

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES SECURITIES)	
AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	Civil Action No.
)	IP00-1265 C -T/G
KENNETH R. PAYNE,)	
JOHANN M. SMITH,)	
DANIEL G. DANKER, CONSTANCE)	
BROOKS-KIEFER,)	
HEARTLAND FINANCIAL SERVICES,)	
INC., AND JMS INVESTMENT)	
GROUP, LLC.)	
)	
Defendants.)	

**ORDER AUTHORIZING PAYMENT OF FEES TO ATTORNEYS FOR RECEIVER
RECEIVER AND RECEIVER'S ACCOUNTING FIRM**

James A. Knauer, the Receiver for Heartland Financial Services, Inc., JMS Investment Group, LLC and their affiliated entities ("the HeartlandCompanies"), filed with the Court his *First Motion for Interim Compensation of Law Firm of Kroger Gardis & Regas, L.L.P., as Attorneys for Receiver; Motion For Interim Compensation And Reimbursement of Expenses by Birk Gross Bell & Coulter as Accountants For The Receiver, and First Motion For Interim Compensation of James A. Knauer as Receiver* (the "Fee Requests") which motions are in words and figures as follows, to wit:

(HI)

The Court conducted a hearing on the Receiver's Fee Requests after notice to all counsel of record on May 31, 2001 (the "Hearing"). The Receiver appeared in person at the Hearing and the law firm of Kroger Gardis & Regas was represented by Bill Bock. At the Hearing, the Receiver advised the Court that he had been contacted by the Securities and Exchange Commission ("SEC") and advised that a representative of the SEC would not be attending the Hearing, but that the SEC had no objection to the Receiver's Fee Requests and the allowance of fees in the amounts requested by the Receiver.

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Following the hearing, the Receiver informed the Court that copies of the Receiver's Fee Requests had not been posted on the Receiver's internet website in advance of the Hearing as previously believed. As a result, the Court permitted the public and interested parties, including Heartland and JMS investors, to submit additional comments and objections to the Fee Requests.

Several members of the public submitted comments and objections relating to the Fee Requests. The Court considered the comments and correspondence received from the public and again reviewed the Receiver's Fee Requests.

The Court, being duly advised and having considered the Receiver's Fee Requests, and the evidence presented at the hearing as well as the comments of the public, now finds that the Receiver's Fee Requests should be Granted

IT IS THEREFORE ORDERED:

(1) that the law firm of Kroger Gardis & Regas, L.L.P., is awarded compensation for its services in this proceeding through February 28th, 2001 in the sum of \$84,465.50.

(2) that the accounting firm of Birk Gross Bell & Coulter is awarded compensation for its services herein through February 28th, 2001 in the sum of \$204,757.25 and reimbursement of expenses in the sum of \$1,109.93, a total of \$205,867.18; and

(3) that James A. Knauer is awarded compensation for his services in this proceeding through February 28th, 2001 in the sum of \$54,411.00.

Date: September 18, 2001

JOHN DANIEL TINDER
Judge John Daniel Tinder, United States
District Court

Distribution:

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