



A handwritten signature in black ink that reads "Basil H. Lorch III".

**Basil H. Lorch III**  
**United States Bankruptcy Judge**

IN THE 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

**FINAL ORDER REGARDING TRUSTEE'S  
PURCHASE MONEY CLAIMS REPORT**

This matter came before the Court on the *Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account* ("Purchase Money Claims Report") (docket #501) filed on May 23, 2011 by James A. Knauer, the chapter 11 trustee appointed in this case (the "Trustee"). Objections to the Purchase Money Claims Report (collectively, the "Objections") were filed by persons (collectively, the "Objectors") as listed below:

- a) Superior Livestock Auction, Inc.'s Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #512)

- b) Joplin Regional Stockyards' Joinder In The Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #515)
- c) David L. Rings, Phillip Taylor Reed, Glen Franklin and Northwest Alabama Livestock Yard's Joinder In The Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #517)
- d) Ron Reed's Joinder In The Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #518)
- e) The First Bank and Trust Company's Objection To Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #519)
- f) People's Bank's Response And Objection To Trustee's Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #536)
- g) Bluegrass Stockyards, LLC, Bluegrass Stockyards East, LLC, Bluegrass Stockyards of Campbellsville, LLC, Bluegrass Stockyards of Richmond, LLC, Bluegrass South Livestock Market, LLC, Bluegrass-Maysville Stockyards, LLC, East Tennessee Livestock Center, Inc., Piedmont Livestock, Inc., and Southeast Livestock Exchange, LLC's Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #539)
- h) Superior Livestock Auction, Inc.'s Supplemental Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #541)
- i) Supplemental Objection Of Joplin Regional Stockyards To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #542)
- j) Objection To Eastern Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account [filed by the Trustee of the Tom and Patsy Gibson Estate] (docket #543)
- k) Response And Objection Of Brent Kuehny d/b/a Dollar K Cattle Co., And The Bank Of Kremlin To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #544)

- l) Response And Objection Of Stockman Oklahoma Livestock Marketing, Inc. To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #545)
- m) Response And Objection Of Crumpler Bros. To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #546)
- n) CPC Livestock's Joinder In The Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #547)
- o) Coffeyville Livestock Market, LLC's Objection To Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #548)
- p) Northwest Alabama Livestock Auction, Glen Franklin, Phillip Taylor Reed, David L. Rings, Gary S. Bell and Ron P. Reed's Supplemental Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #549)
- q) Russell DeCordova d/b/a DeCordova Cattle Company's Response In Opposition To Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #552)
- r) Joplin Regional Stockyards and Superior Livestock Auction, Inc.'s Further Supplemental Objection To The Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #553)
- s) [The First Bank and Trust Company] Supplemental Objection To Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #554)
- t) Rex Elmore's Objection To Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #555)
- u) Hilliard-McKetrick Investments, Inc. d/b/a Arcadia Stockyard; Cattlemen's Livestock Market, Inc.; Columbia Livestock Market, Inc.; Hardee Livestock Market, Inc.; North Florida Livestock Market, Inc.; Ocala Livestock Market, Inc.; Okeechobee Livestock Market, Inc.;

Sumter County Farmers Market, Inc.; and Madison County Livestock Market, Inc. d/b/a Townsend Livestock Market; Ron Sizemore Trucking, Inc.; Oak Lake Cattle Co.; Eagle Bay, Inc.; and Daniel M. Byrd's Objection And Joinder In Objection To The Trustee's Purchase Money Claims Report, Motion For Release Of Fund And Notice Of Release Of Proceeds From Account (docket #556).

The Trustee filed his Reply To Objections To Purchase Money Claims Report (docket #564) on June 23, 2011 ("Reply"). The Declaration of Patrick O'Malley in Support of Motion to Transfer Funds and Notice of Release of Proceeds from Account (docket #566) was filed on June 24, 2011 ("Report Supplement").

A first hearing was conducted on June 24, 2011 on the Purchase Money Claims Report, the Objections, the Reply, and the Report Supplement (the "Hearing"). The Court entered its First Order Regarding the Trustee's Purchase Money Claims Report on July 1, 2011 [Docket No. 587] (the "First Order"). In compliance with the First Order, on July 8, 2011 the Trustee filed an Amended Exhibit A to the Purchase Money Claims Report [Docket No. 596] ("Amended Exhibit A"). The following additional objections and correspondence ("Supplemental Objections") and the Trustee's responses ("Responses") were then filed by certain of the Objectors and other persons:

- a) Supplemental Objection Of Coffeyville Livestock Market, LLC To Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #650)
- b) Bluegrass Stockyards, LLC, Bluegrass Stockyards East, LLC, Bluegrass Stockyards of Campbellsville, LLC, Bluegrass Stockyards of Richmond, LLC, Bluegrass South Livestock Market, LLC, Bluegrass-Maysville Stockyards, LLC, East Tennessee Livestock Center, Inc., Piedmont Livestock Company, Inc., and Southeast Livestock Exchange, LLC's Supplemental Objections To Trustee's Motion Regarding Payment Of Cattle Sale Proceeds (docket #651)

