1 UNITED STATES BANKRUPTCY COURT

2 DISTRICT OF MINNESOTA

3

4 -

5 In re:
SRC Holding Corporation,
6 f/k/a Miller & Schroeder Financial, Inc.,
and its subsidiaries,
7
Debtor.
8 ----------
Brian F. Leonard, Trustee,
9
Plaintiff,
10 vs. File No.

11 James E. Iverson,

12 Defendant.

13
In re:
14
SRC Holding Corporation,
15 Debtor,
---
16 Brian F. Leonard, Trustee,
Plaintiff,
17
vs.
18
Roger J. Wikner,
19
Defendant.
20 -

21

22 DEPOSITION OF

23 **JAMES F. DLUGOSCH**

24 10 February 2004

25 1:00 p.m.

EXHIBIT A tabbies

COPY

1 DEPOSITION of JAMES F. DLUGOSCH, taken
2 pursuant to Notice and agreement of and between
3 counsel, at 1800 Fifth Street Tower, 150 South
4 Fifth Street, Minneapolis, Minnesota 55402, at
5 approximately 1:00 o'clock p.m. on February 10,
6 2004, before Paula E. Berg, Notary Public, County
7 of Hennepin, State of Minnesota, to be used in the
8 above-entitled cause.
9
10 APPEARANCES:
11 On Behalf of the Plaintiff:
Joseph W. Lawver, Esquire
12 MESSERLI & KRAMER
Suite 1800 Fifth Street Towers
13 150 South Fifth Street
Minneapolis, Minnesota 55402.
14
On Behalf of the Defendant Wikner:
15 Larry B. Ricke, Esquire
LEONARD, STREET, DEINARD
16 150 South Fifth Street
Suite 2300
17 Minneapolis, Minnesota 55402
18 On Behalf of the Defendant Iverson:
Matthew Burton, Esquire
19 LEONARD, O'BRIEN SPENCER
100 South Fifth Street
20 Suite 1200
Minneapolis, Minnesota 55402
21
22
23
24
25

I N D E X

EXAMINATION	PAGE
By Mr. Lawver	4, 51
By Mr. Ricke	24, 57
By MR. Burton	34, 60

DEPOSITION EXHIBITS

NO. 1	Stock Purchase Agreement
NO. 2	Response letter to Ed Meyer
NO. 3	Financial Statements - PPA
NO. 4	Confidential Memorandum
NO. 5	MSI Acquisition Fiscal Year 1997/05
NO. 6	Resolutions Electing Officers
NO. 7	Resolutions Electing Directors
NO. 8	Noncompetition Agreement
NO. 9	Complaint
NO. 10	Letter of intent to Wikner and Iverson
NO. 11	Unsworn Declaration of James Dlugosch

OBJECTIONS NOTED

By Mr. Lawver	36, 38, 39, 41
By Mr. Ricke	38, 39, 49
By Mr. Burton	14, 18, 20, 31

1 Tuesday afternoon, February 10, 2004
2 1:00 p.m.
3
4
5 JAMES F. DLUGOSCH
6 a witness in the above-entitled action,
7 after having been first duly sworn
8 was examined and testifies as follows:
9
10 EXAMINATION
11 BY MR. LAWVER:
12 Q. Would you please state your name?
13 A. Jim Dlugosch.
14 Q. Mr. Dlugosch, my name is Joe Lawver
15 and I represent James Iverson in an adversary
16 proceeding commenced in bankruptcy court by the
17 trustee of SRC Holding Corporation. Are you
18 familiar with that bankruptcy?
19 A. Yes.
20 Q. Okay. Have you had your deposition
21 taken before?
22 A. Yes.
23 Q. So you're familiar that what I'll ask
24 is a series of questions and I'll ask that you
25 wait until I complete the question and then you

respond verbally. If you don't understand a question let me know and I'll restate it or ask it to be read back to you. I also ask that you wait until I complete the question and I'll try give you the courtesy of letting you complete your answer. Is that understood?

A. I understand.

Q. Would you give me your educational background starting with high school?

A. I attended and graduated from St. Cloud Cathedral High School, got my bachelor's degree from St. John's University, did my graduate work at the University of Minnesota in sociology.

Q. And your bachelor degree, undergraduate degree was in sociology as well?

A. Sociology.

Q. Okay. In 1997 were you involved in the acquisition of the shares of Miller & Schroeder, Inc?

A. Yes.

Q. And how were you involved?

A. I was the head of an investor group that acquired all of the outstanding shares of the company.

Q. And in fact you formed a corporation

1 called MI Acquisition Corporation to purchase
2 those shares?
3 A. That's correct.
4 Q. I'm going to -- I've premarked a
5 number of exhibits and I'm going to show them to
6 you all at once because we may go back and forth
7 in referring to them. Exhibit No. 1 is the stock
8 purchase agreement. It is not the complete stock
9 purchase agreement, it is somewhat abbreviated.
10 Not all of the schedules are there. Are you
11 familiar with that document?
12 A. Yes.
13 Q. The second exhibit that I've marked is
14 a letter dated March 20, 1997. It appears to be
15 on your letterhead to a Mr. Meyer. Would you take
16 a look at that and tell me if you have seen that
17 document before?
18 A. Yes, I have.
19 Q. The next document that I have is
20 captioned or titled Miller & Schroeder, Inc., and
21 Subsidiaries Financial Statements, July 1997. Let
22 me show you that and tell me if you're familiar
23 with that document or have seen that document
24 before.
25 A. Yes, I have.

1 Q. Okay. Now let me show you what has
2 been marked as Deposition Exhibit No. 4 that is
3 captioned Miller & Schroeder Acquisition
4 Corporation. It's a confidential memorandum dated
5 March 13, 1997. Would you take a look at that and
6 tell me if you have seen that document and are
7 familiar with that document?
8 A. Yes, I'm familiar with it.
9 Q. Were you in part author of that
10 document?
11 A. I assisted in it's preparation.
12 Q. Okay. And I'm showing you what has
13 been marked as Deposition Exhibit No. 5 and this
14 purports to be the Miller & Schroeder, Inc., and
15 Subsidiaries Financial Statements of May of 1997.
16 Would you take a look at that and tell me if you
17 have ever seen that before or would you be
18 familiar with that document?
19 A. I don't recall whether I was familiar
20 with the specific document, these specific
21 documents for May of 1997, but I am familiar with
22 the format and the substance of the financial
23 statements.
24 Q. And then I'm showing you Deposition
25 Exhibit No. 6 which is Unsigned Resolutions that

1 were -- we obtained these from the files of the
2 law firm of Briggs & Morgan. Would you take a
3 look at that document? Do those resolutions even
4 though unsigned seem familiar to you?
5 A. Yes.
6 Q. Would you take a look at the
7 Deposition Exhibit No. 7 which is a resolutions
8 electing directors again. These are unsigned
9 resolutions of the various entities and I'd like
10 you to take a look at that and see if you're
11 familiar with those resolutions.
12 A. Yes, I'm familiar with these.
13 Q. Okay. So in 1997 who were the
14 principal owners of MI Acquisition Corporation
15 when it was formed?
16 A. I'm sorry, of MI Acquisition?
17 Q. MI Acquisition Corporation.
18 A. Well, when it was formed the
19 principals were myself, Ken Dawkins and I'm not
20 sure who all was at the time that it was formed
21 who all were listed as shareholders but there were
22 additional investors that had been, had contacted
23 and eventually purchased shares before the
24 transfer of stock from Wikner and Iverson and
25 Steve Erickson to MI Acquisition Corporation.

1 Q. Okay. Would you take a look at
2 Dlugosch Exhibit No. 4? This is the confidential
3 memorandum. I'd like you to turn to Tab 5.
4 MR. BURTON: Excuse me, you don't have
5 an extra copy of that?
6 MR. LAWVER: I'm sorry, you have the
7 exhibits in front of you. I made a copy for
8 everybody, I'm sorry.
9 MR. BURTON: Thank you.
10 THE WITNESS: So which tab?
11 BY MR. LAWVER:
12 Q. Tab 5 and I think it's called a
13 transaction summary. Down where it says the
14 purchase price, this is in March of 1997 and it's
15 contemplated that the purchase price is going to
16 be $15 million dollars for the stock.
17 A. Yes.
18 Q. And in addition to that there was
19 going to be noncompete and consulting payments of
20 $100,000 per year for seven years paid to the
21 principals?
22 A. Yes.
23 Q. And that would be in addition to the
24 stock purchase?
25 A. Right.

1 Q. How was the purchase to be funded?
2 A. A combination of equity and debt.
3 Q. Okay. When I look down on the
4 capitalization it appears there was going to be
5 $6,500,000 of equity and $5,000,000 of bank
6 financing. Which bank would that have been?
7 A. Norwest, now Wells Fargo.
8 Q. Okay. And subordinated debt of
9 $2,000,000. Was this in the form of debentures or
10 what type of financing was that?
11 A. That was a line of credit from Norwest
12 Bank.
13 Q. Would you look at Deposition Exhibit
14 No. 2, which is your letter to Mr. Meyer of
15 Norwest Bank, in particular I'm looking over on
16 page three. At the top of page three do you see
17 that where it refers to notes receivable?
18 A. Uh-huh, yes.
19 Q. Okay. You see that there it appears
20 there is $1.5 million dollars of notes receivable
21 of Mr. Wikner and Mr. Iverson.
22 A. Yes.
23 Q. And these are notes receivables to the
24 subsidiaries or to Miller & Schroeder, Inc?
25 A. I believe that's correct. I'm --

1 Q. So as I'm reading that, and you tell
2 me, was the intent that the proceeds used to pay
3 off those notes was to be part of the purchase
4 price?
5 A. As of March 20, yes.
6 Q. Okay. And so if I look at your
7 capitalization of $6.5 million dollars in equity,
8 $5 million dollars in bank financing, $2 million
9 dollars of subordinated debt, if we added $1.5
10 million dollars of the proceeds from those notes
11 that would equal $15 million?
12 A. Correct.
13 Q. Would you take a look at Deposition
14 Exhibit No. 5?
15 MR. BURTON: Which one is that?
16 BY MR. LAWVER:
17 Q. This is the May 1997 financial
18 statements.
19 A. Okay.
20 Q. I'd like to turn your attention to Tab
21 1 on the page which refers to the Miller &
22 Schroeder, Inc., statement of financial condition.
23 Do you see what page I'm at under Tab 1? I think
24 you're on that.
25 A. Okay.

1 Q. If you look down under on the asset
2 portion of the financial statement you'll see
3 receivables.
4 A. Yes.
5 Q. And the third receivable line item is
6 Officers and Employees. Do you see that?
7 A. Yes.
8 Q. And so at least the financial records
9 of Miller & Schroeder, Inc., as of May 31, 1997
10 showed officers, employees had a receivable due to
11 the corporation of $1,990,849?
12 A. Correct.
13 Q. And you're familiar with financial
14 statements, I understand.
15 A. Yes.
16 Q. Okay. Would you look at Deposition
17 Exhibit No. 3, which is the July 1997 financial
18 statement?
19 A. Okay.
20 Q. And I'll turn your attention to the
21 Tab 1 and looking at July 31, 1997 would you read
22 down the Officers and Employees Receivables Due?
23 A. Yes.
24 Q. What amount is that due?
25 A. $157,386.

1 Q. So $157,386. Turn your attention to
2 Tab 13, which identifies Receivables from Officer
3 and Employees July 31, 1997.
4 A. Uh-huh.
5 Q. And you will see at the total on the
6 bottom is the $157,389 which would reconcile with
7 the first page of the financial statement,
8 correct?
9 A. Correct.
10 Q. And do you see anywhere on this page
11 any reference to notes or obligations of
12 Mr. Iverson or Mr. Wikner?
13 A. No.
14 Q. So it appears from the financial
15 statements at that point in time that they no
16 longer have financial obligations, notes
17 receivable to the corporation?
18 A. Correct.
19 Q. Would you take a look at back on Tab 1
20 and under Receivables, now go further down and you
21 will see Advanced to MI Acquisition Corporation.
22 There is an amount of $2,001,548. Can you explain
23 was there an advance from the subsidiaries to MI
24 Acquisition Corporation on July 31, 1997 of that
25 amount?

1 A. I don't recall what the --
2 Q. Okay. But the financial records as
3 you reviewed them today indicate that that's what
4 took place?
5 A. Yes.
6 MR. BURTON: Objection, it doesn't
7 state that the transfer took place on that date.
8 It shows it's there as of that date.
9 BY MR. LAWVER:
10 Q. As of July 31, 1997 it shows an
11 obligation from MI Acquisition Corporation to it's
12 subsidiaries at that point in time of that amount.
13 Is that your understanding?
14 A. Yes, it is.
15 Q. Would you take a look at Deposition
16 Exhibit No. 1? I refer you to Exhibit No. -- or
17 in the paragraph 5.5. All right. In this case on
18 this exhibit the sellers happen to be Mr. Wikner,
19 Mr. Iverson and Mr. Erickson. Is that correct?
20 A. That's correct.
21 Q. Okay. And as of paragraph 5.5 which
22 is in the section captioned Covenants and
23 Agreements it appears that the sellers are
24 obligated to pay in full principal and interest on
25 the outstanding notes and advances owed to the

1 company or any subsidiary on or before closing.
2 A. Right, correct.
3 Q. And would you look at -- well, at the
4 about six or seven pages back from the end of the
5 Exhibit No. 1 which is a Closing Statement,
6 Certificate and Receipt.
7 A. Yes.
8 Q. And would you -- with regards to the
9 closing proceeds there is a $15 million dollars of
10 closing proceeds and $7.3 million, or
11 $7,310,725.55 was to go to Mr. Wikner on the
12 closing proceeds. Correct?
13 A. Yes.
14 Q. And when I'm looking at the
15 adjustments to closing proceeds it is your
16 understanding that these are amounts deducted from
17 Mr. Wikner's portions in Exhibit A?
18 A. Yes.
19 Q. Okay. And if you look at Roman
20 Numeral III you see $7.3 -- $7,310,725.55 with
21 proceeds to be paid to Mr. Iverson, correct?
22 A. Correct.
23 Q. And there were adjustments to closing
24 proceeds identified in 3A, correct?
25 A. That's correct.

1 Q. Okay. If you -- and you're welcome to
2 use a calculator. If you want I can get it to
3 you, but if you were to take the amount in Roman
4 Numeral IIAII and Roman Numeral IIAIII, which is
5 the total amounts of adjustments to Mr. Wikner's
6 excluding the Mid-America bank pay down, and if
7 you were to take on Roman Numeral III, which is
8 IIIA is the Miller & Schroeder, Inc., notes and
9 receivables to Mr. Iverson and the notes and
10 receivables to Miller & Schroeder Financial, Inc.,
11 on Roman Numeral III, if you were to add those up
12 together with the payments or adjustments to
13 proceeds of Mr. Erickson with one proviso, that
14 on -- there is a line item on Mr. Wikner's where
15 he was to pay off a Mercedes Benz purchase. Do
16 you see that item?
17 A. Yes.
18 Q. Okay. And I believe that item was
19 proceeds were taken out of closing as well and
20 paid directly to the lender on that.
21 A. Yes.
22 Q. If you added all of those up your
23 amount would be $2,001,548. Would you -- you're
24 welcome to take the time. If you want to believe
25 me I'll represent to you that's what those add up

1 to.

2 A. Yes.

3 Q. Okay. So out of the closing proceeds

4 it appears that $2,001,548 were withheld from

5 being paid to Mr. Wikner and Mr. Iverson and

6 Mr. Erickson and that amount coincides with the

7 advance from the subsidiaries to MI Acquisition

8 Corporation?

9 A. Yes.

10 Q. So does it appear to you that those

11 proceeds were paid to the subsidiaries and

12 advanced to the parent?

13 A. Yes.

14 Q. And at closing were you familiar with

15 the canceled promissory notes? Were you present

16 at closing?

17 A. Yes.

18 Q. And do you know who canceled those

19 notes?

20 A. No, I do not.

21 Q. Did you instruct someone to cancel

22 those?

23 A. I don't recall the sequence.

24 Q. Okay. Who was the corporation

25 represented at that point in time by, MI

1 Acquisition?

2 A. Briggs & Morgan.

3 Q. And prior to closing -- Mr. Iverson

4 and Mr. Wikner were at closing, they submitted

5 their resignations as officers and directors of

6 the corporation?

7 A. That's correct.

8 Q. And looking at Deposition Exhibit No.

9 7, does it appear that Mr. Iverson and Mr. Wikner

10 appointed you and Mr. Dlugosch as the directors of

11 the corporation?

12 A. I'm Mr. Dlugosch.

13 Q. I'm sorry. Mr. Iverson and Mr. Wikner

14 appointed you and Mr. Dawkins as directors of

15 these corporations?

16 A. Yes.

17 Q. So after closing Mr. Iverson was not

18 an officer, director or shareholder of the

19 corporations?

20 MR. BURTON: I object, the question is

21 based on referring to the document, these are not

22 signed. You can ask him about his own knowledge,

23 but not on the documents.

24 BY MR. LAWVER:

25 Q. Let me correct that. To your

1 knowledge was Mr. Iverson a director of MI
2 Acquisition Corporation?
3 A. No, he was not.
4 Q. After closing was he a director of any
5 of the subsidiaries?
6 A. No, he was not.
7 Q. And to my understanding Mr. Iverson
8 was a minor shareholder of MI Acquisition
9 Corporation.
10 A. Yes.
11 Q. Do you know what percentage of
12 interest he held?
13 A. Less than 1 percent.
14 Q. Okay. And was he an officer of MI
15 Acquisition Corporation?
16 A. Yes, he was.
17 Q. Taking a look at --
18 A. If I can restate that. He was an
19 officer of Miller & Schroeder Financial, he was
20 not an officer of MI Acquisition Corporation.
21 Q. Okay. The title he held was executive
22 vice-president?
23 A. Correct.
24 Q. Okay. Would you look at Deposition
25 Exhibit No. 6? There is one of the unsigned

1 resolutions is that of Miller & Schroeder
2 Financial, Inc. Can you find that one?
3 MR. BURTON: I'll make the same
4 objection again. You can ask him about what he
5 recalls and what he knows, but not what is from
6 the document.
7 THE WITNESS: Yes.
8 BY MR. LAWVER:
9 Q. And that unsigned board resolution is
10 purporting to elect officers of the corporation,
11 correct?
12 A. That's correct.
13 Q. And the officers that it is electing
14 is the office of president, chief executive
15 officer and chief financial officer of the
16 corporation, correct?
17 A. Yes.
18 Q. And Mr. Iverson is neither of those
19 positions?
20 A. Also secretary by the way, yes.
21 Q. Mr. Dlugosch, I'd like you to go back
22 to Deposition Exhibit No. 4.
23 MR. BURTON: Which one is that again?
24 BY MR. LAWVER:
25 Q. Confidential Memorandum dated March

1 13, 1997. I'd like to refer you to the section
2 Tab 6, which is captioned Management, and it
3 identifies at least in March what the intent was
4 or what you had proposed was that you would be the
5 president and CFO, Mr. Dawkins would be executive
6 vice-president and Mr. Morrell is a board member,
7 correct?
8 A. Yes.
9 Q. And then you on the next page you
10 identified key management personnel and you, at
11 the bottom there it refers to a Mr. Iverson as the
12 head of the firm's California operations.
13 Correct?
14 A. Correct.
15 Q. And was it critical to the, in your
16 mind, to the purchase to have Mr. Iverson continue
17 on with the corporation?
18 A. Yes.
19 Q. Is that in the California operations
20 he was going to be operating?
21 A. Yes.
22 Q. Did you consider it important that not
23 only for the -- his ability to generate business
24 but also to maintaining stability with the other
25 personnel?

1 A. Yes.
2 Q. Part of the closing documents there
3 was a noncompete and I see in your proposal here
4 in March of 1997 that the principals, Mr. Wikner
5 and Mr. Iverson, it was your intent to keep them
6 under noncompetes?
7 A. That's correct.
8 Q. Was it vital to or considered
9 significant to the corporations to keep them under
10 noncompetes?
11 A. Yes.
12 Q. If Mr. Iverson had gone to a competing
13 corporation would that have substantially hurt the
14 financial position of Miller & Schroeder, Inc?
15 A. Yes.
16 Q. Who were the individuals that prepared
17 the financial, internal financial documents for MI
18 Acquisition and Miller & Schroeder, Inc., and it's
19 subsidiaries?
20 A. At what time?
21 Q. Starting in after the purchase by MI
22 Acquisition Corporation.
23 A. The internal financials were prepared
24 by Ken Larson, who is head of accounting, under
25 the supervision initially of Jim Morrell, who was

1 our chief financial officer. Later under the
2 supervision of Tom Nelson who succeeded Jim
3 Morrell as chief financial officer. At some point
4 during that time Ken was assisted by Brad Melhoff.
5 Q. And these financial records, the
6 corporations were audited annually?
7 A. Yes, they were.
8 Q. And who were the auditors for the
9 corporation, for the corporations?
10 A. After the acquisition?
11 Q. Yes.
12 A. Peat Marwick.
13 Q. KPMG Peat Marwick?
14 A. Yes.
15 Q. And prior to that it had been Arthur
16 Anderson?
17 A. That's correct.
18 Q. The corporation, Miller & Schroeder,
19 Inc, was a brokerage firm?
20 A. Yes.
21 Q. And would it have obligations to
22 submit financial reporting to the SEC?
23 A. To the NASD.
24 Q. NASD, are you familiar with Focus
25 Reports?

1 A. Yes.
2 Q. What are Focus Reports?
3 A. They're statements of financial
4 condition of the firm and it's status of it's
5 capital that are prepared at the end of each
6 month.
7 Q. And those are monthly submitted to the
8 NASD?
9 A. That's correct.
10 Q. To verify that a corporation is
11 properly funded?
12 A. Properly capitalized, yes.
13 MR. LAWVER: Why don't we take a five
14 minute break.
15 THE WITNESS: Okay.
16 (Whereupon, a brief recess was had.)
17 MR. LAWVER: I don't have any further
18 questions.
19
20 EXAMINATION
21 BY MR. RICKE:
22 Q. Mr. Dlugosch, my name is Larry Ricke
23 and I'm representing Roger Wikner in connection
24 with the adversary proceeding that the trustee has
25 commenced in bankruptcy court against my client,

1 which deals with substantially the same facts as
2 Mr. Lawver's client. I'm just -- I'm not going to
3 re-cover all of the ground that Mr. Lawver has
4 covered, but I just want to ask you a few
5 additional questions.
6 Prior to your entering into
7 discussions, or MI Acquisition entering into
8 discussions with Wikner and Iverson relative to
9 the purchase of their stocks you were for a period
10 of time an employee of Miller & Schroeder, is that
11 correct?
12 A. Yes.
13 Q. And for what period of time were you
14 employed at Miller & Schroeder?
15 A. From January or February of '92 until
16 March of '97.
17 Q. And so you were familiar with Miller &
18 Schroeder as an entity and with their operation?
19 A. Yes.
20 Q. And with the personnel including
21 Mr. Wikner and Mr. Iverson?
22 A. Yes.
23 Q. At the time that you left Miller &
24 Schroeder was it -- had it been your intention to
25 either acquire or start a broker dealer?

1 A. Yes, I -- at the time that I left
2 Miller & Schroeder I had already commenced
3 discussions with Mr. Iverson and Mr. Wikner about
4 the acquisition.
5 Q. Okay. So and you left Miller &
6 Schroeder in about March of '97?
7 A. Yes.
8 Q. And at that time you had already
9 spoken with one or both of them about the
10 possibility of the acquisition of Miller &
11 Schroeder?
12 A. Yes.
13 Q. And do you recall what kind of
14 response did you get from -- do you recall who you
15 first approached?
16 A. Mr. Wikner.
17 Q. Do you recall what the response was?
18 A. He was favorably inclined.
19 Q. Do you recall how you -- how you
20 initially priced the deal, how you came up with
21 the acquisition price?
22 A. We initially priced the purchase at
23 1.2 times book value, and then in the process
24 identified assets that we did not wish to be
25 acquiring and negotiated terms for reduction of

1 the purchase price based on a change in the book
2 value of the company that would result from not
3 acquiring those assets.
4 Q. Was one of those assets you did not
5 wish to acquire the property referred to as The
6 Crossings?
7 A. That's correct.
8 Q. And why didn't you want that as part
9 of the deal?
10 A. We were acquiring a brokerage firm,
11 not a real estate management firm.
12 Q. At the time that you initially started
13 discussions with Wikner and Iverson you were
14 represented by Popham Haik?
15 A. Yes, Paul Tiets at that time was at
16 Popham Haik and then moved over to Briggs & Morgan
17 and we changed our representation at that time.
18 Q. And I don't want to mischaracterize
19 your testimony, but I think in connection with
20 questions that Mr. Lawver asked you in connection
21 with the confidential memorandum you indicated
22 that you at all times contemplated that Wikner and
23 Iverson would be subject to a noncompete.
24 A. Yes, that's correct.
25 Q. And those -- that was important to you

1 or your acquisition group?
2 A. Yes.
3 Q. Ultimately Mr. Iverson entered into an
4 employment and a noncompete agreement with the
5 company, is that right?
6 A. Yes.
7 Q. And Mr. Wikner only a noncompete, is
8 that right?
9 A. That's correct.
10 Q. Do you recall why -- do you recall why
11 Mr. Wikner did not remain an employee of the
12 company?
13 A. It was Mr. Wikner's desire to not be
14 in the brokerage business any longer.
15 Q. Okay. But for business reasons was it
16 important to your acquisition group that
17 Mr. Wikner not be able to either compete or
18 solicit employees?
19 A. Yes.
20 Q. And had Mr. Wikner been subject to,
21 say, a one year noncompete would that have been
22 adequate?
23 A. No.
24 Q. Subsequent to the closing of this
25 transaction in, on like July 31, 1997 Mr. Wikner

1 was not an officer, director or shareholder of
2 Miller & Schroeder or any of its subsidiaries, is
3 that correct?
4 A. That's correct.
5 Q. How much contact did you have with
6 Roger Wikner after the closing?
7 A. Virtually none.
8 Q. Do you recall if you ever spoke to him
9 after that?
10 A. I don't recall.
11 Q. Do you know did Mr. Wikner have any
12 relationship with Miller & Schroeder or its
13 subsidiaries other than the noncompete agreement,
14 other than his relationship pursuant to the
15 noncompete?
16 A. Personal or business?
17 Q. Business.
18 A. No, not directly. He was the
19 principal, or his wife was the principal owner of
20 an aviation charter business that we used from
21 time to time.
22 Q. Mr. Dlugosch, in connection with this
23 stock purchase agreement referring to Exhibit No.
24 1, the Stock Purchase Agreement, the agreement was
25 executed at a closing on July 31, 1997. Is that

1 right?
2 A. That's correct.
3 Q. Do you recall where the closing took
4 place?
5 A. At the offices of Briggs & Morgan.
6 Q. Do you know is that --
7 A. Excuse me. I'm not -- it was either
8 at Briggs & Morgan or at Leonard Street. I'm
9 pretty sure it was at Briggs & Morgan, but I just
10 don't --
11 Q. Do you recall the face page of the
12 Stock Purchase Agreement indicates a stock
13 purchase agreement among the parties and indicates
14 it's dated June 20, 1997, effective June 1, 1997.
15 Do you recall the significance of the June 20 date
16 or the June 1 date?
17 A. No, I don't.
18 Q. Okay. Do you recall under the
19 purchase agreement that there was a mechanism for
20 a post closing purchase price adjustment?
21 A. Yes.
22 Q. Were you involved in that process?
23 A. Yes, I was.
24 Q. Do you recall as a part of that
25 process did the obligations, the officer

1 obligations, the Wikner obligations, Iverson
2 obligations that were the subject of the hold back
3 at closing, did they come up in connection with
4 that post closing adjustments?
5 MR. BURTON: Objection, I'm not sure I
6 understand what your question is. The
7 adjustment --
8 BY MR. RICKE:
9 Q. Well, if you understand the question.
10 MR. BURTON: I might be objecting
11 unless I'm not following what you're asking.
12 BY MR. RICKE:
13 Q. You testified, Mr. Dlugosch, that you
14 were familiar with, you reviewed the closing
15 statement and you saw the amounts that were
16 deducted from the purchase price.
17 A. Yes.
18 Q. Were those amounts -- and you also
19 testified that in connection with Mr. Lawver's
20 questioning that those amounts that were withheld
21 at closing, the adjustments to purchase price,
22 with the exception of those that were wire
23 transferred to various financial institutions
24 could be traced then to the advances to MI
25 Acquisition Corp on the July 31 financial

1 statement, is that correct?
2 A. That's correct.
3 Q. So would it be fair to say that those
4 adjustments or the obligations that made up those
5 adjustments were not part of the post closing
6 discussions or the adjustments for post closing
7 pursuant to section 2.3?
8 A. That's correct.
9 Q. And would that be because those
10 obligations had been satisfied at closing?
11 A. That's correct.
12 Q. And just -- strike that.
13 In May of 2000 MI Acquisition
14 Corporation merged with Miller & Schroeder, Inc.,
15 is that correct?
16 A. In May of 2000?
17 Q. I'll represent to you that according
18 to the Secretary of State articles of merger were
19 filed at that time.
20 A. Okay.
21 Q. But I'll ask it a different way. At
22 some point subsequent to the closing did MI
23 Acquisition Corporation merge with Miller &
24 Schroeder, Inc?
25 A. Yes.

1 Q. But that wasn't on contemporaneous
2 with the acquisition of the stock?
3 A. No, it was not.
4 Q. Do you recall what prompted the timing
5 or the delay in the merger of the entities?
6 A. I don't recall.
7 Q. Okay. I'm going to show you what I've
8 had marked at Deposition Exhibit No. 8. Do you
9 recognize that?
10 A. Yes, I do.
11 Q. And is that the Noncompetition
12 Agreement that Roger Wikner executed in connection
13 with the stock sale?
14 A. Yes.
15 Q. Paragraph five on page two provides
16 that as consideration for this Wikner was to
17 receive 48 equal monthly installments in arrears
18 of $14,585 commencing on August 31st, 1997. Had
19 Wikner gone out and joined another broker dealer
20 or started another broker dealer would you have
21 continued to make payments to him under the
22 agreement?
23 A. No.
24 MR. RICKE: I don't have any other
25 questions.

1 EXAMINATION

2 BY MR. BURTON:

3 Q. Mr. Dlugosch, I'm Matt Burton. You
4 and I have met once before and we have
5 corresponded a bit over time. I'm representing
6 Brian Leonard who is the trustee of the Miller &
7 Schroeder -- well, I guess it's SRC Holding
8 bankruptcy estates and he's the plaintiff in each
9 of these adversary proceedings.
10 A little earlier we walked through
11 some of the financial records of Miller &
12 Schroeder and MI Acquisition both before and after
13 the purchase of the stock. The exhibits that
14 Mr. Lawver gave you, do you recall going through
15 those?
16 A. Yes.
17 Q. I've been looking at those a little
18 bit and I don't see much reference in there or any
19 reference it doesn't seem to Heritage Bond type
20 issues and I know that is quite a large story and
21 I just have a couple of questions for you about
22 that. Didn't the Heritage Bond start being
23 offered in 1996?
24 A. I don't recall whether it was '95 or
25 '96.

1 Q. Okay. But by '96 they were being
2 offered?
3 A. Yes.
4 Q. And is it your recollection that there
5 were about 12 different Heritage Bond offerings?
6 A. Yes.
7 MR. BURTON: Can I have this marked?
8 (Whereupon, Deposition Exhibit No. 9
9 was marked for identification.)
10 BY MR. BURTON:
11 Q. Mr. Dlugosch, I've handed you Exhibit
12 No. 9. It's a Complaint and a pending adversary
13 proceeding in United States bankruptcy court and
14 the reason that I'm giving it to you is to make
15 sure that I understand the facts of the Heritage
16 Bond matter as it relates to the company's
17 financials.
18 In there in paragraph seven it's
19 alleged that Miller & Schroeder Financial started
20 offering these bonds from December of '96 through
21 March of 1999. Do you see that?
22 A. Yes.
23 Q. And the question that I just asked you
24 you thought it might have been 1995 and again I'm
25 not trying to pin you down on a date but it could

1 be '95 or '96 that it started?
2 A. Yes.
3 Q. And the total raised as it states in
4 paragraph seven was about $140 million dollars.
5 Does that seem accurate to you?
6 A. Yes.
7 Q. And in paragraph eight it states that
8 the Heritage Bonds defaulted soon after they were
9 sold and that none of the projects made a single
10 bond payment. Is that accurate?
11 MR. LAWVER: Are you a saying that you
12 have read accurately or is the statement accurate?
13 MR. BURTON: Yes, is what I stated
14 accurate.
15 MR. LAWVER: Objection as to the
16 competence of this witness.
17 BY MR. BURTON:
18 Q. Do you know if any of the bond
19 projects ever made a payment?
20 A. I do know that bond holders received
21 payments, yes.
22 Q. Okay. So the statement in paragraph
23 eight that none of the projects made a single bond
24 payment, do you see that?
25 A. Yes.

1 Q. So you're saying that you disagree
2 with that?
3 A. I know that the trustee made payments
4 to bond holders.
5 Q. Trustee?
6 A. The trustee for, under the trust in
7 debenture under which the bonds were issued did
8 make payments to bond holders.
9 Q. Did the bonds start defaulting in
10 1996?
11 A. I don't believe that's an accurate
12 statement.
13 Q. Okay. When did they start defaulting?
14 A. I don't believe that the bonds went
15 into default until probably 2000, maybe even 2001.
16 I'm not sure of the exact timing, but -- and I
17 should clarify that we're talking about payment
18 default here. They did not default in payments
19 until that time.
20 Q. What other type of default could there
21 be?
22 A. There could have been technical
23 defaults, failure to complete something on time.
24 There could have been -- there are other than
25 payment defaults that occur that do not trigger

1 action by the trustee.
2 Q. Do you recall when the issue of the
3 Heritage Bonds started becoming an issue, I should
4 say a problem for your company?
5 MR. LAWVER: Counsel, I'm going to
6 object here. Are you trying to depose
7 Mr. Dlugosch for a totally separate litigation?
8 MR. BURTON: No.
9 MR. LAWVER: How does that have
10 anything to do with the Heritage Bonds with this
11 litigation?
12 MR. BURTON: One of the elements in
13 this case is a preference. In looking at the
14 financial condition of the company we alleged in
15 the beginning that the company was insolvent based
16 on the Heritage Bond issue alone.
17 I don't remember what I asked you.
18 When did the Heritage Bond issue start becoming a
19 problem for your company?
20 MR. RICKE: I'm going to object on the
21 grounds of foundation and relevance.
22 BY MR. BURTON:
23 Q. You can still answer.
24 A. I don't recall. I don't recall.
25 Q. Were there already default issues with

1 respect to the Heritage Bonds at the time that you
2 closed your acquisition of the Wikner and Iverson
3 stock?
4 A. No, there were not.
5 Q. Did the Heritage Bond issue ultimately
6 result in liabilities which exceeded the assets of
7 Miller & Schroeder, the post merger?
8 A. The liabilities were potential
9 liabilities because no, none of the litigation or
10 arbitration cases had resulted in any awards that
11 depleted the corporate assets but it was clear
12 that the direction that was being taken would have
13 depleted the assets.
14 Q. So is it fair to say potential
15 liabilities from the Heritage Bond issue exceeded
16 the company's assets?
17 MR. RICKE: Objection, foundation.
18 Objection, you don't specify a time so the
19 question is vague.
20 MR. LAWVER: Calls for speculation.
21 MR. RICKE: Calls for speculation and
22 is irrelevant.
23 BY MR. BURTON:
24 Q. Let's go to the year 2000. By that
25 time the Heritage Bond issues had generated quite

1 a number of arbitrations and litigation matters,
2 correct?
3 A. At what time in 2000?
4 Q. Let's go to the end of 2000.
5 A. I believe you'll have to check with
6 the NASD to find out when the filings actually
7 occurred, but I don't believe that the actual
8 filings at that point were -- at the end of 2000
9 were voluminous.
10 Q. The total potential liability for the
11 Heritage Bond cases was at least $140 million
12 dollars, correct?
13 A. I think more accurately the amount
14 being claimed exceeded $140 million. Whether they
15 represent potential liabilities is a different
16 question.
17 Q. Did post merger Miller & Schroeder and
18 its subsidiaries ever have that much in the way of
19 assets that it owned?
20 A. No, no.
21 Q. You discussed a little bit earlier
22 about how the purchase price was determined in
23 this matter and I think it's stated anyway that it
24 was ultimately $15 million. Is that right?
25 A. That's correct.

1 Q. Do you recall offering other numbers
2 for the purchase of the company?
3 A. I don't recall.
4 MR. BURTON: Can I have that marked?
5 (Whereupon, Deposition Exhibit No. 10
6 was marked for identification.)
7 BY MR. BURTON:
8 Q. I'm showing you what has been marked
9 as your Deposition Exhibit No. 10, I believe. Do
10 you recognize that?
11 A. Yes.
12 Q. And is that a letter that you sent to
13 Mr. Wikner and Mr. Iverson in February of 1997?
14 A. Yes.
15 Q. In fact it's dated February 28 of
16 1997?
17 A. Yes.
18 Q. And that is your signature?
19 A. Yes.
20 Q. And in that letter you're offering to
21 pay $16.4 million dollars for their stock, is that
22 correct?
23 A. That's correct.
24 Q. And --
25 MR. LAWVER: Objection, Counsel, that

1 isn't what that document says. Where does it
2 refer to stock?
3 BY MR. BURTON:
4 Q. What are you offering to buy in that
5 letter?
6 A. We were offering to buy the
7 outstanding stock of the company.
8 Q. And you were offering to pay $16.4
9 million dollars for that stock?
10 A. Subject to due diligence, yes.
11 Q. Okay. Why did the purchase price
12 change from $16.4 million?
13 A. I believe -- I don't recall
14 specifically, but I believe as of February 28 of
15 1997 the most recent financial statements of the
16 company showed a book value that when multiplied
17 times 1.2 produced the $16.4 million,
18 approximately $16.4 million dollar price.
19 Q. And do you recall discussing
20 consulting agreements with Mr. Wikner and
21 Mr. Iverson?
22 A. I don't recall discussing consulting
23 agreements with Mr. Iverson. I don't recall it.
24 I don't recall that conversation with Mr. Wikner
25 either, there may have been one but I don't recall

1 it.

2 Q. Do you recall ever trying to negotiate

3 part of the purchase price being paid for through

4 a consulting agreement?

5 A. I do recall some conversation about

6 characterizing the noncompete payments as

7 consulting payments as one of the possibilities of

8 characterizing the relationship but I don't -- I

9 don't recall any of the terms at that time.

10 Q. In fact in the exhibit that you have

11 there, Exhibit No. 10, isn't paragraph two

12 referencing paying a portion of the purchase price

13 with consulting agreements and noncompetes?

14 A. Again, I see the language. I'm not

15 sure what the basis of -- what consulting services

16 we were expecting, but so it says what it does.

17 It does call the payment as a consulting payment.

18 Q. And if you had the company pay $1.4

19 million with consulting services and noncompete

20 agreements that would be $1.4 million less that

21 you would have had to raise to have the

22 transaction consummated, wouldn't it?

23 A. I presume. I don't recall

24 specifically again.

25 Q. Now, I'll represent to you that when

1 I've gone through the records of the attorney's
2 files I see consulting agreements being sent back
3 and forth for Mr. Iverson and Mr. Wikner and then
4 later on I've seen them change to just be
5 noncompetes. Do you have any recollection of
6 those, of the history of those matters?
7 A. Not in terms of why it would shift
8 from consulting to noncompete. I do recall that
9 there was some tax questions that arose that may
10 have affected that characterization.
11 Q. How much money did MI Acquisition
12 raise to consummate this transaction?
13 A. The full amount of the purchase price
14 at the closing, a combination of debt and equity.
15 Q. And how much was it that you raised
16 via debt and equity?
17 A. $11.4 million or $11.8 million.
18 Q. As a combination?
19 A. Yes.
20 Q. If you only raised $11.8 how could you
21 pay $15 million for the stock?
22 A. Because the part of the consideration
23 at closing was the cancellation of the notes of
24 Iverson and Wikner and their obligations to the
25 company.

1 Q. So earlier I had the court reporter
2 read it back, Mr. Lawver asked you did it appear
3 to you that the proceeds were paid to the
4 subsidiaries and advanced to the parent and you
5 said yes. I assume the proceeds he's referring to
6 the purchase price or the amount that you raised.
7 Is that what you assumed when he asked you that
8 question?
9 A. Yes.
10 Q. In fact there was not money actually
11 paid by MI Acquisition to the acquired company or
12 it's subsidiaries, isn't that right?
13 A. You know, I don't recall the -- the
14 financial details of the transaction at that
15 point. I do recall that again we had a $5 million
16 dollar, or $5 million dollar bank debt plus a $2
17 million dollar line of credit from the bank and
18 $6.8 million of equity that was raised, I believe.
19 Q. If you go to whichever exhibit is the
20 purchase agreement.
21 MR. LAWVER: It's No. 1.
22 BY MR. BURTON:
23 Q. Go to the certificate and receipt
24 which is towards the end, Mr. Lawver had you look
25 at that, the closing statement and certificate of

1 receipt. Do you see that?
2 A. Yes.
3 Q. If you go to the very last of the
4 three pages of that document it shows $12.9 plus
5 million being distributed at closing. Do you see
6 that?
7 A. Yes.
8 Q. That is in fact money that came from
9 MI Acquisition Corporation, correct?
10 A. I believe that's correct but I -- I'm
11 not -- I mean, I'm not recalling all of the
12 details of that. Yes, that looks to be correct.
13 Q. Right above where it shows the $12.9
14 million in section six it shows how that money was
15 disbursed, correct?
16 A. That's correct.
17 Q. And there is no entry there for any
18 money going to the acquired company or its
19 subsidiaries, is that correct?
20 A. That's correct.
21 Q. And in fact wouldn't it probably be
22 surprising to you if there was any more money
23 distributed because that's an -- already exceeds
24 what you thought you had raised to do the
25 transaction?

1 A. That's correct.
2 Q. Do you remember me sending you a
3 statement to0 that I asked you to sign in this
4 matter?
5 A. Yes.
6 Q. And you and I had some dialogue about
7 putting that statement together?
8 A. Yes.
9 Q. And I regret that my secretary is
10 absent and I cannot find the one that you signed.
11 I'm going to give you -- can I have this marked
12 please.
13 (Whereupon, Deposition Exhibit No. 11
14 was marked for identification.)
15 BY MR. BURTON:
16 Q. Giving you what has been marked as
17 Exhibit No. 11, is this a true and accurate copy
18 of the statement that you signed for me?
19 A. I believe it is.
20 Q. Okay. And the Exhibit A that is not
21 attached to the one that you have was the closing
22 statement certificate and receipt that we have
23 been looking at today which is part of your
24 Deposition Exhibit No. 1. Is that right?
25 A. Yes.

1 Q. Paragraph four of the statement you
2 stated that MIAC did not settle the Iverson and
3 Wikner debts to MSI. Do you see that?
4 A. Yes.
5 Q. And based on the conversation that we
6 just had it seems like it's likely that MIAC did
7 not pay any money to the acquired company or its
8 subsidiaries because the money didn't exist at the
9 time of closing.
10 A. I don't -- I just don't recall.
11 Q. But at any rate this is the statement
12 that you signed for me, correct?
13 A. Yes, it is.
14 Q. Now, suppose that the transaction
15 closed and the monies had not been paid to the
16 acquired company or its subsidiaries to satisfy
17 the Wikner and Iverson obligations. They were
18 still in that company's -- those companies' books
19 and records at that time, wouldn't they be?
20 A. I don't know.
21 Q. Do you remember discussing the issue
22 with your accountants after the closing?
23 A. No, I don't.
24 Q. Earlier Mr. Lawver asked you about the
25 Focus Reports. Do you recall that?

1 A. Yes.
2 Q. I attended the first meeting of
3 creditors and Mr. Reinhart testified that those
4 Focus Reports do not always reflect the actual
5 value of the company's assets, that they may
6 reflect the -- I think it's a basis the company
7 had into an investment made, but it lost value
8 over time and you can still report it as a
9 different level. I guess my question is are Focus
10 Reports accurate reflections of where the company
11 is on the date that they're issued?
12 MR. RICKE: Objection. I mean, it
13 calls for speculation, calls for -- assumes facts
14 not in evidence. I mean, was -- well, assumes the
15 witness was at the 341 meeting and heard that
16 testimony and I don't know if he was, but --
17 THE WITNESS: I was not, but it also
18 assumes that I prepared or signed the Focus
19 Reports and that wasn't part of my responsibility.
20 BY MR. BURTON:
21 Q. No, I'm not getting at that at all.
22 Are you familiar with the Focus Reports?
23 A. Yes.
24 Q. Are they intended to reflect the
25 actual value of the corporation's assets on the

1 date that they're issued to the NASD?
2 A. Their intent is to show that there is
3 adequate capital for the company to do business
4 and the purpose for which they were chartered.
5 Q. Okay. Are the values listed in Focus
6 Reports necessarily the actual values of what the
7 items are worth on that day?
8 A. They should be to the best knowledge
9 of the person preparing them reflective of the
10 values of those assets at that time.
11 Q. Okay. So if the company acquired,
12 say, a note and it was holding it in it's
13 inventory and it paid, say, a million dollars for
14 the note and now it was considered a bad debt, I'm
15 just making up an example, on a Focus Report you
16 would list what it was actually considered to be
17 worth on the day of the report or would you list
18 perhaps the value of what you acquired in that?
19 A. You should be listing it at the value
20 on the date of the report. Sometimes those values
21 are not determinable because there isn't a ready
22 market, but that might still mean that the -- as
23 long as there is no payment default at that point
24 in time that it would still have that value.
25 Q. How active were you in the negotiation

which resulted in the purchase agreement?

A. I was the primary negotiator.

Q. And you worked through your attorney?

A. Yes.

Q. Did you have much contact with Mr. Iverson or Mr. Wikner in the process of negotiating that purchase agreement?

A. No.

Q. Do you know how involved they were in the process?

A. No.

MR. BURTON: I know I'm making everybody wait, but I would like one more minute before I say I'm done. If you want to take a break for a second, that's fine.

(Whereupon, a brief discussion was had.)

MR. BURTON: I don't have any questions.

EXAMINATION

BY MR. LAWVER:

Q. I'll try to make things go quickly here and I know you have to leave or we can do it another time.

1 Taking a look at Deposition Exhibit
2 No. 10, the February 28, 1997 letter. Paragraph
3 two indicates in the second sentence that in
4 addition $1.4 million dollars of the purchase
5 price will be paid as compensation for a
6 consulting and a noncompete. Correct?
7 A. Correct.
8 Q. And so that is, was to be part of the
9 $16,400,000?
10 A. That's correct.
11 Q. So then the purchase price for the
12 stock would have been $15 million dollars?
13 A. That's correct.
14 Q. And then the $1.4 million dollars for
15 the consulting and noncompete?
16 A. That's correct.
17 Q. Okay. Which was consistent with your
18 March memorandum?
19 A. Yes.
20 Q. Turning to your Affidavit that was not
21 signed, but I'll assume that you signed it,
22 Exhibit No. 11, let's turn to number four. First
23 of all, under the purchase agreement there is --
24 there was to be adjustment of the purchase price
25 for book value adjustments, correct?

1 A. That's correct.
2 Q. And those adjustments actually took
3 place in December of 1997, correct?
4 A. That's correct.
5 Q. And in those adjustments are payments
6 were paid by Mr. Iverson and Mr. Wikner to MI
7 Acquisition?
8 A. Yes.
9 Q. So that you don't dispute those were
10 reimbursed?
11 A. That's correct.
12 Q. In the -- when you say the purchase
13 price of the stockholders' stock was reduced,
14 you're still saying the purchase price was $15
15 million dollars, aren't you, for the stock?
16 A. Yes.
17 Q. Is it the amount of money that you had
18 to come up with that ended up being less?
19 A. The -- I first have to say that my
20 characterizations are not necessarily in
21 appropriate accounting language, but throughout
22 the process we were focused on the 1.2 times book
23 value to -- for the purchase price and there were
24 some adjustments even at that amount, but we had
25 always looked at the obligations of the principals

1 as being part of the asset base of the company and
2 that there were certain assets that we just simply
3 weren't interested in acquiring, including the
4 obligations that Wikner and Iverson had and so we
5 reduced the purchase price. We considered at the
6 time of closing that satisfaction of their
7 obligations reduced the cash required for closing
8 but didn't reduce the purchase price.
9 Q. Okay. Now, if you take a look at the
10 Exhibit No. 3, okay, and now the notes and
11 obligations of Mr. Iverson and Mr. Wikner to
12 Miller & Schroeder, Inc, those are assets of that
13 corporation, correct?
14 A. That's correct.
15 Q. And if those obligations were to be
16 forgiven then there would be a reduction in the
17 assets of the corporation, wouldn't it?
18 A. That's correct.
19 Q. But if the MI Acquisition Corporation
20 was advanced $2,001,000 that also is an asset of
21 the subsidiaries, isn't it?
22 A. That's correct.
23 Q. So after closing while the obligations
24 to Mr. Iverson and Mr. Wikner went away, the
25 obligations of MI Acquisition Corporation to it's

1 subsidiaries took its place, didn't it?
2 A. That's correct.
3 Q. And so the actual balance sheet of the
4 subsidiaries did not change, did it?
5 A. Right.
6 Q. So the sale of the stock in the
7 satisfaction of these obligations did not change
8 the balance sheet of the subsidiaries?
9 A. That's correct.
10 Q. And so when you make reference to the
11 purchase price was reduced, it is that the money
12 that you had to come up with at closing --
13 A. Was reduced, that is correct.
14 Q. Because you used the proceeds that
15 were paid to the subsidiaries and that became
16 advanced up to the corporation?
17 A. That was the accounting, yes.
18 Q. And it would be no difference if there
19 was $10 million dollars cash sitting in the
20 subsidiaries and you went and borrowed that cash
21 from the subsidiary?
22 A. Exactly.
23 Q. Or you went and borrowed against an
24 asset of the subsidiaries and got a loan and
25 pledged the assets of the subsidiaries?

1 A. That's correct.
2 Q. And as a matter of fact, throughout
3 this whole transaction did not the subsidiaries
4 end up having to guarantee and pledge their assets
5 to MI Acquisition Corporation's creditors?
6 A. Yes.
7 Q. So you essentially leveraged the
8 assets of the corporation in acquiring the stock?
9 A. That's correct.
10 Q. And you have been involved with
11 leveraged acquisitions before?
12 A. Yes, yes.
13 Q. Okay. But you're not to this day
14 saying that neither Mr. Iverson or Mr. Wikner paid
15 for their obligations. They were supposed to get
16 $15 million dollars?
17 A. That's correct.
18 Q. And the money that they did not get
19 satisfied those obligations?
20 A. That's correct.
21 Q. And in terms of the noncompetes, who
22 determined the value of those noncompetes?
23 A. It was negotiated between myself and
24 the -- through our attorneys, but it was
25 negotiated.

1 Q. Mr. Burton made reference to some of
2 the tax advantages, or maybe you made some
3 reference to the tax advantages by Mr. Iverson or
4 Mr. Wikner being paid under a noncompete versus
5 being paid lump sums for their stock. Is that a
6 advantage or disadvantage to them?
7 A. That would be a disadvantage.
8 Q. So instead of being paid capital gains
9 on these noncompetes they had paid ordinary
10 income, didn't they?
11 A. That's correct.
12 Q. So it certainly wouldn't have been
13 them that indicating they wanted payment on the
14 noncompete?
15 A. That's correct.
16 MR. LAWVER: I don't have any further
17 questions.
18
19 EXAMINATION
20 BY MR. RICKE:
21 Q. I'm going to try to make it quick too,
22 but just continuing on with what Mr. Lawver just
23 said, the fact remains would you have done the
24 deal had Wikner and Iverson not obligated
25 themselves under the noncompetes?

1 A. No, we would not.
2 Q. Because they could have gone out and
3 started up a business the next week?
4 A. That's correct.
5 Q. And they had contacts in the community
6 that would have made it imprudent for you to do
7 that without a noncompete?
8 A. And with employees.
9 Q. And I'm not going to spend a lot of
10 time on this, but I'll tell you that until we came
11 here today I guess I had not -- I didn't know
12 anything about the Heritage Bond deal but I'm just
13 looking at this Complaint. Miller & Schroeder was
14 the underwriter on that bond deal?
15 A. Yes.
16 Q. So Miller & Schroeder would not have
17 had an obligation to the bond holders?
18 A. No, they did not.
19 Q. That the -- I mean, ultimately the
20 borrower, whoever received the fund pays the money
21 to the trustee and Miller & Schroeder so to the
22 extent that Miller & Schroeder had a obligation,
23 it was a contingent obligation, the same kind of
24 contingent obligation an underwriter would have
25 with every deal they do. The deal might go bad

1 and somebody might sue you at some point?
2 A. I would hesitate to even call it a
3 contingent obligation because they --
4 Q. Right. It's contingent unliquidated,
5 you know --
6 A. Well --
7 Q. And when your auditors came in, I
8 mean, you had to get audited financial statements
9 every year?
10 A. That's correct.
11 Q. And when the auditors came in every
12 year they looked at your books and they determined
13 an appropriate treatment under generally accepted
14 accounting principals?
15 A. They would review outstanding
16 litigation and complaints and assess the
17 probability of liability, and again until 2000 --
18 I think it was in 2000, but I'm not exactly sure,
19 there was no concern that had arisen because of
20 any complaints on Heritage.
21 Q. In the last question I -- in
22 connection with your unsworn declaration I'm
23 assuming that Mr. Burton prepared this for you and
24 sent this to you.
25 A. Yes.

1 Q. That you didn't sit at home and type
2 it up yourself?
3 A. That's correct.
4 MR. RICKE: I don't have any other
5 questions.
6
7 EXAMINATION
8 BY MR. BURTON:
9 Q. I have one or two quick questions.
10 Mr. Lawver was asking you about the advances of MI
11 Acquisition to subsidiaries and back again. Are
12 you aware of any documentation other than what is
13 in the accounting records as to these advances?
14 A. No, I'm not.
15 Q. And is it your understanding that
16 these advances are solely just accounting
17 treatment of the transactions?
18 A. Yes.
19 MR. BURTON: I have no further
20 questions.
21 THE WITNESS: Okay, thank you.
22 MR. LAWVER: Thank you. You're
23 entitled to read and sign if you wish or you can
24 waive the reading and signing.
25 THE WITNESS: I waive.

1 MR. LAWVER: Thank you.

2

3

4 (Concluded at approximately

5 2:33 p.m.)

6

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22

23 (REPORTER'S NOTE: The original

24 transcript was delivered to Attorney Lawver)

25

1 I hereby certify that I reported the deposition
2 of JAMES F. DLUGOSCH on the 10th day of February,
3 2004, in Minneapolis, Minnesota.
4 That I was then a Hennepin County Notary
5 Public, State of Minnesota, and as such I was duly
6 authorized to administer an oath;
7 That the witness before testifying was by me
8 first duly sworn to testify to the whole truth and
9 nothing but the truth relative to said cause;
10 That the foregoing testimony was recorded in
11 shorthand by me and transcribed into typewriting
12 under my direction, and that it is true and
13 correct to the best of my ability;
14 That I am not related to any of the parties
15 hereto nor interested in the outcome of the
16 action.
17 WITNESS MY HAND AND SEAL THIS 17th day of
18 February, 2004.
19 _____
20 Paula Berg
Notary Public
21
22
23
24
25

STOCK PURCHASE AGREEMENT

among

ROGER WIKNER, JAMES IVERSON AND STEVEN ERICKSON

and

MI ACQUISITION CORPORATION

Dated June 20, 1997

Effective as of June 1, 1997

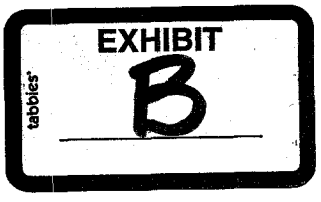

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TABLE OF CONTENTS

Page

ARTICLE 1

DEFINITIONS 1
1.1 Specific Definitions 1
1.2 Other Terms 3
1.3 Other Definitional Provisions 3

ARTICLE 2

PURCHASE AND SALE OF STOCK 3
2.1 Purchase and Sale of Stock 3
2.2 Purchase Price 3
2.3 Purchase Price Adjustment 4
2.4 Closing 5

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLERS 5
3.1 Organization 5
3.2 Authorization 6
3.3 Capitalization 6
3.4 Absence of Certain Changes or Events 6
3.5 Absence of Undisclosed Liabilities 7
3.6 Taxes 7
3.7 Litigation 7
3.8 Compliance with Law 8
3.9 Contracts 8
3.10 Brokers and Finders 9
3.11 Consents; No Conflict 9
3.12 Permits, Licenses, Etc. 9
3.13 Benefit Plans 9
3.14 Insurance Policies 10
3.15 Related Transactions 10
3.16 Conduct of Business of the Company 10

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER 10
4.1 Organization 10
4.2 Authorization 11

Page

4.3 Consents and Approvals 11
4.4 No Finders 11
4.5 Knowledge of James F. Dlugosch 11

ARTICLE 5

CERTAIN COVENANTS AND AGREEMENTS 11
5.1 Conduct of Business of the Company 11
5.2 Access and Information 14
5.3 Consents 14
5.4 Further Actions 14
5.5 Repayment of Amounts Owed by Sellers to the Company 14
5.8 Execution of Noncompetition and Employment Agreements 15
5.10 Termination of Agreement 15
5.11 Efforts to Satisfy Conditions at Closing 15
5.12 Due Diligence 15
5.13 Executive Officer Formula Bonus 15

ARTICLE 6

CONDITIONS TO THE PURCHASE AND SALE 16
6.1 Conditions to the Purchase and Sale Relating to Buyer 16
6.2 Conditions to the Purchase and Sale Relating to Sellers 17

ARTICLE 7

SURVIVAL AND INDEMNIFICATION 18
7.1 Survival of Representations, Warranties and Covenants 18
7.2 Indemnification 19
7.3 Method of Asserting Claims, etc. 19
7.4 Limitation on Indemnification 20
7.5 Waiver of Subrogation 20

ARTICLE 8

MISCELLANEOUS 20
8.1 Right to Terminate 20
8.2 Effect of Termination 21
8.3 Amendment: Modification; Waiver 22
8.4 Public Disclosure 22
8.5 Non-Solicitation 22
8.6 Assignment 22
8.7 Entire Agreement 23

Page

8.8 Schedules 23
8.9 Counterparts 23
8.10 Section Headings: Construction 23
8.11 Notices 23
8.12 Governing Law 24
8.13 Illegality 24
8.14 Dispute Resolution 24

EXHIBITS:

A - January 31, 1997 Financial Statements
B - Form of Iverson Noncompetition Agreement
C - Form of Iverson Employment Agreement
D - Form of Wikner Noncompetition Agreement
E - Form of Erickson Employment Agreement
F - Form of Opinion to be delivered by Sellers' Counsel
G - Form of Opinion to be delivered by Buyer's Counsel

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT, dated June 20, 1997, and effective as of June 1, 1997, among ROGER WIKNER, JAMES IVERSON and STEVEN ERICKSON (individually, a "Seller" and collectively, the "Sellers"), and MI ACQUISITION CORPORATION, a Minnesota corporation ("Buyer"),

W I T N E S S E T H:

WHEREAS, Messrs. Wikner, Iverson and Erickson are all of the shareholders of Miller & Schroeder, Inc., a Minnesota corporation (the "Company"), owning 482,812.5, 482,812.5 and 25,000 shares of Common Stock of the Company, respectively, which represent all of the issued and outstanding capital stock of the Company; and

WHEREAS, the parties hereto desire that Sellers sell, transfer and assign to Buyer, and Buyer purchase from Sellers, all of the issued and outstanding capital stock of the Company, as more specifically provided herein;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions herein set forth, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Specific Definitions. As used in this Agreement, the following terms shall have the meanings set forth or as referenced below:

"Agreement" shall mean this Agreement and all Exhibits and Schedules hereto.

"Book Value" shall mean total assets less total liabilities as reflected on the Financial Statements, determined on a consolidated basis, in accordance with GAAP, as defined below, or the Closing Balance Sheet, as defined at Section 2.3(b) hereof, as applicable.

"Broker Call Rate" shall mean the rate charged to the Company on its primary line of credit at Norwest Bank Minnesota, N.A.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banks in Minneapolis are authorized or obligated by law or executive order to close.

"Buyer" shall have the meaning set forth in the Preamble.

"Closing" shall have the meaning set forth in Section 2.4.

"Closing Conditions Period" shall have the meaning set forth in Section 6.1.

"Closing Date" shall have the meaning set forth in Section 2.4.

"Closing Balance Sheet" shall have the meaning set forth in Section 2.3(b).

"Code" means the Internal Revenue Code of 1986, as amended, and Regulations thereunder.

"Encumbrance" shall mean any mortgage, lien, charge, encumbrance, security interest, claim, pledge or option of any nature.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and regulations promulgated thereunder.

"Financial Statements" shall mean the unaudited financial statements of the Company as of January 31, 1997 which are attached hereto as Exhibit A.

"GAAP" shall mean generally accepted accounting principles.

"Material Adverse Effect" shall mean an effect that, individually or in the aggregate with other effects, is or would reasonably be expected to be materially adverse: (i) to the business, properties, liabilities, results of operation, prospects or financial condition of the Company and its Subsidiaries, considered as a whole; (ii) to the ability of the Company and its Subsidiaries to conduct their businesses, as presently conducted, following the Closing Date; or (iii) to Sellers' ability to perform any of their obligations under this Agreement or to consummate the transactions contemplated hereby.

"NASD" shall mean the National Association of Securities Dealers, Inc.

"Person" shall mean a natural person, corporation or other entity, government, or political subdivision, agency or instrumentality of a government.

"Purchase Price" shall have the meaning set forth in Section 2.2.

"Purchase Price Adjustment" shall have the meaning set forth in Section 2.3(a).

"SBA" shall mean the Small Business Administration.

"SEC" shall mean the Securities and Exchange Commission.

"Seller" or "Sellers" shall have the meaning set forth in the Preamble.

"Subsidiaries" shall mean all of the subsidiaries of the Company listed on Schedule 1.1 hereto.

"Tax or Taxes" shall mean any income taxes, franchise taxes, gross receipt taxes, excise taxes, occupation taxes, transfer taxes, value-added taxes, sales or use taxes, wage or employment taxes, real and personal property taxes, and other taxes, fees or assessments or governmental charges in the nature of a tax, including any interest, fines and penalties, additions to tax or additional amounts incurred or accrued under any applicable law or assessed, charged or imposed by any governmental authority.

1.2 Other Terms. Other terms may be defined elsewhere in the text of this Agreement and shall have the meaning indicated throughout this Agreement.

1.3 Other Definitional Provisions.

(a) The words "hereof", "herein", and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) The term "knowledge" or "knows" shall mean actual knowledge without any independent investigation. The knowledge of either Iverson and Wikner shall be deemed to be knowledge of both Iverson and Wikner. The knowledge of Erickson shall not be attributed to Iverson or Wikner.

(c) The terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

ARTICLE 2

PURCHASE AND SALE OF STOCK

2.1 Purchase and Sale of Stock. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, each Seller agrees to sell, convey, transfer, assign and deliver to Buyer all of the shares of the Company owned by him, which with the shares held by the other Sellers represents an aggregate of 990,625 shares of Common Stock, or 100% of the issued outstanding capital stock of the Company (the "Purchased Stock"). Upon the terms and subject to the conditions set forth in this Agreement, Buyer agrees to purchase from Sellers the Purchased Stock. Certificates representing the Purchased Stock shall be duly endorsed in negotiable form acceptable to Buyer and its counsel. All necessary documentary transfer tax stamps, if any, shall be the responsibility of Sellers.

2.2 Purchase Price. Upon the terms and subject to the conditions set forth herein, Buyer shall pay to Sellers the aggregate purchase price of $15,000,000 (the "Purchase Price") in consideration for the Purchased Stock, subject to adjustment pursuant to Section 2.3, and payable as shown on a Schedule delivered by Sellers to Buyer at Closing by wire transfer or certified check by Buyer (the instructions for which wire transfer shall be provided to Buyer by each Seller not later than three business days prior to the Closing Date).

2.3 Purchase Price Adjustment.

(a) Adjustment. The "Purchase Price Adjustment" shall be determined by subtracting $12,471,306 [1-31-97 Book Value] from the Book Value as of the Closing Date as reflected in the Closing Financial Statement, as defined in paragraph (b) below.

(b) Calculation. To establish the amount, if any, of the Purchase Price Adjustment, within 45 business days after the Closing Date, Buyer shall, at its expense, cause the Company to prepare and deliver to Sellers a consolidated and consolidating statement of financial condition as of the Closing Date (the "Closing Financial Statement") of the Company and its Subsidiaries and other consolidated and consolidating statements of income and expenses, of cash flows and statement of shareholders' equity, together with all financial documents customarily included in the Company and its subsidiaries' interim financial statements prepared according to GAAP. Buyers shall provide Sellers with access to any financial documents reasonably requested to review the Closing Financial Statement. In the preparation of the Closing Financial Statement, Buyer shall employ generally accepted accounting principles consistent with those employed in the preparation of the audited financial statements of the Company for the year ending October 31, 1996. The value of the stock of United Market Services, Inc. shall be the same on the Closing Financial Statement as set forth in the Financial Statements. The value of the Northern Alternative Energy note on the Closing Financial Statement shall not be reduced to less than $580,000, except for cash payments received and applied to said Note between January 31, 1997 and the Closing Date.

Upon delivery by Buyer to Sellers of the Closing Financial Statement, Sellers shall have 20 business days in which to give Buyer written notice of any objections Sellers, acting together as a group, may have with respect to the Closing Financial Statement or the Purchase Price Adjustment. Failure to give timely written notice to Buyer specifically describing the basis of each such objection shall result in such objection being forever waived. If an objection timely made is not resolved by Buyer and a majority of the Sellers within 15 business days after such objection, such dispute shall be submitted to Deloitte & Touche LLP, or such other national accounting firm mutually agreed upon by Buyer and a majority of the Sellers, for final resolution. Such firm shall present its determination and resolution of any such disputes within 15 business days of the submission of such dispute to the firm, and Buyer and Sellers hereby agree that the determination and resolution by such firm shall be binding and conclusive among the parties. The fees of the above named accounting firm, or such other firm as is selected, in resolving such dispute shall be borne one-half by Buyer and one-half by Sellers. If Sellers do not object to the proposed Closing Financial Statement and Purchase Price Adjustment prior to the close of business on the twentieth (20th) business day following the delivery thereof by Buyer, such proposed Closing Financial Statement and Purchase Price Adjustment shall be deemed final

and binding and shall constitute the Purchase Price Adjustment for all purposes of this Agreement.

(c) Settlement. If the Purchase Price Adjustment is positive, Buyer shall pay such amount to Sellers, in proportion to their percentage ownership of the Purchased Stock. If the Purchase Price Adjustment is negative, each Seller shall pay his proportionate share (based upon their percentage ownership of the Purchased Stock) of such amount to Buyer. If the Purchase Price Adjustment is zero, then the Purchase Price shall have been paid in full by the payment pursuant to Section 2.2. Any Purchase Price Adjustment payable hereunder shall be payable within five days following the date on which the Purchase Price Adjustment is deemed final or is agreed to pursuant to Section 2.3(b) above. The amount payable under this Section 2.3(c) shall be paid by certified check or wire transfer to the accounts designated by Buyer or each Seller, as the case may be, and such amount shall bear simple interest from the Closing Date to the date of payment at the Broker Call Rate in effect as of the date of such payment, which interest shall be paid on the same date and in the same manner as such payment of the amount due under this Section 2.3(c).

2.4 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Briggs and Morgan, P.A., 2400 IDS Center, Minneapolis, Minnesota as of the last business day of the calendar month following the satisfaction or waiver of the conditions to Closing set forth in Article 6 hereof, or on such other date or place as may be mutually agreed upon in writing by Buyer and a majority of the Sellers (the "Closing Date"), which date shall not be later than August 29, 1997, provided, however, in the event the NASD, the SEC or the SBA has not authorized the transactions contemplated in this Agreement by such date and all other conditions to Closing contained in Section 6.1 hereof have been satisfied, the Closing Date may be extended by Buyer to not be later than September 30, 1997.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers jointly and severally represent and warrant to Buyer as of the date of this Agreement and as of the Closing Date (as if made on that date) as follows:

3.1 Organization. The Company and each Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. To the knowledge of Sellers the Company and each Subsidiary is duly qualified and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary and where the failure to qualify would have a Material Adverse Effect. The Company has herewith delivered to Buyer complete and accurate copies of the Articles of Incorporation and Bylaws

of the Company and each Subsidiary, as currently in effect. Except as set forth on Schedule 3.1, the Company owns no shares of capital stock or any other equity interest or participation in any other corporation, partnership or other entity except as reflected in the Financial Statements and except that: (i) the Company owns all of the outstanding capital stock of the Subsidiaries; and (ii) from time to time the Company owns shares of capital stock or other equity interests on a short-term basis in connection with its trading operations. Sellers have given Buyer access to: (i) the minute books of the Company and the Subsidiaries, which contain a record of all consents and meetings of the shareholders, board of directors and committees of the board of directors of the Company and each Subsidiary; and (ii) the stock transfer books of the Company and the Subsidiaries.

3.2 Authorization. Sellers have full authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and no other action on the part of Sellers is necessary to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Sellers and constitutes the valid and binding obligation of Sellers, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

3.3 Capitalization. The authorized capital stock of the Company consists of 3,000,000 shares of Company Common Stock, $.10 per share par value, of which 990,625 shares are issued and outstanding, all of which are owned by Sellers, as follows: Mr. Wikner owns 482,812.5 shares; Mr. Iverson owns 482,812.5 shares; and Mr. Erickson owns 25,000 shares. Except as set forth on Schedule 3.3, all issued and outstanding shares of capital stock of each Subsidiary are owned, beneficially and of record, by the Company, free and clear of any Encumbrances. Except as set forth on Schedule 3.3 all shares of the Purchased Stock have been validly issued, are fully paid and nonassessable, and have not been issued in violation of and are not currently subject to any preemptive rights or Encumbrances. There are not any outstanding or authorized subscriptions, options, warrants, calls, rights, convertible securities, commitments, restrictions, arrangements or any other agreements of any character to which the Company or any Subsidiary is a party that, directly or indirectly, (i) obligate the Company or any Subsidiary to issue any shares of capital stock or any securities convertible into, or exercisable or exchangeable for, or evidencing the right to subscribe for, any shares of capital stock, (ii) call for or relate to the sale, pledge, transfer or other disposition or encumbrance by the Company or any Subsidiary of any shares of its capital stock, or (iii) to the knowledge of Sellers, relate to the voting or control of such capital stock.

3.4 Absence of Certain Changes or Events. Except to the extent specifically disclosed on Schedule 3.4, to the knowledge of Sellers, since January 31, 1997 there has not been any (a) change or circumstance that would have a Material Adverse Effect; (b) action by the Company or any Subsidiary that, if taken on or after the date of this Agreement, would require the consent or approval of Buyer; (c) damage, destruction or Losses, whether covered by insurance or not, that would have a Material Adverse Effect; (d) change by the Company or any Subsidiary in accounting methods or principles used for financial reporting

purposes, except as required by a change in generally accepted accounting principles and concurred with by the Company's independent public accountants; or (e) agreement, whether in writing or otherwise, to take any action described or referenced in this Section 3.4.

3.5 Absence of Undisclosed Liabilities. Except to the extent specifically disclosed on Schedule 3.5, to the knowledge of Sellers, neither the Company nor any Subsidiary has, subsequent to October 31, 1996, incurred any liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) except (a) liabilities or obligations that are accrued or reserved against in the Financial Statements, and (b) liabilities or obligations arising since October 31, 1996 in the ordinary course of business and consistent with past practice that would not have a Material Adverse Effect.

3.6 Taxes. Sellers have furnished herewith to Buyer complete and accurate copies of all income tax returns required by any law or regulation (whether United States, foreign, state, local or other jurisdiction) filed by the Company for each of the last three fiscal years and of all such returns filed separately by any Subsidiary for such fiscal years. To the knowledge of Sellers, the Company and each Subsidiary has filed, or has obtained extensions to file (which extensions have not expired without filing), all state, local, United States, foreign or other Tax reports and returns required to be filed by any of them. To the knowledge of Sellers, the Company and each Subsidiary has duly paid, or accrued on its books of account, all Taxes (including estimated Taxes) shown as due on such reports and returns (or such extension requests), or assessed against it, or that it is obligated to withhold from amounts owed by it to any person. To the knowledge of Sellers, neither the Company nor any Subsidiary has (i) received notification of any pending or proposed examination by either the IRS or any state, local, foreign or other taxing authority, (ii) received notification of any pending or proposed deficiency by either the IRS or any state, local, foreign or other taxing authority, or (iii) granted any extension of the limitations period applicable to any claim for taxes.

3.7 Litigation. Except to the extent specifically disclosed on Schedule 3.7, to Sellers' knowledge, no investigation or review by any federal, state, local or foreign body or authority (including, but not limited to, the SEC or any nongovernmental self-regulatory agency such as the NASD) with respect to the Company or any Subsidiary is pending or threatened, nor has any such body or authority indicated to the Company or any Subsidiary an intention to conduct the same. Except to the extent specifically disclosed on Schedule 3.7, to the knowledge of Sellers, there are no claims, actions, suits or proceedings by any private party that could reasonably be expected to involve individually an amount in excess of $25,000 or collectively an aggregate amount in excess of $100,000, or by any governmental body or authority, against or affecting the Company or any Subsidiary, pending or, to the knowledge of Sellers, threatened at law or in equity, or before any federal, state, local, foreign or other governmental department, commission, board, bureau, agency or instrumentality.

3.8 Compliance with Law. To the knowledge of Sellers, all activities of the Company and each Subsidiary have been, and are currently being, conducted in compliance with all applicable laws, ordinances, regulations, interpretations, judgments, decrees, injunctions, permits, licenses, certificates, governmental requirements, orders and other similar items of any court, federal, state, local or foreign governmental or other authority, including, but not limited to, the SEC, the SBA and the NASD.

3.9 Contracts. To the knowledge of Sellers, Schedule 3.9 lists, and Sellers have heretofore furnished to Buyer, complete and accurate copies of (or, if oral, Schedule 3.9 states all material provisions of), every material contract, agreement, amendment or understanding entered into subsequent to January 31, 1997 to which the Company or any Subsidiary is a party or may be bound, including, but not limited to, (i) any written and oral contract, agreement, subcontract, purchase order, commitment and arrangement involving payments remaining to or from the Company or the Subsidiaries in excess of $25,000 and other agreements material to their respective businesses to which they are a party or by which they may be bound, under which full performance (including payment) has not been rendered by any party thereto; (ii) any mortgage, security agreement, pledge agreement, deed of trust and other agreement or arrangement whereby any of the assets or properties of the Company or the Subsidiaries is subject to any Encumbrance; (iii) any agreement limiting the freedom of the Company, the Subsidiaries or any employee thereof to compete in any line of business or in any geographic area or with any person; and (iv) tolling agreements, settlement agreements and offers of settlement. To the knowledge of Sellers Schedule 3.9 also lists any and all any employment or consulting agreement, confidentiality agreement, compensation, profit sharing, bonus, change of control, severance, deferred compensation, pension, retirement, stock option, or stock purchase plan or arrangement and other employee benefit plan arranged, entered into or adopted by the Company or any Subsidiary which are currently in effect and which apply to employees and consultants who during the prior fiscal year had a compensation of $50,000 or more, or in the present fiscal year, Sellers anticipate to have annualized compensation of $50,000 or more. Notwithstanding the foregoing, Schedule 3.9 does not include, nor have Sellers provided to Buyers, those contracts, agreements or understandings by and between the Company or the Subsidiaries and its clients concerning purchasing and trading of securities or loan participations by the Company or the Subsidiaries on behalf of such clients (the "Client Contracts"). To the knowledge of the Sellers, the Company and each Subsidiary has performed all obligations required to be performed by it under any listed or material contract, plan, agreement, understanding or arrangement made or obligation owed by or to the Company or any Subsidiary, including the Client Contracts. To the knowledge of the Sellers and except as set forth on Schedule 3.9, there has not been any event of default (or any event or condition which with notice or the lapse of time, both or otherwise, would constitute an event of default) thereunder on the part of the Company, any Subsidiary or any other party to any thereof; the same are in full force and effect and valid and enforceable by the Company or its Subsidiaries in accordance with their respective terms subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules or law governing specific performance, injunctive relief and other equitable

remedies; and the performance of any such contracts, plans, agreements, understandings, arrangements or obligations would not have a Material Adverse Effect.

3.10 Brokers and Finders. No act of Sellers has given or will give rise to any claim against the Company, any Subsidiary or Buyer for a brokerage commission, finder's fee or other like payment in connection with the transactions contemplated herein.

3.11 Consents; No Conflict. Except for any items disclosed on Schedule 3.11, to the knowledge of Sellers, the execution and delivery of this Agreement by Sellers, and the consummation of the transactions contemplated hereby will not result in any violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under, result in the loss of any benefit under, or give rise to any right of termination, cancellation, increased payments or acceleration under, or result in the creation of any Encumbrance on any of the properties or assets of the Company or any Subsidiary under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, franchise, permit, authorization, agreement or other instrument or obligation to which the Company or any Subsidiary is a party, or by which it or any of its properties or assets may be bound.

3.12 Permits, Licenses, Etc. To the knowledge of Sellers, neither the Company nor any Subsidiary has received any notice or claim pertaining to the failure to obtain any permit, certificate, license, franchise, approval, registration or other authorization required by any federal, state, local or foreign body or authority, including, but not limited to, the SBA, the SEC and the NASD.

