

U.S. COURTS

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**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*

**MOTION FOR USE OF CASH  
COLLATERAL AND NOTICE  
OF HEARING**

COMES NOW, the debtor-in-possession of the above estate, by and through its attorney, D. Blair Clark, who hereby move this court or its order allowing debtor - in- possession to use cash collateral on hand and received from sales of calves, farm products and collection of receivables, in the ordinary course of business necessary to continue operating said business and to preserve its assets.

This Motion is made pursuant to 11 USC 363 and LBR 4001.1, and is based on the records and files herein and the attached budget.

If this Motion is not granted, then Debtor will not be able to operate. Debtors are in the business of buying young calves and raising them to a desired weight for resale. Debtors have approximately 465 head of calves at the present, the bulk of which are too young to be marketable.

MOTION FOR USE OF CASH COLLATERAL-1

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Debtors can generate a profit by raising such calves to a weight of 220-300 pounds as desired by parties who then buy such calves from Debtors. Doing so will generate a higher profit to allow Debtors to pay creditors.

As required by LBR 4001.1, the following information is given:

- (1) *Identity of all entities known to the debtor or trustee, holding or claiming to hold an interest in cash collateral and a description of such interests.* See Analysis attached. D.L. Evans Bank and Farm Service Agency have liens on the calves in question.
- (2) *Identity of the creditor(s) whose cash collateral is to be utilized and the relationship, if any of the creditor(s) to the debtor.* D.L. Evans Bank and Farm Service Agency. There is no relationship of such creditors to Debtors, except that they are existing lenders.
- (3) *The amount, nature and source of the cash collateral.* SEE ATTACHED BUDGET AND INFORMATION. The source of cash collateral is the sale of finished calves and the collection of rents due.
- (4) *If interim use is requested, the amount of cash collateral to be used until the time of the final hearing on the motion to use cash collateral and the amount of cash collateral to be used thereafter.* SEE ATTACHED BUDGET.
- (5) *A line-item budget listing projected income and expenses for one year. If interim use is requested, the budget must also include projected income and expenses until the time of the final hearing on the motion.* SEE ATTACHED BUDGETS. Debtors in fact do not plan on remaining in this business for one year. It is estimated that all calves are to be finished and sold before October. Debtors have potential sales of the farm real property, and intend to sell their equipment and farm-related assets. This will be covered in the Plan to be filed hereafter. However, Debtor Lynn Ketterling is planning on attending college for a new profession, and Jeanne Ketterling will be teaching in the local school district.
- (6) *The estimated balance owed to the creditor(s) identified in paragraph (a)(2), as of the date the petition was filed, including any accrued, unpaid interest, cost or fees as provided in the agreement.* SEE ATTACHED.
- (7) *If the cash collateral is rent, the amount of the gross and net rent realized each month, a description of the property from which the rent is generated, and an estimate of its fair market value.* \$24,000 of the cash collateral is rent to be received hereafter.
- (8) *If the cash collateral is receivables, a description and itemization of such receivables and, if any*

MOTION FOR USE OF CASH COLLATERAL-2

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accounts receivable aging statement exists, the same must be provided to the affected creditor(s) and any party requesting such statement. None.

(9) *The estimated fair market value, and the basis of the estimate, of the collateral which allegedly secures the creditor's claims.* See attached analysis

(10) *The method or means by which the interests of the creditor are to be adequately protected, and the estimated value, and the basis for the estimate, of any property offered as adequate protection.* Debtors propose a replacement lien in the gain on such calves and all feed purchased. Debtors will provide a mortgage on their farm land if necessary to secure the actual amount of cash collateral used. It is believed that such creditors have adequate protection at the present time by virtue of the value of the collateral in existence.

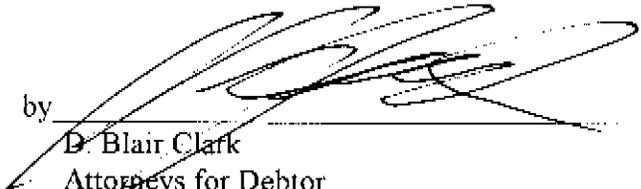
(11) *A statement of whether or not the debtor proposes any provision contained in the Guidelines Regarding Motions to Use Cash Collateral or to Obtain Credit, or Stipulations Regarding the Same which is other than a provision normally approved by the court (under subsection (a) of the Guidelines) and, if so, the provision shall be clearly identified.* Debtors do not propose any such provision

NOTICE IS HEREBY GIVEN THAT preliminary hearing on this Motion is set for the **10<sup>th</sup> day of July, 2003, at the hour of 9:30 a.m.**, in the United States Bankruptcy Court, 550 W. Fort Street, Boise, Idaho, and final hearing is to be set by the judge at the preliminary hearing.

