

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MISSOURI**

IN RE:	)	
	)	
GEORGE L. YOUNG	)	Case No. 01-50704-JWV
	)	
Debtor.	)	Chapter 7
_____	)	
	)	
IN RE:	)	
	)	
PROFESSIONAL BUSINESS SERVICES, INC.	)	Case No. 01-50707-JWV
	)	
Debtor.	)	Chapter 7
_____	)	
	)	
IN RE:	)	
	)	
UNITED LIVESTOCK SERVICES, LLC	)	Case No. 01-44229-JWV
	)	
Debtor.	)	Chapter 7

**ORDER ESTABLISHING PROCEDURES  
FOR DETERMINATION OF OWNERSHIP OF LIVESTOCK**

This matter is before this Court following a hearing on October 10, 2001 (the "Hearing") on the Motion to Establish Procedures for Determination of Ownership of Livestock dated September 17, 2001 (the "Ownership Motion") of Robert A. Pummill (the Chapter 7 Trustee in the case of George L. Young), Erlene Krigel (the Chapter 7 Trustee in the case of Professional Business Services, Inc.), and David C. Stover (the Chapter 7 Trustee in the case of United Livestock Services, LLC) requesting that this court enter an order establishing procedures for the determination of ownership of livestock of the Debtors and certain third parties. Appearances were as noted on the record at the Hearing.

Having examined the Ownership Motion, being fully advised of the relevant facts and circumstances surrounding the Motion, **THIS COURT HEREBY FINDS THAT:**

A. On August 22, 2001, the Court entered orders for relief under 11 U.S.C. § 303 in connection with involuntary bankruptcy petitions filed against George L. Young (“Young”) and Professional Business Services, Inc. (“PBS”) on August 20, 2001. Trustees in the Young Case and the PBS Case were appointed on August 22, 2001.

B. On September 25, 2001, the Court entered an order for relief under 11 U.S.C. § 303 in connection with the involuntary bankruptcy petition filed against United Livestock Services, LLC (“ULS”) on August 28, 2001. David C. Stover was appointed Trustee in the ULS Case on August 31, 2001. Young, PBS and ULS are referred to collectively in this Motion as the “Debtors.”

C. No schedules have been filed by any of the Debtors. No meetings of creditors pursuant to 11 U.S.C. § 341 have been held in any of these cases.

D. Prior to August 10, 2001, the Debtors were engaged in various aspects of the cattle business and owned and fed cattle (the “Livestock”) primarily located in Nebraska, Iowa and Missouri. The exact number of Livestock has not yet been determined by the Trustees.

E. In addition to owning cattle, the Debtors sold interests in various lots of cattle to third parties (the “Investors”). Numerous Investors have asserted ownership of some of the Livestock and the proceeds of the Livestock. The number of Investors which may assert ownership of some of the Livestock is not known at this time. And some Investors may not have actual notice of the pendency of these cases.

F. The Livestock is located in numerous feeding facilities operated by farmers or commercial feedlots. The operators of such facilities (the “Caretakers”) may assert statutory liens, based upon applicable state law, against the Livestock in their possession or control.

G. Several lenders (collectively, the “Banks”) assert security interests in the Livestock.

H. On September 10, 2001, the Court granted the emergency motion of the Young Trustee and the PBS Trustee authorizing the Young Trustee to begin the orderly liquidation of the Livestock (the “Sale Order”). Pursuant to the Sale Order, all sale proceeds in excess of the cost of feed, care and maintenance of the Livestock will be held by the Young Trustee pending a final determination of the Court as to the ownership of the Livestock and the validity, priority and extent of all liens or security interests in the Debtors’ interest in the Livestock.

I. The resolution of the competing claims of the Trustees, the Investors, the Caretakers, and the Banks to the Livestock will require the commencement of an adversary proceeding under Bankruptcy Rule 7001.

J. Under the circumstances of these cases, it is appropriate to establish procedures for the prompt and efficient determination of the ownership of the Livestock and validity, priority and extent of all liens or security interests in the Debtors’ interest in the Livestock.

