

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TENNESSEE**

**IN RE:**

**CHURCH HILL EMERGENCY MEDICAL  
SERVICES, INC.,**

**Debtor**

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**CASE NO. 2:16-bk-51275-MPP  
Chapter 11**

**MOTION TO SELL PROPERTY  
FREE AND CLEAR OF LIENS AND ENCUMBRANCES**

The Debtor, Church Hill Emergency Medical Services, Inc. (the "Debtor"), pursuant to 11 U.S.C. § 363(b)(1), § 363(f), and Fed. R. Bankr. P. 6004(a), moves for authority to sell, by private sale, certain personal property, more particularly described herein, outside the ordinary course of business and free and clear of liens and encumbrances.

In support of this motion, the Debtor states as follows.

1. On August 30, 2016 (the "Petition Date"), the Debtor filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code and is continuing to manage its properties as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed herein.

2. The Debtor formerly operated an ambulance and emergency medical transportation service in the northeastern portion of Hawkins County, Tennessee. The Debtor ceased its operations on August 23, 2016.

3. The Debtor formerly operated its business from five (5) separate locations: a facility in Surgoinsville, Tennessee; a facility in Mount Carmel, Tennessee; a facility in Kingsport, Tennessee; a facility in Church Hill, Tennessee; and an administration building in Church Hill, Tennessee. These facilities were equipped with various items of personal property, a portion of which the Debtor seeks to sell pursuant to this motion.

4. On September 20, 2013, First Tennessee Bank National Association ("FTB") extended credit to the Debtor under a promissory note of even date in the original principal amount of \$60,000.00 (the "Note"). The Note was secured by all the Debtor's inventory, chattel paper, accounts, equipment and general intangibles (the "Collateral"). As of the Petition Date, the outstanding balance under the Note was \$33,151.97. In addition, the Debtor is indebted to FTB under seven (7) other promissory notes having a collective balance of approximately \$822,401.09 as of the Petition Date. This indebtedness is also secured by the Collateral by virtue of cross-collateral provisions contained in the applicable loan documents.

5. FTB has a properly perfected security interest in the Collateral by the filing of a UCC financing statement with the Office of the Tennessee Secretary of State.

6. The Debtor, through a private bidding process, has received various bids from individuals to purchase certain items of personal property (collectively the "Personal Property"). The following is a list of the prospective purchasers, the items they seek to purchase, the location of the items and the bid amount. The amounts listed represent the high bids for each respective item.

Purchaser	Items of Personal Property	Bid Amount	Location
Johnny Gulley	Craftsman Vacuum Leaf Blower Refrigerator Couch and Love Seat	\$25.00 \$20.00 \$100.00 <u>\$100.00</u> \$245.00	Surgoinsville, TN
Krystal East	Black Book Shelf Critical Care Book Mini Fridge Dispatch EMD Cards Surface Pro Tom Tom (GPS)	\$15.00 \$20.00 \$20.00 \$5.00 \$30.00 <u>\$20.00</u> \$110.00	Dispatch Administration Church Hill Administration Administration Administration
T. J. Fraysier	Kobalt Storage Sentry Safe Plastic Lifetime Tables 2 Mesh Office Chairs Black Water Hose 4 Black Leather Chairs Refrigerator Filing Cabinet 14 Metal Shelves 2 Aluminum Step Ladders Canon Safe	\$50.00 \$150.00 \$70.00 \$20.00 \$10.00 \$40.00 \$50.00 \$20.00 \$280.00 \$30.00 <u>\$250.00</u> \$970.00	Administration Administration Administration Administration Administration Administration Administration Administration Administration Administration Administration
Jeremy Vanonoy	42 inch Flat Screen Television 50 inch Flat Screen Television 40 inch Sharp Television	\$175.00 \$250.00 <u>\$175.00</u> \$600.00	Administration Administration Mt. Carmel, TN
Beverly Baines	Canopy Bench Seat Couch and Love Seat	\$10.00 \$20.00 <u>\$40.00</u> \$70.00	Church Hill, TN Mt. Carmel, TN Mt. Carmel, TN
Amanda Coup	2 Night Stands 4 Large Plastic Storage Units 2 Sets of Twin Beds Shelves in Bay Old Couch Refrigerator	\$20.00 \$40.00 \$40.00 \$40.00 \$25.00 <u>\$50.00</u> \$215.00	Mt. Carmel, TN Mt. Carmel, TN Mt. Carmel, TN Mt. Carmel, TN Surgoinsville, TN Mt. Carmel, TN

