. Vermont #33 AP#7344-023-079	21602 Figueroa St #36 AP#7343-008-081
Proximity to Subject		0.30 MI SE	0.60 MI SOUTH	0.30 MI NE
Sale Price	\$ N/A	\$ 410,000	\$ 350,000	\$ 370,000
Sale Price/Gross Liv. Area	\$ N/A sq. ft.	\$ 343.38 sq. ft.	\$ 286.65 sq. ft.	\$ 279.67 sq. ft.
Data Source(s)	NDC DATA/Realist	NDCDATA / MLS/Realist	NDCDATA / MLS/Realist	NDCDATA / MLS/Realist
Verification Source(s)	NDC DATA/Realist	DOC# 2579077	DOC# 2674112	DOC# 2613787
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing		Conventional	Conventional	Conventional
Concessions		1st TD.\$410,000	1st TD.\$280,000	1st TD.\$0/0
Date of Sale/Time		11/20/2007	12/06/2007	11/28/2007
Location	Traffic	Average	Average	Average
Leaschold/Foc Simple	Fee	Fee	Fee	Fee
Site	1,194 sf	2,134 sf	2,801 sf	1,999 sf
View	Residential	Residential	Residential	Residential
Design (Style)	Conventional	Conventional	Conventional	Conventional
Quality of Construction	Average	Average	Average	Average
Actual Age	1994/16 Yrs	1989/21 Yrs	1980/30 Yrs	1980/30 Yrs
Condition	Average	Average	Average	Average
Above Grade	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Room Count	5 3 2	5 3 2	5 2 2	5 2 2
Gross Living Area	1,071 sq. ft.	1,194 sq. ft.	1,221 sq. ft.	1,323 sq. ft.
Basement & Finished	N/A	N/A	N/A	N/A
Rooms Below Grade				
Functional Utility	Average	Average	Average	Average
Heating/Cooling	Fau/Cac	Fau/Cac	Fau/Cac	Fau/Cac
Energy Efficient Items	None	None	None	None
Garage/Carport	2 Car Gar	2 Car Gar	2 Car Gar	2 Car Gar
Porch/Patio/Deck	Porch	Porch	Porch	Porch
Common Pool	Common Pool	Common Pool	Common Pool	Common Pool
Fireplace	Fireplace	Fireplace	Fireplace	Fireplace
Net Adjustment (Total)		\$ -14,920	\$ -6,000	\$ -10,080
Adjusted Sale Price		Net Adj. -3.64 %	Net Adj. -1.71 %	Net Adj. -2.72 %
of Comparables		Gross Adj. 3.64 % \$ 395,080	Gross Adj. 7.43 % \$ 344,000	Gross Adj. 8.13 % \$ 359,920

SALES COMPARISON APPROACH
 I did not research the sale or transfer history of the subject property and comparable sales. If not, explain:
 Subject and comparable sales were analyzed for previous transfers occurred within 36 months. See below for 36 month history.

Mv research did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
 Data source(s) Local MLS Board, National Data Collective and Public Records.
 My research did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
 Data source(s) Local MLS Board, National Data Collective and Public Records.

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	None in past 36 months	01/29/2004	09/22/2005	01/08/2004
Price of Prior Sale/Transfer	N/A	\$285,000	\$410,000	\$265,000
Data Source(s)	NDC DATA/Realist	NDCDATA / MLS/Realist	NDCDATA / MLS/Realist	NDCDATA/MLS/Realist
Effective Date of Data Source(s)	07/19/2010	07/19/2010	07/19/2010	07/19/2010

Analysis of prior sale or transfer history of the subject property and comparable sales:
 Subject and comparable sales were analyzed for previous transfers occurred within 36 months. See above for 36 month history.

Summary of Sales Comparison Approach
 The comparable sales selected are the closest in proximity, size and utility and are the most comparable to and competitive with the subject property discovered in our survey. Comparables were adjusted for super- or location. Adjustments for room count were given at \$10,000 per Bedroom; Square Footage adjustments given at \$40.00 psf; Net adjustment range from -1.71 % to 2.01 % percent, within all customary underwriting guidelines. Adjusted value indicators range from \$344,000 to \$429,000, effectively "bracketing" the estimated value of \$365,000."

Indicated Value by Sales Comparison Approach \$ 365,000
 Indicated Value by: Sales Comparison Approach \$ 365,000 Cost Approach (if developed) \$ N/A Income Approach (if developed) N/A
 The market approach is the best indicator of buyer and seller attitudes in the current marketplace and given the greater weight. The Income Approach was not included in the Scope of Work agreed to for this assignment.

RECONCILIATION
 This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, or subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:
 Retrospective valuation, see comments.
 Based on a visual inspection of the exterior areas of the subject property from at least the street, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 365,000 as of 02/27/2008 which is the date of inspection and the effective date of this appraisal.

Exterior-Only Inspection Residential Appraisal Report

File # 0610A1705

MARKET CONDITIONS:

The overall market for attached condominium dwellings in the Los Angeles/South Bay Market area has been in decline since mid 2006. Disruptions in the mortgage finance sector have curtailed demand in this segment of the market, leading to increasing inventories, slackening in demand for similar condominium units and an overall decline in market values. Significant foreclosure, REO and Short Sale activity noted. Such distressed sales tend to depress market values. Overall condominium prices in the subject market area are "stable-to-declining."

