

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE:

Barbara White Elkin,

Debtor(s).

C/A No. 24-04456-EG

Chapter 13

**ORDER DENYING (1) MOTION
REGARDING ORDER
AUTHORIZING SALE OF ASSET
AND (2) MOTION TO VACATE OR
VOID SALE OF REAL PROPERTY
AND FOR SANCTIONS**

THIS MATTER is before the Court on the (1) Motion Regarding Order Authorizing Sale of Asset Pursuant to 11 U.S.C. § 363(b)¹ and (2) Motion to Vacate or Void Sale of Real Property and for Sanctions² (collectively, the “Motions”) filed by Kristopher J. Pilles (“Mr. Pilles”), pro se. Barbara White Elkin (“Debtor”) and the Chapter 13 Trustee (the “Trustee”) both filed responses in opposition to the relief requested in the Motions.³ The Court set a hearing on the Motions for December 2, 2025 at 11:00 a.m.⁴ A copy of the order and notice of hearing was served on Kristopher J. Pilles, Debtor, and the Chapter 13 Trustee by U.S. Mail.⁵ A hearing was held on December 2, 2025, which was attended by Debtor; Debtor’s counsel; Debtor’s real estate broker, Kenneth Clark Gray (“Mr. Gray”); and the Trustee. Mr. Pilles was not present to prosecute the Motions. The Court did not receive any requests for a continuance or remote appearance from Mr. Pilles prior to the hearing. For the reasons set forth below, the Court denies the Motions.

¹ ECF No. 37, filed Oct. 28, 2025.

² ECF No. 47, filed Oct. 30, 2025.

³ ECF No. 54, filed Nov. 6, 2025, and ECF No. 59, filed Nov. 13, 2025.

⁴ ECF No. 57, filed Nov. 13, 2025.

⁵ ECF No. 58, filed Nov. 13, 2025; ECF No. 64.

FINDINGS OF FACT

Debtor filed a voluntary petition for relief under chapter 13 of the Bankruptcy Code on December 13, 2024. In her schedules and statements filed on January 6, 2025,⁶ Debtor listed an interest in real property at 216 Pine Bluff Street, Vance, SC 29163 (the “Property”), which was encumbered by a mortgage in the name of Roy C. Walker, Inc. in the amount of \$427,000.00. Debtor also listed nonpriority unsecured claims of \$2,838.00. On February 12, 2025, Debtor filed an amended Schedule C to claim an exemption for the Property in the amount of \$70,000.⁷ Debtor’s chapter 13 plan was confirmed on June 17, 2025.⁸ The confirmed plan requires Debtor to make regular contract payments to Roy C. Walker, Inc. during the case and further provides that Debtor will seek to sell the Property. The confirmed plan also provides:

Upon confirmation of the plan, property of the estate will remain property of the estate, but possession and use of property of the estate shall remain with the debtor. The chapter 13 trustee shall have no responsibility regarding the use or maintenance of property of the estate. . . .

The deadline for creditors to file proofs of claim in Debtor’s bankruptcy case was February 21, 2025, except that governmental units had until June 11, 2025 to file their claims. Only four proofs of claim were filed in this case: a claim filed by the South Carolina Department of Revenue for \$0.00, a secured claim filed by Roy C. Walker, Inc., in the amount of \$474,878.55, and two unsecured claims totaling \$179.07.

On August 14, 2025, Debtor filed a motion to sell the Property through a private sale to Shawn Sprinkle for \$620,000.00 (“Sale Motion”).⁹ The Sale Motion provided for the sale proceeds to be used to satisfy Roy C. Walker, Inc.’s mortgage in full, Inc. and pay Debtor’s exemption of

⁶ ECF No. 11.

⁷ ECF No. 14.

⁸ ECF No. 30.

⁹ ECF No. 32.

\$70,000.00, with the remainder being paid to the Trustee for distribution to Debtor's creditors. The Sale Motion was served on all creditors and the Trustee. With no objections having been filed,¹⁰ the Court entered an Order Authorizing the Sale of Asset Pursuant to 11 U.S.C. § 363(b) (the "Sale Order") on September 11, 2025.¹¹ The Sale Order did not provide for a waiver of the stay of an order authorizing the sale of property provided by Fed. R. Bankr. P. 6004(h); therefore, it became a final order as of September 25, 2025.

