
UNITED STATES BANKRUPTCY COURT
Western District of Wisconsin

In re:

Case no. 17-11785

LAURITSEN FIREWOOD & RENTAL, INC.,
Debtor

DEBTOR PLAN OF REORGANIZATION DATED APRIL 20, 2018

Lauritsen Firewood & Rental, Inc., hereinafter referred to as "Debtor" or "Reorganized Debtor," proposes the following Plan of Reorganization:

ARTICLE ONE: Definitions

1.01 Allowed Claim. "Allowed Claim" means any claim to the extent that a proof of such claim or interest is timely filed or is deemed filed under 11 U.S.C. § 1111(a) minus any payments by the Debtor between the time the Petition herein was filed and the date of confirmation, unless such claim is listed as disputed in the schedules filed by Debtor herein or is subsequently disallowed or modified by the Court.

1.02 Claim. "Claim" means any (a) claim, including a "claim" as defined in 11 U.S.C. § 101(4), against or (b) interest in the Debtor or the estate.

1.03 Claim Amount. "Claim amount" means the allowed claim minus post-petition payments; provided, however, only the principal portion of any adequate protection payments (calculated using the interest rate provided for in this plan) shall be applied to the secured portion of the recipient's claim.

1.04 Confirmation Date. "Confirmation Date" means the date the Court enters an order confirming the Plan.

1.05 Court. "Court" means the United States Bankruptcy Court for the Western District of Wisconsin.

1.06 Creditor. "Creditor" means any individual or entity that has a claim, including a "creditor" as defined in 11 U.S.C. § 101(9).

1.07 Distribution Date. "Distribution Date" means the later of (a) the date fourteen days after the confirmation date or (b) the first day of the first full month of the first full calendar quarter after the confirmation date. Provided, however,

following confirmation each over-secured creditor shall provide the Debtor with an accounting of that creditor's secured claim calculated to the distribution date and, if such accounting is not provided within 30 days of the confirmation date, then the "distribution date" for that creditor shall be the date the creditor provides such accounting.

1.08 Equity Claimant. "Equity claimant" means the members of Debtor as of the date of the confirmation hearing.

1.09 Estate. "Estate" means all assets subject to this bankruptcy case.

1.10 Estate Creditor. "Estate Creditor" means any creditor holding an allowed claim.

1.11 Income. "Income" means all receipts in the ordinary course of business of the Debtor and excludes, for example, extraordinary sales or other dispositions of assets.

1.12 Lien. A creditor retaining a "lien" under the Plan shall have a lien on collateral which existed on the date the petition for relief was filed and, without regard to any pre-bankruptcy replevin or foreclosure proceedings, (a) the right to initiate a replevin or foreclosure action as provided in Paragraph 5.3 and (b) all other reasonable non-financial rights relating to preservation of collateral value under the pre-bankruptcy mortgage, security agreement or similar document. Examples of non-financial terms include obligations of Debtor to (a) maintain insurance coverage adequate to assure replacement of collateral to Debtor operation and (b) perform routine maintenance and up-keep.

1.13 Plan. "Plan" means this Plan of Reorganization in its present form and as it may be amended or supplemented.

1.14 Secured Creditor. "Secured Creditor" means any estate creditor to the extent such creditor has a "secured claim," as defined in 11 U.S.C. § 506 and such creditor's lien or right to setoff or recoupment is not void or voidable pursuant to the Bankruptcy Code or this Plan.

1.15 Small Creditors. "Small Creditors" means all unsecured creditors holding claims (a) the amount of which is not more than \$250 or (b) the holder of which has irrevocably elected, prior to the confirmation date, to reduce the amount of such claim to \$250 and to have such claim treated as a claim of a small creditor under the Plan by indicating such election on the ballot form utilized for purposes of acceptance or rejection of the Plan.

1.16 Unsecured Creditors. "Unsecured Creditors" means all estate creditors of the Debtor holding claims for debts, liabilities, demands or claims of any character whatsoever, other than secured and equity claims, and includes claims arising out of the rejection of executory contracts.

