



4. That the debtor, a single man, resides in a home near Roberts, Wisconsin, consisting of approximately sixty acres, which was originally purchased under a land contract and at the time of the hearing there was an unpaid balance of approximately \$20,000 on said contract.

5. That debtor claims the homestead property, which is about ten miles from the River Falls office, is maintained not only for the purpose of residence but also to display the items sold in his business and for the storage of equipment, and that he uses the land for a partial farming operation for sheep and heifer production.

6. That debtor originally filed a Chapter 13 proceedings in the United States Bankruptcy Court for the Western District of Wisconsin on the 6th day of July, 1981.

7. That said Chapter 13 proceedings was dismissed on the 30th day of October, 1981, by the Honorable Robert D. Martin, Bankruptcy Judge at Madison, Wisconsin, in that no plan meeting the requirements of Chapter 13, Title 11 of the U. S. Bankruptcy Code, had been presented and no cause had been shown why the proceeding should not be dismissed.

8. That thereafter on December 28, 1981, the said debtor, individually and without an attorney, filed a petition for Chapter 11 relief under said Bankruptcy Code.

9. That said Chapter 11 proceedings is now pending; that a plan of reorganization was filed with the court on April 20, 1982, and that a hearing on approval of the disclosure statement is set for June 28, 1982, before the court.

10. That said bank filed an application to lift the automatic stay in said proceedings.

11. That there are two parts to the application for lifting the stay involved in these proceedings: first, on the real estate, and second, on the inventory, equipment and related personal property of the business. The bank contends that

debtor has no equity in the items and that they are not needed or necessary to effect reorganization; that it has not been afforded adequate protection, and that its security is being diminished in value daily by the use of the same by the debtor. The debtor contends that the bank is adequately protected.

12. That the debtor furnished an appraisal; (Exhibit 23).

13. That James Hendrickson, a realtor of River Falls, Wisconsin, testified that reproduction costs would be \$179,752 with a comparative market value of \$176,000, and that in his opinion the value of the property was \$177,000 as of March 22, 1982, the date of the hearing. The real estate is zoned as agricultural and not industrial and consists of a barn, house and related small buildings. Mr. Smith, the president of the bank, testified the value of it to be \$145,000 to \$175,000 if the right buyer could be found.

14. That in the Chapter 13 proceedings the debtor stated the value of the real estate to be \$90,000 and when he filed his schedules on December 28, 1981, he alleged the value to be \$140,000. On the day of the hearing he filed an amended Schedule A-2 to show the value at \$177,000. The court believes that the value is between \$170,000 and \$177,000 with the latter figure being the maximum if the right buyer could be obtained, as testified by the witnesses.

15. That as of the date of hearing, the indebtedness against the real estate consisted of the following items:

Mortgage to First National Bank of River Falls . .	\$56,151.17
Second Mortgage . . " . . " . . . . " . . " . . . .	\$49,073.49
Third Mortgage . . . " . . . " . . . . " . . . " . . . .	\$13,551.71
Sales Tax owing to the State of Wisconsin . . . . .	\$11,000.00
Real Estate Taxes owing to St. Croix County, WI . .	\$ 7,094.51
Ben W. Stork, Balance Due on Land Contract . . . . .	\$20,000.00
Insurance Premium to Bank . . . . .	\$ 824.88

Costs and Expenses of Foreclosure . . . . .	\$ 2,740.70
Mortgage to Riverside Community State Bank Minneapolis, Minnesota	\$ 7,402.19
Mechanics Lien Claim Due David Fogarty . . . . .	\$ 2,663.63
Real Estate Broker's Commission (if property were to be sold) . . . . .	\$10,560.00
Income Tax Lien Due the State of Wisconsin (May be disputed)	\$ 3,866.64
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TOTAL . . . . .	\$184,928.92

That there is also accumulated interest due on the above items since the date of hearing.

