

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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Case No. 04-50968 RJK  
Chapter 7

In re:

Naomi Linda Shadley, f/k/a  
Naomi Linda Kujala and  
James William Shadley,

Debtors.

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**NOTICE OF HEARING AND MOTION FOR RELIEF FROM STAY**

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TO: NAOMI LINDA SHADLEY AND JAMES WILLIAM SHADLEY; THEIR ATTORNEY, NAOMI LINDA SHADLEY, U.S. TRUSTEE AND ROBERT R. KANUIT, TRUSTEE; AND ALL OTHER ENTITIES SPECIFIED IN LOCAL RULE 1204 (a):

1. Blandin Area Federal Credit Union, a secured creditor in this Chapter 7 proceeding, by and through duly authorized and undersigned attorneys, moves the Court for the relief requested below, and gives notice of hearing.

2. The Court will hold a hearing on this Motion on November 29, 2004, at 10:30 a.m., before the Honorable Robert J. Kressel, United States Bankruptcy Judge, in Court Room No. 2, United States Court House, 515 West First Street, Duluth, Minnesota 55802.

3. Any response to this Motion must be filed and delivered not later than November 26, 2004, which is three days before the time set for the hearing (excluding Saturdays, Sundays, and holidays), or filed and served by mail no later than November 22, 2004, which is seven days before the time set for the hearing (excluding Saturdays, Sundays and holidays).

UNLESS A RESPONSE OPPOSING THIS MOTION IS TIMELY FILED, THE COURT

MAY GRANT THE MOTION WITHOUT A HEARING.

4. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 134, Bankruptcy Rule 505, and Local Rule 1070-11. This is a core proceeding. The petition commencing this Chapter 7 case was filed on August 27, 2004. The case is now pending in this Court.

5. This Motion arises under 11 U.S.C. § 362 and Bankruptcy Rule 4001. This motion is filed under Fed. R. Bankr. P. 9014 and Local Rules 9006-1, 9013-1 and 9013-3. Blandin Area Federal Credit Union requests relief from the automatic stay under § 362 of the Bankruptcy Code to foreclose its interest in certain personal property owned by Debtor as defined below.

6. Blandin Area Federal Credit Union holds a valid perfected interest in a 1996 Ford F-150 ½ Ton V-8, Styleside Supercab XL, 4WD Pickup Truck, VIN # 1FTEX14N2TKA41378 (the vehicle). On February 12, 2003, James William Shadley executed a Note and Disclosure Statement, with payments totaling \$7,732.63, and payable according to the terms and conditions therein contained, a copy of which is attached hereto as **Exhibit "A"**. The title evidencing ownership interest of Blandin Area Federal Credit Union in the 1996 Ford F-150 ½ Ton V-8, Styleside Supercab XL, 4WD Pickup Truck, VIN # 1FTEX14N2TKA41378 is attached hereto as **Exhibit "B"**.

7. Payments due under the terms of the Contract for the months of July, 2003 through October, 2004, totaling \$ 8489.33, plus late charges have not been made by the Debtor. Debtors have voluntarily surrendered the vehicle and have failed to make any offer of adequate protection.

8. The balance due under the Contract is \$ 8489.33, as of the date

hereof. On information and belief, the fair market value of the Vehicle is approximately \$7,875.00.

9. Blandin Area Federal Credit Union's interest is depreciating, while Debtor is failing to make payments. Blandin Area Federal Credit Union does not have, and has not been offered, adequate protection of its interest in the Vehicle. There is no appreciable equity in the Vehicle, and, in view of the fact that this is a Chapter 7 liquidation proceeding, the Vehicle is not necessary for an effective reorganization.

10. The failure of the Debtor to make payments pursuant to the Contract or otherwise provide Blandin Area Federal Credit Union with adequate protection of its interest in the Vehicle constitutes cause, within the meaning of 11 U.S.C. § 362(d)(1) and 362(d)(2), entitling Blandin Area Federal Credit Union to relief from the stay.

