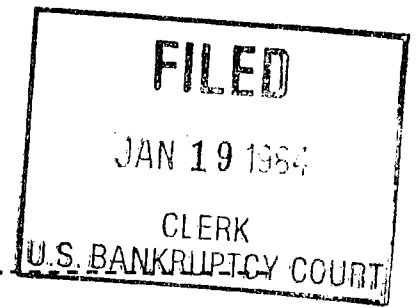


UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WISCONSIN



In re:

Case Number:

ALFRED VOLDO SUNDSTROM  
MARY LEE SUNDSTROM  
d/b/a Colfax Lumber and Supply  
d/b/a Sundstrom Construction

EF11-82-00841

Debtors

FINDINGS OF FACT, CONCLUSIONS OF LAW AND  
ORDER CONVERTING CASE

First American Bank of Colfax, a secured creditor, by its attorney, James T. Remington, having filed a Motion under 11 U.S.C. sec. 1112(b)(1982) to dismiss or, in the alternative, to convert the above captioned matter; and hearings having been held; and the debtors-in-possession, Alfred Voldo Sundstrom and Mary Lee Sundstrom, appearing by their attorney, Brent D. Skinner; and the movant appearing by its attorney; and the Court having heard the testimony and the arguments of counsel, and reviewed the complete record and file; and being fully advised in the premises, FINDS:

1. That the debtors-in-possession, Alfred Voldo Sundstrom and Mary Lee Sundstrom, filed for relief under Chapter 11

of the Bankruptcy Code on May 17, 1982.

2. That there is a continuing loss to the debtor estate.

3. That the debtors' proposed Amended Plan of Reorganization reveals that rehabilitation is not a reasonable likelihood.

Cf. In re Tracey Service Co., Inc., 17 B.R. 405, 409-410

(Bankr. E.D. Penn. 1982) ("Although the Court understands the reluctance of [the debtor], reality must be confronted.").

4. That continuing diminution of the estate in conjunction with an absence of a reasonable likelihood of rehabilitation is a ground for conversion or dismissal of a Chapter 11 proceeding.

11 U.S.C. sec. 1112(b)(1)(1982).

5. That a conversion to Chapter 7 of the Code is in the best interests of the creditors. See In re Tolco Properties, Inc., 6 B.R. 482, 489 (Bankr. E.D. Va. 1980) (orderly liquidation likely to result in greater remuneration to creditors).

#### CONCLUSIONS OF LAW

1. That there is cause to convert or dismiss the above captioned matter.

2. That the above captioned matter be converted to Chapter 7 of the Code.

ORDER

NOW, THEREFORE, IT IS ORDERED that said matter be, and the same is, hereby converted to a proceeding under Chapter 7 of the Bankruptcy Code, 11 U.S.C. sec. 701 et. seq. (1982), without costs.

Dated: January 19, 1984.

BY THE COURT:

William H. Frandary  
Bankruptcy Judge