

In the United States Bankruptcy Court

for the Northern District of Iowa

LON MICHAEL CASLAVKA

Bankruptcy No. 92-12304LC

Debtor(s).

Chapter 7

TERRA INTERNATIONAL INC.

Adversary No. 93-1009LC

Plaintiff(s)

vs.

LON MICHAEL CASLAVKA

Defendant(s)

RULING

This above-captioned matter came on for trial on March 23, 1994. Plaintiff Terra International, Inc. was represented by Attorney Morris Eckhart. Debtor/Defendant Lon Michael Caslavka was not present at the hearing. He was represented by Attorney Thomas McCuskey.

This adversary proceeding raises claims of false representation under § 523(a)(2)(B). At the hearing, Mr. McCuskey presented the Court with a Stipulation of Judgment authorized by Debtor who is presently incarcerated. It provides that Debtor stipulates to the entry of a judgment of nondischargeability with respect to Plaintiff's debt in the amount of \$150,000. Plaintiff has accepted this stipulation. The court considered the stipulation based on the record made and approves the stipulation and concludes that judgment should be entered in the amount so stipulated.

The Court, on its own motion, raised the issue of the appropriate rate of interest to be applied to the judgment. In its Complaint, Plaintiff requested interest at 18 percent. The debt to Plaintiff is based on a guarantee signed by Debtor. Judgment was entered in favor of Plaintiff against Debtor on this guarantee in the Iowa District Court for Tama County. The judgment provided for interest at the rate of 18 percent per annum. Apparently, this is the interest rate provided for in the notes Debtor guaranteed.

The rate of interest to be applied to the judgment has been fully considered in this Court's ruling filed today in Farmers Savings Bank & Trust v. Lon Caslavka, Bky. No. 92-12304LC, Adv. 93-1049LC. As discussed in that ruling, the interest rate applicable to judgments in bankruptcy court is determined by 28 U.S.C. § 1961(a). That rate is currently 4.22 percent.

WHEREFORE, Debtor's Stipulation of Judgment is approved.

FURTHER, Debtor's debt to Plaintiff is nondischargeable in the amount of \$150,000.

FURTHER, judgment is granted in favor of Plaintiff in the amount of \$150,000 with interest at 4.22 percent pursuant to 28 U.S.C. § 1961(a).

SO ORDERED this 31st day of March, 1994.

Paul J. Kilburg
U.S. Bankruptcy Judge