

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re

UNITED PRODUCERS, INC.

Debtor and Debtor-in-Possession

Case No. 05-55272

Jointly Administered

Chapter 11

Judge: Charles M. Caldwell

**MOTION OF DEBTOR AND DEBTOR-IN-POSSESSION FOR EXPEDITED HEARING
ON MOTION OF UNITED PRODUCERS, INC. FOR AN ORDER AUTHORIZING (1)
THE SALE OF CERTAIN REAL PROPERTY FREE AND CLEAR OF INTERESTS,
LIENS, CLAIMS AND ENCUMBRANCES PURSUANT TO § 363(b) AND (f) OF THE
BANKRUPTCY CODE; AND (2) THE LEASEBACK OF SAID REAL PROPERTY
PURSUANT TO A CERTAIN LEASE AGREEMENT**

United Producers, Inc. (“UPI”), a debtor and debtor in possession in the above-entitled Chapter 11 cases (“Debtor”), requests pursuant to L.B.R. 9073-1 that this Court schedule an expedited hearing on **MOTION OF UNITED PRODUCERS, INC. FOR AN ORDER AUTHORIZING (1) THE SALE OF CERTAIN REAL PROPERTY FREE AND CLEAR OF INTERESTS, LIENS, CLAIMS AND ENCUMBRANCES PURSUANT TO §363(b) AND (f) OF THE BANKRUPTCY CODE; AND (2) THE LEASEBACK OF SAID REAL PROPERTY PURSUANT TO A LEASE AGREEMENT** (the “Motion”). Debtor requests that the hearing on the Motion be scheduled for July 27, 2005 at 10:00 a.m. (Fourth Omnibus Hearing Date). The Motion is supported by the grounds set forth in the attached Memorandum of Points and Authorities.

Dated: July 12, 2005

Respectfully submitted,

/s/Reginald W. Jackson

Reginald W. Jackson

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Proposed Attorneys for Debtor-in-Possession

MEMORANDUM OF POINTS AND AUTHORITIES

1. United Producers, Inc. (“UPI”) and Producers Credit Corporation (“PCC”), debtors and debtors in possession in the above-entitled Chapter 11 cases (“Debtors”), filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on April 1, 2005 (the “Petition Date”). Debtors continue to operate their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. An Official Unsecured Creditors Committee has not been appointed. Debtor requests that the Court set an expedited hearing on the above entitled Motion. The Motion is described in detail below.

2. UPI is an agricultural cooperative organization owned by farmers and ranchers located primarily in the Midwest. UPI offers a full range of services including livestock marketing, risk management, and production management services. An extensive offering of loans and related products are offered through its wholly owned subsidiary, Producers Credit Corporation. UPI is governed by a 16 member board of directors, with each member representing a region of the cooperative.

3. The Debtors operate on a massive scale. UPI processes transactions of between \$800 million and \$1 billion per year, which involves processing 25,000 to 30,000 checks per month. Between 40,000 and 70,000 farmers do business with UPI at least once a year in transactions ranging from sales of partial herds to an entire herd representing an entire year of work. PCC has a loan portfolio of approximately \$70 million.

4. UPI's primary business is the marketing and sale of livestock. To that end, UPI maintains a number of facilities that are used as collection points where producers may deliver their livestock to UPI for further marketing and sale to packers. In addition, UPI operates several auction facilities where producers may include their livestock in a UPI managed auction. UPI is paid a fee when livestock is marketed on behalf of producers after tender at a collection facility and in exchange for livestock being included in a UPI managed auction.

5. UPI owns certain improved real estate commonly referred to as 5909 Cleveland Avenue, Columbus, OH and 2403 Hampsted Dr., Columbus, OH (collectively, the "Property"). The Property (the addresses are contiguous) serves as the headquarters for Debtors' business operations.

6. The Property was appraised at a value of \$765,000 by an appraisal dated January 7, 2005. Despite the appraised value, the value at which the Property is carried on UPI's books is \$276,000. As such, there is significant equity in the Property.

7. The Property is pledged to CoBank ACB, Debtors' primary secured creditor. Debtors desire to realize on the value of the Property by selling the Property and applying the net proceeds to their outstanding obligations to CoBank.

8. UPI has identified a purchaser willing to pay the appraised value for the Property. Further, UPI has negotiated a lease with the proposed purchaser that will allow Debtors to continue to occupy the Property for 3 years with an option for an additional 3 years.

9. The contract for the purchase of the Property requires that closing occur on or before August 13, 2005, in order to meet certain tax and other requirements imposed by the purchaser. Accordingly, expedited consideration of the Motion is requested to insure that UPI will have sufficient time to obtain Court approval, close the sale of the Property and enter the lease. Accordingly, it is essential that the matter be considered by the Court at the earliest opportunity.

