



SO ORDERED.

SIGNED this 02 day of October, 2006.

**ROBERT E. NUGENT
UNITED STATES CHIEF BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF KANSAS**

IN RE:)	
)	
BRANDI D. ANDERSON,)	Case No. 04-14105
)	Chapter 7
Debtor.)	
_____)	
J. MICHAEL MORRIS, Trustee)	
)	
)	
Plaintiff,)	
v.)	Adv. No. 04-5341
)	
INTRUST BANK, N.A.,)	
BRANDI D. ANDERSON and)	
JOHN C. ANDERSON,)	
)	
Defendants.)	
_____)	

JUDGMENT ON DECISION

In this adversary proceeding, the trustee invokes his 11 U.S.C. §544(a) hypothetical lien creditor powers to avoid and preserve an alleged unperfected security interest in favor of Intrust

Bank, N.A. that encumbers debtor's interest in a 1999 Chevrolet Tahoe and 1994 Ford Ranger pickup.

The Court holds that perfection of a security interest in a vehicle refinance situation is governed by KAN. STAT. ANN. § 8-135(c)(6) (2003 Supp.) and requires compliance with that statute in order to be perfected. The plain language of KAN. STAT. ANN. § 8-135(c)(6) does not provide that the "presentation" of the application for the title alone as constituting perfection of the lien securing a vehicle refinance.¹ The statute requires the security interest to be indicated on the certificate as a condition of perfection.² Because Intrust's lien was not noted on the certificates of title issued by the Kansas Department of Revenue on the date of commencement of the bankruptcy case, Intrust's security interest in the vehicles was unperfected.

JUDGMENT is entered for the trustee on his complaint against Intrust, avoiding Intrust's security interest in the vehicles and preserving the liens for the benefit of the estate under § 551.

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¹ Cf. KAN. STAT. ANN. § 8-135(c)(5) applicable to purchase money security interests in vehicles and perfection by presenting a notice of security interest.

² See KAN. STAT. ANN. § 84-9-311, Official Comment 5 (2003 Supp.).