

1997-98 SESSION
COMMITTEE HEARING
RECORDS

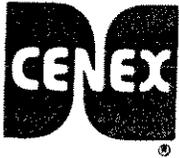
Committee Name:

Senate Committee on
Agriculture and
Environmental
Resources
(SC-AER)

Sample:

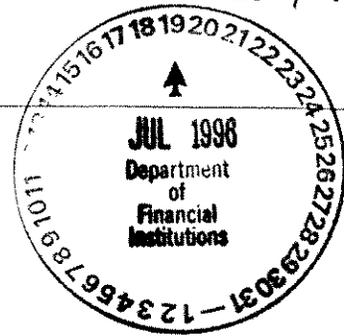
- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

- Appointments ... Appt
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- Clearinghouse Rules ... CRule
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- Committee Hearings ... CH
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- Committee Reports ... CR
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- Executive Sessions ... ES
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- Hearing Records ... HR
- 97hr_ab0329_pt04
- Miscellaneous ... Misc
-
- Record of Comm. Proceedings ... RCP
-



Columbus-Fall River Co-op Oil Co.

501 Park Ave. • P.O. Box 164
Columbus, Wisconsin 53925
414/623-3260



July 16, 1996

Office of Commissioner of Banking
101 East Wilson Street
5th Floor
PO Box 7876
Madison, WI 53707-7876

Re: OCB File 77850

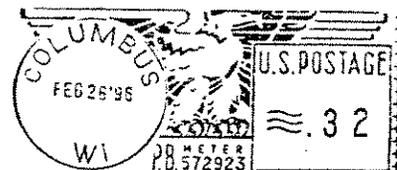
This is in response to your letters dated April 4, 1996 and May 28, 1996. On April 15, 1996 our Attorney, Fredric Lueders, contacted your office and spoke to Philip C. Rozga. At that time Mr. Rozga stated that minor changes needed to be made to our Credit Agreement and only for subsequent customers. We were not made aware that we would need to respond further to your original letter.

Please advise if this is not accurate.

Sincerely,

Joan Smith

Columbus Fall River Co-op Co.
501 Park Avenue
P.O. Box 164
Columbus, WI 53925



DATED MATERIAL
OPEN IMMEDIATELY

WILLIAM C LARSON
N4483 HWY DG
FALL RIVER WI 53932

PLEASE READ!

If you do not wish to apply for credit
please disregard this mailing.

Please remember that credit is extended any time products or
services are not paid for at the time of delivery or receipt.



Columbus-Fall River Co-op Oil Co.

501 Park Ave. • P.O. Box 164
Columbus, Wisconsin 53925
414/623-3260

FEBRUARY 26, 1996

DEAR CUSTOMER:

WE ARE WRITING TO ASK YOUR COOPERATION ON A VERY DELICATE, BUT VERY IMPORTANT SUBJECT. AS YOU ARE AWARE, OUR COOPERATIVE HAS FOR MANY YEARS OFFERED OPEN-END CREDIT AS A CONVENIENCE TO OUR PATRONS. THIS "CONVENIENCE CREDIT" PROGRAM WAS ESTABLISHED SO THAT CUSTOMERS WOULDNT NEED TO BE PRESENT OR NEED TO BRING CASH OR A CHECK EVERYTIME THEY PURCHASED MERCHANDISE OR HAD IT DELIVERED TO THEIR HOME OR FARM. BECAUSE OF THE INTEGRITY AND CONSCIENTIOUSNESS OF MOST OF OUR CUSTOMERS, THIS PROGRAM HAS WORKED WELL, IN MOST CASES.

WE CANNOT LOSE SIGHT HOWEVER, DESPITE OUR SUCCESS OF THE PAST, THAT CONDITIONS HAVE CHANGED. GOOD CREDIT MANAGEMENT HAS BECOME ONE OF THE MOST CRITICAL AREAS OF CONCERN FOR BOTH THE BOARD AND MANAGEMENT. AFTER ALL, THE FUNDS USED TO FINANCE ACCOUNTS RECEIVABLE BELONGS TO OUR MEMBERS, WHO HAVE ENTRUSTED US TO MANAGE THEM PROPERLY.

WITH THIS IN MIND, THE BOARD OF DIRECTORS HAS FOUND IT NECESSARY AT THIS TIME TO APPROVE A NEW CREDIT POLICY THAT ADDRESSES ALL ASPECTS OF THE CREDIT AND COLLECTION PROCESS. IN DOING THIS, WE HAVE TRIED VERY HARD TO BALANCE YOUR NEEDS, AS AN INDIVIDUAL PATRON, WITH THE RISKS THAT THE COOPERATIVE IS FINANCIALLY ABLE TO SUBJECT ITSELF TO, AND STILL REMAIN FAIR TO ALL PATRONS.

WE REALIZE THAT THIS IS QUITE A CHANGE FROM OUR PREVIOUS PRACTICES, BUT WE ARE CONFIDENT THAT OUR CUSTOMERS, ESPECIALLY THOSE WHO HAVE ALWAYS PAID WITHIN THE TERMS OF OUR CREDIT POLICY IN THE PAST, WILL REALIZE THAT THIS IS A NECESSARY ATTEMPT TO PROTECT THEIR INVESTMENT IN OUR COOPERATIVE.

THE NEW CREDIT POLICY WILL BECOME EFFECTIVE ON APRIL 1, 1996. BEFORE THAT DATE, YOU MUST SIGN THE ATTACHED CREDIT EXTENSION AGREEMENT AND RETURN IT TO OUR OFFICE. YOU WILL AUTOMATICALLY BE PLACED ON C.O.D. ON APRIL 1, 1996 IF YOUR SIGNED AGREEMENT HAS NOT BEEN RECEIVED BY THEN. UPON RECEIVING YOUR SIGNED AGREEMENT AND APPROVING YOU FOR CONVENIENCE CREDIT, THE MANAGER WILL RETURN A COUNTERSIGNED COPY OF THE AGREEMENT TO YOU FOR YOUR RECORDS. IF CREDIT IS NOT APPROVED FOR YOU, YOU WILL RECEIVE A LETTER STATING THE REASONS WHY YOU DO NOT QUALIFY.

