

IN THE COURT OF APPEALS OF IOWA

No. 2-592 / 91-1731

FILED

JUN 29 1993

CLERK SUPREME COURT

L. E. ALLISON ESTATE, BY ANNA IRENE ALLISON,
Executor, and ANNA IRENE ALLISON, Individually,

Plaintiffs-Appellees,

000001

vs.

JOHN A. ALLISON, GERALDINE M. ALLISON,
and DAN STORM,

Defendants-Appellants.

Appeal from the Iowa District Court for Poweshiek
County, Richard J. Vogel, Judge.

Defendants appeal a district court ruling on a petition
for accounting concerning the valuation of certain
partnership assets. **AFFIRMED.**

H. Michael Neary of Keith, Orsborn, Bauerle, Milani &
Neary, Ottumwa, for appellants.

Richard Elwood of Elwood & Elwood, North English, for
appellees.

Considered by Schlegel, P.J., and Hayden and Sackett,
JJ.

PER CURIAM

On appeal Defendants John and Geraldine Allison and Dan Storm challenge the trial court's accounting of assets of the Allison Brothers partnership. The district court entered judgment against defendants. We affirm.

In 1976 L. E. Allison and John A. Allison executed a farm partnership agreement. In 1980 Dan and Mary Storm entered into the partnership. Storms acquired a twenty-percent interest in the partnership. They executed a note in the amount of \$37,076 to finance the purchase of the interest. Storms have made no payments on the note.

In December 1988 John and Geraldine Allison and L. E. and Anna Irene Allison entered into a restructure agreement with Farm Credit Services (Farm Credit). The partnership's real property secured this note.

In 1989 and 1990 Dan Storm farmed the acres securing the Farm Credit debt. Dan rented the 450 acres for \$8000 a year. He also made mortgage payments in 1989 and 1990 on the Farm Credit debt.

On June 20, 1989, L. E. Allison passed away. In February 1991 the L. E. Allison estate and Anna Irene Allison filed this petition for accounting concerning the partnership. The district court appointed a special master. In June 1991 the master filed his report. The master set the value of the farm machinery at \$110,000 and the value of the small tools at \$2000. The master then included the Storms' 1980 note as an asset of the

partnership. The master, however, did not credit Storms with any payments on the note to Farm Credit. John and Geraldine Allison and Dan Storm, the defendants, filed an objection to the master's report. The district court then entered its ruling on the report. The court reduced the valuation of the machinery to \$100,000 and the small tools to \$1200. In all other respects, the court accepted the master's report. Defendants appeal, contending the district court erred in (1) failing to further reduce the value of the farm machinery, (2) including Storms' debt as a partnership asset, (3) failing to credit Storms' payments on the Farm Credit debt.

Our review of the district court's and master's findings of fact is de novo. Rowen v. Lemars Mut. Ins. Co., 347 N.W.2d 630, 634 (Iowa 1984). We must review the evidence before the master in an equity case to determine whether the findings adopted by the district court are clearly erroneous. Id. (citing Iowa Public Serv. Co. v. City of Sioux City, 252 Iowa 380, 386, 107 N.W.2d 109, 112 (1961)); Iowa R. Civ. P. 214. A finding of facts is clearly erroneous if the reviewing court has a definite and firm conviction a mistake has been committed. Rowen, 347 N.W.2d at 634 (citing Nelson v. Barnick, 245 Iowa 982, 989-90, 63 N.W.2d 911, 915 (1954)). "Because this court's duty of de novo review places it in the shoes of the district court in reviewing the master's report, we take an independent look at the master's report and make our determination under the clear error standard." Id.

I. Farm Machinery. Defendants contend the district court erred in failing to reduce the value of the farm machinery from \$110,000 to \$85,000. The trial court reduced the master's valuation of the machinery from \$110,000 to \$100,000. The court based its reduction on the appraisals of \$102,207 and \$96,350. There is also evidence, during mediation proceedings, plaintiffs agreed the machinery had a value of \$85,000. Insurance coverage on the farm machinery valued it at \$86,500.

The value placed on the farm machinery by the district court was well within the range of evidence. Hum v. Ulrich, 458 N.W.2d 615, 618 (Iowa App. 1990). We find the district court's valuation is not clearly erroneous. We affirm the district court on this issue.

II. Partnership Asset. Evidence indicates Dan and Mary Storm executed a note in order to purchase a twenty-percent interest in the partnership. We are not firmly convinced the district court made a mistake in finding the debt was a partnership asset. We affirm the district court on this issue.

III. Credit. Storm contends the district court erred in refusing to offset his payments on the Farm Credit debt as a credit against the amount Storms owe plaintiffs pursuant to the accounting. In 1989 and 1990 Farm Credit received payment from funds received from Storm. We determine the findings adopted by the district court are not clearly erroneous. See Rowen, 347 N.W.2d at 634. We affirm the district court on this issue.

The decision of the district court is affirmed in all respects.

Costs of this appeal are assessed to defendants.

AFFIRMED.