

Att'n Scott McCreadie

STATE OF WISCONSIN

CIRCUIT COURT

MILWAUKEE COUNTY

In re:

MILWAUKEE FORGE,

Assignor.

Case No.:

Case Code: 30304

2010CV002463

PETITION FOR THE APPOINTMENT OF A RECEIVER

TO THE CIRCUIT COURT, MILWAUKEE COUNTY:

Petitioner, Michael S. Polsky ("Petitioner"), respectfully alleges:

1. That on February 18, 2010, the above named Assignor made a voluntary Assignment to Petitioner for the benefit of its creditors.

2. Milwaukee Forge is a Wisconsin corporation that is a manufacturing company, with its principal place of business located at 1532 East Oklahoma Avenue, Milwaukee, Wisconsin 53207.

3. As of December 31, 2009, Milwaukee Forge's fixed assets consisted of equipment and real estate with a net book value of approximately \$11,500,000.

4. Also, as of February 7, 2010, Milwaukee Forge's assets consisted of the following:

- a. Accounts receivable with a book value of approximately \$2,927,000; and
- b. Inventory with a book value of approximately \$2,424,000;

5. The fair value of Milwaukee Forge's assets is unknown. However, the fair value of Milwaukee Forge's assets is significantly less than the book value of those assets.

6. As of February 7, 2010, Milwaukee Forge had the following liabilities:

a. Wells Fargo Bank, National Association acting through its Wells Fargo Business Credit operating division ("WFB") the amount of approximately \$5,190,000, plus interest and costs, which is secured by a properly perfected security interest and mortgage in substantially all of Milwaukee Forge's assets;

- b. Trade accounts payable, the amount of approximately \$3,300,000;
- c. Accrued pension liability in the amount of \$10,106,000;

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- d. Long term lease liabilities in the amount of \$684,000; and
 - e. Other retirement benefits in the amount of \$1,808,000
7. The fair value of Milwaukee Forge's assets is less than its liabilities.
8. That Petitioner has filed Milwaukee Forge's Assignment for the Benefit of Creditors in this

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Court and requests that he be designated as Receiver by this Court on the basis of said Assignment.

9. Petitioner further requests:

- a. That an Order be entered appointing him Receiver under a bond of \$10,000.
- b. That all creditors of Milwaukee Forge be directed to file their claims with the Clerk of Court within three months from the date of the Notice of appointment of Petitioner as Receiver.
- c. That all creditors be restrained and enjoined from (a) commencing any action or prosecuting any other action now pending other than these proceedings, (b) enforcing against Milwaukee Forge or its property any judgment, and (c) taking any action to collect or recover a claim against Milwaukee Forge.
- d. That he be authorized to use WFB and/or Park Bank Milwaukee as depositories for all funds in this matter.
- e. That he be authorized to employ appraisers and/or liquidators of his choice.
- f. That he be authorized to employ an accountant to prepare any necessary tax returns.
- g. That he be authorized to sell all property of Milwaukee Forge outside of the ordinary course of business, free and clear of all liens, claims and encumbrances, with liens, claims and encumbrances attaching to the proceeds of sale, through public or private proceedings in a commercially reasonable manner, subject to the prior consent of WFB, and subject to the prior approval of this Court.
- h. That he be authorized to assume plan sponsor responsibility for the Milwaukee Forge's Profit Sharing Plan (the "Plan") as successor to Milwaukee Forge, if applicable.
- i. That he be authorized to assume fiduciary responsibility for the Milwaukee Forge's Plan and its assets; this authority includes, but is not limited to, the authority to terminate the fiduciary status

of previous fiduciaries; to direct third party administrator and/or other related service providers; to direct the payment of expenses associated with final administration and termination of the Plan (subject to the prior consent of WFB; to direct distributions to participants from the Plan's assets; to terminate the Plan, and to take such other and further actions as the Receiver in his discretion deems advisable under the circumstances.

10. For such other and further relief as the Court deems appropriate.

11. Petitioner is authorized to state that WFB, consents to the relief requested in this Petition.

Dated this ____ day of February, 2010.

Michael S. Polsky, Esq.
State Bar No. 1016921

State of Wisconsin)
 :SS
Milwaukee County)

This instrument was acknowledged before me on _____, by Michael S. Polsky.

Notary Public, State of Wisconsin
My commission expires:

P.O. Address:
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