

THE STATE OF SOUTH CAROLINA  
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY  
Court of Common Pleas

Honorable Marvin H. Dukes, III, Master in Equity

Case No. 2009-CP-07-05088

**RECEIVED**  
JUL 21 2014  
**SC Court of Appeals**

CitiMortgage, Inc.,

Respondent,

v.

Daniel Junk a/k/a Daniel L. Junk and Christine H.  
Junk and Oldfield Community Association,

Defendants,

Of Whom Daniel L. Junk and Christine H. Junk are,

Appellants,

-and-

Daniel L. Junk and Christine H. Junk,

Counterclaim Appellants,

v.

CitiMortgage, Inc.

Counterclaim Respondent.

-and-

Daniel L. Junk and Christine H. Junk,

Third-party Appellants,

v.

Riley Pope & Laney, LLC , Heidi Carey, Esq.,  
Roy Laney, Esq., T. Lowndes Pope, Esq.,  
Bayview Loan Servicing, LLC, MERSCORP, Inc.,  
Mortgage Electronic Registration Systems, Inc.,  
Citi Master Servicing, Citigroup Global Markets  
Realty Corp., Citigroup Mortgage Loan Trust, Inc.,  
John Does 1-5,000, Jennifer Oakes, Robert G.  
Hall, Security Connections, Inc., Krystal Hall,  
Danielle Sterling, ABC Appraisal Group, Inc.,  
Mark A. Ruplinger, Linda Heller, Harry Jones,  
Colonial Coast Title Agency, Inc., Lawyers Title

Insurance Corporation, Corelogic, Inc. and American  
Home Mortgage Holdings, Inc.

Third-party Respondents.

---

MOTION FOR SUBSTITUTION OF DEFENDANT, COUNTERCLAIM PLAINTIFF, THIRD-  
PARTY PLAINTIFF AND FOR APPELLANT, COUNTERCLAIM APPELLANT, THIRD-  
PARTY APPELLANT AND FOR SUBSTITUTION OF COUNSEL FOR SUBSTITUTE  
DEFENDANT, SUBSTITUTE COUNTERCLAIM PLAINTIFF, SUBSTITUTE THIRD-  
PARTY PLAINTIFF AND FOR SUBSTITUTE APPELLANT, SUBSTITUTE  
COUNTERCLAIM APPELLANT,  
SUBSTITUTE THIRD-PARTY APPELLANT

---

Pursuant to the order of the Honorable John E. Hoffman, Jr. of the United States Bankruptcy Court for the Southern District of Ohio, Eastern Division, dated July 2, 2014, attached hereto as Exhibit A (the "Relief Order")<sup>1</sup>, and Rule 240 of the South Carolina Appellate Court Rules and Rules 11(b) and 25(c) of the South Carolina Rules of Civil Procedure, Daniel L. Junk as Debtor-in-possession ("DIP"), formerly appearing before this Court as Daniel L. Junk in his individual capacity as an unlicensed attorney representing himself *pro se*, hereby moves for an order substituting the Chapter 11 bankruptcy estate *In re Daniel L. Junk and Christine H. Junk* (the "Estate"), which is under the supervision of the United States Department of Justice Trustee Mary Anne Wilsbacher, Esq., in United States Bankruptcy Court for the Southern District of Ohio, Eastern Division, located in Columbus, Ohio, Case No. 13-55139, as the sole Defendant, Counterclaim Plaintiff, Third-party Plaintiff, Appellant, Counterclaim Appellant and Third-party Appellant in this matter and also substituting DIP as *pro se* counsel for Daniel L. Junk and Christine H. Junk, formerly represented before this Court in her individual capacity by A. Parker Barnes, Jr., Esq., who is now co-Debtor and co-DIP for the Estate; and additionally, as *pro se* counsel for all other creditors of the Estate. The grounds for this Motion are that the

---

<sup>1</sup> DIP has filed a Notice of Appeal and Statement of Election this same day, July 16, 2014, in the United States District Court for the Southern District of Ohio appealing the Relief Order which is an exhibit to the Notice of Appeal. See Exhibit A.

Plaintiff and Counterclaim Respondent CitiMortgage, Inc. (“CitiMortgage”) was granted relief from the Automatic Stay under 11 U.S.C. § 362(d) in the Relief Order, to pursue the above captioned appeal from the foreclosure and reformation of deed action pending in the Beaufort County Court of Common Pleas before the Honorable Marvin H. Dukes, III, Master in Equity, Case No. 2009-CP-07-05088 which is the underlying action for the instant appeal. *See* Exhibit A.

**SUBSTITUTION OF DEFENDANT, COUNTERCLAIM PLAINTIFF,  
THIRD-PARTY PLAINTIFF AND FOR APPELLANT,  
COUNTERCLAIM APPELLANT, THIRD-PARTY APPELLANT**

Pursuant to Rule 25(c), SCRCP, “[i]n case of any transfer of interest, the action may be continued by or against the original party, unless the court upon motion directs the person to whom the interest is transferred to be substituted in the action or joined with the original party.” The instant Motion seeks to substitute Defendants, Counterclaim Plaintiffs, Third-party Plaintiffs, Appellants, Counterclaim Appellants and Third-party Appellants, and to amend the caption accordingly, as directed by the Hon. John E Hoffman, Jr. in the Relief Order.

**SUBSTITUTION OF COUNSEL**

Additionally, pursuant to Rule 11(b), SCRCP, DIP moves this Court for an Order substituting DIP as counsel *pro se* and as the attorney of record *pro se* for Christine H. Junk’s interests in the estate as debtor-in-possession and her predecessor-in-interest’s interests, along with the interests of the creditors of the Estate as listed in Debtors’ Schedules D; E; and F, contained in the Junks’ Voluntary Petition Under Chapter 11, filed in the United States Bankruptcy Court for the Southern District of Ohio, Eastern Division on June 27, 2013, and as amended thereafter, attached hereto as Exhibit B, which includes as listed creditors Counterclaim Respondent CitiMortgage in addition to Third-party Respondents Riley Pope & Laney, LLC ,

Heidi Carey, Esq., Roy Laney, Esq., T. Lowndes Pope, Esq., Bayview Loan Servicing, LLC, MERSCORP, Inc., Mortgage Electronic Registration Systems, Inc., Citi Master Servicing, Jennifer Oakes, Robert G. Hall, Security Connections, Inc., Krystal Hall, Colonial Coast Title Agency, Inc., Lawyers Title Insurance Corporation, and American Home Mortgage Holdings, Inc. (collectively “Creditors”).

As set forth above, despite the inherent apparent and actual conflict<sup>2</sup> between DIP’s fiduciary duty to the Estate and its Creditors as a result of DIP prosecuting the Estate’s claims against the Creditors that are a party hereto, the Honorable John E. Hoffman, Jr. of the United States Bankruptcy Court for the Southern District of Ohio, Eastern Division holds in the Relief Order that DIP has the rights and powers of a trustee and that trustees may represent themselves for the Estate even if they are not attorneys, and that “Mr. Junk would not be prohibited from representing himself merely because he is not a licensed attorney.” *See* Exhibit A, p. 53, ¶2. The Relief Order further states that because “[Mr. Junk] represented himself prior to the bankruptcy . . . there is no reason from a bankruptcy-law perspective that he cannot do so.” *Id.*

This Motion is supported by all the applicable pleadings and applicable law as well as any further support as hereafter DIP may submit to this Court.

Pursuant to Rule 11(a), SCRCP, DIP affirms that prior to filing this Motion he did not communicate with opposing counsel so as not to risk practicing law without a license prior to approval from this Court for the relief sought herein to appear *pro se* as an unlicensed attorney on behalf of the Estate, Christine H. Junk and the Creditors.

---

<sup>2</sup> The Relief Order abstained from deciding the motions to dismiss brought in the Adversary Proceeding wherein the Plaintiff and Counterclaim Respondent CitiMortgage and Third-party Defendants and Third-party Respondents MERSCORP, Inc., Mortgage Electronic Registration Systems, Inc., Citi Master Servicing, Jennifer Oakes and Robert G. Hall along with counsel for these parties herein, Nelson Mullins Riley & Scarborough and Messrs. Smith, Esq., Crotty, Esq. and Anzelmo, Esq. remain named defendants in the Adversary Proceeding that is stayed in the Ohio Bankruptcy Court

Respectfully submitted,

DANIEL L. JUNK, DEBTOR-IN-  
POSSESSION, *PRO SE*

A handwritten signature in black ink, appearing to read 'D. L. Junk', written over a horizontal line.

Daniel L. Junk, Debtor-in-possession  
*Proposed Substitute Pro Se*  
*Appellant, Counterclaim Appellant*  
*and Third-party Appellant*  
35 North Fourth Street  
Columbus, OH 43221  
(614) 648-5062

Columbus, Ohio  
July 16, 2013

## EXHIBIT A

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION

**In Re:**

**Daniel L. Junk,  
Christine H. Junk,**

Debtors

Case No 13-55139  
Chapter 11 (Judge Hoffman)  
SSN xxx-xx-5153  
SSN. xxx-xx-3208

**Daniel L. Junk, et al.**

Plaintiffs,

-vs-

**CitiMortgage, Inc., et al.**

Defendants.

Adv Pro No. 13-02390

**NOTICE OF APPEAL TO THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF OHIO**

PLEASE TAKE NOTICE that Debtors and Plaintiffs as debtors in possession hereby appeal, pursuant to 28 U S C. § 158(a)(1), to the United States District Court for the Southern District of Ohio, the Memorandum Opinion and Order on (A) Motion of CitiMortgage, Inc. for Relief From the Automatic Stay and (B) Motions for Dismissal of, or Abstention From, Adversary Proceeding [Doc #104] [Adv Doc. #307] (the "Order") of the Bankruptcy Court for the Southern District of Ohio, Eastern Division entered in the above-captioned bankruptcy and adversary proceeding on July 2, 2014. The Order granted the Motion for Relief From the Automatic Stay 181 Oldfield Way, Okatie, SC 29909 [Doc. 77] and granted relief requested for abstention in the adversary proceeding brought in the Motion to Dismiss the Adversary Complaint [Adv Doc #214] filed by Defendant CitiMortgage, Inc., Citi Master Servicing;

Citibank, N A , MERSCORP Holdings, Inc , f/k/a MERSCORP, Inc , Mortgage Electronic Registration Systems, Inc (“MERS”) and Jennifer Oakes along with the following defendants’ motions for dismissal/ abstention; judgment on the pleadings and answer

- Lawyers Title Insurance Company motion to dismiss (Adv Doc 160),
- Mayer Brown LLP motion to dismiss (Adv. Doc 166),
- Nexsen Pruet, LLC, Andrea Easler, Edward Hughes and Colonial Coast Title Agency, Inc motion to dismiss (Adv Doc 203);
- Nelson Mullins Riley & Scarborough LLP, Rush Smith, III, Brian Crotty and Michael Anzelmo motion to dismiss (Adv Doc 213),
- Riley Pope & Laney, LLC, Heidi Carey, Roy Laney and Lowndes Pope motion to dismiss or abstain (Adv Doc. 230),
- Deutsche Bank National Trust Company as Trustee of HS1 Asset Loan Obligation Trust 2007-AR1, Wells Fargo Bank, N.A., and American Home Mortgage Servicing, Inc, fka AHM Mortgage Acquisition Co , Inc., nka Homeward Residential, Inc motion for judgment on the pleadings (Adv Doc. 234),
- Bayview Loan Servicing, Inc. and Robert Hall, motion to dismiss or abstain (Adv Doc 238),
- HALO 2007-AR1, HSBC Bank USA, N A., HSBC Securities, Inc and HSI Asset Securitization Corporation; they have filed an answer to the complaint (Adv Doc. 256)

A true and accurate copy of the Order is attached hereto as Exhibit A.

The parties to the Order appealed from, and the names, addresses, and telephone numbers of their respective counsel are as follows

***Plaintiffs***

-----  
**Daniel L. Junk and  
Christine H. Junk  
2827 Chateau Circle S**

represented by Jennifer Brunner  
35 North 4th Street  
Ste. 200

**Columbus, OH 43221**

Columbus, OH 43215  
614-241-5550  
Fax 614-241-5551  
Email [jl@brunnerlaw.com](mailto:jl@brunnerlaw.com)

Rick L Brunner  
Brunner Quinn  
35 North Fourth Street  
Suite 200  
Columbus, OH 43215  
(614) 241-5550  
Email [rlb@brunnerlaw.com](mailto:rlb@brunnerlaw.com)  
LEAD ATTORNEY

Peter Contreras  
BrunnerQuinn  
35 North 4th Street  
Suite 200  
Columbus, OH 43215  
614-241-5550  
Fax 614-241-5551

Kaitlin M Madigan  
35 North 4th Street  
Suite 200  
Columbus, OH 43215  
(614)241-5550  
Fax (614)241-55513

Patrick M Quinn  
BrunnerQuinn  
35 North 4th Street  
Columbus, OH 43215  
(614) 241-5550  
Fax : (614) 241-5551  
Email: [pmq@brunnerlaw.com](mailto:pmq@brunnerlaw.com)

***Defendant***

**CitiMortgage, Inc.**  
CT Corporation System  
1300 East 9th Street  
Cleveland, OH 44114

represented  
by

**Nathan H Blaske**  
1900 Fifth Third Center  
511 Walnut Street  
Cincinnati, OH 45202  
513-629-2777

Email [nblaske@graydon.com](mailto:nblaske@graydon.com)

**Mia L Conner**

P O Box 5480  
Cincinnati, OH 45202-5480  
513-241-3100  
Email [bklt@lsrlaw.com](mailto:bklt@lsrlaw.com)

**J Michael Debbeler**

GRAYDON HEAD & RITCHEY  
LLP  
1900 Fifth Third Center  
511 Walnut Street  
Cincinnati, OH 45202-3157  
(513) 629-2704  
Fax (513) 651-3836  
Email [mdebbeler@graydon.com](mailto:mdebbeler@graydon.com)

**Jeffrey Joseph Hanneken**

Graydon Head & Ritchey LLP  
1900 Fifth Third Center  
511 Walnut Street  
Cincinnati, OH 45202  
513 629 0349  
Fax 513 651 3836  
Email [jhanneken@graydon.com](mailto:jhanneken@graydon.com)

**Jeffrey Steven Rosenstiel**

Graydon Head & Ritchey, LLP  
1900 Fifth Third Center  
511 Walnut  
Cincinnati, OH 45202  
(859) 578-2424  
Fax : (859) 578-2425  
Email [jrosenstiel@graydon.com](mailto:jrosenstiel@graydon.com)

***Defendant***

**HSI Asset Securitization  
Corporation**

Ulmer & Berne LLP, c/o  
Reuel D Ash  
600 Vine Street, Suite

represented  
by

**Reuel D. Ash**

Ulmer & Berne, LLP  
600 Vine Street  
Suite 2800  
Cincinnati, OH 45402-2409

2800  
Cincinnati, OH 45202

513-698-5118  
Fax 513-698-5119  
Email [rash@ulmer.com](mailto:rash@ulmer.com)

***Defendant***

-----  
**HSBC Bank USA, NA**  
Ulmer & Berne LLP, c/o  
Reuel D. Ash  
600 Vine Street, Suite  
2800  
Cincinnati, OH 45202

represented by **Reuel D. Ash**  
(See above for address)

***Defendant***

-----  
**Deutsche Bank National  
Trust Company**  
CT Corporation System  
1300 East 9th Street  
Cleveland, OH 44114

represented by **Benjamin D Carnahan**  
Dinn, Hochman & Potter, LLC  
5910 Landerbrook Drive, Suite 200  
Cleveland, OH 44124  
(440) 446-1100  
Fax (440) 446-1240  
Email [bcarnahan@dhplaw.com](mailto:bcarnahan@dhplaw.com)

***Defendant***

-----  
**Citi Master Servicing**  
CT Corporation System  
1300 East 9th Street  
Cleveland, OH 44114

represented by **Nathan H Blaske**  
(See above for address)

**Mia L Conner**  
(See above for address)

**J Michael Debbeler**  
(See above for address)

**Jeffrey Joseph Hanneken**  
(See above for address)

**Jeffrey Steven Rosenstiel**  
(See above for address)

***Defendant***  
-----

**Citibank USA NA**  
CT Corporation System  
1300 East 9th Street  
Cleveland, OH 44114

represented by **Nathan H Blaske**  
(See above for address)

**Mia L Conner**  
(See above for address)

**J Michael Debbeler**  
(See above for address)

**Jeffrey Joseph Hanneken**  
(See above for address)

**Jeffrey Steven Rosenstiel**  
(See above for address)

***Defendant***  
-----

**Wells Fargo Bank, N.A.**

represented by **Benjamin D Carnahan**  
(See above for address)

***Defendant***  
-----

**Mayer Brown LLP**  
Vorys, Sater, Seymour and  
Pease LLP  
c/o Reginald W Jackson  
52 East Gay Street  
Columbus, OH 43215

represented by **Lauren N. Fromme**  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
Columbus, OH 43215  
614-464-6352  
Fax 614-719-4672  
Email [lnfromme@vorys.com](mailto:lnfromme@vorys.com)

**Reginald W Jackson**  
Vorys, Sater, Seymour and Pease LLP  
52 E Gay St  
P.O. Box 1008  
Columbus, OH 43216-1008  
(614) 464-5621  
Fax (614) 719-4778  
Email [rwjackson@vorys.com](mailto:rwjackson@vorys.com)

***Defendant***  
-----

**American Home  
Mortgage Servicing, Inc**

represented by **Benjamin D Carnahan**

c/o CSC Lawyers  
Incorporating  
50 W Broad Street  
Ste 1800  
Columbus, OH 43215  
***fka* AHM Mortgage  
Acquisition Co., Inc.  
*nka* Homeward  
Residential, Inc.**

(See above for address)

***Defendant***

-----  
**MERSCORP Holdings  
Inc.**

c/o CT Corporation  
System  
1300 East Ninth Street  
Cleveland, OH 44114  
***fka* MERSCORP, Inc.**

represented by **Nathan H Blaske**  
(See above for address)

**Mia L Conner**  
(See above for address)

**J Michael Debbeler**  
(See above for address)

**Jeffrey Joseph Hanneken**  
(See above for address)

**Jeffrey Steven Rosenstiel**  
(See above for address)

***Defendant***

-----  
**Mortgage Electronic  
Registration Systems,  
Inc.**

CT Corporation System  
1300 East 9th Street  
Columbus, OH 43215

represented by **Nathan H Blaske**  
(See above for address)

**Mia L Conner**  
(See above for address)

**J Michael Debbeler**  
(See above for address)

**Jeffrey Joseph Hanneken**  
(See above for address)

**Jeffrey Steven Rosenstiel**  
(See above for address)

***Defendant***

-----  
**Bayview Loan Servicing,  
Inc.**

CT Corporation System  
1300 E 9th Street  
Cleveland, OH 44114

represented  
by

**Kari Balog Coniglio**

Vorys, Sater, Seymour and Pease LLP  
2100 One Cleveland Center  
1375 East Ninth Street  
Cleveland, OH 44114  
216-479-6167  
Fax 216-937-3766  
Email [kbconiglio@vorys.com](mailto:kbconiglio@vorys.com)

**Marcel C Duhamel**

2100 One Cleveland Center  
1375 East Ninth Street  
Cleveland, OH 44114-1724  
216-479-6100  
Email [mcduhamel@vorys.com](mailto:mcduhamel@vorys.com)

***Defendant***

-----  
**Riley, Pope & Laney  
LLC**

c/o T. Lowndes Pope  
2838 Devine Street  
Columbia, SC 29205

represented  
by

**Andrew Scott Nicoll**

Porter Wright Morris & Arthur LLP  
41 South High Street, Suite 3100  
Columbus, OH 43215-6194  
(614) 227-2107  
Fax (614) 227-2100  
Email: [anicoll@porterwright.com](mailto:anicoll@porterwright.com)

***Defendant***

-----  
**Heidi Carey**

c/o Riley Pope & Laney  
LLC  
2938 Devine Street  
Columbia, SC 29205

represented  
by

**Andrew Scott Nicoll**  
(See above for address)

***Defendant***

-----  
**Roy Laney**

c/o Riley Pope & Laney,  
LLC  
2838 Devine Street  
Columbia, SC 29205

represented  
by

**Andrew Scott Nicoll**  
(See above for address)

***Defendant***

-----  
**T Lowndes Pope**  
c/o Riley Pope & Laney,  
LLC  
2838 Devine Street  
Columbia, SC 29205

represented by **Andrew Scott Nicoll**  
(See above for address)

***Defendant***

-----  
**Nelson Mullins Riley &  
Scarborough LLP**  
c/o Daniel J Fritze  
1320 Main Street  
17th Floor, Meridian  
Building  
Columbia, SC 29201

represented by **Larry J. McClatchey**  
65 East State Street  
Suite 1800  
Columbus, OH 43215-4215  
(614) 462-5400  
Email [lmccclatchey@keglerbrown.com](mailto:lmccclatchey@keglerbrown.com)

***Defendant***

-----  
**B Rush Smith, III**  
c/o Nelson Mullins Riley  
& Scarborough  
1320 Main Street  
17th Floor, Meridian  
Building  
Columbia, SC 29201

represented by **Larry J. McClatchey**  
(See above for address)

***Defendant***

-----  
**Brian Crotty**  
c/o Nelson Mullins Riley  
& Scarborough  
1320 Main Street  
17th Floor, Meridian  
Building  
Columbia, SC 29205

represented by **Larry J. McClatchey**  
(See above for address)

***Defendant***

-----  
**Michael Anzelmo**

c/o Nelson Mullins Riley  
& Scarborough  
1320 Main Street  
17th Floor, Meridian  
Building  
Columbia, SC 29205

represented by **Larry J. McClatchey**  
(See above for address)

***Defendant***

-----  
**Jennifer Oakes**

732 Winston Place  
O'Fallon, MO 63366

represented by **Nathan H Blaske**  
(See above for address)

**Mia L Conner**  
(See above for address)

**J Michael Debbeler**  
(See above for address)

**Jeffrey Joseph Hanneken**  
(See above for address)

**Jeffrey Steven Rosenstiel**  
(See above for address)

***Defendant***

-----  
**Robert G. Hall**

c/o Bayview Loan  
Servicing, LLC  
CT Corporation System  
1300 E 9th Street  
Cleveland, OH 44114

represented by **Kari Balog Coniglio**  
(See above for address)

**Marcel C Duhamel**  
(See above for address)

***Defendant***

-----  
**Nexsen Pruet LLC**

c/o NP Corpserve SC LLC  
1230 Main Street  
Ste. 700

represented by **M Colette Gibbons**  
Fifth Third Centre  
600 Superior Avenue East  
Suite 1701

Columbia, SC 29201

Cleveland, OH 44114

216-621-6501

Email [Colette.Gibbons@icemiller.com](mailto:Colette.Gibbons@icemiller.com)

***Defendant***

-----  
**Andrea Easler**  
c/o Nexsen Pruet LLC  
NP Corpserv SC LLC  
1230 Main Street  
Ste 700  
Columbia, SC 29201

represented by **M Colette Gibbons**  
(See above for address)

***Defendant***

-----  
**Edward M Hughes**  
c/o Nesen Pruet, LLC  
NP Corpserv SC LLC  
1230 Main Street  
Ste. 700  
Columbia, SC 29201

represented by **M Colette Gibbons**  
(See above for address)

***Defendant***

-----  
**Colonial Coast Title  
Agency, LLC**  
c/o Agent Neil C  
Robinson, Jr.  
205 King Street  
Ste. 400  
Charleston, SC 29401

represented by **M Colette Gibbons**  
(See above for address)

***Defendant***

-----  
**Lawyers Title Insurance  
Corp**  
c/o R Ford Macconnell  
6545 Corporate Centre  
Blvd  
Ste. 200  
Orlando, FL 32822

represented by **Amelia A Bower**  
300 East Broad Street  
Suite 590  
Columbus, OH 43215  
(614) 629-3004  
Fax 614-629-3019  
Email. [abower@plunkettcooney.com](mailto:abower@plunkettcooney.com)

***Defendant***

-----  
**HSBC Securities, Inc.** represented **Reuel D. Ash**  
Ulmer & Berne LLP, c/o by (See above for address)  
Reuel D. Ash  
600 Vine Street, Suite  
2800  
Cincinnati, OH 45202

***Defendant***

-----  
**HALO 2007-AR1** represented **Reuel D. Ash**  
Ulmer & Berne LLP, c/o by (See above for address)  
Reuel D. Ash  
600 Vine Street, Suite  
2800  
Cincinnati, OH 45202

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing was mailed to the following parties whose names and addresses are set forth below by electronic and/or U S mail, postage prepaid, on July 16, 2014.

/s/ Rick L. Brunner

Rick L. Brunner

Names and addresses of persons served

The following is the list of **parties** who were served via email notice/service for this case.

- Pamela Arndt Pamela D.Arndt@usdoj.gov
- Reuel D. Ash rash@ulmer.com
- Asst US Trustee (Col) ustpregion09 cb ecf@usdoj.gov
- Nathan H Blaske nblaske@graydon.com
- Amelia A Bower abower@plunkettcooney.com, bmoreland@plunkettcooney.com
- Rick L Brunner rib@brunnerlaw.com, amb@brunnerlaw.com
- Benjamin D Carnahan bcarnahan@dhplaw.com
- Kari Balog Coniglio kbconiglio@vorys.com, abecoats@vorys.com
- Mia L Conner \_bklt@lsrlaw.com
- J Michael Debbeler mdebbeler@graydon.com
- Marcel C Duhamel mcdubamel@vorys.com
- Lauren N Fromme lfromme@vorys.com
- M Colette Gibbons Colette Gibbons@icemiller.com, carol builder@icemiller.com
- Jeffrey Joseph Hanneken jhanneken@graydon.com
- Reginald W Jackson rwjackson@vorys.com, bjtohin@vorys.com

- Larry J McClatchey lmcclatchey@keglerbrown.com, cprince@keglerbrown.com
- Andrew Scott Nicoll anicoll@porterwright.com
- Patrick M Quinn pmq@brunnerlaw.com
- Jeffrey Steven Rosenstiel jrosenstiel@graydon.com

The following is the list of parties who were served via U S Mail, postage prepaid

Daniel and Christine Junk  
2827 Chateau Circle S  
Columbus, Ohio 43221

PRA Receivables Management LLC POB  
41067  
Norfolk, VA 23541

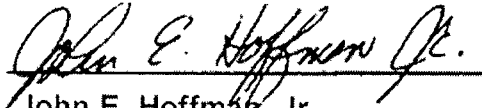
Exhibit A

This document has been electronically entered in the records of the United States Bankruptcy Court for the Southern District of Ohio.

IT IS SO ORDERED.

Dated: July 2, 2014



  
John E. Hoffman, Jr.  
United States Bankruptcy Judge

---

UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION AT COLUMBUS

*In re.*

DANIEL L. JUNK and  
CHRISTINE H. JUNK,

*Debtors.*

Case No 13-55139  
Chapter 11  
Judge Hoffman

---

Daniel L. Junk, *et al*,

*Plaintiffs,*

v

Adv Pro No 13-2390

CitiMortgage, Inc, *et al*,

*Defendants*

MEMORANDUM OPINION AND ORDER ON  
(A) MOTION OF CITIMORTGAGE, INC. FOR RELIEF  
FROM THE AUTOMATIC STAY AND (B) MOTIONS FOR  
DISMISSAL OF, OR ABSTENTION FROM, ADVERSARY PROCEEDING

## **I. Introduction**

For several years, Daniel and Christine Junk have been engaged in foreclosure litigation that began after they stopped making payments on their mortgage note and then attempted to quiet title to their South Carolina home in themselves. While the litigation was pending in South Carolina's state court system, the Junks moved to Ohio, where they commenced a Chapter 11 bankruptcy case and an adversary proceeding in which they contend, as they have in state court, that the plaintiff in the foreclosure action is not entitled to enforce the note and has no enforceable mortgage on their real property. The foreclosure plaintiff, CitiMortgage, Inc., requests that the Court grant it relief from the automatic stay and abstain from hearing the adversary proceeding. The Junks oppose both requests.

For the reasons explained below, the Court grants CitiMortgage relief from stay in order to pursue a judgment regarding the property and abstains from hearing the adversary proceeding as to the issues to be decided by the state court. State law issues predominate over bankruptcy issues, the disputed property is located in South Carolina, and the courts of that state already have invested significant resources in the litigation between CitiMortgage and the Junks. Granting relief from stay and abstaining from deciding the issues to be decided by the state court will promote judicial economy, and litigating those issues in South Carolina should impose relatively few costs on creditors while not hindering the efficient administration of the estate. Finally, this appears to be a classic case of forum shopping by the Junks, who, after receiving one adverse ruling after another in the state court, are rehashing in this adversary proceeding the very same arguments they have made in South Carolina.

## II. Jurisdiction

The Court has jurisdiction to hear and determine the motions pending before it pursuant to 28 U.S.C. §§ 157 and 1334 and the general order of reference entered in this district. This is a core proceeding. *See* 28 U.S.C. § 157(b)(2)(A), (G) and (O).

## III. Procedural Background

Before the Court are two motions filed by CitiMortgage, one for relief from the automatic stay under § 362(d) of the Bankruptcy Code (“Stay Relief Motion”) (Doc. 77),<sup>1</sup> and another requesting that the Court dismiss this adversary proceeding or, in the alternative, abstain from hearing it (“Dismissal/Abstention Motion”) (Adv. Doc. 214).<sup>2</sup> The Junks filed an opposition to the Stay Relief Motion (Doc. 87, supplemented by Doc. 89) and an opposition to the Dismissal/Abstention Motion (Adv. Doc. 261). In their opposition to the Stay Relief Motion (“Opp’n to Stay Relief”), the Junks stated that they “have filed an extensive Objection to [CitiMortgage’s motion to dismiss or convert the Junks’ bankruptcy case] and incorporate herein all of the arguments raised in that Objection.” Opp’n to Stay Relief at 1 n.1. The Junks’ objection to CitiMortgage’s motion to dismiss or convert (“Objection to Dismissal or Conversion”) is located at Doc. 86.

---

<sup>1</sup>References to documents filed in the Junks’ bankruptcy case will be designated as “Doc.—” and references to documents filed in this adversary proceeding will be designated as “Adv. Doc. —.”

<sup>2</sup>Citi Master Servicing; Citibank, N.A.; MERSCORP Holdings, Inc., f/k/a MERSCORP, Inc., Mortgage Electronic Registration Systems, Inc. (“MERS”) and Jennifer Oakes also joined in the Dismissal/Abstention Motion.

CitiMortgage filed a reply in support of the Stay Relief Motion (Doc 90), a reply in support of the Dismissal/Abstention Motion (Adv Doc 276) and a pre-hearing memorandum in support of both (Doc 98)

The Court held a telephonic preliminary hearing on the Stay Relief Motion on March 20, 2014. The Court then held a final hearing on the Stay Relief Motion and a hearing on the Dismissal/Abstention Motion on May 14, 2014. By the order setting that hearing (Doc 93 and Adv Doc 291), the Court limited the scope of the hearing to (a) oral argument and the presentation of evidence relevant to the factors that courts analyze in determining whether “cause” for relief from the automatic stay exists under § 362(d)(1) to permit a creditor to pursue litigation pending outside the bankruptcy court, and (b) oral argument on the Dismissal/Abstention Motion.

The Court also afforded all parties who had filed motions for dismissal or abstention in the adversary proceeding the opportunity to be heard on their motions. In addition, the parties agreed and the Court ordered that the automatic stay would remain in effect until the date on which the Court issued a ruling on the Stay Relief Motion and the Dismissal/Abstention Motion. The Court also stayed all discovery in the bankruptcy case and in the adversary proceeding pending the Court’s decision on those motions.

The transcript of the May 14, 2014 hearing (“Tr.”) is located at Adv Doc 305. During the hearing, the Court heard the testimony of Mr. Junk. Counsel for the Junks requested that testimony provided on the Stay Relief Motion also be applicable to the Dismissal/Abstention Motion, and the Court agreed that this would be appropriate given the overlap. Tr. at 144. Joint Exhibit (“J.E.”) 1 through Joint Exhibit 48 were admitted into evidence without objection, and Exhibits 2 through 5 offered by the Junks likewise were admitted into evidence without objection. Rick Brunner, Susan

Rhiel and Kaitlin Madigan appeared for the Junks Michael Debbeler, Nathan Blaske and Jeffrey Rosenstiel appeared for CitiMortgage and the other entities that filed the Dismissal/Abstention Motion

Numerous other attorneys appeared at the hearing, a circumstance explained by the approach to the litigation that the Junks have taken here and in the state court As explained in more detail below, the Junks asserted claims in the state court foreclosure litigation against numerous persons and other entities that were in any way involved in their loan transaction This included Danielle Sterling, the person who appears to have signed—on behalf of the payee of the note—an indorsement to CitiMortgage and an indorsement in blank<sup>3</sup> During the hearing in this Court, Mr Junk stated that he had alleged that Ms Sterling was liable with the Junks on their \$1.2 million mortgage note based on her having signed the indorsements, and that she had settled with the Junks—stating that, although she had the authority to sign the indorsements, she was not the one who signed them

The state court ruled that the persons and other entities named by the Junks as third-party defendants did not need to be joined as parties in order for CitiMortgage and the Junks to obtain the relief they were seeking in the foreclosure action on their claims and counterclaims Despite this ruling, with the notable exception of Ms Sterling, the Junks have named as defendants in this adversary proceeding nearly every person and other entity that had any involvement—no matter how

---

<sup>3</sup>“Commentators and courts vary on whether ‘endorsement’ or ‘indorsement’ is the proper spelling” Draga L. Dubick, *Commercial Law*, 55 Maryland Law Review 529, 529 (1996) While either spelling may be considered correct, this opinion uses the spelling of the words “indorse,” “indorser” and “indorsement” to conform to the spelling used in the Uniform Commercial Code, including South Carolina’s version

attenuated—with the loan transaction. The defendants appearing through counsel, together with their role in the loan transaction and the documents they have filed, are listed below

- Lawyers Title Insurance Company (“Lawyers Title”), which issued a lender’s policy of title insurance on the mortgage loan and has filed a motion to dismiss (Adv. Doc. 160),
- Mayer Brown LLP, which the Junks contend acted as counsel to HSBC Bank in creating a trust (“HALO Trust”) into which the note executed by the Junks allegedly was placed, the law firm has filed a motion to dismiss (Adv. Doc. 166),
- Nexsen Pruet, LLC, Andrea Easler, Edward Hughes and Colonial Coast Title Agency, Inc. (“Colonial Coast”), a law firm and attorneys who represented the Junks in connection with the loan closing and a company that issued a title policy, they have filed a motion to dismiss (Adv. Doc. 203),
- Nelson Mullins Riley & Scarborough LLP, Rush Smith, III, Brian Crotty and Michael Anzelmo, a law firm and attorneys who represented CitiMortgage and other parties in the foreclosure action, they have filed a motion to dismiss (Adv. Doc. 213),
- Riley Pope & Laney, LLC, Heidi Carey, Roy Laney and Lowndes Pope (“Riley Pope Defendants”), a law firm and attorneys that represented a servicer of the mortgage loan, they have filed a motion to dismiss or abstain (Adv. Doc. 230);
- Deutsche Bank National Trust Company as Trustee of HS1 Asset Loan Obligation Trust 2007-AR1, which the Junks allege was the trustee of the HALO Trust, Wells Fargo Bank, N.A., which the Junks contend was the custodian of the HALO Trust, and American Home Mortgage Servicing, Inc., fka AHM Mortgage Acquisition Co., Inc., nka Homeward Residential, Inc., which the Junks allege was the owner of the bank account where the loan funds were to be sent to pay off their prior loan; they have filed a motion for judgment on the pleadings (Adv. Doc. 234),
- Bayview Loan Servicing, Inc. (“Bayview”), an entity that serviced the mortgage loan and commenced the foreclosure action, and Robert Hall, one of its employees; they have filed a motion to dismiss or abstain (Adv. Doc. 238),

- HALO 2007-AR1, HSBC Bank USA, N A , HSBC Securities, Inc and HSI Asset Securitization Corporation, they have filed an answer to the complaint (Adv Doc 256)

Following the hearing, the Junks filed a document entitled “Bench Memoranda on SC Code § 36-3-308” (Adv Doc 301)

#### **IV. Factual Background**

##### **A. Background Summary**

In November 2006, the Junks issued a \$1.2 million, 30-year mortgage note to American Home Mortgage. After making payments on the note for just a little over two years, the Junks stopped paying and took steps to be relieved of their mortgage obligation. The Junks first sent a written request for documents and information stating that the failure to respond would provide the Junks a power of attorney to act for American Home Mortgage, the Junks also sent a notice to CitiMortgage, the then-current servicer of the loan, purporting to rescind the note and mortgage. Mr. Junk then signed and filed documents with the recorder of Beaufort County, South Carolina stating that the mortgage was released and satisfied and that the entire debt secured by the mortgage had been paid in full.

