

bidder was interested in purchasing. The Receiver has provided tours of the facilities to potential bidders and has provided requested financial information to allow the bidders to perform their due diligence. The Receiver has now received an offer for the immediate purchase of a portion of one of the business assets. For the reasons stated in the following Memorandum, the Receiver seeks immediate Court approval of the sale that is proposed in Exhibit B, attached to this Motion. No party objects to this Motion.

MEMORANDUM

Essentially, there are two remaining major components of the Archbold Entities: the Feed and Grain Segment and the Breeding Swine Segment. These components are described in detail in the Calculation Report prepared by Veid & Veid which was filed with the Receiver's Second Status Report.

The Breeding Swine Segment consists of approximately 4,800 sows, 400 gilts, 25 boars and 6,000 piglets which are essentially located at five facilities. Two of the five locations are owned and operated by the Archbold Entities – O-MI-O, Inc. and Henry Pig, Inc. The remaining sows and gilts are located on three farms that are not owned by the Archbold Entities – Leipsic/Fenstermaker, Liberty Center and Rolling Meadows. The Leipsic facility is located in Ohio while Liberty Center and Rolling Meadows are located near each other in Indiana. Archbold Elevator has separate and distinct arrangements with each of these farms.

The Receiver received only two Letters of Intent for the Liberty Center and Rolling Meadows operations. One of the Letters of Intent was received from Vic Reinhard, the owner and operator of the Liberty Center farm. On July 29, 2011, the Receiver received a formal bid from Mr. Reinhard through his corporation for the immediate purchase of the sows, gilts and certain equipment and supply inventory at both the Liberty Center and the Rolling Meadows facilities (Exhibit A). Since Mr. Reinhard's offer was contingent upon immediate acceptance,

the Receiver had Mr. Reinhard's bid analyzed by Veid & Veid. In the Veid & Veid Calculation Report of June 14, 2011, Veid & Veid determined a suggested sale price in the range of \$2,350,000 to \$3,150,000 for all of the Breeding Swine operations. The Veid & Veid Calculation Report did not contain a separate price for each of the five sow operations (including Liberty Center and Rolling Meadows). The Receiver requested Veid & Veid to provide a separate sale price for Rolling Meadows and Liberty Center. In a written report issued to the Receiver on August 4, 2011, Veid & Veid concluded that the offer from Mr. Reinhard was slightly above the Calculation Report price for these facilities.

Satisfied that the Reinhard bid met minimum financial requirements, the Receiver then consulted with counsel for the other party that provided a Letter of Intent for the Liberty Center and Rolling Meadows facilities. Initially, that individual objected to the bid of Mr. Reinhard. A meeting was then held between Mr. Reinhard and that individual which resulted in a revised bid from Mr. Reinhard. The new bid is acceptable to the second interested party. The second bid exceeds the first bid by approximately \$60,000. Mr. Reinhard's second bid is attached to this Motion as Exhibit B.

The Receiver has provided all of the information concerning this bid to the parties to this law suit and all parties support this Motion to approve the sale to Mr. Reinhard as stated in Exhibit B¹. Mr. Reinhard has provided proof that he has financing to complete an immediate sale of these assets.


The Receiver believes that the immediate sale of the assets located at the Liberty Center and Rolling Meadows facilities is in the best interest of the Receivership. Presently, there are labor issues at the Liberty Center farm, which has necessitated the sending of employees from Ohio to work at this facility. Furthermore, both the Liberty Center and Rolling Meadows farms

¹ The Ohio Department of Agriculture has indicated that it does not object. All other parties have provided their consent in e-mail communication to the Receiver.

will need to purchase gilts in the near future at a cost in excess of \$30,000. Additionally, the Receiver's best analysis indicates that neither the Liberty Center nor the Rolling Meadows farms are profitable operations. If the Court approves this sale, the only downside to the Receiver will be the short-term loss of revenue from the "weaner pig" sales from both of those farms. However, the costs associated with feed and other services for the sows and "weaner pigs" will be eliminated, thus resulting in little, if any, net loss to the Receiver. If the Court approves this sale, the Receiver's outside accountants will revise their cash flow analysis to account for this.

As indicated in the second offer, the sale of the assets at Rolling Meadows and Liberty Center will bring approximately \$700,000 into the Receivership. There is no reason to delay this sale until the other bids are received on August 30, 2011. The Receiver does not believe that the sale of these units will in any way diminish the value of the remaining assets. In fact, the remaining assets may now have a higher value because of the fair market value received for these assets.

Therefore, the Receiver moves this Court for an order approving the sale of the assets associated with the Liberty Center and Rolling Meadows farms as indicated in Exhibit B.



