

FILED
U.S. DISTRICT COURT
INDIANAPOLIS, INDIANA

2003 FEB 26 AM 11:34

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA

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OF INDIANA
LAURA A. BRIGGS
CLERK

JAMES A. KNAUER as the Court Appointed)
Receiver for HEARTLAND)
FINANCIAL SERVICES, INC., JMS)
INVESTMENT GROUP, LLC, ATLAS)
INCOME FUND, LLC, BMC INVESTMENT) CASE NO:
GROUP, LLC, DOLPHIN INTERNATIONAL)
DEVELOPMENT, LTD., BELIZE ESCROW)
SERVICES, HEARTLAND MONEY)
MANAGEMENT OF FLORIDA, INC.,)
LINCOLN FIDELITY ESCROW SERVICES,)
MDS INVESTMENT, INC., and 21ST)
CENTURY INTERNATIONAL ADVISORS,)
INC.)

Plaintiff, **1:03-CV-0279 JDT - TAB**

v.

LESLIE REED,

Defendant.

COMPLAINT

James A. Knauer, (the "Receiver"), the Receiver for Heartland Financial Services, Inc., JMS Investment Group, LLC, and their alter egos, states the following for his Complaint against Defendant, Leslie Reed:

JURISDICTION AND VENUE

1. The claim which is the subject matter of this litigation relates to the case of the *United States Securities and Exchange Commission v. Kenneth R. Payne, Johann M. Smith, Daniel G. Danker, Constance Brooks-Kiefer, Heartland Financial Services, Inc., and JMS Investment Group, LLC, et al.*, case number IP00-1862-C-D/F which involves the enforcement of federal statutes regulating the sale of securities and prohibiting money laundering and racketeering. Federal jurisdiction is based upon statutory supplemental jurisdiction pursuant to 28 U.S.C. §1367. See *Scholes v. Lehman* 56 F.3d 750 (7th Cir. 1995).

2. Venue in this district is authorized by 28 U.S.C. §754 which allows a receiver to bring an action in the district in which he was appointed to enforce claims anywhere in the United States.

**Count I
Complaint for Money Had and Received
(Implied Contract)**

3. According to the financial records of Heartland Financial Services, Inc. and its affiliated companies ("Heartland"), Defendant Leslie Reed received the sum of \$20,000.00 as a retainer for legal services.

4. Upon information and belief, no legal services were required to be performed on behalf of Heartland by Defendant Leslie Reed.

5. Also according to Heartland's financial records, Defendant Leslie Reed received the sum of \$25,000.00 denominated as a loan to Defendant, which loan has not been repaid in whole or in part.

6. Defendant Leslie Reed holds money of Heartland in the aggregate sum of \$45,000.00 which, in equity and good conscience, Defendant ought to repay.

7. Demands have been made upon Defendant Leslie Reed to repay the sum of \$45,000.00, which demands have been refused.

THEREFORE, Plaintiff requests for judgment against the Defendant, Leslie Reed, in the sum of \$45,000.00, interest from the date of the filing of this action, and costs and all other just and proper relief.

**Count II
Unjust Enrichment**

8. Plaintiff incorporates Paragraphs 1 through 7 above into Count I of his Complaint.

9. Defendant Leslie Reed was unjustly enriched, and the two payments constituting that unjust enrichment are recoverable by the Receiver pursuant to the holding in *Scholes v. Lehmann*, 56 F.3d 750 (7th Cir. 1995).

THEREFORE, Plaintiff requests judgment against the Defendant, Leslie Reed, in the sum of \$45,000.00, interest from the date of the filing of this action, and costs and all other just and proper relief.

Respectfully submitted,

KROGER, GARDIS & REGAS, LLP

By: 

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