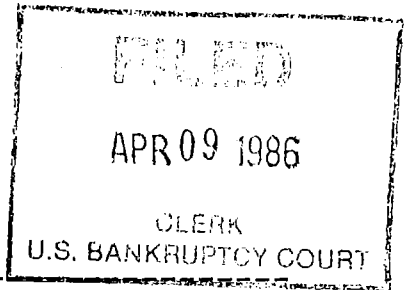


UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN



In re:

Case Number:

RONALD PATTERSON
MARJORIE PATTERSON

WF7-83-01685

Debtor.

OPINION AND ORDER

The debtors, by Bruce Zito, have moved the court to allow avoidance of liens that impair exemptions pursuant to 11 U.S.C. § 522(f). Abbotsford State Bank (Bank), by William Gamoke, objects to the motion. A hearing was held on this matter on February 24, 1986, and the issue has been submitted for determination by briefs.

The debtors are farmers who have suffered from severe financial difficulties in the last several years. The debtors filed a petition for relief under Chapter 11 of the Bankruptcy Code on October 17, 1983. They were unsuccessful in their attempt to reorganize and converted to Chapter 7 of the Bankruptcy Code on December 27, 1985.

The debtors owed the Bank approximately \$110,000 at the time they filed their Chapter 11 petition. The Bank held as security for this debt a nonpurchase-money nonpossessory security interest in the farm machinery and livestock of the debtors. The debtors owed the Farmers Home Administration (FmHA) approximately \$48,000

at the time of filing their bankruptcy petition. The FmHA was granted a security interest in the debtors' farm equipment, farm machinery, and livestock as part of its security on the debt. The security interest of the Bank appears to have priority over that of the FmHA. The FmHA has not objected to the debtors' motion. An auction was held on January 24, 1986, on all of the farm personal property and livestock of the debtors. The Bank received a check for \$24,600 representing the net proceeds of this sale.

The debtors' original motion only sought lien avoidance with respect to livestock. They have subsequently asked permission to amend their petition to include machinery in addition to livestock. The Bank objects to this request. No prejudice is caused to the Bank by allowing the debtors to amend their motion; therefore, such permission is granted. The debtors seek to use exemptions under the pre-October 1984 law since their petition was filed before that date. The Bank does not object to this.

Both debtors, individually, seek to avoid liens of \$750 as "tools of the trade" under § 522(d)(6) and of \$7,900 under the spill-over provision of § 522(d)(5). This amounts to a combined total of \$17,300 worth of property that the debtors seek to avoid liens on.

The Bank argues that dairy cattle are not tools of the trade and, hence, the debtors cannot avoid the Bank's lien on livestock under § 522(f)(2)(B). However, the court has already decided on this issue. A dairy cow is a tool of the trade of a dairy

farmer. In re Cook, (Bankr. W.D. Wis. 84-01812 February 6, 1985). (Appendix A) A dairy cow is the apparatus that the farmer uses to produce a product. It is used to perform a specific function in a dairy farmer's operation. In re Walkington, 42 B.R. 67, 72 (Bankr. W.D. Mich. 1984).

The Bank next argues that the proceeds of the auction should not be subject to lien avoidance because proceeds are not a tool of the debtors' trade. This argument is without merit. The debtors are entitled to the exemptions they had available on the date of filing their bankruptcy petition. Matter of Rivera, 5 B.R. 313 (Bankr M.D. Fla. 1980). This is the only interpretation consistent with § 541 and the fresh start policy of the Bankruptcy Code. The fact that such property has been liquidated does not alter its exemption status. In re Brezezinski; (Bankr. W.D. Wis. 85-00517 July 1, 1985). (Appendix B)

The Bank next argues that the dairy cattle are not tools of the trade of the debtors because the debtors are no longer engaged in farming. The court notes that the debtors were engaged in farming when they filed their bankruptcy petition and only ceased farming operations when financially forced to liquidate. The debtors have stated an intention of resuming farming as soon as they are able. "A farmer who is forced by financial difficulties to take on another type of employment cannot be viewed as abandoning farming when he expresses an intent to farm again when financially able." Id. at paragraph 9. It is the opinion of this court that the occupation of both debtors is farming.