On October 28, 2025—47 days after entry of the Sale Order—Mr. Pilles filed the Motion Regarding Order Authorizing Sale of Asset Pursuant to 11 U.S.C. § 363(b) (the "Objection to Sale"), asserting that he had submitted a superior offer for the Property which had not been considered or acknowledged. Through the Objection to Sale, Mr. Pilles also asked for the following relief: (1) to deny or stay the approval of the current proposed sale of the Property and (2) to require that Debtor, Trustee, and their representatives formally consider and present to the Court Mr. Pilles' superior offer. Mr. Pilles filed a "Memorandum of Law in Support of the Objection to Sale" on October 29, 2025, reiterating the prior arguments and assertions that he had submitted a written offer to purchase the Property at a higher purchase price than the offer presented to the Court and requesting that the Court deny or defer approval of the sale pending full consideration of his offer.

By order entered October 29, 2025 (the "October 29th Order"), the Court set a deadline to respond to the Objection to Sale for November 14, 2025, and indicated that a hearing would be scheduled after a review of any responses, only if appropriate.¹² On October 30, 2025, Mr. Pilles filed the Motion to Vacate or Void Sale of Real Property and For Sanctions (the "Motion to

¹⁰ On September 5, 2025, the Trustee filed a notice of no objection to the sale.

¹¹ ECF No. 35.

¹² ECF No. 39.

“Vacate”), arguing that the October 29th Order “functioned as a procedural hold, preserving the status quo until all parties had filed pleadings and the Court had ruled” and requesting that the sale be vacated, the status quo restored, and sanctions be imposed upon all parties who violated the Court’s October 29th Order.

According to the Report of Sale¹³ and the Settlement Statement¹⁴, the Property was sold to Shawn Sprinkle, Marker 79 Marina, LLC on October 30, 2025, for \$620,000.00, with disbursements made on October 31, 2025. The Settlement Statement shows that funds from the sale were distributed as follows: \$468,734.28 was paid to Roy C. Walker, Inc. to satisfy the mortgage on the Property, \$37,200.00 was paid to Southern Dreams Realty for commission, \$70,000.00 was paid to Debtor for her exemption, and \$20,463.41 was paid to the Trustee.

In her Objection to the Motion to Vacate,¹⁵ Debtor argues that Mr. Pilles’ objections to the sale are untimely, the sale of the Property was closed pursuant to the terms outlined in the original application and in accordance with the Sale Order, and that neither Debtor, Debtor’s Counsel, or the parties who facilitated the sale did anything to undermine the integrity of the bankruptcy process. The Trustee’s Response similarly argues Mr. Pilles’ objection is untimely and there is no basis for reconsideration of the completed sale.¹⁶ The Trustee requests that the Court enter an order overruling Mr. Pilles’ objection to the sale and allowing the Trustee to disburse the sale proceeds she is currently holding pursuant to the terms of Debtor’s confirmed plan.

Mr. Pilles filed an additional response on November 14, 2025, raising further arguments in support of the Motion to Vacate, highlighting discrepancies between the Application to Sell and the Report of Sale, asserting that the Property was not properly marketed and was improperly

¹³ ECF No. 52, filed Nov. 3, 2025.

¹⁴ ECF No. 53, filed Nov. 4, 2025.

¹⁵ ECF No. 54.

¹⁶ ECF No. 59, filed Nov. 13, 2025.

valued, claiming that the real estate broker obstructed his efforts to make a competing offer, and noting that Debtor improperly claimed a homestead exemption in the Property.¹⁷

At the hearing, Debtor presented the testimony of Mr. Gray—the real estate broker for the sale of the Property. He stated that he had entered into a dual agency agreement with Mr. Pilles and was representing both Mr. Pilles as buyer and Debtor as seller. He testified that Mr. Pilles spoke with him regarding an offer of \$520,000.00 prior to signing the dual agency agreement but never submitted a signed offer. Mr. Gray subsequently received higher offers in excess of \$600,000.00 which were presented to Debtor. Debtor ultimately accepted the offer of \$620,000.00 from Mr. Sprinkle. Mr. Gray testified that Mr. Pilles received the same information regarding the Property that was received by other prospective buyers at the same time. From a review of Roy C. Walker, Inc.’s proof of claim, certain documents attached to the claim indicated that Debtor was a member or owner of Marker 79 Marina, LLC—the entity mentioned in the Report of Sale as connected to the buyer. In response to the Court’s questioning regarding the ownership of Marker 79 Marina, LLC, Mr. Gray testified that Marker 79 Marina, LLC was also sold to the purchaser of the Property as part of the sale transaction.