SCOPE OF WORK EXTERIOR INSPECTION:

Extraordinary Assumption: This report is a RETROSPECTIVE VALUATION. It is assumed for purposes of valuation that the condition of the subject property was more-or-less "Average" as observed in the exterior inspection, as of the effective date of value, February 27, 2008. It is also assumed that all structures, given value in this report are legally permitted as stated in this summary appraisal report. The type of utilities are assumed to be as stated. It is assumed that there are no unknown geological or environmental adverse issues. The physical characteristics of the comparables were either verified through county records, multiple listing service and Realist / NDC Data Collective.

APPRAISAL DEVELOPMENT AND REPORT PROCESS:

This is a summary appraisal report which is intended to comply with the reporting requirements set forth under standard rule 2-2(B) of the USPAP practice for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning and analysis is retained in the appraiser's file. The depth of the discussion contained in this appraisal report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for any unauthorized use of his summary appraisal report.

Digital Signature:

The digital signature used is authentic, under the sole use and control of the below appraiser in accordance with USPAP, (SMT-8) and will be treated as an actual signature.

Final Reconciliation:

After reviewing and analyzing all three approaches, the market, the cost and income approaches, the market approach was determined to be the strongest supporter of value. The Cost and the income Approaches to value were not included in the Scope of Work agreed to for this assignment.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate your cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

DRIVE BY ONLY / EXTERIOR INSPECTION

COST APPROACH

ESTIMATED	REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	- \$ N/A
Source of cost data	N/A		Dwelling 1,071 Sq. Ft. @ \$	- \$
Quality rating from cost service	Average	Effective date of cost data N/A	N/A Sq. Ft. @ \$	- \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				
DRIVE BY ONLY / EXTERIOR INSPECTION			Garage/Carport N/A Sq. Ft. @ \$	- \$
			Total Estimate of Cost-New	- \$
			Less Physical Functional External	
			Depreciation	- \$
			Depreciated Cost of Improvements	- \$
			As Is Value of Site Improvements	- \$ N/A
Estimated Remaining Economic Life (HLLD and VA only) 40-42 Years			INDICATED VALUE BY COST APPROACH	- \$ N/A

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$

X Gross Rent Multiplier

= \$

Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

The Income Approach was not included in the Scope of Work agreed to for this assignment

INCOME

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project	N/A		
Total number of phases	N/A	Total number of units	N/A
Total number of units rented	N/A	Total number of units for sale	N/A
		Total number of units sold	N/A
		Data Source(s)	N/A
Was the project created by the conversion of existing building(s) into a PUD?	Yes	No	If Yes, date of conversion N/A
Does the project contain any multi-dwelling units?	Yes	No	Data Source(s) N/A
Are the units, common elements, and recreation facilities complete?	Yes	No	If No, describe status of completion. N/A
Are the common elements leased to or by the Homeowners' Association?	Yes	No	If Yes, describe the rental terms and options. N/A
Describe common elements and recreational facilities.	N/A		

PUD INFORMATION

Exterior-Only Inspection Residential Appraisal Report

File # 0610A1705

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit, including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal.

INTENDED USER: The intended user of this appraisal report is the client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Exterior-Only Inspection Residential Appraisal Report

File # 0610A1705

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a visual inspection of the exterior areas of the subject property from at least the street. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

Exterior-Only Inspection Residential Appraisal Report

File # 0610A1705

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws. 90067

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
- This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
- If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature
 Name Ernesto Zavala, CREA
 Company Name A J ORTIZ & ASSOCIATES
 Company Address 1379 PARK WESTERN DR. #275
SAN PEDRO CA 90731
 Telephone Number (562) 453-3248
 Email Address ernestoag2000@yahoo.com
 Date of Signature and Report 07/20/2010
 Effective Date of Appraisal 02/27/2008
 State Certification # _____
 or State License # AL 009424
 or Other (describe) _____ State # _____
 State CA
 Expiration Date of Certification or License 12/06/2010
 ADDRESS OF PROPERTY APPRAISED
21828 South Vermont Avenue #1
Torrance CA 90502-2104
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 365,000
 LENDER/CLIENT
 Name HONG & MASHAL LLP
 Company Name HONG & MASHAL LLP
 Company Address 1875 Century Park East, Sixth Floor
Los Angeles CA 90067
 Email Address robin@hmfirm.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
 Name Armando J. Ortiz
 Company Name A J ORTIZ & ASSOCIATES
 Company Address 1379 PARK WESTERN DR. #275
SAN PEDRO CA 90731
 Telephone Number (310) 748-2663
 Email Address ajortiz365@yahoo.com
 Date of Signature 07/20/2010
 State Certification # AG027708
 or State License # _____
 State CA
 Expiration Date of Certification or License 07/06/2010

SUBJECT PROPERTY

Did not inspect exterior of subject property
 Did inspect exterior of subject property from street
 Date of Inspection 07/20/2010

