
In Re:

Case No. 04-33703

Robert S Tollefson
and Carole J Tollefson,

Chapter 13 Case

Debtors,

**OBJECTION BY HEARTLAND CREDIT UNION
TO CONFIRMATION OF CHAPTER 13 PLAN
WITH MEMORANDUM**

TO: Debtor(s) and other entities specified in Local Rule 9013-3.

1. Heartland Credit Union, (the "Respondent") is the holder of a claim in the above case, and, by its undersigned attorney, objects to confirmation of the proposed Chapter 13 Plan.
2. The petition commencing this Chapter 13 case was filed on June 23, 2004. The Debtor(s) have filed a Chapter 13 Plan scheduled for confirmation hearing on August 12, 2004 at 10:30 AM.
3. This objection arises under 11 U.S.C. §1324 and Fed. R. Bankr. P. 3015, and is filed under Fed. R. Bankr. P. 9014 and Local Rules 3015-3, 9013-2, 9013-3. Respondent objects to confirmation of the proposed Plan and requests an order denying confirmation of the proposed Plan.
4. Respondent is the holder of a claim, and is thus a party in interest.
5. The balance outstanding on the debt owed to Respondent by Debtor(s) is \$14,796.41.
6. Respondent holds a perfected security interest in a 2001 CHRYSLER TOWN & COUNTRY LX (the collateral). Copies of the Lien Card or the UCC-1 Financing Statement and of Respondent's Contract evidencing the underlying transaction are attached as Exhibits "A" and "B" respectively. The collateral is in the possession of the Debtor(s) herein. The present market value of the collateral on or about June 23, 2004 was \$13,425.00. Respondent's Contract provides for interest on the balance at the rate of 9.200 percent per year.

7. The Plan proposes that Debtor(s): (1) pay the Chapter 13 Trustee \$ 865.00 per month, (2) keep possession of the collateral, (3) allow Respondent to retain its lien on the collateral, and (4) pay Respondent on its claim through the Trustee payments.
8. The Plan includes Respondent's claim as an "Other Secured Claim [§1325(a)(5)]" and values Respondent's secured claim at \$11,265.00, treating any claim amount in excess of that value as a general unsecured claim and paying the secured claim value on a deferred payment basis.
9. The Plan proposes payments to Respondent of \$161 per month beginning in month 1 for 13 months and then increasing to \$786 per month per month with payments beginning in month 14 with interest at an unstated percent per year for total payments of \$13,440.00.
10. The Plan is objected to on the following grounds
 - a. Good Faith. That the Plan has not been proposed in good faith in violation of §1325(a)(3).

Under §1325(a)(3), the court cannot confirm a Chapter 13 plan that is not filed in good faith. In the 8th Circuit, good faith is determined by considering the totality of circumstances. In re LeMaire, 898 F.2d 1346 (8th Cir.1990). See also, In re Estus, 695 F.2d 311 (8th Cir.1982) and Education Assistance Corp. v. Zellner, 827 F.2d 1222 (8th Cir.1987).

Three factors are considered in determining whether a plan was proposed in good faith: (1) whether the Debtor accurately stated his expenses and debts; (2) whether the Debtor made a fraudulent misrepresentation to the Bankruptcy Court; and (3) whether the Debtor unfairly manipulated the Bankruptcy Code. Bayer v. Hill, 210 B.R. 794, 796 (8th Cir. BAP August 12, 1997). Other factors may also be considered, such as: the nature of the debts sought to be discharged, including their dischargeability under Chapter 7, and the debtor's reasons for seeking Chapter 13 relief. See In re Reynold and Patricia Mattson, 241 B.R. 629 (Bkrctcy. Minn. 1999) (No. 99-42865, Nov. 30, 1999). "The bottom line for most courts, even those outside of this circuit, is whether the debtor is attempting to thwart his creditors or is making an honest attempt to repay them." Mattson, supra, page 637.

Debtor(s)' Schedules I and J show the following unnecessary expenses and/or luxury goods/services being retained:

\$60.00 cable
\$13.00 publications
\$30.00 pet care
\$40.00 charitable contributions
\$66.00 personal care

\$209.00 Total excess amount

A Debtor(s)' proposal to retain luxury goods while proposing to pay unsecured creditors only a percentage of their claims is indicative of a lack of good faith. In re Nkanang, 44 B.R. 955, 956 (Bkrcty.N.D.Ga. 1984), In re Porter, 102 B.R. 773 (9th Cir. B.A.P. 1989).

Allocating plan payments and disposable income toward loans and maintenance costs of non-essential assets while also proposing to defer, reduce, or even deny a return to other creditors, raises serious good faith questions. "In such a case, the Debtor proposes to build up equity in assets which the legislature has not found essential to a fresh start; more crucially, the Debtor proposes to correspondingly defer, reduce, or even deny a return to other creditors on their prior claims, by diverting estate resources to nonessential purposes... Such a plan grants a windfall to the Debtor, enriching him at creditors' expense to the extent of the equity accumulated post-petition." In re Cordes, 147 B.R. 498, 505 (Bkrcty.D.Minn. 1992).