1.17 With Interest. Except as otherwise provided in this Plan, “with interest” means post-petition interest shall accrue (based on a 365 day year) on the principal portion of the claim amount from the distribution date at the federal judgment rate (28 U.S.C. §1961) on the confirmation date.

ARTICLE TWO: Classification and Treatment of Claims

2.01 Class 1: Administrative Expenses and Non-Tax Priority Claims. Except as otherwise provided in this plan, creditors holding allowed claims for administrative expenses of the estate, quarterly fees under 28 U.S.C. § 1930(a)(6) and claims entitled to priority under 11 U.S.C. § 507(a)(2)-(7) or 28 U.S.C. § 1930 shall be paid in full in cash on the distribution date, or when allowed or determined, whichever is later, or upon such other terms as may be agreed upon by the holder of any such claim and the Debtor; *provided, however*, (a) an obligation incurred during the administrative period shall be satisfied in accordance with the terms of that transaction and the creditor shall retain any lien granted at the time of the transaction and (b) the United States Trustee shall be paid on the effective date of the plan. Class 1 creditors shall retain their priority in the event this case is converted to another chapter under the Bankruptcy Code or there is a subsequent bankruptcy filing.

This is a non-voting class.

2.02 Class 2: Tax Priority Claims. Unsecured creditors holding allowed tax claims entitled to priority, if any, under 11 U.S.C. § 507(a)(8), and any third party which pays such claims for the benefit of the estate (whether directly or as a penalty) shall be paid the claim amount amortized with monthly payments over the period that begins on the distribution date and concludes on the date five years from the date the petition was filed with interest from the distribution date as provided under 11 U.S.C. § 511. As expedited payment of such taxes is necessary to permit Debtor management to devote full attention to reorganization, any portion of Class 2 claims arising from a tax the Debtor or an entity for which the Debtor is a responsible party was required to collect or withhold shall be satisfied first from payments under this Plan.

This is a non-voting class.

2.03 Class 3: Tax Penalty Claims. Unsecured creditors holding allowed tax penalty claims subject to 11 U.S.C. § 523(a)(7), and any third party which pays such claims for the benefit of the estate (whether directly or as a penalty) shall be paid the claim amount, in full, within the time set below for payment of other unsecured creditors.

Class 3 is impaired.

2.04 Class 4: Non-Tax Priority Claims. The allowed priority claims of this class shall be paid in full in 60 equal monthly payments starting on the distribution date with interest.

Class 4 is impaired.

2.05 Class 5: Property Taxes. The allowed secured claim of this class shall be paid in full in 36 equal monthly payments starting on the distribution date with 12% interest. The creditor in this class shall retain any prepetition lien on Debtor property.

Class 5 is impaired.

2.06 Class 6: Secured Claims – Real Estate. The allowed secured claim of this class shall be paid in full in 360 equal monthly payments starting on the distribution date with 6.0% interest. The creditor in this class shall retain any prepetition lien on Debtor property.

Class 6 is impaired.

2.07 Class 7: Other Secured Claims. The allowed secured claims of this class shall be paid in full in 120 equal monthly payments starting on the distribution date with interest. The creditors in this class shall retain any prepetition lien on Debtor property.

Class 7 is impaired.

2.08 Class 8: Employment Taxes. The allowed claims of this class shall be paid in full in 60 equal monthly payments starting on the distribution date with interest. The creditors in this class shall retain any prepetition lien on Debtor property.

Class 8 is impaired.

2.09 Class 9: Small Unsecured Creditors. For administrative convenience, allowed small creditor claims of \$250 or less shall be paid, in full, within one year after the distribution date, or when allowed, whichever is later, or as soon thereafter as is practical.

Class 9 is impaired.

2.10 Class 10: Other Unsecured Creditors. The allowed claims of this class shall be paid in full in 60 equal monthly payments starting on the distribution date without interest.

