

Holzhauser Ford sheriff sale rescheduled

LAWSUITS AGAINST
DEFUNCT DEALERSHIP,
SHAREHOLDERS
MARCH ON

BY TOM CULLEN

A sheriff sale of the building that used to house the defunct Holzhauser Ford in Cherokee was rescheduled to June.

A notice Sheriff Derek Scott posted on Monday shows the sheriff sale of the former Ford dealership on North Second Street is scheduled for 10 a.m. June 12. The sale was previously scheduled for Wednesday.

Cherokee County District Court Judge Charles Borth ordered the defunct Cherokee Ford dealership and its Storm Lake partner dealership to the sale block after their real estate holding company defaulted on a loan that secured their purchase nearly four years ago. The bank alleged the dealerships owed nearly \$3 million on the loan. The real estate company never responded to the lawsuits filed by Citizens First National Bank of Storm Lake.

Buena Vista County Sheriff Kory Elston said a sale date for the Storm Lake dealership hasn't been scheduled yet.

The lawsuits against the Ford dealerships' real estate company are two of nine against the Holzhauser brand, its shareholders and associated entities, alleging default on nearly \$15 million in loans that have been issued in recent years.

Recently they've focused on Dan Winchell, the majority shareholder of the Holzhauser brand.

This month, lawyers for Winchell's former shareholders obtained login credentials to his company email and Judge Andy Smith assessed \$423,000 to Winchell for not

responding to a lawsuit Cherokee State Bank filed in connection with a loan default earlier this year.

Last month, Bryan Lam, his former partner in the Holzhauser franchise, sued him for stonewalling the sale of the former Harley Davidson building. The building is the subject of a loan foreclosure by Farmers State Bank of Marcus, which alleged Winchell and Lam defaulted on a series of loans against the building on North Second Street.

Winchell hasn't filed responses in any of the lawsuits against himself, Holzhauser or any of the dealership's associated corporate entities for months. He didn't respond to a request for comment on the most recent filings in Cherokee County District Court.

EXTRACTED EMAILS

Lawyers for Winchell's fellow shareholders have yet to access his emails.

Brian Rickert and Megan Ball, Des Moines attorneys representing Robin and Tony Jenness of Marcus, asked Judge Michael Schilling for permission to use Winchell and other former employees' login credentials provided by a former employee of the defunct dealership.

Emails between the Des Moines attorneys show the former employee provided "login/emails and passwords," PIN numbers and access to Holzhauser's former payroll software provider. The former employee also mentioned a laptop in another shareholder's possession, as well as electronic reviews by the defunct dealership's accountant. Rickert and Ball reckoned that immediately accessing the information could violate the Electronic Communications Act and the California Invasion of Privacy Act.

The information was delivered from a subpoena that was issued in connection with a lawsuit by Citizens First National Bank of Storm Lake, alleging the dealership defaulted on a \$6.5 million loan last spring.

The Jennesses claim the information in Winchell's emails could be critical in their defense against the bank.

"The Jennesses now seek the court's direction on how best to proceed with the collection, review and circulation of the information contained within (the former employee's subpoena response," reads a filing Rickert and Ball submitted to Judge Schilling earlier this month.

Rickert and Ball claim the Jennesses should have access to the emails from Winchell's accounts.

They claimed Winchell's email was a work email that belongs to the dealership and its board of directors. The Jennesses were on the board. Winchell and Kevin Driscoll, an attorney for the defunct dealership, have claimed some of his email contain material protected by attorney-client privilege. Winchell signed an affidavit — his first filing in months in any of the lawsuits involving Holzhauser — attesting that the employee had no authority to share company logins and passwords anyways.

"The information in these emails is not fully discoverable," reads a filing Driscoll submitted to Judge Schilling. "(The former employee) has no authority to even begin to access any documents at this time, or at such time of employment with Holzhauser Motors."

Judge Schilling has yet to rule on the Jennesses' request.

The Storm Lake bank is seeking individual judgments against each of the shareholders who promised to repay the bank what it owed — Winchell and the Jennesses signed guarantees in 2019 that promised payment in full. The shareholders — except for Bryan Lam and his wife Vanessa Xau, who settled with the bank — have denied the bank's claims and have countersued for breaching their duty to lend in good faith.

A jury trial is scheduled for November.



Cherokee Rotary donation

Cherokee Rotary was able to present Pete Snapp with a \$3,000 check on April 16. The funds were from the Rotary District 5610 Disaster Response Grant that was shared proportionally with Rotary organizations in Northwest Iowa including Rock Valley and Sioux City. The Cherokee Rotary chapter matched the funds awarded by the district. The Cherokee County Disaster Recovery Committee and Mid-Sioux helped provide applications for those affected by the flooding so that they might apply for funds to help offset the many costs and expenses they encountered due to the flood. The application process helped to verify requests before funds were dispersed.



AgState supports Aurelia FD

AgState recently donated \$2,500 to the Aurelia Fire Department to support the construction of their new building. The generous contribution highlights AgState's commitment to supporting local communities. Pictured with the Fire Department volunteers is Chris Olson, AgState Aurelia Operations Supervisor.

KADING: Must complete 30 units by June 30, 2026

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minium. The Cherokee Industrial Corporation has also committed \$75,000 toward the development, according to the contract.