The Debtor(s)' Schedule I and Statement of Financial Affairs shows evidence of potential for increased income as seen in the higher income enjoyed in the recent past and in Debtor(s)' control of income/expenses arising out of self-employment. To satisfy the good faith requirement of §1325(a)(3), the Plan must propose a method for the Debtor(s) to submit increased disposable income to the Trustee without putting the creditors and Trustee to the task of finding a way to monitor Debtor(s)' future earnings and business expenses and then moving to increase Plan payments later. In re Dunning, 157 B.R. 51 (Bkrcty.W.D.N.Y. 1993).

A Debtor(s)' proposal to maintain a high standard of living while proposing to pay unsecured creditors only a percentage of their claims is further indicative of a lack of good faith and "while the Court readily concedes that the function of the provisions under Chapter 13 of the act is not designed to condemn a Debtor(s) to a state of poverty, the Court also recognizes that the act was not designed to thrust a Debtor into a state of luxury to the detriment of his creditors." In re Jenkins, 20 B.R. 642, 643 (Ark. 1982). The burden is on the Chapter 13 Debtor(s) to establish good faith in the filing of a debt adjustment plan once that good faith is questioned. In re Belt, 106 B.R. 553 (Bkrcty.N.D.Ind. 1989), §1325(a)(3).

- b. Valuation. That the Plan does not provide adequate protection for Respondent's secured claim as required in §361(1); the scheduled collateral value is substantially understated, creating an unrealistically small secured claim value.

The Court must deny confirmation of a Plan that does not comply with the provisions of the Bankruptcy Code or the Local Rules under §1325(a)(1). Two of the crucial provisions regarding secured claims are those of adequate protection under §361 and of valuation of collateral under §506.

Debtor(s) claim the collateral is worth \$11,625.00. When the Plan was filed, the Midwest edition of N.A.D.A. showed a retail value at \$13,425.00 for this make and model vehicle. See attached Exhibit "C", N.A.D.A. page.

Where the Debtor(s) propose to keep and use the collateral, the proper standard for Chapter 13 secured claim valuation where the debt is secured by a motor vehicle is the replacement value of the collateral or the account balance, if less than replacement value. See, Associates Commercial Corp. v. Rash, 117 S.Ct. 1879 (1997). The 8th Circuit has recognized the use of N.A.D.A. published retail value at the time the Debtor(s) files for protection under the Bankruptcy Code as an appropriate standard for the replacement value where a creditor holds a motor vehicle as collateral. In re Trimble, 50 F.3d 530 (8th Cir. 1995). See also, In re Green, 151 B.R. 501 (Bkrcty.D.Minn.1993). Appropriate additions and deductions are made in accordance with optional accessories and mileage tables in the N.A.D.A. publication.

The Contract requires Debtor(s) to maintain property damage insurance insuring the motor vehicle for the benefit of both Debtor(s) and Respondent. Any damage should be covered and repaired through such property insurance. Such damage should not be allowed to reduce the value of the secured claim since any such damage is covered by insurance proceeds.

Debtor(s) propose to treat Respondent's claim as secured in the amount of \$ 11,265.00 despite a collateral value of \$ 13,425.00. The proposed lower valuation of Respondent's secured claim diminishes the actual amount Respondent will receive from the Trustee in a composition Plan, diminishes the amount of interest Respondent will receive on its claim pursuant to §506(b), and delays Respondent's claim being paid in full. Debtor(s)' proposal to treat Respondent's claim as secured for less than the N.A.D.A. retail value is in violation of §506(a) and §361(1), and thus Respondent objects to this Plan pursuant to §1325(a)(1) because the proposed Plan does not comply with the adequate protection requirements in the Bankruptcy Code.

- c. Disposable Income. That the Plan does not provide that all of the Debtor(s)' projected disposable income to be received in the first 36 months of the Plan will be applied to make Plan payments as required under §1325(b)(1)(B).

Debtor(s) in Chapter 13 Bankruptcy must include all "disposable income" in their payments to the Chapter 13 Trustee. In re McDaniel, 126 B.R. 782, 784 (Bkrcty.D.Minn. 1991), §1325(b)(1)(B).

"Disposable income" is defined as that which is not "reasonably necessary" to be expended by the Debtor(s). The court must balance the interests of creditors against the interests of the Debtor(s) to determine the manner in which they should maintain and support themselves. Id. at 784. "But Debtors in Chapter 13 cases are not entitled to maintain their former lifestyles and statuses in society at the expense of their creditors." Id. at 784. The Schedules indicate additional disposable income of \$ 209.00 per month is available for Plan use.

In considering whether all of Debtor(s)' disposable income is going into the plan, the Court applies a "best efforts" test. In re Sitarz, 150 B.R. 710 (Bkrcty.D.Minn.1993). Failure of the Debtor(s) to

pass the "best efforts" test and to submit all disposable income during the first 36 months also constitutes a lack of good faith under §1325(a)(3). In re Cordes, 147 B.R. 498 (Bkrcty.D.Minn.1992).