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection 07/20/2010

SUPPLEMENTAL SALES 4 5 6 ADDENDUM

File # 0610A1705

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	21828 South Vermont Ave #1 Torrance, CA.	21854 S Vermont Ave #6 AP#7344-002-078			21415 S Vermont Ave #14 AP#7345-011-066					
Proximity to Subject		0.00 MI EAST			0.30 MI NORTH					
Sale Price	\$ N/A	\$ 336,000			\$ 363,500					
Sale Price/Gross Liv. Area	\$ N/A sq. ft.	\$ 269.66 sq. ft.			\$ 409.35 sq. ft.					
Data Source(s)	NDC DATA/Realist	NDCDATA / MLS/Realist			NDCDATA / MLS/Realist					
Verification Source(s)	NDC DATA/Realist	DOC# 2549122			Doc# 2521325					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment			
Sale or Financing		Conventional		Conventional						
Concessions		1st TD.\$336,000		1st TD.\$290,000						
Date of Sale/Time		11/15/2007		11/09/2007						
Location	Traffic	Average	-10,000	Average	-10,000					
Leaschold/Fcc Simple	Fee	Fee		Fee						
Site	1,194 sf	1,194 sf		1,516 sf						
View	Residential	Residential		Residential						
Design (Style)	Conventional	Conventional		Conventional						
Quality of Construction	Average	Average		Average						
Actual Age	1994/16 Yrs	1994/16 Yrs		1990/20 Yrs						
Condition	Average (-)	Average (-)	10,000	Average						
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths				Total Bdrms Baths		
Room Count	5 3 2	5 2 2	10,000	5 2 2	10,000					
Gross Living Area	1,071 sq. ft.	1,246 sq. ft.	-7,000	888 sq. ft.	7,320					
Basement & Finished	N/A	N/A		N/A						
Rooms Below Grade										
Functional Utility	Average	Average		Average						
Heating/Cooling	Fau/Cac	Fau/Cac		Fau/Cac						
Energy Efficient Items	None	None		None						
Garage/Carport	2 Car Gar	2 Car Gar		2 Car Gar						
Porch/Patio/Deck	Porch	Porch		Porch						
Common Pool	Common Pool	Common Pool		Common Pool						
Fireplace	Fireplace	Fireplace		Fireplace						
Net Adjustment (Total)		X +	\$ 3,000	X +	\$ 7,320					
Adjusted Sale Price		Net Adj. 0.89 %		Net Adj. 2.01 %						
of Comparables		Gross Adj. 11.01 %	\$ 339,000	Gross Adj. 7.52 %	\$ 370,820					
ITEM	SUBJECT	COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6				
Date of Prior Sale/Transfer	None in past 36 months	12/29/2006		None in past 36 mo.						
Price of Prior Sale/Transfer	N/A	\$314,780		N/A						
Data Source(s)	NDC DATA/Realist	NDCDATA / MLS/Realist		NDCDATA / MLS/Realist						
Effective Date of Data Source(s)	07/19/2010	07/19/2010		07/19/2010						
Analysis of prior sale or transfer history of the subject property and comparable sales				See above for 36 month transfer history.						
Summary of Sales Comparison Approach Comparables #4, and #5 submitted as additional support.										

FIRREA / USPAP ADDENDUM

21828 S. Vermont Avenue, Unit 1, Torrance, CA 90502-2104, (Unincorporated Los Angeles County)

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the subject property as defined herein, as of the date of valuation stated herein.

II. Intended Use of the Appraisal

The intended use of this appraisal is to provide the client with a professional valuation opinion which will serve for valuation of the asset for investigative purposes, estate planning and/or litigation support only. This report is intended for use in facilitating a settlement or for litigation support and is not intended for another use.

This appraisal report is prepared for the sole and exclusive use of the Client for the above purposes only. The appraiser is not a home inspector. This report should not be relied upon to disclose any conditions present in the subject property. The appraisal report does not guarantee that the property is free of defects. A professional home inspection is recommended.

III. Scope of the Appraisal

The following steps were taken in arriving at the final estimate of value included in the appraisal report of the subject property.

1. After receiving the assignment, a preliminary search was made to determine market trends and other significant factors pertinent to the subject property.
2. A physical inspection of the property was conducted. Although due diligence was exercised while visiting the subject property, the appraiser is not an expert in such matters as pest control, structural engineering, soil slippage, hazardous waste, septic/cesspool system integrity, electrical-plumbing-roof-foundation systems, etc., and no warranty is given with regard to these elements. As needed, inspections by various licensed professionals within these fields might be recommended with the final estimate subject to their findings.
3. A Highest and Best Use analysis was performed for the subject property.
4. A detailed review of market sales data extracted from various sources, including Multiple Listing Service, First American Real Estate Solutions (FARES), National Data Collective (NDC), Realquest, Title Companies, Brokers, Principals, and the Appraiser's files, was undertaken by the appraiser. Relevant market factors were weighed and their influence on the subject considered in the Direct Sales Comparison Analysis. Reproduction Cost Data and, Market Rental Data were reviewed as needed.
5. Where an Income Approach is performed providing support for the estimate of value, market rent is abstracted for any owner-occupied unit so as to maintain consistency in reporting value indication by this approach.
6. A replacement cost approach was also performed, providing support for the estimate of value for the subject. Estimates of value from all three approaches were then reconciled to a final estimate of market value for the subject.
7. The appraisal report was then completed in accordance with Standards dictated by the Appraisal Foundation in the UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP). The report included such data and information needed to lead a reader to a similar market value conclusion.
8. The Client and the appraiser agree that all Assumptions and Limiting Conditions, including any Extraordinary Assumptions and Limiting Conditions which are necessary and proper for a complete analysis and valuation of the Subject property and for the protection of the appraiser from unreasonable liability for conditions unknown and/or undiscovered affecting the value or physical condition of the Subject property are made a part of the Scope of Work. Valuation is subject to all such binding Assumptions and Limiting Conditions whether in the body or addenda of the report.
9. The appraisal report was delivered to the client which constituted completion of the assignment.

