

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA

FILED
U.S. DISTRICT COURT
INDIANAPOLIS DIVISION

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SOUTHERN DISTRICT
OF INDIANA
LAURA A. BRIGGS
CLERK

Cause No. IP00-1862-C-D/F

JAMES A. KNAUER as the Court Appointed)
Receiver for HEARTLAND)
FINANCIAL SERVICES, INC., and JMS)
INVESTMENT GROUP, LLC,)

Plaintiff,)

v.)

VALERIE CORK, RICHARD M. PAYNE,)
DANIEL G. DANKER, KENNETH R. PAYNE)
A/K/A DORIS PAYNE, WAYNE GAINEZ)
BENJAMIN STEINBERG, GARY MAY,)
BRADLEY BYTHEWAY,)
JOHN DOE # 1, JANE DOE # 1,)
JOHN DOE # 2, JANE DOE # 2,)
JOHN DOE # 3, and JANE DOE # 3,)

Defendants.)

AFFIDAVIT OF JAMES A. KNAUER

Comes now, Plaintiff, James A. Knauer, as the Court Appointed Receiver for Heartland Financial Services, Inc. and JMS Investment Group, LLC, ("Plaintiff"), by counsel, and being first duly sworn upon his oath deposes and says:

1. I am the Court appointed Receiver for Heartland Financial Services, Inc. and JMS Investment Group, LLC.
2. Heartland Financial Services, Inc. and JMS Investment Group, LLC's assets were used by Defendant Kenneth R. Payne to purchase and acquire property for personal use.
3. Defendant Kenneth R. Payne caused the property purchased with Heartland Financial Services, Inc. and JMS Investment Group, LLC's assets to be titled in his and the other named Defendants' names.

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4. As the Court appointed Receiver for Heartland Financial Services, Inc. and JMS Investment Group, LLC, I am entitled to possession of its property.

5. Among the property referred to in paragraphs 2 and 3 of this affidavit is the following property: 1995 Cadillac VIN 1G6KD52B3SU274090

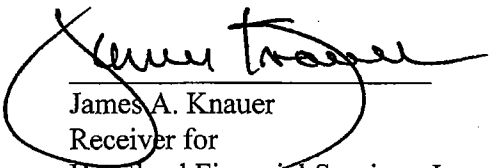
6. The above described property has not been taken for a tax assessment or fine, pursuant to a statute, or seized under an execution or attachment against the property of Heartland Financial Services, Inc. and JMS Investment Group, LLC.

7. The above described property was wrongfully acquired and is unlawfully detained by the Defendant.

8. The estimated value of the above described property is \$11,800.00 and is currently being stored at the Wayne County Metro Impound Lot. As of December 27, 2000, storage fees for the 1995 Cadillac are \$1,060.00 and accrue at the rate of \$10.00 per day. The 1995 Cadillac is depreciating and is at risk of having its title assigned to a new owner.

I HEREBY SWEAR OR AFFIRM, UNDER PENALTIES FOR PERJURY, THAT THE FOREGOING IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

FURTHER AFFIANT SAITH NOT.


James A. Knauer
Receiver for
Heartland Financial Services, Inc. and
JMS Investment Group, LLC

William Bock, III
Samuel D. Hodson,
Attorneys for Receiver
Kroger, Gardis & Regas, L.L.P.
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P.O. Box 44941
Indianapolis, Indiana 46244-0941

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a notary public in and for said county and state, personally appeared, James A. Knauer, and acknowledged the execution of the foregoing instrument. Witness my hand and official seal this 11th day of January, 2000.

Kari Wells
Notary Public (signed)

Commission expiration: 4-7-08
County of residence: MARION