

History of the Dustin Sherwood Case

by John Bunting

In May of 2006, Dustin Sherwood of Edgerton, Missouri was featured in a *Top Producer* article titled, "King of the swap." The article depicted a young man who combined the American ideals of work ethic and intelligence. The article stated: "When it comes to equipment, the young Sherwood is looking for the quick turnaround. Last year, he says he bought and sold 150 tractors and grain trailers. In the fall of 2001, he sold 21 new hopper bottom grain trailers — his largest sales year to date." Continuing, the article said, "Sherwood buys and sells equipment relentlessly and unconventionally. He will advertise tractors on eBay, in local farm weeklies and by word of mouth. He's got contacts with major equipment manufacturers, and more often than not, a buyer will call him instead of a dealer to hunt down a piece of equipment."

Dustin Sherwood's main lender, which included operating capital, was Deere Credit of Johnston, Iowa. Deere Credit is part of John Deere of the "Nothing runs like a Deere" fame. Deere & Co. ran Dustin Sherwood up against a series of brick walls and eventually to reside in a private prison, operated by Corrections Corporation of America, where he is now incarcerated. How could these events happen? Deere Credit officials concluded, without any further due diligence, that Dustin Sherwood was selling some equipment which John Deere had collateralized. Deere Credit called all his loans, without notice, which at that point amounted to just over \$2 million. Dustin Sherwood had several times that amount in assets and no credit problems.

No one goes down to the local corner bank and borrows \$2 million on a moment's notice. Sherwood thought he had secured the necessary loans from a life insurance company. Those loans fell through after the company called Deere Credit. Unable to come up with the necessary money, Deere Credit forced Sherwood into receivership. Receivership is a state version of bankruptcy, which Deere filed and received approval for in Missouri.

Deere took all of Sherwood's crops in 2006, which amounted to \$2.1 million. Deere Credit did not allow anything to Sherwood to pay other bills and loans. Again in 2007, Deere Credit took all of Sherwood's crops. Even though the receivership was filed only in Missouri, Deere Credit harvested 1,000 acres of crops on land rented by Sherwood in Kansas.

When Deere Credit forced Dustin Sherwood into receivership, Deere hired Steve Gage of Gage's Fertilizer and Grain, Inc. (Stanberry, Missouri) to remove the grain from Sherwood's bins. Gage is listed as a grain exporter by USDA's Grain Inspection, Packers and Stockyards Administration. He knows the ins and outs of grain inspections and audits. Although the storage bins were brand-new, as were the dryers, Gage discounted the grain \$.70 per bushel. Gage did not submit any grain to the state of Missouri for quality verification. Steve Gage is also the lead partner of Northwest Implements, a local John Deere dealership to which Dustin Sherwood's internet-based tractor and farm equipment sales were a direct competitor.

Bankruptcy: no protection

In 2007, Dustin Sherwood and his wife Jennifer realized they had to file for bankruptcy if they expected to retain their farm.

Dustin Sherwood contacted many, many lawyers in the Kansas City area, who would not represent him because of some conflict with John Deere. Unfortunately, there is no standard, no *Consumers Reports*, in which to judge the quality of the lawyer one hires. The initial bankruptcy lawyer did not even file a proper plan. Dustin Sherwood terminated the relationship with the lawyer and operated *pro se* (represented himself) in the bankruptcy proceedings.

Janice Stanton, was appointed bankruptcy trustee by the court in February, 2008. By the end of February 2008, Stanton proceeded to liquidate all of Sherwood's assets. Stanton seized and auctioned farm implements from Sherwoods' farm, including implements not owned by Dustin Sherwood.

Since she had sold all of Dustin Sherwood's farm equipment, Stanton then decided to rent the farm to someone else for the 2008 growing season.

Needless to say, with no money going to other

creditors, a lineup of 32 creditors along with their lawyers was chomping at the bit for their share. The lien holders on the Sherwood's land filed for foreclosure. Bankruptcy judge Jerry W. Venters denied foreclosure and instead allowed trustee Janice Stanton to auction all of the real estate.

A note should be made about the bankruptcy trustee's share of the proceeds. For instance, Stanton would receive 2½% of the proceeds of the real estate sale. Obviously, there was a lot of money at stake for Janice Stanton to sell everything including the Sherwood's homestead. The motivation is simple: Greed.

Sherwood appealed to the court to postpone the real estate auction. Judge Venters ruled that Dustin Sherwood could come up with \$150,000 bond by the end of July 2008, he would postpone the sale.