3.13 Benefit Plans.

(a) Except to the extent specifically disclosed in the Company's employee benefits handbook or on Schedule 3.13, to the knowledge of Sellers, neither the Company nor any Subsidiary currently maintains or contributes to any oral or written bonus, profit-sharing, compensation (incentive or otherwise), commission, stock option or other stock-based compensation, pension, multiemployer, retirement, severance, change of control, vacation, sick or parental leave, dependent care, deferred compensation, cafeteria, disability, hospitalization, medical, death, retiree, insurance, or other benefit, welfare or similar plan, policy, agreement, trust, fund or arrangement providing for the remuneration or benefit of all or any employees, shareholders, consultants or other persons ("Employee Plans").

(b) There will be no material change on or before the Closing Date in the operation of any of the Employee Plans or documents under which any such plan is maintained that will result in an increase in the benefit liabilities under such plan, except as may be required by law. The IRS has issued favorable determination letters with respect to all the Company and Subsidiary pension plans that are intended to be qualified under Section 401(a) of the Code.

3.14 Insurance Policies. Schedule 3.14 lists all insurance policies maintained by the Company or any Subsidiary, including name of insurer, type of coverage, amount of premium and expiration of the policy. All of such policies are in full force and effect and Sellers will use reasonable efforts to cause such policies to be so maintained through the Closing Date.

3.15 Related Transactions. Except as set forth in the Schedule 3.15 and except for brokerage and other services in the ordinary course of business and compensation to regular employees of the Company and any Subsidiary consistent with past practice no Seller or any of their spouses or any entity controlled by any one or more of them, is presently or has been since January 31, 1997 (i) a party to any transaction with the Company or any Subsidiary (including but not limited to, any contract, agreement, commitment or other arrangement providing for the furnishing of services by, or rental of real or personal property from, or otherwise requiring payments to, any such Seller of the Company or any Subsidiary or their spouses or any entity controlled by any one or more of them); (ii) entitled to receive any fee or other payment of consideration in connection with this Agreement or the consummation of the transactions contemplated herein except as specifically provided for herein; or (iii) the direct or indirect owner of any interest (other than an investment in a publicly held corporation, not exceeding one percent (1%) of the outstanding capital stock of such corporation) in any corporation, firm, association or business organization which is a present or potential competitor of, customer of or supplier of products or services to the Company or any Subsidiary, nor does any such person receive income from any source other than the Company or any Subsidiary which relates to the business of, or should properly accrue to, the Company or any Subsidiary.

3.16 Conduct of Business of the Company. Except as set forth in Schedule 3.16, from and after January 31, 1997 to the date of this Agreement, to the knowledge of the Sellers, the Company and the Subsidiaries have not taken any of the actions set forth in Section 5.1 hereof and none of the events set forth in Section 5.1 related to the Company and the Subsidiaries has occurred.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as of the date of this Agreement and as of the Closing Date (as if made on that day) as follows:

4.1 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Minnesota and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is a corporation recently formed solely for the purposes of consummating the transactions contemplated by this Agreement and has not conducted any business operations as of the date of this Agreement.

4.2 Authorization. Buyer has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Buyer and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by the Board of Directors of Buyer, and no other corporate proceedings on the part of Buyer are necessary to authorize this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable against each of them in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance injunctive relief or other equitable remedies.

4.3 Consents and Approvals. Except for any items disclosed on Schedule 4.3, the execution and delivery of this Agreement by Buyer, and the consummation of the transactions contemplated hereby will not: (a) violate any provision of the Articles of Incorporation or Bylaws of Buyer; (b) violate any statute, rule, regulation, order or decree of any federal, state, local or foreign body or authority, including, but not limited to, the SEC and the NASD, by which Buyer or any of its or assets may be bound; (c) require any filing by Buyer with or permit, consent or approval for, or review of Buyer from any federal, state, local or foreign governmental or other authority, including, but not limited to, the SEC and the NASD; or (d) result in any violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under, result in the loss of any benefit under, or give rise to any right of termination, cancellation, increased payments or acceleration under, or result in the creation of any Encumbrance on any of the properties or assets of Buyer under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, franchise, permit, authorization, agreement or other instrument or obligation to which Buyer is a party, or by which it or any of its properties or assets may be bound.

4.4 No Finders. No act of Buyer has given or will give rise to any claim against any of Sellers hereto for a brokerage commission, finder's fee or other like payment in connection with the transactions contemplated herein.

4.5 Knowledge of James F. Dlugosch. James F. Dlugosch does not know that any of the representations and warranties of Sellers in Section 3 or the Schedules thereto are incorrect. Buyer shall not bring an action against Sellers based on any representation or warranty made in this Agreement which James F. Dlugosch knows to be incorrect as of the date of this Agreement and the Closing Date.

ARTICLE 5

CERTAIN COVENANTS AND AGREEMENTS

5.1 Conduct of Business of the Company. Except as contemplated by this Agreement, during the period from the date of this Agreement to the Closing Date, Sellers will use their reasonable efforts to ensure that the Company and each Subsidiary conduct

its respective operations according to its ordinary and usual course of business and consistent with past practice, and Sellers will use all reasonable efforts to ensure that the Company and each Subsidiary preserve intact its respective business organizations, to maintain its business, to keep available the services of its respective officers and employees and to maintain satisfactory relationships with customers and others having business relationships with it. Notwithstanding the foregoing, Sellers shall not be obligated to increase the compensation paid to any of the Company's or any Subsidiary's employees from the date of this Agreement to the Closing Date. Sellers will promptly advise Buyer orally and in writing of any material change in the management, business, properties, liabilities, results of operations, prospects or financial condition of the Company or any Subsidiary. Without limiting the generality of the foregoing, and except as otherwise expressly provided in or contemplated by this Agreement, prior to the Closing Date, Sellers will use their reasonable efforts to ensure that neither the Company nor any Subsidiary will, without the prior written consent of Buyer (which consent will not be unreasonably withheld):

(a) amend its Articles of Incorporation or Bylaws;

(b) authorize for issuance, issue, sell, pledge or deliver (whether through the issuance or granting of additional options, warrants, commitments, subscriptions, rights to purchase or otherwise) any of its stock of any class or any securities convertible into shares of stock of any class;

(c) split, combine or reclassify any shares of its capital stock, declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock; or redeem or otherwise acquire any shares of its capital stock or other securities; or amend or alter any term of any of its outstanding securities;

(d) create, incur or assume any indebtedness for borrowed money, or assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person, other than in the ordinary course of business and consistent with past practice; or create, incur or assume any Encumbrance on any material asset, except as set forth in Schedule 5.1;

(e) except in the ordinary course of business and consistent with past practice or pursuant to contractual obligations existing on the date hereof,

(i) sell, transfer, mortgage, or otherwise dispose of or encumber any of its real or personal property, except as set forth on Schedule 5.1,

(ii) pay, discharge or satisfy its claims, liabilities or obligations (absolute, accrued, contingent or otherwise), or

(iii) cancel any debts or waive any of its claims or rights, which involve payments or commitments to make payments,

which individually exceeds $25,000 or, in the aggregate, exceed $100,000;

(f) enter into, amend or terminate any agreements, commitments or contracts that, individually or in the aggregate, are material to the Company or any Subsidiary (except agreements, commitments or contracts for the purchase, sale or lease of goods, services or properties in the ordinary course of business, consistent with past practice), or otherwise make any material change in the conduct of the business or operations of the Company or any Subsidiary;

(g) alter or revise its accounting principles, procedures, methods or practices, except as required by a change in generally accepted accounting principles and concurred with by the Company's independent public accountants;

(h) institute, settle or compromise any claim, action, suit or proceeding pending or threatened by or against it involving amounts in excess of $50,000, at law or in equity or before any federal, state, local, foreign or other governmental department, commission, board, bureau, agency or instrumentality;

(i) distribute or otherwise circulate any notices, directives or other communications directed to all or groups of customers, vendors, employees, distributors or others associated with its business relating to the transactions contemplated hereby or to the operation of business after consummation of such transactions without consulting with Buyer, giving Buyer reasonable opportunity to comment thereon and obtaining prior to distribution Buyer's approval thereof, which shall not unreasonably be withheld;

(j) knowingly take any action that would render any representation, warranty, covenant or agreement of the Sellers in this Agreement inaccurate or breached as of the Closing Date;

(k) agree, whether in writing or otherwise, to do any of the foregoing;

(l) alter or revise any of the policies of insurance maintained by the Company; or

(m) make any distributions or pay any dividends to the Sellers.

Notwithstanding the above, prior to Closing, Sellers may purchase from the Company any country club memberships set forth on Schedule 5.1 at the prices set forth on Schedule 5.1. In addition, prior to closing, Wikner may purchase (a) any whole life insurance policies owned by the Company on the life of Wikner at the net cash surrender value of the policy as of the date of Closing, and (b) any term life insurance policies for an amount equal to

that portion of the premiums paid by the Company which corresponds to the portion of the term remaining on the policies. Finally, the Company may purchase for Wikner for an amount not to exceed $75,000 certain term insurance on his life.

5.2 Access and Information. Sellers shall afford to Buyer, and to Buyer's accountants, officers, directors, employees, counsel, any agents of those providing Buyer with financing for the transactions contemplated hereby, and other representatives, reasonable access during normal business hours, from the date hereof through the Closing Date, to all of the properties, books, contracts, commitments and records of the Company and Subsidiaries. During such period, Sellers shall furnish promptly to Buyer all information concerning the Company's and its Subsidiaries' businesses, prospects, properties, liabilities, results of operations, financial condition, officers, employees, registered representatives, customers, or others having dealings with the Company and Subsidiaries as Buyer may reasonably request and reasonable opportunity to contact and obtain information from such persons as Buyer previously designated to Sellers. In the event the transactions contemplated by this Agreement are not consummated, Buyer will promptly deliver to Sellers or destroy, at Sellers' request, all documents, materials and information provided to Buyer by or on behalf of the Sellers pursuant hereto, all copies thereof and notes thereto, if any. Notwithstanding the return or destruction of such documents, materials and information, copies thereof and notes thereto, if any, Buyer agrees to not disclose the contents thereof except upon advice of counsel or as compelled by law.

5.3 Consents. Sellers will, at Buyer's cost and expense work with Buyer to obtain all approvals and consents and complete all review processes of any third party, federal, state, local or foreign governmental or other authority, including, but not limited to, the SBA, the SEC and the NASD, which approvals, consents or reviews may be necessary on the part of the Company or its Subsidiaries to consummate the transactions contemplated hereby.

5.4 Further Actions. Subject to the terms and conditions herein provided and without being required to waive any conditions herein (whether absolute, discretionary or otherwise), each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement. In case at any time after the Closing Date any further action is necessary or desirable to carry out the purposes of this Agreement, each party to this Agreement or representatives thereof shall take all such necessary action.

5.5 Repayment of Amounts Owed by Sellers to the Company. Each Seller shall at or prior to the Closing pay the full amount of principal and interest on his outstanding notes and advances owed to the Company or any Subsidiary.

5.6 Discussions with Employees. Sellers shall allow Buyer, in the five Business Days following expiration of the Closing Conditions Period, to engage in discussions with key employees of the Company concerning terms of employment with Buyer. In the event any

key employee resigns his or her employment with the Company following such discussions with the Buyer, such resignation shall not be deemed a Material Adverse Effect.

5.7 Resignations. Sellers shall resign as officers, directors and employees, as applicable, of the Company or its Subsidiaries, upon the request of Buyer.

5.8 Execution of Noncompetition and Employment Agreements. Mr. Iverson shall enter into a noncompetition agreement (the "Iverson Noncompetition Agreement) and employment agreement (the "Iverson Employment Agreement") with the Company in the forms of Exhibits B and C respectively. Mr. Wikner shall enter in a noncompetition agreement (the "Wikner Noncompetition Agreement") with the Company in the form of Exhibit D. Mr. Erickson shall enter into an employment agreement (the "Erickson Employment Agreement") with the Company in the form of Exhibit E.

5.9 Notice of Developments. Sellers shall give prompt written notice to Buyer of any Material Adverse Effect causing a breach of any of Sellers' representations and warranties contained herein, provided, however, that any such notice shall not be deemed to prevent or cure any misrepresentation, breach of warranty or breach of covenant.

5.10 Termination of Agreement. Unless this Agreement is terminated pursuant to Section 8.1 hereof, in the event Buyer fails to purchase the Purchased Stock on or prior to the Closing Date then, Buyer shall pay Sellers a fee (the "Fee") of $500,000. Such Fee will be paid by delivery of $243,690 to each of Messrs. Wikner and Iverson and $12,620 to Mr. Erickson by certified check by Buyer. Upon payment of such Fee, Sellers shall have no claim or rights against Buyer or its affiliates related to the transactions evidenced by this Agreement, except for claims made pursuant to Section 8.5 or Section 5.2 hereof. Such Fee shall be payable from funds received by Buyer pursuant to subscription agreements entered into by individual investors and held in escrow by Norwest Bank Minnesota, N.A. (the "Escrow Agent") pursuant to that Proceeds Escrow Agreement dated June 4, 1997 by and between the Buyer and the Escrow Agent.

5.11 Efforts to Satisfy Conditions at Closing. The Sellers and Buyer shall use commercially reasonable efforts to cause each of the conditions of Closing to be satisfied on or prior to the Closing Date.

5.12 Due Diligence. Within three (3) business days after the execution of this Agreement, Buyer shall provide to Sellers a list of due diligence information which it requests. Within twenty (20) days after receipt of all material and information requested on such list, Buyer shall be entitled to make one additional requests for information and material (the "Supplemental Request").

5.13 Executive Officer Formula Bonus. To the extent the Company has accrued any executive officer formula bonuses on the financial statements of the Company prior to the Closing, Buyer shall cause the Company to pay such bonuses to the officers for whom they are accrued at such time as is consistent with past practices.

ARTICLE 6

CONDITIONS TO THE PURCHASE AND SALE

6.1 Conditions to the Purchase and Sale Relating to Buyer. The obligation of Buyer at the Closing to consummate the transactions contemplated hereby shall be subject to the satisfaction or waiver by Buyer at or prior to the Closing of each of the following conditions:

(a) Representations and Warranties True. Each representation and warranty of Sellers contained in this Agreement shall be true and correct as of the date hereof and as of the Closing as though such representations and warranties were made as of the Closing.

(b) Performance. Sellers shall have performed and complied in all material respects with all agreements, obligations, covenants and conditions required by this Agreement to be performed or complied with by them on or prior to the Closing Date and Buyer shall have received a certificate to such effect signed by each Seller.

(c) Consents. Company or a Subsidiary shall have received all of those consents, permits, authorizations and approvals required by the entities set forth on Schedule 6.1 hereto, to perform their obligation under, and consummate the transactions contemplated by, this Agreement, in form and substance satisfactory to Buyer and Buyer shall have received evidence thereof satisfactory to it of the receipt of such consents, permits, authorizations and approvals.

(d) Opinion of Counsel for Sellers. Buyer shall have received an opinion of counsel to Sellers, dated the Closing Date, in form and substance reasonably satisfactory to Buyer, to the effect set forth in Exhibit F hereto.

(e) Noncompetition and Employment Agreements. Buyer shall have received executed Iverson Noncompetition and Iverson Employment Agreements from Mr. Iverson, an executed Wikner Noncompetition Agreement from Mr. Wikner and an executed Erickson Employment Agreement from Mr. Erickson.

(f) Resignations. Buyer shall have received executed resignations as officers, directors and employees, as applicable, from the Sellers as Buyer shall request with no resulting liabilities or costs to the Company, any Subsidiary or Buyer.

(g) Repayment of Amounts Owed by Sellers to the Company. Each Seller shall have repaid all amounts owing by him to the Company or any Subsidiary under outstanding notes and advances as described in Section 5.5 hereof.

(h) Refinancing of Certain Debt of the Company. The Buyer shall have obtained a commitment, on terms satisfactory to Buyer, to refinance the debt owing

by the Company to its lenders after the purchase of stock pursuant to this Agreement.

(i) Delivery of Stock Certificates. Sellers shall deliver the stock certificates representing the Purchased Stock, duly endorsed for transfer to Buyer.

(j) Absence of Judicial Order. There shall not have been issued and be in effect any order, decree or judgment of any court or tribunal of competent jurisdiction which makes the consummation of the transactions contemplated hereby illegal.

(k) Receipt by Buyer of Financing. Buyer shall have received financing, on terms and conditions acceptable to it, necessary to consummate the transactions contemplated hereby.

(l) Due Diligence. Buyer shall have completed its due diligence related to this transaction to Buyer's satisfaction.

(m) Discussions with Employees. Buyer shall have conducted discussions satisfactory to Buyer of terms of employment with key employees during the five Business Days following expiration of the Closing Conditions Period. In the event any key employee resigns his or her employment with the Company following such discussions with the Buyer, such resignation shall not be deemed a Material Adverse Effect.

(n) Material Adverse Effect. From the date hereof to the Closing Date, there shall be no Material Adverse Effect.

Within (i) thirty (30) days from the date hereof, or (ii) twenty (20) days from the date the Buyer receives all due diligence materials requested from Sellers (or, if a Supplemental Request is made, ten (10) days from the date the Buyer receives all of the supplemental due diligence material and information pursuant to the Supplement Request), whichever is later (the "Closing Conditions Period"), the Buyer shall be obligated to inform Seller in writing whether the conditions set forth in Section 6.1(h), (k) and (l) have been satisfied. Within five business days after expiration of the Closing Conditions Period, Buyer shall be obligated to inform Seller in writing whether the condition set forth in Section 6.1(m) has been satisfied. If no such notice is provided timely, then the conditions to Closing set forth therein shall be deemed satisfied. If such notice is provided timely, then this Agreement shall be deemed terminated in accordance with Section 8.1(d) hereof.

6.2 Conditions to the Purchase and Sale Relating to Sellers. The obligation of Sellers to consummate the transactions contemplated hereby shall be subject to the satisfaction or waiver by a majority of Sellers on or prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties True. Each representation and warranty of Buyer contained in this Agreement, without regard to any qualification or reference to immateriality or material adverse effect, shall be true and correct as of the date hereof and as of the Closing as though such representations and warranties were made as of the Closing, except for any inaccuracies which individually or in the aggregate have not had, and would not have, a material adverse effect, and Sellers shall have received a certificate to such effect signed by Buyer.

(b) Performance. Buyer shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing and Sellers shall have received a certificate to such effect signed by Buyer.

(c) Releases of Personal Guarantees. Sellers shall have received releases of Iverson's and Wikner's personal guarantees on the two Norwest Bank Minnesota, National Association lines of credit, the Harris Trust and Savings Bank line of credit and the two MidAmerica Bank mortgages, in forms reasonably satisfactory to the Sellers.

(d) Opinion of Counsel for Buyer. Sellers shall have received an opinion of Briggs and Morgan P.A., counsel to Buyer, dated the Closing Date, in form and substance reasonably satisfactory to a majority of Sellers, to the effect set forth in Exhibit G hereto.

(e) Absence of Judicial Order. There shall not have been issued and be in effect any order, decree or judgment of any court or tribunal of competent jurisdiction which makes the consummation of the transactions contemplated hereby illegal.

(f) Noncompetition and Employment Agreements. Mr. Iverson shall have received executed Iverson Noncompetition and Iverson Employment Agreements from the Company, Mr. Wikner shall have received an executed Wikner Noncompetition Agreement from the Company and Mr. Erickson shall have received an executed Erickson Employment Agreement from the Company.

ARTICLE 7

SURVIVAL AND INDEMNIFICATION

7.1 Survival of Representations, Warranties and Covenants. The representations and warranties contained in this Agreement or any agreement, certificate or document executed and delivered by Sellers, the Company, any Subsidiary or Buyer pursuant hereto shall survive the Closing.

7.2 Indemnification.

(a) From and after the Closing Date, Messrs. Wikner and Iverson, jointly and severally, agree to indemnify and hold harmless Buyer, the Company, the Subsidiaries and their respective officers, directors, and employees and agents (each a "Buyer Indemnified Party") against and in respect of any and all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, interest and penalties, costs and expenses (including, but not limited to, reasonable legal fees and disbursements incurred in connection therewith and in seeking indemnification therefor), and any amounts or expenses required to be paid or incurred in connection with any action, suit, proceeding, claim, appeal, demand, assessment or judgment ("Losses"), resulting or arising from or otherwise relating to (i) any breach or nonfulfillment of Sellers' representations, warranties, covenants or agreements set forth in this Agreement (excluding the Employment and Noncompetition Agreements) or any certificate executed and delivered by Sellers pursuant hereto.

(b) From and after the Closing Date, Buyer shall indemnify and hold harmless Sellers against and in respect of any and all Losses resulting or arising from or otherwise relating to any breach of Buyer's representations, warranties, covenants or agreements set forth in this Agreement or any agreement, certificate or document executed and delivered by Buyer pursuant hereto.

(c) Any payments pursuant to this Article 7 shall be treated as an adjustment to the Purchase Price.

(d) Buyer shall not be able to seek indemnification from Messrs. Wikner and Iverson related to the breach of any representation which is made to the knowledge of Sellers if Mr. Erickson is the only Seller whose knowledge resulted in a breach of such representation.

7.3 Method of Asserting Claims, etc. All claims for indemnification by any indemnified party pursuant to this Article 7 must be asserted prior to the first anniversary of the Closing Date and shall be asserted and resolved as set forth in this Section 7.3. In the event that any written claim or demand for which an indemnifying party would be liable to any indemnified party hereunder is asserted against or sought to be collected from any indemnified party by a third party, such indemnified party shall notify promptly the indemnifying party of such claim or demand and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim and demand) (the "Claim Notice"). The indemnifying party shall have thirty (30) days (or such earlier time as might be required to avoid prejudicing the indemnifying party's position) from the personal delivery or mailing of the Claim Notice (the "Notice Period") to notify the indemnified party (i) whether or not the indemnifying party disputes the liability of the indemnifying party to the indemnified party hereunder with respect to such claim or demand and (ii) whether or not it desires to defend the indemnified party against such claim or demand. All costs and expenses incurred by the indemnifying

party and the indemnified party in defending such claim or demand shall be a liability of, and shall be paid by, the indemnifying party. In the event that the indemnifying party notifies the indemnified party within the Notice Period that it desires to defend the indemnified party against such claim or demand and except as hereinafter provided, the indemnifying party shall have the right to defend the indemnified party by appropriate proceedings. If any indemnified party desires to participate in, but not control, any such defense or settlement it may do so at its sole cost and expense. The indemnified party shall not settle a claim or demand without the consent of the indemnifying party, which consent shall not be unreasonably withheld. The indemnifying party shall not, without the prior written consent of the indemnified party, settle, compromise or offer to settle or compromise any such claim or demand on a basis which would result in the imposition of a consent order, injunction or decree which would restrict the future activity or conduct of the indemnified party or any subsidiary or affiliate thereof. If the indemnifying party elects not to defend the indemnified party against such claim or demand, whether by not giving the indemnified party timely notice as provided above or otherwise, then the amount of any such claim or demand, or, if the same be contested by the indemnified party, then that portion thereof as to which such defense is unsuccessful (and the reasonable costs and expenses pertaining to such defense) shall be the liability of the indemnifying party hereunder. To the extent the indemnifying party shall control or participate in the defense or settlement of any third party claim or demand, the indemnified party will give during normal business hours, the relevant business records and other documents, and shall permit them to consult with the employees and counsel of the indemnified party. The indemnified party shall use its best efforts in the defense of all such claims.

7.4 Limitation on Indemnification. Buyer shall not assert claims for Losses pursuant to this Article 7 unless and until the cumulative aggregate of all such Losses claimed incurred to date by Buyer from prior and current losses exceeds $250,000 and then thereafter only for amounts in excess of such cumulative $250,000. In addition, Buyer shall not be entitled to receive payments for indemnification in excess of an aggregate of $1,500,000.

7.5 Waiver of Subrogation. From and after the Closing, the Sellers shall not have any rights to indemnification, contribution or subrogation from Buyer, the Company, any Subsidiary or their successors, whether pursuant to Buyer's, the Company's, any Subsidiary's or their successors' Articles of Incorporation, Bylaws or otherwise (except for, and only to the extent of, the amount of any insurance proceeds received by the Company therefor), with respect to any matter for which a Buyer Indemnified Party is entitled to indemnification from Sellers.

ARTICLE 8

MISCELLANEOUS

8.1 Right to Terminate. This Agreement may be terminated at any time prior to the Closing Date only:

(a) by mutual written consent of Buyer and a majority of Sellers;

(b) by either Buyer or a majority of Sellers if the Closing shall not have occurred on or before the Closing Date; provided, however, that the terminating party shall not have breached in any material respect its obligations under this Agreement in any manner that shall have been the proximate cause of, or resulted in, the failure to consummate the transactions contemplated by this Agreement by such date;

(c) by either Buyer or a majority of Sellers if a court of competent jurisdiction or an administrative, governmental, or regulatory authority has issued a final nonappealable order, decree or ruling, or taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement;

(d) by Buyer if (i) Sellers have breached their representations, warranties, covenants or obligations hereunder in any material respect or (ii) if any of the conditions to Buyer's obligation to consummate the transactions contemplated hereby has not been waived by Buyer or met in any material respect by the Closing Date or such earlier time as such condition can no longer be satisfied; provided, however, that the Buyer shall not have breached in any material respect its obligations under this Agreement in any manner that shall have been the proximate cause of, or resulted in, the failure to consummate the transactions contemplated by this Agreement by such date;

(e) by a majority of Sellers if (i) Buyer has breached its representations, warranties, covenants or obligations hereunder in any material respect or (ii) if any of the conditions to Sellers' obligation to consummate the transactions contemplated hereby has not been waived by a majority of Sellers or met in any material respect by the Closing Date or such earlier time as such condition can no longer be satisfied, provided, however, that the Sellers shall not have breached in any material respect their obligations under this Agreement in any manner that shall have been the proximate cause of, or resulted in, the failure to consummate the transactions contemplated by this Agreement by such date; or

(f) by either Buyer or Seller if the transactions contemplated herein have not been consummated on or before September 30, 1997, provided, however, that the terminating party shall not have breached in any material respect its obligations under this Agreement in any manner that shall have been the proximate cause of, or resulted in, the failure to consummate the transactions contemplated by this Agreement by such date.

8.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 8.1, the obligations of the parties to consummate the transactions contemplated by this Agreement will expire, and none of the parties will have any further

obligations under this Agreement; provided, however, that in the event of any such termination that is caused by a breach of a party, the party whose breach was the basis for the termination will not be relieved from any liability for its breach or its obligations and the other party will have no further obligations under this Agreement.

8.3 Amendment: Modification; Waiver. This Agreement may only be amended or modified in writing, signed by Buyer and a majority of Sellers, with respect to any of the terms contained herein. Buyer or a majority of Sellers may (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties of the other parties contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements or conditions of the other parties contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party granting such extension or waiver. The failure of any party hereto to enforce at any time any of the provisions of this Agreement, including the election of such party to proceed with the Closing despite a failure of any condition to such party's closing obligations to occur, shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any party thereof or the right of party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

8.4 Public Disclosure. Each of the parties to this Agreement hereby agrees with the other parties hereto that, except as may be required to comply with the requirements of applicable law, no press release or similar public announcement or communication will be made or caused to be made concerning the execution or performance of this Agreement unless specifically approved in advance by Buyer and a majority of the Sellers; provided, however, that Sellers and Buyer hereby agree to jointly announce the existence of an agreement in principle among the Buyer and the Sellers to the employees of the Company and the public following the satisfaction of the conditions to Closing at Sections 6.1(h), 6.1(k), 6.1(l) and 6.1(m) of this Agreement.

8.5 Non-Solicitation. In the event the transactions contemplated by this Agreement are not consummated, for a period of one year from the date hereof Buyer agrees that neither it nor James F. Dlugosch will solicit for hire any employees of the Company or any of its Subsidiaries. Notwithstanding the foregoing, Buyer and James F. Dlugosch are not prohibited from engaging in employment recruiting activities including, but not limited to, the placement of advertisements for employees in newspapers or trade publications, nor are Buyer and James F. Dlugosch prohibited from hiring employees of the Company or any of its Subsidiaries so long as such employees are not solicited by Buyer.

8.6 Assignment. Except as provided in the following sentence, this Agreement may not be assigned, by operation of law or otherwise. Buyer may assign its rights under this Agreement in whole or in part to a wholly-owned subsidiary of Buyer provided, however, that in such event, Buyer will remain fully liable for the fulfillment of all such obligations.

This Agreement shall be binding upon and inure to the benefit of successors and assigns of the parties hereto.

8.7 Entire Agreement. Except as otherwise expressly contemplated herein, this Agreement (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties, with respect to the subject matter hereof; and (b) is not intended to confer upon any other persons any rights or remedies hereunder.

8.8 Schedules. The inclusion of any matter in any schedule to this Agreement shall be deemed to be an inclusion for all purposes of this Agreement, but shall expressly not be deemed to constitute an admission by Sellers, the Company or Buyer or otherwise imply that any such matter is material for the purposes of this Agreement.

8.9 Counterparts. This Agreement and any amendments hereto may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be considered one and the same instrument.

8.10 Section Headings: Construction. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. This Agreement shall be construed without regard to any presumption or other rule requiring construction hereof against the party causing this Agreement to be drafted.

8.11 Notices. All notices hereunder shall be deemed given if in writing and delivered personally or sent by facsimile transmission or by registered or certified mail (return receipt requested) or next Business Day courier to the parties at the following addresses (or at such other addresses as shall be specified by like notice):

If to Sellers, to:

James Iverson
3123 Cerros Redondos
P.O. Box 863
Rancho Santa Fe, CA 92067

Roger Wikner
501 Bushaway Road
Wayzata, MN 55391

Steven Erickson
Miller & Schroeder Financial, Inc.
Pillsbury Center
220 South Sixth Street
Suite 300
Minneapolis, MN 55402

with a copy to:	Leonard, Street and Deinard, Professional Association 150 South Fifth Street Minneapolis, MN 55402 Attn: Morris Sherman, Esq.
If to Buyer, to:	MI Acquisition Corporation Attention: James F. Dlugosch, President Pillsbury Center 220 South Sixth Street Suite 300 Minneapolis, MN 55402
with a copy to:	Briggs and Morgan, P.A. 2400 IDS Center Minneapolis, MN 55402 Attn: Brian D. Wenger, Esq.

Any notice given by mail shall be effective when received. Any notice given by facsimile transmission shall be effective when the appropriate facsimile transmission acknowledgement is received.

8.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without reference to the choice of law principles thereof.

8.13 Illegality. In case any provision in this Agreement shall be invalid illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

8.14 Dispute Resolution. Except for any dispute relating to the Purchase Price Adjustment (which dispute shall be resolved pursuant to Section 2.3), any dispute arising out of or relating to this Agreement or the alleged breach hereof, or the making of this Agreement, including claims of fraud in the inducement, disputes regarding claims against the escrow described in Section 2.2 hereof or otherwise, shall be discussed between Buyer and Sellers in a good-faith effort to arrive at a mutual settlement of any such controversy. If, notwithstanding, such dispute cannot be resolved, such dispute shall be settled by binding arbitration. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be (i) a retired state or federal judge, or (ii) an attorney who is knowledgeable and familiar with buying and selling businesses or the securities industry. If the parties cannot agree on an arbitrator within 20 days, any party may request that the chief judge of the District Court for Hennepin County, Minnesota, select an arbitrator. Arbitration will be conducted pursuant to the provisions of this Agreement, and the commercial arbitration rules of the Center for Dispute Resolution, unless such rules are inconsistent with the provisions of this Agreement. Limited civil

discovery shall be permitted for the production of documents and taking of depositions. Unresolved discovery disputes may be brought to the attention of the arbitrator who may dispose of such dispute. The arbitrator shall have the authority to award any remedy or relief that a court of the State of Minnesota could order or grant; provided, however, the punitive or exemplary damages shall not be awarded. The arbitrator may award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees, including the arbitrator's fees, administrative fees, travel expenses, out-of-pocket expenses and reasonable attorneys' fees. Unless otherwise agreed by the parties, the place of any arbitration proceeding shall be Hennepin County, Minnesota.

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the parties hereto as of the date first above written.

MI ACQUISITION CORPORATION

By _____
James F. Dlugosch
President

_____
Roger Wikner

_____
James Iverson

_____
Steven Erickson

CONSENT OF SPOUSE:

The undersigned, the spouse of James Iverson, who is a shareholder of Miller & Schroeder, Inc. (the "Company") and a party to the foregoing Stock Purchase Agreement (the "Agreement"), hereby appoints James Iverson as her attorney-in-fact in respect to the exercise of any rights or discharge of any obligations under the Agreement and agrees to be bound by the provisions of the Agreement insofar as such spouse may have any rights under the Agreement under the laws of the State of California or other laws relating to community, separate or marital property in effect in California or in the state of such spouse's residence as of the date of the Agreement.

_____
(Print Name)

_____
(Signature)

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the parties hereto as of the date first above written.

MI ACQUISITION CORPORATION

By_____
James F. Dlugosch
President

_____
Roger Wikner

_____
James Iverson

_____
Steven Erickson

CONSENT OF SPOUSE:

The undersigned, the spouse of James Iverson, who is a shareholder of Miller & Schroeder, Inc. (the "Company") and a party to the foregoing Stock Purchase Agreement (the "Agreement"), hereby appoints James Iverson as her attorney-in-fact in respect to the exercise of any rights or discharge of any obligations under the Agreement and agrees to be bound by the provisions of the Agreement insofar as such spouse may have any rights under the Agreement under the laws of the State of California or other laws relating to community, separate or marital property in effect in California or in the state of such spouse's residence as of the date of the Agreement.

_____
(Print Name)

_____
(Signature)

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the parties hereto as of the date first above written.

MI ACQUISITION CORPORATION

By_____
James F. Dlugosch
President

_____
Roger Wikner

James E. Iverson
James Iverson

_____
Steven Erickson

CONSENT OF SPOUSE:

The undersigned, the spouse of James Iverson, who is a shareholder of Miller & Schroeder, Inc. (the "Company") and a party to the foregoing Stock Purchase Agreement (the "Agreement"), hereby appoints James Iverson as her attorney-in-fact in respect to the exercise of any rights or discharge of any obligations under the Agreement and agrees to be bound by the provisions of the Agreement insofar as such spouse may have any rights under the Agreement under the laws of the State of California or other laws relating to community, separate or marital property in effect in California or in the state of such spouse's residence as of the date of the Agreement.

PATRICIA A. IVERSON
(Print Name)

Patricia A. Iverson
(Signature)

NONCOMPETITION AGREEMENT

THIS NONCOMPETITION AGREEMENT ("Agreement") is made by and between **MILLER & SCHROEDER, INC.**, a Minnesota corporation ("Company"), and **JAMES IVERSON** ("Iverson") and is dated July 31, 1997.

WITNESSETH:

WHEREAS, Company is a Minnesota corporation engaged in the business of financial services;

WHEREAS, MI Acquisition Corporation ("MI") anticipates acquiring all of the issued and outstanding shares of capital stock of Company effective as of this 31st day of July, 1997 (the "Acquisition"), pursuant to that certain stock purchase agreement dated June 20, 1997 and effective as of June 1, 1997, among Roger Wikner, James Iverson and Steven Erickson and MI;

WHEREAS, prior to the Acquisition, Iverson owned 49% of the capital stock of Company and Iverson possesses certain unique skills, talents, contacts, judgment and knowledge of the Company's business, strategies and objectives;

WHEREAS, both parties recognize the critical importance to the Company, its employees and investors, of restricting Iverson's ability to compete with the Company or any of its affiliates, successors or assigns (the "Company Group");

WHEREAS, Iverson understands that (i) this Agreement shall be effective against Company only upon the closing of the Acquisition (the "Closing Date") and (ii) the execution of this Agreement is a condition of the closing of the Acquisition; and

WHEREAS, Iverson agrees that the restrictions contained in this Agreement are reasonable.

NOW, THEREFORE, in consideration of the recitals and the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. Restriction on Competition. Iverson acknowledges that the Company needs to be protected against the potential for unfair competition and impairment of the Company Group's goodwill by use of the Company Group's training, assistance, confidential information and trade secrets in direct or indirect competition with the Company Group. Iverson agrees that he will not, during the Term, directly or indirectly, operate, join, control, be employed by or participate in ownership, management, operation or control of, or be connected in any manner as an independent contractor, consultant or otherwise, with any person or entity which is engaged in any business in the United States or Canada in which a member of the Company Group is engaged on the date hereof or during the remaining

term of his employment with the Company, other than on behalf of the Company pursuant to the terms of his employment agreement.

2. Solicitation of Customers. During the Term, Iverson shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer, or otherwise:

a. for the benefit of any person or entity engaged in a business which is competitive with the business of any member of the Company Group during the term of his employment with the Company, reveal the name or related information of, or solicit any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term; or

b. interfere with, or endeavor to entice from any member of the Company Group, any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term.

3. Solicitation of Employees. During the Term, Iverson shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer or otherwise, solicit, hire for employment, or work with, on a part-time, consulting, advising or any other basis, other than on behalf of the Company, any employee, or independent contractor, of a member of the Company Group at the time of such solicitation, hire or work or during the six months prior thereto, if such employee or independent contractor is to directly or indirectly engage in a business which is competitive with the business of a member of the Company Group on the date hereof or during the remaining term of his employment with the Company.

4. Term. The term of this Agreement shall commence on the date hereof and continue for a period of 7 years (the "Term").

5. Payment. As consideration for Iverson's agreements set forth in this Agreement, the Company shall pay to Iverson 84 equal monthly installments, in arrears, of $1,200 commencing on August 31, 1997. If Iverson shall breach any provision contained in this Agreement, the Company shall have no obligation to pay to Iverson any monthly payments due after the breach; provided, however, Iverson shall continue to be obligated to abide by the terms of this Agreement.

6. Enforcement. Company shall have the right to enforce the provisions of this Agreement by applying for and obtaining temporary and permanent restraining orders or injunctions from a court of competent jurisdiction without the necessity of filing a bond therefor. In any such court action, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the other party.

If any court of competent jurisdiction shall refuse to enforce any or all of the provisions hereof because they are more extensive (whether as to geographical area, scope

IN WITNESS WHEREOF, the parties have duly executed this Noncompetition Agreement as of the date and year first above written.

COMPANY: MILLER & SCHROEDER, INC.

By_____
Its President and
Chief Executive Officer

Iverson: _____
James Iverson

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made by and between **MILLER & SCHROEDER, INC.**, a Minnesota corporation ("Company"), and **JAMES IVERSON** ("Iverson") and is dated July 31, 1997.

WITNESSETH:

WHEREAS, Company is a Minnesota corporation engaged in the business of financial services;

WHEREAS, MI Acquisition Corporation ("MI") anticipates acquiring all of the issued and outstanding shares of capital stock of Company effective as of this 21st day of July, 1997 (the "Acquisition"), pursuant to that certain stock purchase agreement dated June 20, 1997 and effective as of June 1, 1997, among Roger Wikner, James Iverson and Steven Erickson and MI;

WHEREAS, prior to the Acquisition, Iverson owned 49% of the capital stock of Company and Iverson possesses certain unique skills, talents, contacts, judgment and knowledge of the Company's business, strategies and objectives;

WHEREAS, both parties recognize the critical importance to the Company, its employees and investors, of preserving the confidentiality of the Company's trade secrets and confidential information, and restricting Iverson's ability to compete with the Company or any of its affiliates, successors or assigns (the "Company Group");

WHEREAS, Iverson understands that this Agreement shall be effective against Company only upon the closing of the Acquisition (the "Closing Date"); and

WHEREAS, Company desires to retain Iverson in the capacity and on the terms and conditions hereinafter set forth, and Iverson has agreed to accept such terms and conditions.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter contained, the parties hereto agree as follows:

1. Employment Relationship.

1.1 During the Term, as defined at Section 2 hereof, Company hereby employs Iverson as an Executive Vice President, subject to the direction of the Board of Directors of the Company.

1.2 During the Term, Iverson shall report and be responsible to the President of the Company or such other person as he may designate. Iverson hereby

accepts such employment described above and agrees to devote his loyalty, skills and full-time efforts to the conduct of the Company's business operations.

2. Term. Iverson's services shall commence on the Closing Date and shall continue under the terms hereof until October 31, 2000 (the "Term").

3. Compensation and Benefits During the Term. For all services rendered by Iverson to Company during the Term, Iverson shall be compensated by Company in accordance with the terms and conditions set forth in this Section 3.

3.1 Base Salary. Iverson will be paid a base salary of Two Hundred Eighty-Six Thousand and No/100 Dollars ($286,000.00) per year for each of the three (3) years of the Term ("Base Salary") which shall be payable in arrears on the 15th and the last day of each month. Company's Board of Directors shall review Iverson's Base Salary annually, and may, within its sole discretion, raise Iverson's Base Salary.

3.2 Bonus. Iverson shall be entitled to an annual bonus based on a percentage of the pre-tax profits of the following accounting centers:

Solana Beach Underwriting
Pasadena Underwriting
Seattle Underwriting
Self-Insurance Group
Solana Beach Retail Sales
Solana Beach Trading
Solana Beach Administration

The pre-tax profits of each accounting center will be determined by the Company in its sole discretion. The annual bonus will be paid on the basis of consolidated year-end pre-tax profits of the aforementioned centers at the following rates:

Year-End Pre-Tax Profits	Annual Bonus Percentage
$0-$500,000	5%
$500,001-$1,000,000	10%
$1,000,001-$2,500,000	15%
$2,500,001+	10%

To illustrate, using 1996 year-end pre-tax profits of the aforementioned accounting centers of approximately $1,870,000, the annual bonus would be calculated as follows:

Year-End Pre-Tax Profits	Annual Bonus Percentage	Annual Bonus Amount
$0-$500,000	5%	$ 25,000
$500,001-$1,000,000	10%	$ 50,000
$1,000,001-$1,870,000	15%	$130,500
Total Annual Bonus		$205,500

3.3 Fringe Benefits. Iverson shall be entitled to those employee benefits as are available to all other employees of Company, and such other benefits as determined by written action of the Board of Directors.

3.4 Expense Reimbursements. Iverson is authorized to incur reasonable expenses, including travel expense, in connection with the business of the Company. Company will reimburse Iverson for all such reasonable expenses.

3.5 Vacation. Iverson shall be entitled to six weeks of vacation during each year of this Agreement.

3.6 Automobile. Iverson shall be entitled to the use of a Company-owned automobile, subject to the Company's normal policies for the use of such automobiles.

3.7 Club Dues. Company shall reimburse Iverson for membership dues paid to RSF Farms Golf, Inc.

4. Termination.

4.1 Termination for Cause. Company may terminate Iverson for Cause, effective upon notice in writing to Iverson. Company shall not have the right to terminate Iverson without cause. "Cause," for purposes of this Agreement, is defined as an indictment, charge or admission of a felony, fraud against Company, misappropriation of Company's assets, embezzlement or failure to satisfy reasonable criteria established by the President of the Company. If Company intends to terminate Iverson for Cause because Iverson fails to satisfy reasonable criteria established by the Company's President, Company shall first give Iverson notice of his failure to satisfy such criteria and a reasonable opportunity to cure such deficiency(ies). If the Company terminates Iverson under this Section 4.1, other than because Iverson fails to satisfy reasonable criteria established by the Company's President, Iverson's employment shall immediately terminate. In the event Iverson's employment is terminated pursuant to this Section 4.1, the Company shall be entitled to pursue any and all legal and equitable remedies available to it, including, without

limitation, recovery of any loss, damage or expense arising out of or in connection with the events surrounding or leading up to said termination.

4.2 Resignation. Iverson may terminate his employment pursuant to this Agreement at any time upon thirty (30) days' written notice to Company. Iverson shall not be paid any monies pursuant to Section 3 hereof following such termination.

4.3 Disability. Iverson's employment pursuant to this Agreement shall be deemed terminated upon the total and permanent disability ("Disability") of Iverson. The determination of whether Iverson has suffered a Disability shall be the inability of Iverson to fully perform his duties hereunder for a period of 90 days or more (with any working periods of less than 15 business days not to be construed as interrupting such disability period). All determinations as to whether Iverson has suffered a Disability shall be determined by the Board of Directors of Company in its reasonable discretion.

4.4 Death. Iverson's employment pursuant to this Agreement shall be deemed terminated upon the death of Iverson.

4.5 Expiration of Term. Iverson's employment pursuant to this Agreement shall terminate upon the expiration of the Term without any written renewal or extension thereof executed by the parties.

4.6 Termination of Compensation and Benefits. Except as required by law or as otherwise provided in this Agreement, Iverson shall not be entitled to the continuation of the Base Salary under Section 3.1, Bonus under Section 3.2, fringe benefits under Section 3.3, expense reimbursement (unless incurred in the ordinary course of business prior to termination) under Section 3.4, automobile expenses under Section 3.6 or club dues under Section 3.7, after termination of his employment hereunder or the conclusion of the Term.

4.7 Severance. In the event Iverson's employment is terminated for any reason, Iverson shall be entitled to severance. The amount of the severance payments shall be equal to $7,100.00 per month. The monthly payments shall commence on the last day of the first month following the month in which Iverson's employment terminates and continue for that period of time from and including such month through July, 2004. Notwithstanding the foregoing, in the event Iverson breaches any of the provisions in Section 5, 6 or 7 of this Agreement or any provision of the Noncompetition Agreement by and between the Company and Iverson of even date herewith, Iverson shall not be entitled to receive and the Company shall not be obligated to pay any severance; provided, however, Iverson shall continue to be obligated to abide by the terms of this Agreement and the Noncompetition Agreement.

4.8 Materials. Upon termination under this Section 4, Iverson shall return to Company any materials and property owned by Company, and in the event of Iverson's failure to do so, Company may, in addition to any other remedy provided by law, withhold any amounts due Iverson until full compliance with this provision. If Company believes that Iverson has failed to return certain materials or property to Company, Company shall give Iverson notice of such materials or property with reasonable specificity. Upon receipt of such materials and property, or evidence satisfactory to Company that Iverson does not have such materials or property, Company shall promptly forward the amounts owed Iverson to Iverson.

4.9 Life Insurance. Upon the termination of Iverson's employment for any reason other than his death, the Company shall transfer the existing life insurance policy on the life of Iverson which the Company owns to Iverson in exchange for a cash payment equal to the lesser of the cash surrender value for such policy at the time of the transfer or the cash surrender value on the date hereof.

5. Confidential Information.

5.1 Definition. For purposes of this Agreement, "Confidential Information" means information or material, techniques, formulas, processes or procedures, which are proprietary to Company Group or designated as Confidential Information by Company Group and not generally known independently by non-Company Group personnel, which Iverson developed or has or may obtain knowledge of or access to through or as a result of his relationship with the Company Group (including, but not limited to, information conceived, originated, discovered, improved or developed in whole or in part by Iverson). In the event Iverson is uncertain whether any particular information constitutes Confidential Information, he will seek clarification from Company.

5.2 Confidentiality Covenant. Iverson shall not, both during and after the Term, directly or indirectly divulge, communicate, use to the detriment of the Company Group, or for the benefit of any other person or entity, or misuse any Confidential Information. Confidential Information shall not be used by Iverson for any purpose whatsoever except as required to perform the work Company requests under the terms of this Agreement. Company reserves the right to demand the return of any such information at any time. Upon any termination of this Agreement, Iverson shall immediately return any such information in his possession to Company. This paragraph shall survive the termination of this Agreement indefinitely.

6. Solicitation of Customers. During the Term, Iverson shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer, or otherwise:

a. for the benefit of any person or entity engaged in a business which is competitive with the business of any member of the Company Group

during the term of his employment with the Company, reveal the name or related information of, or solicit any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term; or

b. interfere with, or endeavor to entice from any member of the Company Group, any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term.

7. Solicitation of Employees. During the Term, Iverson shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer or otherwise, solicit, hire for employment, or work with, on a part-time, consulting, advising or any other basis, other than on behalf of the Company:

a. any officer, vice president or executive employee who is employed by a member of the Company Group, at the time of such solicitation, hire or work or during the six months prior thereto; or

b. any other employee, or independent contractor of a member of the Company Group at the time of such solicitation, hire or work or during the six months prior thereto, if such employee or independent contractor is to directly or indirectly engage in a business which is competitive with the business of a member of the Company Group is engaged on the date hereof or during the remaining term of his employment with the Company.

Company shall have the right to enforce the provisions of this Section, along with Sections 5 and 6, by applying for and obtaining temporary and permanent restraining orders or injunctions from a court of competent jurisdiction without the necessity of filing a bond therefor. In any such court action, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the other party.

8. Notices. All notices given hereunder shall be in writing and shall be personally served or sent by registered or certified mail, return receipt requested, addressed as follows:

To Company:

MILLER & SCHROEDER, INC.
Attn: James F. Dlugosch
Pillsbury Center
220 South Sixth Street
Suite 300
Minneapolis, MN 55402

To Iverson:

James Iverson
3123 Cerros Redondos
P.O. Box 863
Rancho Santa Fe, CA 92067

9. Miscellaneous.

9.1 Complete Agreement. This Agreement is the entire Agreement between the parties concerning the subject matter hereof and supersedes and replaces any existing arrangement between the parties hereto relating to Iverson's employment relationship with Company. Company and Iverson hereby acknowledge that there are no other agreements regarding Iverson's employment, apart from this Agreement.

9.2 No Waiver. No failure on the part of Company or Iverson to exercise, and no delay in exercising any right hereunder will operate as a waiver thereof, nor will any single or partial exercise of any right hereunder by Company or Iverson preclude any other or further exercise thereof or the exercise of any other right.

9.3 Severability. It is further agreed and understood by the parties hereto that if any part, term or provision of this Agreement should be held unenforceable in the jurisdiction in which either party seeks enforcement of the contract, it shall be construed as if not containing the invalid provision or provisions, and the remaining portions or provisions shall govern the rights and obligations of the parties.

9.4 Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Minnesota, without regard to conflicts of law provisions.

9.5 Assignment. This Agreement is personal in nature and cannot be assigned by Iverson. This Agreement can be assigned by Company. The terms, conditions and covenants herein shall be binding upon the heirs and personal representatives of Iverson, and the successors, assigns of Company and any subsidiary or "affiliate" of Company.

9.6 Remedies Not Exclusive. No remedy conferred hereunder is intended to be exclusive, and each shall be cumulative and shall be in addition to every other remedy. The election of any one or more remedies shall not constitute a waiver of any other remedy.

9.7 Survival. Iverson's obligations under Section 5 shall survive the termination of his employment indefinitely.

9.8 Captions. Captions and section headings used herein are for convenience only and are not a part of this Agreement, and shall not be used in construing it.

IN WITNESS WHEREOF, the parties have duly executed this Employment Agreement as of the date and year first above written.

COMPANY: MILLER & SCHROEDER, INC.

By_____

Its President and
Chief Executive Officer

IVERSON:

James Iverson

IN WITNESS WHEREOF, the parties have duly executed this Employment Agreement as of the date and year first above written.

COMPANY: MILLER & SCHROEDER, INC.

By _____

Its President and
Chief Executive Officer

IVERSON: _____

James Iverson

NONCOMPETITION AGREEMENT

THIS NONCOMPETITION AGREEMENT ("Agreement") is made by and between **MILLER & SCHROEDER, INC.**, a Minnesota corporation ("Company"), and **ROGER WIKNER**, a resident of South Dakota ("Wikner") and is dated July 31, 1997.

WITNESSETH:

WHEREAS, Company is a Minnesota corporation engaged in the business of financial services;

WHEREAS, MI Acquisition Corporation ("MI") anticipates acquiring all of the issued and outstanding shares of capital stock of Company effective as of this 31st day of July, 1997 (the "Acquisition"), pursuant to that certain stock purchase agreement dated June 20, 1997 and effective as of June 1, 1997, among Roger Wikner, James Iverson and Steven Erickson and MI;

WHEREAS, prior to the Acquisition, Wikner owned 49% of the capital stock of Company and Wikner possesses certain unique skills, talents, contacts, judgment and knowledge of the Company's business, strategies and objectives;

WHEREAS, both parties recognize the critical importance to the Company, its employees and investors, of restricting Wikner's ability to compete with the Company or any of its affiliates, successors or assigns (the "Company Group");

WHEREAS, Wikner understands that (i) this Agreement shall be effective against Company only upon the closing of the Acquisition (the "Closing Date") and (ii) the execution of this Agreement is a condition of the closing of the Acquisition; and

WHEREAS, Wikner agrees that the restrictions contained in this Agreement are reasonable.

NOW, THEREFORE, in consideration of the recitals and the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. Restriction on Competition. Wikner acknowledges that the Company needs to be protected against the potential for unfair competition and impairment of the Company Group's goodwill by use of the Company Group's training, assistance, confidential information and trade secrets in direct or indirect competition with the Company Group. Wikner agrees that he will not, during the Term, directly or indirectly, operate, join, control, be employed by or participate in ownership, management, operation or control of, or be connected in any manner as an independent contractor, consultant or otherwise, with any person or entity which is engaged in any business in the United States and Canada in which a member of the Company Group is engaged on the date hereof.

2. Solicitation of Customers. During the Term, Wikner shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer, or otherwise:

a. for the benefit of any person or entity engaged in a business which is competitive with the business of any member of the Company Group on the date hereof, reveal the name or related information of, or solicit any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term; or

b. interfere with, or endeavor to entice from any member of the Company Group, any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term.

3. Solicitation of Employees. During the Term, Wikner shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer or otherwise, solicit, hire for employment, or work with, on a part-time, consulting, advising or any other basis, other than on behalf of the Company, any employee, or independent contractor, of a member of the Company Group at the time of such solicitation, hire or work or during the six months prior thereto, if such employee or independent contractor is to directly or indirectly engage in a business which is competitive with the business of a member of the Company Group on the date hereof.

4. Term. The term of this Agreement shall commence on the date hereof and continue for a period of 4 years (the "Term").

5. Payment. As consideration for Wikner's agreements set forth in this Agreement, the Company shall pay to Wikner 48 equal monthly installments, in arrears, of $14,585 commencing on August 31, 1997. If Wikner shall breach any provision contained in this Agreement, the Company shall have no obligation to pay to Wikner any monthly payments due after the breach; provided, however, Wikner shall continue to be obligated to abide by the terms of this Agreement.

6. Enforcement. Company shall have the right to enforce the provisions of this Agreement by applying for and obtaining temporary and permanent restraining orders or injunctions from a court of competent jurisdiction without the necessity of filing a bond therefor. In any such court action, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the other party.

If any court of competent jurisdiction shall refuse to enforce any or all of the provisions hereof because they are more extensive (whether as to geographical area, scope of business or otherwise) than is deemed reasonable, it is expressly understood and agreed that such provisions shall not be void, but that for the purpose of such proceedings and in such jurisdiction, the restrictions contained herein (whether as to geographic area, scope of

business or otherwise) shall be deemed to be reduced to the extent necessary to permit enforcement of such provisions.

7. Miscellaneous.

A. Complete Agreement. This Agreement is the entire Agreement between the parties concerning the subject matter hereof and supersedes and replaces any existing arrangement between the parties hereto relating to subject matter hereof.

B. No Waiver. No failure on the part of Company or Wikner to exercise, and no delay in exercising any right hereunder will operate as a waiver thereof, nor will any single or partial exercise of any right hereunder by Company or Wikner preclude any other or further exercise thereof or the exercise of any other right.

C. Severability. It is further agreed and understood by the parties hereto that if any part, term or provision of this Agreement should be held unenforceable in the jurisdiction in which either party seeks enforcement of the contract, it shall be construed as if not containing the invalid provision or provisions, and the remaining portions or provisions shall govern the rights and obligations of the parties.

D. Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Minnesota, without regard to conflicts of law provisions.

E. Assignment. This Agreement is personal in nature and cannot be assigned by Wikner. This Agreement can be assigned by Company. The terms, conditions and covenants herein shall be binding upon the heirs and personal representatives of Wikner, and the successors, assigns of Company.

F. Remedies Not Exclusive. No remedy conferred hereunder is intended to be exclusive, and each shall be cumulative and shall be in addition to every other remedy. The election of any one or more remedies shall not constitute a waiver of any other remedy.

G. Captions. Captions and section headings used herein are for convenience only and are not a part of this Agreement, and shall not be used in construing it.

IN WITNESS WHEREOF, the parties have duly executed this Noncompetition Agreement as of the date and year first above written.

COMPANY: MILLER & SCHROEDER, INC.

By _____
Its President and
Chief Executive Officer

Wikner: _____
Roger Wikner

NONCOMPETITION AGREEMENT

THIS NONCOMPETITION AGREEMENT ("Agreement") is made by and between **MILLER & SCHROEDER, INC.**, a Minnesota corporation ("Company"), and **ROGER WIKNER**, a resident of South Dakota ("Wikner") and is dated July 31, 1997.

WITNESSETH:

WHEREAS, Company is a Minnesota corporation engaged in the business of financial services;

WHEREAS, MI Acquisition Corporation ("MI") anticipates acquiring all of the issued and outstanding shares of capital stock of Company effective as of this 31st day of July, 1997 (the "Acquisition"), pursuant to that certain stock purchase agreement dated June 20, 1997 and effective as of June 1, 1997, among Roger Wikner, James Iverson and Steven Erickson and MI;

WHEREAS, prior to the Acquisition, Wikner owned 49% of the capital stock of Company and Wikner possesses certain unique skills, talents, contacts, judgment and knowledge of the Company's business, strategies and objectives;

WHEREAS, both parties recognize the critical importance to the Company, its employees and investors, of restricting Wikner's ability to compete with the Company or any of its affiliates, successors or assigns (the "Company Group");

WHEREAS, Wikner understands that (i) this Agreement shall be effective against Company only upon the closing of the Acquisition (the "Closing Date") and (ii) the execution of this Agreement is a condition of the closing of the Acquisition; and

WHEREAS, Wikner agrees that the restrictions contained in this Agreement are reasonable.

NOW, THEREFORE, in consideration of the recitals and the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. Restriction on Competition. Wikner acknowledges that the Company needs to be protected against the potential for unfair competition and impairment of the Company Group's goodwill by use of the Company Group's training, assistance, confidential information and trade secrets in direct or indirect competition with the Company Group. Wikner agrees that he will not, during the Term, directly or indirectly, operate, join, control, be employed by or participate in ownership, management, operation or control of, or be connected in any manner as an independent contractor, consultant or otherwise, with any person or entity which is engaged in any business in the United States and Canada in which a member of the Company Group is engaged on the date hereof.

2. Solicitation of Customers. During the Term, Wikner shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer, or otherwise:

a. for the benefit of any person or entity engaged in a business which is competitive with the business of any member of the Company Group on the date hereof, reveal the name or related information of, or solicit any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term; or

b. interfere with, or endeavor to entice from any member of the Company Group, any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term.

3. Solicitation of Employees. During the Term, Wikner shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer or otherwise, solicit, hire for employment, or work with, on a part-time, consulting, advising or any other basis, other than on behalf of the Company, any employee, or independent contractor, of a member of the Company Group at the time of such solicitation, hire or work or during the six months prior thereto, if such employee or independent contractor is to directly or indirectly engage in a business which is competitive with the business of a member of the Company Group on the date hereof.

4. Term. The term of this Agreement shall commence on the date hereof and continue for a period of 4 years (the "Term").

5. Payment. As consideration for Wikner's agreements set forth in this Agreement, the Company shall pay to Wikner 48 equal monthly installments, in arrears, of $14,585 commencing on August 31, 1997. If Wikner shall breach any provision contained in this Agreement, the Company shall have no obligation to pay to Wikner any monthly payments due after the breach; provided, however, Wikner shall continue to be obligated to abide by the terms of this Agreement.

6. Enforcement. Company shall have the right to enforce the provisions of this Agreement by applying for and obtaining temporary and permanent restraining orders or injunctions from a court of competent jurisdiction without the necessity of filing a bond therefor. In any such court action, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the other party.

If any court of competent jurisdiction shall refuse to enforce any or all of the provisions hereof because they are more extensive (whether as to geographical area, scope of business or otherwise) than is deemed reasonable, it is expressly understood and agreed that such provisions shall not be void, but that for the purpose of such proceedings and in such jurisdiction, the restrictions contained herein (whether as to geographic area, scope of

business or otherwise) shall be deemed to be reduced to the extent necessary to permit enforcement of such provisions.

7. Miscellaneous.

A. Complete Agreement. This Agreement is the entire Agreement between the parties concerning the subject matter hereof and supersedes and replaces any existing arrangement between the parties hereto relating to subject matter hereof.

B. No Waiver. No failure on the part of Company or Wikner to exercise, and no delay in exercising any right hereunder will operate as a waiver thereof, nor will any single or partial exercise of any right hereunder by Company or Wikner preclude any other or further exercise thereof or the exercise of any other right.

C. Severability. It is further agreed and understood by the parties hereto that if any part, term or provision of this Agreement should be held unenforceable in the jurisdiction in which either party seeks enforcement of the contract, it shall be construed as if not containing the invalid provision or provisions, and the remaining portions or provisions shall govern the rights and obligations of the parties.

D. Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Minnesota, without regard to conflicts of law provisions.

E. Assignment. This Agreement is personal in nature and cannot be assigned by Wikner. This Agreement can be assigned by Company. The terms, conditions and covenants herein shall be binding upon the heirs and personal representatives of Wikner, and the successors, assigns of Company.

F. Remedies Not Exclusive. No remedy conferred hereunder is intended to be exclusive, and each shall be cumulative and shall be in addition to every other remedy. The election of any one or more remedies shall not constitute a waiver of any other remedy.

G. Captions. Captions and section headings used herein are for convenience only and are not a part of this Agreement, and shall not be used in construing it.

IN WITNESS WHEREOF, the parties have duly executed this Noncompetition Agreement as of the date and year first above written.

COMPANY: MILLER & SCHROEDER, INC.

By _____
Its President and
Chief Executive Officer

Wikner: _____
Roger Wikner

Schedule 3.15

The following is a list of transactions between the Company or its Subsidiaries and the Sellers, subsequent to January 31, 1997:

1. The Company or its Subsidiaries paid $168,666 to Aviation Charter, an air charter company owned by Wikner and his spouse, for services rendered between February 1, 1997 and April 30, 1997. The Company or its Subsidiaries is anticipating that the charge for May 1997 services will be in excess of $20,000.

2. The Company or its Subsidiaries has reimbursed Wikner and his spouse for the use of the Wikner's boat through the 1996 season. The Company or its Subsidiaries has not yet reimbursed the Wikners for boat use in the 1997 season.

3. The Company or its Subsidiaries has advanced the Sellers the following funds from February 1, 1997 through June 6, 1997:

Wikner	2/3/97	$ 10,000
Wikner	4/14/97	100,000
Wikner	4/29/97	45,000
Wikner	6/6/97	5,000
Iverson	3/3/97	15,000
Iverson	4/14/97	100,000

4. The Sellers are reimbursed on a monthly basis for expenses incurred to conduct the business of the Company or its Subsidiaries, including, but not limited to, dues, memberships, meals, travel and entertainment. Charges to the Company's or its Subsidiaries' credit card are coded as advances to the Sellers until the proper breakdown between business and personal use is documented and reviewed. The amount of these expenses are listed on Exhibit A.

5. The Company or its Subsidiaries provides Wikner and Iverson with automobiles. In February 1997, Miller & Schroeder Financial, Inc. purchased a 1997 Mercedes s500v for Wikner's use under an installment contract in the amount of $70,872 payable over 60 months at 8.9%. If a portion of the company cars are used for personal use, the Sellers report such use as compensation, for tax purposes.

6. The daughter of Iverson, Jennifer Schwartz, is employed as an underwriter in New Jersey.

7. The Company or its Subsidiaries gives free remarketing services to Crown Pointe Development-Corona. Iverson holds a 20% ownership interest in such general partnership.

8. The Company or its Subsidiaries occasionally reimburses Wikner for the business use of his vacation homes. No reimbursements have been made since January 31, 1997.

SCHEDULE 3-15

MILLER & SCHROEDER FINANCIAL, INC.
Related Party Advances

Exhibit A

	April 30, 1997	Preliminary May 31, 1997
Roger Wikner		
Expense Advance	$ 47,373	$ 54,166
James Iverson		
Expense Advance	15,173	17,957
Steven Erickson		
Expense Advance	13,424	10,065
Club Advance	9,500	9,500

Toll Free (800) 328-6122

Miller & Schroeder Financial, Inc.

Pillsbury Center • 220 South Sixth Street • P.O. Box 789 • Minneapolis, Minnesota 55440-0789 • (612) 376-1500

July 17, 1997

Ms. Lori J. Ketola
Briggs & Morgan
2400 IDS Center
80 South Sixth Street
Minneapolis, MN 55402

Dear Lori:

As previously discussed, we are enclosing for your information an additional copy of Miller & Schroeder, Inc. and Subsidiaries' interim financial statements for the period ending January 31, 1997, together with a copy of the Bloomberg, L.P. contract as requested under Section II.DD. of the Due Diligence information list.

In regard to your request for copies of our short term financial projections, it is our suggestion, for confidentiality reasons, Roger J. Wikner be interviewed by members of your due diligence team regarding the firm's pipeline.

We shall be pleased to answer any questions that you may have concerning these matters.

Very truly yours,

MILLER & SCHROEDER FINANCIAL, INC.

John T. Arvold
First Vice President

/nm

cc: Morris Sherman
Rachel Johnson

Bloomberg
FINANCIAL MARKETS
COMMODITIES
NEWS

BLOOMBERG SCHEDULE OF SERVICES

BLOOMBERG L.P.
499 PARK AVENUE
NEW YORK, NY 10022
TELEPHONE: (212) 318-2000
FACSIMILE: (212) 371-4424

SSOR: BLOOMBERG L.P.

SSEE: MILLER & SCHROEDER FINANCIAL, INC.

CUSTOMER ACCOUNT NO.: 22247

DEPARTMENT: INVESTMENTS

ORDER NUMBER: 145550

ORDER DATE: 03/29/95

EQUIPMENT ADDRESS:
220 SOUTH SIXTH STREET, SUITE 300
PILLSBURY CENTER
MINNEAPOLIS MN 55402
(City) (State) (Zip)

BILLING ADDRESS:
220 SOUTH SIXTH STREET, SUITE 300
PILLSBURY CENTER
MINNEAPOLIS MN 55402
(City) (State) (Zip)

CONTACTS: JOHN DAHLE 612 376 1399
(User Name & Telephone #)

JOHN DAHLE 612 376 1399
(Billing Name & Telephone #)

Lessor and Lessee are parties to a BLOOMBERG AGREEMENT, Number 021983 (the "Agreement"), which sets forth the terms and conditions under which Lessor provides to Lessee the Services described therein.

(Additional terms on reverse side)

TYPE OF EQUIPMENT ORDERED	QUANTITY	MONTHLY RECURRING CHARGE (PER UNIT)	COMMENCEMENT DATE OF TERM	NON-RECURRING CHARGE (PER UNIT)
Bloomberg II	1	$ 1,090.00		
InstallCharg	1			200.00

Total	$ 1,090.00	Total	$ 200.00
Tax**	$ 76.30	Tax**	$ 14.00
Month *	$ 1,166.30	One-Time	$ 214.00
Quarter *	$ 3,498.90		

TAX RATE**: 7.000 %

Agreed to by:
MILLER & SCHROEDER FINANCIAL, INC.
Company Name (Please type or print)

Signature (Duly authorized officer, partner or proprietor)

Jim Dlugosch
Name (Please type or print)

Executive VP
Title (Please type or print)

3/31/95
Date

Agreed to by:
BLOOMBERG L.P.
By: BLOOMBERG INC.,
General Partner

By:
Authorized Signatory

Date

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*This total does not include monthly fees for real-time exchange and third party information services. If a customer selects these, Bloomberg L.P. will submit the appropriate applications for such services, a current price list, and bill accordingly.

**If tax-exempt, a copy of the State Tax Exempt Certificate must be submitted.

Bloomberg
FINANCIAL MARKETS
COMMODITIES
NEWS

for Dave Bloomberg

BLOOMBERG SCHEDULE OF SERVICES

BLOOMBERG L.P.
499 PARK AVENUE
NEW YORK, NY 10022
TELEPHONE: (212) 318-2000
FACSIMILE: (212) 371-4424

LESSOR: BLOOMBERG L.P.

LESSEE: MILLER & SCHROEDER FINANCIAL, INC.

CUSTOMER ACCOUNT NO.: 22245

DEPARTMENT: INVESTMENT

ORDER NUMBER: 123543

ORDER DATE: 10/18/94

EQUIPMENT ADDRESS:
220 SOUTH SIXTH STREET, SUITE 300
PILLSBURY CENTER
MINNEAPOLIS MN 55402
(City) (State) (Zip)

BILLING ADDRESS:
220 SOUTH SIXTH STREET, SUITE 300
PILLSBURY CENTER
MINNEAPOLIS MN 55402
(City) (State) (Zip)

CONTACTS: JOHN DAHLE 612 376 1399
(User Name & Telephone #)

JOHN DAHLE 612 376 1399
(Billing Name & Telephone #)

Lessor and Lessee are parties to a BLOOMBERG AGREEMENT, Number 021983 (the "Agreement"), which sets forth the terms and conditions under which Lessor provides to Lessee the Services described therein.

(Additional terms on reverse side)

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InstallCharg	1			200.00

Total	$ 1,090.00	Total	$ 200.00
Tax**	$ 76.30	Tax**	$ 14.00
Month *	$ 1,166.30	One-Time	$ 214.00
Quarter *	$ 3,498.90		

TAX RATE**: 7.000 %

Agreed to by:
MILLER & SCHROEDER FINANCIAL, INC.
Company Name (Please type or print)

Signature (Duly authorized officer, partner or proprietor)

Jim Dlugosch
Name (Please type or print)

Executive V.P.
Title (Please type or print)

10/25/94
Date

Agreed to by:
BLOOMBERG L.P.
By: BLOOMBERG INC.,
General Partner

By:
Authorized Signatory

Date

OOMBERG, THE BLOOMBERG, THE BLOOMBERG Traveler, Bloomberg L.P., BLOOMBERG FINANCIAL MARKETS, BLOOMBERG MMODITIES and BLOOMBERG BUSINESS NEWS are trademarks, trade names and service marks of Bloomberg L.P., a Delaware limited nership.

*This total does not include monthly fees for real-time exchange and third party information services. If a customer selects these, Bloomberg L.P. will submit the appropriate applications for such services, a current price list, and bill accordingly.

**If tax-exempt, a copy of the State Tax Exempt Certificate must be submitted.

AGREEMENT NUMBER: 21983

BLOOMBERG AGREEMENT

BLOOMBERG L.P.
499 PARK AVENUE
NEW YORK, NY 10022
TELEPHONE: (212) 980-7000
FACSIMILE: (212) 980-5892

LESSOR: BLOOMBERG L.P.

LESSEE: MILLER & SCHROEDER FINANCIAL (Company Name) Account No.: 08223

Lessor agrees to provide to Lessee the equipment and services described and referred to in paragraph 1 of this Agreement, and Lessee subscribes to such services in accordance with this Agreement.

1. **License and Lease.** The services provided hereunder (the "Services") shall consist of a nonexclusive and nontransferable license and lease to use THE BLOOMBERG software, data and equipment (the "Equipment") described in the Bloomberg Schedule of Services annexed hereto, as the same may be amended from time to time (the "Schedule"), in accordance with normal BLOOMBERG operating schedules and procedures. During the Term (as defined below), Lessee may request Lessor to install one or more additional BLOOMBERG terminals ("Additional Terminals") in accordance with this Agreement, in which event the parties hereto shall execute a revised Schedule reflecting all of the Equipment than provided hereunder.

2. **Term.**

(a) This Agreement shall be effective from the date it is accepted by Lessor and shall remain in full force and effect thereafter for the period set forth in the Schedule (the "Term"), unless earlier terminated, as follows: (i) Lessee shall have the right to terminate this Agreement at any time upon not less than 60 days' prior written notice to Lessor and upon payment of the charges set forth in paragraph 3 of this Agreement; and (ii) Lessor shall have the right to terminate this Agreement at any time immediately upon written notice to Lessee in the event of a breach by Lessee of any of the provisions of this Agreement.

(b) The Term shall be automatically renewed for successive two-year periods unless Lessee or Lessor elects not to renew by giving not less than 60 days' prior notice to the other. If this Agreement is so renewed for any additional period beyond the initial Term, the charges payable pursuant to paragraph 3(a) hereof for such renewal period shall be calculated at the prevailing rates then offered by Lessor, and the Schedule shall be considered to be amended accordingly.

3. **Charges.**

(a) Lessee agrees to pay Lessor the amount indicated on the Schedule, together with (i) any applicable taxes for the Services, (ii) any levies or fees imposed or charged by exchanges or other information services or sources displayed through THE BLOOMBERG at Lessee's request and (iii) any charge for additions to, relocation of, or removal of the Equipment, hereof, all of which shall be payable upon presentation of an invoice therefor. All charges shall be computed from the day following actual installation of the Equipment, and shall be invoiced periodically as specified in the Schedule.

(b) Lessee shall be responsible for and shall pay for all costs of electrical and communications services and for all electrical and common carrier equipment installation charges incurred in connection with the Services. Lessee shall obtain all necessary authorizations from exchanges and other information vendors and shall pay for each third-party information service accessed by Lessor and selected by Lessee for display through THE BLOOMBERG. The total monthly charge does not include monthly fees for "real-time" exchange and third party information services. If Lessee selects any of these services, Lessor will submit the appropriate applications for such services, a price list, and bill accordingly. Lessee agrees to file all personal property tax returns and pay any taxes, assessments, fees or penalties in respect of the Services and/or the Equipment which may be Lessee's legal responsibility to pay.

(c) In the event this Agreement is terminated by Lessee pursuant to paragraph 2(a)(i) hereof or by Lessor pursuant to paragraph 2(a)(ii) hereof, Lessee shall be liable for all amounts payable pursuant to paragraphs 3(a) and 3(b) hereof through the date of termination plus a removal charge in an amount equal to 50% of the charges calculated in accordance with the Schedule for the balance of the Term.

4. **Distribution of Lessee Data.**

(a) Lessee shall not distribute data to other users (the "Users") of THE BLOOMBERG by means of the Equipment without the prior consent of Lessor. In the event that Lessee desires to engage in such distribution, Lessee shall make a request to Lessor. Such request shall specifically identify the data proposed to be distributed (the "Data"), the fee, if any, to be charged to Users for delivery of the Data, and the Users to whom the Data is proposed to be distributed. The request also shall state that the representations and warranties of Lessee set forth in paragraphs (b) and (c) of this paragraph 4 are true and correct as of the date of the request. Following receipt of such request, Lessor shall notify Lessee whether or not, in Lessor's sole discretion, the Data, in whole or in part, shall be distributed by means of THE BLOOMBERG, subject always to Lessor's right, in its sole discretion, to discontinue such distribution. THE PROCEDURE SET FORTH IN THIS PARAGRAPH 4(a) IS THE ONLY PROCEDURE BY WHICH LESSEE MAY DISTRIBUTE DATA TO USERS BY MEANS OF THE BLOOMBERG. ANY DISTRIBUTION NOT APPROVED HEREUNDER IS UNAUTHORIZED AND SHALL CONSTITUTE A BREACH OF THIS AGREEMENT.

(b) Subject to the terms and conditions of this Agreement, Lessee hereby grants to Lessor, and Lessor hereby accepts, a nonexclusive, world-wide license to market and deliver the Data to Users electronically by means of THE BLOOMBERG. In the event that the Data includes prices, or that Lessee otherwise puts prices onto THE BLOOMBERG, Lessee hereby grants to Lessor, and Lessor hereby accepts, a nonexclusive, world-wide license to use such prices in the development of Lessor's generic prices. Lessee represents that it has all such rights in, and licenses to, the information contained in the Data as may be required in order to permit it to grant to Lessor the license granted hereby and to transmit to Lessor and Users the Data.

(c) Lessee represents and warrants to Lessor the following: (i) all Data to be delivered by Lessee by means of the THE BLOOMBERG will include, at a minimum, all financial market information and other such data delivered by Lessee to its clients by other "third-party" electronic distribution systems; (ii) Lessee has all proprietary right, title and interest in and to all information contained in the Data furnished by Lessee pursuant hereto, owns the copyright and all trade secret, trade name and other proprietary rights in and to all Data and all such information and has full power, right and authority to obtain, transmit and distribute the Data to Lessor and Users; and (iii) when supplied by Lessee to Lessor, the Data and information contained therein shall be correct and complete and as current as similar information distributed by the Lessee to other "third party" electronic distribution systems.

(d) Lessee agrees to make available the Data to Lessor for transmission to Users by THE BLOOMBERG no later than the time that the Data is made available to any other "third party" electronic distribution system.

(e) Lessee agrees that it will authorize the release of the Data to a User via THE BLOOMBERG if it has authorized the release of the Data to such User via any other "third party" electronic distribution system.

(f) Lessee shall use its best efforts to (i) keep the Data current, accurate and complete, (ii) notify Lessor promptly of any errors or omissions, and (iii) correct any such errors or omissions promptly.

(g) The Data will be delivered to Users at no cost to Lessee. Each User shall pay (i) to Lessor the monthly rental charge such User is required to pay with respect to THE BLOOMBERG and (ii) any fees imposed by Lessee for access to the Data. Lessee agrees that the fees charged to Users for access to the Data via THE BLOOMBERG will be no greater than the fees charged to Users for access to the Data via other "third-party" electronic distribution systems, net of any (i) rebates paid by Lessee to the operators of the "third-party" electronic distribution systems (the "Operators"), or (ii) sums charged by the Operators to Users but not remitted to Lessee.

(additional terms on reverse side)

Agreed to by:

MILLER & SCHROEDER FINANCIAL
Company Name (Please type or print)

Address

By: _____
Signature (Duly authorized officer, partner or proprietor)

Name and Title (Please type or print)

Date

Agreed to by:

BLOOMBERG L.P.
By: BLOOMBERG INC.,
General Partner

By: _____
Authorized Signatory

Date

BLOOMBERG, THE BLOOMBERG, Bloomberg L.P., and BLOOMBERG FINANCIAL MARKETS are trademarks, trade names and service marks of Bloomberg L.P., a Delaware limited partnership.

Warranties and Limitations of Liabilities.

