

**SUGGESTED PROCEDURE FOR USE OF INSURANCE
PROCEEDS TO SUBSTITUTE COLLATERAL**

1. Debtor's counsel will file an application for authority to use insurance proceeds to purchase a vehicle and grant the secured creditor a security interest in the substitute vehicle.
2. Debtor's counsel will notice the matter for hearing.
3. Assuming the application for authority to use insurance proceeds is approved, debtor's counsel will submit an Order authorizing debtor to use the insurance proceeds. The proceeds will be surrendered to the Attorney for Debtor, pending further orders of the court.
4. Upon the debtor locating a comparable vehicle, debtor's counsel shall forward the sales worksheet to the secured creditor's counsel. Secured Creditor will have a period of five (5) business days from receipt to give approval or disapproval.

IF SECURED CREDITOR:

AGREES OR
DOES NOT
RESPOND:

An Ex Parte Motion and Order will be submitted for the substitution of collateral.

DISAGREES:

Debtor's counsel will provoke a telephone status conference before the Bankruptcy Judge to determine adequacy of the substitute vehicle.

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE-OPELOUSAS DIVISION

IN RE:

DEBTOR #1
DEBTOR #2
Debtor

CASE NO:

MOTION FOR AUTHORITY TO USE CASH COLLATERAL
(USE OF INSURANCE PROCEEDS TO PURCHASE VEHICLE
AND SUBSTITUTE COLLATERAL)

NOW INTO COURT, through undersigned counsel comes DEBTOR #1 and DEBTOR #2 (Debtor(s)), who respectfully represent:

1.

The Debtor(s) filed a petition under Chapter 13 of the Bankruptcy Code on (DATE).

2.

A (DESCRIPTION OF VEHICLE) (Collateral) owned by the Debtor(s) constitutes property of the estate.

3.

(NAME OF CREDITOR) (Secured Creditor) has a perfected security interest in the Collateral.

4.

The Collateral was involved in an accident and has been declared a total loss. In satisfaction of its obligations under a policy of insurance issued to the Debtor(s), the (NAME OF) Insurance Company proposes to pay the sum of \$_____ (Proceeds).

5.

The Debtor(s) desire to use the Proceeds for the purpose of obtaining another vehicle and granting the Secured Creditor a security interest in the substitute vehicle.

WHEREFORE, Debtor(s) prays:

- A. For entry of an order authorizing Debtor to use the Proceeds to purchase a similar vehicle comparable in value to the Collateral;
- B. For entry of an order that provides the Secured Creditor

to have a security interest in the substitute vehicle;
and

- C. For entry of an order directing Secured Creditor to forward to attorney for debtor the title to the collateral (wrecked vehicle).

Opelousas, Louisiana this _____ day of _____, 20__.

SANDOZ LAW OFFICES
Attorneys for Debtor
P.O. Box 471
Opelousas, LA 70571-0471
(337) 942-8956 Opelousas

By: _____
W. Simmons Sandoz
Bar Roll No. 11711

CERTIFICATE

I HEREBY CERTIFY that the copy of the above and foregoing Motion for Authority to Use Cash Collateral (Use of Insurance Proceeds to Purchase Vehicle and Substitute Collateral) has been served upon the following postage prepaid and properly addressed on the date set forth below.

Keith Rodriguez,
Chapter 13 Trustee
P.O. Box 3445
Lafayette, LA 70502-3445

Office of US Trustee
300 Fannin Street
Suite 3196
Shreveport, LA 71101

Attorney for SECURED CREDITOR
Address
City, State Zip Code

Opelousas, Louisiana this _____ day of _____, 20__.

W. SIMMONS SANDOZ

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE-OPELOUSAS DIVISION

IN RE:

DEBTOR #1

DEBTOR #2

Debtor

CASE NO:

**NOTICE OF HEARING ON MOTION FOR AUTHORITY TO USE
CASH COLLATERAL (USE OF INSURANCE PROCEEDS TO
PURCHASE A VEHICLE AND SUBSTITUTE COLLATERAL)**

The above-named **Debtor(s)** has/have filed a Motion for Authority to Use Cash Collateral (Use of Insurance Proceeds to Purchase a Vehicle and Substitute Collateral).

