

Rule 6004-1 SALE, ABANDONMENT, OR OTHER DISPOSITION OF ESTATE
PROPERTY

(a) Dispositions on General Notice

Except as provided in paragraph (b) of this Rule, and unless the court orders otherwise in a particular case or proceeding, not less than 21 days' notice must be given to all creditors and parties-in-interest (including the debtor, debtor's attorney, trustee, and United States trustee) with respect to any proposed sale, abandonment, other disposition of property, or the compromise or settlement of claims or controversies.

(b) Dispositions on Limited Notice in Chapter 7 Cases

Unless the court orders otherwise in a particular case or proceeding, a chapter 7 trustee may:

(1)

sell personal property having a scheduled value of less than \$3,000 after excluding the value of liens and exemptions;

(2)

compromise or settle any claim, controversy, or cause of action on an account receivable of a value claimed due by the debtor of less than \$5,000; or

(3)

abandon property of the estate

by filing a report of sale, compromise, or abandonment with the clerk, certifying thereon that a copy of said report has been served on the debtor, debtor's attorney, the United States trustee, and upon any entity who, as of the date of the filing of the report, has filed a Request for Notices pursuant to Local Rule [2002-1\(b\)](#).

Any entity wanting to object to such disposition of property must file an objection with the clerk within 21 days after the filing of the report by the trustee. The objection must be served on the trustee, United States trustee, debtor and debtor's attorney. Timely filed objections will be set for hearing by separate notice. If there is no timely filed objection as to a disposition under subsection (b)(1) or (b)(3), the proposed sale or abandonment will take place without an order of court. If there is no timely filed objection to a compromise or settlement under subsection (b)(2), the trustee shall submit for the court's consideration a proposed order approving the compromise or settlement.

(c) Notice; Objection; Hearing

A notice under paragraph (a) of this Rule shall be filed and served by the trustee or the debtor-in-possession. The trustee or debtor-in-possession shall use a current copy of the clerk's matrix for serving notice. The server shall file a proof of service which has attached to it a copy of the clerk's matrix which was used for service.

The notice must provide that objections to the proposed sale, abandonment, compromise, or other disposition of property must be filed with the clerk and served on the trustee, United States trustee, debtor, and debtor's attorney within 21 days of service of the notice or within such other specific time as may have been fixed by the court. The notice must further provide that timely filed objections to the proposed disposition, if any, will be set for hearing before the court by

separate notice, and if no timely objection is filed, the proposed sale or abandonment will take place without court order. If the disposition is the sale or compromise of a claim or controversy, the notice shall provide that if there is no timely filed objection, an order approving the sale or compromise will be submitted to the court for its consideration.

(d) Competing Offers on Proposed Private Sales

If a trustee or debtor-in-possession serves notice of a private sale of property of the estate, and a creditor or equity security holder files, within the time for objection, a bona fide offer to purchase the property at a greater price, the offer will be treated as an objection to the proposed private sale. The offer must be served on the trustee, United States trustee, debtor, and debtor's attorney.

(e) Description of Property

A trustee or debtor who proposes to sell, abandon, or otherwise dispose of property must include a description that reasonably identifies the property to be disposed of. Nothing in this rule prohibits the trustee or debtor from describing the property by incorporating by reference a description of property set forth in a document attached to the notice or motion. Such an attached document may be a copy of a mortgage, security agreement, or the relevant portion of the debtor's schedules.

(f) Notice to Creditors

The notice of the commencement of the case and the meeting of creditors in a chapter 7 case shall contain the following language:

NOTICE IS GIVEN that during the course of the administration of the estate in this chapter 7 case, the trustee may make certain dispositions of property without notice to all creditors. Under Local Rule 6004-1(b), the trustee may, on limited notice, (1) sell personal property having a scheduled value of less than \$3,000, excluding the value of liens and exemptions; (2) compromise or settle a claim, controversy, or cause of action on an account receivable of a value claimed due by the debtor of less than \$5,000; and (3) abandon any of the estate's real property or personal property. The trustee may make these dispositions by filing with the clerk a report of the intended disposition and by serving the report on the debtor, debtor's attorney, the United States trustee, and upon anyone who has filed with the clerk a Request for Notices under this court's Local Rule [2002-1\(b\)](#).

Anyone wanting notice of such dispositions must file a Request for Notices with the clerk and serve a copy on the trustee, the United States trustee, the debtor's attorney, and any appointed committee. If the debtor does not have an attorney, the Request for Notices must be served upon the debtor. An entity who files and serves a Request for Notices must file with the clerk proof of service of the request.

Anyone wanting to object to such a disposition by the trustee must file an objection with the clerk of the bankruptcy court within 21 days after the filing of the report by the trustee. The objector must serve a copy of the objection on the trustee, United States trustee, debtor, and debtor's attorney. If no objections are filed within such time period, proposed dispositions, other than compromises, will take place without further notice or the requirement of court

order. Proposed compromises will be submitted to the court for consideration without further notice.