Purchaser	Items of Personal Property	Bid Amount	Location
Michael Connally	HP Laptop Refrigerator	\$50.00 <u>\$100.00</u> \$150.00	Administration Church Hill, TN
Robin Greer	Stove and Refrigerator Washer and Dryer Office Chairs	\$100.00 \$100.00 <u>\$20.00</u> \$220.00	Church Hill, TN Surgoinsville, TN
Church Hill Rescue Squad	Trench Rescue Equipment	\$1,500.00	Church Hill, TN
Nate Marshall	42 inch Flat Screen Television GE Microwave Refrigerator and Stove Shredder Shop Vac	\$100.00 \$40.00 \$125.00 \$10.00 <u>\$30.00</u> \$305.00	Church Hill, TN Administration Administration Administration Administration
Connie Rutledge	Sectional Couch	\$400.00	Kingsport
Jessica Greer	Grill Samsung 32 inch Television Canon Calculator Cleaning Supplies	\$50.00 \$75.00 \$10.00 <u>\$30.00</u> \$165.00	Administration Mt. Carmel, TN Administration Administration
Janice Wallen	Stove and Refrigerator Hood Vent Bun Coffee Pot	\$250.00 \$25.00 <u>\$20.00</u> \$295.00	Administration Administration Administration
Cara Caldwell	Washer and Dryer Sony DVD Player Metal Wall Star 2 Wall Bathroom Pictures 2 Christmas Wreaths 2 Four Foot Christmas Trees Paper Shredder Black Book Shelf 2 Small Television Mounts 2 Small Black End Tables Samsung 32 inch Television Cannon Calculator White Board	\$125.00 \$25.00 \$2.00 \$5.00 \$10.00 \$20.00 \$15.00 \$5.00 \$20.00 \$20.00 \$75.00 \$10.00 <u>\$10.00</u> \$342.00	Church Hill, TN Administration Administration Administration Administration Administration Administration Administration Administration Administration Administration Mt. Carmel, TN Administration Administration

Purchaser	Items of Personal Property	Bid Amount	Location
Hawkins County, TN EMS	4 Heart Monitors	\$2,500.00 each \$10,000.00	

7. The terms of each of the respective sales shall include that the Personal Property will be sold AS IS, WHERE IS, WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED. If the sales are approved by the Court, the Debtor will thereafter execute and deliver bills of sale conveying title to the specific items of Personal Property to each respective purchaser. The purchasers will be responsible for securing possession of the items purchased, including all costs associated therewith.

8. The Debtor does not intend to utilize the Personal Property as part of its reorganization. The Debtor believes the respective bid amounts submitted by prospective purchasers represent a fair value for the specific items of Personal Property being purchased. The Debtor does not believe that it could receive a greater value through an alternate liquidation process. The Debtor believes that there is a limited market for these items and that the terms of the proposed sales represent a fair liquidation value without any commission and with limited expense.

9. The liens and/or security interests of FTB encumber the Personal Property. FTB's security interest in the Personal Property is perfected by properly filed pre-petition financing statements. The Debtor is not aware of any other creditor that holds or claims to hold a perfected lien or security interest to the Personal Property. The proceeds of the sale will be paid to FTB to reduce the Debtor's indebtedness.

10. 11 U.S.C. § 363(f) provides:

The trustee may sell property under subsection (b) and (c) of this section free and clear of any interest in such property of an entity other than the estate, only if –

- (1) applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in *bona fide* dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

FTB has or it is anticipated that it will consent to the proposed sale of Personal Property as set forth herein, thereby providing the statutory basis under 11 U.S.C. § 363(f)(2) for the Court to approve the sale of the Personal Property free and clear of liens and encumbrances.

11. The Debtor further requests that any stay of any order authorizing the proposed sale of the Personal Property as required by Fed. R. Bankr. P. 6004(h) be waived.

**WHEREFORE**, the Debtor requests that the Court, after notice and hearing, approve and authorize the sale of the Personal Property for the purchase prices set forth herein, free and clear of liens and encumbrances, and in accordance with the terms set forth in this motion.