Later that year, the Junks commenced a state court lawsuit in Beaufort County seeking to quiet title to the property solely and forever in their names. At the time they filed the lawsuit, they had reason to believe that CitiMortgage was the owner of the loan and that Bayview had become its servicer. But instead of naming CitiMortgage and Bayview as defendants in the quiet title action, the Junks purported to serve them via publication as “John Doe” defendants. Bayview then commenced a foreclosure action against the Junks, alleging that the Junks owed nearly \$1.2 million plus interest, taxes, insurance and costs. The judicial officer presiding over the quiet title action and

the foreclosure action—the Honorable Marvin H. Dukes, the Beaufort County Master-in-Equity—found that CitiMortgage was not a proper John Doe defendant in the quiet title action, dismissed the quiet title action without prejudice to the Junks asserting claims in the foreclosure action and substituted CitiMortgage as the plaintiff in the foreclosure action in place of Bayview. He later dismissed a third-party complaint the Junks had filed in the foreclosure action against over 20 defendants for civil conspiracy and other alleged wrongdoing and dismissed with prejudice each of the counterclaims the Junks had filed against CitiMortgage in the foreclosure action.

As described in more detail below, accomplishing all this in the state court litigation took five hearings, several orders, and approximately two years, leaving only the counts asserted in the foreclosure complaint and the defenses asserted by the Junks to be decided by the Master-in-Equity. The Junks, though, filed multiple appeals, including an appeal of an order the appellate court had previously found to be nonappealable, delaying the process of adjudicating whether CitiMortgage is entitled to a foreclosure judgment. Some of the appeals had been dismissed and others were yet to be decided when the Junks filed their bankruptcy petition. The Junks then commenced this adversary proceeding, in which they are making essentially the same arguments they were making in South Carolina in support of their position that the note and mortgage are unenforceable.

**B. Events Leading to the Litigation in South Carolina**

Mr. Junk is a law school graduate who has never been licensed to practice law in any jurisdiction. While in law school, he worked at Simpson Thacher & Bartlett LLP in New York City. After graduating in 1997, he continued to work in the New York office of the Simpson Thacher law firm until the year 2000, when he left to take a position in the electronic discovery field. Tr. at

151–53, 221–24 In September 2005, Mr. Junk moved from New York to South Carolina. Tr. at 153. There is no evidence that the move was related to his employment; Mr. Junk commuted from South Carolina to New York for work after the move. Tr. at 153.

In September 2005, the Junks purchased a home located at 181 Oldfield Way in Okatie, Beaufort County, South Carolina (“Oldfield property”) for \$1.125 million. Tr. at 213–14. The Junks made a down payment of approximately \$300,000, borrowing the remainder of the purchase price and executing a note in the amount of \$843,750 in favor of American Home Mortgage. Ex. 5 to J.E. 46;<sup>4</sup> Tr. at 156–57, 215. That same year they also borrowed additional money from a different lender to make approximately \$200,000 in improvements to the home. Tr. at 156–57, 215. According to Mr. Junk, the home has five bedrooms and five and one-half bathrooms, contains over 4,500 square feet and is located in a gated community that may only be accessed with permission. Tr. at 201; 214.

In November 2006, the Junks refinanced the 2005 loans, executing a \$1.2 million note in favor of American Home Mortgage. Tr. at 156–58, 232–33. The Junks also signed a mortgage dated November 3, 2006. Tr. at 232. A copy of a document matching that description was admitted as Joint Exhibit 33. The document named MERS as the mortgagee as nominee for American Home Mortgage and its successors and assigns. J.E. 33 at 1.

Although he concedes that the signature on a copy of the November 2006 mortgage that he was shown during the hearing “does look like a signature I’ve used,” Tr. at 218, Mr. Junk was

---

<sup>4</sup>Joint Exhibit 46 is the complaint (“Complaint”) that the Junks filed to commence this adversary proceeding.

unwilling to concede that he had signed it Tr at 216–18.<sup>5</sup> But because the parties have not put into evidence any other mortgage signed by the Junks on November 3, 2006, the Court will refer to Joint Exhibit 33 as the “Mortgage.”<sup>6</sup> Likewise, Mr. Junk was unwilling to concede that copies of a note that he was shown during the hearing are copies of the note he signed in November 2006 Tr at 215–17.<sup>7</sup> A copy of the Note with an indorsement to CitiMortgage is attached to Joint Exhibit 8, which is a copy of the complaint commencing the foreclosure action in which CitiMortgage is the plaintiff. A copy of the Note with the indorsement to CitiMortgage and a copy with the blank indorsement are included in Joint Exhibit 32, which are copies of the proofs of claim filed by CitiMortgage. Then there is the copy of the Note attached as Exhibit 8 to the Complaint, which the Junks alleged they executed on or about November 3, 2006 J.E. 46 ¶ 154. Because the parties have not put into evidence any other note signed by the Junks on November 3, 2006, the Court will refer to these notes—the text of which appears to be identical—as the “Note.”

The first payment on the Note was due January 1, 2007 Tr at 253. The Mortgage states that the debt it secures (in the amount of \$1.2 million plus interest) is due in full no later than December 1, 2036, making the Note a 30-year note J.E. 33 at 2. The Mortgage also states that the Junks do “hereby mortgage, grant and convey to MERS (solely as nominee for [American Home

---

<sup>5</sup>He was unwilling to make this concession despite the fact that the text of the copy of a mortgage that the Junks alleged they executed on or about November 3, 2006 (and which they attached to the Complaint) appears to be identical to the one he was shown at the hearing. J.E. 46 ¶ 155.

<sup>6</sup>The Court does so without deciding whether Joint Exhibit 33 is a copy of the mortgage signed by the Junks in November 2006. That issue—as well as all the other issues bearing on the enforceability of the Note and the Mortgage—are for the Master-in-Equity to decide.

<sup>7</sup>He was unwilling to make this concession despite the fact that the text of the copy of a note that the Junks alleged they executed on or about November 3, 2006 (which they attached to the Complaint) appears to be identical to the one he was shown at the hearing J.E. 46 ¶ 154.

Mortgage] and [American Home Mortgage's] successors and assigns) and to the successors and assigns of MERS, the following described property located in the County of Beaufort" and then states "see exhibit 'A' for legal description Parcel ID Number R603 008 000 0061 000 which currently has the address of 181 Oldfield Way, Okatie, South Carolina 29909 " J E 33 at 3

The Mortgage was recorded in Beaufort County on November 9, 2006 J.E. 33. The copy of the Mortgage that is Joint Exhibit 33 is certified by the Register of Deeds for Beaufort County as being a true copy of the document recorded on November 9, 2006 in Book Number 2472 (from pages 2001 to 2023) and as being 23 pages long. J E 33

In March 2009, the Junks stopping making payments on the Note after doing so for only two years and a few months Tr at 254 That same month, the Junks sent a letter purporting to be a "qualified written request" under the Real Estate Settlement Procedures Act ("RESPA") with respect to the 2006 loan Tr at 158-59, Ex 19 to J.E. 46. The letter was addressed to "CitiMortgage, Inc Attn Customer Research Team" and copied to the South Carolina Department of Consumer Affairs, The Honorable Joe Wilson-United States House of Representatives, and the Federal Trade Commission-Consumer Response Center. Mr Junk testified that he also sent the letter to MERS and American Home Mortgage Tr. at 159

After making various requests for documents and other information over the course of the letter's 20 pages, the Junks included a sentence stating that:

Power of Attorney: When American Home Mortgage, Inc. fails by not rebutting to [sic] any part of this RESPA REQUEST American Home Mortgage, Inc agrees with the granting unto Daniel L Junk and Christine H Junk's unlimited Power of Attorney and any and all full authorization in signing and endorsing American Home Mortgage, Inc 's name upon any instruments in satisfaction of the obligations of this RESPA REQUEST/Agreement or any agreement arising from this agreement

Ex 19 to J E 46 at 22

CitiMortgage responded with a letter stating that the Junks' letter did not meet the necessary elements of a qualified written request under RESPA Ex 20 to J E 46, Tr at 159. Later in March 2009, the Junks sent a notice of claim and rescission purporting to rescind the November 2006 loan transaction and the Note and the Mortgage Ex. 20 to J E 46, Tr at 159. The Junks received no response to that notice Tr at 159–60.

In April 2009, Mr Junk—asserting that he was an agent of American Home Mortgage—signed and filed a document with the Beaufort County recorder stating that it was a satisfaction of mortgage and that the Mortgage was released and satisfied in full J E 34, Tr at 160, 221–22. The satisfaction of mortgage stated that the mortgage being released was dated November 3, 2006; that it was executed by Daniel and Christine Junk, that the mortgagee was American Home Mortgage, that the mortgage was filed of record in Book 2472, pages 2001–2023 on November 9, 2006; and that the mortgage was given to secure a \$1.2 million promissory note payable to American Home Mortgage J E 34. In other words, at the time he signed the satisfaction of mortgage, Mr Junk understood that it described the Mortgage that is Joint Exhibit 33, Tr at 224–26, on which MERS is named as the nominee of American Home Mortgage.<sup>8</sup> Mr Junk testified that he obtained the information provided in the satisfaction of mortgage from his mortgage file. Tr at 224. Mr

---

<sup>8</sup>In their Objection to Dismissal or Conversion, which the Junks incorporated by reference into their objection to the Stay Relief Motion, the Junks stated that the satisfaction of mortgage filed by Mr Junk “purports to satisfy the mortgage of American Home Mortgage (“AHM”)—not the MERS as Original Mortgagee (MOM) security instrument that is recorded . . .” Junks’ Objection to Mot. to Dismiss at 1 n.1. That statement is untrue. As discussed above, the contents of the satisfaction of mortgage clearly show that it was intended to release the Mortgage with MERS as nominee that was recorded in Beaufort County and was admitted as Joint Exhibit 33.

Junk also signed and filed a “Lost Mortgage Satisfaction” stating that “[t]he undersigned, being the owner and holder of the above described mortgage, acknowledges that the debt which was secured thereby has been paid in full and the lien of the mortgage is satisfied and cancelled.”<sup>9</sup> As he did with the satisfaction of mortgage, when he signed the lost mortgage satisfaction Mr. Junk identified himself as an agent of American Home Mortgage, J.E. 34, Tr. at 222. He did so even though he knew that he had not paid the full amount due under the Note and, as far as he knew, neither had Mrs. Junk. Tr. at 232–33. According to Mr. Junk, he believed that some entity had paid off the \$1.2 million note but did not know the identity of that entity. Tr. at 234–35.

**C. The Lengthy History of the Litigation in South Carolina**

On September 11, 2009, the Junks filed a complaint (J.E. 6) against American Home Mortgage, MERS and John Does 1 through 5,000 in the Beaufort County Court of Common Pleas. The Junks demanded a non-jury trial before the Beaufort County Master-in-Equity, asking him to quiet title in the Oldfield property solely and forever in their names. J.E. 6.

Each of the Junks signed a verification to the complaint stating that “I have read the foregoing Complaint and know the contents thereof” and that the “same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and to those matters, I believe it to be true.” J.E. 6, Tr. at 231. One of the statements the Junks verified to be true was that they were “ignorant of the true names and capacities of Defendants sued herein as JOHN DOES 1 through 5,000, inclusive, and therefore sue these Defendants by such fictitious names.” J.E. 6 ¶ 19. The Junks also stated that they would “amend this complaint to allege their

---

<sup>9</sup>In light of Mr. Junk’s filing the Lost Mortgage Satisfaction, it is somewhat perplexing that Mr. Brunner raised an issue during the hearing of the appropriateness of MERS using a form entitled “Lost Mortgage Certificate” when it filed the release of the 2005 mortgage. Tr. at 54–55, 99.

true names and capacities when and if ascertained” J.E. 6 ¶ 19 The Junks filed an amended complaint to quiet title, but again named only American Home Mortgage, MERS and John Does 1–5,000 as defendants J.E. 7 <sup>10</sup>

MERS filed a motion to dismiss the quiet title action or, in the alternative, for summary judgment. In response, the Junks filed a brief (J.E. 9) stating, among other things, that they received a letter in July 2009 from Bayview advising the Junks that Bayview “had ‘acquired the servicing’ of [the Junks’] loan” and that on July 6, 2009 Bayview sent the Junks a letter stating that it was “seeking to bring the mortgage account current claiming it is the servicer on behalf of CitiMortgage as owner of the loan” J.E. 9 at 8. The July 6, 2009 date was more than two months before the Junks commenced their quiet title action in which they named only American Home Mortgage, MERS and John Does 1–5,000 as defendants. The Junks’ brief also stated that, sometime before they filed the brief, they had “received a copy of their loan file directly from ‘American Home Mortgage’” and that “[a]ccording to ‘American Home Mortgage’ it sold the loan to CitiMortgage on December 22, 2006—before the first payment was even due—and that the investor in the loan was now ‘Citi Master Servicing’”<sup>11</sup> J.E. 9 at 11.

On October 19, 2009, a document stating that MERS was assigning the Mortgage “[t]ogether with the note or notes therein described” to Bayview was recorded in Beaufort County J.E. 35. On

---

<sup>10</sup>During the hearing on the Stay Relief Motion and the Dismissal/Abstention Motion, Mr. Junk testified under oath that he caused the quiet title action to be filed based on the knowledge that he had at that time. Tr. at 166. As explained below, this testimony is inconsistent with the conclusions reached by the Master-in-Equity in an order he entered on April 11, 2011.

<sup>11</sup>The Junks also noted entries in a loan history they received from Bayview, the entries referenced an “Investor Loan Sale” and an “Inv. Loan Purchase.” J.E. 9 at 8. Mr. Junk identified “Citi Master” as the investor. Tr. at 204.

October 26, 2009, Bayview, alleging that it was the owner and holder of the Note and the Mortgage, filed a foreclosure complaint against the Junks J E 8 Attached to the foreclosure complaint was a copy of the Note on which appears an indorsement stating “Pay to the Order of Citimortgage, Inc Without Recourse By American Home Mortgage Danielle Sterling, Asst Secretary ” J E 8 <sup>12</sup>

The foreclosure complaint sought a determination of the amount due on the Note, a declaration that the Mortgage was the first mortgage lien on the Oldfield property and a judgment of foreclosure for the amount found to be due and owing, which Bayview alleged to be \$1,199,628.22 plus interest, taxes, insurance and costs J E 8

---

<sup>12</sup>Mr Junk testified that, in addition to the copy of the Note with the indorsement to CitiMortgage, he has seen a copy of the Note with a blank indorsement Tr at 158 A copy of the Note with the blank indorsement is attached to proofs of claim 6-1 and 6-2 filed by CitiMortgage See J.E. 32 A copy of the Note with an indorsement to CitiMortgage is included as part of CitiMortgage’s amended proof of claim 6-3 Both indorsements are undated and appear to have been signed by Danielle Sterling on behalf of American Home Mortgage Mr Junk testified that he believed that Ms Sterling was liable on the \$1.2 million Note based on her signing of the indorsements. In this regard, Mr Junk stated that he was relying on paragraph 9 of the Note for the position that sureties and indorsers are liable on the Note Tr at 232–33 Although it would seem to be American Home Mortgage, not Ms Sterling, who was the indorser—after all, the indorsements state that they were made “By American Home Mortgage”—Mr. Junk contends that he “alleged [that] the indorser was liable” for the amounts owing under the Note and that “[s]he settled with me.” Tr at 233:1-3 Ms Sterling provided an affidavit dated January 11, 2012 in which she stated that she had been made a third-party defendant in the litigation in South Carolina “due to the fact my alleged signature appears on the Notes and documents attached hereto and as described in an Affidavit of Jennifer Oakes attached hereto ” Ex 42 to J E 46 ¶ 13 She also conceded that she “did have the authority to endorse documents for American Home Mortgage as I was instructed to endorse the last page of a Note using my stamp and signature from time to time ” Ex. 42 to J.E. 46 ¶ 19 Because she conceded that she had such authority, the Junks were simply not telling the truth when they stated that “Ms Sterling is of record swearing that she did not have authority to endorse the Note . . .” Objection to Dismissal or Conversion at 5 n.7 Ms Sterling did deny that the signatures on the copies of the Note that she has seen were made by her. Ex 42 to J E 46 ¶ 17. She states that she held the position in which she was authorized to indorse notes until sometime in the year 2007, Ex 42 to J E 46 ¶ 11, which means that, if the signatures on the indorsements are hers, the affidavit she signed in 2012 was provided around five to six years after the signatures were placed on the indorsements

In addition, Bayview sought punitive damages against Mr. Junk for filing the satisfaction of the Mortgage. It also requested reformation of the Mortgage to include in its legal description text that would cover 19 acres of the Junks' real property that was not included in the legal description. The foreclosure complaint suggests that the legal description alone is incomplete, there is no suggestion in the foreclosure complaint that the other information contained in the Mortgage identifying the encumbered property—the Parcel ID Number of R603 008 000 0061 000 or the address of 181 Oldfield Way, Okatie, South Carolina 29909—failed to completely describe the entirety of the property owned by the Junks. Furthermore, on October 27, 2009, Bayview filed a notice of lis pendens regarding the foreclosure action that included the complete legal description as well as a parcel number and street address. Ex. 37 to J.E. 46.

On March 19, 2010, a document stating that the Mortgage “[t]ogether with the note or notes therein described” was being assigned by Bayview to CitiMortgage was recorded in Beaufort County. J.E. 36. Bayview filed a motion to substitute CitiMortgage as plaintiff in the foreclosure action. Ex. 40 to J.E. 46. The Junks opposed the substitution of CitiMortgage as plaintiff in the foreclosure action, J.E. 10 at 88 and J.E. 11 at 34, and filed two motions to dismiss the action. J.E. 12 at 2. In their answer, the Junks included as a defense to the foreclosure action CitiMortgage's and Bayview's failure to make an appearance in the quiet title action. J.E. 15 at 18.

In December 2010, the Master-in-Equity held the first hearing in the quiet title action and the foreclosure action. J.E. 10. Attorney Brian Crotty appeared for MERS in the quiet title action and for Bayview in the foreclosure action. Attorney Parker Barnes appeared for the Junks. Also present was Mr. Junk, who, according to Mr. Barnes, was “helping me as a fine paralegal[.]” J.E. 10 at 70. The Master-in-Equity noted that, before going on the record, he had asked counsel for the

parties to discuss the potential conflict raised by the fact that he and the Junks had children who were classmates. He elicited the parties' thoughts on the issue, and counsel for the Junks and counsel for MERS and Bayview stated that they had no objection to the Master-in-Equity hearing the matters. J.E. 10 at 4. Counsel then addressed the parties' positions on the motion to dismiss or for summary judgment filed by MERS and the brief filed by the Junks. At one point, Mr. Junk attempted to correct his own attorney on a factual matter, and Mr. Crotty objected, arguing that he should have an opportunity for cross-examination if Mr. Junk was going to testify. J.E. 10 at 79. The hearing ended late in the afternoon, with the Master-in-Equity noting that they easily could have gone until midnight. J.E. 10 at 120. The Master-in-Equity said that he would hold a conference the next day for the purpose of scheduling another hearing as soon as possible. J.E. 10 at 120-21.

The Master-in-Equity convened the next hearing on a morning in February 2011. He noted that he had scheduled substantial time to hear the pending matters. J.E. 11 at 22. Mr. Crotty appeared for MERS, Bayview and, to the extent it would be substituted, CitiMortgage. Mr. Barnes also appeared, this time for Mrs. Junk only. Mr. Junk represented himself pro se.<sup>13</sup> Because Mr. Junk was representing himself pro se, he was permitted to speak, J.E. 11 at 13, and he did so at some length. The parties addressed the merits of the pending motions. In the quiet title action, those motions included a motion to dismiss by MERS, a motion for judgment on the pleadings and default judgment by the Junks and a motion by the Junks to require MERS to post a bond, in the foreclosure action the motions included motions to dismiss by the Junks and Bayview's motion to substitute

---

<sup>13</sup>During the hearing on the Stay Relief Motion and the Dismissal/Abstention Motion, Mr. Junk testified that the change was made "for financial reasons" because "Mr. Barnes' bill was going to be more than I could afford after we had the first hearing." Tr. at 199.

CitiMortgage as plaintiff. Mr. Barnes stated that an attorney from Nelson Mullins had provided “discovery, kind of on a voluntary basis” J E 11 at 11

The Master-in-Equity permitted Mr. Junk to provide “some context” J E 11 at 23-24. Among other things, Mr. Junk stated that he put approximately \$300,000 down on the Oldfield property in 2005, J E 11 at 24, 27, that “I’ve never got my note back” from the original 2005 transaction that was refinanced in 2006 and that “[i]f somebody showed up with the note from Mr. Junk, this affidavit [from MERS stating that the 2005 mortgage had been satisfied] wouldn’t stand up at all[,]” J E 11 at 26-17-19, and “[s]o I don’t know if they paid off” the owner of the 2005 note J E 11 at 27-28.<sup>14</sup> Mr. Crotty argued that “[n]o one has tried to collect [on the 2005 note] in four years.” J E 11 at 29-6-8. The Master-in-Equity stated “No one has attempted to collect or sent a collection letter or I haven’t heard anything about anyone on these old notes attempting to collect on them, so I’m guessing that hasn’t occurred” J E 11 at 30-31. He added: “[A]s far as the Beaufort County records are concerned, [the 2005 mortgage] is satisfied. . . . I mean, absent some finding to the contrary . . . I’ve got to consider that mortgage . . . to be satisfied, just as it says.” J.E. 11 at 32.2-9. Mr. Junk contended that Bayview and CitiMortgage were properly served in the quiet title action by serving MERS, he also argued that it was appropriate to enter a default judgment against them. J E. 11 at 16-17, 45-46. The Master-in-Equity stated that, while he was not ruling on whether CitiMortgage could “ultimately prevail on a foreclosure

---

<sup>14</sup>The Court is recounting statements made during state court hearings and in documents entered in the state court record only to demonstrate that the statements were made, not as a finding that such statements are true. Nothing in this order should be construed as a finding of fact or conclusion of law on matters to be heard and decided by the state courts of South Carolina.

action[,]” that it was the true party in interest J E 11 at 111 The February 2011 hearing lasted over three hours J E 11 at 1, 129

On April 11, 2011, the Master-in-Equity issued an order ruling on the matters then pending before him J E 12 The order referenced the December 2010 and February 2011 hearings, noted that the parties had consented to his hearing the pending motions and stated that he had “carefully considered the[] motions, the supporting memoranda, affidavits, and other materials submitted by the parties and their counsel, the existing record in these matters, and the arguments offered by counsel for the parties ” J E 12 at 2 The order provided background regarding the Note and the Mortgage, including language in the documents permitting their transfer and language in the Mortgage regarding the role of MERS J E 12 at 3–4 As further background the order stated that “[d]espite being aware of the sale of the loan to CitiMortgage and the transfer of servicing rights to CitiMortgage and then to Bayview, the Junks excluded as named defendants these entities whom the Junks knew had an interest in this action and with whom the Junks had directly corresponded ” J E. 12 at 7. “Instead, the Junks included ‘John Doe’ defendants who were served by publication ” J E ,12 at 7

The Master-in-Equity also ruled on the pending motions, including a motion by the Junks to require MERS to post a bond The Junks’ motion to require MERS to post a bond was denied on the grounds that it was without any basis or support in that “[t]he 2005 Mortgage has been satisfied of record, and there is no reason to justify this Court requiring MERS to post any bond.” J E 12 at 8. He denied the Junks’ motion for judgment on the pleadings and for default judgment in the quiet title action on the basis that “Bayview and CitiMortgage were not proper ‘John Doe’ defendants in the Quiet Title Action, and the Junks’ service by publication as to the John Doe

defendants was of no effect as to either Bayview or CitiMortgage ” J E 12 at 9 The Master-in-Equity denied the Junks’ motions to dismiss the foreclosure action J E 12 at 10 He also granted Bayview’s motion to substitute CitiMortgage as plaintiff based on the assignment of the Mortgage from Bayview to CitiMortgage and CitiMortgage’s possession of the original Note bearing an indorsement to CitiMortgage. J.E 12 at 13 In addition, he dismissed the Junks’ quiet title action without prejudice, stating that the “Junks’ Quiet Title Action raises numerous issues challenging the validity and effect of the Mortgage that is the subject of the Foreclosure Action[,]” that “[i]n the interests of justice and judicial economy, these actions should be consolidated in some manner” and that “[t]herefore, this Court hereby grants MERS’ motion to dismiss the Quiet Title Action without prejudice, and directs the Junks to assert whatever claims or issues they contend apply in their Answer to the Foreclosure Actions’s complaint ”<sup>15</sup> J.E. 12 at 10.

On June 16, 2011, the Junks filed a document entitled “Defendants Daniel L Junk’s and Christine H Junk’s First Amended Answer, Counterclaims and Third-Party Complaint.” J.E 15 The document is 152 pages long, with pages 1 to 27 consisting of an answer and defenses to the foreclosure complaint, pages 27 to 90 styled as defenses and counterclaims and pages 90 through 152 asserting a third-party complaint against numerous defendants Mr Junk was involved in the

---

<sup>15</sup>The Junks filed a notice of appeal of the Master-in-Equity’s April 11, 2011 order J E. 13 On September 13, 2011, the South Carolina Court of Appeals dismissed the Junks’ appeal on the basis that the order was not immediately appealable J E. 16. The Junks appealed that ruling to the South Carolina Supreme Court, but, on February 7, 2013, the South Carolina Supreme Court denied certiorari J E 26. On or about February 20, 2013, the Junks filed yet another notice of appeal of the April 11, 2011 order. J E. 27 On July 2, 2013, the South Carolina Court of Appeals again dismissed the appeal, finding that “the February 20, 2013 Notice of Appeal seeks review of the same order this court [previously] found unappealable” and that “no subsequent event has occurred that would render the order in question, which was issued by the master-in-equity on April 11, 2011, appealable ” J.E 30

drafting of this document, and he and Mr. Barnes both signed it, as was the case with some of the other documents filed with the state courts. Tr. at 241, 249–52. In their prayer for relief, the Junks requested dismissal of the foreclosure action with prejudice, a judgment quieting title of the Oldfield property solely in their names and actual and punitive damages. J.E. 15 at 152. The basis for the asserted damages was, among other things, civil conspiracy and slander of title. J.E. 15 at 100, 130. The Junks demanded a jury trial. J.E. 15.

In August 2011, the Junks moved to Columbus, Ohio, where Mr. Junk took a new job in the e-discovery field.<sup>16</sup> Tr. at 153. Despite having moved to Columbus, Mr. Junk continued to represent himself and appear personally before the Master-in-Equity in South Carolina. J.E. 17, J.E. 18, J.E. 20. Mrs. Junk continued to be represented by Mr. Barnes.<sup>17</sup>

In September 2011, the Master-in-Equity held another hearing in the foreclosure action. Mr. Barnes appeared for Mrs. Junk, Mr. Junk appeared for himself, Mr. Crotty appeared for his clients and other attorneys appeared for some of the third-party defendants sued by the Junks. Most of the hearing was devoted to addressing a motion to dismiss filed by the Riley Pope Defendants on the grounds of failure to state a claim and improper use of third-party practice. Mr. Junk argued to the Master-in-Equity that, in naming the Riley Pope Defendants as third-party defendants “we were following your order of bring all our claims, counterclaims, third-party complaint in our answer to the foreclosure action[,]” and Mr. Barnes stated “[t]hat’s what your previous order had indicated.”

---

<sup>16</sup>Mr. Junk lost the job that he moved to Columbus to take, and later obtained, but lost, yet another job after his employer “closed their New York office, their L.A. office.” Tr. at 155.

<sup>17</sup>In fact, the Junks participated in the litigation in South Carolina while living in Columbus for nearly two years before commencing their bankruptcy case on June 27, 2013 (“Petition Date”) Tr. at 154.

J E 17 at 35 18–23 The Master-in-Equity responded that “I assume I meant pursuant to the rules of civil procedure ” J E 17 at 36 1–2

Next was a hearing in January 2012 Mr Junk, Mr Barnes, Mr Crotty and other counsel were present They first discussed the reasons a foreclosure intervention and an attempt at a global settlement had not resulted in a resolution of the case during the several months between hearings J E 18 at 8–12 Mr Junk and counsel for the parties then addressed the issue of whether the Riley Pope Defendants and the numerous other parties who had been named by the Junks as third-party defendants—and whom the Junks then attempted to name as counterclaim defendants—were properly joined as defendants under the South Carolina Rules of Civil Procedure.<sup>18</sup> Mr Junk on behalf of himself and Mr Barnes on behalf of Mrs Junk asserted that the defendants were necessary parties to the claim for civil conspiracy against CitiMortgage because all the defendants conspired together to bring an unlawful foreclosure action against the Junks. Attorneys for CitiMortgage and certain third-party defendants argued that, because the Junks were not contending that the third-party defendants were liable on the Note along with the Junks, but instead were alleging that the third-party defendants were liable to the Junks on separate, independent claims, they were not proper parties to the claims between the Junks and CitiMortgage. J E 18 at 12—62. During the argument, the Master-in-Equity stated that “you owe the money to someone[,]” J.E. 18 at 37, and Mr Junk stated “Yes, just not them.” J.E. 18 at 37

---

<sup>18</sup>In addition to the Riley Pope Defendants, those defendants included Bayview, MERS; MERSCORP, Inc , Citi Master Servicing; Citigroup Global Markets Realty Corp , Citigroup Mortgage Loan Trust, Inc ; Jennifer Oakes, Robert Hall; Security Connections, Inc , Krystal Hall; Danielle Sterling, ABC Appraisal Group, Inc , Mark Ruplinger, Linda Heller; Harry Jones, Colonial Coast, Lawyers Title, Corelogic, Inc , and American Home Mortgage Holdings, Inc

The Master-in-Equity then heard motions by third-party defendants to set aside entries of default obtained against them by the Junks, J E 18 at 62–94, including a motion by Colonial Coast, whose counsel stated that another attorney for Colonial Coast had missed the deadline to respond to the Junks’ third-party complaint in part due to the serious medical condition of a close family member, which required him to undergo regular treatments. Mr. Junk argued that an attorney’s negligence can be imputed to the client, that Colonial Coast had not shown any cause to set aside the entry of default and that he and Mrs. Junk would be prejudiced because they had complied with the procedural rules for obtaining a default. After the Master-in-Equity stated that he would grant Colonial Coast’s motion to set aside the entry of default, Mr. Junk requested that the Master-in-Equity certify the ruling granting Colonial Coast’s motion to set aside the default as a final order for immediate appeal. The Master-in-Equity took that request and the other matters he had heard under advisement. J E 18 at 87–94. Because the hour was getting late, everyone agreed to hear CitiMortgage’s motion to dismiss counterclaims at a later date. The parties all agreed to February 23, 2012 as the date of the next hearing. J E. 18 at 100.

On February 22, 2012, the Master-in-Equity entered an order on the matters he had heard during the September 2011 and January 2012 hearings. J E. 19. He held that the “Junks’ Third-Party Complaint [was] an improper attempt to assert claims against the Third-Party Defendants that are not derivative of the Junks’ liability to CitiMortgage[,]” J E 19 at 5, because “[t]he Junks do not allege, and cannot plausibly allege, that any of the Third-Party Defendants are liable to pay the Junks’ mortgage debt.” J E. 19 at 6. He also denied the Junks’ motion to join the third-party defendants as counterclaim defendants, concluding that the third-party defendants were not necessary parties to the foreclosure action, because “the Third-Party Defendants do not need to be

joined as parties in order for CitiMortgage to obtain complete relief in the foreclosure action, nor are they required for the Junks to obtain complete relief under any of their defenses or counterclaims against CitiMortgage.” J.E. 19 at 7. He also stated that adding the third-party defendants “would serve only to complicate and further delay the foreclosure action that has already been significantly delayed.” J.E. 19 at 9.

The Master-in-Equity further ruled that the Junks’ third-party claims failed as a matter of law for several reasons. First, he concluded that substantively the Junks’ conspiracy claim was a claim for malicious prosecution of the foreclosure action and that the Junks had failed to allege—and could not yet allege—one of the required elements of a malicious prosecution claim: termination of the foreclosure action in their favor. He therefore dismissed the Junks’ civil conspiracy claim and held that it could not be reasserted by making the third-party defendants counterclaim defendants, J.E. 19 at 10–11, noting that, if the third-party defendants “have information that may be relevant to the claims and defenses of the foreclosure action, then that information may be sought by the Junks through normal Third-Party discovery available under South Carolina Rules of Civil Procedure.” J.E. 19 at 11 n.6.

The Master-in-Equity also dismissed the Junks’ claim for slander of title on the basis that “[t]he documents on which the Junks base their third-party claim for slander of title are absolutely privileged and will not support the claim” and held that the claim could not be reasserted by making the third-party defendants counterclaim defendants. J.E. 19 at 12–13. He held that the Junks’ claim for professional negligence against the Riley Pope Defendants lacked merit as a matter of law because no attorney-client relationship existed between those parties and the Junks and because those parties owed no duty to the Junks. J.E. 19 at 13–14. He also granted the pending motions for

relief from entry of default on the ground of lack of any significant prejudice to the Junks and held that Mr. Junk's request to certify the ruling granting Colonial Coast's motion for immediate appeal was moot in light of the dismissal of the third-party complaint. J.E. 19 at 14-16. Finally, the Master-in-Equity concluded that, because the "third-party claims are independent claims arising out of a separate transaction or occurrence" than the Note and the Mortgage that were the subject of the foreclosure action, the hearing scheduled for February 23, 2012 would proceed notwithstanding any possible appeal of the order. J.E. 19 at 16.<sup>19</sup>

On February 23, 2012, the Master-in-Equity held the hearing on the motions still pending from the January hearing. J.E. 20. Mr. Junk began by arguing that, despite the dismissal of the third-party complaint in which American Home Mortgage Holdings, Inc. was named as a defendant, the Junks' pending motion for default judgment against American Home Mortgage Holdings, Inc. should be granted. J.E. 20 at 4-11. The Master-in-Equity concluded that the dismissal of the third-party complaint mooted the default and stated that he would enter an order to that effect. J.E. 20 at 11.<sup>20</sup>

That left CitiMortgage's motion to dismiss the counterclaims asserted against it by the Junks pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure. Mr. Junk, Mr. Barnes on behalf of Mrs. Junk and Mr. Crotty for CitiMortgage addressed that matter, with the Master-in-Equity directing them to move through the document the Junks filed in June 2011 and take each counterclaim in turn. They discussed the counterclaims, including whether they were barred by a

---

<sup>19</sup>The Junks appealed the February 22, 2012 order. J.E. 21. That appeal remains pending. J.E. 4.

