

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA

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SOUTHERN DISTRICT
OF INDIANA
LAURA A. BRIGGS
CLERK

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.)

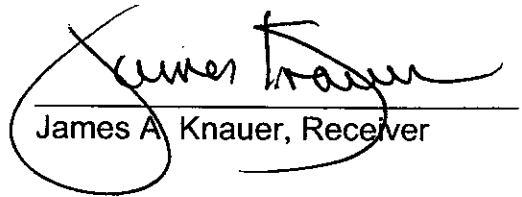
Civil Action No. IP00-1265 C -T/G

**RECEIVERS MOTION TO SUBSTITUTE EXHIBITS TO RECEIVERS FIRST
INVENTORY AND APPRAISAL**

James A. Knauer, the Receiver for Heartland Financial Services, Inc., and JMS Investment Group, LLC, in support of his motion to substitute exhibits to Receivers first Inventory and Appraisal states:

1. On Friday, October 20, 2000, the Receiver filed his first inventory and appraisal with the court.
2. The Receiver has discovered that Exhibits "E" and "F" which were attached to the report contained several mathematical errors.
3. Copies of the corrected Exhibits "E" and "F" are attached to this motion.

THEREFORE, the Receiver requests that the court issue an order directing that Exhibits "E" and "F" attached to this motion shall be deemed to be substituted for the corresponding Exhibits in the Receivers first inventory and appraisal.


James A. Knauer, Receiver

Kroger, Gardis & Regas, L.L.P.
111 Monument Circle, Suite 900
P.O. Box 44941
Indianapolis, Indiana 46244-0941

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing has been served upon the following parties by placing a copy of the same in the United States Mail, first class postage pre-paid, on this 24 day of October, 2000:

Paul A. Montoya
Kara M. Washington
Jeannette L. Lewis
United States Securities and Exchange Commission
500 West Madison Street
Suite 1400
Chicago, Illinois 60661

- Fred D. Scott
Attorney at Law
55 Monument Circle
Suite 814
Indianapolis, Indiana 46204

Dexter B. Johnson
Mallon & Johnson, P.C.
19 S. LaSalle Street
Suite 1202
Chicago, Illinois 60603

Dennis Zahn
Symmes, Voyles, Zahn, Paul & Hogan
700 Jefferson Plaza
One Virginia Avenue
Indianapolis, Indiana 46204

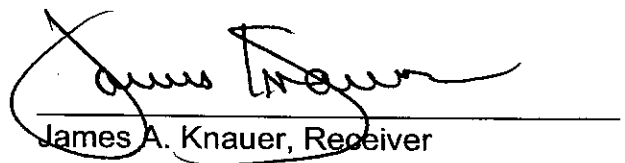

James A. Knauer, Receiver

EXHIBIT "E"					
HEARTLAND COMPANIES ASSETS					
	Liquid Assets	Unliquidated Assets	Frozen Assets	Missing Assets	Claims
Bank One Account Acct #194124187	\$112,076.55				
Lincoln Fidelity Escrow Acct #0001266190	\$85,102.16				
21st Century International Advisors Acct #4450023470			\$14,097.61		
21st Century Personnel Acct# 4450023470			\$1,043.21		
21st Century International Advisors refund of fee	\$15,000.00				
Maintenance Fee Refund	\$500.00				
Heartland Office Equipment Liquidation	\$33,946.22				
1997 Lincoln Town Car		\$16,000.00			
Olde Securities Liquidation	\$404,181.84				
Freeze Order Violations					\$389,692.19
21st Century Banking Group, Ltd (Grenada Bank)					125,000.00
21st Century Banking Group, Ltd (Grenada Car)					15,000.00
Recoverable Payments					\$5,378,450.00
TOTALS:	\$650,806.77	\$16,000.00	\$15,140.82	0.00	\$5,908,142.19

	EXHIBIT "F"				
HEARTLAND COMPANIES AND INDIVIDUAL DEFENDANTS					
	ASSET SUMMARY				
	Liquid Assets	Unliquidated Assets	Frozen Assets	Missing Assets	Claims
Kenneth Payne Assets (see schedule A)	\$4,943.80	\$72,865.04	\$20,036.38		\$16,800.00
Daniel Danker Assets (see schedule B)	\$7,519.27			7,519.27	\$7,968.00
Johann Smith Assets (see schedule C)			\$60,830.75	60,830.75	
Constance Brooks Assets (see schedule D)			\$6,589.35	6,589.35	
Heartland Companies (see schedule E)	\$650,806.77	\$16,000.00	\$15,140.82	0.00	\$5,908,142.19
				\$0.00	
TOTALS	\$663,269.84	\$88,865.04	\$102,597.30	\$74,939.37	\$5,932,910.19