

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ROANOKE DIVISION

IN RE:)
)
WALTER L. SPRINKLE and)
REBECCA F. SPRINKLE) Case 7-04-01592-WSA
)
Debtors.) Chapter 12
)

MEMORANDUM DECISION

The matter before the Court is the Debtors’ Objection to Claim #15 of Bobby Gray. The decision stated on the record at the hearing held on this matter June 8, 2005 is hereby incorporated by reference. The only matter remaining is whether or not the Debtors are entitled to any discount for early payment of the debt. The Debtors will be denied any discount for the reason, as the Court previously held on the record at the hearing, that the Debtors and Mr. Gray did enter into a post-petition agreement establishing a new contractual arrangement among them, that the agreement was set forth in an unsigned writing as an exhibit to the order endorsed by Debtors' counsel and the creditor's counsel, proposed to the court and approved by the Court and entered on May 20, 2004. The fact that the Debtors did not sign the agreement does not change the fact that a new agreement was made and acted upon thereafter by both parties. There was nothing in the agreement to the effect that the parties did not intend for it to be effective until they had signed a writing containing its terms. Such agreement specifically contemplated the possibility of early payment of the debt and agreed that the discount factor which would be applied in such event would be "0% ". Accordingly, it is the ruling of the Court that the full amount of the contract, \$187,000, less the agreed payments thereon in the amount of \$60,500, is the amount of the creditor's claim and the Debtors’ objection to his proof of claim is therefore

DENIED.

This 28th day of June, 2005.

William F. Stone, Jr.

UNITED STATES BANKRUPTCY JUDGE

