

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
Lexington Division

In re:

Lexington Blue, Inc.,

Debtor.

Case No. 25-50863
Chapter 11

**Objection of the United States Trustee to the Debtor in Possession
Notice of Intention to Abandon Property and Motion to Abandon
Property of the Estate**

Paul A. Randolph, Acting United States Trustee, objects to the Debtor in Possession's Notice of Intention to Abandon Property and Motion to Abandon Property of the Estate (ECF No. 147) (the "Motion to Abandon"), and in support states as follows:

Notice of Hearing

Please take notice that this Objection will be heard by the Court on August 21, 2025 at 9:00 a.m. in the Second Floor Courtroom, U.S. Bankruptcy Court, 100 East Vine Street, Lexington, KY 40507.

1. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. § 1409. This matter is a core proceeding.
2. The United States Trustee has standing to bring this Motion pursuant to 11 U.S.C. §§ 307.

3. On July 24, 2025, the Debtor filed the Motion to Abandon, seeking to abandon significant estate property that the Debtor claims is “of burdensome and inconsequential value to the estate.” ECF No. 147, at 1. Attached to the Motion to Abandon is a list of assets, including at least the following:

- a. Eight spare tires;
- b. One dump trailer;
- c. One small trailer;
- d. Eleven bar stools;
- e. Ten ladders;
- f. One fence post driver;
- g. Twenty blue captain chairs;
- h. Nine wooden desks;
- i. One “fancy desk”;
- j. One pool table;
- k. Four drills;
- l. Fifty picture frames;
- m. Five large file cabinets;
- n. Six small file cabinets; and
- o. One spartan helmet and sword.

4. In total, the Motion to Abandon includes eleven separate pages of assets the Debtor now attempts to abandon. The property identified

immediately above, in addition to the other significant property disclosed, likely has value to a bankruptcy estate.

5. The Debtor's bankruptcy schedules, under question 7 of Schedule A, discloses "office furniture, fixtures, and equipment" with a net book value of \$0 and a current value of "unknown." ECF No. 83, at 4. The Debtor's schedules did not accurately disclose the property included in the Motion to Abandon and made no effort to accurately value the property.

6. The Commonwealth of Kentucky has made allegations that the property included in the Motion to Abandon is incomplete, and that specific property, mainly televisions, computers, and cell phone, were not included. ECF No. 152.

7. On July 23, 2025, the United States Trustee filed its Motion of the United States Trustee to Convert Case (the "Motion to Convert"). ECF No. 144. The hearing on the Motion to Convert is scheduled for August 21, 2025. If the Court were to grant the Motion to Convert, a chapter 7 case trustee should be given the opportunity to review the property included in the Motion to Abandon and potentially sell the property for the benefit of all creditors.

8. Considering the likely material value of the property included in the Motion to Abandon, as well as the likely material value of the missing property highlighted by the Commonwealth, the Motion to Abandon is

additional evidence that the Debtor is grossly mismanaging the bankruptcy estate and the case must be converted to chapter 13.

WHEREFORE, the United States Trustee respectfully requests that his objection be SUSTAINED, and for any other relief the Court deems appropriate.

Dated: August 7, 2025

Paul A. Randolph
Acting United States Trustee

By: /s/ Bradley M. Nerderman
Tim Ruppel
Assistant U.S. Trustee
Bradley M. Nerderman
Trial Attorney
Office of the U.S. Trustee
100 E. Vine St., Suite 500
Lexington, KY 40507
(859) 233-2822

Certificate of Service

I certify that on August 7, 2025, I served a copy of the foregoing via ECF noticing upon all parties registered to receive notice electronically.

/s/ Bradley M. Nerderman
Bradley M. Nerderman