IV. USPAP Compliance

The intent of this report is to comply with the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Standards Board of the Appraisal Foundation as of January 1, 2008, the Office of the Comptroller of the Currency's (OCC) Minimum Appraisal Standards, FHA Guidelines and the Fannie Mae (FNMA) Selling Guide and related Guidelines.

V. Competency of the Appraiser

The appraiser possesses the appropriate knowledge and experience to complete this assignment competently. The appraiser is Licensed in good standing by the State of California as a Residential Real Estate Appraiser, OREA License number AL009424.

The reviewer of this appraisal, Armando J. Ortiz, Certified General Appraiser, License No AG027708 is currently in expired status, pending renewal as of the delivery date of this report.

VI. Rents and Vacancies

Any income analysis contained in this report is based upon current, supported market rental/sales and vacancy data.

VII. Sales History

The previous transfer of the subject was on November 2, 2005 by interspousal Quit Claim Deed on unknown terms. The previous market transfer was on July 9, 1996 for \$135,000 by Corporation Grant Deed No. 1082133 on conventional financing terms. No prior market transfers discovered. Valuation assumes clear title.

VIII. Trend Analysis

Current market demand/supply condition and reasonably expected marketing time in the subject's market are discussed in the report. The marketing time is in the three to six months range for properties in the subject's price range.

IX. Deductions and Discounts

The purpose of this report is to estimate a "cash equivalent" market value for the subject property. Concessionary practices currently observed (if they exist) in the subject's market are discussed in the body of the report.

X. Prohibited Influences

Employment of the appraiser was not conditioned upon the appraisal producing a specific value or value within a given range. Neither employment nor compensation are based upon approval of any related loan application.

XI. Summary Appraisal

This appraisal report is intended to be a summary document including a brief recapitulation of all information necessary to enable the reader to understand the appraiser's opinion. Any third party studies that are referred to, such as pest control, systems inspection or hazardous waste detection have been verified by the appraiser to the extent the assumptions and conclusions therein are used.

XII. Personal Property

Any personal property involved in the transaction has been excluded from the valuation of the real property. Should a transaction which includes personal property of sufficient value to affect the market value be evident, a separate assessment of the personal property, fixtures, or intangible items will be included with the report as a separate valuation.

XIII. Three Approaches to Value

The appraiser has made a reasonable effort to employ the three approaches to value. The Income Approach was omitted as the subject neighborhood was predominantly owner-occupied and therefore there was insufficient market data available to derive an accurate gross rent multiplier (GRM) and hence an accurate indication of market value. The GRM will only be used when:

1. Requested by the client for a non-owner occupied single family residence.
2. When sufficient market evidence exists that rental properties or investor purchases are typical to the neighborhood and the analysis of same adds support to the appraisal report.

If the GRM Approach is not used, it is because it is considered insufficiently indicative of market value, given a lack of relevant market data.

XIV. Authorized Use

This file was completed for the Law Offices of Hong and Mashal, LLP, Robin Mashal, Esq. on behalf of their client for investigative, estate planning and/or litigation support purposes only. It is not intended for any other use including third parties such as Fannie Mae / Freddie Mac, or any other type of federally related transaction. Nothing in this report shall be construed as limiting the dissemination of this report to third parties in the normal course of business for the purposes of the client only. Copyright, 2010 all rights reserved.

XV. Litigation

The appraiser, by reason of this report, shall not be obligated to provide further testimony as to the valuation or the contents of this report, either in deposition or in open court, unless written contractual arrangements have been made and approved in advance.

XVI. Mold Identification

The appraiser is not a Home Inspector or an Environmental Inspector. The appraiser provides an opinion of value only. The appraiser does not guarantee that the property is free of defects or adverse environmental conditions. The appraiser performs an inspection of visible and accessible areas only. Mold, fungus or other bio-efflorescence may be present in areas which the appraiser cannot see or inspect. A professional Home Inspection and/or Environmental assessment is recommended.

XVII. Digital Signatures

Appraiser and Client acknowledge and agree, in connection with electronic submission of appraisals as follows:
1. This appraisal complies with USPAP and, when applicable, to FHA or other Federal standards and requirements. 2. The software used by the appraiser to generate the appraisal report protects signature security by means of digital signature security features for each appraiser signing the report, and each appraiser maintains exclusive control of his/her related signature through a password, hardware device or other such measures. 3. Appraiser and client are each jointly and severally responsible for the use, integrity and authenticity of data and signatures transmitted electronically. Appraiser will hold the client harmless from and against any breach or failure of data integrity, signature authenticity or breach of data security emanating or originating from the point of transmission only. 4. Adobe Distiller, Nitro PDF or Ala Mode EDI software or equivalent is utilized by appraiser to transmit this pdf-formatted appraisal. 5. All such transmissions shall be routed only to the client at the e-mail address provided in the assignment request at the time the order was placed, unless subsequently instructed otherwise by the client. 6. No duplicate transmission of this report will be made and no delivery of a hard copy of this report will be made unless and until appraiser has received such written instruction from client.

