

by Pete Hardin

Without warning, on the morning of April 30, 2007, an armed horde—some carrying loaded, automatic weapons—descended on Rolling Thunder Farms in western Marathon County, Wisconsin.

Within a few hours, the intruders removed 200+ dairy animals, all tractors and all farm equipment from Walter and Carla Wiese’s farm. One intruder (a bank farm loan officer), using a hardwood livestock cane, mercilessly beat a hapless cow that had fallen in the barn and badly injured herself during all the commotion.

Later that day, many of Wiese’s dairy animals—curiously stripped of their identifying ear tags—were sold at the Equity Livestock auction barn at nearby Stratford. The rest of the Wiese herd went through that same sale ring the next day. About three-quarters of the Wiese’s milking herd was sold as beef animals for slaughter—poor disposition of Walter and Carla’s milking herd’s value.

This farm invasion was conducted with military precision by the Marathon County Sheriff’s Department. Officers in squad cars guarded just about every rural crossroads for miles around. Seizure of Wiese’s dairy animals and machinery occurred when Walter and his son, Kyle, had driven to Marshfield (45 minutes away) for the young man’s scheduled driver’s license test.

Armed deputies greeted Walter when he returned to the farm.. He and Carla watched in shock as their lifetime assets were loaded on trucks and hauled away. Weeks later, a sympathetic deputy thanked Walter for keeping his cool and not giving law enforcement officers reason to add further tragedy to the day by arresting him. But Walter remembers how hard he struggled internally to keep from punching out the bank’s farm loan officer who repeatedly beat the fallen, crippled cow.

The Marathon County SWAT team maintained order, if perhaps not law, while Walter and Carla Wiese’s dairy dreams collapsed into nightmare. April 30, 2007 heralded one giant step in the years-long, “reverse bank robbery” that wiped out Walter and Carla Wiese’s accumulated farming assets. Seizure of Walter and Carla’s cattle, machinery and real estate slammed the door on their once-successful dairy farming career.

Dairy farming dream turns to nightmare

Both Walter and Carla grew up on Marathon County dairy farms. In 1987, the newlyweds bought his dad’s cattle and 160-acre farm in Halsey Township, about 25 miles northwest of Wausau. Over the next 15 or so years, Walter and Carla used old-fashioned hard work to build up their milking herd to 135 head. In 1990, the Wieses extended their 1970-vintage barn to 96 tie-stalls. They added acreage—boosting their real estate holdings to 500 acres by 2002.

Most importantly, their family blossomed. Today Walter and Carla have four children: Kyle (17), Brittany (14), Amber (12), and Shawna (10).

Walter and Carla shouldn’t be quickly pigeon-holed as failed, “inefficient farmers.” In 1995, the Mid-Wisconsin Bank wrote them a letter, noting that their farm ranked as one of its top five percent of business customers. Small wonder. By 2002, all their hard work had netted the Wiese family roughly \$1.3 million in solid equity in their dairy operation. Their solid equity appreciation of roughly \$80,000 per year was achieved through times that featured low milk prices (more often than not) and some tough crop years, was sweat equity. Walter remembers needing three years to pay off loans to cover purchased forage and feed to cover crop losses due to 1988’s epic Drought.

By early 2002, Walter and Carla were milking 135 dairy cows in that 96

Modern Day “Reverse Bank Job”

What’s a “Reverse Bank Job?” Simply put: that’s when the bank does the robbing! No masked gunmen need apply! Lawyers and sheriff’s deputies suffice.

Bankruptcies and foreclosures are in the news. In 2007, more than a million U.S. families will lose their homes to foreclosure. A couple million more residential mortgages are in default. Reputations of banks are taking a beating, as the media focuses on certain practices by lenders.

In 2007, foreclosing homes in the cities and suburbs merely shifts those heartbreaks from American farms. From the late 1970s, through the dark 1980s ... and to the present ... hundreds of thousands of family farms were lost to foreclosure. Over the past 30 years in rural America, farm families who lost their farms were too readily categorized as “inefficient farmers.” That catch-all phrase conveniently covered over a lot of tragedy that was ground out one farm family at a time. Often times, these losses of family farms occurred due to events beyond any individual family’s control—commodity prices, steeply rising interest rates ... or even unscrupulous lenders.