Gerald R. Kowalski, Receiver

Renisa A. Dorner

Receiver and Counsel

Email Consent

David J. Coyle (coyle@slk-law.com)
Nathan A. Hall (nhall@slk-law.com)
Counsel for Plaintiffs

Email Consent

Brian C. Kalas (kalas@mchughlaw.com)
Counsel for Defendants William & Lynette Fricke

Email Consent

James R. Jeffery (jjeffery@snlaw.com)
Laurie J. Pangle (lpangle@snlaw.com)
James P. Silk, Jr. (jsilk@snlaw.com)
Counsel for Defendants The Andersons, Inc. and The Andersons Agriculture Group, L.P.

Email Consent

Michael S. Messenger
(mmessenger@rcolaw.com)
Mark A. Ozimek (mozimek@rcolaw.com)
Counsel for Defendant Fenstermaker Farms, Inc.

Email Consent

Steven L. Diller (sdiller@dillerandricellc.com)
Dillon W. Staas (dstaas@dillerandricellc.com)
Counsel for Defendant D&D Ingredient Distributors, Inc.

Email Consent

James R. Patterson (jpatterson@agri.ohio.gov)
Ohio Department of Agriculture

Email Consent

Elizabeth J. Hall
(betsy_hall@andersonsinc.com)
Counsel for Defendants The Andersons, Inc. and The Andersons Agriculture Group, L.P.

Email Consent

Gregory L. Arnold (glalawyer1@aol.com)
Daniel C. Arnold (dcalawyer1@yahoo.com)
Counsel for Agricultural Products Extension, LLC

CERTIFICATE OF SERVICE

This is to certify that on this 19 day of August, 2011, a copy of the foregoing

Receiver's Second Motion to Approve Partial Sale and Memorandum in Support was served by email and ordinary United States mail upon:

David J. Coyle (coyle@slk-law.com)
Nathan A. Hall (nhall@slk-law.com)
Shumaker, Loop & Kendrick, LLP
100 Jackson Street
Toledo, Ohio 43604
Counsel for Plaintiffs

Brian C. Kalas (kalas@mchughlaw.com)
5580 Monroe Street
Sylvania, Ohio 43560
Counsel for Defendants William & Lynette Fricke

Steven L. Diller (sdiller@dillerandricellc.com)
Dillon W. Staas (dstaas@dillerandricellc.com)
Diller & Rice, LLC
124 E. Main Street
Van Wert, Ohio 45891
Counsel for Defendant D&D Ingredient Distributors, Inc.

James R. Patterson (jpatterson@agri.ohio.gov)
Ohio Department of Agriculture
8995 East Main Street
Reynoldsburg, Ohio 43068

James R. Jeffery (jjeffery@snlaw.com)
Laurie J. Pangle (lpangle@snlaw.com)
James P. Silk, Jr. (jsilk@snlaw.com)
Spengler Nathanson P.L.L.
Four SeaGate, Suite 400
Toledo, Ohio 43604-2622
*Counsel for Defendants The Andersons, Inc.
and The Andersons Agriculture Group, L.P.*

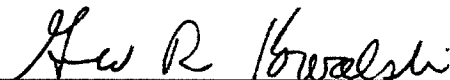
Elizabeth J. Hall
(betsy_hall@andersonsinc.com)
480 W. Dussel Drive
Maumee, Ohio 43537
*Counsel for Defendants The Andersons, Inc. and
The Andersons Agriculture Group, L.P.*

Benjamin Z. Heywood
(bzh@lydenlaw.com)
Lyden, Liebenthal & Chappell, Ltd.
5470 Main Street, Suite 300
Sylvania, OH 43560
*Counsel for The Huntington National
Bank*

Toyota Motor Credit Corporation
c/o Statutory Agent
CT Corporation System
1300 East Ninth Street
Cleveland, Ohio 44114

Michael S. Messenger
(mmessenger@rcolaw.com)
Mark A. Ozimek (mozimek@rcolaw.com)
Robison, Curphey & O'Connell
Ninth Floor, Four SeaGate
Toledo, Ohio 43604
*Counsel for Defendant Fenstermaker Farms,
Inc.*

Gregory L. Arnold (glawyer1@aol.com)
Daniel C. Arnold (dcalawyer1@yahoo.com)
Law Offices of Gregory L. Arnold &
Associates, Ltd.
5749 Park Center Court
Toledo, Ohio 43615
*Counsel for Agricultural Products Extension,
LLC*



Gerald R. Kowalski, Receiver
Renisa A. Dorner
Receiver and Counsel

EXHIBIT A

GORDON & ASSOCIATES

PROFESSIONAL CORPORATION

Attorneys providing guidance for family asset transfers

July 29, 2011

Via e-mail: Kowalski@CooperWalinski.Com
And Regular First Class Mail

Gerald R. Kowalski, Receiver
Cooper & Walinski, LPA
900 Adams Street
Toledo, OH 43604