"Threat" puts Dustin in prison

According to court documents, Dustin Sherwood, "did corruptly by threat and by a threatening communication endeavor to influence, obstruct and impede the due administration of justice in the case of In Re: Dustin R. Sherwood and Jennifer Sherwood, Debtors, No. 07-50584- JWV11 United States Bankruptcy Court, Western District of Missouri, in that defendant Dustin Ray Sherwood telephonically contacted Chapter 11 Trustee Janice E. Stanton and conveyed a threat intended to impede a court-ordered sale of defendants real estate set for August 5, 2008."

The "threat" came about after trustee Janice Stanton indicated an intention to sell Sherwood's homestead, for which Sherwood had claimed an exemption. Janice Stanton indicated she was going to show the homestead and sell it. Sherwood simply cited that Missouri law which claims it is legal to shoot trespassers. Since Janice Stanton is a "federal" bankruptcy trustee, Sherwood was charged under US code title 18, part one, chapter 73, § 1503 "Influencing or injuring officer or juror generally." The seriousness of the charge cannot be overstated. The incident which precipitated the charge was ridiculous, since Dustin Sherwood does not own a gun and has never fired a gun in his life. Perhaps Stanton "baited" Sherwood's response.

In any event, Sherwood was arrested on July 28, 2008, three days before the deadline for posting the \$150,000 bond. Obviously, one might think bail could be posted for this ridiculous charge and Dustin Sherwood could put up the \$150,000 bond and, at least for the moment, halt the further sale of his farm.

Magistrate disallows bail

The case was assigned to Magistrate Judge Robert E. Larsen. On August 4, 2008, Judge Larsen issued a 14-page Order directing that Sherwood be held in custody without bond pending trial because he was a danger to the community.

According to University of Missouri, School of Law (Judge Larsen's *alma mater*), course outline Criminal Law 1-1 taught by Judge Robert E. Larsen, titled "THE SYSTEM OF GOVERNMENT" "The burden of proof is on the government to prove that the defendant is a flight risk (preponderance of the evidence) or a danger to the community (clear and convincing evidence)." Now the burden of proof is, "Clear and convincing is somewhere between preponderance and beyond a reasonable doubt." (http://www1.law.umkc.edu/Academic/spring2008/assignments/applied_fed/SystemOfGvt.pdf)

After the sale of the property, Dustin Sherwood appealed to the court on August 11, 2008 for release on bond, pending trial. The U.S. attorney filed an unusual document with the court entitled, "suggestions." The U.S. attorney wrote, "While Sherwood's criminal charge, obstruction of justice, is not *per se* a crime of violence, the nature of the threats here, including threatening to shoot those involved in the court-approved bankruptcy sale, must be taken seriously." Notice, the court is now accepting as fact, a threat to shoot, instead of the mere quoting of Missouri law on trespassing.

Welcome to CCA

After Judge Larsen's August 4, 2008 order, Dustin Sherwood was taken to a private prison, Correction Corporation of America (CCA), facility in Leavenworth, Kansas. Now he was 200 miles away from home initially even his family was



It will take a miracle for daddy to be home for Christmas this year. Dustin Sherwood is currently held prisoner under edict of the U.S. Department of Justice. This Missouri farmer has been financially cleaned out by John Deere Credit Corp. and a wolf pack of Kansas City lawyers.

Dustin Sherwood and wife Jennifer have lost their farm and home due to what appears to be legal persecution.

denied visitation.

CCA is the largest private corrections company in the United States. CCA has 66 facilities, of which it owns 42 facilities, in 19 states and District of Columbia. In 2005, CCA spent \$3,380,000 lobbying. By 2007 CCA's gross revenue had increased 24% to \$1.5 billion.

CCA benefits from an officially sanctioned commitment to lock up our own. The United States has the highest prison population rate in the world, some 738 per 100,000 of the population. CCA takes more than 80,000 and turns a handsome profit — certainly not by caring more. Net income increased 13.8% to \$37.9 million from \$33.3 million for CCA in the third quarter of 2008. Financial data indicates 11.67% return on average equity. My goodness, how the money rolls in.

On September 5, 2008 Dr. Tahir Rahman rendered his expert opinion, "it is my opinion to a reasonable degree of medical certainty that Mr. Sherwood does **not** pose a present or future threat to the community." This made no difference to the judge. Dustin Sherwood remains in prison.

Trustee after wife's wedding ring, kids' ponies

Meanwhile, Janice Stanton, federal bankruptcy trustee has not gotten enough from the Sherwoods. The Sherwoods have three children and Janice Stanton is going after their ponies. Janice Stanton is going after the children's savings accounts. Janice Stanton is going after Jennifer Sherwood's jewelry, including her wedding ring.