THANK YOU IN ADVANCE FOR YOUR COOPERATION.

COOPERATIVELY YOURS,

BOARD OF DIRECTORS

CREDIT EXTENSION AGREEMENT

The Columbus Fall River Co-op Oil Co., "The Coop", and _____, "The Patron", hereby agree that, from and after this date, the following terms and conditions shall govern the parties credit arrangement for the purchase of merchandise and services from "The Coop" on an open-end credit account.

1. The Patron will be expected to pay for all charges made to his account during any calendar month by no later than the 15th day of the following month. There will be no finance charge imposed on accounts fully paid by that date. The Coop will provide The Patron with a monthly statement reflecting all activity in the account, however, The Patron is responsible for timely payment notwithstanding failure to receive a statement.
2. For any amounts remaining unpaid after the 15th day of the month following their being charged, a finance charge of 1.5% per month (18% per annum) shall be added to the amount due. Said finance charges will apply to the balance of the account relating to charges made by the last day of the preceding month, minus any credits or payments.
3. When any account is over 30 days in arrears, The Coop shall place The Patron's account on a Cash On Delivery basis if The Patron desires to make additional purchases. The Coop will not hold any checks nor will it allow post dated checks.
4. The Coop may place a maximum charge limit on the account upon supplying The Patron with written notice of such.
5. The Patron acknowledges that The Coop retains a security interest in The Patron's individual patron equities and right of set-off, as provided in the Corporate By-Laws.
6. This Agreement shall also encompass any charges for which patron does not sign a sales invoice.
7. Nothing herein shall be deemed a waiver by The Coop of its rights to take legal action to collect amounts due from The Patron on The Patron's account.

THIS CREDIT EXTENSION AGREEMENT HAS BEEN READ IN FULL BY BOTH PARTIES AND ALL TERMS ARE UNDERSTOOD BY BOTH PARTIES. THE PATRON ACKNOWLEDGES RECEIPT OF A COPY OF SAME AND UNDERSTAND THAT THE COOP WILL KEEP A SIGNED COPY OF THE AGREEMENT IN THE ACCOUNT FILE.

Signed this ____ day of _____, 19 ____

The Patron

Accepted:

Co-Borrower

By: _____

2/16/98

WCA File Summary

9:01 am

INDEX#: 96115
RESPONDENT: Marathon Implement Company Inc

Page 1

PO BOX:
STREET: 3301 Highway WW
CITY: Wausau STATE: WI ZIP: 54401

| | | | | | |
|-----------|-----|-------------|---------|----------|----------|
| WCA: | Y | TYPE: | 100 | LOGGED: | 9/18/97 |
| C/I/V: | I | ISSUE: | 208 240 | WRITTEN: | 9/19/97 |
| EXAMINER: | AMS | RESOLUTION: | 300 | CLOSED: | 11/14/97 |
| | | REFUND: | | | |

SUMMARY: 96115 C complained that he did not read the contract before signing it and that there were multiple agreements for the same transaction. R said the second agreement took place of the first. Wrote C explaining this and that he is responsible for reading contracts before signing them.



96115

State of Wisconsin
Department of Financial Institutions

Tommy G. Thompson, **Governor**

Richard L. Dean, **Secretary**

November 14, 1997

Mr. Larry Thompson
W14448 Copenhauer Avenue
Stanley, WI 54768

Dear Mr. Thompson:

I have contacted Marathon Implement Company on your behalf regarding your complaint against them. Enclosed is a copy of their response.

According to Marathon, the second contract you signed was to take place of the first. They will be sending you the voided original of the first contract. In addition, Marathon denies that their representative failed to let you read the entire note before signing. Please note that you are responsible for reading any contract you sign and if the representative of a company makes that difficult for you, you have the option of refusing to sign the contract.

The details of your complaint do not presently warrant enforcement action within any of the remedies available to this agency, therefore we are closing your file at this time. However, your complaint has been recorded for future reference. Should subsequent complaints or evidence indicate a pattern of illicit conduct by the company named above, your complaint will again be considered in determining appropriate action.

This disposition does not reflect upon the validity of any private claims you may have. Many valid private claims do not fall within the existing enforcement capabilities of this agency. We cannot provide legal advice or represent you in private litigation. Therefore, if you feel it is worthwhile to pursue this matter, we suggest you consider contacting a private attorney to advise you further. Also, the Clerk of your county small claims court can provide you with information on how to commence a private civil action for claims not exceeding \$4,000.

If you have any further questions, please feel free to contact me at the address below.

Sincerely,

Amy M. Schoepke, Law Clerk
Wisconsin Consumer Act Section



MARATHON IMPLEMENT COMPANY, INC.

3301 Hwy WW
Wausau, WI 54455

Amy M. Schoepke
Law Clerk
State of Wisconsin
Wisconsin Consumer Act Section
PO Box 7846
Madison WI 53707-7846

Re: **Thompson complaint**
File # 96115

Dear Ms Schoepke,

I am writing this letter in response to the complaint made by the Thompson's against our company.

In regard to the first complaint that one of our employees prevented the Thompsons from reading all of the agreements, we deny this charge. We have nothing to hide in our written agreements and prefer that our customers read them thoroughly.

The second complaint states that the Thompsons were asked to sign more than one note for one sales transaction. This is a true statement. What happened was that the Thompsons purchased a used machine from us. When we delivered it they signed the first note as we all agreed. The machine then broke down and all parties agreed to have us fix the machine and then redo a new note with the amount of the repairs added to the new note. The second note was to replace the first note and was not in addition to the first note. These notes are not done by us but rather First Star Bank. First Star considered the first note void when they issued the second note. First Star never funded the first note.

I hope this answers your questions.

Sincerely,



Jim Swiderski, President
Marathon Implement Company, Inc.



