

BANKRUPTCY ^{UP}DATE

February 16, 2021

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CLN Decision

You can use the link in the "Links" section below to listen to the following decision:

In re Thompson (bench ruling)

Issue: Whether a creditor was entitled to relief from the automatic stay and abandonment from the chapter 12 bankruptcy estate of certain proceeds from a pre-petition sale of cattle that were the creditor's collateral?

Ruling: Yes. The creditor was granted relief from the automatic stay under 11 U.S.C. § 362(d)(2) because the debtors failed to show there was a reasonable possibility of a successful reorganization within a reasonable time, were unable to show they would be able to prepare a plan that was feasible and likely confirmable, and failed to demonstrate their proposed use of the sale proceeds would comply with the confirmation requirements for secured claims under 11 U.S.C. § 1225(a)(5). The debtors were ordered to abandon the cattle sale proceeds from the bankruptcy estate under 11 U.S.C. § 554(b) because the proceeds were fully secured and offered no equity for the estate.

Links

[*In re Thompson* \(bench ruling\)](#)

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