
UNITED STATES BANKRUPTCY COURT
Western District of Wisconsin

In re:

Case no. 17-11785

Lauritsen Firewood & Rental, Inc.,
Debtor

DEBTOR PLAN OF REORGANIZATION DATED NOVEMBER ~~21~~, 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 Confirmation Date, 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 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 date fourteen days after the confirmation date.

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/or as otherwise set forth in the Plan 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 4 percent.

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 Distribution 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) shall be paid 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.

Estimated claims in this class include:

Creditor	Priority	Claim Amount (w/out interest)
IRS	Withholding	\$700
Wisconsin Department of Revenue	Withholding	\$5,726.25

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) 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.

Estimated claims in this class include:

Creditor	Priority	Claim Amount (w/out interest)	Monthly payments
IRS	Withholding Interest and Penalties	\$6,477.93	\$107.97

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.

Estimated claims in this class include:

Creditor	Collateral	Secured Claim Amount (w/out interest)	Monthly payments
Polk County	Real Estate	\$5,051.81	\$167.79

Class 5 is impaired.

2.06 Class 6: Secured Claims – Real Estate. Hiawatha National Bank shall be allowed a secured claim in the amount of \$1,644,519.56 as of September 20, 2018. This claim is comprised of the obligations memorialized in HNB Loan Nos. 76829, 77001, 77377, 77378, 77451, 78249. Except as expressly modified in this Plan, all of the terms of the existing loan document remain in full force and effect and are incorporated here by reference. The creditor in this class shall retain any and all prepetition liens. Each of the component loans will mature on the 20th anniversary of the Confirmation Date. Interest on each of the component loans will accrue at the initial rate of 6.0%, which rate shall adjust every 5 years on the anniversary of the Confirmation Date, to equal WSJ Prime+1.25%. Interest shall be calculated based on a 360-day year. Payments will be due monthly on the 1st day of each month, commencing December 1, 2018. Payments will be based on a 30 year amortization.

Class 6 is impaired.

2.07 Class 7: Other Secured Claims. Except as otherwise set forth in this section, the allowed secured claims of this class shall be paid in full in 84 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.

2.07a Hiawatha National Bank

Hiawatha National Bank shall be allowed a secured claim in the amount of \$569,710.31 as of September 20, 2018. This claim is comprised of the obligations memorialized in HNB Loan Nos. 76393, 76567, 78250. Except as expressly modified in this Plan, all of the terms of the existing loan documents remain in full force and effect and are incorporated here by reference.

2.07b AGCO Finance

Debtor shall pay AGCO Finance according to the terms and conditions of the Stipulation Between Debtor and AGCO Finance Resolving AGCO Finance's Objection to Debtor's Chapter 11 Plan (the "Stipulation") at Docket # 249. The Stipulation is attached to this Plan and the entire Stipulation is incorporated into this Plan.

2.07c Compeer Financial, ACA

Debtor shall pay Compeer Financial, ACA according to the terms and conditions of the Stipulation Between Debtor and Agstar Financial n/k/a Compeer Financial Regarding Plan Treatment of Compeer Financial (the "Stipulation") at Docket # 302. The Stipulation is attached to this Plan and the entire Stipulation is incorporated into this Plan.

2.07d Bank First National

Bank First National f/k/a First National Bank ("BFN") shall be allowed a fully secured claim in such amounts as are from time to time due and owing by Debtor (which claim was in the sum of approximately \$67,448.75 plus attorneys fees and costs as of May 17, 2017) pursuant to a series of Promissory Notes and Security Agreements executed by Debtor in favor of BFN, (hereafter collectively referred to as the "Loan Documents"). BFN properly and timely perfected its security interests in all of the collateral described in the Loan Documents.

Except as expressly modified in this Plan, all of the terms of the existing Loan Documents shall remain in full force and effect and are incorporated herein by reference. Nothing herein is intended to waive or reduce the full indebtedness of Debtor to BFN. The fully secured claim of BFN herein shall be paid in accordance with and pursuant to said Loan Documents identified above except:

- a) Debtor shall make quarterly payments of at least \$2,773.79 to BFN on the first day each quarter, commencing on the first day of November, 2018 and continuing on the first day of each quarter thereafter (February 1, May 1, August 1, November 1) following confirmation of the Plan, subject to the provisions of part (e) hereof;
- b) Interest shall accrue at the rate of 4.0% per annum;
- c) Notwithstanding anything to the contrary in Section 3.3 hereof, BFN shall apply the payments it receives from the Debtor, including any

- past due payments it receives, to the obligations as BFN, in its sole discretion, deems appropriate;
- d) Debtor shall make its monthly payments to BFN on a debtor-direct basis; and
 - e) Notwithstanding anything to the contrary herein, all sums due BFN from Debtor including but not limited to all sums due for principal, interest, attorneys fees, costs, and other loan charges pursuant to the Loan Documents shall be due and payable, in full, on August 1, 2025 to BFN.