State of Wisconsin
Department of Financial Institutions

Tommy G. Thompson, Governor

Richard L. Dean, Secretary

October 10, 1997

Mr. Sylvester Krautkramer
General Manager
Marathon Implement Company, Inc.
3301 Hwy WW
Wausau, WI 54401

Re: Thompson complaint
File # 96115

Dear Mr. Krautkramer,

This Department has received a complaint against your company from Allen and Larry Thompson of Stanley, Wisconsin. Enclosed please find a copy of the complaint.

According to Allen and Larry Thompson, your company, by its agents and employees, did not make the disclosures required by the Wisconsin Consumer Act before Mr. Thompson signed the papers. According to Mr. Thompson, he was prevented by an agent or employee of your company from reading all of the terms of the agreements he was signing with respect to the June 16, 1997, sale. If confirmed, this type of action would be a violation of sec. 422.302(2), Wis. Stats. In addition, it is my understanding from the Thompsons' letter that they were asked to sign more than one note evidencing their obligation on one sales transaction with your company. If confirmed, this type of action would be a violation of sec. 422.303(1), Wis. Stats. I would appreciate it if you would look into this matter and forward to my attention any information you may have which responds to the Thompsons' concerns.

Your cooperation in this matter is greatly appreciated. I will expect your reply by October 31, 1997. Thank you.

Sincerely,


Amy M. Schoepke, Law Clerk
Wisconsin Consumer Act Section



WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION
 Trade & Consumer Protection Division
 TOLL-FREE 1-800-422-7128



CONSU Bureau of Consumer Protection
 Northwest Regional Office
 MAIL TO: 3610 Oakwood Hills Pkwy
 Eau Claire, WI 54701-7754

IRE

WDATCP
 AUG 20 1997
 NORTHWEST REGIONAL OFFICE
 TRADE AND CONSUMER PROTECTION

| | | | | | |
|--------------------------------------|--|----------------------------|--------------------------------------|--------------|-------------------|
| YOUR NAME ALLEN OR LARRY THOMPSON | | HOME PHONE 715-644-2442 | DAYTIME PHONE NUMBER 715-644-2442 | | |
| ADDRESS N14448 COPENHAVER AVE | | CITY STANLEY | COUNTY CLARK | STATE WIS | ZIP CODE 54768 |

| | | | | | |
|---|--|----------------|--------------------|----------------------------------|-------------------|
| NAME OF PERSON OR COMPANY YOU WISH TO REPORT MARATHON IMP CO INC | | | | TELEPHONE NUMBER 715-675-2391 | |
| ADDRESS 3301 Hwy ww | | CITY WAUSAU | COUNTY MARATHON | STATE WIS | ZIP CODE 54401 |

| | |
|------------------------------------|---|
| DATE OF TRANSACTION JULY 1 1997 | DID YOU SIGN CONTRACT OR LEASE? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |
|------------------------------------|---|

| | |
|---|----------------------------------|
| NAME OF PERSON YOU DEALT WITH RODNEY NIEMTH ? SALESMAN | TO WHOM? R. NIEMTH - SALESMAN |
|---|----------------------------------|

| | | |
|---|---|-------|
| DATE YOU COMPLAINED TO COMPANY JULY 7 1997 | WITH WHAT OTHER AGENCY HAVE YOU FILED THIS COMPLAINT? | WHEN? |
|---|---|-------|

| | |
|---------------------|--------|
| IF ADVERTISED, DATE | WHERE? |
|---------------------|--------|

RECEIPT, CONTRACT, OR POLICY NUMBER

ATTACH PHOTOCOPIES OF ANY CONTRACTS, DOCUMENTS, CANCELLED CHECKS, INVOLVED IN THIS COMPLAINT.

STATE THE REASON FOR YOUR COMPLAINT:

I believe we have dealt in good faith as noted in my 6 page statement. I would say marathon imp take the describe and we get our Bale wagner Back and be the end of the deal.

(IF ADDITIONAL SPACE IS NEEDED, USE REVERSE SIDE)

WHAT DO YOU WANT THE COMPANY TO DO?

The information you provide may be used in efforts to resolve the problem and/or to enforce applicable laws and may also be shared with the party complained against. Under Wisconsin's Open Records Law, this complaint will be available for review on request from a member of the public after agency action is completed.

The information I have given is true, accurate, and complete to the best of my knowledge.

| | |
|--|---------------------|
| SIGNATURE Larry Thompson Allen Thompson | DATE aug 19 1997 |
|--|---------------------|

AGRICULTURAL UNIVERSAL NOTE (For Consumer or Business Agricultural Transactions)

Boxes not checked are inapplicable.

ALLAN L. THOMPSON JUN 16, 1997 \$ 4,875.00

The undersigned (Maker, whether one or more) promises to pay to the order of Firststar Bank Wisconsin, Lender at One S Pinckney Street, Madison, WI Wisconsin, the sum of \$ 4,875.00

- (Check (a), (b), (c), (d) or (e); only one shall apply.) (a) In one payment on n/a (b) in 23 equal installments of \$ 154.00 due on AUGUST 25, 1997 and on the same day(s) of each succeeding month thereafter every 7th day thereafter every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on JULY 25, 1999, all subject to modification as set forth in (g) below, if applicable. All payments include principal and interest. (c) in n/a equal installments of principal of \$ n/a due on n/a and on the same day(s) of each n/a month thereafter every 7th day thereafter every 14th day thereafter, PLUS a final payment of unpaid principal due on n/a, PLUS interest payable as set forth below. (d) in not more than n/a installments, including interest, due on the n/a day(s) of every month, beginning n/a, each of which shall be n/a % of the Maker's gross milk n/a sales during the payment period, but not less than \$ n/a (except final installment shall be balance due). (e) n/a

If the amount of interest is not shown on line 4 below, this Note bears interest on the unpaid principal balance before maturity:

- (Check (f) or (g) or complete line 4 below; only one shall apply.) (f) At the rate of 8.250 % per year. (g) At the annual rate which is equal to the following Index Rate, plus n/a percentage points ("Note Rate"), and the Note Rate shall be adjusted as provided below. The Index Rate is: The prime rate The reference rate The base rate adopted by n/a from time to time as its base or reference rate for interest rate determinations. The Index Rate may or may not be the lowest rate charged by Lender. n/a

