

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF LOUISIANA

IN RE:	§	CASE NO.: 16-10643
	§	
CHRISTOPHER MARTIN RIDGEWAY	§	
	§	
Debtor	§	CHAPTER 11
	§	
	§	SECTION "A"

**MOTION FOR AUTHORITY TO SELL MOVABLE PROPERTY FREE AND
CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES**

NOW INTO COURT, through undersigned counsel, comes Christopher Martin Ridgeway (“Mr. Ridgeway” and/or “Debtor”), who with respect represents:

1.

JURISDICTION

This Court has jurisdiction over this matter pursuant to 28 U.S.C. §1334(a) and (b) of the United States Bankruptcy Code, the Standing Order of Reference of this District and the Order of this Court of June 26, 1995 as set forth herein below.

2.

CORE PROCEEDING

This is a core proceeding pursuant to 28 U.S.C. 3157(b)(2)(A)(N) and (O).

3.

PROCEDURE

Procedurally, this matter is governed by 11 U.S.C. §363 and by Federal Rule of Bankruptcy Procedure 6006(a) and 9014.

4.

Christopher Martin Ridgeway filed his voluntary petition for relief herein under Chapter 11 of the United States Bankruptcy Code on or about March 23 2016. The Debtor remains in possession and continues to operate pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

5.

The Debtor filed his Notice regarding Fifth Amended Schedules on August 10, 2016, which included the 2008 Yukon Denali and 2011 Toyota Highlander as assets. The assets are described as a 2008 GMC Yukon Denali, VIN. 1GKFK63898J194711, Black, odometer reading approximately 87,294 and a 2011 Toyota Highlander Limited, VIN. 5TDYK3EH9B049260, gray, odometer reading approximately 27,500 on Schedule B.

6.

The Debtor valued his fifty percent (50%) portion of the 2008 GMC Yukon Denali in the Schedules as \$7,500.00 and the value of the entire property as \$15,000.00 and fifty percent (50%) portion of the 2011 Toyota Highlander Limited in the Schedules as \$10,000.00 and the value of the entire property as \$20,000.00.

7.

The Debtor received an offer from Everett Buick GMC on the 2008 GMC Yukon Denali in the amount of \$18,500.00. The NADA Book Value on the 2008 GMC Yukon Denali ranges from \$14,825.00 to \$22,000.00 without options, depending on the condition of the vehicle. See Exhibit "A" regarding the offer from Everett Buick GMC and Exhibit "B" regarding the NADA book value.

8.

The Debtor also received an offer from Everett Buick GMC on the 2011 Toyota Highlander Limited in the amount of \$22,500.00. The NADA Book Value on the 2011 Toyota Highlander Limited ranges \$18,100.00 to 22,975.00 with options, depending on the condition of the vehicle. See Exhibit "C" regarding the offer from Everett Buick GMC and Exhibit "D" regarding the NADA book value.

9.

The 2008 GMC Yukon Denali and the 2011 Toyota Highlander are owned free and clear and have no outstanding liens.

LEGAL AUTHORITY

10.

Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a debtor, “after notice and hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b). Although § 363 of the Bankruptcy Code does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor’s assets, a sale of a debtor’s assets should be authorized when there is an articulated business justification for doing so. See *Licensing by Paolo v. Sinatra (In re Gucci)*, 126 F. 3d 380, 387 (2nd Cir. 1997); see also *In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991); *In re Telesphere communications, Inc.*, 179 B.R. 544, 552 (Bankr. N.D. Ill. 1994); *Committee of Equity Sec. Holders v. Lionel Corp (In re Lionel Corp.)*, 722 F. 2d 1063, 1070 (2nd Cir. 1983).

11.

Whether a transaction has a sufficient articulated business justification depends on the facts of the case. See *In re Continental Airlines, Inc.*, 780 F. 2d 1223, 1226 (5th Cir. 1986). A bankruptcy court should consider “all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders alike.” *Continental*, 780 F.2d at 1226; *Lionel*, 722 F. 2d at 1071. Relevant factors may include: “the proportionate value of the asset to the estate as a whole; the amount of elapsed time since the filing; the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on the future plan of reorganization; the amount of the proceeds to be obtained from the sale versus appraised values of the property; and whether the asset is decreasing or increasing in value.” See *Continental*, 780 F. 2d at 1226; *Lionel*, 722 F. 2d at 1071.

12.

When applying the “business judgment” standard courts show deference to a debtor’s business decisions. See, e.g. *In re Tom’s Foods Inc.*, 2005 WL 3022022, *2 (Bankr. M.D. Ga. 2005) (“courts are loath to interfere with corporate decisions absent a showing of bad faith, self-

interest, or gross negligence”); *Atkins v. Hibernia Corp.*, 182 F.3d 320, 324 (5th Cir. 1999); *GBL Holding Co., v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Group, Ltd.)*, No. Civ. A. 3:04-CV-2411-M, 2009 WL 440379, *2 (N.D. Tex. Feb. 23, 2009) (“great judicial deference is given to [the debtor in possession’s] exercise of business judgment.

