

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:

KUBCO DECANter SERVICES, INC.,

Debtor.

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Case No. 16-34581
(Chapter 11)

DEBTOR IN POSSESSION’S EXPEDITED MOTION FOR ORDER
APPROVING SALE OF SURPLUS TRUCKS

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

To the Honorable Jeff Bohm,
United States Bankruptcy Judge:

Kubco Decanter Services, Inc. (“Kubco”), chapter 11 Debtor in Possession for the estate of Kubco Decanter Services, Inc. (the “Debtor”), files this Expedited Motion for Order (I) Approving Sale of Surplus Trucks.

Nature of the Motion

The Debtor in Possession seeks approval to sell the estate’s interest in certain surplus trucks identified below (the “Trucks”). The Debtor in Possession proposes to sell the estate’s interest in the Trucks to unrelated third party, subject to existing liens that will be paid at time of

sale, for a purchase price that exceeds the liens on the Trucks and is supported by independent recognized values found on NADA publication (the “Price”).

Factual Background

1. On September 9, 2016 the Debtor filed a voluntary petition under Chapter 11 of Title 11 of the United States Code.

2. The Debtor operates a Decanter Service servicing a variety of industries, including the Oil and Gas Industry and operates from a facility located at 8031 Breen Road, Houston, Texas 77064. KUBCO suffered business setbacks as a result of the Oil and Gas market and ultimately closed its operations to liquidate the assets.

3. KUBCO provided a full range of centrifuge products, including new and re-manufactured equipment, as well as parts and complete centrifuge related services creating a one-stop shop for all of the centrifuge product and service needs of its customers. KUBCO attempted to sell as an operating business, but has been unsuccessful, recently filed a Motion for authority to liquidate assets at auction and fund a plan of liquidation (Dkt #35).

4. As a result of the decision to seek liquidation of its machinery at auction, KUBCO is left with a number of trucks, several with liens and some without, described as follows:

VEHICLE	VIN	LIENHOLDER	AMOUNT LIEN	MILAGE	AVERAGE AUCTION PRICE	PROPOSED SALE	NET TO ESTATE
2012 FORD F250	1FT7W2BT8CEC81648	FORD MOTOR [Claim#1]	\$14,733	120,543	\$14,728	\$23,000	\$8,267
2015 FORD F150	1FTEW1EG7FFA20011	BANK OF AMERICA [Claim #23]	\$31,621	27,330	\$31,043	\$36,000	\$4,379
2012 DODGE RAM	1C6RD7PT3CS320207	ALLY AUTO [Claim #6]	\$12,792	99,285	\$14,000	\$13,000	\$208
2012 TOYOTA TUNDRA	5TFFY5F1XCX129200	TOYOTA [Claim #8]	\$19,256	65,048	\$19,000	\$20,000	\$744
2007 TOYOTA TUNDRA	5TFJT52147X001328	NONE	\$-	105,800	\$5,000	\$5,000	\$5,000
TOTAL NET TO ESTATE							\$18,598

5. The Debtor proposes to sell to auto dealers, including CarMax, Joe Myers Ford and similar entities. The Debtor in Possession seeks authority to obtain the highest and best price for each of the trucks. None of the sales will be to insiders of the Debtor. The Debtor has received initial bids for the two most valuable trucks and continues to seek bids for sale of the remaining trucks. [See Exhibit "A"].

6. The sale of the trucks proposed will not require the payment of auction fees or other administrative costs. In this case, if the Debtor incurred such cost it would likely absorb much or all of the net proceeds.

Requested Relief and Authority

7. The Debtor in Possession requests the Court approve the sale of the Trucks to in exchange for the proposed sale price in paragraph 4. The Debtor in Possession's decision to sell Trucks under Section 363(b) is subject to the business judgment rule. *See, e.g., ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO, LLC)* 650 F.3d 593, 601 (5th Cir. 2011).

8. The Debtor in Possession has received bids for two of the five vehicles, attached as Exhibit "A" and proposes to sell the remaining vehicles in the same manner. Any sale to a third party would have to be free and clear under Section 363(f) which would require outstanding lien holders to be paid at time of sale and reduce the net proceeds to the estate by amount listed above. Each of the lienholders have filed claims in this case and the Debtor in Possession proposes to pay each their filed claim in the amounts listed in the filed claims.

9. Under the circumstances, the Debtor in Possession believes that the Price to be obtained is a fair price and that such a sale is in the best interest of the estate and its creditors.

Request for Expedited Relief

10. The Debtor in Possession requests that the Court consider this motion on an expedited basis. The Debtor in Possession has a hearing scheduled for the auction of its

equipment on January 19, 2016 and will need to close operations prior to that date and the Trucks.

Accordingly, the Debtor in Possession requests that the Court (i) approve the sale of the Trucks as set forth above; (ii) approve the payment of lienholders as set forth above; (iii) authorize the Debtor in Possession to execute all documents necessary to effectuate the sale; and (iv) grant the Debtor in Possession other just relief.

Respectfully submitted on December 21, 2016.

