

MAY 1 - 1997

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In re:	}	Chapter 12
TERRY HIPWELL	}	Case No. 96-02095
Debtor.	}	TRUSTEE'S REPORT

I. INTRODUCTION

On April 18, 1997, this Court heard the continued confirmation of the Debtor's Chapter 12 Plan. The trustee was absent that day but the trustee is aware confirmation was denied because the plan treatment for Land View and TASCOS fails to comply with the standards set for confirmation. However, the Court reserved the right to amend, supplement or issue written finds of fact at a later date. Travelers Motion to Dismiss is scheduled for 9:30 a.m. on May 1, 1997 and the trustee assumes confirmation of the plan is also continued to that day and time.

II. AMENDED PLAN PROPOSALS

The trustee has had conversations with Debtor's counsel, Howard Foley, and also received information by fax on April 29, 1997 in which certain plan modifications will be submitted at the hearing. The trustee is not entirely in agreement with figures submitted to him. However, the trustee stands to be corrected if information in this report is found to be erroneous. Certain information in this report will be compared to the trustee's report faxed to all parties on April 14, 1997 for the hearing scheduled for April 16, 1997.

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III. CASH FLOW BUDGET

	2/1/97 - <u>2/1/98</u>	2/1/98 - <u>2/1/99</u>	2/1/99 - <u>2/1/00</u>	2/1/00 - <u>2/1/01</u>	2/1/01 - <u>2/1/02</u>
INCOME					
Crops (1)	334,400	334,400	318,400	318,400	334,400
ASCS	10,600	10,600	10,600	10,600	10,600
Cash collateral (2)	<u>104,536</u>	<u>104,536</u>	<u>104,536</u>	<u>104,536</u>	<u>104,536</u>
	<u>449,536</u>	<u>449,536</u>	<u>433,536</u>	<u>433,536</u>	<u>449,536</u>
DISBURSEMENTS					
Crop expenses	173,000	163,000	186,000	186,000	186,000
Living expenses	20,000	20,000	20,000	20,000	20,000
Asset purchases	12,500				
Miscellaneous					
Plan payments:					
Atty fees		5,000	5,000	5,000	5,000
Priority	4,049	4,049	4,049	4,049	4,049
Secured	162,925	81,330	91,330	91,330	106,592
Unsecured			2,000	2,000	2,000
Trustee fees (3)	<u>11,688</u>	<u>6,326</u>	<u>7,166</u>	<u>6,683</u>	<u>3,529</u>
	<u>384,162</u>	<u>279,705</u>	<u>315,545</u>	<u>315,062</u>	<u>327,170</u>
INCOME/EXPENSES	65,374	65,295	13,455	13,938	17,830
CARRY-OVER:					
FROM PRIOR YEAR	<u>-0-</u>	<u>65,374</u>	<u>130,669</u>	<u>144,124</u>	<u>158,062</u>
TO NEXT YEAR	<u>65,374</u>	<u>130,669</u>	<u>144,124</u>	<u>158,062</u>	<u>175,892</u>

(1) Income for third and fourth year reduced by 16,000 each year due to crop rotation.

(2) This amount per item 7 on page 2 of trustee's report filed April 14, 1997.

(3) Est 7% on 450,000 and 3% on 129,752.

IV. COMPARISON

The below will compare the carry-over at February 1, 2002 shown in Item III of this report and Item II on page 4 of the trustee's report filed April 14, 1997:

THIS REPORT	\$175,892
REPORT FILED APRIL 14, 1997	- 58,769
INCREASE IN CARRY-OVER	<u>\$117,123</u>
REPRESENTS:	
Decrease crop expenses	\$ 36,000
Decrease asset purchases	4,000
Decrease miscellaneous expenses	84,500
Decrease crop income	- 32,000
Decrease cash collateral	- 7,838
Plan payments:	
Decrease attorney fees	5,000
Decrease priority debt	415
Secured debt:	
Decrease Travelers	\$29,405
Decrease Land View	20,670
Increase TASC0	- 30,000
Net decrease	20,075
Decrease trustee fees (4)	<u>6,971</u>
TOTAL	<u>117,123</u>

(4) 7% fees were erroneously used on all plan payments on April 14, 1997 report.

V. CONCLUSION

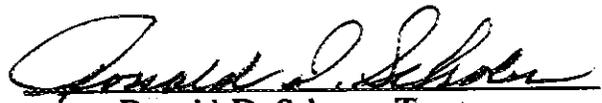
The modifications to be proposed by the Debtor have drastically increased the feasibility of this plan. The omission of the miscellaneous expense is proper and is an item the trustee should have caught at the April 14, 1997 hearing. These expenses were budgeted in the event of a short-fall the prior year. However, as long as the carry-over from the prior year is significant, and continues throughout the plan, then a miscellaneous budget is not proper.

With regards to the decrease in crop expenses the first and second year, the trustee questions if this will occur. However, these amounts do not materially effect the cash flow budget if all other income and expenses are within the budget.

Travelers has contributed to the increased carry-over because of moving their payments from an annual basis to a semi-annual basis. Page 5 of the trustee's report filed April 14, 1997 showed a payment for \$58,810 due February 1, 2002. One-half of this amount or \$29,405 has moved to August 1, 2002. Travelers and the Debtor should keep in mind that any plan payment due on August 1 of each year must come from crops grown the prior year. The crops grown by the Debtor, beans and clover seed, will not bring in income during the month of August during the year the crop was raised.

The trustee intends to meet with all parties prior to the May 1, 1997 hearing at which time further comments will be made to the Court.

DATED This 30th day of April, 1997.


Ronald D. Schoen, Trustee

Terry Hipwell
 30932 Shelton Road
 Parma, ID 83660

Petition: Aug 23'96
 Plan Filed: Mar 31'97
 Confirmed:

Atty: Howard Foley
 Five-Year Plan
 Case No. 96-02095

TRUSTEE'S ANALYSIS OF ESTIMATED PLAN PAYMENTS

<u>CREDITOR</u>	<u>ALLOWED CLAIM</u>	<u>PLAN PAYMENT</u>	<u>1st PAYMENT DUE DATE</u>	<u>NO. PAYMENTS</u>
<u>PRIORITY</u>				
Idaho Tax Commission	927.92	185.58	2/01/98	5
IRS	12,082.04	2,416.48	2/01/98	5
Alexander Ponce	1,712.75	342.60	2/01/98	5
Armondo Rivera	2,176.00	435.20	2/01/98	5
Felipe Zavala	1,400.00	280.00	2/01/98	5
Fivel Perez	1,945.00	389.00	2/01/98	5
<u>SECURED</u>				
Payette County	6,680.96	1,850.00	2/01/98	4
		balance	2/01/02	1
Canyon County	12,468.50	3,450.00	2/01/98	4
		balance	2/01/02	1
Travelers Insurance	480,030.45	29,405.00	2/01/98	10
		29,405.00	8/01/98	10
		balance	2/01/08	1
Idaho Tax Commission	984.79	220.00	2/01/98	4
		balance	2/01/02	1
Land View Fertilizer	104,536.30	111,000.00	2/01/98	1
Case Credit	32,634.82	7,000.00	2/01/98	6
John Deere	47,000.00	10,000.00	2/01/98	4
		est 25,262.00	2/01/02	1
TASCO	45,000.00	10,000.00	2/01/98	7
<u>UNSECURED</u>				
General	6,000.00	2,000.00	2/01/00	3