(a) LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE ATTAINED BY THE LESSEE OR OTHERS :OM THE USE OF THE SERVICES OR THE DATA OR THE EQUIPMENT BY WHICH THE SERVICES OR THE DATA ARE PROVIDED, AND IERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. ssor, its suppliers, and its third party agents shall have no responsibility or liability, contingent or otherwise, for any injury or damages, whether used by the negligence of Lessor, its employees, subcontractors, agents, equipment vendors or otherwise, arising in connection with the Services ndered under this Agreement, the use or transmission of the Data pursuant to this Agreement or use of the Equipment and shall not be liable for any t profits losses, punitive, incidental or consequential damages or any claim against Lessee by any other party. The information and data contained in e Services are derived from sources deemed reliable, but Lessor and its suppliers do not guarantee the correctness or completeness of any programs, ta or other information furnished in connection with the Services. Lessor shall not be responsible for or have any liability for any injuries or damages used by the Equipment or the Data or by delays or interruptions of the Services or the Data, from whatever cause, and shall not be liable for damages sing from the use or presence of the Equipment on Lessee's premises. Lessee is solely responsible for the accuracy and adequacy of the Data and the ta and information used by it and the resultant output thereof. Lessor shall have no liability or responsibility for the security or maintenance of any ta input by Lessee. Lessor shall have no liability or responsibility for any errors, omissions, delays or inaccuracies in the Data, nor for any damages fered by Lessee or any others resulting from disseminating the Data through THE BLOOMBERG. Lessee shall indemnify Lessor and hold it harmless d at Lessee's expense defend Lessor against any loss, claim, demand or expense (including reasonable attorneys' fees) arising in connection with the ta. To the extent permitted by law, it is agreed that the liability of Lessor hereunder for damages, regardless of the form of the action, shall not ceed the fees payable by Lessee for the Services for a period of six months, and that this shall be Lessee's exclusive remedy. No party shall be liable to e other for any default resulting from force majeure, which shall be deemed to include any circumstances beyond the reasonable control of the party or rties affected. No action, regardless of form, arising out of or pertaining to any of the Services or the Equipment may be brought by Lessee more than e (1) year after the cause of action has accrued.

(b) Notwithstanding any limitations contained in paragraph 5(a) to the contrary, Lessor agrees to indemnify Lessee and hold it harmless and Lessor's expense defend Lessee against any claim that the programs, data, information and other items provided by Lessor hereunder (other than e Data) infringe any copyright, trademark or other contractual, statutory or common law rights; provided that (i) Lessee promptly notifies Lessor in iting of the claim, (ii) Lessor shall have sole control of the settlement and defense of any action to which this indemnity relates, (iii) Lessee cooperates every reasonable way to facilitate such defense, and (iv) if Lessee becomes aware of any suspected infringement by a third party of any proprietary hts of Lessor, Lessee shall promptly notify Lessor of such activities.

Remedies. In the event of a breach or threatened breach of any of the provisions of this Agreement by Lessee or any of its employees, presentatives or affiliates, Lessor shall be entitled to injunctive relief to enforce the provisions hereof, but nothing herein shall preclude Lessor from rsuing any action or other remedy for any breach or threatened breach of this Agreement, all of which shall be cumulative. In the event Lessor evails in any such action, Lessor shall be entitled to recover from Lessee all reasonable costs, expenses and attorneys' fees incurred in connection erewith.

Parties. Lessee recognizes that Lessor, its partners, suppliers and their respective affiliates, each have rights with respect to THE OOMBERG, including the software, data, information and other items provided by Lessor by reason of Lessee's use of THE BLOOMBERG. Lessee knowledges and agrees that the provisions of paragraphs 5 and 6 of this Agreement shall be for the benefit of Lessor, its partners, suppliers, and their spective affiliates, successors and assigns and that the term "Lessor" as used in such paragraphs includes Lessor, its partners, suppliers and their spective affiliates.

Access. Lessee agrees to provide both a "dedicated" line and a "dial back-up" line at its expense, permanently connected and dedicated to the uipment. The sole purpose of the "dial" line shall be to provide communications "backup" for the Services. Lessor is not responsible for the reliability continued availability of the telephone lines and communications equipment, other than communications equipment supplied by Lessor, used by ssee in accessing the Services. However, Lessor shall attempt to resolve any communication line problems with respect to the accessibility of the rvices.

Restrictions on Use.

(a) The Services and the Equipment are solely and exclusively for the use of Lessee and may not be used in any manner inconsistent with the ovisions of this Agreement. Lessee acknowledges that the Services and the Equipment were developed, compiled, prepared, revised, selected and ranged by Lessor and others (including certain information sources) through the application of methods and standards of judgment developed and plied through the expenditure of substantial time, effort and money and constitute valuable industrial property and trade secrets of Lessor and such hers. Lessee agrees to protect the proprietary rights of Lessor and all others having rights in the Services and the Equipment during and after the rm of this Agreement. Lessee shall honor and comply with all written requests made by Lessor or its suppliers to protect their and others' contractual, atutory and common law rights in the Services and the Equipment with the same degree of care used to protect its own proprietary rights. Lessee rees to notify Lessor in writing promptly upon becoming aware of any unauthorized access or use by any party or of any claim that the Services or the uipment infringe upon any copyright, trademark, or other contractual, statutory or common law rights.

(b) Lessee shall not access the Services through any medium or equipment which Lessor has not authorized in writing, nor may any medium or uipment by which the Services are provided be moved, modified or interfaced with any other equipment without Lessor's prior written consent. rvices expressly provided by Lessor for operation on Lessee's own equipment shall be furnished without warranty as to compatibility, fitness or rformance with such equipment, and Lessee shall bear all cost and responsibility for such equipment. Unauthorized access or use is unlawful and ssor and its suppliers shall have all rights provided by law to prevent such access or use and to collect damages in such event. Lessee agrees to notify ssor in writing promptly upon becoming aware of any unauthorized access or use. Lessee shall not recompile, decompile, disassemble, reverse engineer, make or distribute any other form of, or any derivative work from, the Services and/or the Equipment.

(c) The analysis and presentation included in the Services may not be recirculated, redistributed or published by Lessee except for internal rposes without the prior written consent of Lessor and, where necessary, with certain sources of the information included in the Services.

(d) Lessee shall not use any of Lessor's trademarks, trade names, or service marks in any manner which creates the impression that such names d marks belong to or are identified with Lessee, and Lessee acknowledges that it has no ownership rights in and to any of these names and marks.

(e) Lessee shall not store all or any portion of The Associated Press or Press Association, Inc. information or other information included in the rvices in any permanent form, whether archival files, computer readable files or any other medium, or off-print all or any portion of such information om the screen display provided by Lessor.

. **Facilities.** Commencement of the Services is contingent on the availability of the hardware, communications equipment and facilities to ssor's specifications. Lessee shall install or have installed on Lessee's premises and at Lessee's expense all cables, wires, and electrical and mmunications connections specified by Lessor and shall not make use of any cables, wires, devices or equipment in connection with the Services not proved in writing by Lessor.

. **Return of Equipment and Software.** Upon termination of this Agreement for any reason whatsoever, Lessor shall have the right to move the Equipment and software by which the Services are provided at Lessee's expense.

. **Access to Property.** Any person or persons designated by Lessor shall have access to the Equipment at all reasonable times for the purposes installation, inspection, maintenance, repair and removal. Lessee acknowledges and understands that Lessor may monitor, solely for operational asons, Lessee's general use of the Services. Lessee shall at all reasonable times permit Lessor to have access to the location where the Services are ovided for the purpose of ascertaining the use made of the Services.

. **Maintenance.** Lessor to the best of its ability shall maintain and keep the Equipment in good working order and condition so that it will rform its functions satisfactorily. Lessee shall be responsible for the safekeeping of the Equipment from the time it is received on Lessee's premises and all take reasonable steps to prevent abuse to the Equipment. Lessee shall be responsible for all physical loss, theft, or damage to any equipment used deliver the Services to Lessee and shall pay Lessor the full replacement cost of the Equipment as liquidated damages unless such loss, theft, or damage due entirely to the fault or negligence of Lessor. Neither Lessor nor its suppliers or third party agents shall be responsible or liable, contingently or herwise, for any personal injury or property damage arising out of the installation, maintenance, use or removal of the Services and/or the Equipment.

. **Additional Services.** Lessee may request that Lessor add additional elements to the Services, which shall be contingent upon availability of ftware, data and Equipment and of communication lines and facilities on Lessee's premises that may be required in connection with the addition of ch elements. Such additions or modifications shall be priced at the then current prices offered by Lessor.

. **Relocation.** On reasonable prior written notice, which shall in no event be less than 60 days, and at Lessee's expense, Lessor will relocate all or y part of the Equipment. Scheduling of such relocation shall be contingent on availability of communication lines, facilities and labor. Lessee knowledges that interruptions of Services might result from such relocation and that the provisions in paragraph 5 hereof apply to any such terruption.

. **Assignment.** Lessee shall have the right to assign this Agreement or the rights hereunder only with the consent of Lessor which, in the case of assignment by Lessee to any of its affiliates that are in substantially the same business as Lessee, shall not be unreasonably withheld.

. **Schedules and Attachments.** The schedule(s) are a part of this Agreement and are incorporated herein by this reference.

. **Complete Agreement; Modifications or Waivers.** This Agreement, together with the Schedule(s) is the complete and exclusive atement of the agreements between the parties with respect to the subject matter hereof and supersedes any oral or written communications or presentations or agreements relating thereto. No changes, modifications or waivers regarding this Agreement shall be binding unless in writing and gned by the parties hereto.

. **Validity.** Lessor and Lessee intend this Agreement to be a valid legal instrument, and no provision of this Agreement which shall be deemed nenforceable shall in any way invalidate any other provisions of this Agreement, all of which remain in full force and effect. The headings in this greement are intended for convenience or reference and shall not affect its interpretation.

. **Governing Law.** This Agreement is made and entered into in the State of New York and shall be governed by and construed in accordance ith the laws of the State of New York. The parties hereto, their successors and assigns, consent to the jurisdiction of the courts of the State of New ork with respect to any legal proceedings that may result from a dispute as to the interpretation or breach of any of the terms and conditions of this greement.

July 31, 1997

Miller & Schroeder, Inc.
Pillsbury Center
220 South Sixth Street
Suite 300
Minneapolis, Minnesota 55402

Dear Sirs:

I hereby submit my resignation as a director of Pooled Loan Marketing Corporation, Miller & Schroeder Mortgage Corporation, Miller & Schroeder Capital Corporation, Miller & Schroeder Small Business Capital Corporation, Miller & Schroeder Financial, Inc., and Miller & Schroeder, Inc., effective immediately. I also hereby submit my resignation as an officer of Miller & Schroeder, Inc. and any of its subsidiaries effective immediately.

I hereby acknowledge that as of the date hereof, except for expense reimbursements and payments pursuant to that certain Noncompetition Agreement of even date herewith entered into by me and Miller & Schroeder, Inc., I am not due, nor will be due, any additional amounts or obligations from Miller & Schroeder, Inc. or any of its subsidiaries pursuant to any agreement, understanding or otherwise including, but not limited to, services performed on behalf of Miller & Schroeder, Inc. or any of its subsidiaries. I further acknowledge that that certain employment agreement dated November 1, 1985 entered into by me and Miller & Schroeder Financial, Inc. is terminated effective as of this 31st day of July, 1997, and waive any requirements of notice of such termination.

Sincerely,

Roger J. Wikner

Roger J. Wikner

CLOSING STATEMENT CERTIFICATE AND RECEIPT

Reference is hereby made to that certain Stock Purchase Agreement, dated June 20, 1997 and effective as of June 1, 1997 (the "Purchase Agreement"), by and among MI Acquisition Corporation ("Buyer") and Roger J. Wikner, James E. Iverson and Steven W. Erickson (collectively, the "Sellers"). Capitalized terms used herein without definition shall have the respective meanings ascribed to such terms in the Purchase Agreement and incorporated herein by reference.

Buyer hereby confirms deliver to each Seller of the respective Net Closing Proceeds Amount for such Seller in accordance with the written wire transfer instructions provided by Sellers to Buyer pursuant to Section 2.2 of the Purchase Agreement and attached hereto as Exhibit A, and each Seller hereby acknowledges receipt of such Net Closing Proceeds Amount from Buyer.

The Net Closing Proceeds Amount is calculated as follows:

I.	PURCHASE PRICE		$15,000,000.00
II.	ROGER J. WIKNER - CLOSING PROCEEDS	$7,310,725.55	
A.	ADJUSTMENT TO CLOSING PROCEEDS		
1.	MidAmerica Bank Down Payment	(500,000.00)	
2.	Miller & Schroeder, Inc.		
a)	Life Insurance	(57,056.61)	
b)	Life Insurance	(15,786.16)	
c)	Life Insurance	(4,139.46)	
d)	Note Receivable	(100,000.00)	
e)	Interest Receivable	(10,183.89)	
f)	Note Receivable	(225,000.00)	
g)	Interest Receivable	(11,466.00)	
	Total	(423,632.12)	
3.	Miller & Schroeder Financial, Inc.		
a)	Note Receivable	(54,932.00)	
b)	Interest Receivable	(2,628.54)	
c)	Country Club	(81,000.00)	
d)	Bonus Advances	(175,000.00)	
e)	Expense Reimbursements	(45,007.62)	
f)	Aviation Charter Receivable	(13,792.01)	
g)	Mercedes Purchase	(66,743.94)	
	Total	(439,104.11)	
B.	NET ADJUSTMENTS TO CLOSING PROCEEDS	($1,362,736.23)	($1,362,736.23)
C.	NET CLOSING PROCEEDS TO WIKNER	$5,947,989.32	

III.	JAMES E. IVERSON - CLOSING PROCEEDS	$7,310,725.55	
	A. ADJUSTMENT TO CLOSING PROCEEDS		
	1. MidAmerica Bank Down Payment	(500,000.00)	
	2. The American Bank	(530,512.33)	
	3. Miller & Schroeder, Inc.		
	a) Note Receivable	(452,651.81)	
	b) Interest Receivable	(50,859.58)	
	c) Note Receivable	(290,000.00)	
	d) Interest Receivable	(14,778.40)	
	Total	(808,289.79)	
	3. Miller & Schroeder Financial, Inc.		
	a) Note Receivable	(240,486.00)	
	b) Interest Receivable	(11,507.46)	
	c) Bonus Advances	(115,000.00)	
	d) Expense Reimbursements	(15,668.33)	
	Total	(382,661.79)	
	B. NET ADJUSTMENTS TO CLOSING PROCEEDS	($2,221,463.91)	($2,221,463.91)
	C. NET CLOSING PROCEEDS TO IVERSON	$5,089,261.64	
IV.	STEVEN W. ERICKSON - CLOSING PROCEEDS	$378,548.90	
	A. ADJUSTMENT TO CLOSING PROCEEDS		
	1. Miller & Schroeder Financial, Inc.		
	a) Country Club	(12,321.25)	
	b) Travel Advances	(2,282.95)	
	Total	(14,604.20)	
	B. NET ADJUSTMENTS TO CLOSING PROCEEDS	($14,604.20)	($14,604.20)
	C. NET CLOSING PROCEEDS TO ERICKSON	$363,944.70	
V.	TOTAL CLOSING AMOUNT PROCEEDS TO SELLERS		$11,401,195.66

VI. DISTRIBUTION OF CLOSING PROCEEDS

A	ROGER J. WIKNER	$5,947,989.32
B.	JAMES E. IVERSON	$5,089,261.64
C.	STEVEN W. ERICKSON	$363,944.70
D.	MIDAMERICA BANK	$1,000,000.00
E.	THE AMERICAN BANK	$530,512.33
F.	CHASE MANHATTAN BANK	66,743.94

VII. TOTAL DISTRIBUTION OF CLOSING PROCEEDS $12,998,451.93

IN WITNESS WHEREOF, the parties hereto have executed this Closing Statement Certificate and Cross Receipt this 31st day of July, 1997.

MI ACQUISITION CORPORATION

By _____
James F. Dlugosch
Its President

_____
Roger J. Wikner

_____
James E. Iverson

_____
Steven W. Erickson

IN WITNESS WHEREOF, the parties hereto have executed this Closing Statement Certificate and Cross Receipt this 31st day of July, 1997.

MI ACQUISITION CORPORATION

By _____
James F. Dlugosch
Its President

_____
Roger J. Wikner

_____
James E. Iverson

_____
Steven W. Erickson

EXHIBIT A

Wire Transfer Instructions

FOR AMERICAN BANK PAYOFF: **$530,512.33**

Firstar
ABA #0750002-2
for further credit to American Bank of Nashwauk
acct # 6511-0
for further credit to James E. Iverson
acct #: Note #4135, 4489

JAMES E. IVERSON **$5,089,261.64**

Bank:	Bank of America
City & State:	Rancho Sante Fe, CA
ABA#:	121000358
Account #:	218700635
Account Name:	James E. Iverson

ROGER J. WIKNER **$5,947,989.32**

Bank:	Norwest Bank, South Dakota
City & State:	Sioux Falls Downtown Sioux Falls, SD
ABA#:	091400046
Account #:	0830300409
Account Name:	Roger or Shirley Wikner

STEVEN W. ERICKSON **$363,944.70**

Bank:	First Bank, NA
City & State:	Minneapolis, MN
ABA#:	091000022
Account #:	1801-3422-1886
Account Name:	Steven W. Erickson

FOR MERCEDES-BENZ PAY-OFF: **$66,743.94**

Bank:	Chase Manhattan Bank
City & State:	New York, NY
ABA#:	021000021
Account #:	910-2-422467
Account Name:	Mercedes-Benz Credit Corp.

MIDAMERICA BANK: **$1,000,000.00**

Bank:	MidAmerica Bank
City & State	St. Paul, MN
ABA #	096014835
Account #	Note #5141929
ATTN:	Loan Servicing Center

EXHIBIT A

Wire Transfer Instructions

FOR AMERICAN BANK PAYOFF:
Firstar
ABA #0750002-2
for further credit to American Bank of Nashwauk
acct # 6511-0
for further credit to James E. Iverson
acct #: Note #4135, 4489 .

$530,512.33
Fed Ref 4185

JAMES E. IVERSON

Bank:	Bank of America
City & State:	Rancho Sante Fe, CA
ABA#:	121000358
Account #:	218700635
Account Name:	James E. Iverson

$ 5,089,261.64
Fed Ref 4247.

ROGER J. WIKNER

Bank:	Norwest Bank, South Dakota
City & State:	Sioux Falls Downtown Sioux Falls, SD
ABA#:	091400046
Account #:	0830300409
Account Name:	Roger or Shirley Wikner

5,947,989.32
Fed Ref
Wire Seq # 27175
249 Mountain

STEVEN W. ERICKSON

Bank:	First Bank, NA
City & State:	Minneapolis. MN
ABA#:	091000022
Account #:	1801-3422-1886
Account Name:	Steven W. Erickson

$ 363,944.70
Fed. Ref 4290

FOR MERCEDES-BENZ PAY-OFF:

Bank:	Chase Manhattan Bank
City & State:	New York, NY
ABA#:	021000021
Account #:	910-2-422467
Account Name:	Mercedes-Benz Credit Corp.

$ 66,743.94
Fed Ref 4326

MIDAMERICA BANK:

Bank:	MidAmerica Bank
City & State	St. Paul, MN
ABA #	096014835
Account #	Note #5141929
ATTN:	Loan Servicing Center

$ 1,000,000.00
Fed Ref 4417

James F. Dlugosch
2400 IDS Tower
Minnneapolis, MN 55402

March 20, 1997

Mr. Ed Meyer
Norwest Bank
Norwest Center
6th and Marquette
Minneapolis, MN 55479-0069

Dear Ed:

The following is in response to your March 18, 1997 outline of discussion questions relating to our proposed purchase of Miller & Schroeder, Inc., and subsidiaries:

A. Business Summary

1. The office closings adjustment for 1997 contemplate the closing of the Orlando, San Francisco and Pasadena offices. These offices had combined expenses in excess of $900,000 for Fiscal Year 1996. The Orlando office has been closed as of earlier this year and the San Francisco and Pasadena office will be closed shortly after closing. The estimated savings of $700,000 from these closings contemplates continued lease payments in Pasadena and the payment of severance costs. Only Pasadena generated revenues on its own, and we expect to be able to retain that business through the Solana Beach office.

2. The operating margin projected for Fiscal Year 1997 is a pro forma number, assuming complete implementation of cost reductions as of the beginning of the year. The actual operating margin number for the current year through the first quarter is slightly over $1,000,000 ($380,000 pre-tax plus $633,000 interest expense), which, when combined with the cost reductions, assuming full implementation for the year, would result in the $6.2 million shown in the pro-forma. It is recognized that the acquisition and subsequent changes will not occur until into the third quarter; and so the pro-forma results for this year will not occur. They should however, produce comparable results for the first full year of operation.

DEPOSITION EXHIBIT
#2 2/10/04

3. The company will provide you with 1996 compensation for executive officers. It is not expected that material changes will occur with the exception that Iverson will be paid on the basis of a salary and non-compete payment of $300,000 per year (no change from the current) and will be paid incentive compensation on the results achieved by the Solana Beach, Seattle, Sacramento and self insurance operation, and my salary will be set at $250,000 per year.

B. Investment Consideration

1. We will first establish commercial lending operations in Ohio and California through our current offices. In addition, the firm is already exploring the establishment of origination offices in Chicago and Denver. All four of these markets are in areas where we already have some visibility with the community banks and with the real estate community. Further expansion will occur in Texas, where we have established community bank clients and have originated deals.

2. We have begun meetings in Ohio for the purpose of originating SBA loans in that area and have had discussions with pension funds to solicit their interest in buying the non-guaranteed portion of loans. The preliminary response has been encouraging and we believe the activity can be expanded and will be supported by the SBA. By focusing first on areas where we have a presence, we expect to be able to achieve profitability more quickly than we have in Milwaukee.

3. We estimate the purchase price of CH Brown to be approximately $500,000 which will be achieved through a stock swap.

C. Transaction Summary

1. There are five key balance sheet accounts that have adjustments, including Notes Receivable, Rental Property, Goodwill, Term Debt and Total Equity.

   Total Equity - the post-transaction equity will equal the amount paid by the new shareholders.

Notes Receivable - adjusted down by $1.5 million to reflect a payoff on notes receivable from Roger Wikner and Jim Iverson. The proceeds from this payoff are used to fund a portion of the purchase price.

Rental Property - for purposes of the transaction balance sheet, we assume the rental property is sold at closing for book value, net of selling costs.

Goodwill - the $3,157,000 includes goodwill of $2,757,000 and capitalized acquisition expense of $400,000. The goodwill is the difference between the purchase price of $15 million and the 10/31/96 book value of $12,243,000. Cash acquisition costs are assumed at $400,000.

Term Debt - the transaction balance sheet assumes that existing term debt is paid down by $3,891,000 which equals the assumed net receipt from the sale of the rental property. New transaction debt of $7 million, ($5 million in senior debt and $2 million of subordinated debt), is added. This gives:

8,645,000
3,841,000
5,000,000
2,000,000
11,754,000

D. Financial Projections

1. The travel expense reduction reflect that the company spent approximately $600,000 for private charter services in 1996. It is our judgment that this number can be significantly reduced (to $250,000) while still being able to service our clients and develop business.

2. The company does not have any currently outstanding litigation and has only one tolling agreement against threatened litigation. Subject to further due diligence, it is our intention to request an escrow of $1.5 million at closing.

3. The impact of closing San Francisco and Pasadena is discussed in A-1 above.

4. Cancellation of consulting contracts earlier this year resulted in a savings of $250,000 and notice has been given with respect to one other cancellation which will save $90,000. New contacts are expected to absorb part of these reductions.

5. We are continuing to explore options for dealing with the rental property, which currently cash flows at $550,000 per year. We have not concluded discussions with the sellers on this issue.

6. The equity ownership has been revised from the 3/13 presentation to reduce the Buyout Team percentage to about 8%. This amount is intended to provide an investment banking fee in the form of stock to the Buyout Team members. There will be no distinction in the voting rights of any shareholder group or individual shareholders. Shareholders include the following:

Pete Christenson
Ken Dawkins
Jim Dlugosch
Ted Glasrud
Willis Heim
Dave Malmberg
John Peterson
Bill Sexton
Paul Tietz

In addition, three other shareholders are anonymous at this time.

7. The purchase price of $15,400,000 is the sum of the purchase price of $15 million plus $400,000 of transaction expenses including legal, accounting and bank fees. These expenses are funded by raising an additional $400,000 of equity. A transaction description included earlier in the Memorandum neglected the transaction expenses and the additional equity.

Sincerely,

James F. Dlugosch

mms

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS - PPA

July 1997

DEPOSITION EXHIBIT

#3 2/10/04

Financial Report for the Month Ended July 1997

Section

1. **MILLER & SCHROEDER, INC. AND SUBSIDIARIES**
   - Consolidated Statement of Financial Condition
   - Consolidated Statement of Income and Expenses
   - Consolidating Statement of Financial Condition
   - Consolidating Statement of Income and Expenses

   MILLER & SCHROEDER FINANCIAL, INC.

2. Statement of Financial Condition
   - Net Capital Computation

3. Statement of Income and Expenses
   - Miscellanous Income

4. Underwriting Profit-Current Month

5. Underwriting Profit-YTD

6. **DEPARTMENT FINANCIAL STATEMENT SUMMARY PAGES**

7. **MILLER & SCHROEDER, INC.**
   - Statement of Financial Condition
   - Statement of Income and Expenses

8. **MILLER & SCHROEDER INVESTMENTS CORPORATION**
   - Statement of Financial Condition
   - Statement of Income and Expenses

9. **POOLED LOAN MARKETING CORPORATION**
   - Statement of Financial Condition
   - Statement of Income and Expenses

10. **MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION**
    - Statement of Financial Condition
    - Statement of Income and Expenses

11. **MILLER & SCHROEDER CAPITAL CORPORATION**
    - Statement of Financial Condition
    - State of Income and Expenses

12. **MILLER & SCHROEDER MORTGAGE CORPORATION**
    - Statement of Financial Condition
    - Statement of Income and Expenses

13. **SCHEDULE OF RECEIVABLES FROM OFFICERS**

MILLER & SCHROEDER, INC. & SUBS
STATEMENT OF FINANCIAL CONDITION
AS OF JUL 31,1997 (9/11/97)

	CONSOLIDATED	
	7/31/97	10/31/96
	(CURRENT MO)	(PRIOR YR)
ASSETS		
CASH-UNRESTRICTED	3,057,388	1,865,830
CASH-RESTRICTED CUSTOMER ESCROW	0	160,000
CASH-RESTRICTED RESERVE	1,048,100	400,100
TOTAL CASH	4,105,488	2,425,930
RECEIVABLES		
CUSTOMERS	2,655,106	1,476,344
B-D'S CLEARING ORG	209,156	356,545
OFFICERS & EMPLOYEES	157,386	1,731,578
OTHER	3,168,931	2,216,402
TOTAL RECEIVABLES	6,190,579	5,780,869
SEC PURCH UNDER AGMT TO RESELL	0	9,213,802
TRADING SECURITIES	18,309,166	22,142,618
ADVANCES TO MI ACQUISITION CORP	2,001,548	0
NOTES REC HELD FOR SALE	8,257,614	4,810,079
NOTES RECEIVABLE	3,751,858	4,180,934
RENTAL PROPERTY	0	3,890,540
EQUIPMENT & LEASEHOLD IMP	872,124	1,025,070
OTHER ASSETS	1,347,416	1,083,854
FUNDS HELD IN ESCROW	0	637,707
TOTAL ASSETS	44,835,793	55,191,403
LIABILITIES		
SHORT-TERM NOTES PAYABLE	21,576,818	13,866,080
SEC SOLD UNDER REPURCHASE AGR	0	6,119,626
ACCOUNTS PAYABLE-		
CUSTOMERS	1,242,766	1,142,855
B-D'S & CLEARING ORG	453,465	472,367
OPERATING	3,434,860	5,023,053
SECURITIES SOLD NOT PURCHASED	11,565	3,428,547
ACCRUED INCOME TAXES	21,999	75,967
ACCRUALS	3,834,615	4,174,802
TERM DEBT	3,707,361	8,645,019
TOTAL LIABILITIES	34,283,449	42,948,316
SHAREHOLDER'S EQUITY		
COMMON STOCK	99,063	99,063
PAID-IN CAPITAL	6,000,000	6,000,000
RETAINED EARNINGS	4,453,281	6,144,024
TOTAL SHAREHOLDER'S EQUITY	10,552,344	12,243,087
TOTAL LIABILITIES & EQUITY	44,835,793	55,191,403
FUNDS HELD IN ESCROW		
CASH	1,222,475	839,503
MONEY MARKET & CD'S	7,862,226	12,094,247
TOTAL FUNDS IN ESCROW	9,084,701	12,933,750

MILLER & SCHROEDER, INC. & SUBS
STATEMENT OF INCOME & EXPENSE
YTD THRU JUL 31, 1997

	CONSOLIDATED	
	7/31/97	**10/31/96 (PRO-RATA)**
REVENUES		
U/W PROFIT & FEES		
MUNICIPAL BONDS	8,205,315	8,527,619
INVESTMENT BANKING FEES	1,032,703	2,278,224
MORTGAGE BANKING	2,790,301	1,871,833
TAXABLE FINANCING	1,942,862	3,695,049
CORPORATE CAPITAL	(14,853)	1,140,686
TOTAL U/W PROFIT & FEES	13,956,328	17,513,410
SECONDARY TRADING PROFIT		
MUNICIPAL BONDS	2,156,663	3,131,105
OTHER (CMO,GOVT,CORP)	1,072,405	961,363
MARK-TO-MARKETS	(728,974)	(399,243)
TOTAL SECONDARY PROFIT	2,500,094	3,693,224
COMMISSION & OTHER INCOME		
COMMISSIONS INC (DIR INV,INS)	672,509	705,696
OTHER INCOME	1,658,267	1,431,926
TOTAL COMM & OTHER INCOME	2,330,776	2,137,622
INTEREST INCOME	1,804,080	2,098,485
TOTAL REVENUES	20,591,278	25,442,741
LESS DIRECT ISSUE EXPENSES	(1,743,950)	(1,174,457)
GROSS PROFIT	18,847,328	24,268,283
EXPENSES		
SALARIES & COMMISSIONS		
MANAGEMENT & UNDERWRITING	4,905,824	4,587,949
OFFICE, CLERICAL, SUPPORT	1,796,909	1,620,589
SALES COMMISSIONS	3,463,082	3,941,639
INCENTIVE COMPENSATION	1,686,667	3,243,750
OTHER PERSONNEL EXPENSE	1,739,897	1,441,705
TOTAL PERSONNEL	13,592,379	14,835,632
OPERATING EXPENSES	3,944,111	3,873,551
GENERAL & ADMINISTRATIVE	2,788,418	3,177,130
INTEREST	1,693,665	1,828,004
TOTAL EXPENSES	22,018,573	23,714,316
INCOME (LOSS) BEFORE TAX	(3,171,245)	553,967
INCOME TAX (EXPENSE)-CURRENT	1,205,500	(233,250)
INCOME TAX (EXPENSE)-PRIOR	275,000	150,000
NET INCOME (LOSS)	(1,690,745)	470,717
RETAINED EARNINGS		
BALANCE BEGINNING OF YEAR	6,144,029	
BALANCE END OF PERIOD	4,453,284	

MILLER & SCHROEDER, INC. & SUBS
STATEMENT OF FINANCIAL CONDITION
AS OF JUL 31,1997 (9/11/97)

	MSI	MSF	MSIC	PLMC	SBCC	MSCC	MSMC	ELIM	CONSOLIDATED
ASSETS									
CASH-UNRESTRICTED	18,008	2,619,913	58,123	369	313,054	1,194	46,727	0	3,057,388
CASH-RESTRICTED RESERVE	0	1,048,100	0	0	0	0	0	0	1,048,100
TOTAL CASH	18,008	3,668,013	58,123	369	313,054	1,194	46,727	0	4,105,488
RECEIVABLES									
CUSTOMERS	0	2,655,106	0	0	0	0	0	0	2,655,106
B-D'S CLEARING ORG	0	209,156	0	0	0	0	0	0	209,156
OFFICERS & EMPLOYEES	0	157,386	0	0	0	0	0	0	157,386
OTHER	274,977	2,773,429	59,255	5,877	0	10,276	45,117	0	3,168,931
TOTAL RECEIVABLES	274,977	5,795,077	59,255	5,877	0	10,276	45,117	0	6,190,579
SEC PURCH UNDER AGMT TO RESELL	0	0	0	0	0	0	0	0	0
TRADING SECURITIES	0	18,309,166	0	0	0	0	0	0	18,309,166
ADVANCES TO MI ACQUISITION CORP	1,231,922	769,626	0	0	0	0	0	0	2,001,548
ADVANCES TO RELATED COMPANY	0	689,368	3,531,949	0	0	0	223,063	(4,444,380)	0
NOTES REC HELD FOR SALE	0	0	7,816,684	0	440,930	0	0	0	8,257,614
NOTES RECEIVABLE	579,366	758,186	0	2,339,306	0	75,000	0	0	3,751,858
RENTAL PROPERTY	0	0	0	0	0	0	0	0	0
EQUIPMENT & LEASEHOLD IMP	0	872,124	0	0	0	0	0	0	872,124
OTHER ASSETS	221,237	493,700	0	384,573	0	247,906	0	0	1,347,416
INVESTMENT IN SUBSIDIARIES	9,253,734	0	0	0	0	0	0	(9,253,734)	0
TOTAL ASSETS	11,579,244	31,355,260	11,466,011	2,730,125	753,984	334,376	314,907	(13,698,114)	44,835,793
LIABILITIES									
SHORT-TERM NOTES PAYABLE	0	13,600,000	7,730,000	0	0	246,818	0	0	21,576,818
SEC SOLD UNDER REPURCHASE AGR	0	0	0	0	0	0	0	0	0
ACCOUNTS PAYABLE-									
CUSTOMERS	0	1,242,766	0	0	0	0	0	0	1,242,766
B-D'S & CLEARING ORG	0	453,465	0	0	0	0	0	0	453,465
OPERATING	3,967	746,685	2,674,496	8,143	0	0	1,569	0	3,434,860
ADVANCES DUE TO RELATED COMPA	3,541,478	0	0	357,236	430,492	115,174	0	(4,444,380)	0
SECURITIES SOLD NOT PURCHASED	0	11,565	0	0	0	0	0	0	11,565
ACCRUED INCOME TAXES	0	0	13,552	0	8,447	0	0	0	21,999
ACCRUALS	340,108	3,029,222	364,531	100,754	0	0	0	0	3,834,615
TERM DEBT	849,997	255,364	0	2,602,000	0	0	0	0	3,707,361
TOTAL LIABILITIES	4,735,550	19,339,067	10,782,579	3,068,133	438,939	361,992	1,569	(4,444,380)	34,283,449
SHAREHOLDER'S EQUITY									
COMMON STOCK	99,063	500,000	10,000	1,000	100	1,000	1,000	(513,100)	99,063
PAID-IN CAPITAL	6,000,000	7,950,000	140,600	0	305,900	0	0	(8,396,500)	6,000,000
RETAINED EARNINGS	744,631	3,566,193	532,832	(339,008)	9,045	(28,616)	312,338	(344,134)	4,453,281
TOTAL SHAREHOLDER'S EQUITY	6,843,694	12,016,193	683,432	(338,008)	315,045	(27,616)	313,338	(9,253,734)	10,552,344
TOTAL LIABILITIES & EQUITY	11,579,244	31,355,260	11,466,011	2,730,125	753,984	334,376	314,907	(13,698,114)	44,835,793
FUNDS HELD IN ESCROW									
CASH	0	0	1,222,475	0	0	0	0	0	1,222,475
MONEY MARKET & CD'S	0	0	7,862,226	0	0	0	0	0	7,862,226
TOTAL FUNDS IN ESCROW	0	0	9,084,701	0	0	0	0	0	9,084,701

MILLER & SCHROEDER, INC. & SUBS
STATEMENT OF INCOME & EXPENSE
YTD THRU JUL 31, 1997

	MSI	MSF	MSIC	PLMC	SBCC	MSCC	MSMC	ELIM	CONSOLIDATED
REVENUES									
U/W PROFIT & FEES									
MUNICIPAL BONDS	0	8,205,315	0	0	0	0	0	0	8,205,315
INVESTMENT BANKING FEES	0	1,001,396	0	0	0	31,307	0	0	1,032,703
MORTGAGE BANKING	0	2,790,301	0	0	0	0	0	0	2,790,301
TAXABLE FINANCING	0	1,942,862	0	0	0	0	0	0	1,942,862
CORPORATE CAPITAL	0	(14,853)	0	0	0	0	0	0	(14,853)
TOTAL U/W PROFIT & FEES	0	13,925,021	0	0	0	31,307	0	0	13,956,328
SECONDARY TRADING PROFIT									
MUNICIPAL BONDS	0	2,156,663	0	0	0	0	0	0	2,156,663
OTHER (CMO,GOVT,CORP)	0	1,072,405	0	0	0	0	0	0	1,072,405
MARK-TO-MARKETS	0	(728,974)	0	0	0	0	0	0	(728,974)
TOTAL SECONDARY PROFIT	0	2,500,094	0	0	0	0	0	0	2,500,094
COMMISSION & OTHER INCOME									
COMMISSIONS INC (DIR INV,INS)	0	672,509	0	0	0	0	0	0	672,509
OTHER INCOME	575,699	826,174	722,226	0	1,960	0	175,708	(643,500)	1,658,267
TOTAL COMM & OTHER INCOME	575,699	1,498,683	722,226	0	1,960	0	175,708	(643,500)	2,330,776
INTEREST INCOME	57,763	1,310,667	302,217	187,102	58,050	40	0	(111,759)	1,804,080
TOTAL REVENUES	633,462	19,234,465	1,024,443	187,102	60,010	31,347	175,708	(755,259)	20,591,278
LESS DIRECT ISSUE EXPENSES	0	(1,744,130)	0	0	180	0	0	0	(1,743,950)
GROSS PROFIT	633,462	17,490,335	1,024,443	187,102	60,190	31,347	175,708	(755,259)	18,847,328
EXPENSES									
SALARIES & COMMISSIONS									
MANAGEMENT & UNDERWRITING	0	4,905,824	0	0	0	0	0	0	4,905,824
OFFICE, CLERICAL, SUPPORT	0	1,796,909	0	0	0	0	0	0	1,796,909
SALES COMMISSIONS	0	3,463,082	0	0	0	0	0	0	3,463,082
INCENTIVE COMPENSATION	0	1,686,667	0	0	0	0	0	0	1,686,667
OTHER PERSONNEL EXPENSE	0	1,739,897	0	0	0	0	0	0	1,739,897
TOTAL PERSONNEL	0	13,592,379	0	0	0	0	0	0	13,592,379
OPERATING EXPENSES	0	3,944,111	0	0	0	0	0	0	3,944,111
GENERAL & ADMINISTRATIVE	831,030	1,915,402	411,342	13,599	9,000	40,500	211,045	(643,500)	2,788,418
INTEREST	359,220	887,562	334,684	180,560	28,423	14,975	0	(111,759)	1,693,665
TOTAL EXPENSES	1,190,250	20,339,454	746,026	194,159	37,423	55,475	211,045	(755,259)	22,018,573
INCOME (LOSS) BEFORE TAX	(556,788)	(2,849,119)	278,417	(7,057)	22,767	(24,128)	(35,337)	0	(3,171,245)
INCOME TAX (EXPENSE)-CURRENT	223,000	1,079,000	(111,500)	0	(9,000)	9,600	14,400		1,205,500
INCOME TAX (EXPENSE)-PRIOR ADJ	75,000	150,000	50,000	0	0	0	0	0	275,000
NET INCOME (LOSS)	(258,788)	(1,620,119)	216,917	(7,057)	13,767	(14,528)	(20,937)	0	(1,690,745)
RETAINED EARNINGS									
BALANCE BEGINNING OF YEAR	1,003,419	5,186,312	315,915	(331,951)	(4,722)	(14,088)	333,275		6,144,029
BALANCE END OF YEAR	744,631	3,566,193	532,832	(339,008)	9,045	(28,616)	312,338		4,453,284

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MILLER & SCHROEDER FINANCIAL, INC.
STATEMENT OF FINANCIAL CONDITION
July 31, 1997

Cat # FS-BS

	APRIL	MAY	JUNE	JULY
ASSETS-				
CASH-				
UNRESTRICTED	707,507	1,185,541	1,766,219	2,619,913
SEGREGATED-RESERVE REQ	100	375,100	100	1,048,100
TOTAL CASH	707,607	1,560,641	1,766,319	3,668,013
RECEIVABLES-				
CUSTOMERS	1,501,706	1,860,404	5,044,518	2,655,106
BROKER/DEALER FTD	24,975	713,914	602,838	158,963
BROKER/DEALER OTHER	0	0	974	20,000
MIDWEST CLEARING	9,633	15,088	30,760	30,193
INTEREST	230,068	244,904	341,729	234,157
OFFICERS & EMPLOYEES	862,580	848,997	853,300	157,386
INCOME TAXES	750,060	965,060	1,150,670	1,688,101
OTHER	796,806	691,849	772,695	851,171
TOTAL RECEIVABLES	4,175,828	5,340,216	8,797,484	5,795,077
SECURITIES INVENTORY	17,017,511	24,198,753	28,425,451	18,309,166
SEC BOUGHT REPURCH AGMT (REV REPO)	2,846,000	2,846,000	0	0
ADVANCES TO RELATED CO	4,170,860	4,090,689	0	1,458,994
FURNITURE & EQUIP, NET	902,638	956,316	946,025	872,124
NOTES RECEIVABLE	1,118,213	1,200,902	939,902	758,186
DEPOSITS & PREPAID EXP	319,737	314,960	334,708	310,900
OTHER ASSETS	266,600	266,600	266,600	182,800
TOTAL ASSETS	31,524,994	40,775,077	41,476,489	31,355,260
LIABILITIES & EQUITY-				
DEMAND NOTES PAYABLE	11,000,000	21,000,000	22,600,000	13,600,000
SEC SOLD REPURCH AGMT (REPOS)	2,871,000	2,871,000	0	0
ACCOUNTS PAYABLE-				
CUSTOMERS	1,083,322	334,759	1,321,570	1,242,766
BROKER/DEALER FTR	426,404	154,371	486,110	287,737
BROKER/DEALER OTHER	110,210	22,855	0	48,178
MIDWEST CLEARING	36,218	43,826	200,000	117,550
OPERATING	759,272	764,618	742,309	746,685
SEC SOLD NOT PURCHASED	10,000	514,672	522,730	11,565
ADVANCES FROM RELATED CO	0	0	626,402	0
ACCRUED EXPENSES-				
BONUSES & INCENT COMP	662,474	808,621	816,114	1,076,707
OTHER	1,267,756	1,214,312	1,011,380	1,952,515
TERM DEBT	279,484	355,257	333,490	255,364
TOTAL LIABILITIES	18,506,140	28,084,291	28,660,105	19,339,067
SHAREHOLDER'S EQUITY-				
COMMON STOCK AT PAR	500,000	500,000	500,000	500,000
PAID-IN CAPITAL	7,950,000	7,950,000	7,950,000	7,950,000
RETAINED EARNINGS	4,568,853	4,240,786	4,366,385	3,566,192
TOTAL EQUITY	13,018,853	12,690,786	12,816,385	12,016,192
TOTAL LIAB & EQUITY	31,524,993	40,775,077	41,476,490	31,355,259

Miller Schroeder Financial, Inc.
Net Capital Computation

	April 1997	May 1997	June 1997	July 1997
Total Capital	13,018,853	12,690,786	12,816,385	12,016,192
Non-Allowable Assets:				
Petty Cash	1,625	1,625	1,625	1,625
Aged Fail-to-Deliver	0	0	7,449	0
Receivable from BD - Other	0	0	0	0
Customer Rec - Nonsecured	12,606	1,478	2,579,019	98
Receivables - Tax Refund	750,060	965,060	1,150,670	1,688,101
Receivables - Other	1,793,631	1,826,336	1,604,774	1,458,669
Intercompany Receivable	4,170,860	4,090,689	0	1,458,994
Fixed Assets	644,466	698,145	707,876	643,975
Other Assets - Int. Rec.	389	0	0	310
Other Assets - Loans Adv.	862,580	848,997	853,300	158,346
Other Assets - Misc.	435,337	430,560	450,307	342,700
Fidelity Bond	0	0	0	0
Aged FTR Deduction	0	0	144	0
1% of Matched FTD	0	0	1,034	6
Presumed Mrktability Ded	931,228	939,602	977,879	293,081
Rep Recvbl	21,932	62,282	71,865	63,772
Total Adjustment	9,624,714	9,864,774	8,405,942	6,109,677
Adjusted Capital	3,394,139	2,826,012	4,410,443	5,906,515
Haircuts	1,343,912	1,253,501	1,412,994	1,598,480
Net Capital	2,050,227	1,572,511	2,997,449	4,308,035
Aggregate Debit Items	1,635,186	1,925,341	2,567,123	2,791,636
Ratio	125.38	81.67	116.76	154.32
Greater of 2% of ADI or 100,000/150,000/250,000	250,000	250,000	250,000	250,000
Excess Net Capital	1,800,227	1,322,511	2,747,449	4,058,035

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income and Expense
For the Nine Months Ended July 31, 1997

Cat # FS-001

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
UNDERWRITING PROFIT/FEES-					
MUNICIPAL BONDS	1,085,405	856,865	1,305,471	8,205,315	8,521,619
INVESTMENT BANKING FEES	2,211	40,659	63,654	1,001,396	2,289,474
MUNICIPAL LEASES	0	0	0	0	6,000
MORTGAGE BANKING	312,003	476,414	297,044	2,790,301	1,871,833
TAXABLE FINANCING	4,500	713,773	255,426	1,942,862	3,695,049
CORPORATE CAPITAL	0	0	(200,000)	(14,853)	1,140,686
TRADING PROFIT-					
MUNICIPAL SECONDARY	152,769	218,033	268,586	2,080,577	2,750,137
MUNICIPAL PUBLIC SALES	37,526	665	9,420	76,086	380,968
MORTGAGE BACKED SEC	7,842	2,992	8,418	66,368	157,740
MORTGAGE POOLS	0	0	0	0	110,279
GOVERNMENT SECURITIES	13,934	21,711	45,797	256,334	244,021
CORPORATE SECONDARY	88,287	70,964	97,471	673,445	367,028
BOND FUNDS	7,837	5,287	16,531	76,258	82,295
MARK-TO-MARKET	0	0	(655,924)	(728,974)	(399,243)
COMMISSION & FEE INCOME-					
DIRECT INVESTMENT PROD	12,391	17,969	24,185	134,393	185,399
INSURANCE PRODUCTS	28,431	15,345	49,060	278,507	274,610
MUTUAL FUNDS & CD'S	23,264	14,736	11,136	174,714	200,015
EQUITIES	10,447	11,481	11,094	84,895	45,751
MISCELLANEOUS	85,334	94,813	100,381	826,174	783,092
TOTAL REVENUES	1,872,181	2,561,707	1,707,750	17,923,798	22,706,750
DIRECT ISSUE EXPENSES	(194,621)	(369,761)	(276,521)	(1,744,130)	(1,278,575)
GROSS PROFIT	1,677,560	2,191,946	1,431,229	16,179,668	21,428,175
EXPENSES-					
SALARIES	785,483	783,077	762,812	7,067,956	6,581,928
COMMISSIONS	357,055	348,112	348,223	3,097,860	3,568,248
BONUS & INCENTIVE COMP	194,000	230,000	492,667	1,686,667	3,243,750
OTHER PERSONNEL	157,673	157,542	381,630	1,739,897	1,441,781
TRAVEL & BUSINESS DEV	294,236	270,579	300,272	2,192,680	2,092,117
COMMUNICATION/OPERATING	194,887	177,889	208,946	1,751,431	1,780,145
OCCUPANCY & EQUIPMENT	176,220	149,545	177,925	1,469,825	1,407,358
GENERAL & ADMINISTRATIVE	73,282	92,491	91,222	445,597	1,173,077
TOTAL EXPENSES	2,232,836	2,209,235	2,763,697	19,451,913	21,288,404
NET OPERATING INCOME	(555,276)	(17,289)	(1,332,468)	(3,272,245)	139,772
INTEREST-					
INTEREST INCOME	135,002	143,525	57,919	1,310,667	1,609,931
INTEREST EXPENSE	(122,793)	(94,636)	(59,644)	(887,562)	(1,075,862)
INCOME BEFORE TAX	(543,067)	31,600	(1,334,193)	(2,849,140)	673,841
INCOME TAX (EXPENSE)	215,000	94,000	534,000	1,229,000	(123,750)
NET INCOME	(328,067)	125,600	(800,193)	(1,620,140)	550,091

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income and Expense
For the Nine Months Ended July 31, 1997

DESCRIPTION	May	June	July	YTD	PY-YTD
DIRECT ISSUE EXPENSES-					
LEGAL	69,168	76,703	47,594	474,797	595,324
PROFESSIONAL	73,574	250,479	185,020	885,664	319,004
RATING/REGISTRATION	18,371	7,978	21,730	163,431	120,571
PRINTING/ADVERTISING	30,510	19,510	10,134	143,254	140,231
BANK/CLEARING	2,987	5,516	4,144	32,371	43,799
MISCELLANEOUS	11	9,576	7,900	44,613	59,648
TOTAL ISSUE EXP	194,621	369,762	276,522	1,744,130	1,278,576
SALARIES EXPENSE-					
MANAGEMENT	214,135	219,284	206,582	1,934,028	1,937,875
PROFESSIONAL	340,267	335,032	322,665	2,971,796	2,650,074
CLERICAL & SUPPORT	190,076	190,683	202,090	1,724,864	1,541,739
OVERTIME	7,761	5,502	6,434	72,045	78,850
SALESPERSONS	33,243	32,575	25,042	365,222	373,391
TOTAL SALARIES	785,482	783,076	762,813	7,067,955	6,581,929
OTHER PERSONNEL EXPENSE-					
EMPLOYER PAYROLL TAXES	69,130	69,924	62,853	736,824	645,146
TEMPORARY HELP	19,152	15,657	17,057	133,590	97,091
TEMP POOL ALLOCATION	0	0	0	20	0
GROUP INSURANCE-MED/DENT	38,143	36,215	36,196	336,287	317,078
GROUP INSURANCE-OTHER	8,227	8,157	78,409	143,418	63,600
401(K) CONTRIB/ADMIN	13,000	13,000	16,320	127,144	124,955
EMPLOYEE RELATIONS	6,093	2,755	8,386	50,782	41,921
EMPLOYEE TRAINING/DEV	1,611	488	645	13,869	16,322
PERSONNEL ADVERTISING	2,010	342	585	5,387	9,902
PLACEMENT FEES	0	10,500	2,000	21,500	51,305
EMPLOYEE MOVING EXP	0	0	0	3,801	6,473
NASD EMPLOYEE REGISTR	306	504	429	8,525	8,375
OTHER PERSONNEL EXPENSE	0	0	158,750	158,750	59,615
TOTAL OTHER PERSONNEL	157,672	157,542	381,630	1,739,897	1,441,782
TRAVEL & BUSINESS DEV-					
TRAVEL EXPENSE	32,324	24,648	30,959	294,783	256,015
AIRFARE	70,616	94,442	89,724	658,960	692,076
MEALS & ENTERTAINMENT	44,551	50,781	67,034	337,314	321,695
COUNTRY CLUB DUES	6,103	2,877	5,920	36,966	39,730
SUITE RENTAL EXP	2,733	1,988	1,988	27,527	21,115
EVENT & SPORTS TICKETS	4,236	1,335	1,837	13,899	33,618
SPECIAL EVENTS	0	0	0	6,875	3,053
SALES ALLOWANCES	24,618	25,799	28,945	171,046	141,378
ADVERTISING	17,794	8,313	6,359	130,061	59,491
PUBLIC RELATIONS	39,169	4,850	13,950	105,980	83,856
BROCHURES/PROMO MATERIALS	6,594	12,666	25,646	49,548	67,688
CLIENT GIFTS	2,056	2,961	218	25,764	24,983
CLIENT SEM & TRADE SHOWS	595	0	0	595	8,569
BUS DEV CONSULTING	32,791	28,247	24,647	243,815	269,246
DUES & MEMBERSHIPS	3,561	9,625	1,507	56,769	33,679
EMPLOYEE SEMINARS/CONF	5,889	1,634	755	27,214	31,636
EMPLOYEE MEETINGS	607	413	783	5,564	4,290
TOTAL TRAVEL & BUS DEV	294,237	270,579	300,272	2,192,680	2,092,116

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income and Expense
For the Nine Months Ended July 31, 1997

DESCRIPTION	May	June	July	YTD	PY-YTD
COMMUNICATION & OPERATING-					
TELEPHONE	56,142	35,726	61,837	437,232	415,705
POSTAGE & MAILING	13,418	8,083	15,607	108,479	99,100
PACKAGE DELIVERY	20,382	14,799	21,029	152,715	127,289
STATIONERY & FORMS	6,384	1,343	15,080	65,691	71,590
OFFICE SUPPLIES	6,682	4,911	3,609	58,838	58,442
COMPUTER SUPPLIES	8,675	7,589	7,830	61,785	51,806
COPYING EXPENSE	9,225	24,952	15,782	143,741	161,189
BOOKS & PERIODICALS	13,726	9,828	6,901	112,639	76,088
WIRE SERVICES/EQUIP	29,604	22,090	17,304	222,915	225,318
SERVICE BUREAU-BACKOFFIC	8,932	15,283	10,453	97,344	103,682
CLEARING CHARGES	12,615	20,056	19,181	157,456	195,278
BANK CHARGES/CREDITS	(1,889)	469	3,513	8,050	40,125
SAFEKEEPING CHARGES	2,400	1,322	1,810	19,386	24,245
IRA TRUSTEE FEES	0	100	0	1,844	5,183
CASHIERING EXPENSES	379	3,135	287	6,110	3,806
CUSTOMER REPORTING EXP	2,825	2,967	3,853	35,932	64,355
NASD/STATE REGISTR-EMPL	2,340	2,309	1,885	31,772	27,406
NASD/STATE REGISTR-FIRM	1,120	975	900	12,254	9,138
NASD ASSESSMENT	1,873	1,873	1,958	16,284	17,422
SIPC ASSESSMENT	0	0	0	150	2,209
MSRB ASSESSMENT	53	78	126	814	773
TOTAL COMM & OPERATING	194,886	177,888	208,945	1,751,431	1,780,145
OCCUPANCY & EQUIPMENT-					
OFFICE RENT	114,829	108,023	118,522	937,953	919,705
UTILITIES	4,536	346	4,755	20,159	17,567
OFFICE HOUSEKEEP/MAINT	1,308	2,092	1,041	16,978	19,522
DEPRECIATION & AMORT	26,089	16,117	24,989	224,028	205,688
FF&E PURCHASE/RENTALS	7,111	10,695	6,392	75,617	43,423
FF&E REPAIRS/MAINT	12,279	12,213	11,983	114,256	120,664
VEHICLE EXPENSE	10,068	58	10,242	80,834	80,791
TOTAL OCCUPANCY/EQUIP	176,220	149,544	177,924	1,469,825	1,407,358
GENERAL & ADMINISTRATIVE-					
GENERAL LEGAL	17,964	17,834	5,400	136,273	257,156
LEGAL SETTLEMENTS	0	0	4	(164,716)	487,500
CUSTOMER COMPENSATION	112	0	96	328	4,674
GENERAL CONSULTING	10,000	10,000	10,000	90,000	91,125
ACCOUNTING/AUDITING	11,500	11,500	22,092	114,092	92,726
GENERAL INSURANCE	11,771	6,055	3,891	89,513	102,156
BAD DEBT EXPENSE	0	0	1,043	1,043	0
CHARITABLE CONTRIBUTIONS	11,925	1,956	1,060	52,560	81,948
LOBBYING EXPENSE	10,076	43,977	2,622	72,400	46,748
PROPERTY TAXES	0	102	3,530	4,836	3,710
CORPORATE REGISTRATION	21	1,100	1,060	8,985	5,215
MISCELLANEOUS EXPENSE	(88)	(33)	40,422	40,284	118
TOTAL GENERAL & ADMIN	73,281	92,491	91,220	445,598	1,173,076

MILLER & SCHROEDER FINANCIAL, INC.
Miscellaneous Revenue Summary
For the Nine Months Ended July 31, 1997

DESCRIPTION	April	May	June	July	YTD
REVENUES-					
INTERCOMPANY MANAGEMENT FEES-					
LOAN ADMIN-MSIC	$28,000	$29,000	$32,500	$32,500	$270,500
RESID MTG BANK-MSMC	23,000	24,500	24,000	25,500	211,000
LEGAL DEPARTMENT					
OUTSIDE LEGAL FEES	0	1,950	1,000	0	2,950
INTERDEPARTMENTAL FEES	0	0	0	0	250
TOTAL LEGAL FEES	0	1,950	1,000	0	3,200
OPERATIONS DEPT-					
SERVICING FEES-COUPONS	45	30	20	40	265
SERVICING FEES-IRA'S	6,756	275	325	280	12,604
SERVICING FEES-REG T EXT	160	60	0	200	990
SERVICING FEES-RESET CHARGES	426	139	3,998	(22)	8,713
SERVICING FEES-CALL/MATURITY	650	325	935	600	5,818
SERVICING FEES-CUST ACCT	3,792	2,194	2,864	3,036	24,689
SERVICING FEES-OTHER	165	40	55	40	1,509
SERVICING FEES-TICKETING CHARGES	3,468	2,548	2,810	2,922	24,787
SAFEKEEPING FEES	843	1,397	530	845	8,285
CLEARING FEES-INTERDEPT	1,585	2,987	1,886	2,944	23,408
TOTAL CASHIERING FEES	17,890	9,995	13,423	10,885	111,068
GAINS ON SALE OF ASSETS	0	0	0	6,624	6,624
INTERCOMPANY ACCOUNTING & ADMIN FEE					
MSIC ACCOUNTING	1,500	1,500	1,500	1,500	13,500
MSIC ADMIN	10,000	10,000	10,000	10,000	90,000
PLMC ACCOUNTING	500	500	500	500	4,500
PLMC ADMIN	500	500	500	500	4,500
MSCC ACCOUNTING	500	500	500	500	4,500
MSCC ADMIN	4,000	4,000	4,000	4,000	36,000
MSSBCC ACCOUNTING	500	500	500	500	4,000
MSSBCC ADMIN	500	500	500	500	5,000
TOTAL INTERCOMPANY FEES	18,000	18,000	18,000	18,000	162,000
OTHER REVENUE					
ALLIANCE COMM FEE	7,048	1,889	5,870	6,817	61,371
MISCELLANEOUS	300	0	20	55	410
TOTAL OTHER REVENUE	7,348	1,889	5,890	6,872	61,781
TOTAL MISCELLANEOUS REVENUES	94,238	85,334	94,813	100,381	826,173

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MILLER & SCHROEDER FINANCIAL, INC.
U/W REVENUE RECAP BY CATEGORY & DEPT
July 31, 1997

Cat # RV-100

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W
MUNICIPAL BOND U/W-					
11 - MINNEAPOLIS U/W	245,581	(55,732)	(13,175)	(9,866)	166,808
12 - ST PAUL U/W	30,824				30,824
51 - SOLANA BEACH U/W	1,029,066	(11,875)	(72,189)	(46,500)	898,502
TOTAL MUNICIPAL U/W	1,305,471	(67,607)	(85,364)	(56,366)	1,096,134
INVESTMENT BANKING FEES-					
11 - MINNEAPOLIS U/W	8,367				8,367
13 - COLUMBUS U/W	25,000				25,000
51 - SOLANA BEACH U/W	62,288				62,288
54 - SEATTLE U/W	10,000				10,000
81 - CORPORATE ADMIN	(42,000)				(42,000)
TOTAL INVEST BANK FEES	63,655				63,655
MORTGAGE BANKING-					
20 - MORTGAGE BANKING	244,778		(73,734)		171,044
25 - MILWAUKEE MORTGAGE/SBA	52,267		(39,970)		12,297
TOTAL MORTGAGE BANKING	297,045		(113,704)		183,341
TAXABLE FINANCING-					
22 - TAXABLE FINANCING	254,940		(102,940)		152,000
35 - TAXABLE TRADING	486				486
TOTAL TAXABLE FINANCING	255,426		(102,940)		152,486
CORPORATE CAPITAL-					
23 - CORPORATE CAPITAL GROUP	(200,000)				(200,000)
TOTAL U/W PROFIT/FEES	1,721,597	(67,607)	(302,008)	(56,366)	1,295,616

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
40094	03/31/94	1,090	S CENTRAL MULTI CNTY-SIBLEY	0	0	0	0	0	0	0	(44)	(44)
40138	11/04/94	3,609	CHASKA HRA MULTI-FAMILY HOUSIN	417	0	0	0	417	0	0	0	417
40110	12/29/94	5,440	SANDSTONE ECON DEV AUTH HSG DE	0	0	0	0	0	0	0	(63)	(63)
40214	06/29/95	12,615	NW MULTI CNTY HRA 95	0	0	0	0	0	0	0	(24)	(24)
10040	06/18/96	3,420	ANOKA CNTY MN 96A-HAM LAKE MN	0	0	0	0	0	0	0	64	64
10077	11/18/96	4,135	APPLETON INDEP HSNG SR96	0	0	0	0	0	0	0	(576)	(576)
10097	04/15/97	20,335	MPLS/ST PAUL HRA PHASE MID-INC	0	0	0	0	0	0	0	(354)	(354)
40290	04/15/97	6,500	MPLS COMMUNITY HOME PROJ SRS 9	485	0	(238)	(15)	232	0	0	(135)	97
10094	05/29/97	13,394	MN MULTI-ISSUERS SFMRB SRS 199	0	0	0	0	0	0	0	(285)	(285)
10074	06/03/97	12,055	SCOTT CO HRA-JUSTICE CENTER	0	0	0	0	0	0	0	(227)	(227)
10145	06/12/97	1,600	JUNEAU WI COMM DEV LEASE REV B	1,525	0	(506)	(350)	669	0	0	0	669
10032	06/19/97	8,440	ANOKA CO G.O.-ICE ARENA REV BD	0	0	0	0	0	0	0	(64)	(64)
10141	06/19/97	3,350	ROTHSCHILD WI G.O. PROMISSORY	0	0	0	0	0	0	0	(459)	(459)
10071	06/26/97	20,576	DAKOTA CO HRA SFMRB SRS 1997	34,227	(25,295)	(2,813)	(6,144)	(25)	0	0	(455)	(480)
10101	07/09/97	4,330	CARVER CO HRA-LAKE GRACE RFDG	83,073	(9,125)	(4,556)	(810)	68,582	(1,013)	0	(160)	67,409
10014	07/23/97	20,000	MPLS/ST PAUL SFMRB PH XI RFDG-	32,133	(2,000)	(5,062)	(2,548)	22,523	0	0	(8)	22,515
10125	07/25/97	7,725	CA STATEWIDE-BORREGAS COURT PR	93,722	(19,312)	0	0	74,410	(948)	0	(1,637)	71,825
TOTAL MUNICIPAL U/W				245,582	(55,732)	(13,175)	(9,867)	166,808	(1,961)	0	(4,427)	160,420
INVESTMENT BANKING FEES												
47504	12/13/93	26,000	BLOOM-HAMPSHIRE APTS RMKT FEE	6,312	0	0	0	6,312	0	0	0	6,312
47518	12/31/93	5,500	FBS-CASS OIL RMKT FEE	1,705	0	0	0	1,705	0	0	0	1,705
47543	04/23/96	72,000	MPLS G.O.-TARGET CTR RMKTG	350	0	0	0	350	0	0	0	350
TOTAL INVESTMENT BANKING FEES				8,367	0	0	0	8,367	0	0	0	8,367
MUNICIPAL LEASE REVENUES												
40310	09/28/95	738	BIG LAKE, MN-ISD #727	0	0	0	0	0	(1,665)	0	0	(1,665)
TOTAL MUNICIPAL LEASE				0	0	0	0	0	(1,665)	0	0	(1,665)
TOTAL REVENUES				253,949	(55,732)	(13,175)	(9,867)	175,175	(3,626)	0	(4,427)	167,122
OPEN ISSUES												
40029		47,000	DES MOINES-HILLSIDE NEIGHBOR	0	0	0	0	0	(2,000)	0	0	(2,000)
40036			STATE LEGISLATION	0	0	0	0	0	0	0	(53)	(53)
40101		10,000	ITASCA CTY HRA-GOVT HSG	0	0	0	0	0	(7,900)	0	0	(7,900)

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
July 31, 1997

	*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
40135	20	BREVARD CTY HSG FIN AUTH	0	0	0	0	0	0	0	(20)	(20)
40140	3,500	AUSTIN MULTI FAM	0	0	0	0	0	0	0	(17)	(17)
40169	2,000	TAMPA HSG AUTH-MORGAN APTS	0	0	0	0	0	0	0	(81)	(81)
40203		WADENA ESSENTIAL FUNCTION MULT	0	0	0	0	0	0	0	(20)	(20)
40246	10,000	SOUTH DAKOTA HOUSING PROGRAM	0	0	0	0	0	(3,237)	0	0	(3,237)
40248		RANGE CNTY JT POWERS BOARD	0	0	0	0	0	0	0	(117)	(117)
40263		GARCIA AND ASSOCIATES	0	0	0	0	0	0	0	(1,000)	(1,000)
40264		HENNEPIN CO-MINERGY	0	0	0	0	0	0	0	(2,500)	(2,500)
40292		NW MN MULTI CO HRA PHASE II	0	0	0	0	0	0	0	(357)	(357)
48079		SANTA ANA PUEBLO	0	0	0	0	0	0	0	(105)	(105)
10006	11,400	PLYMOUTH-FOX FOREST APTS	0	0	0	0	0	0	0	(6)	(6)
10011	10,000	MULTI-ISSUER-MILITARY HSNG	0	0	0	0	0	(3,000)	0	0	(3,000)
10043		WILLIAM DREW CONSULTING	0	0	0	0	0	0	0	(8,000)	(8,000)
10056	4,000	MITCHELL COUNTY MEDICAL CENTER	0	0	0	0	0	0	0	(62)	(62)
10062	4,000	OSSEO MN-HEALTH DIMENSIONS	0	0	0	0	0	0	0	(394)	(394)
10070		ANOKO CTY HRA HOMEOWNERSHIP PR	0	0	0	0	0	0	0	(38)	(38)
10080	9,000	CITY MANSON,IA SOUTHBRIDGE MA	0	0	0	0	0	0	0	(89)	(89)
10090		SOUTH DAKOTA STUDENT LOAN PROG	0	0	0	0	0	(34)	0	(2,312)	(2,346)
10096		SOUTH DAKOTA STD LOANS	0	0	0	0	0	34	0	1,264	1,298
10100		LEASING SOLUTIONS-TE TRUSTS	0	0	0	0	0	0	0	(866)	(866)
10102	54,000	DES MOINES AIRPORT	0	0	0	0	0	0	0	(7,642)	(7,642)
10105	11,185	DAKOTA CNTY HRA SFMRB	0	0	0	0	0	0	0	182	182
10107	15,000	SECTION 8 REFUNDING	0	0	0	0	0	0	0	(104)	(104)
10117	50,000	GOVERNMENT EDUCATION ASSIST CO	0	0	0	0	0	0	0	(134)	(134)
10127	8,000	LAKE SUPERIOR CENTER FISH AQUA	0	0	0	0	0	0	0	(703)	(703)
10128	11,500	UNIV OF ST THOMAS LEASE BACKED	0	0	0	0	0	(2,700)	0	0	(2,700)
10137	5,000	SAN JUAN PUEBLO WASTEWATER	0	0	0	0	0	0	0	(194)	(194)
10138		PHIL MCMULLEN CONSULTING	0	0	0	0	0	0	0	(2,000)	(2,000)
10139	4,800	WISCONSIN HEALTH FACILITIES AU	0	0	0	0	0	0	0	(37)	(37)
10143	4,000	BAY CITY HOUSING COMMISSION	0	0	0	0	0	0	0	(56)	(56)
10144	20,000	PENNSYLVANIA TURNPIKE AUTH	0	0	0	0	0	0	0	(88)	(88)
10146	12,000	THE WEDUM FOUNDATION	0	0	0	0	0	0	0	(13)	(13)
10147		ASSOC OF BAY AREA GOVT-GILROY	0	0	0	0	0	0	0	(1,637)	(1,637)
10148	5,000	GRAND RAPIDS-PLEASANT SEASONS	0	0	0	0	0	0	0	(3,699)	(3,699)
10149	11,400	DAKOTA CO-S SUBURBAN MED CTR	0	0	0	0	0	0	0	(216)	(216)
10150	4,000	CITY OF MPLS-CATHOLIC ELDERCAR	0	0	0	0	0	0	0	(44)	(44)
10151	10,100	EDEN PRAIRIE COMMONS	0	0	0	0	0	0	0	(422)	(422)
10152	9,800	CEDAR CREST HOUSING	0	0	0	0	0	0	0	(1,309)	(1,309)
10154	4,000	EDEN PRAIRIE-PRESERVE PLACE	0	0	0	0	0	0	0	(414)	(414)
10156	2,500	FRANKLIN WI-DOUBLE TAX-EXEMPT	0	0	0	0	0	0	0	(2,959)	(2,959)
10158	17,800	BURNSVILLE MN-SOUTHWIND VILLAG	0	0	0	0	0	0	0	(8)	(8)
10160	4,000	CARVER CO-WAYBURY APTS	0	0	0	0	0	0	0	(77)	(77)
10161	4,500	MPLS-WANNER ENG IND REV BONDS	0	0	0	0	0	0	0	(61)	(61)

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
10162	7,850	DALLAS HSNG AUTH TOWNE CENTER	0	0	0	0	0	0	0	(220)	(220)
00000		OTHER ISSUE EXPENSES	0	0	0	0	0	0	0	(325)	(325)
0119		DENNIS BALYEAT	0	0	0	0	0	0	0	(118)	(118)
0518		JIM DANFORD	0	0	0	0	0	0	0	(2,053)	(2,053)
0560		LOU DEMARS	0	0	0	0	0	0	0	(607)	(607)
0710		PAUL EKHOLM	0	0	0	0	0	0	0	(122)	(122)
0797		ANTON FAUPL	0	0	0	0	0	0	0	(2,055)	(2,055)
1632		JAY JENSEN	0	0	0	0	0	0	0	(21)	(21)
1931		TOM LAIRD	0	0	0	0	0	0	0	(40)	(40)
1941		GARY LAMPPA	0	0	0	0	0	0	0	(435)	(435)
2057		JOHN LINDEMAN	0	0	0	0	0	0	0	866	866
2144		ERIC LUNDE	0	0	0	0	0	0	0	(101)	(101)
2655		PATRICK O'LEARY	0	0	0	0	0	0	0	(38)	(38)
2870		LAURA EKHOLM	0	0	0	0	0	0	0	(4)	(4)
3172		PHIL MCMULLEN	0	0	0	0	0	0	0	(85)	(85)
		ADVERTISING/PROMOTION	0	0	0	0	0	0	0	4,666	4,666
		OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(250)	(250)
TOTAL OPEN ISSUES			0	0	0	0	0	(18,837)	0	(37,350)	(56,187)
TOTAL MINNEAPOLIS U/W			253,949	(55,732)	(13,175)	(9,867)	175,175	(22,463)	0	(41,777)	110,935

MILLER & SCHROEDER FINANCIAL, INC.
ST PAUL U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
12022	04/28/97	3,000	SPPA-HARRIS CONTRACTING PROJ-J	$15,000	$0	$0	$0	$15,000	$0	$0	$0	$15,000
12021	06/03/97	2,295	SPPA-NORTHERN IRON PROJECT JT	15,824	0	0	0	15,824	0	0	0	15,824
TOTAL MUNICIPAL U/W				30,824	0	0	0	30,824	0	0	0	30,824
TOTAL REVENUES				30,824	0	0	0	30,824	0	0	0	30,824
OPEN ISSUES												
12011			BLOCK 39 FORWARD REFUNDING	0	0	0	0	0	0	0	(102)	(102)
12012			BLOCK 39 TAX INCREMENT	0	0	0	0	0	0	0	(139)	(139)
12016			GREAT PLAINS SOFTWARE	0	0	0	0	0	0	0	(2,693)	(2,693)
12018			WOODBURY VILLAGE MULTIFAMILY H	0	0	0	0	0	0	0	(72)	(72)
2310			G MCMAHON PROMO	0	0	0	0	0	0	0	(1,964)	(1,964)
3416			B SORENSON PROMO	0	0	0	0	0	0	0	(104)	(104)
			ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(4,550)	(4,550)
TOTAL OPEN ISSUES				0	0	0	0	0	0	0	(9,624)	(9,624)
TOTAL ST PAUL U/W				30,824	0	0	0	30,824	0	0	(9,624)	21,200

MILLER & SCHROEDER FINANCIAL, INC.
COLUMBUS U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
13004	01/30/96	10,155	ST OF OHIO-RICKENBACKER PORT A	0	0	0	0	0	0	0	(223)	(223)
13025	11/12/96	5,975	HAMILTON CO-GARDEN HILL & WASH	0	0	0	0	0	0	0	(29)	(29)
13014	12/18/96	4,000	TOLEDO-LUC PORT 96-1 BURLINGTO	0	0	0	0	0	0	0	(35)	(35)
TOTAL MUNICIPAL U/W				0	0	0	0	0	0	0	(287)	(287)
INVESTMENT BANKING FEES												
41002	12/31/93		STATE OF OHIO BOND FUND	0	0	0	0	0	0	0	(242)	(242)
13016	03/29/96		CUYAHOGA CO-BEARINGS FIN ADV	0	0	0	0	0	(550)	0	0	(550)
13027	10/24/96		ODOT SIB-EXPENSES	25,000	0	0	0	25,000	0	0	(337)	24,663
TOTAL INVESTMENT BANKING FEES				25,000	0	0	0	25,000	(550)	0	(579)	23,871
TOTAL REVENUES				25,000	0	0	0	25,000	(550)	0	(866)	23,584
OPEN ISSUES												
41005			TOLEDO/LUCAS CO PORT AUTH	0	0	0	0	0	0	0	(53)	(53)
41023		10,000	CLEVELAND PORT AUTH	0	0	0	0	0	0	0	(2,509)	(2,509)
41041			RICKENBACKEN PORT AUTHORITY	0	0	0	0	0	0	0	223	223
13011			MISC BUSINESS EXPENSES	0	0	0	0	0	0	0	(444)	(444)
13033			FEDERATED RICKENBACKER PORT AU	0	0	0	0	0	0	0	(269)	(269)
0605			M DIPERNA PROMO	0	0	0	0	0	0	0	(886)	(886)
0662			M DOWNIE PROMO	0	0	0	0	0	0	0	(141)	(141)
1257			D HART PROMO	0	0	0	0	0	0	0	(427)	(427)
2100			T LONG PROMO	0	0	0	0	0	0	0	(1,594)	(1,594)
2100			T LONG COUNTRY CLUB DUES	0	0	0	0	0	0	0	(159)	(159)
TOTAL OPEN ISSUES				0	0	0	0	0	0	0	(6,259)	(6,259)
TOTAL COLUMBUS U/W				25,000	0	0	0	25,000	(550)	0	(7,125)	17,325

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	RETAIL	TRADING	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- T&E AND PROMO	NET PROFIT TO U/W
20034	11/14/96	7,031	INSTANT WEB REFINANCE	0	0	0	0	0	0	(105)	0	(105)
20039	12/18/96	2,100	LINCOLN NB BRANKER BUICK	0	0	0	0	0	0	(7)	0	(7)
20051	12/27/96	7,300	BROOKLYN CTR RAINBOW FOODS	0	0	0	0	0	0	3,500	0	3,500
20055	01/22/97	835	BELLEVUE NB HOLLYWOOD VIDEO	0	0	0	0	0	0	(6)	0	(6)
20033	03/13/97	6,275	COHASSET TECHNIMAR MFG	0	0	0	0	0	0	(80)	0	(80)
20036	03/26/97	2,640	HIBBING IRONGATE MALL	0	0	0	0	0	0	(1,129)	0	(1,129)
20050	03/31/97	3,100	BROOKLYN CENTER HOLIDAY INN	0	0	0	0	0	0	(20)	0	(20)
20073	04/22/97	1,025	COTTAGE GROVE HOLLYWOOD VIDEO	0	0	0	0	0	0	(16)	0	(16)
20065	04/25/97	4,050	ROCHESTER RAMADA INN	0	0	0	0	0	0	(38)	0	(38)
20072	04/29/97	2,850	BLOOMINGTON SLUMBERLAND	0	0	0	0	0	0	(85)	0	(85)
20080	04/30/97	2,064	RACINE RADISSON HARBOURWALK	0	0	0	0	0	0	(2,336)	0	(2,336)
20082	05/15/97	750	NATIONAL LODGING LAND PURCHASE	0	0	0	0	0	0	(2,760)	0	(2,760)
20085	06/25/97	3,474	MINNETONKA CORP CTR	22,094	(22,094)	0	0	0	0	(603)	0	(603)
20060	07/08/97	680	BLOOMINGTON LYNDALE ESTATES 2	20,000	(6,800)	0	(3,400)	9,800	1,597	(1,620)	0	9,777
20087	07/23/97	4,700	WOODBURY VILLAGE APTS	35,250	0	0	0	35,250	0	(180)	(15)	35,055
20066	07/30/97	1,800	EDEN PRAIRIE WOOLSEY PROP	27,000	(13,500)	0	0	13,500	6,209	(2,500)	0	17,209
20077	07/30/97	1,620	NEW HOPE PARKWAY BUSINESS CENTE	36,450	(11,340)	0	0	25,110	7,534	(1,534)	0	31,110
20081	07/30/97	2,000	ROCHESTER VAL HI RD 3	45,000	(20,000)	0	0	25,000	7,500	(6,500)	0	26,000
TOTAL 1997 FINANCINGS				185,794	(73,734)	0	(3,400)	108,660	22,840	(16,019)	(15)	115,466
1996 FINANCINGS												
48583	12/20/95	1,087	COON RAPIDS FIRST BANK	0	0	0	0	0	0	(20)	0	(20)
48581	12/29/95	2,200	WHITE BEAR LAKE INN	0	0	0	0	0	0	(36)	0	(36)
20007	02/26/96	975	CAREFREE WORK CAP LOAN	0	0	0	0	0	0	(416)	0	(416)
20004	03/28/96	3,800	RACINE RADISSON HARBOURWALK	0	0	0	0	0	0	2,329	0	2,329
48572	06/21/96	5,750	COUNCIL BLUFFS KINS AMERISTAR	0	0	0	0	0	0	0	1,016	1,016
20015	09/18/96	5,575	LEEDS ND-FARMERS CHOICE PASTA	0	0	0	0	0	0	(419)	0	(419)
TOTAL 1996 FINANCINGS				0	0	0	0	0	0	1,438	1,016	2,454
1995 FINANCINGS												
48563	07/17/95	2,585	LACROSSE WI SAMPSON SQUARE	0	0	0	0	0	0	(20)	0	(20)
TOTAL 1995 FINANCINGS				0	0	0	0	0	0	(20)	0	(20)

