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July 13, 2001

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Ms. Joan Winnings
6435 Chapelwood Court
Indianapolis, Indiana 46268

Re: *Objection to Heartland Financial Services Fee Applications*

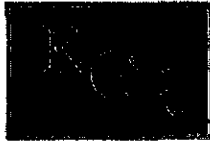
Dear Ms. Winnings:

I received a copy of the letter which you wrote to the Court concerning the fees paid to professionals in this case. Your letter raises a number of very good questions, many of which were asked by the Judge at the hearing that took place on the fees in late May. I would like to provide you with the following information.

1. As to the issue of the hourly rates charged for services in this case, these rates are the rates that are regularly charged by our law firm to all clients for this type of work and the fees were not increased just for this case.
2. The employees of my law firm and the accounting firm who are working on this case are not being paid any more or any less than for work on any other case. The issue of whether accepting a particular engagement precludes one from accepting other engagements is a factor that Courts' routinely consider in awarding compensation. The nature of this case, as detailed in our fee application, required that both the law firm and the accounting firm provide, at lease initially, a considerable amount of manpower immediately in order to "get the case under control." With the passage of time, the work on the case gradually settles to a more predictable pace as the emergencies have been dealt with and the matters that are easily resolved are concluded.

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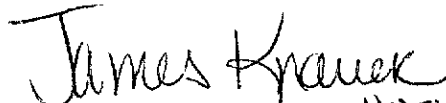


3. As to the amount of recovered funds, reports are filed quarterly by the Receiver and these can be viewed at the Courthouse or on the Receivership Website. From your letter it appears that you do not have internet access and it may be an inconvenience for you to come to the clerk's office to review the reports and so I am enclosing copies of the reports that have been filed to date with this letter.

4. As to your final question, there definitely will be funds distributed to the investors in the case. Regrettably, I cannot estimate what that amount will be, as we are in the process of pursuing a number of very sizeable claims, but in order for those claims to result in Receivership funds, we must not only prevail, but we must collect any judgment which is awarded.

I have talked to many investors about this case and would be happy to respond to your call if you wish to contact me in the near future.

Sincerely,


James A. Knauer HNS

JAK:hns

cc: Honorable John D. Tinder