

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEBRASKA

IN THE MATTER OF: ) CASE NO. BK09-42133-TJM  
 )  
DEBRA YARWOOD, ) CH. 7  
 )  
Debtor(s). )

ORDER

Hearing was held on January 19, 2011, regarding Filing #24, Motion for Sanctions Against American General Financial and CitiFinancial, filed by the debtor. Casey E. Miller appeared for the debtor and no appearance was made on behalf of American General Financial and CitiFinancial.

At the time this Chapter 7 case was filed, the debtor owned two vehicles, a 1992 Ford Explorer with a lien held by American General Financial Services of America, Inc., or American General Financial Services, Inc. ("American General Financial") and a 1995 Oldsmobile Achieva with a lien held by CitiFinancial Auto Corporation or CitiFinancial Auto Credit, Inc., or CitiFinancial Auto, Ltd. (MN) ("CitiFinancial"). The debtor surrendered the vehicles to the lien holders, but the lien holders have refused to accept the surrender and the vehicles remain on the property of the debtor.

The debtor then moved to redeem the vehicles, each having a value of \$0.00. Neither lien holder objected. However, the lien holders refused to provide a release of the liens without further payment by the debtor.

The court, at Filings #32 and #33, ordered the lien holders to execute such documents as may be necessary to release the liens and deliver clean titles to the debtor.

The lien holders were given until November 24, 2010, to obey the prior orders. If they failed to do so, Filing #34 was an order informing them that monetary sanctions would be imposed which would increase week by week until they complied.

The lien holders did not comply and they were notified of a hearing at which they were to show cause why they should not be held in contempt and sanctioned. That hearing was held on January 19, 2011. Neither lien holder appeared. The court directed counsel for the debtor to prepare an order which would transfer the lien holders' interest in the vehicles to the debtor free and clear of any liens purportedly held by the lien holders. In addition, the court informed counsel for the debtor that monetary sanctions would be imposed.

CitiFinancial and American General Financial had notice of their obligations with regard to the release of the liens, the presentation of the clean titles, and the potential imposition of monetary sanctions. They have ignored the orders of this court and are hereby found to be in contempt of court.

IT IS ORDERED that each purported lien holder, CitiFinancial and American General Financial, are hereby sanctioned in the amount of \$500.00 per week beginning January 19, 2011. If they have not complied with the order of the court by January 26, 2011, the amount will increase to \$1000 for the next week and will increase at the rate of \$500.00 per week thereafter until the purported lien holders have purged themselves of contempt. If they fail to purge themselves of contempt by February 18, 2011, an order will be entered transferring their interest, if any, in the

liens of the vehicles to the debtor. At that same time, a judgment will be entered for the full amount of the monetary sanctions which have accrued to that date. That judgment will be in favor of the debtor and against CitiFinancial and American General Financial and all of the corporate or trade names listed above.

Both the clerk of court and the counsel for the debtor shall mail a copy of this order to the post office addresses used by the debtor to correspond with the creditors and to the registered agent for the entities, C T Corporation System, 1024 K Street, Lincoln, NE 68508.

DATED: January 20, 2011

BY THE COURT:

/s/ Timothy J. Mahoney  
United States Bankruptcy Judge

Notice given by the Court to:

\*Casey E. Miller  
American General Financial  
CitiFinancial  
C T Corporation System

Movant (\*) is responsible for giving notice to other parties if required by rule or statute.