WHEREFORE, Heartland Credit Union requests the court deny confirmation of the proposed plan, and grant dismissal of the case, and such other relief as may be just and equitable.

Dated: July 9, 2004

STEWART, ZLIMEN & JUNGERS, LTD.

/e/ Linda Jeanne Jungers

Linda Jeanne Jungers, Atty ID #5303X

Attorneys for Movant

430 Oak Grove Street #200

Minneapolis, MN 55403

612-870-4100

This is a communication from a debt collector attempting to collect a debt. Any information obtained will be used for that purpose.

MINNESOTA DEPARTMENT OF PUBLIC SAFETY
DRIVER & VEHICLE SERVICES DIVISION
445 MINNESOTA ST., ST. PAUL, MN 55101
CONFIRMATION OF LIEN PERFECTION - DEBTOR NAME AND ADDRESS

First Class
U.S. Postage
PAID
Permit No. 171
St. Paul, MN

TOLLEFSON ROBERT STUART
TOLLEFSON CAROLE JEAN
2470 TOWER DRV
WOODBURY MN 55125

FUG951

1ST SECURED PARTY

LIEN HOLDER

Year 01	Make CHRY	Model SVTWC	Title No. F0530N161
VIN 2C46P44681R163480		Security Date 01/30/01	NO Rebuilt

RETAIN THIS DOCUMENT - See reverse
side of this form for removing this lien.

HEARTLAND C U
PO BOX 64608
SAINT PAUL MN 55164-0608

EXHIBIT
A



P.O. Box 64806 • St. Paul, Minnesota 55164-0606

NOTE AND DISCLOSURE STATEMENT

BORROWER NAME (Last - First - Middle Initial) AND ADDRESS (Street - City - State - Zip Code)		DATE	ACCOUNT NUMBER	NOTE NUMBER
TOLLEFSON, ROBERT 2470 TOWER DR WOODBURY, MN 55125		03/22/2004	2608	20
		<input checked="" type="checkbox"/> NEW LOAN	CONTRACT NUMBER	REFERENCE NUMBER
		<input type="checkbox"/> REFINANCE	022-0251-8	MATURITY DATE 04/02/2007

In this agreement "you" and "your" mean each person who signs this agreement. The "credit union" means the credit union whose name appears above and anyone to whom the credit union transfers its rights under this agreement. The terms on the following pages are part of this agreement. Boxes checked below apply to this agreement.

TRUTH IN LENDING DISCLOSURE

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Prepayment: If you pay off early you will not have to pay a penalty.
The cost of your credit as a yearly rate. 9.200 %	The dollar amount the credit will cost you. \$ 2,175.82	The amount of credit provided to you or on your behalf. \$ 14,368.88	The amount you will have paid when you have made all payments as scheduled. \$ 16,544.80	<i>e means an estimate</i>
Number of Payments	Amount of Payments	When Payments Are Due		Property Insurance: You may obtain property insurance from anyone you want that is acceptable to the credit union. If you get the insurance from the credit union you will pay \$
Your Payment Schedule will be: 35 1	\$ 459.58 \$ 459.50	Monthly Beginning on 06/02/2004	Final Payment 04/02/2007	

Security: Collateral securing other loans with the credit union will also secure this loan. You are giving a security interest in your shares and/or deposits in the credit union; and the goods/property being purchased; Other (Describe) MOTOR VEHICLE

Late Charge:
 I will be charged a late charge on the portion of any payment not made within 15 days after it is due equal to \$20.00 per month.

Required Deposit: The Annual Percentage Rate does not take into account your required deposit, if any.	Filing Fees \$ 00.00	Non-Filing Insurance \$
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See your contract documents for any additional information about nonpayment, default, and any required repayment in full before the scheduled date.

ITEMIZATION OF THE AMOUNT FINANCED

ITEMIZATION OF AMOUNT FINANCED OF \$	AMOUNT GIVEN TO YOU DIRECTLY \$	AMOUNT PAID ON YOUR ACCOUNT \$	PREPAID FINANCE CHARGE \$
\$ 14,368.88			
AMOUNT PAID TO OTHERS ON YOUR BEHALF	To		To
\$ 422.23	Pay Off Loan #21	\$ 12,950.30	Pay Off Loan# 24
\$ 481.35	Pay Off Loan #25	\$ 100.00	Transfer to Checking
\$ 215.00	GAP Insurance	\$ 200.00	Robert Tollefson

NOTE AND SECURITY AGREEMENT

Promise to Pay: You promise to pay \$ 14,368.88 to the credit union plus interest on the unpaid balance at 9.200 % per year until what you owe has been repaid.

Collection Costs:
You agree to pay all costs of collecting the amount you owe under this agreement including court costs and reasonable attorney fees.

SECURITY OFFERED:	MODEL	YEAR	I.D. NUMBER	TYPE	VALUE
Chrysler	Twn&Count	2001	2C4GP44G81R163480	Van	\$ 14,200.00

OTHER (DESCRIBE) MOTOR VEHICLE
Wgn LX V6

PLEDGE OF SHARES \$ ACCOUNT NO(S) KEY NO.