RE: The Farmers & Merchants State Bank vs. Archbold Elevator, Inc. et al, In The Court of Common Pleas, Fulton County, Ohio, Cause No. 11CV000128
BID PROPOSAL – Liberty Center; Rolling Meadows

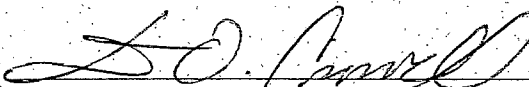
Dear Mr. Kowalski:

As counsel to LC 100 South, LLC, I have been authorized to submit this proposal for and on behalf of LC 100 South, LLC, for the purchase of certain assets of the Liberty Center and Rolling Meadows facilities as listed in this letter for the prices stated herein. In accordance with the NOTICE TO BIDDERS given in the above Receivership, please accept this bid for consideration and petition to the governing court for approval.

Sows & Gilts, including all weaner pigs w/Sows:	\$304.75/Sow/Gilt
Heat Check Boars (9)	\$200.00/Boar
Boars inventory at Eastern AI (9)	\$2,700.00/Boar
Supply Inventory	At Cost
Busses, subject to inspection & operating condition	\$1,000.00/ea

All items are to be inventoried at or immediately prior to closing to determine the final total price per the above per item price. The offered price for all weaner pigs is included in the price offered for the Sows. Currently, there are approximately 1,003 Sows and 65 Gilts at Liberty Center and 807 Sows and 70 Gilts at Rolling Meadows for a total of 1,810 Sows and 135 Gilts. Closing is to be conducted within five (5) days of court approval of bid and sale is to be free and clear of all liens and encumbrances.

LC 100 South, LLC

By: 
Anthony O. Crowell, Attorney

Acceptance:

The undersigned, Gerald R. Kowalski, Court appointed Receiver for Archbold Elevator, Inc., hereby accepts the above bid as approved by the Court.

Gerald R. Kowalski, Receiver

(Date)

tel: (260) 824-9377 | toll free: (888) 299-9377 | fax: (260) 824-9675 | info@gordonlegal.net

in Bluffton, IN: 119 East Oak Forest Drive, 46714
in Fort Wayne, IN: 7912 Carnegie Boulevard, 46804

in Huntington, IN: 2859 Northpark Avenue, 46750
in Rochester, IN: 919 North Main Street, 46975

EXHIBIT B

GORDON & ASSOCIATES

PROFESSIONAL CORPORATION

Attorneys providing guidance for family asset transfers

August 12, 2011

Via e-mail: Kowalski@CooperWalinski.Com

And Regular First Class Mail

Gerald R. Kowalski, Receiver
Cooper & Walinski, LPA
900 Adams Street
Toledo, OH 43604

RE: The Farmers & Merchants State Bank vs. Archbold Elevator, Inc. et al, In The Court of Common Pleas, Fulton County, Ohio, Cause No. 11CV000128
REVISED BID PROPOSAL – Liberty Center; Rolling Meadows

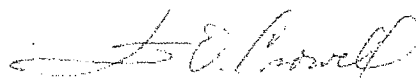
Dear Mr. Kowalski:

As counsel to LC 100 South, LLC, I have been authorized to submit this REVISED proposal for and on behalf of LC 100 South, LLC, for the purchase of certain assets of the Liberty Center and Rolling Meadows facilities as listed in this letter for the prices stated herein. In accordance with the NOTICE TO BIDDERS given in the above Receivership, please accept this bid for consideration and petition to the governing court for approval.

Sows & Gilts, including all weaner pigs w/Sows:	\$348.00/Sow;Gilt
Heat Check Boars (all)	\$100.00/Boar
Supply Inventory	At Cost
Busses, subject to inspection & operating condition	\$1,000.00/ea

All items are to be inventoried at or immediately prior to closing to determine the final total price per the above per item price. The offered price for all weaner pigs is included in the price offered for the Sows. Currently, there are approximately 1,003 Sows and 65 Gilts at Liberty Center and 807 Sows and 70 Gilts at Rolling Meadows for a total of 1,810 Sows and 135 Gilts. Closing is to be conducted within five (5) days of court approval of bid and sale is to be free and clear of all liens and encumbrances.

LC 100 South, LLC



Anthony O. Crowell, Attorney

Acceptance:

The undersigned, Gerald R. Kowalski, Court appointed Receiver for Archbold Elevator, Inc., hereby accepts the above bid as approved by the Court.

Gerald R. Kowalski, Receiver (Date)

tel: (260) 824-9377 | toll free: (888) 299-9377 | fax: (260) 324-9675 | gordonassociates@parlorcity.com

in Bluffton, IN: 119 East Oak Forest Drive, 46714
in Fort Wayne, IN: 7912 Carnegie Boulevard, 46804

in Huntington, IN: 2859 Northpark Avenue, 46750
in Rochester, IN: 919 North Main Street, 46975