<sup>20</sup>He entered that order on May 3, 2012. The Junks appealed the order. J.E. 24. The appeal remains pending.

three-year statute of limitations that arguably began to run in November 2006. Mr. Junk argued to the Master-in-Equity that the statute of limitations did not begin to run in November 2006 because, among other things, he “didn’t know what securitization was” at the time he refinanced. J.E. 20 at 74-9-10. This statement, which Mr. Junk made while he was representing himself pro se, contradicts Mr. Junk’s sworn testimony before this Court. Here, Mr. Junk testified that he worked at Simpson Thacher from the years 1993 until 2000, Tr. at 219, and that “[t]he owner of the software firm that installed the knowledge management . . . system at Simpson Thacher, then hired me as his director of sales in 2000 to sell an e-discovery product which was brand new.” Tr. at 152. Mr. Junk also testified in this Court that his belief that the Note has been paid off was not based on his consultation of the source being suggested by the attorney for CitiMortgage (a particular blog), but instead was based on “[m]y knowledge of the process of securitization and forward sales” and that the knowledge was “obtained through the securitizations that Simpson Thacher did at the time I was there” and that he had “personal knowledge and experience from time at Simpson Thacher & Bartlett and understanding the process of securitization.” Tr. at 235-36. If Mr. Junk’s testimony is to be believed, he knew about securitization by the time he left Simpson Thacher in 2000. Yet Mr. Junk told the Master-in-Equity that he did not know what securitization was at the time he refinanced in 2006.<sup>21</sup>

---

<sup>21</sup>Although perhaps the most blatant example, this is only one of several inconsistencies in Mr. Junk’s testimony and in the positions taken by the Junks before the South Carolina courts and this Court. While representing himself before the Master-in-Equity, Mr. Junk argued that the note he and his wife issued in 2005 to American Home Mortgage had not been paid off. J.E. 11 at 26-28. Mr. Brunner likewise argued on behalf of the Junks that the 2005 note was not paid off in connection with the refinancing transaction and that the possibility exists that some entity will attempt to enforce the note against them. Tr. at 272. Mr. Junk and Mr. Brunner make this argument despite contending that the 2005 note was securitized. Tr. at 274. As discussed above, Mr. Junk testified that he is relying on the securitization of the Note and his knowledge of securitization as the grounds

At one point during the February 23, 2012 hearing, Mr. Barnes stated to the Master-in-Equity that “we have yet to survive a 12(b)(6) motion in this case and I can’t—I don’t think I pled it that badly, to be honest with you.” J.E. 20 at 94. 11–13 Mr. Junk argued that it would be inappropriate to dismiss his counterclaims against CitiMortgage because there were issues of fact that required discovery and a jury trial. J.E. 20 at 94.

On April 24, 2012, the Master-in-Equity entered an order dismissing the counterclaims asserted by the Junks against CitiMortgage for fraud, negligent misrepresentation, breach of contract, civil conspiracy, slander of title and rescission under the Truth in Lending Act (“TILA”)—each of the counterclaims asserted by the Junks against CitiMortgage—with prejudice. J.E. 22. The fraud, negligent misrepresentation, breach of contract, civil conspiracy and TILA claims were dismissed on the basis that they were barred by the applicable statute of limitations. J.E. 22 at 3–8, 11. The claim for rescission of the Note and the Mortgage under TILA was dismissed

---

for believing that the Note was paid off by some unidentified third party. At the same time, though, he is arguing that the note they issued to American Home Mortgage in 2005 was securitized but not paid off. And when the Court inquired about the statute of limitations for suing on the 2005 note, Mr. Brunner stated that the statute of limitations “runs from the time of the breach” and questioned whether “there in fact [was] a breach and when did the breach occur?” Tr. at 272–73. Regardless of when the statute of limitations begins to run, the suggestion that there has been no breach makes no sense. The Junks would have stopped paying on the 2005 note after the refinancing in 2006. Thus, if, as they contend, the note they issued in 2005 has not been paid off, then there certainly has been a breach. In fact, if the 2005 note was not paid off in 2006, then at this point approximately eight years have elapsed without payments being made on the 2005 note and without any entity bringing an action on it. When the Court asked during the hearing whether someone would have come forward to enforce the 2005 note during those eight years, Mr. Brunner’s response was “if it is in a securitization they may well not have[.]” Tr. at 274, which leads directly back to the inconsistent points that Mr. Junk is arguing, i.e., that the Note the Junks issued in 2006 was paid off as a result of the securitization process, but the 2005 note was not. The Junks have not explained these contradictory positions. And all of this is in addition to the misstatement discussed above—in a brief filed on the Junks’ behalf—that Ms. Sterling had conceded that she did not have the authority to indorse documents for American Home Mortgage, when in fact she stated precisely the opposite—that she did have that authority.

for two additional reasons (1) that the Junks had failed to state a claim for relief because they had “failed to plead or otherwise allege in the counterclaims that they possessed the ability to tender the loan proceeds as required to maintain a TILA rescission counterclaim” but instead were “seek[ing] to avoid their mortgage obligation altogether while keeping the house[,]” and (2) the Junks did not exercise the right, if any, to rescind in a timely fashion. J.E. 22 at 10–11. The Master-in-Equity dismissed the slander of title claim because “the Junks base this claim on a belief that the filing of this foreclosure action, the lis pendens, and other related judicial proceedings in that action damaged [their] title” but that “[s]uch claims cannot support a slander of title action.” J.E. 22 at 12. Finally, he concluded that two of the causes of action included among the Junks’ counterclaims—counterclaims 18 and 20—were actually defenses to the foreclosure action. J.E. 22 at 12.<sup>22</sup>

To date, the Master-in-Equity has ruled on the counterclaims and the third-party complaint, disposing of claims set forth in approximately 120 pages of the document the Junks filed in June 2011. All that is left for the Master-in-Equity to decide are the pending claims of CitiMortgage and the Junks’ defenses.

Among others, the defenses asserted by the Junks in the foreclosure action include that the Mortgage is not a valid mortgage under South Carolina law and that its terms are a nullity because MERS was named as mortgagee as nominee for American Home Mortgage, an entity the Junks

---

<sup>22</sup>The Junks appealed the Master-in-Equity’s April 24, 2012 order. J.E. 23. That appeal remains pending. J.E. 4. On December 21, 2012, Mr. Junk and Mr. Barnes submitted a 41-page initial brief in connection with the appeal of the February 22, 2012 order, the April 24, 2012 order and the May 3, 2012 order. J.E. 25. Mr. Junk was the first and final drafter of the initial brief and the primary drafter of a reply brief (J.E. 29). He drafted the documents while he was living in Columbus, Ohio. Tr. at 248–49, 252.

claim has never been a member of MERS, J E 15 ¶¶ 8–9, 13, 137, that MERS (the entity that assigned the Note to Bayview) never had an interest in the Note to assign, J E 15 ¶ 9, that the assignments of the Mortgage were fraudulent and resulted in no transfer of an interest in the Oldfield property, J E 15 ¶¶ 12, 17, that the Note is unenforceable because it was separated from the Mortgage, J E 15 ¶¶ 17(i), 137(f) and (i), that the Note “was paid in full by a third-party guarantor or surety without recourse” and that the payment was accepted “with the intention that it operated as a satisfaction of the Junks’ obligation[.]” J.E. 15 ¶ 21, that the signatures on the Note are not authentic and that the indorsements on the Note were made without authority, J E. 15 ¶¶ 7, 27, that CitiMortgage therefore is not a holder in due course of the Note under South Carolina law, J E 15 ¶¶ 28, 32, 37, 41, 45, 51, 117, 136; that CitiMortgage’s claims are barred by the Junks’ notice of rescission and the lack of a response to the notice, J E. 15 ¶¶ 46–47, and that Bayview and CitiMortgage did not assert counterclaims in the quiet title action, J E 15 ¶ 48<sup>23</sup>

#### **D. The Adversary Proceeding**

Each of those defenses is mirrored by a position the Junks take in this adversary proceeding<sup>24</sup> In state court the Junks argued that the Mortgage is not a valid mortgage under South

---

<sup>23</sup>The last ruling by a court in South Carolina before the Petition Date was the February 7, 2013 order of the South Carolina Supreme Court denying certiorari on the South Carolina Court of Appeals’ dismissal of the appeal of the Master-in-Equity’s April 11, 2011 order. J.E. 26 After the Petition Date, the South Carolina Court of Appeals dismissed the Junks’ second attempt to appeal the April 11, 2011 order, stating that it “seeks review of the same order this court found unappealable” once before J E. 30 The Junks filed a suggestion of stay, and, on August 9, 2013, the South Carolina Court of Appeals issued an order stating that “[w]e hold this appeal [of the February 22, 2012 and April 24, 2013 orders] in abeyance pending notification that (1) the United States Bankruptcy Court has authorized either [the Junks] or their bankruptcy trustee to proceed with this appeal or (2) Appellants’ bankruptcy action has been resolved ” J E. 31

<sup>24</sup>Not counting exhibits, the Complaint is 77 pages long When asked if he was the primary drafter of the Complaint, Mr Junk claimed that he did not understand the question, but did admit

Carolina law and that its terms are a nullity given that MERS was named on the Mortgage as mortgagee solely as nominee for American Home Mortgage, the Junks make the same allegations regarding the Mortgage, MERS and American Home Mortgage in the Complaint, J E 46 ¶¶ 155–170, and based on those allegations seek a determination that CitiMortgage’s asserted mortgage interest in the Oldfield property is void and unenforceable J E. 46 ¶¶ 389, 392. As they did in the foreclosure action, the Junks assert that MERS had no interest in the Note and the Mortgage and therefore no interest that it could assign J E 46 ¶¶ 161, 240, 266–67

The Junks also take the position in the adversary proceeding that the Mortgage is void because the proceeds of the November 2006 loan were not used to pay off the 2005 loan from American Home Mortgage, J E 46 ¶¶ 192, 313, 316–35, a position the Junks relied on before the Master-in-Equity. J.E. 11 at 27–28, J E 15 ¶ 153(t) In the state court, the Junks alleged that problems with various assignments of the Mortgage make it unenforceable, they reassert the same argument here. J.E. 46 ¶¶ 261–292, 342–43. They argued in state court that the Note was separated from the Mortgage. So too here. Tr. at 173. The Junks alleged in state court that the Note has been paid in full by an unidentified third party, and Mr. Junk testified to the same effect here Tr at 234–36 In state court, the Junks took the position that CitiMortgage is not a holder or holder in due course of the Note under South Carolina law, they make that argument to this Court as well. J.E. 46 at 2 n.1 and ¶ 380 Likewise, the allegations the Junks made in state court regarding inauthentic signatures and unauthorized indorsements also appear in the Complaint, J E. 46 ¶¶ 197, 299–301, 339, as do their contentions that CitiMortgage’s claims are barred by the notice of rescission the

---

that he contributed to the drafting of the Complaint Tr at 213.

Junks sent under TILA, J E 46 ¶¶ 206–15, and by CitiMortgage’s and Bayview’s failure to make appearances in the quiet title action J E 46 ¶¶ 246–256, 276.

In Count One of the Complaint, the Junkes seek a declaratory judgment that the Mortgage is unenforceable. In Count Eight they seek a declaratory judgment as to the ownership of and interests in the Oldfield property, and in Counts Nine and Ten they request cancellation of both the Note and CitiMortgage’s asserted interests in the Oldfield property. In Count Eight the Junkes seek disgorgement based on alleged unjust enrichment received from certain of the defendants, and in Count Nine they seek an accounting from those defendants in order to assess the extent of the alleged unjust enrichment.

The relief requested by the Junkes under the Bankruptcy Code is predicated on the purported unenforceability of the Note and the Mortgage. They seek avoidance of, and a declaratory judgment with respect to, the Mortgage under 11 U.S.C. § 544 and South Carolina law in Counts One, Two, Three and Six; preservation of the mortgage lien under § 551 in Count Four; recovery of property under § 550 in Count Five, a determination that CitiMortgage has no secured claim under § 506 in Count Seven; and a determination that CitiMortgage has no claim at all in Count Twelve.<sup>25</sup> Finally, they assert a claim under federal nonbankruptcy law—Count Eleven’s claim under the Federal Fair Debt Collection Practices Act.

---

<sup>25</sup>On October 4, 2013, CitiMortgage filed a proof of claim in the amount of \$1,563,691.98, on October 17, 2013 it filed an amended proof of claim for \$1,492,623.06; and on January 21, 2014 it filed a further amended proof of claim (attaching additional supporting documents) in the amount of \$1,495,088.84. J.E. 32

## **V. Legal Analysis**

### **A. Overview**

In light of the foregoing factual and procedural background, and having considered the factors that are relevant to a request for relief from the automatic stay in order to continue litigation in a non-bankruptcy forum, the Court grants CitiMortgage relief from stay to continue the state court litigation as to the Oldfield property. Likewise, based on its consideration of the relevant permissive abstention factors, the Court abstains from the counts of the adversary proceeding in which the Junks seek a determination that the Note and the Mortgage are unenforceable and that they own the Oldfield property free of CitiMortgage's asserted interest. As debtors in possession, the Junks have the powers of a Chapter 11 trustee and are authorized to litigate the foreclosure action in state court, including by pursuing their various appeals of the orders the Master-in-Equity has already entered or will enter in the future. Finally, the Court will hold the remainder of the adversary proceeding in abeyance and stay discovery pending the issuance of final, nonappealable orders by the South Carolina courts.

### **B. Relief from Stay**

#### **1. Scope of Request**

CitiMortgage does not request relief from the automatic stay to pursue damages resulting from Mr. Junk's filing of documents purporting to satisfy the Mortgage. Rather, CitiMortgage seeks relief from stay only "as to the property commonly known as 181 Oldfield Way, Okatie, SC 29909." Stay Relief Mot. at 1. Because the request is made as to the Oldfield property, it includes the count of the state court complaint by which CitiMortgage seeks a foreclosure judgment.

The request also includes the count in CitiMortgage's foreclosure complaint by which it seeks reformation of the Mortgage, a request for relief that warrants further discussion. As debtors in possession, each of the Junks has the rights and powers of a hypothetical judicial lien creditor and bona fide purchaser who gained that status as of the Petition Date. See 11 U.S.C. § 544(a). Reformation is permissible only if it is not inconsistent with those rights and powers under applicable state law. Because applicable state law is the law of the state where the property is located, see *Drown v Wells Fargo Bank, N.A. (In re Scott)*, 424 B.R. 315, 329 (Bankr. S.D. Ohio 2010), *aff'd*, 2011 WL 1188434 (Mar. 29, 2011), the question is whether reformation would be effective under South Carolina law against an entity who became a judicial lien creditor of the Junks or a bona fide purchaser of real property from the Junks as of the Petition Date.

Federal courts are sometimes called upon to predict how a state court would rule on the question of whether a mortgage is valid with respect to bona fide purchasers and judicial lien creditors. For example, in a bankruptcy case where a Chapter 7 trustee was seeking to avoid a mortgage on residential real property and the mortgage identified the encumbered property with a correct street address and parcel number but no legal description, the Sixth Circuit noted that "[m]ortgaging part rather than all of a single-dwelling residential subdivision property is far enough outside the ordinary course of business that a reasonable prospective purchaser should assume that an ambiguous mortgage likely intended to encompass the entire residential lot at issue." *Argent Mortg. Co. v Drown (In re Bunn)*, 578 F.3d 487, 489–90 (6th Cir. 2009). For that reason, the Sixth Circuit predicted that "[t]he Ohio courts would likely hold that a purchaser would have knowledge that the mortgage encumbers the [entire] property, and that such a purchaser thus could not set aside the mortgage under Ohio's recording act." *Bunn*, 578 F.3d at 489.

The South Carolina courts might take the same approach to the Mortgage. The South Carolina Supreme Court has held in the analogous context of deed reformation that “[w]hen a court orders the reformation of a deed, the reformed deed necessarily speaks as of the date of its original execution” and that “[e]quity says that the reformed deed is to be considered as the true deed, *subject, of course, to the rights of subsequent creditors and purchasers for value, who may have been misled to their injury*” *Lawrence v. Clark*, 104 S.E. 330, 334 (S.C. 1920) (emphasis added). As to whether subsequent creditors and purchasers would have been misled, it bears noting that the foreclosure complaint seeks only to correct the Mortgage’s legal description, suggesting that the Mortgage’s other property identifiers—the Parcel ID Number of R603 008 000 0061 000 and the address of 181 Oldfield Way, Okatie, South Carolina 29909—completely describe the entire property. Further, a notice of lis pendens that included the complete legal description as well as the parcel number and street address was filed before the Petition Date. But unlike in *Bunn*, which involved no request for relief from the automatic stay to litigate the issue in a pending state court proceeding, here the Court need not predict how the holding of *Lawrence* should be applied in the context of the Mortgage. Instead, the Court may leave to the South Carolina courts the decision whether the recording of the Mortgage and the notice of lis pendens would provide a basis to render reformation of the Mortgage effective as to judicial lien creditors and bona fide purchasers. For the reasons stated below, the Court concludes that it is appropriate to grant relief from stay so that the South Carolina courts can decide that issue as well as whether the Note and the Mortgage are enforceable by CitiMortgage.

## 2. Statutory Basis for Relief from Stay

CitiMortgage seeks relief from stay as to the Oldfield property under both § 362(d)(1) and § 362(d)(2) of the Bankruptcy Code. Relief from stay under § 362(d)(2) is available with respect to property only if “the debtor does not have an equity in such property” and “such property is not necessary to an effective reorganization[.]” 11 U.S.C. § 362(d)(2). The party requesting relief from stay has the burden of proof on the issue of equity. *See* 11 U.S.C. § 362(g)(1).

It appears that the Junks will lack equity in the Oldfield property only if the Mortgage is unenforceable. Because lack of equity is a predicate to granting relief from stay under § 362(d)(2), if the Court were to grant CitiMortgage relief from stay under that subsection, the Court effectively would be adjudicating the issue of the enforceability of the Note and the Mortgage, an issue that the remainder of the Court’s analysis demonstrates should be determined by the South Carolina state courts. Therefore, CitiMortgage is not entitled to relief from stay under § 362(d)(2) at this time.

Relief from stay, however, is available for “cause” under § 362(d)(1) to permit state court litigation to go forward under certain circumstances. Section 362(d)(1) of the Bankruptcy Code states.

On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay—

(1) for cause, including the lack of adequate protection of an interest in property of such party in interest[.]

11 U.S.C. § 362(d)(1).

**3. CitiMortgage's Standing to Seek Stay Relief Under § 362(d)(1)**

Based on their assertion that CitiMortgage is not entitled to enforce the Note and the Mortgage, the Junks argue that CitiMortgage lacks the standing necessary to seek relief from stay. *See* Opp'n to Stay Relief at 5–9. The Court disagrees. Section 362(d)(1) permits relief from stay to be requested by a “party in interest.” 11 U.S.C. § 362(d)(1). A creditor of the debtor is a party in interest in a Chapter 11 case. *See* 11 U.S.C. § 1109(b). The term creditor includes an entity holding a prepetition “claim against the debtor[.]” 11 U.S.C. § 101(10)(A), and a “‘claim against the debtor’ includes claim against property of the debtor[.]” 11 U.S.C. § 102(2). CitiMortgage certainly asserts that it has a claim against property of the Junks.

In addition, the term claim means both “right to payment” and “right to an equitable remedy for breach of performance if such breach gives right to a right to payment,” in both instances whether or not such right is disputed or undisputed. 11 U.S.C. § 101(5)(A) and (B). The “right to foreclose on the mortgage can be viewed as a ‘right to an equitable remedy’ for the debtor’s default on the underlying obligation.” *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991). The Junks have objected to CitiMortgage’s claim, including its right to foreclose. But because the term “claim” includes a right to payment or right to an equitable remedy whether or not such right is disputed, courts have held that a claim confers creditor status on the claimant despite the disputed nature of the claim. *See Johnston v. JEM Dev. Co. (In re Johnston)*, 149 B.R. 158, 161 (B.A.P. 9th Cir. 1992) (“[T]he purchasers are creditors pursuant to § 101(10)(A) because they are the holders of a right to payment. This right, although in dispute, is nevertheless a claim. Accordingly, the holder of this claim is a creditor of the debtor.”)

Of course, it is not just any creditor who may seek relief from stay to continue litigation outside the bankruptcy court, the creditor must have an interest in the litigation. CitiMortgage does. It is the plaintiff in the state court litigation by virtue of an order the Master-in-Equity issued substituting it as plaintiff. And the Master-in-Equity gave as the reasons for substituting CitiMortgage the assignment of the Mortgage from Bayview to CitiMortgage and CitiMortgage's possession of the original Note bearing an indorsement to CitiMortgage. J.E. 12 at 13. This distinguishes one of the cases on which the Junks rely for their standing argument, *In re Wilhelm*, 407 B.R. 392 (Bankr. D. Idaho 2009), a case where there were no indorsements on the notes at all. *See Wilhelm*, 407 B.R. at 402. In addition to the indorsement, there are other indications of CitiMortgage's interest. In one of their own briefs filed in the state court the Junks noted that Bayview sent them a letter stating that it was seeking to bring the Mortgage account current on behalf of CitiMortgage as owner of the loan and that, sometime before they filed the brief, the Junks had received a copy of their loan file in which CitiMortgage was identified as the purchaser of the loan. Thus, this case is not like another case on which the Junks rely, *In re Sheridan*, No. '08-20381, 2009 WL 631355 (Bankr. D. Idaho, Mar. 12, 2009), where MERS filed a motion for relief from stay despite admittedly having no pecuniary interest in the note. *See Sheridan*, 2009 WL 631355, at \*4.

In order to have standing to seek relief from stay under § 362(d)(1) to continue the foreclosure action, CitiMortgage need only have a colorable, or plausible, interest in the Note and the Oldfield property. *See In re Rice*, 462 B.R. 651, 656-57 (B.A.P. 6th Cir. 2011). The Sixth Circuit has described a colorable claim as "one that rises 'above the speculative level,' one that is 'plausible on its face.'" *Gilles v. Garland*, 281 F. App'x 501, 506 (6th Cir. 2008). While the Court stops short of deciding that the Note and the Mortgage are enforceable by CitiMortgage, based on

the documents evidencing an indorsement of the Note to CitiMortgage and an assignment of the Mortgage to CitiMortgage, the Court concludes that CitiMortgage has at least a colorable interest in the Note and the Mortgage as well as in the Oldfield property.

The Court accordingly concludes that CitiMortgage has standing to request relief from the stay for the purpose of seeking to continue the foreclosure action. The Junks' objection to CitiMortgage's standing boils down to nothing more than an argument that this Court, rather than the Master-in-Equity, should decide whether the Note and the Mortgage are enforceable and whether the Mortgage effectively encumbered the entire Oldfield property as of the Petition Date. For the reasons set forth below, whether CitiMortgage is entitled to enforce the Note and the Mortgage and whether reformation of the Mortgage would be effective against a judicial lien creditor and bona fide purchaser under South Carolina law should be determined by the South Carolina state courts.

#### **4. Factors Relevant to the Request for Relief from Stay**

Cases in which courts have set forth the factors to be analyzed in determining whether cause for relief from the automatic stay exists under § 362(d)(1) to permit a creditor to pursue litigation pending outside the bankruptcy court include *Garzoni v K-Mart Corp (In re Garzoni)*, 35 F. App'x 179 (6th Cir. 2002); *McSwain v Williams (In re Williams)*, No. 11-00536, 2012 WL 2974914 (Bankr. W.D. Tenn. July 20, 2012); and *Ewald v Nat'l City Mortg. Co (In re Ewald)*, 298 B.R. 76 (Bankr. E.D. Va. 2002). Another bankruptcy court has aptly summarized the current state of Sixth Circuit law on this issue:

The Sixth Circuit has not adopted a single, clear test to determine whether "cause" exists under 11 U.S.C. § 362(d)(1) in the context of a motion to modify the automatic stay to allow pending litigation in a nonbankruptcy forum to proceed to finality. It has, however, indicated that courts should consider a variety of factors, including judicial economy, trial readiness, the resolution of preliminary

bankruptcy issues, the creditor's chance of success on the merits, the cost of defense or other potential burden to the bankruptcy estate, and the impact of the litigation on other creditors *Garzoni v K-Mart Corp (In re Garzoni)*, 35 Fed Appx 179, 181 (6th Cir 2002)

*Williams*, 2012 WL 2974914, at \*2

In *Garzoni*, the Sixth Circuit stated that

Bankruptcy Code § 362(d)(1) provides that the bankruptcy court may grant relief from the automatic stay for cause. See 11 U.S.C. § 362(d)(1). The bankruptcy court considers the following factors in deciding whether to lift a stay: 1) judicial economy, 2) trial readiness, 3) the resolution of preliminary bankruptcy issues; 4) the creditor's chance of success on the merits, and 5) the cost of defense or other potential burden to the bankruptcy estate and the impact of the litigation on other creditors. See *In re United Imports, Inc.*, 203 B.R. 162, 167 (Bankr. D. Neb. 1996).

The bankruptcy court properly assessed these standards, giving weight to trial readiness in both state actions, the state law basis for the claims, the potential for inconsistent decisions on identical claims, and the duplication that would result if K-Mart pursued its claims against Garzoni in the bankruptcy court. Upon a review of the bankruptcy court's assessment, we are not left with a definite and firm conviction that it erred in its factual findings or legal conclusions.

*Garzoni*, 35 F. App'x at 181.

Applying the factors set forth in *Garzoni*, the Court concludes that relief from stay should be granted to permit the appellate process to continue and to permit CitiMortgage to seek a judgment in the South Carolina courts on its claims for mortgage reformation and foreclosure.

**5. Application of the Factors**

**a. Judicial Economy**

Before the Junks commenced their bankruptcy case, the Master-in-Equity held five hearings and issued multiple orders in the foreclosure action over a period of time stretching from December 2010 through April 2012. The Master-in-Equity clearly has invested a significant amount of time and other judicial resources in the litigation, a factor that counsels in favor of granting relief from stay on the basis of promoting judicial efficiency. See *In re Den Beste*, No. 12-4522, 2013 WL 1703391, at \*10 (N.D. Cal. Apr. 19, 2013) (affirming bankruptcy court's order granting relief from automatic stay and noting that, in granting relief from stay "[t]he bankruptcy court also considered judicial economy in finding that the state courts had invested significant time in adjudicating the issues"), *Jalah v. Pierce Assocs., Inc.*, No. 11-1069, 2011 WL 3648284, at \*1 (D. Md. Aug. 11, 2011) (noting that the bankruptcy court had modified the automatic stay in part because the claims "involved issues of Virginia law better suited for resolution by the Virginia district judge who had invested substantial time in the case"); *Ewald*, 298 B.R. at 81 ("Modifying the stay promotes judicial economy . . . as the state court is familiar with the facts and circumstances of the claims asserted as they have been pending there for almost three years").

Further, the orders the Master-in-Equity has entered on the Junks' claims against third-party defendants and their counterclaims against CitiMortgage are inconsistent with certain positions the Junks are taking in this adversary proceeding. For example, the Junks contend in the Complaint that CitiMortgage's claims are barred by the lack of response to the Junks' notice of rescission. J.E. 46 ¶¶ 207-15. Yet in his order dismissing the counterclaims against CitiMortgage the Master-in-Equity ruled that the Junks failed to make a timely rescission demand. J.E. 22 at 10. The Junks also

continue to argue that it is necessary to join the numerous parties that were joined as defendants in the foreclosure action as defendants in this adversary proceeding in order to adjudicate the enforceability of the Note and the Mortgage. See Tr. at 90 (Mr. Brunner stating that “I also think that as part of that they’re a necessary party to the declarations that we seek from the Court”), 109–10 (Mr. Brunner stating that, in order to determine who the secured party is, the Junks need to name Lawyers Title, the entity that insured the title for the lender, as a defendant), 124–26 (Mr. Brunner stating that the Riley Pope Defendants are necessary parties because they have asserted that their client was a holder in due course of the Note), 266 (Mr. Brunner stating that all of the parties are not before the Master-in-Equity that are necessary to determine whether a debt to CitiMortgage exists and whether the debt is secured). But the Master-in-Equity effectively rejected this position when he dismissed the third-party complaint.

The Master-in-Equity’s rulings are on appeal to the South Carolina Court of Appeals, which also has invested judicial resources in the litigation between the Junks and CitiMortgage. It is inconsistent with the goal of promoting judicial efficiency to ask this Court to make rulings on issues that a state trial court has already rejected and that are on appeal to an appellate court of that state. If litigants such as the Junks were permitted to litigate the enforceability of notes and mortgages in adversary proceedings rather than in pending state court proceedings under the circumstances present here, it would turn the entire process into a model of judicial inefficiency.

Granting relief from stay will promote judicial economy despite the concurrent pendency of the adversary proceeding and the state court foreclosure action. This Court stayed discovery in the adversary proceeding pending its decision on the Stay Relief Motion and the Dismissal/Abstention Motion. That stay will remain in place and the adversary proceeding will be held in abeyance until

after the South Carolina courts enter final nonappealable orders on the issues of whether the Note and the Mortgage are enforceable and whether reformation is permissible. Thus, there will be no need for activity in the adversary proceeding until after the Master-in-Equity's judgment in the foreclosure action becomes final and nonappealable.

Likewise, the need for estate administration during the pendency of the state court litigation will not lead to judicial inefficiency. The Junks have stated that they have no intention of attempting to formulate a Chapter 11 plan unless they can use funds obtained from a sale of the Oldfield property free of the lien of CitiMortgage. *See Junk Objection to Stay Relief Mot.* at 1, 9. Contending that there is a bona fide dispute as to CitiMortgage's interest in the Oldfield property, the Junks have filed a motion to sell it free and clear of CitiMortgage's interest (Doc. 64). In support of that motion they rely on § 363(f)(4) of the Bankruptcy Code, under which a trustee or debtor in possession may sell property outside the ordinary course of business pursuant to § 363(b) free and clear of liens if the liens are "in bona fide dispute[.]" 11 U.S.C. § 363(f)(4). Importantly, "§ 363(f)(4) . . . does not require the court to resolve the dispute, just to determine its existence." *In re Nicole Energy Servs., Inc.*, 385 B.R. 201, 229 (Bankr. S.D. Ohio 2008) (internal quotation marks omitted).

The Junks' sale motion ("Sale Motion") (Doc. 71) proposes to sell the Oldfield property at a private sale to the individuals currently residing at the property. The proposed sale price is \$645,000—significantly less than the \$948,993 value for the Oldfield property that the Junks listed on their bankruptcy schedules, Sale Mot. at 2, and in a Real Property Questionnaire they filed in August 2013 ("Questionnaire") (Doc. 23). In addition to identifying the fair market value of the property as \$948,993, the Questionnaire also stated that "Friends of [the Junks] occupy property

and maintain it[,]” but that there was no rental agreement. Questionnaire at 2. Mr. Junk signed the Questionnaire after stating that “I declare under penalty of perjury that the answers contained in the foregoing Real Property Questionnaire are true and correct to the best of my knowledge, information and belief. I have full authority to make the above answers on behalf of the debtor in possession.” Questionnaire at 6.

CitiMortgage filed an objection to the Sale Motion on the grounds that the Oldfield property has not been marketed, the proposed sale is not an arm’s-length transaction, and the proposed sale price is not reflective of the property’s fair market value (Doc. 79). CitiMortgage stated that the Junks “intend to sell the [Oldfield property] to their self-described ‘friends’ who currently live in the [p]roperty and have been doing so for months and months, rent free.” Doc. 79 at 2. Despite the statement made by Mr. Junk under penalty of perjury that the people occupying the property were the Junks’ friends, in their response to CitiMortgage’s objection (Doc. 83) the Junks suggested otherwise, stating that “[c]ontrary to the assertion of CitiMortgage that the tenants are ‘friends’ of the [Junks], the tenants agreed to live in and maintain the [p]roperty when the [Junks] vacated the same.” Doc. 83 at 3 n.2. The Junks attempted to explain the lack of a rental agreement by stating that they were “unable to obtain approval of a rental agreement given that they were not current on their dues.” *Id.*<sup>26</sup>

In analyzing an individual Chapter 11 debtor’s motion to sell his or her real property, courts have applied the factors used to analyze a proposed sale of substantially all of a debtor’s assets under § 363(b). *See In re Gregg*, No. 13-00665, 2014 WL 793126, at \*3 (Bankr. D.S.C. Feb. 25, 2014).

---

<sup>26</sup>The Court takes judicial notice of the Questionnaire, the Sale Motion, the objection to the Sale Motion and the Junks’ response only for the purpose of demonstrating that statements contained in those documents were made, not as a finding that such statements are true.

Under Sixth Circuit law, a bankruptcy court may approve a sale of all of a debtor's assets under § 363(b) "when a sound business purpose dictates such action" *Stephens Indus., Inc. v. McClung*, 789 F.2d 386, 390 (6th Cir. 1986). During the hearing that the Court is prepared to set on the Sale Motion, the Court will consider the following factors when conducting the *Stephens Industries* analysis: whether the terms of the proposed sale reflect the highest and best offer for the assets, whether the negotiations were conducted at arm's length, and whether the sale is in the best interest of the estate and its creditors. It is only if the Junks establish that their proposed sale satisfies those factors that it will become necessary for the Court to determine whether the dispute between the Junks and CitiMortgage is bona fide. And if the Junks succeed in making the required showing under § 363(b), the Court is in a position to make the determination required by § 363(f)(4)—whether the dispute is bona fide, not who will prevail—without duplicating the Master-in-Equity's efforts to adjudicate whether the Note and the Mortgage are enforceable.

In short, the need for administration of the Junks' bankruptcy estates during the pendency of the South Carolina proceedings will not lead to judicial inefficiency. Instead, for all of the reasons explained above, granting relief from stay will promote the goal of judicial economy.

**b. Trial Readiness**

Mr. Junk contends that the foreclosure action is not ready for trial because the pending state court appeals must be disposed of before the foreclosure action can continue. Tr. at 185; 189. Assuming this is true, the Junks created that situation by filing serial appeals. Tr. at 182–88. In the state court they appealed an order the appellate court later found to be unappealable and then appealed it once again, with the result being the same—the appeal was dismissed. They appealed the denial of a default judgment that the Master-in-Equity had denied as moot because he had

already dismissed the third-party complaint on which the defendant had defaulted. They requested that the Master-in-Equity certify his ruling granting Colonial Coast's motion to set aside its default on the grounds that there was no prejudice to the Junks so that the Junks could appeal it immediately. Whether the pending appeals will be dismissed remains to be seen. In any event, the Junks have been indefatigable in their appeals and other attempts to slow down the foreclosure litigation in South Carolina, and they should not be rewarded for their dilatory tactics by moving the litigation to this Court. When given the opportunity, the Master-in-Equity has scheduled hearings in the foreclosure action as promptly as possible, and there is no reason to believe that he will not continue to do so once the foreclosure action is back before him.