**CHURCH HILL EMERGENCY  
MEDICAL SERVICES, INC.**

By: */s/Mark S. Dessauer*  
Mark S. Dessauer, Esq.  
TN BPR NO. 010421  
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Kingsport, Tennessee 37664  
(423) 378-8840; Fax: (423) 378-8801  
dessauer@hdsdlaw.com  
Attorney for Debtor, Church Hill  
Emergency Medical Services, Inc.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on September 23, 2016, the foregoing **(1) Motion to Sell Property Free and Clear of Liens and Encumbrances; (2) Notice of Hearing; and (3) Proposed Order** were filed electronically. All parties on the attached Service List will receive copies of this filing. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. All other parties, if any, have been served by hand delivery, overnight delivery, facsimile transmission, or by mailing a copy of same by United States Mail, postage prepaid.

**HUNTER, SMITH & DAVIS, LLP**

*/s/ Mark S. Dessauer*  
Mark S. Dessauer

DESSAUER: C-D: CHURCH HILL EMS  
CHEMS.93480

**SERVICE LIST**

**RE: Church Hill Emergency Medical Services, Inc.; Case No. 2:16-bk-51275-MPP**

Church Hill Emergency Medical Services, Inc. P.O. Box 206 Church Hill, Tennessee 37642	Ability Network, Inc. Dept. Ch. 16577 Palatine, IL 60055-6577
Tiffany A. Diiorio, Esq. Trial Attorney, U. S. Dept. of Justice Office of United States Trustee Howard Baker Jr. U. S. Courthouse 800 Market Street, Suite 114 Knoxville, TN 37902-2303	William C. Killian, Esq. United States Attorney Eastern District of Tennessee 800 Market St., Suite 211 Knoxville, TN 37902-2342
All Purpose Storage P.O. Box 630 Church Hill, TN 37642	Almen Enterprises P.O. Box 6780 Kingsport, TN 37663
Atay, LLC Attn: Jody Stewart P.O. Box 1817 Mount Carmel, TN 37645	Atmos Energy P.O. Box 790311 St. Louis, MO 63179-0311
Bank Card Center P.O. Box 385 Memphis, TN 38101-1545	BKT Uniforms 121 Shelby Street Kingsport, TN 37660
Bound Tree Medical, LLC 23537 Network PL Chicago, IL 60673-1235	Brown, Edwards & Company 217 E. New Street Kingsport, TN 37660
Century Link P.O. Box 1319 Charlotte, NC 28201-1319	Commercial Technology Group, LLC 3508 Staunton Avenue, 2nd Floor Charleston, West VA 25304
Crown Wholesale, LLC P.O. Box 440 Church Hill, TN 37642	Custom Heating & Air Conditioning P.O. Box 1218 Church Hill, TN 37642
Data Archives Records Management, LLC P.O. Box 1934 Johnson City, TN 37605	East Tennessee Pest Control P.O. Box 536 Rogersville, TN 37857-0536
First Utility District P.O. Box 8 Church Hill, TN 37642	Fuelman of Tennessee P.O. Box 105080 Atlanta, GA 30348-5080
Great America Leasing Corp. P.O. Box 660831 Dallas, TX 75266-0831	Greg's Pipe & Muffler 1080 Lynn Garden Drive Kingsport, TN 37665
John Hancock Life Insurance Co. P.O. Box 7247-7122 Philadelphia, PA 19170-7122	Morgan Tire Service 2204 E. Center St. Kingsport, TN 37664
Peach State Ambulance 130 Peach State Court Tyrone, GA 30290	Qualified Plan Admin., Inc. 332 E. Springbrook Dr., Suite 400 Johnson City, TN 37601
Republic Services #825 P.O. Box 9001099 Louisville, KY 40290-1099	Saratoga Financing 101 Med Tech Parkway, Suite 307 Johnson City, TN 37604
Saratoga Tech 101 Med Tech Parkway, Suite 307 Johnson City, TN 37604	Snodgrass Carpentry 4813 Stanley Valley Road Church Hill, TN 37642