Finally, the Bank argues that the spill-over exemption of § 522(d)(5) is not subject to the lien avoidance provisions of § 522(f)(2)(B). This issue has also already been decided by this court. In re Hable, 55 B.R. 5 (Bankr. W.D. Wis. 1984). It is the position of this court that the lien avoidance provision of § 522(f)(2) is applicable to the spill-over provision of § 522(d)(5). Matter of Hollinsed, 54 B.R. 155 (Bankr. W.D. Wis. 1984). It is the conclusion of the court that the debtors should be allowed to avoid these liens.

This opinion shall constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052.

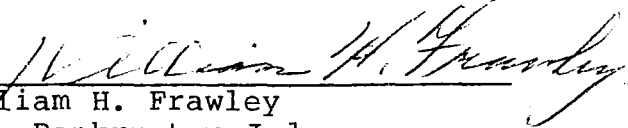
ORDER

NOW, THEREFORE, IT IS ORDERED THAT, the debtors are allowed to amend their motion to seek lien avoidance on machinery in addition to livestock.

IT IS FURTHER ORDERED THAT, the debtors' motion to avoid liens is hereby granted.

Dated: April 9, 1986.

BY THE COURT:



William H. Frawley
U.S. Bankruptcy Judge

cc: Attorney Bruce E. Zito
Attorney William Gamoke

APPENDIX A

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

FILED
FEB 08 1985
CLERK
U.S. BANKRUPTCY COURT

In re:

Case Number:

RAYMOND BILL COOK
THERESA ANN COOK

WF7-84-01812

Debtor.

FINDINGS OF FACT, CONCLUSION OF LAW
AND
ORDER AVOIDING LIEN IN PART

Debtors Raymond Bill and Theresa Ann Cook, by Attorney Terrence J. Byrne, having filed an amended application for avoiding lien; and the Farmers Home Administration (FmHA), by Assistant United States Attorney Sheree L. Gowey, having objected; and a hearing having been held; and briefs having been submitted; the Court, being fully advised in the premises, FINDS THAT:

1. Debtors Theresa Ann and Raymond Bill Cook seek to avoid a Farmers Home Administration (FmHA) security interest in certain items which, they assert, are for personal, family or household use, 11 U.S.C. sec. 522(f)(2)(A), or are tools of the Debtors' trade, i.e., dairy farming, 11 U.S.C. sec. 522(f)(2)(B). Included in the Debtors' list are:

- 8 cows
- 4 acres of corn
- 800 bales of hay
- 300 bales of straw
- 200 bushels of oats

claimed as exempt under Wis. Stats. sec. 815.18(6). (FmHA has not objected to the Debtors' exemption claim. See Fed.R.Bankr.P.

4003(b) (creditor must object within 30 days after first meeting of creditors has concluded).)

2. FMHA objects to the avoidance of its lien in cows and feed not required for household milk consumption. Mr. Cook testified that:

2 cows
6-7 acres of corn
500 bales of hay
150 bales of straw
150-200 bushels of oats

are required to produce milk for his family for one year.

3. Mr. Cook testified that two additional cows a year were culled from his dairy herd for slaughter. While, as FmHA asserts, Mr. Cook may not have explicitly testified that the cows were slaughtered to provide meat for his family of six, the context of Mr. Cook's testimony makes it clear that he annually devotes four cows for personal, family or household use. Cf. In re Thompson, 750 F.2d 628, (8th Cir. 1984) (avoidance not permitted where there was no testimony to establish that pigs were not raised for sale).