The Court also finds the Junks' contention that they need more discovery in the foreclosure action before it is ready for trial to be an inadequate reason to deny relief from stay. Mr. Junk has made discovery requests that have been opposed and has received a commission to issue a subpoena outside South Carolina. Tr. at 173-74, 177-80, J.E. 45 (motion to quash by the Riley Pope Defendants). During the state court proceedings, counsel for Mrs. Junk stated that they had received some informal discovery. Once the foreclosure action is back before him, the Master-in-Equity, not the Junks, will decide when the matter is ready for trial. Even if the foreclosure action is not quite ready for trial, "the fact that the lawsuit is not ready for trial in state court does not weigh either for or against granting relief because the lawsuit is not ready for trial" in this Court either. *In re Ramsey*, No. 10-16609, 2011 WL 2680575, at \*3 (Bankr. N.D. Ohio July 7, 2011).

**c. Resolution of Preliminary Bankruptcy Issues/State Law Basis for Claims**

Relief from stay is warranted because state law issues bearing on the enforceability of the Note and the Mortgage are the predominant issues in this adversary proceeding and need to be resolved before the Court will be in a position to address any bankruptcy issues

**i. Enforceability of the Note Is an Issue in the State Court.**

As an initial matter, the Court must address the Junks' contention that the issue of the enforceability of the Note is not even before the Master-in-Equity. They argue that because CitiMortgage has waived its right to a deficiency judgment, the state court action is one "to foreclose the purported mortgage only[,] not an action on the refinance promissory note[.]" Junk Opp'n to Stay Relief at 2, the suggestion being that the enforceability of the Note and whether the Junks have defaulted are not issues before the Master-in-Equity. To the contrary, notwithstanding the waiver of the deficiency, in order to order foreclosure, the Master-in-Equity must determine whether the Junks are in default of their obligations under the Note and whether CitiMortgage has the right to enforce it. This is because a plaintiff has no right to foreclose unless there has been a default under an enforceable note. *See Bank of America, NA v. Draper*, 746 S.E.2d 478, 481 (S.C. Ct. App. 2013) ("[T]he party seeking foreclosure has the burden of establishing the existence of the debt and the mortgagor's default on that debt") (internal quotation marks omitted). Indeed, the Junks themselves assert the unenforceability of the Note as a defense in the foreclosure action. And except in the case of a deceased mortgagor, "[n]o sale . . . shall be valid to pass the title of the land mortgaged unless the debt for which the security is given shall be first established by the judgment of some court of competent jurisdiction." S.C. Code Ann. § 29-3-630 (2014). Further, the proceeds

of any foreclosure sale would be payable to CitiMortgage only to the extent of the amount of CitiMortgage's claim against the Junks. Thus, before he could enter a foreclosure judgment, the Master-in-Equity would first need to adjudicate the enforceability of the Note, whether the Junks are in default, and any amount owed to CitiMortgage.

**ii. State Law Issues Predominate in the Adversary Proceeding.**

The Junks make several arguments in an attempt to sidestep the conclusion that the primary issues in the adversary proceeding are state law issues bearing on the enforceability of the Note and the Mortgage. They go to great pains to paint the adversary proceeding as dominated by bankruptcy issues, beginning the Complaint with the statement that "[t]his is primarily an avoidance action." J.E. 46 ¶ 1. But despite sprinkling in a handful of references to § 544 throughout the Complaint, all of the relief sought by the Junks under the Bankruptcy Code is predicated on the purported unenforceability of the Note and the Mortgage under South Carolina law. Indeed, Count One of the Complaint seeks a declaratory judgment that the Mortgage is unenforceable because the Note is unenforceable. See J.E. 46 ¶ 365. And the most recent filing the Junks made in the adversary proceeding is a document entitled Bench Memoranda on SC Code § 36-3-308, in which they contend that they "have standing to challenge the alleged indorsement on the refinance note as a forgery under South Carolina law" and that "absent negotiation[,] CitiMortgage is not a holder" of the Note under South Carolina law.

The Junks characterize the adversary proceeding as primarily a bankruptcy action to avoid the Mortgage under § 544 of the Bankruptcy Code. They have yet to explain, though, why there is any tenable basis for avoidance of the Mortgage under § 544 if it is enforceable. And if the Mortgage is unenforceable, some courts would see little if any reason to avoid it. See *Bostic v Nat'l*

*City Bank (In re DeRee)*, 403 B R 514, 524 (Bankr S D Ohio 2009) (“[T]he Trustee is not required to avoid the liens held by NCB because as set forth above, the Court has found that NCB’s mortgage liens do not encumber the Debtor’s interest in the Property Accordingly, there is nothing for the Trustee to avoid ”), *Funches v Household Fin Consumer Discount Co (In re Funches)*, 381 B R 471, 494 (Bankr E D. Pa 2008), *Myers v Household Fin Corp (In re Myers)*, 262 B R 445, 448 (Bankr N D Ind. 2001). At least one court has found that the unenforceability of a note provides a basis to avoid the associated mortgage pursuant to § 544(a)(1) See *Rogan v Vanderbilt Mortg & Fin , Inc (In re Dorsey)*, No 13–8036, 2014 WL 888917, at \*5 (B A.P 6th Cir. Mar 7, 2014) <sup>27</sup> Practically speaking, though, it probably does not matter which view is correct. If the Master-in-Equity were to enter a judgment holding that the Note and the Mortgage are unenforceable by CitiMortgage, and if that judgment became final and nonappealable, then there would be nothing for CitiMortgage to gain from opposing a request by the Junks to avoid the Mortgage Therefore, as the bankruptcy court in *Dorsey* stated, in cases where the enforceability of a note is at issue, § 544 should not be the focus, instead, “[t]he true concern is the right of [the alleged mortgagee] to enforce the Note” under applicable state law *Rogan v Vanderbilt Mortg & Fin , Inc (In re Dorsey)*, 491 B.R. 464, 469 (Bankr E.D Ky 2013), *aff’d*, 2014 WL 888917 at \*7. The enforceability of the Note and the Mortgage are the primary issues in the state court and in this adversary proceeding.

The Junks rely on *Dorsey* in support of their objection to CitiMortgage’s request for relief from stay. In so doing, they contend that they “have consistently taken the position that CitiMortgage, Inc , like Vanderbilt Mortgage and Finance, Inc., is not entitled to enforce the

---

<sup>27</sup>In *Dorsey*, the note at issue did not contain any indorsements See *Dorsey*, 2014 WL 888917, at \*3 n.4

promissory note that is allegedly secured by a mortgage against the Debtors' real estate, and, accordingly, the mortgage is unenforceable." See Doc 89 at 2. It is true that the Junks have consistently taken that position—including during the years spent litigating in South Carolina. Nothing in the decisions rendered by the *Dorsey* courts, however, suggests that a bankruptcy court rather than the state court should decide whether a note and mortgage are enforceable when there is a long-pending state court proceeding in which the issue of enforceability can be decided. Indeed, in *Dorsey* no party was seeking relief from stay to litigate the enforceability of the note and mortgage outside the bankruptcy court, the *Dorsey* decisions do not even mention whether there were any pending state court proceedings.

**iii. State Law Issues Must Be Resolved First.**

The reason these state law issues predominate and must be determined first is that they will have bearing on other relief sought by the Junks in this adversary proceeding. For example, it is only after the Master-in-Equity finally adjudicates the foreclosure action that the Court will be in a position to hear the Junks' objection to CitiMortgage's proof of claim. The Junks object to the proof of claim on the basis that CitiMortgage has waived its right to a deficiency judgment. But South Carolina law contemplates a deficiency judgment for the amount "that may remain unsatisfied after a sale of the mortgage premises[.]" S.C. Code Ann. § 29-3-660, suggesting that the waiver of the deficiency is irrelevant if there is never a foreclosure sale. See *Quintana v. Comm'r (In re Quintana)*, 915 F.2d 513, 516 (9th Cir. 1990) ("Creditor's waiver of its right to a deficiency judgment was not yet of relevance. Only after the actual sale, should the sale proceeds fail to satisfy the full \$1,527,861.89 indebtedness plus costs, will Creditor's waiver have relevance.") Thus, the Court will be in a position to reduce the amount of CitiMortgage's proof of claim on the basis that

CitiMortgage has waived the deficiency only if a foreclosure sale occurs, which will happen only if the Master-in-Equity determines that the Note and the Mortgage are enforceable. Conversely, if the Master-in-Equity were to hold that the Note and the Mortgage are unenforceable, the Court would then be in a position to determine whether CitiMortgage should have an unsecured claim on any other basis. In *Dorsey*, for example, after the bankruptcy appellate panel affirmed the bankruptcy court's ruling that Vanderbilt Mortgage could not enforce the note and mortgage, the bankruptcy court entered an agreed order granting Vanderbilt Mortgage an unsecured claim for the amount asserted in its proof of claim. See Case No. 11-30829, Doc. 55 (Bankr. E.D. Ky. Apr. 11, 2014).

In the adversary proceeding the Junks also seek disgorgement based on the unjust enrichment that certain of the defendants allegedly received and an accounting from those defendants in order to assess the extent of the alleged unjust enrichment. But the predicate for the alleged unjust enrichment is the unenforceability of the Note and the Mortgage—again, an issue the Master-in-Equity will address in the foreclosure action. If the Note and the Mortgage are determined to be enforceable, then there likely is no basis to impose liability on any defendant for unjust enrichment.<sup>28</sup> Under those circumstances, it almost certainly would be appropriate to dismiss the Complaint for unjust enrichment and an accounting.

Thus, although the Junks seek avoidance of the Mortgage under 11 U.S.C. § 544, preservation of the mortgage lien under § 551, recovery of property under § 550 and a determination that CitiMortgage has no secured claim under § 506, the primary issues in this adversary proceeding

---

<sup>28</sup>The defendants make other arguments for why they have no liability to the Junks. The Court takes no position on those arguments at this time.

relate to the enforceability of the Note and the Mortgage, issues that will determine the viability of the other counts of the adversary proceeding. Thus, this case is similar to another one in which a bankruptcy court granted relief from stay to permit state court litigation to continue. *See Ewald*, 298 B.R. at 81. In *Ewald*, the bankruptcy court granted relief from stay to permit state court litigation to continue after finding that “[t]he conclusion of the state court litigation will assist with the administration of debtor’s bankruptcy case as the amount of any claim by debtor against NCMC, the validity and priority of NCMC’s deed of trust, and the amount of NCMC’s claims asserted in its cross-bill against debtor will be certain.” *Id.* Just so here once the Master-in-Equity enters a final, nonappealable judgment in the foreclosure action. In sum, state law issues bearing on the enforceability of the Note and the Mortgage are the primary issues on which everything else in this adversary proceeding turns.

**d. The Creditor’s Chance of Success on the Merits**

The Court takes no position on CitiMortgage’s chance of success on the merits. Again, nothing in this order should be construed as a finding of fact or conclusion of law on matters to be heard and decided by the Master-in-Equity.

**e. Cost of Defense to the Bankruptcy Estate/  
Impact of Litigation on Other Creditors**

No documentary or testimonial evidence was presented regarding the costs to the bankruptcy estate or impact of litigating in South Carolina on other creditors. During argument, though, Mr. Brunner pointed out that his law firm has agreed to represent the Junks on a contingency-fee basis, but only in the adversary proceeding, not in the South Carolina state courts. He argued that it would be unfair to expect the Brunner firm to seek Court authority to represent the Junks on a contingency-fee basis in the South Carolina state court system. *Tr.* at 276. Pointing to the Brunner firm’s costs

of travel from Columbus, Ohio to Beaufort County, South Carolina, Tr at 61, he also argued that it would be a “hardship” for the litigation to continue in South Carolina because the Junks “would have to hire counsel in South Carolina ” Tr at 48 In short, the Junks contend that it would be more expensive to litigate in South Carolina and that the estate cannot afford it Tr at 277 The Court rejects this as a basis for declining to grant relief from stay for several reasons

First, while the Brunner firm is certainly free to decline to represent the Junks in South Carolina on a contingency-fee basis, the Court finds the arguments that Mr Brunner made during the hearing for why the firm could not do so to be unpersuasive Mr. Brunner argued that the firm could not represent the Junks on a contingency-fee basis in South Carolina because there is no contingency fee to be earned from merely defending a foreclosure action Tr at 276 True, but defending the foreclosure action is not all that remains pending in South Carolina There also are the Junks’ appeals of the dismissal of their third-party claims and their counterclaims against CitiMortgage It is the third-party claims and the counterclaims that, if successful, would generate funds to pay a contingency fee. Moreover, there appears to be no way the Junks could be successful on those claims unless they first successfully defend against CitiMortgage’s assertion that it can enforce the Note and the Mortgage. In other words, successfully defending the foreclosure action is a prerequisite to any possible recovery on the third-party claims and counterclaims asserted in the state court, just as successfully establishing in this Court that the Note and the Mortgage are unenforceable would be a necessary prerequisite to a possible monetary recovery from the numerous defendants the Junks have named in this adversary proceeding In short, the potential for a contingency fee is no less available from litigating in South Carolina than it is available from litigating in this Court

Second, if the Junks want the Brunner firm to represent them in South Carolina and the Brunner firm agrees to do so but is unwilling to advance the costs of litigating there, and if the Junks believe that they do not currently have the means to advance those costs, then they will need to adjust their lifestyle. The evidence presented at the hearing showed that Mr. Junk lost two jobs after moving to Columbus while spending a considerable amount of time on the litigation with CitiMortgage, including time spent traveling to and attending hearings in South Carolina and drafting documents for filing with the South Carolina courts. Those are not, at least as of this time, income-producing activities. Mr. Junk, therefore, may need to obtain employment or other sources of income. In addition, the Junks could reduce their expenses. Among other things, they currently are living in Columbus and presumably incurring housing costs here even though they have a house in South Carolina—the Oldfield property—that they were living in rent and mortgage free from March 2009 until they moved to Columbus in August 2011.

Third, Mr. Brunner incorrectly argued that Mr. Junk, as a debtor in possession, is precluded from continuing to represent himself in the South Carolina litigation because he is unlicensed to practice law. As explained further below, as a debtor in possession, Mr. Junk has the rights and powers of a trustee. Trustees may represent themselves in Chapter 11 cases, *see Nicole Energy Servs.*, 385 B.R. at 221–22, as well as under other chapters of the Bankruptcy Code. Because they are representing themselves, they may do so even if they are not attorneys. Thus, Mr. Junk would not be prohibited from representing himself merely because he is not a licensed attorney. He testified that he represented himself prior to the bankruptcy as a cost-savings measure, and there is no reason from a bankruptcy-law perspective that he cannot continue to do so. The only thing he is not entitled to is compensation for representing himself. *See* 11 U.S.C. § 1107(a) (providing that

debtors in possession “have all the rights, other than the right to compensation under section 330 of this title, and powers of a trustee serving in a case under this chapter”)

Fourth, while the Junks had every right to move from South Carolina to Ohio, they do not have the right to impose the cost of that move on the judicial system. A foreclosure defendant who moves to a new state and then commences a bankruptcy case there does not have the right to litigate the enforceability of a note and mortgage in the bankruptcy court merely because it would be more expensive for him or her to litigate the issues in the state court—especially when the state court has already invested significant resources in a case that has been pending for several years. Otherwise, the foreclosure defendant essentially would be making judicial inefficiency one of the costs of his or her move. The Junks should not be permitted to impose that cost on the judicial system merely because they have been able to retain a law firm that apparently is willing to represent them on a contingency-fee basis in this Court while being unwilling to do so in the state courts of South Carolina.<sup>29</sup>

Moreover, there should be either no or a relatively small cost to creditors of litigating the enforceability of the Note and the Mortgage in South Carolina. Again, the Junks have stated that they intend to propose a Chapter 11 plan only if they are able to fund the plan with proceeds of the sale of the Oldfield property free of the lien of CitiMortgage, leaving CitiMortgage with no lien on the proceeds (and, the Junks argue, no claim at all). That will not happen if the South Carolina state courts determine that the Note and the Mortgage are enforceable by CitiMortgage. Under that outcome, there would be no Chapter 11 plan and no distribution to creditors in Chapter 11. The

---

<sup>29</sup>By way of explanation, the Court notes that Mr. Brunner is Mr. Junk’s brother-in-law and that another partner in the Brunner firm is Mr. Junk’s sister. See Amended Application of Debtors for Authority to Employ Brunner Quinn as Special Counsel (Doc. 21).

effect on those creditors—not being paid—would be the same whether the Junks litigated in bankruptcy court at a lower cost or spent more litigating in state court. And there should be little negative effect on creditors of litigating in South Carolina under the converse scenario where the South Carolina state courts determine that the Note and the Mortgage are unenforceable by CitiMortgage, leaving CitiMortgage with no lien on the proceeds of a sale. Under that scenario, the funds available from a sale with which to pay unsecured creditors might be reduced by administrative expenses incurred by professionals retained by the estate to litigate in South Carolina. Those expenses, though, are likely to be relatively small when compared to the benefit derived from successful litigation. Furthermore, those expenses would not outweigh the costs to judicial efficiency that would be imposed by permitting the Junks to litigate the enforceability of the Note and the Mortgage in this Court.

**6. Conclusion Regarding Relief from Stay**

While imposing either no or relatively minimal costs on creditors and the estate, granting relief from the automatic stay will promote judicial economy by permitting the court in which the Junks and CitiMortgage have been litigating for several years to adjudicate the state law issues on which this adversary proceeding and bankruptcy case turn. In sum, application of the relevant factors leads to the conclusion that relief from stay should be granted.

**C. Permissive Abstention**

Of course, it makes sense to grant relief from stay only if the Court also abstains from deciding the issues that will be decided by the state court. Those issues are (1) whether the Note and the Mortgage are enforceable by CitiMortgage and (2) whether reformation of the Mortgage would

be effective against a judicial lien creditor or a bona fide purchaser of real property under South Carolina law

The basis for abstention lies in § 1334(c)(1) of the Judicial Code, which states

Except with respect to a case under chapter 15 of title 11, nothing in this section prevents a district court in the interest of justice, or in the interest of comity with State courts or respect for State law, from abstaining from hearing a particular proceeding arising under title 11 or arising in or related to a case under title 11

28 U S C § 1334(c)(1) Under this statute, a court may abstain in the interest of justice, or in the interest of comity with state courts or respect for state law This is known as permissive abstention Courts analyze several factors when determining whether those interests warrant permissive abstention

In considering whether to exercise permissive abstention, courts consider numerous factors[,] including (1) the effect or lack of effect on the efficient administration of the estate if a court abstains, (2) the extent to which state law issues predominate over bankruptcy issues, (3) the difficulty or unsettled nature of the applicable state law, (4) the presence of a related proceeding commenced in state court or other non-bankruptcy court, (5) the jurisdictional basis, if any, other than 28 U.S.C. § 1334, (6) the degree of relatedness or remoteness of the proceeding to the main bankruptcy case, (7) the substance rather than form of an asserted core proceeding, (8) the feasibility of severing state law claims from core bankruptcy matters to allow judgments to be entered in state court with enforcement left to the bankruptcy court, (9) the burden on this court's docket, (10) the likelihood that the commencement of the proceeding in bankruptcy court involves forum shopping by one of the parties, (11) the existence of a right to a jury trial, (12) the presence in the proceeding of nondebtor parties and (13) any unusual or other significant factors.

*Meritage Homes Corp. v JPMorgan Chase Bank, N.A* , 474 B.R. 526, 573 (Bankr S.D. Ohio 2012)

(internal quotation marks omitted)

The standard that bankruptcy courts apply in determining whether to abstain from hearing a matter “is a multifactor balancing test, not a rule in which every element must be satisfied, not all factors need to weigh in favor of permissive abstention in order for it to be appropriate.” *Johnston v. City of Middletown (In re Johnston)*, 484 B.R. 698, 714–15 (Bankr. S.D. Ohio 2012). “Further, the relevance and importance of each of these factors will vary with the particular circumstances of each case and no one factor is necessarily determinative.” *Id.* at 715. Applying the relevant factors here, the Court concludes that it is appropriate to abstain from hearing the adversary proceeding to the extent it seeks an adjudication of issues to be decided by the South Carolina state courts.

**1. Effect on the Efficient Administration of the Estate**

The Court finds that the first factor—whether abstention will have an effect on the efficient administration of the bankruptcy estate—supports abstention. As discussed above, the Junks have represented to the Court that they will be able to propose a Chapter 11 plan only if they are successful in their litigation with CitiMortgage. In the meantime, they seek to sell the Oldfield property free and clear of CitiMortgage’s asserted lien pursuant to § 363(f)(4). But, as also discussed above, the Junks must first make the required showing under § 363(b), and if they succeed in doing so the Court may still conduct the § 363(f)(4) analysis without duplicating the Master-in-Equity’s efforts.

If it has any effect at all, abstention likely will have a positive effect on the efficient administration of the estate. The manner in which the estate is administered depends on how the issues of the enforceability of the Note and the Mortgage are resolved. The Master-in-Equity’s handling of the foreclosure action to date suggests that he will efficiently adjudicate those issues once they are back before him. This Court would adjudicate the issues no more efficiently, and

possibly less so given its unfamiliarity with South Carolina law. Further, there is no reason to believe that the appellate process would take less time in the federal courts than in the state courts of South Carolina. The effect that abstaining will have on the efficient administration of the estate weighs in favor of abstention.

**2. Predominance of Unsettled State Law Issues/Presence of a Related Proceeding Commenced in State Court**

The predominance of unsettled state law issues also supports abstention. As explained above, state law issues strongly predominate over bankruptcy issues. Not only that, but those issues are ones that South Carolina has a strong interest in deciding. See *Blake v. Wells Fargo Bank, N A*, 917 F. Supp. 2d 732, 738 (S.D. Ohio 2013) (“[A] state foreclosure matter implicates important state interests”), *Whittington v. U.S. Bank Nat’l Ass’n*, No. 4:12-CV-03167, 2013 WL 2285943, at \*12 (D.S.C. May 23, 2013) (“[T]here is undoubtedly an important state interest in adjudicating foreclosure matters pertaining to real property located within a state.”), *Sergeon v. Home Loan Center, Inc.*, No. 09-01113, 2010 WL 5662930, at \*4 (M.D. Fla. Oct. 26, 2010) (“Many courts have recognized that state mortgage foreclosure actions implicate important state interests”), *adopted by*, 2011 WL 308176 (Jan. 27, 2011).<sup>30</sup> See also *Lee v. Anastasi (In re Lee)*, 461 F. App’x 227, 232 (4th Cir. 2012) (“The state court litigation involved only issues of state real property law, rendering the expertise of the bankruptcy court unnecessary. Notably, real property law is an area in which federal courts are especially deferential to state courts.”).

---

<sup>30</sup>See also *Krasnov v. RBS Citizens, N A*, No. 12-2650, 2013 WL 526889, at \*4 (N.D. Ohio Feb. 8, 2013) (abstaining from interference with state court foreclosure proceeding because “it is well-established that resolution of foreclosure and property actions implicate important state interests.”), *Bryant v. CitiMortgage*, No. 10-1206, 2010 WL 3220331, at \*1 (M.D. Fla. Aug. 13, 2010) (same).

The unsettled nature of some of the state law issues also weighs in favor of abstention. In fact, “the primary determinant for the exercise of discretionary abstention is whether there exist[] unsettled questions of state law.” *Lindsey v. Dow Chem. Co. (In re Dow Corning Corp.)*, 113 F.3d 565, 571 (6th Cir. 1997) (internal quotation marks omitted). That makes sense, because this Court is as able as the state courts of South Carolina to apply the plain language of a statute or a holding of a controlling decision that is squarely on point to the facts of a case. For example, Mr. Junk contends that he used a blue pen and his wife a black one to execute the Note and recalls asking “Andrea Easler if that was a problem and she told me, no, that would be fine.” Tr. at 159. If one assumes that the color of ink was relevant—that, for example, a South Carolina statute provided that “notes are enforceable only if they are signed in the same color ink by each of the persons executing them”—and also assumes that it is true that Mr. Junk used a blue pen and his wife a black one, then there might be little reason to abstain simply to allow the South Carolina courts to hold that the Note is unenforceable based on the failure to use the same color inks. But that is not the nature of the state law issues bearing on the enforceability of the Note and the Mortgage. Those issues are significant and at least some of them appear to be unsettled in South Carolina.

A brief survey of the state law issues illustrates their significance and unsettled nature. Both in state court and here the Junks contend that the signatures of Danielle Sterling on the Note’s indorsements were forged. *See* Junk Opp’n to Stay Relief at 8. They also allege fraud related to the mortgage assignments. *See id.* at 6, Ex. 2 to J.E. 46 ¶ 27 (Aff. of Lynn E. Szymoniak stating that “I have concluded that the Assignments at issue herein are fraudulent and/or insufficient to establish standing to foreclose.”) Given the choice between the courts of South Carolina and a bankruptcy court in Ohio, it is the South Carolina courts that should determine the important issue of whether

signatures on indorsements were forgeries and whether other documents were fraudulent. See *Bucano v Sibum*, No. 12-606, 2013 WL 2456009, at \*39 (M.D. Pa. June 6, 2013) (“The state court appeals proceedings clearly implicate important state interests because the state has a legitimate governmental interest in preventing insurance fraud”), *Hillhouse v U.S. Dep’t of Treasury*, No. 12-97, 2012 WL 3929893, at \*3 (E.D. Ark. Sept. 7, 2012) (“Enforcing Arkansas’s securities laws and protecting citizens from fraud are important state interests”), *aff’d sub nom Graddy v U.S. Dep’t of Homeland Sec.*, 515 F. App’x 625 (2013); *Christian Action Network v Maine*, 679 F. Supp. 2d 140, 145 (D. Me. 2010) (“[T]he hearing implicated the State’s important interest in protecting its citizens against fraud and deceptive business practices.”).

There is a split of authority on other disputed issues in the state court foreclosure action, including issues raised by the involvement of MERS. Indeed, “[t]here has been a wave of litigation in state and federal courts challenging various aspects of the MERS System.” *In re Mortg. Elec. Registration Sys., Inc.*, No. 11-17615, 2014 WL 2611314, at \*3 (9th Cir. June 12, 2014) (“MERS”) “The results under state law have been inconsistent. . . . Federal courts, applying state law, have reached similarly disparate results.” *Id.* In fact, the Ninth Circuit’s decision in *MERS* illustrates the reason abstention is the appropriate course of action here. In *MERS*, the Multidistrict Litigation Court (“MDL Court”) concluded that dismissal of one of the counts of the lawsuit was appropriate based on plausible arguments under an Arizona statute, but the Ninth Circuit concluded that subsequent decisions by Arizona appellate courts “have made clear that the MDL Court was incorrect in relying on [those arguments].” *Id.* at \*7. Federal courts, of course, make predictions about how state appellate courts would rule on unsettled state law issues, especially when there are no pending state court actions to which the federal courts may defer. But where there is a pending

state court action, the better course is to abstain to permit the state court to address the unsettled issues rather than trying to predict how the state court would rule.

One of the MERS-related issues on which courts across the country are divided is whether MERS may assign a note despite having no interest in it. Compare *Taylor v Deutsche Bank Nat'l Trust Co*, 44 So 3d 618, 623 (Fla Dist Ct App 2010) (“[T]he written assignment of the note and mortgage from MERS to Deutsche Bank properly transferred the note and mortgage. The transfer, moreover, was not defective by reason of the fact that MERS lacked a beneficial ownership interest in the note at the time of the assignment, because MERS was lawfully acting in the place of the holder and was given explicit and agreed upon authority to make just such an assignment”),<sup>31</sup> and *Tilley v Ampro Mortg.*, No S-11-1134, 2012 WL 33033, at \*3 (E D Cal Jan 6, 2012) (holding that MERS had authority to assign a note as agent for the lender), with *Thomas v CitiMortgage, Inc (In re Thomas)*, 447 B.R. 402, 412 (Bankr D Mass 2011) (“CitiMortgage may not rely on the recorded assignment of the plaintiff’s mortgage from MERS to CitiMortgage as evidence that the note was transferred to it. While the assignment purports to assign both the mortgage and the note, MERS, which is a registry system that tracks the beneficial ownership and servicing of mortgages, was never the holder of the note, and therefore lacked the right to assign it.”), and *CPT Asset Backed Certificates, Series 2004-ECI v. Kham*, 278 P 3d 586, 592 (Okla. 2012) (“There is nothing in the record to demonstrate MERS had any authority to assign the note to Appellee although, arguably, it had authority to assign the mortgage. Assignment of the mortgage,

---

<sup>31</sup>See also *Wolf v Fed Nat'l Mortg Ass'n*, 512 F App'x 336, 342 (4th Cir 2013) (holding that borrower had no standing to challenge assignment of a note by MERS)

however, does not assign the note ”)<sup>32</sup> The Junks argue that a note assignment by MERS is invalid. As far as the Court is aware, no South Carolina state court has addressed the issue.

The Junks also contend that the Mortgage is invalid because American Home Mortgage was never a member of the MERS electronic mortgage registration system. Other courts have rejected this argument. *See Faulconer v Mortg Elec Registration Sys, Inc*, No. 5:12-cv-246, 2014 WL 583006, at \*1 n.2 (M.D. Ga. Feb. 13, 2014) (“The Plaintiff argues that Home America was not a member of MERS and had no relationship to MERS, and therefore MERS could not be Home America’s nominee. . . This does not follow, however, as the Security Deed expressly names MERS as nominee for Home America.”); *Wellington v Mortg Elec Registration Sys, Inc.*, No. 12-00541, 2012 WL 5378231, at \*2 (D. Nev. Oct. 30, 2012). The Court, though, is unaware of any South Carolina statutes or decisions that address this point. The Junks further argue that the securitization process somehow rendered the Note and the Mortgage unenforceable. This argument

---

<sup>32</sup>CitiMortgage also contends that a note issuer lacks standing to challenge the indorsement on a note. Without deciding the issue, the Court observes that in those cases where the party attempting to enforce the note is relying on a purportedly valid indorsement, it makes sense that the issuer may challenge the indorsement. CitiMortgage relies on two decisions for its argument that issuers lack standing to challenge indorsements. *See* Doc. 90 at 7 n.35. The two decisions are *Pak v Aurora Loan Servs. LLC (In re Pak)*, No. 11-1108, 2011 WL 7145763, at \*1 n.4 (B.A.P. 9th Cir. Dec. 14, 2011) and *U.S. Bank Nat’l Ass’n v Gregory*, No. CV085003721S, 2009 WL 1175622 (Conn. Super. Ct. Apr. 6, 2009). Neither decision supports CitiMortgage’s argument that issuers lack standing to challenge indorsements. In *Pak*, the court held that there was no “legitimate basis” for the challenge being made to the indorsement, but did not hold—or even address—whether note issuers have standing to challenge indorsements. *See Pak*, 2011 WL 7145763, at \*1 n.4. In *Gregory*, the defendants in a foreclosure action objected to the bank’s motion for summary judgment on the basis that the note on which the bank was relying contained improper indorsements. The defendants lost, but only because the court concluded the indorsements were valid, not because the defendants lacked authority to challenge the indorsements. *See Gregory*, 2009 WL 1175622, at \*2.

has been rejected by several courts, see *Lewis v Wells Fargo Bank, N A*, 939 F Supp 2d 634, 638–39 (N D Tex 2013) (citing cases),<sup>33</sup> but has not yet been addressed by a South Carolina court.<sup>34</sup>

Although the Court could address the issues mentioned above—just as the federal courts did in the cases cited—it makes much more sense to permit the South Carolina state courts to do so given the pendency of the foreclosure action there. Thus, the presence of a related proceeding commenced in state court weighs heavily in favor of abstention. In the end, the answer the Master-in-Equity gives might be straightforward. It certainly is conceivable that he will rule that one or both of the indorsements on the Note are valid and that the Mortgage follows the Note, making the

---

<sup>33</sup>See also *Suss v JP Morgan Chase Bank, N A*, No. 09–1627, 2010 WL 2733097, at \*5 (D. Md July 9, 2010), *Commonwealth Prop Advocates, LLC v Mortg Elec Registration Sys, Inc*, 263 P 3d 397, 401–03 (Utah Ct. App 2011).

<sup>34</sup>Although the Court does not decide the issue, the Court notes that the Junks’ argument that the Note is unenforceable because it was split from the Mortgage appears to have no viability. See *Scheider v Deutsche Bank Nat’l Trust Co*, No. 13–1821, 2014 WL 2109810, at \*4 (4th Cir. May 21, 2014) (discussing cases issued by the South Carolina Supreme Court and the South Carolina Court of Appeals). In *Scheider*, the Fourth Circuit stated, “If we permitted the split-the-note theory the Scheiders propose, there would be little reason for notes to exist in the first place, as [o]ne of the defining features of notes is their transferability. The idea that transferring a note would strip it from the security that gives it value and render the note largely worthless . . . cannot be—and is not—the law.” *Scheider*, 2014 WL 2109810, at \*4 (citation and internal quotation marks omitted). See also *MidFirst Bank, SSB v C W Haynes & Co*, 893 F. Supp. 1304, 1318 (D.S.C. 1994) (“South Carolina recognizes the ‘familiar and uncontroverted proposition’ that ‘the assignment of a note secured by a mortgage carries with it an assignment of the mortgage.’” *Hahn v Smith*, 157 S C 157, 154 S E. 112 (1930); *Ballou v Young*, 42 S C. 170, 20 S.E. 84 (1894)”), *aff’d*, 87 F 3d 1308 (1996). Both in state court and here the Junks challenge the validity of the assignment of the Mortgage. One of the issues this raises is the right of a mortgagor to challenge a mortgage assignment, an issue on which there is a split of authority around the country. See *Culhane v Aurora Loan Servs of Neb*, 708 F 3d 282, 289 (1st Cir 2013) (noting split of authority while holding that mortgagor has standing to challenge the assignment of a mortgage), *In re McFadden*, 471 B R 136, 161–62 (Bankr. D S C 2012) (holding that Chapter 7 trustee lacked standing to challenge mortgage assignment because the debtor into whose shoes the trustee stepped lacked such standing but citing no South Carolina law). As far as the Court can tell, no South Carolina state court has addressed the issue. Then again, this issue might not be relevant given that, as the South Carolina authorities quoted above hold, the transfer of a note secured by a mortgage effectively transfers the mortgage.

Note enforceable by CitiMortgage, it also is possible that he will find the chain of assignments from MERS to Bayview to CitiMortgage to be valid.<sup>35</sup> But given that there is a pending state court action in which the relevant issues can be addressed—including whether the indorsements are valid or a forgery and whether the assignments were fraudulent—it is the South Carolina state courts that should conclusively address these issues.

### **3. Leaving Enforcement to this Court**

Under circumstances like those present here, courts routinely direct that any foreclosure judgment obtained be enforced only after further relief from stay is granted for lack of adequate protection under § 362(d)(1) or under § 362(d)(2). The Court, therefore, directs that, if CitiMortgage obtains a foreclosure judgment, it shall seek and receive further relief from the automatic stay from this Court before executing on the judgment.

