

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

_____)	
IN RE:)	
)	Chapter 11
Aftokinito Rally, Inc.,)	Case No. 17-10184-BAH
Debtor.)	
_____)	

**OBJECTION TO MOTION FOR ONGOING
USE OF CASH COLLATERAL**

NOW COMES Woodrow and Liliana Medina, (“the Medinas”) by and through counsel, Law Office of Paul A. Petrillo, Esq., and Objects to Debtor’s Motion for Use of Cash Collateral.

In support of same, the Medinas state:

1. Similar to Kathleen Dolan and Paul LaForte, who have also filed objections to cash collateral in the herein case, the Medinas also incorporate the entirety of the content of the objections filed by those individuals as they recite facts and legal issues directly relevant to the Medinas objection. Unlike the aforementioned individuals, the Medinas were not included in the Debtor’s matrix.
2. The Medinas also entered into a Motor Vehicle Consignment Agreement (the “Consignment Agreement”) with the Debtor and was never paid by the Debtor, nor were they provided any information that would explain the alleged transaction regarding their vehicle and/or the location of the vehicle.
3. The Medinas has sought information from the Debtor regarding the whereabouts of the vehicle. Information regarding the vehicle or its sale were never provided to the Medinas, nor were they paid the monies from any sale.

4. In order to facilitate the sale of their vehicle, Liliana Medina, as consignor, allegedly only conveyed bare legal title to the Debtor. At no time did the Debtor, a mere consignee (a mere conduit), succeed to the Medinas' equitable interest in the vehicle or in its cash proceeds, except to the extent of the incidental fees and commission.
5. As stated in the other objections in this case, the Debtor is now before the Court seeking leave to use cash to operate its business; cash to operate its business – e.g., purchasing vehicles, funding payroll, paying professionals, and advertising and promoting the enterprise, all at the cost of the monies owed to the Medinas.
6. As stated in Section 541(d) of the Bankruptcy Code, property of the bankruptcy estate is that “property in which the debtor holds ... only legal title and not an equitable interest ... becomes property of the estate ... only to the extent of the debtor's legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold.” Therefore, the equitable interest in the vehicle, or its cash proceeds, are property of the Medinas and not property of the Debtor.
7. It would appear from the record to date that there are a number of similarly situated parties who were defrauded by the Debtor, a debtor who sold vehicles without providing information regarding transactions to these parties, and then misused the funds obtained from the sale of those vehicles to further perpetrate fraud against other consumers who had entrusted their property with the Debtor.

Date: 03/16/2017

Respectfully submitted,
Woodrow and Liliana Medina,
By and through counsel,

/s/ Paul A. Petrillo
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CERTIFICATE OF SERVICE

I, Paul A. Petrillo, Esq., counsel for Woodrow and Liliana Medina, do hereby certify that I have, this day, served a copy of their Objection to the following:

VIA ELECTRONIC DELIVERY

United States Trustee

James Lamontagne, Esq., counsel for the Debtor

03/16/2017
Date

/s/ Paul A. Petrillo
Paul A. Petrillo, Esq