

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:)
)
DAWN O. VERDEGAN,) CASE NO. 08-20270 JPK
) Chapter 11
Debtor.)

ORDER DENYING DEBTOR'S MOTION TO APPOINT AND
NOMINATE PAUL R. CHAEL AS TRUSTEE ("MOTION")

The Motion, filed on February 26, 2008, requests that the Court appoint the Standing Chapter 13 Trustee Paul R. Chael as a Trustee in this Chapter 11 case, "to act in a similar capacity as he would act in a Chapter 13". An alternative prayer for relief, stated in the last sentence of the document, requests "an Order enabling the Debtor to hire a Certified Public Account (sic) to act as the Disbursing Agent after notice and opportunity to Object to the hiring of the particular Certified Public Account (sic) is served upon the parties in interest", in the event that the request for appointment of a Trustee is denied.

At a hearing held on February 28, 2008 in this case, the debtor's counsel explained that the intent of the motion was to provide a mechanism which could seek to guarantee the deposit by the debtor with a disinterested third party of funds necessary for her to effectuate the relief she might seek through a plan in this case.

First, the appointment of a trustee in a Chapter 11 case is governed by 11 U.S.C. § 1104(a), and the reasons for which the appointment of a trustee in this case is sought do not fall within the parameters of that statute. The duties of a Chapter 11 trustee, provided for by 11 U.S.C. § 1106(a), are far more expansive than those of a Chapter 13 trustee, and are far more expansive than merely acting as a "disbursing agent" with respect to funds received from the debtor. The concept of a "disbursing agent" is also inappropriate in the context of this case at this time. A disbursing agent acts as a mechanism for holding and/or disbursing payments to creditors and parties-in-interest provided for by a plan or other arrangement approved by the

Court. Without a plan or court order which defines the payments to be made by the debtor to be either held or disbursed by the disbursing agent, the appointment of such an entity serves no purpose.

The Motion, though well-intended to achieve a specific purpose, states no grounds for any relief in a Chapter 11 case.

IT IS ORDERED that the above-designated Motion is denied.

Dated at Hammond, Indiana on March 11, 2008.

/s/ J. Philip Klingeberger
J. Philip Klingeberger, Judge
United States Bankruptcy Court

Distribution:
Debtor, Attorney for Debtor
US Trustee