4. The Debtor seeks to avoid the lien on the four remaining cows as tools of the trade of dairy farming.

5. The Bankruptcy Code does not provide a definition of tools of trade. The accompanying reports do not discuss lien avoidance of tools of trade, but state that 11 U.S.C. sec. 522(f) "protects the debtor's exemptions, his discharge, and thus his fresh start by permitting him to avoid certain liens on exempt property", H.R.Rep.No. 595, 95th Cong., 1st Sess. 362 (1977), reprinted in 1978 U. S. Code Cong. & Ad. News 5963, 6318; S. Rep. No. 989, 95th Cong., 2nd Sess. 76 (1978) (under subsection (e)),

reprinted in 1978 U. S. Code Cong. & Ad. News 5787, 5862.

Accordingly, the scope of 11 U.S.C. sec. 522(f)(2)(B) has been left to developing case law. See Annot., 55 A.L.R.Fed. 353 sec. 12 (cases collected).

6. Functional Approach. Some courts--this Court included--have defined tools of trade as those items of personal property which a debtor requires and uses to carry on a trade. E.g., In re Pockat, 6 B.R. 24, 25 (Bankr.W.D.Wis. 1980) (over-the-road cab-tractor), In re Nowak, 43 B.R. 545, 547 (Bankr.W.D. Wis. 1984) (salesman's automobile), rev'd, 84-C-822-S (W.D.Wis. Dec. 11, 1984) (discussed below), Middleton v. Farmers State Bank, 41 B.R. 953 (D.Minn. 1984) (farm machinery). See generally 3 L. King, Collier on Bankruptcy para 522.15 (15th ed. 1984) ("section 522(d)(6) is designed to help preserve the debtor's means of earning a living").

7. It is self-evident that a dairy farmer requires dairy cows to conduct a trade and earn a living. A dairy cow is not the product of the Debtors' trade; rather, it is the apparatus which the Debtors operate to produce their product.

8. Textural Approach. Some courts reason that section 522 (f)(2)(B) tools of trade are those items which may be exempted as tools of trade under 11 U.S.C. sec. 522(d)(6), that section 522 (d)(6) does not contain a list of specific items which are listed elsewhere in section 522(d) and that, accordingly, such items

must have been purposefully excluded from clause 6.¹ E.g.,
In re Sweeney, 7 B.R. 814, 818-819, 6 B.C.D. 1377, 1379-1380
(Bankr.E.D.Wis. 1980) (assorted items), aff'd on other grounds
sub nom. In re Gifford, 688 F.2d 477, 9 B.C.D. 730 (7th Cir.
1982)(en banc). Thus, it is possible to argue that the express
reference to animals in section 522(d)(3) indicates that Congress
did not intend to permit the exemption of any animal as a tool of

¹ Section 522(d) provides, in pertinent part:

(d) The following property may be exempted under subsection
(b)(1) of this section:

- (2) The debtor's interest, not to exceed \$1,200 in value, in one motor vehicle.
- (3) The debtor's interest, not to exceed \$200 in value in any particular item, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.
- (6) The debtor's aggregate interest, not to exceed \$750 in value, in any implements, professional books, or tools, of the trade of the debtor or the trade of a dependent of the debtor.

The textural argument is most often made in the context of a motor vehicle. Since Congress explicitly and separately exempted motor vehicles at section 522(d)(2), the argument goes, its silence in section 522(d)(6) demonstrates an intention to not include motor vehicles as tools of trade. However, finding Congressional intent in silence is a game of mirrors--isn't it equally plausible that, "given the well-known rule that exemption statutes are to be liberally construed", In re Sweeney, Paragraph 8 supra, 7 B.R. at 819, 6 B.C.D. at 1380, Congress intended to not exclude motor vehicles as tools of trade? See 73 Am.Jur.2d Statutes, sec. 212 (1974) ("The maxim 'expressio unius est exclusio alterius' . . . requires great caution in its application." (footnote omitted)).

trade under section 522(d)(6).² In re Yoder 32 B.R. 777, 781 (Bankr.W.D.Pa. 1983) (breeding stock).