11. Blandin Area Federal Credit Union requests that any order modifying the automatic stay be effective immediately as allowed under Federal bankruptcy Rule 4001(a)(3).

12. If any testimony is necessary on any of the facts relative to this Motion, testimony will be given by Diana Mattfield or one of the representatives for Blandin Area Federal Credit Union.

13. This Notice of Motion and Motion, also serves as notice of default as may be required by Cobb v. Midwest Recovery Bureau Co., 295 N.W.2d 232 (Minn. 1980). If the default is not cured before the hearing Blandin Area Federal Credit Union will repossess the Vehicle promptly upon the Court signing the Order.

14. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

WHEREFORE, Blandin Area Federal Credit Union respectfully moves the Court for an Order (i) modifying the automatic stay of 11 U.S.C. § 362 so as to permit Blandin Area Federal Credit Union to foreclose its interest in the Vehicle in accordance with Minnesota law; (ii) finding that Bankruptcy Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedures is not applicable and (iii) granting such other relief as may be just and equitable.

Dated this 22nd day of October, 2004.

JOHNSON, KILLEN & SEILER, P.A.

By: e/Joseph V. Ferguson

Joseph V. Ferguson, III  
Attorney's for Blandin Area Federal  
Credit Union  
230 West Superior Street  
Suite 800 Wells Fargo Center  
Duluth, Minnesota 55802  
(218) 722-6331



**NOTE AND DISCLOSURE STATEMENT**

BORROWER NAME (Last - First - Middle Initial) AND ADDRESS (Street - City - State - Zip Code)		DATE	ACCOUNT NUMBER	NOTE NUMBER
SHADLEY, JAMES W 7695 COUNTY RD 65 NE DEER RIVER, MN 56636		02/12/2003	0000007677	7677
<input checked="" type="checkbox"/> NEW LOAN	CONTRACT NUMBER	REFERENCE NUMBER	MATURITY DATE	
<input type="checkbox"/> REFINANCE	022-0567-0	027	02/28/2007	

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. 8.500 % <input checked="" type="checkbox"/>	The dollar amount the credit will cost you. \$ 1,448.33	The amount of credit provided to you or on your behalf. \$ 7,732.63 <input checked="" type="checkbox"/>	The amount you will have paid when you have made all payments as scheduled. \$ 9,180.96	e means an estimate
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: 47 <input checked="" type="checkbox"/> 1	\$ 191.28 \$ 190.80	03/28/2003 02/28/2007		

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)

Late Charge:

Required Deposit: The Annual Percentage Rate does not take into account your required deposit, if any. Filing Fees \$ TAX LIC 582.63 Non-Filing Insurance \$

See your contract documents for any additional information about nonpayment, default, and any required repayment in full before the scheduled date.

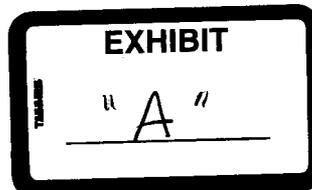
**ITEMIZATION OF THE AMOUNT FINANCED**

ITEMIZATION OF AMOUNT FINANCED OF \$	AMOUNT GIVEN TO YOU DIRECTLY \$	AMOUNT PAID ON YOUR ACCOUNT \$	PREPAID FINANCE CHARGE \$
\$ 7,732.63	\$ 7732.63		
AMOUNT PAID TO OTHERS ON YOUR BEHALF \$	To \$	To \$	To \$
	To \$	To \$	To \$

**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.**

<input checked="" type="checkbox"/> Borrower <input type="checkbox"/> Owner of Collateral (other than a Borrower)	Date	<input checked="" type="checkbox"/> Borrower 2 <input type="checkbox"/> Owner of Collateral (other than a Borrower)	Date
<i>James W Shadley</i> (SEAL)	2/12/03	<i>Nancy Wilson</i> (SEAL)	2/12/03
<input checked="" type="checkbox"/> Borrower (SEAL)	Date	Witness (SEAL)	Date



**NOTE AND SECURITY AGREEMENT**

Promise to Pay: You promise to pay \$ 7,732.63 to the credit union plus interest on the unpaid balance at 8.500 % per year until what you owe has been repaid.

