

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF IOWA**

In Re:)	
)	CHAPTER 7
THOUSAND ADVENTURES, INC.,)	NO: 97-03618
)	
Debtor.)	

**MOTION TO SELL REAL PROPERTY
FREE AND CLEAR OF LIENS**

COMES NOW, Eric W. Lam, Chapter 7 Trustee, by and through his counsel, and in support of this motion respectfully states:

1. On or about August 5, 1997, an involuntary bankruptcy petition was filed against the debtor Thousand Adventures, Inc.
2. On or about February 4, 1998, this Court entered and enrolled an Order granting the involuntary Petition and further converting the case to one under Chapter 7. On or about the same day, the Office of the United States Trustee appointed Eric W. Lam to serve as Chapter 7 Trustee.
3. The debtor was engaged in the business of selling campground memberships. The major asset of the debtor consisted of membership dues as well as various installment contracts or similar financing device due from various members. To partially finance its operations, the debtor purportedly pledged some or all of the membership dues and/or installment contract or similar receivables to various lenders, including but not limited to Princeton Capital ("Princap").
4. After the entry of the February 4, 1998 order granting Chapter 7 relief, if not before, the debtor practically ceased all operation. Indeed, at or about the time of entry of the order for relief, the debtor corporate entity was left with only one nominal officer by the name of Steve Alleman. Sometime either before or shortly after the filing of the original involuntary Chapter 7 Petition, most of the debtor's financial records were seized by the Internal Revenue Service. The debtor's original corporate headquarters was located near Omaha, Nebraska. The Trustee's counsel spent

time and incurred expenses in reviewing the debtor's records located in the Internal Revenue Service Office in Omaha, as well as the debtor's then corporate headquarters. Eventually, the estate incurred expenses and moved most of the remaining records from Nebraska to a storage facility in Fort Madison, Iowa. The estate is continuing to incur expenses in keeping those records.

5. The Trustee has also engaged counsel locally as well as in Chicago, in an attempt to analyze the debtor's financial records with a view toward attempting to reconstruct the debtor's financial operations as well as in an attempt to evaluate the possibility of bringing fraudulent conveyance or similar actions, pursuant to 11 U.S.C. §§ 544, 547, and 548 as well as other applicable state and federal law, with a view toward recovering assets and properties for the benefit of the debtor's former members, who are creditors of this estate and who are entitled to a priority claim pursuant to 11 U.S.C. §507(a)(6), in the amount of approximately \$1,950.00 for each member.
6. The debtor's operation was conducted such that the debtor, as corporate parent, held the stock in various subsidiaries. Each subsidiary was formed in a state in which the debtor conducted business. The subsidiaries were formed so as to enable the acquisition of real estate upon which campgrounds were located. These real estate purchases, under applicable state law, were required to be titled in a domestic company, such that the debtor, being a Nebraska corporation, likely would not have been able to hold title.
7. One such subsidiary is an entity by the name of Falconhead Development Corporation ("Falconhead"), located in the Red River area in southern Oklahoma. Falconhead owns several hundred acres of partially developed real estate. The trustee has been advised, that at one time the Falconhead real estate was worth at least two million dollars, perhaps as much as three million dollars. The trustee has not been able to confirm that value. Several liens have attached against the real estate. In addition, title to the real estate is extremely complex. For example, there are at least several hundred holders of Undivided Interest ("UDIs") that would render the marketability of the property extremely difficult. In the above captioned adversary proceeding #99-99178, the trustee has sought to have the corporate

identity of Falconhead ignored and to have authority to sell the Oklahoma property free and clear of claims and liens, with liens, with claims and liens attached to the net proceeds in the priority and amount to be determined by the court.

8. The Trustee has hired counsel in Oklahoma, who is conversant with operation of Oklahoma law. In addition, the Trustee has engaged a realtor familiar with sale of Oklahoma real estate.
9. As the result of the Trustee's and counsel's and realtor's endeavors an Offer to purchase has been negotiated with a purchaser, who will pay approximately \$1,200,000.00 for the property. Attached to this motion as Exhibit 1 is a copy of the agreement the trustee's Oklahoma Counsel has prepared in furtherance of the Trustee's acceptance of that offer of \$1,200,000.00 subject to court approval. That agreement is by this reference incorporate herein as if set forth verbatim.
10. Simultaneously herewith, the Trustee has filed a renewed Motion to Approve Compromise, and the motion is by this reference incorporated herein as if set forth verbatim.
11. The trustee seeks authority from this Court to enable the Trustee and the estate to consummate the sale as described is attached Exhibit 1. The Trustee seeks the authority to take any needed action in Oklahoma to clear any title objections and to give appropriate notice of the sale to the undivided interest holders, or other parties who may claim an interest I the property. The consummated sale will ultimately result in cash available to the estate. The cash would be available for the Trustee and the estate to pay ongoing administrative expenses as well as, potentially, some of the claims of some of some of the lien claimants, the UDIs, as well as partially the priority claims of the several members of the debtor pursuant to 11 U.S.C.§507(a)(6).
12. The sale sought to be approved in this motion is in the best interests of the estate. This is so because it will result in likely the only substantial amount of cash that would allow the Trustee and the estate to pay ongoing administrative claims as well as the claims of the several creditors as outlined herein.

WHEREFORE, Chapter 7 Trustee, Eric W. Lam respectfully requests that this Court, on such notice and hearing as it may direct, enter and enroll an order authorizing and directing the Trustee and the estate to do everything reasonably necessary to consummate the sale described in attached Exhibit 1, including but not limited to the execution of any and all deeds and similar documents, and for such other relief as may be just and proper under premises

ELDERKIN & PIRNIE, P.L.C.

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