The initial Note Rate is n/a % per year. An adjustment in the Note Rate will result in an increase or decrease in (1) the amount of each payment of interest, (2) the amount of the final payment, (3) the number of scheduled periodic payments sufficient to repay this Note in substantially equal payments, (4) the amount of each remaining payment of principal and interest so that those remaining payments will be substantially equal and sufficient to repay this Note by its scheduled maturity date, (5) the amount of each remaining payment of principal and interest (other than the final payment) so that those remaining payments will be substantially equal and sufficient to repay this Note by its scheduled maturity date based on the original amortization schedule used by Lender, plus the final payment of principal and interest, or (6) n/a

Maker agrees to pay any resulting payments or amounts. The Note Rate shall be adjusted only on the following Change Dates: the first day of each month each scheduled payment date as and when the index rate changes n/a

Interest is computed for the actual number of days principal is unpaid on the basis of a 360 day year on the basis of a 365 day year. Interest is payable on n/a, and on the same day of each n/a month thereafter, every 7th day thereafter, every 14th day thereafter, and at maturity, OR, if box (b) or (d) is checked, at the times so indicated. If any payment (other than the final payment) is not made on or before the 10th day after its due date, Lender may collect a delinquency charge of 5.00 % of the unpaid amount of the payment, or \$ 10.00, whichever is less. Maker agrees to pay a charge of \$ 15.00, as permitted under §422.202(1)(d), Wis. Stats., for each check presented for payment under this Note which is returned unsatisfied. Unpaid principal and interest bear interest after maturity (whether by acceleration or lapse of time) at the rate which would otherwise be applicable plus n/a percentage points of 12.000 % per year, computed on the same basis. This Note is secured by real estate under a mortgage or an agreement dated n/a from n/a to Lender.

For Wisconsin residents only: Maker, ALLAN L. THOMPSON is married unmarried legally separated. If Maker is married and Maker's spouse is not signing below, the name of Maker's spouse is n/a and Maker's spouse resides at the address shown below Maker's signature or at n/a If Maker is a married Wisconsin resident, the obligation evidenced by this Note is being incurred in the interest of Maker's marriage or family.

X (MAKER) If property and/or liability insurance is required in any agreement securing this Note, Maker may choose the person through whom such insurance is obtained. If obtained from or through the Lender, the cost for an estimated term of n/a months is \$ n/a

This Note is not governed by the Wisconsin Consumer Act. Maker acknowledges receipt of an exact copy of this Note. THIS NOTE INCLUDES THE ADDITIONAL PROVISIONS ON THE REVERSE SIDE.

NOTICE TO CUSTOMER (a) DO NOT SIGN THIS BEFORE YOU READ THE WRITING ON THE REVERSE SIDE, EVEN IF OTHERWISE ADVISED. (b) DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES. (c) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN. (d) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE DUE UNDER THIS NOTE AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF ANY FINANCE CHARGE.

Inapplicable unless filled in (for add-on loans only): 1. Loan Proceeds \$ 2. Credit Life ins. Charge 3. Cr. A & S ins. Charge 4. Interest (Add-on) 5. 6. Face Amount of Note \$ ALLAN L. THOMPSON (SEAL) 4262 COPENHAUER AVE (ADDRESS) STANLEY, WI 54768 (ADDRESS)

674/760 FOR LENDER CLERICAL USE ONLY Copy of Note to Maker Delivered if more than one Maker and WCA applies, copy of Note Note Delivered; or WBA 156 Delivered if Maker is married, the only spouse to sign and WCA applies, copy of this Note or Note Delivered; or separate notice to other spouse is required. Notice Delivered

AUDREY L. KUSILEK LOAN OFFICER

DECLARATION OF AGRICULTURAL PURPOSE



Firststar Bank Wisconsin (Lender)
One S. Pinckney Street
Madison, WI 53703

I have applied to the Lender for credit in the amount of \$ 3,525.00 or such lesser sum as the Lender agrees to lend.
I represent and warrant to the Lender that the credit will be used primarily (50% or more) for agricultural purposes.
This Declaration also confirms that no disclosures under the Federal truth-in-lending law are required because the credit is not primarily for a personal, family or household purpose.

DATE: JUNE 16, 1997

X Allen Thompson
ALLAN L. THOMPSON

X

For Wisconsin residents only: I am married and the obligation described above is being incurred in the interest of my marriage or family.

X

X

AGRICULTURAL UNIVERSAL NOTE

(For Consumer or Business Agricultural Transactions)

Boxes not checked are inapplicable

ALLAN L THOMPSON

(MAKER)

JUNE 16, 1997

(DATE)

\$ 3,525.00

The undersigned ("Maker," whether one or more) promises to pay to the order of Firstar Bank Wisconsin ("Lender")

One S Pinckney Street, Madison, WI Wisconsin, the sum of \$ 3,525.00

Check (a), (b), (c), (d) or (e); only one shall apply.]

(a) one payment on n/a equal installments of \$ 111.00 due on JULY 25, 1997

and on the same day(s) of each succeeding month thereafter every 7th day thereafter every 14th day thereafter

PLUS a final payment of the unpaid balance and accrued interest due on JUNE 25, 1999, all subject to modification as set forth below, if applicable. All payments include principal and interest.

(b) n/a equal installments of principal of \$ n/a due on n/a and on the same day(s) of each n/a month thereafter every 7th day thereafter every 14th day thereafter

PLUS interest payable as set forth below.

(c) n/a installments, including interest, due on the n/a day(s) of every month, beginning n/a and not more than n/a each of which shall be n/a % of the Maker's gross milk n/a sales

during the payment period, but not less than \$ n/a (except final installment shall be balance due).

(e) n/a

If the amount of interest is not shown on line 4 below, this Note bears interest on the unpaid principal balance before maturity:

[Check (f) or (g) or complete line 4 below; only one shall apply.]

(f) At the rate of 8.250 % per year.

