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U.S. COURTS  
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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF IDAHO**

In Re: )  
 ) Case No. 02-20218  
Frank & Sydney Chapin )  
 ) Chapter 11  
 )  
 )  
Debtor, )

**UNITED STATES TRUSTEE'S  
MOTION TO CONVERT OR DISMISS**

THE UNITED STATES TRUSTEE, pursuant to Section 1112(b) of the Bankruptcy Code, moves the Court for an order converting this case to Chapter 7; dismissing the case; setting deadlines for filing monthly financial reports, a disclosure statement and plan; paying chapter 11 quarterly fees or for other appropriate relief. This motion is made for the following reasons:

1. Under the provisions of 28 USC 586, the United States Trustee has been given the authority to supervise the administration of bankruptcy cases and to monitor their progress. The United States Trustee, under the provisions of 11 USC 307, has also been given the authority to raise, appear and be heard on any issue in any bankruptcy case.
2. A voluntary petition was filed by the debtor(s) in this Chapter 11 case on February 22, 2002.
3. The debtor(s) are obligated, pursuant to the operating guidelines and reporting requirements promulgated by the United States Trustee, 11 USC 704(8), 1106 & 1107(a), and FRBP 2015 to file monthly financial reports.
4. The debtor(s) have failed to file monthly financial reports for the months of October, November, and December, 2002 and January, 2003.

*74*

5. The debtor(s) have filed a disclosure statement and plan on January 3, 2003.
6. Under the provisions of 28 USC 1930(a)(6), a bankruptcy fee is required to be paid by debtor(s) filing for chapter 11 relief based on the amount disbursements made by the chapter 11 estate during each calendar quarter.
7. The debtor(s) have not paid the chapter 11 quarterly fees for the third and fourth quarters of 2002.
8. Section 1112(b) of the Bankruptcy Code authorizes this Court to dismiss or convert a chapter 11 case for cause, including (1) continuing loss or diminution of the estate and absence of a reasonable likelihood of rehabilitation; (2) inability to effectuate a plan; (3) unreasonable delay by the debtor that is prejudicial to creditors; or (4) nonpayment of any fees or charges required under chapter 123 of title 28 [28 USC 1911 et seq.].

Wherefore, the United States Trustee requests that the Court enter an order converting this case to Chapter 7 or dismissing this case; whichever the Court finds is in the best interest of creditors. In the alternative, the United States Trustee requests the entry of an order setting deadlines for the payment of chapter 11 quarterly fees, and the filing of monthly financial reports, disclosure statement and plan. Finally, the United States Trustee requests such further and other relief as the Court deems appropriate.

Dated: January 31, 2003

Diane E. Tebelius  
United States Trustee



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Gary L. McClendon  
Attorney for U.S. Trustee