9. However, a careful examination of the text of section 522 (d)(3) reveals that the word "animals" is used to limit the exemption for property held for household use³--the fact that the tool of trade exemption contains no limiting language demonstrates that Congress intended that it not be limited. The conclusion that animals used as tools of trade fall within section 522(d)(6) is bolstered by the absence of a separate and distinct federal exemption provision for farmers and ranchers. Cf. Wis. Stats. sec. 815.18(6) & (8) (exemption for livestock and farm implements is separate and distinct from exemption for tools of trade).

10. Nowak Approach. In In re Nowak, 84-C-822-S (W.D.Wis. Dec. 11, 1984), the District Court for the Western District of Wisconsin appears to take a practical approach: holding that a standard automobile is not a tool of trade within the meaning of 11 U.S.C. sec. 522(f)(2)(8), while citing, without comment, cases which permitted the avoidance of liens on an over-the-road cab-tractor, a van with specialized equipment and large farm implements.

² Many farmers and ranchers find that adverse terrain, unfavorable weather conditions or tight working conditions (e.g., inside corrals) dictate the use of horses to carry on their trade. Carried to its logical extreme, the syllogism set forth in the text would require the conclusion that horses so used are not tools of trade.

³ In contrast, the phrase "motor vehicles" is used in section 522(d)(2) to establish a separate and distinct exemption for motor vehicles. See Footnote 1 supra.

11. It is reasonable to assume that Congress did not contemplate the application of section 522 in an agricultural context. That the resulting problem of the classification of farm animals within section 522 admits no easy solution is no reason for this Court to avoid the task. See Middleton, Paragraph 6 supra, at 955 ("a narrow construction punishes the farmer for being inadvertently dependent on expensive tools of the trade").

12. Draft horses, which are held to facilitate farming operations, can be likened to machines; and beef cattle, which are held for fattening and sale, can be likened to raw materials and finished products; however, dairy cows, which are held for their ability to manufacture a distinct finished product from raw materials, can not be readily matched with a non-agricultural counterpart.⁴

13. This Court is of the opinion that, as a practical matter, dairy cows are specialized tools of the trade of dairy farming. Cf. 34 Am.Jur.2d Federal Taxation para. 5515 (1984) (livestock held for dairy, breeding or draft purposes depreciable as property used in the taxpayer's trade or business).

CONCLUSION OF LAW

The Debtors' application to avoid the FmHA lien should be granted except to the extent that the feed claimed as exempt exceeds the amount necessary to feed two cows for one year.

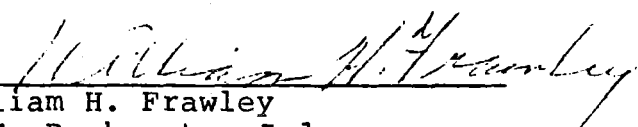
⁴ The closest parallel might be to a moonshiner's still. More strained would be a comparison to a chemist's lab or, perhaps, an artisan's kiln.

ORDER

IT IS ORDERED THAT Raymond Bill and Theresa Ann Cook's application for avoiding of the lien of the Farmers Home Administration be, and the same hereby is, GRANTED except as to 300 bales of hay and 150 bales of straw.

Dated: February 6, 1985.

BY THE COURT:



William H. Frawley
U. S. Bankruptcy Judge

cc: Attorney Terrence J. Byrne
Assistant U. S. Attorney Sheree L. Gowey

APPENDIX B

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

FILED

JUL 01 1985

CLERK
U.S. BANKRUPTCY COURT

In re:

Case Number:

DAVID LEO BRZEZINSKI
GAIL MAY BRZEZINSKI

WF7-85-00517

Debtor.