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MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
July 31, 1997

Cat # RV-120

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	RETAIL	TRADING	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- T&E AND PROMO	NET PROFIT TO U/W
TOTAL REVENUES		185,794	(73,734)	0	(3,400)	108,660	22,840	(14,601)	1,001	117,900
OPEN ISSUES										
48584	PUEBLO CO HOTEL CONF CTR	0	0	0	0	0	2,319	0	0	2,319
20020	HIBBING-IRONGATE MALL	0	0	0	0	0	0	1,129	0	1,129
20030	UNITED ARTISTS	0	0	0	0	0	0	0	(51)	(51)
20037	KINSETH COUNCIL BLUFFS	0	0	0	0	0	0	0	(1,016)	(1,016)
20038	CEDAR PLAZA	0	0	0	0	0	0	(144)	0	(144)
20040	HOLIDAY INN SUN SPREE RESORT	0	0	0	0	0	4,500	0	0	4,500
20049	DESMOINES GK OFFICE/SHOWROOM	0	0	0	0	0	4,771	0	0	4,771
20056	NATL LODGING SECOND MTG	0	0	0	0	0	0	2,760	0	2,760
20067	RESIDENCE INN HOTEL MINNEAPOLI	0	0	0	0	0	8,998	(714)	0	8,284
20069	UNDERWATER WORLD-MALL OF AM BLO	0	0	0	0	0	14,281	0	0	14,281
20071	CRIPPLE CREEKE EXPANSION	0	0	0	0	0	1,806	(1,770)	0	36
20078	SHERATON FOUR POINTS HOTEL	0	0	0	0	0	594	(594)	0	0
20079	HOLIDAY INN CHICAGO IL	0	0	0	0	0	1,436	0	0	1,436
20088	HOWARD JOHNSON DM II	0	0	0	0	0	839	(839)	0	0
00000	OTHER ISSUE EXPENSES	0	0	0	0	0	0	(196)	0	(196)
0197	GREG BOLIN T&E	0	0	0	0	0	0	0	(97)	(97)
2481	GREG MILLER T&E	0	0	0	0	0	0	0	126	126
3535	JERRY TABOLICH T&E	0	0	0	0	0	0	0	(46)	(46)
	OTHER T&E	0	0	0	0	0	0	0	(76)	(76)
	ADVERTISING-OTHER	0	0	0	0	0	0	0	(1,875)	(1,875)
	OTHER EMPLOYEE EXPENSES	0	0	0	0	0	0	0	(229)	(229)
TOTAL OPEN ISSUES		0	0	0	0	0	39,544	(368)	(3,264)	35,912
TOTAL DEPT		185,794	(73,734)	0	(3,400)	108,660	62,384	(14,969)	(2,263)	153,812

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Nine Months Ended July 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED T INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
1997 TAXABLE FINANCINGS													
22068	12/27/96	5,138	MOHEGAN SUN III	0	0	0	0	0	0	(1,500)	0	0	(1,500)
22069	01/07/97	1,600	LAC VIEUX DESERT VI	0	0	0	0	0	0	0	0	(8)	(8)
22064	02/10/97	9,500	THREE AFFIL TRIBES-4 BEARS CAS	0	0	0	0	0	0	0	0	(3,465)	(3,465)
22078	03/31/97	300	CROW CREEK LODESTAR	0	0	0	0	0	0	0	0	(16)	(16)
22090	04/28/97	2,100	KICKAPOO TRIBE INTERIM	0	0	0	0	0	0	0	0	(5,183)	(5,183)
22096	06/25/97	16,496	LAC VIEUX DESERT 9	0	0	0	0	0	0	(2,308)	0	(5,287)	(7,595)
22101	06/30/97	1,000	KEN KELLAR 2	0	0	0	0	0	0	0	0	(110)	(110)
22094	07/08/97	7,500	MILLE LACS 97-1	168,750	0	(66,750)	0	102,000	0	0	0	(653)	101,347
22105	07/18/97	200	SPIRIT LAKE 7 TE INTERIM	0	0	(2,000)	0	(2,000)	0	0	0	0	(2,000)
22106	07/31/97	2,600	CROW CREEK II	104,000	0	(32,000)	(20,000)	52,000	0	2,187	0	(1,801)	52,386
TOTAL 1997 FINANCINGS				272,750	0	(100,750)	(20,000)	152,000	0	(1,621)	0	(16,523)	133,856
1996 TAXABLE FINANCINGS													
22018	02/05/96	2,500	BAD RIVER TAX EXEMPT	0	0	0	0	0	0	0	0	(117)	(117)
22012	02/23/96	5,000	LAKE OF TORCHES FLAMBEAU 4	0	0	0	0	0	0	0	0	(1,868)	(1,868)
22006	03/22/96	26,000	SILETZ II CONST/PERM	0	0	0	0	0	0	(155)	0	0	(155)
22007	04/08/96	5,505	LEECH LAKE 2	0	0	0	0	0	0	0	0	(1,879)	(1,879)
22047	10/09/96	15,500	COQUILLE II	0	0	0	0	0	0	(566)	0	(2,927)	(3,493)
22051	10/28/96	11,600	SPIRIT LAKE (DEVILS LK) VI	0	0	0	0	0	0	0	0	(14)	(14)
22060	10/29/96	314	MOLE LAKE 2	0	0	0	0	0	0	0	0	(1,617)	(1,617)
22058	10/31/96	1,250	GRAND PORTAGE V	0	0	0	0	0	0	0	0	(363)	(363)
TOTAL 1996 TAXABLE FINANCINGS				0	0	0	0	0	0	(721)	0	(8,785)	(9,506)
1995 TAXABLE FINANCINGS													
48065	05/09/95	500	DEVILS LAKE EQUIP	0	0	0	0	0	0	0	0	(48)	(48)
TOTAL 1995 TAXABLE FINANCINGS				0	0	0	0	0	0	0	0	(48)	(48)
PRIOR YEARS TAXABLE FINANCINGS & SECONDARY SALES													
48040	08/19/94	3,250	TURTLE III (ST. CROIX ENT I)	0	0	0	0	0	0	(4,200)	0	0	(4,200)
TOTAL TAXABLE FINANCING				272,750	0	(100,750)	(20,000)	152,000	0	(6,542)	0	(25,356)	120,102
TAXABLE FINANCING OPEN ISSUES													
48005			PROSPECTIVE INDIAN GAMBLING	0	0	0	0	0	0	0	0	(8,158)	(8,158)

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Nine Months Ended July 31, 1997

*** CURRENT MONTH ***			TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED T INSTIT	GROSS COMM ALLOCATED T RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
48024		COW CREEK	0	0	0	0	0	0	0	0	117	117
48079	25,000	SANTA ANNA PUEBLO	0	0	0	0	0	0	0	0	(1,059)	(1,059)
48093		FON DU LAC	0	0	0	0	0	0	0	0	(28)	(28)
48121		LEECH LAKE CASINO	0	0	0	0	0	0	0	0	196	196
22001		SAN JUAN PUEBLO HOTEL & CASINO	0	0	0	0	0	0	0	0	(2,650)	(2,650)
22010		SPEARFISH SD-MISS KITTY CASINO	0	0	0	0	0	0	0	0	(113)	(113)
22011		COQUILLE ECONOMIC DEV CORP	0	0	0	0	0	0	531	0	2,927	3,458
22015		COQUILLE II CASINO REFINANCING	0	0	0	0	0	0	36	0	0	36
22023		SIOUX TRIBE GAMING PH 1	0	0	0	0	0	0	(48)	0	0	(48)
22044		LAC VIEUX DESERT VI	0	0	0	0	0	0	0	0	8	8
22045		CROW CREEK SIOUX TRIBE	0	0	0	0	0	0	0	0	1,451	1,451
22054		GRAND PORTAGE V	0	0	0	0	0	0	0	0	363	363
22059		ST JOSEPH RIVERBOAT PARTNERS	0	0	0	0	0	0	0	0	(5)	(5)
22071		SILETZ TRIBE WORKOUT EXP	0	0	0	0	0	0	0	0	(1,252)	(1,252)
22075		ROSEBUD SIOUX TRIBE CASINO/HOT	0	0	0	0	0	0	0	0	(9,186)	(9,186)
22089		BLUEWATER CASINO COLRADO RIVER	0	0	0	0	0	0	0	0	(5,183)	(5,183)
22091		PINERIDGE MOTEL/CONF.CENTER OG	0	0	0	0	0	0	0	0	(641)	(641)
22092		THREE AFFILIATED TRIBES TWIN B	0	0	0	0	0	0	0	0	(36)	(36)
22102		ST JOSEPH RIVERBOAT	0	0	0	0	0	0	0	0	(8,894)	(8,894)
22103		TURTLE MOUNTAIN	0	0	0	0	0	0	0	0	(4,970)	(4,970)
TOTAL TAXABLE FINANCING OPEN ISSUES			0	0	0	0	0	0	519	0	(37,113)	(36,594)
TOTAL TAXABLE FINANCING			272,750	0	(100,750)	(20,000)	152,000	0	(6,023)	0	(62,469)	83,508
PROMO & OTHER OPEN ISSUES												
48029		WHITE EARTH V	0	0	0	0	0	0	0	0	(75)	(75)
0119		DENNIS BALYEAT PROMO	0	0	0	0	0	0	0	0	(353)	(353)
0750		STEVEN ERICKSON PROMO	0	0	0	0	0	0	0	0	(3,503)	(3,503)
0750		STEVE ERICKSON COUNTRY CLUB	0	0	0	0	0	0	0	0	(2,080)	(2,080)
0932		P FREDERICKS PROMO	0	0	0	0	0	0	0	0	(455)	(455)
		OTHER PROMO	0	0	0	0	0	0	0	0	(763)	(763)
		ADVERTISING	0	0	0	0	0	0	0	0	(61)	(61)
		PUBLIC RELATIONS/SPONSORSHIPS	0	0	0	0	0	0	0	0	(500)	(500)
		OTHER EMPLOYEE EXPENSES	0	0	0	0	0	0	0	0	(32)	(32)
TOTAL OPEN ISSUES			0	0	0	0	0	0	0	0	(7,822)	(7,822)
TOTAL			272,750	0	(100,750)	(20,000)	152,000	0	(6,023)	0	(70,291)	75,686

MILLER & SCHROEDER FINANCIAL, INC.
CORPORATE CAPITAL REVENUE SUMMARY
July 31, 1997

Cat # RV-123

*** CURRENT MONTH ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
CORPORATE CAPITAL ADVISORY FEES											
23014 03/11/96		LIBBY CORP	(200,000)	0	0	0	(200,000)	0	0	0	(200,000)
TOTAL ADVISORY FEES			(200,000)	0	0	0	(200,000)	0	0	0	(200,000)
TOTAL CORPORATE CAPITAL REVENUE			(200,000)	0	0	0	(200,000)	0	0	0	(200,000)
TOTAL REVENUES			(200,000)	0	0	0	(200,000)	0	0	0	(200,000)
OPEN ISSUES											
23045	8,000	SHELDAHL INC EQUIP FINANCING	0	0	0	0	0	(60)	0	(35)	(95)
0376		CLAREY PROMO	0	0	0	0	0	0	0	(5,000)	(5,000)
0829		FINSTUEN PROMO	0	0	0	0	0	0	0	(735)	(735)
3855		ZIBLEY PROMO	0	0	0	0	0	0	0	(175)	(175)
TOTAL OPEN ISSUES			0	0	0	0	0	(60)	0	(5,945)	(6,005)
TOTAL DEPT			(200,000)	0	0	0	(200,000)	(60)	0	(5,945)	(206,005)

MILLER & SCHROEDER FINANCIAL, INC.
MILWAUKEE REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	RETAIL	TRADING	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- T&E AND PROMO	NET PROFIT TO U/W
MORTGAGE BANKING									
1997 FINANCINGS									
25007 11/19/96 2,610 FERGUS FALLS MN-WESTRIDGE MALL	0	0	0	0	0	0	(218)	0	(218)
25008 04/28/97 3,350 MILWAUKEE, WI-INN TOWNE HOTEL	0	0	0	0	0	0	(19)	0	(19)
25015 05/13/97 1,500 BLACK RIVER FALLS-NO COUNTRY LO	0	0	0	0	0	0	0	(109)	(109)
25019 06/23/97 32,222 CHICAGO MICH AVE LOFTS	46,731	(39,970)	0	(22,501)	(15,740)	0	(2,085)	2,189	(15,636)
TOTAL 1997 FINANCINGS	46,731	(39,970)	0	(22,501)	(15,740)	0	(2,322)	2,080	(15,982)
OPEN ISSUES									
25014 GEORGETOWN TERM LOAN	0	0	0	0	0	4,436	0	0	4,436
25020 ST CHARLES IL HOTEL BAKER	0	0	0	0	0	2,374	0	0	2,374
25021 AUSTIN MN-OAK PARK MALL	0	0	0	0	0	687	(618)	0	69
25022 SAMPSON II	0	0	0	0	0	3,200	(3,200)	0	0
TOTAL OPEN ISSUES	0	0	0	0	0	10,697	(3,818)	0	6,879
TOTAL MORTGAGE BANKING	46,731	(39,970)	0	(22,501)	(15,740)	10,697	(6,140)	2,080	(9,103)
SBA LOAN ORIGINATION									
1997 ORIGINATIONS									
25010 11/20/96 185 INNOVATIVE TECHNOLOGIES SBA	326	0	0	0	326	0	(54)	0	272
25011 01/09/97 500 INFORMATION SOLUTIONS SBA	1,091	0	0	0	1,091	0	(148)	0	943
25018 04/09/97 750 ROBERTS ROOFING & SIDING INC.	1,014	0	0	0	1,014	0	(264)	0	750
25009 07/30/97 550 JOHNNY V'S CLASSIC CAFE	0	0	0	0	0	14,782	(13,188)	0	1,594
TOTAL 1997 ORIGINATIONS	2,431	0	0	0	2,431	14,782	(13,654)	0	3,559
1996 ORIGINATIONS									
25005 08/14/96 336 BADGER FLORIST SBA	527	0	0	0	527	0	(95)	0	432
TOTAL 1996 ORIGINATIONS	527	0	0	0	527	0	(95)	0	432

MILLER & SCHROEDER FINANCIAL, INC.
MILWAUKEE REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	RETAIL	TRADING	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
40241	HELEN DIXON CONSULTING	0	0	0	0	0	0	0	(5,000)	(5,000)
3011	STEVE RAYL PROMO	0	0	0	0	0	0	0	(4,046)	(4,046)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	(9,046)	(9,046)
TOTAL SBA ORIGINATIONS		2,958	0	0	0	2,958	14,782	(13,749)	(9,046)	(5,055)
TOTAL DEPT		49,689	(39,970)	0	(22,501)	(12,782)	25,479	(19,889)	(6,966)	(14,158)

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE TRADING REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
TAXABLE EQUIPMENT FINANCINGS									
35043 11/21/96 1,141 FIRST MID-AMERICA FINANCE	0	0	0	0	0	(3,179)	0	0	(3,179)
35044 06/11/97 909 ARCADIA CAPITAL CORP	0	0	0	0	0	(1,081)	0	0	(1,081)
TOTAL TAX EQUIP FINANCINGS	0	0	0	0	0	(4,260)	0	0	(4,260)
TAXABLE TRADING 1995 FINANCINGS									
48083 03/01/95 5,000 1ST FIDELITY AUTO 95-1 DEFER	486	0	0	0	486	0	0	0	486
TOTAL 1995 FINANCING	486	0	0	0	486	0	0	0	486
TOTAL REVENUES	486	0	0	0	486	(4,260)	0	0	(3,774)
OPEN ISSUES									
00000 OTHER ISSUE EXPENSE	0	0	0	0	0	(1,200)	0	0	(1,200)
TOTAL OPEN ISSUES	0	0	0	0	0	(1,200)	0	0	(1,200)
TOTAL DEPT	486	0	0	0	486	(5,460)	0	0	(4,974)

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
41627	06/28/95	363,265	SAN BERN MED CTR JT	(7,574)	0	0	0	(7,574)	0	0	0	(7,574)
51027	01/24/96	65,070	SAN BERN CO MED CTR JT SRS 96	0	0	0	0	0	0	0	(69)	(69)
51119	05/14/97	2,000	LOS BANOS CA REDEV AGCY T/A NO	0	0	0	0	0	(520)	0	0	(520)
51113	05/28/97	13,420	TARRANT CO TX-ST JOSEPH LT CAR	4,996	0	(3,200)	(35)	1,761	(182)	0	0	1,579
51108	05/29/97	11,000	MURIETA CA COP-ROAD IMPR PROJ	1,732	0	0	(375)	1,357	(110)	0	(44)	1,203
51074	06/18/97	35,790	FONTANA UNIF SCHOOL DIST SRS 9	3,416	0	(50)	(1,985)	1,381	(187)	0	0	1,194
51124	07/08/97	5,000	MESQUITE NV TAX ALLOC BD ANTIC	51,093	0	(9,838)	(10,040)	31,215	(6,764)	0	(2,360)	22,091
51104	07/30/97	4,370	SAN MARCOS CA SPECIAL TX REV B	46,608	0	(20,592)	(3,045)	22,971	(964)	0	0	22,007
51123	07/31/97	10,370	SAN BERN JPFA LEASE REV RFDG	173,549	0	0	(23,425)	150,124	(1,182)	0	(1,504)	147,438
51106	07/31/97	7,645	MOORPARK CA COMM FAC DIST 97-1	76,179	0	(38,032)	(7,500)	30,647	(975)	0	(1,051)	28,621
51073	07/31/97	5,160	DINUBA CA REDEV AGCY TAX ALLOC	64,726	(11,875)	(475)	(95)	52,281	(1,654)	0	0	50,627
51130	07/31/97	186,256	CENTRAL VALLEY UNIF SCHOOL DIS	479,312	0	0	0	479,312	(45,235)	0	(1,621)	432,456
51129	08/01/97	53,005	WALNUT VALLEY UNIF SCHOOL DIST	135,030	0	0	0	135,030	(45,496)	0	0	89,534
51046	08/28/97	26,000	SPARKS NV TAX ALLOC REV RFDG	0	0	0	0	0	0	0	(1,133)	(1,133)
TOTAL MUNICIPAL BOND U/W				1,029,067	(11,875)	(72,187)	(46,500)	898,505	(103,269)	0	(7,782)	787,454
INVESTMENT BANKING FEES												
47537	07/12/95	20,275	REDLANDS-94 SUBORD TX ALLOC RM	25,000	0	0	0	25,000	0	0	0	25,000
51076	10/08/96		SAN BERN SOLID WASTE-EMP BENEF	0	0	0	0	0	0	0	(243)	(243)
51113	05/28/97	13,420	TARRANT CO TX-ST JOSEPH LT CAR	15,000	0	0	0	15,000	0	0	0	15,000
51131	07/23/97	9,435	VENTURA-HACIENDA DE CAMARILLO	22,288	0	0	0	22,288	0	0	0	22,288
TOTAL INVESTMENT BANKING FEES				62,288	0	0	0	62,288	0	0	(243)	62,045
TOTAL REVENUES				1,091,355	(11,875)	(72,187)	(46,500)	960,793	(103,269)	0	(8,025)	849,499
OPEN ISSUES												
41570			BUS DEV CONS: OXBERRY	0	0	0	0	0	0	0	(15,297)	(15,297)
41621			BUS DEV CONS: JOE MILLER	0	0	0	0	0	0	0	(3,000)	(3,000)
41625		250,000	PALMDALE ELECTRIC SYSTEM	0	0	0	0	0	0	0	(22)	(22)
51026			LINDSAY FIN AUTH-HENY MAYO HOS	0	0	0	0	0	(9,250)	0	0	(9,250)
51034			SAN BERN-TRANS 1 YR NOTE	0	0	0	0	0	0	0	(161)	(161)
51037			WASTE MANAGEMENT LEASE	0	0	0	0	0	0	0	(301)	(301)
51068			SAN BERNARDINO 1997-1998 TRAN	0	0	0	0	0	0	0	(299)	(299)
51092			BUS DEV CONS: BIO-RECLAMATION	0	0	0	0	0	(75,000)	0	0	(75,000)
51097			WALLER CNTY TEXAS UNITED TIRE	0	0	0	0	0	0	0	(273)	(273)
51099			NATIONAL ASS. OF COUNTIES-NACO	0	0	0	0	0	0	0	(2,549)	(2,549)
51103			MONTE VISTA WATER DIST WATER C	0	0	0	0	0	0	0	(140)	(140)

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
51114		CITY OF THOUSAND OAKS SHADOW R	0	0	0	0	0	0	0	(177)	(177)
51117		CITY OF HENDERSON,NV MONARCH G	0	0	0	0	0	0	0	(1,233)	(1,233)
51118		CITY OF SAN DIEGO SCRIPPS MEDI	0	0	0	0	0	0	0	(1,484)	(1,484)
51120		MIAMI HLTH FAC AUTH.-SARASOTA	0	0	0	0	0	0	0	(1,823)	(1,823)
51126	155,000	COLUMBUS UNIFIED SCHOOL DIST	0	0	0	0	0	98	0	0	98
51132	35,400	EL CAJON DEVELOPMENT AGCY	0	0	0	0	0	0	0	(99)	(99)
0343		MIKE CAVANAUGH PROMO	0	0	0	0	0	0	0	(55)	(55)
0445		RHONDA CONNOLLY PROMO	0	0	0	0	0	0	0	(151)	(151)
0590		VIC DHOOGE PROMO	0	0	0	0	0	0	0	(124)	(124)
1266		JIM HATTER PROMO	0	0	0	0	0	0	0	(1,362)	(1,362)
1590		JIM IVERSON PROMO	0	0	0	0	0	0	0	(1,499)	(1,499)
1805		MAURICE KIRKHOFER PROMO	0	0	0	0	0	0	0	(348)	(348)
2320		KERMIT MCMILLIN PROMO	0	0	0	0	0	0	0	(73)	(73)
9012		MICHAEL WHIPPLE PROMO	0	0	0	0	0	0	0	(715)	(715)
		ADVERTISING/PROMOTION	0	0	0	0	0	0	0	4,912	4,912
TOTAL OPEN ISSUES			0	0	0	0	0	(84,152)	0	(26,273)	(110,425)
TOTAL SOLANA BEACH U/W			1,091,355	(11,875)	(72,187)	(46,500)	960,793	(187,421)	0	(34,298)	739,074

MILLER & SCHROEDER FINANCIAL, INC.
PASADENA U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
1997	VICTOR LEE PROMO	0	0	0	0	0	0	0	(1,471)	(1,471)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	(1,471)	(1,471)
TOTAL PASADENA U/W		0	0	0	0	0	0	0	(1,471)	(1,471)

MILLER & SCHROEDER FINANCIAL, INC.
SEATTLE U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
INVESTMENT BANKING FEES												
54042	07/14/97	10,300	PHOENIX AZ-RANCHO LADERA FIN A	10,000	0	0	0	10,000	0	0	0	10,000
TOTAL INVESTMENT BANKING FEES				10,000	0	0	0	10,000	0	0	0	10,000
TOTAL REVENUES				10,000	0	0	0	10,000	0	0	0	10,000
OPEN ISSUES												
54007			BERNATILLO CNTY NEW MEXICO	0	0	0	0	0	0	0	(1,347)	(1,347)
54026			MARICOPA CNTY,AZ ARCADIA VISTA	0	0	0	0	0	0	0	(1,062)	(1,062)
54038		86,000	BROWARD CO FL-JOHN HANCOCK/GAN	0	0	0	0	0	(12)	0	(1,312)	(1,324)
54039		86,000	DADE CO FL-JOHN HANCOCK/GANNON	0	0	0	0	0	(56)	0	(1,307)	(1,363)
54040		86,000	ST LOUIS MO-JOHN HANCOCK/GANNO	0	0	0	0	0	(15)	0	(1,453)	(1,468)
TOTAL OPEN ISSUES				0	0	0	0	0	(83)	0	(6,481)	(6,564)
TOTAL SEATTLE U/W				10,000	0	0	0	10,000	(83)	0	(6,481)	3,436

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MILLER & SCHROEDER FINANCIAL, INC.
SACRAMENTO U/W REVENUE SUMMARY
July 31, 1997

Cat # RV-157

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
2586	S NIELSON PROMO	0	0	0	0	0	0	0	(2,176)	(2,176)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	(2,176)	(2,176)
TOTAL SACRAMENTO U/W		0	0	0	0	0	0	0	(2,176)	(2,176)

MILLER & SCHROEDER FINANCIAL, INC.
SELF-INS GROUP REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
44544	FRESNO COUNTY SELF INSURANCE	0	0	0	0	0	0	0	(742)	(742)
43006	SONOMA CTY SELF INS TX & TE	0	0	0	0	0	0	0	(82)	(82)
61003	STATE OF WYOMING EMPL BENEFITS	0	0	0	0	0	0	0	(2,424)	(2,424)
61011	STATE OF NORTH DAKOTA	0	0	0	0	0	0	0	(57)	(57)
61014	CITY OF AUSTIN TEXAS	0	0	0	0	0	0	0	(1,643)	(1,643)
61027	SAN BERNARDINO CNTY SELF INS.F	0	0	0	0	0	(20,214)	0	(1,215)	(21,429)
61031	SACRAMENTO CO WORKERS COMP	0	0	0	0	0	0	0	(448)	(448)
2786	S PATRAN PROMO	0	0	0	0	0	0	0	(895)	(895)
2789	BRIAN PAULSON PROMO	0	0	0	0	0	0	0	(1,835)	(1,835)
	ALL OTHER	0	0	0	0	0	0	0	(165)	(165)
TOTAL OPEN ISSUES		0	0	0	0	0	(20,214)	0	(9,506)	(29,720)
TOTAL		0	0	0	0	0	(20,214)	0	(9,506)	(29,720)

MILLER & SCHROEDER FINANCIAL, INC.
ADMIN U/W REVENUE SUMMARY
July 31, 1997

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
INVESTMENT BANKING FEES									
40134 01/31/97 12,000 BROWARD CO FL-WINDOVER OAKS	(42,000)	0	0	0	(42,000)	0	0	0	(42,000)
TOTAL INVESTMENT BANKING FEES	(42,000)	0	0	0	(42,000)	0	0	0	(42,000)
TOTAL REVENUES	(42,000)	0	0	0	(42,000)	0	0	0	(42,000)
OPEN ISSUES									
0110 JOHN ARVOLD PROMO	0	0	0	0	0	0	0	(1,310)	(1,310)
SUITE RENTAL EXPENSE	0	0	0	0	0	0	0	(994)	(994)
ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(25,604)	(25,604)
TOTAL OPEN ISSUES	0	0	0	0	0	0	0	(27,908)	(27,908)
TOTAL ADMIN U/W	(42,000)	0	0	0	(42,000)	0	0	(27,908)	(69,908)

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MILLER & SCHROEDER FINANCIAL, INC.
U/W REVENUE RECAP BY CATEGORY & DEPT
July 31, 1997

Cat # RV-100

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W
MUNICIPAL BOND U/W-					
11 - MINNEAPOLIS U/W	1,674,251	(233,427)	(225,761)	(57,398)	1,157,665
12 - ST PAUL U/W	196,107	(15,725)			180,382
13 - COLUMBUS U/W	324,288	(42,819)			281,469
22 - TAXABLE FINANCING (SWE)	9,044				9,044
51 - SOLANA BEACH U/W	4,667,296	(252,315)	(960,564)	(143,560)	3,310,857
53 - PASADENA U/W	237,573				237,573
54 - SEATTLE U/W	702,755	(94,912)	(11,550)	(842)	595,451
57 - SACRAMENTO U/W	297,467	(30,720)		(2,588)	264,159
74 - M&S U/W (CA TRAD)	96,534		(21,761)		74,773
TOTAL MUNICIPAL U/W	8,205,315	(669,918)	(1,219,636)	(204,388)	6,111,373
INVESTMENT BANKING FEES-					
11 - MINNEAPOLIS U/W	522,743				522,743
12 - ST PAUL U/W	16,701				16,701
13 - COLUMBUS U/W	65,943				65,943
51 - SOLANA BEACH U/W	276,392				276,392
54 - SEATTLE U/W	20,000				20,000
56 - ORLANDO U/W	32,117				32,117
57 - SACRAMENTO U/W	30,000				30,000
81 - CORPORATE ADMIN	37,500				37,500
TOTAL INVEST BANK FEES	1,001,396				1,001,396
MORTGAGE BANKING-					
20 - MORTGAGE BANKING	2,142,174		(815,600)		1,326,574
25 - MILWAUKEE MORTGAGE/SBA	648,083		(303,862)		344,221
TOTAL MORTGAGE BANKING	2,790,257		(1,119,462)		1,670,795
TAXABLE FINANCING-					
22 - TAXABLE FINANCING	1,880,535		(698,978)		1,181,557
35 - TAXABLE TRADING	61,956		(28,462)		33,494
35 - TAXABLE TRADING-LEASES	(4,758)				(4,758)
21 - LOAN ADMINISTRATION	5,078				5,078
TOTAL TAXABLE FINANCING	1,942,811		(727,440)		1,215,371
CORPORATE CAPITAL-					
23 - CORPORATE CAPITAL GROUP	(14,853)		(88,180)	(3,432)	(106,465)
TOTAL U/W PROFIT/FEES	13,924,926	(669,918)	(3,154,718)	(207,820)	9,892,470

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
40094	03/31/94	1,090	S CENTRAL MULTI CNTY-SIBLEY	0	0	0	0	0	0	0	(44)	(44)
40138	11/04/94	3,609	CHASKA HRA MULTI-FAMILY HOUSIN	3,757	0	0	0	3,757	0	0	0	3,757
40110	12/29/94	5,440	SANDSTONE ECON DEV AUTH HSG DE	0	0	0	0	0	0	0	(117)	(117)
40214	06/29/95	12,615	NW MULTI CNTY HRA 95	0	0	0	0	0	0	0	(24)	(24)
40179	09/27/95	25,242	MN MULTI-ISSUERS 95ABCDE	(24,130)	0	0	0	(24,130)	0	0	0	(24,130)
47539	01/30/96	2,050	MPLS VAR PURPOSE SRS 95B RMKTG	0	(235)	0	0	(235)	0	0	0	(235)
40305	02/27/96	4,160	COLD SPRING ASSUMPTION HOME SR	0	0	0	0	0	(5)	0	(186)	(191)
10029	02/28/96	8,930	MPLS/ST PAUL HRA PHASE I RFDG	(374)	0	(428)	(50)	(852)	0	0	0	(852)
10024	03/29/96	8,890	ROCHESTER-SAMARITAN BETHANY IN	0	0	0	0	0	0	0	(139)	(139)
40283	05/08/96	5,925	EAST MOLINE IL-NORTH HILL	0	0	0	0	0	0	0	(379)	(379)
10041	06/04/96	8,465	VIRGINIA MN-WA MANOR SRS 96	0	0	0	0	0	0	0	(132)	(132)
10013	06/11/96	10,062	MN MULTI-ISSUERS SFMRB 96A	0	0	0	0	0	0	0	(111)	(111)
10023	07/30/96	5,860	FERGUS FALLS-PIONEER HOME	0	0	0	0	0	0	0	(157)	(157)
47547	07/31/96	28,200	CITY OF MPLS VAR RATE BONDS SR	0	(14,375)	0	0	(14,375)	0	0	0	(14,375)
47548	09/20/96	12,555	MPLS/ST PAUL SFMRB PHASE X RMK	892	0	0	0	892	0	0	0	892
10082	10/15/96	3,165	MN VALLEY TRANSIT 96A	3,033	0	(2,950)	(2,322)	(2,239)	0	0	0	(2,239)
10086	10/30/96	8,770	HOPKINS MN-OAKS OF MAIN ST	29,182	0	(20,512)	(3,860)	4,810	4,536	0	(193)	9,153
10072	10/30/96	545	MPLS COMM DEV AG-LAVIN PROJ 96	6,800	0	(5,075)	(495)	1,230	(129)	0	0	1,101
48143	11/01/96	381	ST CROIX RIVER REMKT	0	0	(1,898)	0	(1,898)	0	0	0	(1,898)
10088	11/13/96	1,265	DELANO-WRIGHT CO ELECTRIC	15,785	0	(9,738)	(1,422)	4,625	325	0	0	4,950
10077	11/18/96	4,135	APPLETON INDEP HSNG SR96	96,375	0	(38,742)	(4,585)	53,048	(4,489)	0	(997)	47,562
10084	11/26/96	26,000	MARICOPA CO AZ-TEMPE GROVE APT	164,538	(39,500)	0	0	125,038	(22,075)	0	(3,183)	99,780
10089	11/26/96	2,125	STILLWATER-COTTAGES OF STILLWA	45,650	(5,150)	(650)	(65)	39,785	(907)	0	(390)	38,488
47552	12/02/96	205	EVANSVILLE WI-BAKER BLOCK RMKT	0	0	(2,050)	(205)	(2,255)	0	0	0	(2,255)
10106	01/21/97	10,845	CTY ST CLOUD GO SR A&B JT	9,925	0	(2,969)	(6,572)	384	0	0	0	384
10091	01/23/97	7,185	AURORA IL-FOX VALLEY TWO	88,850	(17,962)	0	0	70,888	(18,075)	0	(1,091)	51,722
10109	01/29/97	3,210	H R PARKWAY VAR RATE DEMAND	23,988	0	0	0	23,988	(449)	0	(28)	23,511
10004	01/30/97	4,050	MPLS HSNG AUTH GEN CREDIT ENER	70,750	(10,125)	0	0	60,625	(5,843)	0	(44)	54,738
10113	03/17/97	2,550	COTTAGES OF STILLWATER SRS 97	58,588	(6,375)	0	0	52,213	(2,720)	0	0	49,493
10058	03/18/97	4,995	IOWA FIN AUTH-T D MARC	59,288	(12,488)	0	0	46,800	(639)	0	(2,947)	43,214
10092	03/20/97	4,005	ST CLOUD HRA-PARAMOUNT THEATER	19,024	(5,006)	0	0	14,018	(1,199)	0	(51)	12,768
10120	03/27/97	6,198	NASHUA NH-CLOCKTOWER PROJECT	61,980	(15,495)	0	0	46,485	(1,184)	0	(4,529)	40,772
10097	04/15/97	20,335	MPLS/ST PAUL HRA PHASE MID-INC	57,443	0	0	0	57,443	(2,119)	0	(3,213)	52,111
40290	04/15/97	6,500	MPLS COMMUNITY HOME PROJ SRS 9	193,837	0	(101,483)	(6,818)	85,536	(4,399)	0	(1,241)	79,896
10066	05/06/97	2,000	FARMINGTON MN-WFW VENTURES LLP	30,000	(5,000)	0	0	25,000	(499)	0	(246)	24,255
10133	05/13/97	3,194	SEATTLE WA-MT ZION HSNG PROJ	40,333	(7,985)	0	0	32,348	(1,911)	0	(1,718)	28,719
10094	05/29/97	13,394	MN MULTI-ISSUERS SFMRB SRS 199	100,461	0	0	0	100,461	(1,495)	0	(313)	98,653
10074	06/03/97	12,055	SCOTT CO HRA-JUSTICE CENTER	54,238	(13,718)	(1,200)	(12,475)	26,845	(1,643)	0	(400)	24,802
10145	06/12/97	1,600	JUNEAU WI COMM DEV LEASE REV B	17,962	0	(7,913)	(2,075)	7,974	(619)	0	(189)	7,166
10032	06/19/97	8,440	ANOKA CO G.O.-ICE ARENA REV BD	29,830	(6,780)	(4,681)	(1,332)	17,037	(4,147)	0	(64)	12,826
10141	06/19/97	3,350	ROTHSCHILD WI G.O. PROMISSORY	46,765	0	(10,284)	(4,850)	31,631	(710)	0	(1,313)	29,608

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
10071	06/26/97	20,576	DAKOTA CO HRA SFMRB SRS 1997	160,554	(42,795)	(5,569)	(6,914)	105,276	(2,439)	0	(1,057)	101,780
10101	07/09/97	4,330	CARVER CO HRA-LAKE GRACE RFDG	83,073	(9,125)	(4,556)	(810)	68,582	(1,051)	0	(1,513)	66,018
10014	07/23/97	20,000	MPLS/ST PAUL SFMRB PH XI RFDG-	32,133	(2,000)	(5,062)	(2,548)	22,523	0	0	(8)	22,515
10125	07/25/97	7,725	CA STATEWIDE-BORREGAS COURT PR	93,722	(19,312)	0	0	74,410	(948)	0	(4,647)	68,815
TOTAL MUNICIPAL U/W				1,674,252	(233,426)	(225,760)	(57,398)	1,157,668	(74,833)	0	(30,664)	1,052,171
INVESTMENT BANKING FEES												
47504	12/13/93	26,000	BLOOM-HAMPSHIRE APTS RMKT FEE	9,469	0	0	0	9,469	0	0	0	9,469
47518	12/31/93	5,500	FBS-CASS OIL RMKT FEE	5,170	0	0	0	5,170	0	0	0	5,170
47515	03/08/94		DAK CTY GNMA 1987 RMKTG	389	0	0	0	389	0	0	0	389
47516	03/08/94		DAK CTY SO STP GNMA 1988 RMKTG	419	0	0	0	419	0	0	0	419
47544	03/21/94	2,935	NEW BRIGHTON VEN I&II RMKTG	4,220	0	0	0	4,220	0	0	0	4,220
47543	04/23/96	72,000	MPLS G.O.-TARGET CTR RMKTG	1,398	0	0	0	1,398	0	0	0	1,398
40317	10/03/96	20,000	DAK CNTY SFH PROG SR 96	0	0	0	0	0	(387)	0	0	(387)
47549	10/03/96	4,125	CITY OF BLOOM ATS II 93	2,578	0	0	0	2,578	0	0	0	2,578
10086	10/30/96	8,770	PACKERKANE-HOPKINS OAKS OF MAI	2,931	0	0	0	2,931	0	0	0	2,931
10084	11/26/96	26,000	PACKERKANE-MARICOPA CO-TEMPE G	7,577	0	0	0	7,577	0	0	0	7,577
10089	11/26/96	2,125	PACKERKANE-COTTAGES OF STILLWA	1,167	0	0	0	1,167	0	0	0	1,167
40229	12/30/96	27,493	IOWA FIN AUTH STRUCTURING AGEN	293,048	0	0	0	293,048	(129,715)	(15,400)	(7,180)	140,753
40134	01/24/97	12,000	BROWARD CO FL-WINDOVER OAKS	53,683	0	0	0	53,683	0	0	(18,499)	35,184
10038	01/30/97	1,000	DAKOTA CO-HASTINGS TAX CREDITS	25,000	0	0	0	25,000	0	0	(4,565)	20,435
10091	02/26/97	7,185	AURORA IL-FOX VALLEY TWO	1,500	0	0	0	1,500	0	0	0	1,500
47552	02/28/97	205	EVANSVILLE WI-BAKER BLOCK 86	4,100	0	0	0	4,100	0	0	0	4,100
10113	03/17/97	2,550	COTTAGES OF STILLWATER SRS 97	51,767	0	0	0	51,767	0	0	0	51,767
10123	04/14/97	2,565	MCDA-LASALLE RAMP FIN ADV	1,000	0	0	0	1,000	0	0	0	1,000
10044	04/30/97	4,600	MCDA-AMBASSADOR PRINTING FIN A	23,000	0	0	0	23,000	0	0	(108)	22,892
10118	04/30/97	2,500	MCDA-AL HALPER BOX FIN ADV	12,000	0	0	0	12,000	0	0	(38)	11,962
10131	04/30/97	1,365	MCDA-SHAW ACQ CO RFDG 97-3	6,825	0	0	0	6,825	0	0	(133)	6,692
10132	04/30/97	1,450	MCDA-BW DEVELOPMENT LLP FIN AD	14,500	0	0	0	14,500	0	0	0	14,500
47553	06/12/97	400	ST CLOUD-PARAMOUNT THEATER RMK	1,001	0	0	0	1,001	0	0	0	1,001
TOTAL INVESTMENT BANKING FEES				522,742	0	0	0	522,742	(130,102)	(15,400)	(30,523)	346,717
MUNICIPAL LEASE REVENUES												
40310	09/28/95	738	BIG LAKE, MN-ISD #727	0	0	0	0	0	(1,665)	0	0	(1,665)
TOTAL MUNICIPAL LEASE				0	0	0	0	0	(1,665)	0	0	(1,665)
TOTAL REVENUES				2,196,994	(233,426)	(225,760)	(57,398)	1,680,410	(206,600)	(15,400)	(61,187)	1,397,223

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
July 31, 1997

OPEN ISSUES	*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
40010		ST CLOUD NORTHWAY REFUNDING	0	0	0	0	0	0	0	(138)	(138)
40017		GENERAL SINGLE FAM REFUNDING	0	0	0	0	0	0	0	(1,268)	(1,268)
40021	5,300	ST CLOUD HRA-CENT SQUARE II	0	0	0	0	0	0	0	(34)	(34)
40029	47,000	DES MOINES-HILLSIDE NEIGHBOR	0	0	0	0	0	16,950	0	612	17,562
40036		STATE LEGISLATION	0	0	0	0	0	0	0	(511)	(511)
40054		FED LEGISLATION	0	0	0	0	0	0	0	(677)	(677)
40101	10,000	ITASCA CTY HRA-GOVT HSG	0	0	0	0	0	(7,900)	0	0	(7,900)
40130	13,000	WELSH COMP ST LOUIS	0	0	0	0	0	0	0	(22)	(22)
40135	20	BREVARD CTY HSG FIN AUTH	0	0	0	0	0	0	0	(41)	(41)
40140	3,500	AUSTIN MULTI FAM	0	0	0	0	0	0	0	(17)	(17)
40169	2,000	TAMPA HSG AUTH-MORGAN APTS	0	0	0	0	0	0	0	(1,412)	(1,412)
40203		WADENA ESSENTIAL FUNCTION MULT	0	0	0	0	0	0	0	(20)	(20)
40241		BUS DEV CONS: DIXON	0	0	0	0	0	0	0	(2,714)	(2,714)
40244		BUS DEV CONS: GRIGGS & SANTOW	0	0	0	0	0	0	0	(1,875)	(1,875)
40246	10,000	SOUTH DAKOTA HOUSING PROGRAM	0	0	0	0	0	(22,221)	0	0	(22,221)
40248		RANGE CNTY JT POWERS BOARD	0	0	0	0	0	0	0	(400)	(400)
40263		GARCIA AND ASSOCIATES	0	0	0	0	0	0	0	(9,000)	(9,000)
40264		HENNEPIN CO-MINERGY	0	0	0	0	0	0	0	(2,500)	(2,500)
40292		NW MN MULTI CO HRA PHASE II	0	0	0	0	0	0	0	(1,043)	(1,043)
40312		SOUTHEAST MN SINGLE FAMILY HSN	0	0	0	0	0	0	0	(53)	(53)
40315		HOPKINS ESSENTIAL FUNCTION BDS	0	0	0	0	0	0	0	(260)	(260)
48079		SANTA ANA PUEBLO	0	0	0	0	0	0	0	(105)	(105)
49522		MAPLE CONSULTING	0	0	0	0	0	(9,700)	0	0	(9,700)
10006	11,400	PLYMOUTH-FOX FOREST APTS	0	0	0	0	0	0	0	(6)	(6)
10011	10,000	MULTI-ISSUER-MILITARY HSNG	0	0	0	0	0	(26,083)	0	(8,738)	(34,821)
10025		SANDIA PUEBLO	0	0	0	0	0	0	0	(576)	(576)
10036		KEVIN FOLEY CONSULTING	0	0	0	0	0	0	0	(10,000)	(10,000)
10039	7,600	TAMPA HSNG AUTH-EAGLES POINT	0	0	0	0	0	0	0	(650)	(650)
10043		WILLIAM DREW CONSULTING	0	0	0	0	0	0	0	(18,000)	(18,000)
10047		JANZEN BROS CONSULTING	0	0	0	0	0	0	0	(22,088)	(22,088)
10052	8,500	DEKALB COUNTY CROSSINGS	0	0	0	0	0	0	0	(43)	(43)
10056	4,000	MITCHELL COUNTY MEDICAL CENTER	0	0	0	0	0	0	0	(198)	(198)
10062	4,000	OSSEO MN-HEALTH DIMENSIONS	0	0	0	0	0	0	0	(635)	(635)
10067		EDEN PRAIRIE-PARKWAY APTS	0	0	0	0	0	0	0	(1,318)	(1,318)
10070		ANOKO CTY HRA HOMEOWNERSHIP PR	0	0	0	0	0	0	0	(154)	(154)
10076	1,500	ROSEBUD SIOUX TRIBE-WHITE RIVE	0	0	0	0	0	0	0	(883)	(883)
10078	5,500	VOORHEES CAPITL GRP.MULTIFAM.H	0	0	0	0	0	0	0	(73)	(73)
10080	9,000	CITY MANSON,IA SOUTHBRIDGE MA	0	0	0	0	0	0	0	(419)	(419)
10087	200,000	MIAMI,FL POWER PLANT/PHILIPS P	0	0	0	0	0	0	0	(182)	(182)
10090		SOUTH DAKOTA STUDENT LOAN PROG	0	0	0	0	0	(34)	0	(2,402)	(2,436)
10093	15,000	COMMUNITY HSG CORP-U OF M PROJ	0	0	0	0	0	0	0	(114)	(114)

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
10095	20,000	COMMUNITY HSG CORP-ST THOMAS P	0	0	0	0	0	(1,702)	0	(205)	(1,907)
10098	100,000	SALT RIVER COMM TAX EXEMPT & T	0	0	0	0	0	0	0	(316)	(316)
10099	2,000	RED LK FALLS SECTION 8 TAX EXE	0	0	0	0	0	0	0	(529)	(529)
10100		LEASING SOLUTIONS-TE TRUSTS	0	0	0	0	0	(22,500)	0	(4,566)	(27,066)
10102	54,000	DES MOINES AIRPORT	0	0	0	0	0	0	0	(8,536)	(8,536)
10103	4,750	SPPA JACKSON TOWERS	0	0	0	0	0	(366)	0	(103)	(469)
10107	15,000	SECTION 8 REFUNDING	0	0	0	0	0	(200)	0	(531)	(731)
10108	75,000	DAKOTA/MPLS MULTI ISSUER	0	0	0	0	0	0	0	(1,106)	(1,106)
10112	4,000	FARIBAULT HRA-TRAILS EDGE RFDG	0	0	0	0	0	0	0	(46)	(46)
10114		NW MULTI CNTY WORKOUT EXP	0	0	0	0	0	(73,530)	0	(5,008)	(78,538)
10117	50,000	GOVERNMENT EDUCATION ASSIST CO	0	0	0	0	0	(75)	0	(296)	(371)
10119	23,000	MILWAUKEE HSING AUTH S.F. REFU	0	0	0	0	0	0	0	(4,440)	(4,440)
10121	4,600	RFDS TAX-EXEMPT ASST LIVING NE	0	0	0	0	0	(66)	0	(891)	(957)
10124	8,000	NEW HOPE PASTA MFG FAC	0	0	0	0	0	0	0	(103)	(103)
10126	8,000	COLORADO RIVER TRIBE-WASTEWATE	0	0	0	0	0	0	0	(888)	(888)
10127	8,000	LAKE SUPERIOR CENTER FISH AQUA	0	0	0	0	0	0	0	(1,207)	(1,207)
10128	11,500	UNIV OF ST THOMAS LEASE BACKED	0	0	0	0	0	(2,700)	0	(60)	(2,760)
10129	24,000	CITY OF MPLS WORKERS COMP SELF	0	0	0	0	0	0	0	(63)	(63)
10134		CITY OF DESMOINES WATERWORKS	0	0	0	0	0	0	0	(1,049)	(1,049)
10135	10,000	GLENVIEW IL-VALLEY TOWERS	0	0	0	0	0	0	0	(1,635)	(1,635)
10137	5,000	SAN JUAN PUEBLO WASTEWATER	0	0	0	0	0	0	0	(1,349)	(1,349)
10138		PHIL MCMULLEN CONSULTING	0	0	0	0	0	0	0	(10,571)	(10,571)
10139	4,800	WISCONSIN HEALTH FACILITIES AU	0	0	0	0	0	0	0	(2,634)	(2,634)
10140	10,000	SAN JUAN PUEBLE CASINO	0	0	0	0	0	0	0	(230)	(230)
10142		ROZET ASSOC FINANCIAL CORP	0	0	0	0	0	0	0	(2,381)	(2,381)
10143	4,000	BAY CITY HOUSING COMMISSION	0	0	0	0	0	0	0	(56)	(56)
10144	20,000	PENNSYLVANIA TURNPIKE AUTH	0	0	0	0	0	0	0	(148)	(148)
10146	12,000	THE WEDUM FOUNDATION	0	0	0	0	0	0	0	(92)	(92)
10147		ASSOC OF BAY AREA GOVT-GILROY	0	0	0	0	0	0	0	(4,755)	(4,755)
10148	5,000	GRAND RAPIDS-PLEASANT SEASONS	0	0	0	0	0	0	0	(3,699)	(3,699)
10149	11,400	DAKOTA CO-S SUBURBAN MED CTR	0	0	0	0	0	0	0	(339)	(339)
10150	4,000	CITY OF MPLS-CATHOLIC ELDERCAR	0	0	0	0	0	0	0	(44)	(44)
10151	10,100	EDEN PRAIRIE COMMONS	0	0	0	0	0	0	0	(579)	(579)
10152	9,800	CEDAR CREST HOUSING	0	0	0	0	0	0	0	(2,071)	(2,071)
10154	4,000	EDEN PRAIRIE-PRESERVE PLACE	0	0	0	0	0	0	0	(833)	(833)
10155	11,800	ARDEN HILLS-BETHEL COLLEGE	0	0	0	0	0	0	0	(106)	(106)
10156	2,500	FRANKLIN WI-DOUBLE TAX-EXEMPT	0	0	0	0	0	0	0	(3,132)	(3,132)
10157		INSIGNIA MTG PROJECTS	0	0	0	0	0	0	0	(1,432)	(1,432)
10158	17,800	BURNSVILLE MN-SOUTHWIND VILLAG	0	0	0	0	0	0	0	(8)	(8)
10160	4,000	CARVER CO-WAYBURY APTS	0	0	0	0	0	0	0	(77)	(77)
10161	4,500	MPLS-WANNER ENG IND REV BONDS	0	0	0	0	0	0	0	(61)	(61)
10162	7,850	DALLAS HSNG AUTH TOWNE CENTER	0	0	0	0	0	0	0	(220)	(220)
00000		OTHER ISSUE EXPENSES	0	0	0	0	0	(497)	0	(365)	(862)

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
0119	DENNIS BALYEAT	0	0	0	0	0	0	0	(5,066)	(5,066)
0518	JIM DANFORD	0	0	0	0	0	0	0	(7,970)	(7,970)
0560	LOU DEMARS	0	0	0	0	0	0	0	(769)	(769)
0710	PAUL EKHOLM	0	0	0	0	0	0	0	(5,816)	(5,816)
0797	ANTON FAUPL	0	0	0	0	0	0	0	(3,508)	(3,508)
1632	JAY JENSEN	0	0	0	0	0	0	0	(103)	(103)
1931	TOM LAIRD	0	0	0	0	0	0	0	(270)	(270)
1941	GARY LAMPPA	0	0	0	0	0	0	0	(5,852)	(5,852)
2057	JOHN LINDEMAN	0	0	0	0	0	0	0	(658)	(658)
2144	ERIC LUNDE	0	0	0	0	0	0	0	(2,488)	(2,488)
2655	PATRICK O'LEARY	0	0	0	0	0	0	0	(380)	(380)
2870	LAURA EKHOLM	0	0	0	0	0	0	0	(291)	(291)
2934	CHAD RACH	0	0	0	0	0	0	0	(1,595)	(1,595)
3172	PHIL MCMULLEN	0	0	0	0	0	0	0	(269)	(269)
	ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(18,131)	(18,131)
	OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(9,826)	(9,826)
TOTAL OPEN ISSUES		0	0	0	0	0	(150,624)	0	(217,709)	(368,333)
TOTAL MINNEAPOLIS U/W		2,196,994	(233,426)	(225,760)	(57,398)	1,680,410	(357,224)	(15,400)	(278,896)	1,028,890

MILLER & SCHROEDER FINANCIAL, INC.
ST PAUL U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
12002	09/17/96	4,135	ST PAUL-RICE & ARLINGTON REC F	$0	$0	$0	$0	$0	$0	$0	$(40)	$(40)
12017	01/29/97	6,290	DAKOTA CO HRA-PARK PLACE APTS	75,282	(15,725)	0	0	59,557	(1,265)	0	(661)	57,631
12022	04/28/97	3,000	SPPA-HARRIS CONTRACTING PROJ-J	15,000	0	0	0	15,000	0	0	0	15,000
12021	06/03/97	2,295	SPPA-NORTHERN IRON PROJECT JT	15,824	0	0	0	15,824	0	0	0	15,824
12019	06/10/97	24,295	ST PAUL HRA-TAX INCR REV RFDG	90,000	0	0	0	90,000	0	0	0	90,000
TOTAL MUNICIPAL U/W				196,106	(15,725)	0	0	180,381	(1,265)	0	(701)	178,415
INVESTMENT BANKING FEES												
47512	01/27/93		SPPA-WESTGATE FEE	1,650	0	0	0	1,650	0	0	0	1,650
47530	04/26/95		ST PAUL WATER REVENUE BONDS	6,031	0	0	0	6,031	0	0	0	6,031
12020	05/13/97	2,000	SPPA-BRO-TEX PLACEMENT FEE-JT	9,020	0	0	0	9,020	0	0	0	9,020
TOTAL INVESTMENT BANKING FEES				16,701	0	0	0	16,701	0	0	0	16,701
TOTAL REVENUES				212,807	(15,725)	0	0	197,082	(1,265)	0	(701)	195,116
OPEN ISSUES												
40504			ADOPT A HIGH RISE	0	0	0	0	0	0	0	(100)	(100)
12008			PENSION FD-TECH IND,INC 1STMOR	0	0	0	0	0	0	0	(75)	(75)
12010			ST.PAUL HSNG & RED AUTHORTY-PR	0	0	0	0	0	0	0	(941)	(941)
12011			BLOCK 39 FORWARD REFUNDING	0	0	0	0	0	0	0	(1,205)	(1,205)
12012			BLOCK 39 TAX INCREMENT	0	0	0	0	0	0	0	(217)	(217)
12014			BLOCK 39 PARKING REVENUE	0	0	0	0	0	0	0	(70)	(70)
12015			BLOCK 39 TXBL BOND	0	0	0	0	0	0	0	(73)	(73)
12016			GREAT PLAINS SOFTWARE	0	0	0	0	0	0	0	(7,885)	(7,885)
12018			WOODBURY VILLAGE MULTIFAMILY H	0	0	0	0	0	0	0	(152)	(152)
40036			STATE LEGISLATION	0	0	0	0	0	0	0	(51)	(51)
1831			J KLOOS PROMO	0	0	0	0	0	0	0	(128)	(128)
2310			G MCMAHON PROMO	0	0	0	0	0	0	0	(9,833)	(9,833)
3416			B SORENSON PROMO	0	0	0	0	0	0	0	(858)	(858)
			ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(7,403)	(7,403)
			OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(2,213)	(2,213)
TOTAL OPEN ISSUES				0	0	0	0	0	0	0	(31,204)	(31,204)
TOTAL ST PAUL U/W				212,807	(15,725)	0	0	197,082	(1,265)	0	(31,905)	163,912

MILLER & SCHROEDER FINANCIAL, INC.
COLUMBUS U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
13004	01/30/96	10,155	ST OF OHIO-RICKENBACKER PORT A	0	0	0	0	0	0	0	(472)	(472)
13019	11/07/96	8,305	LORAIN PORT IDR BRUSH WELLMAN	94,912	(10,381)	0	0	84,531	(9,440)	0	(4,926)	70,165
13025	11/12/96	5,975	HAMILTON CO-GARDEN HILL & WASH	149,375	(14,938)	0	0	134,437	(287)	0	(1,595)	132,555
13014	12/18/96	4,000	TOLEDO-LUC PORT 96-1 BURLINGTO	50,000	(10,000)	0	0	40,000	(527)	0	(6,849)	32,624
13031	04/17/97	3,000	BIRMINGHAM AL-JJ&W IV LTD	30,000	(7,500)	0	0	22,500	(469)	0	0	22,031
TOTAL MUNICIPAL U/W				324,287	(42,819)	0	0	281,468	(10,723)	0	(13,842)	256,903
INVESTMENT BANKING FEES												
41002	12/31/93		STATE OF OHIO BOND FUND	0	0	0	0	0	0	0	(2,575)	(2,575)
41003	12/31/93		TOLEDO BOND FUND	0	0	0	0	0	0	0	(2,238)	(2,238)
47535	06/01/94	9,000	MISSISSIPPI-METALLOY CORP RMKT	5,316	0	0	0	5,316	0	0	0	5,316
13016	03/29/96		CUYAHOGA CO-BEARINGS FIN ADV	0	0	0	0	0	(550)	0	0	(550)
47550	06/03/96	2,510	GAHANNA-FRANKLIN STEEL RMKTG	628	0	0	0	628	0	0	0	628
13027	10/24/96		ODOT SIB-EXPENSES	55,000	0	0	0	55,000	0	0	(3,284)	51,716
13012	10/30/96		COLLEGE BOND FUND PROGRAM	0	0	0	0	0	0	0	(86)	(86)
13029	11/20/96		ABS INDUSTRIES ESCROW 94-3	5,000	0	0	0	5,000	(1,412)	0	0	3,588
TOTAL INVESTMENT BANKING FEES				65,944	0	0	0	65,944	(1,962)	0	(8,183)	55,799
TOTAL REVENUES				390,231	(42,819)	0	0	347,412	(12,685)	0	(22,025)	312,702
OPEN ISSUES												
41005			TOLEDO/LUCAS CO PORT AUTH	0	0	0	0	0	0	0	(97)	(97)
41023		10,000	CLEVELAND PORT AUTH	0	0	0	0	0	0	0	(12,847)	(12,847)
41040			SOUTHERN AIR TRANSPORT	0	0	0	0	0	0	0	(20)	(20)
13011			MISC BUSINESS EXPENSES	0	0	0	0	0	0	0	(1,909)	(1,909)
13018			CUYAHOGA COUNTY BOND FUND	0	0	0	0	0	0	0	(195)	(195)
13021			TOLEDO PORT AUTH.HOOV.GRP-DEF	0	0	0	0	0	(81)	0	0	(81)
13030			UNDERWATER WORLD REFINANCING	0	0	0	0	0	(22)	0	(966)	(988)
13032			AUTO ASSET BACKED FINANCING	0	0	0	0	0	(3,000)	0	0	(3,000)
13033			FEDERATED RICKENBACKER PORT AU	0	0	0	0	0	0	0	(269)	(269)
0605			M DIPERNA PROMO	0	0	0	0	0	0	0	(11,259)	(11,259)
0662			M DOWNIE PROMO	0	0	0	0	0	0	0	(1,444)	(1,444)
0775			G FAIRBANKS PROMO	0	0	0	0	0	0	0	(1,756)	(1,756)
1257			D HART PROMO	0	0	0	0	0	0	0	(9,855)	(9,855)
1331			D HENDERSON PROMO	0	0	0	0	0	0	0	(6,927)	(6,927)
2100			T LONG PROMO	0	0	0	0	0	0	0	(21,452)	(21,452)
2100			T LONG COUNTRY CLUB DUES	0	0	0	0	0	0	0	(1,222)	(1,222)

MILLER & SCHROEDER FINANCIAL, INC.
COLUMBUS U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
OTHER TRAV & ENTERT	0	0	0	0	0	0	0	(2,570)	(2,570)
EVENT AND SPORT TICKETS	0	0	0	0	0	0	0	(560)	(560)
ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(7,297)	(7,297)
OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(3,508)	(3,508)
TOTAL OPEN ISSUES	0	0	0	0	0	(3,103)	0	(84,153)	(87,256)
TOTAL COLUMBUS U/W	390,231	(42,819)	0	0	347,412	(15,788)	0	(106,178)	225,446

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MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
July 31, 1997

Cat # RV-120

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS-ISSUE EXP	LESS-FINDERS FEE	LESS-T&E AND PROMO	NET PROFIT TO U/W
20034	11/14/96	7,031	INSTANT WEB REFINANCE	129,100	(49,218)	0	79,882	9,474	(8,589)	0	0	80,767
20039	12/18/96	2,100	LINCOLN NB BRANKER BUICK	63,000	(21,000)	0	42,000	5,180	(4,463)	0	0	42,717
20052	12/18/96	5,050	MPLS HOELAN BLDG	63,125	(30,300)	0	32,825	11,115	(13,216)	0	(14)	30,710
20051	12/27/96	7,300	BROOKLYN CTR RAINBOW FOODS	109,500	(51,100)	0	58,400	2,806	(2,191)	0	(33)	58,982
20058	01/21/97	750	CHANHASSEN COUNTRY SUITES 2	18,750	(9,275)	0	9,475	2,970	(992)	0	0	11,453
20055	01/22/97	835	BELLEVUE NB HOLLYWOOD VIDEO	16,700	(6,680)	0	10,020	1,226	(1,171)	0	(96)	9,979
20057	01/31/97	600	MPLS NATIONAL LODGING-LAND	18,000	(7,500)	0	10,500	4,215	(4,059)	0	0	10,656
20059	01/31/97	14,900	ST PAUL 3M DIST REFINANCE	372,500	(163,900)	0	208,600	9,517	(4,304)	0	0	213,813
20053	02/03/97		MPLS MID-CITY PLAZA PLCMT FEE	19,500	0	0	19,500	0	0	0	0	19,500
20045	02/21/97	500	KENOSHA MED OFFICE BLDG	16,250	(6,250)	(5,000)	5,000	800	(1,715)	0	(3)	4,082
20070	02/28/97	566	STILLWATER LUMBERMAN HOTEL MOD	11,500	0	0	11,500	0	(3,012)	0	(31)	8,457
20033	03/13/97	6,275	COHASSET TECHNIMAR MFG	156,875	(62,750)	0	94,125	11,545	(11,283)	0	(4)	94,383
20064	03/20/97	1,525	DESMOINES HOLLYWOOD VIDEO	26,700	(11,438)	0	15,262	5,037	(4,713)	0	(372)	15,214
20036	03/26/97	2,640	HIBBING IRONGATE MALL	52,800	(26,400)	0	26,400	13,239	(10,179)	0	0	29,460
20063	03/26/97	2,775	VIRGINIA ARROWHEAD HLTH CARE	55,500	(22,200)	0	33,300	4,418	(5,353)	(3,328)	0	29,037
20044	03/31/97	1,500	KENOSHA MEDICAL OFFICE BLDG	30,000	(13,500)	0	16,500	6,966	(5,747)	0	(454)	17,265
20050	03/31/97	3,100	BROOKLYN CENTER HOLIDAY INN	50,375	(24,800)	0	25,575	10,733	(10,029)	0	(15)	26,264
20073	04/22/97	1,025	COTTAGE GROVE HOLLYWOOD VIDEO	15,375	(7,175)	0	8,200	1,166	(401)	0	0	8,965
20065	04/25/97	4,050	ROCHESTER RAMADA INN	81,000	(36,450)	0	44,550	5,879	(4,452)	0	(41)	45,936
20072	04/29/97	2,850	BLOOMINGTON SLUMBERLAND	42,750	(19,950)	0	22,800	1,744	(1,473)	0	0	23,071
20080	04/30/97	2,064	RACINE RADISSON HARBOURWALK	30,960	(15,480)	0	15,480	2,020	(2,336)	0	0	15,164
20076	05/05/97	3,000	J LUPIENT WOKING CAPITAL LOC	30,000	(18,000)	0	12,000	5,220	(4,324)	0	0	12,896
20068	05/07/97	9,250	MINOT MEDICAL CENTER	161,875	(74,000)	(3,750)	84,125	15,369	(14,243)	0	(3,240)	82,011
20082	05/15/97	750	NATIONAL LODGING LAND PURCHASE	30,000	(9,000)	(7,500)	13,500	1,693	(2,760)	0	(44)	12,389
20074	05/30/97	2,000	S M TAUBE II UNSECURED LOAN	30,000	(20,000)	0	10,000	6,865	(13,985)	0	0	2,880
20086	06/23/97	2,300	DESMOINES HOWARD JOHNSONS	57,500	(23,000)	0	34,500	12,296	(12,559)	0	0	34,237
20085	06/25/97	3,474	MINNETONKA CORP CTR	63,776	(22,094)	0	41,682	3,000	(2,125)	0	0	42,557
20060	07/08/97	680	BLOOMINGTON LYNDALE ESTATES 2	20,000	(6,800)	(3,400)	9,800	1,597	(1,987)	0	(8)	9,402
20087	07/23/97	4,700	WOODBURY VILLAGE APTS	35,250	0	0	35,250	0	(180)	0	(15)	35,055
20066	07/30/97	1,800	EDEN PRAIRIE WOOLSEY PROP	27,000	(13,500)	0	13,500	6,209	(6,028)	0	0	13,681
20077	07/30/97	1,620	NEW HOPE PARKWAY BUSINESS CENTE	36,450	(11,340)	0	25,110	7,534	(7,046)	0	0	25,598
20081	07/30/97	2,000	ROCHESTER VAL HI RD 3	45,000	(20,000)	0	25,000	7,500	(6,715)	0	0	25,785
TOTAL 1997 FINANCINGS				1,917,111	(803,100)	(19,650)	1,094,361	177,333	(171,630)	(3,328)	(4,370)	1,092,366
1996 FINANCINGS												
48583	12/20/95	1,087	COON RAPIDS FIRST BANK	5,400	0	(2,690)	2,710	50	(261)	0	0	2,499
48587	12/28/95	6,100	BURNSVILLE ASSET MARKETING	0	0	0	0	0	(30)	0	0	(30)
48581	12/29/95	2,200	WHITE BEAR LAKE INN	0	0	0	0	0	(287)	0	0	(287)
20001	01/17/96	11,000	SOUTH OMAHA-NEBRASKA BEEF	0	0	0	0	0	(155)	0	0	(155)
48586	02/12/96	4,650	SHAKOPEE NURSING HOME	0	0	0	0	0	(113)	0	0	(113)
20007	02/26/96	975	CAREFREE WORK CAP LOAN	0	0	0	0	0	(416)	0	0	(416)

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- FINDERS FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
20011	03/29/96	5,840	NEW HOPE RAS BEN FRANK BLDG	0	0	0	0	0	(362)	0	0	(362)
20006	03/29/96	5,000	CEDAR FALLS KINS HOLID INN	0	0	0	0	150	(185)	0	0	(35)
20009	04/12/96	3,800	STILLWATER MARKETPLACE	0	0	0	0	0	(162)	0	(24)	(186)
20002	05/03/96	1,650	MUKWONAGO WI SLEEP INN	0	0	0	0	0	(81)	0	(9)	(90)
20016	05/03/96	2,225	MP NICOLLETT PROP-BURNSVILLE CR	0	0	0	0	0	0	0	(26)	(26)
48588	05/14/96	2,897	LAC DU FLAMBEAU TORCHES HOTEL	0	0	0	0	0	(98)	0	0	(98)
48572	06/21/96	5,750	COUNCIL BLUFFS KINS AMERISTAR	0	0	0	0	0	(625)	0	(380)	(1,005)
20022	07/12/96	2,700	ARDEN HILLS ROUND LK BUS CTR	0	0	0	0	0	(14)	0	0	(14)
20019	07/23/96	615	COON RAPIDS CORNER PLAZA	0	0	0	0	0	(4)	0	0	(4)
20021	07/30/96	1,250	GOLDEN VALLEY 55 PROF BLDG	0	0	0	0	0	(852)	0	0	(852)
20028	07/30/96	8,200	CHASKA RAS SANOFI REFIN	0	0	0	0	0	(11)	0	(22)	(33)
20029	07/31/96	2,100	HOPKINS AUTO MALL REFIN	0	0	0	0	0	(36)	0	0	(36)
20014	07/31/96	3,750	CHANHASSEN LAKEVIEW APTS	0	0	0	0	0	(284)	0	0	(284)
20025	08/01/96	1,200	HURST TX VILLAGE SQ APT	0	0	0	0	0	(381)	0	0	(381)
20032	09/16/96	6,900	APPLE VALLEY SQUARE SHOPPING CT	0	0	0	0	0	(314)	0	0	(314)
20015	09/18/96	5,575	LEEDS ND-FARMERS CHOICE PASTA	0	0	0	0	3,000	(6,282)	0	(1,382)	(4,664)
48585	09/20/96	4,475	BLOOMINGTON PEBBLEBROOK APTS	16,781	0	(11,188)	5,593	6,690	(5,372)	0	0	6,911
20041	10/07/96	1,450	WACONIA STONE CONTAINER	1,650	(1,650)	0	0	0	(77)	0	0	(77)
20031	10/18/96	5,000	COLORADO SPRINGS CHIDLAW BLDG	1,350	(1,350)	0	0	0	(256)	0	0	(256)
20048	10/18/96	2,025	FRIDLEY HILLWIND OFFICE CTRE	0	0	0	0	0	(64)	0	0	(64)
20018	10/23/96	3,564	CRIPPLE CREEK 2	11,250	(9,500)	0	1,750	0	(699)	0	0	1,051
TOTAL 1996 FINANCINGS				36,431	(12,500)	(13,878)	10,053	9,890	(17,421)	0	(1,843)	679
1995 FINANCINGS												
48549	11/18/94	800	STILLWATER OFFIC MODIF	0	0	0	0	0	(4)	0	0	(4)
48544	12/09/94	11,750	ST. PAUL 3M REFINANCE	0	0	0	0	0	(11)	0	0	(11)
48553	03/27/95	2,815	STILLWATER LUMBERMAN EXCH HOTEL	0	0	0	0	0	(313)	0	0	(313)
48555	06/09/95	4,300	CHANHASSEN COUNTRY SUITES	0	0	0	0	0	(607)	0	0	(607)
48563	07/17/95	2,585	LACROSSE WI SAMPSON SQUARE	0	0	0	0	0	(20)	0	0	(20)
48567	07/20/95	11,332	CAREFREE LIVING FAC (4 LOC)	0	0	0	0	0	599	0	0	599
48565	07/27/95	525	ST MICHAEL J&B EQUIPMENT	0	0	0	0	0	(44)	0	0	(44)
48552	07/28/95	3,250	NEWTON, IA RADISSON INN	0	0	0	0	(1,989)	0	0	0	(1,989)
TOTAL 1995 FINANCINGS				0	0	0	0	(1,989)	(400)	0	0	(2,389)

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- FINDERS FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
1994 FINANCINGS												
48517	10/24/94	4,725	MPLS CUB FOODS	0	0	0	0	0	(10)	0	0	(10)
48540	10/24/94	8,300	SELECT INNS (4 LOC)	0	0	0	0	0	(1,285)	0	0	(1,285)
TOTAL 1994 FINANCINGS				0	0	0	0	0	(1,295)	0	0	(1,295)
TOTAL REVENUES				1,953,542	(815,600)	(33,528)	1,104,414	185,234	(190,746)	(3,328)	(6,213)	1,089,361
OPEN ISSUES												
48584			PUEBLO CO HOTEL CONF CTR	0	0	0	0	2,319	(2,319)	0	0	0
48615			LYND ESTY	0	0	0	0	0	(75)	0	0	(75)
48618			RDST II-R	0	0	0	0	0	(47)	0	0	(47)
20030			UNITED ARTISTS	0	0	0	0	0	0	0	(51)	(51)
20037			KINSETH COUNCIL BLUFFS	0	0	0	0	380	0	0	0	380
20038			CEDAR PLAZA	0	0	0	0	0	(386)	0	0	(386)
20040			HOLIDAY INN SUN SPREE RESORT	0	0	0	0	4,500	(4,500)	0	0	0
20043			BURNSVILLE SLUMBERLAND	0	0	0	0	0	(220)	0	0	(220)
20047			PELLA PRODUCTS BLDG	0	0	0	0	0	(104)	0	0	(104)
20049			DESMOINES GK OFFICE/SHOWROOM	0	0	(3,000)	(3,000)	4,771	(1,733)	0	(38)	0
20061			MORTENSON/GREAT PLAINS SOFTWARE	0	0	0	0	0	0	0	(73)	(73)
20062			EDINA OFFICE WAREHOUSE	0	0	0	0	0	(82)	0	0	(82)
20067			RESIDENCE INN HOTEL MINNEAPOLI	0	0	0	0	8,998	(8,998)	0	0	0
20069			UNDERWATER WORLD-MALL OF AM BLO	0	0	0	0	14,281	(9,602)	0	(4,679)	0
20071			CRIPPLE CREEKE EXPANSION	0	0	0	0	1,806	(1,806)	0	0	0
20075			HERITAGE MANOR NURSING HOME-CHI	0	0	0	0	0	(15)	0	0	(15)
20078			SHERATON FOUR POINTS HOTEL	0	0	0	0	594	(594)	0	0	0
20079			HOLIDAY INN CHICAGO IL	0	0	0	0	1,436	(682)	0	(754)	0
20088			HOWARD JOHNSON DM II	0	0	0	0	839	(839)	0	0	0
00000			OTHER ISSUE EXPENSES	0	0	0	0	0	(481)	0	0	(481)
84017			GRAND RAPIDS-POKEGAMA CC	0	0	0	0	0	0	0	(1,404)	(1,404)
0197			GREG BOLIN T&E	0	0	0	0	0	0	0	(502)	(502)
2481			GREG MILLER T&E	0	0	0	0	0	0	0	(7,167)	(7,167)
2791			SHARON PAYNE T&E	0	0	0	0	0	0	0	(31)	(31)
3535			JERRY TABOLICH T&E	0	0	0	0	0	0	0	(8,488)	(8,488)
			OTHER T&E	0	0	0	0	0	0	0	(285)	(285)
			ADVERTISING-OTHER	0	0	0	0	0	0	0	(12,130)	(12,130)
			BROCHURES/PROMOTION	0	0	0	0	0	0	0	(355)	(355)
			OTHER PROMOTION	0	0	0	0	0	0	0	(1,941)	(1,941)
			OTHER EMPLOYEE EXPENSES	0	0	0	0	0	0	0	(378)	(378)
TOTAL OPEN ISSUES				0	0	(3,000)	(3,000)	39,924	(32,483)	0	(38,276)	(33,835)

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- FINDERS FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
TOTAL DEPT	1,953,542	(815,600)	(36,528)	1,101,414	225,158	(223,229)	(3,328)	(44,489)	1,055,526

