

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN**

In re:

CRAPP FARMS PARTNERSHIP

Debtor.

Chapter 11

Case No. 3-17-11601-cjf

**MOTION OF CRAPP FARMS PARTNERSHIP
TO SELL CATTLE VIA AUCTION AND TO COMPENSATE AUCTIONEER**

NOW COMES Crapp Farms Partnership, the debtor herein (the “Debtor”), by its attorneys, Krekeler Strother, S.C., and hereby files this motion (the “Motion”) for entry of an order, pursuant to Section 363 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, (the “Bankruptcy Code”), authorizing the Debtor to sell its calf/cow herd via auction sale to be conducted on or about February 3, 2018. In support of this Motion, the Debtor respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Debtor’s Chapter 11 case and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The relief requested herein is pursuant to Section 363 of the Bankruptcy Code.

BACKGROUND

2. On May 3, 2017 (the “Petition Date”), the Debtor commenced this case under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

3. The Debtor is continuing to operate its business as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for appointment of a

Chapter 11 trustee or examiner has been made, and as of the date hereof, no official committee has been appointed.

4. The Debtor wishes to immediately conduct the sale of its calf/cow herd using Tim Slack Auction & Realty, LLC (“Slack Auction”) as auctioneer, pursuant to the proposed Auction Contract Agreement between the Debtor and Slack Auction for a cattle auction (the “Cattle Auction Agreement”). A true and correct copy of the Cattle Auction Agreement for the sale of the calf/cow herd is attached hereto and incorporated herein by reference as **Exhibit A**.

5. BMO Harris, N.A. (“BMO”), the Debtor’s pre-petition secured lender who asserts validly perfected first-position liens upon the calf/cow herd and the hog herd, reviewed the Cattle Auction Agreement and agreed that the Debtor may hire Slack Auction to conduct the proposed calf/cow herd auction sale according to the terms and conditions set forth in the Cattle Auction Agreement.

6. Contemporaneous with the filing of this Motion, the Debtor filed the *Application of Crapp Farms Partnership to Employ Tim Slack Auction & Realty, LLC as Auctioneer* (the “Slack Application”).

RELIEF REQUESTED

7. By this Motion, the Debtor seeks entry of an Order authorizing the Debtor to conduct an auction of its calf/cow herd to be conducted on or about February 3, 2018 (the “Auction”), free and clear of liens, claims and encumbrances, with the same to attach to the proceeds of the sale.

8. Because the Debtor proposes to conduct the Auction on or about February 3, 2018 and Slack Auction needs several weeks in advance to set up and advertise the auction, contemporaneous with the filing of this Motion, the Debtor is also filing a Motion for Expedited

Hearing (the "Motion to Expedite Hearing") to have this Motion heard on an expedited basis. The Debtor also requests that the 14-day stay pursuant to Rule 6004(h) be waived.

9. The Debtor's calf/cow herd are subject to a validly-perfected security interest in favor of BMO, securing, among other obligations to BMO, a notes with an outstanding principal balance of \$29,067,310.42 as of the Petition Date.

10. By virtue of BMO's properly perfected security interest in the calf/cow herd to be sold, BMO shall be entitled to all net proceeds from the Auction, after payment to Slack Auction for its auction fee and other costs and expenses related to the Auction, to be applied to reduce the current indebtedness owed by the Debtor to BMO.

11. The following is a brief summary of the services and efforts the Debtor anticipates that Slack Auction staff will undertake in connection with the Auction:

- a) Handle all aspects of marketing for the anticipated auctions;
- b) Handle bidder registration, data entry and customer check out, and generally manage the auction;
- c) Prepare for the auctions, including organizing assets for sale, handle checkout of items, and assist in the removal of items won at the conclusion of the auction sale; and
- d) Any other related services deemed necessary by the parties for an efficient and successful auction sale.

12. Pursuant to the Application, Slack Auction shall be entitled to compensation as follows and as more fully set forth on Page 1 of the Cattle Auction Agreement: Auction Gross Commission in the amount of 3.50%, a maximum of \$1,000.00 for internet advertising, \$20 per man per hour for labor costs as required, and \$1 per head of livestock sold as a Beef Checkoff, payable out of the proceeds of the auction.


13. The Debtor requests that this Court approve payment of the compensation to Slack Auction and authorize the Debtor to disburse Slack Auction's compensation to Slack Auction upon conclusion of the Auction.

14. The Debtor believes that this Auction will yield the highest and best total value for the calf/cow herd, and that the Auction is in the best interests of the Debtor, its creditors, and the estate.

WHEREFORE, Crapp Farms Partnership respectfully requests that the Court enter an Order (i) granting this Motion, (ii) authorizing Crapp Farms Partnership to sell its calf/cow herd via auction as described herein in the manner and under the terms and conditions set forth in the Cattle Auction Agreement, free and clear of all liens, claims, or encumbrances, with liens to attach to the proceeds of the sale; (iii) approving Slack Auction & Realty, LLC's auctioneer compensation as described herein and authorizing Crapp Farms Partnership to disburse the compensation to Slack Auction & Realty, LLC upon the conclusion of the Auction; and (iv) granting such other and further relief as is just and proper.

Dated this 5 day of January, 2018.

Krekeler Strother, S.C.