LAW OFFICES OF PETER JOHNSON

/s/Peter Johnson

By: _____

PETER JOHNSON
Eleven Greenway Plaza, Suite 2820
Houston, Texas 77046
Telephone (713) 961-1200
Telefax (713) 961-0941
pjohnson@pjlaw.com
SBT #10778400 FB#2475
Attorney for Debtor

CERTIFICATE OF SERVICE

I hereby certify that on this December 21, 2016, I sent a true and correct copy of the above and foregoing *Motion for Expedited Relief* was served by regular U.S. mail or by electronic email as indicated on the attached list.

/s/PETER JOHNSON

PETER JOHNSON

RULE 2002 SERVICE LIST

LBR 9013 Service List

Kubco Decanter Services, Inc., Debtor Case 16-34581

*indicates electronic service-LBR 1001(b)- (Admin Proc CMF/ECF- II

DEBTOR:				
Kubco Decanter Services, Inc	8031 Breen Road	Houston, TX 77064-8417		

PARTY AGAINST WHOM RELIEF IS SOUGHT AND COUNSEL:

Ford Motor Credit Company LLC	Dept. 55953, P.O. Box 55000	Detroit, MI 48255		
Ally Financial	PO Box 130424	Roseville, MN 55113-0004		
Toyota Motor Credit Corporation	P.O. Box 9490	Cedar Rapids, Iowa 52409-9490		
Bank Of America, N.A.	PO BOX 31785	Tampa, FL 33631-3785		

DEBTORS' COUNSEL:

Peter Johnson	Law Offices of Peter Johnson	11 Greenway Pl., S 2820	Houston, TX 77046	pjohnson@pilaw.com
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TRUSTEE:

None				
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COMMITTEE:

None Appointed				
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PARTIES FILING NOTICE OF APPEARANCE:

R Christopher Naylor	Ford Motor Credit Company LLC			king@dntlaw.com
Recovery Management Systems Co	Synchrony Bank	25 SE 2nd Avenue, S 1120	Miami, FL 33131-1605	
Tara L Grundemeier*	Montgomery County			houston_bankruptcy@publicans.com
Michael J. Smith*	Atty for Amegy Bank	4646 Wild Indigo, Suite 110	Houston, Texas 77027	msmith@csrslaw.com
Richard L Fuqua, II *	Creditor Clay Breen, LLC	5005 Riverway, S 250	Houston, Texas 77056	fuqua@fuqualegal.com

UNITED STATES TRUSTEE:

U.S Trustee*	United States Trustee Office	515 Rusk Ave, RM 3516	Houston, TX 77002	abc@ustrustee.com
Christine A March*	United States Trustee Office	515 Rusk Ave, RM 3516	Houston, TX 77002	christine.a.march@usdoj.gov

PARTIES ON WHOM COURT HAS ORDERED NOTICE:

IRS-Special Proc Branch	Bkry Sect-Mail Code 5022HOU	1919 Smith	Houston, TX 77002	
Internal Revenue Service	P.O. Box 21126	Philadelphia, PA 19114		

20 LARGEST UNSECURED CREDITORS:

AMERICAN EXPRESS	P.O. BOX 650448	DALLAS, TX 75265-0448		
APPLIED INDUSTRIAL TECH	22510 NETWORK PLACE	CHICAGO, IL 60673-1225		
B-W GRINDING SERVICES	P.O. 1571	HOUSTON, TX 77251-1571		
CLAY BREEN, LLC	9821 KATY FREEWAY, SUITE	HOUSTON, TX 77024-1265		
ENSTEP TECHNOLOGY	9659 N SAM HOUSTON PKWY	STE 150, #233	HUMBLE, TX 77396-1290	
HOPE MACHINE WORKS	9116 WINDFERN	HOUSTON, TX 77064-7744		
HOU-TEX PRECISION MACH	PO BOX 765	GALENA PARK, TX 77547-0765		
METALTECH SERVICE CENTER	P.O. BOX 751089	HOUSTON, TX 77275-1089		
RAINBOLT & ALEXANDER INC	19 BRIAR HOLLOW LANE STE	HOUSTON, TX 77027-2832		
REV-TECH	P.O. BOX 3346	DES MOINES, IA 50316-0346		
ROMA FLUID SOLUTIONS	S. DE R.L. DE C.V.	ALLENDE	N.L. MEXICO, 67350	
SKF USA, INC.	P.O. BOX 7247	PHILADELPHIA, PA 19170-8092		
SUPERIOR SHOT PEENING	13930 LUTHE RD	HOUSTON, TX 77039-1810		
SVADLENAK, SEE & CO. P.C.	1600 TOWNHURST	HOUSTON, TX 77043-3227		
TMD MAGALLANES MACHINE	PO BOX 2382	NEW CANEY, TX 77357-2382		
WESSO INC.	13639 POPLAR CIRCLE	CONROE, TX 77304-1672		
WILCO DELIVERY SERVICES	P.O. BOX 2861	HOUSTON, TX 77252-2861		
WILLIS ELECTRICAL SALES	10060 WEST GULF BANK RD #	HOUSTON, TX 77040-3161		
M-I SWACO	P.O. BOX 732135	DALLAS, TX 75373-2135		
AMERICAN SPINCAST	A.K.A AMSTOCK SUPPLY	P.O. BOX 769	BELTON, TX 76513-076	

