

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO

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NORTHERN DISTRICT OF OHIO
YOUNGSTOWN

IN RE:	*	
	*	CASE NUMBER 01-41620
THE APOLLO GROUP,	*	
	*	CHAPTER 11
	*	
Debtor.	*	HONORABLE KAY WOODS
	*	

ORDER CONVERTING CASE TO CHAPTER 7


The United States of America, a creditor and a party in interest herein, pursuant to 11 U.S.C. § 1112(b)(1), requested an order of this Court converting the Chapter 11 case of The Apollo Group ("Debtor") to a case under Chapter 7. The bases for such motion were: (i) Debtor will not be able to effectuate a plan of reorganization; and (ii) Debtor has abused the bankruptcy process, by using its bank accounts, which are protected by the automatic stay, to operate other campgrounds controlled by entities related to Debtor that are not in bankruptcy.

Saul Eisen, the United States Trustee for Region 9, also filed a motion to convert Debtor's Chapter 11 case to a Chapter 7 proceeding on the bases that: (i) Debtor failed to file operating reports after July 31, 2004; and (ii) Debtor has co-mingled assets of related entities with Debtor's bank account and entered into "out of the ordinary" course post-petition management agreements without seeking Court approval or providing notice to parties in interest.

The Court conducted a hearing on both motions on January 18, 2005. After hearing all arguments of counsel, this Court finds that Debtor co-mingled Debtor's bank accounts with other non-bankrupt related entities; Debtor has entered into transactions that required Court approval pursuant to § 363(b) of the Bankruptcy Code without obtaining such authorization; and Debtor has used its bank account, which is protected from attachment and levy by § 362 of the Code, for the benefit of non-bankrupt related entities.

For good cause shown, it is therefore ordered that this case is converted to a case under Chapter 7.

IT IS SO ORDERED.



HONORABLE KAY WOODS
UNITED STATES BANKRUPTCY JUDGE