

USTP Region 9, SD OH

From: Monica V. Kindt, Assistant United States Trustee, Cincinnati
To: SD OH Panel Trustees
Subject: Reports of Sale - SDOH
Date: Thursday, June 22, 2017

The recent CPA audits of chapter 7 trustees in our region have brought to our attention that the procedures regarding sales, settlements, leases and compromises in UST Region 9 do not fully comply with Rule FRBP 6004(f)(1). Specifically, the second line in FRBP 6004(f)(1) states: Unless it is impracticable, an itemized statement of the property sold, the name of each purchaser, and the price received for each item or lot or for the property as a whole if sold in bulk shall be filed **on completion** of the sale. This applies to all sales, including "Notice of Intent to Sell". It appears that many of our trustees are not timely filing a report of sale, or not filing a report of sale at all, as contemplated by FRBP 6004(f)(1).

We've also determined that oftentimes the terms of sale do not deviate from those in the motion. Since the motions that you already file include the required detailed information, we believe it would be simpler to add a mechanism to report when the transfer for property is complete, and all payments have been received. To that end, the Bankruptcy Clerks Office has added a docket text entry in CMECF which will allow you to easily report when the sale is complete and all funds have been received.

The docket text event refers to the original event in which you were seeking approval to administer the property, and allows you to make a "virtual entry" confirming completion of the sale, and ensuring compliance with FRBP 6004. For the rare occasion where there is an objection to the Notice of Sale, Settlement, etc., and the terms, buyer, and/or price change, and these changes are captured in an Order, you should refer to Order instead of the original event.

Due to the fluctuating nature of auction sales, you will need to continue to file a report of sale filed after the auction is held. *The new docket text entry does not replace this requirement.*

This new docket entry is effective immediately and should be made when the sale is complete **and all funds have been received**. This timing also applies to filing a regular report of sale.

If you have any questions, please contact me.