This Note is governed by the laws of MN

SIGNATURE: If you agree to make and be bound by the terms of this Note and Security Agreement sign below. If you are not a borrower but an owner of the collateral for this loan, sign below and check the box for "Owner of Collateral". By doing so you agree only to the terms of the Security Agreement.

CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS CONTRACT BEFORE YOU SIGN IT.

Borrower <input checked="" type="checkbox"/> Owner of Collateral (other than a Borrower)	Date	Borrower 2 <input type="checkbox"/> Owner of Collateral (other than a Borrower)	Date
<i>Robert Tollefson</i> (SEAL)	03/22/04	<i>Paula Tollefson</i> (SEAL)	03/22/04
Borrower <input checked="" type="checkbox"/>	Date	Witness <input checked="" type="checkbox"/>	Date
(SEAL)	03/22/04	(SEAL)	03/22/04

EXHIBIT B

Heartland Credit Union	2908 20	ROBERT TOLLEFSON	Date 03/19/2004
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NOTE (Continued)

PAYMENTS - You promise to make payments of the amount and at the time shown in the Truth in Lending Disclosure on page 1 until what you owe has been repaid. You may make larger payments without penalty. If you do prepay part of what you owe, subsequent payments will remain due as scheduled. If you do not make payments as scheduled or if you elect credit insurance, your last payment may be larger than the amount of other payments. You promise to make payments at the place chosen by the credit union.

LOANS BY MAIL - If this loan is being made by mail, interest on this loan begins when the loan proceeds are mailed. If this loan refinances an earlier loan, said loan will be cancelled and refinanced as of the date on page 1.

SECURITY INTEREST - Any property shown in the "Security Offered" section will be security for this loan. In addition, you agree this loan is also secured by all the shares and deposits in all your individual and joint accounts with the credit union now and in the future. Shares and deposits in an Individual Retirement Account and any other account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest you give in your shares and deposits. All property, other than dwellings, that you have given to secure other loans with the credit union will also secure this loan.

DEFAULT - You will be in default if you do not make a payment of the amount required when it is due. You will be in default if you break any promise you made in connection with this loan. You will be in default if you file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statements in any credit application or update of credit information.

You will be in default if anyone who has signed a security agreement in connection with this loan is in default. You will also be in default if something happens which the credit union believes may substantially reduce your ability to repay what you owe.

When you are in default, the credit union can demand immediate payment of the unpaid balance of this loan without giving you advance notice. If the credit union demands immediate payment of the unpaid balance, you will continue to pay interest at the same interest rate until what you owe has been repaid. If the credit union has demanded immediate payment of the unpaid balance, the credit union can apply the shares and deposits that you have given as security under this agreement towards what you owe. The credit union can also exercise any other rights the law gives the credit union when you are in default.

EACH PERSON RESPONSIBLE - Each person who signs this agreement will be individually and jointly responsible for paying the entire amount owed. That means the credit union can enforce its rights under this agreement against any one of you individually or against all of you together.

LATE CHARGE - If you are late in making a payment, you agree to pay the late charge shown in the Truth in Lending Disclosure on page 1. If no late charge is shown, you will not be charged one.

NO WAIVER - The credit union can delay enforcing any of its rights any number of times without losing its rights.

NOTICES - Notices will be mailed to you at the most recent address you have given the credit union in writing. Notice to any one of you will be notice to all.

SECURITY AGREEMENT

In this agreement all references to "credit union" mean the credit union whose name appears on this note and anyone to whom the credit union assigns the loan. All references to "the loan" mean the loan described in the Truth in Lending Disclosure. All references to "you" mean each person who signs this agreement.

THE SECURITY FOR THE LOAN - By signing this security agreement in the signature area or by signing the statement referring to this agreement on the back of the check you receive for your loan, you give the credit union what is known as a security interest in the property described in the "Security Offered" section. The security interest you give includes all accessions. Accessions are things which are attached to or installed in the property now or in the future. The security interest also includes any replacements for the property which you buy within 10 days of the loan or any extensions, renewals or refinancing of the loan. It also includes any money you receive from selling the property or from insurance you have on the property. If the value of the property declines, you promise to give the credit union more property as security if asked to do so.

through a policy you get and pay for. You promise to make the insurance policy payable to the credit union and to deliver the policy or proof of coverage to the credit union if asked to do so.

If you cancel your insurance and get a refund, the credit union has a right to the refund. If the property is lost or damaged, the credit union can use the insurance settlement to repair the property or apply it towards what you owe. You authorize the credit union to endorse any draft or check which may be payable to you in order for the credit union to collect any refund or benefits due under your insurance policy.

If you do not pay the taxes or fees on the property when due or keep it insured, the credit union may pay these obligations, but is not required to do so. Any money the credit union spends for taxes, fees or insurance will be added to your loan balance and you will pay interest on those amounts at the same rate you agreed to pay on the loan. If the credit union adds amounts for taxes, fees, or insurance to your loan balance, your payments may be increased by the amount necessary for your loan to be paid off in the same number of months originally scheduled.