(g) At the annual rate which is equal to the following Index Rate, plus n/a percentage points ("Note Rate"), and the Note Rate shall

be adjusted as provided below. The Index Rate is:

The prime rate The reference rate The base rate adopted by n/a from time to

time as its base or reference rate for interest rate determinations. The Index Rate may or may not be the lowest rate charged by Lender.

n/a

The initial Note Rate is n/a % per year. An adjustment in the Note Rate will result in an increase or decrease in (1) the amount of each payment of interest, (2) the amount of the final payment, (3) the number of scheduled periodic payments sufficient to repay this Note in substantially equal payments, (4) the amount of each remaining payment of principal and interest so that those remaining payments will be substantially equal and sufficient to repay this Note by its scheduled maturity date, (5) the amount of each remaining payment of principal and interest (other than the final payment) so that those remaining payments will be substantially equal and sufficient to repay this Note by its scheduled maturity date based on the original amortization schedule used by Lender, plus the final payment of principal and interest, or (6)

Maker agrees to pay any resulting payments or amounts. The Note Rate shall be adjusted only on the following Change Dates: the first day of each month each scheduled payment date as and when the Index Rate changes

If the Index Rate ceases to be available to Lender, Lender may substitute a substantially similar index and margin.

Interest is computed for the actual number of days principal is unpaid on the basis of a 360 day year on the basis of a 365 day year. Interest is payable on n/a, and on the same day of each n/a month thereafter, every 7th day thereafter every 14th day thereafter, and at maturity, OR, if box (b) or (d) is checked, at the times so indicated. If any payment (other than the final payment) is not

made on or before the 10th day after its due date, Lender may collect a delinquency charge of 5.00 % of the unpaid amount of the payment;

\$ 10.00, whichever is less. Maker agrees to pay a charge of \$ 15.00, as permitted under §422.202(1)(d), Wis. Stats., for each check presented for payment under this Note which is returned unsatisfied. Unpaid principal and interest bear interest after maturity (whether by acceleration or lapse

of time) at the rate which would otherwise be applicable plus n/a percentage points of 12.000 % per year, computed on the same basis.

This Note is secured by real estate under a mortgage or an agreement dated n/a from n/a to Lender

For Wisconsin residents only: Maker, ALLAN L THOMPSON, is married unmarried legally separated. If Maker

is married and Maker's spouse is not signing below, the name of Maker's spouse is n/a and Maker's

spouse resides at the address shown below Maker's signature or at n/a

If Maker is a married Wisconsin resident, the obligation evidenced by this Note is being incurred in the interest of Maker's marriage or family.

(MAKER)

If property and/or liability insurance is required in any agreement securing this Note, Maker may choose the person through whom such insurance is obtained. If obtained from or through the Lender, the cost for an estimated term of n/a months is \$ n/a

This Note is is not governed by the Wisconsin Consumer Act. Maker acknowledges receipt of an exact copy of this Note. THIS NOTE INCLUDES THE ADDITIONAL PROVISIONS ON THE REVERSE SIDE.

NOTICE TO CUSTOMER

DO NOT SIGN THIS BEFORE YOU READ THE WRITING



MARATHON IMPLEMENT COMPANY, INC.

3103301 Hwy) WW, Wausau, WI 54401
715-675-2391



PURCHASER'S ORDER FOR FARM EQUIPMENT

Date July 19 1999

Please enter the following order to be delivered on or after Del. ASAP

| Inventory Number | Warranty Period | Make, Model, Description | Cash Price Each Item |
|------------------|-----------------|-----------------------------------|----------------------|
| 12 | R | 1999 New Holland 4471 Disc Harrow | \$5495.00 |
| | | Scid 15 35 | |
| | | VT 15 35 | |

| First Year Used | Make | Description | Serial | Trade Allowance |
|-----------------|------|-----------------|--------|-----------------|
| | NH | 1009 Auto Balls | | \$1295 |

| | |
|------------------------|-----------|
| Transportation Expense | \$100.00 |
| Sales Tax | |
| 1. Total Cash Price | \$6495.00 |
| 2. Trade in \$ | 1295 |
| 3. Unpaid Cash Price | \$5200.00 |
| | \$100.00 |
| | \$4700.00 |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |

Purchaser hereby bargains, sells and conveys unto Seller the above described Trade-in Equipment and warrants and certifies it to be free and clear of liens, encumbrance, and security interests.

I certify that the property purchased is exempt because
 Used exclusively in farming, dairying, or agriculture
 Purchaser is a common or contract carrier who will use items purchased exclusively as such carrier.

I am authorized to execute this certificate and claim this exemption.
 Carrier Authority No. _____
 Date _____ Signature Al Thomas

Upon delivery, it is agreed that Purchaser will pay all taxes and other charges and settle for the purchase price.

This is a cash transaction. If the Purchaser so requests prior to acceptance, the unpaid balance will be handled as a time sales transaction, subject to available financing and credit approval.

SELLER AND MANUFACTURER MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS) EXCEPT AS PROVIDED ON THE REVERSE SIDE.

NOTICE TO PURCHASER

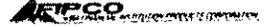
1. Read this contract before you sign it.
 2. You are entitled to an exact and completely filled in copy of this contract when you sign it. Keep it to protect your legal rights.
 3. Purchaser acknowledges receipt of a fully completed copy of this contract and Purchaser waives notice of the acceptance or rejection of this order by the seller.
 4. The additional terms and conditions set forth on the reverse side are a part of this contract and are incorporated herein by reference.
- It is understood that this is the entire agreement the parties.

Order Taken by Kathy N...
 Order accepted this _____ day _____ 19____
 Dealer/Store Manager _____

Buyer Al Thomas
 Signature _____
 114262 Cape Henry Ave
 Wausau WI 54401
 715-675-2368

AGRICULTURE

DECLARATION OF AGRICULTURAL PURPOSE



W. B. A. (TL)-6 (12/19/92) F11209
©Wisconsin Bankers Association 1992

To Firststar Bank Wisconsin (Lender)
One S Pinckney Street
Madison, WI 53703

I have applied to the Lender for credit in the amount of \$ 4,875.00 or such lesser sum as the Lender agrees to lend.
I represent and warrant to the Lender that the credit will be used primarily (50% or more) for agricultural purposes.

