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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH**

In re:)	
STEPHEN M. HARMSEN)	Bankruptcy Case No. 03-33637 JAB
)	(Involuntary Chapter 7)
Debtor)	
)	

ANSWER TO INVOLUNTARY PETITION

Stephen M. Harmsen, the involuntary defendant against whom the involuntary petition has been filed in the above matter, hereby answers the involuntary petition, as follows:

1. The involuntary defendant denies Allegation No. 1 of the Involuntary Petition. Specifically, the debt of the involuntary plaintiff is in bona fide dispute, with an appeal of the judgment in favor of the involuntary plaintiff currently pending before the United States Court of Appeals for the Tenth Circuit.

2. The involuntary defendant further denies Allegation No. 1 of the Involuntary Petition on the grounds that the involuntary defendant had, as of the date of the filing of the Involuntary Petition, more than 11 creditors. Those creditors are as follows:

a. Steve Wuthrich, 1011 Washington, Suite 101. Montpelier, Idaho 83254. Mr. Wuthrich was retained in April of 2002 to represent the involuntary defendant in an action brought against him by the Society of Lloyds and to prosecute an appeal to the Tenth Circuit Court of Appeals from the judgment which the Society of Lloyds obtained against him. He has also represented involuntary defendant in responding to various requests for information and documents which counsel for the Society of Lloyds has requested relating to an entity known as WAFCO. On August 1, 2003, Mr. Wuthrich billed \$1150.00 for services rendered in June and July of 2003. \$800 was paid on that bill on September 11, 2003, leaving a sum of \$350 still owing. Mr. Wuthrich continues to perform services for involuntary defendant. In particular, he is currently preparing a brief in the appeal from the judgment rendered in favor of the Society of Lloyds. He has not yet paid for this work.

b. HJ & Associates, LLC, 50 S. Main St., Suite 1450, Salt Lake City, UT 84144. Mr. Jensen of this firm prepares tax returns for both involuntary defendant and his spouse, as well as for several related business entities. As of August 9, 2003, HJ Associates had performed services for involuntary defendant for which payment is still outstanding.

c. Thomas R. Liddell, DDS, 5 S. 700 East, Suite 209, Salt Lake City, UT 84102. As of August 9, 2003 involuntary defendant owed Dr. Liddell \$103.00 for dental services performed.

d. Washington Mutual Bank, P.O. Box 60800, Los Angeles, CA 90060-0800. On July 20, 1993 involuntary defendant and his spouse executed an

Adjustable Interest Rate Loan to Home Savings of America. This loan was subsequently sold to Washington Mutual. It is secured by a 4 unit apartment property located in San Diego, California owned by HFLP, LLC. At the time the loan was extended, involuntary defendant was a member either directly or indirectly of HFLP, LLC. Home Savings required that the loan be in the name of involuntary defendant and his spouse. HFLP conveyed the property to involuntary defendant and his spouse, and the Promissory Note was executed by them jointly, with a deed of trust on the property given to secure the loan. The property was then conveyed back to HFLP. All of the loan proceeds were given to HFLP. Involuntary defendant no longer owns any interest in HFLP, but is still liable on the note. As against involuntary defendant, the debt is unsecured.

e. Western Farm Credit Bank, c/o Western Ag Credit, 225 N. 100 East, Suite B, P.O. Box 665, Richfield, Utah 84701-0665. On January 19, 1993, involuntary defendant and his spouse as co-makers with H.H. Land & Cattle Company, executed a Promissory Note in the original principal sum of \$490,000 to Western Farm Credit Bank. The purpose of the loan was to obtain funds to pay for operations of H.H. Land & Cattle. The loan is secured by real property in Nevada owned by H.H. Land & Cattle. At the time the loan was obtained, involuntary defendant and his spouse were shareholders of H.H. Land & Cattle. Neither involuntary defendant nor his spouse was a shareholder as of H.H Land & Cattle as of August 9, 2003. However, involuntary defendant remains liable on the note. As against involuntary defendant, the Promissory Note is unsecured.

f. The Names Legal Committee, Inc., 2944 Upton Street, NW, Washington, D.C. 20008. The Names Legal Committee is an organization which acts as an agent for numerous people, including involuntary defendant, who is a Plaintiff in litigation brought against the insurance firm of Marsh & McLennan, prosecuting claims against Marsh & McLennan which arise from disputes which the Plaintiffs in that litigation have with the Society of Lloyds. In order to be part of the action, involuntary defendant must pay the annual subscriptions. As of August 9, 2003, involuntary defendant owed the 2003 subscription payment to the Names Legal Committee, with the subscription for the year 2004 coming due on January 1, 2004.

