

FILED
U.S. BANKRUPTCY COURT
APR 6 - 1993
W. DISTRICT OF N.C.
Jwb

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA

ADMINISTRATIVE ORDER REGARDING PROPER PROCEDURE FOR DISTRIBUTION
IN CHAPTER 7 CASES FOLLOWING CONVERSION FROM CHAPTER 13

This cause coming on before the United States Bankruptcy Court for the Western District of North Carolina, upon the suggestion of the United States Bankruptcy Administrator for the Western District of North Carolina, the Court finds:

1. In cases originally filed under Chapter 13 of Title 11, the Chapter 13 trustee has often made distributions to creditors pursuant to the debtor(s) plan of reorganization. Due to various factors, distributions under the Chapter 13 plan may not be pro-rata among the members of a class of creditors.

2. Following conversion to Chapter 7, the Chapter 7 trustee should take into consideration all disbursements in the prior Chapter 13 proceeding and, to the extent practicable, shall propose a distribution which equalizes the total distribution to creditors within the class.

Wherefore, it is hereby ORDERED that all Chapter 7 trustees shall use the following instructions in calculating final reports and proposed distributions in Chapter 7 cases in which any disbursements have been made in the prior Chapter 13 case.

1. After determining the final class of creditors to receive a pro-rata distribution, the "Class", the trustee shall add the distribution made to those claimants to the funds available in the Chapter 7 for distribution. The trustee shall then determine the proper pro-rata distribution to the claimants in that Class.

2. If any creditors in the Class have received a greater distribution in the Chapter 13 proceeding than as determined in the previous paragraph, then the trustee shall object to those claims as to any further distribution. The trustee shall then recalculate the distribution to the remaining claims in the Class in the manner described in the previous paragraph.

3. In determining the distribution of the funds available in the Chapter 7 proceeding, the trustee shall subtract the funds

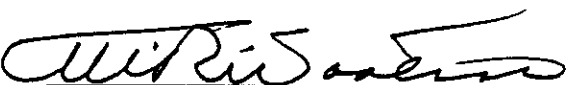
received by the claimant in the prior Chapter 13 proceeding from the amount of the claim as calculated in the previous paragraphs.

Dated _____.



George R. Hodges
United States Bankruptcy Judge

Dated 4-8-93.



Marvin R. Wooten
United States Bankruptcy Judge