Debtor shall keep the collateral secured to BFN insured consistent with the requirements of said Loan Documents and shall timely pay all insurance premiums therefor. Further, Debtor shall provide proof of insurance to BFN upon request when premiums therefor are paid, such proof to include but not be limited to a copy of such policy and a copy of the receipt showing payment for such premiums. BFN shall have reasonable access to the collateral identified in the Loan Documents for purposes of inspection.

BFN shall retain all of its interests and liens in the collateral secured to it by virtue of the Loan Documents until all of Debtor's loan obligations to BFN have been paid in full.

The provisions set forth in Sections 5.3 and 5.4 of this Plan shall not apply to BFN. In lieu of such sections, all Plan provisions in favor of BFN shall be subject to a non-modifiable provision that in the event the Debtor is in default with respect to any monetary or non-monetary part or provision of this Plan as it relates to BFN, BFN shall then be entitled to exercise any one or more of the remedies set forth below. For purposes hereof, Debtor is in default when:

- a) Debtor fails to comply with any term or provision of the Plan as it relates to BFN, whether directly or indirectly and whether monetary or non-monetary; or
- b) This bankruptcy case is either dismissed or converted to Chapter 7.

Upon the first occurrence of an event of a default as described herein, BFN, or its attorney, shall send written notice of such default by regular mail to Debtor and by email to Debtor's attorney, and Debtor shall have a fifteen (15) day right to cure. Any such notice shall be dated no earlier than one day prior to the date it was mailed. For the second and all subsequent defaults, Debtor shall not be entitled to any notice or right to cure from BFN.

In the event of a default which is not timely cured by the Debtor or in the event of a default which the Debtor has no right to cure, BFN shall be entitled to exercise any one or more of the following remedies:

- a) The Debtor shall immediately, peaceably and voluntarily surrender all of the collateral subject to the Loan Documents to BFN and, if necessary, the Court shall enter an order requiring such surrender;

- b) The total balance due and owing to BFN by Debtor shall be accelerated such that the entire balance due (including but not limited to all sums due for principal, interest, attorneys fees, costs, and other loan charges) shall be immediately due and payable in full by the Debtor;
- c) BFN shall have any and all remedies as set forth in the Loan Documents; and
- d) BFN shall have all remedies available at law.

In the event the automatic stay remains in effect at the time BFN is authorized to exercise any of its rights and remedies set forth herein, BFN shall be entitled to immediate relief from the automatic stay upon submission of an Affidavit of Default and proposed order to the Court. Such order may waive the 14-day stay as otherwise required by Rule 4001(a)(3).

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, with interest, within one year after the Distribution Date, or when allowed, whichever is later.

Class 9 is impaired.

2.10 Class 10: Other Unsecured Creditors. The allowed claims of this class shall be paid in full with interest in 60 equal monthly payments starting on the Distribution Date.

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 ~~(cd)~~ 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. The Reorganized Debtor may sell any part of Reorganized Debtor property with approval of lienholders holding a security interest in said property, or apply to the court for approval. If the Reorganized Debtor sells any part of any Reorganized Debtor property, after sale and distribution of proceeds to any lienholder in order of priority, the periodic payments that such lienholder were set to receive under this plan shall be reduced to re-amortize the payment of that creditor's remaining claim over the remaining 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 \$29,861.22 under the assumed lease by the Distribution Date. In the event this amount is not paid by the Distribution Date, TCF shall have relief from stay to exercise its rights in the leased equipment, Debtor shall surrender the leased equipment, TCF shall have an administrative claim for their rejection damages of \$16,084.13. TCF shall have a Class 10 claim for the remainder of its claim, subject to offset for the value of the leased equipment.

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 no later than 30 days after the Confirmation Date.

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.

(c) Amendment of Articles. As soon as practicable, but in no case later than 60 days after the Confirmation Date, the Debtor will cause its articles of incorporation (or similar governing document) to be amended to prohibit the issuance on nonvoting equity securities and to provide for a single class of equity securities with equal per-share voting and financial rights.

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. This plan voids any prior agreement to arbitrate. 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.

5.4 Notices. Any notice required to be given to the Debtor under this Plan shall be made by certified mail and first class mail 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 deemed given as of the third business day after mailing of the notice.

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 November ~~21~~, 2018.

LAURITSEN FIREWOOD & RENTAL, INC.,

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

Attorney for Debtor
Christianson & Freund, LLC
920 So. Farwell St., Ste. 1800
P.O. Box 222
Eau Claire WI 54702-0222
715.832.1800