CERTIFICATION OF APPRAISER

The undersigned do hereby certify that except as otherwise noted in this appraisal report:

1. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
2. I have no personal interest in, or bias, with respect to the subject matter of this appraisal report, or the parties involved.
3. To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all the limiting conditions (imposed by the term of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions, contained in this report.
5. I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
6. *Ernesto Zavala, California Real Estate Appraiser, OREA License No. AL009424* is licensed in good standing and qualified to perform this appraisal. The opinions, analyses and conclusions herein are those of the undersigned. *Armando J. Ortiz, California Certified General Real Estate Appraiser, OREA License No. AG027708* is currently in expired status pending license renewal. *Armando J. Ortiz* is otherwise qualified to supervise, review and advise the appraiser.
7. *Jesse Ibarra, California Real Estate Appraiser Trainee, OREA License No. AT0429412* provided professional assistance in the preparation and assembly of this report. No other person provided significant professional assistance in the preparation of this report.
8. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraisers, or the firm with which they are connected, or any reference to the Appraisal Institute, shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication, without the prior written consent and approval of the undersigned.
10. The market value of the real property which is the subject of this report, as of the retrospective, effective date of value, February 27, 2008 is as follows:

Three Hundred Sixty Five Thousand Dollars
(\$365,000)

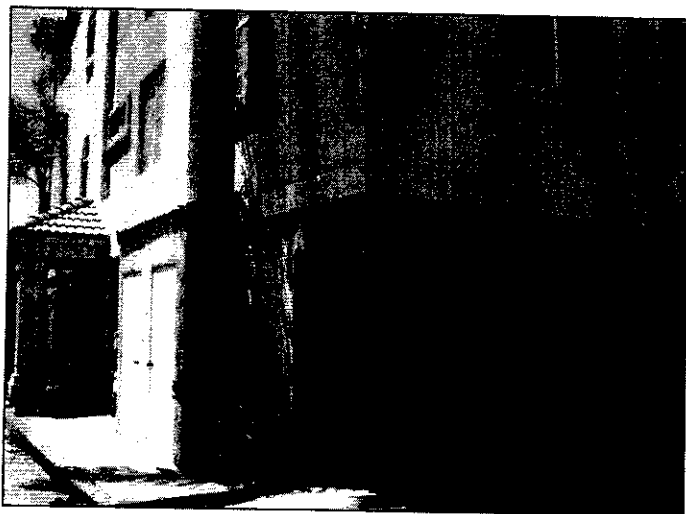
SUBJECT PHOTOGRAPH ADDENDUM

0610A1705

Borrower	Realist: Esmilla / Pagdanganan						
Property Address	21828 South Vermont Avenue #1						
City	Torrance	County	Los Angeles	State	CA	Zip Code	90502-2104
Lender/Client	HONG & MASHAL LLP						



FRONT OF
SUBJECT PROPERTY



REAR OF
SUBJECT PROPERTY



STREET SCENE

ADDITIONAL PHOTOGRAPH ADDENDUM

0610A1705

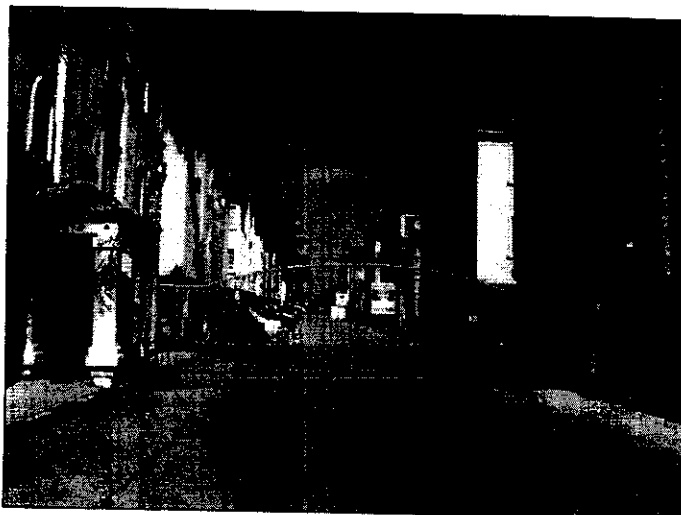
Borrower	Realist: Esmilla / Pagdanganan						
Property Address	21828 South Vermont Avenue #1						
City	Torrance	County	Los Angeles	State	CA	Zip Code	90502-2104
Lender/Client	HONG & MASHAL LLP						



COMMON POOL AREA



VIEW OF INTERIOR OF
PROJECT



FRONT GATE / VIEW TO
PROJECT

ADDITIONAL PHOTOGRAPH ADDENDUM

0610A1705

Borrower	Realist: Esmilla / Pagdanganan						
Property Address	21828 South Vermont Avenue #1						
City	Torrance	County	Los Angeles	State	CA	Zip Code	90502-2104
Lender/Client	HONG & MASHAL, LLP						



ALTERNATE VIEW OF
STREET SCENE (NORTH
VIEW)



RIGHT VIEW (DETACHED
SIDE) OF SUBJECT.