Class 10 is impaired.

2.11 Class 11: Equity Interests. Equity Claimants shall become vested in property of the estate subject to the terms and conditions of this Plan.

Class 11 is impaired.

2.12 Class 12: Claims Which Are Not Allowed Or Otherwise Provided For Herein. No payment will be made on claims that are (a) not otherwise provided for in this Plan, (b) not timely filed and allowed claims, (c) disputed, or (d) disallowed.

Class 12 is impaired.

ARTICLE THREE: Implementation

3.1 Restructuring.

(a) Consummation; Discharge. On the Confirmation Date the Debtor will receive a discharge as provided in 11 U.S.C. §1141(d). On the distribution date, or as soon thereafter as is practical, the Debtor will make distribution date payments.

(b) Rights of Creditors. The sole rights of creditors arising from or related to claims against Debtor shall be as set forth in this Plan. If this Plan provides for a creditor to retain a lien on debtor property, that creditor's pre-petition rights regarding maintenance and protection of collateral shall survive confirmation to the extent that such provisions are not in conflict with this Plan. Upon request, debtor will, from time to time, execute documents on creditors' standard forms to memorialize the content of this Plan or to renew, continue or perfect liens; however, nothing in such documents shall increase or otherwise change the creditor's rights beyond those set forth in this Plan. Creditors shall immediately satisfy all liens that attach to debts that are discharged, paid according to this plan, or otherwise become unenforceable.

(c) Survival of Causes of Action. Following confirmation Debtor may object to claims and, as the debtor-in-possession of the Residual Estate, may prosecute or assert any claim described at § 3.2(b)(i). The information provided during this case regarding Debtor assets and possible causes of action is as accurate and complete as possible. In the event the Debtor becomes aware of and realizes on an asset that is not disclosed prior to confirmation, any non-exempt net recovery shall be treated as income for the purpose of determining any distribution under this Plan.

(d) Vesting; Sale; Payment Adjustment Except as provided at § 3.2(b)(i) or otherwise explicitly provided in this Plan, upon confirmation all property of the estate shall vest in the Reorganized Debtor free and clear of all liens and claims, including any claim for setoff or recoupment against the Reorganized Debtor, with the same to attach to the proceeds of the sale in order of their priority. Reorganized Debtor may, in a commercially reasonable manner, sell all or part of any Reorganized Debtor property free and clear of liens. Any such transfer is specifically provided for

in this Plan and shall be subject to 11 U.S.C. §1146(a) (no transfer tax). Unless the Plan provides otherwise, the proceeds of the sale shall be applied to (i) normal and ordinary closing costs, (ii) any capital gains taxes arising from the sale, (iii) parties holding liens at the time of sale (in the order of their priority), and (iv) the Reorganized Debtor. After sale and distribution of proceeds, the periodic payment that a lien holder is set to receive under this plan shall be reduced to re-amortize the payment of that creditor's debt over the time set forth in this plan.

3.2 Operation. Following confirmation the Reorganized Debtor shall continue business operations without further order of the Court, making Plan payments directly to estate creditors from funds generated by the business.

3.3 Payments.

(a) Except as provided for in this Plan, principal and interest payments shall be made on a monthly basis.

(b) Debtor may pre-pay any part or all of any obligation at any time. Payments shall be applied to obligations set forth in this Plan. Any past due payment shall be applied first to past due principal and then to past due interest. Any partial pre-payment shall be applied to principal and reduce the required periodic payment accordingly.

(c) Except as otherwise provided herein:

(1) Any annual payment shall be due every one-year anniversary of the distribution date.

(2) Any quarterly payments shall be due every three months after the distribution date.

(3) Any monthly payments shall be due every month after the distribution date.

ARTICLE FOUR: Executory Contracts

4.1 Any executory contract of the Debtor entered into prior to the commencement of the Chapter 11 case and not expressly rejected or disaffirmed prior to the distribution date shall be deemed assumed and affirmed by the Debtor, if, at the distribution date or at any time thereafter, the Debtor is not in default under the contract.

