

United States Bankruptcy Court

FEB 9 1990

For the NORTHERN District of IOWA

IN RE:

JAMES PAUL DROSTE
SHELLEY LORRAINE DROSTE

BARBARA A. EVERLY, CLERK

Case No. L-87-01992W

UNITED STATES

Plaintiff

v.

JAMES PAUL DROSTE
SHELLEY LORRAINE DROSTE

Defendant

Adversary Proceeding No. L-88-0082W

JUDGMENT

This proceeding having come on for trial or hearing before the court, the Honorable Michael J. Melloy, United States Bankruptcy Judge, presiding, and the issues having been duly tried or heard and a decision having been rendered, (settlement)

[OR]

The issues of this proceeding having been duly considered by the Honorable Michael J. Melloy, United States Bankruptcy Judge, and a decision having been reached without trial or hearing,

IT IS ORDERED AND ADJUDGED: that this judgment shall be against James Paul and Shelley Droste in the amount of \$5,000.00. The United States of America agrees to accept payments in the amount of \$1,000.00 per year for five years with payments beginning on January 1, 1990 and due on or before January 1 of each year thereafter until paid in full. So long as the Debtors continue to make their scheduled payments, this judgment shall not bear interest, but if the Debtors default on any provision of this agreement, the remaining amount due shall bear interest at the legal rate in effect on the date of the default. The United States further agrees to credit the final payments due under this paragraph with the costs of fees paid by the Debtors in the amount of \$1,917.00. In other words, the payments due from the Debtors on January 1, 1993, shall be \$1,000 less \$917 credit, or \$83; and the payment due January 1, 1994, shall be \$1,000 less \$1,000 credit, or \$0.



[Seal of the U.S. Bankruptcy Court]

Date of issuance: February 9, 1990

BARBARA A. EVERLY

Clerk of Bankruptcy Court

By: Patricia M. Suizer

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FEB 08 1990

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

IN RE:)
)
JAMES PAUL DROSTE)
SHELLEY LORRAINE DROSTE)
Debtors.)

CHAPTER 7
BANKRUPTCY NO.
L-87-01992W
CONTESTED NO. 9100

BARBARA A. EVERLY, CLERK

*****)
)
UNITED STATES OF AMERICA)
on behalf of FARMERS HOME)
ADMINISTRATION)

ADVERSARY NO. L-88-0082W ✓

Plaintiff,)

vs.)

JAMES PAUL DROSTE)
SHELLEY LORRAINE DROSTE)
Defendants.)

*****)
)
UNITED STATES OF AMERICA,)
on behalf of FARMERS HOME)
ADMINISTRATION)

ADVERSARY NO. L-89-0039W

Plaintiffs,)

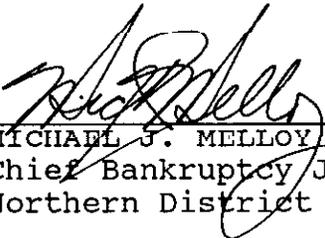
vs.)

JAMES PAUL DROSTE, SHELLEY)
LORRAINE DROSTE, MICHAEL DROSTE,)
LORRI DROSTE, and FIRST)
NATIONAL BANK of WAVERLY, IOWA)
Defendants.)

ORDER APPROVING STIPULATED
CONSENT JUDGMENT

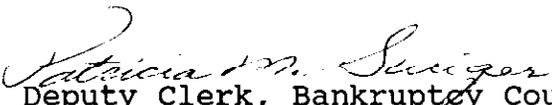
IT IS ORDERED that the Stipulated Consent Judgment filed with this Court on or about January 10, 1990 is hereby approved in its entirety.

ORDERED this 8th day of Feb., 1990.


