

SO ORDERED.

SIGNED this 30th day of August, 2021.



Catharine R Aron

UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
DURHAM DIVISION

In re:)	
)	
CHRISTOPHER VEREEN,)	Case No. 20-80517
)	Chapter 7
Debtor.)	

ORDER AUTHORIZING PUBLIC SALE OF VEHICLES

THIS MATTER comes before the Court upon the Amended Motion to Authorize Public Sale of Vehicles (Dkt. No. 129) (the "Motion") filed by John Paul H. Cournoyer, the Chapter 7 Trustee in the above-captioned bankruptcy case (the "Trustee"), pursuant to section 363 of the Bankruptcy Code. Notice of the Motion (Dkt. No. 131) was issued on August 5, 2021 with a deadline of August 21, 2021 within which to file objections. No objections having been filed, and after considering the matters set forth in the Motion and the official file, the Court hereby makes the following findings:

1. On November 12, 2020 (the "Petition Date"), Christopher Vereen (the "Debtor") filed a chapter 7 bankruptcy petition. The Trustee is the duly-appointed chapter 7 trustee.

2. The Court has jurisdiction over this case under 28 U.S.C. § 1334. Under 28 U.S.C. § 157(a), the United States District Court for the Middle District of North Carolina has referred this case and this proceeding to this Court by its Local Rule 83.11. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue in this Court is proper under 28 U.S.C. §§ 1408 and 1409.

3. Pursuant to prior order of this Court, the Trustee has employed Iron Horse Auction Company (the “Auctioneer”) as auctioneer to conduct a public sale of vehicles that are property of this bankruptcy estate.

4. Pursuant to prior order of this Court, the Trustee already sold the 2012 Bentley, which generated aggregate proceeds totaling \$81,400, including the 10% buyer’s premium. After payment of the 10% buyer’s premium of \$7,400 and advertising expense reimbursement of \$500, the remaining net proceeds of \$73,500 were retained for the benefit of the bankruptcy estate. The Debtor scheduled the value of the 2012 Bentley as \$28,700.

5. On July 27, 2021, the Debtor filed amended exemptions [Dkt. No. 123], which claim exemptions of \$16,000 in the 2012 Bentley and \$1,900 in the Debtor’s half interest in the 1988 Ford L-Series. The Trustee does not object to these exemptions, and absent an objection from another party in interests, these exemptions will be allowed once the deadline to object expires. Once the Debtor’s exemptions have been allowed, the Trustee shall disburse to the Debtor the \$16,000 in exempt proceeds attributable to the Debtor’s exemptions in the 2012 Bentley.

6. There are three vehicles (the “Vehicles”) now in the possession of the Auctioneer in which the Debtor has claimed no exemption:

- a. 2008 Dodge Ram, VIN 1D7HA182X8S584635;
- b. 2006 Infiniti M5, VIN JNKAY01E66M100126; and
- c. 2005 Range Rover, VIN SALMF11495A197915.

7. The Debtor has scheduled the aggregate value of these three vehicles at \$5,428. However, the Trustee believes the realizable value for these vehicles is substantially higher than the scheduled values.

8. According to North Carolina Division of Motor Vehicles records, there are no liens reflected on the certificates of title for the Infiniti and Range Rover. The Trustee is in the process of obtaining duplicate certificates of title for these vehicles.

9. There is a lien in favor of Lendmark Financial Services, LLC (“Lendmark”), with respect to the 2008 Dodge. However, the Trustee filed an adversary proceeding seeking to avoid and set aside Lendmark’s lien under 11 U.S.C. § 549. Pursuant to the Order Approving Settlement and Compromise entered on August 16, 2021 (A.P. Dkt. No. 13), 15% of the net proceeds attributable to the 2008 Dodge shall be paid to Lendmark and the remaining 85% of the net proceeds will be retained by the Trustee as unencumbered funds for the benefit of the bankruptcy estate.

10. The Court finds that the proposed sale is in the best interests of the bankruptcy estate and its creditors. Therefore, the Vehicles are to be sold at public auction to be conducted by the Auctioneer online during one of the Auctioneer’s

regular vehicle auction sales during a time period mutually agreed to between the Trustee and the Auctioneer.

11. The Auctioneer is authorized to hire a locksmith cut a new key for any Vehicle that is missing a key.

12. The sale proceeds from the Vehicles should be distributed as follows:

- a. First, for any ordinary and customary costs of sale, including the 10% buyer's premium and expense reimbursement to the Auctioneer;
- b. Second, 15% of the net sale proceeds attributable to the 2008 Dodge to Lendmark, provided that the Court has entered an order approving the proposed settlement;
- c. Third, all remaining proceeds to the Trustee to be held and used for the benefit of the bankruptcy estate.

13. The Trustee shall promptly file a report of sale once the auction is concluded, and the sales have closed.

Based upon the foregoing findings, the Court concludes that the Motion should be granted, and for good and sufficient reasons appearing, it is hereby ORDERED as follows:

1. The Motion is granted.
2. The Trustee is authorized to sell the Vehicles at public auction to be conducted by the Auctioneer.

3. The Auctioneer is authorized to hire a locksmith to cut a new key for any Vehicle that is missing a key.

4. The Trustee is authorized to distribute the sale proceeds as outlined above, including the payment of the buyer's premium and expense reimbursement to the Auctioneer.

5. The Trustee shall promptly file a report of sale once the auction is concluded, and the sales have closed.

[END OF DOCUMENT]

SERVICE LIST:

By automatic CM/ECF notice:

William P. Miller US Bankruptcy Administrator	Robert Lewis, Jr. Counsel for Debtor
Todd A. Jones Counsel for Gonor Funding, Inc.	Nathan L. Strup Counsel for United States of America
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