Dated this 1<sup>st</sup> day of July, 2003.

RINGERT CLARK CHARTERED,

by

  
D. Blair Clark

Attorneys for Debtor

TABLE A	A	B	C	D	E	F	G
	CREDITOR	ASSET	DATE	VALUE OF COLLATERAL	LIEN	DEBT	EXCESS SECURED VALUE OVER DEBT
1	D.L. Evans	Equipment and calf pens	11/08/01	\$125,570 (excess applied as collateral for FSA)	\$56,500 (\$83,000-\$24,000-\$2,500)	\$83,000	\$69,070
2							
3	John Deere Credit	54G loader	02/09/01	\$58,000	\$25,500	\$25,500	\$32,500
4	Telmark	Calf condos and feeders	04/12/01	\$12,000	\$18,000	\$18,000	-\$6,000
5	Western Farm Service	Equipment, accounts	05/24/00	\$184,143 (excess from FSA)	\$102,000	\$102,000	\$82,143
6	Deere & Co.	8875 skid steer loader	04/15/99	\$16,000	\$5,645	\$5,645	\$10,355
7	Deere & Co.	4x2 Gator	09/13/99	\$2,000	\$1,600	\$1,600	\$400
8	FSA	securities, gen. intangibles, and stock in Snake River Sugar.	04/12/99	\$404,143 (\$80,000 sugar stock + \$69,070 excess from DL Evans, +\$95,073 calves + \$160,000 farm ground)	\$220,000	\$220,000	\$184,143
9	D.L. Evans	New Holland baler	08/15/96	\$2,500	\$2,500	included above	\$0
10	D.L. Evans	accounts,	02/21/96	\$24,000 (rent due)	\$24,000	included above	\$0

	A	B	C	D	E	F	G	I
1	2003 INCOME							
2	Lynn & Jeanne Ketterling							
3		July-03	August-03	September-03	October-03	November-03	December-03	Totals
4		100 head	100 head	100 head	100 head	64 head		
5								
6								
7	CATTLE SALES	22,725.00	22,725.00	22,725.00	22,725.00	15,936.00		106,836.00
8								
9	2003 OTHER INCOME							
10	RENT					12,145.00		12,145.00
11	SUGAR BEETS	2,500.00			12,500.00			15,000.00
12	CUSTOM FEEDING	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	6,000.00
13	TEACHING			2,200.00	2,200.00	2,200.00	2,200.00	8,800.00
14	REBATE (Alvin Schenk)	1,074.00						1,074.00
15								
16	TOTAL	27,299.00	23,725.00	25,925.00	38,425.00	31,281.00	3,200.00	149,855.00
17								
18	EXPENSES	18,895.00	14,877.00	9,895.00	9,895.00	6,742.00	5,635.00	65,939.00
19	DIFFERENCE	8,404.00	8,848.00	16,030.00	28,530.00	24,539.00	-2,435.00	83,916.00

	A	B	C	D	E	F	G	H
1	Jeanne & Lynn Ketterling							
2	Calf Raising Business							
3		July-03	Aug-03	Sept-03	Oct-03	Nov-03	Dec-03	TOTALS
4	FEED- GRAIN	4500	3400	2400	2400	1200	0	13900
5	FEED- MILK	3940	1320					5260
6	PHONES	160	160	160	160	160	160	960
7	FUEL	400	400	400	400	400	260	2260
8	LIFE INSURANCE	70	172	70	70	172	70	624
9	HEALTH INSURANCE	330	330	330	330	330	330	1980
10	OTHER INSURANCE	560	560	0	0	500	500	2120
11	ELMER KETTERLING	500	500	500	500	500	500	3000
12	EMPLOYEES	3680	3680	1680	1680	800		11520
13	REPAIR/MAINTAIN	400	400	400	400			1600
14	VET SUPPLIES	600	200	200	200			1200
15	TAXES	0	0	0	0	0	1135	1135
16	POWER	500	500	500	500	500	500	3000
17	FORD MTR.	560	560	560	560	560	560	3360
18	LEASE PAYMENTS	512	512	512	512			2048
19	JOHN DEERE GATOR	100	100	100	100			400
20	JOHN DEERE SKID	463	463	463	463			1852
21	Living Expenses	1300	1300	1300	1300	1300	1300	7800
22	Onyx (Pickup)	320	320	320	320	320	320	1920
23	TOTALS	18895	14877	9895	9895	6742	5635	65939