By: 
Kristin J. Sederholm, SBN 1001895
Eliza M. Reyes, SBN 1030764
Jennifer M. Schank, SBN 1077110

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Tim Slack Auction & Realty, LLC
Auction Contract Agreement

This contract, made by and between Tim Slack Auction & Realty, LLC and Crapp Farms Partnership. Auctioneer to sell certain property at public auction and the Auctioneer desires to accept such engagement. Public Auction will be held on or about January/February 2018. Therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, the parties agree to the following terms and conditions:

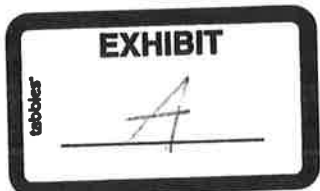
SELLER AGREES TO PAY AUCTIONEER COMPANY EXPENSES AS MARKED BELOW:

Auction Gross Commission	Percent	3.50%
Auction Commission Minimum	Flat Fee	\$ NA
Building/Tent Rent	Flat Fee	\$ NA
Hauling	Flat Fee	\$ NA
Portable Toilet Rent	Flat Fee	\$ NA
Other-Auction Online	Flat Fee	\$ -
Radio Advertising	Flat Fee	\$ -
Newspaper Advertising	Flat Fee	\$ -
Internet Advertising	Flat Fee	\$1000 Maximum
Per Man Labor Hour	Flat Fee	\$20 (only if required)
Wagon Rental/Hauling	Flat Fee	\$ NA
Sale Bills	Per Each	\$ NA
Postage	Per Each	\$ NA
Beef Checkoff	Per Each	\$1/Head Sold
Veterinarian/Identification	Per Each	As required by law
	Per Each	
<input type="checkbox"/> % Percentage Buyer Fee Charged Online Only-Circle Accordingly>	Paid To Seller Y ~ <input checked="" type="checkbox"/> N	Paid to Auction Company as Commission Collected Y ~ <input checked="" type="checkbox"/> N
NO Buyers Fee will Be Charged.	Initial _____	Initial _____

Encumbrances: Seller covenants that the seller has good title and the right to sell, and the Property is free from all encumbrances, except as follows or as listed in an attached exhibit.
 NOTE: All monies owed will be paid by Auctioneer Company with funds from the auction of the property. Auction Type: Cattle Auction

Item Description	Mortgage/Lien Holder	Phone	Approx. Owed

Seller agrees to execute all titles, bill of sales, or any other pertinent documents to the winning bidder; be present at auction; indemnify and hold the auctioneer company harmless from any and all claims from any person, firm or corporations (including but not limited to court costs, attorney fees, and related expenses) brought for any reason not attributable to auctioneer company; neither sell nor further encumber any of the property after the date of execution of this agreement without express written consent of the auctioneer; recognize that auctioneer would be damaged in the event of the seller's failure or refusal to hold the auction or convey the property specified in this



Tim Slack Auction & Realty, LLC
Auction Contract Agreement

agreement, pay the auctioneer for the full amount of what the commission would have been had the sale been completed plus any costs or expenses as described herein, and indemnify and hold harmless the auctioneer company from any further loss, cost or damage which the auctioneer may incur as result of the seller's failure or refusal to hold the auction or convey the property to the highest bidder; pay any legal costs that are necessary to collect any commission, fees or expenses due to be paid to the auctioneer; release the auctioneer company of any liability for merchandise which is accidentally broken, injured, damaged, or stolen prior to or during the auction; seller authorizes auctioneer company employees to purchase items at the auction.

ALL ITEMS MUST BE AVAILABLE FOR AUCTION ON THE AUCTION DAY. ANY ITEMS NOT PRESENT OR PULLED FROM AUCTION THAT WERE LISTED ON THE AUCTION SALE AGREEMENT WILL BE APPRAISED BY THE AUCTIONEER AND SELLER WILL BE CHARGED A 35% COMMISSION FEE OF AUCTIONEER'S APPRAISED VALUE. AUCTIONEER RESERVES THE RIGHT TO DISSOLVE THIS AUCTION CONTRACT IF MAJOR ITEMS ARE NOT AVAILABLE FOR AUCTION DAY SALE. (INITIAL AS PER YOU AGREE (____))

Auctioneer's Obligation: The auctioneer will prepare all advertising for marketing, arrange for qualified auction/clerical personnel to conduct auction, obtain the highest price possible for property although auctioneer cannot and does not make any representation as to the amount which shall be generated at the auction, auctioneer does not have liability or obligation to the seller or any other person, firm or corporation with respect to sale of property, except as specifically set forth in this agreement. Auctioneer Company will provide auction result accounting documents on auction day. Auctioneer Company will within 24 hours of auction date 1) Pay Seller/Lien Holder(s) Amount Due or Deposit funds into auctioneer's trust account, and 2) Comply with all provisions of law relating to the conduct of this auction.

IN WITNESS WHEREOF, the parties hereto have read this contract agreement and fully understand the contents of said contract agreement and have executed the same on the day and date first above written.

Signed:

Signed:

Representative
Tim Slack Auction & Realty, LLC
10126 Circle Rd. Lancaster, WI 53813
608-723-4020

Seller(s),

Lien Holder(s),

Attach all lists/exhibits. Auctioneer must provide seller with signed copy of this contract agreement.
Tim Slack Wisconsin Auctioneer #32 Illinois Auctioneer #441.001357