Hauschilt noted the IEDA grant requires Kading to complete a minimum of 30 housing units by June 30, 2026. Kading aims to build 84 "townhome-style units" in two phases over the next three years. Site designs plan for 32 three-bedroom, two-bathroom units averaging 1,300 square feet and 52 two-bedroom, one-bathroom units averaging 900 square feet. All units will have attached garages.

Hauschilt said Kading would likely price each unit at around \$1 per square foot.

Phase one of the project will span around half of the acreage. Kading plans to pre-lease the first 30 housing units before starting phase two. Then, the company would have another 18 months to continue developing the property. Any remaining land would be transferred back to

the city by 2028, according to the development agreement signed in December.

Hauschilt said after Kading begins leasing properties next year, he'll better assess the appropriate number of units to construct during the project's second leg.

"Before the project is fully done, we like to be able to let residents have an opportunity to lease out spaces in advance," Hauschilt said. "We typically do that around when drywall starts going up on the first units."

Hauschilt hopes to start work at the site for phase one in early summer.

"So I want to get dirt moving as soon as possible," Hauschilt said, noting Kading still needs the Iowa Department of Natural Resources to approve the site plans.

MANAGEMENT PLANS, POSSIBLE EXPANSION

Depending on the housing demand, Kading is considering more development on the 16-acre lot beyond the 84 planned homes.

Councilman John Nitz asked whether Kading had plans for a third phase. Nitz claimed at a council meeting in January that Kading initially envisioned a development with over 100 units. He's in favor of building as many

units as possible before the development agreement expires.

Hauschilt said Kading can't develop the southern portion of the land near Linden Avenue due to its elevation.

"That's not a feasible access point," Hauschilt said of the sloped property.

He mentioned a vacant lot east of the existing acreage that could serve as an addition to the condominium in a few years. But Hauschilt didn't promise Kading would develop it.

"I'm hopeful, and I think I speak for the council, that if there's anybody that develops that (extra land), it will be Kading," said City Attorney Justin Vondrak on Tuesday.

Vondrak claimed the site plans abide by existing city sewer and water ordinances, though some of the separation distances between utilities may be tighter than usual. The planning and zoning commission has also reviewed site plans, and besides brief questions about parking availability, they approved the project with little issue.

Nitz and Councilman Wayne Pingel asked how Kading plans to handle property maintenance duties at the site. Hauschilt said two property managers live in Storm Lake to respond to issues at the Kading development around Chloe Lane. While the company hasn't hammered out the details yet, Hauschilt said he's confident those two managers can cover developments in both towns.

"I imagine to start out they would take this (Cherokee condominium) on as well, whether it be one of them dedicated to this site, or maybe rotating back and forth," Hauschilt told the city council.

He also noted all Kading Properties residents have access to an online portal where they can request service on maintenance issues.

"Our goal is always to provide 24-hour response time, so (with) what we have in place in Storm Lake right now, that's very manageable."

Otherwise, Hauschilt said, Kading takes care of all general upkeep.

"We take care of everything from snow removal, lawn care and other maintenance-related items," he said.



Providing Easter meals

Speculative Lodge 307 held a breakfast fundraiser to raise money for an outreach program. They chose to purchase and put together 25 Easter meals for Cherokee Mid-Sioux to distribute to families for the holiday. Pictured are Jacob Kindwall, Phill Kindwall and Todd Anderson from Speculative Lodge 307 and Nicole Mier and Kayla Stubbe from Cherokee Mid-Sioux.

Raises for administrators, CSD staff

Barkley votes no for administrators

BY ERIN RYDGREN

The Cherokee School Board approved pay increases for certified and support staff, directors and administrators during a special meeting last Monday.

Board member Jared Barkley was the lone no vote on the administrator contracts — the rest were passed

unanimously. Barkley has declined comment on the no vote, citing board policy that prohibits board members from speaking about school district business without permission from the rest of the board.

The administrators — save for Supt. Tom Ryherd — were given a 2.8% increase, roughly the same as other bargaining units negotiating with the school board. Board President Jodi Thomas noted Ryherd's contract is considered sepa-

rate from other administrators, like principals and the business manager.

The board's master agreement with the Cherokee Education Association for certified staff in 2025-26 includes a 2.8% package increase, with a \$550 base wage increase, step advancements on the salary schedule, among other increases.

Support staff contracts will see an hourly increase of 2.96% and director contracts will increase by 2.8%.

MURDER: Suspect posted \$100K bond

Continued from page one

vised Hammond drove through a driveway toward Wheeler, who was working on a pickup. Hammond ran over Wheeler, who was running away from the attacking pickup, the affidavit alleges.

First responders arrived at the acreage shortly after a 911 call was lodged with the Cherokee County Communications Center. Cherokee po-

lice, fire and sheriff's deputies attempted lifesaving measures on Wheeler. He was pronounced dead at the scene.

Hammond was located later after he sped off from the scene, according to a news release from Sheriff Derek Scott.

A motive wasn't specified in court documents. Scott noted the incident remains under investigation by the sheriff's office and the Iowa Division of Criminal Investigation.

Hammond was released on a \$100,000 bond at around 2 p.m. Tuesday, according to

court records. Hammond posted the bond — underwritten by United States Fire Insurance Company — through Lederman Bonding of Sioux City.

Hammond was ordered to appear in court April 30. Magistrate Judge Lisa Mazurek ordered Hammond released, but required him to find his own lawyer because he isn't eligible for court-appointed counsel. Hammond wrote to Judge Mazurek that he makes \$24 an hour through his job at Hatch Masonry.

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