As the case of Walter and Carla Wiese demonstrates, a modern “Rural Bank Job” has evolved to an art form. Lawyers, judges, the sheriff’s department, auctioneers ... all looked the other way while this family’s real estate, home, dairy herd and machinery were taken from them in a series of actions whose legality begs questions.

Yes, Walter and Carla Wiese struggled financially ... with a poorly-constructed new barn, stray-voltage, period low milk prices and some tough crop years. But the process by which their assets were seized and auctioned off begs the question of whether seizure complied with the bankruptcy plan?



Walter Wiese stands near his former dairy farm in Halsey Township, Wisconsin. Walter and his wife Carla lost everything – land, home, dairy cattle, machinery and stored feed – to bankruptcy earlier in 2007. *The Milkweed* explores some of the unsavory details of their financial demise.

tie-stall barn. Each twice-a-day milking required rotating almost half their milking herd in and out of the barn. Their well-tended Holsteins averaged over 18,000-lb. annual milk production. (For city folks, that’s about 2000 gallons of milk per cow per year.) But the labor-intensity of their operation was taking a physical toll on the dairy farming couple—then in their early 40s. Walter and Carla faced a critical decision in their dairy farming career: modernize and expand, cut back ... or get out. They loved and did well milking cows for a living. The Wieses decided to expand the dairy. They hired J&L Steel (a local contractor) to build a 208-cow, free-stall dairy barn in 2002. The project was financed by the Community Bank of Central Wisconsin.

Walter and Carla literally “bet the farm”—all their equity—on the future success of their dairy expansion. And lost everything. Today, as lawyers, advisors and a journalist pour over Walter and Carla’s financial wreckage ... the whole mess is starting to look like a case of “reverse bank robbery.” More troubling: Walter and Carla are not alone! They’ve networked with a growing number of farmers from around the U.S. who are struggling to hold on their farms against predations by banks ... and even by USDA’s Farm Services Agency! “If this were just about me, I’d have given up a long time ago,” Walter Wiese explains. He wants the perceived rip-off of their farm and assets exposed, because of what the whole big can of worms would reveal.

This “reverse bank job” was pulled off using powerful, high-tech weapons like loan documents, lawyers and legal decisions that precipitated the inexorable slide towards forfeiture of all Wiese’s dairy animals, machinery and real estate.

Many persons are familiar with the rural myth. Since the late 1970s, the specter of farm foreclosures is legend in rural America: “inefficient farmers” made bad judgements and paid for their mistakes with loss of their farms, right? Hundreds of thousands of “inefficient” family farms have washed out to creditors in the past three decades. But don’t pin the “inefficient farmers” label on Walter and Carla Wiese just yet ... without a much closer look at events that conspired to strip them of their dairy cattle, machinery and land.

Today, struggling to survive financially and emotionally

Here in late 2007, as the cold, northwest winds start spitting snow across Central Wisconsin, Walter and Carla struggle financially to maintain their family and lives. The Wieses now live in a modest, rented farmhouse about five miles by rural dirt road from their former farm. Today’s dwelling is a far cry from their modern home lost to foreclosure.

The bills are piled high.

Perhaps the stress of it all is toughest on Carla. After two decades of living her dream—raising the children and milking cows with Walter—Carla now works the graveyard shift at Tombstone Pizza, 25 miles away in Medford. Shifting to an overnight work schedule in a faraway factory would be tough for anybody—but particularly so for a mother in her late 40s who’d grown used to her busy routine tending family and dairy cows. Carla tries to catch sleep during the day. She loses “quality time” with the kids and Walter—especially when her job requires working weekends. There is some good news: Carla’s employment tenure at Tombstone Pizza recently qualified her family for medical and dental benefits, toward which the company contributes.

Walter continues self-employed—logging and using hired contractors to finish his 2007 crops grown on rented land. The family’s current cash-flow is a mixed bag of good news and (mostly) bad news: good news that cash soybean prices are high, bad news that soybean’s quality was bad, bad news that the pickup truck needs fixing. Both good news and bad news in bad news stem from a recent federal judge’s decision. Good news that a federal judge recently reverted their financial condition to pre-bankruptcy status. But bad news, too, since that ruling has unleashed an angry callers representing unsecured creditors who make Walter and Carla cringe when their telephone rings.

This four page special report details the bankruptcy plight of Walter and Carla Wiese of Athens, WI.

Please help Walter and Carla. See Page D.

by Pete Hardin

What the Bank Did to Walter and Carla!

