

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:)
)
THOMAS STONOJLOVIC, SR. and) CASE NO. 01-60534 JPK
CHRISTINE LOUISE STONOJLOVIC,) Chapter 7
)
Debtors.)

ORDER REGARDING DEBTORS' MOTION FOR REDEMPTION

On September 22, 2005, the debtors, by counsel, filed a Motion for Redemption Under 11 U.S.C. 722 with respect to a 1999 Kia Sophia in which Ford Motor Credit Company was alleged to have a security interest. The motion and the notice required by N.D.Ind.L.B.R. B-2002-2(a)(6) was served upon the creditor. However, on May 19, 2005, Attorney Terri M. Long entered her appearance for that creditor, and service upon her has not been made. The service of the motion and the notice is therefore defective, and must be re-done by the debtors.

The Court notes that the redemption motion is premised upon the assertion that the secured value of the property has been paid previously by the Chapter 13 Trustee prior to the conversion of the originally filed Chapter 13 case to a case under Chapter 7. The Trustee's Final Report and Account does state that the amount of the allowed secured claim of Ford Motor Credit Company was \$3,000.00, and that \$3,000.00 in principal and \$2,629.67 in interest was paid during the Chapter 13 case. The Court also notes that 11 U.S.C. § 348(f)(1)(B) provides that valuation of property and of allowed secured claims in a Chapter 13 case "shall apply in the converted case, with allowed secured claims reduced to the extent that they have been paid in accordance with the Chapter 13 plan". It therefore appears that there may indeed be some validity to the debtor's assertions.

IT IS ORDERED that the Court will take no action with respect to the foregoing motion until a copy of that motion and of the required notice, including a new period for objection, have been served upon Attorney Terri M. Long as counsel for Ford Motor Credit Company.

Dated at Hammond, Indiana on November 18, 2005.

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

Distribution:
Debtors, Attorney for Debtors, Trustee, US Trustee