### **4. Forum Shopping**

The evidence that the Junks were forum shopping when they commenced this adversary proceeding appears overwhelming. During the first hearing in the quiet title action and the foreclosure action, they consented to the Master-in-Equity's hearing the motions pending in those actions. The Junks, though, ultimately received several adverse orders from the Master-in-Equity. Mr. Barnes, counsel for Mrs. Junk, told the Master-in-Equity at one point that "we have yet to survive a 12(b)(6) motion in this case and I can't—I don't think I pled it that badly, to be honest

---

<sup>35</sup>*Cf. Scheider*, 2014 WL 2109810, at \*4 ("South Carolina law thus settles the question. . . . [T]he note plainly constitutes a negotiable instrument under [South Carolina law]. That note was endorsed in blank, meaning it was bearer paper and enforceable by whoever possessed it. And [Deutsche Bank] possessed the note at the time it attempted to foreclose on the property. Therefore, once [the Scheiders] defaulted on the property, [South Carolina] law straightforwardly allowed [Deutsche Bank] to take the actions that it did ") (internal quotation marks omitted).

with you ” J E 20 at 94 11–13 Multiple appeals of the Master-in-Equity’s orders by the Junks ensued The Junks have been no more successful in their appeals than they were before the Master-in-Equity. Most recently, before the Junks commenced their bankruptcy case, the South Carolina Supreme Court had denied certiorari on the South Carolina Court of Appeals’ dismissal of the appeal of the Master-in-Equity’s April 11, 2011 order The Junks were still awaiting a ruling by the South Carolina Court of Appeals on their second attempt to appeal the April 11, 2011 order when they commenced their bankruptcy case As noted above, that appeal was dismissed after the Petition Date but before the Junks commenced this adversary proceeding.

During the hearing, Mr. Brunner pointed out that the Junks “kept litigating the matter for nearly two years [in South Carolina after moving to Columbus] before filing and seeking protection in this Court ” Tr at 61 The suggestion seems to be that the fact that the Junks waited for a while after moving to Columbus to file the bankruptcy case and commence the adversary proceeding reflects that they were not forum shopping The only thing that filing here sooner might have accomplished is making the indicia of forum shopping slightly more obvious, if that is possible

In their Objection to Dismissal or Conversion, which the Junks incorporated by reference into their opposition to the Stay Relief Motion, the Junks stated the reason they filed their bankruptcy case

[T]he Debtors made clear at their initial debtor interview with the Office of the United States Trustee, at the meeting of creditors conducted in this case, and at the hearing on the Objection of CitiMortgage to the Application of the Debtors to Employ Special Counsel, that this case was filed so that this Court can make a final determination as to the validity and priority of the asserted liens against the Property.

Objection to Dismissal or Conversion at 4

Mr. Junk's own testimony confirmed his dissatisfaction with how things were going in South Carolina. Tr. at 211 ("I filed a quiet title. Nobody wants to come in on that. Then they filed a foreclosure action separately with, you know, a different party swearing different things, then they switched parties. And then it's just escalated since then.")

In the adversary proceeding the Junks are making essentially the same arguments they were making in South Carolina in support of their position that the Note and the Mortgage are unenforceable. Further, the positions they are taking in this adversary proceeding are inconsistent with orders entered by the Master-in-Equity. Clearly unhappy with the results to date in South Carolina, the Junks commenced their bankruptcy case and this adversary proceeding with the apparent hope that this Court will reach conclusions contrary to those reached by the Master-in-Equity. But "concern that a party will lose its case does not demonstrate the inadequacy of a forum." *Bacardi Int'l Ltd v V Suarez & Co*, 719 F.3d 1, 16 (1st Cir.), *cert denied*, 134 S. Ct. 640 (2013). *See also Nakash v Marciano*, 882 F.2d 1411, 1417 (9th Cir. 1989) ("The final factor to consider is whether the second suit by Nakash is an attempt to forum shop or avoid adverse rulings by the state court. This factor weighs strongly in favor of abstention. Apparently, after three and one-half years, Nakash has become dissatisfied with the state court and now seeks a new forum for their claims. We have no interest in encouraging this practice.") (citations omitted). And to "now allow [the debtor] to proceed with his Adversary Proceeding—which is merely a restatement, based on federal statutes, of the affirmative defense that he raised in his foreclosure proceeding—would encourage forum shopping." *Milian v Wells Fargo & Co*, 507 B.R. 386, 392 (S.D. Fla. 2014). All in all, "the discomforting specter of forum-shopping[.]" *Bacardi*, 719 F.3d at 15 (internal quotation marks omitted), is a factor weighing strongly in favor of abstention here.

**5. *RSM Richter, Inc. v. Behr Am., Inc.* Does Not Support the Junks' Position.**

In support of their argument against abstention, the Junks rely on *RSM Richter, Inc. v. Behr America, Inc.*, 729 F.3d 553 (6th Cir. 2013), in which the Sixth Circuit reversed a district court's decision to abstain. *Tr.* at 56–57. Although this adversary proceeding and *Richter* both involve abstention by a federal trial court in favor of state court litigation, the similarities end there. In *Richter*, Behr America, Inc. accepted aluminum that Aleris Aluminum Canada, L.P. had shipped to it under a requirements contract. Aleris, though, closed its plant and thus failed to send Behr an additional amount of aluminum required by the contract. Not having paid the \$2.6 million due for the aluminum it did receive, Behr filed a lawsuit in a Michigan state court, contending that the plant closure and failure to ship the additional aluminum forced it to obtain aluminum from other suppliers, increasing its costs by \$1.5 million beyond those it would have incurred if Aleris had fully performed under the requirements contract. When Behr commenced the state court lawsuit it named only the parent company of Aleris, not Aleris itself, as a defendant. Aleris then commenced a bankruptcy case in Canada. It was not until three months after the bankruptcy filing that Behr amended its state court complaint to name Aleris as a defendant. In response, Aleris's bankruptcy trustee, RSM Richter, Inc.—relying on the automatic stay provision of Canadian bankruptcy law—sought and obtained an order from the Michigan state court staying Behr's \$1.5 million lawsuit against Aleris. *See Richter*, 729 F.3d at 555.

Seeking to recover \$2.6 million on account of Behr's failure to pay for the aluminum that Aleris had shipped, RSM, in its capacity as trustee of the estate of Aleris, commenced a lawsuit against Behr in a United States federal district court. Behr defended against the trustee's lawsuit by asserting a right of setoff for the \$1.5 million of additional costs it allegedly incurred in using other

suppliers to fulfill its requirements after the plant closure, Behr also filed a counterclaim for those costs. Behr, however, then requested that the federal district court abstain from hearing the entirety of the lawsuit in light of the pendency of the Michigan state court action. The district court granted the motion to abstain in part, deciding to hear Aleris's claim against Behr for the unpaid aluminum but not Behr's counterclaim for setoff based on the additional costs it had incurred. The counterclaim, the district court reasoned, was part and parcel of the claim Behr had asserted in the state court. *See id.*

With the setoff claim adjudicated, the district also declined to decide Behr's setoff defense on the ground that it was duplicative of Behr's state court claim. Yet the district court granted summary judgment in favor of Aleris only in the amount of \$1.1 million—the \$2.6 million of unpaid aluminum minus the \$1.5 million of extra costs Behr alleged it had incurred. The district court then closed the case, and Behr paid the \$1.1 million judgment. In the view of Aleris's trustee, the \$1.1 million was \$1.5 million short of what Aleris was due. So in an effort to obtain a ruling on the setoff issue, the trustee filed a motion to reopen Behr's state court case. But Behr opposed the motion to reopen, and the state court declined to reopen the case. *See id.* at 555–56. As the Sixth Circuit observed, because the district court had entered only a \$1.1 million judgment against Behr, “adjudication of Behr's [setoff] claim would only cause *additional* funds to flow to the bankrupt estate, by requiring Behr to pay whatever monies it still owes to Aleris.” *Id.* at 558. “That is presumably why Aleris has resolutely supported, and Behr has opposed, adjudication of Behr's own counterclaim [for setoff].” *Id.* With nowhere else to go to obtain an adjudication of the setoff issue, the trustee moved to reopen the federal district court case. The district court, though, denied the motion to reopen. As the Sixth Circuit noted, “[t]he practical effect of these decisions, state and

federal, was to give Behr full value for its untested counterclaim ” *Id* at 556. The trustee appealed the district court’s decision to the Sixth Circuit.

In reversing the district court and remanding the case for adjudication of Behr’s setoff defense, the Sixth Circuit rejected the district court’s rationale for abstention. The Sixth Circuit held that “the mere pendency of a state-court case concerning the same subject matter as a federal case is not reason enough to abstain.” *Id* at 557. “[T]he court’s decision to abstain from one half of the parties’ dispute only encourages piecemeal federal and state litigation—embodied here by the partial judgment [for \$1.1 million]. That is a good reason for the court not to abstain ” *Id* at 558. “Nor does it generally seem a good idea to stay federal litigation in favor of state litigation that is itself already stayed.” *Id*

None of this justifies the Junks’ efforts to litigate the enforceability of the Note and the Mortgage in this adversary proceeding rather than in South Carolina. According to the time line set forth in *Richter*, Aleris had filed its bankruptcy case several months *before* Behr amended its complaint to add Aleris as a defendant in the Michigan state court lawsuit. Furthermore, after Behr finally named Aleris as a defendant the trustee obtained a stay of the litigation, suggesting that very little if anything could have been accomplished by the state court vis-a-vis Aleris. In other words, as the Sixth Circuit noted, the only potential reason for abstention in *Richter* was the *mere pendency* of the state court lawsuit, a reason that in and of itself is legally insufficient. By contrast, CitiMortgage’s foreclosure action not only had been pending for several years in South Carolina before the Junks commenced their bankruptcy case, the South Carolina courts also had by then invested significant time and effort in hearing and deciding disputes between the Junks and

CitiMortgage. Thus, unlike in *Richter*, the Court is abstaining based on much more than the mere pendency of a state court proceeding.

There are other important differences between this adversary proceeding and *Richter*. Unlike this Court's decision to abstain, the district court's decision to do so in *Richter* effectively prevented a party from having the opportunity to litigate a matter. The state court's refusal to reopen its case despite the district court's abstention and the district court's later denial of the motion to reopen its own case effectively prevented the Aleris trustee from obtaining a ruling on Behr's setoff defense and, therefore, from having the opportunity to recover the full \$2.6 million the trustee contended Behr owed Aleris. As the Sixth Circuit pointed out, the federal and state court decisions effectively gave Behr the benefit of the setoff defense without having to actually litigate it—and without the trustee having the opportunity to litigate it. But here the Court's decision to abstain does not prevent the parties from adjudicating any issue. To the contrary, abstention will permit the enforceability of the Note and the Mortgage to be determined by the courts of South Carolina.

Further, the district court's decision in *Richter* would have encouraged piecemeal federal and state litigation while this Court's abstention will not do so. If the state court in *Richter* had decided to reopen its case and had adjudicated the setoff issue, the result would have been a federal court decision on a claim for relief (Aleris's claim for Behr's nonpayment) and a state court decision on a counterclaim (Behr's counterclaim for Aleris's alleged failure to fulfill the terms of the requirements contract) that also was a defense to the federally-adjudicated claim. If that were permitted, it would encourage piecemeal federal and state court litigation—at least in cases where the party asserting a defense has lost or believes it will lose on a claim against it in federal court and foresees a better chance of prevailing on the defense in state court. But here the decision to abstain

encourages nothing of the sort. The state courts of South Carolina will adjudicate CitiMortgage's foreclosure claim and in the process of doing so necessarily will adjudicate all of the Junks' defenses to foreclosure, including the purported unenforceability of the Note and the Mortgage. If the Court were to refuse to abstain under the circumstances of this case, it would encourage homeowners who are litigating quiet title and foreclosure actions in state court and who become unhappy with the results or anticipated results to commence a bankruptcy case in the hope that a federal court will see things differently.

Finally, *Richter*'s statement that it does not "generally seem a good idea to stay federal litigation in favor of state litigation that is itself already stayed" does not support abstention under the circumstances of this adversary proceeding. As already discussed, the *Richter* court made this statement in an entirely different context than the one present here. At the time the district court in *Richter* abstained from deciding the setoff issue, the state court, in accordance with the automatic stay imposed by Canadian bankruptcy law, had stayed the lawsuit pending before it. Only the court presiding over the Canadian bankruptcy could have lifted the stay. Yet there was no mention in *Richter* of a request by Behr for relief from stay to pursue its state court action against Aleris. Not only that, but after the district court entered judgment against it for an amount that effectively gave it credit for the setoff, Behr—in an apparent effort to keep the setoff issue from being litigated—opposed the trustee's motion to reopen the state court case so that the trustee could obtain a ruling on the setoff issue. Here, by contrast, CitiMortgage is not attempting to prevent the Junks from litigating the issue of the enforceability of the Note and the Mortgage, but instead has filed a motion for relief from stay so that the issue can be litigated in the South Carolina state courts.

Understood in the context in which it was made, then, the statement from *Richter* quoted above clearly does not render the existence of the automatic stay in and of itself a reason to decline to abstain. If that were the law, by filing a bankruptcy case a party disappointed with the progress of state court litigation could give rise to both the automatic stay and at the same time to an irrefutable argument that the stay should not be lifted. Rather than being the shield it is intended to be, the automatic stay would become a sword in the battle to determine where disputes should be litigated. For the reasons set forth above, the Court is abstaining from hearing the issues bearing on the enforceability of the Note and the Mortgage and granting relief from stay so that those issues may be adjudicated by the South Carolina courts.

**6. Conclusion Regarding Abstention**

In light of the foregoing, the Court concludes that in the interest of justice, in the interest of comity with the state courts of South Carolina and out of respect for the law of South Carolina, the Court should abstain from hearing the adversary proceeding to the extent it relates to the enforceability of the Note and the Mortgage and whether reformation would be effective against a judicial lien creditor and bona fide purchaser as of the Petition Date.

**D. The Junks' Authority to Participate in the State Court Litigation**

The Junks begin their memorandum in opposition to the Dismissal/Abstention Motion (Adv. Doc. 261) by pointing out that they are debtors in possession. Adv. Doc. 261 at 1. They then refer to themselves as being their own predecessors in interest. They do so repeatedly. *See* Adv. Doc. 261 at 2, 3 n 3; 5, 8, 9, 10; 13, 15; 16, 17, 18; 19; 20; 22; 29. Then, based on the distinction between their capacities prior to the Petition Date and afterward, the Junks argue that they "are not

a party to the South Carolina action rendering abstention a legal impossibility ” Adv. Doc. 261 at 29

The Junks’ argument is not well-taken. As debtors in possession, the Junks “have all the rights, other than the right to compensation under section 330 of this title, and powers of a trustee serving in a case under this chapter ” 11 U.S.C. § 1107(a). Whenever relief from stay is granted to permit litigation to continue outside the bankruptcy court, a trustee certainly has the right and power to defend against that litigation, and if the trustee decides to do so, he or she may take the steps necessary to participate in the litigation. Debtors in possession likewise have the right and power to defend litigation that continues after relief from stay is granted. As debtors in possession, the Junks are authorized to participate in the litigation in the South Carolina state courts. Given that the Junks are the same persons before and after the Petition Date, it seems odd to suggest, as they do, that they would have to be substituted for themselves. Adv. Doc. 261 at 29 n.16.<sup>36</sup> The South Carolina courts, though, have the authority to do whatever they believe is necessary to make the Junks parties to the proceedings in South Carolina in their capacities as debtors in possession.

---

<sup>36</sup>*Cf. Hays v. Cummins (In re Cummins)*, 174 B.R. 1005, 1009 (Bankr. W.D. Ark. 1994) (“The debtor’s continued identity crises, embodied in arguments that ‘Larry Cummins’ is a party in one action and ‘Larry Cummins Debtor-in-Possession,’ is a party in another action in no manner affects the application of the doctrines of res judicata and collateral estoppel. It is well-settled that the exact same parties are not required to be present in both cases in order for issues and causes of action to be precluded. It is sufficient if there is a ‘substantial identity of the parties.’ There is no question in this case that such a ‘substantial identity’ exists. While for Chapter 11 bankruptcy purposes there exists a distinction between an individual in bankruptcy and the ‘debtor-in-possession,’ there is no good faith basis for arguing that the distinction makes a difference for res judicata purposes. All of the acts and events described in the findings of facts entered by this Court concern and preclude Larry Cummins, or Larry Cummins Debtor-in-Possession, from re-litigating those facts. The fact that the state court suit is conducted by the debtor-in-possession, does not mean that a different person or individual performed the acts described in the bankruptcy court opinions. Both Larry Cummins and Larry Cummins Debtor-in-Possession are bound by the facts and law set forth in this court’s opinions.”)

As noted above, the South Carolina Court of Appeals has issued an order stating that “[w]e hold this appeal in abeyance pending notification that (1) the United States Bankruptcy Court has authorized either [the Junks] or their bankruptcy trustee to proceed with this appeal or (2) Appellants’ bankruptcy action has been resolved ” J E 31. There has been no trustee appointed in the Junks’ Chapter 11 case. Instead, as debtors in possession, the Junks have the rights and powers of a trustee. To be clear, as debtors in possession, the Junks are authorized to participate in the litigation in the South Carolina state-courts, including by proceeding with the pending appeal and pursuing any appeals that are filed in the future.

**E. Remainder of Adversary Proceeding Held in Abeyance**

Because it is granting CitiMortgage’s motion for abstention, it would not be appropriate for the Court to address CitiMortgage’s motion to dismiss. *See Blake*, 917 F. Supp. 2d at 739 (“In light of this Court’s determination that abstention applies, it would be inappropriate for the Court to address the Rule 12(b)(6) branch of Wells Fargo’s motion. Doing so would address the merits of Plaintiff’s claims, which is inconsistent with abstention.”). And because rulings that will be issued by the South Carolina state courts potentially will affect the counts of the adversary proceeding in which the Junks seek relief against parties other than CitiMortgage (e.g., for unjust enrichment and an accounting), it would not be an efficient use of judicial resources to decide the motions to dismiss by those other parties at this time. Instead, the appropriate approach is to hold the remainder of the proceeding in abeyance. *See Bacardi*, 719 F.3d at 16 (“In situations involving parallel state court litigation where deferring the exercise of jurisdiction is proper, this circuit has historically ordered a stay rather than a dismissal. Accordingly, we instruct the district court to stay these proceedings

pending final disposition of the appellate process in the Puerto Rico courts ”) (citation omitted) For those reasons, the Court holds the remainder of the adversary proceeding in abeyance

#### **F. Stay of Discovery**

“Trial courts have broad discretion and inherent power to stay discovery until preliminary questions that may dispose of the case are determined ” *Gettings v Building Laborers Local 310 Fringe Benefits Fund*, 349 F 3d 300, 304 (6th Cir. 2003) *See also Gilbert v Ferry*, 401 F 3d 411, 415–416 (6th Cir 2005) As already discussed, a ruling by the South Carolina state courts as to the enforceability of the Note and the Mortgage and whether reformation would be effective against a judicial lien creditor and bona fide purchaser as of the Petition Date will determine the course of the rest of the adversary proceeding and the bankruptcy case Accordingly, all discovery in the adversary proceeding is stayed and all discovery in the bankruptcy case also is stayed to the extent it relates to the enforceability of the Note and the Mortgage and whether reformation would be effective against a judicial lien creditor and bona fide purchaser as of the Petition Date

#### **VI. Conclusion**

For the reasons stated above, the Court **GRANTS** the Stay Relief Motion to permit CitiMortgage to pursue a foreclosure judgment (including by participating in the appellate process) and obtain, in connection with that judgment, a ruling by the South Carolina state courts as to the enforceability of the Note and the Mortgage and whether reformation would be effective against a judicial lien creditor and bona fide purchaser as of the Petition Date. CitiMortgage, however, shall not execute any judgment it obtains without requesting and obtaining further relief from the automatic stay from this Court pursuant to § 362(d)(1) (e.g , for lack of adequate protection) or pursuant to § 362(d)(2)

Consistent with granting relief from the stay, the Court **ABSTAINS** from hearing the adversary proceeding to the extent it relates to the enforceability of the Note and the Mortgage and whether reformation would be effective against a judicial lien creditor and bona fide purchaser as of the Petition Date.

Pending the conclusion of the proceedings in the South Carolina state courts by final nonappealable orders, the Court holds the remainder of the adversary proceeding in **ABEYANCE**. Discovery in the adversary proceeding shall be and hereby is **STAYED** during the pendency of the proceedings in South Carolina. Discovery in the bankruptcy case also is **STAYED** to the extent it relates to the enforceability of the Note and the Mortgage and whether reformation would be effective against a judicial lien creditor and bona fide purchaser as of the Petition Date.

As explained above, as debtors in possession, the Junks are authorized to participate in the foreclosure action as well as any appeals currently pending or to be filed in South Carolina.

CitiMortgage requests relief from compliance with the requirements of Rule 3002.1 of the Federal Rules of Bankruptcy Procedure. Because this rule by its terms applies only in Chapter 13 cases, Fed. R. Bankr. P. 3002.1(a), the request is **DENIED** as moot. As CitiMortgage also requested in the Stay Relief Motion, this Order shall not be stayed pursuant to Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure.

CitiMortgage and the Junks shall file a joint status report every three months during the pendency of the action in South Carolina and also shall file a joint status report once the foreclosure action has concluded with final, nonappealable orders

**IT IS SO ORDERED.**

Copies to

Counsel for the Plaintiffs

Counsel for the Defendants

# # #

## EXHIBIT B

B1 (Official Form 1)(04/13)

| <b>United States Bankruptcy Court</b><br><b>Southern District Ohio, Eastern District Columbus</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Voluntary Petition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name of Debtor (if individual, enter Last, First, Middle)<br><b>Junk, Daniel L.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |                                                                                                                                                                                                                                                                                                                                                                                                 | Name of Joint Debtor (Spouse) (Last, First, Middle)<br><b>Junk, Christine H.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| All Other Names used by the Debtor in the last 8 years<br>(include married, maiden, and trade names)                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                                                                                                                                 | All Other Names used by the Joint Debtor in the last 8 years<br>(include married, maiden, and trade names)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| Last four digits of Soc Sec or Individual-Taxpayer I D (ITIN)/Complete EIN<br>(if more than one, state all)<br><b>xxx-xx-5153</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                                                                                                                                                                                                                                                                                                                                                                                 | Last four digits of Soc Sec or Individual-Taxpayer I D (ITIN) No /Complete EIN<br>(if more than one, state all)<br><b>xxx-xx-3208</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| Street Address of Debtor (No and Street, City, and State)<br><b>2827 Chateau Circle S<br/>Columbus, OH</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                                                                                                                                                                                                                                                                                                                                                                                 | Street Address of Joint Debtor (No and Street, City, and State)<br><b>2827 Chateau Circle S<br/>Columbus, OH</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| ZIP Code<br><b>43221</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                                                                                                 | ZIP Code<br><b>43221</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| County of Residence or of the Principal Place of Business<br><b>Franklin</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                 | County of Residence or of the Principal Place of Business<br><b>Franklin</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| Mailing Address of Debtor (if different from street address)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                 | Mailing Address of Joint Debtor (if different from street address)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| ZIP Code                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                                                                                                 | ZIP Code                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| Location of Principal Assets of Business Debtor<br>(if different from street address above)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| <b>Type of Debtor</b><br>(Form of Organization) (Check one box)<br><input checked="" type="checkbox"/> Individual (includes Joint Debtors)<br><i>See Exhibit D on page 2 of this form</i><br><input type="checkbox"/> Corporation (includes LLC and LLP)<br><input type="checkbox"/> Partnership<br><input type="checkbox"/> Other (If debtor is not one of the above entities,<br>check this box and state type of entity below )                                                                                                                                          |  | <b>Nature of Business</b><br>(Check one box)<br><input type="checkbox"/> Health Care Business<br><input type="checkbox"/> Single Asset Real Estate as defined<br>in 11 U.S.C. § 101 (51B)<br><input type="checkbox"/> Railroad<br><input type="checkbox"/> Stockbroker<br><input type="checkbox"/> Commodity Broker<br><input type="checkbox"/> Clearing Bank<br><input type="checkbox"/> Other |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Chapter of Bankruptcy Code Under Which<br/>the Petition is Filed</b> (Check one box)<br><input type="checkbox"/> Chapter 7<br><input type="checkbox"/> Chapter 9<br><input checked="" type="checkbox"/> Chapter 11<br><input type="checkbox"/> Chapter 12<br><input type="checkbox"/> Chapter 13<br><input type="checkbox"/> Chapter 15 Petition for Recognition<br>of a Foreign Main Proceeding<br><input type="checkbox"/> Chapter 15 Petition for Recognition<br>of a Foreign Nonmain Proceeding |  |
| <b>Chapter 15 Debtors</b><br>Country of debtor's center of main interests<br><br>Each country in which a foreign proceeding<br>by, regarding, or against debtor is pending                                                                                                                                                                                                                                                                                                                                                                                                  |  | <b>Tax-Exempt Entity</b><br>(Check box, if applicable)<br><input type="checkbox"/> Debtor is a tax-exempt organization<br>under Title 26 of the United States<br>Code (the Internal Revenue Code)                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Nature of Debts</b><br>(Check one box)<br><input checked="" type="checkbox"/> Debts are primarily consumer debts,<br>defined in 11 U.S.C. § 101(8) as<br>"incurred by an individual primarily for<br>a personal, family, or household purpose."<br><input type="checkbox"/> Debts are primarily<br>business debts                                                                                                                                                                                   |  |
| <b>Filing Fee</b> (Check one box)<br><input checked="" type="checkbox"/> Full Filing Fee attached<br><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only) Must<br>attach signed application for the court's consideration certifying that the<br>debtor is unable to pay fee except in installments Rule 1006(b) See Official<br>Form 3A<br><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only) Must<br>attach signed application for the court's consideration See Official Form 3B |  |                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Chapter 11 Debtors</b><br>Check one box<br><input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D)<br><input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D)<br>Check if<br><input checked="" type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates)<br>are less than \$2,490,925 (amount subject to adjustment on 4/01/16 and every three years thereafter)<br>Check all applicable boxes<br><input type="checkbox"/> A plan is being filed with this petition<br><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors,<br>in accordance with 11 U.S.C. § 1126(b) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| <b>Statistical/Administrative Information</b><br><input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors<br><input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid,<br>there will be no funds available for distribution to unsecured creditors                                                                                                                                                                                           |  |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>THIS SPACE IS FOR COURT USE ONLY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |
| <b>Estimated Number of Creditors</b><br><input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| <b>Estimated Assets</b><br><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion              |  |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| <b>Estimated Liabilities</b><br><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion         |  |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |

**Voluntary Petition**

(This page must be completed and filed in every case)

Name of Debtor(s)

**Junk, Daniel L.****Junk, Christine H.****All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)**

Location

Where Filed: **- None -**

Case Number

Date Filed

Location

Where Filed

Case Number:

Date Filed

**Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)**

Name of Debtor:

**- None -**

Case Number:

Date Filed:

District:

Relationship:

Judge:

**Exhibit A**

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)

☐ Exhibit A is attached and made a part of this petition

**Exhibit B**

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. § 342(b).

**X /s/ Susan L. Rhiel****June 27, 2013**

Signature of Attorney for Debtor(s)

(Date)

**Susan L. Rhiel 0034533****Exhibit C**

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and Exhibit C is attached and made a part of this petition

☒ No

**Exhibit D**

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

☒ Exhibit D completed and signed by the debtor is attached and made a part of this petition

If this is a joint petition

☒ Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition

**Information Regarding the Debtor - Venue**

(Check any applicable box)

- ☒ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.
- ☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.
- ☐ Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

**Certification by a Debtor Who Resides as a Tenant of Residential Property**

(Check all applicable boxes)

- ☐ Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following)

\_\_\_\_\_  
(Name of landlord that obtained judgment)

\_\_\_\_\_  
(Address of landlord)

- ☐ Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and
- ☐ Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.
- ☐ Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

**Voluntary Petition**

(This page must be completed and filed in every case)

Name of Debtor(s).

**Junk, Daniel L.****Junk, Christine H.****Signatures****Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7 [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b)

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition

**X /s/ Daniel L. Junk**Signature of Debtor **Daniel L. Junk****X /s/ Christine H. Junk**Signature of Joint Debtor **Christine H. Junk**

Telephone Number (If not represented by attorney)

**June 27, 2013**

Date

**Signature of Attorney\*****X /s/ Susan L. Rhie**

Signature of Attorney for Debtor(s)

**Susan L. Rhie 0034533**

Printed Name of Attorney for Debtor(s)

**RHIE & ASSOCIATES CO., L.P.A.**

Firm Name

**394 EAST TOWN STREET  
COLUMBUS, OH 43215**

Address

**(614) 221-4670 Fax: (614) 232-9306**

Telephone Number

**June 27, 2013**

Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition

**X**

Signature of Authorized Individual

Printed Name of Authorized Individual

Title of Authorized Individual

Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition

(Check only one box)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached

☐ Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached

**X**

Signature of Foreign Representative

Printed Name of Foreign Representative

Date

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b), and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

**X**

Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110, 18 U.S.C. §156

B 1D (Official Form 1, Exhibit D) (12/09)

**United States Bankruptcy Court**  
**Southern District Ohio, Eastern District Columbus**

In re **Daniel L. Junk**  
**Christine H. Junk**

Debtor(s)

Case No  
Chapter

**11**

**EXHIBIT D - INDIVIDUAL DEBTOR'S STATEMENT OF COMPLIANCE WITH  
CREDIT COUNSELING REQUIREMENT**

**Warning:** You must be able to check truthfully one of the five statements regarding credit counseling listed below. If you cannot do so, you are not eligible to file a bankruptcy case, and the court can dismiss any case you do file. If that happens, you will lose whatever filing fee you paid, and your creditors will be able to resume collection activities against you. If your case is dismissed and you file another bankruptcy case later, you may be required to pay a second filing fee and you may have to take extra steps to stop creditors' collection activities.

*Every individual debtor must file this Exhibit D. If a joint petition is filed, each spouse must complete and file a separate Exhibit D. Check one of the five statements below and attach any documents as directed.*

☒ 1. Within the 180 days before the filing of my bankruptcy case, I received a briefing from a credit counseling agency approved by the United States trustee or bankruptcy administrator that outlined the opportunities for available credit counseling and assisted me in performing a related budget analysis, and I have a certificate from the agency describing the services provided to me. *Attach a copy of the certificate and a copy of any debt repayment plan developed through the agency.*

☐ 2. Within the 180 days before the filing of my bankruptcy case, I received a briefing from a credit counseling agency approved by the United States trustee or bankruptcy administrator that outlined the opportunities for available credit counseling and assisted me in performing a related budget analysis, but I do not have a certificate from the agency describing the services provided to me. *You must file a copy of a certificate from the agency describing the services provided to you and a copy of any debt repayment plan developed through the agency no later than 14 days after your bankruptcy case is filed.*

☐ 3. I certify that I requested credit counseling services from an approved agency but was unable to obtain the services during the seven days from the time I made my request, and the following exigent circumstances merit a temporary waiver of the credit counseling requirement so I can file my bankruptcy case now. *[Summarize exigent circumstances here.]* \_\_\_\_\_

**If your certification is satisfactory to the court, you must still obtain the credit counseling briefing within the first 30 days after you file your bankruptcy petition and promptly file a certificate from the agency that provided the counseling, together with a copy of any debt management plan developed through the agency. Failure to fulfill these requirements may result in dismissal of your case. Any extension of the 30-day deadline can be granted only for cause and is limited to a maximum of 15 days. Your case may also be dismissed if the court is not satisfied with your reasons for filing your bankruptcy case without first receiving a credit counseling briefing.**

☐ 4. I am not required to receive a credit counseling briefing because of: *[Check the applicable statement.] [Must be accompanied by a motion for determination by the court.]*

☐ Incapacity. (Defined in 11 U.S.C. § 109(h)(4) as impaired by reason of mental illness or mental deficiency so as to be incapable of realizing and making rational decisions with respect to financial responsibilities.);

☐ Disability. (Defined in 11 U.S.C. § 109(h)(4) as physically impaired to the extent of being unable, after reasonable effort, to participate in a credit counseling briefing in person, by telephone, or through the Internet.);

☐ Active military duty in a military combat zone.

☐ 5. The United States trustee or bankruptcy administrator has determined that the credit counseling requirement of 11 U.S.C. § 109(h) does not apply in this district.

**I certify under penalty of perjury that the information provided above is true and correct.**

Signature of Debtor: /s/ Daniel L. Junk  
Daniel L. Junk

Date: June 27, 2013

B 1D (Official Form 1, Exhibit D) (12/09)

**United States Bankruptcy Court**  
**Southern District Ohio, Eastern District Columbus**

In re **Daniel L. Junk**  
**Christine H. Junk**

Debtor(s)

Case No  
Chapter

**11**

**EXHIBIT D - INDIVIDUAL DEBTOR'S STATEMENT OF COMPLIANCE WITH  
CREDIT COUNSELING REQUIREMENT**

**Warning:** You must be able to check truthfully one of the five statements regarding credit counseling listed below. If you cannot do so, you are not eligible to file a bankruptcy case, and the court can dismiss any case you do file. If that happens, you will lose whatever filing fee you paid, and your creditors will be able to resume collection activities against you. If your case is dismissed and you file another bankruptcy case later, you may be required to pay a second filing fee and you may have to take extra steps to stop creditors' collection activities.

*Every individual debtor must file this Exhibit D. If a joint petition is filed, each spouse must complete and file a separate Exhibit D. Check one of the five statements below and attach any documents as directed.*

☒ 1. Within the 180 days before the filing of my bankruptcy case, I received a briefing from a credit counseling agency approved by the United States trustee or bankruptcy administrator that outlined the opportunities for available credit counseling and assisted me in performing a related budget analysis, and I have a certificate from the agency describing the services provided to me. *Attach a copy of the certificate and a copy of any debt repayment plan developed through the agency.*

☐ 2. Within the 180 days before the filing of my bankruptcy case, I received a briefing from a credit counseling agency approved by the United States trustee or bankruptcy administrator that outlined the opportunities for available credit counseling and assisted me in performing a related budget analysis, but I do not have a certificate from the agency describing the services provided to me. *You must file a copy of a certificate from the agency describing the services provided to you and a copy of any debt repayment plan developed through the agency no later than 14 days after your bankruptcy case is filed.*

☐ 3. I certify that I requested credit counseling services from an approved agency but was unable to obtain the services during the seven days from the time I made my request, and the following exigent circumstances merit a temporary waiver of the credit counseling requirement so I can file my bankruptcy case now. *[Summarize exigent circumstances here ]* \_\_\_\_\_

**If your certification is satisfactory to the court, you must still obtain the credit counseling briefing within the first 30 days after you file your bankruptcy petition and promptly file a certificate from the agency that provided the counseling, together with a copy of any debt management plan developed through the agency. Failure to fulfill these requirements may result in dismissal of your case. Any extension of the 30-day deadline can be granted only for cause and is limited to a maximum of 15 days. Your case may also be dismissed if the court is not satisfied with your reasons for filing your bankruptcy case without first receiving a credit counseling briefing.**

☐ 4. I am not required to receive a credit counseling briefing because of: *[Check the applicable statement.] [Must be accompanied by a motion for determination by the court.]*

☐ Incapacity. (Defined in 11 U.S.C. § 109(h)(4) as impaired by reason of mental illness or mental deficiency so as to be incapable of realizing and making rational decisions with respect to financial responsibilities.);

☐ Disability. (Defined in 11 U.S.C. § 109(h)(4) as physically impaired to the extent of being unable, after reasonable effort, to participate in a credit counseling briefing in person, by telephone, or through the Internet.);

☐ Active military duty in a military combat zone.