Issues between Walter and Carla Wiese and their lender—the Community Bank of Central Wisconsin—probably date back to early 2003. At that point, the Wieses had been milking cows for just a few months in their new, already falling-apart dairy complex. They refused to pay the final \$78,000 bill owed to the general contractor. Over time, a series of events and factors combined to pull down their needed cash flow. Those events included: Not enough cows in the barn, stray voltage traced to the manure scraper—which depressed their daily milk output to 40 pounds of milk per cow, some tough crop years, breeding problems ... not to mention periodic low milk prices.

Walter and Carla watched their cash flow erode until their assets completely disappeared. They entered bankruptcy with an estimated half-million dollars more assets than debts, but came out with an undetermined net that sure resembles zero. Some folks might view the Wiese's heavily-indebted dairy operation, struggling along with only a 40-lb. per cow daily milk production average, as a train wreck waiting to happen. But for all their "luck" with the decrepit new dairy barn, some poor crop years, and low milk-price cycles, Walter and Carla point to the bank's conduct that helped leave them without assets. These actions by the bank include:

Repeated refusal by the bank to allow them to purchase more cows to fill the new, 208-stall barn. The bank repeatedly refused to make available loan funds for Walter and Carla to follow their business plan and buy more heifers and milk cows to fill their new barn to near-capacity. Their farm loan plan called for Walter and Carla to build up their milking herd to 200 animals.

Bank repeatedly misstated cow numbers in Wiese's herd. Bank employees repeatedly overstated the number of dairy animals on Wiese's farm. These actions included listing non-existent assets (way too many milk cows).

The Community Bank of Central Wisconsin's antics about the alleged shortfall of milk cows on Wiese's farm was so far-fetched that, in late March 2007, bank officials charged that cattle were being sold in the name of Wiese's children at livestock auctions. The bank alleged that Walter and Carla were subverting the bankruptcy process by selling as many as 74 dairy cows in their kids' names. (In truth, the bank employees apparently didn't recognize the difference between dairy cows and steers! Sales of 17 **steers** registered in the Wiese kids' names with the bankruptcy court **were** sold over several months.)

The bank continued inaccurate allegations of sale of dairy cattle in the Wiese children's names in letters written to the Federal Deposit Insurance Corporation as late as July 2007. That was long after the Marathon County Sheriff's deputy assigned to the case had quit investigating those baseless allegations.

Pressure from bank to pay sub-contractor (a bank director). In early 2003, bank officials proposed that the Wiese's borrow \$78,000 to pay off disputed charges owed to the general contractor who'd built the "Worst Dairy Barn of the 21st Century" for the Wieses. (See accompanying article, next page.) Part of the \$78,000 loan was designed to pay off \$23,370.36 owed to a local business—Tri-County Equipment (Withee, Wisconsin). Tri-County Equipment had supplied cow mats to the general contractor and hadn't been paid. The owner of Tri-County, Larry Herington, was also a director of the Community Bank of Central Wisconsin. Herington was also the father-in-law of contractor J&L Steel's owner—Bill Flink. On May 14, 2003, Herington directly mailed to Walter and Carla an invoice made out to J&L Steel, seeking Wiese's payment of the \$23,370.36 directly to Tri-County Equipment.

The Wiese's refusal to make final payment to J&L Steel resulted in the "daddy-in-law" not getting paid for cow mats—at least not from any funds shelled out by Walter and Carla. J&L Steel sued the Wieses for non-payment in January 2004. That legal matter was settled without any payment to J&L Steel by the Wieses. But the general contractor shucked any liability for repairing the "worst dairy barn of the 21st century"—costs for which would have been astronomical.

Now let's fast-forward ... In August 2003, USDA's Farm Service Agency guaranteed the package of three loans to the Wieses. By mid-summer 2005, Walter and Carla had been on a year of "interest-only" payments (through June 2005). On July 27, 2005, the Wieses could not make the full payment due on their loans. Twelve days later, on August 8, 2005, the Community Bank of Central Wisconsin mailed Walter and Carla a letter informing them that their FSA-guaranteed loan would mature on August 27, 2005. Unless Walter and Carla paid off the amount in full by that date, they would be charged 12% interest on the outstanding amount, the bank informed them. The missed payment in late July 2005 was their first such failure to pay on their monthly note on a timely basis. The bank offered no assistance through FSA programs.

(Note: The loan actually did not "mature" until some time in 2010.)

