

UNITED STATES DISTRICT COURT
 DISTRICT OF SOUTH CAROLINA
 BANKRUPTCY DIVISION

IN RE:

Southland Properties, Inc.)
 Bankrupt,)
 The South Carolina National Bank,)
 a corporation,)
 Plaintiff,)
 -vs-)
 Southland Properties, Inc.,)
 Defendant.)

ORIGINAL FILED

APR 18 '97

MILLER C. EOSTER, JR., CLERK

ORDER

BK/76-236
 C-5

It appears from the record that on December 27, 1976 this Court modified the stay afforded by Rule 11-44 so as to permit the South Carolina National Bank, to foreclose its security interest in the property described in its Complaint and known as Stratton Place Subdivision. In accordance with that Order the South Carolina National Bank was allowed to prosecute a foreclosure action in order to apply the proceeds derived therefrom towards satisfying the outstanding indebtedness of the bankrupt.

It appears that a settlement of this matter has been reached between the parties involved. According to the terms of the settlement agreement the bankrupt will convey the mortgaged real estate to Blanch Eugenia Hudson, the holder of the second mortgage, subject to the first mortgage of the South Carolina National Bank. Mrs. Hudson will assume the mortgage and obligation of Southland Properties, Inc. to the South Carolina National Bank.

I have previously found that the South Carolina National Bank should be allowed to enforce its security interest against the collateral and the settlement outlined above is consistent with this ruling. Further, the amount of the plaintiff's indebtedness exceeds the value of the collateral and there is no equity in the property to accrue to the benefit of the unsecured creditors of the bankrupt.

IT IS THEREFORE ORDERED, that the bankrupt, Southland Properties, Inc. convey all property subject to the first lien and encumbrance

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