This Declaration is to confirm that no disclosures under the Federal truth-in-lending law are required because the credit is not primarily for a personal, family or household purpose.

Dated JUNE 16, 1997

X
ALLAN L THOMPSON
X

For Wisconsin residents only: I am married and the obligation described above is being incurred in the interest of my marriage or family.

X
X

On ~~July~~ June 1, 1997 Allen Thompson went to Marathon Inc. located north of Wausau, Wis. one of 5 Inc. Business owned by Al Swerdlow, Inc. to look at a used new Holland 411 Discbine advertised in the county today. The salesman showed him the Discbine and run the machine to show Allen it worked.

On July 1, a salesman from Marathon Inc. came to our farm and looked at a new Holland automatic Bale wagon no 1005 as a trade in. The Bale wagon belonged to Larry Thompson. Allen Thompson signed a purchase order for the Discbine with trading in the Bale wagon and paid \$100.00 down.

On July 3, 1997 the Discbine was delivered by a trucker from Alexander Trucking. The trucker unloaded the Discbine and loaded up the Bale wagon, when I looked at the Discbine there was a new part or cover on the outside end of the Drive on the machine and believed machine had just been worked on as the part was not dirty or used and the part number was still on part.

When Allen talked to the salesman upon purchasing the machine he was told it was a one owner machine and not told it was rent out or used by anyone else.

When the trucker was done loading trade in he had some papers to sign and had to give the trucker a check for \$175.00 down payment beside the \$100.00 down payment on purchase order and the Bale wagon.

Then the trucker had Allen sign 3 papers for a loan on the balance but the trucker kept folding the paper

over when he signed them. I asked the
Trucker for a copy but he said the Banks
had to fill in the papers and would send
them to Allen. It appeared to me the papers
were not filled in and couldn't understand
how a trucker could handle a loan
process.

As the delivery date was July 3, 1997 and the
next day was a Holiday and then the
weekend, we tried out the machine in the
field before Monday July 7, 1997

I was driving the machine and I made one
swath and started the second swath around
a four acre parcel or about 1000 feet on
the second swath the end of the cutter
bar with the new part or fell down on the
ground. I stopped the machine right way
to see what was wrong. The cutter bar has come
apart where the new part was put on.

We then called a neighbor Leon Burkhardt
and he said he would be right over,
Leon Burkhardt, Chad and

all come to look at machine which
he has one just like it, upon looking
machine over we also noticed the crumpler
Rolls were out of time

on Monday morning July 7, 97. I called
Marathon Imps and talked to Solomon and
told him what happened and asked if the
company had worked on it. he said they
had not worked on the machine and
he would send a mechanic out to look
at it.

We then called the Farm Credit and
stopped payment on the \$7,750.00 check Allen
had written.

When the mechanics come and looked at the machine he said he would have to look it on the truck and take it back to work on it, we called the dealer and they said what was broke and it would cost about \$700.00 to fix it and have no warranty.

I then called 3 different dealers to find the cost of parts and was told that a new complete cutting bar assembly was available from New Holland for about \$3400.00 with a year warranty and also a new cutting bar were you replace and use your old tines or cutter on top and it would cost about \$400.00.

When I called Oradina Trp the parts salesman said he could order the bar on his regular parts delivery order and would save freight and could sell the complete bar for \$2900.00 or the partial bar for \$1100.00.

I then went to Marathon Trp to talk to the salesman and the manager and we discussed the deal for about 2 hours, they said the repair would be about \$700 but not that amount for sure.

I then said a new cutting bar complete would be a better deal and we would have a one year warranty, they then said they would go half on the repair job which would come to about \$3600.00 with labor but not that set price. I told the salesman and manager that another dealer would sell the part for \$2900.00 and no freight, they said they couldnt sell for that price.

I then went home to discuss it with Allen and he called Marathon Trp and they agreed to repair the machine for \$3600.00 and we would pay a set price of \$1800.00 or 50%.

7
Then he told them to go ahead and fit
the machine.

When I was at the dealer I asked for a copy
of the papers Allen had signed and they
said they had sent them to the bank and
they gave me a copy of them signed papers.

We then heard no more until I got a
letter from Foster Bank & mortgage was
and papers to sign another note for \$4875.00
I then called the bank and asked the loan
officer why they wouldn't sign this note he would have 2 loans on
the machine, she said there would be
only one loan and the bank would not find
any other loan but the dealer had said
they had sent it down to them.

I told her the machine was Drexler
and we were not going to sign any more
papers or loans until it was paid.

She told me to buy Allen sign this
one and send it back and when the
first payment was due we could
take it out. I didn't understand how
this would work so I told her we were
going to sign any more papers as I was
expect the bank to send the money to
Morrison, Inc.

we called back and forth several times that day to see if the port had a one year warranty.

about 5 o'clock friday aug 1, 97, the salesman called allen around he finally agreed to fix the machine for the 3600 and split 50-50 on the cheap port.

then on friday ^{aug 1, 97} night I talked to Leon Burdick and he told me his machine had just broke down the same way and had it at gelman tractor shop in thors wis. and they would only allow him 9000.00 on a trade in the way it was. Gelman Tractor is another dealership owned by ab swadlow on monday aug 4 I called back to marshall's equipment and told them to hold up on fixing and ordering the part.

on july 9 I called previous owner Larry Bohrmichay at colby and asked him about machine he said he had traded it in about nov 1995 and machine was in very good shape. it was on the marshall's paper lot from nov 1995 till july 1997 and then we found out it had been sent out and I asked to see Repair shop on machine but I was told they would have to look them up and see who worked on it.

when I called the salesman for the name and number of previous owner and he called back to give it to me.

when I called the previous owner his wife answered and I told her who I was and she didn't seem surprised I called and she got her husband on the phone and he told me about machine and also didn't seem surprised I called as I didn't know the people. ?

he was also surprised that the machine was still on the lot after almost a year and half.

I believe the machine was rented out and was broken and only repaired enough to hold together until someone bought it then the Buyer would be stuck with the repair.

