B 10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT Southern District of Indiana

PROOF OF CLAIM

Name of Debtor: Eastern Livestock Co., LLC

Case Number: 10-93904-BHL-11

NOTE: *This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property): Ron P. Reed

☐ Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent:
Ron P. Reed
PO Box 695
Pawhuska OK 74056

Telephone number: (918) 287-2575

RECEIVED
APR 29 2011
BMC GROUP

Court Claim Number: _____ (If known)

Filed on: _____

Name and address where payment should be sent (if different from above):

Telephone number:

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: $ 175,044.18 PLUS POST-PETITION INTEREST

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☑ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: Please see attached.
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☑ Other
Describe: Please see attached.

Value of Property: $ 174,631.03 Annual Interest Rate 5.010 %

Amount of arrearage and other charges as of time case filed included in secured claim, if any: $ _____ Basis for perfection: _____

Amount of Secured Claim: $ 175,044.18 Amount Unsecured: $ _____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.*)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$ _____

**Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

Date: 4-25-11

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Ron P. Reed

FOR COURT USE ONLY

Eastern Livestock
00354

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

EXHIBIT A TO RON P. REED'S PROOF OF CLAIM

2. Basis for Claim: Purchase Money Claim under this Court's 1/24/2011 Order for cattle sold to Eastern Livestock Co., LLC.

4. Secured Claim, Nature of Property: Security Interest in cattle which Phillip Taylor Reed attempted to sell to Debtor, which Debtor sold and was paid for, but did not pay Phillip Taylor Reed for due to a check being returned to Phillip Taylor Reed's Bank by Debtor's Bank as evidenced by the attached note and security agreement.

4363530_1.doc

ASSIGNMENT OF PROMISSORY NOTE AND RELEASE

1. FOR VALUE RECEIVED, the undersigned RCB Bank, as the purchaser and successor in interest to Home National Bank (hereinafter "RCB Bank"), hereby sells, assigns, transfers, and conveys to Ron Reed ("Purchaser") all of RCB Bank's rights, title, and interest in a certain Promissory Note and Agricultural Security Agreement dated June 30, 2010 and attached hereto as Exhibit "A", collectively "the Commercial Paper". As of December 27, 2010, the current balance on the Promissory Note was $174,631.03, plus interest of $340.24, with per diem of $24.30281 and an interest rate of 5.01 percent.

2. REPRESENTATIONS. RCB Bank and Purchaser represent and warrant as follows:

   (a). RCB Bank has good, valid, and marketable title to its interest in the Commercial Paper, free and clear from all security interests and encumbrances, and possesses the legal right to make this Assignment.

   (b). In consideration for this Assignment of the Commercial Paper, Purchaser hereby agrees that he will pay RCB Bank in full the balance owed on the attached Promissory Note, as of the date of the execution of this Assignment and Release.

   (c). In consideration for Purchaser's payment in full of the balance owed on the attached Promissory Note, RCB Bank agrees that it will sell, assign, transfer, and convey all right, title, and interest in the Commercial Paper, thereby releasing any and all claims which RCB Bank has or would have in the Commercial Paper or against the Borrower, effective upon Purchaser's payment in full of the balance owed on the attached Promissory Note.

   (d). Purchaser agrees to assume, observe, and perform all obligations of the Lender under the terms of the Commercial Paper and to hold RCB Bank harmless from the consequences of any failure to do so.

   (e). Purchaser hereby accepts this assignment on the terms and conditions set forth herein.

3. GOVERNING LAW: This Assignment shall be governed exclusively by the laws of the State of Oklahoma. The venue for any dispute arising out of this assignment shall be the District Court of Rogers County, Oklahoma.

4. ENTIRE AGREEMENT: This Assignment and Release constitutes the entire agreement between RCB Bank and the Purchaser, and the terms of this Assignment and Release are contractual and not a mere recital. No statements, promises, or representations have been made by any party to another, nor are any relied upon, and no consideration is or has been offered, promised, expected or held out, other than that specifically contemplated and constituted by this Assignment. All prior discussions and negotiations have been and are merged, integrated into and superseded by this Assignment and Release.

Dated this 30th day of December, 20 10.

RCB Bank

By: Larry L. Hoover

Ron Reed

STATE OF ~~OKLAHOMA~~ Kansas)
) ss.
COUNTY OF Cowley)

Before me, the undersigned Notary Public in and for said county and state, on this day of, 20 10, personally appeared, Ron P. Reed to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Original, and acknowledged to me that he executed the same as a free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

KELLY J. SNOUFFER
Notary Public - State of Kansas
My Appt. Expires 11-13-13

Kelly J. Snouffer
Notary Public

(SEAL)
My Commission Expires: 11-13-13
Commissioner No.: _____

STATE OF OKLAHOMA)
) ss.
COUNTY OF _____)

Before me, the undersigned Notary Public in and for said county and state, on this _____ day of _____ 20___, personally appeared Ron Reed, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and for the uses and purposes therein set forth.

