

STATE OF WISCONSIN

CIRCUIT COURT

JEFFERSON COUNTY

In re:

FILED

LOEB-LORMAN METALS INC.

JUL 17 2015

Case No.: 15CV287

Assignor.

Clerk of Circuit Court
Jefferson County

Case Code: 30304

RECEIVER'S MOTION FOR A CASE MANAGEMENT
ORDER AND TO EMPLOY PROFESSIONALS

WFH
Revised by
Judge William
Hoe for
Judge Weston
7-17-15

Ronald M. Carlson, Esq. Wisconsin Statutes Chapter 128 Receiver of the above-named debtor (the "Receiver"), hereby moves the Court for an order establishing case management terms and authorizing the employment of certain professional persons. In support of this Motion, the Receiver alleges and shows to the Court as follows:

1. On the 17th day of July, 2015 (the "Assignment Date"), Loeb-Lorman Metals Inc. ("Loeb-Lorman") filed an Assignment for the Benefit of Creditors (the "Assignment") with the Jefferson County Circuit Court pursuant to Chapter 128 of the Wisconsin Statutes, and the above caption case number was assigned to such action.
2. The Court has entered an Order appointing Ronald M. Carlson as Receiver for Loeb-Lorman pursuant to Chapter 128 of the Wisconsin Statutes.
3. That Assignor maintains its principal place of business at 115 Lorman Street, Fort Atkinson, Wisconsin, and is a scrap metal processor. Founded in 1914, Assignor has over 100 years of experience in metal recycling and processing.
4. To the best of the Petitioner's knowledge, Assignor owns assets consisting of the following:
 - a. Cash in the amount of \$ (69,542.60) as of July 15, 2015;

- b. Accounts Receivable in the amount of \$6,304,905.98 as of June 30, 2015;
 - c. Inventory with a fair market value of \$6,004,551.34 as of June 30, 2015;
 - d. Machinery, equipment and office equipment with an estimated fair market value totaling \$5,666,765 as of February 6, 2015; and
 - e. Prepaid Expenses in the amount of \$154,293.71 as of June 30, 2015.
5. The fair value of Assignor's assets is presently unknown. However, the fair value of Assignor's assets is significantly less than the book value of those assets and the liabilities that are secured by its assets.
6. To the best of the Petitioner's knowledge, Assignor had liabilities consisting of the following:
- a. Accounts payable and subordinated debt in the amount \$6,782,578.09 as of June 30, 2015;
 - b. Notes payable and other long-term debt owed to JPMorgan Chase Bank, N.A. in the amount of approximately \$10,228,004.66, which are secured by a properly perfected first priority security interest in substantially all of the assets of Assignor as of July 13, 2015; and
 - c. Accrued Expenses including property taxes, payroll and freight in the amount of \$180,433.26 as of June 30, 2015.
7. The fair value of Loeb-Lorman's assets is less than its liabilities.
8. The Receiver requests authorization to continue the operations of Loeb-Lorman until the Receiver can determine whether those assets can be sold on a going concern basis.

9. In order to maximize the value of the assets of Loeb-Lorman and to properly attempt to liquidate those assets for the highest possible amount, the Receiver requests authority to employ the following professionals:

a. Seth E. Dizard of O'Neil Cannon Hollman DeJong & Laing S.C. as counsel, an attorney experienced in Chapter 128 receiverships and creditors' rights proceedings, for the Receiver for the purpose of handling any and all legal matters affecting these proceedings; and

b. Patrick B. Caracciolo of Wadsworth Consulting, Inc. as financial consultant, a turnaround consultant experienced in Chapter 128 receiverships; and

c. Commercial brokers, accountants, counsel and other financial consultants, management firms, contractors or other advisors for the purpose of overseeing the operations of Loeb-Lorman and assisting the Receiver in negotiating the sale(s) of the assets of Loeb-Lorman.

10. The Receiver requests authorization to retain the foregoing professionals at their customary hourly rates for matter of this type and those professionals shall be compensated as an administrative expense in these receivership proceedings.

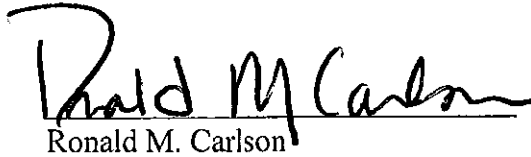
11. In order to preserve the going concern value of Loeb-Lorman, the Receiver requests authority to honor outstanding checks issued prior to the Assignment Date and to pay charges incurred prior to the Assignment Date, including without limitation, (a) payroll, (b) payroll taxes, (c) sales taxes, (d) employee expenses, employee benefit and health plan related expenses, (e) product purchases; (f) equipment repairs; (g) telephone charges, (h) commissions (i) freight charges and (j) other charges related to the business.

12. The Receiver requests authorization to deposit any and all funds of the receivership estate in JPMorgan Chase Bank, N.A.

13. The Receiver is authorized to state that JPMorgan Chase Bank, N.A. consents to the relief requested in this Motion.

WHEREFORE, the Receiver moves the Court for entry of the Order for Case Management and for such other and further relief as the Court deems appropriate under the circumstances.

Dated this 17 day of July, 2015.



Ronald M. Carlson

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