13.

The Debtor has determined that approval of the Sale is the best way to maximize the value of the Debtor’s estate for the benefit of all constituencies. The Debtor has proposed in the Plan filed to utilize the proceeds from the sale of this property for payment for claims of other creditors.

14.

Based on the foregoing, the Debtor has determined in his sound business judgment that the sale of the property on the terms and conditions set forth herein are fair and reasonable and in the best interest of the Debtor’s estate, his creditors, and all parties in interest.

15.

Under § 363(f) of the Bankruptcy Code, a trustee may sell property free and clear of any lien, claim or interest in such property if, among other things:

- (i) applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- (ii) such entity consents;
- (iii) such interest is a lien and the price at which the property is sold is greater than all liens on such property;
- (iv) such interest is in bona fide dispute; or
- (v) such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

16.

Because §363(f) of the Bankruptcy Code is drafted in the disjunctive, satisfaction of any one of its five requirements is sufficient to permit the sale to be free and clear of all liens, claims, encumbrances, and interests (each, an “Interest”, and collectively, the “Interests”). Here a “free and clear” sale is warranted because, one or more of the standards set forth in §§ 363(f)(1)-(5) of the Bankruptcy Code will be satisfied.

17.

Section of 363(m) of the Bankruptcy Code provides that:

“The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

18.

The terms and conditions of the sale were negotiated by the Debtor and a representative of Everett Buick GMC at arm’s length and in good faith. Everett Buick GMC, any of its officers, managers, employees or directors are not related to or has an interest in the Debtor or otherwise affiliated with the Debtor. Moreover, Everett Buick is not an “insider” of the Debtor within the meaning of § 101(31) of the Bankruptcy Code, and is not controlled by, or acting on behalf of, any insider of the Seller. *See, e.g. In re After Six, Inc.*, 154 B.R. 876, 883 (Bankr. E.D. Pa. 1993). Accordingly, the Debtor requests that the Court determine that Everett Buick GMC to be acting in good faith and entitled to the protections of a good faith purchaser under §363(m) of the Bankruptcy Code.

19.

The Debtor avers that this proposed sale is in the best interest of the estate and the offer to purchase is fair and equitable. Further, the 2008 GMC Yukon Denali and the 2011 Toyota Highlander are being sold "as is, where is" with no warranty of any kind whatsoever.

WHEREFORE, Christopher Martin Ridgeway, prays:

1. That, after notice and hearing as required by law, this Court enter an Order authorizing the sale of the 2008 GMC Yukon Denali in the amount of EIGHTEEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (\$18,500.00) and the 2011 Toyota Highlander in the amount of TWENTY-TWO THOUSAND FIVE HUNDRED DOLLARS AND 00/100 (\$22,500.00), "as is, where is" without warranty of any kind whatsoever to Everett Buick GMC;
2. that Everett Buick GMC be deemed to be a good faith purchaser pursuant to §363(m); and
3. For such other and further relief as may be just in law and equity.

Respectfully submitted,

ADAMS AND REESE LLP

/s/ Robin B. Cheatham

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Scott R. Cheatham, LA Bar NO. 31658
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New Orleans, LA 70139
Telephone: (504) 581-3234
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Email: scott.cheatham@arlaw.com
Attorneys for Christopher Martin Ridgeway

Everett Buick GMC

Bill of Sale and Vehicle Purchase

DESCRIPTION OF VEHICLE PURCHASED:

YEAR	MAKE	MODEL	BODY STYLE	COLOR	VEHICLE IDENTIFICATION NUMBER
2008	GMC	YUKON	DENALI	BLACK	1GKFKG3898J194711

FEDERAL AND STATE LAW REQUIRES THAT YOU STATE THE MILEAGE UPON TRANSFER OF OWNERSHIP. FAILURE TO COMPLETE OR PROVIDING A FALSE STATEMENT MAY RESULT IN FINES AND/OR IMPRISONMENT.

I, CHRISTOPHER RIDGEWAY (SELLER'S PRINTED NAME) state that the odometer now reads 87,294 (no tenths) miles and to the best of my knowledge that it reflects the actual mileage of the vehicle described above, UNLESS one of the items below is checked:

- (1) I hereby certify that to the best of my knowledge the odometer reading reflects the amount of mileage in excess of its mechanical limits. **-OR-** (2) I hereby certify the odometer reading is not the actual mileage.

