

IN THE UNITED STATES COURT OF APPEALS  
FOR THE FIFTH CIRCUIT

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No. 95-50541

Summary Calendar

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THOMAS VARKONYI d/b/a  
METAL RECYCLING COMPANY and  
UNIQUE PRODUCTS INTERNATIONAL,

Appellant,

versus

ANDREW B. KRAFSUR, Chapter 7 Trustee,

Appellee,

versus

ALLSTATE INSURANCE CO.,

Appellee.

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Appeal from the United States District Court  
for the Western District of Texas  
(EP-93-CV-441)

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May 15, 1996

Before HIGGINBOTHAM, DUHE', and EMILIO M. GARZA, Circuit Judges.

PER CURIAM:\*

Allstate Insurance Company filed this interpleader action against Thomas Varkonyi, d/b/a Metal Recycling Company and Unique Products International, a Chapter 7 debtor, and Andrew Krafzur, the

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\*Local Rule 47.5 provides: "The publication of opinions that have no precedential value and merely decide particular cases on the basis of well-settled principles of law imposes needless expense on the public and burdens on the legal profession." Pursuant to that Rule, the Court has determined that this opinion should not be published.

Chapter 7 trustee. Allstate sought to resolve the adverse claims of Varkonyi and Krafzur as trustee to insurance proceeds arising from the claimed loss of Varkonyi's Lincoln Mark VII, which he had reported stolen. Allstate also sought a declaratory judgment that it was justified in delaying payment of proceeds. Prior to the bench trial, the parties agreed on a distribution of the insurance proceeds. After the trial on the declaratory judgment action, the bankruptcy court ruled that Allstate had no further liability to Varkonyi; it concluded that, given the circumstances of Varkonyi's arrest and indictment on insurance fraud charges in connection with his Lincoln Mark VII, Allstate had not wrongfully delayed payment of the proceeds. The district court affirmed.

Varkonyi now appeals, arguing that the district court erred in affirming the decision of the bankruptcy court. He contends, inter alia, that the bankruptcy court judge should have disqualified himself; that Allstate brought the interpleader action for an improper purpose; and that the judgment is inconsistent in failing to clarify certain issues that may arise in Varkonyi's state court litigation against Allstate. We have reviewed the record and the memoranda of the lower courts and find no reversible error.

AFFIRMED.