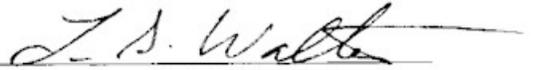


This document has been electronically entered in the records of the United States Bankruptcy Court for the Southern District of Ohio.

IT IS SO ORDERED.

Dated: January 31, 2006


Lawrence S. Walter
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT DAYTON**

In re: JOHN R. MONROE
ANNA M. MONROE,

Debtors

Case No. 04-40475

Judge L. S. Walter
Chapter 7

**ORDER DENYING MOTION OF TRUSTEE TO SETTLE
AND COMPROMISE ADVERSARY CASE**

This matter is before the court on Chapter 7 Trustee James Warren's Motion to Settle and Compromise Adversary Case No. 05-3223 captioned *Warren v. Keechle, et al.* [Doc. 65]. Trustee Warren ("Trustee") proposes to settle the adversary case with one of the named defendants, Jennifer Lynn Keechle, for \$15,000.00. Debtors John and Anna Monroe ("Debtors") are also named defendants in the adversary proceeding and responded in opposition to the Trustee's proposed settlement [Doc. 66]. The court has considered these filings, as well as the documents filed of record in the adversary case and the arguments of counsel presented at the January 26, 2006 status conference and hearing. From these the court makes the following determinations:

- 1) As an initial matter, the court concludes that the Debtors have sufficient standing to object to the Trustee's proposed settlement because they are named defendants in the adversary case to be settled and because their bankruptcy likely involves a surplus of funds following the Trustee's distribution to creditors. *See In re*

Bugaighis, 2004 WL 3190352 (Bankr. D. Co. Nov. 5, 2004); *Monus v. Lambros*, 296 B.R. 629 (N.D. Ohio 2002).

- 2) Furthermore, the Trustee has failed to overcome the Debtors' objection by demonstrating that the proposal to compromise the adversary proceeding against Defendant Jennifer Lynn Keechle is fair and equitable and in the best interests of the estate. *See Monus*, 286 B.R. at 637 (citing *TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968)).

For these reasons, the Trustee's Motion to Settle and Compromise Adversary Case No. 05-3223 with Defendant Jennifer Lynn Keechle **is denied**.

SO ORDERED.

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