WHAT THE SECURITY INTEREST COVERS - The security interest secures the loan described in the Truth in Lending Disclosure and any extensions, renewals or refinancings of that loan. It also secures any other loans you have with the credit union now or in the future including any credit card loans and any other amounts you owe the credit union for any reason now or in the future, except any loan secured by your principal residence. If the property description is marked with one star (*), or the property is household goods as defined by the Credit Practice Rule, the property will secure only this loan and not other amounts you owe.

DEFAULT - You will be in default if you break any promise you make under this agreement. You will also be in default if you are in default under the loan. If you are pledging property, but have signed only as an "Owner of Collateral (other than a Borrower)", you will be in default if anyone is in default who has signed the LOANLNER Note.

WHAT HAPPENS IF YOU ARE IN DEFAULT - When you are in default, the credit union can, without advance notice to you, require immediate payment of what you owe on the loan and take possession of the property. You agree the credit union has the right to take possession of the property without going to court and without giving you advance notice. If you are asked to do so by the credit union, you promise to deliver the property at a time and place the credit union chooses. The credit union will not be responsible for any of your other property, not covered by this agreement, that you leave inside the property. The credit union will try to return that property to you or make it available for you to claim.

OWNERSHIP OF THE PROPERTY - You promise that you own the property, or if this loan is to buy the property, you promise you will use the loan for that purpose. You promise that no one else has any interest in or claim against the property that you have not already told the credit union about. You promise not to sell or lease the property or to use it as security on a loan with another creditor until your loan with the credit union is repaid. You promise you will allow no security interest or lien to attach to the property either by your actions or by operation of law.

After the credit union has possession of the property, it can sell it and apply the money received to any amounts you owe the credit union. The credit union will give you notice of any public sale or the date after which a private sale will be held. The expenses of the credit union for taking possession of and selling the property will be deducted from the money received from the sale. These costs may include the cost of storing the property, preparing it for sale and attorney's fees to the extent permitted under state law or awarded under Section 506(b) of the Bankruptcy Code. The rest of the sale money will be applied to what you owe on the loan. If you have agreed to pay the loan, you will also have to pay any amount that remains unpaid after the sale money has been applied to what you owe on the loan and under this agreement. You agree to pay interest on that amount at the same rate as the loan until that amount has been paid.

PROTECTING THE SECURITY INTEREST - If your state issues a title for the property, you promise to have the credit union's security interest shown on the title. The credit union may have to file what is called a financing statement to protect its security interest from the claims of others. If asked to do so, you promise to sign a financing statement. You also promise to do whatever else the credit union thinks is necessary to protect its security interest in the property.

DELAY IN ENFORCING RIGHTS AND CHANGES IN THE AGREEMENT - The credit union can delay enforcing any of its rights under this agreement any number of times without losing the ability to exercise its rights later. The credit union can enforce this agreement against your heirs or legal representatives. If the credit union changes the terms of the loan, you agree that this agreement will continue to protect the credit union.

USE OF PROPERTY - Until the loan has been paid off, you promise you will: (1) Use the property carefully and keep it in good repair. (2) Obtain written permission from the credit union before making major changes to the property. (3) Inform the credit union in writing before changing your address or the address where the property is kept. (4) Allow the credit union to inspect the property. (5) Promptly notify the credit union if the property is damaged, stolen or abused. (6) Not use the property for any unlawful purpose.

CONTINUED EFFECTIVENESS - If the law makes any term(s) of this plan unenforceable, the other terms will remain in effect.

PROPERTY INSURANCE, TAXES AND FEES - You promise to pay all taxes and fees (like registration fees) due on the property and to keep the property insured against loss and damage. The amount and coverage of the property insurance must be acceptable to the credit union. You may provide the property insurance through a policy you already have, or

THE PROPERTY DESCRIPTION IN THE "SECURITY OFFERED" SECTION IS PART OF THIS AGREEMENT. NOTICE: SIGN THIS AGREEMENT ON PAGE 1.

FOR TENNESSEE CREDIT UNIONS ONLY - USE WHEN AUTOMOBILE IS PURCHASED

NOTICE: If you do not purchase the insurance required on the automobile and the credit union purchases the insurance, the insurance purchased by the credit union will cover only the credit union's interest in the property. The insurance will not be liability insurance. You have read the above statement and acknowledge that the credit union has explained it to you.

SIGNATURE	DATE
X	
SIGNATURE	DATE
X	

FOR NORTH DAKOTA CREDIT UNIONS ONLY -- APPLIES ONLY WHEN A MOTOR VEHICLE IS PURCHASED

NOTICE: THE MOTOR VEHICLE IN THIS TRANSACTION MAY BE SUBJECT TO REPOSSESSION, IF IT IS REPOSSESSED AND SOLD TO SOMEONE ELSE, AND ALL AMOUNTS DUE TO THE SECURED PARTY ARE NOT RECEIVED IN THAT SALE, YOU MAY HAVE TO PAY THE DIFFERENCE.