☐ 5. The United States trustee or bankruptcy administrator has determined that the credit counseling requirement of 11 U.S.C. § 109(h) does not apply in this district.

**I certify under penalty of perjury that the information provided above is true and correct.**

Signature of Debtor: /s/ Christine H. Junk  
Christine H. Junk

Date: June 27, 2013

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court**  
**Southern District Ohio, Eastern District Columbus**

In re **Daniel L. Junk**  
**Christine H. Junk**

Debtor(s)

Case No  
 Chapter

**11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

| (1)<br><i>Name of creditor and complete mailing address including zip code</i>                                                       | (2)<br><i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | (3)<br><i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | (4)<br><i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | (5)<br><i>Amount of claim [if secured, also state value of security]</i> |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>AHM Investment Corp.</b><br>c/o Steven D. Sass as Trustee<br>c/o Edward Schnitzer, Esq.<br>488 Madison Ave.<br>New York, NY 10022 | <b>AHM Investment Corp.</b><br>c/o Steven D. Sass as Trustee<br>c/o Edward Schnitzer, Esq.<br>New York, NY 10022                                                              | <b>Disputed mortgage debt</b>                                                    | <b>Contingent<br/>Unliquidated<br/>Disputed</b>                                             | <b>1,192,512.37</b>                                                      |
| <b>John &amp; Barbara Gates</b><br>5166 Autumn Fern Drive<br>Dublin, OH 43016                                                        | <b>John &amp; Barbara Gates</b><br>5166 Autumn Fern Drive<br>Dublin, OH 43016                                                                                                 | <b>Personal Loan</b>                                                             |                                                                                             | <b>70,000.00</b>                                                         |
| <b>Us Dept Of Education</b><br>Attn: Borrowers Service Dept<br>Po Box 5609<br>Greenville, TX 75403                                   | <b>Us Dept Of Education</b><br>Attn: Borrowers Service Dept<br>Po Box 5609<br>Greenville, TX 75403                                                                            | <b>Educational</b>                                                               |                                                                                             | <b>56,654.00</b>                                                         |
| <b>A. Parker Barnes, Jr.</b><br>500 Carteret St.<br>Beaufort, SC 29901                                                               | <b>A. Parker Barnes, Jr.</b><br>500 Carteret St.<br>Beaufort, SC 29901                                                                                                        | <b>Attorney Fees</b>                                                             | <b>Contingent</b>                                                                           | <b>50,000.00</b>                                                         |
| <b>Bank Of America</b><br>4060 Ogletown/Stanton Rd<br>Newark, DE 19713                                                               | <b>Bank Of America</b><br>4060 Ogletown/Stanton Rd<br>Newark, DE 19713                                                                                                        | <b>Credit Card</b>                                                               | <b>Disputed</b>                                                                             | <b>40,152.00</b>                                                         |
| <b>Bank Of America</b><br>4060 Ogletown/Stanton Rd<br>Newark, DE 19713                                                               | <b>Bank Of America</b><br>4060 Ogletown/Stanton Rd<br>Newark, DE 19713                                                                                                        | <b>Check Credit Or Line Of Credit</b>                                            | <b>Disputed</b>                                                                             | <b>25,558.00</b>                                                         |
| <b>Mercedes-Benz Finance</b><br>Po Box 685<br>Lisle, IL 60532                                                                        | <b>Mercedes-Benz Finance</b><br>Po Box 685<br>Lisle, IL 60532                                                                                                                 | <b>Deficiency balance</b>                                                        | <b>Disputed</b>                                                                             | <b>14,000.00</b>                                                         |
| <b>Beaufort Academy</b><br>240 Sams Point Road<br>Ladys Island, SC 29907                                                             | <b>Beaufort Academy</b><br>240 Sams Point Road<br>Ladys Island, SC 29907                                                                                                      | <b>Tuition</b>                                                                   |                                                                                             | <b>12,000.00</b>                                                         |
| <b>Us Dept Of Education</b><br>Attn: Borrowers Service Dept<br>Po Box 5609<br>Greenville, TX 75403                                   | <b>Us Dept Of Education</b><br>Attn: Borrowers Service Dept<br>Po Box 5609<br>Greenville, TX 75403                                                                            | <b>Educational</b>                                                               |                                                                                             | <b>10,778.00</b>                                                         |

B4 (Official Form 4) (12/07) - Cont.

Daniel L. Junk

In re: Christine H. Junk

Case No. \_\_\_\_\_

Debtor(s) \_\_\_\_\_

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**  
(Continuation Sheet)

| (1)<br><i>Name of creditor and complete mailing address including zip code</i>                                                | (2)<br><i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | (3)<br><i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | (4)<br><i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | (5)<br><i>Amount of claim [if secured, also state value of security]</i> |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Cap One<br>26525 N Riverwoods Blvd<br>Mettawa, IL 60045                                                                       | Cap One<br>26525 N Riverwoods Blvd<br>Mettawa, IL 60045                                                                                                                       | Credit Card                                                                      |                                                                                             | 4,872.00                                                                 |
| S C Electric & Gas<br>I-26<br>Columbia, SC 29218                                                                              | S C Electric & Gas<br>I-26<br>Columbia, SC 29218                                                                                                                              | Utility                                                                          | Disputed                                                                                    | 1,176.00                                                                 |
| Ocea Woods Landscaping<br>67 Union Cemetery Rd.<br>Hilton Head Island, SC 29926                                               | Ocea Woods Landscaping<br>67 Union Cemetery Rd.<br>Hilton Head Island, SC 29926                                                                                               | Landscaping                                                                      |                                                                                             | 1,100.00                                                                 |
| Collectron Of<br>Atlanta/Carter-Young<br>Attention: Bankruptcy<br>Po Box 82269<br>Conyers, GA 30013                           | Collectron Of Atlanta/Carter-Young<br>Attention: Bankruptcy<br>Po Box 82269<br>Conyers, GA 30013                                                                              | Collection Attorney<br>Hargray<br>Communications/C<br>lec                        | Disputed                                                                                    | 610.00                                                                   |
| Calvary Portfolio Services<br>Attention: Bankruptcy<br>Department<br>500 Summit Lake Dr. Suite<br>400<br>Valhalla, NY 10595   | Calvary Portfolio Services<br>Attention: Bankruptcy Department<br>500 Summit Lake Dr. Suite 400<br>Valhalla, NY 10595                                                         | Collection Attorney<br>Capital One                                               | Disputed                                                                                    | 518.00                                                                   |
| States Recovery Systems,<br>Inc.<br>PO Box 2860<br>2951 Sunrise Blvd., Suite<br>100<br>Rancho Cordova, CA 95742               | States Recovery Systems, Inc.<br>PO Box 2860<br>2951 Sunrise Blvd., Suite 100<br>Rancho Cordova, CA 95742                                                                     | Telephone bill                                                                   | Disputed                                                                                    | 369.37                                                                   |
| Central Finl Control<br>Po Box 66044<br>Anaheim, CA 92816                                                                     | Central Finl Control<br>Po Box 66044<br>Anaheim, CA 92816                                                                                                                     | Collection Attorney<br>Coastal Carolina<br>Medical Ctr.                          | Disputed                                                                                    | 250.00                                                                   |
| Cba Collection Bureau<br>Po Box 5013<br>Hayward, CA 94540                                                                     | Cba Collection Bureau<br>Po Box 5013<br>Hayward, CA 94540                                                                                                                     | Collection Attorney<br>Ds Waters Of<br>America Inc                               | Disputed                                                                                    | 148.00                                                                   |
| ABC Appraisal Group, Inc.<br>c/o Susan Taylor Wall, Esq.<br>McNair Law Firm, PA<br>PO Box 1431<br>Charleston, SC 29402        | ABC Appraisal Group, Inc.<br>c/o Susan Taylor Wall, Esq.<br>McNair Law Firm, PA<br>Charleston, SC 29402                                                                       | Attorney fees                                                                    | Contingent<br>Unliquidated<br>Disputed                                                      | Unknown                                                                  |
| AHM Holding, Inc.<br>c/o Steven D. Sass as<br>Trustee<br>c/o Edward Schnitzer, Esq.<br>488 Madison Ave.<br>New York, NY 10022 | AHM Holding, Inc.<br>c/o Steven D. Sass as Trustee<br>c/o Edward Schnitzer, Esq.<br>New York, NY 10022                                                                        | Disputed mortgage<br>debt                                                        | Contingent<br>Unliquidated<br>Disputed                                                      | Unknown                                                                  |

B4 (Official Form 4) (12/07) - Cont.

In re **Daniel L. Junk**  
**Christine H. Junk**

Case No. \_\_\_\_\_

Debtor(s) \_\_\_\_\_

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**  
(Continuation Sheet)

| (1)                                                                                                                                                                                   | (2)                                                                                                                                                             | (3)                                                                | (4)                                                                           | (5)                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------|
| Name of creditor and complete mailing address including zip code                                                                                                                      | Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted | Nature of claim (trade debt, bank loan, government contract, etc ) | Indicate if claim is contingent, unliquidated, disputed, or subject to setoff | Amount of claim [if secured, also state value of security] |
| <b>Bayview Loan Servicing, LLC</b><br><b>c/o Brian Patrick Crotty, Esq.</b><br><b>Nelson Mullins Riley &amp; Scarborough, LLP</b><br><b>PO Box 11070</b><br><b>Columbia, SC 29211</b> | <b>Bayview Loan Servicing, LLC</b><br><b>c/o Brian Patrick Crotty, Esq.</b><br><b>Nelson Mullins Riley &amp; Scarborough, LLP</b><br><b>Columbia, SC 29211</b>  | <b>Attorneys fees</b>                                              | <b>Contingent</b><br><b>Unliquidated</b><br><b>Disputed</b>                   | <b>Unknown</b>                                             |

**DECLARATION UNDER PENALTY OF PERJURY**  
**ON BEHALF OF A CORPORATION OR PARTNERSHIP**

We, **Daniel L. Junk** and **Christine H. Junk**, the debtors in this case, declare under penalty of perjury that we have read the foregoing list and that it is true and correct to the best of our information and belief.

Date **June 27, 2013**

Signature **/s/ Daniel L. Junk**  
**Daniel L. Junk**  
Debtor

Date **June 27, 2013**

Signature **/s/ Christine H. Junk**  
**Christine H. Junk**  
Joint Debtor

*Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 and 3571.*

**United States Bankruptcy Court**  
**Southern District Ohio, Eastern District Columbus**

In re **Daniel L. Junk,**  
**Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

Chapter 11

### SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

| NAME OF SCHEDULE                                                                   | ATTACHED<br>(YES/NO) | NO. OF<br>SHEETS | ASSETS       | LIABILITIES  | OTHER     |
|------------------------------------------------------------------------------------|----------------------|------------------|--------------|--------------|-----------|
| A - Real Property                                                                  | Yes                  | 1                | 948,993.00   |              |           |
| B - Personal Property                                                              | Yes                  | 4                | 51,850.08    |              |           |
| C - Property Claimed as Exempt                                                     | Yes                  | 1                |              |              |           |
| D - Creditors Holding Secured Claims                                               | Yes                  | 1                |              | 12,176.00    |           |
| E - Creditors Holding Unsecured<br>Priority Claims (Total of Claims on Schedule E) | Yes                  | 1                |              | 0.00         |           |
| F - Creditors Holding Unsecured<br>Nonpriority Claims                              | Yes                  | 9                |              | 1,480,697.74 |           |
| G - Executory Contracts and<br>Unexpired Leases                                    | Yes                  | 1                |              |              |           |
| H - Codebtors                                                                      | Yes                  | 1                |              |              |           |
| I - Current Income of Individual<br>Debtor(s)                                      | Yes                  | 1                |              |              | 10,467.00 |
| J - Current Expenditures of Individual<br>Debtor(s)                                | Yes                  | 2                |              |              | 6,267.00  |
| Total Number of Sheets of ALL Schedules                                            |                      | 22               |              |              |           |
| Total Assets                                                                       |                      |                  | 1,000,843.08 |              |           |
| Total Liabilities                                                                  |                      |                  |              | 1,492,873.74 |           |

**United States Bankruptcy Court**  
**Southern District Ohio, Eastern District Columbus**

In re **Daniel L. Junk,**  
**Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

Chapter 11

**STATISTICAL SUMMARY OF CERTAIN LIABILITIES AND RELATED DATA (28 U.S.C. § 159)**

If you are an individual debtor whose debts are primarily consumer debts, as defined in § 101(8) of the Bankruptcy Code (11 U.S.C. § 101(8)), filing a case under chapter 7, 11 or 13, you must report all information requested below.

- ☐ Check this box if you are an individual debtor whose debts are NOT primarily consumer debts. You are not required to report any information here.

This information is for statistical purposes only under 28 U.S.C. § 159.

Summarize the following types of liabilities, as reported in the Schedules, and total them.

| Type of Liability                                                                                                   | Amount    |
|---------------------------------------------------------------------------------------------------------------------|-----------|
| Domestic Support Obligations (from Schedule E)                                                                      | 0.00      |
| Taxes and Certain Other Debts Owed to Governmental Units (from Schedule E)                                          | 0.00      |
| Claims for Death or Personal Injury While Debtor Was Intoxicated (from Schedule E) (whether disputed or undisputed) | 0.00      |
| Student Loan Obligations (from Schedule F)                                                                          | 67,432.00 |
| Domestic Support, Separation Agreement, and Divorce Decree Obligations Not Reported on Schedule E                   | 0.00      |
| Obligations to Pension or Profit-Sharing, and Other Similar Obligations (from Schedule F)                           | 0.00      |
| TOTAL                                                                                                               | 67,432.00 |

**State the following:**

|                                                                                             |           |
|---------------------------------------------------------------------------------------------|-----------|
| Average Income (from Schedule I, Line 16)                                                   | 10,467.00 |
| Average Expenses (from Schedule J, Line 18)                                                 | 6,267.00  |
| Current Monthly Income (from Form 22A Line 12, OR, Form 22B Line 11, OR, Form 22C Line 20 ) | 16,792.00 |

**State the following:**

|                                                                           |      |              |
|---------------------------------------------------------------------------|------|--------------|
| 1 Total from Schedule D, "UNSECURED PORTION, IF ANY" column               |      | 0.00         |
| 2 Total from Schedule E, "AMOUNT ENTITLED TO PRIORITY" column             | 0.00 |              |
| 3 Total from Schedule E, "AMOUNT NOT ENTITLED TO PRIORITY, IF ANY" column |      | 0.00         |
| 4 Total from Schedule F                                                   |      | 1,480,697.74 |
| 5 Total of non-priority unsecured debt (sum of 1, 3, and 4)               |      | 1,480,697.74 |

B6A (Official Form 6A) (12/07)

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

**SCHEDULE A - REAL PROPERTY**

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property"

**Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

| Description and Location of Property           | Nature of Debtor's Interest in Property | Husband, Wife, Joint, or Community | Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption | Amount of Secured Claim |
|------------------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------|
| <b>181 Oldfield Way<br/>Bluffton, SC 29909</b> |                                         | <b>J</b>                           | <b>948,993.00</b>                                                                                | <b>11,000.00</b>        |

Sub-Total > **948,993.00** (Total of this page)

Total > **948,993.00**

(Report also on Summary of Schedules)

0 continuation sheets attached to the Schedule of Real Property

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

**SCHEDULE B - PERSONAL PROPERTY**

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

**Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

| Type of Property                                                                                                                                                                                                            | N<br>O<br>N<br>E | Description and Location of Property       | Husband,<br>Wife,<br>Joint, or<br>Community | Current Value of<br>Debtor's Interest in Property,<br>without Deducting any<br>Secured Claim or Exemption |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 1 Cash on hand                                                                                                                                                                                                              |                  | <b>Cash</b>                                | <b>J</b>                                    | <b>0.00</b>                                                                                               |
| 2 Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives. |                  | <b>Checking (Huntington)</b>               | <b>J</b>                                    | <b>5,439.47</b>                                                                                           |
|                                                                                                                                                                                                                             |                  | <b>Checking (Key Bank)</b>                 | <b>W</b>                                    | <b>1,285.61</b>                                                                                           |
| 3 Security deposits with public utilities, telephone companies, landlords, and others                                                                                                                                       | <b>X</b>         |                                            |                                             |                                                                                                           |
| 4 Household goods and furnishings, including audio, video, and computer equipment.                                                                                                                                          |                  | <b>Household Goods</b>                     | <b>J</b>                                    | <b>15,000.00</b>                                                                                          |
| 5 Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles                                                                                           |                  | <b>Oriental Rug</b>                        | <b>J</b>                                    | <b>2,500.00</b>                                                                                           |
| 6 Wearing apparel.                                                                                                                                                                                                          |                  | <b>Clothing</b>                            | <b>J</b>                                    | <b>5,000.00</b>                                                                                           |
| 7 Furs and jewelry.                                                                                                                                                                                                         |                  | <b>Rolex Watch</b>                         | <b>H</b>                                    | <b>2,000.00</b>                                                                                           |
|                                                                                                                                                                                                                             |                  | <b>Jewelry</b>                             | <b>J</b>                                    | <b>2,000.00</b>                                                                                           |
| 8 Firearms and sports, photographic, and other hobby equipment.                                                                                                                                                             | <b>X</b>         |                                            |                                             |                                                                                                           |
| 9 Interests in insurance policies                                                                                                                                                                                           |                  | <b>Term Life Insurance with Aetna</b>      | <b>H</b>                                    | <b>0.00</b>                                                                                               |
| Name insurance company of each policy and itemize surrender or refund value of each.                                                                                                                                        |                  | <b>Term Life Insurance with Prudential</b> | <b>W</b>                                    | <b>0.00</b>                                                                                               |
| 10 Annuities. Itemize and name each issuer                                                                                                                                                                                  | <b>X</b>         |                                            |                                             |                                                                                                           |
| Sub-Total ><br>(Total of this page)                                                                                                                                                                                         |                  |                                            |                                             | <b>33,225.08</b>                                                                                          |

3 continuation sheets attached to the Schedule of Personal Property

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE B - PERSONAL PROPERTY**  
(Continuation Sheet)

| Type of Property                                                                                                                                                                                                                               | N<br>O<br>N<br>E | Description and Location of Property                                        | Husband,<br>Wife,<br>Joint, or<br>Community | Current Value of<br>Debtor's Interest in Property,<br>without Deducting any<br>Secured Claim or Exemption |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 11 Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s) 11 U.S.C. § 521(c)) | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 12 Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.                                                                                                                                                 | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 13 Stock and interests in incorporated and unincorporated businesses. Itemize.                                                                                                                                                                 | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 14 Interests in partnerships or joint ventures. Itemize.                                                                                                                                                                                       | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 15 Government and corporate bonds and other negotiable and nonnegotiable instruments.                                                                                                                                                          | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 16 Accounts receivable                                                                                                                                                                                                                         | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 17 Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.                                                                                                                        | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 18 Other liquidated debts owed to debtor including tax refunds. Give particulars.                                                                                                                                                              | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 19 Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.                                                                          | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 20 Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.                                                                                                                        | <b>X</b>         |                                                                             |                                             |                                                                                                           |
| 21 Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.                                                                    |                  | <b>Third Party Complaint and Counterclaim<br/>Pending in South Carolina</b> | <b>J</b>                                    | <b>Unknown</b>                                                                                            |
|                                                                                                                                                                                                                                                |                  | <b>Pending Appeal in South Carolina for Quiet Title<br/>Action</b>          | <b>J</b>                                    | <b>Unknown</b>                                                                                            |

Sub-Total > **0.00**  
(Total of this page)

Sheet **1** of **3** continuation sheets attached  
to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE B - PERSONAL PROPERTY**  
 (Continuation Sheet)

| Type of Property                                                                                                                                                                                                                                                                            | N<br>O<br>N<br>E | Description and Location of Property                                                                                             | Husband,<br>Wife,<br>Joint, or<br>Community | Current Value of<br>Debtor's Interest in Property,<br>without Deducting any<br>Secured Claim or Exemption |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                             |                  | <b>Claim against HSBC and other entities for unjust enrichment related to funding of original note (no action filed to date)</b> | <b>J</b>                                    | <b>Unknown</b>                                                                                            |
|                                                                                                                                                                                                                                                                                             |                  | <b>Claim pending against Mayer Brown, LLP</b>                                                                                    | <b>J</b>                                    | <b>Unknown</b>                                                                                            |
| 22. Patents, copyrights, and other intellectual property. Give particulars.                                                                                                                                                                                                                 | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 23. Licenses, franchises, and other general intangibles. Give particulars.                                                                                                                                                                                                                  | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes. | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 25. Automobiles, trucks, trailers, and other vehicles and accessories.                                                                                                                                                                                                                      |                  | <b>2005 Mercedes-Benz ML500<br/>198,000 miles</b>                                                                                | <b>H</b>                                    | <b>5,550.00</b>                                                                                           |
|                                                                                                                                                                                                                                                                                             |                  | <b>2004 Mercedes-Benz S55<br/>110,000 miles</b>                                                                                  | <b>H</b>                                    | <b>13,075.00</b>                                                                                          |
| 26. Boats, motors, and accessories.                                                                                                                                                                                                                                                         | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 27. Aircraft and accessories.                                                                                                                                                                                                                                                               | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 28. Office equipment, furnishings, and supplies                                                                                                                                                                                                                                             | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 29. Machinery, fixtures, equipment, and supplies used in business.                                                                                                                                                                                                                          | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 30. Inventory.                                                                                                                                                                                                                                                                              | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 31. Animals.                                                                                                                                                                                                                                                                                | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 32. Crops - growing or harvested. Give particulars.                                                                                                                                                                                                                                         | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 33. Farming equipment and implements.                                                                                                                                                                                                                                                       | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |
| 34. Farm supplies, chemicals, and feed.                                                                                                                                                                                                                                                     | <b>X</b>         |                                                                                                                                  |                                             |                                                                                                           |

Sub-Total > **18,625.00**  
 (Total of this page)

Sheet 2 of 3 continuation sheets attached  
 to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

**SCHEDULE B - PERSONAL PROPERTY**  
(Continuation Sheet)

| Type of Property                                                      | N<br>O<br>N<br>E | Description and Location of Property | Husband,<br>Wife,<br>Joint, or<br>Community | Current Value of<br>Debtor's Interest in Property,<br>without Deducting any<br>Secured Claim or Exemption |
|-----------------------------------------------------------------------|------------------|--------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 35. Other personal property of any kind<br>not already listed Itemize | <b>X</b>         |                                      |                                             |                                                                                                           |

Sheet 3 of 3 continuation sheets attached  
to the Schedule of Personal Property

Sub-Total > **0.00**  
(Total of this page)  
Total > **51,850.08**

(Report also on Summary of Schedules)

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

**SCHEDULE C - PROPERTY CLAIMED AS EXEMPT**

Debtor claims the exemptions to which debtor is entitled under:

(Check one box)

☒ 11 U.S.C. §522(b)(2)☐ 11 U.S.C. §522(b)(3)☐ Check if debtor claims a homestead exemption that exceeds

\$155,675 (Amount subject to adjustment on 4/1/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment)

| Description of Property                                                               | Specify Law Providing Each Exemption | Value of Claimed Exemption | Current Value of Property Without Deducting Exemption |
|---------------------------------------------------------------------------------------|--------------------------------------|----------------------------|-------------------------------------------------------|
| <b><u>Checking, Savings, or Other Financial Accounts, Certificates of Deposit</u></b> |                                      |                            |                                                       |
| <b><u>Checking (Huntington)</u></b>                                                   | <b>11 U.S.C. § 522(d)(5)</b>         | <b>3,000.00</b>            | <b>5,439.47</b>                                       |
| <b><u>Checking (Key Bank)</u></b>                                                     | <b>11 U.S.C. § 522(d)(5)</b>         | <b>1,220.77</b>            | <b>1,285.61</b>                                       |
| <b><u>Household Goods and Furnishings</u></b>                                         |                                      |                            |                                                       |
| <b><u>Household Goods</u></b>                                                         | <b>11 U.S.C. § 522(d)(3)</b>         | <b>15,000.00</b>           | <b>15,000.00</b>                                      |
| <b><u>Wearing Apparel</u></b>                                                         |                                      |                            |                                                       |
| <b><u>Clothing</u></b>                                                                | <b>11 U.S.C. § 522(d)(3)</b>         | <b>5,000.00</b>            | <b>5,000.00</b>                                       |
| <b><u>Furs and Jewelry</u></b>                                                        |                                      |                            |                                                       |
| <b><u>Rolex Watch</u></b>                                                             | <b>11 U.S.C. § 522(d)(4)</b>         | <b>1,100.00</b>            | <b>2,000.00</b>                                       |
| <b><u>Jewelry</u></b>                                                                 | <b>11 U.S.C. § 522(d)(4)</b>         | <b>2,000.00</b>            | <b>2,000.00</b>                                       |
| <b><u>Automobiles, Trucks, Trailers, and Other Vehicles</u></b>                       |                                      |                            |                                                       |
| <b><u>2005 Mercedes-Benz ML500</u></b>                                                | <b>11 U.S.C. § 522(d)(5)</b>         | <b>3,325.00</b>            | <b>5,550.00</b>                                       |
| <b><u>198,000 miles</u></b>                                                           |                                      |                            |                                                       |
| <b><u>2004 Mercedes-Benz S55</u></b>                                                  | <b>11 U.S.C. § 522(d)(2)</b>         | <b>3,675.00</b>            | <b>13,075.00</b>                                      |
| <b><u>110,000 miles</u></b>                                                           | <b>11 U.S.C. § 522(d)(5)</b>         | <b>9,400.00</b>            |                                                       |

|        |                  |                  |
|--------|------------------|------------------|
| Total. | <b>43,720.77</b> | <b>49,350.08</b> |
|--------|------------------|------------------|

0 continuation sheets attached to Schedule of Property Claimed as Exempt

B6D (Official Form 6D) (12/07)

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A B, a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D

| CREDITOR'S NAME<br>AND MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.) | CODEBTOR<br>H<br>W<br>J<br>C | Husband, Wife, Joint, or Community | DATE CLAIM WAS INCURRED,<br>NATURE OF LIEN, AND<br>DESCRIPTION AND VALUE<br>OF PROPERTY<br>SUBJECT TO LIEN | CONTINGENT | UNLIQUIDATED | DISPUTED | AMOUNT OF<br>CLAIM<br>WITHOUT<br>DEDUCTING<br>VALUE OF<br>COLLATERAL | UNSECURED<br>PORTION, IF<br>ANY |
|------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------|------------|--------------|----------|----------------------------------------------------------------------|---------------------------------|
|                                                                                                                  |                              |                                    |                                                                                                            |            |              |          |                                                                      |                                 |
| Account No.                                                                                                      |                              |                                    | 9/2003                                                                                                     |            |              |          |                                                                      |                                 |
| MB Financial<br>Po Box 997542<br>Sacramento, CA 95899                                                            |                              | H                                  | Auto Loan<br><br>2005 Mercedes-Benz ML500                                                                  |            |              | X        |                                                                      |                                 |
|                                                                                                                  |                              |                                    | Value \$ 5,550.00                                                                                          |            |              |          | 1,176.00                                                             | 0.00                            |
| Account No.                                                                                                      |                              |                                    | 181 Oldfield Way<br>Bluffton, SC 29909                                                                     |            |              |          |                                                                      |                                 |
| Oldfield Club & Homeowners<br>Association<br>10 Oldfield Way<br>Okatie, SC 29909                                 |                              | J                                  |                                                                                                            |            |              |          |                                                                      |                                 |
|                                                                                                                  |                              |                                    | Value \$ 948,993.00                                                                                        |            |              |          | 11,000.00                                                            | 0.00                            |
| Account No.                                                                                                      |                              |                                    | Representing:<br>Oldfield Club & Homeowners Association                                                    |            |              |          | Notice Only                                                          |                                 |
| James G. Long, III<br>Nexsen Pruet, LLC<br>PO Box 2426<br>Columbia, SC 29202                                     |                              |                                    |                                                                                                            |            |              |          |                                                                      |                                 |
|                                                                                                                  |                              |                                    | Value \$                                                                                                   |            |              |          |                                                                      |                                 |
| Account No.                                                                                                      |                              |                                    |                                                                                                            |            |              |          |                                                                      |                                 |
|                                                                                                                  |                              |                                    |                                                                                                            |            |              |          |                                                                      |                                 |
|                                                                                                                  |                              |                                    | Value \$                                                                                                   |            |              |          |                                                                      |                                 |
| Subtotal<br>(Total of this page)                                                                                 |                              |                                    |                                                                                                            |            |              |          | 12,176.00                                                            | 0.00                            |
| Total<br>(Report on Summary of Schedules)                                                                        |                              |                                    |                                                                                                            |            |              |          | 12,176.00                                                            | 0.00                            |

0 continuation sheets attached

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

## Debtors

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A B, a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☒ Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

**TYPES OF PRIORITY CLAIMS** (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)☐ **Domestic support obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

☐ **Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

☐ **Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$12,475\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

☐ **Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

☐ **Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$6,150\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

☐ **Deposits by individuals**

Claims of individuals up to \$2,775\* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

☐ **Taxes and certain other debts owed to governmental units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

☐ **Commitments to maintain the capital of an insured depository institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

☐ **Claims for death or personal injury while debtor was intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

\* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A B", a minor child, by John Doe, guardian. Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above)                             | CODEBTOR<br>H<br>W<br>J<br>C | Husband, Wife, Joint, or Community | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE. | CONTINGENT | UNLIQUIDATED | DISPUTED | AMOUNT OF CLAIM     |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------|------------|--------------|----------|---------------------|
|                                                                                                                                          |                              |                                    |                                                                                                     |            |              |          |                     |
| Account No.                                                                                                                              |                              |                                    | <b>Attorney Fees</b>                                                                                |            |              |          |                     |
| <b>A. Parker Barnes, Jr.<br/>500 Carteret St.<br/>Beaufort, SC 29901</b>                                                                 | <b>J</b>                     |                                    |                                                                                                     | <b>X</b>   |              |          | <b>50,000.00</b>    |
| Account No.                                                                                                                              |                              |                                    | <b>Attorney fees</b>                                                                                |            |              |          |                     |
| <b>ABC Appraisal Group, Inc.<br/>c/o Susan Taylor Wall, Esq.<br/>McNair Law Firm, PA<br/>PO Box 1431<br/>Charleston, SC 29402</b>        | <b>J</b>                     |                                    |                                                                                                     | <b>X</b>   | <b>X</b>     | <b>X</b> | <b>Unknown</b>      |
| Account No.                                                                                                                              |                              |                                    | <b>Disputed mortgage debt</b>                                                                       |            |              |          |                     |
| <b>AHM Holding, Inc.<br/>c/o Steven D. Sass as Trustee<br/>c/o Edward Schnitzer, Esq.<br/>488 Madison Ave.<br/>New York, NY 10022</b>    | <b>J</b>                     |                                    |                                                                                                     | <b>X</b>   | <b>X</b>     | <b>X</b> | <b>Unknown</b>      |
| Account No.                                                                                                                              |                              |                                    | <b>Disputed mortgage debt</b>                                                                       |            |              |          |                     |
| <b>AHM Investment Corp.<br/>c/o Steven D. Sass as Trustee<br/>c/o Edward Schnitzer, Esq.<br/>488 Madison Ave.<br/>New York, NY 10022</b> | <b>J</b>                     |                                    |                                                                                                     | <b>X</b>   | <b>X</b>     | <b>X</b> | <b>1,192,512.37</b> |
| Subtotal<br>(Total of this page)                                                                                                         |                              |                                    |                                                                                                     |            |              |          | <b>1,242,512.37</b> |

8 continuation sheets attached

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
 (Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above )                                                                                                      | C<br>O<br>D<br>E<br>B<br>O<br>R<br>R | H<br>W<br>J<br>C | Husband, Wife, Joint, or Community<br><br>DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE. | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------|------------------------------------------------|
|                                                                                                                                                                                                                    |                                      |                  |                                                                                                                                               |                                                |                                                          |                                      |                                                |
| Account No. <b>xxxxxxxxxxxx2633</b><br><br><b>Bank Of America</b><br><b>4060 Ogletown/Stanton Rd</b><br><b>Newark, DE 19713</b>                                                                                    |                                      | <b>J</b>         | <b>Opened 9/01/96 Last Active 2/11/11</b><br><b>Credit Card</b>                                                                               |                                                |                                                          | <b>X</b>                             | <b>40,152.00</b>                               |
| Account No. <b>xxxxxxxxxxxx6413</b><br><br><b>Bank Of America</b><br><b>4060 Ogletown/Stanton Rd</b><br><b>Newark, DE 19713</b>                                                                                    |                                      | <b>H</b>         | <b>Opened 2/01/08 Last Active 2/11/11</b><br><b>Check Credit Or Line Of Credit</b>                                                            |                                                |                                                          | <b>X</b>                             | <b>25,558.00</b>                               |
| Account No.<br><br><b>Bayview Loan Servicing, LLC</b><br><b>c/o Brian Patrick Crotty, Esq.</b><br><b>Nelson Mullins Riley &amp; Scarborough,</b><br><b>LLP</b><br><b>PO Box 11070</b><br><b>Columbia, SC 29211</b> |                                      | <b>J</b>         | <b>Attorneys fees</b>                                                                                                                         | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                                 |
| Account No.<br><br><b>Beaufort Academy</b><br><b>240 Sams Point Road</b><br><b>Ladys Island, SC 29907</b>                                                                                                          |                                      | <b>J</b>         | <b>Tuition</b>                                                                                                                                |                                                |                                                          |                                      | <b>12,000.00</b>                               |
| Account No. <b>xxxx7806</b><br><br><b>Calvary Portfolio Services</b><br><b>Attention: Bankruptcy Department</b><br><b>500 Summit Lake Dr. Suite 400</b><br><b>Valhalla, NY 10595</b>                               |                                      | <b>W</b>         | <b>Opened 12/01/12</b><br><b>Collection Attorney Capital One</b>                                                                              |                                                |                                                          | <b>X</b>                             | <b>518.00</b>                                  |
| Sheet no. <b>1</b> of <b>8</b> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims                                                                                                    |                                      |                  |                                                                                                                                               |                                                |                                                          |                                      | <b>Subtotal</b><br><b>(Total of this page)</b> |
|                                                                                                                                                                                                                    |                                      |                  |                                                                                                                                               |                                                |                                                          |                                      | <b>78,228.00</b>                               |

B6F (Official Form 6F) (12/07) - Cont.