16. That said real estate is also subject to the following judgments alleged in the schedules, all of which were entered more than four months prior to the date of filing the schedules herein on December 28, 1981, to-wit:

January 18, 1979	The Country Today	\$ 732.42
May 14, 1979	Badger Corrugating Co.	\$ 1,696.59
June 19, 1979	Equity Coop Elevator Co.	\$ 3,554.75
December 29, 1975	Hennepin County, Minnesota on behalf of Beverly Slater	\$ 5,000.00
October 1, 1979	Twin City Fireplace Co.	\$ 3,655.65
October 15, 1979	Theodore L. Mackmiller	\$21,311.07
August 8, 1980	Bank of New Richmond	\$ 3,521.32
November 3, 1980	C. J. Towers & Sons	\$ 1,434.82
November 6, 1980	Inter County Publishing	\$ 1,565.76
February 5, 1980	Virginia E. Allen, a/k/a Virginia E. Spangler	\$ 5,221.25
March 13, 1979	Thorp Finance Corporation	\$ 1,033.00
July 24, 1979	Graybow Daniels Company	\$ 851.28
December 16, 1980	BoJon's Flowers	\$ 129.00
February 10, 1981	Arlington Park Hilton	\$ 858.24
April 28, 1981	Mid-State Supply Co., Inc.	\$ 63.18
May 18, 1981	Minnesota Energy Savers, Inc.	\$ 3,200.00
	TOTAL	\$53,828.33

See State Central Credit Union v. Bigus, 101 Wis. 2d 237.

17. That the following claims are disputed by the debtor as to amount:

St. Croix County, real estate taxes . . . . .	\$ 1,500.00
First National Bank of River Falls, 2nd mortgage	\$ 3,000.00

Riverside Community State Bank of Minneapolis, MN	\$11,354.00
(Correct amount owing \$7,402.19 as above stated)	
Virginia Allen, Judgment . . . . .	\$ 5,221.25
Bank of New Richmond, Judgment . . . . .	\$ 3,421.00
Chicago Midwest Credit Service Company . . . . .	\$ 742.56

18. That the Chapter 13 schedules show debtor's income for the previous year to be \$26,000.

19. That the various items listed above are delinquent in monthly payments over a considerable period of months and some from prior to the date of filing the Chapter 13 proceedings in July of 1981. The real estate is divided into two parcels, Parcel A and Parcel B, Parcel A being the homestead and Parcel B being non-homestead property adjoining the homestead, and described as follows:

Parcel A: East 340' of West 400' of South 190' of North 240' of NW $\frac{1}{4}$  of SE $\frac{1}{4}$  of Section 30, T29N, R18W. Also, a 24' easement along east line of SW $\frac{1}{4}$  of SE $\frac{1}{4}$  of Section 30-29-18 and along forty line to the wooded portion of land to building site.

Parcel B: NW $\frac{1}{4}$  of SE $\frac{1}{4}$  of Section 30-29-18. E $\frac{1}{2}$  of SW $\frac{1}{4}$  of Section 30-29-18 EXCEPT Commencing at SE corner of said Section 30; thence N 89° 07'20" W on S line of said Section 30, 2871.4 feet to point of beginning; thence N 89° 07'20" W on said S line 315.0 feet; thence N 0° 52'40" E 1660.0 feet; thence S 89°07'20" E 315.0 feet; thence S 0°52'40" W 1660.0 feet to point of beginning and EXCEPT Commencing at the SE corner of said Section 30; thence N 89°07' W along S line of said Section 30, 3186.4 feet to point of beginning; thence N 0°53' E to the N line of said E $\frac{1}{2}$  of SW $\frac{1}{4}$ ; thence W along said N line to W line of said E $\frac{1}{2}$  of SW $\frac{1}{4}$ ; thence S along said W line to the S line of said Section 30; thence E along said S line to the point of beginning; EXCEPT East 340' of West 400' of South 190' of North 240' of NW $\frac{1}{4}$  of SE $\frac{1}{4}$  of Section 30, T29N, R18W. Also, a 24' easement along east line of SW $\frac{1}{4}$  of SE $\frac{1}{4}$  of Section 30-29-18 and along forty line to the wooded portion of land to building site.

