

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

AUG 8 1984

U.S. BANKRUPTCY COURT

In re:

Case Number:

JAN A. QUARBERG
CAROL A. QUARBERG
d/b/a Father's Pride Farm,

EF11-83-00336

Debtors.

FINDINGS OF FACT, CONCLUSION OF LAW
AND
ORDER CONFIRMING PLAN

Jan A. Quarberg and Carol A. Quarberg, d/b/a Father's Pride Farm, the above named Debtors, having filed a Disclosure Statement and a Plan of Reorganization herein with amendments from time to time; and, pursuant to a proper notice, a hearing having been held on July 23, 1984, for consideration of the confirmation of the Plan of Reorganization as amended and any objections that may have been made to confirmation of the Plan; and the Federal Land Bank of St. Paul having filed on, July 5, 1984, an objection on three stated grounds as enlarged in the objection on file herein; and the Debtors having appeared by Peter Grosskopf, their attorney; and the Federal Land Bank having appeared by James Colbert, one of its attorneys; and Attorney Roger Hartman having appeared for the American Bank of Alma; and the Court having considered all of the record, filings, proceedings, testimony and arguments of counsel relative to the confirmation of the Plan, and having duly considered the objections raised by Mr. Colbert

and Mr. Hartman in behalf of their respective clients, FINDS THAT:

1. Jan A. Quarberg and Carol A. Quarberg (Quarbergs) are husband and wife and are engaged in the business of farming, with a trade name of Father's Pride Farm.

2. On March 7, 1983, the Quarbergs filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code.

3. The Quarbergs filed a Plan of Reorganization and a Disclosure Statement on April 16, 1984. The Quarbergs also agreed to modifications of Debtors' Plan of Reorganization. The Disclosure Statement was approved by an Order of the Bankruptcy Court dated June 6, 1984. The Quarbergs and other parties in interest were authorized to solicit acceptances or rejections of the Plan of Reorganization pursuant to sec. 1125 of the Bankruptcy Code.

4. The Quarbergs were directed to and did mail a copy of the Plan of Reorganization, the approved Disclosure Statement, the ballot, and the Order dated June 6, 1984, to all of their creditors, all equity security holders pursuant to Fed.R.Bankr.P. 3017(d), and all other known parties in interest.

5. Ballots accepting or rejecting the Plan of Reorganization were required to be filed in writing by the holders of claims in interest and the Quarbergs' report of said balloting was as follows:

	<u># Votes Cast</u>	<u>% # Accept.</u>	<u># \$ Accept</u>
Class 1 (Admin/Prty)	0	NA	NA
Class 2 (Fed L Bank)	1	100%*	100%*
Class 3 (M. Quarberg)	0	NA	NA
Class 4 (Blagers)	1	0	0
Class 5 (Am. Bank, Alma)	1	0	0
Class 6 (Commodity Credit Corp.)	1	100%**	100%**
Class 7 (FMHA)	1	100%***	100%***
Class 8 (RE Tax)	0	NA	NA
Class 9 (Unsec/Others)	13	85%	31%

*Original Rejection, changed upon Stipulation to interpretation of Plan as follows: Art.III 3 shall mean payments in the order stated.

**Original Rejection, changed upon Stipulation that Debtors pay 2,400 from their Federal Dairy Diversion Payments during 1984 to this creditor.

***Original Rejection, changed upon Stipulation that debtors sell their remaining 1982 corn and remit proceeds to this creditor.

6. The objection filed by the Federal Land Bank of St. Paul provided, in pertinent part:

1. The undersigned is the sole member of a class of secured claims described in class 2 in the plan with an allowed claim of \$41,966.52 together with interest

at the rate of \$12.94 per diem from the date of filing of the petition.

2. The secured claim of the undersigned is impaired under the plan, and the Federal Land Bank has voted to reject the plan.

3. Article 3 of the plan which deals with the secured claim of the Federal Land Bank, fails to provide fair and equitable treatment to the secured claim as required by Section 1129(b)(1), 1129(b)(2)(A), and 1129(b)(2)(C)(ii) in that:

A. The plan does not provide that the Federal Land Bank shall receive on account of its secured claim deferred cash payments totalling at least the allowed amount of the claim;

B. The plan does not provide for the Federal Land Bank to receive any specific amount of money at any time during the plan;

C. The plan allows for the holder of an interest junior to the lien of the Federal Land Bank to receive and retain property under the plan on account of its junior interest.

7. At the July 23, 1984, confirmation hearing the Federal Land Bank of St. Paul produced certain evidence and the Court duly considered its evidence and its objections to said Plan.

8. Under the Plan of Reorganization the Quarbergs will continue in the business of farming.

9. The Plan calls for full payment of all secured claims together with interest at contracted rates (not to exceed 12%) and is fair and equitable with respect to the Federal Land Bank. 11 U.S.C. sec. 1129(b)(2)(A)(i) or (iii); 11 U.S.C. sec. 1129(b)(2)(c)(i).

10. The Quarbergs have provided adequate assurance for future performance of the Plan.

11. The Court does not accept the objections of the Federal Land Bank as being valid to defeat confirmation herein.

12. The Plan contains five pages, the classification of claims and interests, treatments of claims and interests and related items necessary under the Act and complies with the Act in all respects.

13. The Plan of Reorganization has been proposed in good faith by the Quarbergs and not by any means forbidden by law.

14. The Quarbergs have shown to the satisfaction of the Court that any and all payments made or promised for services, costs and expenses of and in connection with the bankruptcy proceedings herein have been reasonable and disclosed to the Court.

15. The Quarbergs have capable management and have demonstrated an ability to make payments under the Plan, and confirmation is not likely to be followed by liquidation or the need for further financial reorganization.

16. The Quarbergs have complied with each of the requirements of 11 U.S.C. sec. 1129.

CONCLUSION OF LAW

That an order be entered confirming the Plan as amended at the time of the hearing.

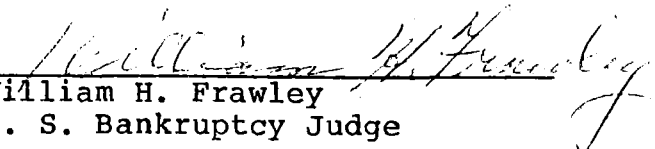
ORDER

IT IS ORDERED that the Plan of Reorganization filed on April 16, 1984, as modified herein, is hereby confirmed, ratified and approved.

IT IS FURTHER ORDERED that the Bankruptcy Court retains jurisdiction over Jan A. Quarberg and Carol A. Quarberg, d/b/a Father's Pride Farm, and their operations and assets for such purposes as may be necessary and appropriate to carry out the provisions of the Plan.

Dated: August 8, 1984.

BY THE COURT:



William H. Frawley
U. S. Bankruptcy Judge