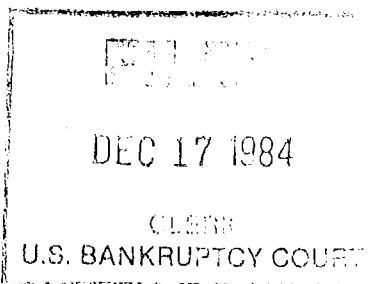


UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WISCONSIN



In re:

Case Number:

BERNARD JAMES BRUNKOW

EF7-83-00287

Debtor.

THE AMERICAN BANK,

Plaintiff,

Adversary Number:

v.

83-0150-7

BERNARD JAMES BRUNKOW,

Defendant.

FINDINGS OF FACT, CONCLUSION OF LAW  
AND  
ORDER DETERMINING DEBT TO BE NON-DISCHARGEABLE

The American Bank, by Kostner, Ward, Galstad & Koslo, having filed a Complaint to Determine Dishchargeability of Debt; and Debtor Bernard James Brunkow, by Muza, Van Berkel & Muza, having filed an Answer and having filed a Counterclaim to Recover a Preference; and a trial having been held; and the Complainant appearing by Attorney Bruce J. Brovold; and the Debtor appearing in person and by Attorney Stephen F. Muza; and briefs having been filed; the Court, being fully advised in the premises, FINDS THAT:

1. Complainant American Bank had an ongoing "floor-plan" lending program with Debtor Bernard James Brunkow.

2. In October of 1979, Brunkow Ford Sales, Inc., obtained \$5,800 or an extension, renewal or refinance of \$5,800 of credit by granting the Bank a security interest in a 1978 Pontiac Trans Am. On September 7, 1984, the amount due the Bank on account of the \$5,800 was \$8,255.

3. The Bank accepted the collateral upon reliance of the statements of Debtor Bernard James Brunkow, Brunkow Ford's president and guarantor, that Brunkow Ford had an ownership interest in the Trans Am.

4. In November or December of 1979, according to the Debtor, the Trans Am and the title to the Trans Am were recovered by the seller after the Brunkow Ford purchase check failed to clear.

5. Thereafter the Debtor, on at least one occasion, made false statements to the Bank regarding the seller's re-possession of the Trans Am.

6. The Bank, relying upon said false statements, refrained from pursuing its claims against the Debtor. Thus, even if the Debtor had an ownership interest in the collateral in October of 1979, the Debtor subsequently obtained the Bank's forbearance by his false representations.

7. The Bank garnisheed approximately \$1,100 from the Debtor's wages within 90 days of the Debtor's petition for relief.

8. Because the debt owed to the Bank is not dischargeable, the Bank has not received a voidable preference. See 11 U.S.C. sec. 547(b)(5) (transfer must permit creditor to obtain more than in a Chapter 7 proceeding to constitute a preference).

CONCLUSIONS OF LAW

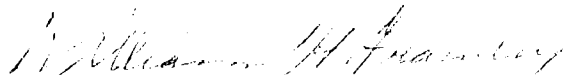
The Debtor obtained an extension of credit by a false representation. 11 U.S.C. sec. 523(2)(A).

ORDER

IT IS ORDERED THAT the debt owed to The American Bank by Debtor Bernard James Brunkow on account of the October, 1979, Trans Am transaction be, and the same hereby is, declared nondischargeable.

Dated: December 17, 1984.

BY THE COURT:

  
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William H. Frawley  
U. S. Bankruptcy Judge