_____
Notary Public

(SEAL)
My Commission Expires: _____
Commissioner No.: _____

Print Page 1 - 12/27/2010, 2:47pm Home National Bank Archive Copy

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$400,000.00	06-30-2010	06-30-2011	1047257	3 / 088	RD01841	LLH	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: Phillip Taylor Reed
21 Reed Rd
Ferster, OK 74652

Lender: Home National Bank
Winfield
1010 N Main
P.O. Box 619
Winfield, KS 67156

Principal Amount: $400,000.00 **Date of Note: June 30, 2010**

PROMISE TO PAY. Phillip Taylor Reed ("Borrower") promises to pay to Home National Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Four Hundred Thousand & 00/100 Dollars [$400,000.00] or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 30, 2011. In addition, Borrower will pay regular quarterly payments of all accrued unpaid interest due as of each payment date, beginning September 30, 2010, with all subsequent interest payments to be due on the same day of each quarter after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an index which is Lender's Prime Rate (the "Index"). This is the rate Lender charges, or would charge, on 90-day unsecured loans to the most creditworthy corporate customers. This rate may or may not be the lowest rate available from Lender at any given time. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each MONTH. Borrower understands that Lender may make loans based on other rates as well. The index currently is 6.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.240 percentage points under the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 5.010% per annum based on a year of 360 days. NOTICE: Under no circumstances will the interest rate on this Note be less than 5.010% per annum or more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Note.

PREPAYMENT; MINIMUM INTEREST CHARGE. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default, except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of $15.22. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Home National Bank - Loan Processing Center, P.O. Box 1047 Arkansas City, KS 67005.

LATE CHARGE. If a payment is 11 days or more late, Borrower will be charged 6.000% of the unpaid portion of the regularly scheduled payment or $202.50, whichever is less.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 16.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sale agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else who is not Lender's salaried employee to help collect this Note if Borrower does not pay. Borrower will be liable for all reasonable costs incurred in the collection of this Note, including but not limited to, court costs, attorneys' fees and collection agency fees, except that such costs of collection shall not include recovery of both attorneys' fees and collection agency fees.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
MHUNTER
620-741-3503

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

20100708020681580
07/08/2010 04:38:46 PM
BookID: Page:0
Filing Fee:$10.00
Doc. Tax:$.00
State of Oklahoma
County of Oklahoma
Oklahoma County Clerk
Carolynn Caudill

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME					
1b. INDIVIDUAL'S LAST NAME REED		FIRST NAME PHILLIP TAYLOR	MIDDLE NAME		SUFFIX
1c. MAILING ADDRESS 21 REED RD		CITY FORAKER	STATE OK	POSTAL CODE 74652	COUNTRY
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any 0	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME		SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any 0	

3. SECURED PARTY'S NAME (or NAME of TOTALASSIGNEE of ASSIGNOR S/P) insert only one secured party name (1a or 1b)

3a. ORGANIZATION'S NAME HOME NATIONAL BANK				
3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
3c. MAILING ADDRESS 1610 N MAIN, PO BOX 518	CITY WINFIELD	STATE KS	POSTAL CODE 67156	COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

All Farm Products and Livestock (including all increase and supplies); whether any of the foregoing is owned now or acquired later; whether any of the foregoing is now existing or hereafter born or grown; all accessions, additions, replacements, and substitutions relating to any of the foregoing (including all entitlements, rights to payment, and payments, in whatever form received, including but not limited to, payments under any governmental agricultural diversion programs, governmental agricultural assistance programs, the Farm Services Agency Wheat Feed Grain Program, and any other such program of the United States Department of Agriculture, or any other general intangibles or programs); all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds)

UNOFFICIAL

5.	ALTERNATIVE DESIGNATION [if applicable]	LESSE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG.LIEN	NON-UCC FILING
6.	THIS FINANCING STATEMENT is to be filed for record] (or recorded) in the REAL ESTATES RECORDS Attach Addendum [if applicable]		7. Check to REQUEST SEARCH REPORT(S) on Debtor (s) [ADDITIONAL FEE] [optional]		All Debtors	Debtor 1	Debtor 2
8.	OPTIONAL FILER REFERENCE DATA						

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY-UCC FINANCING STATEMENT (FORM UCC1) (REV. OS/22/O2)

Southern District of Indiana
Claims Register

10-93904-BHL-11 Eastern Livestock Co., LLC

Judge: Basil H. Lorch, III **Chapter:** 11
Office: New Albany **Last Date to file claims:** 05/02/2011
Trustee: James A. Knauer **Last Date to file (Govt):**

Creditor: (10651171) Ron P. Reed PO Box 695 Pawhuska OK 74056	**Claim No: 152** *Original Filed Date*: 04/26/2011 *Original Entered Date*: 04/26/2011	*Status:* *Filed by:* CR *Entered by:* Bowles, C. *Modified:*

Secured claimed: $175044.18

Total claimed: $175044.18

History:

Details 152-1 04/26/2011 Claim #152 filed by Ron P. Reed, total amount claimed: $175044.18 (Bowles, C.)

Description: (152-1) Purchase Money Claim Under This Court's 1/24/2011 Order

Remarks: (152-1) Please see attached

Claims Register Summary

Case Name: Eastern Livestock Co., LLC
Case Number: 10-93904-BHL-11
Chapter: 11
Date Filed: 12/06/2010
Total Number Of Claims: 1

	Total Amount Claimed	Total Amount Allowed
Unsecured		
Secured	$175044.18	
Priority		
Unknown		
Administrative		
Total	**$175044.18**	**$0.00**