MICHAEL J. MELLOY
Chief Bankruptcy Judge
Northern District of Iowa

Copies to: (w/ Judgment) MCD & US Atty
Michael C. Dunbar, Attorney for Debtors;
Donna P. Lesyshen, Trustee;
United States Trustee;
U.S. Attorney for FmHA;
Ronald Pepples, Attorney for First
National Bank of Waverly;

this 9th day of February, 1990


Deputy Clerk, Bankruptcy Court
P.O. Box 74890
Cedar Rapids, IA 52407

Prepared and submitted by Kristin Tolvstad Davis, Attorney for
Farmers Home Administration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

FILED
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

JAN 10 1990

BARBARA A. EVERLY, CLERK

IN RE:

) CHAPTER 7

)
) JAMES PAUL DROSTE
) SHELLEY LORRAINE DROSTE

) BANKRUPTCY NO.
) L-87-01992-W

) Debtors.

) *****

) UNITED STATES OF AMERICA
) on behalf of FARMERS HOME
) ADMINISTRATION

) ADVERSARY NO. L-88-0082-W ✓

) Plaintiff,

) vs.

) JAMES PAUL DROSTE
) SHELLEY LORRAINE DROSTE

) Defendants.

) *****

) UNITED STATES OF AMERICA,
) on behalf of FARMERS HOME
) ADMINISTRATION

) ADVERSARY NO. L-89-0039W

) Plaintiffs.

) vs.

) JAMES PAUL DROSTE, SHELLY
) LORRAINE DROSTE, MICHAEL DROSTE,
) LORRI DROSTE, and FIRST NATIONAL
) BANK of WAVERLY, IOWA

) Defendants.

STIPULATED CONSENT JUDGMENT

Copy handed to
filing attorney
on date filed



The parties to these proceedings, James Paul Droste and Shelley Lorraine Droste (hereafter "the Debtors"), Michael Droste, Lorri Droste, First National Bank of Waverly (hereafter "the Bank") and the United States of America acting through the Farmers Home Administration (hereafter "FmHA"), hereby stipulate and consent to settlement of all pending matters as follows:

1. This consent judgment is entered into in full and complete settlement of the following pending matters:

a) Debtors' Motion to Avoid Lien filed on or about April 14, 1989;

b) Adversary action L-88-0082W seeking to object to Debtors' Discharge and Dischargeability of FmHA's debt;

c) Adversary L-89-0039W seeking determination of Validity, Priority and Extent of Interests in Livestock.

2. The Debtors agree to turn over to the Bank and FmHA all of the cows, heifers, and calves in their possession as of August 22, 1989, consisting of not less than 37 dairy cows. The parties further agree that these animals shall be sold at the earliest possible time, and that the animals shall be advertised and sold as a complete dairy herd if at all practical.

3. The parties further agree that the FmHA shall receive the proceeds of the sale of milk which are due to the debtors for any milk sold through August 21, 1989, and which have not been paid to Debtors prior to that date. The FmHA may contact any and all purchasers of milk from the Debtors to inform them of this agreement.

4. The parties agree that the Drostes shall be responsible for caring for and milking the cows until such time as a sale can be arranged. The Bank and FmHA agree to pay the Debtors \$50.00 per day, for this work. In addition, the Debtors will be entitled to keep all milk produced during the period from August 22, 1989 until the time of the sale. The Debtors will bear all costs associated with the care of the animals until the time of sale.

5. The Debtors agree to cooperate with the Bank and Farmers Home Administration in arranging the sale of the livestock and further agree not to interfere in any way with the sale or preparation of the livestock for the sale.

6. The Debtors further agree to entry by this Court of judgment in favor of the United States of America in Adversary No. L-88-0082W. This judgment shall be against James Paul and Shelley Lorraine Droste in the amount of \$5,000.00. The United States of America agrees to accept payments in the amount of \$1,000.00 per year for five years with payments beginning on January 1, 1990, and due on or before January 1 of each year thereafter until paid in full. So long as the Debtors continue to make their scheduled payments, this judgment shall not bear interest, but if the Debtors default on any provision of this agreement, the remaining amount due shall bear interest at the legal rate in effect on the date of the default. The United

States further agrees to credit the final payments due under this paragraph with the costs of feed paid by the debtor in the amount of \$1,917.00. In other words, the payments due from the debtor on January 1, 1993 shall be \$1,000.00 less \$917.00 credit, or \$83.00; and the payment due January 1, 1994 shall be \$1,000.00 less \$1,000.00 credit, or \$0.

