

7/3/80

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE
WESTERN DISTRICT OF WISCONSIN

In the Matter of

IN BANKRUPTCY

THEODORE S. PETERSON
and BEVERLY PETERSON

No. 79-00457 Vol.
No. 79-00458 Vol.

Bankrupts.

ORDER ALLOWING CLAIM

The Farmers Home Administration of the United States Department of Agriculture having duly filed a claim herein on the 13th day of November, 1979, in the amount of \$54,101.98 and listing the same as a secured claim; and the Trustee herein having objected to said claim on the grounds that it was not a secured claim and that the security had been released, and that a portion of the amount claimed by said claimant constituted interest accruing after the filing of the bankruptcy, and that Trustee believes the claimant's unsecured claim is in the sum of \$52,286.00; and a pre-trial hearing having been held in said matter and thereafter a trial having been held, and witnesses sworn, and the parties having made their arguments to the Court, and having filed their briefs, and the Court being fully advised in the premises, FINDS:

1. That the above named bankrupts duly filed their petitions in bankruptcy herein on the 24th day of April, 1979, and that Peter F. Herrell is the duly appointed Trustee in said matter.
2. That prior to the filing of bankruptcy the claimant herein made several loans to the bankrupts which were secured by mortgages on real and personal property as is shown by the voluminous proofs and computer computations attached to its claim.
3. That pursuant to a contract of sale executed by the bankrupts prior to the date of bankruptcy the Trustee duly sold the real estate involved herein, and that the sale was duly completed on the 10th day of October, 1979, when it was sold to one

Steven Franck who assumed one mortgage described as Loan No. 2, which at the time of the sale had a balance of \$95,284.31 due thereon.

4. That Loan No. 1, as of the date of said sale, had a balance of \$5,034.13 due thereon; that Loan No. 3 on said date had a balance of \$5,323.92 due thereon, and that Loan No. 4 on said date had a balance of \$43,534.85 due thereon; all in the total sum of \$53,892.90 and which were valid liens thereon and payable out of the proceeds of said sale.

5. That the loans on the personal property of said bankrupts are as follows: Loan No. 1 in the original sum of \$60,200.00 dated November 4, 1977, which was liquidated by an auction sale with a credit thereon on February 20, 1979, in the sum of \$60,494.55; and Loan #2 in the sum of \$11,600.00 dated July 12, 1978, upon which a payment of \$5,748.02 was made from the proceeds of the auction, over and above the payment of the first loan. That there was also a further credit of \$1,987.97 applied thereon from said sale, and that the amount due on said note as of the date of the filing of the bankruptcy was the sum of \$6,509.00.

6. That the amount of \$53,892.90 is a secured claim herein as above stated.

7. That the amount of \$6,509.00 on the second personal property loan is an unsecured claim herein; and as

CONCLUSIONS OF LAW

That an Order be entered determining:

1. That the sum of \$53,982.90 is a secured claim, and was a secured claim on the real estate, and is payable from the funds now in the hands of said Trustee.

2. That the sum of \$6,509.00, being the balance due on said personal property Loan #2, is an unsecured claim herein.

O R D E R

NOW, THEREFORE, IT IS ORDERED:

1. That the three real estate loans which were liens on said property on the date of sale are valid liens thereon and

entitled to payment from the proceeds of the sale of said farm property real estate in the amount of \$53,892.90.

2. That the personal property Loan No. 2 in the balance sum of \$6,509.00 is hereby allowed in said bankruptcy as an unsecured claim.

3. That said Trustee is directed to forthwith pay to said claimant the sum of \$53,892.90 on said secured claim.

Dated: July 3, 1980.

BY THE COURT:


A handwritten signature in cursive script, appearing to read "William W. Franke", is written over a horizontal line.

Bankruptcy Judge