The appraisal of the homestead is as follows:

House . . . . .	\$ 94,852.00
Other Buildings . . . . .	\$ 30,000.00
Land . . . . .	\$ 1,350.00
TOTAL . . . . .	\$126,202.00

Indebtedness:

Judgments of Foreclosure . . .	\$121,851.46
Real Estate Taxes . . . . .	\$ 6,811.25
Insurance re Mortgage Advance	\$ <u>824.88</u>
TOTAL . . .	\$129,487.59

Non-Homestead Property:

Valuation: \$52,650 which is subject to unpaid taxes of \$283.26; balance due on land contract of \$20,000, and the mortgage liens described in the four mortgages and assignment of land contract not covered by the homestead property, and all of the judgments listed on page 4 of this order.

20. That the real estate is not necessary to effect a reorganization of the business.

21. That considering the general market and conditions and real estate values as they now exist, there is no equity in the real estate and the creditor does not have adequate protection therein to continue said stay.

22. That the debtor listed the personal property and inventory and trucks of the business in the Chapter 11 proceedings, as follows:

Inventory . . . . .	\$18,000.00
Debt due thereon . . . . .	\$20,000.00
Equipment . . . . .	\$ 7,000.00
Indebtedness . . . . .	\$ 7,500.00
1976 Scout Truck . . . . .	\$ 1,400.00
Indebtedness . . . . .	\$ 1,200.00
1976 Chevrolet . . . . .	\$ 2,000.00
Indebtedness . . . . .	\$ 2,400.00

The amended schedules show the following:

Inventory . . . . .	\$18,000.00
Indebtedness . . . . .	\$20,000.00
International Truck . . . . .	\$ 6,500.00
Indebtedness . . . . .	\$ 7,500.00
1976 Scout Truck . . . . .	\$ 1,400.00
Indebtedness . . . . .	\$ 1,200.00
1976 Chevrolet Car . . . . .	\$ 2,000.00
Indebtedness . . . . .	\$ 2,400.00

23. That debtor testified at the hearing that the inventory had a value of approximately \$22,000.00 and the exhibits show that the amount due on the inventory loan is approximately \$23,979.80.

24. That clearly the debtor has no equity in the personal property, inventory, equipment, trucks or car.

25. That in addition to the secured indebtedness the Chapter 13 schedules show unsecured debts of \$409,244.11 and the schedules in the Chapter 11 proceedings show unsecured debts of \$166,766.00.

26. That the debtor's plan of reorganization briefly provides that the secured creditors would be paid in full over a period of five years; that the unsecured creditors would receive 10% of the allowed amount of their claim, 5% payable one year from the date of the approval of the plan and the remainder payable two years from said date without interest. That the means of working out the proposed plan would come from the earnings and operation of H. Joseph Slater and St. Croix Wood, Wind & Sun, Inc. That there would be no new financing but purely from speculative future income, with Mr. Slater remaining in control of the assets and as the managing officer.

27. That there is at present no plan of adequate protection for the bank for its loans, real or personal.

#### CONCLUSIONS OF LAW

That the court enter an order lifting the stay and authorizing the First National Bank of River Falls to proceed with its real estate foreclosure action and to commence foreclosure of its security on the personal property inventory and equipment.

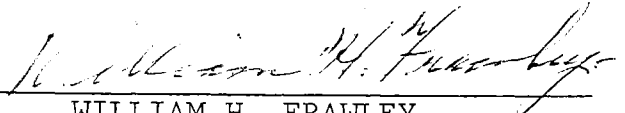
#### O R D E R

NOW, THEREFORE, IT IS ORDERED:

That the First National Bank of River Falls be and it is hereby authorized to proceed with its real estate foreclosure action and to commence foreclosure of its security on the personal property inventory and equipment.

Dated: June 8, 1982.

BY THE COURT:



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WILLIAM H. FRAWLEY  
BANKRUPTCY JUDGE