FILED
U.S. BANKRUPTCY COURT
WESTERN DISTRICT OF NC
MAR 18 1996
J. BARON GROSHON
BY: LGA
Deputy Clerk

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA

In re:	)	
	)	
	)	ADMINISTRATIVE ORDER
PROCEDURES IN AID OF	)	ESTABLISHING PROCEDURE FOR
THE ADMINISTRATION OF	)	RETENTION OF CASH PROCEEDS
CHAPTER 13 CASES	)	PENDING RESOLUTION OF
	)	CHAPTER 13 CASES

The Court having considered this matter and it appearing that as a result of its decision in In re Reginald Gainer (Case No. 90-31214, slip op. August 1, 1994), that situations will arise in Chapter 13 cases whereby cash proceeds arising from the liquidation of the collateral of an undersecured creditor will equal a sum which is greater than the payoff balance of the secured portion of the creditor's claim in the debtor's plan, and that after payment of such secured portion of the creditor's claim from such proceeds, a means for retention of any excess proceeds must exist pending the resolution of the respective Chapter 13 cases by completion of the plan and discharge, or by dismissal or conversion of the case, and it further appearing that the Chapter 13 trustee is the party who should be entrusted with custody of such proceeds pending resolution of the case, and it finally appearing that such means of retention should be structured in such a way as to safeguard the principal amount of such proceeds while minimizing the trustee's costs incurred in retaining such funds,

Based upon the foregoing, IT IS HEREBY ORDERED that in those situations where excess cash proceeds arising from the liquidation of collateral must be retained in trust pending resolution of a Chapter 13 case, the Chapter 13 trustee shall retain such proceeds in a non-interest bearing escrow account pending such resolution, and IT IS FURTHER ORDERED that should any affected party desire that such proceeds be held in escrow in a manner other than that set forth hereinabove, including their investment in an interest-bearing account, that such party shall formally petition the Court for entry of an order setting forth the terms of such other means of retention.

Dated 3-14-96

George R. Hodges
Bankruptcy Judge

Marvin R. Wooten by GRH
Marvin R. Wooten
Bankruptcy Judge

J. Craig Whitley
Bankruptcy Judge

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