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND
ORDER DENYING OBJECTION TO EXEMPTIONS
AND GRANTING LIEN AVOIDANCE

Debtors David L. and Gail M. Brzezinski have claimed as exempt and made application to avoid liens on certain property included in their schedules accompanying their voluntary bankruptcy petition under Chapter 7 of the Bankruptcy Code, 11 U.S.C. § 101 et seq.; Creditor Production Credit Association (PCA) is contesting Debtors' exemption claims and their motion for avoidance of PCA's lien; a hearing having been held on this matter with PCA appearing by Attorney John W. Kelly (Attorney Jerry W. Slater on brief) and the Debtors appearing personally and by Attorney Terrence J. Byrne; briefs having been filed; the Court being fully advised in the premises, FINDS THAT:

1. Debtors filed a Chapter 7 bankruptcy petition on March 26, 1985, listing certain property as exempt on Schedule B-4 of their petition.

2. On March 29, 1985, Debtors filed an application to avoid the PCA lien on the claimed exempt property.

3. On April 13, 1985, all of the property at issue in this proceeding was sold at auction. The auction proceeds are currently in a trust account of PCA's attorney.

DISCUSSION

4. The specific contested property which has been claimed as exempt by the Debtors under sec. 522(b)(2) of the Bankruptcy Code and sec. 815.18(6), Stats.,¹ is an Owatonna 9-foot mower conditioner, a New Holland baler and an amount of feed stipulated by the parties to be the necessary feed for eight cows for one year under sec. 815.18(6), Stats. The mower-conditioner and baler have been respectively claimed as an exempt mower and hay loader under sec. 815.18(6), Stats.

¹ Wis. Stat. § 815.18(6) provides:

815.18 Property exempt from execution.

No property hereinafter mentioned shall be liable to seizure or sale on execution or on any provisional or final process issued from any court or any proceedings in aid thereof, except as otherwise specially provided in the statutes:

. . . .
(6) LIVESTOCK, FARM IMPLEMENTS AND AUTOMOBILE. Eight cows, 10 swine, 50 chickens, 2 horses or 2 mules, one automobile of the debtor not exceeding \$1,000 in value, 10 sheep, and the wool from the same, either in the raw material or manufactured into yarn or cloth; the necessary food for all the stock mentioned in this section for one year's support, either provided or growing or both, as the debtor may choose; also one wagon, cart or dray, one sleigh, one plow, one drag, one binder, one tractor not to exceed in value the sum of \$1,500, one corn binder, one mower, one springtooth harrow, one disc harrow, one seeder, one hay loader, one corn planter, one set of heavy harness and other farming utensils, also small tools and implements, not exceeding \$300 in value.

5. PCA objects to these claimed machinery exemptions arguing that the items claimed as exempt do not perform the same functions as those implements included in the statute. As support it cites In re Flake, 33 B.R. 275 (Bankr.W.D.Wis. 1983). In Flake, Judge Martin sustained objections to two pieces of claimed exempt machinery because the machines contained in the statute were different in character and performed a substantially different function in the harvesting of crops than the ones claimed as exempt. Id. at 276. He pointed out that there was no evidence from which he could find that the debtors' modern implements are the direct successors in farm operations to the now rarely used implements of the statute. Id.

6. A court's statutory interpretation is to be guided by not only a statute's exact words but also its apparent purpose. Dielectric Corporation v. Labor and Industry Review Commission, 111 Wis.2d 270, at 277, 330 N.W.2d 606 (1983). The obvious purpose of sec. 815.18(6), Stats., is to provide an exemption for each of the items listed including a mower and hayloader. Interpreting sec. 815.18(6) in such a way as to disallow exemptions for machinery which has been technologically advanced would ignore this purpose and render portions of the statute meaningless. A construction of a statute rendering a portion of it meaningless must be avoided. State v. ILHR Dept., 101 Wis.2d 396, at 404, 304 N.W.2d 758 (1981).