Collection Costs:

SECURITY OFFERED:	MODEL	YEAR	I.D. NUMBER	TYPE	VALUE
FORD F150 4X4	F150 4X4	1996	1FTEX14N2TKA41378		\$ 7,732.63
					\$
					\$

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

This Note is governed by the laws of

**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 the other payments. You promise to make payments at the place chosen by the credit union.

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.

**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.

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.

**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.

**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.

**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 die, 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

**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.

**FOR TENNESSEE CREDIT UNIONS ONLY -- USE WHEN AUTOMOBILE IS PURCHASED**

**FOR NORTH DAKOTA CREDIT UNIONS ONLY -- APPLIES ONLY WHEN A MOTOR VEHICLE 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.

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.

SIGNATURE	DATE
X	
SIGNATURE	DATE
X	

FOR CREDIT UNION USE ONLY: Credit Union Approval  
 X Nancy Wilson 4/16/03  
 AUTHORIZED CREDIT UNION SIGNATURE

**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.

**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.

**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 for 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.

**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.

**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.

**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 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 indorse 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.

**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 LOANLINER 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.

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. Those 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.

**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.

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

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

CERTIFICATE

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_ SS.

The undersigned notary public certifies that the above and foregoing is a true copy of the original security agreement, executed, and delivered by the debtor named therein and to the secured party therein.

(SEAL) \_\_\_\_\_ SECURED PARTY SIGNATURE (If Required) NOTARY PUBLIC  
My commission expires: \_\_\_\_\_ Residing in \_\_\_\_\_ (COUNTY)



**CREDIT INSURANCE**

You can protect your financial future by signing up for **voluntary** credit insurance below. Enroll by simply indicating your preference in the "Credit Insurance Application" section below. Your credit union will be happy to explain the various insurance options and coverage. The cost is reasonable.



**CUNA MUTUAL GROUP**

*CUNA Mutual Insurance Society*

P.O. Box 391 • 5910 Mineral Point Road  
 Madison, WI 53701-0391  
 Phone: 800/937-2644

**CREDIT INSURANCE APPLICATION & SCHEDULE**

"You" or "Your" means the member and the joint insured (if applicable).

Credit Insurance is **voluntary and not required in order to obtain this loan**. You may select any insurer of your choice. You can get this insurance only if you check the "yes" box below and sign your name and write in the date. The rate you are charged for the insurance is subject to change. You will receive written notice before any increase goes into effect. You have the right to stop this insurance by notifying your credit union in writing. Your signature below means you agree that:

- If you elect insurance, you authorize the credit union to

add the charges for insurance to your loan each month.

- You are eligible for disability insurance only if you are working for wages or profit for 25 hours a week or more on the date of any advance. If you are not, that particular advance will not be insured until you return to work. If you are off work because of temporary layoff, strike or vacation, but soon to resume, you will be considered at work.
- You are eligible for insurance up to the Maximum Age for Insurance. Insurance will stop when you reach that age.

YOU ELECT THE FOLLOWING INSURANCE COVERAGE(S)	PREMIUM SCHEDULE		COVERED MEMBER
	YES	NO	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	

If you are totally disabled for more than \_\_\_\_\_ days, then the disability benefit will begin with the \_\_\_\_\_ day of disability.

MEMBER	INSURANCE MAXIMUMS	DISABILITY	LIFE
JAMES W SHADLEY	MONTHLY TOTAL BENEFIT	\$	N/A
ACCOUNT NUMBER	INSURABLE BALANCE PER LOAN ACCOUNT	\$	\$
0000007677	MAXIMUM AGE FOR INSURANCE		
SECONDARY BENEFICIARY (If you desire to name one)			
DATE	BORROWER'S DATE OF BIRTH	DATE	CO-BORROWER'S DATE OF BIRTH
	07/02/1975		
SIGNATURE OF BORROWER ELIGIBLE TO BE INSURED	SIGNATURE OF JOINT INSURED (CO-BORROWER) (Only required if JOINT CREDIT LIFE coverage is selected)		