- c) Supplemental Objection Of Rex Elmore To Trustee's Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #652)
- d) The First Bank and Trust Company's Second Supplemental Objection To Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #653)
- e) Kathryn L. Pry, Chapter 7 Trustee's Joinder Of First Bank And Trust Company's Second Supplemental Objection To Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #655)
- f) The First Bank and Trust Company's Third Supplemental Objection To Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #668); The First Bank and Trust Company's Amended Third Supplemental Objection To Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #669)
- g) Hilliard–McKetrick Investments, Inc. d/b/a Arcadia Stockyard; Cattlemen's Livestock Market, Inc.; Columbia Livestock Market, Inc.; Hardee Livestock Market, Inc.; North Florida Livestock Market, Inc.; Ocala Livestock Market, Inc.; Okeechobee Livestock Market, Inc.; Sumter County Farmers Market, Inc.; and Madison County Livestock Market, Inc. d/b/a Townsend Livestock Market; Ron Sizemore Trucking, Inc.; Oak Lake Cattle Co.; Eagle Bay, Inc.; and Daniel M. Byrd's Supplemental Objection And Joinder In Objection To The Trustee's Motion For Release Of Proceeds From Account (docket #670)
- h) [J&F Oklahoma Holdings, Inc., Friona Industries, LP and Cactus Growers, Inc.] Third Party Defendants' Joint Response To Trustee's Motion To Transfer Funds and To Objection To Motion (docket #672)
- i) Trustee's Objection To The Supplemental Objections Filed By First Bank And The Florida Creditors (docket #674)
- j) Trustee's Response To Certain Supplemental Objections To Purchase Money Claims Report, Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #675)
- k) Fifth Third Bank's Reply To First Bank And Trust Company's Objection To Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account (docket #677)

- 1) Letter/Correspondence dated 8/19/2011 from Account filed by National Cattlemen's Beef Association (docket #680)

A further hearing was held on the Trustee Purchase Money Claims Report and the Objections, Supplemental Objections, the Reply, and the Responses on August 22, 2011 ("Final Hearing"). Having considered all of the pleadings and other papers filed regarding this matter, and the arguments and representations of counsel at the Hearing and the Final Hearing, and being duly advised in the premises, now ORDERS the following:

1. The relief requested by the Trustee in the Purchase Money Claims Report is granted to the extent as ordered herein or in the First Order.

2. With the exception of the funds identified in paragraph 4 of this Final Order by reference to the corresponding "Reference No." on Amended Exhibit A ("Reserved Funds") and the specific Objections and/or Supplemental Objections ("Reserved Objections") as to which the Trustee and the individual objector have agreed to litigate in separate contested matters or adversary proceedings the claims of the Objector to the applicable Reserved Funds, the funds identified in the Amended Exhibit A that are not Reserved Funds and were not transferred pursuant to the First Order (the "Remaining Funds") shall be transferred from the Trustee's escrow account to the Trustee's operating account to be administered by the Trustee according to applicable law and the Orders of this Court;

3. The Objections and Supplemental Objections that are not Reserved Objections are overruled without prejudice. All challenges to the Remaining Funds alleging that the Remaining Funds are not property of the estate, to assert a lien, to challenge the validity and/or the priority of liens, or any other objection seeking to restrict the use of the Remaining

Funds must be brought by adversary proceeding pursuant to the Federal Rules of Bankruptcy Procedure, 7001 *et seq.*

4. The following are the Reserved Objections and the Reserved Funds:
  - a. Florida objections (Docket Nos. 556 and 670) pertaining to Fund No. 41;
  - b. First Bank Objections (Docket Nos. 519, 554, 653, 668 and 669) pertaining to Fund Nos. 13, 54, 76 and 87;
  - c. Stockman Oklahoma Livestock Marketing, Inc. (Docket No. 545) pertaining to Fund No. 65;
  - d. Joplin Regional Stockyards (Docket Nos. 515, 542 and 553) pertaining to Fund No. 40;
  - e. Rex Elmore (Docket Nos. 555, 652) pertaining to Fund Nos. 53, 54, and 55;
  - f. Bluegrass Stockyards of Campbellsville, LLC (Docket Nos. 539 and 651) pertaining to Fund Nos. 11 and 36;
  - g. Bluegrass Stockyards of Richmond, LLC (Docket Nos. 539 and 651) pertaining to Fund No. 62;
  - h. Piedmont Livestock Company, Inc. (Docket Nos. 539 and 651) pertaining to Fund No. 59.

5. On or before September 20, 2011, the Trustee and the Objectors who have filed the Reserved Objections shall upload agreed scheduling orders for proceedings to resolve each of the Reserved Objections, if no related adversary proceedings have been filed.

6. The Court makes no finding as to any Objector's claim to cattle sales proceeds which are the subject of any interpleader action currently before or being transferred into this Court. Nothing in this Order shall be construed to prejudice the claim(s) of any party to any cattle proceeds at issue in the interpleader actions.

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