g. F. Weixler Co., 132 "E" Street, Salt Lake City, UT 84103. This company makes and upholsters furniture and provides interior decorating services. In 2002, involuntary defendant and his spouse hired F. Weixler to build some furniture. As of August 9, 2003 involuntary defendant owed F. Weixler \$20.40.

h. Zions Investment Securities, Inc., One S. Main, Salt Lake City, UT 84111. Involuntary defendant and his spouse formerly owned an investment account located at Zions Investment Securities. As of August 9, 2003, involuntary defendant and his spouse jointly owed a margin loan against that account. As of August 9, 2003, the investments in the account were owned by a third party, and as against involuntary defendant, the margin loan was unsecured.

i. Key PrivateBank, 50 S. Main, Salt Lake City, Utah 84101. Involuntary defendant maintains a checking account at Key Bank which has

overdraft protection. As of August 9, 2003, involuntary defendant owed \$1708.51 in overdraft charges.

j. Comcast, 1350 E. Miller Ave., Salt Lake City, Utah 84106-3062. Comcast provides cable and broadband services to the involuntary defendant's home. The amount of \$89.40 was due and owing as of August 9, 2003.

k. Salt Lake City Dept. of Public Utilities, 1530 S. West Temple, Salt Lake City, 84115. The city provides water and sewer service to the involuntary defendant's home at 1616 E. Tomahawk Dr., Salt Lake City, Utah. As of August 9, 2003, involuntary defendant owed \$274.52 to Salt Lake City.

l. Questar, Mail Stop: OC121, 1140 W. 200 South, P.O. Box 45360, Salt Lake City, UT 84145-0360. Questar provides gas service to involuntary defendant's home on Tomahawk Drive. As of August 9, 2003, involuntary defendant owed approximately \$63.49 to Questar.

m. Utah Power, 1033 NE 6th Ave., Portland, OR 97256-0001. Utah Power provides electrical service to involuntary defendant's home. As of August 9, 2003, involuntary defendant owed approximately \$601.70 to Utah Power.

n. Dr. Gerald Summerhays, DDS, 6287 S. Redwood Rd., Suite 102, Salt Lake City, Utah 84123. As of August 9, 2003 involuntary defendant owed Dr. Summerhays \$146.00 for dental work.

o. Quick & Reilly, Inc., American Plaza II, 57 W. 200 South, Suite 102, Salt Lake City, Utah 84101-1610. As of August 9, 2003, involuntary defendant jointly owed a margin loan in the approximate amount of \$28,369.12

to Quick & Reilly on this account, which as of August 9, 2003 was owned by a third party. As against involuntary defendant, this debt is unsecured.

p. Internal Revenue Service, Ogden, Utah. Involuntary defendant and his spouse filed an extension for the filing of their 2002 joint income tax return. As of August 9, 2003, involuntary defendant owed approximately \$6789.00 to the IRS.

q. Utah State Tax Commission, 210 N. 1950 West, Salt Lake City, Utah 84134. Involuntary defendant and his spouse also filed this return with an extension. As of August 9, 2003, involuntary defendant owed the Utah State Tax Commission approximately \$3179.00.

r. Idaho State Tax Commission, P.O. Box 36, Boise, ID 83722-0410. Involuntary defendant and his spouse filed their 2002 return with an extension, filing the return in early October of 2003. As of August 9, 2003, involuntary defendant owed the Idaho State Tax Commission approximately \$1179.00.

s. Silkies, P.O. Box 7857, Philadelphia, PA 19118-0001. This is a mail order retailer which sells nylon stockings via mail from which involuntary defendant purchases stocking. As of August 9, 2003 involuntary defendant owed the sum of \$13.96 to Silkies.

t. Melenaite Vi, 1971 Sir Timothy Ave., Salt Lake City, UT 84116. Ms. Vi performs landscaping and yard work services for involuntary defendant and his spouse at their home. As of August 9, 2003 involuntary defendant owed Ms. Vi approximately \$1020.

u. Steve Lybbert, attorney at law, 7069 S. Highland Dr., Salt Lake City, Utah 84121. Mr. Lybbert has performed legal services in the past for involuntary defendant and his spouse, most recently in preparation of various documents relating to an option to purchase real property. As of August 9, 2003, involuntary defendant owed Mr. Lybbert a debt for such services.

v. Dr. Branson Call, 324 10th Avenue, Suite 185, Salt Lake City, Utah 84103. Mr. Call has provided eye examinations to family members of involuntary defendant's family. As of August 9, 2003, involuntary defendant owed Dr. Call \$15.00 for services performed.