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Nine Months Ended July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED TO- INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
1997 TAXABLE FINANCINGS													
22065	12/06/96	9,772	BOIS FORTE III	285,174	0	(146,580)	0	138,594	0	(1,411)	0	(3,210)	133,973
22068	12/27/96	5,138	MOHEGAN SUN III	102,768	0	(51,584)	0	51,184	0	(308)	0	(186)	50,690
22069	01/07/97	1,600	LAC VIEUX DESERT VI	16,000	0	(8,000)	0	8,000	0	287	0	(8)	8,279
22070	01/08/97	600	BAD RIVER 2	12,000	0	(4,500)	0	7,500	0	1,054	0	0	8,554
22073	01/29/97	500	LAC VIEUX DESERT VII	5,000	0	(2,500)	0	2,500	0	(36)	0	0	2,464
22064	02/10/97	9,500	THREE AFFIL TRIBES-4 BEARS C	237,500	0	(118,750)	0	118,750	0	(1,227)	0	(13,478)	104,045
22080	03/19/97	500	KEN KELLAR UNSECURED	15,000	0	(7,500)	0	7,500	0	0	0	(7,516)	(16)
22078	03/31/97	300	CROW CREEK LODESTAR	7,500	0	0	(7,500)	0	0	0	0	(222)	(222)
22090	04/28/97	2,100	KICKAPOO TRIBE INTERIM	84,000	0	(31,500)	0	52,500	0	(512)	0	(7,167)	44,821
22098	06/09/97	120	LAC VIEUX DESERT 8	0	0	0	0	0	0	0	0	(359)	(359)
22096	06/25/97	16,496	LAC VIEUX DESERT 9	494,880	0	0	(41,240)	453,640	0	(2,106)	0	(13,589)	437,945
22099	06/25/97	7,714	LAC VIEUX DESERT 10	231,405	0	(25,000)	(13,034)	193,371	0	1,488	0	0	194,859
22101	06/30/97	1,000	KEN KELLAR 2	35,000	0	(11,250)	(11,250)	12,500	0	0	0	(121)	12,379
22094	07/08/97	7,500	MILLE LACS 97-1	168,750	0	(66,750)	0	102,000	0	0	0	(774)	101,226
22105	07/18/97	200	SPIRIT LAKE 7 TE INTERIM	0	0	(2,000)	0	(2,000)	0	0	0	0	(2,000)
22106	07/31/97	2,600	CROW CREEK II	104,000	0	(32,000)	(20,000)	52,000	0	2,187	0	(1,801)	52,386
TOTAL 1997 FINANCINGS				1,798,977	0	(507,914)	(93,024)	1,198,039	0	(584)	0	(48,431)	1,149,024
1996 TAXABLE FINANCINGS													
22017	02/05/96	1,400	PDS/SANTE FEE RESTRUCTURE	0	0	0	0	0	0	(564)	0	0	(564)
22018	02/05/96	2,500	BAD RIVER TAX EXEMPT	0	0	0	0	0	0	0	0	(117)	(117)
22020	02/14/96	4,500	SILETZ TRIBE INTERIM LOAN	0	0	0	0	0	0	0	0	(1,890)	(1,890)
22012	02/23/96	5,000	LAKE OF TORCHES FLAMBEAU 4	0	0	0	0	0	0	0	0	(1,868)	(1,868)
22006	03/22/96	26,000	SILETZ II CONST/PERM	0	0	0	0	0	0	(364)	0	(3,981)	(4,345)
22009	03/29/96	2,600	PINE RIDGE I	0	0	0	0	0	0	0	0	(140)	(140)
22007	04/08/96	5,505	LEECH LAKE 2	0	0	0	0	0	0	(5,604)	0	(5,639)	(11,243)
22027	06/11/96	14,200	TRUMP INDIANA, INC.	0	0	0	0	0	0	0	0	(53)	(53)
22031	06/26/96	1,941	BOIS FORTE RESORT I	0	0	0	0	0	0	0	0	(120)	(120)
22038	07/30/96	14,000	DIAMOND JO RIVERBOAT CASINO	0	0	0	0	0	0	(10,000)	0	0	(10,000)
22053	09/30/96	7,704	PDS MOHEGAN SUN EQUIP	0	0	0	0	0	0	0	0	(4)	(4)
22047	10/09/96	15,500	COQUILLE II	72,200	0	(57,100)	(15,100)	0	0	(6,021)	0	(2,927)	(8,948)
22051	10/28/96	11,600	SPIRIT LAKE (DEVILS LK) VI	64,500	0	(78,500)	(7,500)	(21,500)	0	5,499	0	(484)	(16,485)
22055	10/28/96	2,000	TREASURE ISLAND VII EQUIP	0	0	0	0	0	0	(774)	0	(142)	(916)
22060	10/29/96	314	MOLE LAKE 2	0	0	0	0	0	0	0	0	(1,617)	(1,617)
22058	10/31/96	1,250	GRAND PORTAGE V	0	0	0	0	0	0	(100)	0	(819)	(919)
22063	10/31/96	3,702	PDS MOHEGAN SUN 2	56,275	0	(47,619)	0	8,656	0	(399)	0	0	8,257
TOTAL 1996 TAXABLE FINANCINGS				192,975	0	(183,219)	(22,600)	(12,844)	0	(18,327)	0	(19,801)	(50,972)
1995 TAXABLE FINANCINGS													

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Nine Months Ended July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED TO- INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
48065	05/09/95	500	DEVILS LAKE EQUIP	0	0	0	0	0	0	0	0	(951)	(951)
48088	05/25/95	500	LAC DU FLAMBEAU, WI	0	0	0	0	0	0	(2,625)	0	(403)	(3,028)
48087	05/31/95	5,000	DEADWOOD GULCH CASINO	0	0	0	0	0	0	0	0	(1,309)	(1,309)
48116	08/17/95	10,700	LAC DU FLAM-LAKE OF TORCHES	0	0	0	0	0	0	(45)	0	0	(45)
48090	10/30/95		LAC VIEUX DESERT EXPENSES	0	0	0	0	0	0	0	0	(97)	(97)
TOTAL 1995 TAXABLE FINANCINGS				0	0	0	0	0	0	(2,670)	0	(2,760)	(5,430)
PRIOR YEARS TAXABLE FINANCINGS & SECONDARY SALES													
48016	01/24/94	3,000	GRAND PORTAGE CONST FINANCIN	0	0	0	0	0	0	0	0	(338)	(338)
48040	08/19/94	3,250	TURTLE III (ST. CROIX ENT I)	0	0	0	0	0	0	(4,200)	0	0	(4,200)
48091			SECONDARY COMM	2,017	0	(5,656)	0	(3,639)	0	0	0	0	(3,639)
TOTAL TAXABLE FINANCING				1,993,969	0	(696,789)	(115,624)	1,181,556	0	(25,781)	0	(71,330)	1,084,445
TAXABLE FINANCING OPEN ISSUES													
48005			PROSPECTIVE INDIAN GAMBLING	0	0	0	0	0	0	(902)	0	(23,550)	(24,452)
48014		18,000	TREASURE ISLAND-NOT DONE	0	0	0	0	0	0	(1)	0	(77)	(78)
48079		25,000	SANTA ANNA PUEBLO	0	0	0	0	0	0	0	0	(5,004)	(5,004)
48093			FON DU LAC	0	0	0	0	0	0	0	0	(28)	(28)
48117			HINCK HOTEL 1995 REV BONDS	0	0	0	0	0	0	(10)	0	0	(10)
49003			SW CASINO & HOTEL	0	0	0	0	0	0	0	0	(73)	(73)
22001			SAN JUAN PUEBLO HOTEL & CASI	0	0	0	0	0	0	0	0	(2,650)	(2,650)
22010			SPEARFISH SD-MISS KITTY CASI	0	0	0	0	0	0	0	0	(3,848)	(3,848)
22023			SIOUX TRIBE GAMING PH 1	0	0	0	0	0	0	(48)	0	(4,285)	(4,333)
22028			ATLANTIC CITY NJ-TRUMP PLAZA	0	0	0	0	0	0	0	0	(237)	(237)
22043			OMAHA TRIBE OF NEBRASKA	0	0	0	0	0	0	0	0	(45)	(45)
22059			ST JOSEPH RIVERBOAT PARTNERS	0	0	0	0	0	0	0	0	(212)	(212)
22066			ARISTOCRAT, INC.	0	0	0	0	0	0	(2,728)	0	(73)	(2,801)
22067			LADY LUCK BETTENDORF	0	0	0	0	0	0	(6,520)	0	(2,094)	(8,614)
22071			SILETZ TRIBE WORKOUT EXP	0	0	0	0	0	0	(69)	0	(16,929)	(16,998)
22072			YAKIMA INDIAN NATION	0	0	0	0	0	0	(16,426)	0	(3,470)	(19,896)
22074			HANNAHVILLE INDIAN COMMUNITY	0	0	0	0	0	0	0	0	(4,410)	(4,410)
22075			ROSEBUD SIOUX TRIBE CASINO/H	0	0	0	0	0	0	(750)	0	(20,751)	(21,501)
22076			GAMING WORLD WORKOUT EXPENSE	0	0	0	0	0	0	(7,810)	0	(127)	(7,937)
22077			PACIFIC COAST GAMING QUECHAN	0	0	0	0	0	0	0	0	(36)	(36)
22079			QUECHEN TRIBE-PACIFICCOAST G	0	0	0	0	0	0	0	0	(16,905)	(16,905)
22089			BLUEWATER CASINO COLRADO RIV	0	0	0	0	0	0	0	0	(5,183)	(5,183)
22091			PINERIDGE MOTEL/CONF.CENTER	0	0	0	0	0	0	0	0	(1,297)	(1,297)
22092			THREE AFFILIATED TRIBES TWIN	0	0	0	0	0	0	(37)	0	(494)	(531)

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Nine Months Ended July 31, 1997

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED TO- INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
22095	BOIS FORTE FORTUNE BAY RESOR	0	0	0	0	0	0	(2)	0	(338)	(340)
22102	ST JOSEPH RIVERBOAT	0	0	0	0	0	0	0	0	(8,894)	(8,894)
22103	TURTLE MOUNTAIN	0	0	0	0	0	0	0	0	(5,043)	(5,043)
22110	LAC DU FLAMBEAU CHICAGO	0	0	0	0	0	0	0	0	(6,257)	(6,257)
TOTAL TAXABLE FINANCING OPEN ISSUES		0	0	0	0	0	0	(35,303)	0	(132,310)	(167,613)
TOTAL TAXABLE FINANCING		1,993,969	0	(696,789)	(115,624)	1,181,556	0	(61,084)	0	(203,640)	916,832
MUNICIPAL											
MUNICIPAL BOND U/W											
10111 12/15/96 35,330	MISSOURI-DEACONESS LT HEALTH	9,044	0	0	0	9,044	0	0	0	0	9,044
TOTAL MUNICIPAL BOND U/W		9,044	0	0	0	9,044	0	0	0	0	9,044
TOTAL MUNICIPAL		9,044	0	0	0	9,044	0	0	0	0	9,044
MUNICIPAL OPEN ISSUES											
40201	LOMA LINDA ESCROW ACCT RESTR	0	0	0	0	0	0	0	0	(409)	(409)
40241	HELEN DIXON CONSULTING	0	0	0	0	0	0	0	0	(216)	(216)
TOTAL MUNICIPAL OPEN ISSUES		0	0	0	0	0	0	0	0	(625)	(625)
TOTAL MUNICIPAL		9,044	0	0	0	9,044	0	0	0	(625)	8,419
PROMO & OTHER OPEN ISSUES											
48029	WHITE EARTH V	0	0	0	0	0	0	0	0	(75)	(75)
3700	ROGER WIKNER PROMO	0	0	0	0	0	0	0	0	(837)	(837)
0055	ALI ALIZEDAH PROMO	0	0	0	0	0	0	0	0	(13,100)	(13,100)
0119	DENNIS BALYEAT PROMO	0	0	0	0	0	0	0	0	(353)	(353)
0750	STEVEN ERICKSON PROMO	0	0	0	0	0	0	0	0	(29,259)	(29,259)
0750	STEVE ERICKSON COUNTRY CLUB	0	0	0	0	0	0	0	0	(12,725)	(12,725)
0932	P FREDERICKS PROMO	0	0	0	0	0	0	0	0	(8,000)	(8,000)
1480	D HOLSTAD PROMO	0	0	0	0	0	0	0	0	(8,563)	(8,563)
1931	TOM LAIRD PROMO	0	0	0	0	0	0	0	0	(937)	(937)
	OTHER PROMO	0	0	0	0	0	0	0	0	(4,900)	(4,900)
	ADVERTISING	0	0	0	0	0	0	0	0	(1,184)	(1,184)
	PUBLIC RELATIONS/SPONSORSHIP	0	0	0	0	0	0	0	0	(10,979)	(10,979)
	CLIENT GIFTS	0	0	0	0	0	0	0	0	(88)	(88)

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Nine Months Ended July 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED TO- INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
OTHER EMPLOYEE EXPENSES	0	0	0	0	0	0	(74)	0	(738)	(812)
TOTAL OPEN ISSUES	0	0	0	0	0	0	(74)	0	(91,738)	(91,812)
TOTAL	2,003,013	0	(696,789)	(115,624)	1,190,600	0	(61,158)	0	(296,003)	833,439

MILLER & SCHROEDER FINANCIAL, INC.
CORPORATE CAPITAL REVENUE SUMMARY
July 31, 1997

Cat # RV-123

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
CORPORATE CAPITAL FINANCINGS												
49001	08/04/93	1,000	NORTHERN NATURAL POWER	0	0	0	0	0	(33)	0	0	(33)
49006	VARIOUS	6,050	UNITED MARKET SERVICE	0	0	0	0	0	(3,000)	0	(8)	(3,008)
23010	02/07/96	5,750	REALCO REGISTERED UNIT OFFERIN	0	0	0	0	0	0	0	(176)	(176)
23019	06/14/96	1,045	CASH'N'PAWN CONV SUBORD DEBEN	56,550	0	(33,930)	(1,414)	21,206	0	0	(1,481)	19,725
23021	07/29/96	263	BANC, INC PRIVATE PLACEMENT	20,000	0	(12,000)	(250)	7,750	(50)	0	(5)	7,695
23022	10/30/96	2,000	LUNDGREN BROS DEBT OFFERING	52,320	0	(28,900)	(1,485)	21,935	(387)	0	(112)	21,436
23036	02/19/97	55,500	BANC, INC COMMON STOCK	22,604	0	(6,600)	(139)	15,865	(150)	0	0	15,715
23038	03/11/97	19,500	BANC, INC COMMON STOCK	2,250	0	(2,250)	(49)	(49)	0	0	0	(49)
23040	04/17/97	19,500	BANC, INC COMMON STOCK	7,500	0	(4,500)	(96)	2,904	(312)	0	0	2,592
TOTAL FINANCINGS				161,224	0	(88,180)	(3,433)	69,611	(3,932)	0	(1,782)	63,897
CORPORATE CAPITAL ADVISORY FEES												
49030	03/31/95		PALLET RECYCLING OF N A	0	0	0	0	0	0	0	(11)	(11)
23006	11/30/95		REMBRANDT/ROYBET RETIREMENT HO	0	0	0	0	0	5,150	0	0	5,150
23016	01/11/96		SPIELO FINANCIAL ADVISOR	15,000	0	0	0	15,000	0	0	859	15,859
23014	03/11/96		LIBBY CORP	(199,547)	0	0	0	(199,547)	0	0	0	(199,547)
23032	11/30/96		RACING SERVICES FIN ADV	470	0	0	0	470	0	0	0	470
23035	02/27/97		VIDEO UPDATE FIN ADV	5,000	0	0	0	5,000	0	0	0	5,000
23037	03/21/97		WANNER ENGINEERING SR SEC NOTE	3,000	0	0	0	3,000	0	0	0	3,000
TOTAL ADVISORY FEES				(176,077)	0	0	0	(176,077)	5,150	0	848	(170,079)
TOTAL CORPORATE CAPITAL REVENUE				(14,853)	0	(88,180)	(3,433)	(106,466)	1,218	0	(934)	(106,182)
MORTGAGE POOL TRADING PROFIT												
49029	03/31/95	4,110	LSBO #18 RTC MORTGAGE POOL	0	0	0	0	0	(31,250)	0	0	(31,250)
TOTAL MORTGAGE POOL PROFIT				0	0	0	0	0	(31,250)	0	0	(31,250)
TOTAL REVENUES				(14,853)	0	(88,180)	(3,433)	(106,466)	(30,032)	0	(934)	(137,432)
OPEN ISSUES												
23024			PEAC AIRBORNE TECHNOLOGIES	0	0	0	0	0	(3,300)	0	0	(3,300)
23026			LOON STATE ENTERPRISES	0	0	0	0	0	(5)	0	0	(5)
23033			DALLET RECYCLING ASSOC.N.AM.-P	0	0	0	0	0	(1,864)	0	0	(1,864)
23034			WELSH COMPANIES	0	0	0	0	0	0	0	(113)	(113)
23039			PRANA WORKOUT EXPENSES	0	0	0	0	0	(2,765)	0	0	(2,765)
23041			LUPIENT AUTO GROUP-SUBORD DEBT	0	0	0	0	0	(374)	0	0	(374)
23043			QUATRO	0	0	0	0	0	0	0	(1,110)	(1,110)

MILLER & SCHROEDER FINANCIAL, INC.
CORPORATE CAPITAL REVENUE SUMMARY
July 31, 1997

Cat # RV-123

*** YEAR-TO-DATE ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
23045	8,000	SHELDAHL INC EQUIP FINANCING	0	0	0	0	0	(60)	0	(35)	(95)
0376		CLAREY PROMO	0	0	0	0	0	0	0	(5,000)	(5,000)
0829		FINSTUEN PROMO	0	0	0	0	0	0	0	(1,134)	(1,134)
1066		GLASRUD PROMO	0	0	0	0	0	0	0	(211)	(211)
3855		ZIBLEY PROMO	0	0	0	0	0	0	0	(761)	(761)
		OTHER EMPLOYEE EXPENSES	0	0	0	0	0	0	0	(11,530)	(11,530)
TOTAL OPEN ISSUES			0	0	0	0	0	(8,368)	0	(19,894)	(28,262)
TOTAL DEPT			(14,853)	0	(88,180)	(3,433)	(106,466)	(38,400)	0	(20,828)	(165,694)

MILLER & SCHROEDER FINANCIAL, INC.
MILWAUKEE REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- FINDERS FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MORTGAGE BANKING									
1997 FINANCINGS									
25007 11/19/96 2,610 FERGUS FALLS MN-WESTRIDGE MALL	71,775	(23,490)	0	48,285	11,089	(8,978)	0	(117)	50,279
25008 04/28/97 3,350 MILWAUKEE, WI-INN TOWNE HOTEL	56,106	(27,152)	0	28,954	19,770	(20,333)	0	0	28,391
25015 05/13/97 1,500 BLACK RIVER FALLS-NO COUNTRY LO	26,250	(13,500)	0	12,750	11,572	(11,184)	0	(169)	12,969
25019 06/23/97 32,222 CHICAGO MICH AVE LOFTS	418,886	(239,720)	(92,501)	86,665	47,619	(47,462)	0	(6,533)	80,289
TOTAL 1997 FINANCINGS	573,017	(303,862)	(92,501)	176,654	90,050	(87,957)	0	(6,819)	171,928
OPEN ISSUES									
25004 CPB RICHARD PROPERTY-DEAD	0	0	0	0	0	(2,446)	0	0	(2,446)
25014 GEORGETOWN TERM LOAN	0	0	0	0	4,436	(4,310)	0	(126)	0
25016 JELLYSTONE PARK	0	0	0	0	0	(266)	0	0	(266)
25020 ST CHARLES IL HOTEL BAKER	0	0	0	0	2,374	(2,374)	0	0	0
25021 AUSTIN MN-OAK PARK MALL	0	0	0	0	687	(687)	0	0	0
25022 SAMPSON II	0	0	0	0	3,200	(3,200)	0	0	0
TOTAL OPEN ISSUES	0	0	0	0	10,697	(13,283)	0	(126)	(2,712)
TOTAL MORTGAGE BANKING	573,017	(303,862)	(92,501)	176,654	100,747	(101,240)	0	(6,945)	169,216
SBA LOAN ORIGINATION									
1997 ORIGINATIONS									
25010 11/20/96 185 INNOVATIVE TECHNOLOGIES SBA	1,177	0	0	1,177	6,365	(5,966)	0	0	1,576
25011 01/09/97 500 INFORMATION SOLUTIONS SBA	3,629	0	0	3,629	14,827	(14,913)	0	(208)	3,335
25018 04/09/97 750 ROBERTS ROOFING & SIDING INC.	1,014	0	0	1,014	21,874	(21,145)	0	0	1,743
25009 07/30/97 550 JOHNNY V'S CLASSIC CAFE	0	0	0	0	14,782	(13,588)	0	0	1,194
TOTAL 1997 ORIGINATIONS	5,820	0	0	5,820	57,848	(55,612)	0	(208)	7,848
1996 ORIGINATIONS									
25005 08/14/96 336 BADGER FLORIST SBA	3,152	0	0	3,152	0	(9,861)	0	0	(6,709)
TOTAL 1996 ORIGINATIONS	3,152	0	0	3,152	0	(9,861)	0	0	(6,709)

MILLER & SCHROEDER FINANCIAL, INC.
MILWAUKEE REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- FINDERS FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
25006	ATTUCKS CENTER INC	0	0	0	0	0	(1,825)	0	0	(1,825)
40241	HELEN DIXON CONSULTING	0	0	0	0	0	0	0	(48,047)	(48,047)
	ADVERTISING	0	0	0	0	0	0	0	(3,522)	(3,522)
	PUBLIC RELATIONS	0	0	0	0	0	0	0	(200)	(200)
3011	STEVE RAYL PROMO	0	0	0	0	0	0	0	(9,763)	(9,763)
	OTHER	0	0	0	0	0	0	0	(557)	(557)
TOTAL OPEN ISSUES		0	0	0	0	0	(1,825)	0	(62,089)	(63,914)
TOTAL SBA ORIGINATIONS		8,972	0	0	8,972	57,848	(67,298)	0	(62,297)	(62,775)
TOTAL DEPT		581,989	(303,862)	(92,501)	185,626	158,595	(168,538)	0	(69,242)	106,441

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE TRADING REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
TAXABLE EQUIPMENT FINANCINGS												
35043	11/21/96	1,141	FIRST MID-AMERICA FINANCE	34,200	0	(17,100)	0	17,100	(9,854)	0	0	7,246
35044	06/11/97	909	ARCADIA CAPITAL CORP	27,270	0	(11,362)	0	15,908	(1,081)	0	0	14,827
TOTAL TAX EQUIP FINANCINGS				61,470	0	(28,462)	0	33,008	(10,935)	0	0	22,073
TAXABLE TRADING 1995 FINANCINGS												
48084	11/10/94	2,540	1ST FIDELITY AUTO 94-1 DEFER	0	0	0	0	0	(3,125)	0	0	(3,125)
35015	02/01/95	173	PATUXNET RIVER MD-DEPT OF NAVY	(3,806)	0	0	0	(3,806)	0	0	0	(3,806)
48083	03/01/95	5,000	1ST FIDELITY AUTO 95-1 DEFER	486	0	0	0	486	0	0	0	486
35020	03/10/95	334	INGLESIDE TX-DEPT OF NAVY	(951)	0	0	0	(951)	0	0	0	(951)
TOTAL 1995 FINANCING				(4,271)	0	0	0	(4,271)	(3,125)	0	0	(7,396)
TOTAL REVENUES				57,199	0	(28,462)	0	28,737	(14,060)	0	0	14,677
OPEN ISSUES												
35032			TEXAS PREMIUM FINANCING	0	0	0	0	0	(8,296)	0	0	(8,296)
24001			SYBASE	0	0	0	0	0	0	0	(46)	(46)
00000			OTHER ISSUE EXPENSE	0	0	0	0	0	(9,550)	0	0	(9,550)
			OTHER EMPLOYEE EXPENSES	0	0	0	0	0	0	0	(44)	(44)
3439			STANCHFIELD PROMO	0	0	0	0	0	0	0	(1,236)	(1,236)
0299			BUTORAC PROMO	0	0	0	0	0	0	0	(260)	(260)
TOTAL OPEN ISSUES				0	0	0	0	0	(17,846)	0	(1,586)	(19,432)
TOTAL DEPT				57,199	0	(28,462)	0	28,737	(31,906)	0	(1,586)	(4,755)

MILLER & SCHROEDER FINANCIAL, INC.
SEATTLE U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
43548	04/17/96	17,050	DEKALB GA-REGENCY WOODS I & II	7,200	(7,200)	0	0	0	0	0	0	0
54006	06/05/96	2,545	UPTOWN VL OH TX MTG REV RFDG 9	0	0	0	0	0	29	0	0	29
54002	06/25/96	9,450	SHELBY CO-RALIEGH & SHERWOOD A	209	0	(250)	(10)	(51)	0	0	0	(51)
43566	08/07/96	22,150	TEXAS HSNG-DALLAS/FT WORTH APT	1,403	0	0	0	1,403	0	0	0	1,403
43549	09/25/96	16,880	INDIANAPOLIS-WILLOWBROOK APTS	2,450	0	(1,000)	(50)	1,400	0	0	0	1,400
43555	11/05/96	13,050	TEXAS HSNG-PLUMTREE APTS JT	(20,620)	0	0	0	(20,620)	0	0	(2,667)	(23,287)
54014	12/19/96	4,720	SHELBY CO-THE CORNERS APTS	98,570	(10,425)	(5,500)	(275)	82,370	(1,090)	0	(7,136)	74,144
54017	01/30/97	6,750	MANHATTAN KS-HOLIDAY INN PROJ	137,363	(16,875)	0	0	120,488	(1,016)	0	0	119,472
54018	01/30/97	6,750	LAWRENCE KS-HOLIDAY INN PROJ	137,363	(16,875)	0	0	120,488	(1,016)	0	0	119,472
54016	02/28/97	9,945	SHELBY CNTY TN-RALEIGH WDS ABC	175,892	(24,175)	(4,800)	(508)	146,409	(2,887)	0	(7,873)	135,649
54008	05/21/97	7,745	AUSTIN TX-WOODLAND HEIGHTS APT	162,925	(19,362)	0	0	143,563	(1,328)	0	(8,378)	133,857
TOTAL MUNICIPAL BOND U/W				702,755	(94,912)	(11,550)	(843)	595,450	(7,308)	0	(26,054)	562,088
INVESTMENT BANKING FEES												
43541	10/16/95	14,740	IL DEV FIN AUTH-BRITTANY WOODS	0	0	0	0	0	(6,193)	0	0	(6,193)
54013	11/30/96	8,500	JOPLIN MO-NORTHPARK MALL EXP	10,000	0	0	0	10,000	0	0	0	10,000
54042	07/14/97	10,300	PHOENIX AZ-RANCHO LADERA FIN A	10,000	0	0	0	10,000	0	0	0	10,000
TOTAL INVESTMENT BANKING FEES				20,000	0	0	0	20,000	(6,193)	0	0	13,807
TOTAL REVENUES				722,755	(94,912)	(11,550)	(843)	615,450	(13,501)	0	(26,054)	575,895
OPEN ISSUES												
43520		11,200	OMAHA NE-PACIFIC WEST APTS	0	0	0	0	0	0	0	(44)	(44)
43558		3,590	HARRIS COUNTY, TX ARBOR COURT	0	0	0	0	0	(58)	0	(3,163)	(3,221)
54007			BERNATILLO CNTY NEW MEXICO	0	0	0	0	0	(474)	0	(5,048)	(5,522)
54010			ORANGE CNTY HOUSING FIN. AUTH	0	0	0	0	0	0	0	(229)	(229)
54012			SHELBY CNTY,TN THE CORNERS APA	0	0	0	0	0	0	0	(82)	(82)
54015			HEHFB SHELBY CNTY,TN EDGEWATER	0	0	0	0	0	(27)	0	0	(27)
54020			DEKALB CNTY,GA COVINGTON WLK M	0	0	0	0	0	(12)	0	0	(12)
54021			HARRIS CNTY HSING FIN CORP OAK	0	0	0	0	0	(12)	0	0	(12)
54022			HENRICO CNTY DEV CORP AXATEA A	0	0	0	0	0	(6)	0	0	(6)
54026			MARICOPA CNTY,AZ ARCADIA VISTA	0	0	0	0	0	(100)	0	(1,062)	(1,162)
54027			AUSTIN HSING FIN.CORP.-CYPRESS	0	0	0	0	0	(6)	0	0	(6)
54033		4,500	ASSOC OF BAY AREA GOVT-BRIARWO	0	0	0	0	0	(10)	0	(368)	(378)
54037		25,000	JACKSONVILLE FL-CENTURY 21 APT	0	0	0	0	0	(35)	0	(1,622)	(1,657)
54038		86,000	BROWARD CO FL-JOHN HANCOCK/GAN	0	0	0	0	0	(12)	0	(1,312)	(1,324)
54039		86,000	DADE CO FL-JOHN HANCOCK/GANNON	0	0	0	0	0	(56)	0	(1,307)	(1,363)
54040		86,000	ST LOUIS MO-JOHN HANCOCK/GANNO	0	0	0	0	0	(15)	0	(4,767)	(4,782)
0000			OTHER ISSUE EXPENSES	0	0	0	0	0	(6)	0	0	(6)
0597			DAN DILL PROMO	0	0	0	0	0	0	0	(5,705)	(5,705)
1278			JACKLIN HAWE PROMO	0	0	0	0	0	0	0	(806)	(806)
2618			TOM NULL PROMO	0	0	0	0	0	0	0	(5,897)	(5,897)

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
41503	12/23/93	12,500	CATHEDRAL REV NOTES 93A	0	0	0	0	0	0	0	(42)	(42)
41527	10/11/94	5,000	CTY OF SPARKS NV BAN SER 1994	0	0	0	0	0	0	0	(535)	(535)
41627	06/28/95	363,265	SAN BERN MED CTR JT	0	0	0	0	0	0	0	(1,008)	(1,008)
51027	01/24/96	65,070	SAN BERN CO MED CTR JT SRS 96	974	0	0	0	974	0	0	(69)	905
41680	06/25/96	25,390	INLAND EMPIRE SER 96A	0	0	0	0	0	0	0	(250)	(250)
51041	10/17/96	8,900	RIALTO COMM FAC DIST NO 87-1	456	0	(212)	(25)	219	0	0	0	219
51085	10/18/96	1,200	HERITAGE RANCHO SUB NOTES	21,648	0	(15,900)	(265)	5,483	873	(1,128)	0	5,228
51065	10/30/96	4,400	COLTON CA-RANCHO MED NOTES 96	40,744	0	(34,638)	(4,558)	1,548	(1,242)	0	(772)	(466)
51082	11/13/96	16,335	NORCO FIN AUTH-PROJ AREA #1	215,979	(31,000)	0	0	184,979	(1,620)	0	(13)	183,346
51090	11/20/96	2,555	RIVERSIDE IND SCHOOL DIST RMKT	73,614	0	(20,000)	(3,950)	49,664	(32,298)	0	0	17,366
51079	11/22/96	8,790	LAQUINTA FIN AUTH-CITY HALL PR	80,248	(12,900)	(2,390)	(535)	64,423	(11,223)	0	(241)	52,959
51083	11/22/96	33,240	FRESNO UNIF SCHOOL DIST G.O. S	107,638	0	0	0	107,638	(250)	0	0	107,388
51080	11/26/96	10,100	LANCASTER-FRIENDLY VILLAGE	187,686	0	(28,563)	(21,418)	137,705	(4,133)	0	(254)	133,318
51081	11/26/96	6,070	LANCASTER-HACIENDA ESTATES	130,052	0	(75,100)	(7,100)	47,852	(8,306)	0	0	39,546
51098	12/05/96	3,500	PIMA AZ-UNIVERSITY HEIGHTS	55,500	(8,762)	0	0	46,738	(1,640)	0	0	45,098
51100	12/18/96	16,320	SAN BERN JPFA-CITY HALL REF	191,536	(26,220)	0	0	165,316	(8,028)	0	(6,057)	151,231
51064	12/31/96	7,295	DANFORTH TX HEALTH FAC CORP	265,135	0	(155,880)	(9,108)	100,147	(7,732)	(3,768)	(2,999)	85,648
51066	02/05/97	52,085	POMONA UNIF SCHOOL DIST 97A	136,182	(38,885)	(3,950)	(6,968)	86,379	0	0	(758)	85,621
51054	03/13/97	10,370	DANFORTH TX-SAM HOUSTON L T CA	391,700	0	(161,575)	(17,660)	212,465	(61,041)	0	(1,536)	149,888
51107	03/19/97	44,485	INLAND VALLEY DEV AUTH SRS 97	444,850	(59,485)	0	0	385,365	(83,988)	0	(1,221)	300,156
51115	04/09/97	1,500	HESPERIA COMM REDEV-LOW/MIDDLE	29,250	0	(18,750)	(1,500)	9,000	(1,129)	0	(13)	7,858
47533	05/01/97	33,000	SAN BERN-HIGHLAND HILLS RMKTG	0	(16,500)	0	0	(16,500)	0	0	0	(16,500)
51119	05/14/97	2,000	LOS BANOS CA REDEV AGCY T/A NO	34,000	0	(20,000)	(2,000)	12,000	(1,310)	0	0	10,690
51113	05/28/97	13,420	TARRANT CO TX-ST JOSEPH LT CAR	694,426	0	(347,100)	(16,322)	331,004	(54,274)	0	(17,147)	259,583
51108	05/29/97	11,000	MURIETA CA COP-ROAD IMPR PROJ	160,059	(23,350)	(6,481)	(3,198)	127,030	(5,132)	0	(2,151)	119,747
51074	06/18/97	35,790	FONTANA UNIF SCHOOL DIST SRS 9	198,319	(23,338)	(1,088)	(4,850)	169,043	(33,990)	0	0	135,053
51128	06/23/97	48,000	GOLDEN WEST SCHOOLS FIN AUTH-J	180,800	0	0	0	180,800	(30,000)	0	0	150,800
51124	07/08/97	5,000	MESQUITE NV TAX ALLOC BD ANTIC	51,093	0	(9,838)	(10,040)	31,215	(6,764)	0	(4,650)	19,801
51104	07/30/97	4,370	SAN MARCOS CA SPECIAL TX REV B	46,608	0	(20,592)	(3,045)	22,971	(964)	0	(56)	21,951
51123	07/31/97	10,370	SAN BERN JPFA LEASE REV RFDG	173,549	0	0	(23,425)	150,124	(1,182)	0	(1,504)	147,438
51106	07/31/97	7,645	MOORPARK CA COMM FAC DIST 97-1	76,179	0	(38,032)	(7,500)	30,647	(975)	0	(1,418)	28,254
51073	07/31/97	5,160	DINUBA CA REDEV AGCY TAX ALLOC	64,726	(11,875)	(475)	(95)	52,281	(2,568)	0	0	49,713
51130	07/31/97	186,256	CENTRAL VALLEY UNIF SCHOOL DIS	479,312	0	0	0	479,312	(45,235)	0	(1,621)	432,456
51129	08/01/97	53,005	WALNUT VALLEY UNIF SCHOOL DIST	135,030	0	0	0	135,030	(45,496)	0	0	89,534
51046	08/28/97	26,000	SPARKS NV TAX ALLOC REV RFDG	0	0	0	0	0	0	0	(3,011)	(3,011)
TOTAL MUNICIPAL BOND U/W				4,667,293	(252,315)	(960,564)	(143,562)	3,310,852	(449,647)	(4,896)	(47,326)	2,808,983
INVESTMENT BANKING FEES												
47520	03/23/94	12,000	SAN BERN-CITY HALL RMKTG	15,000	0	0	0	15,000	0	0	0	15,000

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
41501	09/24/93		TORREY PINES CAPITAL GROUP	0	0	0	0	0	0	0	(283)	(283)
47536	05/31/95	6,800	REDLANDS CA PKG LOT LEASE RMKT	8,138	0	0	0	8,138	0	0	0	8,138
47537	07/12/95	20,275	REDLANDS-94 SUBORD TX ALLOC RM	25,000	0	0	0	25,000	0	0	0	25,000
51002	08/25/95		SAN DIEGO CIVIC CENTER MASTER	0	0	0	0	0	(75)	0	(565)	(640)
41666	09/20/95	13,165	MESA UNIFIED SCHOOL DISTRICT	5,000	0	0	0	5,000	0	0	0	5,000
47546	12/01/95	3,500	SAN MARCOS CA-TRI M CO RMKTG	2,188	0	0	0	2,188	0	0	0	2,188
51076	10/08/96		SAN BERN SOLID WASTE-EMP BENEF	0	0	0	0	0	0	0	(393)	(393)
51059	10/09/96	18,500	VENTURA CO-OXNARD SCHL DIST	116,642	0	0	0	116,642	0	0	(633)	116,009
51073	11/11/96	3,600	DINUBA CA-WASTEWATER EXPANSION	30,638	0	0	0	30,638	0	0	0	30,638
51105	01/29/97		RANCHO CUCAMONGA SRS 96 RES AG	10,000	0	0	0	10,000	0	0	0	10,000
51064	12/31/96	7,295	DANFORTH HEALTH CARE CORP	10,000	0	0	0	10,000	0	0	0	10,000
51054	03/13/97	10,370	DANFORTH TX-SAM HOUSTON LT CAR	10,000	0	0	0	10,000	0	0	0	10,000
51030	04/14/97	2,200	ELKO, NV G.O. RFDG BONDS	6,500	0	0	0	6,500	0	0	(689)	5,811
51113	05/28/97	13,420	TARRANT CO TX-ST JOSEPH LT CAR	15,000	0	0	0	15,000	0	0	0	15,000
51131	07/23/97	9,435	VENTURA-HACIENDA DE CAMARILLO	22,288	0	0	0	22,288	0	0	0	22,288
TOTAL INVESTMENT BANKING FEES				276,394	0	0	0	276,394	(75)	0	(2,563)	273,756
MUNICIPAL SECONDARY PROFIT												
51127	12/31/96	4,000	EL CAJON REDEV AGENCY NOTES	8,372	0	0	0	8,372	0	0	0	8,372
TOTAL MUNICIPAL SECONDARY PROFIT				8,372	0	0	0	8,372	0	0	0	8,372
GOVERNMENT SECURITIES												
51082	11/13/96	16,335	NORCO FIN AUTH-PROJ AREA #1	4,000	0	0	0	4,000	0	0	0	4,000
51107	03/19/97	44,485	INLAND VALLEY DEV AUTH SRS 97	2,500	0	0	0	2,500	0	0	0	2,500
TOTAL GOVERNMENT SECURITIES				6,500	0	0	0	6,500	0	0	0	6,500
TOTAL REVENUES				4,958,559	(252,315)	(960,564)	(143,562)	3,602,118	(449,722)	(4,896)	(49,889)	3,097,611
OPEN ISSUES												
41570			BUS DEV CONS: OXBERRY	0	0	0	0	0	0	0	(81,416)	(81,416)
41607		3,000	MURIETA-ROYAL OAKS	0	0	0	0	0	0	0	(27)	(27)
41621			BUS DEV CONS: JOE MILLER	0	0	0	0	0	0	0	(32,920)	(32,920)
41625		250,000	PALMDALE ELECTRIC SYSTEM	0	0	0	0	0	0	0	(22)	(22)
41626		11,000	SAN DIEGO AIRCRAFT CARRIER MUS	0	0	0	0	0	0	0	(52)	(52)
41633			CITY OF OXNARD-OXNARD TOWN SQU	0	0	0	0	0	0	0	(50)	(50)
51003			REDEV AGENCY-CITY OF AZUSA, CA	0	0	0	0	0	(75)	0	0	(75)
51012			CITY OF COTATI	0	0	0	0	0	0	0	(384)	(384)

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
51017		SAN BERN JPFA-MERIDIAN TERRACE	0	0	0	0	0	0	0	(259)	(259)
51026		LINDSAY FIN AUTH-HENY MAYO HOS	0	0	0	0	0	(9,250)	0	(41)	(9,291)
51034		SAN BERN-TRANS 1 YR NOTE	0	0	0	0	0	0	0	(304)	(304)
51037		WASTE MANAGEMENT LEASE	0	0	0	0	0	0	0	(301)	(301)
51040		POMONA CA-REFUNDING PROJECTS	0	0	0	0	0	0	0	(330)	(330)
51051		NATIONAL ASSOC OF COUNTIES	0	0	0	0	0	0	0	(476)	(476)
51068		SAN BERNARDINO 1997-1998 TRAN	0	0	0	0	0	0	0	(5,245)	(5,245)
51069		SAN MATEO COUNTY EMPL. BENEFI	0	0	0	0	0	0	0	(205)	(205)
51070		UNIBERSITY OF MONTANA EMPL. B	0	0	0	0	0	0	0	(123)	(123)
51075		CALF.PUB.EMPL.RETIRE.SYST. HLT	0	0	0	0	0	0	0	(206)	(206)
51092		BUS DEV CONS: BIO-RECLAMATION	0	0	0	0	0	(275,000)	0	0	(275,000)
51093		BUS DEV CONS: PAUL MCINTOSH	0	0	0	0	0	0	0	(127)	(127)
51094		NEW YORK CY-HLTH BENE. REV.BON	0	0	0	0	0	0	0	(1,428)	(1,428)
51095		NACO DESIGN.ISSUERS HLTH BEN.P	0	0	0	0	0	0	0	(175)	(175)
51097		WALLER CNTY TEXAS UNITED TIRE	0	0	0	0	0	0	0	(4,188)	(4,188)
51099		NATIONAL ASS. OF COUNTIES-NACO	0	0	0	0	0	0	0	(13,427)	(13,427)
51102		CTY ALHAMBRA REFND C.O.P. SERI	0	0	0	0	0	(375)	0	(57)	(432)
51103		MONTE VISTA WATER DIST WATER C	0	0	0	0	0	(141)	0	(701)	(842)
51109		SAN FRAN UNIFIED SCHOOL DIST	0	0	0	0	0	0	0	(57)	(57)
51110		UNIVERSITY HEIGHTS PROJ	0	0	0	0	0	(500)	0	0	(500)
51111		CITY OF ARCADIA CENTRA REDEVEL	0	0	0	0	0	(400)	0	0	(400)
51112		CITY OF PASADENA-PLAYHOUSE REV	0	0	0	0	0	0	0	(500)	(500)
51114		CITY OF THOUSAND OAKS SHADOW R	0	0	0	0	0	0	0	(420)	(420)
51116		SOLANO CNTY EMPLOYEE HLTH BENE	0	0	0	0	0	0	0	(210)	(210)
51117		CITY OF HENDERSON,NV MONARCH G	0	0	0	0	0	0	0	(4,175)	(4,175)
51118		CITY OF SAN DIEGO SCRIPPS MEDI	0	0	0	0	0	0	0	(5,247)	(5,247)
51120		MIAMI HLTH FAC AUTH.-SARASOTA	0	0	0	0	0	0	0	(4,121)	(4,121)
51121		CITY OF HESPERIA COMM FAC.DIST	0	0	0	0	0	0	0	(73)	(73)
51122	10,000	SAN BERN -SUMITOMO TXBL LOAN	0	0	0	0	0	(1,575)	0	0	(1,575)
51125	11,000	MARYLAND IND FIN AUTH-ST THOMA	0	0	0	0	0	0	0	(550)	(550)
51132	35,400	EL CAJON DEVELOPMENT AGCY	0	0	0	0	0	0	0	(99)	(99)
0099		JOE ARTON PROMO	0	0	0	0	0	0	0	(64)	(64)
0153		B BIGGINS PROMO	0	0	0	0	0	0	0	(75)	(75)
0260		ROBIN THOMAS PROMO	0	0	0	0	0	0	0	(609)	(609)
0285		ANTHONY BUDINAK PROMO	0	0	0	0	0	0	0	(1,502)	(1,502)
0343		MIKE CAVANAUGH PROMO	0	0	0	0	0	0	0	(299)	(299)
0445		RHONDA CONNOLLY PROMO	0	0	0	0	0	0	0	(2,190)	(2,190)
0590		VIC DHOOGE PROMO	0	0	0	0	0	0	0	(1,590)	(1,590)
1266		JIM HATTER PROMO	0	0	0	0	0	0	0	(8,315)	(8,315)
1590		JIM IVERSON PROMO	0	0	0	0	0	0	0	(2,288)	(2,288)
1805		MAURICE KIRKHOFER PROMO	0	0	0	0	0	0	0	(4,756)	(4,756)
2320		KERMIT MCMILLIN PROMO	0	0	0	0	0	0	0	(3,247)	(3,247)
2932		G PUMAR PROMO	0	0	0	0	0	0	0	(52)	(52)

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
3256	J SCHWARTZ PROMO	0	0	0	0	0	0	0	(4,561)	(4,561)
9012	MICHAEL WHIPPLE PROMO	0	0	0	0	0	0	0	(4,988)	(4,988)
	SPECIAL EVENTS	0	0	0	0	0	0	0	(6,148)	(6,148)
	ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(26,165)	(26,165)
	OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(9,194)	(9,194)
	ALL OTHER	0	0	0	0	0	0	0	764	764
TOTAL OPEN ISSUES		0	0	0	0	0	(287,316)	0	(233,195)	(520,511)
TOTAL SOLANA BEACH U/W		4,958,559	(252,315)	(960,564)	(143,562)	3,602,118	(737,038)	(4,896)	(283,084)	2,577,100

MILLER & SCHROEDER FINANCIAL, INC.
PASADENA U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
53016	12/11/96	24,890	LOS ANGELES CO PUB WORKS JT	99,290	0	0	0	99,290	0	0	0	99,290
51066	02/05/97	52,085	POMONA UNIF SCHOOL DIST 97A	138,283	0	0	0	138,283	0	0	0	138,283
TOTAL MUNICIPAL BOND U/W				237,573	0	0	0	237,573	0	0	0	237,573
TOTAL REVENUES				237,573	0	0	0	237,573	0	0	0	237,573
OPEN ISSUES												
43006		20,000	SONOMA-SELF INSUR TE&TAX	0	0	0	0	0	0	0	(578)	(578)
53006			LAS VEGAS RENT TO OWN	0	0	0	0	0	0	0	(1,261)	(1,261)
53010			LA COUNTY HOUSING DEV CORPORAT	0	0	0	0	0	0	0	(885)	(885)
53017		5,000	MOTHER CO & PCL CONST SERVICES	0	0	0	0	0	0	0	(30)	(30)
0098			RAY ANDERSON PROMO	0	0	0	0	0	0	0	(150)	(150)
0206			REGGIE BOTTGER PROMO	0	0	0	0	0	0	0	(5,143)	(5,143)
1997			VICTOR LEE PROMO	0	0	0	0	0	0	0	(7,736)	(7,736)
3122			MIKE RUBAL PROMO	0	0	0	0	0	0	0	(405)	(405)
			OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(175)	(175)
TOTAL OPEN ISSUES				0	0	0	0	0	0	0	(16,363)	(16,363)
TOTAL PASADENA U/W				237,573	0	0	0	237,573	0	0	(16,363)	221,210

MILLER & SCHROEDER FINANCIAL, INC.
SEATTLE U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
EVENT & SPORT TICKETS	0	0	0	0	0	0	0	(406)	(406)
ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(18)	(18)
OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(137)	(137)
TOTAL OPEN ISSUES	0	0	0	0	0	(829)	0	(31,973)	(32,802)
TOTAL SEATTLE U/W	722,755	(94,912)	(11,550)	(843)	615,450	(14,330)	0	(58,027)	543,093

MILLER & SCHROEDER FINANCIAL, INC.
ORLANDO U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
INVESTMENT BANKING FEES												
40134	01/24/97	12,000	BROWARD CO FL-WINDOVER OAKS	32,117	0	0	0	32,117	0	0	0	32,117
TOTAL INVESTMENT BANKING FEES				32,117	0	0	0	32,117	0	0	0	32,117
TOTAL REVENUES				32,117	0	0	0	32,117	0	0	0	32,117
OPEN ISSUES												
42503		25,000	ORLANDO-CONROY ROAD PROJ	0	0	0	0	0	0	0	(16)	(16)
42514		4,500	BUFFALO NY TEE TO GREEN GOLF C	0	0	0	0	0	0	0	(38)	(38)
42516		4,000	CITY OF KISSIMMEE, FL	0	0	0	0	0	0	0	(216)	(216)
56003			FLORIDA KEYS AQUADUCT	0	0	0	0	0	0	0	(226)	(226)
56004		10,500	FACTOR ONE SENIOR NOTES	0	0	0	0	0	0	0	(617)	(617)
56007		14,000	PORT ORANGE FL WATER & SEWER	0	0	0	0	0	0	0	(37)	(37)
3666			TOBY WAGNER PROMO	0	0	0	0	0	0	0	(327)	(327)
			ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(108)	(108)
			ALL OTHER	0	0	0	0	0	0	0	(89)	(89)
TOTAL OPEN ISSUES				0	0	0	0	0	0	0	(1,674)	(1,674)
TOTAL ORLANDO U/W				32,117	0	0	0	32,117	0	0	(1,674)	30,443

MILLER & SCHROEDER FINANCIAL, INC.
SACRAMENTO U/W REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W									
57001 12/19/96 30,000 MENDOCINO CO PENSION OBLIG 96	297,467	(30,720)	0	(2,588)	264,159	(42,660)	0	(13,151)	208,348
TOTAL MUNICIPAL BOND U/W	297,467	(30,720)	0	(2,588)	264,159	(42,660)	0	(13,151)	208,348
INVESTMENT BANKING FEES									
57001 12/19/96 30,000 MENDOCINO CO PENSION OBLIG 96	30,000	0	0	0	30,000	0	0	0	30,000
TOTAL INVESTMENT BANKING FEES	30,000	0	0	0	30,000	0	0	0	30,000
TOTAL REVENUES	327,467	(30,720)	0	(2,588)	294,159	(42,660)	0	(13,151)	238,348
OPEN ISSUES									
57006 SACRAMENTO CNTY LEASE REV REFU	0	0	0	0	0	0	0	(52)	(52)
57009 MENDOCINO CNTY COP REFUNDING	0	0	0	0	0	0	0	(740)	(740)
57010 MENDOCINO SOLID WASTE AUTHORIT	0	0	0	0	0	0	0	(142)	(142)
57012 MENDOCINO CNTY TRANS	0	0	0	0	0	(5,000)	0	0	(5,000)
57014 EL DORADO UNION HIGH SCHOOL DI	0	0	0	0	0	0	0	(81)	(81)
57015 MODESTO IRRIGATION	0	0	0	0	0	0	0	(76)	(76)
57016 ST OF CA STATE AGENCY BONDS	0	0	0	0	0	0	0	(22)	(22)
2586 S NIELSON PROMO	0	0	0	0	0	0	0	(5,184)	(5,184)
OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(325)	(325)
TOTAL OPEN ISSUES	0	0	0	0	0	(5,000)	0	(6,622)	(11,622)
TOTAL SACRAMENTO U/W	327,467	(30,720)	0	(2,588)	294,159	(47,660)	0	(19,773)	226,726

MILLER & SCHROEDER FINANCIAL, INC.
SELF-INS GROUP REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
44501	WYOMING WORKER COMP SELF INS	0	0	0	0	0	0	0	(138)	(138)
44505	VENTURA LIAB WORK COMP	0	0	0	0	0	0	0	(557)	(557)
44514	SAN ANTONIO LIAB WORK COMP	0	0	0	0	0	0	0	(524)	(524)
44516	SCHOOL KERN LIAB WORK COMP	0	0	0	0	0	0	0	(124)	(124)
44520	RIVERS CTY	0	0	0	0	0	0	0	(1,022)	(1,022)
44522	SO CA JT POWERS INSUR AUTH	0	0	0	0	0	0	0	(141)	(141)
44524	SCRIPT REVENUE	0	0	0	0	0	0	0	(581)	(581)
44525	SAN DIEGO WORK COMP	0	0	0	0	0	0	0	(206)	(206)
44529	MINNESOTA COUNTIES	0	0	0	0	0	0	0	(1,777)	(1,777)
44544	FRESNO COUNTY SELF INSURANCE	0	0	0	0	0	0	0	(1,639)	(1,639)
44545	FRESNO CNTY SELF INS	0	0	0	0	0	0	0	(524)	(524)
43006	SONOMA CTY SELF INS TX & TE	0	0	0	0	0	0	0	(417)	(417)
61001	SAN DIEGO UNIFIED SCHL DIST	0	0	0	0	0	0	0	(1,108)	(1,108)
61003	STATE OF WYOMING EMPL BENEFITS	0	0	0	0	0	(7,000)	0	(7,603)	(14,603)
61010	CITY OF MILWAUKEE	0	0	0	0	0	0	0	(243)	(243)
61011	STATE OF NORTH DAKOTA	0	0	0	0	0	0	0	(7,140)	(7,140)
61012	CITY OF FORT WORTH TEXAS	0	0	0	0	0	0	0	(29)	(29)
61013	UNIVERSITY OF TEXAS	0	0	0	0	0	0	0	(398)	(398)
61014	CITY OF AUSTIN TEXAS	0	0	0	0	0	0	0	(4,556)	(4,556)
61016	SANTA CLARA CO WORK COMP	0	0	0	0	0	0	0	(1,361)	(1,361)
61017	STATE OF NEVADA/WORKER COMP PR	0	0	0	0	0	0	0	(1,218)	(1,218)
61020	SAN FRANCISCO/WORKERS COMP PRO	0	0	0	0	0	0	0	(682)	(682)
61021	CONTRA COSTA COUNTY/WORKERS CO	0	0	0	0	0	0	0	(45)	(45)
61023	SAN MAREO-WORKERS COMP. PROG.	0	0	0	0	0	0	0	(3,259)	(3,259)
61024	NACO-WORKERS COMP. PROG.	0	0	0	0	0	0	0	(3,492)	(3,492)
61027	SAN BERNARDINO CNTY SELF INS.F	0	0	0	0	0	(20,214)	0	(5,302)	(25,516)
61029	SAN DIEGO CO WORKERS COMP	0	0	0	0	0	0	0	(85)	(85)
61030	WISCONSIN SELF INSURANCE DEALS	0	0	0	0	0	(5,873)	0	0	(5,873)
61031	SACRAMENTO CO WORKERS COMP	0	0	0	0	0	0	0	(448)	(448)
0099	JOE ARTON PROMO	0	0	0	0	0	0	0	(75)	(75)
0518	J DANFORD PROMO	0	0	0	0	0	0	0	(543)	(543)
2786	S PATRAN PROMO	0	0	0	0	0	0	0	(2,146)	(2,146)
2787	BEN PAULSON PROMO	0	0	0	0	0	0	0	(675)	(675)
2789	BRIAN PAULSON PROMO	0	0	0	0	0	0	0	(13,710)	(13,710)
3709	K WILLIAMS PROMO	0	0	0	0	0	0	0	(266)	(266)
	ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(333)	(333)
	ALL OTHER	0	0	0	0	0	0	0	(255)	(255)
TOTAL OPEN ISSUES		0	0	0	0	0	(33,087)	0	(62,622)	(95,709)

MILLER & SCHROEDER FINANCIAL, INC.
SELF-INS GROUP REVENUE SUMMARY
July 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
TOTAL	0	0	0	0	0	(33,087)	0	(62,622)	(95,709)

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MILLER & SCHROEDER FINANCIAL, INC.
ADMIN U/W REVENUE SUMMARY
July 31, 1997

Cat # RV-181

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
INVESTMENT BANKING FEES										
49503	UNITED MORTGAGE CORPORATION	37,500	0	0	0	37,500	0	0	0	37,500
TOTAL INVESTMENT BANKING FEES		37,500	0	0	0	37,500	0	0	0	37,500
TOTAL REVENUES		37,500	0	0	0	37,500	0	0	0	37,500
OPEN ISSUES										
0110	JOHN ARVOLD PROMO	0	0	0	0	0	0	0	(3,715)	(3,715)
0625	JIM DLUGOSCH PROMO	0	0	0	0	0	0	0	(7,254)	(7,254)
	SUITE RENTAL EXPENSE	0	0	0	0	0	0	0	(14,033)	(14,033)
	ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(25,604)	(25,604)
	DUES & MEMBERSHIPS	0	0	0	0	0	0	0	(17,544)	(17,544)
	OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(3,300)	(3,300)
	ALL OTHER	0	0	0	0	0	0	0	(1,172)	(1,172)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	(72,622)	(72,622)
TOTAL ADMIN U/W		37,500	0	0	0	37,500	0	0	(72,622)	(35,122)

MILLER & SCHROEDER FINANCIAL, INC.
DEPARTMENT FINANCIAL STATEMENT SUMMARY PAGE
For the Nine Months Ended July 31, 1997

	DESCRIPTION	May	June	July	YTD	PY-YTD
10	MPLS PUBLIC FINANCE (11-18,56)					
11	MINNEAPOLIS U/W	$(108,145)	$(159,797)	$(29,808)	$(383,968)	$(412,235)
12	ST PAUL U/W	(50,401)	60,380	(10,326)	(147,588)	248,009
13	COLUMBUS U/W	(85,487)	(60,799)	(184,432)	(556,913)	39,734
18	RESIDENTIAL MTGE BANKING	(1,261)	(7,393)	(26,363)	(61,508)	24,957
--	LOAN FEES IN MSMC	1,027	7,411	6,889	35,292	(25,679)
56	ORLANDO U/W	(7,602)	(4,431)	(2,997)	(49,800)	(15,348)
19	MPLS TAXABLE FINANCE (20-25)					
20	MORTGAGE BANKING	38,756	22,554	119,878	759,567	480,967
21	LOAN ADMINISTRATION	(90)	(845)	(267)	4,137	10,253
22	TAXABLE FINANCING	(77,581)	462,900	(15,760)	362,189	933,033
23	CORPORATE CAPITAL	(36,454)	(58,904)	(207,212)	(472,135)	422,970
24	STRUCTURED FINANCING	0	0	0	0	(69,057)
25	SBA MILWAUKEE	(14,821)	78,464	(24,695)	(47,902)	(172,222)
--	SERVICING FEES IN MSIC	(45,113)	(53,090)	(46,859)	(440,368)	(336,182)
29	MPLS RETAIL SALES (30,31)					
30	MPLS RETAIL	(59,176)	(64,823)	(43,976)	(399,380)	(226,295)
31	MPLS BANK RETAIL	30,492	82,368	62,548	506,641	711,629
33	MPLS INSTITUTIONAL SALES	30,316	55,929	19,038	341,406	531,041
34	MPLS RETAIL TRADING	(2,895)	3,161	(45,687)	(238,889)	(193,769)
35	MPLS TAXABLE TRADING	(10,411)	(9,168)	(643,687)	(784,105)	(126,866)
36	MPLS FINANCIAL SERVICES	1,238	(2,894)	675	379	31,370
37	MPLS EQUITIES TRADING	(5,970)	(4,325)	(5,025)	(59,099)	(2,588)
49	CALIFORNIA SUMMARY (50-54,57-74)					
50	SOLANA BEACH ADMIN	(86,907)	(49,122)	(53,603)	(503,046)	(407,663)
51	SOLANA BEACH U/W	106,039	(109,991)	477,716	726,388	1,052,828
53	PASADENA U/W	(46,616)	(44,873)	(38,587)	(176,035)	(61,563)
54	SEATTLE U/W	94,434	(39,053)	(1,283)	210,672	397,110
57	SACRAMENTO U/W	(8,606)	(11,993)	(5,171)	126,358	0
61	SELF-INSURANCE GROUP	(60,162)	(43,746)	(71,070)	(486,819)	(8,792)
70	SOL BEACH RETAIL SALES	(4,787)	(2,870)	(26,225)	(175,070)	(76,172)
74	SOL BEACH TRADING	(13,448)	(3,611)	16,231	82,497	521,222
79	MPLS ADMIN SUMMARY (80-83)					
80	MINNEAPOLIS ADMIN	(75,641)	13,163	(22,176)	(646,650)	(616,604)
81	CORPORATE ADMIN	(21,185)	(24,509)	(208,935)	(369,955)	(429,375)
81	GENERAL BONUS	4,845	(1,166)	(284,059)	(211,545)	(1,191,503)
82	CORPORATE LEGAL	(39,661)	(46,214)	(37,238)	(216,994)	(893,444)
83	CORPORATE INTEREST	12,208	48,888	(1,725)	423,106	534,069
89	MPLS SUPPORT SUMMARY (90-96)					
90	PERSONNEL	0	1	0	(1)	2
91	TEMP POOL	0	0	0	1	0
92	OFFICE SERVICES	(1)	(1)	0	0	1
93	MIS	0	(1)	0	(2)	(2)
94	ACCOUNTING	0	0	0	0	0
95	RESEARCH	1	0	1	(3)	3
96	OPERATIONS	0	0	0	1	1
	PROFIT (LOSS) BEFORE TAX	(543,065)	31,600	(1,334,190)	(2,849,141)	673,839
81	INCOME TAXES	215,000	94,000	534,000	1,229,000	(123,750)
	NET PROFIT (LOSS)	(328,065)	125,600	(800,190)	(1,620,141)	550,089

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

11-MINNEAPOLIS UNDERWRITING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	195,550	230,119	245,581	1,674,251	1,691,131
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(10,250)	(17,894)	(5,363)	(172,579)	(304,139)
MN BANK RETAIL	0	(13,009)	(7,812)	(50,732)	(138,197)
MN INSTITUTIONAL	(12,985)	(37,998)	(55,732)	(233,427)	(142,433)
MN RETAIL TRADING	(928)	(21,438)	(9,866)	(57,348)	(40,541)
MN TAXABLE TRADING	0	0	0	(50)	(7,236)
CA RETAIL SALES	0	0	0	(2,450)	(488)
NET MUNICIPAL BOND U/W	171,387	139,780	166,808	1,157,665	1,058,098
INVESTMENT BANKING FEES	1,117	1,001	8,367	522,743	225,092
MUNICIPAL LEASE U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	0	6,000
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	0	0	0	0	(6,000)
MN RETAIL TRADING	0	0	0	0	(600)
NET MUNICIPAL LEASE U/W	0	0	0	0	(600)
MISCELLANEOUS INCOME-					
EQUITIES COMMISSIONS (SCDRY)	0	0	0	35	16
TOTAL REVENUES	172,504	140,781	175,175	1,680,443	1,282,606
DIRECT ISSUE EXPENSES	(37,509)	(21,003)	(22,464)	(357,225)	(198,698)
GROSS PROFIT	134,995	119,778	152,711	1,323,218	1,083,908
EXPENSES-					
SALARIES	80,537	80,990	82,389	657,443	541,730
BONUS & INCENTIVE COMP	43,000	59,000	(8,000)	190,000	191,081
REFERRAL COMP TO EMPLOYEES	0	0	0	15,400	1,125
OTHER PERSONNEL	11,377	12,598	15,631	113,823	84,220
TRAVEL & BUSINESS DEV	39,063	41,022	41,758	278,878	284,282
COMMUNICATION & OPERATING	18,128	17,305	19,142	149,285	146,214
OCCUPANCY & EQUIPMENT	12,400	7,310	10,176	78,838	63,027
GENERAL & ADMINISTRATIVE	21,951	43,632	2,822	76,965	45,181
TOTAL EXPENSES	226,456	261,857	163,918	1,560,632	1,356,859
NET OPERATING INCOME	(91,461)	(142,079)	(11,207)	(237,414)	(272,951)
INTERDEPT ALLOCATIONS	(16,684)	(17,719)	(18,598)	(146,555)	(139,285)
NET INCOME BEFORE TAX	(108,145)	(159,798)	(29,805)	(383,969)	(412,235)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

12-ST. PAUL UNDERWRITING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	90,000	30,824	196,107	682,589
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	0	0	0	(96,413)
MN BANK RETAIL	0	0	0	0	(3,188)
MN INSTITUTIONAL	0	0	0	(15,725)	(97,687)
MN RETAIL TRADING	0	0	0	0	(6,514)
CA RETAIL SALES	0	0	0	0	(375)
NET MUNICIPAL BOND U/W	0	90,000	30,824	180,382	478,413
INVESTMENT BANKING FEES	0	9,020	0	16,701	127,257
TOTAL REVENUES	0	99,020	30,824	197,083	605,670
DIRECT ISSUE EXPENSES	0	0	0	(1,265)	(44,975)
GROSS PROFIT	0	99,020	30,824	195,818	560,695
EXPENSES-					
SALARIES	22,150	22,150	22,150	203,350	186,404
BONUS & INCENTIVE COMP	13,000	1,000	1,000	19,000	11,857
OTHER PERSONNEL	4,464	1,773	2,296	24,094	19,880
TRAVEL & BUSINESS DEV	4,247	7,546	9,624	31,903	29,856
COMMUNICATION & OPERATING	1,124	1,422	95	11,712	13,667
OCCUPANCY & EQUIPMENT	2,305	1,943	2,265	24,435	23,876
GENERAL & ADMINISTRATIVE	455	25	566	2,870	2,495
TOTAL EXPENSES	47,745	35,859	37,996	317,364	288,033
NET OPERATING INCOME	(47,745)	63,161	(7,172)	(121,546)	272,662
INTERDEPT ALLOCATIONS	(2,657)	(2,782)	(3,156)	(26,042)	(24,653)
NET INCOME BEFORE TAX	(50,402)	60,379	(10,328)	(147,588)	248,009

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

13-COLUMBUS UNDERWRITING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	324,288	123,073
LESS: GROSS COMM ALLOC TO- MN INSTITUTIONAL	0	0	0	(42,819)	(18,572)
NET MUNICIPAL BOND U/W	0	0	0	281,469	104,501
INVESTMENT BANKING FEES	0	10,000	25,000	65,943	925,566
TOTAL REVENUES	0	10,000	25,000	347,412	1,030,067
DIRECT ISSUE EXPENSES	0	(7,500)	(550)	(15,787)	(44,885)
GROSS PROFIT	0	2,500	24,450	331,625	985,182
EXPENSES-					
SALARIES	41,040	36,019	36,598	353,838	396,509
BONUS & INCENTIVE COMP	0	0	2,000	26,000	150,000
OTHER PERSONNEL	7,183	4,016	143,626	190,381	50,279
TRAVEL & BUSINESS DEV	7,123	6,906	7,125	106,176	139,829
COMMUNICATION & OPERATING	9,192	1,726	7,661	63,605	68,976
OCCUPANCY & EQUIPMENT	10,820	10,821	10,238	99,265	94,749
GENERAL & ADMINISTRATIVE	7,348	798	(1,905)	22,341	16,773
TOTAL EXPENSES	82,706	60,286	205,343	861,606	917,115
NET OPERATING INCOME	(82,706)	(57,786)	(180,893)	(529,981)	68,067
INTERDEPT ALLOCATIONS	(2,780)	(3,012)	(3,540)	(26,932)	(28,331)
NET INCOME BEFORE TAX	(85,486)	(60,798)	(184,433)	(556,913)	39,736

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

18-RESIDENTIAL MORTGAGE BANKING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
RESIDENTIAL MTGE BANK FEES-					
PROGRAM ADMINISTRATION FEES	23,473	16,589	18,611	175,708	194,704
CONSTR LOAN COMMITMENT FEES	0	0	0	0	42,226
TOTAL RESID MTGE FEES *	23,473	16,589	18,611	175,708	236,930
TOTAL REVENUES	23,473	16,589	18,611	175,708	236,930
GROSS PROFIT	23,473	16,589	18,611	175,708	236,930
EXPENSES-					
SALARIES	13,750	14,125	14,125	124,500	122,299
BONUS & INCENTIVE COMP	0	0	0	0	5,250
OTHER PERSONNEL	1,925	1,945	20,826	37,339	19,337
TRAVEL & BUSINESS DEV	573	512	459	2,611	4,385
COMMUNICATION & OPERATING	2,179	2,259	3,398	15,964	13,036
OCCUPANCY & EQUIPMENT	3,149	1,956	2,424	20,234	19,502
GENERAL & ADMINISTRATIVE	132	0	65	8,444	1,232
TOTAL EXPENSES	21,708	20,797	41,297	209,092	185,040
NET OPERATING INCOME	1,765	(4,208)	(22,686)	(33,384)	51,890
INTERDEPT ALLOCATIONS	(3,026)	(3,184)	(3,676)	(28,124)	(26,932)
NET INCOME BEFORE TAX	(1,261)	(7,392)	(26,362)	(61,508)	24,958
* AMOUNT OF THIS RESID MTGE FEE RECORDED IN MSMC	(1,027)	(7,411)	(6,889)	(35,292)	25,679

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-020

56-ORLANDO UNDERWRITING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	0	101,890
LESS: GROSS COMM ALLOC TO- MN INSTITUTIONAL	0	0	0	0	(127)
NET MUNICIPAL BOND U/W	0	0	0	0	101,763
INVESTMENT BANKING FEES	0	0	0	32,117	0
TOTAL REVENUES	0	0	0	32,117	101,763
GROSS PROFIT	0	0	0	32,117	101,763
EXPENSES-					
SALARIES	1,750	583	0	32,529	26,625
BONUS & INCENTIVE COMP	0	0	(1,200)	800	34,500
OTHER PERSONNEL	679	395	0	6,480	6,024
TRAVEL & BUSINESS DEV	342	0	0	1,673	4,152
COMMUNICATION & OPERATING	1,709	857	1,649	11,543	13,844
OCCUPANCY & EQUIPMENT	2,039	1,991	1,990	18,431	18,340
GENERAL & ADMINISTRATIVE	164	27	(94)	1,052	1,252
TOTAL EXPENSES	6,683	3,853	2,345	72,508	104,736
NET OPERATING INCOME	(6,683)	(3,853)	(2,345)	(40,391)	(2,973)
INTERDEPT ALLOCATIONS	(920)	(579)	(652)	(9,407)	(12,375)
NET INCOME BEFORE TAX	(7,603)	(4,432)	(2,997)	(49,798)	(15,348)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-020

20-MORTGAGE BANKING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MORTGAGE BANKING-					
TOTAL ORIGINATION FEES	238,915	102,517	185,794	1,953,542	1,801,735
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	(115,015)	(29,035)	(73,734)	(809,600)	(839,850)
CA RETAIL SALES	(6,000)	0	0	(6,000)	0
LESS: FEES/DISC TO CUST	(11,250)	(3,000)	(3,400)	(36,527)	(82,340)
NET MORTGAGE BANKING	106,650	70,482	108,660	1,101,415	879,545
EXPENSE REIMBURSEMENTS	22,662	25,161	62,384	225,159	141,299
TOTAL MORTGAGE BANKING	129,312	95,643	171,044	1,326,574	1,020,844
LOAN SERVICING FEES-					
MONTHLY RECURRING FEES	42,421	38,935	49,274	371,099	325,654
LOAN PAYOFF & OTHER FEES	4,127	12,675	3,457	86,428	35,195
TOTAL LOAN SERVICING FEES	46,548	51,610	52,731	457,527	360,848
ALLOCATE TO LOAN ADMIN DEPT- FROM MORTGAGE BANKING	(17,541)	(16,832)	(21,353)	(160,186)	(146,644)
NET SERVICING FEES *	29,007	34,778	31,378	297,341	214,205
TOTAL REVENUES	158,319	130,421	202,422	1,623,915	1,235,048
DIRECT ISSUE EXPENSES	(38,607)	(38,145)	(14,972)	(223,414)	(154,620)
GROSS PROFIT	119,712	92,276	187,450	1,400,501	1,080,428
EXPENSES-					
SALARIES	25,445	23,368	20,291	224,155	241,110
BONUS & INCENTIVE COMP	28,000	15,000	24,000	203,000	154,790
REFERRAL COMP TO EMPLOYEES	3,328	0	0	3,328	14,686
OTHER PERSONNEL	3,744	4,817	6,385	45,109	34,407
TRAVEL & BUSINESS DEV	5,419	14,343	2,263	44,443	47,628
COMMUNICATION & OPERATING	4,854	4,198	5,282	40,090	31,319
OCCUPANCY & EQUIPMENT	3,122	2,187	2,698	22,917	22,434
GENERAL & ADMINISTRATIVE	1,509	694	933	6,908	2,932
TOTAL EXPENSES	75,421	64,607	61,852	589,950	549,305
NET OPERATING INCOME	44,291	27,669	125,598	810,551	531,124
INTERDEPT ALLOCATIONS	(5,535)	(5,115)	(5,721)	(50,985)	(50,157)
NET INCOME BEFORE TAX	38,756	22,554	119,877	759,566	480,967

* NET SVC FEE RECORDED IN MSIC

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

21-LOAN ADMINISTRATION

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
INVESTMENT BANKING FEES	0	0	0	0	11,250
TAXABLE FINANCING-					
TOTAL ORIGINATION FEES	0	0	0	0	3,750
LESS: GROSS COMM ALLOC TO-					
NET TAXABLE FINANCING	0	0	0	0	3,750
EQUIPMENT FINANCING-					
TOTAL ORIGINATION FEES	0	0	0	5,078	0
LESS: GROSS COMM ALLOC TO-					
NET EQUIPMENT FINANCING	0	0	0	5,078	0
LOAN SERVICING FEES-					
ALLOCATE TO LOAN ADMIN DEPT-					
FROM MORTGAGE BANKING	17,541	17,131	21,353	160,186	146,644
FROM TAXABLE FINANCING	11,355	14,444	10,433	104,246	73,514
FROM CORPORATE CAPITAL	0	0	0	0	1,109
FROM STRUCTURED FINANCING	74	352	230	2,751	3,521
FROM MILWAUKEE MTG BANK	0	508	452	1,735	0
FROM OTHER U/W DEPTS	30	65	32	1,582	212
NET SERVICING FEES *	29,000	32,500	32,500	270,500	224,999
MISCELLANEOUS INCOME-					
OTHER MISCELLANEOUS	0	20	0	20	0
TOTAL REVENUES	29,000	32,520	32,500	275,598	239,999
DIRECT ISSUE EXPENSES	(21)	(16)	(72)	(1,378)	(1,826)
GROSS PROFIT	28,979	32,504	32,428	274,220	238,173
EXPENSES-					
SALARIES	12,320	12,394	11,958	109,676	102,750
OTHER PERSONNEL	1,871	2,151	2,319	18,078	15,399
TRAVEL & BUSINESS DEV	(2,018)	207	0	(1,045)	1,198
COMMUNICATION & OPERATING	5,277	3,376	4,477	32,143	25,246
OCCUPANCY & EQUIPMENT	1,365	2,947	1,772	15,230	14,411
GENERAL & ADMINISTRATIVE	101	(4)	44	702	844
TOTAL EXPENSES	18,916	21,071	20,570	174,784	159,847
NET OPERATING INCOME	10,063	11,433	11,858	99,436	78,326
INTERDEPT ALLOCATIONS	(10,153)	(12,280)	(12,125)	(95,300)	(68,075)
NET INCOME BEFORE TAX	(90)	(847)	(267)	4,136	10,252

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

22-TAXABLE FINANCING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	9,044	0
LESS: GROSS COMM ALLOC TO-					
NET MUNICIPAL BOND U/W	0	0	0	9,044	0
TAXABLE FINANCING-					
TOTAL ORIGINATION FEES	4,500	761,285	274,940	1,996,159	4,053,377
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	0	(36,250)	(102,940)	(695,853)	(1,589,076)
CA RETAIL SALES	0	0	0	(3,125)	(22,500)
LESS: FEES/DISC TO CUST	0	(70,024)	(20,000)	(115,624)	(432,606)
NET TAXABLE FINANCING	4,500	655,011	152,000	1,181,557	2,009,195
LOAN SERVICING FEES-					
MONTHLY RECURRING FEES	27,460	32,146	24,075	241,541	165,500
LOAN PAYOFF & OTHER FEES	0	0	1,250	3,451	23,841
TOTAL LOAN SERVICING FEES	27,460	32,146	25,325	244,992	189,341
ALLOCATE TO LOAN ADMIN DEPT- FROM TAXABLE FINANCING	(11,355)	(14,444)	(10,433)	(104,246)	(73,514)
NET SERVICING FEES *	16,105	17,702	14,892	140,746	115,826
TOTAL REVENUES	20,605	672,713	166,892	1,331,347	2,125,021
DIRECT ISSUE EXPENSES	(16,685)	(16,985)	(6,023)	(61,155)	(165,062)
GROSS PROFIT	3,920	655,728	160,869	1,270,192	1,959,959
EXPENSES-					
SALARIES	35,486	33,317	29,706	308,575	298,080
BONUS & INCENTIVE COMP	0	45,000	60,000	150,000	291,584
REFERRAL COMP TO EMPLOYEES	0	0	0	0	12,182
OTHER PERSONNEL	2,929	2,928	3,092	43,397	34,613
TRAVEL & BUSINESS DEV	36,489	98,988	70,292	296,006	292,510
COMMUNICATION & OPERATING	1,975	4,086	5,812	41,907	34,076
OCCUPANCY & EQUIPMENT	2,662	2,102	2,351	21,964	21,254
GENERAL & ADMINISTRATIVE	(1,823)	2,974	909	9,544	2,468
TOTAL EXPENSES	77,718	189,395	172,162	871,393	986,765
NET OPERATING INCOME	(73,798)	466,333	(11,293)	398,799	973,193
INTERDEPT ALLOCATIONS	(3,784)	(3,434)	(4,467)	(36,611)	(40,161)
NET INCOME BEFORE TAX	(77,582)	462,899	(15,760)	362,188	933,032

* NET SVC FEE RECORDED IN MSIC

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

23-CORPORATE CAPITAL

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
CORPORATE CAPITAL GROUP-					
TOTAL FEES & TRADING PROFIT	0	0	(200,000)	(14,853)	1,140,686
ADD TRAD LOSS ALLOC TO SALES	0	0	0	0	24,758
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	0	0	(78,180)	(300,335)
MN BANK SALES	0	0	0	(10,000)	(23,250)
MN RETAIL TRADING	0	0	0	(30)	(228)
MN TAXABLE TRADING	0	0	0	(3,402)	(16,007)
CA RETAIL SALES	0	0	0	0	(315)
NET CORPORATE CAPITAL	0	0	(200,000)	(106,465)	825,309
MORTGAGE POOL TRADING PROFIT-					
TOTAL FEES & TRADING PROFIT	0	0	0	0	110,279
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	0	0	0	0	(21,977)
TOTAL MORTGAGE POOLS	0	0	0	0	88,303
LOAN SERVICING FEES-					
MONTHLY RECURRING FEES	0	0	0	0	2,813
TOTAL LOAN SERVICING FEES	0	0	0	0	2,813
ALLOCATE TO LOAN ADMIN DEPT-					
FROM CORPORATE CAPITAL	0	0	0	0	(1,109)
NET SERVICING FEES *	0	0	0	0	1,704
TOTAL REVENUES	0	0	(200,000)	(106,465)	915,316
DIRECT ISSUE EXPENSES	205	(10,001)	(60)	(38,400)	(28,125)
GROSS PROFIT	205	(10,001)	(200,060)	(144,865)	887,191
EXPENSES-					
SALARIES	27,275	27,170	27,275	241,892	209,668
COMMISSIONS	0	0	0	0	3,375
BONUS & INCENTIVE COMP	0	0	(36,333)	(31,333)	132,150
OTHER PERSONNEL	2,460	2,607	2,305	33,124	49,639
TRAVEL & BUSINESS DEV	0	12,075	5,946	20,827	8,395
COMMUNICATION & OPERATING	693	1,427	1,256	9,582	8,355
OCCUPANCY & EQUIPMENT	2,305	1,671	2,250	17,666	16,775
GENERAL & ADMINISTRATIVE	151	19	0	1,291	2,800
TOTAL EXPENSES	32,884	44,969	2,699	293,049	431,156
NET OPERATING INCOME	(32,679)	(54,970)	(202,759)	(437,914)	456,035
INTERDEPT ALLOCATIONS	(3,776)	(3,934)	(4,454)	(34,221)	(33,065)
NET INCOME BEFORE TAX	(36,455)	(58,904)	(207,213)	(472,135)	422,970