K. The notice of the Motion and the Final Hearing is sufficient and appropriate under the circumstances.

**WHEREFORE, IT IS HEREBY ORDERED THAT:**

1. Notice to Parties Regarding Livestock Ownership Litigation Procedures.

(A) The Young Trustee shall serve by United States mail a copy of this Order together with the Livestock Claim Form attached to this Order as Exhibit “A” to all known parties by the Young Trustee on or before October 26, 2001.

(B) The Young Trustee shall arrange for the publication of the Notice of Commencement of Cases and Livestock Ownership Bar Date attached to this Order as Exhibit “B” in the *Omaha World-Herald*, *Des Moines Register* and *Kansas City Star* once each week for three weeks. Such publication shall be completed on or before November 9, 2001. The Young Trustee shall use his best efforts to publicize the Notice of Commencement of Cases and Livestock Ownership Bar Date in the areas of Iowa, Missouri, and Nebraska where interested parties are located.

2. Establishing of Claim Filing Procedures.

(A) All parties asserting claims of ownership to any or all of the Livestock or claiming security interests or liens in any or all of the Livestock shall file a completed Livestock Claim Form together with all instruments, documents, invoices, records, and other writings upon which they intend to rely to establish any interest in the Livestock with RSI, 1828 Walnut, Kansas City, MO 64108, **on or before January 31, 2002**. Nothing contained herein shall, however, prohibit any party in interest from introducing into evidence any additional instruments, documents, invoices, records, and other writings at any trial or hearing in connection with the resolution of such claims.

(B) All Livestock Claim Forms received by RSI shall be made available to parties by RSI pursuant to the provisions of the Order Establishing Procedures for Review and Production of Documents dated October 10, 2001 (the “Document Order”).

3. Establishment of Bar Date.

All parties asserting claims of ownership to any or all of the Livestock as well as claimed security interests or liens in any or all of the Livestock shall comply with the terms of this Order by filing a Livestock Claim Form with RSI **on or before January 31, 2002. ANY ENTITY THAT FAILS TO FILE A LIVESTOCK CLAIM FORM, WITH SUPPORTING DOCUMENTS, ON OR BEFORE JANUARY 31, 2002, SHALL BE BARRED, ESTOPPED AND ENJOINED FROM ASSERTING A CLAIM AGAINST THE LIVESTOCK.**

4. Claims Summary of Trustees.

The Trustees shall deposit, on or before March 1, 2002, their summary of the filed claims with the document repository, pursuant to the Document Order and shall mail a copy of such summary to parties that have filed claims.

5. Stay of Adversary Proceedings Affecting Livestock.

All adversary proceedings relating to the determination of ownership of the Livestock or the determination of the validity, priority or extent of security interests or liens in the Livestock are hereby stayed until (i) the completion of the liquidation of the Livestock authorized by the Sale Order; (ii) the preparation, review and analysis of Claim Forms and supporting documents by the Trustees; and (iii) the Trustees have deposited and distributed their claims summary as contemplated by this Order. Unless otherwise ordered by the Court. Provided, however, any party in interest may seek relief from such stay based upon extraordinary circumstances or emergencies. No other adversary proceedings or contested matters shall be subject to such stay.

6. Determination of Lien Disputes.

The Court does not have jurisdiction and will not attempt to resolve disputes, if any arise, between individual Investors and the Banks with respect to the validity and/or priority of liens; such matters are for resolution by the state courts.

7. Costs and Expenses of Trustees.

All costs and expenses incurred by the Trustees in order to comply with the provisions of this Order, including all attorney fees, costs and expenses, shall, upon motion, notice, hearing and approval of the Court, be recovered from the proceeds of the Livestock pursuant to 11 U.S.C. § 506.

Dated: October 10, 2001.

/s/ Jerry W. Venters  
United States Bankruptcy Judge

Mark Carder to Serve