The Wieses struggled along, failing to file bankruptcy by the mid-October 2005 deadline, based upon unfortunate advice from their attorney at that time. After mid-October 2005, changes in federal personal bankruptcy laws made it much harder for persons to walk away from debts through bankruptcy.

In January 2006, Walter and Carla filed bankruptcy.

The bankruptcy process featured multiple submissions of bankruptcy plans. In early December 2006, a bankruptcy plan was agreed to by the Wieses and officials of the Community Bank of Central Wisconsin.

But on March 27, 2007, suffering from still-low milk prices and poor milk production by their herd, Walter and Carla failed to make their pay-

ment due under the bankruptcy plan. The default provision of their bankruptcy plan kicked in.

*The bank struck fast—perhaps too fast—to grab the Wiese's assets—in possible violation of several provisions of the bankruptcy agreement. In this time frame, a bank official repeatedly alleged to Marathon County Sheriff's Department **and** the federal bankruptcy court that the Wieses were illegally disbursing assets from the farm by selling dairy cattle in their children's names. Now things REALLY got nasty!*

Bank ignored Wisconsin's law requiring 10-day notice before seizure of foreclosed assets. Seizure of Wiese's dairy cattle and machinery took place **without any notice** on April 30, 2007. But Wisconsin law requires notification before disposition of collateral in a bankruptcy. Wisconsin statute 409.611 ("Notification before disposition of collateral") specifies, in summary:

The secured party must send the debtor an authenticated notification of disposition, or else the debtor must waive the right to notification.

The Wieses received no such advance notice from the Community Bank of Central Wisconsin. (Editor's note: In response to Wiese's complaint about that lack of the 10-day notice to the Federal Deposit Insurance Corporation, the Community Bank of Central Wisconsin responded that it was exempt from Section 409.611 because the livestock were perishable. "Perishable" goods to be seized in foreclosure are exempt from advance notification. But Walter Wiese counters by noting that state statutes governing weight limits on rural roads do not recognize livestock as a "perishable" commodity.)

Bank seized and sold cattle & machinery in violation of bankruptcy plan. The default provisions of the bankruptcy plan provided the Wieses with responsibility to arrange for sale of their dairy animals and machinery, within 45 days of the date of default. Walter and Carla were considering how to arrange an auction, when, on April 30, 2007, the Marathon County Sheriff's Department descended and oversaw the wholesale seizure of assets. Trouble was: April 30 was only **33** days after the date of the Wiese's defaulted payment.

Here's the exact language of the "Third Amended Chapter 12 Plan of Reorganization" for Walter G. Wiese and Carla K. Wiese, dated November 15, 2006 and filed with the United States Bankruptcy Court for the Western District of Wisconsin. This plan was approved by all parties on November 15, 2006. (Case No. 06-10053-TSU):

"DEFAULT PROVISIONS"

"In the event of a default, with regard to the Class 2 claimant hereunder in payment or other terms, and after a five day written notice to the Debtors providing an opportunity for a cure, and absent any cure, the Debtors acknowledge that the bank shall be entitled to declare the entire balance then due it to be due and payable forthwith.

"In the event of a default, the Debtors agree that they will schedule, with a qualified auctioneer, an auction of all the farm personal property within 45 days of the date of the end of the cure. The debtors will cooperate with the Class 2 claimant in the liquidation of the collateral. The parties agree they will use their best efforts to maximize the proceeds from the sale of the collateral, but in no event is the Class 2 claimant obligated to extend the period." (Editor's note: boldface emphasis added.)

Property seized without regard to bankruptcy plan. That same November 15, 2006 bankruptcy plan agreed to by the Wieses and the bank specified that in the event of a default by Walter and Carla, that they had 30 days to sell the real estate on their own. After 30 days, if they hadn't sold the property, they then could list their property with a licensed real estate broker and that broker had six months to try to sell their farmland, home and buildings.

Walter and Carla and their four children were booted out of their home right before the 4th of July weekend, going to live, briefly, in a place that had not been occupied in years. They were never given the right to exercise the sale of their real estate, as granted in the bankruptcy plan.

Did bank maximize proceeds from sale of seized assets?

As noted in the paragraph immediately above, both the Wieses and the bank were obligated to "maximize the proceeds from the sale of the collateral"—i.e., Wiese's cattle, equipment and land.