* NET SVC FEE RECORDED IN MSIC

08-26-97
5:15pm

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-020

25-SBA MILWAUKEE

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MORTGAGE BANKING-					
TOTAL ORIGINATION FEES	26,250	372,155	46,731	573,017	0
LESS: GROSS COMM ALLOC TO- MN BANK SALES	(12,276)	(199,750)	(39,970)	(303,862)	0
LESS: FEES/DISC TO CUST	0	(70,000)	(22,501)	(92,501)	0
NET MORTGAGE BANKING	13,974	102,405	(15,740)	176,654	0
EXPENSE REIMBURSEMENTS	11,572	47,619	10,297	100,747	9,234
TOTAL MORTGAGE BANKING	25,546	150,024	(5,443)	277,401	9,234
SBA LOAN U/W-					
ORIG FEES & EXP REIMB	23,853	1,961	17,740	66,821	1,905
NET SBA LOAN U/W	23,853	1,961	17,740	66,821	1,905
LOAN SERVICING FEES-					
MONTHLY RECURRING FEES	0	1,118	531	3,506	0
TOTAL LOAN SERVICING FEES	0	1,118	531	3,506	0
ALLOCATE TO LOAN ADMIN DEPT- FROM MILWAUKEE MTG BANK	0	(508)	(452)	(1,735)	0
NET SERVICING FEES *	0	610	79	1,771	0
TOTAL REVENUES	49,399	152,595	12,376	345,993	11,139
DIRECT ISSUE EXPENSES	(21,882)	(35,064)	(19,888)	(168,537)	(11,250)
GROSS PROFIT	27,517	117,531	(7,512)	177,456	(111)
EXPENSES-					
SALARIES	8,625	8,561	6,958	63,724	36,812
BONUS & INCENTIVE COMP	7,000	15,000	(6,000)	25,000	0
OTHER PERSONNEL	1,277	2,193	1,260	12,338	10,511
TRAVEL & BUSINESS DEV	17,257	7,198	6,966	69,240	70,994
COMMUNICATION & OPERATING	3,656	1,844	1,530	15,308	10,286
OCCUPANCY & EQUIPMENT	3,447	3,249	3,962	28,894	18,166
GENERAL & ADMINISTRATIVE	136	15	1,289	1,697	19,193
TOTAL EXPENSES	41,398	38,060	15,965	216,201	165,962
NET OPERATING INCOME	(13,881)	79,471	(23,477)	(38,745)	(166,073)
INTERDEPT ALLOCATIONS	(941)	(1,008)	(1,217)	(9,155)	(6,149)
NET INCOME BEFORE TAX	(14,822)	78,463	(24,694)	(47,900)	(172,221)

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

29-MPLS SALES SUMMARY (30-31)

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
U/W GROSS COMMISSIONS-					
MUNICIPAL BONDS	94,225	52,403	17,776	494,815	694,013
MUNICIPAL U/W-TRADING	0	0	0	950	33,580
MUNICIPAL LEASES	0	0	0	0	6,000
MORTGAGE BANKING	127,292	228,785	113,703	1,113,505	839,850
TAXABLE FINANCING	0	36,250	102,940	695,903	1,604,075
TAXABLE FINANCING (TX TD)	0	11,362	0	28,462	0
TAXABLE EQUIP LEASING	0	0	0	0	43,564
CORPORATE CAPITAL	0	0	0	88,180	323,585
TRADING GROSS COMMISSIONS-					
MUNICIPAL SECONDARY-					
MINNEAPOLIS TRADING	45,923	67,170	97,300	576,918	664,017
SOLANA BEACH TRADING	7,650	8,153	11,670	145,757	121,210
DEFAULT INVENTORY	0	0	0	15	0
INSTITUTIONAL TRADING	0	450	0	5,553	4,667
MUNICIPAL PUBLIC SALES-					
MINNEAPOLIS TRADING	25,190	1,112	1,600	43,586	71,244
SOLANA BEACH TRADING	0	0	0	0	965
MORTGAGE BACKED SEC	5,692	2,740	3,156	53,603	150,607
MORTGAGE POOLS	0	0	0	0	21,977
GOVERNMENT SECURITIES	13,511	21,031	50,348	244,381	182,541
CORPORATE SECONDARY	28,263	26,238	26,839	240,135	192,616
BOND FUNDS	7,452	5,073	13,859	61,391	66,752
OTHER GROSS COMMISSIONS-					
DIRECT INVESTMENT PROD	11,760	17,265	23,835	126,837	164,774
INSURANCE PRODUCTS	25,752	15,345	49,026	274,685	277,185
MUTUAL FUNDS & CD'S	19,999	12,283	8,284	153,366	169,018
EQUITIES	8,299	5,527	5,370	58,928	37,718
MISCELLANEOUS	376	2,901	2,026	23,244	27,867
TOTAL GROSS COMMISSIONS	421,384	514,088	527,732	4,430,214	5,697,822
LESS REVENUE ALLOCATIONS-					
BOND FUNDS (15%)	(1,118)	(761)	(2,080)	(9,210)	(10,012)
DIRECT INVESTMENTS (25%)	(2,940)	(4,316)	(5,960)	(31,711)	(41,195)
INSURANCE PRODUCTS (25%)	(6,085)	(3,836)	(12,257)	(68,319)	(69,296)
MUTUAL FUNDS & CD'S (15%)	(3,484)	(1,843)	(1,243)	(22,116)	(25,355)
LESS U/W & TRAD LOSS ALLOC-					
TAXABLE FINANCING	0	0	0	0	(15,000)
CORPORATE CAPITAL U/W	0	0	0	0	(24,758)
DIRECT INVESTMENTS	0	0	0	0	(5,246)
TOTAL REVENUES	407,757	503,332	506,192	4,298,858	5,506,961
DIRECT ISSUE EXPENSES	(2,820)	(2,790)	1,250	(5,940)	(25,009)
GROSS PROFIT	404,937	500,542	507,442	4,292,918	5,481,952
EXPENSES-					
SALARIES	45,519	50,318	31,883	464,992	575,626
COMMISSION PAYOUTS	191,057	225,970	226,872	1,977,298	2,572,833
COMMISSION AWARDS	613	0	45	1,527	3,420
BONUS & INCENTIVE COMP	2,500	5,000	(3,000)	35,000	104,746
OTHER PERSONNEL	32,214	25,184	27,986	292,030	329,653
TRAVEL & BUSINESS DEV	46,151	68,320	81,065	340,341	295,199
COMMUNICATION/OPERATING	24,337	22,319	27,210	244,087	227,750
OCCUPANCY & EQUIPMENT	21,243	14,775	18,689	156,429	153,482
GENERAL & ADMINISTRATIVE	4,216	3,137	3,323	29,412	32,495
TOTAL EXPENSES	367,850	415,023	414,073	3,541,116	4,295,203
NET OPERATING INCOME	37,087	85,519	93,369	751,802	1,186,749
INTERDEPT ALLOCATIONS	(65,772)	(67,972)	(74,798)	(644,546)	(701,417)
NET INCOME BEFORE TAX	(28,685)	17,547	18,571	107,256	485,333
COMMISSION PAYOUT %	45.3	44.0	43.0	44.6	33.9
COMMISSION PAYOUT % (ANNUALIZED)					45.2

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

30-MINNEAPOLIS RETAIL SALES

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
U/W GROSS COMMISSIONS-					
MUNICIPAL BONDS	94,225	39,394	8,126	429,946	493,451
MUNICIPAL U/W-TRADING	0	0	0	950	33,186
CORPORATE CAPITAL	0	0	0	78,180	300,335
TRADING GROSS COMMISSIONS-					
MUNICIPAL SECONDARY-					
MINNEAPOLIS TRADING	39,857	63,365	62,002	492,057	617,235
SOLANA BEACH TRADING	7,650	8,153	11,670	134,849	113,072
DEFAULT INVENTORY	0	0	0	15	0
INSTITUTIONAL TRADING	0	450	0	5,553	1,999
MUNICIPAL PUBLIC SALES-					
MINNEAPOLIS TRADING	15,200	1,112	1,600	25,490	35,234
SOLANA BEACH TRADING	0	0	0	0	684
MORTGAGE BACKED SEC	5,692	2,740	1,781	47,249	111,976
GOVERNMENT SECURITIES	3,743	1,175	3,450	28,042	25,828
CORPORATE SECONDARY	24,898	25,023	26,839	214,303	163,297
BOND FUNDS	7,452	5,073	13,859	61,391	66,752
OTHER GROSS COMMISSIONS-					
DIRECT INVESTMENT PROD	11,760	17,265	23,835	126,837	164,774
INSURANCE PRODUCTS	25,752	15,345	49,026	274,685	277,185
MUTUAL FUNDS & CD'S	19,999	12,283	8,284	153,366	169,018
EQUITIES	8,299	5,527	5,370	58,928	37,718
MISCELLANEOUS	376	2,901	2,026	23,244	27,867
TOTAL GROSS COMMISSIONS	264,903	199,806	217,868	2,155,085	2,639,607
LESS REVENUE ALLOCATIONS-					
BOND FUNDS (15%)	(1,118)	(761)	(2,080)	(9,210)	(10,012)
DIRECT INVESTMENTS (25%)	(2,940)	(4,316)	(5,960)	(31,711)	(41,195)
INSURANCE PRODUCTS (25%)	(6,085)	(3,836)	(12,257)	(68,319)	(69,296)
MUTUAL FUNDS & CD'S (15%)	(3,484)	(1,843)	(1,243)	(22,116)	(25,355)
LESS U/W & TRAD LOSS ALLOC-					
CORPORATE CAPITAL U/W	0	0	0	0	(24,758)
DIRECT INVESTMENTS	0	0	0	0	(5,246)
TOTAL REVENUES	251,276	189,050	196,328	2,023,729	2,463,746
DIRECT ISSUE EXPENSES	(2,820)	(2,785)	1,250	(5,935)	(25,009)
GROSS PROFIT	248,456	186,265	197,578	2,017,794	2,438,737
EXPENSES-					
SALARIES	35,860	32,711	29,438	305,774	294,099
COMMISSION PAYOUTS	121,312	79,829	84,299	913,162	1,124,802
COMMISSION AWARDS	0	0	45	914	150
BONUS & INCENTIVE COMP	1,500	5,000	(5,000)	16,000	39,188
OTHER PERSONNEL	23,734	17,702	18,380	191,548	230,365
TRAVEL & BUSINESS DEV	37,245	32,643	22,809	189,211	136,495
COMMUNICATION/OPERATING	15,564	13,380	15,155	143,151	132,516
OCCUPANCY & EQUIPMENT	13,521	9,645	12,289	100,172	96,431
GENERAL & ADMINISTRATIVE	3,484	2,748	2,840	23,134	24,342
TOTAL EXPENSES	252,220	193,658	180,255	1,883,066	2,078,387
NET OPERATING INCOME	(3,764)	(7,393)	17,323	134,728	360,350
INTERDEPT ALLOCATIONS	(55,413)	(57,429)	(61,299)	(534,111)	(586,645)
NET INCOME BEFORE TAX	(59,177)	(64,822)	(43,976)	(399,383)	(226,295)
COMMISSION PAYOUT %	45.8	40.0	38.7	42.4	32.0
COMMISSION PAYOUT % (ANNUALIZED)					42.6

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-040

31-MINNEAPOLIS BANK RETAIL SALES

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
U/W GROSS COMMISSIONS-					
MUNICIPAL BONDS	0	13,009	9,650	64,869	200,563
MUNICIPAL U/W-TRADING	0	0	0	0	394
MUNICIPAL LEASES	0	0	0	0	6,000
MORTGAGE BANKING	127,292	228,785	113,703	1,113,505	839,850
TAXABLE FINANCING	0	36,250	102,940	695,903	1,604,075
TAXABLE FINANCING (TX TD)	0	11,362	0	28,462	0
TAXABLE EQUIP LEASING	0	0	0	0	43,564
CORPORATE CAPITAL	0	0	0	10,000	23,250
TRADING GROSS COMMISSIONS-					
MUNICIPAL SECONDARY-					
MINNEAPOLIS TRADING	6,066	3,805	35,298	84,861	46,782
SOLANA BEACH TRADING	0	0	0	10,908	8,138
INSTITUTIONAL TRADING	0	0	0	0	2,669
MUNICIPAL PUBLIC SALES-					
MINNEAPOLIS TRADING	9,990	0	0	18,096	36,011
SOLANA BEACH TRADING	0	0	0	0	281
MORTGAGE BACKED SEC	0	0	1,375	6,354	38,631
MORTGAGE POOLS	0	0	0	0	21,977
GOVERNMENT SECURITIES	9,768	19,856	46,898	216,339	156,713
CORPORATE SECONDARY	3,365	1,215	0	25,832	29,319
TOTAL GROSS COMMISSIONS	156,481	314,282	309,864	2,275,129	3,058,215
LESS U/W & TRAD LOSS ALLOC-					
TAXABLE FINANCING	0	0	0	0	(15,000)
TOTAL REVENUES	156,481	314,282	309,864	2,275,129	3,043,215
DIRECT ISSUE EXPENSES	0	(5)	0	(5)	0
GROSS PROFIT	156,481	314,277	309,864	2,275,124	3,043,215
EXPENSES-					
SALARIES	9,659	17,607	2,445	159,218	281,527
COMMISSION PAYOUTS	69,745	146,141	142,573	1,064,136	1,448,031
COMMISSION AWARDS	613	0	0	613	3,270
BONUS & INCENTIVE COMP	1,000	0	2,000	19,000	65,558
OTHER PERSONNEL	8,480	7,482	9,606	100,482	99,288
TRAVEL & BUSINESS DEV	8,906	35,677	58,256	151,130	158,704
COMMUNICATION/OPERATING	8,773	8,939	12,055	100,936	95,234
OCCUPANCY & EQUIPMENT	7,722	5,130	6,400	56,257	57,051
GENERAL & ADMINISTRATIVE	732	389	483	6,278	8,153
TOTAL EXPENSES	115,630	221,365	233,818	1,658,050	2,216,816
NET OPERATING INCOME	40,851	92,912	76,046	617,074	826,400
INTERDEPT ALLOCATIONS	(10,359)	(10,543)	(13,499)	(110,435)	(114,772)
NET INCOME BEFORE TAX	30,492	82,369	62,547	506,639	711,628
COMMISSION PAYOUT %	44.6	46.5	46.0	46.8	35.5
COMMISSION PAYOUT % (ANNUALIZED)					47.3

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-030

33-MINNEAPOLIS INSTITUTIONAL

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
UNDERWRITING GROSS COMMISSION-					
MUNICIPAL BOND U/W	48,848	84,686	67,608	669,918	711,917
TOTAL U/W GROSS COMM	48,848	84,686	67,608	669,918	711,917
MUNICIPAL SECONDARY TRADING-					
TOTAL TRADING PROFIT	476	697	1,018	30,107	208,260
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	(450)	0	(5,553)	(1,999)
MN BANK SALES	0	0	0	0	(2,669)
NET SECONDARY TRAD PROF	476	247	1,018	24,554	203,593
PUBLIC SALES TRADING-					
TOTAL TRADING PROFIT & FEES	0	0	0	0	27,113
NET PUBLIC SALES PROF	0	0	0	0	27,113
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	0	0	0	437	202
LESS: GROSS COMM ALLOC TO-					
NET EQUITIES PROF/FEES	0	0	0	437	202
TOTAL REVENUES	49,324	84,933	68,626	694,909	942,824
DIRECT ISSUE EXPENSES	0	0	0	0	(15,000)
GROSS PROFIT	49,324	84,933	68,626	694,909	927,824
EXPENSES-					
SALARIES	16,042	16,042	16,042	169,413	172,366
COMMISSION PAYOUTS	0	0	0	(49)	0
BONUS & INCENTIVE COMP	(5,500)	6,000	23,000	71,000	107,063
OTHER PERSONNEL	1,718	682	1,128	23,797	18,260
TRAVEL & BUSINESS DEV	461	0	2,554	8,204	7,716
COMMUNICATION & OPERATING	2,703	2,173	2,592	35,306	39,993
OCCUPANCY & EQUIPMENT	1,583	1,174	1,459	13,288	14,589
GENERAL & ADMINISTRATIVE	83	7	0	641	1,005
TOTAL EXPENSES	17,090	26,078	46,775	321,600	360,992
NET OPERATING INCOME	32,234	58,855	21,851	373,309	566,832
INTERDEPT ALLOCATIONS	(1,918)	(2,925)	(2,812)	(31,903)	(35,792)
NET INCOME BEFORE TAX	30,316	55,930	19,039	341,406	531,041

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

34-MINNEAPOLIS RETAIL TRADING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
UNDERWRITING GROSS COMMISSION-					
MUNICIPAL BOND U/W	928	21,438	9,866	57,348	47,055
MUNICIPAL LEASE U/W	0	0	0	0	600
CORPORATE CAPITAL GROUP	0	0	0	30	228
TOTAL U/W GROSS COMM	928	21,438	9,866	57,378	47,883
MUNICIPAL U/W-TRADING DEPT-					
TOTAL PROFIT	0	0	0	0	39,983
LESS: GROSS COMM ALLOC TO:					
MN RETAIL SALES	0	0	0	0	(33,186)
MN BANK SALES	0	0	0	0	(394)
CA RETAIL SALES	0	0	0	0	(900)
NET M&S U/W-TRADING PROFIT	0	0	0	0	5,503
MUNICIPAL SECONDARY TRADING-					
TOTAL TRADING PROFIT	56,114	83,355	61,691	601,380	738,981
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(39,857)	(63,365)	(49,462)	(481,017)	(617,235)
MN BANK SALES	(6,066)	(3,805)	(3,223)	(52,786)	(46,782)
MN INSTITUTIONAL	0	0	0	(4,638)	(722)
CA RETAIL SALES	(338)	(6,625)	(300)	(15,522)	(8,856)
NET SECONDARY TRAD PROF	9,853	9,560	8,706	47,417	65,387
PUBLIC SALES TRADING-					
TOTAL TRADING PROFIT & FEES	37,526	665	9,420	55,790	96,833
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(15,200)	(1,112)	(1,600)	(28,490)	(35,234)
MN BANK SALES	(9,990)	0	0	(15,096)	(36,011)
NET PUBLIC SALES PROF	12,336	(447)	7,820	12,204	25,589
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	11	11	0	767	62
LESS: GROSS COMM ALLOC TO-					
NET EQUITIES PROF/FEES	11	11	0	767	62
MARK TO MARKET ADJUSTMENTS	0	0	(23,250)	(84,578)	(34,610)
TOTAL REVENUES	23,128	30,562	3,142	33,188	109,813
DIRECT ISSUE EXPENSES	(1,284)	(370)	(565)	(5,307)	(32,495)
GROSS PROFIT	21,844	30,192	2,577	27,881	77,318
EXPENSES-					
SALARIES	11,026	14,260	14,917	110,946	102,103
COMMISSION PAYOUTS	0	(24)	0	(29)	0
BONUS & INCENTIVE COMP	0	0	21,000	34,000	42,750
REFERRAL COMP TO EMPLOYEES	0	0	0	0	2,318
OTHER PERSONNEL	1,162	1,280	1,454	17,590	14,871
TRAVEL & BUSINESS DEV	1,818	206	0	2,229	541
COMMUNICATION & OPERATING	3,686	4,554	2,572	40,691	43,876
OCCUPANCY & EQUIPMENT	1,452	1,609	1,598	11,463	12,218
GENERAL & ADMINISTRATIVE	333	(2)	73	910	1,478
TOTAL EXPENSES	19,477	21,883	41,614	217,800	220,154
NET OPERATING INCOME	2,367	8,309	(39,037)	(189,919)	(142,835)
INTERDEPT ALLOCATIONS	(5,259)	(5,147)	(6,652)	(48,971)	(50,934)
NET INCOME BEFORE TAX	(2,892)	3,162	(45,689)	(238,890)	(193,769)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

35-MINNEAPOLIS TAXABLE TRADING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
UNDERWRITING GROSS COMMISSION-					
MUNICIPAL BOND U/W	0	0	0	50	10,424
CORPORATE CAPITAL GROUP	0	0	0	3,402	16,007
TOTAL U/W GROSS COMM	0	0	0	3,452	26,430
TAXABLE FINANCING U/W-					
TOTAL FEES & PROFIT	0	27,270	486	61,956	0
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	0	(11,362)	0	(28,462)	0
NET TAXABLE FINANCE U/W	0	15,908	486	33,494	0
TAXABLE EQUIP FINANCING-					
TOTAL FEES & PROFIT	0	(4,758)	0	(4,758)	0
LESS: GROSS COMM ALLOC TO-					
TOTAL TAXABLE EQUIP	0	(4,758)	0	(4,758)	0
MUNICIPAL SECONDARY TRADING-					
TOTAL TRADING PROFIT	0	0	39,698	39,698	0
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	0	(18,840)	(18,840)	0
MN BANK SALES	0	0	(32,075)	(32,075)	0
NET SECONDARY TRAD PROF	0	0	(11,217)	(11,217)	0
MORTGAGE BACKED SEC TRADING-					
TOTAL TRADING PROFIT	7,842	2,992	8,418	66,368	157,740
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(5,692)	(2,740)	(1,781)	(47,249)	(111,976)
MN BANK SALES	0	0	(1,375)	(6,354)	(38,631)
CA RETAIL SALES	(1,753)	0	(350)	(8,771)	(22,251)
NET CMO TRADING PROFIT	397	252	4,912	3,994	(15,118)
GOVERNMENT SECURITIES TRADING-					
TOTAL TRADING PROFIT	14,034	21,711	45,797	256,434	244,021
LESS: GROSS COMM ALLOC TO-					
SOLANA BEACH U/W	0	0	0	(6,500)	979
PASADENA U/W	0	0	0	0	13,436
SELF INSURANCE GROUP	0	0	0	0	(1,569)
MN RETAIL SALES	(3,843)	(1,175)	(3,450)	(28,142)	(25,828)
MN BANK SALES	(9,768)	(19,856)	(46,898)	(216,339)	(156,713)
CA RETAIL SALES	(100)	0	0	(2,101)	(3,989)
NET GOVTS TRADING PROF	323	680	(4,551)	3,352	70,338
CORPORATE SECONDARY TRADING-					
TOTAL TRADING PROFIT	88,287	70,964	91,171	613,676	373,203
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(24,898)	(25,023)	(20,539)	(208,550)	(169,472)
MN BANK SALES	(3,365)	(1,215)	0	(25,286)	(29,319)
CA RETAIL SALES	(43,970)	(35,534)	(56,019)	(327,623)	(175,573)
NET CORP SCDRY TRAD PROF	16,054	9,192	14,613	52,217	(1,160)
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	0	0	0	0	5
LESS: GROSS COMM ALLOC TO-					
NET EQUITIES PROF/FEES	0	0	0	0	5
MARK TO MARKET ADJUSTMENTS	0	0	(611,577)	(623,299)	(23,712)
MISCELLANEOUS INCOME	0	0	510	510	0
TOTAL REVENUES	16,774	21,274	(606,824)	(542,255)	56,783
DIRECT ISSUE EXPENSES	(6,355)	(3,555)	(5,460)	(31,906)	(254)
GROSS PROFIT	10,419	17,719	(612,284)	(574,161)	56,529
EXPENSES-					

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

35-MINNEAPOLIS TAXABLE TRADING

DESCRIPTION	May	June	July	YTD	PY-YTD
SALARIES	11,642	11,642	11,642	96,047	68,505
BONUS & INCENTIVE COMP	0	5,000	10,000	20,000	26,250
OTHER PERSONNEL	1,676	1,736	2,547	18,753	12,734
TRAVEL & BUSINESS DEV	688	0	0	1,586	8,144
COMMUNICATION & OPERATING	2,668	4,520	2,463	29,178	27,386
OCCUPANCY & EQUIPMENT	1,213	1,090	1,279	11,860	10,651
GENERAL & ADMINISTRATIVE	70	19	(12)	457	525
TOTAL EXPENSES	17,957	24,007	27,919	177,881	154,193
NET OPERATING INCOME	(7,538)	(6,288)	(640,203)	(752,042)	(97,664)
INTERDEPT ALLOCATIONS	(2,874)	(2,880)	(3,485)	(32,065)	(29,199)
NET INCOME BEFORE TAX	(10,412)	(9,168)	(643,688)	(784,107)	(126,863)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

36-MINNEAPOLIS FINANCIAL SERVICES

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
BOND FUND TRADING-					
TOTAL TRADING PROFIT	7,837	5,287	16,531	68,578	82,295
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(7,452)	(5,073)	(13,859)	(55,743)	(66,752)
CA RETAIL SALES	(321)	(214)	(1,485)	(11,379)	(11,723)
NET BOND FUND TRAD PROF	64	0	1,187	1,456	3,821
GROSS COMM REALLOC (15%)	1,166	793	2,303	11,221	11,770
NET BOND FUND REVENUES	1,230	793	3,490	12,677	15,590
DIRECT INVESTMENT PRODUCTS-					
TOTAL FEES & COMMISSIONS	12,495	17,865	24,185	134,393	190,567
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(11,760)	(17,265)	(23,835)	(126,837)	(164,774)
CA RETAIL SALES	0	0	0	(75)	(1,856)
NET DIRECT INV FEES	735	600	350	7,481	23,937
GROSS COMM REALLOC (25%)	2,940	4,316	5,960	31,730	41,658
NET DIRECT INV REVENUES	3,675	4,916	6,310	39,211	65,595
INSURANCE PRODUCTS-					
TOTAL FEES & COMMISSIONS	28,431	15,345	49,060	278,507	274,610
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(25,752)	(15,345)	(49,026)	(274,685)	(277,185)
CA RETAIL SALES	(2,679)	0	(34)	(4,122)	(2,860)
NET INSURANCE FEES	0	0	0	(300)	(5,435)
GROSS COMM REALLOC (25%)	6,754	3,836	12,265	69,349	70,011
NET INSURANCE REVENUES	6,754	3,836	12,265	69,049	64,577
MUTUAL FUNDS-					
TOTAL COMMISSIONS	7,860	4,755	6,241	91,719	109,858
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(7,760)	(2,401)	(3,741)	(80,062)	(91,553)
CA RETAIL SALES	(100)	(2,392)	(2,500)	(8,813)	(18,212)
NET MUTUAL FUND COMM	0	(38)	0	2,844	92
GROSS COMM REALLOC (15%)	1,178	719	936	10,278	16,467
NET MUTUAL FUND REVENUES	1,178	681	936	13,122	16,559

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

36-MINNEAPOLIS FINANCIAL SERVICES

DESCRIPTION	May	June	July	YTD	PY-YTD
MUTUAL FUND REINVESTMENTS-					
TOTAL COMMISSIONS	15,403	7,018	1,724	77,387	85,613
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(12,239)	(6,919)	(1,444)	(64,348)	(72,965)
CA RETAIL SALES	(3,164)	(99)	(281)	(13,031)	(12,626)
CA RETAIL TRADING	0	0	0	0	(22)
NET REINVESTMENT COMM	0	0	(1)	8	0
GROSS COMM REALLOC (15%)	3,259	1,053	259	10,442	12,843
NET REINVESTMENT REV	3,259	1,053	258	10,450	12,843
CERTIFICATES OF DEPOSIT-					
TOTAL COMMISSIONS	0	2,963	3,171	10,498	4,544
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	(2,963)	(3,100)	(10,330)	(4,499)
CA RETAIL SALES	0	0	0	0	(45)
NET CD COMM	0	0	71	168	0
GROSS COMM REALLOC (15%)	0	444	465	1,550	681
NET CD REVENUE	0	444	536	1,718	681
MARK TO MARKET ADJUSTMENTS	0	0	0	0	(257)
TOTAL REVENUES	16,096	11,723	23,795	146,227	175,588
GROSS PROFIT	16,096	11,723	23,795	146,227	175,588
EXPENSES-					
SALARIES	8,752	8,571	8,694	77,586	72,213
COMMISSION PAYOUTS	0	0	0	1	43
BONUS & INCENTIVE COMP	0	0	7,500	7,500	9,000
OTHER PERSONNEL	1,473	1,451	1,596	15,548	15,316
TRAVEL & BUSINESS DEV	0	0	0	50	802
COMMUNICATION & OPERATING	371	339	339	4,636	6,035
OCCUPANCY & EQUIPMENT	1,744	1,554	1,864	14,508	14,398
GENERAL & ADMINISTRATIVE	88	9	7	617	762
TOTAL EXPENSES	12,428	11,924	20,000	120,446	118,568
NET OPERATING INCOME	3,668	(201)	3,795	25,781	57,020
INTERDEPT ALLOCATIONS	(2,431)	(2,695)	(3,120)	(25,401)	(25,650)
NET INCOME BEFORE TAX	1,237	(2,896)	675	380	31,370

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-030

37-MINNEAPOLIS EQUITIES TRADING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	10,436	11,048	10,611	77,770	0
EQUITIES FEES/REBATES	0	432	190	1,602	0
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(8,299)	(5,527)	(5,077)	(54,796)	0
MN INSTITUTIONAL	0	0	0	(319)	0
MN TRADING	0	(11)	0	(727)	0
CA RETAIL	(2,060)	(5,253)	(5,534)	(28,200)	0
CA TRADING	0	(11)	0	(32)	0
NET EQUITIES PROF/FEES	77	678	190	(4,702)	0
TOTAL REVENUES	77	678	190	(4,702)	0
GROSS PROFIT	77	678	190	(4,702)	0
EXPENSES-					
SALARIES	3,000	3,000	3,000	27,000	2,250
OTHER PERSONNEL	265	250	238	2,498	295
TRAVEL & BUSINESS DEV	1,116	0	50	3,435	0
COMMUNICATION & OPERATING	701	755	710	12,704	44
OCCUPANCY & EQUIPMENT	308	337	434	2,687	0
GENERAL & ADMINISTRATIVE	26	(1)	16	188	0
TOTAL EXPENSES	5,416	4,341	4,448	48,512	2,588
NET OPERATING INCOME	(5,339)	(3,663)	(4,258)	(53,214)	(2,588)
INTERDEPT ALLOCATIONS	(631)	(663)	(767)	(5,885)	0
NET INCOME BEFORE TAX	(5,970)	(4,326)	(5,025)	(59,099)	(2,588)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

49-CALIFORNIA SUMMARY (50-74)

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
UNDERWRITING PROFIT/FEES-					
MUNICIPAL BONDS	770,018	468,558	1,012,592	5,353,672	5,276,353
INVESTMENT BANKING FEES	1,094	8,138	72,288	326,392	934,684
MORTGAGE BANKING	6,000	0	0	6,000	0
TAXABLE FINANCING	0	0	0	3,125	22,500
CORPORATE CAPITAL	0	0	0	0	315
TRADING PROFIT-					
MUNICIPAL SECONDARY	83,809	132,453	161,110	1,293,187	1,661,807
MUNICIPAL PUBLIC SALES	0	0	0	20,296	256,056
MORTGAGE BACKED SEC	1,753	0	350	8,771	22,251
GOVERNMENT SECURITIES	100	0	0	8,601	(8,858)
CORPORATE SECONDARY	43,970	35,534	56,019	327,623	175,573
BOND FUNDS	273	182	1,262	11,398	9,964
MARK-TO-MARKET	0	0	(12,700)	(12,700)	(208,938)
COMMISSION & FEE INCOME-					
DIRECT INVESTMENT PROD	(104)	104	0	56	1,471
INSURANCE PRODUCTS	2,009	0	26	3,092	2,145
MUTUAL FUNDS & CD'S	2,311	2,117	2,364	18,173	26,269
EQUITIES	2,060	5,264	5,534	29,430	7,718
MISCELLANEOUS	5	1,110	1,072	11,778	5,556
TOTAL REVENUES	913,298	653,460	1,299,917	7,408,894	8,184,863
DIRECT ISSUE EXPENSES	(69,662)	(234,333)	(207,718)	(833,695)	(533,801)
GROSS PROFIT	843,636	419,127	1,092,199	6,575,199	7,651,062
EXPENSES-					
SALARIES	250,192	252,824	248,090	2,236,462	1,912,625
COMMISSIONS	165,388	122,166	121,307	1,119,116	988,578
BONUS & INCENTIVE COMP	107,517	77,834	114,641	706,427	760,919
OTHER PERSONNEL	37,769	41,953	31,878	380,471	333,894
TRAVEL & BUSINESS DEV	103,603	69,001	69,909	655,039	575,615
COMMUNICATION/OPERATING	67,985	38,625	59,034	502,371	488,038
OCCUPANCY & EQUIPMENT	60,886	51,932	62,259	507,938	479,768
GENERAL & ADMINISTRATIVE	7,243	3,168	7,139	54,732	99,338
TOTAL EXPENSES	800,583	657,503	714,257	6,162,556	5,638,773
NET OPERATING INCOME	43,053	(238,376)	377,942	412,643	2,012,289
INTERDEPT ALLOCATIONS-					
ALLOCATED FROM SUPPORT DEPT	(63,108)	(66,885)	(79,930)	(607,696)	(595,320)
NET INCOME BEFORE TAX	(20,055)	(305,261)	298,012	(195,053)	1,416,969

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

50-SOLANA BEACH ADMINISTRATION

DESCRIPTION	May	June	July	YTD	PY-YTD
EXPENSES-					
SALARIES	39,500	39,500	39,500	315,500	256,875
OTHER PERSONNEL	1,898	1,646	1,861	23,580	20,117
TRAVEL & BUSINESS DEV	26,440	2,617	2,484	76,340	52,890
COMMUNICATION & OPERATING	10,491	(151)	1,459	31,515	24,404
OCCUPANCY & EQUIPMENT	7,400	4,320	6,672	44,889	40,080
GENERAL & ADMINISTRATIVE	368	312	571	3,366	5,480
TOTAL EXPENSES	86,097	48,244	52,547	495,190	399,845
NET OPERATING INCOME	(86,097)	(48,244)	(52,547)	(495,190)	(399,845)
INTERDEPT ALLOCATIONS	(812)	(879)	(1,056)	(7,855)	(7,819)
NET INCOME BEFORE TAX	(86,909)	(49,123)	(53,603)	(503,045)	(407,663)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

51-SOLANA BEACH UNDERWRITING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	722,205	536,746	1,029,066	4,667,296	3,922,701
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(83,975)	(21,500)	(2,763)	(247,618)	(42,701)
MN BANK RETAIL	0	0	(1,838)	(14,138)	(54,528)
MN INSTITUTIONAL	(16,500)	(46,688)	(11,875)	(252,315)	(241,073)
MN TAXABLE TRADING	0	0	0	0	(3,188)
CA RETAIL SALES	(166,515)	(102,079)	(67,588)	(698,808)	(551,967)
CA RETAIL TRADING	(17,375)	(6,660)	(46,500)	(143,560)	(180,401)
NET MUNICIPAL BOND U/W	437,840	359,819	898,502	3,310,857	2,848,844
INVESTMENT BANKING FEES	1,094	8,138	62,288	276,392	381,570
TRADING DEPT ALLOCATIONS-					
MUNICIPAL SECONDARY	0	0	0	8,372	0
GOVERNMENT SECURITIES	0	0	0	6,500	(979)
TOTAL TRADING DEPT ALLOCATIONS	0	0	0	14,872	(979)
MARK-TO-MARKET ADJUSTMENTS	0	0	0	0	(39,396)
TOTAL REVENUES	438,934	367,957	960,790	3,602,121	3,190,039
DIRECT ISSUE EXPENSES	(62,461)	(234,262)	(187,421)	(737,036)	(323,632)
GROSS PROFIT	376,473	133,695	773,369	2,865,085	2,866,407
EXPENSES-					
SALARIES	79,629	83,745	84,744	733,661	595,543
BONUS & INCENTIVE COMP	92,000	73,000	102,000	542,000	381,872
REFERRAL COMP TO EMPLOYEES	0	0	0	4,896	0
OTHER PERSONNEL	10,890	14,952	10,010	108,042	105,265
TRAVEL & BUSINESS DEV	35,854	32,409	34,297	283,083	253,963
COMMUNICATION & OPERATING	15,996	10,562	23,278	152,810	122,608
OCCUPANCY & EQUIPMENT	21,530	16,604	23,263	189,215	197,669
GENERAL & ADMINISTRATIVE	3,967	1,112	4,197	22,795	67,163
TOTAL EXPENSES	259,866	232,384	281,789	2,036,502	1,724,081
NET OPERATING INCOME	116,607	(98,689)	491,580	828,583	1,142,326
INTERDEPT ALLOCATIONS	(10,567)	(11,302)	(13,864)	(102,194)	(89,498)
NET INCOME BEFORE TAX	106,040	(109,991)	477,716	726,389	1,052,828

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

53-PASADENA UNDERWRITING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	237,573	251,644
LESS: GROSS COMM ALLOC TO- MN INSTITUTIONAL	0	0	0	0	(26,842)
NET MUNICIPAL BOND U/W	0	0	0	237,573	224,802
INVESTMENT BANKING FEES	0	0	0	0	229,035
TRADING DEPT ALLOCATIONS-					
GOVERNMENT SECURITIES	0	0	0	0	(13,436)
TOTAL TRADING DEPT ALLOCATIONS	0	0	0	0	(13,436)
TOTAL REVENUES	0	0	0	237,573	440,401
DIRECT ISSUE EXPENSES	0	0	0	0	(10,298)
GROSS PROFIT	0	0	0	237,573	430,103
EXPENSES-					
SALARIES	29,685	29,685	29,685	267,163	291,396
BONUS & INCENTIVE COMP	0	0	(6,250)	13,750	29,902
OTHER PERSONNEL	3,878	3,934	3,436	35,104	36,604
TRAVEL & BUSINESS DEV	4,076	3,179	1,471	16,363	27,685
COMMUNICATION & OPERATING	3,419	1,441	3,423	24,685	44,131
OCCUPANCY & EQUIPMENT	2,878	3,927	3,503	31,003	29,261
GENERAL & ADMINISTRATIVE	137	(3)	108	1,053	5,216
TOTAL EXPENSES	44,073	42,163	35,376	389,121	464,194
NET OPERATING INCOME	(44,073)	(42,163)	(35,376)	(151,548)	(34,091)
INTERDEPT ALLOCATIONS	(2,543)	(2,710)	(3,211)	(24,486)	(27,471)
NET INCOME BEFORE TAX	(46,616)	(44,873)	(38,587)	(176,034)	(61,562)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

54-SEATTLE UNDERWRITING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	167,650	0	0	702,755	991,632
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	0	0	(9,750)	(50,198)
MN BANK RETAIL	0	0	0	0	(2,588)
MN INSTITUTIONAL	(19,362)	0	0	(94,912)	(121,510)
CA RETAIL SALES	1,000	0	0	(1,800)	(37,406)
CA RETAIL TRADING	0	0	0	(842)	(24,036)
NET MUNICIPAL BOND U/W	149,288	0	0	595,451	755,894
INVESTMENT BANKING FEES	0	0	10,000	20,000	113,079
TOTAL REVENUES	149,288	0	10,000	615,451	868,973
DIRECT ISSUE EXPENSES	(1,328)	(71)	(83)	(14,328)	(14,108)
GROSS PROFIT	147,960	(71)	9,917	601,123	854,866
EXPENSES-					
SALARIES	18,958	18,349	16,417	162,436	140,516
BONUS & INCENTIVE COMP	9,000	0	(25,000)	39,000	152,582
OTHER PERSONNEL	1,599	2,078	1,531	24,974	17,384
TRAVEL & BUSINESS DEV	10,720	4,841	6,480	58,025	58,745
COMMUNICATION & OPERATING	3,685	4,133	1,835	33,614	26,327
OCCUPANCY & EQUIPMENT	7,237	7,237	7,241	52,081	43,256
GENERAL & ADMINISTRATIVE	20	16	6	227	331
TOTAL EXPENSES	51,219	36,654	8,510	370,357	439,140
NET OPERATING INCOME	96,741	(36,725)	1,407	230,766	415,726
INTERDEPT ALLOCATIONS	(2,307)	(2,327)	(2,691)	(20,091)	(18,616)
NET INCOME BEFORE TAX	94,434	(39,052)	(1,284)	210,675	397,110

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-020

57-SACRAMENTO UNDERWRITING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	297,467	0
LESS: GROSS COMM ALLOC TO-					
MN INSTITUTIONAL	0	0	0	(30,720)	0
CA RETAIL TRADING	0	0	0	(2,588)	0
NET MUNICIPAL BOND U/W	0	0	0	264,159	0
INVESTMENT BANKING FEES	0	0	0	30,000	0
TOTAL REVENUES	0	0	0	294,159	0
DIRECT ISSUE EXPENSES	0	0	0	(47,660)	0
GROSS PROFIT	0	0	0	246,499	0
EXPENSES-					
SALARIES	7,083	7,083	7,083	63,750	0
BONUS & INCENTIVE COMP	0	0	(6,000)	17,000	0
OTHER PERSONNEL	695	705	724	7,628	0
TRAVEL & BUSINESS DEV	0	2,575	2,176	19,774	0
COMMUNICATION & OPERATING	0	633	213	3,891	0
OCCUPANCY & EQUIPMENT	212	376	250	2,429	0
GENERAL & ADMINISTRATIVE	24	(4)	26	142	0
TOTAL EXPENSES	8,014	11,368	4,472	114,614	0
NET OPERATING INCOME	(8,014)	(11,368)	(4,472)	131,885	0
INTERDEPT ALLOCATIONS	(591)	(625)	(697)	(5,528)	0
NET INCOME BEFORE TAX	(8,605)	(11,993)	(5,169)	126,357	0

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

61-SELF INSURANCE GROUP

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	0	721,906
LESS: GROSS COMM ALLOC TO-					
MN BANK RETAIL	0	0	0	0	(2,063)
MN INSTITUTIONAL	0	0	0	0	(63,675)
CA RETAIL SALES	0	0	0	0	(2,030)
CA RETAIL TRADING	0	0	0	0	(15,133)
NET MUNICIPAL BOND U/W	0	0	0	0	639,006
INVESTMENT BANKING FEES	0	0	0	0	211,000
TRADING DEPT ALLOCATIONS-					
GOVERNMENT SECURITIES	0	0	0	0	1,569
TOTAL TRADING DEPT ALLOCATIONS	0	0	0	0	1,569
TOTAL REVENUES	0	0	0	0	851,575
DIRECT ISSUE EXPENSES	(5,873)	0	(20,214)	(33,087)	(174,634)
GROSS PROFIT	(5,873)	0	(20,214)	(33,087)	676,941
EXPENSES-					
SALARIES	24,835	24,755	24,068	223,174	264,441
BONUS & INCENTIVE COMP	0	0	0	0	164,585
OTHER PERSONNEL	2,278	2,026	1,971	26,767	36,011
TRAVEL & BUSINESS DEV	7,743	5,060	9,506	62,621	94,204
COMMUNICATION & OPERATING	9,128	2,499	5,888	45,193	39,641
OCCUPANCY & EQUIPMENT	6,725	5,757	5,200	56,569	49,244
GENERAL & ADMINISTRATIVE	249	117	0	7,094	1,974
TOTAL EXPENSES	50,958	40,214	46,633	421,418	650,099
NET OPERATING INCOME	(56,831)	(40,214)	(66,847)	(454,505)	26,842
INTERDEPT ALLOCATIONS	(3,331)	(3,532)	(4,224)	(32,314)	(35,633)
NET INCOME BEFORE TAX	(60,162)	(43,746)	(71,071)	(486,819)	(8,792)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-040

70-SOLANA BEACH RETAIL SALES

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
U/W GROSS COMMISSIONS-					
MUNICIPAL BONDS	165,515	102,079	67,588	703,058	592,265
MUNICIPAL U/W-TRADING	0	0	0	20,811	900
MORTGAGE BANKING	6,000	0	0	6,000	0
TAXABLE FINANCING	0	0	0	3,125	22,500
CORPORATE CAPITAL	0	0	0	0	315
TRADING GROSS COMMISSIONS-					
MUNICIPAL SECONDARY-					
MINNEAPOLIS TRADING	338	6,625	300	17,022	8,856
SOLANA BEACH TRADING	84,873	104,916	110,514	1,076,145	1,010,440
MUNICIPAL PUBLIC SALES-					
SOLANA BEACH TRADING	0	0	0	15,445	71,018
MORTGAGE BACKED SEC	1,753	0	350	8,771	22,251
GOVERNMENT SECURITIES	100	0	0	2,101	3,989
CORPORATE SECONDARY	43,970	35,534	56,019	327,623	175,573
BOND FUNDS	321	214	1,485	13,410	11,723
OTHER GROSS COMMISSIONS-					
DIRECT INVESTMENT PROD	(104)	104	0	75	1,934
INSURANCE PRODUCTS	2,679	0	34	4,122	2,860
MUTUAL FUNDS & CD'S	3,264	2,491	2,781	21,380	30,905
EQUITIES	2,060	5,253	5,534	29,392	7,644
MISCELLANEOUS	5	1,110	1,072	11,778	5,556
TOTAL GROSS COMMISSIONS	310,774	258,326	245,677	2,260,258	1,968,727
LESS REVENUE ALLOCATIONS-					
BOND FUNDS (15%)	(48)	(32)	(223)	(2,012)	(1,759)
DIRECT INVESTMENTS (25%)	0	0	0	(19)	(464)
INSURANCE PRODUCTS (25%)	(670)	0	(8)	(1,030)	(715)
MUTUAL FUNDS & CD'S (15%)	(953)	(374)	(417)	(3,207)	(4,636)
TOTAL REVENUES	309,103	257,920	245,029	2,253,990	1,961,154
DIRECT ISSUE EXPENSES	0	0	0	0	(1,988)
GROSS PROFIT	309,103	257,920	245,029	2,253,990	1,959,167
EXPENSES-					
SALARIES	39,743	38,948	35,834	373,948	267,333
COMMISSION PAYOUTS	165,388	122,166	121,307	1,119,086	988,512
COMMISSION AWARDS	0	0	0	30	59
BONUS & INCENTIVE COMP	6,517	4,834	12,391	52,281	31,978
OTHER PERSONNEL	15,118	15,327	10,877	137,543	105,188
TRAVEL & BUSINESS DEV	18,770	16,851	13,495	134,768	81,221
COMMUNICATION/OPERATING	15,967	10,676	17,696	130,986	120,609
OCCUPANCY & EQUIPMENT	10,721	10,004	11,446	94,303	84,203
GENERAL & ADMINISTRATIVE	2,426	1,622	2,190	19,661	18,467
TOTAL EXPENSES	274,650	220,428	225,236	2,062,606	1,697,568
NET OPERATING INCOME	34,453	37,492	19,793	191,384	261,599
INTERDEPT ALLOCATIONS	(39,240)	(40,363)	(46,016)	(366,457)	(337,772)
NET INCOME BEFORE TAX	(4,787)	(2,871)	(26,223)	(175,073)	(76,174)
COMMISSION PAYOUT %	53.2	47.3	49.4	49.5	37.7
COMMISSION PAYOUT % (ANNUALIZED)					50.2

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

74-SOLANA BEACH RETAIL TRADING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
UNDERWRITING GROSS COMMISSION-					
MUNICIPAL BOND U/W	17,375	6,660	46,500	146,990	214,641
TOTAL U/W GROSS COMM	17,375	6,660	46,500	146,990	214,641
MUNICIPAL U/W-TRADING DEPT-					
TOTAL PROFIT	0	0	0	96,534	0
LESS: GROSS COMM ALLOC TO:					
MN RETAIL SALES	0	0	0	(950)	0
CA RETAIL SALES	0	0	0	(20,811)	0
NET M&S U/W-TRADING PROFIT	0	0	0	74,773	0
MUNICIPAL SECONDARY TRADING-					
TOTAL TRADING PROFIT	91,122	133,981	172,480	1,424,197	1,774,160
LESS: GROSS COMM ALLOC TO-					
SOLANA BEACH U/W	0	0	0	(8,372)	0
MN RETAIL SALES	(7,650)	(8,153)	(11,670)	(134,849)	(113,072)
MN BANK SALES	0	0	0	(10,908)	(8,138)
MN INSTITUTIONAL	0	0	0	(2,275)	0
CA RETAIL SALES	(84,873)	(104,916)	(110,514)	(1,076,145)	(1,010,440)
NET SECONDARY TRAD PROF	(1,401)	20,912	50,296	191,648	642,511
PUBLIC SALES TRADING-					
TOTAL TRADING PROFIT & FEES	0	0	0	20,296	284,135
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	0	0	(300)	(684)
MN BANK SALES	0	0	0	0	(281)
MN INSTITUTIONAL	0	0	0	0	(27,113)
CA RETAIL SALES	0	0	0	(15,145)	(71,018)
NET PUBLIC SALES PROF	0	0	0	4,851	185,039
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	0	11	0	38	74
LESS: GROSS COMM ALLOC TO-					
NET EQUITIES PROF/FEES	0	11	0	38	74
MARK TO MARKET ADJUSTMENTS	0	0	(12,700)	(12,700)	(169,542)
TOTAL REVENUES	15,974	27,583	84,096	405,600	872,723
DIRECT ISSUE EXPENSES	0	0	0	(1,584)	(9,142)
GROSS PROFIT	15,974	27,583	84,096	404,016	863,580
EXPENSES-					
SALARIES	10,759	10,759	10,759	96,830	96,521
COMMISSION PAYOUTS	0	0	0	0	8
BONUS & INCENTIVE COMP	0	0	37,500	37,500	0
OTHER PERSONNEL	1,413	1,285	1,468	16,833	13,327
TRAVEL & BUSINESS DEV	0	1,469	0	4,065	6,908
COMMUNICATION & OPERATING	9,299	8,832	5,242	79,677	110,319
OCCUPANCY & EQUIPMENT	4,183	3,707	4,684	37,449	36,056
GENERAL & ADMINISTRATIVE	52	(4)	41	394	708
TOTAL EXPENSES	25,706	26,048	59,694	272,748	263,846
NET OPERATING INCOME	(9,732)	1,535	24,402	131,268	599,734
INTERDEPT ALLOCATIONS	(3,717)	(5,147)	(8,171)	(48,771)	(78,512)
NET INCOME BEFORE TAX	(13,449)	(3,612)	16,231	82,497	521,222

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

79-MINNEAPOLIS ADMIN SUMMARY (80-83)

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
INVESTMENT BANKING FEES	0	12,500	(42,000)	37,500	65,625
DEFAULTED MUNI SCDRY TRADING-					
TOTAL FEES & TRADING PROFIT	0	0	0	(6,665)	40,285
LESS: GROSS COMM ALLOC TO-					
TOTAL DEFAULT SCDRY	0	0	0	(6,665)	40,285
TRADING DEPT ALLOCATIONS-					
MUNICIPAL SECONDARY	5,058	0	0	5,058	(10,827)
CORPORATE SECONDARY	0	0	0	53,469	0
TOTAL TRADING DEPT ALLOCATIONS	5,058	0	0	58,527	(10,827)
MARK-TO-MARKET ADJUSTMENTS	0	0	(8,397)	(8,397)	(131,725)
MISCELLANEOUS INCOME-					
EQUITIES COMMISSIONS (SCDRY)	0	0	0	0	32
M&S LEGAL FEES	1,950	1,000	0	2,950	4,875
M&S LEGAL FEES-INTERDEPT	0	0	0	250	83,119
INTERCO MGT FEES-MSIC	10,000	10,000	10,000	90,000	0
INTERCO MGT FEES-PLMC	500	500	500	4,500	2,250
INTERCO MGT FEES-MSCC/GVLP	4,000	4,000	4,000	36,000	31,500
INTERCO MGT FEES-SBCC	500	500	500	5,000	7,500
OTHER MISCELLANEOUS	18	19	8,847	26,846	39,522
TOTAL REVENUES	22,026	28,519	(26,550)	246,511	132,156
DIRECT ISSUE EXPENSES	0	0	0	(120)	(4,010)
GROSS PROFIT	22,026	28,519	(26,550)	246,391	128,146
EXPENSES-					
SALARIES	68,062	67,857	65,499	620,618	604,960
COMMISSIONS	(4)	0	0	(4)	0
BONUS & INCENTIVE COMP	(4,845)	1,166	284,059	211,545	1,191,503
OTHER PERSONNEL	8,365	7,064	82,154	144,549	72,063
TRAVEL & BUSINESS DEV	31,604	(55,892)	2,175	321,362	302,179
COMMUNICATION & OPERATING	5,703	17,767	13,752	82,056	58,478
OCCUPANCY & EQUIPMENT	20,694	17,524	18,614	155,548	143,006
GENERAL & ADMINISTRATIVE	18,403	26,353	53,465	104,326	838,306
TOTAL EXPENSES	147,982	81,839	519,718	1,640,000	3,210,494
NET OPERATING INCOME	(125,956)	(53,320)	(546,268)	(1,393,609)	(3,082,348)
INTERDEPT ALLOCATIONS	(5,685)	(5,405)	(6,139)	(51,532)	(48,578)
NET INCOME BEFORE TAX	(131,641)	(58,725)	(552,407)	(1,445,141)	(3,130,926)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-020

80-MINNEAPOLIS ADMINISTRATION

DESCRIPTION	May	June	July	YTD	PY-YTD
EXPENSES-					
SALARIES	38,583	38,583	38,583	306,000	254,633
OTHER PERSONNEL	1,557	1,570	1,595	20,066	36,081
TRAVEL & BUSINESS DEV	26,937	(58,126)	(26,126)	241,484	241,300
COMMUNICATION & OPERATING	1,418	2,544	1,694	19,360	15,974
OCCUPANCY & EQUIPMENT	4,727	(320)	3,753	34,559	44,902
GENERAL & ADMINISTRATIVE	391	494	376	6,517	5,253
TOTAL EXPENSES	73,613	(15,255)	19,875	627,986	598,142
NET OPERATING INCOME	(73,613)	15,255	(19,875)	(627,986)	(598,142)
INTERDEPT ALLOCATIONS	(2,028)	(2,091)	(2,301)	(18,663)	(18,462)
NET INCOME BEFORE TAX	(75,641)	13,164	(22,176)	(646,649)	(616,604)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

81-CORPORATE ADMINISTRATION

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
INVESTMENT BANKING FEES	0	12,500	(42,000)	37,500	65,625
DEFAULTED MUNI SCDRY TRADING-					
TOTAL FEES & TRADING PROFIT	0	0	0	(6,665)	40,285
LESS: GROSS COMM ALLOC TO-					
TOTAL DEFAULT SCDRY	0	0	0	(6,665)	40,285
TRADING DEPT ALLOCATIONS-					
MUNICIPAL SECONDARY	5,058	0	0	5,058	(10,827)
CORPORATE SECONDARY	0	0	0	53,469	0
TOTAL TRADING DEPT ALLOCATIONS	5,058	0	0	58,527	(10,827)
MARK-TO-MARKET ADJUSTMENTS	0	0	(8,397)	(8,397)	(131,725)
MISCELLANEOUS INCOME-					
EQUITIES COMMISSIONS (SCDRY)	0	0	0	0	32
INTERCO MGT FEES-MSIC	10,000	10,000	10,000	90,000	0
INTERCO MGT FEES-PLMC	500	500	500	4,500	2,250
INTERCO MGT FEES-MSCC/GVLP	4,000	4,000	4,000	36,000	31,500
INTERCO MGT FEES-SBCC	500	500	500	5,000	7,500
OTHER MISCELLANEOUS	18	19	8,822	26,821	39,522
TOTAL REVENUES	20,076	27,519	(26,575)	243,286	44,162
DIRECT ISSUE EXPENSES	0	0	0	0	(3,472)
GROSS PROFIT	20,076	27,519	(26,575)	243,286	40,691
EXPENSES-					
SALARIES	9,333	8,833	8,833	139,596	183,000
COMMISSIONS	(4)	0	0	(4)	0
BONUS & INCENTIVE COMP	(4,845)	1,166	284,059	211,545	1,191,503
OTHER PERSONNEL	958	1,275	74,420	93,801	18,284
TRAVEL & BUSINESS DEV	4,082	994	27,908	72,622	47,893
COMMUNICATION & OPERATING	3,550	13,875	7,995	50,108	20,156
OCCUPANCY & EQUIPMENT	11,931	14,251	11,028	86,943	66,033
GENERAL & ADMINISTRATIVE	10,277	11,603	50,802	159,704	127,031
TOTAL EXPENSES	35,282	51,997	465,045	814,315	1,653,899
NET OPERATING INCOME	(15,206)	(24,478)	(491,620)	(571,029)	(1,613,209)
INTERDEPT ALLOCATIONS	(1,133)	(1,196)	(1,374)	(10,470)	(7,670)
NET INCOME BEFORE TAX	(16,339)	(25,674)	(492,994)	(581,499)	(1,620,878)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

82-CORPORATE LEGAL

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES					
MISCELLANEOUS INCOME-					
M&S LEGAL FEES	1,950	1,000	0	2,950	4,875
M&S LEGAL FEES-INTERDEPT	0	0	0	250	83,119
OTHER MISCELLANEOUS	0	0	25	25	0
TOTAL REVENUES	1,950	1,000	25	3,225	87,994
DIRECT ISSUE EXPENSES	0	0	0	(120)	(539)
GROSS PROFIT	1,950	1,000	25	3,105	87,455
EXPENSES-					
SALARIES	20,146	20,441	18,083	175,022	167,327
OTHER PERSONNEL	5,850	4,219	6,139	30,682	17,699
TRAVEL & BUSINESS DEV	585	1,240	393	7,256	12,986
COMMUNICATION & OPERATING	735	1,348	4,063	12,588	22,349
OCCUPANCY & EQUIPMENT	4,036	3,593	3,833	34,046	32,071
GENERAL & ADMIN (EXCL LEGAL)	155	53	(145)	969	1,070
TOTAL EXPENSES	31,507	30,894	32,366	260,563	253,501
NET OPERATING INCOME	(29,557)	(29,894)	(32,341)	(257,458)	(166,046)
INTERDEPT ALLOCATIONS	(2,524)	(2,118)	(2,464)	(22,399)	(22,447)
NET INCOME BEFORE LEGAL	(32,081)	(32,012)	(34,805)	(279,857)	(188,492)
OUTSIDE LEGAL EXPENSE-					
LEGAL FEES	7,580	14,203	2,429	101,852	217,453
LEGAL SETTLEMENTS	0	0	4	(164,716)	487,500
TOTAL LEGAL EXPENSE	7,580	14,203	2,433	(62,864)	704,953
NET INCOME BEFORE TAX	(39,661)	(46,215)	(37,238)	(216,993)	(893,445)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

89-MINNEAPOLIS SUPPORT SUMMARY (90-96)

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
MISCELLANEOUS INCOME-					
MONEY MARKET COMM FEES	1,490	1,840	1,551	6,358	4,829
SERVICE FEES-					
COUPONS	30	20	40	265	503
IRA ACCOUNTS	275	325	280	12,751	7,781
REG T EXTENSION	60	0	200	990	645
RESET CHARGES-REPS	139	3,998	(22)	8,713	16,410
CALLED/MATURED BONDS	325	935	600	5,818	4,166
CUSTOMER P&H CHARGE	2,194	2,864	3,036	24,689	27,341
TICKET CHARGES-REPS	2,548	2,810	2,922	24,787	26,835
MISCELLANEOUS	40	55	40	1,500	1,003
TOTAL SVC FEES	5,611	11,007	7,096	79,513	84,682
SAFEKEEPING FEES-					
REREGISTRATION	1,352	435	735	7,700	3,961
DEPOSITS/WITHDRAWALS	45	95	110	585	795
TOTAL SFKPG FEES	1,397	530	845	8,285	4,756
CLEARING FEES-INTERDEPT	2,987	1,886	2,944	23,408	21,134
INTERCO ACCOUNTING FEES-					
M&S INVESTMENTS CORP	1,500	1,500	1,500	13,500	13,500
PLMC INC	500	500	500	4,500	4,500
M&S CAPITAL CORP / GVLP	500	500	500	4,500	9,000
M&S SMALL BUS CAP CORP	500	500	500	4,000	2,250
MISCELLANEOUS	0	0	0	20	0
TOTAL MISC INCOME	14,485	18,263	15,436	144,084	144,651
TOTAL REVENUES	14,485	18,263	15,436	144,084	144,651
EXPENSES-					
SALARIES	102,870	99,887	111,595	945,211	860,705
OTHER PERSONNEL	36,825	47,523	42,621	355,667	350,949
TRAVEL & BUSINESS DEV	300	149	86	9,720	10,220
COMMUNICATION/OPERATING	37,947	48,338	49,973	409,260	521,728
OCCUPANCY & EQUIPMENT	23,483	23,370	31,604	248,233	260,234
GENERAL & ADMINISTRATIVE	12,695	11,617	22,581	122,498	103,779
TOTAL EXPENSES	214,120	230,884	258,460	2,090,589	2,107,615
NET OPERATING EXPENSES	(199,635)	(212,621)	(243,024)	(1,946,505)	(1,962,964)
INTERDEPT ALLOCATIONS	(20,636)	(21,443)	(25,031)	(202,499)	(197,276)
TOTAL DEPT EXPENSE	(220,271)	(234,064)	(268,055)	(2,149,004)	(2,160,239)
ALLOCATIONS TO OTHER DEPTS	220,271	234,064	268,054	2,149,001	2,160,242
NET DEPT EXPENSE	0	0	(1)	(3)	2

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-050

90-PERSONNEL

DESCRIPTION	May	June	July	YTD	PY-YTD
EXPENSES-					
SALARIES	6,910	6,947	6,707	61,527	57,496
OTHER PERSONNEL	14,292	14,260	17,464	140,471	138,169
TRAVEL & BUSINESS DEV	0	149	0	349	1,608
COMMUNICATION/OPERATING	848	728	426	5,962	9,392
OCCUPANCY & EQUIPMENT	2,726	2,354	2,697	27,074	25,572
GENERAL & ADMINISTRATIVE	56	4	13	400	549
TOTAL EXPENSES	24,832	24,442	27,307	235,783	232,785
NET OPERATING EXPENSES	(24,832)	(24,442)	(27,307)	(235,783)	(232,785)
TOTAL DEPT EXPENSE	(24,832)	(24,442)	(27,307)	(235,783)	(232,785)
ALLOCATIONS TO OTHER DEPTS	24,832	24,442	27,307	235,783	232,787
NET DEPT EXPENSE	0	0	0	0	2

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-050

91-TEMPORARY POOL

DESCRIPTION	May	June	July	YTD	PY-YTD
EXPENSES-					
SALARIES	1,556	4,575	7,066	31,928	30,337
OTHER PERSONNEL	146	424	648	3,048	3,656
COMMUNICATION/OPERATING	0	0	0	137	9
OCCUPANCY & EQUIPMENT	0	0	0	58	173
GENERAL & ADMINISTRATIVE	0	0	0	0	320
TOTAL EXPENSES	1,702	4,999	7,714	35,171	34,494
NET OPERATING EXPENSES	(1,702)	(4,999)	(7,714)	(35,171)	(34,494)
TOTAL DEPT EXPENSE	(1,702)	(4,999)	(7,714)	(35,171)	(34,494)
ALLOCATIONS TO OTHER DEPTS	1,702	4,999	7,714	35,171	34,493
NET DEPT EXPENSE	0	0	0	0	(1)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

92-OFFICE SERVICES

DESCRIPTION	May	June	July	YTD	PY-YTD
EXPENSES-					
SALARIES	7,597	7,672	8,126	60,048	48,527
OTHER PERSONNEL	3,820	2,214	3,376	33,210	28,772
TRAVEL & BUSINESS DEV	0	0	0	285	446
COMMUNICATION/OPERATING	4,748	3,664	2,710	31,777	17,765
OCCUPANCY & EQUIPMENT	4,551	6,363	5,883	47,984	43,070
GENERAL & ADMINISTRATIVE	179	97	206	1,516	2,356
TOTAL EXPENSES	20,895	20,010	20,301	174,820	140,934
NET OPERATING EXPENSES	(20,895)	(20,010)	(20,301)	(174,820)	(140,934)
INTERDEPT ALLOCATIONS	(462)	(472)	(528)	(3,611)	(3,483)
TOTAL DEPT EXPENSE	(21,357)	(20,482)	(20,829)	(178,431)	(144,417)
ALLOCATIONS TO OTHER DEPTS	21,357	20,482	20,829	178,432	144,417
NET DEPT EXPENSE	0	0	0	1	0

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-050

93-MANAGEMENT INFORMATION SERVICES

DESCRIPTION	May	June	July	YTD	PY-YTD
EXPENSES-					
SALARIES	18,143	18,305	17,990	159,962	139,129
OTHER PERSONNEL	3,126	4,977	5,243	32,753	50,226
TRAVEL & BUSINESS DEV	89	0	24	3,126	2,855
COMMUNICATION/OPERATING	1,425	548	809	8,199	38,594
OCCUPANCY & EQUIPMENT	4,015	3,129	7,522	59,472	85,970
GENERAL & ADMINISTRATIVE	142	10	30	1,005	1,127
TOTAL EXPENSES	26,940	26,969	31,618	264,517	317,900
NET OPERATING EXPENSES	(26,940)	(26,969)	(31,618)	(264,517)	(317,900)
INTERDEPT ALLOCATIONS	(1,380)	(1,384)	(1,454)	(11,945)	(9,607)
TOTAL DEPT EXPENSE	(28,320)	(28,353)	(33,072)	(276,462)	(327,507)
ALLOCATIONS TO OTHER DEPTS	28,321	28,353	33,071	276,460	327,506
NET DEPT EXPENSE	1	0	(1)	(2)	(2)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-050

94-ACCOUNTING

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
MISCELLANEOUS INCOME-					
INTERCO ACCOUNTING FEES-					
M&S INVESTMENTS CORP	1,500	1,500	1,500	13,500	13,500
PLMC INC	500	500	500	4,500	4,500
M&S CAPITAL CORP / GVLP	500	500	500	4,500	9,000
M&S SMALL BUS CAP CORP	500	500	500	4,000	2,250
TOTAL MISC INCOME	3,000	3,000	3,000	26,500	29,250
TOTAL REVENUES	3,000	3,000	3,000	26,500	29,250
EXPENSES-					
SALARIES	28,314	25,673	31,265	268,748	237,952
OTHER PERSONNEL	5,998	14,927	6,543	61,243	42,041
TRAVEL & BUSINESS DEV	0	0	57	1,627	2,966
COMMUNICATION/OPERATING	1,473	1,641	3,124	17,332	13,682
OCCUPANCY & EQUIPMENT	4,058	3,283	4,705	37,422	34,692
GENERAL & ADMINISTRATIVE	11,663	11,479	22,073	115,430	94,493
TOTAL EXPENSES	51,506	57,003	67,767	501,802	425,825
NET OPERATING EXPENSES	(48,506)	(54,003)	(64,767)	(475,302)	(396,575)
INTERDEPT ALLOCATIONS	(3,698)	(3,982)	(4,363)	(35,993)	(34,229)
TOTAL DEPT EXPENSE	(52,204)	(57,985)	(69,130)	(511,295)	(430,805)
ALLOCATIONS TO OTHER DEPTS	52,203	57,985	69,130	511,296	430,805
NET DEPT EXPENSE	(1)	0	0	1	0

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

95-RESEARCH

DESCRIPTION	May	June	July	YTD	PY-YTD
EXPENSES-					
SALARIES	4,104	4,365	4,792	37,015	38,428
OTHER PERSONNEL	544	557	622	5,722	6,296
TRAVEL & BUSINESS DEV	0	0	0	1,600	103
COMMUNICATION/OPERATING	372	239	250	2,939	3,581
OCCUPANCY & EQUIPMENT	709	511	700	5,354	5,322
GENERAL & ADMINISTRATIVE	55	2	18	394	509
TOTAL EXPENSES	5,784	5,674	6,382	53,024	54,239
NET OPERATING EXPENSES	(5,784)	(5,674)	(6,382)	(53,024)	(54,239)
INTERDEPT ALLOCATIONS	(1,262)	(1,325)	(1,535)	(11,769)	(11,568)
TOTAL DEPT EXPENSE	(7,046)	(6,999)	(7,917)	(64,793)	(65,807)
ALLOCATIONS TO OTHER DEPTS	7,046	6,999	7,917	64,791	65,809
NET DEPT EXPENSE	0	0	0	(2)	2

8-26-97
8:58am

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Nine Months Ended July 31, 1997

Cat # FS-050

96-OPERATIONS

DESCRIPTION	May	June	July	YTD	PY-YTD
REVENUES-					
MISCELLANEOUS INCOME-					
MONEY MARKET COMM FEES	1,490	1,840	1,551	6,358	4,829
SERVICE FEES-					
COUPONS	30	20	40	265	503
IRA ACCOUNTS	275	325	280	12,751	7,781
REG T EXTENSION	60	0	200	990	645
RESET CHARGES-REPS	139	3,998	(22)	8,713	16,410
CALLED/MATURED BONDS	325	935	600	5,818	4,166
CUSTOMER P&H CHARGE	2,194	2,864	3,036	24,689	27,341
TICKET CHARGES-REPS	2,548	2,810	2,922	24,787	26,835
MISCELLANEOUS	40	55	40	1,500	1,003
TOTAL SVC FEES	5,611	11,007	7,096	79,513	84,682
SAFEKEEPING FEES-					
REREGISTRATION	1,352	435	735	7,700	3,961
DEPOSITS/WITHDRAWALS	45	95	110	585	795
TOTAL SFKPG FEES	1,397	530	845	8,285	4,756
CLEARING FEES-INTERDEPT	2,987	1,886	2,944	23,408	21,134
MISCELLANEOUS	0	0	0	20	0
TOTAL MISC INCOME	11,485	15,263	12,436	117,584	115,401
TOTAL REVENUES	11,485	15,263	12,436	117,584	115,401
EXPENSES-					
SALARIES	36,246	32,350	35,649	325,983	308,838
OTHER PERSONNEL	8,899	10,164	8,725	79,220	81,791
TRAVEL & BUSINESS DEV	211	0	5	2,733	2,243
COMMUNICATION/OPERATING	29,081	41,518	42,654	342,914	438,706
OCCUPANCY & EQUIPMENT	7,424	7,730	10,097	70,869	65,436
GENERAL & ADMINISTRATIVE	600	25	241	3,753	4,425
TOTAL EXPENSES	82,461	91,787	97,371	825,472	901,438
NET OPERATING EXPENSES	(70,976)	(76,524)	(84,935)	(707,888)	(786,037)
INTERDEPT ALLOCATIONS	(13,834)	(14,280)	(17,151)	(139,181)	(138,389)
TOTAL DEPT EXPENSE	(84,810)	(90,804)	(102,086)	(847,069)	(924,425)
ALLOCATIONS TO OTHER DEPTS	84,810	90,804	102,086	847,068	924,425
NET DEPT EXPENSE	0	0	0	(1)	0

MILLER & SCHROEDER INC
STATEMENT OF FINANCIAL CONDITION
JULY 31, 1997

	MAY 97	JUN 97	JUL 97
ASSETS			
CASH	(4,247)	(857)	18,008
CASH-RESTRICTED ESCROW	0	0	0
RECEIVABLES			
INTEREST	61,053	61,053	0
OFFICER/STOCKHOLDERS	1,141,852	1,147,728	0
INCOME TAXES	209,237	97,030	271,029
OTHER	10,963	0	3,948
INTERCO REC FROM MI ACQUIS	0	0	1,231,922
NOTES RECEIVABLE	719,366	719,366	579,366
RENTAL PROPERTY	3,783,615	3,766,912	0
OTHER ASSETS-			
CASH VALUE LIFE, NET	242,734	242,834	176,686
PREPAID EXPENSES	56,017	55,160	30,307
DEPOSIT - RENTAL PROPERTY	23,103	16,542	14,244
DEFERRED FINANCING COSTS	19,252	59,527	0
ESCROW DEPOSITS - UMC	637,707	638,611	0
INVESTMENT IN SUBS	9,253,734	9,253,734	9,253,734
TOTAL ASSETS	16,154,386	16,057,640	11,579,244
LIABILITIES			
NOTE PAYABLE MSIC (NNP)	0	0	0
OPERATING ACCTS PAYABLE	0	7,897	3,967
DUE TO RELATED CO	3,528,106	3,399,304	3,541,478
DEFERRED INCOME	17,981	12,892	0
ACCRUED INTEREST	45,274	40,287	15,518
ACCRUED INCOME TAXES	0	0	0
ACCRUED EXPENSES	17,344	26,429	324,590
TERM DEBT-USF&G	4,606,892	0	0
TERM DEBT-MID AMERICA	0	4,600,000	0
TERM DEBT-MSIC	883,331	866,664	849,997
TOTAL LIABILITIES	9,098,928	8,953,473	4,735,550
SHAREHOLDERS EQUITY			
COMMON STOCK	99,063	99,063	99,063
PREFERRED STOCK	0	0	0
PAID-IN CAPITAL	6,000,000	6,000,000	6,000,000
RETAINED EARNINGS-PRIOR	1,003,419	1,003,419	1,003,419
RETAINED EARNINGS-CURRENT	(47,024)	1,685	(258,788)
TOTAL SHAREHOLDERS EQUITY	7,055,458	7,104,167	6,843,694
TOTAL LIABILITIES & EQUITY	16,154,386	16,057,640	11,579,244

MILLER & SCHROEDER INC
STATEMENT OF INCOME & EXPENSE
FOR THE YEAR ENDED 10/31/97

	MAY 97	JUN 97	JUL 97	YTD 97
REVENUES				
U/W PROFIT & FEES	0	0	0	0
SECONDARY BOND TRADING	0	0	0	0
GAIN ON UMC SALE	0	0	0	0
LOAN COMMITMENT FEES (TJ&W)	0	0	0	0
INTEREST INCOME	12,384	6,780	9,854	57,763
MISCELLANEOUS INCOME	0	0	0	0
GAIN ON SALE OF RENTAL PROP	0	0	243,991	243,991
RENTAL INCOME, NET	42,535	40,217	13,557	331,708
TOTAL REVENUES	54,919	46,997	267,402	633,462
ISSUE EXPENSES-				
FEE TO MSF	0	0	0	0
GROSS PROFIT	54,919	46,997	267,402	633,462
EXPENSES				
STATIONARY & FORMS	0	0	0	0
DEPRECIATION & AMORTIZATION	16,703	16,703	16,703	150,333
GENERAL & ADMINISTRATIVE				
LEGAL	(3,000)	0	384,484	389,684
CONSULTING	0	0	0	0
ACCOUNTING	0	0	17,775	17,775
OFFICER LIFE INSURANCE	(100)	(100)	(17,117)	(17,917)
REAL ESTATE TAXES ON REO	0	0	0	0
REO MAINT EXP	0	0	0	0
CORPORATE REGISTRATION	0	0	0	0
FINANCING EXP-USF&G	189	9,252	0	10,575
FINANCING EXP-MID AM	0	20,000	59,527	79,527
BAD DEBT EXPENSE	0	0	201,053	201,053
DIRECTORS FEES EXPENSE	0	0	0	0
MISCELLANEOUS	0	0	0	0
INTEREST-USF&G	29,753	12,441	0	217,741
INTEREST-MID AMERICA	0	22,442	30,650	53,092
INTEREST-MSIC (NNP)	7,414	6,861	6,953	65,028
INTEREST-OTHER	0	0	0	0
INTEREST-LIFE INSURANCE	2,689	2,689	1,847	23,359
TOTAL EXPENSES	53,648	90,288	701,875	1,190,250
INCOME (LOSS) BEFORE TAX	1,271	(43,291)	(434,473)	(556,788)
INCOME TAX (EXPENSE)	0	92,000	174,000	298,000
NET INCOME (LOSS)	1,271	48,709	(260,473)	(258,788)

8

09-12-97
7:47am

MILLER & SCHROEDER INVESTMENTS CORPORATION
Statement of Financial Condition
July 31, 1997

Cat # FS-BS

	April	May	June	July
ASSETS-				
CASH-				
UNRESTRICTED	502,980	1,281,033	458,358	58,123
RECEIVABLES-				
INTEREST	32,349	37,349	24,154	13,953
ORIGINATION FEES	44,750	44,750	44,750	44,750
OTHER	58,967	(8,095)	(1,610)	552
ADVANCES TO RELATED COMPANY	185,921	425,514	1,213,979	3,531,949
NOTES RECEIVABLE HELD FOR SALE	8,301,302	1,023,389	8,230,392	7,816,684
FURNITURE & EQUIP, NET	200	100	0	0
TOTAL ASSETS	9,126,469	2,804,040	9,970,023	11,466,011
LIABILITIES-				
DEMAND NOTES PAYABLE	6,520,000	100,000	6,970,000	7,730,000
ACCOUNTS PAYABLE-				
LOAN FUNDING LIABILITY	1,429,001	850,383	1,263,002	1,967,672
OPERATING	1,100	160	6,553	4,591
SERVICING	52,229	692,372	689,314	702,233
DEFERRED INCOME-DEPOSITS	225,575	252,575	205,450	199,450
ACCRUED INTEREST	30,000	26,959	19,578	30,974
ACCRUED EXPENSES	0	0	0	7,812
ACCRUED LPN LOSS	142,037	134,231	130,281	126,298
ACCRUED INCOME TAXES	133,557	141,557	9,077	13,552
TOTAL LIABILITIES	8,533,499	2,198,237	9,293,255	10,782,582
SHAREHOLDERS EQUITY-				
COMMON STOCK	10,000	10,000	10,000	10,000
PAID-IN CAPITAL	140,600	140,600	140,600	140,600
RETAINED EARNINGS	442,370	455,202	526,168	532,830
TOTAL SHAREHOLDERS EQUITY	592,970	605,802	676,768	683,430
TOTAL LIABILITIES & EQUITY	9,126,469	2,804,039	9,970,023	11,466,012
FUNDS HELD IN ESCROW-				
CASH	120,444	(166,642)	146,494	1,222,475
MONEY MARKET ASSET	5,718,380	7,522,184	11,745,588	7,862,265
SUBTOTAL	5,838,824	7,355,542	11,892,082	9,084,740
ESCROW LIABILITY	(5,838,824)	(7,355,542)	(11,892,082)	(9,084,739)
	0	0	0	1

MILLER & SCHROEDER INVESTMENTS CORPORATION
Statement of Income & Expense
July 31, 1997

