

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
WESTERN DIVISION**

<b>In Re:</b>	)	<b>Case No.</b> 03-34839
	)	
Yolanda Tingler,	)	<b>Chapter 7</b>
	)	
<b>Debtor.</b>	)	
	)	<b>JUDGE MARY ANN WHIPPLE</b>

**ORDER DENYING MOTION TO REDEEM**

This case came before the court for hearing on December 18, 2003, upon Debtor Yolanda Tingler's Motion to Redeem '96 Ford Explorer ("Motion") [Doc. #6] from Gossard Motor Sales. Gary Gossard appeared at the hearing. There was no appearance by or on behalf of Debtor. The hearing had previously been rescheduled by the court from December 9, 2003, because of insufficient notice given to Gossard Motor Sales.

Debtor seeks to redeem a 1996 Ford Explorer motor vehicle from Gossard Motor Sales' security interest pursuant to 11 U.S.C. § 722, which permits the Debtor to retain certain personal property "by paying the holder of such lien the amount of the allowed secured claim of such holder that is secured by such lien." In turn, "the amount of the allowed secured claim" is defined in 11 U.S.C. § 506(a) as "the extent of the value of such creditor's interest in the estate's interest in such property."

Here, Debtor proposes in her Motion that the value of Gossard Motor Sales secured interest, and the value of the vehicle, is zero. She alleges that the "fair market value" of the vehicle is \$2800.00, then subtracts from that value an amount totaling \$2,697.61 for repairs (including transmission repairs, an alignment check and suspension parts and tires) plus one post-petition payment to the creditor of \$200.00. As a result, Debtor proposes that she is entitled to keep the 1996 Ford Explorer free of Gossard Motor Sales' lien by paying the lienholder nothing.

At the hearing, Gossard Motor Sales produced documents showing that the suspension and transmission service had in fact been paid for as a warranty claim, not by Debtor. Moreover, even if Debtor had in fact paid for the maintenance and repairs, the court rejects that this is a proper basis for calculating the value of a secured creditor's claim under 11 U.S.C. §§ 722 and 506(a). In *Triad Financial*

*Corp. v. Weathington (In re Weathington)*, 254 B.R. 895 (6<sup>th</sup> Cir. B.A.P. 2000), the court held that, for purposes of redemption of a motor vehicle under § 722, the amount of the creditor's allowed secured claim is the liquidation value of the collateral. The parties in *Weathington* had stipulated to the wholesale value and the retail value of the vehicle in issue, with the bankruptcy court allowing redemption of the vehicle from the lien by payment of the wholesale value of the vehicle. The Bankruptcy Appellate Panel affirmed the bankruptcy court's decision, finding that proper valuation in this context was what the creditor would receive if it repossessed and sold the vehicle. The cost of Debtor's maintenance and repairs on the vehicle do not translate into or relate dollar for dollar to liquidation value of the vehicle. Nor do any payments made on the debt post-petition relate to that value. And by subtracting any payments made, the Debtor is essentially trying to redeem the vehicle by paying in installments, a position the Sixth Circuit has long rejected. Patently, the vehicle has some value. Repairs and maintenance or no repairs and maintenance, it is not and was not valueless.

Therefore, based on the foregoing reasons and authorities,

**IT IS ORDERED** that Debtor's Motion for Redemption from Gossard Motor Sales [Doc. #6] is hereby **DENIED**.

Dated: December 29, 2003

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**MARY ANN WHIPPLE**  
**UNITED STATES BANKRUPTCY JUDGE**