NOTICE IS given that if no opposition, objection, or request for hearing is made regarding the motion, an order will be entered authorizing the Debtor(s) to use insurance proceeds to purchase a comparable vehicle and substitute collateral.

NOTICE IS FURTHER given that **IF AND ONLY IF** an objection or request for hearing is made, a hearing on the motion will be held before the US Bankruptcy Judge on the _____ of _____, 20____, at _____ .m. in the US Bankruptcy Courtroom, st1 Floor, 214 Jefferson Street, Suite 110, Lafayette, Louisiana.

Any opposition, objection or request for hearing should be filed with the Clerk's Office, 214 Jefferson Street, Suite 100, Lafayette, Louisiana 70501-7050 and a copy of the opposition, objection, or request for hearing be forwarded to the Attorney for Debtor at the address below.

Date: _____, 20____

SANDOZ LAW OFFICES
Attorneys for Debtor
P.O. Box 471
Opelousas, LA 70571-0471
(337) 942-8956 Opelousas

By: _____
W. Simmons Sandoz
Bar Roll No. 11711

CERTIFICATE

I certify that a copy of the Notice has been forwarded to the following by first-class mail, postage pre-paid on the date set forth below.

Keith Rodriguez,
Chapter 13 Trustee
P.O. Box 3445
Lafayette, LA 70502-3445

Office of US Trustee
300 Fannin Street
Suite 3196
Shreveport, LA 71101

Attorney for SECURED CREDITOR

Address

City, State Zip Code

Opelousas, Louisiana this _____ day of _____, 20____.

W. Simmons Sandoz

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE-OPELOUSAS DIVISION

IN RE:

DEBTOR #1

DEBTOR #2

Debtor

CASE NO:

ORDER

Considering the following:

- 1) Motion for Authority to Use Cash Collateral (Use of Insurance Proceeds to Purchase a Vehicle and Substitute Collateral);
- 2) Service of the Motion on the US Trustee, Keith Rodriguez, Trustee, and NAME OF ATTORNEY for NAME OF CREDITOR (hereafter secured creditor);
- 3) Service of the Notice of hearing upon the mailing matrix;
- 4) No opposition, objection, or request for hearing having been made

OR

- 4) Opposition filed by Secured Creditor

IT IS ORDERED that:

- a) The Debtor(s) are hereby authorized to use the insurance proceeds for the purpose of obtaining a vehicle ("Substitute Vehicle") approximately equal in value to the destroyed vehicle;
- b) (NAME OF) Insurance Company shall make the insurance

proceeds check payable to W. Simmons Sandoz, (hereafter Attorney for Debtor) for the purpose of purchasing the Substitute Vehicle and shall forward said check directly to Attorney for Debtor at P.O. Box 471, Opelousas, LA 70571-0471;

- c) Upon the Debtor(s) locating a Substitute Vehicle, Debtor(s) attorney shall forward to the attorney for Secured Creditor the proposed Sales Worksheet of the Substitute Vehicle.
- d) The Secured Creditor shall have the opportunity to examine and appraise the Substitute Vehicle, which shall be completed within five (5) business days of the receipt of the Sales Worksheet.
- e) If no opposition by Secured Creditor is filed within five (5) business days of receipt of the Sales Worksheet, Debtor(s) attorney shall file an Ex-parte Motion and Order (1) authorizing the Debtor(s) to purchase the Substitute Vehicle, (2) ordering Attorney for Debtor, to release the insurance proceeds to the automobile dealer for the purchase of the Substitute Vehicle, and (3) granting the Secured Creditor a security interest in the Substitute Vehicle.
- f) In the event the Debtor(s) and Secured Creditor cannot agree on the adequacy of the Substitute Vehicle, Debtor(s)' attorney shall initiate a telephone conference with the Bankruptcy Judge and all interested parties to consider the issue of the adequacy of the Substitute Vehicle.
- g) Debtor(s) shall execute any and all documents necessary to grant the Secured Creditor a security interest in the Substitute Vehicle.
- h) Secured Creditor will forward to attorney for debtor the title to the collateral (wrecked vehicle).

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This order was prepared and is being submitted by:

Sandoz Law Office

By: W. Simmons Sandoz

Attorney for _____

Bar No. 11711

P.O. Box 471

Opelousas, LA 70571

Phone: (337) 942-8956

Fax: (337) 942-5448

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT LOUISIANA
LAFAYETTE-OPELOUSAS DIVISION

IN RE:
DEBTOR #1
DEBTOR #2

CASE NO.