DESCRIPTION	April	May	June	July	YTD
REVENUES					
ORIGINATION FEES-					
MORTGAGE BANKING	231,661	276,790	474,672	232,524	2,534,727
TAXABLE FINANCING	84,000	4,500	761,285	272,750	1,978,919
TAXABLE FINANCING-TXBL TRAD	0	0	27,270	0	61,470
TAXABLE FINANCING-EQUIP	0	0	0	0	5,078
TOTAL ORIGINATION FEES	315,661	281,290	1,263,227	505,274	4,580,194
INTEREST INCOME-					
NOTES RECEIVABLE	9,531	26,399	25,283	20,838	298,541
OTHER	0	0	838	0	3,676
LOAN ADMIN FEES	65,123	75,933	84,328	79,702	716,531
MISCELLANEOUS INCOME	0	0	0	5,695	5,695
GROSS REVENUES	390,315	383,622	1,373,676	611,509	5,604,637
LESS MANAGEMENT FEE TO MSF-					
MORTGAGE BANKING	(231,661)	(276,790)	(474,672)	(232,524)	(2,534,727)
TAXABLE FINANCING	(84,000)	(4,500)	(761,285)	(272,750)	(1,978,919)
TAXABLE FINANCING-TXBL TRAD	0	0	(27,270)	0	(61,470)
TAXABLE FINANCING-EQUIP	0	0	0	0	(5,078)
TOTAL MGT FEE TO MSF	(315,661)	(281,290)	(1,263,227)	(505,274)	(4,580,194)
GROSS PROFIT	74,654	102,332	110,449	106,235	1,024,443
EXPENSES					
COMMUNICATION & OPERATING	0	5,002	0	2	5,000
DEPRECIATION & AMORTIZATION	100	100	100	0	800
GENERAL & ADMINISTRATIVE-					
LEGAL EXPENSE	0	368	0	0	368
LEGAL SETTLEMENT EXPENSE	0	0	0	0	20,000
CORPORATE REGISTRATION	3,000	0	0	0	11,174
FEES TO RELATED CO-					
LOAN ADMIN FEE-MSF	28,000	29,000	32,500	32,500	270,500
ACCOUNTING FEE-MSF	1,500	1,500	1,500	1,500	13,500
MANAGEMENT FEE-MSF	10,000	10,000	10,000	10,000	90,000
INTEREST	16,096	35,530	29,382	51,071	334,684
TOTAL EXPENSES	58,696	81,500	73,482	95,073	746,026
INCOME BEFORE TAX	15,958	20,832	36,967	11,162	278,417
INCOME TAX (EXPENSE)	(6,000)	(8,000)	34,000	(4,500)	(61,500)
NET INCOME	9,958	12,832	70,967	6,662	216,917

08-19-97
4:35pm

POOLED LOAN MARKETING CORPORATION
Statement of Financial Condition
June 30, 1997

Cat # FS-BS

	APRIL	MAY	JUNE	JULY
ASSETS				
CASH	369	369	369	369
RECEIVABLES				
INTEREST	5,114	6,798	3,357	5,019
INCOME TAXES	1,600	1,600	858	858
NOTES RECEIVABLE				
ELECTROLURGY	165,621	165,621	162,593	162,593
E&D WASTE	2,279,719	2,245,652	2,211,317	2,176,713
OTHER ASSETS				
PREPAID EXPENSE-E&D WASTE	2,654	2,518	2,382	2,246
FUNDS HELD IN ESCROW-E&D	224,164	275,740	327,316	382,327
TOTAL ASSETS	2,679,241	2,698,298	2,708,192	2,730,125
LIABILITIES				
ACCOUNTS PAYABLE				
OPERATING	8,143	8,143	8,143	8,143
DUE TO RELATED COMPANY	364,720	365,720	356,235	357,235
ACCRUED INTEREST	40,568	60,630	80,693	100,755
ACCRUED INCOME TAXES	(1,600)	(1,600)	0	0
TERM DEBT				
ELECTROLURGY	182,000	182,000	182,000	182,000
E&D WASTE	2,420,000	2,420,000	2,420,000	2,420,000
TOTAL LIABILITIES	3,013,831	3,034,893	3,047,071	3,068,133
SHAREHOLDERS EQUITY				
COMMON STOCK	1,000	1,000	1,000	1,000
PRIOR RETAINED EARNINGS	(331,950)	(331,950)	(331,950)	(331,950)
RETAINED EARNINGS	(3,639)	(5,644)	(7,928)	(7,057)
TOTAL SHAREHOLDERS EQUITY	(334,589)	(336,594)	(338,878)	(338,007)
TOTAL LIABILITIES & EQUITY	2,679,242	2,698,299	2,708,193	2,730,126

POOLED LOAN MARKETING CORPORATION
CONSOLIDATED
Statement of Income & Expense
July 31, 1997

DESCRIPTION	APRIL	MAY	JUNE	JULY	YTD
REVENUES-					
INTERCO MGT FEE PLMC-I	0	0	0	0	0
INTEREST INCOME	22,525	19,568	19,289	22,444	187,102
TOTAL REVENUES	22,525	19,568	19,289	22,444	187,102
EXPENSES-					
GENERAL & ADMINISTRATIVE-					
TRUSTEE EXPENSE	375	375	375	375	3,375
DEFERRED FINANCING	136	136	136	136	1,224
INTERCO FEE-MSF ACCOUNTING	500	500	500	500	4,500
INTERCO FEE-MSF MANAGEMENT	500	500	500	500	4,500
TOTAL GENERAL & ADMIN	1,511	1,511	1,511	1,511	13,599
INTEREST EXPENSE	20,062	20,062	20,062	20,062	180,560
TOTAL EXPENSES	21,573	21,573	21,573	21,573	194,159
INCOME BEFORE TAX	952	(2,005)	(2,284)	871	(7,057)
NET INCOME	952	(2,005)	(2,284)	871	(7,057)

08-19-97
7:31pm

Miller & Schroeder Small Business Capital Corporation
Statement of Financial Condition
July 31, 1997

Cat # FS-BS

DESCRIPTION	April	May	June	July
ASSETS-				
CASH-				
UNRESTRICTED	29,767	9,091	9,384	(7,951)
CERTIFICATE OF DEPOSIT	315,756	315,756	319,665	321,005
TOTAL CASH	345,523	324,847	329,049	313,054
ADVANCES TO RELATED CO	0	0	0	0
NOTES RECEIVABLE	871,896	867,219	305,425	440,930
TOTAL ASSETS	1,217,419	1,192,066	634,474	753,984
LIABILITIES & EQUITY-				
ACCOUNTS PAYABLE-				
OPERATING	0	0	0	0
ADVANCES FROM RELATED CO	897,833	877,921	313,252	430,491
ACCRUED EXPENSES-				
INCOME TAXES	2,875	3,875	7,372	8,447
OTHER	7,944	0	0	0
TOTAL LIABILITIES	908,652	881,796	320,624	438,938
SHAREHOLDER'S EQUITY-				
COMMON STOCK AT PAR	100	100	100	100
PAID-IN CAPITAL	305,900	305,900	305,900	305,900
RETAINED EARNINGS	2,766	4,270	7,851	9,045
TOTAL EQUITY	308,766	310,270	313,851	315,045
TOTAL LIAB & EQUITY	1,217,418	1,192,066	634,475	753,983

08-19-97
7:31pm

Miller & Schroeder Small Business Capital Corporation
Statement of Income and Expense
For the Nine Months Ended July 31, 1997

Cat # FS-001

DESCRIPTION	April	May	June	July	YTD
REVENUES					
ORIGINATION FEES-					
SBA LOANS	813	1,979	1,961	2,958	8,972
INTEREST INCOME-					
NOTES RECEIVABLE	4,049	8,588	7,329	4,464	46,544
OTHER	2,477	0	3,909	1,340	11,506
OTHER INCOME-					
LOAN ADMIN FEES	879	361	328	326	1,960
GROSS REVENUES	8,218	10,928	13,527	9,088	68,982
LESS MANAGEMENT FEE TO MSF-					
SBA LOANS	(813)	(1,979)	(1,961)	(2,958)	(8,971)
TOTAL MGT FEE TO MSF	(813)	(1,979)	(1,961)	(2,958)	(8,971)
DIRECT ISSUE EXPENSES	0	0	0	0	180
GROSS PROFIT	7,405	8,949	11,566	6,130	60,191
EXPENSES					
GENERAL & ADMINISTRATIVE					
FEES TO RELATED CO-					
ACCOUNTING FEE-MSF	500	500	500	500	4,500
MANAGEMENT FEE-MSF	500	500	500	500	4,500
INTEREST EXP-					
INTEREST TO MSF	(1,095)	5,401	4,584	2,792	28,335
INTEREST OTHER	0	45	0	43	88
TOTAL EXPENSES	(95)	6,446	5,584	3,835	37,423
INCOME BEFORE TAX	7,500	2,503	5,982	2,295	22,768
INCOME TAXES	2,700	1,000	2,400	1,100	9,000
NET INCOME	4,800	1,503	3,582	1,195	13,768

08-20-97
8:54am

MILLER & SCHROEDER CAPITAL CORPORATION
Statement of Financial Condition
July 31, 1997

Cat # FS-BS

DESCRIPTION	April	May	June	July
ASSETS-				
CASH-				
UNRESTRICTED	1,176	1,180	1,180	1,194
TOTAL CASH	1,176	1,180	1,180	1,194
RECEIVABLES-				
INCOME TAXES	2,300	6,900	7,375	10,275
TOTAL RECEIVABLES	2,300	6,900	7,375	10,275
ADVANCES TO RELATED CO	78,602	0	655,927	0
OTHER ASSETS-				
INV IN GLOBETROTTERS	101,634	101,634	101,634	101,634
INV IN GAMING VENTURES LTD	146,272	146,272	146,272	146,272
INV IN LOON STATE ENTERPRISES	75,000	75,000	75,000	75,000
OTHER	0	0	0	0
TOTAL OTHER ASSETS	322,906	322,906	322,906	322,906
TOTAL ASSETS	404,984	330,986	987,388	334,375
LIABILITIES & EQUITY-				
DEMAND NOTES PAYABLE	423,117	315,554	1,010,554	246,818
ADVANCES FROM RELATED CO	0	35,898	0	115,174
ACCRUED EXPENSES-				
TOTAL LIABILITIES	423,117	351,452	1,010,554	361,992
SHAREHOLDER'S EQUITY-				
COMMON STOCK AT PAR	1,000	1,000	1,000	1,000
RETAINED EARNINGS	(19,132)	(21,465)	(24,165)	(28,617)
TOTAL EQUITY	(18,132)	(20,465)	(23,165)	(27,617)
TOTAL LIAB & EQUITY	404,985	330,987	987,389	334,375

08-20-97
8:55am

MILLER & SCHROEDER CAPITAL CORPORATION
Statement of Income and Expense
For the Nine Months Ended July 31, 1997

Cat # FS-001

DESCRIPTION	April	May	June	July	YTD
REVENUES-					
UNDERWRITING PROFIT/FEES-					
INVESTMENT BANKING FEES	0	0	0	3,399	31,307
TOTAL REVENUES	0	0	0	3,399	31,307
GROSS PROFIT	0	0	0	3,399	31,307
EXPENSES-					
INTERCO FEE-MSF ACCOUNTING	500	500	500	500	4,500
INTERCO FEE-MSF MANAGMENT	4,000	4,000	4,000	4,000	36,000
TOTAL EXPENSES	4,500	4,500	4,500	4,500	40,500
NET OPERATING INCOME	(4,500)	(4,500)	(4,500)	(1,101)	(9,193)
INTEREST-					
INTEREST INCOME	0	4	0	14	40
INTEREST EXPENSE	(1,805)	(2,437)	0	(6,264)	(14,975)
INCOME BEFORE TAX	(6,305)	(6,933)	(4,500)	(7,351)	(24,128)
INCOME TAX (EXPENSE)	700	4,600	1,800	2,900	9,600
NET INCOME	(5,605)	(2,333)	(2,700)	(4,451)	(14,528)

08-19-97
4:35pm

MILLER & SCHROEDER MORTGAGE CORPORATION
Statement of Financial Condition
July 31, 1997

Cat # FS-BS

	April	May	June	July
ASSETS-				
CASH-				
UNRESTRICTED	2,566	26,772	43,361	46,727
TOTAL CASH	2,566	26,772	43,361	46,727
RECEIVABLES-				
INCOME TAXES	0	0	4,872	7,872
PROGRAM ADMIN FEES	22,733	22,000	22,000	37,245
OTHER	0	0	0	0
TOTAL RECEIVABLES	22,733	22,000	26,872	45,117
ADVANCES TO RELATED CO	315,944	291,444	248,562	223,062
TOTAL ASSETS	341,243	340,216	318,795	314,906
LIABILITIES & EQUITY-				
ACCOUNTS PAYABLE-				
OPERATING	1,569	1,569	1,569	1,569
ACCRUED EXPENSES-				
INCOME TAXES	20,010	17,010	0	0
TOTAL LIABILITIES	21,579	18,579	1,569	1,569
SHAREHOLDER'S EQUITY-				
COMMON STOCK AT PAR	1,000	1,000	1,000	1,000
RETAINED EARNINGS	318,664	320,637	316,226	312,337
TOTAL EQUITY	319,664	321,637	317,226	313,337
TOTAL LIAB & EQUITY	341,243	340,216	318,795	314,906

08-19-97
4:35pm

MILLER & SCHROEDER MORTGAGE CORPORATION
Statement of Income and Expense
For the Nine Months Ended July 31, 1997

Cat # FS-001

DESCRIPTION	April	May	June	July	YTD
RESIDENTIAL MORTGAGE BANKING-					
COMMISSION & FEE INCOME-					
PROGRAM ADMIN FEES	19,154	23,473	16,589	18,611	175,708
TOTAL COMM & FEES	19,154	23,473	16,589	18,611	175,708
EXPENSES-					
INTERCO MGT FEE TO MSF	23,000	24,500	24,000	25,500	211,000
TOTAL EXPENSES	23,000	24,500	24,000	25,500	211,000
NET RESID MORTGAGE BANKING INCOME	(3,846)	(1,027)	(7,411)	(6,889)	(35,292)
FINANCING-					
REVENUES					
EXPENSES					
MISCELLANEOUS EXPENSE	0	0	0	0	45
TOTAL EXPENSES	0	0	0	0	45
NET FINANCING INCOME	0	0	0	0	(45)
NET INCOME BEFORE TAXES	(3,846)	(1,027)	(7,411)	(6,889)	(35,337)
INCOME TAX (EXPENSE)	(1,100)	3,000	3,000	3,000	14,400
NET INCOME	(4,946)	1,973	(4,411)	(3,889)	(20,937)

MILLER & SCHROEDER FINANCIAL, INC.
SCHEDULE OF RECEIVABLES FROM OFFICERS & EMPLOYEES
JULY 31, 1997

OFFICERS NOTES & ADVANCES	RJW	JEI	TOTAL
EXPENSES TO BE REIMBURSED	(960)	0	(960)
BONUS ADVANCES	0	0	0
NOTE RECEIVABLE, 6.31%, MATURITY DATE 10/31/98	0	0	0
NOTE INTEREST	0	0	0
TOTAL OFFICERS NOTES AND ADVANCES	(960)	0	(960)

EMPLOYEE ADVANCES	ADVANCE	INTEREST	TOTAL
SALARY ADVANCES			
DEMARS, LOU (10/16/87) & (01/29/88)	5,566		5,566
SORLEY, ROB	40		40
TOTAL SALARY ADVANCES	5,606	0	5,606
BONUS ADVANCES			
BALYEAT, DENNIS	10,738		10,738
DENNIS, NICK	25,000		25,000
DILL, DAN	4,234		4,234
JASPER, DENICE	5,000		5,000
MCMAHON, GEORGE	2,562		2,562
MCMILLIN, KERMIT	20,000		20,000
SORENSON, BRUCE	10,959		10,959
TOTAL BONUS ADVANCES	78,493	0	78,493
TRAVEL ADVANCES			
BALYEAT, DENNIS	2,000		2,000
CLARK, MARLENE	500		500
DEMARS, LOU	5,000		5,000
DIPERNA, MICHAEL	2,325		2,325
EKHOLM, LAURA	500		500
EKHOLM, PAUL	2,500		2,500
ERICKSON, STEVEN	35		35
HART, DONALD	1,800		1,800
HENDERSON, DON	3,788		3,788
LAMPPA, GARY	3,000		3,000
LONG, TIMOTHY	3,062		3,062
NORWICH, KEN	300		300
O'DONNELL, BRIAN	381		381
STANCHFIELD, PAT	7,933		7,933
COLUMBUS PETTY CASH	50		50
TOTAL TRAVEL ADVANCES	33,174	0	33,174
MISCELLANEOUS ADVANCES	10,858		10,858
TOTAL EMPLOYEE ADVANCES	128,130	0	128,130
EMPLOYEE NOTES			
LAIRD, THOMAS	7,172	505	7,677
LANDRY, DOISEY (0%)	1,218		1,218
SORENSON, BRUCE	21,322		21,322
TOTAL EMPLOYEE NOTES	29,712	505	30,217
TOTAL EMPLOYEE RECEIVABLES			157,387

DRAFT

Miller & Schroeder Acquisition Corporation

Confidential Memorandum

5166648
26951 00001
MI ACQUISITION CORP.
MSI Acquisition
F0025 REDWELD - Gordon, Avron L.
0003 Memorandum 1997/03/13 (Confidential) (Draft)

March 13, 1997

DEPOSITION EXHIBIT
#4 2/10/04

Proprietary and Confidential

Inquiries should be directed to:

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220 South Sixth Street
P.O. Box 789
Minneapolis, MN 55440-0789
(612) 376-1364
(612) 376-15 (fax)

Copy Number _____

Miller & Schroeder Acquisition Corporation

Confidential Memorandum

This Confidential Memorandum has been prepared by a to-be-formed company, Miller & Schroeder Acquisition Corp. ("MSAC") from materials and information supplied by Miller & Schroeder Inc. ("M&S" or the "Company"), pursuant to MSAC's letter of intent with M&S calling for the purchase by MSAC of M&S. Pursuant to a separate Confidentiality Agreement, executed by each recipient hereof, this Confidential Memorandum is being delivered to a limited number of parties who, it is believed, may be interested in assisting with the financing of the purchase.

By the acceptance hereof, each recipient agrees (in addition to any obligations it may have under such Confidentiality Agreement) that neither it nor its agents, representatives, directors, officers or employees will copy, reproduce or distribute to others this Confidential Memorandum, in whole or in part, at any time without the prior written consent of MSAC, and that it will keep confidential all information contained herein not already in the public domain and will use this Confidential Memorandum for the sole purpose of making an investment decision.

While the information contained herein is believed to be accurate, MSAC has not conducted any investigation with respect to such information, and MSAC expressly disclaims any and all liability for representations, expressed or implied, contained in or omitted from this Confidential Memorandum or any other written or oral communication transmitted to any interested party in the course of its evaluation of the Company. Only those particular representations and warranties which may be made by MSAC in a definitive written agreement, when and if one is executed, and subject to such limitations and restrictions as may be specified in such agreement, shall have any legal effect.

This Confidential Memorandum includes certain statements, estimates and projections provided by MSAC with respect to anticipated future performance. Such statements, estimates and projections reflect significant assumptions and subjective judgments by management concerning anticipated results. These assumptions and judgments may or may not prove to be correct and there can be no assurance that any projected results are attainable or will be realized. MSAC has not attempted to independently verify any of such statements, estimates and projections, and MSAC makes no representations or warranties as to their accuracy or completeness.

Except where otherwise indicated, this Confidential Memorandum speaks as of the date hereof. Neither the delivery of this Confidential Memorandum nor any transaction with the Company shall, under any circumstances, create any implication that there has been no change in the affairs of M&S since the date hereof. In furnishing this Confidential Memorandum, neither MSAC nor M&S undertakes any obligation to update any of the information contained herein.

This Confidential Memorandum shall remain the property of MSAC. MSAC reserves the right to require the return of this Confidential Memorandum (together with any permitted copies or extracts thereof) at any time.

All communications, inquiries or requests for information should be directed to MSAC representatives. **Employees of M&S should not be contacted directly or indirectly regarding this Confidential Memorandum.**

TABLE OF CONTENTS

TAB		PAGE
1	Executive Summary	1
2	The Opportunity	3
3	Business Summary	6
	Industry	7
	M&S History	7
	Summary Adjusted Financial Information	9
	Summary Financial Projections	9
4	Investment Considerations	10
5	Transaction Summary	13
6	Management	16
7	Financial Projection Model	19
8	Historical Financial Statements	22
9	Corporate Brochure	23

Executive Summary

Executive Summary

An investment group, headed by Jim Dlugosch, former Executive Vice President and Chief Operating Officer of Miller & Schroeder Financial (the "Company"), Ken Dawkins, President of CH Brown, Paul Tietz, a partner in the law firm of Briggs and Morgan, Dave Malmberg, former President and Chief Executive of National Compueter Systems and currently Chairman of the Board of National City Bank, has reached agreement in principle to acquire all of the outstanding stock of Miller & Schroeder, Inc. for $15,000,000. The Company will be acquired through a holding company which will be capitalized with a combination of senior and subordinate debt and equity. Equity investors are expected in the minimum amount of $6.5 million, bank debt is expected at $5.0 million and subordinate debt is expected at $2.0 million.

The investment group expects to generate pre-tax income in the first year following acquisition in excess of $3.5 million through a combination of expense reductions and investments in personnel and technology. In five years, the investment group expects to have grown the capital of the Company to over $20 million and to acquire similarly situated companies in other markets. It is the group's intention to take the Company public within that period or to merge with a synergistic party.

The Opportunity

The Opportunity

During the 1960's and 1970's an explosion of growth occurred in the securities industry. In response to the rapid development of the municipal bond market, numerous privately held broker/dealer firms were created to underwrite and distribute municipal securities. These firms competed directly with large New York and regional based firms, but were able to fill niches and prosper by developing loyal clients, minimizing costs, and maintaining flexibility by offering additional products and services as the municipal bond industry changed and matured.

Today, many of these firms are facing new challenges. Some have recently struggled as their owner/founders move towards retiring or finding new endeavors. Others are impacted by the difficult task of adapting to the monumental changes affecting the securities industry in general and the municipal market in particular. Even firms which have adapted are motivated to sell in order provide liquidity to their owners. In fact, many privately held broker/dealers are merging with other firms, disbanding, or selling out to new investors.

An opportunity exists for new ownership to acquire these types of broker/dealers. New ownership can invigorate a broker/dealer by bringing enthusiasm, ideas, and a style of management that is in tune with today's business environment. Profits can be increased by implementing cost reductions, imposing tighter management controls, including budgeting and planning, and expanding the core competencies of the firm by adding services and moving into new markets.

One example of this type of firm is Miller & Schroeder (M&S). M&S has moved aggressively into new businesses and markets as its previous core business of municipal finance has become less profitable. Further growth of those businesses and continued moves to greater efficiency in the municipal business present an opportunity for increased earnings and growth of the firm's capital. For a number of reasons outlined in this package, including the intimate knowledge the purchaser has obtained as a senior executive with the company, the opportunities at M&S are significant and can offer a unique investment opportunity. It is the intent of the purchaser to grow revenue and increase profitability

The Opportunity

by more fully exploiting the corporate finance and lending businesses which have been developed by the firm, by expanding into money management, by developing the asset securities business, and by introducing efficiency and business management practices into the firm.

Within seven years, it is the intent of the purchaser to recapitalize through the sale of public equity or to sell the company or merge with a synergistic buyer. Growth of the company's capital, expansion of the firm business to other geographic areas and strategic alliances through acquisition of similarly situated firms in other market areas will enhance the firm earnings and its terminal value.

Business Summary

Business Summary

Industry

The financial services industry is one of the highest growth segments of the U.S. economy. It is also one of the most dynamic, especially with firms which have specialized in the municipal bond market, where changing federal and state tax laws and the vagaries of local political and economic environments have an extraordinary impact on the level of municipal bond issuance and the economics of the business.

Substantial consolidation of the industry has occurred during the last ten years. Large investment banks have formed alliances with merchant banks and each other to gain greater and greater access to capital on a global level. Wire houses have merged and allied with insurance companies and other financial service companies to gain access to a broader customer base and a wider range of retail products. Local and regional firms have had to merge to survive or have become even narrower in their focus, concentrating on boutique opportunities.

In addition to changes in ownership structure, firms have had to respond to outside forces in order to compete. Changes in federal tax and regulatory statutes, the growth of discounters, the extraordinary advances in technology which have given investors access to information and execution capability from their homes and the emergence of banks as viable competitors have had an enormous impact on the way in which security firms operate.

M&S History

M&S was established in 1964 as a broker/dealer specializing in the underwriting and distribution of municipal bonds. Headquartered in Minneapolis, the firm serviced the financing needs of state and local governments in the Upper Midwest and the tax-exempt investment needs of retail and institutional investors nationwide.

The firm's positive reputation in this market segment expanded their opportunities outside their original market and the firm became one of the nation's leading underwriters and distributors of municipal bonds. Eventually, M&S opened offices in other areas and became a major player in the California and Ohio markets.

As the municipal bond industry changed, M&S has expanded into other market segments. For example, M&S is now one of the

Business Summary

leading lenders to the Indian gaming industry and is among the largest and most active commercial real estate lenders in the Upper Midwest. The commercial lending business, which generated over $350 million in new originations in 1996, was built off existing relationships with local community banks. As a commercial lender, Miller & Schroeder, through one of its subsidiaries, originates loans in its own name and sells participations to over 1,100 banks. The firm currently services over $425 million. This business has grown from $25 million in originations in 1990 to $75 million in 1993, $125 million in 1994 and $200 million in 1995. MSAC will expand this business to other geographic markets.

In 1996, the firm received approval of a non-bank SBA lender. With approval to operate as an SBA lender in 17 states, we expect to greatly expand this business in the next few years.

The firm currently has approximately 260 employees in eight locations. Its book value as of 10/31/96 was $12.2 million. Fiscal Year 1996 (10/31) earnings before taxes were approximately $740,000. As a privately held firm, earnings are affected by substantial distributions to the owners, as well as several non-secured expense items in 1996. Normalized pre-tax earnings for the year after adjustment for these items is in excess of $3 million.

recurring

The firm has a strong municipal bond presence, an active loan participation business, a growing corporate capital business, complete fixed income trading services, an OTC trading desk, a full range of mutual funds available to its customers, and over 40 sales representatives covering retail and institutional markets.

Business Summary

Summary Adjusted Financial Information

Exhibit 1
Miller & Schroeder Inc.
Summary Historical Adjusted Financial Information
(Dollars in thousands)

	Year Ending October 31,		
	1996	1995	1994
Operating Data			
Pre-tax earnings	$740	$1,250	$300
Adjustments:			
Salaries/bonuses	1,100	500	700
Staff reductions	650	---	2,000
Office closings	700	900	850
Miscellaneous	1,150	500	250
Expense increases	(765)		
Adjusted pre-tax earnings	3,575	3,150	4,100

Summary Financial Projections

Exhibit 2
Miller & Schroeder Inc.
Summary Financial Projection Information
(Dollars in thousands)

	Year Ending October 31,			
	1997	1998	1999	2000
Operating Data				
Operating revenues	$33,936	$35,623	$37,394	$39,254
Operating profit	6,188	6,713	7,378	8,082
Income before taxes	3,575	4,146	5,003	5,921
Net income	2,288	2,654	3,202	3,790
FCF to Long-term Capital[1]	3,050	3,349	3,685	4,086

1. Free cash flow to long-term capital

Investment Considerations

Investment Considerations

Miller & Schroeder presents an attractive acquisition opportunity for a variety of reasons, including the following:

- The firm has established a network of community bank relationships through its commercial lending activities. This network can readily expand into new geographic markets. These relationships can also be expanded beyond the sale of loan participations to the provision of other financial services.

- The firm has identified a corporate finance niche in the sale of subordinated debt in the public and private markets for companies needing capital for expansion and product development. This business can also be expanded, both within our current market areas and in other geographic markets.

- As one of the few non-bank SBA approved lenders in the nation, Miller & Schroeder has secured a valuable license which has not yet been fully developed. With approval to originate SBA loans in 17 states, the firm will be able to grow this business substantially. This license represents a hidden asset of the firm, not reflected on the balance sheet, with a value in excess of $1,000,000.

- The purchasers intend to acquire CH Brown, a money management firm, which is projected to generate Fiscal Year 1998 profits of $300,000 and to grow at a rate of 20% per year.

- The purchasers will implement a budget and planning process which can be expected to improve the efficiency and profitability of the company.

- Several other similarly situated companies in other market areas have been identified as candidates for strategic relationships, including potentially acquiring those firms. Through these alliances and acquisitions, we expect to be able to expand into new markets with our products and services and to expand our ability to distribute and underwrite new offerings.

- Revenues for the Company's primary business are projected to increase at the rate of 8% per year based on the following:

Municipal Underwriting	flat
Corporate Capital	+10%

Investment Considerations

Sales & Trading	+15%
Commercial Lending (including SBA)	+15%
Gaming Finance	+5%
Structural Finance	+5%

- The Company has not maintained currency in the availability and application of technology, particularly in the sales and trading areas. The acquisition group will be adding technological resources which can be expected, based on the experience in the industry, to greatly increase productivity, reducing clerical staff and increasing the ability of the sales force to focus their efforts.

5

Transaction Summary

Transaction Summary

General

MSAC intends to purchase, and the Sellers intend to sell the businesses of M&S, the primary business being the broker/dealer business of Miller & Schroeder Financial, Inc.

The Structure

Miller & Schroeder Acquisition Corporation ("MSAC" or the "Buyer"), a to-be-formed corporation, will purchase 100% of the outstanding common stock of M&S.

The Purchase Price

The purchase price will be $15 million. Non-compete and consulting service payments of $100,000 per year for seven years will be paid to the principals.

Conditions

MSAC will require that a number of conditions be agreed to by the Seller including, but not limited to:

employment and/or non-compete agreements with certain key management personnel satisfactory to MSAC;

agreement that certain notes receivable to M&S by certain officers be repaid at closing; and

completion of due diligence.

Capitalization

The purchase will be financed as follows:

Equity	6,500,000
Bank financing	5,000,000
Subordinate debt	2,000,000

Time Table

It is expected that the transaction will close by April 30, 1997.

Transaction Summary

Summary Balance Sheet

Exhibit 3
Miller & Schroeder Inc.
Pre & Post-transaction Consolidated Balance Sheet
(Dollars in thousands)

	Year Ending October 31, 1996	
	Actual	Adjusted for Transaction
Cash	2,426	2,426
Receivables	5,781	5,781
Securities	31,356	31,356
Loan Participations	4,810	4,810
Notes Receivable	4,181	2,681
Rental Property	3,891	0
Net PP&E	1,025	1,025
Other	1,722	1,722
Goodwill		3,157
Total Assets	55,192	52,958
Demand Notes Payable	13,866	13,866
Securities for Repurchase	6,120	6,120
Accounts Payable	6,638	6,638
Accrued Liabilities	4,251	4,251
Short Securities	3,429	3,429
Term Debt	8,645	11,754
Total Liabilities	42,949	46,058
Common Stock	99	
Additional Paid-in-Capital	6,000	6,900
Retained Earnings	6,144	
Total Equity	12,243	6,900
Total Liabilities & Equity	55,192	52,958

Management

Management

The following individuals will fill the key senior management positions in the Company:

James F. Dlugosch - President and CFO

Mr. Dlugosch has been Executive Vice President and Chief Operating Officer of the firm since 1991. In this capacity, he has responsibility for all aspects of firm management, including employment decisions, underwriting of securities and sale management. He previously headed the fixed income department at Dain Bosworth, engaged in real estate development on his own behalf and for Ted Glasrud Associates, and served as Executive Director of the Minnesota Housing Finance Agency and the St. Cloud Housing and Redevelopment Authority.

Ken Dawkins - Executive Vice President

Mr. Dawkins currently owns the investment management firm CH Brown, which specializes in and manages government and municipal security portfolios for institutional and individual investors. In 1977, he co-founded Dougherty Dawkins, a regional municipal bond underwriting firm, and served as its Executive Vice President and Director until he retired in 1993. While with Dougherty Dawkins, he founded the Voyageur family of mutual funds and served as its Chief Investment Officer for several years. Mr. Dawkins began his career in the securities industry with Dain Bosworth.

James L. Morrell - Board Member

From October 1991 to December 1995, Mr. Morrell was a Managing Director in the Corporate Finance Department of Dain Bosworth Inc., a large regional investment banking firm. In addition, Mr. Morrell was Corporate Controller and Chief Accounting Officer from 1986 to September 1991 for Dain Bosworth Inc. From 1980 to 1985, Mr. Morrell was the Corporate Controller and Chief Accounting Officer of Inter-Regional Financial Group, the parent company of Dain Bosworth Inc.

Management

In addition, key management personnel in the Company with whom employment contracts will be executed are Jerry Tabolich, head of commercial lending; Steve Erickson, head of gaming finance; John Darez, head of corporate capital; Tim Bildsoe, head of municipal trading; and Jim Iverson, a current principal and the head of the firm's California operations.

Financial Projection Model

Financial Projections

Pre-tax earnings for the Company for the last five years have averaged over $1.2 million, excluding the gain from the sale of United Mortgage Corporation. Fiscal 1996 pre-tax earnings were $740,000. The purchasers have identified a number of specific changes which will be made to reduce expenses and increase earnings. Specifically, it is our intent to realize the following earnings:

Compensation of Principals. The current owners of the Company were paid $1 million in salaries and bonuses in 1996. This number will be reduced to $250,000 in 1997 in the form of a salary for the continued role of Jim Iverson.

Additional Bonuses. Special bonuses in excess of $690,000 were paid out in early 1996. These bonuses were paid to copensate certain employees for previous pay cuts and bonus reductions. A minimum of 50% of these payments should be considered extraordinary and non-recurring.

Travel. Extensive use of air-charter services with costs for the year of nearly $600,000 can be significantly reduced. An expense of $250,000 would be appropriate.

Legal Settlements. Over the last ten years, the firm has averaged well under $100,000 in settlement of customer complaints. One complaint in 1996 resulted in a payment of approximately $680,000. Earnings can be approximately adjusted by $600,000 to reflect this.

Office Closings. The Company recently closed its office in Orlando, resulting in a savings for the year of over $100,000. We also expect to close the San Francisco and Pasadena offices, reducing expenses by about $600,000.

Consulting Services. Over $15,000 in monthly consulting service fees have been eliminated, reducing expenses by $200,000 per year.

Miscellaneous. A number of staff reductions, reduced salaries and reduced commission payouts have been identified. These adjustments would reduce annualized expenses by an additional $650,000. We are also expecting a certain level of expense increases, including interest on acquisition debt ($650,000), personnel additions ($250,000) and technology investments ($500,000). The result of these changes is summarized as follows:

Financial Projections

1996 Pre-tax		$740,000
Expense Reductions:		
1 Compensation of principals	$750,000	
2 Extraordinary bonuses	350,000	
3 Travel	350,000	
4 Settlements	600,000	
5 Office closings	700,000	
6 Consulting services	200,000	
7 Other	650,000	
		3,600,000
Expense Increases:		(765,000)
Adjusted Pre-tax		$3,575,000

1- Roger @ 500,000
JEF @ 250,000
2- 50% of 700,000
3. Aviation charter reduced from 400,000 to 250,000

TABLE OF CONTENTS

	Page
PREFACE	
Table Of Contents	1
Basis Of Presentation	1
SUMMARY	2
PROJECTED FINANCIAL STATEMENTS	
Income Statements	3
Balance Sheets	4
Cash Flow Statements	5
Free Cash Flow	6
RATIO ANALYSIS	
Selected Ratio Analysis	7
INVESTOR RETURNS	
Investor Returns	8
SENSITIVITY ANALYSIS	
Selected Sensitivity Analysis	9
ASSUMPTIONS	
Note A (Acquisition Assumptions)	10
Note B (Income)	10
Note C (Interest Rates)	11
Note D (Income Taxes)	11
Note E (Working Capital)	11
Note F (Capital Expeditures)	12
Note G (Long Term Debt)	12

BASIS OF PRESENTATION

No person or entity makes any representation as to the accuracy, completeness, or reliability of this information, the future projections or the validity of the underlying assumptions involved in their preparation, analysis, or presentation, and makes no warranty that the results forcasted in the projections will be realized.

Some assumptions may not happen and unanticipated events and circumstances may occur. The actual results achieved may vary from those presented and such variations may be material.

This model solves for Demand Notes Payable and Excess Cash.

	Hst Yr 1 Ended 10/31/96	Prj Yr 1 Ended 10/31/97	Prj Yr 2 Ended 10/31/98	Prj Yr 3 Ended 10/31/99	Prj Yr 4 Ended 10/31/00	Prj Yr 5 Ended 10/31/01	Prj Yr 6 Ended 10/31/02	Prj Yr 7 Ended 10/31/03
INCOME STATEMENTS								
Total Revenue	$34,063	$33,936	$35,623	$37,394	$39,254	$41,206	$43,257	$45,409
Operating Profit	3,176	6,188	6,713	7,378	8,082	8,830	9,623	10,664
Pre-Tax Income	739	3,575	4,146	5,003	5,921	6,985	8,086	9,555
Net Income	628	2,288	2,654	3,202	3,790	4,470	5,175	6,115
Earnings Per Common Share	$0.74	$2.71	$3.14	$3.79	$4.48	$5.29	$6.12	$7.24
BALANCE SHEETS								
Total Cash	$2,426	$2,417	$2,538	$2,664	$2,796	$2,935	$3,081	$3,235
Total Assets	52,958	53,069	54,751	56,542	58,448	60,475	62,630	65,118
Total Liabilities	46,058	43,881	42,909	41,498	39,615	37,172	34,151	30,524
Total Equity	6,900	9,188	11,842	15,044	18,833	23,303	28,479	34,594
CASH FLOW STATEMENTS								
Cash From/(For) Operations	$0	$3,101	$2,285	$2,773	$3,299	$3,914	$4,551	$5,219
Cash From/(For) Investments	0	(1,000)	(300)	(300)	(300)	(300)	(300)	(300)
Cash From/(For) Financing	0	(800)	(2,000)	(2,000)	(2,200)	(1,674)	(1,676)	(606)
RATIO ANALYSIS								
Total Term Debt Interest Coverage	--	3.97	4.26	5.88	8.48	13.99	24.28	59.30
Total Term Debt P&I Coverage	--	2.33	1.48	1.79	2.02	3.08	3.77	11.35

INVESTOR RETURN ANALYSIS

Annualized Investor Return (5 year exit)	
P/E Multiple	33.8%
Book Multiple	28.2%

FULLY DILUTED EQUITY OWNERSHIP

	Pre-Deal Shares	Pre-Deal Percent	Post-Deal Shares	Post-Deal Percent
Buyout Team	155,000	100.0%	155,000	18.3%
New Investors	0	0.0%	690,000	81.7%
Total	155,000	100.0%	845,000	100.0%

INCOME STATEMENTS (Dollars In Thousands, Except Per Share Amounts)

	Hst Yr 1 Ended 10/31/96	Prj Yr 1 Ended 10/31/97	Prj Yr 2 Ended 10/31/98	Prj Yr 3 Ended 10/31/99	Prj Yr 4 Ended 10/31/00	Prj Yr 5 Ended 10/31/01	Prj Yr 6 Ended 10/31/02	Prj Yr 7 Ended 10/31/03
REVENUES								
Profit on Trading & Underwriting (Note B)	$28,276	$28,276	$29,690	$31,174	$32,733	$34,370	$36,088	$37,893
Direct Investment Products (Note B)	2,989	2,989	3,138	3,295	3,460	3,633	3,815	4,006
Interest Income (Note C)	2,798	2,671	2,795	2,925	3,061	3,204	3,354	3,511
Total Revenues	34,063	33,936	35,623	37,394	39,254	41,206	43,257	45,409
OPERATING EXPENSES								
Salaries & Commissions (Note B)	$17,859	$15,409	$16,179	$16,988	$17,838	$18,730	$19,666	$20,650
General & Administrative (Note B)	12,524	11,624	11,915	12,212	12,518	12,831	13,151	13,480
Depreciation & Amortization (Note F)	504	716	816	816	816	816	816	616
Total Operating Expenses	30,887	27,749	28,910	30,017	31,171	32,376	33,633	34,746
OPERATING PROFIT	$3,176	$6,188	$6,713	$7,378	$8,082	$8,830	$9,623	$10,664
Other Income/(Expense) (Note B)	0	0	0	0	0	0	0	0
Interest Expense (Note C)								
Short-Term Financing	$1,797	$1,471	$1,501	$1,499	$1,476	$1,374	$1,229	$965
Long-Term Financing	$640	$1,142	$1,066	$876	$686	$472	$308	$143
PRE-TAX INCOME	$739	$3,575	$4,146	$5,003	$5,921	$6,985	$8,086	$9,555
TAX PROVISION (Note D)	111	1,287	1,493	1,801	2,132	2,515	2,911	3,440
NET INCOME	$628	$2,288	$2,654	$3,202	$3,790	$4,470	$5,175	$6,115
Preferred Dividends	0	0	0	0	0	0	0	0
NET INCOME AVAILABLE TO COMMON	$628	$2,288	$2,654	$3,202	$3,790	$4,470	$5,175	$6,115
EARNINGS PER COMMON SHARE	$0.74	$2.71	$3.14	$3.79	$4.48	$5.29	$6.12	$7.24

BALANCE SHEETS (Dollars In Thousands)

	Actual 10/31/96	Adjustments Note A	Pro-Forma 10/31/96	Prj Yr 1 10/31/97	Prj Yr 2 10/31/98	Prj Yr 3 10/31/99	Prj Yr 4 10/31/00	Prj Yr 5 10/31/01	Prj Yr 6 10/31/02	Prj Yr 7 10/31/03
ASSETS										
Operating Cash (Note E)	2,426	0	2,426	2,417	2,538	2,664	2,796	2,935	3,081	3,235
Excess Cash	0	0	0	0	0	0	0	0	0	0
Receivables (Note E)	5,781	0	5,781	5,755	6,041	6,342	6,657	6,988	7,336	7,701
Securities for Resale (Note E)	9,214	0	9,214	9,177	9,633	10,112	10,615	11,143	11,697	12,279
Trading Securities (Note E)	22,143	0	22,143	22,063	23,160	24,311	25,520	26,790	28,123	29,522
Loan Participations (Note E)	4,810	0	4,810	4,788	5,026	5,276	5,539	5,814	6,103	6,407
Notes Receivable (Note F)	4,181	(1,500)	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681
Equipment & Leasehold (Note F)	5,018	0	5,018	6,018	6,318	6,618	6,918	7,218	7,518	7,818
Accum Depreciation	3,993	0	3,993	4,393	4,893	5,393	5,893	6,393	6,893	7,193
Net Equipment	1,025	0	1,025	1,625	1,425	1,225	1,025	825	625	625
Other Assets (Note F)	5,612	(734)	4,878	4,562	4,247	3,931	3,615	3,300	2,984	2,668
Total Assets	55,192	(2,234)	52,958	53,069	54,751	56,542	58,448	60,475	62,630	65,118
LIABILITIES & EQUITY										
Demand Notes Payable (Note E)	13,866	0	13,866	12,565	12,581	12,107	11,308	9,368	6,793	2,480
Payables & Accruals (Note E)	10,889	0	10,889	10,850	11,390	11,956	12,550	13,175	13,830	14,519
Repurchase Agreements (Note E)	6,120	0	6,120	6,099	6,402	6,721	7,055	7,406	7,774	8,161
Securities Sold not Purchased	3,429	0	3,429	3,412	3,582	3,760	3,947	4,143	4,349	4,566
Long Term Debt (Note G)	8,645	3,109	11,754	10,954	8,954	6,954	4,754	3,080	1,404	798
Total Liabilities	42,949	3,109	46,058	43,881	42,909	41,498	39,615	37,172	34,151	30,524
Preferred	0	0	0	0	0	0	0	0	0	0
Common	6,099	801	6,900	6,900	6,900	6,900	6,900	6,900	6,900	6,900
Retained Earnings	6,144	(6,144)	0	2,288	4,942	8,144	11,933	16,403	21,579	27,694
Total Equity	12,243	(5,343)	6,900	9,188	11,842	15,044	18,833	23,303	28,479	34,594
Total Liabilities & Equity	$55,192	($2,234)	$52,958	$53,069	$54,751	$56,542	$58,448	$60,475	$62,630	$65,118

STATEMENT OF CASH FLOWS (Dollars In Thousands)

	Prj Yr 1 Ended 10/31/97	Prj Yr 2 Ended 10/31/98	Prj Yr 3 Ended 10/31/99	Prj Yr 4 Ended 10/31/00	Prj Yr 5 Ended 10/31/01	Prj Yr 6 Ended 10/31/02	Prj Yr 7 Ended 10/31/03
Net Income	$2,288	$2,654	$3,202	$3,790	$4,470	$5,175	$6,115
Depreciation & Amortization	716	816	816	816	816	816	616
Decrease/(Increase) in Operating Cash	9	(120)	(126)	(132)	(139)	(146)	(153)
Decrease/(Increase) in Receivables	26	(286)	(300)	(315)	(331)	(348)	(365)
Decrease/(Increase) in Securities for Resale	37	(456)	(479)	(503)	(528)	(554)	(582)
Decrease/(Increase) in Trading Securities	80	(1,097)	(1,151)	(1,209)	(1,269)	(1,333)	(1,400)
Decrease/(Increase) in Loan Participations	22	(238)	(250)	(262)	(275)	(289)	(304)
Increase/(Decrease) in Payables & Accruals	(39)	539	566	595	624	656	688
Increase/(Decrease) in Repurchase Agreements	(21)	303	318	334	351	368	387
Increase/(Decrease) in Securities Sold not Purchased	(17)	170	178	187	196	206	216
CASH FROM/(FOR) OPERATIONS	$3,101	$2,285	$2,773	$3,299	$3,914	$4,551	$5,219
Decrease/(Increase) in Notes Receivable	$0	$0	$0	$0	$0	$0	$0
Decrease/(Increase) in Equipment & Leasehold Improvements	(1,000)	(300)	(300)	(300)	(300)	(300)	(300)
Decrease/(Increase) in Other Assets	0	0	0	0	0	0	0
CASH FROM/(FOR) INVESTMENTS	($1,000)	($300)	($300)	($300)	($300)	($300)	($300)
Long Term Debt	($800)	($2,000)	($2,000)	($2,200)	($1,674)	($1,676)	($606)
Preferred Stock	0	0	0	0	0	0	0
Common Stock	0	0	0	0	0	0	0
Preferred Dividends	0	0	0	0	0	0	0
Common Dividends	0	0	0	0	0	0	0
CASH FROM/(FOR) FINANCING	($800)	($2,000)	($2,000)	($2,200)	($1,674)	($1,676)	($606)
NET CASH FLOW	$1,301	($15)	$473	$799	$1,940	$2,575	$4,313

FREE CASH FLOW (Dollars In Thousands)

	Prj Yr 1 Ended 10/31/97	Prj Yr 2 Ended 10/31/98	Prj Yr 3 Ended 10/31/99	Prj Yr 4 Ended 10/31/00	Prj Yr 5 Ended 10/31/01	Prj Yr 6 Ended 10/31/02	Prj Yr 7 Ended 10/31/03
Net Income	$2,288	$2,654	$3,202	$3,790	$4,470	$5,175	$6,115
Add Back							
Interest on Long-term Debt	1,142	1,066	876	686	472	308	143
Depreciation & Amortization	716	816	816	816	816	816	616
Decrease/(Increase) In Net Working Capital	97	(1,185)	(1,244)	(1,306)	(1,372)	(1,440)	(1,512)
Deduct							
Capital Expenditures	(1,000)	(300)	(300)	(300)	(300)	(300)	(300)
Free Cash Flow to Long-term Capital	$3,242	$3,050	$3,349	$3,685	$4,086	$4,558	$5,062
Less: Interest on Non-Acquisition Term Debt	($452)	($376)	($300)	($224)	($148)	($122)	($95)
Cash Flow to Acquisition Capital	$2,791	$2,675	$3,049	$3,461	$3,938	$4,437	$4,967
Less: Interest on Acquisition Bank Debt	($450)	($450)	($360)	($270)	($180)	($90)	$0
Cash Flow to Subordinated Capital	$2,341	$2,225	$2,689	$3,191	$3,758	$4,347	$4,967
Less: Interest on Acquisition Subordinated Debt	($240)	($240)	($216)	($192)	($144)	($96)	($48)
Cash Flow to Equity	$2,101	$1,985	$2,473	$2,999	$3,614	$4,251	$4,919

SELECTED RATIO ANALYSIS

	Hst Yr 1 Ended 10/31/96	Prj Yr 1 Ended 10/31/97	Prj Yr 2 Ended 10/31/98	Prj Yr 3 Ended 10/31/99	Prj Yr 4 Ended 10/31/00	Prj Yr 5 Ended 10/31/01	Prj Yr 6 Ended 10/31/02	Prj Yr 7 Ended 10/31/03
LIQUIDITY								
Current Ratio	1.29	1.34	1.37	1.41	1.47	1.57	1.72	1.99
DEBT SERVICE COVERAGE								
Acquisition Bank Debt Interest Coverage	--	9.06	9.26	13.47	20.71	35.85	81.64	NM
Acquisition Bank Debt P&I Coverage	--	9.06	2.87	3.57	4.40	5.47	6.74	NM
Total Term Debt Interest Coverage	--	3.97	4.26	5.88	8.48	13.99	24.28	59.30
Total Term Debt P&I Coverage	--	2.33	1.48	1.79	2.02	3.08	3.77	11.35
LEVERAGE								
Total Debt/Total Assets	48.4%	44.3%	39.3%	33.7%	27.5%	20.6%	13.1%	5.0%
Long Term Debt/Total Equity	170.3%	119.2%	75.6%	46.2%	25.2%	13.2%	4.9%	2.3%
Demand Notes/Liquid Assets	31.2%	28.4%	27.1%	24.9%	22.1%	17.5%	12.1%	4.2%
Total Equity/Total Assets	13.0%	17.3%	21.6%	26.6%	32.2%	38.5%	45.5%	53.1%
PROFITABILITY								
Return on Assets	1.2%	4.3%	4.8%	5.7%	6.5%	7.4%	8.3%	9.4%
Return on Equity	9.1%	24.9%	22.4%	21.3%	20.1%	19.2%	18.2%	17.7%
Pre-tax Margin	2.2%	10.5%	11.6%	13.4%	15.1%	17.0%	18.7%	21.0%
PERIOD-TO-PERIOD GROWTH RATES								
Net Sales	--	-0.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Operating Profit	--	94.8%	8.5%	9.9%	9.6%	9.3%	9.0%	10.8%
Pre-Tax Income	--	383.8%	16.0%	20.7%	18.4%	18.0%	15.8%	18.2%
Net Income	--	264.4%	16.0%	20.7%	18.4%	18.0%	15.8%	18.2%
Free Cash Flow	--	--	-5.9%	9.8%	10.0%	10.9%	11.6%	11.1%

INVESTOR RETURNS

Equity Ownership	Pre-Deals		Deals		Post-Deals	
	Shares	Percent	Shares	Percent	Shares	Percent
Investor Group	0	0.0%	690,000	100.0%	690,000	81.7%
Buyout Team	155,000	100.0%	0	0.0%	155,000	18.3%
Total	155,000	100.0%	690,000	100.00%	845,000	100.0%

Investor Return	Prj Yr 1 Ended 10/31/97	Prj Yr 2 Ended 10/31/98	Prj Yr 3 Ended 10/31/99	Prj Yr 4 Ended 10/31/00	Prj Yr 5 Ended 10/31/01	Prj Yr 6 Ended 10/31/02	Prj Yr 7 Ended 10/31/03
Net Income Per Share	$2.71	$3.14	$3.79	$4.48	$5.29	$6.12	$7.24

Returns based on sale at Year 5

P/E Multiple	10
Book Multiple	2.0
Share Price	$10.00

Investor Cash Flow: 5-Year Exit		**Based on P/E Multiple**	
IRR Investor Group	33.8%	**Share Value at Year 5**	$52.90

Investor Cash Flow: 5-Year Exit		**Based on Book Multiple**	
IRR Investor Group	28.2%	**Share Value at Year 5**	$44.58

SELECTED SENSITIVITY ANALYSIS

Sensitivity of Equity Value and Investor Return to:

Revenue Growth	Investor Return	
Revenue Growth	P/E	Book
2.0%	25.4%	25.7%
3.0%	28.4%	26.5%
4.0%	31.1%	27.3%
5.0%	**33.8%**	**28.2%**
6.0%	36.4%	29.0%
7.0%	38.8%	29.8%
8.0%	41.2%	30.6%
9.0%	43.5%	31.3%
10.0%	45.7%	32.1%
11.0%	47.8%	32.9%

Interest Rate on Acquisition Bank Debt	Investor Return	
Interest Rate	P/E	Book
7.5%	34.0%	28.5%
8.0%	34.0%	28.4%
8.5%	33.9%	28.3%
9.0%	**33.8%**	**28.2%**
9.5%	33.7%	28.1%
10.0%	33.7%	27.9%
10.5%	33.6%	27.8%
11.0%	33.5%	27.7%
11.5%	33.5%	27.6%
12.0%	33.4%	27.5%

P/E Ratio Assumption	Investor Return	
P/E Ratio	P/E	Book
7	22.0%	28.2%
8	26.4%	28.2%
9	30.3%	28.2%
10	**33.8%**	**28.2%**
11	37.0%	28.2%
12	39.8%	28.2%
13	42.5%	28.2%
14	45.0%	28.2%
15	47.3%	28.2%
16	49.5%	28.2%

Tax Rate	Investor Return	
Tax Rate	P/E	Book
33.0%	35.6%	29.2%
34.0%	35.0%	28.9%
35.0%	34.4%	28.5%
36.0%	**33.8%**	**28.2%**
37.0%	33.2%	27.8%
38.0%	32.6%	27.4%
39.0%	31.9%	27.1%
40.0%	31.3%	26.7%
41.0%	30.7%	26.3%
42.0%	30.0%	25.9%

G&A Growth as a % of Revenue Growth	Investor Return	
G&A Growth	P/E	Book
20.0%	37.5%	29.4%
30.0%	36.3%	29.0%
40.0%	35.1%	28.6%
50.0%	**33.8%**	**28.2%**
60.0%	32.5%	27.7%
70.0%	31.0%	27.3%
80.0%	29.5%	26.8%
90.0%	27.9%	26.3%
100.0%	26.1%	25.9%
110.0%	24.2%	25.4%

Amount of Subordinated Debt	Investor Return	
Sub Debt	P/E	Book
$500	28.3%	25.0%
$1,000	30.0%	26.0%
$1,500	31.8%	27.0%
$2,000	**33.8%**	**28.2%**
$2,500	36.0%	29.4%
$3,000	38.3%	30.9%
$3,500	40.9%	32.5%
$4,000	43.8%	34.3%
$4,500	47.0%	36.5%
$5,000	50.7%	39.0%

(A) ACQUISITION ASSUMPTIONS AND BALANCE SHEET ADJUSTMENTS:

Purchase Price:	15,400
Acquisition Bank Debt	5,000
Acquisition Seller Debt	2,000
Officer Notes	1,500
Equity:	6,900

After acquisition, rental property is sold for book value of $3,891, long-term debt is paid down by $3,891.
Purchase price includes acquisition fees and expenses of $400,000.

(B) INCOME ASSUMPTIONS:

	Hst Yr 1	Adjstmnts	Prj Yr 1	Prj Yr 2	Prj Yr 3	Prj Yr 4	Prj Yr 5	Prj Yr 6	Prj Yr 7
Projected Revenue Growth Rate	--		--	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Profit on Trading & Underwriting	28,276	0	28,276	29,690	31,174	32,733	34,370	36,088	37,893
Direct Investment Products	2,989	0	2,989	3,138	3,295	3,460	3,633	3,815	4,006
Total Revenue Before Interest Income	$31,265		$31,265	$32,828	$34,470	$36,193	$38,003	$39,903	$41,898
Management & Underwriting	$6,117	(1,300)	$4,817	$5,058	$5,311	$5,576	$5,855	$6,148	$6,455
Sales	5,256	0	$5,256	5,519	5,795	6,084	6,389	6,708	7,044
Bonuses & incentive compensation	4,325	(700)	$3,625	$3,806	$3,997	$4,196	$4,406	$4,627	$4,858
Office, clerical & support	2,161	(450)	$1,711	$1,797	$1,886	$1,981	$2,080	$2,184	$2,293
Total Salaries & Commissions	17,859		15,409	16,179	16,988	17,838	18,730	19,666	20,650
General & Administrative (less D&A)	12,524	(900)	11,624	$11,915	$12,212	$12,518	$12,831	$13,151	$13,480
Other Income / (Expense)	0		0	0	0	0	0	0	0

Expense projections are based on FYE 10/31/96 results adjusted for planned restructuring.
Rate of growth of Total Salaries and Commissions will equal 100% of revenue growth rate, if any.
Rate of growth of General & Administrative expense will equal 50% of revenue growth rate, if any.

(C) INTEREST RATES: Interest Rates are assumed as follows.

	Prj Yr 1	Prj Yr 2	Prj Yr 3	Prj Yr 4	Prj Yr 5	Prj Yr 6	Prj Yr 7
Paid on Repurchase Agreements	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Paid on Securities Sold not Purchased	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Paid On Revolver	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Paid On Long Term Debt	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
Paid On Acquisition Bank Debt	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Paid On Acquisition Subordinated Debt	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Earned on Operating Cash	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Earned on Excess Cash	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Earned on Securities Held for Resale	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
Earned on Trading Securities	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Earned on Loan Participations	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Earned on Notes Receivable	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

(D) INCOME TAXES: Federal and state income taxes are provided for at the following combined marginal rates.

	Prj Yr 1	Prj Yr 2	Prj Yr 3	Prj Yr 4	Prj Yr 5	Prj Yr 6	Prj Yr 7
Marginal Income Tax Rate	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%

(E) NET WORKING CAPITAL: Net Working Capital accounts are based on a multiple of average daily revenues.

	Hst Yr 1	Prj Yr 1	Prj Yr 2	Prj Yr 3	Prj Yr 4	Prj Yr 5	Prj Yr 6	Prj Yr 7
Operating Cash	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Receivables	61.9	61.9	61.9	61.9	61.9	61.9	61.9	61.9
Securities for Resale	98.7	98.7	98.7	98.7	98.7	98.7	98.7	98.7
Trading Securities	237.3	237.3	237.3	237.3	237.3	237.3	237.3	237.3
Loan Participations	51.5	51.5	51.5	51.5	51.5	51.5	51.5	51.5
Payables & Accruals	116.7	116.7	116.7	116.7	116.7	116.7	116.7	116.7
Repurchase Agreements	65.6	65.6	65.6	65.6	65.6	65.6	65.6	65.6
Securities Sold not Purchased	36.7	36.7	36.7	36.7	36.7	36.7	36.7	36.7

(F) CAPITAL EXPENDITURES: Capital expenditures (net of divestitures) and depreciation and amortization schedules are projected as described below.
Other Assets are depreciated as shown.

	Base	Prj Yr 1	Prj Yr 2	Prj Yr 3	Prj Yr 4	Prj Yr 5	Prj Yr 6	Prj Yr 7
Equipment & Leasehold								
Buy/(Sell)	--	$1,000	$300	$300	$300	$300	$300	$300
Total	$5,018	$6,018	$6,318	$6,618	$6,918	$7,218	$7,518	$7,818
Depreciation	--	$400	$500	$500	$500	$500	$500	$300
Accumulated Depreciation	$3,993	$4,393	$4,893	$5,393	$5,893	$6,393	$6,893	$7,193
Net	$1,025	$1,625	$1,425	$1,225	$1,025	$825	$625	$625
Notes Receivable	$2,681	$2,681	$2,681	$2,681	$2,681	$2,681	$2,681	$2,681
Other Assets								
Rental Property	0	0	0	0	0	0	0	0
Acquisition Goodwill	3,157	2,841	2,526	2,210	1,894	1,579	1,263	947
Other	1,721	1,721	1,721	1,721	1,721	1,721	1,721	1,721
Total	$4,878	$4,562	$4,247	$3,931	$3,615	$3,300	$2,984	$2,668

(G) LONG TERM DEBT: Assumptions with respect to the issuance and retirement of Long Term Debt and Acquisition Debt are as follows.

	Actual 10/31/96	Pro-Forma 10/31/96	Prj Yr 1 10/31/97	Prj Yr 2 10/31/98	Prj Yr 3 10/31/99	Prj Yr 4 10/31/00	Prj Yr 5 10/31/01	Prj Yr 6 10/31/02	Prj Yr 7 10/31/03
Long Term Debt									
Incurred/(Retired)		--	($800)	($800)	($800)	($800)	($274)	($276)	($206)
Balance	$8,645	$4,754	$3,954	$3,154	$2,354	$1,554	$1,280	$1,004	$798
Acquisition Bank Debt									
Total Incurred/(Retired)		--	$0	($1,000)	($1,000)	($1,000)	($1,000)	($1,000)	$0
Balance	$0	$5,000	$5,000	$4,000	$3,000	$2,000	$1,000	$0	$0
Acquisition Subordinated Debt									
Total Incurred/(Retired)		--	$0	($200)	($200)	($400)	($400)	($400)	($400)
Balance	$0	$2,000	$2,000	$1,800	$1,600	$1,200	$800	$400	$0

Historical Financial Statements

ARTHUR ANDERSEN LLP

Miller & Schroeder, Inc. and Subsidiaries

Consolidated Financial Statements
as of October 31, 1996
Together With Report of
Independent Public Accountants
and Consolidating Schedules

ARTHUR ANDERSEN LLP

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Miller & Schroeder, Inc.:

We have audited the accompanying consolidated statement of financial condition of Miller & Schroeder, Inc. (a Minnesota corporation) and Subsidiaries as of October 31, 1996, and the related consolidated statements of operations and retained earnings and cash flows for the year then ended. These financial statements and schedules referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miller & Schroeder, Inc. and Subsidiaries as of October 31, 1996, and the results of their operations and their cash flows for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules I and II are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Minneapolis, Minnesota,
December 20, 1996

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidated Statements of Operations and Retained Earnings

For the Year Ended October 31, 1996

OPERATIONS

REVENUES:	
Profit on securities trading and underwriting	$28,275,512
Direct investment products and other	2,989,166
Interest income	2,797,980
Total revenues	34,062,658
EXPENSES:	
Salaries and commissions-	
Management and underwriting	6,117,265
Sales	5,255,519
Bonuses and incentive compensation	4,325,000
Office, clerical and support	2,160,784
Total salaries and commissions	17,858,568
General and administrative	13,028,332
Interest	2,437,138
Total expenses	33,324,038
INCOME BEFORE INCOME TAXES	738,620
PROVISION FOR INCOME TAXES	111,000
NET INCOME	627,620

RETAINED EARNINGS

BALANCE, beginning of year	5,516,406
BALANCE, end of year	$ 6,144,026

The accompanying notes are an integral part of these consolidated statements.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidated Statement of Financial Condition

As of October 31, 1996

ASSETS	
CASH AND CASH EQUIVALENTS	$ 2,425,930
RECEIVABLES:	
Customers	1,476,344
Brokers, dealers and clearing organizations	356,545
Officers' and employees' notes and advances	1,731,578
Other	2,216,402
Total receivables	5,780,869
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	9,213,802
TRADING SECURITIES, at market, pledged to demand notes payable	22,142,618
LOAN PARTICIPATION NOTES INVENTORY	4,810,079
NOTES RECEIVABLE, pledged to demand notes payable and term debt	4,180,934
RENTAL PROPERTY	3,890,540
OFFICE EQUIPMENT AND LEASEHOLD IMPROVEMENTS, at cost, less accumulated depreciation and amortization of $3,993,345, pledged to term debt	1,025,070
OTHER	1,721,561
	$55,191,403
LIABILITIES AND SHAREHOLDERS' EQUITY	
DEMAND NOTES PAYABLE	$13,866,080
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	6,119,626
ACCOUNTS PAYABLE:	
Operating	5,023,052
Customers	1,142,855
Brokers, dealers and clearing organizations	472,367
Total accounts payable	6,638,274
ACCRUED LIABILITIES	4,250,768
SECURITIES SOLD NOT PURCHASED	3,428,547
TERM DEBT	8,645,019
Total liabilities	42,948,314
COMMITMENTS AND CONTINGENCIES (Notes 6, 9, 10 and 11)	
SHAREHOLDERS' EQUITY:	
Common stock, $.10 par value, 3,000,000 shares authorized; 990,625 issued and outstanding	99,063
Paid-in capital	6,000,000
Retained earnings	6,144,026
Total shareholders' equity	12,243,089
	$55,191,403

The accompanying notes are an integral part of this consolidated statement.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the Year Ended October 31, 1996

OPERATING ACTIVITIES:	
Net income	$ 627,620
Adjustments to reconcile net income to net cash provided by operating activities-	
Depreciation and amortization	504,769
Change in operating items:	
Receivables	1,295,133
Trading securities	24,962,557
Loan participation notes and mortgage pool inventory	(1,679,774)
Other assets	236,933
Accounts payable	2,274,714
Accrued liabilities	190,976
Securities sold not purchased	2,137,793
Net cash provided by operating activities	30,550,721
INVESTING ACTIVITIES:	
Additions to office equipment and leasehold improvements, net	(260,459)
Additions to rental property	(31,356)
Collections on notes receivable	(450,638)
Net cash used for investing activities	(742,453)
FINANCING ACTIVITIES:	
Net payments under demand notes payable	(27,991,180)
Increase in securities sold under agreements to repurchase	5,367,826
Increase in securities purchased under agreement to resell	(7,467,002)
Payments of term debt	(667,995)
Borrowings of term debt	1,000,000
Net cash used for financing activities	(29,758,351)
Net increase in cash and cash equivalents	49,917
CASH AND CASH EQUIVALENTS, beginning of year	2,376,013
CASH AND CASH EQUIVALENTS, end of year	$ 2,425,930
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the year for-	
Interest	$ 2,562,921
Income taxes	1,318,217

The accompanying notes are an integral part of this consolidated statement.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

October 31, 1996

1. Summary of Significant Accounting Policies:

Basis of Reporting and Presentation

The consolidated financial statements include the accounts of Miller & Schroeder, Inc. and its wholly owned subsidiaries (the Company), Miller & Schroeder Financial, Inc. (Financial), Miller & Schroeder Investments Corporation (Investments), Miller & Schroeder Small Business Capital Corporation (formerly Miller & Schroeder Insurance Agency, Inc.), Pooled Loan Marketing Corporation, Miller & Schroeder Capital Corporation and Miller & Schroeder Mortgage Corporation. All significant intercompany transactions and accounts have been eliminated in consolidation.

Cash and Cash Equivalents

For financial reporting purposes, the Company considers all investments with original maturities of three months or less to be cash equivalents. Included in cash at October 31, 1996 is $560,100 segregated for the exclusive benefit of customers pursuant to federal regulations and other contractual obligations.

Repurchase and Resale Agreements

Transactions involving purchases of securities under agreements to resell (reverse repurchase agreements) or sales of securities under agreements to repurchase (repurchase agreements) are treated as collateralized financing transactions and are recorded at their contracted resale or repurchase amounts plus accrued interest. The Company's reverse repurchase agreements have a market value of $9,450,638 and have yields ranging from 4.5% to 5.3%. The Company's repurchase agreements have a market value of $6,132,519 and accrue interest at 5.2%. The repurchase agreements are collateralized by reverse repurchase agreements in the amount of $5,944,158 as of October 31, 1996.

Trading Securities

Trading securities are carried at estimated current market values. Market value adjustments to the carrying value of trading securities, which resulted in losses of approximately $532,000 in 1996, are a component of profit on securities trading and underwriting in the accompanying consolidated statements of operations and retained earnings.

Purchases and sales of trading securities are recorded on a settlement date basis. The difference between trade date basis and settlement date basis accounting did not have a material effect on the Company's consolidated financial position or results of operations.

Financial instruments (including derivatives) used for trading purposes are recorded in the statement of financial condition at fair value at the balance sheet date. Realized and unrealized changes in fair values are recognized in net trading revenue in the period in which the changes

occur. Interest revenue arising from trading instruments is included in the statements of operations and retained earnings as part of interest income.

Fair Value of Financial Instruments

The estimated fair value of the Company's financial instruments approximates their carrying values as of October 31, 1996.

The following methods and assumptions were used to estimate the fair values:

Cash and Cash Equivalents

The carrying amounts for cash and cash equivalents approximate fair value due to the maturity of the instruments.

Securities

The fair value of the Company's securities equals the quoted market price.

Loan Participation Notes Inventory, Notes Receivable and Other

Fair values for loans are estimated by discounting future cash flow payment streams using rates at which current loans to borrowers with similar credit ratings and similar loan maturities are being made.

Borrowings

The carrying amount of short-term borrowings approximates fair value due to the short maturity of the instruments and the instruments' floating interest rates, which are tied to market conditions. The fair values of long-term borrowings are estimated by discounting future cash flow payment streams using rates that approximate those of comparable borrowings.

Officers' and Employees' Notes and Advances

At October 31, 1996, the Company had unsecured advances of approximately $1,732,000 to employees, of which $1,485,000 is to officers/shareholders of the Company. Certain of these advances are evidenced by signed notes bearing interest from 6.3% to 8.0% and have maturities through 2001. During fiscal 1996, the Company earned interest income of approximately $55,000 from these advances.

Office Equipment and Leasehold Improvements

Office equipment and leasehold improvements are stated at cost. Equipment is depreciated on a straight-line or accelerated basis for financial reporting purposes and on an accelerated basis for income tax reporting purposes. Leasehold improvements are amortized using the straight-line method over the term of the respective lease or useful life, whichever is less.

Legal and Other Professional Fees

Legal and other professional fees related to the underwriting of securities are charged to operations as incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

2. Loan Participation Notes Inventory:

As of October 31, 1996, loan participation notes inventory of $4,810,000 was held for sale. These notes were sold to investors without recourse subsequent to October 31, 1996.

3. Notes Receivable:

Notes receivable consist primarily of long-term notes receivable. These long-term notes total approximately $3,557,000 at October 31, 1996, have maturity dates ranging from October 2001 through March 2005 with interest rates ranging from 9.25% to 12.43%, are collateralized by real estate and are partially guaranteed by the Small Business Administration.

The Company restructured a $1,000,000 note receivable in 1996. Certain parties to the original note entered into a new note in the amount of $580,000, which bears interest at prime plus 4% and matures in February 2003. The remaining balance of the original note receivable was written off during 1996.

The Company also has notes receivable of approximately $923,000 relating to short-term advances to issuers.

4. Rental Property:

Rental property is depreciated on a straight-line basis over 20 years for financial reporting purposes. Tenant improvements are capitalized and amortized over the lives of the tenant leases. Total depreciation and amortization expense for the year ended October 31, 1996 was approximately $201,000, and accumulated depreciation and amortization was approximately $769,000.

5. Financing Arrangements:

Demand Notes Payable

Financial has financing arrangements with several financial institutions which in the aggregate total $60 million. Financial's trading securities and certain assets are pledged as collateral under these arrangements. Amounts borrowed under these arrangements fluctuate daily based on the timing of customer and broker-dealer trades and issues underwritten by Financial. The terms and expiration dates of these facilities are periodically renegotiated.

At October 31, 1996, $11,175,000 was outstanding and $48,825,000 was available on these facilities. Financial is expected to maintain agreed-upon compensating balances with the financial institutions and is in compliance with the covenants included in the financing arrangements as of October 31, 1996.

Investments has a $4.4 million credit facility with a financial institution, of which $2,682,500 is outstanding at October 31, 1996. Investments may borrow funds under terms of the demand

note to finance loan participations up to predefined amounts, with the underlying notes pledged as collateral. Interest accrues at the financial institution's prime rate plus 1% (9.25% at October 31, 1996). This line of credit is due for renewal in March 1997. Management and the financial institution intend to renegotiate this agreement at maturity.

The Company's average interest rate on demand notes payable was 6.63% at October 31, 1996 and 6.82% for the year ended October 31, 1996.

Term Debt

Term debt outstanding as of October 31, 1996 consisted of:

Pollution Control Financing Certificates, collateralized by certain notes receivable guaranteed by the Small Business Administration:	
9%, due in annual installments through October 2001	$2,420,000
12.25%, due in annual installments through March 2005	182,000
Notes payable, 4%, due in monthly installments through December 1997, collateralized by equipment	28,210
Notes payable, 10.12%, due in monthly installments through March 1999, collateralized by certain furniture and office equipment	325,807
Notes payable, 7.5%, due in monthly installments through July 2001, collateralized by rental property	4,689,002
Notes payable, 9.25%, due in monthly installments through October 2001, collateralized by note receivable	1,000,000
Total term debt	$8,645,019

Maturities of term debt outstanding as of October 31, 1996 are as follows:

1997	$ 909,074
1998	953,779
1999	949,471
2000	931,473
2001	4,719,222
Thereafter	182,000
	$8,645,019

6. Shareholders' Equity:

Common Stock Repurchase Agreement

The Company has a stock repurchase agreement with its three officer/shareholders. Under the terms of the agreement, the Company must purchase the common stock owned by an officer/shareholder in the event of death or disability, and may purchase such shares (and to the extent such right is not exercised, the remaining shareholders may purchase such shares) in the event of attempted transfer of the shareholder's common stock, or the shareholder's bankruptcy or insolvency, retirement or other termination of the employment relationship at the price defined in the stock repurchase agreement. Unless otherwise agreed to by the holders of 90% of the voting power of the common stock of the Company, the repurchase price is

increased or decreased each fiscal year in the same percentage as the change in the Company's net worth attributable to the common stock. In connection with this agreement, the Company maintains life insurance policies on the lives of the principal officer/shareholders in excess of the repurchase price of their respective shares.

7. Income Taxes:

The Company files combined state income tax returns, except in certain states where separate returns are filed, and files a consolidated federal income tax return.

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are determined based on the estimated future tax effects of differences between the financial statement basis and tax basis of assets and liabilities using the provisions of enacted laws.

The provision for income taxes reflected in the accompanying consolidated statements of operations and retained earnings consists of:

Current:	
Federal	$184,000
State	215,000
	399,000
Changes in deferred taxes:	
Federal	(245,000)
State	(43,000)
	$111,000

Differences between the statutory income tax rate and the effective income tax rate for the year ended October 31, 1996 primarily relate to income and expense amounts that are not utilized in determining taxable income for income tax purposes and reserve amounts.

8. Net Capital Requirements:

As a broker-dealer, Financial is subject to the Uniform Net Capital Rule (Rule 15c3-1) adopted and administered by the Securities and Exchange Commission. Under the alternative method of Rule 15c3-1, the required net capital, as defined, shall not be less than the greater of $250,000 or 2% of aggregate debit items arising from customer transactions. In addition, restrictions may be imposed to prohibit Financial from expanding its business and declaring dividends if its net capital is less than 5% of aggregate debit items. At October 31, 1996, Financial's net capital, as defined, of $2,887,856 was 170% of aggregate debit items and was $2,767,856 in excess of the minimum required.

9. Legal Proceedings:

The Company is at times a defendant in legal proceedings arising from underwritings conducted in the ordinary course of business. The amount of damages being sought by the plaintiffs in these complaints is generally unknown. The Company denies any wrongdoing with respect to such actions and instructs legal counsel to vigorously defend such actions. The

Company provides for the liability related to any legal proceedings if such liability becomes probable and is reasonably determinable.

10. Commitments:

Operating Leases

The Company has operating lease commitments expiring at various dates through December 2001 for its offices and certain equipment. Rental expense was approximately $1,226,000 in fiscal 1996. Future minimum payments under operating leases are as follows:

Fiscal Year	
1997	$1,257,000
1998	1,226,000
1999	759,000
2000	103,000
2001	11,000

Employee Benefit Plan

Financial has a 401(k) plan which allows employees to contribute a portion of their compensation. Financial has agreed to match 30% of the contributions of each employee up to $6,000 per year. Financial's expense related to this plan was approximately $167,000 for the year ended October 31, 1996.

Employment Agreements and Incentive Compensation

Financial has employment agreements with certain key employees, with terms expiring on October 31, 1997, subject to extensions for additional one-year terms. The agreements provide for specified salary levels and bonuses aggregating approximately 17% of Financial's pretax profit before bonuses. Financial also provides discretionary bonuses for certain other employees.

Loan Servicing and Funds Held in Escrow

Investments is the servicing agent for approximately $407 million of loans sold without recourse in the normal course of business. Investments services these loans in accordance with participation agreements with the purchasers.

In connection with Investments' loan servicing activities, funds for real estate taxes, insurance and certain reserve accounts, including amounts for construction participations, are collected and held in escrow in accordance with loan documents. Funds held in escrow as of October 31, 1996 were approximately $12,933,750. These funds are not included in the accompanying consolidated statement of financial condition.

Commitments

As of October 31, 1996, Investments had committed to offer for sale $2,575,000 of construction loan participations. These participations were sold subsequent to October 31, 1996.

11. Financial Instruments With Off-Balance-Sheet Risk:

In the normal course of business, Financial's securities activities involve execution, settlement and financing of various securities transactions as principal and agent. These activities may expose Financial to risk in the event customers, other brokers and dealers, banks, depositories or clearing organizations are unable to fulfill contractual obligations.

Financial records customer securities transactions on a settlement date basis, which is generally three business days after trade date. Financial is therefore exposed to off-balance-sheet risk of loss on unsettled transactions in the event customers and other counterparties are unable to fulfill contractual obligations.

12. Transactions With Related Parties:

Financial provides underwriting and loan participation support for certain financing transactions of the Company and other affiliated entities. The fees for this support are generally determined based on a percentage of the financing transactions.

Financial also provides general administrative and accounting support to the Company and the other wholly owned subsidiaries for which allocations of general and administrative expense are recorded.

The Company purchases certain services from companies controlled by an officer/shareholder at amounts at which these services could be purchased from unaffiliated third parties.

13. New Accounting Pronouncements:

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," effective November 1, 1995. SFAS No. 121 had no significant impact on the Company's financial position, results of operations or cash flows.

