

U.S. COURTS

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REC'D _____
CAMERON S. BURKE
CLERK IDAHO

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO**

In re:

**LYNN KETTERLING and JEANNE
KETTERLING, dba Ketterling Farms**

Debtor.

Case No. 03-41318

**RESPONSE TO MOTION TO
PROHIBIT USE OF CASH
COLLATERAL AND FOR
SEGREGATION OF FUNDS,
AND MOTION TO REMOVE
AUTOMATIC STAY AND
ALLOW RECLAMATION AND
SALE**

COME NOW the debtors-in-possession of the above estate, and respond to the motion to prohibit use of cash collateral and for segregation of funds, and the motion to remove automatic stay and allow reclamation and sale, filed by Western Farm Service, as follows:

MOTION TO PROHIBIT USE OF CASH COLLATERAL AND FOR SEGREGATION OF FUNDS:

1. Admit.
2. Admit that the note was executed and deny the remainder.

**RESPONSE TO MOTION TO PROHIBIT USE OF CASH COLLATERAL AND FOR
SEGREGATION OF FUNDS, AND MOTION TO REMOVE AUTOMATIC STAY AND
ALLOW RECLAMATION AND SALE-1**

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3. Admit that the note was executed and deny the remainder.
4. Admit that security agreements were signed and deny the remainder.
4. (misnumbered) Admit that the UCC-1 and UCC-3 statements were filed, and deny the remainder.
5. Admit.
6. Admit.
7. Denied. Debtor has no accounting to determine the validity of this amount, and therefore denies the same.
8. Admit that they have filed to pay the sum owing and deny the remainder.
9. Deny.
10. Admit.
11. Deny.
12. Deny. There is no cash collateral which is secured to this creditor. The only collateral which is being used is for the raising of the calves, in which Western Farm Service has no interest.
13. Deny.
14. Deny.
15. Deny.
16. Deny.

AFFIRMATIVELY, Debtors aver that the motion was and is brought in bad faith, and is frivolous, unreasonable and without foundation, by reason of which Western Farm Service should be held

RESPONSE TO MOTION TO PROHIBIT USE OF CASH COLLATERAL AND FOR
SEGREGATION OF FUNDS, AND MOTION TO REMOVE AUTOMATIC STAY AND
ALLOW RECLAMATION AND SALE-2

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liable for attorneys' fees and costs for the defense hereof.

MOTION TO REMOVE AUTOMATIC STAY AND ALLOW RECLAMATION AND SALE

1.-5. Debtors repeat and reallege their responses to paragraphs 1-4 (including both paragraphs numbered 4) above.

6. Admit.

7. Admit.

8. Denied. Debtor has no accounting to determine the validity of this amount, and therefore denies the same.

9. Admit that they have filed to pay the sum owing and deny the remainder.

10. Deny.

11. The value of the items are set forth in Debtor's schedules. This creditor's motion fails to comply with LBR 4001.2.

12. Deny.

13. Deny.

14. Deny. The equipment is needed through the raising of the calves, and can then be either sold or surrendered to the creditors entitled thereto. However, at this juncture, Western is not the primary secured creditor.

15. Deny.

16. AFFIRMATIVELY, Debtors aver that the motion was and is brought in bad faith, and is frivolous, unreasonable and without foundation, by reason of which Western Farm Service should be

**RESPONSE TO MOTION TO PROHIBIT USE OF CASH COLLATERAL AND FOR
SEGREGATION OF FUNDS, AND MOTION TO REMOVE AUTOMATIC STAY AND
ALLOW RECLAMATION AND SALE-3**

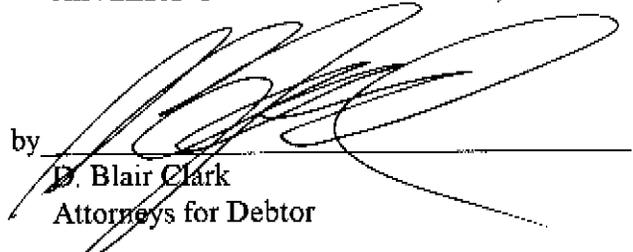
held liable for attorneys' fees and costs for the defense hereof.

WHEREFORE, Debtors pray that the Motions, and each of them, be denied.

Dated this 24th day of July, 2003.

RINGERT CLARK CHARTERED,

by


D. Blair Clark
Attorneys for Debtor

I hereby certify that on the 24th day of July, 2003, I caused to be served by U.S. Mail, postage prepaid OR by fax transmission, as indicated, a true and correct copy of the foregoing to the following:

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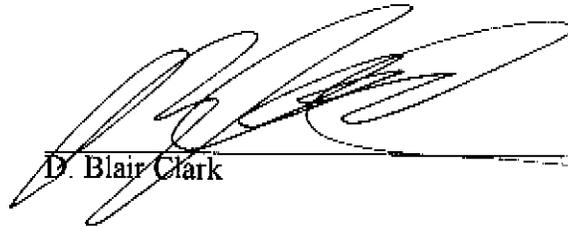
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RESPONSE TO MOTION TO PROHIBIT USE OF CASH COLLATERAL AND FOR
SEGREGATION OF FUNDS, AND MOTION TO REMOVE AUTOMATIC STAY AND
ALLOW RECLAMATION AND SALE-4

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D. Blair Clark

RESPONSE TO MOTION TO PROHIBIT USE OF CASH COLLATERAL AND FOR
SEGREGATION OF FUNDS, AND MOTION TO REMOVE AUTOMATIC STAY AND
ALLOW RECLAMATION AND SALE-5

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