10 Debtors will serve the Motion by hand delivery upon the Office of the United States Trustee.

11. In addition, Debtor will provide facsimile, e-mail or overnight mail notice of the Motion as well as the date and time of the expedited hearing on the Motion to the Core Service List and the parties that may assert liens upon the Property. Debtor notes that such parties will have almost fifteen (15) days to respond to the Motion if expedited consideration is granted as requested herein.

12. Attached hereto is a copy of a proposed Order pursuant to which, if approved by the Court will schedule an expedited hearing on the Motion.

13. At the hearing on the Motion, Debtor will be prepared to submit evidence in support of the Motion.

WHEREFORE, Debtor respectfully requests that this Court enter an Order authorizing the Motion to be heard at the July 27, 2005, 10:00 a.m. omnibus hearing.

Dated: July 12, 2005

Respectfully submitted,

/s/ Reginald W. Jackson
Reginald W. Jackson
VORYS, SATER, SEYMOUR AND PEASE LLP
52 East Gay Street (P.O. Box 1008)
Columbus, Ohio 43215 (43216-1008)
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E-Mail: rwjackson@vssp.com
Proposed Attorneys for Debtor-in-Possession

CERTIFICATE OF SERVICE

On this the 12th day of July, 2005, the above and foregoing was served upon Core Service List # 4 and the following potential lienholders not included on the Core Service List #4, by first class mail, postage prepaid.

The Huntington National Bank
Dept: EA4W92
7 Easton Oval
Columbus, OH 43219

Loren E. Eckert and Mary A. Eckert
c/o David A. Domina
2424 South 114th Street
Omaha, NE 68144

/s/ Reginald W. Jackson
Reginald W. Jackson

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF OHIO**

In re

UNITED PRODUCERS, INC.

Debtor and Debtor-in-Possession

Case No. 05-55272

Jointly Administered

Chapter 11

Judge: Charles M. Caldwell

ORDER GRANTING EXPEDITED HEARING

The Court, being first duly advised, hereby determines that the Debtor's Motion For Expedited Hearing On motion for an order authorizing the sale of certain real property free and clear of interests, liens, claims and encumbrances pursuant to §363(b) and(f) and the leaseback of said real property (the "Motion") is meritorious and it is hereby granted. The Court hereby sets an expedited hearing on July 27, 2005 at 10:00 a.m. in Courtroom B, U.S. Bankruptcy Court, 170 North High Street, Columbus, Ohio 43215.

Debtors shall notify the Core Service List and all potential lien holders affected by the Motion by facsimile, e-mail or by overnight mail by July 13, 2005 of the date and time of this hearing.

Any objection to the Motion shall be filed on or before 4:00 p.m. July 25, 2005.

IT IS SO ORDERED.

cc: Core Service List and the following potential lienholders not included on the Core Service List

The Huntington National Bank
Dept: EA4W92
7 Easton Oval
Columbus, OH 43219

Loren E. Eckert and Mary A. Eckert
c/o David A. Domina
2424 South 114th Street
Omaha, NE 68144

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EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF OHIO**

In re

UNITED PRODUCERS, INC.

Debtor and Debtor-in-Possession

Case No. 05-55272

Jointly Administered

Chapter 11

Judge: Charles M. Caldwell

**NOTICE OF MOTION OF UNITED PRODUCERS, INC. FOR AN ORDER
AUTHORIZING (1) THE SALE OF CERTAIN REAL PROPERTY FREE AND CLEAR
OF INTERESTS, LIENS, CLAIMS AND ENCUMBRANCES PURSUANT TO § 363(b)
AND (f) OF THE BANKRUPTCY CODE; AND (2) THE LEASEBACK OF SAID REAL
PROPERTY PURSUANT TO A CERTAIN LEASE AGREEMENT**

To: All entities on the Core Service List #4 (as of July 6, 2005), and potential lienholders, by first class mail, postage prepaid.

NOTICE: United Producers, Inc. ("UPI") has filed papers with the court seeking an Order authorizing the sale of certain real property free and clear of interests, claims and encumbrances pursuant to §363(b) and (f) and the leaseback of said real property to Debtor ("Motion").

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have any attorney, you may wish to consult one).

If you do not want the court to grant the Motion, or if you want the court to consider your views on the Application, then on or before July 25, 2005 at 4:00 p.m. you or your attorney must:

**Electronically file a written response in the above
captioned case on or before 4:00 p.m. on July 25, 2005.**

You must also mail or e-mail a copy to:

Reginald W. Jackson, Esq.
52 East Gay Street
Columbus, Ohio 43215
E-Mail: rwjackson@vssp.com

Attend the hearing scheduled to be held on July 27, 2005, at 10:00 a.m. in Courtroom B, United States Bankruptcy Court, 170 North High Street, Columbus, Ohio 43215.

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief.

Dated: July 13, 2005

Respectfully submitted,

/s/Reginald W. Jackson
Reginald W. Jackson, Esq. (Oh- 0022885)
VORYS, SATER, SEYMOUR AND PEASE LLP
52 East Gay Street (P.O. Box 1008)
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