7. Guided by these general rules of statutory construction the Court determines that the Owatonna mower-conditioner and New

Holland baler serve the same basic functions as the mower and hayloader contained in sec. 815.18(6). At the hearing on this matter Leo Martin, from the University Extension farm office, testified that both machines basically serve the same purpose as the statutory mower and hayloader. The fact that modern technology allows them to perform additional functions does not alter this situation. Interestingly, Mr. Martin noted that he had not seen a hayloader in use in this area for at least 30 years. The Court concludes that these machines may be exempted under sec. 815.18(6).² This Court's conclusion is strengthened by the Wisconsin Supreme Court's edict that:

It is well settled that exemption laws must have a liberal construction, within the limits contemplated by the legislature, so as to secure their full benefit to the debtor,

Opitz v. Brawley, 10 Wis.2d 93, at 95-96, 102 N.W.2d 117 (1960).

8. PCA as a further basis of its objection asserts that Debtors have abandoned farming as a trade and are therefore not entitled to exemptions for farm machinery or animal feed. Exemption rights are determined based on the circumstances present at the time of filing. Mansell v. Carroll, 379 F.2d 682 (10th Cir. 1967); In re Rivera, 5 B.R. 313, at 315 (Bankr.M.D. Flor. 1980) Changes occurring after filing are not relevant. Rivera, supra. Debtors at the time of filing were in possession of the animal feed and machinery claimed as exempt. Seventeen

² It should be noted that this decision is not in conflict with Judge Martin's decision in Flake, supra, since different pieces of machinery are involved.

days later at voluntary auction this farm machinery and animal feed was sold, along with other property. This auction does not alter the situation in any meaningful sense. At the time of filing their bankruptcy petition Debtors were entitled to the disputed exemptions under sec. 815.18(6).

9. Pursuant to sec. 522(f)(2)(B) of the Code Debtors have sought to avoid PCA's lien on certain farm equipment claimed as exempt under sec. 815.18, Stats. PCA claims that this property is not implements or tools of the trade of the Debtors, as required by the Code, because the Debtors have abandoned farming. The Court cannot accept such a narrow interpretation. The essence of the Bankruptcy Code is to provide debtors with a fresh start. David Brzezinski testified that he had been in farming his whole life and desired to farm again as soon as possible. He suggested that he would be interested in renting some land to farm. A farmer who is forced by financial difficulties to take on another type of employment cannot be viewed as abandoning farming when he expresses an intent to farm again when financially able. This is especially the case where there is no evidence that future farming, such as under a lease agreement, is impossible. This rationale was applied by the court in In re Pommerer, 10 B.R. 935 (Bankr.D.Minn. 1981).

10. PCA argues that if the Court allows the Debtors to successfully avoid its lien Debtors will receive a windfall of \$15,800, which is the amount received at auction for the claimed tools and implements. Debtors are free to dispose of unencum-

bered property which qualifies for an exemption in any manner they choose. At any rate, if Debtors had not sold their feed, tools and implements PCA would be in the identical position it is presently in since it would have no claim against the property.

11. The fact that the property which qualified for an exemption on the date of the bankruptcy filing is no longer possessed by the Debtors does not render the Debtors unable to avoid a lien on that property. The auction at which Debtors' property was sold had been scheduled before the filing of Debtors' bankruptcy petition. Subsequent to commencement of the case the parties mutually agreed that the auction should be held as scheduled and arranged to have certain proceeds held in trust pending this Court's decision. Under these circumstances it would be inequitable to deny Debtors' lien avoidance application based on their failure to possess the property.

12. PCA claims that any lien avoidance that is allowed by the Court under sec. 522(f)(2) of the Code should be limited to \$750. It cites In re Sweeney, 7 B.R. 814 (Bankr.E.D.Wis. 1980) as support for this proposition. The Court in Sweeney correctly noted that the items listed in sec. 522(f)(2)(A), (B) and (C) for lien avoidance purposes are identical to those listed in sec. 522(d)(3), (4), (6) and (9) for exemption claims. Id. at 818. It then determined that liens could only be avoided to the extent that the exemptions could have been taken under sec. 522(d)(3), (4), (6) and (9) regardless of whether those subsections were actually employed. Id. at 818-19.