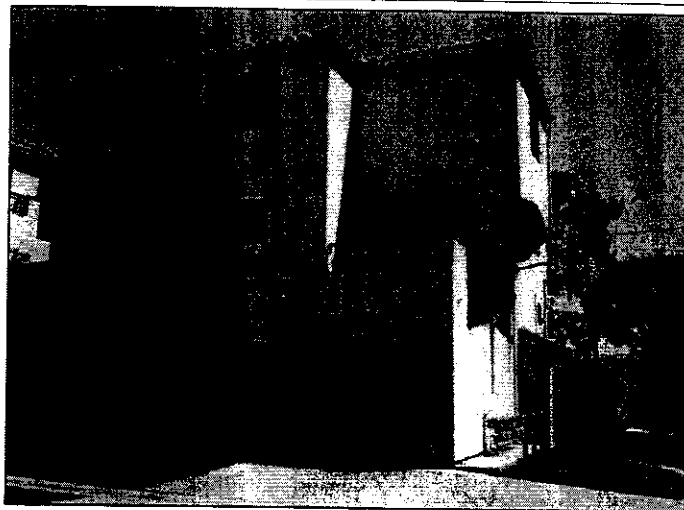


VIEW TO ACROSS THE
STREET. VIEWED FROM
FRONT OF SUBJECT

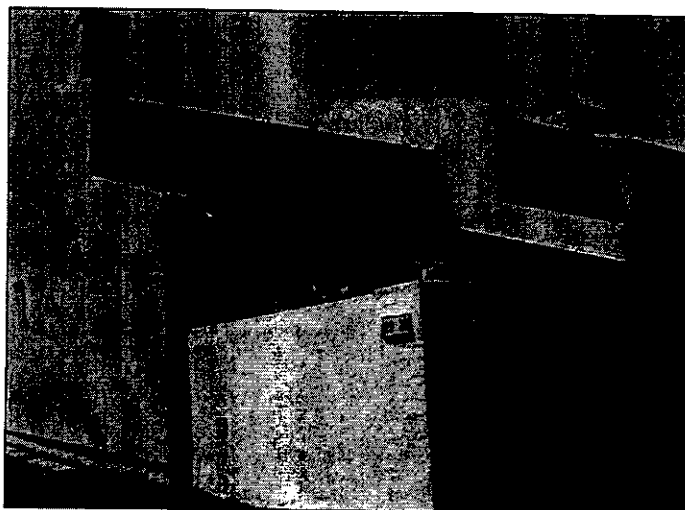
COMPARABLES PHOTOGRAPH ADDENDUM

0610A1705

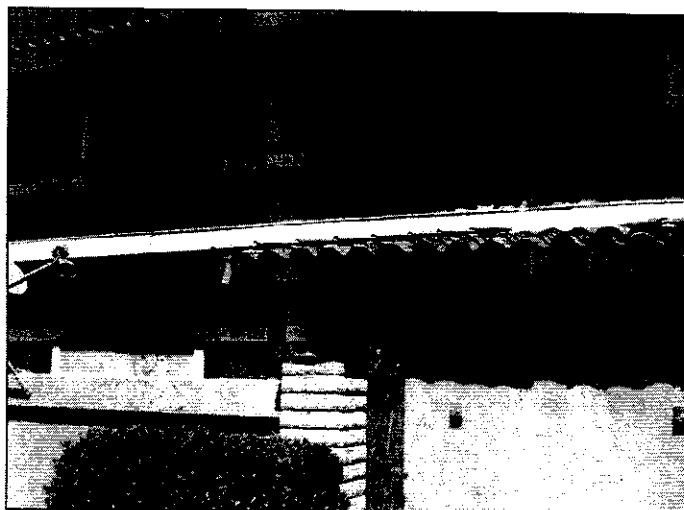
Borrower	Realist: Esmilla / Pagdanganan						
Property Address	21828 South Vermont Avenue #1						
City	Torrance	County	Los Angeles	State	CA	Zip Code	90502-2104
Lender/Client	HONG & MASHAL LLP						



COMPARABLE SALE # 1
539 W. 220th St. #39
AP#7343-021-085
Date of Sale : 11/20/2007
Sale Price : 410,000
Sq. Ft. : 1,194
\$/Sq. Ft. : 343.38



COMPARABLE SALE # 2
22533 S. Vermont #33
AP#7344-023-079
Date of Sale : 12/06/2007
Sale Price : 350,000
Sq. Ft. : 1,221
\$/Sq. Ft. : 286.65

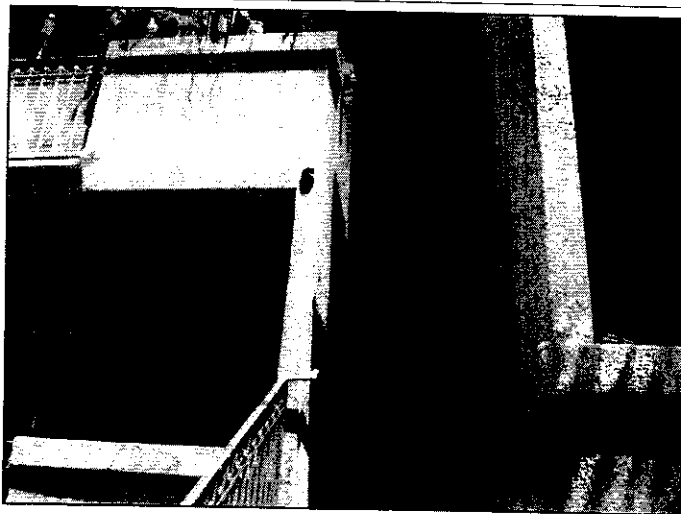


COMPARABLE SALE # 3
21602 Figueroa St #36
AP#7343-008-081
Date of Sale : 11/28/2007
Sale Price : 370,000
Sq. Ft. : 1,323
\$/Sq. Ft. : 279.67