WARNING - ODOMETER DISCREPANCY

Seller: CHRISTOPHER RIDGEWAY Purchase Amount: \$ 18,500
 Address: 579 WOODWINE AVE Payoff Amount: \$ 0
METairie, LA 70005 Net: \$ 18,500

PAYOFF INFORMATION:

Payable To: _____
 Address: _____
 Account No: _____
 Good Until: _____

I give Everett Buick GMC permission to payoff this loan and give you permission to release the title to the account to Everett Buick GMC.

Authorized Signature of Account Holder: _____

If additional funds are required or additional information is needed, please contact Everett Buick GMC 501-315-7100.

BUYER: Everett Buick GMC
 P. O. Box 898 • Bryant, AR 72089

SELLER represents and warrants that the vehicle does not nor has it ever had a certificate of title showing any of the following designations: "DAMAGED", "SALVAGED", "WATER DAMAGED", "RECONSTRUCTED", "REBUILD" or any similar designation. SELLER further agrees that in the event an abstract of the certificate of title reflects one of the above designations, the SELLER will reimburse Everett Buick GMC for any loss Everett Buick GMC may sustain as a result of such designation.

SIGNATURE

SELLER agrees that the payoff amount on the vehicle has been supplied by the SELLER or by a finance company or bank and that Everett Buick GMC is relying on that amount in making this transaction. In the event the payoff is incorrect, Everett Buick GMC will reimburse any amount due SELLER and SELLER will reimburse Everett Buick GMC any amount Everett Buick GMC is required to pay above the represented payoff.

SIGNATURE

Signature of Seller or Transferor: X

Signature of Buyer or Transferee: X

PRINTED NAME OF SELLER

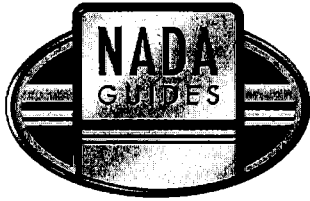
PRINTED NAME OF BUYER

DATE: _____

DATE: _____

Please mail the title to: Everett Buick GMC • P. O. Box 898, Bryant, AR 72089





NADAguides Price Report

8/25/2016

2008 GMC DENALI-1/2 Ton-V8-AWD

Utility 4D 2WD

Values

	Rough Trade-In	Average Trade-In	Clean Trade-In	Clean Retail
Base Price	\$14,825	\$16,825	\$18,500	\$22,000
Mileage (87,294)	\$1,325	\$1,325	\$1,325	\$1,325
Total Base Price	\$16,150	\$18,150	\$19,825	\$23,325
Options:				
Price with Options	\$16,150	\$18,150	\$19,825	\$23,325

Rough Trade-In - Rough Trade-In values reflect a vehicle in rough condition. Meaning a vehicle with significant mechanical defects requiring repairs in order to restore reasonable running condition. Paint, body and wheel surfaces have considerable damage to their finish, which may include dull or faded (oxidized) paint, small to medium size dents, frame damage, rust or obvious signs of previous repairs. Interior reflects above average wear with inoperable equipment, damaged or missing trim and heavily soiled/permanent imperfections on the headliner, carpet, and upholstery. Vehicle may have a branded title and un-true mileage. Vehicle will need substantial reconditioning and repair to be made ready for resale. Some existing issues may be difficult to restore. Because individual vehicle condition varies greatly, users of NADAguides.com may need to make independent adjustments for actual vehicle condition.

Average Trade-In - The Average Trade-In values on nadaguides.com are meant to reflect a vehicle in average condition. A vehicle that is mechanically sound but may require some repairs/servicing to pass all necessary inspections; Paint, body and wheel surfaces have moderate imperfections and an average finish and shine which can be improved with restorative repair; Interior reflects some soiling and wear in relation to vehicle age, with all equipment operable or requiring minimal effort to make operable; Clean title history; Vehicle will need a fair degree of reconditioning to be made ready for resale. Because individual vehicle condition varies greatly, users of nadaguides.com may need to make independent adjustments for actual vehicle condition.

Clean Trade-In - Clean Trade-In values reflect a vehicle in clean condition. This means a vehicle with no mechanical defects and passes all necessary inspections with ease. Paint, body and wheels have minor surface scratching with a high gloss finish and shine. Interior reflects minimal soiling and wear with all equipment in complete working order. Vehicle has a clean title history. Vehicle will need minimal reconditioning to be made ready for resale. Because individual vehicle condition varies greatly, users of NADAguides.com may need to make independent adjustments for actual vehicle condition.

Clean Retail - Clean Retail values reflect a vehicle in clean condition. This means a vehicle with no mechanical defects and passes all necessary inspections with ease. Paint, body and wheels have minor surface scratching with a high gloss finish and shine. Interior reflects minimal soiling and wear with all equipment in complete working order. Vehicle has a clean title history. Because individual vehicle condition varies greatly, users of NADAguides.com may need to make independent adjustments for actual vehicle condition. Note: Vehicles with low mileage that are in exceptionally good condition and/or include a manufacturer certification can be worth a significantly higher value than the Clean Retail price shown.

