

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE:)	Chapter 11
)	
EASTERN LIVESTOCK CO., LLC,)	Case No. 10-93904-BHL-11
)	
Debtor.)	Hon. Basil H. Lorch III
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JAMES A. KNAUER, CHAPTER 11)	
TRUSTEE OF EASTERN LIVESTOCK CO.,)	
LLC)	
)	
Plaintiff,)	Adversary Proc. No.
)	
v.)	
)	
GENE STOOPS,)	
)	
Defendant.)	

COMPLAINT ON PROMISSORY NOTE

James A. Knauer, as Chapter 11 Trustee for Eastern Livestock Co., LLC, by counsel, for his complaint against Salem Livestock Auction, Inc., states as follows:

Jurisdiction & Parties

1. The above-captioned adversary proceeding (the "Adversary Proceeding") arises in and is related to the above-captioned bankruptcy case (the "Chapter 11 Case"), which is currently pending under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Indiana, New Albany Division (the "Court").

2. This Adversary Proceeding is brought pursuant to Rule 7001 of the Federal Rules of Bankruptcy Procedure.

3. This Court has jurisdiction over the subject matter of this Adversary Proceeding pursuant to 28 U.S.C. §§ 157 and 1334.

4. This Adversary Proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b), (e), (f), and (h).

5. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409(b).

6. Eastern Livestock Co., LLC ("Debtor" or "ELC") was one of the largest cattle dealers in the United States, with operations and assets located in at least eleven states. ELC was headquartered in New Albany, Indiana, with branch locations across several states.

7. Certain petitioning creditors commenced the Chapter 11 Case on December 6, 2010, (the "Petition Date") by filing an involuntary petition for relief under the Bankruptcy Code. The Bankruptcy Court entered the Order For Relief in An Involuntary Case and Order to Complete Filing on December 28, 2010.

8. On December 28, 2010, James A. Knauer ("Plaintiff" or "Trustee") was appointed as the Chapter 11 Trustee for ELC.

9. Defendant Gene Stoops ("Obligor") is a "person" as defined in Section 101(41) of the Bankruptcy Code residing in and/or conducting business in Indiana.

General Allegations

Promissory Note

10. On or about May 6, 2010, the Obligor executed and delivered to Eastern Livestock a Promissory Note (the "Note") in the original principal sum of

\$234,580.56. The extension of credit pursuant to the Note is hereinafter known as the "Loan."

11. The Loan was further evidenced by certain documents including, but not limited to the following:

A. An accounting ("Accounting") dated May 6, 2010 (The Note and Accounting collectively, the "Loan Documents").

12. The Trustee is entitled to enforce the payment of the Note on behalf of the bankruptcy estate of ELC.

13. A true and accurate copy of the Note is attached hereto as **Exhibit A**; a true and accurate copy of the Accounting is attached hereto as **Exhibit B**.

Demand:

14. The Note is payable "On Demand" and the Trustee hereby demands payment of the Note with interest.

15. Pursuant to the demand, the Note has matured and the entire Note Balance (as defined below) is immediately due and payable.

16. As of June 8, 2012, the amount due and owing to the Eastern Livestock under the Note is as follows:

Current Principal	\$234,580.56
Contract Interest through June 8, 2012	\$20,868.03
<u>TOTAL DUE</u>	<u>\$255,448.59</u>

plus all interest accruing after June 8, 2012, and all expenses and attorneys' fees incurred by the Trustee (the "Note Balance").

COUNT I – A NOTE

17. The Trustee incorporates the preceding paragraphs by reference.

18. The Obligor is in default of payment of the Note for failure to pay upon demand as described above.

19. The Trustee demands immediate payment in full.

20. The Obligor has failed or neglected to pay the indebtedness as evidenced by the Note.

21. As a result of the Obligor's default, Eastern Livestock has suffered damages.

WHEREFORE, James A. Knauer, Trustee of Eastern Livestock, requests that this Court:

A. Enter judgment against Gene Stoops in the amount of the Note Balance of \$255,448.59 as of June 8, 2012, plus all additional accrued and accruing interest, charges and other fees and expenses, all as provided for under the Loan Documents;

B. Award the Trustee his interest, costs and attorneys' fees as provided in the Loan Documents and by law; and

C. Grant the Trustee all further relief to which he may be entitled.

Respectfully submitted,

KROGER, GARDIS & REGAS, LLP

By: /s/ Jay P. Kennedy
Jay P. Kennedy, Attorney No. 5477-49
Counsel for James A. Knauer, Trustee

Kroger, Gardis & Regas, LLP
111 Monument Circle, Suite 900
Indianapolis, Indiana 46204-5125
(317) 692-9000