

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

<b>IN RE:</b>	)	
	)	
<b>AMRIT FREIGHT TRANSPORT, INC.,</b>	)	<b>Chapter 11</b>
	)	
<b>Debtor.</b>	)	<b>CAUSE NO. 17-05924-RLM-11</b>
	)	

**OBJECTION OF BALBOA CAPITAL CORPORATION TO THE DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION PROPOSED BY THE DEBTOR**

Balboa Capital Corporation (“Balboa”), a secured creditor of Amrit Freight Transport, Inc. (“Debtor”), by counsel, hereby submits this objection (“Objection”) to the Disclosure Statement [Docket 112] and Plan of Reorganization [Docket No. 113] proposed by the Debtor. In support of its Objection, Balboa states as follows:

1. On August 8, 2017 (“Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in this Court. The Debtor continues to operate its business and manage its property as a debtor in possession pursuant to § 1107(1) and 1108 of the Bankruptcy Code.

2. No trustee, examiner, or Official Committee of Unsecured Creditors has been appointed for the Debtor.

3. On or about July 14, 2016, prior to the Petition Date, Debtor entered into a Vehicle Financing Agreement (“Agreement”) with Balboa, a true and accurate copy of which is attached hereto as **Exhibit A**.

4. Pursuant to the Agreement, Debtor agreed to pay Balboa \$66,900.00 plus interest and other charges due under the Agreement in sixty (60) monthly installments of \$1329.44 per month.

5. As part of the Agreement, Debtor granted Balboa a security interest in the financed vehicle, a 2017 Wabash National truck, VIN 1JJV532B0HL975316 (the “Vehicle”). Balboa duly and properly perfected its security interest via notation of the lien on the Certificate of Title for the Vehicle. A true and accurate copy of the Vehicle’s Certificate of Title is attached hereto as **Exhibit B**.

6. As of the Petition Date, Debtor owed Balboa Sixty-Five Thousand One Hundred Forty Two and 56/100 Dollars (\$65,142.56) plus interest, charges, and fees pursuant to the Agreement (the “Claim”).

7. To date, the Debtor has failed to provide Balboa with any post-petition payments during the pendency of this bankruptcy case.

8. On November 30, 2017, the Debtor filed its Disclosure Statement [Docket No. 112] and Plan of Reorganization [Docket No. 113].

**OBJECTION AND RESERVATION OF RIGHTS**

9. Pursuant to Section 506(a) of the Bankruptcy Code:

(1) An allowed claim of a creditor secured by a lien on property in which the estate has an interest...is a secured claim to the extent of the value of such creditor’s interest in the estate’s interest in such property...Such value shall be determined in light of the purpose of the valuation and of the proposed disposition or use of such property, and in conjunction with any hearing on such disposition or use or on a plan affecting such creditor’s interest.

10. Where a debtor wishes to retain and use collateral pursuant to a reorganization plan over the objection of a secured creditor, value is determined by the cost of replacing the collateral. *See Associates Commercial Corp. v. Rash*, 520 U.S. 953, 117 S.Ct. 1879, 138 LE.2d 148 (1997).

11. Debtor’s Reorganization Plan values Balboa’s collateral at \$48,000.

12. Balboa objects to Debtor’s valuation of Balboa’s collateral and does not consent to the treatment of its secured claim under the Plan. Balboa respectfully requests that a statement

should be included in the Disclosure Statement concerning the lack of agreement with respect to the treatment of Balboa's claim at this time.

13. Accordingly, Balboa objects to the Debtor's proposed treatment of its secured claim under the Reorganization Plan and files this Objection to preserve its rights with respect to the proposed Disclosure Statement and its rights to object to confirmation of the Reorganization Plan.

#### **CONCLUSION**

14. For the foregoing reasons, Balboa respectfully requests that this Court sustain Balboa's Objection to the Disclosure Statement and Plan, as set forth above, together with such other relief as the Court finds just and proper.

15. WHEREFORE, Balboa Capital Corporation requests that the Court sustain Balboa's Objection to the Disclosure Statement and Plan, as set forth above, together with such other relief as the Court finds just and proper.

Respectfully submitted,

/s/ AARON D. GRANT

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was filed electronically this 29<sup>th</sup> day of December, 2017. Notice of this filing will be sent to all parties registered to receive such notice by operation of the Courts electronic filing system. I hereby further certify that I caused a copy of the foregoing to be served via U.S. Mail, First Class, Postage Pre-Paid upon parties that are not registered to receive notice by operation of the Court's electronic filing system at their respective addresses listed on the electronic filing receipt. Parties may access this filing through the Court's electronic filing system.

/s/ AARON D. GRANT

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