13. This Court reaches a different conclusion. Debtors who choose state exemptions may avoid liens under sec. 522(f)(2) but only as to exempt property that is of the same kind as that listed in sec. 522(d)(3), (4), (6) and (9). In re Moore, 5 B.R. 669 (Bankr.S.D.Ohio 1980). The plain language of sec. 522(f)(2) makes this clear. Since the property exempted by the Debtors in this case under Wisconsin law is the same kind as implements or tools of the trade under sec. 522(d)(6), lien avoidance is allowed.

14. Reading the dollar limitations of sec. 522(d)(3), (4), (6) and (9) into the lien avoidance provisions because of identical language takes matters too far. Congress must have known that certain property could qualify as exempt under more than one subsection of sec. 522(d); in this case as either an implement or tool of the trade under subsection (6) or as a state exemption under subsection (2). With this logically presumed Congressional knowledge, one can only conclude that if Congress intended the dollar limitations of sec. 522(d)(3), (4), (6) and (9) to universally apply to lien avoidance on that kind of property it would have specifically so stated.

15. The introductory portion of sec. 522(f) states that a lien may be avoided to the extent that it impairs an exemption to which the Debtor would have been entitled under sec. 522(b). If a \$750 limit is imposed here this portion of sec. 522(f) largely loses its meaning. The Debtors would no longer be able to avoid the PCA lien up to the amount of their entitled state exemption.

The Code should be interpreted so as to avoid rendering sec. 522(f) essentially meaningless or at best ambiguous. This is especially true when an interpretation not applying the \$750 limit of sec. 522(b)(6) is in furtherance of the Code's broad goal of debtor rehabilitation, as noted in In re Dipalma, 24 B.R. 385, at 390 (Bankr.D.Mass. 1982).

16. PCA's final assertion is that if the Court does not apply a \$750 limit to Debtors' lien avoidance it should apply a \$300 limit from sec. 815.18(6), Stats. The \$300 limit from that exemption section does not apply to the machinery that is in dispute in this case.

CONCLUSIONS OF LAW

1. Debtors are entitled to the exemptions they have claimed on Schedule B-4 of their bankruptcy petition, including the amount of feed stipulated by the parties to be the necessary feed for eight cows for one year. Debtors have withdrawn their claim for exemption of the 900 Fox chopper with two heads.

2. Debtors are additionally entitled to avoid PCA's lien on the farm implements and tools of the trade contained in their application to avoid lien.

3. Such lien avoidance is not limited to the \$750 amount contained in 11 U.S.C. § 522(d)(6).

4. The lien avoidance may be exercised to the extent of the applicable exemption amounts contained in Debtors' Schedule B-4.

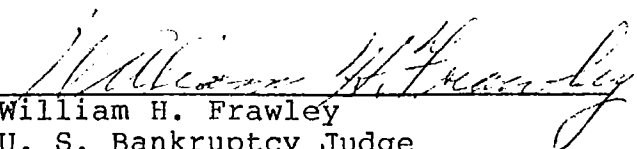
ORDER

IT IS ORDERED THAT:

1. PCA's objection to Debtors' claimed exemptions is DENIED.
2. Debtors are granted lien avoidance in accordance with their application and the Court's Conclusions of Law.
3. PCA's attorney is directed to turn over the auction proceeds he is holding in trust which were derived from items which the Court has ruled may be exempted and for which lien avoidance has been granted.

Dated: July 1, 1985.

BY THE COURT:



William H. Frawley
U. S. Bankruptcy Judge

cc: Attorney John W. Kelley
Attorney Jerry W. Slater
Attorney Terrence J. Byrne