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**MOTION TO RELEASE INSURANCE PROCEEDS, PURCHASE VEHICLE,  
AND GRANT SECURITY INTEREST**

Now into court through undersigned counsel (hereafter Attorney for Debtor) comes (DEBTORS) and with respect represents:

1.

Debtor(s) filed a Motion for Authority to Use Cash Collateral (Use of Insurance Proceeds to Purchase a Vehicle and Substitute Collateral) on (DATE).

2.

On (DATE), an Order was entered authorizing the Debtor(s) to use the insurance proceeds.

3.

The Attorney for Debtor has in his possession a check representing said insurance proceeds which check is either made payable to Attorney for Debtor or has been completely endorsed.

4.

Debtors have located a (DESCRIPTION OF VEHICLE), (Substitute Vehicle) which is comparable in value to the (DESCRIPTION OF THE DESTROYED VEHICLE).

NAME OF CREDITOR (Secured Creditor) has given its approval to the purchase of the Substitute Vehicle or has not timely opposed the purchase of the substituted vehicle.

Wherefore, Debtor prays that an Order be entered:

1. Authorizing Debtor to purchase the Substitute Vehicle.
2. Directing the Attorney for Debtor to pay the insurance proceeds in the amount of \$\_\_\_\_\_ to the (AUTOMOBILE DEALERSHIP) for the purpose of allowing the Debtor(s) to purchase the Substitute Vehicle.
3. Directing the Debtor(s) to execute any and all documents

necessary to grant Secured Creditor a security interest  
in the Substitute Vehicle.

Opelousas, Louisiana on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
W. Simmons Sandoz

**CERTIFICATE**

I HEREBY CERTIFY that a copy of the above and foregoing Motion  
to Release Insurance Proceeds, Purchase Vehicle, and Grant Security  
Interest has been served upon the following postage prepaid and  
properly addressed on the date set forth below.:

|                          |                      |
|--------------------------|----------------------|
| Keith Rodriguez,         | Office US Trustee    |
| Chapter 13 Trustee       | 300 Fannin Street    |
| P.O. Box 3445            | Suite 3196           |
| Lafayette, LA 70502-3445 | Shreveport, LA 71101 |

Attorney for SECURED CREDITOR  
Address  
City, State Zip Code

Opelousas, Louisiana this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
W. SIMMONS SANDOZ

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
LAFAYETTE-OPELOUSAS DIVISION

IN RE:

CASE NO.

Debtor

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ORDER

Considering the following:

1. Motion to Release Insurance Proceeds, Purchase Vehicle, and Grant Security Interest.
2. Service of the Motion on the US Trustee, Keith Rodriguez, and (Attorney for Secured Creditor).
3. Debtor submitted to (Secured Creditor) a sales worksheet and five (5) business days have passed since (Secured Creditor) has received the sales worksheet.
4. (Secured Creditor) has not objected to the sales receipt.
5. No opposition, objection, or request for hearing having been made.
6. It appearing proper in the premises:

IT IS ORDERED THAT:

- A. The Debtors are authorized to purchase the _____ (Substitute Vehicle);
- B. Attorney for Debtor shall pay the insurance proceeds in the amount of \$_____ and \$_____ for _____ Tax, Title, License and Mortgage Fee to _____ for _____ the purpose of allowing the Debtors to purchase the Substitute Vehicle.
- C. Debtors shall execute any and all documents necessary to grant Secured Creditor a security interest in the Substitute Vehicle.
- D. Secured Creditor shall have 5 calendar days (not business

days) from the execution of this order to notify the Trustee in writing of any deficiencies in the perfection of their security interest in the substitute vehicle.

- E. If there is no objection per paragraph D, the Attorney for Debtor is authorized and directed to release the insurance proceeds in the amount of \$_____, to (AUTOMOBILE DEALERSHIP), for the purpose of purchasing the Substitute Vehicle;

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This order was prepared and is being submitted by:

Sandoz Law Office

By: W. Simmons Sandoz

Attorney for _____

Bar No. 11711

P.O. Box 471

Opelousas, LA 70571

Phone: (337) 942-8956

Fax: (337) 942-5448