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EX B

Everett Buick GMC

Bill of Sale and Vehicle Purchase

DESCRIPTION OF VEHICLE PURCHASED:

YEAR	MAKE	MODEL	BODY STYLE	COLOR	VEHICLE IDENTIFICATION NUMBER
2011	TOYOTA	HIGHLANDER	LIMITED	GRAY	5TDYK3EH9B049260

FEDERAL AND STATE LAW REQUIRES THAT YOU STATE THE MILEAGE UPON TRANSFER OF OWNERSHIP. FAILURE TO COMPLETE OR PROVIDING A FALSE STATEMENT MAY RESULT IN FINES AND/OR IMPRISONMENT.

I, CHRISTOPHER RIDGEWAY (SELLER'S PRINTED NAME) state that the odometer now reads _____ (no tenths) miles and to the best of my knowledge that it reflects the actual mileage of the vehicle described above, UNLESS one of the items below is checked:

- (1) I hereby certify that to the best of my knowledge the odometer reading reflects the amount of mileage in excess of its mechanical limits. **-OR-** (2) I hereby certify the odometer reading is not the actual mileage.

WARNING - ODOMETER DISCREPANCY

Seller: CHRISTOPHER RIDGEWAY Purchase Amount: \$ 22,500
 Address: 579 WOODVINE AVE Payoff Amount: \$ 0
MONROE METAIRIE, LA 70005 Net: \$ 22,500

PAYOFF INFORMATION:

Payable To: _____
 Address: _____
 Account No: _____
 Good Until: _____

I give Everett Buick GMC permission to payoff this loan and give you permission to release the title to the account to Everett Buick GMC.

Authorized Signature of Account Holder: _____

If additional funds are required or additional information is needed, please contact Everett Buick GMC 501-315-7100.

BUYER: Everett Buick GMC
 P. O. Box 898 • Bryant, AR 72089

SELLER represents and warrants that the vehicle does not nor has it ever had a certificate of title showing any of the following designations: "DAMAGED", "SALVAGED", "WATER DAMAGED", "RECONSTRUCTED", "REBUILD" or any similar designation. SELLER further agrees that in the event an abstract of the certificate of title reflects one of the above designations, the SELLER will reimburse Everett Buick GMC for any loss Everett Buick GMC may sustain as a result of such designation.

SIGNATURE

SELLER agrees that the payoff amount on the vehicle has been supplied by the SELLER or by a finance company or bank and that Everett Buick GMC is relying on that amount in making this transaction. In the event the payoff is incorrect, Everett Buick GMC will reimburse any amount due SELLER and SELLER will reimburse Everett Buick GMC any amount Everett Buick GMC is required to pay above the represented payoff.

SIGNATURE

Signature of Seller or Transferor: X _____

Signature of Buyer or Transferee: X _____

PRINTED NAME OF SELLER _____

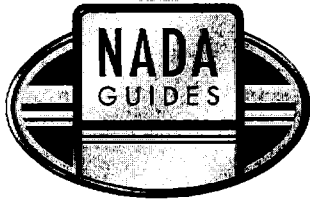
PRINTED NAME OF BUYER _____

DATE: _____

DATE: _____

Please mail the title to: Everett Buick GMC • P. O. Box 898, Bryant, AR 72089

EX C



NADAguides Price Report

8/25/2016

2011 Toyota Highlander-4 Cyl.

Utility 4D SE 2WD

Values

	Rough Trade-In	Average Trade-In	Clean Trade-In	Clean Retail
Base Price	\$15,000	\$16,325	\$17,400	\$19,875
Mileage (27,500)	\$3,100	\$3,100	\$3,100	\$3,100
Total Base Price	\$18,100	\$19,425	\$20,500	\$22,975
Options:				
Price with Options	\$18,100	\$19,425	\$20,500	\$22,975

Rough Trade-In - Rough Trade-In values reflect a vehicle in rough condition. Meaning a vehicle with significant mechanical defects requiring repairs in order to restore reasonable running condition. Paint, body and wheel surfaces have considerable damage to their finish, which may include dull or faded (oxidized) paint, small to medium size dents, frame damage, rust or obvious signs of previous repairs. Interior reflects above average wear with inoperable equipment, damaged or missing trim and heavily soiled /permanent imperfections on the headliner, carpet, and upholstery. Vehicle may have a branded title and un-true mileage. Vehicle will need substantial reconditioning and repair to be made ready for resale. Some existing issues may be difficult to restore. Because individual vehicle condition varies greatly, users of NADAguides.com may need to make independent adjustments for actual vehicle condition.

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EX D