

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES SECURITIES)
AND EXCHANGE COMMISSION,)

Plaintiff,)

KENNETH R. PAYNE,)
JOHANN M. SMITH,)
DANIEL G. DANKER, CONSTANCE)
BROOKS-KIEFER,)
HEARTLAND FINANCIAL SERVICES,)
INC., AND JMS INVESTMENT)
GROUP, LLC.)

Defendants.)

Civil Action No. IP00-1265 C -T/K

**RECEIVER'S APPLICATION FOR FOURTH INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR BGBC PARTNERS, PC, AS
ACCOUNTANTS FOR THE RECEIVER**

James A. Knauer, the appointed and acting Receiver herein, moves the Court for an Order authorizing the payment of fees and expenses to BGBC Partners, PC ("BGBC") for their services as accountants for the Receiver in these proceedings and in support thereof, states as follows:

1. On August 21, 2000, James A. Knauer was appointed as the Receiver for Heartland Financial Services, Inc., JMS Investment Group, LLC, and their related companies (the "Heartland Companies").
2. This Court entered an Order authorizing the Receiver to employ BGBC as accountants for the Receivership on August 25, 2000.
3. This Motion for Interim Compensation is for work on behalf of the Receiver and all such work performed and services rendered were proper and necessary in order to assist the Receiver in the performance of his duties.
4. This Motion covers the period from December 9, 2003, to and including March 9, 2005, as well as, the period from November 1, 2001, to and including July 15, 2003, which was inadvertently excluded from BGBC's previous compensation request. Thus, this request covers a cumulative

- period of approximately twelve months.
5. BGBC has performed various services all of which are described in detail in the invoices which are attached hereto and incorporated by reference herein and marked as Exhibits "A", "B", and "C" to this Application.
 6. Generally, BGBC performed the following services:
 - a. Calculating investor distribution amounts;
 - b. Preparation of 1099s for investor distributions;
 - c. Producing information for reports to the court;
 - d. Assisting in investor lawsuit preparation and settlement; and
 - e. Significant work to reduce priority claim of the IRS from approximately \$226,000 to approximately \$187,000.
 7. Exhibits "A", "B", and "C" provide a detail of the time and hourly billing rate and a description of the task performed for each representative of BGBC who has rendered services in this case. The total fees and expenses requested by BGBC for the applicable period is the sum of \$50,912.77.
 8. BGBC was employed by the Receiver pursuant to an agreement that its services would be billed on an hourly rate and paid from the Receiver's non-encumbered funds.

WHEREFORE, BGBC requests that the Court award an interim allowance of compensation for accounting fees in the amount of \$50,912.77, or such sum as deemed proper by the Court.

/s/ James A. Knauer
James A. Knauer, Receiver

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing has been served upon the following parties by the Court's Electronic Case Filing System or by depositing a copy of same in the United States Mail, first class postage pre-paid, on this 29TH day of December, 2006:

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