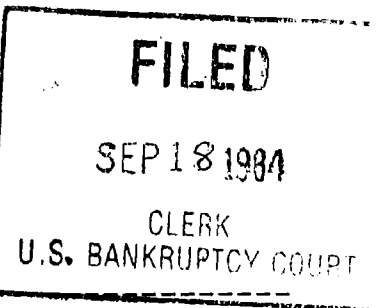


UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WISCONSIN



In re:

Case Number:

JON C. SERUM  
LINDA C. SERUM,

EF11-82-01732

Debtors.

FINDINGS OF FACT, CONCLUSION OF LAW  
AND  
ORDER DENYING MOTION FOR CONFIRMATION

Debtors Jon C. and Linda C. Serum, by Thornton, Black, Wachowski & Grosskopf, having moved for confirmation of their Second Amended Chapter 11 Plan; and Northern Investment Company, Inc. (NIC), by Hagness and Nicastro, having filed an Objection; and The American Bank (American) by C. Michael Chambers Law Offices, S.C., having filed an Objection; and the Commodity Credit Corporation, by the United States Attorney for the Western District of Wisconsin, having filed an Objection; and a hearing having been held; and the Debtors appearing in person and by Attorney Peter E. Grosskopf; and NIC appearing by Al Lehman and Attorney G. Scott Nicastro; and American appearing by Barry Richter and Attorney C. Michael Chambers; and Borg-Warner Leasing appearing by Attorney Bruce J. Brovold; and Production Credit Association appearing by Attorney Peter F. Herrell; and Sperry-New Holland appearing by Attorney Michael L. Bertling; the Court, being fully advised in the premises, FINDS THAT:

1. Debtors Linda C. and Jon C. Serum characterize their plan as follows:

The purpose of the plan is to continue the farming operation of the debtors in four-fold approach (not necessarily in anticipated chronological order): First, a transfer of a 70 acre parcel of land, which is not necessary to the farming operations, to the holder of the first real estate mortgage with credit given on that mortgage note of the value of the property in order to reduce total working debt load; second, a restructuring of the current payments of debtors so that all secured creditors receive regular periodic payments in amounts calculated to pay at least interest on their debt, with some creditors receiving payments toward principal, as cash flow allows; third, continued operation of debtors with a small increase in herd size (by fewer sales or slaughter of young) to increase production; and fourth, fifteen months after the confirmation of the plan, there shall be a mandatory review of the debtors financial situation. During this fifteen month period, the debtors shall attempt to obtain alternate financing for some or all of their debts herein. When and if such alternate financing is obtained, application will be made by the debtors to this court for approval of such financing, payments to the creditors herein, and dismissal of the Chapter 11 case herein. In the event such alternate financing is not obtained, the fifteen month review will determine whether or not the debtors have otherwise made substantial progress on their debts. For these purposes, substantial progress shall mean a greater ability on the part of the debtors to pay their existing creditors, or a greater assurance on the part of their debtors that the creditors will ultimately be paid. Under this plan, certain of the debtors' creditors will be paid off in full during this fifteen month period; although this will not substantially reduce the total debt load, it will substantially reduce the current cash outflow, thus making more money available to the remaining creditors. It is also understood that current real estate valuations are significantly depressed; should this situation reverse itself, the secured creditors position would be improved.

Second Amended Chapter 11 Plan (filed August 24, 1984).

2. All of the requirements of 11 U.S.C. sec. 1129(a) are not met.

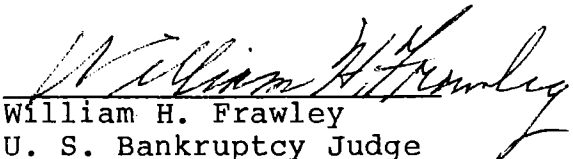
CONCLUSION OF LAW

This Court cannot confirm the Debtors' proposed plan.

ORDER

IT IS ORDERED THAT the motion of Debtors Jon C. and Linda C. Serum for confirmation of their Second Amended Chapter 11 Plan be, and the same hereby is, DENIED, without costs.

Dated: September 18, 1984.

  
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William H. Frawley  
U. S. Bankruptcy Judge