I believe we bought in good faith and would like to end the deal and Marathon Inc can take back their machine and we take back our Bale wagon as when the mechanic picked up the machine he looked in the field and said we had not hit anything to damage machine

after all the dealing and delays ~~and~~ there has been and any effort to repair has been made on only ^{our} our part I see no reason to end up with a high priced machine that was only valued at 7000.00 by their own company not the 8000.00 we would end up in it,

Farry Thompson

Allen Thompson



Senator ALAN J. LASEE
First Senate District

February 25, 1998

FEB 26 1998

The Honorable Alice Clausing
Chairman
Committee on Agriculture and
Environmental Resources
308 Hamilton
Post Office Box 7882
Madison, Wisconsin 53707-7882

Dear Chairman Clausing,

This letter is to request that you schedule a public hearing for Assembly Bill 329, relating to excluding agricultural transactions from the Wisconsin Consumer Act, at your earliest convenience.

If you would like to discuss the bill further, please feel free to contact me.

Sincerely,

ALAN J. LASEE
State Senator
1st Senate District

OFFICE:

Post Office Box 7882, Madison, WI 53707-7882
Phone: 608-266-3512 FAX: 608-267-6792
Toll-free Hotline: 1-800-362-9472

HOME:

2259 Lasee Road
De Pere, WI 54115
Phone: 920-336-8830 FAX: 920-336-8830

COMMITTEES:

Agriculture and Environmental Resources
Transportation Projects Commission



State of Wisconsin
Tommy G. Thompson, Governor

Department of Agriculture, Trade and Consumer Protection

Ben Brancel, Secretary



MAR 10 1998

March 4, 1998

The Honorable Alice Clausing
State Senate
State Capitol
PO Box 7882
Madison, WI 53707-7882

Dear Senator Clausing:

This letter is in response to your Open Records request dated February 5, 1998. As you know, mediation cases are specifically exempt from open records law, pursuant to Sec. 93.50(2)(e). In checking with Randy from your office, he indicated what you need is information on how the Wisconsin Consumer Act impacts farmers.

We have reviewed numerical data from callers to the Wisconsin Farm Center's toll-free number and find that for the period from January 1, 1992 through December 31, 1996, we handled 880 calls from farmers who had credit disputes with suppliers. This information is a general indication of the number of cases which probably involved a consumer act issue, specifically "open end credit". In addition, from 1990-1997, we identified 1500 mediation cases which included suppliers as creditors. These, too, probably involved the consumer act.

With regard to suppliers, the greatest use of the consumer act is the issue of charging interest on open accounts. The farmers we work with are generally smaller, older, and poorer; thus we thought it particularly important to insist that the basic protection with regard to open end credit remain part of the consumer act. Through a series of teleconferences and meetings, we worked to assure that farmers would retain consumer act protection with regard to open end credit. That provision was reinserted by an amendment which passed the Assembly.

Letter to Senator Clausing
Page 2

The language of the amendment makes it clear that interest charges must be disclosed and agreed to prior to the granting of credit. See also Severson Agri-Service, Inc. v. Lander, 172 Wis. 2d 269, a case we have relied upon to explain to farmers how important that informed consent is.

An additional protection provided to farmers by the Wisconsin Consumer Act is the protection against "self-help repossession" of farm collateral by creditors. Creditors are required to file an action to recover collateral governed by the act. Further, creditors generally have no right to demand surrender of collateral, pursuant to sec. 425.204, Wis. Stats. While our program has not had any experience on this particular issue, these are protections which would disappear under AB329.

I hope this background information has been helpful to you. Please give me a call should you have any questions.

Sincerely,



Jeanne M. Meier
Director
Bureau of Ag Services
Division of Marketing
608-224-5046

cc: Mark Liedl
Ruth Heike
Bill Oemichen



WISCONSIN FEDERATION OF COOPERATIVES • 30 West Mifflin Street, Suite 401 • Madison, WI 53703 • Phone (608) 258-4400

Memorandum

DATE: **March 18, 1998**

TO: **Members, State Senate Committee on
Agriculture and Environmental Resources**

FROM: **John Manske**  **Government Relations
Director**

RE: **Support for Assembly Bill 329**

On behalf of WFC members active in the agricultural credit arena, I **urge you to support Assembly Bill 329**. In the Assembly, WFC worked to advance Assembly Amendment 2 to AB 329. AA 2, which was adopted, will continue to provide the partial exclusion from Wisconsin Consumer Act provisions that Farm Credit Services (FCS) currently enjoys. The amendment was necessary because some transactions that FCS is involved with fall outside of the traditional definition of agricultural purpose lending, such as home lending in communities below 2,500 population. Also, borrowers with loans made by Farm Credit entities are protected by a federally mandated set of borrower rights.

With the above issue addressed, WFC believes that agri-business transactions of \$25,000 or less should be governed by the general business laws that govern those in excess of \$25,000. Almost all states and the federal government have decided to not treat agri-business credit as consumer credit. At a time of national and global competition in the agricultural goods marketplace, it seems unwise to continue the WCA's application to agricultural credit transactions, if additional cost and restrictions accompany important agricultural purchases such as machinery. Thank you for your consideration of this recommendation.



Wisconsin National Farmers Organization

March 18, 1998

Chairperson Alice Clausing &
Members of the Senate Agriculture & Environmental Resources Comm.

Comments concerning AB 329

Attached are the comments and feeling of the three thousand farmer members of the Wisconsin National Farmers Organization. I regret that I was unable to stay to personally testify before this committee. I hope that my written testimony can be entered into the record.

Sincerely,

Ron R. Statz

Director of Membership Services

The Wisconsin Consumer Act was passed in March, 1972 as the most sweeping consumer protection legislation in this state's history. It was passed based upon the support of a coalition of consumer and farm groups including National Farmers Organization and Wisconsin Farmers Union. It was passed to eliminate and prevent harsh and abusive credit practices and to make the consumer and small farmers more aware and knowledgeable of the nature of their credit transactions. Creditors did not oppose the legislation but worked with the consumer groups to produce agreeable legislation that provided a workable consumer credit package in Wisconsin. The Wisconsin Consumer Act has provided protection to consumers and farmers for 25 years without major legislative changes.