APP. 821-0786MN

# RANGER



Hwy 169 & Howard St. Phone: 263-7578  
HIBBING, MINN. 55748

Stock # COM4189-02 Date: 2-11-03 Salesperson: Dody  
 Buyer Name (Last) Shadley (First) James (Middle) William  
 Co-Buyer Name (Last) \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) \_\_\_\_\_  
 Address 7695 County Rd 65 City: Deer River State: MN County: CASS Zip: 56636  
 Home Phone: 218-259-3908 Bus. Phone: \_\_\_\_\_ Buyer DOB: 7-2-75 Co-Buyer DOB: \_\_\_\_\_  
 Buyer D.L. # S-340-367-897-523 Co-Buyer D.L. #: \_\_\_\_\_  
 Buyers Insurance Co.: Ameristar Policy #: A11044587

PLEASE ENTER MY ORDER FOR: New  Used  Demo  Lienholder Blandin Employee Address: 408 NW Hwy 169, Deer River, MN 56636  
 YEAR 1996 MAKE Ford MODEL 150 BODY XCB444 TRANSMISSION auto COLOR Silver INTERIOR tan  
 VIN # 1FTEX14N2TKA41378 IC 999-LWA TAX EXP. DATE 11-03 STATE MN MILEAGE 110723 DELIVERED ON OR ABOUT \_\_\_\_\_

326-9539  
326-1251  
A/Hn  
Loan Department

CASH PRICE OF VEHICLE  
FREIGHT  
DEALER INSTALLED OPTIONS  
AT this place this vehicle is sold "Steidly as is" Q. immediately

DOES YOUR TRADE-IN HAVE A BRANDED TITLE OR INSURANCE SALVAGE HISTORY? YES  NO

**POLLUTION CONTROL SYSTEM DISCLOSURE (TRADE-IN VEHICLE)**  
 In order to comply with Minnesota Statutes, Section 325E.0951, no person may transfer a motor vehicle without providing a written disclosure to the transferee (buyer) certifying the condition of the pollution control system.  
 Transferor (seller) hereby certifies, to the best of his/her knowledge, that the pollution control system on this vehicle, being traded in, including the restricted gasoline pipe, has not been removed, altered, or rendered inoperative.  
 Seller's Signature \_\_\_\_\_

**DEALER'S DISCLAIMER OF WARRANTY**  
 The Dealer expressly disclaims all warranties, either express or implied on the vehicle sold, except any warranties offered and explained in Paragraphs 10 through 13 on the back of this contract. Buyer acknowledges receiving this information before the sale and further acknowledges having read and understood the provisions on the back of this contract.  
 Buyer's Signature \_\_\_\_\_

**DEALER'S POLLUTION CONTROL SYSTEM DISCLOSURE (VEHICLE BEING SOLD)**  
 Transferor (Dealer) hereby certifies, to the best of his/her knowledge, that the pollution control system on this vehicle being sold, including the restricted gasoline pipe, has not been removed, altered, or rendered inoperative.

TOTAL	7025 00
LESS TRADE-IN ALLOWANCE FOR USED VEHICLE	
TRADE DIFFERENCE	7025 00
LICENSE PLATE	99 00
STATE & LOCAL TAXES	463 95
TITLE & TRANSFER FEES	1 00
FEDERAL LUXURY TAX	
LIEN RECORDING FEE	2 00
DOCUMENT ADMINISTRATIVE FEE	25 00
SERVICE CONTRACT	
TOTAL LICENSE & FEES	119 50
CASH SUBMITTED WITH ORDER	
SUBTOTAL	7732 63
LESS BALANCE OWING TO LIENHOLDER ON TRADE-IN	
TOTAL DOWN PAYMENT	
<b>TOTAL AMOUNT DUE ON DELIVERY</b>	

The front and back of this CONTRACT comprise the entire CONTRACT affecting this purchase. The DEALER will not recognize any verbal agreement, or any other agreement or understanding of any nature. You certify that no credit has been extended by dealer for the purchase of this motor VEHICLE. You certify that you are 18 years of age or older, and acknowledge receiving a copy of this contract.