FOR CREDIT UNION USE ONLY: Credit Union Approval

X

AUTHORIZED CREDIT UNION SIGNATURE

Trade-in	BODY TYPE	Model No.	Loan	Retail	Trade-in	BODY TYPE	Model No.	Loan	Retail
175	Deduct W/out Pwr Wind (Ex. eC)		175	175	11300	Wagon Limited	P64	10175	13700
125	Deduct W/out Tilt (Ex. eC)		125	125	150	Add A/A Wheels (Std. Ltd.)		150	175
2002 PT CRUISER-4 Cyl. MC: II					1150	Add All Wheel Drive		1150	1300
8900	Wagon 4D	Y48	8025	11050	75	Add CD Player (Std. Ltd.)		75	100
9608	Wagon 4D Touring	Y58	8650	11800	300	Add Leather (Std. Limited)		300	350
11150	Wagon 4D Limited	Y68	10050	13550	225	Add Rear Air (Std. Ltd.)		225	250
550	Add Pwr Srf (Std. Ltd.)		550	625	2000 VOYAGER-V6 MC: II				
75	Add Theft Recovery System		75	100	4750	Voyager	J25	4275	6475
525	Deduct W/out AT		525	525	6550	Voyager SE	J45	5900	8475
175	Deduct W/out Cruise		175	175	6250	Grand Voyager	J24	5625	8150
125	Deduct W/out Pwr Locks		125	125	7850	Grand Voyager SE	J44	7075	9900
CHRYSLER					225	Add 3rd Row Seat (Base)		225	250
2001 TOWN & COUNTRY-V6 MC: II					150	Add A/A Wheels (SE)		150	175
10175	Wagon LX	P44	9175	12425	75	Add CD Player		75	100
12325	Wagon EX	P74	11100	14850	350	Add Left Slide Door (Base)		350	400
14225	Wagon LX	P54	12825	16875	125	Add Power Seat		125	150
15925	Wagon Limited	P64	14350	18675	225	Add Rear Air Cond		225	250
200	Add A/A Wheels (LX)		200	225	575	Deduct 4 Cyl. Eng.		575	575
1200	Add All Wheel Drive		1200	1350	525	Deduct W/out Air Cond.		525	525
100	Add CD (Std. EX. Ltd.)		100	125	75	Deduct W/out Cruise		75	75
350	Add Leather (Std. Limited)		350	400	125	Deduct W/out Pwr Locks		125	125
150	Add Power Seat (LX)		150	175	75	Deduct W/out Tilt		75	75
250	Add Pwr Sliding Door (LX)		250	300	CHRYSLER				
250	Add Rear Air Cond (LX)		250	300	1999 TOWN & COUNTRY-V6 MC: II				
75	Add Theft Recovery System		75	100	5800	Wagon SX	P65	5225	7625
2001 VOYAGER-V6 MC: II					6550	Wagon LX	P54	5900	8475
8525	Voyager	J25	7675	10650	7850	Wagon LX	P54	7075	9900
9425	Voyager LX	J45	8500	11625	7850	Wagon LX	P54	7075	9900
100	Add CD Player		100	125	8350	Wagon Limited	P64	7525	10450
150	Add Power Seat		150	175	100	Add A/A Wheels (LX)		100	125
250	Add Pwr Sliding Door		250	300	1100	Add All Wheel Drive		1100	1225
75	Add Theft Recovery System		75	100	50	Add CD (Std. LX, Ltd.)		50	75
625	Deduct 4 Cyl. Eng.		625	625	250	Add Leather Seats		250	300
150	Deduct W/out Cruise		150	150	(Std. LX, Limited)				
100	Deduct W/out Pwr Locks		100	100	200	Add Rear Air Cond		200	225
150	Deduct W/out Pwr Wind		150	150	(Std. LX, Limited)				
100	Deduct W/out Tilt		100	100	CHRYSLER				
2001 PT CRUISER-4 Cyl. MC: II					1998 TOWN & COUNTRY-V6 MC: II				
7400	Wagon 4D	Y48	6675	9425	4975	Wagon SX	P55	4500	6725
7950	Wagon 4D Touring	Y48	7175	10000	5675	Wagon LX	P54	5125	7500
9450	Wagon 4D Limited	Y48	8525	11650	6425	Wagon LX	P64	5800	8325
100	Add CD Player		100	125	50	Add A/A Wheels (LX)		50	75
500	Add Pwr Srf (Std. Ltd.)		500	575	1050	Add All Wheel Drive		1050	1175
75	Add Theft Recovery System		75	100	200	Add Leather (Std. LX)		200	225
475	Deduct W/out AT		475	475	75	Add Pwr Seat (Std. LX)		75	100
150	Deduct W/out Cruise		150	150	150	Add Rear Air (Std. LX)		150	175
100	Deduct W/out Pwr Locks		100	100	CHRYSLER				
CHRYSLER					1997 TOWN & COUNTRY-V6 MC: II				
2000 TOWN & COUNTRY-V6 MC: II					4125	Wagon SX	P55	3725	5775
8800	Wagon LX	P44	7925	10950	4725	Wagon LX	P54	4275	6450
10300	Wagon LX	P54	9275	12550	5425	Wagon LX	P64	4900	7225
					1000	Add All Wheel Drive		1000	1125
					150	Add Leather (Std. LX)		150	175

