

SIGNED.



Dated: April 01, 2011

James M. Marlara
JAMES M. MARLAR
Chief Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re:) Chapter 7
THOMAS ARMENTA and ANNA)
MARIE ALDRETE,) No. 4:10-bk-30864-JMM
Debtors.) **MEMORANDUM DECISION**

Before the court is the Debtors' motion redeem a 2007 Chevrolet Silverado (ECF No. 9). The only dispute is its value. The parties have submitted the matter on the pleadings, and have made argument.

The secured creditor, Ally Financial, holds a lien for an unpaid balance of \$18,803. The vehicle is primarily used for personal, family or household purposes.

The court must value the vehicle based on the measure of replacement value. In re Rash, 520 U.S. 953, 117 S. Ct. 1879 (1997).

The Debtors value the vehicle based upon an "Auto Trader" advertisement and a "Vehicle Condition Report" of a "loan originator," Dan C. Beck, whose company proposes to finance the redemption. Mr. Beck apparently lives in Cincinnati, Ohio. (See Ex. A to Debtors request.) There was no evidence presented that Mr. Beck had ever personally inspected or viewed the automobile.

Secured creditor, Ally Financial, uses the NADA used car guide, and asserts that the retail (or replacement) value is \$15,800, less a damage repair estimate of \$2,208.62. Ally urges the court to find the value to be \$13,591.38.

1 The Debtors then obtained an appraisal of the unit from Kenneth D. Shugg, of a
2 "projected resale value" of \$7,367.00. How this figure was determined, in view of the Debtors'
3 other attached documents showing much higher prices (e.g., \$11,977), is unclear.

4 Ally Financial's opinion is more reliable. Therefore, the court finds the replacement
5 value to be \$13,591.38. Should the Debtors still wish to redeem, they must do so within 30 days,
6 or relinquish control of the vehicle to Ally Financial.

7 A separate order will be entered. Any appeal must be filed within 14 days of the date
8 the order is entered on the court's docket.

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10 DATED AND SIGNED ABOVE.

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12 COPIES to be sent by the BNC
13 ("Bankruptcy Noticing Center") to:

14 Attorney for Debtors

15 Steven M. Cox, Attorney for Ally Financial

16 Trustee

17 Office of the U.S. Trustee
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