

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

In re: Bankruptcy Case No. 10-19137

Northwestern Stone,

Debtor.

**MOTION FOR ORDER STIPULATION FOR ORDER AUTHORIZING CONTINUED
USE OF CASH COLLATERAL**

To: Honorable Robert D. Martin

NOW COMES the Debtor-in-possession, Northwestern Stone, LLC (the Debtor) by its attorneys Kepler & Peyton by Timothy J. Peyton, and moves the Court for an Order approving a Stipulation authorizing continued use of cash collateral dated December 5, 2011 entered into by and between the debtor and McFarland State Bank (MSB). In support thereof, the debtor states as follows:

1. This matter was commenced by the filing of a Voluntary Petition under Chapter 11 of the United States Bankruptcy Court in the Western District of Wisconsin on December 16, 2011 with the case number set forth above.
2. The debtor has the need to use cash to operate its business.
3. The debtor is indebted to MSB, and the indebtedness is secured by substantial assets of the debtor, including cash proceeds of collateral securing the debt to the Lender.
4. The Debtor and MSB had previously negotiated a Cash Collateral Agreement which has been executed and filed with the Court.
5. It is not believed that any other entity has an interest in the cash collateral of the debtor which the debtor proposes to use. Pursuant to the cash collateral agreement, the debtor

will use proceeds from accounts receivable and a limited amount of cash proceeds arising out of the sale of collateral securing the debt owed to McFarland State Bank to pay its normal operating expenses, U.S. Trustee's fees, and other approved fees and expenses pursuant to the budget attached to the Agreement.

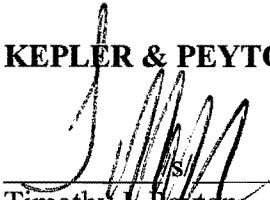
6. Pursuant to the agreement, MSB was granted a lien against all the Debtor's post-Petition assets, including without limitation the pre-Petition collateral and all proceeds, rents, products and profits thereof to the extent and priority as the Lender's pre-Petition security interest, liens and mortgages. MSB was not granted the security interest or lien in any cause of action of the estate arising solely under 11 U.S.C. §§ 544, 545, 547, 548, 549 or 553(b).

7. The Debtor and MSB have entered into a Stipulation dated December 5, 2011 authorizing a six month continuation of permission to use cash collateral pursuant to a new budget. A copy of that Stipulation is attached hereto.

WHEREFORE, the debtor moves the Court for an Order the Stipulation For Order Authorizing Continued Use of Cash Collateral dated December 5, 2011.

Dated this 5th day of December, 2011.

KEPLER & PEYTON



Timothy J. Peyton

Attorneys for Debtor-in-Possession

634 W. Main Street, Ste. 202
Madison, WI 53703
(608)257-5424

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

In re:

Bankruptcy Case No. 10-19137

Northwestern Stone,


Debtor.

**STIPULATION FOR ORDER AUTHORIZING CONTINUED USE OF CASH
COLLATERAL**

The McFarland State Bank, by its attorneys Whyte Hirschboeck Dudek, SC, by Daniel J. McGarry, and the Debtor-in-possession by its attorneys Kepler & Peyton by Timothy J. Peyton, hereby stipulate and agree that the Court may enter an Order Authorizing Continued Use of Cash Collateral pursuant to the budget attached hereto and marked Exhibit A for six months from the date of the entry of an Order approving this Stipulation.

Dated this 5th day of December, 2011.

KEPLER & PEYTON



Timothy J. Peyton
Attorneys for Debtor-in-Possession

Dated this 5th day of December, 2011.

