

The relief described hereinbelow is SO ORDERED

Done this 3rd day of August, 2012.



William R. Sawyer
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA, SOUTHERN DIVISION**

In Re:)	Case No: 11-12254-WRS-11
)	
SMALL LOANS, INC., et al.)	Chapter 11
)	
Debtors.)	Jointly Administered

**ORDER GRANTING CHAPTER 11 TRUSTEE'S MOTION
FOR APPOINTMENT OF CONSUMER PRIVACY OMBUDSMAN**

S. Gregory Hays, the chapter 11 trustee (the "Trustee") appointed in the above captioned cases, filed a Motion Pursuant to Fed. R. Bankr. P. 6004(g) for Entry of an Order Under Sections 363(b)(1), 332, and 105(a) Directing the Bankruptcy Administrator to Appoint a Consumer Privacy Ombudsman to Assist in Protecting the Privacy of Certain Consumers Whose Personally Identifiable Information May Be Sold to a Third Party Along with Certain Assets of the Debtors [ECF Docket No. 502] (the "Ombudsman Motion") in this case on July 26, 2012.

The Court scheduled a hearing on the Ombudsman Motion for August 2, 2012. For purposes of this order, the Court notes that appearances were made at the hearing by Daniel D. Sparks and Bradley R. Hightower as counsel for the Trustee, by Teresa R. Jacobs, the

Bankruptcy Administrator, and by John D. Elrod as counsel for the Omnibus Official Committee of Unsecured Creditors (the "Committee"). No objections were filed regarding Ombudsman Motion and no objections were made at the hearing.

The Trustee requested that the Court enter an order directing the Bankruptcy Administrator to appoint a consumer privacy ombudsman to advise the Court regarding the privacy concerns that may arise regarding the Trustee's sale of the assets described in the Trustee's Motion for Order (1) Authorizing Sale Certain of Debtors' Consumer Credit Accounts Free and Clear of Liens, Claims and Encumbrances Under Section 363 of the Bankruptcy Code and (2) Approving Terms for Submission of Competing Offers and Auction Procedure [ECF Docket No. 501] (the "363 Sale Motion").

The Court expressed certain concerns regarding the cost to the estates and the potential delay of the Trustee's asset sale that may result from the appointment of an ombudsman in this matter. Based on these concerns, the Trustee suggested to the Court that the Bankruptcy Administrator should appoint Von G. Memory of the Memory & Day law firm as ombudsman and indicated that Mr. Memory has agreed to charge a flat fee of \$7,500 for all legal and other services related to his appointment as ombudsman. The Bankruptcy Administrator stated that she did not have any objection to the appointment of Mr. Memory as ombudsman. The Committee stated that it did not have any objection to the appointment of Mr. Memory either so long as his fees were capped at \$7,500 in the aggregate with regard to the 363 Sale Motion and all other similar motions filed in this matter.

Based upon the Court's review of the Ombudsman Motion as well as the representations made by the Trustee, the Bankruptcy Administrator, and the Committee at the August 2, 2012 hearing on this matter, the Court finds that the relief requested by the Trustee in the Ombudsman

Motion is due to be granted; therefore, it is ORDERED that the Ombudsman Motion is GRANTED.

The Bankruptcy Administrator is not required to file a separate pleading or notice of appointment regarding the appointment of Mr. Memory as ombudsman. The Bankruptcy Administrator stated in open court that she had no objection to the appointment of Mr. Memory; therefore, it is ORDERED that Mr. Memory is appointed as ombudsman. Mr. Memory shall file a statement of disinterestedness with the Court pursuant to Section 332(a) of the Bankruptcy Code within seven (7) days from the entry of this order. Mr. Memory shall further file a report with the Court containing his findings and recommendations regarding the privacy concerns that may arise as a result of the asset sales described in the 363 Sale Motion. This report shall contain, among other things, a brief analysis of those items enumerated in Section 332(b)(1) through (b)(4) of the Bankruptcy Code and it shall be filed with the Court within seven (7) days from the entry of this order. Mr. Memory's compensation for all legal and other services related to his appointment as ombudsman shall be limited to a flat fee of \$7,500.

###END OF ORDER###

This order prepared by:

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