* **Dairy animals brought low-end prices:** Had the Wiese's conducted their own auction, they probably would have done better than an average of about \$1000 per dairy animal that the bank reportedly netted, despite the fact that their cows were low-producing animals.

* **Only \$258,000 net from sale of tractors & equipment (on gross of \$400,000+):** Sale of Wiese's tractors and farm machinery certainly didn't maximize net proceeds. The sale date for tractors and equipment was ill-timed: Memorial Day—Monday, May 28, 2007. The Wieses' running tab of their equipment sales totaled right around \$400,000 that day. The bank later reported to Greg Grau (Marathon County Circuit Court Judge) that the Wiese's equipment brought \$258,000 at the Memorial Day auction conducted by the R. J. Stockwell auction firm. Obviously, Walter and Carla could have done better selling their equipment on a more advantageous date using an auctioneer of their own choosing on their farm, not one hand-picked by the bank.

* **Property sold for just \$1.2 million:** Records filed with Judge Grau show that the Wiese's former 460 acres of land, buildings and home were sold by the Community Bank of Central Wisconsin for a mere \$1.2 million to a large, local dairy

“Worst Dairy Barn of 21st Century”

513 County Highway F • Athens, Wisconsin (Marathon County)



Special Report:

In late July 2002, after a couple years of planning, Walter and Carla Wiese received a package of three loans from the Community Bank of Central Wisconsin, located in nearby Colby. A friend, Tim Lynn, had recently joined that bank as farm loan officer. “Don’t worry,” Lynn assured the Wieses ... Mistake #1.

Mistake #2 followed immediately: hiring a local firm—J&L Steel, Inc. (Abbotsford, Wisconsin)—as general contractor for the new, NUCOR steel free-stall barn, milking parlor and manure facilities: estimated cost—about \$820,000. Actual costs totaled \$882,946—a cost overrun of eight percent. J&L Steel’s owner—Bill Flink—promised to have the whole project completed by late November that year. But start-up was delayed two months. Then fall 2004 turned very wet, further delaying concrete work. In early August, Flink had required an up-front payment of \$200,000 from Walter and Carla. (They later learned that NUCOR’s policies required payment 30 days after the steel was delivered.)

The dairy barn that J&L Steel constructed for the Wieses may well be “the worst dairy barn built in the 21st century.” Just about everything was wrong—concrete work, upright posts, roofing, insulation, water system, manure scrapers, electrical system. Manure scrapers didn’t clean the barn properly, but did short out the electrical system. Hydraulic hoses and electrical wiring were laid side by side—a total violation of building codes. Electrical wires shorted and hydraulic hoses wore through. The manure pump—broke its eight-inch retaining wall. The wall should have been 12’ thick.

In early 2004, only 14 months after the Wiese’s herd was moved into the new barn, Walter hired a consulting firm (Cedar Corporation of Menomonie, Wisconsin) to evaluate the dairy barn’s construction. That firm’s 62-page report detailed dozens of details of shoddy construction and code violations in the new barn. The concrete floor was so rough that the cows’ feet were badly harmed.

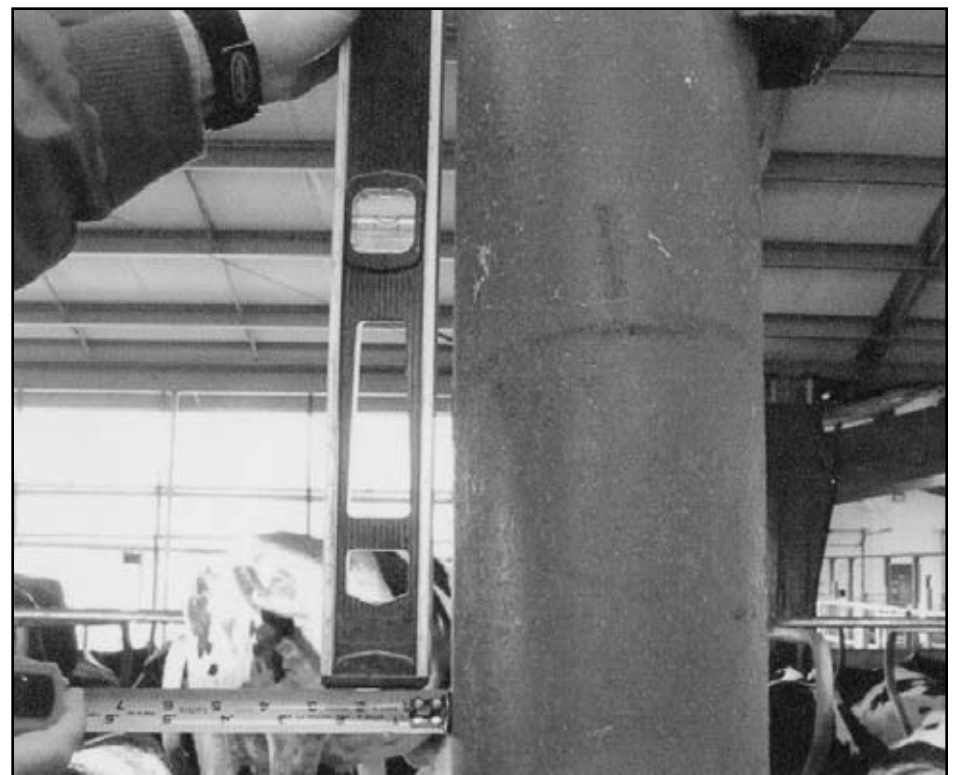
Technically, the barn construction was never completed. Walter and Carla disputed the obvious, shoddy workmanship and refused final payments. What evolved was an old-fashioned, “Mexican standoff.” The Wieses refused to pay any more money to J&L Steel until the barn was done and mistakes corrected. And Bill Flink of J&L Steel refused to do more work until he was paid in full.