WHYTE HIRSCHBOECK DUDEK, SC



Daniel J. McGarry
Attorneys for McFarland State Bank

**Northwestern Stone, LLC
2012 Operating Budget**

	Projected Jan 2012	Projected Feb 2012	Projected Mar 2012	Projected Apr 2012	Projected May 2012
Revenue	\$ 60,000	\$ 60,000	\$ 110,000	\$ 150,000	\$ 280,000
Expenses					
Royalties	9,000	2,400	4,400	6,000	11,200
Job Materials	-	-	-	-	-
Advertising	100	100	100	600	600
Employee Compensation	30,000	30,000	37,000	50,000	85,000
Owner Draws	17,893	17,893	22,366	17,893	17,893
Payroll Taxes (10% of compensation)	3,000	3,000	3,700	5,000	8,500
Utilities	3,700	4,000	3,400	2,800	2,400
Telephone	1,500	1,500	1,500	1,500	1,500
Fuel	13,000	25,000	30,000	45,000	60,000
Education	800	1,500	-	400	-
General Insurance	13,000	13,000	13,000	-	-
Employee Benefits	1,000	1,000	1,000	1,000	1,000
Employee Benefits (Owner Health)	550	550	550	550	550
Licenses - Vehicle	7,000	-	6,000	-	-
Permits	3,000	-	-	-	-
Subcontractors	-	-	-	-	-
Blasting	-	-	-	10,000	10,000
Shop Expense	1,000	1,000	3,000	4,000	4,000
Bank Payments (McFarland State Bank)	17,875	17,875	17,875	17,875	17,875
Leases / Equipment Payments (see detail)	18,128	18,128	18,128	18,128	18,128
Professional Fees:	-	-	-	-	-
Legal	10,000	10,000	10,000	10,000	10,000
Trustee	4,875	-	-	4,875	-
Accounting	3,500	3,500	3,500	3,500	3,500
Property Taxes	5,400	5,400	5,400	5,400	5,400
Other Taxes (Heavy vehicle use)	-	-	-	-	-
Repairs	5,000	10,000	15,000	15,000	30,000
Dues & Subscriptions	-	-	-	300	-
Office Expense & Miscellaneous	3,000	1,500	1,500	1,500	1,500
Total Monthly Expenses	172,321	167,346	197,419	221,321	289,046
Net Income (Loss) From Operations	(112,321)	(107,346)	(87,419)	(71,321)	(9,046)

NOTES:

- Does not include an income tax provision. Owner pays taxes on all income personally.
- Does not include payment of pre-petition liabilities other than main bank loan.
- Does not include any purchases of new equipment.
- Revenue is shown as billed. Actual collection times will vary.
- Additional rental costs may be incurred in 2012 due the recent sale of a significant amount of equipment. Because the need for additional equipment is speculative and inestimable, no amounts have been included above.

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**Northwestern Stone, LLC
2012 Operating Budget**

	Projected June 2012	Projected July 2012	Projected Aug 2012	Projected Sep 2012	Projected Oct 2012
Revenue	\$ 350,000	\$ 400,000	\$ 500,000	\$ 600,000	\$ 500,000
Expenses					
Royalties	14,000	16,000	20,000	24,000	20,000
Job Materials	1,000	1,000	3,000	3,000	3,000
Advertising	600	600	600	600	600
Employee Compensation	75,000	75,000	90,000	80,000	85,000
Owner Draws	22,366	17,893	22,366	17,893	17,893
Payroll Taxes (10% of compensation)	7,500	7,500	9,000	8,000	8,500
Utilities	1,800	1,800	1,800	2,800	2,800
Telephone	1,500	1,500	1,500	1,500	1,500
Fuel	60,000	65,000	70,000	70,000	70,000
Education	400				500
General Insurance	21,000	13,200	13,200	13,200	13,200
Employee Benefits	1,000	1,000	1,000	1,000	1,000
Employee Benefits (Owner Health)	550	550	550	550	550
Licenses - Vehicle	6,000	-	-	6,000	-
Permits	2,000	-	-	-	-
Subcontractors	-	6,000	6,000	6,000	4,000
Blasting	10,000	10,000	20,000	20,000	10,000
Shop Expense	4,000	4,000	4,000	4,000	4,000
Bank Payments (McFarland State Bank)	17,875	17,875	17,875	17,875	17,875
Leases / Equipment Payments (see detail)	18,128	18,128	18,128	18,128	18,128
Professional Fees:					
Legal	10,000	10,000	10,000	10,000	10,000
Trustee	-	4,875			4,875
Accounting	3,500	3,500	3,500	3,500	3,500
Property Taxes	5,400	5,400	5,400	5,400	5,400
Other Taxes (Heavy vehicle use)	-	5,000			
Repairs	50,000	60,000	60,000	60,000	45,000
Dues & Subscriptions		300			300
Office Expense & Miscellaneous	1,500	1,500	1,500	1,500	1,500
Total Monthly Expenses	335,119	347,621	379,419	374,946	349,121
Net Income (Loss) From Operations	14,881	52,379	120,581	225,054	150,879

NOTES:

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**Northwestern Stone, LLC
2012 Operating Budget**