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
 (Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above)                                                                | C<br>O<br>D<br>E<br>H<br>W<br>J<br>C | Husband, Wife, Joint, or Community | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE. | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------|--------------------------------------------------|
|                                                                                                                                                                             |                                      |                                    |                                                                                                     |                                                |                                                          |                                      |                                                  |
| Account No. <b>xxxxxxxxxxxx7626</b>                                                                                                                                         |                                      |                                    | <b>Opened 4/01/08 Last Active 5/10/13<br/>Credit Card</b>                                           |                                                |                                                          |                                      | <b>4,872.00</b>                                  |
| <b>Cap One<br/>26525 N Riverwoods Blvd<br/>Mettawa, IL 60045</b>                                                                                                            | <b>W</b>                             |                                    |                                                                                                     |                                                |                                                          |                                      |                                                  |
| Account No. <b>xxxx7692</b>                                                                                                                                                 |                                      |                                    | <b>Opened 1/01/12<br/>Collection Attorney Ds Waters Of America Inc</b>                              |                                                |                                                          | <b>X</b>                             | <b>148.00</b>                                    |
| <b>Cba Collection Bureau<br/>Po Box 5013<br/>Hayward, CA 94540</b>                                                                                                          | <b>H</b>                             |                                    |                                                                                                     |                                                |                                                          |                                      |                                                  |
| Account No. <b>xxxxxx3704</b>                                                                                                                                               |                                      |                                    | <b>Opened 5/01/10<br/>Collection Attorney Coastal Carolina Medical<br/>Ctr.</b>                     |                                                |                                                          | <b>X</b>                             | <b>250.00</b>                                    |
| <b>Central Finl Control<br/>Po Box 66044<br/>Anaheim, CA 92816</b>                                                                                                          | <b>H</b>                             |                                    |                                                                                                     |                                                |                                                          |                                      |                                                  |
| Account No.                                                                                                                                                                 |                                      |                                    | <b>Attorneys fees</b>                                                                               |                                                |                                                          |                                      | <b>Unknown</b>                                   |
| <b>Citigroup Global Markets Realty Corp.<br/>c/o Brian Patrick Crotty, Esq.<br/>Nelson Mullins Riley &amp; Scarborough,<br/>LLP<br/>PO Box 11070<br/>Columbia, SC 29211</b> | <b>J</b>                             |                                    |                                                                                                     | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             |                                                  |
| Account No.                                                                                                                                                                 |                                      |                                    | <b>Attorneys fees</b>                                                                               |                                                |                                                          |                                      | <b>Unknown</b>                                   |
| <b>Citigroup Mortgage Loan Trust, Inc.<br/>c/o Brian Patrick Crotty, Esq.<br/>Nelson Mullins Riley &amp; Scarborough,<br/>LLP<br/>PO Box 11070<br/>Columbia, SC 29211</b>   | <b>J</b>                             |                                    |                                                                                                     | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             |                                                  |
| Sheet no. <b>2</b> of <b>8</b> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims                                                             |                                      |                                    |                                                                                                     |                                                |                                                          |                                      | Subtotal<br>(Total of this page) <b>5,270.00</b> |

In re **Daniel L. Junk,**  
**Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.)                                                                             | C<br>O<br>D<br>E<br>D<br>E<br>B<br>T<br>O<br>R | H<br>W<br>J<br>C | Husband, Wife, Joint, or Community | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------|------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------|-----------------|
|                                                                                                                                                                                           |                                                |                  |                                    |                                                                                                   |                                                |                                                          |                                      |                 |
| Account No.                                                                                                                                                                               |                                                |                  |                                    | <b>Attorneys fees</b>                                                                             |                                                |                                                          |                                      |                 |
| <b>CitiMaster Servicing</b><br><b>c/o Brian Patrick Crotty, Esq.</b><br><b>Nelson Mullins Riley &amp; Scarborough,</b><br><b>LLP</b><br><b>PO Box 11070</b><br><b>Columbia, SC 29211</b>  |                                                | <b>J</b>         |                                    |                                                                                                   | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>  |
| Account No.                                                                                                                                                                               |                                                |                  |                                    | <b>Attorneys fees</b>                                                                             |                                                |                                                          |                                      |                 |
| <b>Citimortgage, Inc.</b><br><b>c/o Brian Patrick Crotty, Esq.</b><br><b>Nelson Mullins Riley &amp; Scarborough,</b><br><b>LLP</b><br><b>PO Box 11070</b><br><b>Columbia, SC 29211</b>    |                                                | <b>J</b>         |                                    |                                                                                                   | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>  |
| Account No. <b>xx7955</b>                                                                                                                                                                 |                                                |                  |                                    | <b>Opened 11/01/11</b><br><b>Collection Attorney Hargray</b><br><b>Communications/Clec</b>        |                                                |                                                          |                                      |                 |
| <b>Collectron Of Atlanta/Carter-Young</b><br><b>Attention: Bankruptcy</b><br><b>Po Box 82269</b><br><b>Conyers, GA 30013</b>                                                              |                                                | <b>H</b>         |                                    |                                                                                                   |                                                |                                                          | <b>X</b>                             | <b>610.00</b>   |
| Account No.                                                                                                                                                                               |                                                |                  |                                    | <b>Attorney fees</b>                                                                              |                                                |                                                          |                                      |                 |
| <b>Colonial Coast Title Agency, Inc.</b><br><b>c/o Elizabeth Van Doren Gray, Esq.</b><br><b>Sowell Gray Stepp &amp; Laffitte, LLC</b><br><b>PO Box 11449</b><br><b>Columbia, SC 29211</b> |                                                | <b>J</b>         |                                    |                                                                                                   | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>  |
| Account No.                                                                                                                                                                               |                                                |                  |                                    | <b>Attorney fees</b>                                                                              |                                                |                                                          |                                      |                 |
| <b>Corelogic, Inc.</b><br><b>c/o Hamilton Osborne, Jr.</b><br><b>Haynsworth Sinkler Boyd, PA</b><br><b>1201 Main Street, 22nd Floor</b><br><b>Columbia, SC 29201</b>                      |                                                | <b>J</b>         |                                    |                                                                                                   | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>  |
| Subtotal<br>(Total of this page)                                                                                                                                                          |                                                |                  |                                    |                                                                                                   |                                                |                                                          |                                      | <b>610.00</b>   |

Sheet no. 3 of 8 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
 (Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above )                                                 | C<br>O<br>D<br>E<br>D<br>E<br>B<br>I<br>T<br>O<br>R | H<br>U<br>S<br>B<br>A<br>N<br>D<br>,<br>W<br>I<br>F<br>E<br>,<br>J<br>O<br>I<br>N<br>T<br>,<br>O<br>R<br>C<br>O<br>M<br>M<br>U<br>N<br>I<br>T<br>Y | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE. | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------|------------------|
|                                                                                                                                                               |                                                     |                                                                                                                                                    |                                                                                                    |                                                |                                                          |                                      |                  |
| Account No.                                                                                                                                                   |                                                     |                                                                                                                                                    | <b>Attorney fees</b>                                                                               |                                                |                                                          |                                      |                  |
| <b>Fidelity National Title Insurance Co.<br/>c/o Demetri K. Koutrakos, Esq.<br/>Callison tighe &amp; Robinson, LLC<br/>PO Box 1390<br/>Columbia, SC 29202</b> |                                                     | <b>J</b>                                                                                                                                           |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>   |
| Account No.                                                                                                                                                   |                                                     |                                                                                                                                                    | <b>Attorney fees</b>                                                                               |                                                |                                                          |                                      |                  |
| <b>Harry Jones<br/>c/o Susan Taylor Wall, Esq.<br/>McNair Law Firm, PA<br/>PO Box 1431<br/>Charleston, SC 29402</b>                                           |                                                     | <b>J</b>                                                                                                                                           |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>   |
| Account No.                                                                                                                                                   |                                                     |                                                                                                                                                    | <b>Attorney fees</b>                                                                               |                                                |                                                          |                                      |                  |
| <b>Heidi Carey, Esq.<br/>c/o John Thomas Lay, Esq.<br/>Gallivan White &amp; Boyd PA<br/>PO Box 7368<br/>Columbia, SC 29202</b>                                |                                                     | <b>J</b>                                                                                                                                           |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>   |
| Account No.                                                                                                                                                   |                                                     |                                                                                                                                                    | <b>Attorneys fees</b>                                                                              |                                                |                                                          |                                      |                  |
| <b>Jennifer Oakes<br/>c/o Brian Patrick Crotty, Esq.<br/>Nelson Mullins Riley &amp; Scarborough,<br/>LLP<br/>PO Box 11070<br/>Columbia, SC 29211</b>          |                                                     | <b>J</b>                                                                                                                                           |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>   |
| Account No.                                                                                                                                                   |                                                     |                                                                                                                                                    | <b>Personal Loan</b>                                                                               |                                                |                                                          |                                      |                  |
| <b>John &amp; Barbara Gates<br/>5166 Autumn Fern Drive<br/>Dublin, OH 43016</b>                                                                               |                                                     | <b>H</b>                                                                                                                                           |                                                                                                    |                                                |                                                          |                                      | <b>70,000.00</b> |
| Subtotal<br>(Total of this page)                                                                                                                              |                                                     |                                                                                                                                                    |                                                                                                    |                                                |                                                          |                                      | <b>70,000.00</b> |

Sheet no 4 of 8 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

B6F (Official Form 6F) (12/07) - Cont.

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
 (Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.)                                                                       | C<br>O<br>D<br>E<br>B<br>O<br>R<br>R | H<br>U<br>S<br>B<br>A<br>N<br>D,<br>W<br>I<br>F<br>E,<br>J<br>O<br>I<br>N<br>T,<br>O<br>R<br>C<br>O<br>M<br>M<br>U<br>N<br>I<br>T<br>Y | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------|----------------------------------|
|                                                                                                                                                                                     |                                      |                                                                                                                                        |                                                                                                    |                                                |                                                          |                                      |                                  |
| Account No.                                                                                                                                                                         |                                      |                                                                                                                                        | <b>Attorneys fees</b>                                                                              |                                                |                                                          |                                      |                                  |
| <b>Krystal Hall<br/>c/o Sean Michael Bolchoz, Esq.<br/>Bolchoz Law Firm, PA<br/>PO Box 828<br/>Bluffton, SC 29910</b>                                                               |                                      | <b>J</b>                                                                                                                               |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                   |
| Account No.                                                                                                                                                                         |                                      |                                                                                                                                        | <b>Attorney fees</b>                                                                               |                                                |                                                          |                                      |                                  |
| <b>Linda Heller<br/>c/o Susan Taylor Wall, Esq.<br/>NcNair Law Firm, PA<br/>PO Box 1431<br/>Charleston, SC 29402</b>                                                                |                                      | <b>J</b>                                                                                                                               |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                   |
| Account No.                                                                                                                                                                         |                                      |                                                                                                                                        | <b>Attorney fees</b>                                                                               |                                                |                                                          |                                      |                                  |
| <b>Mark A. Ruplinger<br/>c/o Susan Taylor Wall, Esq.<br/>NcNair Law Firm, PA<br/>PO Box 1431<br/>Charleston, SC 29402</b>                                                           |                                      | <b>J</b>                                                                                                                               |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                   |
| Account No.                                                                                                                                                                         |                                      |                                                                                                                                        | <b>Deficiency balance</b>                                                                          |                                                |                                                          |                                      |                                  |
| <b>Mercedes-Benz Finance<br/>Po Box 685<br/>Lisle, IL 60532</b>                                                                                                                     |                                      | <b>J</b>                                                                                                                               |                                                                                                    |                                                |                                                          | <b>X</b>                             | <b>14,000.00</b>                 |
| Account No.                                                                                                                                                                         |                                      |                                                                                                                                        | <b>Attorneys fees</b>                                                                              |                                                |                                                          |                                      |                                  |
| <b>Merscorp, Inc.n/k/aAMERSCORP<br/>Holdings Inc<br/>c/o Brian Patrick Crotty, Esq.<br/>Nelson Mullins Riley &amp; Scarborough,<br/>LLP<br/>PO Box 11070<br/>Columbia, SC 29211</b> |                                      | <b>J</b>                                                                                                                               |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                   |
| Sheet no. <u>5</u> of <u>8</u> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims                                                                     |                                      |                                                                                                                                        |                                                                                                    |                                                |                                                          |                                      | Subtotal<br>(Total of this page) |
|                                                                                                                                                                                     |                                      |                                                                                                                                        |                                                                                                    |                                                |                                                          |                                      | <b>14,000.00</b>                 |

B6F (Official Form 6F) (12/07) - Cont.

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
 (Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.)                                                                     | C<br>O<br>D<br>E<br>B<br>O<br>R<br>R | H<br>U<br>S<br>B<br>A<br>N<br>D,<br>W<br>I<br>F<br>E,<br>J<br>O<br>I<br>N<br>T,<br>O<br>R<br>C<br>O<br>M<br>M<br>U<br>N<br>I<br>T<br>Y | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------|--------------------------------------------------|
|                                                                                                                                                                                   |                                      |                                                                                                                                        |                                                                                                    |                                                |                                                          |                                      |                                                  |
| Account No.                                                                                                                                                                       |                                      |                                                                                                                                        | <b>Attorneys fees</b>                                                                              |                                                |                                                          |                                      |                                                  |
| <b>Mortgage Electronic Registration<br/>System<br/>c/o Brian Patrick Crotty, Esq.<br/>Nelson Mullins Riley &amp; Scarborough,<br/>LLP<br/>PO Box 11070<br/>Columbia, SC 29211</b> | <b>J</b>                             |                                                                                                                                        |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                                   |
| Account No.                                                                                                                                                                       |                                      |                                                                                                                                        | <b>Landscaping</b>                                                                                 |                                                |                                                          |                                      |                                                  |
| <b>Ocea Woods Landscaping<br/>67 Union Cemetery Rd.<br/>Hilton Head Island, SC 29926</b>                                                                                          | <b>J</b>                             |                                                                                                                                        |                                                                                                    |                                                |                                                          |                                      | <b>1,100.00</b>                                  |
| Account No.                                                                                                                                                                       |                                      |                                                                                                                                        | <b>Attorney fees</b>                                                                               |                                                |                                                          |                                      |                                                  |
| <b>Riley Pope &amp; Laney, LLC<br/>c/o John Thomas Lay, Esq.<br/>Gallivan White &amp; Boyd PA<br/>PO Box 7368<br/>Columbia, SC 29202</b>                                          | <b>J</b>                             |                                                                                                                                        |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                                   |
| Account No.                                                                                                                                                                       |                                      |                                                                                                                                        | <b>Attorneys fees</b>                                                                              |                                                |                                                          |                                      |                                                  |
| <b>Robert G. Hall<br/>c/o Brian Patrick Crotty, Esq.<br/>Nelson Mullins Riley &amp; Scarborough,<br/>LLP<br/>PO Box 11070<br/>Columbia, SC 29211</b>                              | <b>J</b>                             |                                                                                                                                        |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                                   |
| Account No.                                                                                                                                                                       |                                      |                                                                                                                                        | <b>Attorney fees</b>                                                                               |                                                |                                                          |                                      |                                                  |
| <b>Roy Laney, Esq.<br/>c/o John Thomas Lay, Esq.<br/>Gallivan White &amp; Boyd PA<br/>PO Box 7368<br/>Columbia, SC 29202</b>                                                      | <b>J</b>                             |                                                                                                                                        |                                                                                                    | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                                   |
| Sheet no. <u>6</u> of <u>8</u> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims                                                                   |                                      |                                                                                                                                        |                                                                                                    |                                                |                                                          |                                      | Subtotal<br>(Total of this page) <b>1,100.00</b> |

B6F (Official Form 6F) (12/07) - Cont.

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
 (Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.)                                                                  | C<br>O<br>D<br>E<br>B<br>T<br>O<br>R | H<br>W<br>J<br>C | Husband, Wife, Joint, or Community<br><br>DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE. | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------|---------------------------------------------------|
|                                                                                                                                                                                |                                      |                  |                                                                                                                                               |                                                |                                                          |                                      |                                                   |
| Account No. <b>xxxxxxxxxx0916</b><br><br><b>S C Electric &amp; Gas</b><br><b>I-26</b><br><b>Columbia, SC 29218</b>                                                             |                                      | <b>H</b>         | <b>Opened 9/01/05 Last Active 8/19/11</b><br><b>Utility</b>                                                                                   |                                                |                                                          | <b>X</b>                             | <b>1,176.00</b>                                   |
| Account No.<br><br><b>Security Connections, Inc.</b><br><b>c/o Sean Michael Bolchoz, Esq.</b><br><b>Bolchoz Law Firm, PA</b><br><b>PO Box 828</b><br><b>Bluffton, SC 29910</b> |                                      | <b>J</b>         | <b>Attorneys fees</b>                                                                                                                         | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                                    |
| Account No.<br><br><b>States Recovery Systems, Inc.</b><br><b>PO Box 2860</b><br><b>2951 Sunrise Blvd., Suite 100</b><br><b>Rancho Cordova, CA 95742</b>                       |                                      | <b>J</b>         | <b>Telephone bill</b>                                                                                                                         |                                                |                                                          | <b>X</b>                             | <b>369.37</b>                                     |
| Account No.<br><br><b>T. Lowndes Pope, Esq.</b><br><b>c/o John Thomas Lay, Esq.</b><br><b>Gallivan White &amp; Boyd PA</b><br><b>PO Box 7368</b><br><b>Columbia, SC 29202</b>  |                                      | <b>J</b>         | <b>Attorney fees</b>                                                                                                                          | <b>X</b>                                       | <b>X</b>                                                 | <b>X</b>                             | <b>Unknown</b>                                    |
| Account No. <b>xxxxxxxxxxxx2061</b><br><br><b>Us Dept Of Education</b><br><b>Attn: Borrowers Service Dept</b><br><b>Po Box 5609</b><br><b>Greenville, TX 75403</b>             |                                      | <b>H</b>         | <b>Opened 11/01/98 Last Active 5/20/13</b><br><b>Educational</b>                                                                              |                                                |                                                          |                                      | <b>56,654.00</b>                                  |
| Sheet no. <b>7</b> of <b>8</b> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims                                                                |                                      |                  |                                                                                                                                               |                                                |                                                          |                                      | Subtotal<br>(Total of this page) <b>58,199.37</b> |

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors  
**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.) | C<br>O<br>D<br>E<br>D<br>E<br>B<br>I<br>T<br>O<br>R | H<br>W<br>J<br>C | Husband, Wife, Joint, or Community | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE. | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM     |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------|------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------|---------------------|
|                                                                                                               |                                                     |                  |                                    |                                                                                                     |                                                |                                                          |                                      |                     |
| Account No. <b>xxxxxxxxxx2161</b>                                                                             |                                                     |                  |                                    | <b>Opened 11/01/98 Last Active 5/20/13<br/>Educational</b>                                          |                                                |                                                          |                                      | <b>10,778.00</b>    |
| <b>Us Dept Of Education<br/>Attn: Borrowers Service Dept<br/>Po Box 5609<br/>Greenville, TX 75403</b>         |                                                     | <b>H</b>         |                                    |                                                                                                     |                                                |                                                          |                                      |                     |
| Account No.                                                                                                   |                                                     |                  |                                    |                                                                                                     |                                                |                                                          |                                      |                     |
| Account No.                                                                                                   |                                                     |                  |                                    |                                                                                                     |                                                |                                                          |                                      |                     |
| Account No.                                                                                                   |                                                     |                  |                                    |                                                                                                     |                                                |                                                          |                                      |                     |
| Account No.                                                                                                   |                                                     |                  |                                    |                                                                                                     |                                                |                                                          |                                      |                     |
| Account No.                                                                                                   |                                                     |                  |                                    |                                                                                                     |                                                |                                                          |                                      |                     |
| Subtotal<br>(Total of this page)                                                                              |                                                     |                  |                                    |                                                                                                     |                                                |                                                          |                                      | <b>10,778.00</b>    |
| Total<br>(Report on Summary of Schedules)                                                                     |                                                     |                  |                                    |                                                                                                     |                                                |                                                          |                                      | <b>1,480,697.74</b> |

Sheet no. **8** of **8** sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no executory contracts or unexpired leases

Name and Mailing Address, Including Zip Code,  
of Other Parties to Lease or Contract

Description of Contract or Lease and Nature of Debtor's Interest.  
State whether lease is for nonresidential real property  
State contract number of any government contract

**Mutin Kurcu  
301 E. 63rd Street  
Savannah, GA 31405**

**Month to Month lease of 2827 Chateau Circle S,  
Columbus, Ohio 43212  
Condo used as personal residence**

0

\_\_\_\_ continuation sheets attached to Schedule of Executory Contracts and Unexpired Leases

B6H (Official Form 6H) (12/07)

In re **Daniel L. Junk,  
Christine H. Junk**

Case No. \_\_\_\_\_

Debtors

**SCHEDULE H - CODEBTORS**

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A B, a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no codebtors

NAME AND ADDRESS OF CODEBTOR

NAME AND ADDRESS OF CREDITOR

0

continuation sheets attached to Schedule of Codebtors

B61 (Official Form 61) (12/07)  
**Daniel L. Junk**  
 In re **Christine H. Junk**

Case No

Debtor(s)

## SCHEDULE I - CURRENT INCOME OF INDIVIDUAL DEBTOR(S)

The column labeled "Spouse" must be completed in all cases filed by joint debtors and by every married debtor, whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. Do not state the name of any minor child. The average monthly income calculated on this form may differ from the current monthly income calculated on Form 22A, 22B, or 22C.

|                          |                                                 |                                  |
|--------------------------|-------------------------------------------------|----------------------------------|
| Debtor's Marital Status: | DEPENDENTS OF DEBTOR AND SPOUSE                 |                                  |
| <b>Married</b>           | RELATIONSHIP(S)                                 | AGE(S)                           |
|                          | <b>Son</b>                                      | <b>10</b>                        |
|                          | <b>Son</b>                                      | <b>12</b>                        |
| <b>Employment:</b>       | DEBTOR                                          | SPOUSE                           |
| Occupation               | <b>eDiscovery Consultant</b>                    |                                  |
| Name of Employer         | <b>Applied Discovery</b>                        | <b>Ruggieri &amp; Associates</b> |
| How long employed        | <b>6 months</b>                                 |                                  |
| Address of Employer      | <b>13427 NE 16th St.<br/>Bellevue, WA 98005</b> |                                  |

INCOME: (Estimate of average or projected monthly income at time case filed)

- Monthly gross wages, salary, and commissions (Prorate if not paid monthly)
- Estimate monthly overtime

| DEBTOR              | SPOUSE             |
|---------------------|--------------------|
| \$ <b>12,416.00</b> | \$ <b>2,500.00</b> |
| \$ <b>0.00</b>      | \$ <b>0.00</b>     |
| <b>\$ 12,416.00</b> | <b>\$ 2,500.00</b> |

3. SUBTOTAL

4. LESS PAYROLL DEDUCTIONS

- Payroll taxes and social security
- Insurance
- Union dues
- Other (Specify):

|                    |                |
|--------------------|----------------|
| \$ <b>4,154.00</b> | \$ <b>0.00</b> |
| \$ <b>295.00</b>   | \$ <b>0.00</b> |
| \$ <b>0.00</b>     | \$ <b>0.00</b> |
| \$ <b>0.00</b>     | \$ <b>0.00</b> |
| \$ <b>0.00</b>     | \$ <b>0.00</b> |

5. SUBTOTAL OF PAYROLL DEDUCTIONS

6. TOTAL NET MONTHLY TAKE HOME PAY

|                    |                    |
|--------------------|--------------------|
| \$ <b>4,449.00</b> | \$ <b>0.00</b>     |
| <b>\$ 7,967.00</b> | <b>\$ 2,500.00</b> |

7. Regular income from operation of business or profession or farm (Attach detailed statement)

8. Income from real property

9. Interest and dividends

10. Alimony, maintenance or support payments payable to the debtor for the debtor's use or that of dependents listed above

11. Social security or government assistance

(Specify)

|                |                |
|----------------|----------------|
| \$ <b>0.00</b> | \$ <b>0.00</b> |
| \$ <b>0.00</b> | \$ <b>0.00</b> |
| \$ <b>0.00</b> | \$ <b>0.00</b> |
| \$ <b>0.00</b> | \$ <b>0.00</b> |
| \$ <b>0.00</b> | \$ <b>0.00</b> |
| \$ <b>0.00</b> | \$ <b>0.00</b> |
| \$ <b>0.00</b> | \$ <b>0.00</b> |
| \$ <b>0.00</b> | \$ <b>0.00</b> |
| \$ <b>0.00</b> | \$ <b>0.00</b> |

12. Pension or retirement income

13. Other monthly income

(Specify)

14. SUBTOTAL OF LINES 7 THROUGH 13

15. AVERAGE MONTHLY INCOME (Add amounts shown on lines 6 and 14)

16. COMBINED AVERAGE MONTHLY INCOME: (Combine column totals from line 15)

|                     |                    |
|---------------------|--------------------|
| \$ <b>0.00</b>      | \$ <b>0.00</b>     |
| <b>\$ 7,967.00</b>  | <b>\$ 2,500.00</b> |
| <b>\$ 10,467.00</b> |                    |

(Report also on Summary of Schedules and, if applicable, on Statistical Summary of Certain Liabilities and Related Data)

17. Describe any increase or decrease in income reasonably anticipated to occur within the year following the filing of this document:

**Debtor wife began working in Jan. 2013 at her current position. Debtor husband does consulting work, however income from consulting work is not consistent.**

B6J (Official Form 6J) (12/07)

In re **Daniel L. Junk**  
**Christine H. Junk**

Case No \_\_\_\_\_

Debtor(s) \_\_\_\_\_

## SCHEDULE J - CURRENT EXPENDITURES OF INDIVIDUAL DEBTOR(S)

Complete this schedule by estimating the average or projected monthly expenses of the debtor and the debtor's family at time case filed. Prorate any payments made bi-weekly, quarterly, semi-annually, or annually to show monthly rate. The average monthly expenses calculated on this form may differ from the deductions from income allowed on Form 22A or 22C.

☐ Check this box if a joint petition is filed and debtor's spouse maintains a separate household. Complete a separate schedule of expenditures labeled "Spouse."

|                                                                                                                                                                              |    |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|------------------|
| 1. Rent or home mortgage payment (include lot rented for mobile home)                                                                                                        | \$ | <u>1,000.00</u>  |
| a. Are real estate taxes included? Yes <u>      </u> No <u>X</u>                                                                                                             |    |                  |
| b. Is property insurance included? Yes <u>      </u> No <u>X</u>                                                                                                             |    |                  |
| 2. Utilities: a. Electricity and heating fuel                                                                                                                                | \$ | <u>350.00</u>    |
| b. Water and sewer                                                                                                                                                           | \$ | <u>130.00</u>    |
| c. Telephone                                                                                                                                                                 | \$ | <u>350.00</u>    |
| d. Other _____                                                                                                                                                               | \$ | <u>0.00</u>      |
| 3. Home maintenance (repairs and upkeep)                                                                                                                                     | \$ | <u>0.00</u>      |
| 4. Food                                                                                                                                                                      | \$ | <u>1,200.00</u>  |
| 5. Clothing                                                                                                                                                                  | \$ | <u>300.00</u>    |
| 6. Laundry and dry cleaning                                                                                                                                                  | \$ | <u>120.00</u>    |
| 7. Medical and dental expenses                                                                                                                                               | \$ | <u>200.00</u>    |
| 8. Transportation (not including car payments)                                                                                                                               | \$ | <u>600.00</u>    |
| 9. Recreation, clubs and entertainment, newspapers, magazines, etc.                                                                                                          | \$ | <u>100.00</u>    |
| 10. Charitable contributions                                                                                                                                                 | \$ | <u>0.00</u>      |
| 11. Insurance (not deducted from wages or included in home mortgage payments)                                                                                                |    |                  |
| a. Homeowner's or renter's                                                                                                                                                   | \$ | <u>0.00</u>      |
| b. Life                                                                                                                                                                      | \$ | <u>0.00</u>      |
| c. Health                                                                                                                                                                    | \$ | <u>0.00</u>      |
| d. Auto                                                                                                                                                                      | \$ | <u>250.00</u>    |
| e. Other _____                                                                                                                                                               | \$ | <u>0.00</u>      |
| 12. Taxes (not deducted from wages or included in home mortgage payments)<br>(Specify) <b>Taxes not withheld from wife's pay (30%)</b>                                       | \$ | <u>750.00</u>    |
| 13. Installment payments: (In chapter 11, 12, and 13 cases, do not list payments to be included in the plan)                                                                 |    |                  |
| a. Auto                                                                                                                                                                      | \$ | <u>560.00</u>    |
| b. Other _____                                                                                                                                                               | \$ | <u>0.00</u>      |
| c. Other _____                                                                                                                                                               | \$ | <u>0.00</u>      |
| 14. Alimony, maintenance, and support paid to others                                                                                                                         | \$ | <u>0.00</u>      |
| 15. Payments for support of additional dependents not living at your home                                                                                                    | \$ | <u>0.00</u>      |
| 16. Regular expenses from operation of business, profession, or farm (attach detailed statement)                                                                             | \$ | <u>0.00</u>      |
| 17. Other <b>See Detailed Expense Attachment</b>                                                                                                                             | \$ | <u>357.00</u>    |
| 18. AVERAGE MONTHLY EXPENSES (Total lines 1-17. Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data ) | \$ | <u>6,267.00</u>  |
| 19. Describe any increase or decrease in expenditures reasonably anticipated to occur within the year following the filing of this document.<br><b>NONE</b>                  |    |                  |
| 20. STATEMENT OF MONTHLY NET INCOME                                                                                                                                          |    |                  |
| a. Average monthly income from Line 15 of Schedule I                                                                                                                         | \$ | <u>10,467.00</u> |
| b. Average monthly expenses from Line 18 above                                                                                                                               | \$ | <u>6,267.00</u>  |
| c. Monthly net income (a. minus b.)                                                                                                                                          | \$ | <u>4,200.00</u>  |

B6J (Official Form 6J) (12/07)

In re **Daniel L. Junk**  
**Christine H. Junk**

Case No. \_\_\_\_\_

Debtor(s)

**SCHEDULE J - CURRENT EXPENDITURES OF INDIVIDUAL DEBTOR(S)**  
**Detailed Expense Attachment**

**Other Expenditures:**

|                                          |                         |
|------------------------------------------|-------------------------|
| <b><u>Personal Care and Hygiene</u></b>  | <b>\$ <u>57.00</u></b>  |
| <b><u>Hair Cuts/Salon Visits</u></b>     | <b>\$ <u>100.00</u></b> |
| <b><u>Car Care &amp; Oil Changes</u></b> | <b>\$ <u>100.00</u></b> |
| <b><u>School Activities</u></b>          | <b>\$ <u>100.00</u></b> |
| <b><u>Total Other Expenditures</u></b>   | <b>\$ <u>357.00</u></b> |

B6 Declaration (Official Form 6 - Declaration), (12/07)

**United States Bankruptcy Court**  
**Southern District Ohio, Eastern District Columbus**

In re **Daniel L. Junk**  
**Christine H. Junk**

Debtor(s)

Case No  
Chapter

11

**DECLARATION CONCERNING DEBTOR'S SCHEDULES**

**DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR**

I declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 24 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date June 27, 2013

Signature /s/ Daniel L. Junk  
Daniel L. Junk  
Debtor

Date June 27, 2013

Signature /s/ Christine H. Junk  
Christine H. Junk  
Joint Debtor

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

**United States Bankruptcy Court**  
**Southern District Ohio, Eastern District Columbus**

In re **Daniel L. Junk**  
**Christine H. Junk**

Debtor(s)

Case No.

Chapter **11**

**STATEMENT OF FINANCIAL AFFAIRS**

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. If the answer to an applicable question is "None," mark the box labeled "None." If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

*DEFINITIONS*

**"In business."** A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

**"Insider."** The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any persons in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(2), (31).