SEE TRUCK OPTION PAGE FOR ADDITIONAL OPTIONS
MIDWEST EDITION - JUNE 2004

TRUCKS

EXHIBIT
C

Trade-in	BODY TYPE	Model No.	Loan	Retail	Trade-in	BODY TYPE	Model No.	Loan	Retail
50	Add Pwr Seat (Std. LX)		50	75	13475	1500 Maxivan	B11	12150	16875
DODGE									
* Model #'s vary with 4WD/AWD. See Truck Page 2.									
DODGE									
2003 CARAVAN-V6 MC: II									
11350	Caravan CV	P21	10225	13750	9325	Sweptline Base 6 1/2' L16'		8400	11525
12950	Grand Caravan CV	P23	11675	15500	9775	Sweptline SXT 6 1/2' L16'		8800	12000
11750	Caravan SE	P25	10575	14200	10075	Sweptline Sport 6 1/2' L36'		9075	12325
12200	Caravan SXT	P25	11000	14700	10075	Sweptline SLT 6 1/2' L46'		9075	12325
13050	Caravan Sport	P45	11750	15625	12825	R/T Sport 6 1/2' L76Z		11550	15375
13550	Grand Caravan SE	P24	12200	16150	1400	Add All Wheel Drive		1400	1575
14650	Grand Caravan SL	P34	13200	17325	150	Add CD (Std. EX. ES)		150	175
14850	Grand Caravan Sport	P44	13375	17525	450	Add Leather Seats		450	500
17350	Grand Caravan EX	P74	15625	20325	350	Add Left Pwr Side Dr (EX)		350	400
19650	Grand Caravan ES	P54	17700	22775	600	Add Power Sunroof		600	675
300	Add A/A Wheels (Sport)		300	350	200	Add Pwr Seat (Std. EX. ES)		200	225
1400	Add All Wheel Drive		1400	1575	300	Add Rear Air (SE)		300	350
150	Add CD (Std. EX. ES)		150	175	650	Add Rear Entertainment Sys		650	725
450	Add Leather Seats		450	500	350	Add Right Pwr Sliding Door (Std. EX. ES)		350	400
350	Add Left Pwr Side Dr (EX)		350	400	100	Add Theft Recovery System		100	125
600	Add Power Sunroof		600	675	725	Deduct 4 Cyl. Eng.		725	725
200	Add Pwr Seat (Std. EX. ES)		200	225	200	Deduct W/out Cruise		200	200
300	Add Rear Air (SE)		300	350	150	Deduct W/out Pwr Locks		150	150
650	Add Rear Entertainment Sys		650	725	200	Deduct W/out Pwr Wind		200	200
350	Add Right Pwr Sliding Door (Std. EX. ES)		350	400	150	Deduct W/out Tilt		150	150
100	Add Theft Recovery System		100	125	2003 DURANGO-V8-4WD MC: II				
725	Deduct 4 Cyl. Eng.		725	725	15400	Wagon 4D Sport (2WD)	R38	13875	18125
200	Deduct W/out Cruise		200	200	15650	Wagon 4D SXT (2WD)	R38	14100	18375
150	Deduct W/out Pwr Locks		150	150	17725	Wagon 4D SLT (2WD)	R48	15975	20725
200	Deduct W/out Pwr Wind		200	200	18925	Wagon SLT Plus (2WD)	R58	17050	22000
150	Deduct W/out Tilt		150	150	17200	Wagon 4D Sport	S38	15500	20175
2003 RAM 1500-1/2 Ton-V8 MC: III									
15400	Wagon 4D Sport (2WD)	R38	13875	18125	12750	Sweptline 6'14" WS	A16'	11475	13300
15650	Wagon 4D SXT (2WD)	R38	14100	18375	12850	Sweptline 8' WS	A16'	11575	15400
17725	Wagon 4D SLT (2WD)	R48	15975	20725	14000	Sweptline 6'14"	A16'	12600	16625
18925	Wagon SLT Plus (2WD)	R58	17050	22000	14100	Sweptline 8'	A16'	12700	16725
17200	Wagon 4D Sport	S38	15500	20175	17250	Quad Cab 6'14" WS	A18'	15525	20225
17450	Wagon 4D SXT	S38	15725	20425	17350	Quad Cab 8' WS	A18'	15625	20325
19525	Wagon 4D SLT	S48	17575	22650	18250	Quad Cab 6'14"	A18'	16425	21275
20725	Wagon 4D SLT Plus	S58	18675	23925	18350	Quad Cab 8'	A18'	16525	21400
23225	Wagon 4D R/T Sport	S78	20925	26600	2003 RAM 2500-3/4 Ton-V8 MC: III				
150	Add CD Player (Sport)		150	175	16800	Sweptline 8'	A26'	15125	19600
450	Add Leather Seats		450	500	21200	Quad Cab 6'14"	A28'	19100	24425
650	Add Rear Entertainment Sys		650	725	21300	Quad Cab 8'	A28'	19175	24525
100	Add Theft Recovery System		100	125	2003 RAM 3500-1 Ton-16/V8 MC: III				
2003 RAM VAN-1/2-1 Ton-V8 MC: III									
12675	1500 Van 109.6"	B11	11425	15225	18600	Swept 8' DRW 5.7L A46D'		16750	21650
12775	1500 Van 127.6"	B11	11500	15325	SEE TRUCK OPTION PAGE FOR ADDITIONAL OPTIONS MIDWEST EDITION - JUNE 2004				