COMPARABLES 4 5 6 PHOTOGRAPH ADDENDUM

0610A1705

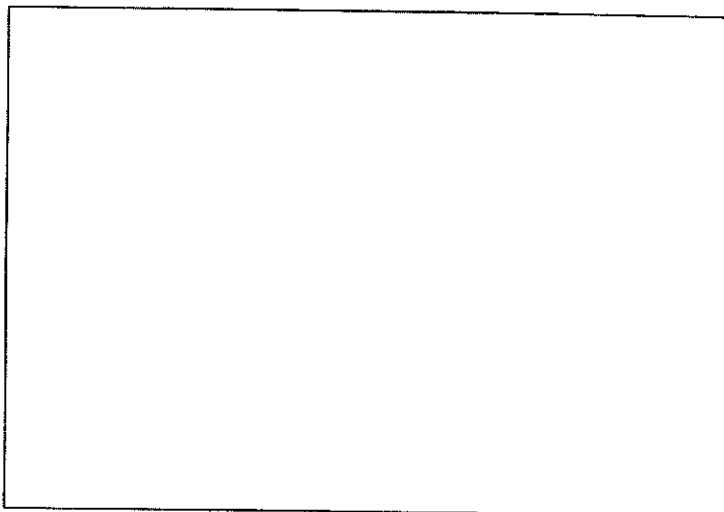
Borrower Realist: Esmilla / Pagdanganan
Property Address 21828 South Vermont Avenue #1
City Torrance County Los Angeles State CA Zip Code 90502-2104
Lender/Client HONG & MASHAL LLP



COMPARABLE SALE # 4
21854 S Vermont Ave #6
AP#7344-002-078
Date of Sale : 11/15/2007
Sale Price : 336,000
Sq. Ft. : 1,246
\$/Sq. Ft. : 269.66



COMPARABLE SALE # 5
21415 S Vermont Ave #14
AP#7345-011-066
Date of Sale : 11/09/2007
Sale Price : 363,500
Sq. Ft. : 888
\$/Sq. Ft. : 409.35



COMPARABLE SALE # 6

Date of Sale :
Sale Price :
Sq. Ft. :
\$/Sq. Ft. :

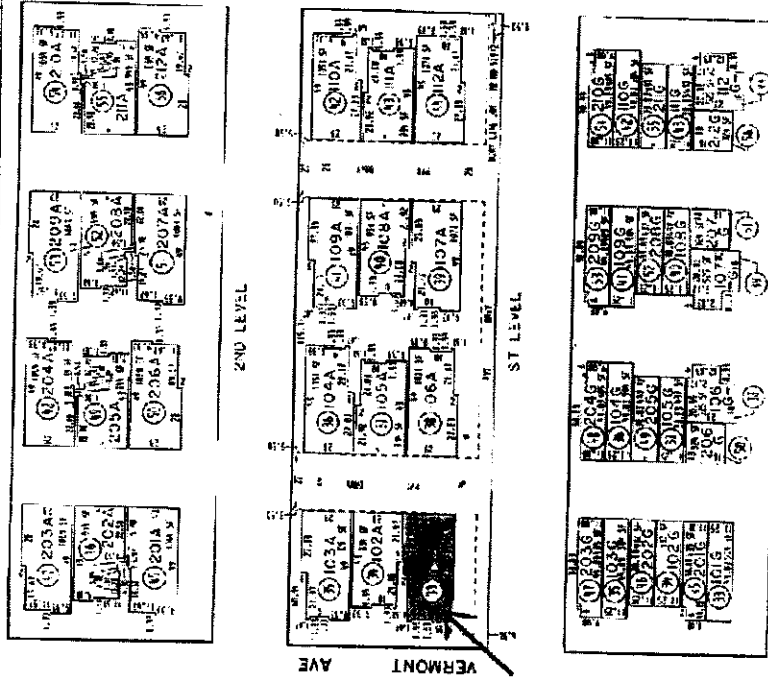
PLAT MAP

0610A1705

Borrower/Clien Realist: Esmilla / Pagdanganan
 Property Address 21828 South Vermont Avenue #1
 City Torrance County Los Angeles State CA Zip Code 90502-2104
 Lender/Clien HONG & MASHAL LLP

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OFFICE OF ASSESSMENT
 COUNTY OF LOS ANGELES
 TRACT 2



SUBDIVISION OF AIRSPACE
 CONDOMINIUM TRACT NO 51112
 TO BE CONVEYED BY DEED
 SEE RETURNED CONDITIONS FOR PLATTING OF UNITS

REVISED
 APPROVED
 APPROVED

1999

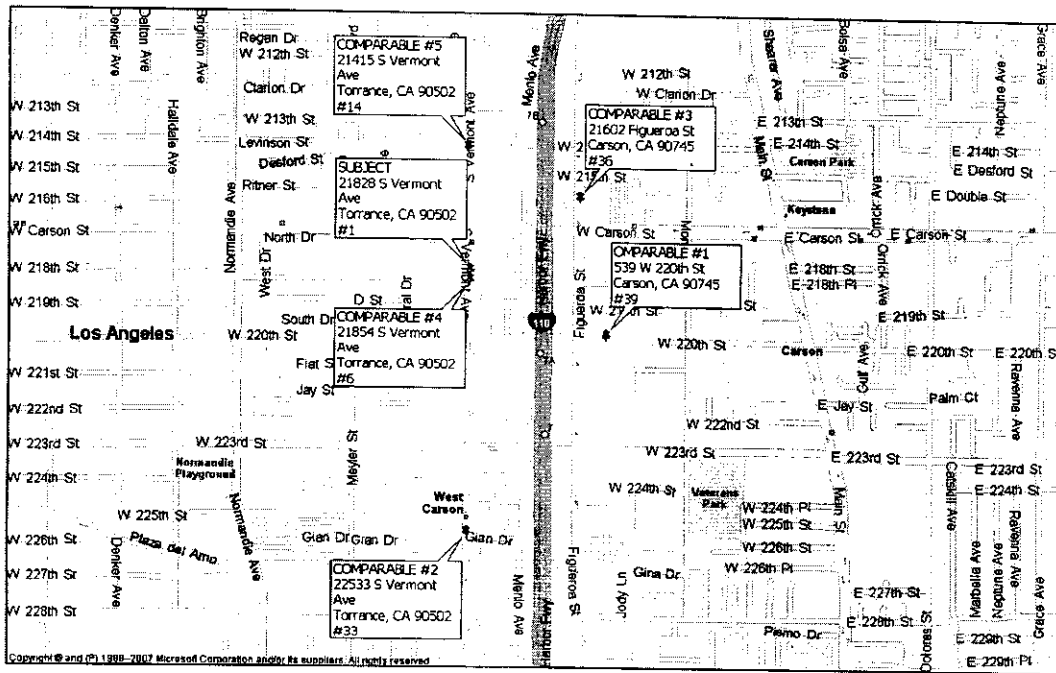
THE RECORDING OF UNITS IN THE FOLLOWING AIRSPACE PLANS INCLUDES ALL PLATS AND INSTRUMENTS IN THE CHAIN OF TITLE AS SET FORTH IN ENTRIES 10 THROUGH 14 OF THE PUBLIC RECORDS APPROXIMATELY BEGINNING FROM WHICH AREAS ARE SEGREGATED.

