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Attorneys for Trustee, Bernie R. Rakozy

UNITED STATES BANKRUPTCY COURT

DISTRICT OF IDAHO

In Re:

Case No. 98-02141

COMMUNITY HOME HEALTH, INC.,

NOTICE OF SALE BY TRUSTEE

Debtors.

PLEASE TAKE NOTICE THAT the Trustee will sell the property described below in which the estate claims an interest pursuant to 11 USC 363, Bankruptcy Rule 6004(e)(1) and LBR 307. This sale will take place unless a written objection and request for hearing is received by the U.S. Bankruptcy Court (550 W. Fort St. MSC 042, Boise, Idaho 83724-0042) and the Trustee. **Any written objection must be filed and mailed to the Trustee's attorney on or before July 15, 1999.**

1. DESCRIPTION OF PROPERTY TO BE SOLD: All receivables, claims, and causes of action against federal agencies or their agents related to Medicare including Dept. of Health & Welfare, Health Care Financing Administration ("HCFA"), Social Security Administration and Blue Cross of California. Said property will also include all medical and related business records of the Debtor in the possession of the Trustee.
2. TIME AND PLACE OF SALES: **July 23, 1999, 3:00 p.m.**
824 West Franklin St.
Boise, ID 83701
(208) 343-4474
3. TYPE OF SALE: Private sale to Kaiser Family Partnership.
4. TERMS OF SALE: \$1,000 Cash, plus buyer must take possession of all medical records and related business records, approximately 300 boxes, now in possession of the Trustee.

5. TREATMENT OF EXISTING LIENS: The Sale is free and clear of all liens with any valid liens to attach to the proceeds. The Trustee is aware that U.S. Bank N. A. may claim a security interest in the property but such claim is disputed by the Trustee and Debtor. If any lien exists, the sale shall be free and clear of all liens with all valid liens to attach to the sale proceeds.
6. VALUE OF PROPERTY TO BE SOLD: The Trustee estimates that the total fair market value of the property to be \$1,000. The Debtor claims that HCFA owes it over \$500,000 in reimbursements for medical services to patients qualifying for Medicare benefits. However, HCFA has filed a proof of claim for \$1,268,871 related to overpayments for which it will claim the right of setoff or recoupment in defense of the Debtor's claims. The Buyer, based upon independent legal advice, believes that HCFA violated rules, regulations, and due process rights of the Debtor, and acted arbitrarily and capriciously causing the Debtor to go out of business and file bankruptcy.
7. AUTHORITY FOR CONDUCTING SALE: 11 USC § 363(b)(1), (f)(2),(4).
8. MISCELLANEOUS INFORMATION: The buyer is a related party to Verlene Kaiser, former president and principal shareholder of the Debtor.
9. EXPENSES OF SALE: none
10. ADDITIONAL TERMS OF SALE:

THE PERSONAL PROPERTY SHALL BE SOLD "AS IS", "WHERE IS", AND WITHOUT WARRANTY OF ANY NATURE WHATSOEVER, EITHER EXPRESS OR IMPLIED.

Dated this 24 day of June, 1999.



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