The terms of this CONTRACT were agreed upon and the CONTRACT signed in the dealership on the date noted at top of this form. If DEALER is arranging credit for YOU, this CONTRACT is not valid until a credit disclosure is made as described in Regulation Z and you have accepted the credit offered.  
 OFFICE OF SALES PERSON'S LIMITED AUTHORITY: This contract is not valid unless signed and accepted by Sales Manager or Officer of Dealership.

**IMPORTANT: THIS MAY BE A BINDING CONTRACT AND YOU MAY LOSE ANY DEPOSITS IF YOU DO NOT PERFORM ACCORDING TO ITS TERMS.**

### This ODOMETER DISCLOSURE STATEMENT and ASSIGNMENT Refers to Vehicle Being Sold

Federal and State Law require that you state the mileage upon transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. The owner(s) of the vehicle described below certify the vehicle is free of all security interests.

warrant title, and assign the registration tax and the vehicle to the person(s) named below and certify that the odometer now reads \_\_\_\_\_ (no tenths) miles and to the best of my knowledge the odometer mileage is:

- ACTUAL MILEAGE
- EXCEEDS MECHANICAL LIMITS OF ODOMETER
- NOT ACTUAL MILEAGE - WARNING ODOMETER DISCREPANCY

YEAR	MAKE	MODEL	BODY TYPE
VIN No.		ENGINE NO.	EXPIRE DATE
TRANSFEREE'S NAME (BUYER'S PRINT)		TRANSFEROR'S (SELLER'S) STREET ADDRESS	
STREET ADDRESS		CITY	STATE ZIP
CITY	STATE	ZIP	TRANSFEROR'S (SELLER'S) SIGNATURE (PRINT SELLER'S NAME ALSO)
TRANSFEREE'S (BUYER'S) SIGNATURE (PRINT SELLER'S NAME ALSO) Receipt of copy acknowledged <input checked="" type="checkbox"/>			STATEMENT DATE

### This ODOMETER DISCLOSURE STATEMENT and ASSIGNMENT Refers to Vehicle Being Traded In

Federal and State Law require that you state the mileage upon transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. The owner(s) of the vehicle described below certify the vehicle is free of all security interests.

warrant title, and assign the registration tax and the vehicle to the person(s) named below and certify that the odometer now reads \_\_\_\_\_ (no tenths) miles and to the best of my knowledge the odometer mileage is:

- ACTUAL MILEAGE
- EXCEEDS MECHANICAL LIMITS OF ODOMETER
- NOT ACTUAL MILEAGE - WARNING ODOMETER DISCREPANCY

YEAR	MAKE	MODEL	BODY TYPE
VIN No.		ENGINE NO.	EXPIRE DATE
TRANSFEREE'S NAME (BUYER'S PRINT)		TRANSFEROR'S (SELLER'S) STREET ADDRESS	
STREET ADDRESS		CITY	STATE ZIP
CITY	STATE	ZIP	TRANSFEROR'S (SELLER'S) SIGNATURE (PRINT SELLER'S NAME ALSO)
TRANSFEREE'S (BUYER'S) SIGNATURE (PRINT SELLER'S NAME ALSO) Receipt of copy acknowledged <input checked="" type="checkbox"/>			STATEMENT DATE

**BLANDIN AREA CREDIT UNION  
408 NW 4TH STREET  
GRAND RAPIDS, MN 55744**

**INSURANCE REQUIREMENT  
PER APPLICATION AND CREDIT AGREEMENT**

YOUR LOAN IS SECURED BY COLLATERAL VALUED AT OVER \$3,000.00.  
FULL COVERAGE INSURANCE IS REQUIRED.

INDIVIDUAL DEDUCTIBLES MAY NOT EXCEED \$500.00.