Southeastern Emergency Equipment P.O. Box 1097 Youngsville, NC 27596-1097	Stryker Sales Corporation P.O. Box 93308 Chicago, IL 60673-3308
Tri-Cities Communications, Inc. P.O. Box 3008 Johnson City, TN 37602	Stryker Medical, a division of Stryker Corp. c/o Lori L. Purkey, Esq. Purkey & Associates, PLC 2251 E. Paris Ave., Suite B Grand Rapids, MI 49546
Verizon Wireless-Network Fleets P.O. Box 64498 Baltimore, MD 24264-4498	Volunteer Collision 201 E. Main Street Mt. Carmel, TN 37645
WMA Occupational Medicine of Kingsport Attn: Joyce St. John P.O. Box 7107 Kingsport, TN 37664	First Tennessee Bank National Association c/o Robert C. Goodrich, Jr., Esq. Burr & Forman, LLP 511 Union Street, Suite 2300 Nashville, Tennessee 37219
Verizon Wireless P.O. Box 660108 Dallas, TX 75266-0108	AEP P.O. Box 24414 Canton, Ohio 44701-4414
Dustin Allen 780 Hamilton Rd, Apt. A-1 Blountville, TN 37617-6447	Fred Arnold 550 Cedar Street Mt. Carmel, TN 37645-3519
Beverly Baines 118 Taylor Lane Fall Branch, TN 37656-1800	Adam Blankenship 509 Keever St. Erwin, TN 37650-3216
Sarah Boggs 4426 Stanley Valley Rd. Church Hill, TN 37642-7169	Cathy Bowlin 1465 Christians Bend Rd. Church Hill, TN 37642-5178
Robert Bowlin 1001 Kennesaw Dr. Johnson City, TN 37615-4981	Tina Carico 505 Deerwood Drive Mt. Carmel, TN 37645-3527
Josh Clark 504 Dover Avenue Mt. Carmel, TN 37645-3536	Branden Clawson 139 Grandview Rd. Church Hill, TN 37642-6352
Michael Connally 474 Thornburg Rd. Fall Branch, TN 37656-3888	Logan Couch 2036 Queensbury Ct. Kingsport, TN 37660-5705
Amanda Coup 130 Valley Crest Dr. Mt. Carmel, TN 37645-3660	Tim Coup 130 Valley Crest Dr. Mt. Carmel, TN 37645-3660
Stephanie Cox P.O. Box 913 Church Hill, TN 37642-0913	Robbie Crawford 126 Valley Crest Drive Mt. Carmel, TN 37645-3660
Michelle Delotto 269 Widow Hollow Rd. Greeneville, TN 37745-6113	Krystal East 326 Old Stage Road Rogersville, TN 37857-6045
Roger East 326 Old Stage Road Rogersville, TN 37857-6045	Chavella Gragg 2011 McKinney Dr. Kingsport, TN 37660-5486
Rachel Grigsby 116 Nolichucky St. Church Hill, TN 37642-4500	Johnny Gulley 168 Austin Circle Rogersville, TN 37857-6289
Chad Jenkins 235 Wolfe Laurel Mt. Carmel, TN 37645-3042	Branden Jones 428 Hickory Hills Rd. Church Hill, TN 37642-7121

Shannon Kelly 206 Grandview St. Church Hill, TN 37642-3825	Nathaniel Marshall 1575 Dogwalk Rd. Afton, TN 37616-4781
Terry Morelock 144 Shady Lane Church Hill, TN 37642-3864	Lisa Moore 121 Valley Crest Dr. Mt. Carmel, TN 37645-3661
Margaret Nolan 910 Right Poor Valley Rd. Pennington Gap, VA 24277-7009	Gavin Ownby 1401 University Blvd., Apt. B6 Kingsport, TN 37660-8460
William Pierson 544 Big Stoney Creek Rd. Ft. Blackmore, VA 24250-2575	Michelle Randles 411 Pleasant Valley Rd. Jonesborough, TN 37659-3849
James Ratliff 736 Fleetwood Ave. Church Hill, TN 37642-3206	Keith Samsel 1294 Highway 31 Mooresburg, TN 37811-2134
James Saylor 2336 Ned Clark Rd. Bean Station, TN 37708-3021	Carl Scalf 117 Heritage Dr. Rogersville, TN 37857-6168
Nathan Smith 6380 Horton Highway Greeneville, TN 37745-7827	Eric Southerland 1908 Kite Street, Apt. A Kingsport, TN 37664-3599
April Wilder 106 Fairview Ave., #12 Church Hill, TN 37642-4034	