The Trustee reported that she is holding \$20,463.41 funds from the sale, which are sufficient to pay all creditors and return a significant refund to Debtor.

DISCUSSION

Pursuant to Fed. R. Civ. P. 60(b)(2), (3) and (4), made applicable to this bankruptcy case by Fed. R. Bankr. P. 9024, Mr. Pilles asks the Court to vacate or declare void the sale of the Property that was completed on October 30, 2025 on three grounds: (1) procedural irregularities and a lack of transparency in handling the Property’s sale; (2) newly discovered evidence

¹⁷ ECF No. 63.

indicating that the sale was approved based upon materially incomplete and inaccurate information and/or fraud; and (3) failure to delay the sale as required by the Court’s October 29th Order. Rule 60(b) provides:

On motion and just terms, the court may relieve a party or its legal representative from a final judgment, order, or proceeding for the following reasons:

- (1) mistake, inadvertence, surprise, or excusable neglect;
- (2) newly discovered evidence that, with reasonable diligence, could not have been discovered in time to move for a new trial under Rule 59(b);
- (3) fraud (whether previously called intrinsic or extrinsic), misrepresentation, or misconduct by an opposing party;
- (4) the judgment is void;
- (5) the judgment has been satisfied, released or discharged; it is based on an earlier judgment that has been reversed or vacated; or applying it prospectively is no longer equitable; or
- (6) any other reason that justifies relief.

Fed. R. Civ. P. 60(b).

As a threshold matter, the Court observes that Mr. Pilles appears to lack standing to object to the sale. *See In re Riddle*, No. 23-10827, slip op. (Bankr. D.N.M. Aug. 15, 2025) (“Standing is a threshold issue in every federal case.”) (internal quotations omitted). “With one limited exception, the interests of a disappointed bidder for a bankruptcy estate asset who is otherwise a stranger to the bankruptcy case are not the type of interests protected under the Bankruptcy Code to challenge a § 363 sale.” *Id.* (citing cases); *see also In re AIO US, Inc.*, 672 B.R. 261, 273-74 (Bankr. D. Del. 2025) (“Courts have long held . . . that a disappointed bidder in a bankruptcy auction generally lacks standing to challenge the sale—except to the extent that the challenger calls into question the ‘intrinsic fairness’ of the sale process.”) A limited exception is provided where there are “allegations of fraud, collusion, bad faith, or other fundamental unfairness that taints the sale.” *Id.* (citing cases).¹⁸ Even if he had standing, his failure to prosecute the motion,

¹⁸ As the Court noted in *Riddle*, the requirement of Article III standing applies in bankruptcy court, even though it is not an Article III court. However, in *Kiviti v. Bhatt*, 80 F.4th 520, 533-34 (4th Cir. 2025), the Fourth Circuit noted that Article III must be satisfied before a bankruptcy case or proceeding can be referred to the bankruptcy court or

as the party carrying the burden of proof, is a sufficient ground in itself to overrule the relief sought. Ultimately, from what the Court can discern from his pleadings, Mr. Pilles falls within the category of a “disgruntled bidder” who missed the opportunity to purchase property at a bargain price. That, however, does not constitute sufficient grounds to void a sale that has resulted in creditors’ allowed claims to be paid in full.

While no evidence was presented to the Court, as Mr. Pilles was not present to seek the introduction of documents into the record, a review of the Motions and even the attachments—which were not properly introduced into the record at the hearing and some of which may not have been admissible—does not support a finding of fraud or bad faith in connection with the sale. According to Mr. Gray, Mr. Pilles never submitted a signed offer for consideration, and he received the same information as all other interested buyers regarding the Property at the same time as those buyers. Regarding the discrepancy as to the buyer’s name on the Application for Sale and the Report of Sale, Mr. Gray explained that the buyer was shown as Mr. Sprinkle and Marker 79 Marina, LLC because the LLC was also sold to Mr. Sprinkle as part of the transaction. There is no indication that the sale price was inadequate or that Debtor’s acceptance of the \$620,000.00 offer was improper.¹⁹ The sale price of \$620,000.00 was sufficient to pay all unsecured creditors in full and for Debtor to receive a significant amount of excess proceeds.²⁰

returned to the district court, but otherwise Article III does not constrain the non-Article III bankruptcy court’s exercise of jurisdiction. The facts in *Kiviti*, however, were different than the scenario currently before the Court—the issue the Fourth Circuit Court had to decide was, in part, whether bankruptcy courts, as non-Article III courts, may constitutionally adjudicate cases that would be moot if heard in an Article III court, and the Court answered positively. In so doing, the Fourth Circuit noted that “[o]nce a case is validly referred to the bankruptcy court, the Constitution does not require it to be an Article III case or controversy for the bankruptcy court to act”. While the latter statement may call into question the Article III standing issue, even in this case, it is not clear whether the Fourth Circuit would have gone that far to find standing in the situation and, as the Court in *Riddle* noted, a disgruntled bidder may also lack prudential standing which is not derived from Article III or statutory standing.