IF COLLATERAL IS NOT AN AUTOMOBILE (i.e., CAMPER, SNOWMOBILE,  
WATERCRAFT), YOU STILL NEED TO PROVIDE PROOF OF PHYSICAL  
DAMAGE INSURANCE WHEN ITEM IS STORED AND NOT IN USE.

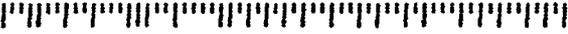
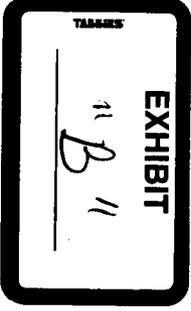
PLEASE HAVE YOUR INSURANCE AGENT LIST BLANDIN AREA CREDIT  
UNION ON THE POLICY AS LOSS PAYEE AND HAVE YOUR AGENT OR  
INSURANCE COMPANY FORWARD A COPY OF THE POLICY TO US.

I HAVE READ THE ABOVE INFORMATION AND I UNDERSTAND THAT  
IF I FAIL TO MEET THESE REQUIREMENTS, I AM SUBJECT TO THE  
CONDITIONS OF THIS DOCUMENT.

PHONE (218) 326-1251  
FAX (218) 326-9539

  
MEMBER SIGNATURE

  
DATE



GRAND RAPIDS MN 55744-2504  
408 MN 4TH ST  
BLANDIN EMPLOYEE CR UN

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

Year	96	Make	FORD	Model	PKCOF	Trile NR	J0580R132
VIN	1FTEX14N2TKA41378						
Rebuilt	NO	Security Date	02/11/03				

LIEN HOLDER

1ST SECURED PARTY

JZR657

SHADLEY JAMES WILLIAM  
7695 CTY RD 65  
DEER RIVER MN 56636

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

7677-07



**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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Case No. 04-50968 RJK  
Chapter 7

In re:

Naomi Linda Shadley, f/k/a  
Naomi Linda Kujala and  
James William Shadley,

Debtors.

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**MEMORANDUM IN SUPPORT OF MOTION FOR RELIEF FROM STAY**

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Blandin Area Federal Credit Union submits this memorandum of law in support of its motion for relief from the stay in the above-entitled matter.

FACTS

Blandin Area Federal Credit Union holds a perfected interest in a 1996 Ford F-150 ½ Ton V-8, Styleside Supercab XL, 4WD Pickup Truck, VIN # 1FTEX14N2TKA41378 (the vehicle). Payments due under the terms of the Contract for the months of July, 2003, through October, 2004, 2004, totaling \$ 8489.33, plus late charges, have not been made by the Debtor. The balance due under the Contract is \$8489.33 as of the date hereof. On information and belief, the fair market value of the Vehicle is approximately \$7,875.00.

ARGUMENT

Pursuant to Section 362(d)(1) of the Bankruptcy Code, relief from the automatic stay shall be granted upon request of a creditor "for cause, including the lack of adequate protection of an interest in property fo such [creditor]." 11 U.S.C. Section 362(d)(1). No

payments have been made as required by the Contract between the Debtor and Blandin Area Federal Credit Union has otherwise not been provided with adequate protection of interest in the Vehicle. Such failure constitutes cause, within the meaning of Section 362(d)(1), entitling Blandin Area Federal Credit Union to relief from the stay. United States Savings Assn. Of Texas v. Timbers of Inwood Forest Assoc., Ltd., (In re Timbers of Inwood Assoc., Ltd.), 484 U.S. 365, 108 S.Ct. 626, 98 L.Ed.2d 740 (1988).

Pursuant to Section 362(d)(2) of the Bankruptcy Code, relief from the stay is also appropriate where no equity exists and the property is not necessary to an effective reorganization. In re Albany Partners, Ltd., 749 F.2d 670 (11<sup>th</sup> Cir. 1984). The balance due under the Contract is \$8,489.33, as of the date hereof. The fair market value of the Vehicle is \$7875.00. Clearly no appreciable equity exists in the Vehicle. Finally, as this is a Chapter 7 case, the Vehicle is not necessary to an effective reorganization.