Delays forced disastrous, mid-winter move into new barn

Mistake #3: The Wieses planned to move their herd into the barn around Thanksgiving 2002. They’d timed breeding of heifers and cows to follow the expected date of the new barn’s completion. They’d also bought bred heifers—ready to calve in early winter—to fill the new barn. Early winter 2002-2003 featured some very cold weather. Difficulties of moving the half the burgeoning

milk cows out of the old, tie-stall barn after each milking was tough on both man and beast. In desperation, on January 17, 2003, as the wind-chill index plunged to 40 degrees below zero and calves were popping out of the Wiese’s cows and heifers, Walter and Carla reluctantly moved their dairy herd into the new barn.

Disaster struck immediately. Water pipes froze and busted. Manure froze to the floor and made a total mess of things. Heifers lay down on the cold, concrete floor of the free-stall and their udders froze. Most of the calves born around that time died. (The few calves that did survive were almost all bull calves.) But the frozen Hell of their new barn that greeted Walter and Carla was just the beginning of their dairy financial disaster. Stray voltage—traced back to the manure scraper—held down cows’ daily milk production levels.



Built crooked. Interior columns in the freestall area were out of plumb in the Wiese’s new barn by approximately 1/8” per foot. The whole darn barn was a fiasco of building errors. A consultant found dozens of construction errors in this barn.

What the Bank Did to Walter and Carla, con’t

Continued from page B

farmer—Tom Mueller of Miltrim Farms, Inc.

Walter and Carla had some of the best farmland in the neighborhood, with the exception of one 80-acre parcel that was mostly rough pasture and woods. Sale price of \$1.2 million—including buildings and their three-bedroom home built in 1990—seem a pittance. Several pieces of the Wiese’s former real estate are now up for resale.

* **No accounting for stored hay & silage:** On the day of the equipment auction, the remaining large quantities of stored forage, corn silage and straw were also sold. But the successful bidder never removed those items, which have since “disappeared.” Walter estimates the value of his stored forage, corn silage and straw at about \$200,000. These items apparently have “vanished” from any accounting. “Zero” value for the stored animal feed and forage hardly represents maximizing the value of seized assets by the bank.

* **Bank failed to provide information on sale of foreclosed assets.** In yet another possible disregard for Wisconsin law, the Community Bank of Central Wisconsin did not provide a prompt, mandatory accounting to the Wieses of the value of their seized assets after resale. Walter and Carla have NEVER directly received a breakdown of the value of their dairy cattle, machinery and real estate assets to this very day—more than seven months after seizure.

Wisconsin Statute 409.626 (“Action in which deficiency or surplus is in issue”) specifies, that in the case where a secured party’s compliance is placed in issue, the secured party has the burden of establishing that the assets were properly disposed of.

Despite requests to the bank, the Wieses have not received any formal accounting of the sale of their dairy cattle and assets from the bank.