It is hard to believe that such events can happen America. It is hard to know when this nightmare will end for the Sherwood's. One thing for certain, John Deere and Deere Credit bear full responsibility for needlessly bringing down this catastrophe upon the Sherwood heads.

Give John Deere Some Buckshot for Dustin!

Help make sure John Deere's top employee knows about what his company has done to the Sherwood family. Contact Robert W. Lane — Deere's board chairman and CEO — using the information below.

John Deere Contact Information:

John Deere may be contacted at:
https://secured.deere.com/en_US/deerecom/httpscontent/generalfeedback.html

Robert W. Lane, Chairman of the Board, President, CEO

One John Deere Place
Moline, IL 61265

Phone: 309-765-8000

Dustin Sherwood Legal Update: More Indictments

On August 4, 2008, federal magistrate judge Robert E. Larsen issued a 14-page Order directing that Dustin Sherwood be held in custody without bond pending trial because he was alleged to be a danger to the community. Dustin Sherwood has been held in a privately-operated prison since that time.

Recently, Congressman Dennis Kucinich (D-OH) – chairman of the House Government Oversight Committee – has been investigating several agricultural credit cases, including the Sherwood case.

Congressman Kucinich has been in contact with the office of Michael B. Mukasey U.S. Attorney General. On December 3, 2008 Congressman Kucinich wrote the Attorney General saying, “I write to inform you that I have requested assistance of the Federal Mediation and Conciliation Service (FMCS) as a neutral third party to facilitate interest-based problem solving between the Farm Service Agency (FSA) of the United States Department of Agriculture (USDA) and farmers who’ve experienced loan default, foreclosure or bankruptcy. FMCS has indicated preliminary interest and is currently evaluating the request.”

Although, John Deere initiated the whole process by forcing Dustin into receivership, FSA has become involved by way of CCC loan guarantees. The CCC loans became a problem because Deere hired Steve Gage, the main partner in a local John Deere dealership, to haul off the stored crops without resolving the CCC loan.

Congressman Kucinich’s December 3, 2008 letter requested suspension of any further action relating to these cases – including Sherwood’s – until the FMCS has made determinations.

Oddly enough, on the same date as Kucinich’s

letter — December 3, 2008 — Dustin Sherwood was hauled before a federal grand jury and indicted on eight criminal charges. Notice this is four months *after* Judge Larson sent Dustin Sherwood to a privately-operated hellhole where Sherwood has lost 40 pounds. The federal government and the court system seemed perfectly happy to let Dustin Sherwood rot in prison, until there was a possibility that the Federal Mediation and Conciliation Service might become involved.

So then the U.S. Attorneys fast-fried a brand new set of charges at Dustin Sherwood.

The public affairs officer of U.S. Attorney’s Office, Western District of Missouri, e-mailed out copies of the office’s press release on the new, rushed indictments of Sherwood. There seems to be something more than a mere strange coincidence to the same-day timing of those new indictments and Kucinich’s letter.

The set of new charges is very odd. However, one false charge has repeatedly advanced by the U.S. Attorney, “Sherwood allegedly told an employee of the trustee’s office that he would shoot anyone who came upon his property.” Dustin Sherwood quoted Missouri law, which states it is legal to shoot trespassers. Furthermore, Dustin Sherwood does not own a gun, nor has he ever fired a gun in his life, according to his family.

A U.S. Department of Justice document on grand juries says, “In dealing with the grand jury, the prosecutor must always conduct himself or herself as an officer of the court whose function is to ensure that justice is done and that guilt shall not escape nor innocence suffer.” The prosecutor is cautioned regarding “protection of the citizenry from unfounded criminal charges.”

Since the accused cannot present his case to the grand jury, the grand jury is pretty much a one-sided tool of the prosecutor.

Reasonable people might conclude the timing of the indictment might be intended to put off involvement of the FMCS, since that organization is less likely to step in where massive criminal charges are involved.

As things stand, Dustin Sherwood was arraigned and pleaded NOT GUILTY on December 8, 2008. Sherwood’s trial is set for January 7, 2009. Going to trial will allow “discovery” and examination of witnesses under oath.

Hopefully justice will prevail and Dustin Sherwood will be restored to his rightful place with his family and community.

Send Some Holiday “Green” to Dustin & Jennifer Sherwood

Dustin Sherwood’s lost the farm, he’s in prison, facing a criminal trial in early January. The bankruptcy trustee is trying to grab Jennifer’s wedding ring and the kids’ ponies. These folks have lost everything except their stubborn conviction that these things should not happen in America and that they’re innocent.

Please send something “green” to Dustin and Jennifer, in care of Dustin’s dad at:

Gordon Sherwood
P. O. Box 146
Edgerton, Missouri 64444