TRUCKS

N.A.D.A. Official Used Car Guide
Vehicle Summary N.A.D.A. Values
7/2/2004

Region:	Midwest July, 2004	Stock #:	
Vehicle Description:	2001 CHRYSLER TOWN & COUNTRY-V6 WGN LX	VIN:	2C4GP44G81R163480
MSRP:	\$24,430	Weight:	4,098
Mileage:	45,001		

	<u>Retail</u>	<u>Trade-In</u>	<u>Loan</u>
Base Value	\$12,425	\$10,175	\$9,175
Optional Equipment			
Alum/Alloy Wheels	\$225	\$200	\$200
Power Seat	\$175	\$150	\$150
Power Sliding Door	\$300	\$250	\$250
Rear Air Condition	\$300	\$250	\$250
Option Total	\$1,000	\$850	\$850
Mileage Adjustment	\$0	\$0	\$0
<hr/>			
Total N.A.D.A. Official Used Car Guide Values	\$13,425	\$11,025	\$10,025

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04-02810-0

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:
Robert S Tollefson
and Carole J Tollefson,
Debtors,

Case No. 04-33703

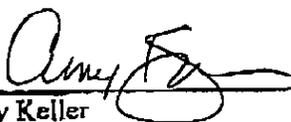
Chapter 13 Case

VERIFICATION FOR MOTION FOR RELIEF FROM STAY
OR CONFIRMATION OBJECTION

I, Amy Keller, the Designated Agent for Heartland Credit Union, the Creditor herein, declare under penalty of perjury that the following is true and correct according to the best of my knowledge, information and belief, and based on the Creditor's business records:

1. I am legally competent to testify and am personally familiar with the debt owed by Debtor to the Creditor on account number(s) 2908-20.
2. The Debtor owes the Creditor \$14,796.41, payoff amount as of July 7, 2004, plus accrued unpaid interest thereon since that date. The monthly loan payment is \$459.58. As of July 7, 2004, the loan payments are in arrears \$1,378.74 for payments owing since May 2, 2004.
3. The debt owed to the Creditor is secured by a perfected lien on a 2001 CHRYSLER TOWN & COUNTRY LX. The current NADA published retail value of the collateral is \$13,425.00, including the value of the optional accessory equipment known to the Creditor.
4. True and correct copies of the title documents are attached to the Motion as Exhibit "A". True and correct copies of the loan documents are attached as Exhibit "B".

Dated: 7/9/04



Amy Keller
Heartland Credit Union
PO Box 64608
Saint Paul, MN 55164-0608

In Re:

Case No. 04-33703

Robert S Tollefson
and Carole J Tollefson,
Debtors,

Chapter 13 Case

UNSWORN DECLARATION OF PROOF OF SERVICE

I, Linda Jeanne Jungers, declare under penalty of perjury that on July 9, 2004, I mailed copies of the foregoing Objection to Confirmation of Plan with Memorandum, Verification, proposed Order, and Unsworn Declaration of Proof of Service, by first class mail, postage prepaid, to each entity named below at the address stated below for each entity.

Robert S Tollefson
2470 Tower Drive
Woodbury, MN 55125

Carole J Tollefson
2470 Tower Drive
Woodbury, MN 55125

HOGLUND CHWIALKOWSKI & GREEMAN
Attn: Robert J Hoglund
PO Box 130938
Roseville, MN 55113

Jasmine Z. Keller
Chapter 13 Trustee
12 S. 6th St #310
Minneapolis, MN 55402

U.S. Trustee
1015 U.S. Courthouse
300 South 4th Street
Minneapolis, MN 55415

Executed on: July 9, 2004

Signed: /e/Linda Jeanne Jungers
Linda Jeanne Jungers
STEWART, ZLIMEN & JUNGERS
430 Oak Grove Street, #200
Minneapolis, MN 55403

04-02810-0

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Case No. 04-33703

Robert S Tollefson
and Carole J Tollefson,

Chapter 13 Case

Debtors,

ORDER DENYING CONFIRMATION OF CHAPTER 13 PLAN

This Chapter 13 case came on before the Court on August 12, 2004 at 10:30 AM, for hearing on confirmation of a proposed Plan of individual debt adjustment. Linda Jeanne Jungers appeared on behalf of Heartland Credit Union. Other appearances were as noted in the record. Upon the record made at the hearing, and the other files, records, and proceedings in this case,

IT IS HEREBY ORDERED:

That confirmation of Debtor's Plan of debt adjustment is denied.

Dated:

BY THE COURT:

United States Bankruptcy Judge