w. Washington Mutual Bank, FSB, P.O. Box 91006 – SAS0702, Seattle, WA 98111. This debt is reflected by an Adjustable Rate Note dated August 30, 2001 in the original principal amount of \$1,000,000.00 executed by involuntary defendant in favor of the creditor. This note was incurred in connection with the refinance of property owned by WAFCO at 1610 Tomahawk Drive, Salt Lake City, Utah, and is secured by a deed of trust against the Tomahawk Drive property. As of August 9, 2003, involuntary defendant still owed the balance due on this note. As against the involuntary defendant, the debt is unsecured.

x. California National Bank, fka Fidelity Federal Bank, 4565 Colorado Blvd., Los Angeles, California. This debt is reflected by a Promissory Note dated December 21, 2001 in the original principal sum of \$1,275,000.00 executed by involuntary defendant in favor of the creditor. The Promissory Note was secured by a deed of trust against real property located in San Bernardino,

California owned by WAFCO. As of August 9, 2003, involuntary defendant was still liable for the principle balance on the Promissory Note. As against involuntary defendant, the note was unsecured.

y. Bank of America. This is a credit card issued to involuntary defendant. As of August 9, 2003, involuntary defendant owed \$7972.32 to this creditor.

z. MBNA America, P.O. Box 15019, Wilmington, Delaware, 19886-5019. This is a credit card issued to involuntary defendant. As of August 9, 2003, involuntary defendant owed approximately \$1248.50 to this creditor.

aa. American Express, P.O. Box 360002, Ft. Lauderdale, Florida 33336-0002. This is a credit card issued to involuntary defendant. As of August 9, 2003 involuntary defendant owed \$217.18 to this creditor.

bb. Capital One, F.S.B., P.O. Box 34631, Seattle, Washington 98124-1361. This is a credit card issued to involuntary defendant. As of August 9, 2003 involuntary defendant owed \$926.47 to this creditor.

cc. Salt Lake City Credit Union, 1380 S. Main St., Salt Lake City, Utah 84115. This is a credit card issued to involuntary defendant. As of August 9, 2003, involuntary defendant owed \$1744.72 to this creditor.

dd. Utah Jazz, 301 W. South Temple, Salt Lake City, Utah 84101. This is for Jazz season tickets. As of August 9, 2003, involuntary defendant still owed a portion of the debt to purchase season tickets for 2003.

ee. San Diego Gas & Electric Co., 8326 Century Park, San Diego, California 92123-4150. The involuntary defendant is liable for gas and electrical

service to an apartment complex in San Diego owned by a third party. The account is in the name of involuntary defendant. As of August 9, 2003, involuntary defendant owed the pro rata portion for service for the period July 22, 2003 through August 20, 2003.

ff. Alta Club, 100 E. South Temple, Salt Lake City, Utah 84111. This is for a membership at the Alta Club. As of August 9, 2003, involuntary defendant approximately \$487.46 to this creditor.

gg. Time Warner Cable, 8949 Ware Court, San Diego, California 92121-2275. This is for cable service to an apartment complex in San Diego owned by a third party. The account is in the name of involuntary defendant. As of August 9, 2003, involuntary defendant owed \$11.77 to this creditor.

3. Involuntary defendant admits Allegation No. 2 of the Involuntary Petition.

4. Involuntary defendant denies Allegation No. 3a of the Involuntary Petition.

5. Involuntary defendant denies Allegation No. 3b of the Involuntary Petition.

AFFIRMATIVE DEFENSES

6. The involuntary defendant does not waive his right to costs and attorneys fees herein, and alleges that under 11 U.S.C. § 303(i)(1), involuntary defendant is entitled to a dismissal of the involuntary petition and a judgment against involuntary petitioner for costs and reasonable attorneys fees.

7. The involuntary petition was filed in bad faith, and involuntary defendant is entitled to all damages he has incurred proximately caused by the filing and to punitive damages in an amount which the court deems appropriate.

Wherefore, involuntary defendant respectfully requests that the involuntary petition be dismissed and that judgment be granted in favor of involuntary defendant and against involuntary plaintiff for all costs and attorneys fees incurred by involuntary defendant in defending this action, as well as a judgment in favor of involuntary defendant and against involuntary plaintiff for all damages proximately caused by the filing of the involuntary petition and a judgment for punitive damages against involuntary plaintiff in such amount as the court deems appropriate.

Dated: January 4, 2004.


HOLLAND & HART LLP

By: Moira Lyman Burton
Moira Lyman Burton
Inga Regenass
Counsel for Stephen M. Harmsen

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 6th day of January, 2004, a copy of ANSWER TO INVOLUNTARY PETITION was forwarded by e-mail to the following:

Michael N. Zundel
Prince Yeates & Geldzahler
175 E. 400 South, #900
Salt Lake City, UT 84111



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