

**IN THE  
UNITED STATES  
BANKRUPTCY COURT  
FOR THE MIDDLE  
DISTRICT OF ALABAMA**

**CHAPTER SEVEN  
CASE NUMBER  
10-30631  
  
IN RE:  
ALLEGRO LAW, LLC,  
DEBTOR**

**PURSUANT TO LBR 9007-1, THIS MOTION WILL BE TAKEN UNDER ADVISEMENT BY THE COURT AND MAY BE GRANTED UNLESS A PARTY IN INTEREST FILES A RESPONSE WITHIN 21 DAYS OF SERVICE. RESPONSES MUST BE SERVED UPON THE MOVING PARTY AND FILED ELECTRONICALLY WITH THE CLERK OR BY U.S. MAIL ADDRESSED TO THE CLERK OF THE BANKRUPTCY COURT, ONE CHURCH STREET, MONTGOMERY, ALABAMA 36104.**

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**TRUSTEE'S NOTICE OF  
ABANDONMENT AND REQUEST FOR  
AUTHORIZATION TO DISBURSE  
NON-ESTATE PROPERTY TO VANCO  
SERVICES, LLC**

**COMES NOW**, Daniel G. Hamm, the duly appointed and acting Trustee of the Bankruptcy Estate of Allegro Law, LLC (the "Debtor"), and, pursuant to *11 USC § 725* and *Rule 6007, Fed.R.Bank.Proc.*, files this Trustee's Notice of Abandonment and Request for Authorization to Disburse Non-Estate Property to Vanco Services, LLC. In support thereof, the Trustee represents as follows:

1. Vanco Services, LLC ("Vanco") provided money transfer services to Louis Colley in his capacity as State Court Receiver for Allegro Law, LLC ("Colley") under an Alabama state court receivership. Allegro Law, LLC assisted its clients ("Clients") in making payments to the Clients' creditors. As part of its

responsibilities, Vanco debited Clients' bank accounts and deposited the monies in State Court Receiver's bank account utilizing the Automatic Clearing House ("ACH") system.

2. Under ACH rules and procedures, Clients have the ability to, in effect, reverse a transaction by claiming that the transaction was not authorized or that the authorization was revoked. In such circumstances, Vanco has historically, and in the normal course of business, debited the State Court Receiver's bank account in order that the transaction is effectively reversed.

3. As of the date of this Motion, a total of 233 Clients have caused the reversal of ACH transactions related to deposits made to Debtor's account after the filing of Debtor's petition for relief on March 12, 2010. The amount of the reversed post-petition transactions is currently \$134,624.58. Regardless of whether it was proper of such Clients to reverse such transactions, the result has been that Vanco's own bank account has been debited in order to return funds to the Clients. As Vanco has been precluded, through the filing of Debtor's bankruptcy case, from in turn debiting the State Court Receiver's bank account, Vanco is suffering debits to its own bank account without the ability to recover from the account initially credited (i.e., State Court Receiver's receivership bank account, which is now in the possession of the Trustee).

4. Section 725 of the Bankruptcy Code provides that:

After the commencement of a case under this chapter, but before final distribution of property of the estate under section 726 of this title, the trustee, after notice and a hearing, shall dispose of any property in which an entity other than the estate has an interest, such

as a lien, and that has not been disposed of under another section of this title.

5. The Trustee has been provided with the certificate (the "Certificate") of Jeanne Spencer Rose who is the Chief Manager of Vanco Services, LLC. (See Attached as Exhibit "A") The Certificate, executed under penalty of perjury, affirms that Vanco, on the dates shown thereon, originally deposited funds in Allegro Law LLC's bank account from Clients by means of ACH in the amounts set forth in the Certificate; that Vanco has received notice, through the ACH process, that the Clients listed in the Certificate have not authorized the transaction or the authorization has been revoked for Vanco to debit their account by means of ACH (a "Return"); that each Client has received payment for the amount of the Return; that Vanco has paid the amount of the Return through the ACH process; and that Vanco is entitled to be reimbursed out of the Allegro Law, LLC bank account for the amount of the Return as set forth in the Certificate.

6. It is the Trustee's position that any deposit processed by Vanco to the Debtor's account following March 12, 2010 is a post-petition transaction and is not the property of the Bankruptcy Estate and is due to be returned to the rightful owner. The Trustee relies upon the representations of Jeanne Spencer Rose, Chief Manager of Vanco Services, LLC. that each of the Returns, as shown on the Certificate, were related to post petition deposits made to the Debtor's account and were in fact monies paid to the State Court Receiver's account and was actually debited from the associated client's account. Accordingly, the Trustee believes that \$134,624.58 in funds held by the Trustee, representing the amount of Returns

against Vanco to date was actually the property of the Clients and is now the property of Vanco by virtue of Vanco's payment of the amount of the Returns for the Clients' benefit.

7. The Trustee expects that there may be future Returns processed and paid by Vanco which also relates to deposits made to Debtor's account following the petition date of March 12, 2010 (such future Returns being hereinafter referred to as "Future Returns").

8. Under Section 725 of the Bankruptcy Code, the Trustee is required to appropriately dispose of property in which an entity, other than the estate, has an interest. In this instance, it is appropriate for the Trustee to disburse the amount of the Returns to Vanco as such sums are the property of Vanco.

**WHEREFORE**, premises considered, the Trustee, hereby gives notice pursuant to LBR 9007-1 that unless an objection is filed to the instant motion and upon the issuance of a Court Order granting said Motion the Trustee will disburse to Vanco the sum of \$134,624.58 representing the Returns reflected on the attached Certificate

**RESPECTFULLY SUBMITTED** on Thursday the 20th day of May.  
2010.

/s/ Daniel G. Hamm  
DANIEL G. HAMM (HAM043)  
BANKRUPTCY TRUSTEE

## CERTIFICATE OF SERVICE

I hereby certify that I have served a true and correct copy of the foregoing pleading as follows:

**By CM/ECF:**

Bankruptcy Administrator  
Debtor's Counsel  
David Hughes, Counsel for Vanco

**By fax or e-mail**

**By first class mail, postage prepaid:**

All creditors as listed on the creditor matrix.

**DONE** this the 20th day of May, 2010.

[/s/ Daniel G. Hamm](#)  
DANIEL G. HAMM (HAM043)  
BANKRUPTCY TRUSTEE