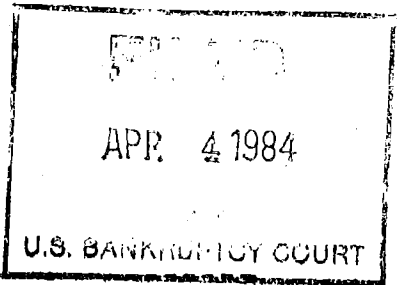


UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN



In re:

Case Number:

DEIST FOREST PRODUCTS, INC.,

WF11-82-01627

Debtor.

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND
ORDER FOR TRANSFER OF DEBTOR PROPERTY

The Modified Plan of Reorganization of debtor Deist Forest Products, Inc., having been confirmed; and the questions arising of (1) the value of the debtor's property to be transferred under said plan to satisfy the claim of creditor M & I Bank of Portage County and (2) the value of the claim of said creditor; and the matters having come on for hearings; and the debtor being represented by Attorney James M. Siehr; and said creditor being represented by Attorney Thomas M. Kubasta of Rudolph, Kubasta, Rathjen & Murach; and the Court having heard the arguments of counsel, considered the submitted briefs and appraisals, examined the entire record and proceedings; and being fully advised in the premises, FINDS:

1. That, on September 17, 1982, debtor-in-possession Deist Forest Products, Inc., filed a petition for relief under Chapter 11 of the Bankruptcy Code.

2. That, on October 7, 1983, the debtor's Modified Plan of Reorganization was confirmed by this Court.

3. That said plan provides, in pertinent part:

A. CLASSIFICATIONS OF CLAIMS AND INTERESTS

(3) Secured claims existing on the date of the filing of the petition for relief herein, as allowed by the Court, to the extent that such claims are not greater than the value of debtor's assets which the Court finds to be valid security for such debts.

D. MEANS FOR EXECUTION OF THE PLAN

(2) The debtor shall transfer to the claims of Class A(3) property of a value equal to the amount of such claims existing on the date of the filing of the petition for relief herein, as allowed by the Court, in full satisfaction of said claims.

4. That the M & I Bank of Portage County is the debtor's sole secured creditor.

5. That, at the time the petition was filed, the Bank's claim against the debtor's estate totaled approximately \$298,351.

6. That the parties have submitted two substantially equivalent appraisals of the "current" and "liquidation" values of the debtor's personal property. Said appraisals having been made

by Jack J. Rusch of Rusch Equipment Company on September 14, 1982, and October 12, 1983.

7. That the parties agree that said appraisals are competent.

8. That a portion of the debtor's personal property was recently sold through a used equipment dealership.

9. That the property sold had:

| | |
|-----------------------------------|-----------|
| an appraised current value of | \$64,750, |
| an appraised liquidation value of | 38,800, |
| a gross sales price of | 49,000, |
| and a net sales price of | 42,760. |

10. That said net sales price is 66% of said appraised current value.

11. That the parties have submitted appraisals of the market value of the debtor's real property, to-wit:

| <u>Appraiser</u> | <u>Proponent</u> | <u>Date</u> | <u>Valuation</u> |
|------------------|------------------|-------------|------------------|
| Saratoga | Debtor | 9-19-83 | \$179,300 |
| Berry | Bank | 2-27-84 | 134,000 |

12. That said appraisals reveal the following valuations:

| | <u>Assessed Value¹</u> | <u>State Equalized Value²</u> | <u>Berry Appraisal</u> | <u>Saratoga Appraisal</u> |
|-------------------|---------------------------------------|--|-----------------------------|-------------------------------|
| Parcel 1 | \$ 80,200 | \$ 98,000 | \$ 71,000 | \$ 80,000 ³ |
| Parcel 2 | 3,300 | 4,000 | 4,500 | 300 ³ |
| Parcel 3 | 11,000 | 13,400 | 13,000 | --- ³ |
| Parcel 4 | 1,800 | 2,200 | 2,000 | --- ³ |
| Parcel 5 | 2,400 | 2,900 | 3,000 | --- ³ |
| Parcel 6 | 39,300 | 48,000 | 40,500 | 51,500 ³ |
| Land ⁴ | <u> </u> | <u> </u> | <u> </u> | <u>47,500</u> |
| TOTAL | \$ 138,000 | \$ 168,500 | \$ 134,000 ⁵ | \$ 179,300 |

¹ Reported by the Berry appraisal.

² Reported by the Berry appraisal as "Fair Market Value."

³ Improvements only. See Note 4.

⁴ The Saratoga appraisal did not apportion the land value to the six parcels.

⁵ From the "Reconciliation and Final Value" section. The "Certification of Value" section gives a market value of \$136,000.

13. That the current prime interest rate is approximately 11%.

DISCUSSION

14. That the parties have asked the Court to determine the value of the property to be transferred under the plan and to determine "a value equal to the amount of" the bank's claim as provided in the confirmed plan.

15. Property Value. That the "indubitable" value of the debtor's personal property is 66% of the current appraisal value. See generally 11 U.S.C. sec. 506(a)(1982).

16. That the "indubitable" value of the debtor's real property is: for parcel 1, \$98,000; for parcel 2, \$4,000; for parcel 3, \$13,400; for parcel 4, \$2,200; for parcel 5, \$2,900; for parcel 6, \$48,000.

17. Claim Value. That the debtor argues that "a value equal to the amount of" the Bank's claim does not include post-petition interest.

18. That "an over-secured creditor is entitled to interest on its claim for the period that the claim remains unpaid." In re Minguay, 10 B.R. 806, 808 (Bankr. W.D.Wis. 1981)(construing 11 U.S.C. sec. 502 & 506 (1982)).

19. That an over-secured creditor is entitled to the contract rate of interest for the time between petition filing and plan

confirmation. See 11 U.S.C. sec. 506(b)(1982); 3 L. King, Collier on Bankruptcy para 506.05(15th ed. 1983).

21. That an over-secured creditor is entitled to the prime rate of interest for the time between plan confirmation and payment of the claim. See 11 U.S.C. sec. 1129(b)(2)(A)(1982); 5 L. King, Collier on Bankruptcy para.1129.03[f][i](15th ed. 1983).

CONCLUSIONS OF LAW

1. That each item of the debtor's personal property transferred to the Bank should be transferred at a value of 66% of its appraised current value.

2. That each item of the debtor's real property transferred to the Bank should be transferred at the values set forth at Finding 16.

3. That the value of the Bank's claim is the amount owed to the Bank on the date the petition was filed plus the contract rate of interest for the period between petition filing and plan confirmation plus 11% interest for the period between plan confirmation and the transfer of the debtor's property.

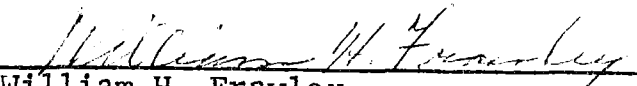
ORDER

IT IS ORDERED THAT debtor Deist Forest Products, Inc., transfer such items of its personal and real property as, using the valuation

set forth above, equals the Bank's claim plus the interest charges set forth above.

Dated: April 4, 1984.

BY THE COURT:



William H. Frawley
Bankruptcy Judge