Walter and Carla estimate their seized assets to have totaled about \$2 million, versus claims by the bank (and other creditors) of about one and a half million dollars! They did not realize that their assets would be completely cleaned out by the way the bankruptcy process as overseen by the bank. But then, “bank robbers” don’t play by the rules, do they?

Questionable performance by bank throughout

When a once-successful family dairy farm crashes financially, there’s usually never a single factor responsible for the demise. This article has tried to

reflect multiple events that helped pull down Walter and Carla’s dairy farming dream into nightmare.

But once the Wieses stumbled—failing to meet their July 27, 2007 payment to the bank—there was little mercy accorded by the bank. The Community Bank of Central Wisconsin filed notices of foreclosure followed only 12 days after Walter and Carla missed their first late payment.

And when the Wieses defaulted on payment once in bankruptcy, the process got downright dirty.

* The bank erroneously claimed to both the Marathon County Sheriff’s Department and the federal bankruptcy court that the Wieses had improperly sold off as many as 74 dairy cattle in their children’s names. (17 steers—all registered as the children’s property in the bankruptcy filing—were in fact sold with the payments going to the children.)

* The bank seized the dairy animals and farm equipment without allowing the Wieses the requisite 45-day period to arrange for an auction, as required by the bankruptcy plan.

* Seizure of forfeited assets came without requisite 10-day notice, under Wisconsin state law. (Even if the bank’s claim that the dairy cattle were perishable was valid, it’s hard to argue that the tractors and machinery were “perishable.”)

* Sale receipts for the dairy cattle (roughly \$1000 per head) and machinery (\$258,000) beg the question of whether the bank “maximized the value of the assets”—as directed by the bankruptcy plan.

* In apparent violation of Wisconsin law, the bank has NEVER provided Walter and Carla with a formal accounting of the sale value of their foreclosed assets.

* Value of the real estate—sold for \$1.2 million—seems understated.

Little did Walter and Carla Wiese suspect that, when they entered bankruptcy, with an estimated half million dollars more assets than liabilities, they’d get taken to the cleaners like that!

by Pete Hardin

Sometimes, when a person is struggling to stay afloat in deep, deep waters, that person can't tell when the tide has shifted favorably. As long as the water is over the person's head, struggles to keep from drowning are primary.

That's the situation in which Walter and Carla Wiese now find themselves. The tides of their fortunes may have shifted a little for the better in recent weeks and months. But they still struggle to keep their heads above the water.

Is there any reason for the Wiese family to hope for restoration of their assets and dignity after the events that have stripped them of their farm, home, dairy animals, tractors and machinery? Maybe. In recent months and weeks, when things couldn't get much darker, some hopeful signs have emerged.

Why the turn of events? Because Walter has gone on the offensive, using the same determination and energy he once devoted to running his dairy farm. In truth, if Walter and Carla Wiese were less determined, they would have been bulldozed under a long time ago. Here's a summary of some of the positive turns in recent months:

*** Mid-July 2007—trip to Washington, D.C.:** In mid-July, fresh from being booted out of their home, Walter ventured to Washington, D.C.—as part of a team of foreclosure-fighting farmers—to tell their tales to federal legislators and their staffs. The trip was coordinated by the National Family Farm Coalition (NFFC). Walter made some good contacts on that trip—especially with staffers at office of Wisconsin Representative Tammy Baldwin (a member of the House Judiciary Committee). Baldwin's staff has taken a strong interest in Walter and Carla's case.

(Editor's note: How'd Walter do that? He located other foreclosure-fighting farmers on the internet and through Bill Christason of Missouri, who works with the NFFC trying to sort out ugly farm foreclosure cases.)

***Late July 2007—FSA official denies Walter access to his USDA loan file.** Upon first request, John Erickson—a Farm Service Agency official at the Neillsville, Wisconsin office (Clark County) denied Walter access to his loan file. But within a week or so, Erickson reneged and invited Walter to return to see his file. Walter was accompanied by a "helper." The FSA official was curious about the woman accompanying Walter. She presented her business card, identifying Sidney Perceful—retired high level official of the federal mediation service, who now consults with foreclosure-fighting farmers.

*** October 18, 2007—favorable ruling in federal court:** On October 18, federal judge John C. Shabaz, of the U.S. District Court for the Western District of Wisconsin, ruled that the Wiese's bankruptcy proceedings be set back to "pre-bankruptcy" conditions. Shabaz ruled that federal bankruptcy judge Thomas Utschig's June 6, 2007 decision to dismiss the Wiese's bankruptcy plan, yet hold the Wiese's responsible for following the dictates of that plan, was improper.