¹⁹ Notably, the sale price was higher than the value of the Property listed in the schedules of \$313,000.

²⁰ Even if Debtor’s claim of a homestead exemption for the Property was improper, it would make no difference in this case because her creditors were paid in full.

The Court further finds that denial of the Motions is appropriate on the merits because Mr. Pilles failed to demonstrate grounds for relief from the Sale Order pursuant to Rule 60(b). The Fourth Circuit has explained that:

Rule 60(b) allows a court to “relieve a party … from a final judgment, order or proceeding” on a limited number of grounds. Fed. R. Civ. P. 60(b). To prevail, a party must demonstrate (1) timeliness, (2) a meritorious defense, (3) a lack of unfair prejudice to the opposing party, and (4) exceptional circumstances. *Dowell v. State Farm Fire & Cas. Auto. Ins. Co.*, 993 F.2d 46, 48 (4th Cir. 1993). “After a party has crossed this initial threshold, [it] then must satisfy one of the six specific sections of Rule 60(b).” *Id.*

Wells Fargo Bank, N.A., v. AMH Roman Two NC, LLC, 859 F.3d 295 (4th Cir. 2017); *see also In re Foxwood Hills Prop. Owners Assoc., Inc.*, 628 B.R. 891 (Bankr. D.S.C. 2021). This Court must first make a threshold determination of timeliness, a meritorious defense, a lack of unfair prejudice to the opposing party and exceptional circumstances before it may determine whether reconsideration under Rule 60(b) is proper. *In re Ard*, 666 B.R. 744, 755 (Bankr. D.S.C. 2025). Mr. Pilles, as the party seeking relief from the Sale Order, bears the burden of proof. *Wells Fargo*, 859 F.3d at 300; *see also In re 45 John Lofts, LLC*, 648 B.R. 16, 24 (Bankr. S.D.N.Y. 2023) (“In considering a motion for relief from judgment, the burden of proof is on the party seeking relief from judgment.”) (citing cases). The Motions must be denied because Mr. Pilles has failed to show the threshold requirements of a meritorious defense, lack of unfair prejudice to the opposing party, or exceptional circumstances.

“To establish a meritorious defense, the movant must do more than merely allege that he has one. A movant must allege facts which, if established on trial, would constitute a complete defense to the action.” *Ard*, 666 B.R. at 755-56 (citing *In re Bair*, No. 15-03488-DD, 2016 WL 4467859, at *5 (Bankr. D.S.C. Aug. 22, 2016)). Without such a showing, Mr. Pilles is not entitled to relief under Rule 60(b). *Id.* at 756. Mr. Pilles has failed to present any evidence showing that

he has any defense to the Sale Order. He did not present a written offer to purchase the Property at any time and there is no evidence that the sale process was procedurally improper or was unfair to the bankruptcy estate. Mr. Pilles failed to timely object to the Sale Motion, failed to file anything with the Court to indicate that a higher written offer had in fact been made, and failed to timely seek relief from the Sale Order prior to it becoming a final order. Mr. Pilles' argument that the October 29th Order required the parties to delay the sale to maintain the status quo is likewise without merit—the October 29th Order did not provide for a stay of the Sale Order; rather, it merely set a response deadline and notified the parties that a hearing may be set at a future date if needed. It further appears there would be unfair prejudice to Debtor and the purchaser if the Sale Order was vacated after the sale of the Property has been completed. Mr. Pilles has also failed to demonstrate any exceptional circumstances justifying relief from the Sale Order. Accordingly, there are no grounds for reconsideration of the Sale Order. The Court further finds that there are no grounds for sanctions against Debtor or the Trustee.

For the foregoing reasons, it is hereby

ORDERED that the Motions are DENIED.

IT IS FURTHER ORDERED that the Trustee is authorized to disburse the sale proceeds in accordance with the confirmed plan.

AND IT IS SO ORDERED.

FILED BY THE COURT
12/04/2025



Entered: 12/04/2025



Elisabetta G. M. Gasparini
US Bankruptcy Judge
District of South Carolina