	Projected Nov 2012	Projected Dec 2012	Projected Total 2012
Revenue	\$ 250,000	\$ 200,000	\$ 3,460,000
Expenses			
Royalties	10,000	8,000	145,000
Job Materials	1,500	1,000	13,500
Advertising	600	600	5,700
Employee Compensation	90,000	60,000	787,000
Owner Draws	22,366	17,893	232,608
Payroll Taxes (10% of compensation)	9,000	6,000	78,700
Utilities	2,800	2,800	32,900
Telephone	1,500	1,500	18,000
Fuel	50,000	40,000	598,000
Education			3,600
General Insurance	13,200	13,200	139,200
Employee Benefits	1,000	1,000	12,000
Employee Benefits (Owner Health)	550	550	6,600
Licenses - Vehicle	-	-	25,000
Permits	-	-	5,000
Subcontractors			22,000
Blasting	10,000	-	100,000
Shop Expense	2,500	2,000	37,500
Bank Payments (McFarland State Bank)	17,875	17,875	214,500
Leases / Equipment Payments (see detail)	18,128	18,128	217,536
Professional Fees:			
Legal	10,000	10,000	120,000
Trustee			19,500
Accounting	3,500	3,500	42,000
Property Taxes	5,400	5,400	64,800
Other Taxes (Heavy vehicle use)			5,000
Repairs	20,000	10,000	380,000
Dues & Subscriptions			900
Office Expense & Miscellaneous	1,500	1,500	19,500
Total Monthly Expenses	291,419	220,946	3,346,044
Net Income (Loss) From Operations	(41,419)	(20,946)	113,956

NOTES:

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**Northwestern Stone, LLC
Leases
2012**

Creditor	Monthly Payment	Secured By	Notes
CNH Capital	\$ -	Unsecured	Case Skid
Marlin Leasing	-	GPS System	
Landmark	-	Fuel Tank	May offset against patronage investment
Welton	-		Payment of material, royalties
Ahlgrimm	-		Payment of blasting
TCF	1,900.00	Crane & Body	Post-petition revised terms
GE	1,351.42	2004 Mack & Dump Body (Henderson)	Post-petition revised terms
Madison Mack	1,079.49	Mack Truck w/ Dump	Post-petition revised terms
National Exchange Bank	5,008.05	1998 Cat, 988F Loader	Business loans held personally
National Exchange Bank	5,414.37	5048 Crushing Plant	Business loans held personally
National Exchange Bank	3,374.52	2006 & 2007 Mack Dump Trucks	Business loans held personally
Total	\$ 18,127.85		

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

In Re: Case No. 10-19137

Northwestern Stone, LLC,

Debtor.

**NOTICE OF MOTION FOR ORDER APPROVING CONTINUED USE OF
ADDITIONAL CASH COLLATERAL AND PROVIDING ADEQUATE PROTECTION**

To: United States Trustee's Office
Creditor's Committee or its Authorized Agent, and
Creditors and Equity Holders Who Have Served on the Debtor-in-possession and filed
with the Court a Request for Notice

PLEASE TAKE NOTICE that the Debtor-in-possession has moved the Court for an
Order Approving Stipulation Authorizing Continued Use of Cash Collateral dated December 5,
2011. A copy of that Motion is attached hereto.

**YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THESE PAPERS
CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY IF YOU HAVE ONE
IN THIS BANKRUPTCY CASE. (IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY
WISH TO CONSULT ONE.)**

If you do not want the Court to grant the relief sought in the Motions made above, or if
you want the Court to consider your views on the Motions, then on or before December 21,
2011, you or your attorney must file with the Court a written request for a hearing at:

United States Bankruptcy Court
Western District of Wisconsin
120 North Henry Street
Madison, WI 53703

If you mail your request to the Court for filing, you must mail it early enough so the
Court will receive it on or before the date stated above.

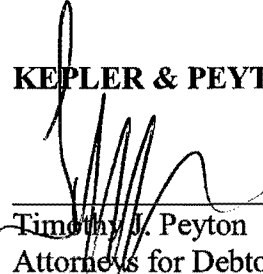
You must also mail a copy to:

Timothy J. Peyton
Kepler & Peyton
634 West Main Street, Ste. 202
Madison, WI 53703

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motions or Objection and may enter the Order granting that relief.

Dated this 5th day of December, 2011.

KEPLER & PEYTON



Timothy J. Peyton
Attorneys for Debtor-in-Possession

634 W. Main Street, Ste. 202
Madison, WI 53703
(608)257-5424