APPROX	PLAT	REQUIRE	TRACT NO	S.E. QTR	TYPE	RECORDING
10/20/03	7-22-04	5112	-	CONDO	2	
10/20/03	7-22-04	5112	-	CONDO	3	
10/20/03	7-22-04	5112	-	CONDO	4	
10/20/03	7-22-04	5112	-	CONDO	5	

LOCATION MAP ADDENDUM

0610A1705


Borrower / Client	Realist: Esmilla / Pagdanganan		
Property Address	21828 South Vermont Avenue #1		
City	Torrance	County	Los Angeles
Lender/Client	HONG & MASHAL LLP	State	CA
		Zip Code	90502-2104



ADDITIONAL ATTACHMENT

0610A1705

Borrower	Realist: Esmilla / Pagdanganan						
Property Address	21828 South Vermont Avenue #1						
City	Torrance	County	Los Angeles	State	CA	Zip Code	90502-2104
Lender/Client	HONG & MASHAL LLP						



STATE OF CALIFORNIA
Business, Transportation & Housing Agency
OFFICE OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

OREA APPRAISER IDENTIFICATION NUMBER AG027708

ARMANDO J. ORTIZ

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OFFICE OF REAL ESTATE APPRAISERS

Bob Clark

Date Issued: July 7, 2008
Date Expires: July 6, 2010

Audit No. 108484

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE - SAFE AND VENERY FIRST

PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 1875 Century Park East, Suite 600, Los Angeles, California 90067-2507.

On July 22, 2010, I served on the interested parties in this action a true and correct copy of OR the original of the foregoing document(s) described as: **SUPPLEMENTAL OPPOSITION TO DEBTOR'S MOTION TO AVOID LIEN UNDER 11 U.S.C. § 522(f) (REAL PROPERTY); DECLARATION OF ROBIN MASHAL; EXHIBIT.**

(BY MAIL) By placing said documents in postage pre-paid envelope(s), sealed and addressed as shown on the attached service list, and depositing the same with the United States Postal Service the same day. I am readily familiar with this firm's business practice for collection and processing of correspondence by U.S. Mail. I am aware that on motion of party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date stated in this proof of service.

(BY OVERNIGHT DELIVERY) By placing said documents in Overnight Express™ envelope(s), sealed and addressed as shown on the attached service list, and depositing the same within the Overnight Express™ deposit box at Los Angeles, California, before the scheduled pickup time, to be delivered to the parties the next day.

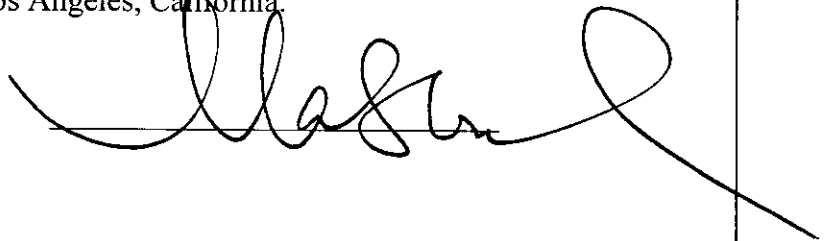
(BY FACSIMILE) By causing the said document(s) to be transmitted by electronic facsimile machine to the facsimile number(s) of those parties specifically indicated on the attached service list, in compliance with the California Rules of Court, with no error reported by the machine.

(BY PERSONAL SERVICE) I hand delivered said documents to the address(es) indicated on the attached service list.

(STATE) I declare under penalty of perjury under the laws of the State of California, that the above is true and correct.

(FEDERAL) I declare that I am a member of the bar of this court OR I am employed in the office of a member of the bar of this court at whose direction this service was made, and that the above is true and correct.

Executed on July 22, 2010, at Los Angeles, California.



SERVICE LIST

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Roman P. Mosqueda, Esq.
LAW OFFICES OF ROMAN P MOSQUEDA
3055 Wilshire Blvd., Suite 425
Los Angeles, CA 90010

[Debtor's Attorney]

Fax: (213) 252-5929

David L Hahn, Trustee
HAHN FIFE & CO., LLP
22342 Avenida Empresa, Suite 260
Rancho Santa Margarita, CA 92688

[Chapter 7 Trustee]