#### CONCLUSION

For all the reasons set forth herein, Blandin Area Federal Credit Union is entitled to an order terminating the automatic stay of 11 U.S.C. § 362 and authorizing it to foreclose its interest in the Vehicle in accordance with Minnesota law.

Dated this 22<sup>nd</sup> day of October, 2004.

JOHNSON, KILLEN & SEILER, P.A.

By: e/Joseph V. Ferguson  
Joseph V. Ferguson, III  
Attorney's for Blandin Area Federal  
Credit Union  
230 West Superior Street  
Suite 800 Wells Fargo Center  
Duluth, Minnesota 55802  
(218) 722-6331

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

Case No. 04-50968 RJK  
Chapter 7

In re:

Naomi Linda Shadley, f/k/a  
Naomi Linda Kujala and  
James William Shadley,

Debtors.

---

**ORDER GRANTING MOTION FOR RELIEF FROM STAY**

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The above-entitled matter came before the Court for hearing on November 29, 2004, on the Motion of Blandin Area Federal Credit Union, seeking relief from the automatic stay of 11 U.S.C. § 362. Appearances were noted in the Court's record. Based on the proceedings on said date, the statements of counsel, and all of the files and records herein, the Court now finds that cause exists entitling Blandin Area Federal Credit Union to the relief requested.

NOW THEREFORE, IT IS HEREBY ORDERED, that the automatic stay of 11 U.S.C. § 362 is immediately terminated as to Blandin Area Federal Credit Union and Blandin Area Federal Credit Union is authorized to foreclose its interest in the subject 1996 Ford F-150 ½ Ton V-8, Styleside Supercab XL, 4WD Pickup Truck, VIN # 1FTEX14N2TKA41378 in accordance with Minnesota law. Notwithstanding Fed. R. Bankr. P. 4001(a)(3), this order is effectively immediately.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Robert J. Kressel  
United States Bankruptcy Court

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

Case No. 04-50968 RJK  
Chapter 7

In re:

Naomi Linda Shadley, f/k/a  
Naomi Linda Kujala and  
James William Shadley,

Debtors.

UNSWORN DECLARATION FOR PROOF OF SERVICE

Donna J. Carlson, an agent for Johnson, Killen & Seiler, P.A., attorneys licensed to practice law in this court, with offices at 230 West Superior Street, Suite 800 Wells Fargo Center, Duluth, Minnesota 55802, declare that on the 22 day of October 2004, she served the annexed NOTICE OF HEARING AND MOTION FOR RELIEF FROM STAY, AFFIDAVIT, MEMORANDUM OF LAW, PROPOSED ORDER FOR RELIEF FROM STAY, upon each of the entities named below by mailing to each of them a copy thereof by enclosing same in an envelope with first class mail postage prepaid and depositing same in the post office at Duluth, Minnesota, addressed to each of them as follows:

United States Trustee  
Suite 1015  
300 South 4<sup>th</sup> Street  
Minneapolis MN 55415

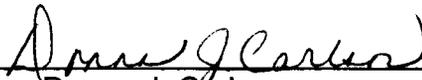
Naomi Linda Shadley  
1468 SE 2<sup>nd</sup> Avenue  
Apt C4  
Grand Rapids, MN 55744

Robert R. Kanuit  
Trustee in Bankruptcy  
4815 West Arrowhead Road  
Suite 230  
Duluth, MN 55811

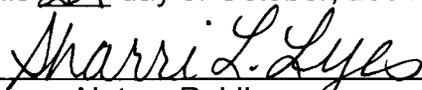
Mr. James W. Shadley  
County Road 65 NE  
Deer River, MN 56636

Blandin Area Federal Credit Union  
408 NW Fourth Street  
Grand Rapids, MN 55744

And I declare under penalty of perjury, that the foregoing is true and correct.

  
\_\_\_\_\_  
Donna J. Carlson

Subscribed and sworn to before me  
this 22 day of October, 2004.

  
\_\_\_\_\_  
Notary Public