Specifically, but not exclusive of other assumption or rejection, the lease Debtor and TCF Equipment Finance, Inc. Debtor moved for approval of assumption as Doc. # 43 and authorized and approved by Order as Doc. # 180 is assumed and Debtor shall cure the default amount of \$____ under the assumed lease by the effective date.

Debtor rejects leases with Batavia Leasing Company and Compeer Financial. However, Debtor intends to negotiate with each for the continued use and lease of the equipment leased. In the event Debtor is unable to negotiate for the equipment's continued use and lease, the equipment will be surrendered.

ARTICLE FIVE: Administration

5.1 Management.

(a) Control. The Reorganized Debtor shall remain in possession and control of the business without the requirement of further Order of the Court.

(b) Books and Records. The Debtor shall keep accurate books and records of operations during the pendency of this Plan. These books and records shall be available for inspection at reasonable times upon reasonable request by any estate creditor.

5.2 Retention of Jurisdiction. Following the confirmation date the Court shall retain full jurisdiction as provided in 28 U.S.C. § 1334, including jurisdiction over all matters arising under or relating to this Chapter 11 case, including, without limitation: (1) implementation, interpretation or modification of this Plan, (2) determination of all matters pending before the Court on the confirmation date, (3) objection to the secured status of or disallowance of any claim, (4) allowance of administrative expense and 28 U.S.C. § 1930 claims and (5) for such other and further purposes as may be necessary or appropriate to carry out the Plan, including any action to avoid liens, preferences or fraudulent transfers or to determine the extent to which property was a part of the estate. Accordingly, this case may be re-opened as necessary to allow the Court to exercise its retained jurisdiction.

5.3 Default & Enforcement. Any material failure of the Debtor to make payments or otherwise perform as provided in this Plan that affects a claim holder's recovery or collateral shall be an act of default as to that claim holder. Any party which believes its claim is subject to a default may, within six months of the first uncured alleged default, give notice of same as provided in Section 5.4 of this Plan. This plan voids any prior agreement to arbitrate and any right to use administrative or any other collection procedures other judicial proceedings. The affected party may commence judicial proceedings only after the Debtor fails to cure the alleged default within 30 days of receipt of a timely notice. The plan shall remain in full force and effect until and unless the claim holder obtains a final judgment or order. If proceedings are initiated, the Debtor may cure the alleged default at any time before the affected party receives a final, unappealable judgment or order based upon the alleged default or at any later time provided under applicable law by (1) curing the default and (2), if so provided in the document evidencing the creditor's lien and allowed under applicable law, paying the reasonable attorney fees incurred by the claim holder in regard to such judicial proceedings. The claim holder shall pay any costs, including attorney fees, incurred by Debtor in the course of enforcing such claim holder's compliance with this Plan.

5.4 Notices. Any notice required to be given to the Debtor under this Plan shall be made by certified mail, restricted delivery, to the last known address of the Debtor, currently:

Derek Lauritsen, President
Lauritsen Firewood & Rental, Inc., Debtor
Current address: 2606 250th Ave
Cushing, WI 54006

Notice shall be given as of the first business day after receipt of the notice by Debtor.

5.5 Construction; Binding on Successors and Assigns. This Plan shall be construed to effectuate the reorganization and continued operation of the Debtor and no provision shall be construed against the Debtor as drafter. Any reference to any person or entity in this Plan shall include a reference to that party's heirs, successors and assigns.

5.6 Modification or Amendment. Before confirmation this Plan may be modified as provided in 11 U.S.C. § 1127. After confirmation, subject to Court approval, this Plan may be amended by the Debtor for good cause and upon notice to creditors, without a formal disclosure statement but with an opportunity to object.

Dated April 20, 2018.

LAURITSEN FIREWOOD & RENTAL, INC.,

/s/_____
Joshua D. Christianson, Attorney for Debtor
With permission to sign on Debtors' behalf

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