(Editor's note: How's Walter do that?? He pulled in a heavy hitter! Walter did internet research, and then contacted, completely out of the blue, a high-powered New York City lawyer—Helen Chaitman of law firm of Phillips & Nizer. After attorney Chaitman heard Walter's tales of bankruptcy woes, she agreed help out the Wieses—without charge—advising local counsel on strategies. Chaitman is a nationally recognized expert on so-called, "Lenders Liability." She has argued successfully before the U.S. Supreme Court on that subject, and publishes a newsletter of that title. Walter couldn't have pulled in a better "heavy hitter" than Helen Chaitman. The bank has appealed Shabaz' ruling and hired another law firm.)

***November 2007—Class action lawyer takes Walter and Carla as clients.** On a contingency basis, a Madison, Wisconsin attorney—Susan LaCava—has taken the Wiese's case, to represent their interests exploring possible legal recourse against the Community Bank of Central Wisconsin.

***November 2007—Non-profit group agrees to accept tax-deductible contributions for Wiese's legal costs.** In November, the long-time, Wisconsin-based farm advocacy group—the Family Farm Defenders—agreed to accept contributions for Walter and Carla's legal expenses from concerned persons. Persons wishing to help out the Wiese's legal effort to fight back may send contributions to Family Farm Defenders, P. O. Box 1772, Madison, WI 53701. (See related article, this page.) These folks need help!

***December 2007** *The Milkweed* reports Walter and Carla's story of the loss of their farm. "I'm the best d——d investigative agricultural reporter in the country and I am sick and tired of seeing farm families lose their farms," editor Pete Hardin explained to Walter when they first met. Publicity in *The Milkweed* will help spread the Wiese's bankruptcy story to more than 7000 subscribers ... as well as untold more Internet viewers.

Walter and Carla, in their despair over loss of their farm and dairy herd, have reached out for help in a variety of ways. As they struggle with very few financial resources, they're doing the best they can ... trying to get a fair review of events that cost them their assets and dignity.

Please Help Walter & Carla Wiese

The Milkweed appeals to the common decency and sense of fair play of our readers. Walter and Carla Wiese need your help to try to fight back against the bank that lifted their all their assets in bankruptcy action.

Please make a tax-deductible contribution to the non-profit farm organization that is helping out. And/or please send the Wieses a Christmas card or note with "something green" enclosed.

Let's not forget that the big surge in farm milk

prices in early 2007 pulled almost all U.S. dairy farmers out of a deep, red-ink bath. Not everybody survived the incredibly low milk prices of 2006 and early 2007. The story of these former dairy farmers—Walter and Carla Wiese—could easily be the case of thousands more dairy farmers across the U.S., if milk prices hadn't suddenly improved 2007.

Walter and Carla Wiese need your help. Look in the mirror and ask yourself how close your dairy farm was in deep financial crisis in early 2007. Are

you willing to help these folks who lost everything, except their children and their dignity to seek restitution?

Here's how you can help:

1) Send a tax-deductible check to help cover Walter and Carla's legal expenses to:

The Family Farm Defenders
C/O Wiese Legal Fund
P.O. Box 1772
Madison, WI 53701

IMPORTANT: On the memo portion of your check, write "Wiese Legal Fund," to make sure this contribution is properly credited. You will receive a receipt acknowledging your contribution to the tax-exempt organization.

2) Send Walter and Carla a "surprise" Christmas card or note with "something green" enclosed. \$10, \$20, \$50 ... whatever! Please help them. Their address is:

Walter & Carla Wiese
R682 Mount View Lane
Athens, WI 54411

As editor/publisher of *The Milkweed*, I am not in the business of regularly asking folks to do these kinds of things. But from what I've seen, and what I'm reporting on the Wiese family's struggles and loss of their farming assets, this is a special, tragic case that merits help. Thank you for your help and understanding ...

— Pete Hardin,
Editor - Publisher, *The Milkweed*



Walter and Carla Wiese and their family: left to right – Shawna (10), Carla, Brittany (14), Amber (12), Kyle (17), and Walter. The Wieses are adjusting to the lose of their farm and home, but it isn't easy as the holidays approach.

"There, but for the Grace of God, go I!"

This Special Report is on our Web site:
www.themilkweed.com
Click on the red icon
"Wiese Family Bankruptcy"