2012 FORD F-250SD KING RANCH

Joe Myers Ford
16634 Northwest Fwy
Houston, Texas 77040

VIN: 1FT7W2BT8CEC81648
Odometer: 120,543 Miles
Color: White

Disposition: Wholesale
Purchase: Yes
Appraiser: B. Stancik

CUSTOMER INFORMATION

APPRAISAL VALUES
Profit Objective: \$2,000

RECONDITIONING ITEMS

\$23,000
12/16/2016

BOOK VALUES

RBOOK		Market Average		Market Days Supply		Ranking	
Unit Cost:	\$23,000		\$37,398	Overall:	58	Price Rank:	2 of 73
Asking Price:	\$25,000		92,966 Miles	Like Mine:	64	vRank:	1 of 73
						Adj % Cost To Market:	73 %

NADA Publication: 12/2016		Trade In			Loan			Retail		
	Price	Adj	Total	Price	Adj	Total	Price	Adj	Total	
Clean	\$36,225	(\$3,200)	\$33,025	\$33,250	(\$3,200)	\$30,050	\$40,675	(\$3,200)	\$37,475	
Average	\$34,775	(\$3,200)	\$31,575	\$33,250	(\$3,200)	\$30,050	\$40,675	(\$3,200)	\$37,475	
Rough	\$33,000	(\$3,200)	\$29,800	\$33,250	(\$3,200)	\$30,050	\$40,675	(\$3,200)	\$37,475	

BLACK BOOK 12/16/2016		Wholesale			Finance Advance™			Retail		
	Price	Adj	Total	Price	Adj	Total	Price	Adj	Total	
Extra Clean	\$38,000	(\$5,150)	\$32,850	\$37,150	(\$4,825)	\$32,325	\$42,350	(\$5,150)	\$37,200	
Clean	\$36,300	(\$4,500)	\$31,800	\$37,150	(\$4,825)	\$32,325	\$40,425	(\$4,500)	\$35,925	
Average	\$33,300	(\$3,875)	\$29,425	\$37,150	(\$4,825)	\$32,325	\$36,975	(\$3,875)	\$33,100	
Rough	\$30,400	(\$3,225)	\$27,175	\$37,150	(\$4,825)	\$32,325	\$33,850	(\$3,225)	\$30,625	

MMR 12/16/2016		Wholesale			Retail		
	Price	Adj	Total	Price	Adj	Total	
Above	\$35,600	(\$2,200)	\$33,400	\$40,300	(\$2,200)	\$38,100	
Average	\$30,700	(\$2,200)	\$28,500	\$36,500	(\$2,200)	\$34,300	
Below	\$25,800	(\$2,200)	\$23,600	\$32,600	(\$2,200)	\$30,400	

NAAA		National		Regional	
Avg. Auction Price:		\$14,728		\$10,185	

2015 FORD F-150 LARIAT

Joe Myers Ford
16634 Northwest Fwy
Houston, Texas 77040

VIN: 1FTEW1EG7FFA20011
Odometer: 27,330 Miles
Color: Gray

Disposition: Retail
Purchase: Yes
Appraiser: B. Stancik

CUSTOMER INFORMATION

KUBCO
Salesperson: R. Martin



APPRAISAL VALUES

Reconditioning: \$1,400
Profit Objective: \$2,000

RECONDITIONING ITEMS

\$36,000
12/16/2016

BOOK VALUES

<i>RBOOK</i>	<u>Market Average</u>	<u>Market Days Supply</u>	<u>Ranking</u>
Unit Cost: \$37,400	\$43,738	Overall: 65	Price Rank: 11 of 64
Asking Price: \$39,400	25,255 Miles	Like Mine: 74	vRank: 11 of 64
			Adj % Cost To Market: 87 %

<i>NADA</i> Publication: 12/2016	<u>Trade In</u>			<u>Loan</u>			<u>Retail</u>		
	Price	Adj	Total	Price	Adj	Total	Price	Adj	Total
Clean	\$41,100	\$325	\$41,425	\$37,275	\$325	\$37,600	\$45,450	\$325	\$45,775
Average	\$39,550	\$325	\$39,875	\$37,275	\$325	\$37,600	\$45,450	\$325	\$45,775
Rough	\$37,675	\$325	\$38,000	\$37,275	\$325	\$37,600	\$45,450	\$325	\$45,775

<i>MMR</i> 12/21/2016	<u>Wholesale</u>			<u>Retail</u>		
	Price	Adj	Total	Price	Adj	Total
Above	\$39,100	(\$700)	\$38,400	\$45,800	(\$700)	\$45,100
Average	\$36,900	(\$700)	\$36,200	\$43,600	(\$700)	\$42,900
Below	\$34,600	(\$700)	\$33,900	\$41,400	(\$700)	\$40,700

<i>NAAA</i>	<u>National</u>	<u>Regional</u>
Avg. Auction Price:	\$31,043	\$29,537