The Act defines a consumer as a customer who "seeks or acquires real or personal property, services, money or credit for personal, family, household or agricultural purposes." While the Act does not generally cover business transactions, agricultural transactions are included. The enacting legislators felt that small farmers needed the same protections as did other consumers. The Act does not extend to transactions in which the credit exceeds \$25,000, an amount which has not changed since 1972. Inflation over 25 years has eroded the number of transactions covered by the Act. Had the Act been adjusted for inflation, the Act today would apply to transactions not exceeding approximately \$75,000.

The proposed legislation seeks to eliminate all Consumer Act protection from agricultural transactions. National Farmers Organization opposes this legislation.

Before taking a position on this legislation, the questions NFO asked were: What protection to farmers or impositions on creditors are being given up? Secondly, are these items of benefit to farmers?

The implications of the Consumer Act are broad-spread. The Consumer Act restricts the maximum rates of interest on consumer transactions and also requires disclosures or agreements before such rates of interest are imposed. It also defines otherwise denoted charges as interest even though the creditor may not have defined them as such. Delinquency charges are limited to 5% and may not be collected until a payment is at least 10 days late and can only be collected once, instead of multiple times, if a payment remains unpaid for several months.

Charges on deferrals of payments are limited. Finance charges on refinancing and consolidation of loans are restricted. Prepayment penalties, previously common, are eliminated in most cases. Unearned interest must be rebated if an account is prepaid.

The Consumer Act also requires disclosure and that agreements take certain forms of writing. In order to be enforceable the Consumer Credit Transaction must be in writing and be clear and conspicuous. Copies of the documents supporting the transaction must be provided to the consumer. With respect to credit sales transactions other than an open-ended credit plan, the finance terms must be signed by the consumer and dated. The writing must not be in small print and must contain disclaimers concerning unfilled blanks, reading the contract, rights to prepay, rights to a refund of unearned finance charges, and rights to a copy of the contract. Copies must be provided to the customer upon request without charge. Personal obligations must be explained. Unfilled-in blanks are prohibited. Guarantors must be given copies of the agreements as must the primary customer. Customers are entitled to receipts for payments and, upon request, must be given a statement showing payments previously made. With open-ended credit plans the customer can request and must be furnished copies or accountings of previous purchases, finance charges or other transactions. Also, certain fees other than interest must be disclosed to the customer.

The Consumer Act also contains limitations on certain agreements and practices. "Balloon" payments are generally prohibited because they lure customers into making initially affordable payments only to be hit with an unmanageable "balloon" payment at the end of the loan term, thus resulting in defaults. To the extent "balloon" payments are allowed, certain disclosures are required. There are limitations on loan terms, in number of years, depending on the size of the loan. Assignments of earnings must be revocable at the option of the consumer. If a merchant sells a consumer a defective product and then assigns the note to a bank or finance company for collection, the consumer can assert the same defenses against the bank or finance company that he could against the original seller of the defective product. The consumer must be notified if his loan is assigned.

Upon default, attorneys' fees are generally limited to 5% of the amount due at judgment or \$100 prior to judgment. Excessive attorneys' fees are eliminated. Default charges are limited to the reasonable expenses associated with the disposition of the goods. Rebates and discounts between merchants and financiers for customer referrals are prohibited. Waivers of consumer rights under the Consumer Act may not be contained in the loan documents. A loan cannot be divided into multiple transactions in order to obtain higher finance charges. Door-to-door transactions in which the merchant is outside of its normal place of business must contain a 3 day rescission/cancellation provision. This is because transactions in the home or on the farm are perceived to be particularly onerous, invasive and coercive.

Collection remedies are also regulated. Coercion or threats in collection activities are prohibited. Communication with third parties are limited. A "default" is defined as 2 regularly scheduled payments being unpaid for greater than 10 days. A default cannot be declared upon being one payment late for only one day, as it could in the past. Notice of defaults and a 15-day opportunity to cure must be provided. Unless a customer voluntarily surrenders the collateral, the creditor must get a court order in order to secure the possession of collateral. If a payment is missed and the farmer drives his pickup truck, the loan collateral, into town to go shopping and leaves it unattended, the creditor cannot drive it away in the meantime. A farmer's cattle, collateral on a defaulted loan, cannot be picked up by the creditor from a pasture. These practices regularly occurred before the Consumer Act. To recover the collateral, the lender must sue the customer and provide him with an opportunity to present to a court any defenses he may have.

Upon the commencement of an action by a creditor to recover possession of collateral the debtor must be provided an opportunity to redeem the property by making certain payments. Deficiency judgments for the amounts remaining after the collateral is disposed of are limited.

In addition to prohibitions on creditors, there are teeth in the enforcement remedies. Customers are given remedies to enforce their rights by being awarded court-ordered damages of a maximum of \$1,000 per violation, or actual damages, plus actual attorneys' fees.

The prohibitions provided by the Wisconsin Consumer Act were in reaction to harsh, abusive, unfair and overreaching activities which went unabated for years by consumer creditors. The restrictions were enacted as a reaction to and as a prohibition of conduct of creditors. It is alluring, but naive, to believe consumers, including small farmers, no longer need these protections since the abuses have now been eliminated by legislation. However, you can be assured, that once the legislative prohibitions are removed the abusive practices will return.

Creditors cannot claim that these restrictions are prohibitive from a cost stand-point given record profits by banks and loan companies. The rush of mergers is evidence that the consumer loan business remains a money-maker for lenders.

Advocates of the proposed changes have not presented any compelling basis for removal of these protections. Instead of being eliminated, the protections of the Act should be increased by (i) raising the maximum amount of consumer transactions to greater than \$25,000 to adjust for inflation since 1972 (I approximate that to be \$75,000), and (ii) applying these restrictions to all credit transactions affecting small businesses and not just consumer and agricultural transactions.

There is no justifiable reason to remove from the books protections which farmers and consumers fought long and hard to secure and which have worked well for 25 years. NFO opposes this proposal.