**1. Income from employment or operation of business**

None



State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

|                     |                            |
|---------------------|----------------------------|
| AMOUNT              | SOURCE                     |
| <b>\$79,000.00</b>  | <b>2013 Employment YTD</b> |
| <b>\$131,285.00</b> | <b>2012 Employment</b>     |
| <b>\$206,943.00</b> | <b>2011 Employment</b>     |

**2. Income other than from employment or operation of business**

None



State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

|                   |                          |
|-------------------|--------------------------|
| AMOUNT            | SOURCE                   |
| <b>\$3,600.00</b> | <b>2012 Unemployment</b> |

B7 (Official Form 7) (04/13)

2

**3. Payments to creditors**

None

**Complete a. or b., as appropriate, and c.**

**a Individual or joint debtor(s) with primarily consumer debts** List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS  
OF CREDITOR  
**MB Financial**  
**Po Box 997542**  
**Sacramento, CA 95899**

DATES OF  
PAYMENTS  
**Monthly auto payments for**  
**past 90 days.**

AMOUNT PAID  
**\$1,680.00**

AMOUNT STILL  
OWING  
**\$1,176.00**

None



**b Debtor whose debts are not primarily consumer debts** List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225\*. If the debtor is an individual, indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATES OF  
PAYMENTS/  
TRANSFERS

AMOUNT  
PAID OR  
VALUE OF  
TRANSFERS

AMOUNT STILL  
OWING

None



**c. All debtors** List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND  
RELATIONSHIP TO DEBTOR

DATE OF PAYMENT

AMOUNT PAID

AMOUNT STILL  
OWING

**4. Suits and administrative proceedings, executions, garnishments and attachments**

None



**a. List all suits and administrative proceedings to which the debtor is or was a party within one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT  
AND CASE NUMBER

**Bayview Loan Servicing LLC v. Daniel Junk**  
**2009CP0705088**

NATURE OF  
PROCEEDING  
**Foreclosure**

COURT OR AGENCY  
AND LOCATION  
**Beaufort County**  
**Fourteenth Judicial Circuit**

STATUS OR  
DISPOSITION  
**Pending**

**Daniel L. Junk v. American Home Mortgage**  
**2009CP0704301**

**Quiet Title**

**Beaufort County**  
**Fourteenth Judicial Circuit**

**Pending**

**Bayview Loan Servicing LLC v. Daniel Junk**  
**2009LP0702426**

**Lis Pendens**

**Beaufort County**  
**Fourteenth Judicial Circuit**

**Pending**

**Bayview Loan Servicing LLC v. Daniel L. Junk**  
**2009LP0701903**

**Lis Pendens**

**Beaufort County**  
**Fourteenth Judicial Circuit**

**Pending**

**In re Daniel L. Junk and Christine H. Junk vs.**  
**Mayer Brown LLP**  
**Index No. 103835/12**

**Discovery**  
**dispute**

**Supreme Court of the State of New**  
**York**  
**County of New York**

**Pending**

\* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment

B7 (Official Form 7) (04/13)

3

- None ☐ b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF PERSON FOR WHOSE<br>BENEFIT PROPERTY WAS SEIZED | DATE OF SEIZURE | DESCRIPTION AND VALUE OF<br>PROPERTY |
|---------------------------------------------------------------------|-----------------|--------------------------------------|
|---------------------------------------------------------------------|-----------------|--------------------------------------|

**5. Repossessions, foreclosures and returns**

- None ☐ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF<br>CREDITOR OR SELLER | DATE OF REPOSSESSION,<br>FORECLOSURE SALE,<br>TRANSFER OR RETURN | DESCRIPTION AND VALUE OF<br>PROPERTY |
|-------------------------------------------|------------------------------------------------------------------|--------------------------------------|
|-------------------------------------------|------------------------------------------------------------------|--------------------------------------|

**6. Assignments and receiverships**

- None ☐ a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF ASSIGNEE | DATE OF<br>ASSIGNMENT | TERMS OF ASSIGNMENT OR SETTLEMENT |
|------------------------------|-----------------------|-----------------------------------|
|------------------------------|-----------------------|-----------------------------------|

- None ☐ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS<br>OF CUSTODIAN | NAME AND LOCATION<br>OF COURT<br>CASE TITLE & NUMBER | DATE OF<br>ORDER | DESCRIPTION AND VALUE OF<br>PROPERTY |
|----------------------------------|------------------------------------------------------|------------------|--------------------------------------|
|----------------------------------|------------------------------------------------------|------------------|--------------------------------------|

**7. Gifts**

- None ☐ List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF<br>PERSON OR ORGANIZATION | RELATIONSHIP TO<br>DEBTOR, IF ANY | DATE OF GIFT | DESCRIPTION AND<br>VALUE OF GIFT |
|-----------------------------------------------|-----------------------------------|--------------|----------------------------------|
|-----------------------------------------------|-----------------------------------|--------------|----------------------------------|

**8. Losses**

- None ☐ List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| DESCRIPTION AND VALUE<br>OF PROPERTY | DESCRIPTION OF CIRCUMSTANCES AND, IF<br>LOSS WAS COVERED IN WHOLE OR IN PART<br>BY INSURANCE, GIVE PARTICULARS | DATE OF LOSS |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------|
|--------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------|

B7 (Official Form 7) (04/13)

4

**9. Payments related to debt counseling or bankruptcy**

- None ☐ List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case

| NAME AND ADDRESS<br>OF PAYEE                                                        | DATE OF PAYMENT,<br>NAME OF PAYER IF OTHER<br>THAN DEBTOR | AMOUNT OF MONEY<br>OR DESCRIPTION AND VALUE<br>OF PROPERTY |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|
| <b>CredAbility</b><br>100 Edgewood Ave<br>Suite 1800<br>Atlanta, GA 30303           | <b>4/2013</b>                                             | <b>\$20.00; Credit Counseling</b>                          |
| <b>Jump Legal Group, LLC</b><br>2130 Arlington Ave.<br>Columbus, OH 43221           | <b>4/18/2013</b>                                          | <b>\$500.00; Legal Fees</b>                                |
| <b>Rhiel &amp; Associates, Co LPA</b><br>394 East Town Street<br>Columbus, OH 43215 | <b>2013</b>                                               | <b>See compensation statement</b>                          |

**10. Other transfers**

- None ☒ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF TRANSFEREE,<br>RELATIONSHIP TO DEBTOR                                                                                                                                                                                          | DATE | DESCRIBE PROPERTY TRANSFERRED<br>AND VALUE RECEIVED |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------------------------------------------|
| None <input checked="" type="checkbox"/> b. List all property transferred by the debtor within <b>ten years</b> immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary |      |                                                     |

| NAME OF TRUST OR OTHER<br>DEVICE | DATE(S) OF<br>TRANSFER(S) | AMOUNT OF MONEY OR DESCRIPTION AND<br>VALUE OF PROPERTY OR DEBTOR'S INTEREST<br>IN PROPERTY |
|----------------------------------|---------------------------|---------------------------------------------------------------------------------------------|
|                                  |                           |                                                                                             |

**11. Closed financial accounts**

- None ☒ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF INSTITUTION | TYPE OF ACCOUNT, LAST FOUR<br>DIGITS OF ACCOUNT NUMBER,<br>AND AMOUNT OF FINAL BALANCE | AMOUNT AND DATE OF SALE<br>OR CLOSING |
|---------------------------------|----------------------------------------------------------------------------------------|---------------------------------------|
|                                 |                                                                                        |                                       |

**12. Safe deposit boxes**

- None ☒ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF BANK<br>OR OTHER DEPOSITORY | NAMES AND ADDRESSES<br>OF THOSE WITH ACCESS<br>TO BOX OR DEPOSITORY | DESCRIPTION<br>OF CONTENTS | DATE OF TRANSFER OR<br>SURRENDER, IF ANY |
|-------------------------------------------------|---------------------------------------------------------------------|----------------------------|------------------------------------------|
|                                                 |                                                                     |                            |                                          |

B7 (Official Form 7) (04/13)

5

**13. Setoffs**

- None ☒ List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed )

| NAME AND ADDRESS OF CREDITOR | DATE OF SETOFF | AMOUNT OF SETOFF |
|------------------------------|----------------|------------------|
|------------------------------|----------------|------------------|

**14. Property held for another person**

- None ☒ List all property owned by another person that the debtor holds or controls.

| NAME AND ADDRESS OF OWNER | DESCRIPTION AND VALUE OF PROPERTY | LOCATION OF PROPERTY |
|---------------------------|-----------------------------------|----------------------|
|---------------------------|-----------------------------------|----------------------|

**15. Prior address of debtor**

- None ☐ If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

| ADDRESS                            | NAME USED                           | DATES OF OCCUPANCY |
|------------------------------------|-------------------------------------|--------------------|
| 181 Oldfield Way, Okatie, SC 29909 | Daniel L. Junk<br>Christine H. Junk | 9/2005 - 8/2011    |

**16. Spouses and Former Spouses**

- None ☒ If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state

NAME

**17. Environmental Information.**

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

- None ☒ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

| SITE NAME AND ADDRESS | NAME AND ADDRESS OF GOVERNMENTAL UNIT | DATE OF NOTICE | ENVIRONMENTAL LAW |
|-----------------------|---------------------------------------|----------------|-------------------|
|-----------------------|---------------------------------------|----------------|-------------------|

- None ☒ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice

| SITE NAME AND ADDRESS | NAME AND ADDRESS OF GOVERNMENTAL UNIT | DATE OF NOTICE | ENVIRONMENTAL LAW |
|-----------------------|---------------------------------------|----------------|-------------------|
|-----------------------|---------------------------------------|----------------|-------------------|

B7 (Official Form 7) (04/13)

- 6
- None ☐ c List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number

NAME AND ADDRESS OF  
GOVERNMENTAL UNIT

DOCKET NUMBER

STATUS OR DISPOSITION

**18. Nature, location and name of business**

- None ☐ a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

*If the debtor is a partnership*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

*If the debtor is a corporation*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case

| NAME | LAST FOUR DIGITS OF<br>SOCIAL-SECURITY OR<br>OTHER INDIVIDUAL<br>TAXPAYER-I D NO<br>(ITIN)/ COMPLETE EIN | ADDRESS | NATURE OF BUSINESS | BEGINNING AND<br>ENDING DATES |
|------|----------------------------------------------------------------------------------------------------------|---------|--------------------|-------------------------------|
|------|----------------------------------------------------------------------------------------------------------|---------|--------------------|-------------------------------|

- None ☐ b Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101

| NAME | ADDRESS |
|------|---------|
|------|---------|

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement only if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

**19. Books, records and financial statements**

- None ☐ a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS

DATES SERVICES RENDERED

- None ☐ b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME ADDRESS

DATES SERVICES RENDERED

- None ☐ c List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain

NAME ADDRESS

- None ☐ d List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case

B7 (Official Form 7) (04/13)

7

## NAME AND ADDRESS

## DATE ISSUED

**20. Inventories**

- None ☐ a List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory

DATE OF INVENTORY

INVENTORY SUPERVISOR

DOLLAR AMOUNT OF INVENTORY  
(Specify cost, market or other basis)

- None ☐ b List the name and address of the person having possession of the records of each of the inventories reported in a., above

DATE OF INVENTORY

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY  
RECORDS**21. Current Partners, Officers, Directors and Shareholders**

- None ☐ a If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership

NAME AND ADDRESS

NATURE OF INTEREST

PERCENTAGE OF INTEREST

- None ☐ b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS

TITLE

NATURE AND PERCENTAGE  
OF STOCK OWNERSHIP**22. Former partners, officers, directors and shareholders**

- None ☐ a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME

ADDRESS

DATE OF WITHDRAWAL

- None ☐ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case

NAME AND ADDRESS

TITLE

DATE OF TERMINATION

**23. Withdrawals from a partnership or distributions by a corporation**

- None ☐ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case

NAME & ADDRESS  
OF RECIPIENT,  
RELATIONSHIP TO DEBTORDATE AND PURPOSE  
OF WITHDRAWALAMOUNT OF MONEY  
OR DESCRIPTION AND  
VALUE OF PROPERTY**24. Tax Consolidation Group.**

- None ☐ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case

NAME OF PARENT CORPORATION

TAXPAYER IDENTIFICATION NUMBER (EIN)

B7 (Official Form 7) (04/13)

8

**25. Pension Funds.**

None



If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case

NAME OF PENSION FUND

TAXPAYER IDENTIFICATION NUMBER (EIN)

\*\*\*\*\*

**DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR**

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct

Date June 27, 2013

Signature /s/ Daniel L. Junk  
Daniel L. Junk  
Debtor

Date June 27, 2013

Signature /s/ Christine H. Junk  
Christine H. Junk  
Joint Debtor

*Penalty for making a false statement Fine of up to \$500,000 or imprisonment for up to 5 years, or both 18 U S C §§ 152 and 3571*

United States Bankruptcy Court  
Southern District Ohio, Eastern District Columbus

In re Daniel L. Junk  
Christine H. Junk

Debtor(s)

Case No

Chapter

11

**DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)**

- 1 Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows

|                                                       |    |                 |
|-------------------------------------------------------|----|-----------------|
| For legal services, I have agreed to accept           | \$ | <u>5,000.00</u> |
| Prior to the filing of this statement I have received | \$ | <u>3,002.50</u> |
| Balance Due                                           | \$ | <u>1,997.50</u> |

2. \$ 0.00 of the filing fee has been paid.

- 3 The source of the compensation paid to me was

☒ Debtor ☐ Other (specify):

- 4 The source of compensation to be paid to me is:

☒ Debtor ☐ Other (specify).

- 5 ☒ I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm

☐ I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

6. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy,
- b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required,
- c. [Other provisions as needed]

**For the preparation of the bankruptcy case, the Debtors paid the firm a retainer in the amount of \$5,000. Prior to the petition date, the sum of \$3,002.50 was paid to the firm from the retainer for preparation services rendered.**

7. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

**All post-petition fees and expenses will be satisfied pursuant to an Order that will be sought approving the employment of the firm as counsel for the Debtor.**

**CERTIFICATION**

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

Dated: June 27, 2013

/s/ Susan L. Rhie

Susan L. Rhie 0034533  
**RHIE & ASSOCIATES CO., L.P.A.**  
**394 EAST TOWN STREET**  
**COLUMBUS, OH 43215**  
**(614) 221-4670 Fax: (614) 232-9306**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OHIO, EASTERN DISTRICT COLUMBUS**

**NOTICE TO CONSUMER DEBTOR(S) UNDER § 342(b)  
OF THE BANKRUPTCY CODE**

In accordance with § 342(b) of the Bankruptcy Code, this notice to individuals with primarily consumer debts: (1) Describes briefly the services available from credit counseling services; (2) Describes briefly the purposes, benefits and costs of the four types of bankruptcy proceedings you may commence; and (3) Informs you about bankruptcy crimes and notifies you that the Attorney General may examine all information you supply in connection with a bankruptcy case.

You are cautioned that bankruptcy law is complicated and not easily described. Thus, you may wish to seek the advice of an attorney to learn of your rights and responsibilities should you decide to file a petition. Court employees cannot give you legal advice.

Notices from the bankruptcy court are sent to the mailing address you list on your bankruptcy petition. In order to ensure that you receive information about events concerning your case, Bankruptcy Rule 4002 requires that you notify the court of any changes in your address. If you are filing a **joint case** (a single bankruptcy case for two individuals married to each other), and each spouse lists the same mailing address on the bankruptcy petition, you and your spouse will generally receive a single copy of each notice mailed from the bankruptcy court in a jointly-addressed envelope, unless you file a statement with the court requesting that each spouse receive a separate copy of all notices

**1. Services Available from Credit Counseling Agencies**

With limited exceptions, § 109(h) of the Bankruptcy Code requires that all individual debtors who file for bankruptcy relief on or after October 17, 2005, receive a briefing that outlines the available opportunities for credit counseling and provides assistance in performing a budget analysis. The briefing must be given within 180 days before the bankruptcy filing. The briefing may be provided individually or in a group (including briefings conducted by telephone or on the Internet) and must be provided by a nonprofit budget and credit counseling agency approved by the United States trustee or bankruptcy administrator. The clerk of the bankruptcy court has a list that you may consult of the approved budget and credit counseling agencies. Each debtor in a joint case must complete the briefing.

In addition, after filing a bankruptcy case, an individual debtor generally must complete a financial management instructional course before he or she can receive a discharge. The clerk also has a list of approved financial management instructional courses. Each debtor in a joint case must complete the course.

**2. The Four Chapters of the Bankruptcy Code Available to Individual Consumer Debtors**

**Chapter 7: Liquidation (\$245 filing fee, \$46 administrative fee, \$15 trustee surcharge: Total Fee \$306)**

Chapter 7 is designed for debtors in financial difficulty who do not have the ability to pay their existing debts. Debtors whose debts are primarily consumer debts are subject to a "means test" designed to determine whether the case should be permitted to proceed under chapter 7. If your income is greater than the median income for your state of residence and family size, in some cases, the United States trustee (or bankruptcy administrator), the trustee, or creditors have the right to file a motion requesting that the court dismiss your case under § 707(b) of the Code. It is up to the court to decide whether the case should be dismissed.

Under chapter 7, you may claim certain of your property as exempt under governing law. A trustee may have the right to take possession of and sell the remaining property that is not exempt and use the sale proceeds to pay your creditors.

The purpose of filing a chapter 7 case is to obtain a discharge of your existing debts. If, however, you are found to have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny your discharge and, if it does, the purpose for which you filed the bankruptcy petition will be defeated.

Even if you receive a general discharge, some particular debts are not discharged under the law. Therefore, you may still be responsible for most taxes and student loans; debts incurred to pay nondischargeable taxes; domestic support and property settlement obligations; most fines, penalties, forfeitures, and criminal restitution obligations; certain debts which are not properly listed in your bankruptcy papers; and debts for death or personal injury caused by operating a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs. Also, if a creditor can prove that a debt arose from fraud, breach of fiduciary duty, or theft, or from a willful and malicious injury, the bankruptcy court may determine that the debt is not discharged.

**Chapter 13: Repayment of All or Part of the Debts of an Individual with Regular Income (\$235 filing fee, \$46 administrative fee: Total fee \$281)**

Chapter 13 is designed for individuals with regular income who would like to pay all or part of their debts in installments over

a period of time. You are only eligible for chapter 13 if your debts do not exceed certain dollar amounts set forth in the Bankruptcy Code

Under chapter 13, you must file with the court a plan to repay your creditors all or part of the money that you owe them, using your future earnings. The period allowed by the court to repay your debts may be three years or five years, depending upon your income and other factors. The court must approve your plan before it can take effect.

After completing the payments under your plan, your debts are generally discharged except for domestic support obligations; most student loans; certain taxes; most criminal fines and restitution obligations; certain debts which are not properly listed in your bankruptcy papers, certain debts for acts that caused death or personal injury; and certain long term secured obligations.

**Chapter 11: Reorganization (\$1,167 filing fee, \$46 administrative fee: Total fee \$1,213)**

Chapter 11 is designed for the reorganization of a business but is also available to consumer debtors. Its provisions are quite complicated, and any decision by an individual to file a chapter 11 petition should be reviewed with an attorney.

**Chapter 12: Family Farmer or Fisherman (\$200 filing fee, \$46 administrative fee: Total fee \$246)**

Chapter 12 is designed to permit family farmers and fishermen to repay their debts over a period of time from future earnings and is similar to chapter 13. The eligibility requirements are restrictive, limiting its use to those whose income arises primarily from a family-owned farm or commercial fishing operation.

**3. Bankruptcy Crimes and Availability of Bankruptcy Papers to Law Enforcement Officials**

A person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury, either orally or in writing, in connection with a bankruptcy case is subject to a fine, imprisonment, or both. All information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General acting through the Office of the United States Trustee, the Office of the United States Attorney, and other components and employees of the Department of Justice.

**WARNING:** Section 521(a)(1) of the Bankruptcy Code requires that you promptly file detailed information regarding your creditors, assets, liabilities, income, expenses and general financial condition. Your bankruptcy case may be dismissed if this information is not filed with the court within the time deadlines set by the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the court. The documents and the deadlines for filing them are listed on Form B200, which is posted at [http://www.uscourts.gov/bkforms/bankruptcy\\_forms.html#procedure](http://www.uscourts.gov/bkforms/bankruptcy_forms.html#procedure)

B 201B (Form 201B) (12/09)

**United States Bankruptcy Court**  
**Southern District Ohio, Eastern District Columbus**

In re **Daniel L. Junk**  
**Christine H. Junk**

Debtor(s)

Case No

Chapter **11**

**CERTIFICATION OF NOTICE TO CONSUMER DEBTOR(S)**  
**UNDER § 342(b) OF THE BANKRUPTCY CODE**

**Certification of Debtor**

I (We), the debtor(s), affirm that I (we) have received and read the attached notice, as required by § 342(b) of the Bankruptcy Code.

**Daniel L. Junk**  
**Christine H. Junk**

Printed Name(s) of Debtor(s)

Case No. (if known) \_\_\_\_\_

X **/s/ Daniel L. Junk**

Signature of Debtor

**June 27, 2013**

Date

X **/s/ Christine H. Junk**

Signature of Joint Debtor (if any)

**June 27, 2013**

Date

**Instructions:** Attach a copy of Form B 201 A, Notice to Consumer Debtor(s) Under § 342(b) of the Bankruptcy Code

Use this form to certify that the debtor has received the notice required by 11 U.S.C. § 342(b) **only** if the certification has **NOT** been made on the Voluntary Petition, Official Form B1. Exhibit B on page 2 of Form B1 contains a certification by the debtor's attorney that the attorney has given the notice to the debtor. The Declarations made by debtors and bankruptcy petition preparers on page 3 of Form B1 also include this certification.

A. Parker Barnes, Jr.  
500 Carteret St.  
Beaufort, SC 29901

ABC Appraisal Group, Inc.  
c/o Susan Taylor Wall, Esq.  
McNair Law Firm, PA  
PO Box 1431  
Charleston, SC 29402

AHM Holding, Inc.  
c/o Steven D. Sass as Trustee  
c/o Edward Schnitzer, Esq.  
488 Madison Ave.  
New York, NY 10022

AHM Investment Corp.  
c/o Steven D. Sass as Trustee  
c/o Edward Schnitzer, Esq.  
488 Madison Ave.  
New York, NY 10022

Bank Of America  
4060 Ogletown/Stanton Rd  
Newark, DE 19713

Bayview Loan Servicing, LLC  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

Beaufort Academy  
240 Sams Point Road  
Ladys Island, SC 29907

Calvary Portfolio Services  
Attention: Bankruptcy Department  
500 Summit Lake Dr. Suite 400  
Valhalla, NY 10595

Cap One  
26525 N Riverwoods Blvd  
Mettawa, IL 60045

Cba Collection Bureau  
Po Box 5013  
Hayward, CA 94540

Central Finl Control  
Po Box 66044  
Anaheim, CA 92816

Citigroup Global Markets Realty Corp.  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

Citigroup Mortgage Loan Trust, Inc.  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

CitiMaster Servicing  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

Citimortgage, Inc.  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

Collectron Of Atlanta/Carter-Young  
Attention: Bankruptcy  
Po Box 82269  
Conyers, GA 30013

Colonial Coast Title Agency, Inc.  
c/o Elizabeth Van Doren Gray, Esq.  
Sowell Gray Stepp & Laffitte, LLC  
PO Box 11449  
Columbia, SC 29211

Corelogic, Inc.  
c/o Hamilton Osborne, Jr.  
Haynsworth Sinkler Boyd, PA  
1201 Main Street, 22nd Floor  
Columbia, SC 29201

Fidelity National Title Insurance Co.  
c/o Demetri K. Koutrakos, Esq.  
Callison tighe & Robinson, LLC  
PO Box 1390  
Columbia, SC 29202

Harry Jones  
c/o Susan Taylor Wall, Esq.  
NcNair Law Firm, PA  
PO Box 1431  
Charleston, SC 29402

Heidi Carey, Esq.  
c/o John Thomas Lay, Esq.  
Gallivan White & Boyd PA  
PO Box 7368  
Columbia, SC 29202

James G. Long, III  
Nexsen Pruet, LLC  
PO Box 2426  
Columbia, SC 29202

Jennifer Oakes  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

John & Barbara Gates  
5166 Autumn Fern Drive  
Dublin, OH 43016

Krystal Hall  
c/o Sean Michael Bolchoz, Esq.  
Bolchoz Law Firm, PA  
PO Box 828  
Bluffton, SC 29910

Linda Heller  
c/o Susan Taylor Wall, Esq.  
NcNair Law Firm, PA  
PO Box 1431  
Charleston, SC 29402

Mark A. Ruplinger  
c/o Susan Taylor Wall, Esq.  
NcNair Law Firm, PA  
PO Box 1431  
Charleston, SC 29402

MB Financial  
Po Box 997542  
Sacramento, CA 95899

Mercedes-Benz Finance  
Po Box 685  
Lisle, IL 60532

Merscorp, Inc.n/k/aMERSCORP Holdings Inc  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

Mortgage Electronic Registration System  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

Mutin Kurkcu  
301 E. 63rd Street  
Savannah, GA 31405

Ocea Woods Landscaping  
67 Union Cemetery Rd.  
Hilton Head Island, SC 29926

Oldfield Club & Homeowners Association  
10 Oldfield Way  
Okatie, SC 29909

Riley Pope & Laney, LLC  
c/o John Thomas Lay, Esq.  
Gallivan White & Boyd PA  
PO Box 7368  
Columbia, SC 29202

Robert G. Hall  
c/o Brian Patrick Crotty, Esq.  
Nelson Mullins Riley & Scarborough, LLP  
PO Box 11070  
Columbia, SC 29211

Roy Laney, Esq.  
c/o John Thomas Lay, Esq.  
Gallivan White & Boyd PA  
PO Box 7368  
Columbia, SC 29202

S C Electric & Gas  
I-26  
Columbia, SC 29218

Security Connections, Inc.  
c/o Sean Michael Bolchoz, Esq.  
Bolchoz Law Firm, PA  
PO Box 828  
Bluffton, SC 29910

States Recovery Systems, Inc.  
PO Box 2860  
2951 Sunrise Blvd., Suite 100  
Rancho Cordova, CA 95742

T. Lowndes Pope, Esq.  
c/o John Thomas Lay, Esq.  
Gallivan White & Boyd PA  
PO Box 7368  
Columbia, SC 29202

Us Dept Of Education  
Attn: Borrowers Service Dept  
Po Box 5609  
Greenville, TX 75403

B22B (Official Form 22B) (Chapter 11) (12/10)

In re Daniel L. Junk  
Christine H. Junk  
 Debtor(s)  
 Case Number \_\_\_\_\_  
 (If known)

## CHAPTER 11 STATEMENT OF CURRENT MONTHLY INCOME

In addition to Schedules I and J, this statement must be completed by every individual Chapter 11 debtor, whether or not filing jointly. Joint debtors may complete one statement only.

| <b>Part I. CALCULATION OF CURRENT MONTHLY INCOME</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           |                             |                                         |                                         |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------|-----------------------------------------|-----------------------------------------|
| 1                                                    | <b>Marital/filing status.</b> Check the box that applies and complete the balance of this part of this statement as directed.<br>a. <input type="checkbox"/> Unmarried. Complete only Column A ("Debtor's Income") for Lines 2-10.<br>b. <input type="checkbox"/> Married, not filing jointly. Complete only column A ("Debtor's Income") for Lines 2-10.<br>c. <input checked="" type="checkbox"/> Married, filing jointly. Complete both Column A ("Debtor's Income") and Column B ("Spouse's Income") for Lines 2-10.<br>All figures must reflect average monthly income received from all sources, derived during the six calendar months prior to filing the bankruptcy case, ending on the last day of the month before the filing. If the amount of monthly income varied during the six months, you must divide the six-month total by six, and enter the result on the appropriate line. |                                           |                             | <b>Column A<br/>Debtor's<br/>Income</b> | <b>Column B<br/>Spouse's<br/>Income</b> |
| 2                                                    | <b>Gross wages, salary, tips, bonuses, overtime, commissions.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                           |                             | \$ <b>12,416.00</b>                     | \$ <b>2,134.00</b>                      |
| 3                                                    | <b>Net income from the operation of a business, profession, or farm.</b> Subtract Line b from Line a and enter the difference in the appropriate column(s) of Line 3. If more than one business profession or farm, enter aggregate numbers and provide details on an attachment. Do not enter a number less than zero.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                           |                             |                                         |                                         |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           | Debtor                      | Spouse                                  |                                         |
|                                                      | a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Gross receipts                            | \$ 0.00                     | \$ 0.00                                 |                                         |
|                                                      | b.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ordinary and necessary business expenses  | \$ 0.00                     | \$ 0.00                                 |                                         |
|                                                      | c.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Business income                           | Subtract Line b from Line a |                                         |                                         |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           | \$ 0.00                     | \$ 0.00                                 |                                         |
| 4                                                    | <b>Net Rental and other real property income.</b> Subtract Line b from Line a and enter the difference in the appropriate column(s) of Line 4. Do not enter a number less than zero.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                           |                             |                                         |                                         |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           | Debtor                      | Spouse                                  |                                         |
|                                                      | a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Gross receipts                            | \$ 0.00                     | \$ 0.00                                 |                                         |
|                                                      | b.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ordinary and necessary operating expenses | \$ 0.00                     | \$ 0.00                                 |                                         |
|                                                      | c.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Rent and other real property income       | Subtract Line b from Line a |                                         |                                         |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           | \$ 0.00                     | \$ 0.00                                 |                                         |
| 5                                                    | <b>Interest, dividends, and royalties.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                           |                             | \$ 0.00                                 | \$ 0.00                                 |
| 6                                                    | <b>Pension and retirement income.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                           |                             | \$ 0.00                                 | \$ 0.00                                 |
| 7                                                    | <b>Any amounts paid by another person or entity, on a regular basis, for the household expenses of the debtor or the debtor's dependents, including child support paid for that purpose.</b> Do not include alimony or separate maintenance payments or amounts paid by the debtor's spouse if Column B is completed. Each regular payment should be reported in only one column; if a payment is listed in Column A, do not report that payment in Column B.                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                           |                             | \$ 0.00                                 | \$ 0.00                                 |
| 8                                                    | <b>Unemployment compensation.</b> Enter the amount in the appropriate column(s) of Line 8. However, if you contend that unemployment compensation received by you or your spouse was a benefit under the Social Security Act, do not list the amount of such compensation in Column A or B, but instead state the amount in the space below:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |                             |                                         |                                         |
|                                                      | Unemployment compensation claimed to be a benefit under the Social Security Act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           | Debtor \$ 0.00              | Spouse \$ 0.00                          |                                         |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           | \$ 0.00                     | \$ 0.00                                 |                                         |
| 9                                                    | <b>Income from all other sources.</b> Specify source and amount. If necessary, list additional sources on a separate page. Total and enter on Line 9. Do not include alimony or separate maintenance payments paid by your spouse if Column B is completed, but include all other payments of alimony or separate maintenance. Do not include any benefits received under the Social Security Act or payments received as a victim of a war crime, crime against humanity, or as a victim of international or domestic terrorism.                                                                                                                                                                                                                                                                                                                                                                 |                                           |                             |                                         |                                         |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           | Debtor                      | Spouse                                  |                                         |
|                                                      | a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Consulting work                           | \$ 2,242.00                 | \$ 0.00                                 |                                         |
|                                                      | b.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                           | \$                          | \$                                      |                                         |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           | \$ 2,242.00                 | \$ 0.00                                 |                                         |

|    |                                                                                                                                                                                                                   |              |             |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
| 10 | <b>Subtotal of current monthly income.</b> Add lines 2 thru 9 in Column A, and, if Column B is completed, add Lines 2 thru 9 in Column B. Enter the total(s)                                                      | \$ 14,658.00 | \$ 2,134.00 |
| 11 | <b>Total current monthly income.</b> If Column B has been completed, add Line 10, Column A to Line 10, Column B, and enter the total. If Column B has not been completed, enter the amount from Line 10, Column A | \$ 16,792.00 |             |

**Part II. VERIFICATION**

|    |                                                                                                                                                                  |                                         |  |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--|
| 12 | I declare under penalty of perjury that the information provided in this statement is true and correct. <i>(If this is a joint case, both debtors must sign)</i> |                                         |  |
|    | Date: <u>June 27, 2013</u>                                                                                                                                       | Signature: <u>/s/ Daniel L. Junk</u>    |  |
|    |                                                                                                                                                                  | <u>Daniel L. Junk</u>                   |  |
|    |                                                                                                                                                                  | (Debtor)                                |  |
|    | Date: <u>June 27, 2013</u>                                                                                                                                       | Signature: <u>/s/ Christine H. Junk</u> |  |
|    |                                                                                                                                                                  | <u>Christine H. Junk</u>                |  |
|    |                                                                                                                                                                  | (Joint Debtor, if any)                  |  |

THE STATE OF SOUTH CAROLINA  
In The Court of Appeals

---

APPEAL FROM BEAUFORT COUNTY  
Court of Common Pleas

Honorable Marvin H. Dukes, III, Master in Equity

---

Case No. 2009-CP-07-04301

Case No. 2009-CP-07-05088

---

CitiMortgage, Inc.,

Respondent,

v.

Daniel Junk a/k/a Daniel L. Junk and  
Christine H. Junk and Oldfield Community  
Association,

Defendants,

Of Whom Daniel L. Junk and Christine H.  
Junk are,

Appellants,

---

Daniel L. Junk and Christine H. Junk,

Counterclaim Appellants,

v.

CitiMortgage, Inc.

Counterclaim Respondent.

---

Daniel L. Junk and Christine H. Junk,

Third-party Appellants,

v.

Riley Pope & Laney, LLC , Heidi Carey, Esq.,  
Roy Laney, Esq., T. Lowndes Pope, Esq.,  
Bayview Loan Servicing, LLC, MERSCORP, Inc.,  
Mortgage Electronic Registration Systems, Inc.,  
Citi Master Servicing, Citigroup Global Markets  
Realty Corp., Citigroup Mortgage Loan Trust, Inc.,  
John Does 1-5,000, Jennifer Oakes, Robert G.  
Hall, Security Connections, Inc., Krystal Hall,  
Danielle Sterling, ABC Appraisal Group, Inc.,  
Mark A. Ruplinger, Linda Heller, Harry Jones,  
Colonial Coast Title Agency, Inc., Lawyers Title

Insurance Corporation, Corelogic, Inc. and American  
Home Mortgage Holdings, Inc.

Third-party Respondents.

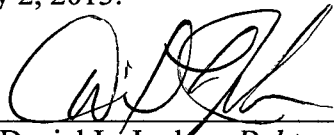
---

PROOF OF SERVICE

---

I certify that I have served DIP's Motion for Substitution of Defendant, Counterclaim Plaintiff, Third-party Plaintiff and for Substitution of Substitute Defendant, Substitute Counterclaim Plaintiff, Substitute Third-party Plaintiff on counsel listed below by depositing a copy of it in the United States Mail, postage prepaid, on July 2, 2013.

July 16, 2014



---

Daniel L. Junk *as Debtor-in-*  
*possession*  
35 North Fourth Street  
Suite 200  
Columbus, OH 43215  
(614) 648-5062

{Service list on following page}

**RECEIVED**

JUL 21 2014

**SC Court of Appeals**

## **PROOF OF SERVICE**

### **Document(s) Served: NOTIFICATION OF FILING UNDER BANKRUPTCY CODE AND SUGGESTION OF STAY**

#### **Persons Served:**

Brian Patrick Crotty, Esquire  
Nelson Mullins Riley & Scarborough, LLP  
P.O. Box 11070  
Columbia, SC 29211

James G. Long, III  
Nexsen Pruet, LLC  
P.O. Box 2426  
Columbia, SC 29202

Sean Michael Bolchoz, Esquire  
Bolchoz Law Firm, PA  
P.O. Box 828  
Bluffton, SC 29910

John Thomas Lay, Esquire  
Childs Cantey Thrasher, Esquire  
Gallivan White & Boyd P A  
PO Box 7368  
Columbia, SC 29202

Demetri K. Koutrakos, Esquire  
Callison Tighe & Robinson, LLC  
P.O. Box 1390  
Columbia, SC 29202-1390

Susan Taylor Wall, Esquire  
Amanda C. Williams, Esquire  
McNair Law Firm, P.A.  
PO Box 1431  
Charleston, SC 29402

Elizabeth Van Doren Gray, Esquire  
Tina M. Cundari, Esquire  
Sowell Gray Stepp & Laffitte, LLC  
PO Box 11449  
Columbia, SC 29211

O. Hamlin O'Kelley, III, Esquire  
Maria E. Kiehling, Esquire  
Buist, Byars & Taylor, LLC  
652 Coleman Blvd., Ste. 200  
Mt. Pleasant, SC 29464

Hamilton Osborne, Jr.  
HAYNSWORTH SINKLER BOYD, P.A.  
1201 Main Street, 22nd Floor  
Columbia, SC 29201-3226

**RECEIVED**  
JUL 21 2014  
**SC Court of Appeals**

DANIEL L. JUNK

July 16, 2014

The Honorable Jenny Abbott Kitchings  
Clerk of Court  
South Carolina Court of Appeals  
1015 Sumter Street  
Columbia, South Carolina 29201

**RECEIVED**

JUL 21 2014

**SC Court of Appeals**

Re: *CitiMortgage, Inc. v. Junk and Junk v. CitiMortgage, Inc., et al.*  
Consolidated Case Tracking No. 2012-210910.

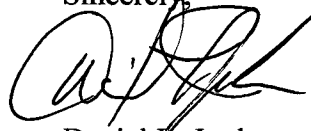
Dear Ms. Kitchings,

Pursuant to this Court's Order filed on August 9, 2013 ("Order"), *pro se* Appellant Daniel L. Junk respectfully submits this status update in the above referenced appeal. Debtors-in possession's ("DIP") Chapter 11 bankruptcy action remains pending, Case No. 13-55139, in the United States Bankruptcy Court, Southern District of Ohio, Eastern Division, before the Honorable John E. Hoffman. DIP's objection and counterclaim to CitiMortgage's Amended POC, adversary proceeding number 2:13-ap-02390, also is still pending.

On July 2, 2014, the court entered a Memorandum and Opinion granting CitiMortgage, Inc. relief from stay and authorizing DIP Daniel L. Junk to represent the estate and its creditors before this Court *pro se* ("Relief Order"). All Parties named in the Adversary Proceeding remain defendants as the court stayed the Adversary Proceeding in its Relief Order. DIP through Special Counsel filed a Notice of Appeal and Statement of Election appealing the Relief Order.

Pursuant to the Relief Order, enclosed herewith is an original and 7 copies of DIP's Motion for Substitution of Defendant, Counterclaim Plaintiff, Third-party Plaintiff and for Substitution of Substitute Defendant, Substitute Counterclaim Plaintiff, Substitute Third-party Plaintiff. Kindly file the original and 6 copies and return the 7<sup>th</sup> file-stamped copy to me in the attached self-addressed, postage-paid envelope.

Sincerely,



Daniel L. Junk,

cc: A. Parker Barnes, Jr., Esq.

Michael J. Anzelmo, Esq.  
John T. Lay, Esq.  
Sean Michael Bolchoz, Esq.  
Susan Taylor Wall, Esq.  
James Y. Becker, Esq.  
Demitri "Jim" Koutrakos, Esq.  
Elizabeth Van Doren Gray, Esq.  
G. Hamlin O'Kelly, III, Esq.  
James G. Long, III, Esq.

SS N. For. 11, 51-  
Col. 011  
43215  
**EXPRESS**

**RECEIVED**  
JUL 21 2014  
SC COURT OF Appeals

Hon. :  
Clerk  
South  
1015  
Colu

Priority Mail  
ComBas Price  
UNITED STATES POSTAGE  
PITNEY BOWES  
02-51P  
\$ 008.420  
0001711229 JUL 16 2014  
MAILED FROM ZIP CODE 43215