

In the United States Bankruptcy Court

for the Northern District of Iowa

F. KENNETH VAN DUZER and
SHARON M. VAN DUZER

Debtor(s).

Bankruptcy No. X88-01144M

Chapter 7

ORDER RE: AMENDED NOTICE AND REPORT OF SALE

On January 16, 1991, trustee Habbo G. Fokkena filed his notice and report of sale of property of the estate. Trustee proposed to sell to Casey coin for \$10,000.00 jewelry which had been the property of Sharon M. Van Duzer. Notice was served on all creditors and parties-in-interest. Larry S. Eide, who is the attorney for Sharon M. Van Duzer, but acting on his behalf, objected to the sale and tendered to the trustee an offer of \$11,000.00 for the purchase of the same property. Hearing on the objection was scheduled for March 13, 1991. At that time, the trustee and Mr. Eide personally notified the court that it was the trustee's desire to accept Mr. Eide's offer, and thus Fokkena had filed an Amended Notice and Report of Sale. That report proposes to sell jewelry and a white mink coat, which are property of Sharon M. Van Duzer's bankruptcy estate, to Larry S. Eide for \$11,000.00. Notice of the proposed sale was served on all creditors and parties-in-interest on March 11, 1991. Bar date for objections is April 3, 1991.

The court has considered the proposal and concludes it is not necessary for the court to await the filing of objections to the sale. The court concludes that the sale to Mr. Eide should not be approved. Although the price offered by Mr. Eide may be fair and may well in fact be the best price available to the trustee, in the court's view, the integrity of the judicial system mandates that attorneys participating in a bankruptcy case not become personally involved in the liquidation of the estate. An attorney's purchase of estate property may well give the appearance of impropriety in the administration of the bankruptcy system. Regardless of whether it may be true, the general public could obtain the impression that bankruptcy attorneys are able to make better deals than the average citizen because of their participation in the system. Such a view must not be encouraged. Although not within the plain language of the Disciplinary Rules, a participating attorney's purchase of estate property could arguably violate Disciplinary Rule 5-103 of the Iowa Code of Professional Responsibility for Lawyers. For the foregoing reasons,

IT IS ORDERED that trustee Habbo G. Fokkena may not, as proposed, sell estate property to the debtor's attorney.

SO ORDERED ON THIS 15th DAY OF MARCH, 1991.

William L. Edmonds
Bankruptcy Judge