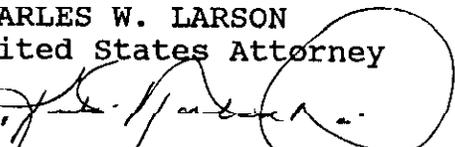
7. The Debtors agree that during the term of this settlement agreement, until the \$5,000.00 noted in paragraph 5 is paid in full, the Debtors shall account to the FmHA office in Waverly, Iowa, for any acquisition of livestock by them. This shall include acquisition of livestock by gift, lease, purchase, contract arrangement, or any manner whatsoever. Any failure to account under this paragraph shall be deemed to be a default under the agreement.

8. This agreement represents the full and complete settlement entered between the FmHA and the Debtors and between the Bank and the debtors.

9. The Court has indicated that Notice of this stipulation need not be given to all creditors and parties in interest so long as the Chapter 7 Trustee approves the agreement.

Respectfully submitted,

CHARLES W. LARSON
United States Attorney

By, 

Kristin Tolvstad Davis
Assistant U.S. Attorney
425 2nd. Street SE, The Center
Cedar Rapids, Iowa 52401
319-363-6333

AND

JAMES PAUL DROSTE and
SHELLEY LORRAINE DROSTE, Debtor

By,



Michael C. Dunbar
Attorney for Debtor
P.O. BOX 1377
Waterloo, Iowa 50704

AND

FIRST NATIONAL BANK OF WAVERLY

By,

Ronald Pepples
Attorney for the Bank
206 4th Street
Parkersburg, Iowa 50665-0328

Respectfully submitted,

CHARLES W. LARSON
United States Attorney

By,

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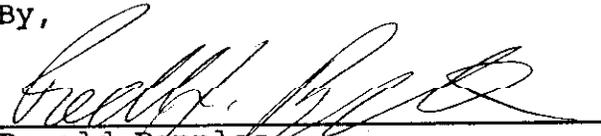
By,

Michael C. Dunbar
Attorney for Debtor
P.O. Box 1377
Waterloo, Iowa 50704

AND

FIRST NATIONAL BANK OF WAVERLY

By,



Ronald Pepples
Attorney for the Bank
206 4th Street
Parkersburg, Iowa 50665-0328

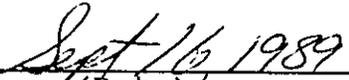
The undersigned hereby consent and agree to the Stipulated Consent Judgment:

Donna Lesyshen
Chapter 7 Trustee

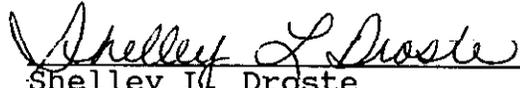
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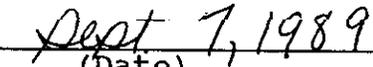
James Droste
Debtor



(Date)



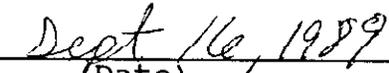
Shelley L. Droste
Debtor



(Date)

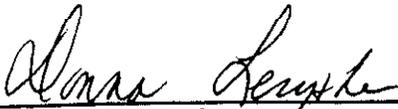


Michael Droste
Defendant



(Date)

The undersigned hereby consent and agree to the stipulated
Consent Judgment:



Donna Lesyshen
Chapter 7 Trustee

9/01/89.

(Date)

James Droste
Debtor

(Date)

Shelley L. Droste
Debtor

(Date)

Michael Droste
Defendant

(Date)