The Financial Accounting Standards Board has issued SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." The Company will be required to adopt SFAS No. 125 in fiscal 1997 and expects that its ultimate adoption will not have significant impact on the Company's financial position, results of operations or cash flows.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidating Statement of Financial Condition

As of October 31, 1996

ASSETS	Miller & Schroeder, Inc.	Miller & Schroeder Financial, Inc.	Pooled Loan Marketing Corporation	Miller & Schroeder Small Business Capital Corporation	Miller & Schroeder Capital Corporation	Miller & Schroeder Mortgage Corporation	Miller & Schroeder Investments Corporation	Eliminations	Total
CASH AND CASH EQUIVALENTS	$ 1,225	$ 1,415,920	$ 367	$309,764	$ 1,154	$ 49,031	$ 648,469	$ -	$ 2,425,930
RECEIVABLES:									
Customers	-	3,446,344	-	-	-	-	-	(1,970,000)	1,476,344
Brokers, dealers and clearing organizations	-	356,545	-	-	-	-	-	-	356,545
Officers' and employees' notes and advances	1,156,172	575,406	-	-	-	-	-	-	1,731,578
Other	245,476	1,704,219	3,355	2,098	2,000	19,278	239,976	-	2,216,402
Total receivables	1,401,648	6,082,514	3,355	2,098	2,000	19,278	239,976	(1,970,000)	5,780,869
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	-	9,213,802	-	-	-	-	-	-	9,213,802
TRADING SECURITIES	-	22,142,618	-	-	-	-	-	-	22,142,618
ADVANCES TO PARENT COMPANY	-	2,608,201	-	-	-	292,944	-	(2,901,145)	-
LOAN PARTICIPATION NOTES INVENTORY	-	-	-	330,260	-	-	4,479,819	-	4,810,079
NOTES RECEIVABLE	749,366	753,424	2,648,144	-	30,000	-	-	-	4,180,934
RENTAL PROPERTY	3,890,540	-	-	-	-	-	-	-	3,890,540
OFFICE EQUIPMENT AND LEASEHOLD IMPROVEMENTS	-	1,024,270	-	-	-	-	800	-	1,025,070
OTHER	953,931	487,505	24,828	7,390	247,907	-	-	-	1,721,561
INVESTMENT IN SUBSIDIARIES	9,253,734	-	-	-	-	-	-	(9,253,734)	-
	$16,250,444	$43,728,254	$2,676,694	$649,512	$281,061	$361,253	$5,369,064	$(14,124,879)	$55,191,403

The accompanying notes are an integral part of this consolidating statement.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidating Statement of Financial Condition

As of October 31, 1996

LIABILITIES AND SHAREHOLDERS' EQUITY	Miller & Schroeder, Inc.	Miller & Schroeder Financial, Inc.	Pooled Loan Marketing Corporation	Miller & Schroeder Small Business Capital Corporation	Miller & Schroeder Capital Corporation	Miller & Schroeder Mortgage Corporation	Miller & Schroeder Investments Corporation	Eliminations	Total
DEMAND NOTES PAYABLE	$ -	$11,175,000	$ -	$ -	$ 8,580	$ -	$2,682,500	$ -	$13,866,080
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	-	6,119,626	-	-	-	-	-	-	6,119,626
ACCOUNTS PAYABLE:									
Operating	-	3,787,556	8,143	-	-	1,569	1,225,784	-	5,023,052
Customers	-	1,142,855	-	-	-	-	-	-	1,142,855
Brokers, dealers and clearing organizations	-	472,367	-	-	-	-	-	-	472,367
Total accounts payable	-	5,402,778	8,143	-	-	1,569	1,225,784	-	6,638,274
ADVANCES DUE TO RELATED COMPANY	3,414,805	-	359,509	346,974	285,569	-	464,288	(4,871,145)	-
ACCRUED LIABILITIES	44,155	3,611,972	37,995	1,260	-	25,410	529,976	-	4,250,768
SECURITIES SOLD NOT PURCHASED	-	3,428,547	-	-	-	-	-	-	3,428,547
TERM DEBT	5,689,002	354,017	2,602,000	-	-	-	-	-	8,645,019
Total liabilities	9,147,962	30,091,940	3,007,647	348,234	294,149	26,979	4,902,548	(4,871,145)	42,948,314
COMMITMENTS AND CONTINGENCIES									
SHAREHOLDERS' EQUITY:									
Common stock, $.10 par value, 3,000,000 shares authorized; 990,625 issued and outstanding	99,063	500,000	1,000	100	1,000	1,000	10,000	(513,100)	99,063
Paid-in capital	6,000,000	7,950,000	-	305,900	-	-	140,600	(8,396,500)	6,000,000
Retained earnings	1,003,419	5,186,314	(331,953)	(4,722)	(14,088)	333,274	315,916	(344,134)	6,144,026
Total shareholders' equity	7,102,482	13,636,314	(330,953)	301,278	(13,088)	334,274	466,516	(9,253,734)	12,243,089
	$16,250,444	$43,728,254	$2,676,694	$649,512	$281,061	$361,253	$5,369,064	$(14,124,879)	$55,191,403

The accompanying notes are an integral part of this consolidating statement.

SCHEDULE II

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidating Statements of Operations and Retained Earnings

For the Year Ended October 31, 1996

	Miller & Schroeder, Inc.	Miller & Schroeder Financial, Inc.	Pooled Loan Marketing Corporation	Miller & Schroeder Small Business Capital Corporation	Miller & Schroeder Capital Corporation	Miller & Schroeder Mortgage Corporation	Miller & Schroeder Investments Corporation	Eliminations	Total
REVENUES:									
Profit on securities trading and underwriting	$ -	$20,380,417	$ -	$ 1,740	$ -	$ -	$7,893,355	$ -	$28,275,512
Underwriting fees from related companies	-	7,910,095	-	-	-	-	-	(7,910,095)	-
Direct investment products and other	525,129	1,985,051	-	-	54,422	344,617	755,615	(675,668)	2,989,166
Interest income	118,562	2,146,574	279,433	15,930	3,568	44,496	364,679	(175,262)	2,797,980
Total revenues	643,691	32,422,137	279,433	17,670	57,990	389,113	9,013,649	(8,761,025)	34,062,658
Less- Underwriting fees to related companies	(15,000)	-	-	(1,740)	-	-	(7,893,355)	7,910,095	-
Net revenues	628,691	32,422,137	279,433	15,930	57,990	389,113	1,120,294	(850,930)	34,062,658
EXPENSES:									
Salaries and commissions-									
Management and underwriting	-	6,117,265	-	-	-	-	-	-	6,117,265
Sales	-	5,255,519	-	-	-	-	-	-	5,255,519
Bonuses and incentive compensation	-	4,325,000	-	-	-	-	-	-	4,325,000
Office, clerical and support	-	2,160,784	-	-	-	-	-	-	2,160,784
Total salaries and commissions	-	17,858,568	-	-	-	-	-	-	17,858,568
General and administrative	500,470	12,230,832	15,132	13,180	54,000	303,668	586,718	(675,668)	13,028,332
Interest	521,121	1,434,282	268,591	6,431	8,340	30,659	342,976	(175,262)	2,437,138
Total expenses	1,021,591	31,523,682	283,723	19,611	62,340	334,327	929,694	(850,930)	33,324,038
INCOME (LOSS) BEFORE INCOME TAXES	(392,900)	898,455	(4,290)	(3,681)	(4,350)	54,786	190,600	-	738,620
PROVISION (BENEFIT) FOR INCOME TAXES	(150,000)	165,000	-	-	(2,000)	22,000	76,000	-	111,000
NET INCOME (LOSS)	(242,900)	733,455	(4,290)	(3,681)	(2,350)	32,786	114,600	-	627,620
RETAINED EARNINGS									
BALANCE, beginning of year	1,246,319	4,452,859	(327,663)	(1,041)	(11,738)	300,488	201,316	(344,134)	5,516,406
BALANCE, end of year	$1,003,419	$ 5,186,314	$(331,953)	$(4,722)	$(14,088)	$333,274	$ 315,916	$(344,134)	$ 6,144,026

The accompanying notes are an integral part of these consolidating statements.

ARTHUR ANDERSEN LLP

Miller & Schroeder, Inc and Subsidiaries

Consolidated Financial Statements
as of October 31, 1995
Together With Report of
Independent Public Accountants
and Consolidating Schedules

ARTHUR ANDERSEN LLP

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Miller & Schroeder, Inc.:

We have audited the accompanying consolidated statement of financial condition of Miller & Schroeder, Inc. (a Minnesota corporation) and Subsidiaries as of October 31, 1995, and the related consolidated statements of operations and retained earnings and cash flows for the year then ended. These financial statements and schedules referred to below are the responsibility of the Companies' management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miller & Schroeder, Inc. and Subsidiaries as of October 31, 1995, and the results of their operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules I and II are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Minneapolis, Minnesota,
December 15, 1995

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidated Statement of Financial Condition

As of October 31, 1995

ASSETS	
CASH AND CASH EQUIVALENTS	$ 2,376,013
RECEIVABLES:	
Customers	2,783,786
Brokers, dealers and clearing organizations	672,344
Officers' and employees' notes and advances	1,681,745
Other	1,938,127
Total receivables	7,076,002
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	1,746,800
TRADING SECURITIES, at market, pledged to demand notes payable	47,105,175
NOTES RECEIVABLE HELD FOR SALE	1,966,633
MORTGAGE POOLS HELD FOR SALE	1,163,672
NOTES RECEIVABLE, pledged to demand notes payable and term debt	3,730,296
RENTAL PROPERTY	4,060,113
OFFICE EQUIPMENT AND LEASEHOLD IMPROVEMENTS, at cost, less accumulated depreciation and amortization of $3,731,145, pledged to long-term debt	1,068,451
OTHER	1,958,494
	$72,251,649
LIABILITIES AND SHAREHOLDERS' EQUITY	
DEMAND NOTES PAYABLE	$41,857,260
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	751,800
ACCOUNTS PAYABLE:	
Operating	1,960,782
Customers	1,183,126
Brokers, dealers and clearing organizations	1,219,652
Total accounts payable	4,363,560
ACCRUED LIABILITIES	4,059,792
SECURITIES SOLD NOT PURCHASED	1,290,754
TERM DEBT	8,313,014
Total liabilities	60,636,180
COMMITMENTS AND CONTINGENCIES (Notes 9, 10 and 11)	
SHAREHOLDERS' EQUITY:	
Common stock, $.10 par value, 3,000,000 shares authorized; 990,625 issued and outstanding	99,063
Paid-in capital	6,000,000
Retained earnings	5,516,406
Total shareholders' equity	11,615,469
	$72,251,649

The accompanying notes to consolidated financial statements are an integral part of this statement.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidated Statement of Operations and Retained Earnings

For the Year Ended October 31, 1995

OPERATIONS

REVENUES:		
Profit on securities trading and underwriting		$24,729,366
Direct investment products and other		2,954,564
Interest income		2,789,548
Total revenues		30,473,478
EXPENSES:		
Salaries and commissions-		
Management and underwriting	$6,292,338	
Sales	4,280,931	
Bonuses and incentive compensation	2,750,000	
Office, clerical and support	2,274,666	
Total salaries and commissions		15,597,935
General and administrative		10,940,593
Interest		2,684,073
Total expenses		29,222,601
INCOME BEFORE INCOME TAXES		1,250,877
PROVISION FOR INCOME TAXES		363,400
NET INCOME		887,477

RETAINED EARNINGS

BALANCE, beginning of year	4,628,929
BALANCE, end of year	$ 5,516,406

The accompanying notes to consolidated financial statements are an integral part of this statement.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the Year Ended October 31, 1995

OPERATING ACTIVITIES:	
Net income	$ 887,477
Adjustments to reconcile net income to net cash used for operating activities-	
Depreciation and amortization	491,937
Change in operating items:	
Receivables	(363,678)
Trading securities	(33,746,985)
Notes receivable and mortgage pools held for sale	(597,868)
Other assets	(149,388)
Accounts payable	(681,400)
Accrued liabilities	757,158
Securities sold not purchased	1,251,129
Net cash used for operating activities	(32,151,618)
INVESTING ACTIVITIES:	
Additions to office equipment and leasehold improvements, net	(190,230)
Additions to rental property	(12,877)
Collections on notes receivable	(232,707)
Net cash used for investing activities	(435,814)
FINANCING ACTIVITIES:	
Net borrowings under demand notes payable	32,455,683
Reduction in securities sold under agreements to repurchase	(12,290,298)
Reduction in securities purchased under agreement to resell	11,244,714
Payments of long-term debt	(775,862)
Net cash provided by financing activities	30,634,237
Net decrease in cash and cash equivalents	(1,953,195)
CASH AND CASH EQUIVALENTS, beginning of year	4,329,208
CASH AND CASH EQUIVALENTS, end of year	$ 2,376,013

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

CASH PAID DURING THE YEAR FOR:	
Interest	$ 2,512,735
Income taxes	202,000

The accompanying notes to consolidated financial statements are an integral part of this statement.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

October 31, 1995

1. Summary of Significant Accounting Policies:

Basis of Reporting and Presentation

The consolidated financial statements include the accounts of Miller & Schroeder, Inc. (the Parent Company) and its wholly owned subsidiaries, Miller & Schroeder Financial, Inc. (Financial), Miller & Schroeder Investments Corporation (Investments), Miller & Schroeder Small Business Capital Corporation (formerly Miller & Schroeder Insurance Agency, Inc.), Pooled Loan Marketing Corporation, Miller & Schroeder Capital Corporation and Miller & Schroeder Mortgage Corporation. These entities are collectively referred to herein as "the Companies." All significant intercompany transactions and accounts have been eliminated in consolidation.

Cash and Cash Equivalents

For financial reporting purposes, the Companies consider all investments with original maturities of three months or less to be cash equivalents. Included in cash at October 31, 1995, is $200 segregated for the exclusive benefit of customers pursuant to federal regulations.

Repurchase and Resale Agreements

Repurchase and resale agreements are treated as financing transactions and are carried at the amounts at which the securities will be subsequently reacquired or resold as specified in the respective agreements. At October 31, 1995, the market value of securities subject to repurchase was $751,800 and the market value of securities subject to resale was $1,746,800. The combined net yield to the Company at October 31, 1995 was a rate of approximately 6%.

Trading Securities

Trading securities are carried at estimated current market values. Market value adjustments to the carrying value of trading securities, which resulted in losses, of approximately $198,000 in 1995, are included in profit on securities trading and underwriting in the accompanying consolidated statement of operations and retained earnings.

Purchases and sales of trading securities are recorded on a settlement date basis. The difference between trade date basis and settlement date basis accounting did not have a material effect on the Companies' consolidated financial position or results of operations.

Financial instruments (including derivatives) used for trading purposes are recorded in the statement of financial condition at fair value at the balance sheet date. Realized and unrealized changes in fair values are recognized in net trading revenue in the period in which the changes occur. Interest revenue arising from trading instruments is included in the statement of operations as part of interest income.

Officers' and Employees' Notes and Advances

At October 31, 1995, the Companies had unsecured advances of approximately $1,682,000 to employees, of which $1,264,000 is to officers/common shareholders of the Parent Company. Certain of these advances are evidenced by signed notes bearing interest from 6.3% to 8.0% and have maturities through 1998. During fiscal 1995, the Companies earned interest income of approximately $53,000 from these advances.

Office Equipment and Leasehold Improvements

Office equipment and leasehold improvements are stated at cost. Equipment is depreciated on a straight-line or accelerated basis for financial reporting and on an accelerated basis for income tax reporting purposes. Leasehold improvements are amortized using the straight-line method over the term of the respective lease or useful life, whichever is less.

Legal and Other Professional Fees

Legal and other professional fees related to the underwriting of securities are charged to operations as incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Receivables Held for Sale:

As of October 31, 1995, notes receivable of $1,967,000 and mortgage pools of $1,164,000 were held for sale. These notes and mortgage pools were sold to investors without recourse subsequent to October 31, 1995.

3. Notes Receivable:

Notes receivable consist primarily of long-term notes receivable. These notes totaled approximately $3,030,000 and have maturity dates ranging from October 2001 through March 2005 with interest rates ranging from 9.41% to 12.43%, are collateralized by real estate and are guaranteed by the Small Business Administration.

The Company also has notes receivable of approximately $700,000 relating to short-term advances to issuers.

4. Rental Property:

During 1993, the Parent Company reclassified certain real estate held for sale to Rental Property in the accompanying consolidated statement of financial condition as management intends to operate the facility as a rental operation and is not actively attempting to sell the property. The related buildings and land improvements are depreciated on a straight-line basis over 20 years for financial reporting purposes. Tenant improvements are capitalized and amortized over the lives of the tenant leases. Total depreciation and amortization expense for the year ended

October 31, 1995 was approximately $196,000 and accumulated depreciation and amortization was approximately $568,000.

5. **Financing Arrangements:**

Demand Notes Payable

Financial has financing arrangements with several financial institutions which in the aggregate exceed $60 million. Financial's trading securities and certain assets are pledged as collateral under these arrangements. Amounts borrowed under these arrangements fluctuate daily based on the timing of customer and broker-dealer trades and issues underwritten by Financial. The terms and expiration dates of these facilities are periodically renegotiated.

At October 31, 1995, $31,500,000 was outstanding and $29,500,000 was available on the facilities which have stated commitment limits. In addition, Financial has an open-ended facility with amounts based upon transaction terms and credit requirements. At October 31, 1995, $7,239,000 was outstanding under this facility. Financial is expected to maintain agreed-upon compensating balances with the financial institutions and is in compliance with the covenants included in the financing arrangements as of October 31, 1995.

Investments has a $4.4 million credit facility with a financial institution ($2,780,000 outstanding at October 31, 1995), under which Investments may borrow funds under terms of the demand note to finance loan participations up to predefined amounts, with the underlying notes pledged as collateral. Interest accrues at the financial institution's prime rate plus 1% (8.75% at October 31, 1995). This line of credit is due for renewal in March 1996. Management and the financial institution intend to renegotiate this agreement at maturity.

The Companies' average interest rate on demand notes payable was 7.65% at October 31, 1995 and 7.74% for the year ended October 31, 1995.

Term Debt

Term debt outstanding as of October 31, 1995 consisted of:

Pollution Control Financing Certificates, collateralized by certain notes receivable guaranteed by the Small Business Administration:	
9%, due in annual installments through October 2001	$2,795,000
12% to 12.3%, due in annual installments through March 2005	182,000
Notes payable, 4%, due in monthly installments through December 1997, collateralized by equipment	53,255
Notes payable, 10.63%, due in monthly installments through March 1999, collateralized by certain furniture and office equipment	442,267
Notes payable, 7.5%, due in monthly installments through July 2001, collateralized by rental property	4,840,492
Total term debt	$8,313,014

Maturities of term debt outstanding as of October 31, 1995 are as follows:

1996	$ 653,082
1997	708,555
1998	751,483
1999	767,185
2000	731,469
Thereafter	4,701,240
	$8,313,014

6. Shareholders' Equity:

Common Stock Repurchase Agreement

The Parent Company has a stock repurchase agreement with its three officer/common shareholders. Under the terms of the agreement, the Parent Company must purchase the common stock owned by an officer/common shareholder in the event of death or disability, and may purchase such shares (and to the extent such right is not exercised, the remaining shareholders may purchase such shares) in the event of attempted transfer of the shareholder's common stock, or the shareholder's bankruptcy or insolvency, retirement or other termination of the employment relationship at the price defined in the stock repurchase agreement. Unless otherwise agreed to by the holders of 90% of the voting power of the common stock of the Parent Company, the repurchase price is increased or decreased each fiscal year in the same percentage as the change in the Companies' net worth attributable to the common stock. In connection with this agreement, the Parent Company maintains life insurance policies on the lives of the principal officer/common shareholders in excess of the repurchase price of their respective shares.

7. Income Taxes:

The Companies file combined state income tax returns except in certain states where separate returns are filed, and file a consolidated federal income tax return.

The Companies account for income taxes under the liability method. Deferred tax assets and liabilities are determined based on the estimated future tax effects of differences between the financial statement basis and tax basis of assets and liabilities using the provisions of enacted laws.

The provision for income taxes reflected in the accompanying consolidated statement of operations for the year ended October 31, 1995 relates to taxes currently payable.

Differences between the statutory income tax rate and the effective income tax rate for the year ended October 31, 1995 primarily relate to income and expense amounts which are not utilized in determining taxable income for income tax purposes.

8. Net Capital Requirements:

As a broker-dealer, Financial is subject to the Uniform Net Capital Rule (Rule 15c3-1), adopted and administered by the Securities and Exchange Commission. Under the alternative method of Rule 15c3-1, the required net capital, as defined, shall not be less than the greater of $250,000

or 2% of aggregate debit items arising from customer transactions. In addition, restrictions may be imposed to prohibit Financial from expanding its business and declaring dividends if its net capital is less than 5% of aggregate debit items. At October 31, 1995, Financial's net capital, as defined, of $4,257,023 was 149% of aggregate debit items and was $4,007,023 in excess of the minimum required.

9. Legal Proceedings:

The Companies are at times defendants in legal proceedings arising from underwritings conducted in the ordinary course of business. The complaints are generally unknown as to the amount of damages being sought by the plaintiffs. The Companies deny any wrongdoing with respect to such actions and instruct legal counsel to vigorously defend such actions. Since the ultimate outcome of these legal proceedings is not determinable until the later stages of such litigation, the Companies do not provide for the possible liability related to these legal proceedings.

10. Commitments:

Operating Leases

The Companies have operating lease commitments expiring at various dates through December 1999 for their offices and certain equipment. Rental expense was approximately $1,314,000 in fiscal 1995. Future minimum payments under operating leases are as follows:

Fiscal Year	
1996	$682,000
1997	597,000
1998	564,000
1999	258,000
2000	47,000

Employee Benefit Plan

Financial has a 401(k) plan which allows employees to contribute a portion of their compensation. Financial has agreed to match 30% of the contributions of each employee up to $6,000 per year. Financial's expense related to this plan was approximately $139,000 for the year ended October 31, 1995.

Employment Agreements and Incentive Compensation

Financial has employment agreements with certain key employees with terms expiring on October 31, 1996, subject to extensions for additional one-year terms. The agreements provide for specified salary levels and bonuses aggregating approximately 17% of Financial's pretax profit before bonuses. Financial also provides discretionary bonuses for certain other employees.

Loan Servicing and Funds Held in Escrow

Investments is the servicing agent for approximately $270 million of loans sold without recourse in the normal course of business. Investments services these loans in accordance with participation agreements with the purchasers.

In connection with Investments' loan servicing activities, funds for real estate taxes, insurance and certain reserve accounts, including amounts for construction participations, are collected and held in escrow in accordance with loan documents. Funds held in escrow as of October 31, 1995 were approximately $18,476,000. These funds are not included in the accompanying consolidated statement of financial condition.

Put Agreements

The Parent Company has entered into put agreements with the purchasers of certain loan participation notes. The puts are exercisable at par and expired in November 1995. The par value of the loan participations at October 31, 1995 is $1,000,000.

Commitments

Miller & Schroeder Mortgage Corporation has committed to a line of credit to advance up to $2,000,000 on certain residential construction financing contracts. This commitment expires in August 1996. As of October 31, 1995, there were no borrowings under this line of credit.

As of October 31, 1995, Investments had committed to offer for sale $8,850,000 of construction loan participations. These participations were sold subsequent to October 31, 1995.

11. Financial Instruments With Off-Balance-Sheet Risk:

In the normal course of business, Financial's securities activities involve execution, settlement and financing of various securities transactions as principal and agent. These activities may expose Financial to risk in the event customers, other brokers and dealers, banks, depositories or clearing organizations are unable to fulfill contractual obligations.

Financial records customer securities transactions on a settlement date basis, which is generally three business days after trade date. Financial is therefore exposed to off-balance-sheet risk of loss on unsettled transactions in the event customers and other counterparties are unable to fulfill contractual obligations.

12. Transactions With Related Parties:

Financial provides underwriting and loan participation support for certain financing transactions of the Parent Company and other affiliated entities. The fees for this support are generally determined based on a percentage of the financing transactions.

Financial also provides general administrative and accounting support to the Parent Company and the other wholly owned subsidiaries for which allocations of general and administrative expense are recorded.

The Companies purchase certain services from companies controlled by an officer/shareholder at amounts at which these services could be purchased from unaffiliated third parties.

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidating Statement of Financial Condition

As of October 31, 1995

ASSETS	Miller & Schroeder, Inc.	Miller & Schroeder Financial, Inc.	Pooled Loan Marketing Corporation	Miller & Schroeder Small Business Capital Corporation	Miller & Schroeder Capital Corporation	Miller & Schroeder Mortgage Corporation	Miller & Schroeder Investments Corporation	Eliminations	Total
CASH AND CASH EQUIVALENTS	$ 29	$ 2,374,134	$ 362	$ 290	$ 1,098	$ -	$ 100	$ -	$ 2,376,013
RECEIVABLES:									
Customers	-	2,783,786	-	-	-	-	-	-	2,783,786
Brokers, dealers and clearing organizations	-	672,344	-	-	-	-	-	-	672,344
Officers' and employees' notes and advances	901,730	780,015	-	-	-	-	-	-	1,681,745
Other	89,574	1,164,617	1,867	-	-	19,634	662,435	-	1,938,127
Total receivables	991,304	5,400,762	1,867	-	-	19,634	662,435	-	7,076,002
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	-	1,746,800	-	-	-	-	-	-	1,746,800
TRADING SECURITIES	-	47,105,175	-	-	-	-	-	-	47,105,175
ADVANCES TO PARENT COMPANY	(2,957,994)	2,302,310	(366,927)	50,469	77,009	79,581	815,552	-	-
NOTES RECEIVABLE HELD FOR SALE	-	-	-	-	-	-	1,966,633	-	1,966,633
MORTGAGE POOLS HELD FOR SALE	-	-	-	-	-	-	1,163,672	-	1,163,672
NOTES RECEIVABLE	590,000	110,494	3,029,802	-	-	-	-	-	3,730,296
RENTAL PROPERTY	4,060,113	-	-	-	-	-	-	-	4,060,113
OFFICE EQUIPMENT AND LEASEHOLD IMPROVEMENTS	-	1,066,451	-	-	-	-	2,000	-	1,068,451
OTHER	933,203	480,777	33,723	-	247,907	262,884	-	-	1,958,494
INVESTMENT IN SUBSIDIARIES	8,998,734	-	-	-	-	-	-	(8,998,734)	-
	$12,615,389	$60,586,903	$2,698,827	$50,759	$326,014	$362,099	$4,610,392	$(8,998,734)	$72,251,649

The accompanying notes to consolidated financial statements are an integral part of this statement

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidating Statement of Financial Condition

As of October 31, 1995

LIABILITIES AND SHAREHOLDERS' EQUITY	Miller & Schroeder, Inc.	Miller & Schroeder Financial, Inc.	Pooled Loan Marketing Corporation	Miller & Schroeder Small Business Capital Corporation	Miller & Schroeder Capital Corporation	Miller & Schroeder Mortgage Corporation	Miller & Schroeder Investments Corporation	Eliminations	Total
DEMAND NOTES PAYABLE	$ -	$38,738,508	$ -	$ -	$338,752	$ -	$2,780,000	$ -	$41,857,260
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	-	751,800	-	-	-	-	-	-	751,800
ACCOUNTS PAYABLE:									
Operating	2,727	997,677	8,143	-	-	1,714	950,521	-	1,960,782
Customers	-	1,140,769	-	-	-	197	42,160	-	1,183,126
Brokers, dealers and clearing organizations	-	1,219,652	-	-	-	-	-	-	1,219,652
Total accounts payable	2,727	3,358,098	8,143	-	-	1,911	992,681	-	4,363,560
ACCRUED LIABILITIES	426,788	3,049,362	40,347	800	(2,000)	58,700	485,795	-	4,059,792
SECURITIES SOLD NOT PURCHASED	-	1,290,754	-	-	-	-	-	-	1,290,754
TERM DEBT	4,840,492	495,522	2,977,000	-	-	-	-	-	8,313,014
Total liabilities	5,270,007	47,684,044	3,025,490	800	336,752	60,611	4,258,476	-	60,636,180
COMMITMENTS AND CONTINGENCIES									
SHAREHOLDERS' EQUITY:									
Common stock, $.10 par value, 3,000,000 shares authorized; 990,625 issued and outstanding	99,063	500,000	1,000	100	1,000	1,000	10,000	(513,100)	99,06
Paid-in capital	6,000,000	7,950,000	-	50,900	-	-	140,600	(8,141,500)	6,000,00
Retained earnings	1,246,319	4,452,859	(327,663)	(1,041)	(11,738)	300,488	201,316	(344,134)	5,516,46
Total shareholders' equity	7,345,382	12,902,859	(326,663)	49,959	(10,738)	301,488	351,916	(8,998,734)	11,615,46
	$12,615,389	$60,586,903	$2,698,827	$50,759	$326,014	$362,099	$4,610,392	$(8,998,734)	$72,251,64

The accompanying notes to consolidated financial statements are an integral part of this statement

SCHEDULE II

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

Consolidating Statement of Operations and Retained Earnings

For the Year Ended October 31, 1995

	Miller & Schroeder, Inc.	Miller & Schroeder Financial, Inc.	Pooled Loan Marketing Corporation	Miller & Schroeder Small Business Capital Corporation	Miller & Schroeder Capital Corporation	Miller & Schroeder Mortgage Corporation	Miller & Schroeder Investments Corporation	Eliminations	Total
REVENUES:									
Profit on securities trading and underwriting	$ 41,825	$21,020,691	$ -	$ -	$ -	$ -	$3,666,850	$ -	$24,729,366
Underwriting fees from related companies	-	3,808,675	-	-	-	-	-	(3,808,675)	-
Direct investment products and other	785,715	1,761,853	-	-	47,884	746,299	631,977	(1,019,164)	2,954,564
Interest income	71,084	2,151,102	325,217	-	19,218	-	341,500	(118,573)	2,789,548
Total revenues	898,624	28,742,321	325,217	-	67,102	746,299	4,640,327	(4,946,412)	30,473,478
Less- Underwriting fees to related companies	(141,825)	-	-	-	-	-	(3,666,850)	3,808,675	-
Net revenues	756,799	28,742,321	325,217	-	67,102	746,299	973,477	(1,137,737)	30,473,478
EXPENSES:									
Salaries and commissions-									
Management and underwriting	-	6,292,338	-	-	-	-	-	-	6,292,338
Sales	-	4,280,931	-	-	-	-	-	-	4,280,931
Bonuses and incentive compensation	-	2,750,000	-	-	-	-	-	-	2,750,000
Office, clerical and support	-	2,274,666	-	-	-	-	-	-	2,274,66[illegible]
Total salaries and commissions	-	15,597,935	-	-	-	-	-	-	15,597,935
General and administrative	557,228	10,467,084	26,136	-	66,000	498,007	345,302	(1,019,164)	10,940,59[illegible]
Interest	405,186	1,758,407	299,761	-	7,136	-	332,156	(118,573)	2,684,07[illegible]
Total expenses	962,414	27,823,426	325,897	-	73,136	498,007	677,458	(1,137,737)	29,222,60[illegible]
INCOME BEFORE INCOME TAXES	(205,615)	918,895	(680)	-	(6,034)	248,292	296,019	-	1,250,87[illegible]
PROVISION (BENEFIT) FOR INCOME TAXES	(78,000)	235,000	1,600	800	2,000	94,000	112,000	-	363,40[illegible]
NET INCOME (LOSS)	(127,615)	683,895	(2,280)	(800)	(4,034)	154,292	184,019	-	887,47[illegible]
RETAINED EARNINGS									
BALANCE, beginning of year	1,373,934	3,768,964	(325,383)	(241)	(7,704)	146,196	17,297	(344,134)	4,628,92[illegible]
BALANCE, end of year	$1,246,319	$ 4,452,859	$(327,663)	$(1,041)	$(11,738)	$300,488	$ 201,316	$ (344,134)	$ 5,516,40[illegible]

The accompanying notes to consolidated financial statements are an integral part of this statement

Corporate Brochure

DEPOSITION EXHIBIT

#5 2/10/04

26951 00001

5162755

MI ACQUISITION CORP.
MSI Acquisition
F0011 REDWELD - Ketola, Lori J.
0005 Due Diligence - Financial Reporting Packages Distributed to Senior Management for the Current Fiscal Year 1997/05

MILLER & SCHROEDER, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS

May 1997

Financial Report for the Month Ended May 1997

Section

1. **MILLER & SCHROEDER, INC. AND SUBSIDIARIES**
   - Consolidated Statement of Financial Condition
   - Consolidated Statement of Income and Expenses
   - Consolidating Statement of Financial Condition
   - Consolidating Statement of Income and Expenses

MILLER & SCHROEDER FINANCIAL, INC.

2. Statement of Financial Condition
   Net Capital Computation

3. Statement of Income and Expenses
   Miscellanous Income

4. Underwriting Profit-Current Month

5. Underwriting Profit-YTD

6. **DEPARTMENT FINANCIAL STATEMENT SUMMARY PAGES**

7. **MILLER & SCHROEDER, INC.**
   - Statement of Financial Condition
   - Statement of Income and Expenses

8. **MILLER & SCHROEDER INVESTMENTS CORPORATION**
   - Statement of Financial Condition
   - Statement of Income and Expenses

9. **POOLED LOAN MARKETING CORPORATION**
   - Statement of Financial Condition
   - Statement of Income and Expenses

10. **MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION**
    - Statement of Financial Condition
    - Statement of Income and Expenses

11. **MILLER & SCHROEDER CAPITAL CORPORATION**
    - Statement of Financial Condition
    - State of Income and Expenses

12. **MILLER & SCHROEDER MORTGAGE CORPORATION**
    - Statement of Financial Condition
    - Statement of Income and Expenses

13. **SCHEDULE OF RECEIVABLES FROM OFFICERS**

MILLER & SCHROEDER, INC. & SUBS
STATEMENT OF FINANCIAL CONDITION
AS OF MAY 31, 1997

	CONSOLIDATED	
	5/31/97	**10/31/96**
	(CURRENT MO)	(PRIOR YR)
ASSETS		
CASH-UNRESTRICTED	2,819,309	1,865,830
CASH-RESTRICTED CUSTOMER ESCROW	0	160,000
CASH-RESTRICTED RESERVE	375,100	400,100
TOTAL CASH	3,194,409	2,425,930
RECEIVABLES		
CUSTOMERS	1,860,404	1,476,344
B-D'S CLEARING ORG	729,002	356,545
OFFICERS & EMPLOYEES	1,990,849	1,731,578
OTHER	2,294,368	2,216,402
TOTAL RECEIVABLES	6,874,623	5,780,869
SEC PURCH UNDER AGMT TO RESELL	2,846,000	9,213,802
TRADING SECURITIES	24,198,753	22,142,618
NOTES REC HELD FOR SALE	1,890,608	4,810,079
NOTES RECEIVABLE	4,406,541	4,180,934
RENTAL PROPERTY	3,783,615	3,890,540
EQUIPMENT & LEASEHOLD IMP	956,416	1,025,070
OTHER ASSETS	1,448,830	1,083,854
FUNDS HELD IN ESCROW	637,707	637,707
TOTAL ASSETS	50,237,502	55,191,403
LIABILITIES		
SHORT-TERM NOTES PAYABLE	21,415,553	13,866,080
SEC SOLD UNDER REPURCHASE AGR	2,871,000	6,119,626
ACCOUNTS PAYABLE-		
CUSTOMERS	334,759	1,142,855
B-D'S & CLEARING ORG	221,052	472,367
OPERATING	2,321,053	5,023,053
SECURITIES SOLD NOT PURCHASED	514,672	3,428,547
ACCRUED INCOME TAXES	160,842	75,967
ACCRUALS	2,577,927	4,174,802
TERM DEBT	8,447,480	8,645,019
TOTAL LIABILITIES	38,864,338	42,948,316
SHAREHOLDER'S EQUITY		
COMMON STOCK	99,063	99,063
PAID-IN CAPITAL	6,000,000	6,000,000
RETAINED EARNINGS	5,274,101	6,144,024
TOTAL SHAREHOLDER'S EQUITY	11,373,164	12,243,087
TOTAL LIABILITIES & EQUITY	50,237,502	55,191,403
FUNDS HELD IN ESCROW		
CASH	(166,642)	839,503
MONEY MARKET & CD'S	7,522,184	12,094,247
TOTAL FUNDS IN ESCROW	7,355,542	12,933,750

MILLER & SCHROEDER, INC. & SUBS
STATEMENT OF INCOME & EXPENSE
YTD THRU MAY 31, 1997

	CONSOLIDATED	
	5/31/97	10/31/96 (PRO-RATA)
REVENUES		
U/W PROFIT & FEES		
MUNICIPAL BONDS	6,042,979	6,632,592
INVESTMENT BANKING FEES	924,991	1,771,952
MORTGAGE BANKING	2,016,843	1,455,870
TAXABLE FINANCING	973,663	2,873,927
CORPORATE CAPITAL	185,147	887,200
TOTAL U/W PROFIT & FEES	10,143,623	13,621,541
SECONDARY TRADING PROFIT		
MUNICIPAL BONDS	1,659,960	2,435,304
OTHER (CMO,GOVT,CORP)	803,234	747,727
MARK-TO-MARKETS	(73,050)	(310,522)
TOTAL SECONDARY PROFIT	2,390,144	2,872,508
COMMISSION & OTHER INCOME		
COMMISSIONS INC (DIR INV,INS)	517,504	548,875
OTHER INCOME	1,110,231	1,113,720
TOTAL COMM & OTHER INCOME	1,627,735	1,662,595
INTEREST INCOME	1,492,346	1,632,155
TOTAL REVENUES	15,653,848	19,788,798
LESS DIRECT ISSUE EXPENSES	(1,097,667)	(913,467)
GROSS PROFIT	14,556,181	18,875,331
EXPENSES		
SALARIES & COMMISSIONS		
MANAGEMENT & UNDERWRITING	3,822,262	3,568,405
OFFICE, CLERICAL, SUPPORT	1,391,350	1,260,458
SALES COMMISSIONS	2,709,979	3,065,719
INCENTIVE COMPENSATION	964,000	2,522,917
OTHER PERSONNEL EXPENSE	1,200,725	1,121,326
TOTAL PERSONNEL	10,088,316	11,538,825
OPERATING EXPENSES	2,986,425	3,012,762
GENERAL & ADMINISTRATIVE	1,567,833	2,471,101
INTEREST	1,333,332	1,421,781
TOTAL EXPENSES	15,975,906	18,444,468
INCOME (LOSS) BEFORE TAX	(1,419,725)	430,863
INCOME TAX (EXPENSE)	549,800	(64,750)
NET INCOME (LOSS)	(869,925)	366,113
RETAINED EARNINGS		
BALANCE BEGINNING OF YEAR	6,144,029	
BALANCE END OF PERIOD	5,274,104	

MILLER & SCHROEDER, INC. & SUBS
STATEMENT OF FINANCIAL CONDITION
AS OF MAY 31, 1997

	MSI	MSF	MSIC	PLMC	SBCC	MSCC	MSMC	ELIM	CONSOLIDATED
ASSETS									
CASH-UNRESTRICTED	(4,247)	1,189,352	1,281,036	369	324,847	1,180	26,772	0	2,819,309
CASH-RESTRICTED CUSTOMER ESCR	0	0	0	0	0	0	0	0	0
CASH-RESTRICTED RESERVE	0	375,100	0	0	0	0	0	0	375,100
TOTAL CASH	(4,247)	1,564,452	1,281,036	369	324,847	1,180	26,772	0	3,194,409
RECEIVABLES									
CUSTOMERS	0	1,860,404	0	0	0	0	0	0	1,860,404
B-D'S CLEARING ORG	0	729,002	0	0	0	0	0	0	729,002
OFFICERS & EMPLOYEES	1,141,852	848,997	0	0	0	0	0	0	1,990,849
OTHER	281,253	1,901,813	74,004	8,398	0	6,900	22,000	0	2,294,368
TOTAL RECEIVABLES	1,423,105	5,340,216	74,004	8,398	0	6,900	22,000	0	6,874,623
SEC PURCH UNDER AGMT TO RESELL	0	2,846,000	0	0	0	0	0	0	2,846,000
TRADING SECURITIES	0	24,198,753	0	0	0	0	0	0	24,198,753
ADVANCES TO RELATED COMPANY	0	4,090,689	425,512	0	0	0	291,445	(4,807,646)	0
NOTES REC HELD FOR SALE	0	0	1,023,389	0	867,219	0	0	0	1,890,608
NOTES RECEIVABLE	719,366	1,200,902	0	2,411,273	0	75,000	0	0	4,406,541
RENTAL PROPERTY	3,783,615	0	0	0	0	0	0	0	3,783,615
EQUIPMENT & LEASEHOLD IMP	0	956,316	100	0	0	0	0	0	956,416
OTHER ASSETS	341,106	581,560	0	278,258	0	247,906	0	0	1,448,830
FUNDS HELD IN ESCROW	637,707	0	0	0	0	0	0	0	637,707
INVESTMENT IN SUBSIDIARIES	9,253,734	0	0	0	0	0	0	(9,253,734)	0
TOTAL ASSETS	16,154,386	40,778,888	2,804,041	2,698,298	1,192,066	330,986	340,217	(14,061,380)	50,237,502
LIABILITIES									
SHORT-TERM NOTES PAYABLE	0	21,000,000	100,000	0	0	315,553	0	0	21,415,553
SEC SOLD UNDER REPURCHASE AGR	0	2,871,000	0	0	0	0	0	0	2,871,000
ACCOUNTS PAYABLE-									
CUSTOMERS	0	334,759	0	0	0	0	0	0	334,759
B-D'S & CLEARING ORG	0	221,052	0	0	0	0	0	0	221,052
OPERATING	0	768,429	1,542,912	8,143	0	0	1,569	0	2,321,053
ADVANCES DUE TO RELATED COMPA	3,528,106	0	0	365,720	877,922	35,898	0	(4,807,646)	0
SECURITIES SOLD NOT PURCHASED	0	514,672	0	0	0	0	0	0	514,672
ACCRUED INCOME TAXES	0	0	141,557	(1,600)	3,875	0	17,010	0	160,842
ACCRUALS	80,599	2,022,933	413,765	60,630	0	0	0	0	2,577,927
TERM DEBT	5,490,223	355,257	0	2,602,000	0	0	0	0	8,447,480
TOTAL LIABILITIES	9,098,928	28,088,102	2,198,234	3,034,893	881,797	351,451	18,579	(4,807,646)	38,864,338
SHAREHOLDER'S EQUITY									
COMMON STOCK	99,063	500,000	10,000	1,000	100	1,000	1,000	(513,100)	99,063
PAID-IN CAPITAL	6,000,000	7,950,000	140,600	0	305,900	0	0	(8,396,500)	6,000,000
RETAINED EARNINGS	956,395	4,240,786	455,207	(337,595)	4,269	(21,465)	320,638	(344,134)	5,274,101
TOTAL SHAREHOLDER'S EQUITY	7,055,458	12,690,786	605,807	(336,595)	310,269	(20,465)	321,638	(9,253,734)	11,373,164
TOTAL LIABILITIES & EQUITY	16,154,386	40,778,888	2,804,041	2,698,298	1,192,066	330,986	340,217	(14,061,380)	50,237,502
FUNDS HELD IN ESCROW									
CASH	0	0	(166,642)	0	0	0	0	0	(166,642)
MONEY MARKET & CD'S	0	0	7,522,184	0	0	0	0	0	7,522,184
TOTAL FUNDS IN ESCROW	0	0	7,355,542	0	0	0	0	0	7,355,542

MILLER & SCHROEDER, INC. & SUBS
STATEMENT OF INCOME & EXPENSE
YTD THRU MAY 31, 1997

	MSI	MSF	MSIC	PLMC	SBCC	MSCC	MSMC	ELIM	CONSOLIDATED
REVENUES									
U/W PROFIT & FEES									
MUNICIPAL BONDS	0	6,042,979	0	0	0	0	0	0	6,042,979
INVESTMENT BANKING FEES	0	897,083	0	0	0	27,908	0	0	924,991
MORTGAGE BANKING	0	2,016,843	0	0	0	0	0	0	2,016,843
TAXABLE FINANCING	0	973,663	0	0	0	0	0	0	973,663
CORPORATE CAPITAL	0	185,147	0	0	0	0	0	0	185,147
TOTAL U/W PROFIT & FEES	0	10,115,715	0	0	0	27,908	0	0	10,143,623
SECONDARY TRADING PROFIT									
MUNICIPAL BONDS	0	1,659,960	0	0	0	0	0	0	1,659,960
OTHER (CMO,GOVT,CORP)	0	803,234	0	0	0	0	0	0	803,234
MARK-TO-MARKETS	0	(73,050)	0	0	0	0	0	0	(73,050)
TOTAL SECONDARY PROFIT	0	2,390,144	0	0	0	0	0	0	2,390,144
COMMISSION & OTHER INCOME									
COMMISSIONS INC (DIR INV,INS)	0	517,504	0	0	0	0	0	0	517,504
OTHER INCOME	277,934	630,980	552,502	0	1,307	0	140,508	(493,000)	1,110,231
TOTAL COMM & OTHER INCOME	277,934	1,148,484	552,502	0	1,307	0	140,508	(493,000)	1,627,735
INTEREST INCOME	41,129	1,109,224	255,258	145,368	41,008	26	0	(99,667)	1,492,346
TOTAL REVENUES	319,063	14,763,567	807,760	145,368	42,315	27,934	140,508	(592,667)	15,653,848
LESS DIRECT ISSUE EXPENSES	0	(1,097,847)	0	0	180	0	0	0	(1,097,667)
GROSS PROFIT	319,063	13,665,720	807,760	145,368	42,495	27,934	140,508	(592,667)	14,556,181
EXPENSES									
SALARIES & COMMISSIONS									
MANAGEMENT & UNDERWRITING	0	3,822,262	0	0	0	0	0	0	3,822,262
OFFICE, CLERICAL, SUPPORT	0	1,391,350	0	0	0	0	0	0	1,391,350
SALES COMMISSIONS	0	2,709,979	0	0	0	0	0	0	2,709,979
INCENTIVE COMPENSATION	0	964,000	0	0	0	0	0	0	964,000
OTHER PERSONNEL EXPENSE	0	1,200,725	0	0	0	0	0	0	1,200,725
TOTAL PERSONNEL	0	10,088,316	0	0	0	0	0	0	10,088,316
OPERATING EXPENSES	0	2,986,425	0	0	0	0	0	0	2,986,425
GENERAL & ADMINISTRATIVE	122,750	1,404,224	323,237	10,577	7,000	31,500	161,545	(493,000)	1,567,833
INTEREST	275,337	733,281	254,231	140,435	21,004	8,711	0	(99,667)	1,333,332
TOTAL EXPENSES	398,087	15,212,246	577,468	151,012	28,004	40,211	161,545	(592,667)	15,975,906
INCOME (LOSS) BEFORE TAX	(79,024)	(1,546,526)	230,292	(5,644)	14,491	(12,277)	(21,037)	0	(1,419,725)
INCOME TAX (EXPENSE)	32,000	601,000	(91,000)	0	(5,500)	4,900	8,400	0	549,800
NET INCOME (LOSS)	(47,024)	(945,526)	139,292	(5,644)	8,991	(7,377)	(12,637)	0	(869,925)
RETAINED EARNINGS									
BALANCE BEGINNING OF YEAR	1,003,419	5,186,312	315,915	(331,951)	(4,722)	(14,088)	333,275		6,144,029
BALANCE END OF YEAR	956,395	4,240,786	455,207	(337,595)	4,269	(21,465)	320,638		5,274,104

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MILLER & SCHROEDER FINANCIAL, INC.
STATEMENT OF FINANCIAL CONDITION
May 31, 1997

Cat # FS-BS

	FEBRUARY	MARCH	APRIL	MAY
ASSETS-				
CASH-				
UNRESTRICTED	1,282,902	3,803,276	707,507	1,189,352
SEGREGATED-CUST ESCROW	0	25,000	0	0
SEGREGATED-RESERVE REQ	220,100	100	100	375,100
TOTAL CASH	1,503,002	3,828,376	707,607	1,564,452
RECEIVABLES-				
CUSTOMERS	3,911,722	3,759,138	1,501,706	1,860,404
BROKER/DEALER FTD	35,273	54,769	24,975	713,914
BROKER/DEALER OTHER	9,787	0	0	0
MIDWEST CLEARING	105,067	9,606	9,633	15,088
INTEREST	180,075	421,149	230,068	244,904
OFFICERS & EMPLOYEES	589,307	600,290	862,580	848,997
INCOME TAXES	456,558	476,558	750,060	965,060
OTHER	704,767	657,821	796,806	691,849
TOTAL RECEIVABLES	5,992,556	5,979,331	4,175,828	5,340,216
SECURITIES INVENTORY	15,637,623	44,779,878	17,017,511	24,198,753
SEC BOUGHT REPURCH AGMT (REV REPO)	0	0	2,846,000	2,846,000
ADVANCES TO RELATED CO	1,856,389	2,055,499	4,170,860	4,090,689
FURNITURE & EQUIP, NET	938,592	923,624	902,638	956,316
NOTES RECEIVABLE	1,097,216	1,173,913	1,118,213	1,200,902
DEPOSITS & PREPAID EXP	347,929	330,204	319,737	314,960
OTHER ASSETS	291,600	266,600	266,600	266,600
TOTAL ASSETS	27,664,907	59,337,425	31,524,994	40,778,888
LIABILITIES & EQUITY-				
DEMAND NOTES PAYABLE	9,130,000	39,455,000	11,000,000	21,000,000
SEC SOLD REPURCH AGMT (REPOS)	0	0	2,871,000	2,871,000
ACCOUNTS PAYABLE-				
CUSTOMERS	1,146,516	3,460,841	1,083,322	334,759
BROKER/DEALER FTR	661,175	49,857	426,404	154,371
BROKER/DEALER OTHER	24,400	32,485	110,210	22,855
MIDWEST CLEARING	161,816	3,476	36,218	43,826
OPERATING	529,079	833,017	759,272	768,429
SEC SOLD NOT PURCHASED	392,702	33,806	10,000	514,672
ACCRUED EXPENSES-				
BONUSES & INCENT COMP	625,417	553,632	662,474	808,621
INCOME TAXES	0	4,000	0	0
OTHER	1,216,482	1,175,455	1,267,756	1,214,312
TERM DEBT	312,099	300,985	279,484	355,257
TOTAL LIABILITIES	14,199,686	45,902,554	18,506,140	28,088,102
SHAREHOLDER'S EQUITY-				
COMMON STOCK AT PAR	500,000	500,000	500,000	500,000
PAID-IN CAPITAL	7,950,000	7,950,000	7,950,000	7,950,000
RETAINED EARNINGS	5,015,221	4,984,870	4,568,853	4,240,786
TOTAL EQUITY	13,465,221	13,434,870	13,018,853	12,690,786
TOTAL LIAB & EQUITY	27,664,907	59,337,424	31,524,993	40,778,888

Miller Schroeder Financial, Inc.
Net Capital Computation

	Februray 1997	March 1997	April 1997	May 1997
Total Capital	13,465,222	13,434,870	13,018,853	12,690,786
Non-Allowable Assets:				
Petty Cash	1,625	1,625	1,625	1,625
Aged Fail-to-Deliver	0	0	0	0
Receivable from BD - Other	0	0	0	0
Customer Rec - Nonsecured	1,394,045	1,057,229	12,606	1,478
Receivables - Tax Refund	456,558	476,558	750,060	965,060
Receivables - Other	1,699,838	1,789,377	1,793,631	1,826,336
Intercompany Receivable	1,856,389	2,055,499	4,170,860	4,090,689
Fixed Assets	650,773	645,425	644,466	698,145
Other Assets - Int. Rec.	3,207	164	389	0
Other Assets - Loans Adv.	589,307	600,290	862,580	848,997
Other Assets - Misc.	463,529	445,804	435,337	430,560
Fidelity Bond	0	0	0	0
Aged FTR Deduction	2,890	0	0	0
1% of Matched FTD	0	0	0	0
Presumed Mrktability Ded	895,535	887,014	931,228	939,602
Rep Recvbl	27,450	25,399	21,932	62,282
Total Adjustment	8,041,146	7,984,384	9,624,714	9,864,774
Adjusted Capital	5,424,076	5,450,486	3,394,139	2,826,012
Haircuts	1,166,593	2,859,625	1,343,912	1,253,501
Net Capital	4,257,483	2,590,861	2,050,227	1,572,511
Aggregate Debit Items	2,638,277	2,744,266	1,635,186	1,925,341
Ratio	161.37	94.41	125.38	81.67
Greater of 2% of ADI or 100,000/150,000/250,000	250,000	250,000	250,000	250,000
Excess Net Capital	4,007,483	2,340,861	1,800,227	1,322,511

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income and Expense
For the Seven Months Ended May 31, 1997

Cat # FS-001

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
UNDERWRITING PROFIT/FEES-					
MUNICIPAL BONDS	1,019,726	359,855	1,085,405	6,042,979	6,627,926
INVESTMENT BANKING FEES	51,257	193,886	2,211	897,083	1,780,702
MUNICIPAL LEASES	0	0	0	0	4,667
MORTGAGE BANKING	432,379	269,287	312,003	2,016,843	1,455,870
TAXABLE FINANCING	26,643	84,000	4,500	973,663	2,873,927
CORPORATE CAPITAL	11,814	7,500	0	185,147	887,200
TRADING PROFIT-					
MUNICIPAL SECONDARY	356,625	289,072	152,769	1,593,958	2,138,995
MUNICIPAL PUBLIC SALES	528	(11,501)	37,526	66,002	296,308
MORTGAGE BACKED SEC	11,328	3,698	7,842	54,958	122,687
MORTGAGE POOLS	0	0	0	0	85,773
GOVERNMENT SECURITIES	41,676	47,784	13,934	188,826	189,794
CORPORATE SECONDARY	38,477	89,092	88,287	505,010	285,466
BOND FUNDS	12,153	8,003	7,837	54,440	64,007
MARK-TO-MARKET	0	(23,570)	0	(73,050)	(310,522)
COMMISSION & FEE INCOME-					
DIRECT INVESTMENT PROD	1,200	11,552	12,391	92,239	144,199
INSURANCE PRODUCTS	32,783	37,669	28,431	214,102	213,586
MUTUAL FUNDS & CD'S	15,108	21,387	23,264	148,842	155,567
EQUITIES	13,837	8,261	10,447	62,321	35,584
MISCELLANEOUS	85,271	94,239	85,334	630,980	609,072
TOTAL REVENUES	2,150,805	1,490,214	1,872,181	13,654,343	17,660,806
DIRECT ISSUE EXPENSES	(142,933)	(136,581)	(194,621)	(1,097,847)	(994,447)
GROSS PROFIT	2,007,872	1,353,633	1,677,560	12,556,496	16,666,358
EXPENSES-					
SALARIES	829,797	796,878	785,483	5,522,067	5,119,277
COMMISSIONS	373,028	375,276	357,055	2,401,525	2,775,304
BONUS & INCENTIVE COMP	200,000	120,000	194,000	964,000	2,522,917
OTHER PERSONNEL	170,831	152,097	157,673	1,200,725	1,121,385
TRAVEL & BUSINESS DEV	219,474	213,995	294,236	1,621,829	1,627,202
COMMUNICATION/OPERATING	169,277	221,676	194,887	1,364,596	1,384,557
OCCUPANCY & EQUIPMENT	98,369	172,489	176,220	1,142,356	1,094,612
GENERAL & ADMINISTRATIVE	48,549	55,585	73,282	261,884	912,393
TOTAL EXPENSES	2,109,325	2,107,996	2,232,836	14,478,982	16,557,647
NET OPERATING INCOME	(101,453)	(754,363)	(555,276)	(1,922,486)	108,711
INTEREST-					
INTEREST INCOME	132,462	152,995	135,002	1,109,224	1,252,168
INTEREST EXPENSE	(77,360)	(84,651)	(122,793)	(733,281)	(836,781)
INCOME BEFORE TAX	(46,351)	(686,019)	(543,067)	(1,546,543)	524,098
INCOME TAX (EXPENSE)	16,000	270,000	215,000	601,000	(96,250)
NET INCOME	(30,351)	(416,019)	(328,067)	(945,543)	427,848

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income and Expense
For the Seven Months Ended May 31, 1997

DESCRIPTION	March	April	May	YTD	PY-YTD
DIRECT ISSUE EXPENSES-					
LEGAL	(2,471)	17,610	69,168	350,500	463,030
PROFESSIONAL	96,463	68,926	81,144	457,736	248,114
RATING/REGISTRATION	7,528	36,439	10,801	126,153	93,777
PRINTING/ADVERTISING	14,900	11,962	30,510	113,609	109,069
BANK/CLEARING	4,489	1,585	2,987	22,712	34,066
MISCELLANEOUS	22,024	59	11	27,137	46,393
TOTAL ISSUE EXP	142,933	136,581	194,621	1,097,847	994,448
SALARIES EXPENSE-					
MANAGEMENT	241,587	207,355	214,135	1,508,163	1,507,236
PROFESSIONAL	332,735	333,817	340,267	2,314,099	2,061,169
CLERICAL & SUPPORT	190,630	193,602	189,226	1,331,241	1,199,130
OVERTIME	6,932	5,756	7,761	60,109	61,328
SALESPERSONS	57,913	56,349	34,093	308,454	290,415
TOTAL SALARIES	829,797	796,879	785,482	5,522,066	5,119,278
OTHER PERSONNEL EXPENSE-					
EMPLOYER PAYROLL TAXES	90,967	67,528	69,130	604,047	501,780
TEMPORARY HELP	15,442	10,716	19,152	100,875	75,515
TEMP POOL ALLOCATION	20	0	0	20	0
GROUP INSURANCE-MED/DENT	38,239	37,687	38,143	263,877	246,616
GROUP INSURANCE-OTHER	8,288	8,813	8,227	56,852	49,467
401(K) CONTRIB/ADMIN	13,000	16,460	13,000	97,824	97,187
EMPLOYEE RELATIONS	3,446	6,184	6,093	39,641	32,605
EMPLOYEE TRAINING/DEV	748	2,745	1,611	12,736	12,695
PERSONNEL ADVERTISING	0	816	2,010	4,460	7,701
PLACEMENT FEES	0	0	0	9,000	39,904
EMPLOYEE MOVING EXP	0	0	0	3,801	5,035
NASD EMPLOYEE REGISTR	682	1,149	306	7,592	6,514
OTHER PERSONNEL EXPENSE	0	0	0	0	46,367
TOTAL OTHER PERSONNEL	170,832	152,098	157,672	1,200,725	1,121,386
TRAVEL & BUSINESS DEV-					
TRAVEL EXPENSE	22,665	30,290	32,324	239,176	199,123
AIRFARE	90,094	75,310	70,616	474,794	538,281
MEALS & ENTERTAINMENT	37,719	19,732	44,551	219,498	250,207
COUNTRY CLUB DUES	5,407	3,864	6,103	28,170	30,901
SUITE RENTAL EXP	3,579	1,988	2,733	23,552	16,423
EVENT & SPORTS TICKETS	1,008	286	4,236	10,727	26,147
SPECIAL EVENTS	0	0	0	6,875	2,374
SALES ALLOWANCES	12,126	38,965	24,618	116,302	109,961
ADVERTISING	6,443	17,966	17,794	115,388	46,271
PUBLIC RELATIONS	10,720	3,475	39,169	87,180	65,221
BROCHURES/PROMO MATERIALS	695	3,947	6,594	11,236	52,646
CLIENT GIFTS	898	286	2,056	22,585	19,431
CLIENT SEM & TRADE SHOWS	0	0	595	595	6,665
BUS DEV CONSULTING	21,397	15,469	32,791	190,920	209,414
DUES & MEMBERSHIPS	2,642	1,217	3,561	45,637	26,195
EMPLOYEE SEMINARS/CONF	3,011	1,009	5,889	24,825	24,606
EMPLOYEE MEETINGS	1,069	192	607	4,368	3,337
TOTAL TRAVEL & BUS DEV	219,473	213,996	294,237	1,621,828	1,627,201

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income and Expense
For the Seven Months Ended May 31, 1997

DESCRIPTION	March	April	May	YTD	PY-YTD
COMMUNICATION & OPERATING-					
TELEPHONE	44,027	59,181	56,142	339,670	323,326
POSTAGE & MAILING	4,629	12,932	13,418	84,788	77,078
PACKAGE DELIVERY	15,166	16,329	20,382	116,887	99,003
STATIONERY & FORMS	6,124	11,302	6,384	49,268	55,681
OFFICE SUPPLIES	6,351	6,278	6,682	50,318	45,455
COMPUTER SUPPLIES	5,538	6,966	8,675	46,366	40,294
COPYING EXPENSE	15,504	16,036	9,225	103,006	125,369
BOOKS & PERIODICALS	8,229	19,981	13,726	95,910	59,179
WIRE SERVICES/EQUIP	18,807	29,096	29,604	183,521	175,247
SERVICE BUREAU-BACKOFFIC	14,117	9,521	8,932	71,609	80,641
CLEARING CHARGES	17,187	18,937	12,615	118,219	151,883
BANK CHARGES/CREDITS	2,421	1,094	(1,889)	4,067	31,208
SAFEKEEPING CHARGES	2,400	3,220	2,400	16,253	18,857
IRA TRUSTEE FEES	0	0	0	1,744	4,031
CASHIERING EXPENSES	(191)	1,045	379	2,687	2,960
CUSTOMER REPORTING EXP	3,323	3,860	2,825	29,112	50,054
NASD/STATE REGISTR-EMPL	1,896	2,718	2,340	27,578	21,316
NASD/STATE REGISTR-FIRM	1,743	1,226	1,120	10,379	7,107
NASD ASSESSMENT	1,873	1,873	1,873	12,453	13,550
SIPC ASSESSMENT	0	0	0	150	1,718
MSRB ASSESSMENT	133	81	53	610	601
TOTAL COMM & OPERATING	169,277	221,676	194,886	1,364,595	1,384,557
OCCUPANCY & EQUIPMENT-					
OFFICE RENT	38,839	112,180	114,829	711,408	715,326
UTILITIES	2,204	1,946	4,536	15,058	13,663
OFFICE HOUSEKEEP/MAINT	1,722	1,248	1,308	13,845	15,184
DEPRECIATION & AMORT	26,089	26,089	26,089	182,922	159,979
FF&E PURCHASE/RENTALS	9,503	12,501	7,111	58,529	33,773
FF&E REPAIRS/MAINT	7,871	10,081	12,279	90,060	93,850
VEHICLE EXPENSE	12,142	8,444	10,068	70,534	62,837
TOTAL OCCUPANCY/EQUIP	98,370	172,489	176,220	1,142,356	1,094,612
GENERAL & ADMINISTRATIVE-					
GENERAL LEGAL	6,629	10,000	17,964	113,038	200,010
LEGAL SETTLEMENTS	0	0	0	(164,720)	379,167
CUSTOMER COMPENSATION	0	31	112	232	3,635
GENERAL CONSULTING	10,000	10,000	10,000	70,000	70,875
ACCOUNTING/AUDITING	11,500	11,500	11,500	80,500	72,120
GENERAL INSURANCE	11,671	11,771	11,771	79,567	79,455
CHARITABLE CONTRIBUTIONS	3,350	2,000	11,925	49,544	63,737
LOBBYING EXPENSE	100	10,000	10,076	25,800	36,360
PROPERTY TAXES	0	73	0	1,205	2,886
CORPORATE REGISTRATION	5,269	395	21	6,824	4,056
MISCELLANEOUS EXPENSE	30	(185)	(88)	(106)	92
TOTAL GENERAL & ADMIN	48,549	55,585	73,281	261,884	912,392

MILLER & SCHROEDER FINANCIAL, INC.
Miscellaneous Revenue Summary
For the Seven Months Ended May 31, 1997

DESCRIPTION	February	March	April	May	YTD
REVENUES-					
INTERCOMPANY MANAGEMENT FEES-					
LOAN ADMIN-MSIC	$30,500	$27,500	$28,000	$29,000	$205,500
RESID MTG BANK-MSMC	22,000	19,000	23,000	24,500	161,500
LEGAL DEPARTMENT					
OUTSIDE LEGAL FEES	0	0	0	1,950	1,950
INTERDEPARTMENTAL FEES	0	250	0	0	250
TOTAL LEGAL FEES	0	250	0	1,950	2,200
OPERATIONS DEPT-					
SERVICING FEES-COUPONS	65	0	45	30	205
SERVICING FEES-IRA'S	3,400	1,155	6,756	275	11,999
SERVICING FEES-REG T EXT	40	70	160	60	790
SERVICING FEES-RESET CHARGES	1,546	1,152	426	139	4,737
SERVICING FEES-CALL/MATURITY	725	775	650	325	4,283
SERVICING FEES-CUST ACCT	2,729	2,864	3,792	2,194	18,789
SERVICING FEES-OTHER	235	599	165	40	1,414
SERVICING FEES-TICKETING CHARGES	2,891	2,905	3,468	2,548	19,054
SAFEKEEPING FEES	1,565	920	843	1,397	6,910
CLEARING FEES-INTERDEPT	679	2,828	1,585	2,987	18,579
TOTAL CASHIERING FEES	13,875	13,268	17,890	9,995	86,760
INTERCOMPANY ACCOUNTING & ADMIN FEE					
MSIC ACCOUNTING	1,500	1,500	1,500	1,500	10,500
MSIC ADMIN	10,000	10,000	10,000	10,000	70,000
PLMC ACCOUNTING	500	500	500	500	3,500
PLMC ADMIN	500	500	500	500	3,500
MSCC ACCOUNTING	500	500	500	500	3,500
MSCC ADMIN	4,000	4,000	4,000	4,000	28,000
MSSBCC ACCOUNTING	500	0	500	500	3,000
MSSBCC ADMIN	500	1,000	500	500	4,000
TOTAL INTERCOMPANY FEES	18,000	18,000	18,000	18,000	126,000
OTHER REVENUE					
ALLIANCE COMM FEE	5,786	7,232	7,048	1,889	48,685
MISCELLANEOUS	15	20	300	0	335
TOTAL OTHER REVENUE	5,801	7,252	7,348	1,889	49,020
TOTAL MISCELLANEOUS REVENUES	90,176	85,270	94,238	85,334	630,980

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MILLER & SCHROEDER FINANCIAL, INC.
U/W REVENUE RECAP BY CATEGORY & DEPT
May 31, 1997

Cat # RV-100

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W
MUNICIPAL BOND U/W-					
11 - MINNEAPOLIS U/W	195,550	(12,985)	(10,250)	(928)	171,387
51 - SOLANA BEACH U/W	722,205	(16,500)	(250,490)	(17,375)	437,840
54 - SEATTLE U/W	167,650	(19,362)	1,000		149,288
TOTAL MUNICIPAL U/W	1,085,405	(48,847)	(259,740)	(18,303)	758,515
INVESTMENT BANKING FEES-					
11 - MINNEAPOLIS U/W	1,117				1,117
51 - SOLANA BEACH U/W	1,094				1,094
TOTAL INVEST BANK FEES	2,211				2,211
MORTGAGE BANKING-					
20 - MORTGAGE BANKING	250,327		(121,015)		129,312
25 - MILWAUKEE MORTGAGE/SBA	61,675		(12,276)		49,399
TOTAL MORTGAGE BANKING	312,002		(133,291)		178,711
TAXABLE FINANCING-					
22 - TAXABLE FINANCING	4,500				4,500
TOTAL TAXABLE FINANCING	4,500				4,500
CORPORATE CAPITAL-					
TOTAL U/W PROFIT/FEES	1,404,118	(48,847)	(393,031)	(18,303)	943,937

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
May 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
40083	03/15/94	435	NEW SHARON IA	0	0	0	0	0	0	0	(379)	(379)
40009	05/16/94	23,635	NW MULTI CNTY HRA 94A,B	0	0	0	0	0	(12,386)	0	0	(12,386)
40138	11/04/94	3,609	CHASKA HRA MULTI-FAMILY HOUSIN	417	0	0	0	417	0	0	0	417
10024	03/29/96	8,890	ROCHESTER-SAMARITAN BETHANY IN	0	0	0	0	0	0	0	(72)	(72)
10041	06/04/96	8,465	VIRGINIA MN-WA MANOR SRS 96	0	0	0	0	0	0	0	(132)	(132)
10077	11/18/96	4,135	APPLETON INDEP HSNG SR96	200	0	(200)	(10)	(10)	0	0	0	(10)
10113	03/17/97	2,550	COTTAGES OF STILLWATER SRS 97	0	0	0	0	0	(125)	0	0	(125)
10058	03/18/97	4,995	IOWA FIN AUTH-T D MARC	0	0	0	0	0	0	0	(755)	(755)
10120	03/27/97	6,198	NASHUA NH-CLOCKTOWER PROJECT	0	0	0	0	0	(523)	0	0	(523)
10097	04/15/97	20,335	MPLS/ST PAUL HRA PHASE MID-INC	0	0	0	0	0	0	0	(45)	(45)
40290	04/15/97	6,500	MPLS COMMUNITY HOME PROJ SRS 9	22,276	0	(10,050)	(918)	11,308	(1,195)	0	(933)	9,180
10066	05/06/97	2,000	FARMINGTON MN-WFW VENTURES LLP	5,000	(5,000)	0	0	0	(369)	0	0	(369)
10133	05/13/97	3,194	SEATTLE WA-MT ZION HSNG PROJ	40,333	(7,985)	0	0	32,348	(1,911)	0	(1,718)	28,719
10094	05/29/97	13,394	MN MULTI-ISSUERS SFMRB SRS 199	100,461	0	0	0	100,461	(1,495)	0	(12)	98,954
10074	06/03/97	12,055	SCOTT CO HRA-JUSTICE CENTER	26,863	0	0	0	26,863	(219)	0	(53)	26,591
TOTAL MUNICIPAL U/W				195,550	(12,985)	(10,250)	(928)	171,387	(18,223)	0	(4,099)	149,065
INVESTMENT BANKING FEES												
47543	04/23/96	72,000	MPLS G.O.-TARGET CTR RMKTG	350	0	0	0	350	0	0	0	350
40229	12/30/96	27,493	IOWA FIN AUTH STRUCTURING AGEN	0	0	0	0	0	(6,667)	0	0	(6,667)
10113	03/17/97	2,550	COTTAGES OF STILLWATER SRS 97	767	0	0	0	767	0	0	0	767
TOTAL INVESTMENT BANKING FEES				1,117	0	0	0	1,117	(6,667)	0	0	(5,550)
TOTAL REVENUES				196,667	(12,985)	(10,250)	(928)	172,504	(24,890)	0	(4,099)	143,515
OPEN ISSUES												
40029		47,000	DES MOINES-HILLSIDE NEIGHBOR	0	0	0	0	0	(2,033)	0	0	(2,033)
40135		20	BREVARD CTY HSG FIN AUTH	0	0	0	0	0	0	0	(21)	(21)
40169		2,000	TAMPA HSG AUTH-MORGAN APTS	0	0	0	0	0	0	0	(138)	(138)
40246		10,000	SOUTH DAKOTA HOUSING PROGRAM	0	0	0	0	0	(2,567)	0	0	(2,567)
40263			GARCIA AND ASSOCIATES	0	0	0	0	0	0	0	(1,000)	(1,000)
40312			SOUTHEAST MN SINGLE FAMILY HSN	0	0	0	0	0	0	0	(53)	(53)
40315			HOPKINS ESSENTIAL FUNCTION BDS	0	0	0	0	0	0	0	(24)	(24)
10011		10,000	MULTI-ISSUER-MILITARY HSNG	0	0	0	0	0	(7,262)	0	(318)	(7,580)
10062			OSSEO MN-HEALTH DIMENSIONS	0	0	0	0	0	0	0	(67)	(67)
10070			ANOKO CTY HRA HOMEOWNERSHIP PR	0	0	0	0	0	0	0	(63)	(63)
10071			DAKOTA CTY HRA DAKOTA CTY SING	0	0	0	0	0	0	0	(19)	(19)

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
May 31, 1997

*** CURRENT MONTH ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
10090		SOUTH DAKOTA STUDENT LOAN PROG	0	0	0	0	0	0	0	(60)	(60)
10093		COMMUNITY HSG CORP-U OF M PROJ	0	0	0	0	0	0	0	(36)	(36)
10096		SOUTH DAKOTA STD LOANS	0	0	0	0	0	0	0	(41)	(41)
10100		LEASING SOLUTIONS-TE TRUSTS	0	0	0	0	0	0	0	(1,756)	(1,756)
10101		CARVER CNTY HRA LAKE GRACE REF	0	0	0	0	0	0	0	(31)	(31)
10103		SPPA JACKSON TOWERS	0	0	0	0	0	(366)	0	0	(366)
10105		DAKOTA CNTY HRA	0	0	0	0	0	0	0	(30)	(30)
10107		SECTION 8 REFUNDING	0	0	0	0	0	(200)	0	(170)	(370)
10108		DAKOTA/MPLS MULTI ISSUER	0	0	0	0	0	0	0	(15)	(15)
10117		GOVERNMENT EDUCATION ASSIST CO	0	0	0	0	0	0	0	(30)	(30)
10119		MILWAUKEE HSING AUTH S.F. REFU	0	0	0	0	0	0	0	(1,456)	(1,456)
10121		RFDS TAX-EXEMPT ASST LIVING NE	0	0	0	0	0	(8)	0	(89)	(97)
10124	8,000	NEW HOPE PASTA MFG FAC	0	0	0	0	0	0	0	(70)	(70)
10125	8,500	CA COMM - BORREGAS PARK	0	0	0	0	0	0	0	(714)	(714)
10126	8,000	COLORADO RIVER TRIBE-WASTEWATE	0	0	0	0	0	0	0	(667)	(667)
10127	8,000	LAKE SUPERIOR CENTER FISH AQUA	0	0	0	0	0	0	0	(304)	(304)
10128	11,500	UNIV OF ST THOMAS LEASE BACKED	0	0	0	0	0	0	0	(30)	(30)
10134		CITY OF DESMOINES WATERWORKS	0	0	0	0	0	0	0	(466)	(466)
10135	10,000	GLENVIEW IL-VALLEY TOWERS	0	0	0	0	0	0	0	(796)	(796)
10137	5,000	SAN JUAN PUEBLO WASTEWATER	0	0	0	0	0	0	0	(231)	(231)
10138		PHIL MCMULLEN CONSULTING	0	0	0	0	0	0	0	(6,571)	(6,571)
10139	4,800	WISCONSIN HEALTH FACILITIES AU	0	0	0	0	0	0	0	(204)	(204)
10141	3,350	VILLAGE OF RATHSCHILD WI NOTE	0	0	0	0	0	0	0	(87)	(87)
10142		ROZET ASSOC FINANCIAL CORP	0	0	0	0	0	0	0	(2,381)	(2,381)
10144	20,000	PENNSYLVANIA TURNPIKE AUTH	0	0	0	0	0	0	0	(61)	(61)
10145	1,600	CITY OF JUNEAU WI NOTE	0	0	0	0	0	(184)	0	0	(184)
10147		ASSOC OF BAY AREA GOVT-GILROY	0	0	0	0	0	0	0	(640)	(640)
0119		DENNIS BALYEAT	0	0	0	0	0	0	0	(187)	(187)
0518		JIM DANFORD	0	0	0	0	0	0	0	(1,867)	(1,867)
0710		PAUL EKHOLM	0	0	0	0	0	0	0	(336)	(336)
1632		JAY JENSEN	0	0	0	0	0	0	0	(27)	(27)
1941		GARY LAMPPA	0	0	0	0	0	0	0	(960)	(960)
2144		ERIC LUNDE	0	0	0	0	0	0	0	(1,065)	(1,065)
2655		PATRICK O'LEARY	0	0	0	0	0	0	0	(60)	(60)
2934		CHAD RACH	0	0	0	0	0	0	0	(1,439)	(1,439)
3172		PHIL MCMULLEN	0	0	0	0	0	0	0	(31)	(31)
		ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(9,862)	(9,862)
		OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(490)	(490)
TOTAL OPEN ISSUES			0	0	0	0	0	(12,620)	0	(34,963)	(47,583)
TOTAL MINNEAPOLIS U/W			196,667	(12,985)	(10,250)	(928)	172,504	(37,510)	0	(39,062)	95,932

06-24-97
4:40pm

MILLER & SCHROEDER FINANCIAL, INC.
ST PAUL U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-112

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
40504	ADOPT A HIGH RISE	$0	$0	$0	$0	$0	$0	$0	$(50)	$(50)
12011	BLOCK 39 FORWARD REFUNDING	0	0	0	0	0	0	0	(906)	(906)
12016	GREAT PLAINS SOFTWARE	0	0	0	0	0	0	0	(22)	(22)
12018	WOODBURY VILLAGE MULTIFAMILY H	0	0	0	0	0	0	0	(80)	(80)
2310	G MCMAHON PROMO	0	0	0	0	0	0	0	(1,277)	(1,277)
	OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(1,912)	(1,912)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	(4,247)	(4,247)
TOTAL ST PAUL U/W		0	0	0	0	0	0	0	(4,247)	(4,247)

MILLER & SCHROEDER FINANCIAL, INC.
COLUMBUS U/W REVENUE SUMMARY
May 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
13019	11/07/96	8,305	LORAIN PORT IDR BRUSH WELLMAN	0	0	0	0	0	0	0	(43)	(43)
13025	11/12/96	5,975	HAMILTON CO-GARDEN HILL & WASH	0	0	0	0	0	0	0	(82)	(82)
TOTAL MUNICIPAL U/W				0	0	0	0	0	0	0	(125)	(125)
INVESTMENT BANKING FEES												
41002	12/31/93		STATE OF OHIO BOND FUND	0	0	0	0	0	0	0	(114)	(114)
41003	12/31/93		TOLEDO BOND FUND	0	0	0	0	0	0	0	(1,990)	(1,990)
13027	10/24/96		ODOT SIB-EXPENSES	0	0	0	0	0	0	0	(42)	(42)
13012	10/30/96		COLLEGE BOND FUND PROGRAM	0	0	0	0	0	0	0	(12)	(12)
TOTAL INVESTMENT BANKING FEES				0	0	0	0	0	0	0	(2,158)	(2,158)
TOTAL REVENUES				0	0	0	0	0	0	0	(2,283)	(2,283)
OPEN ISSUES												
41023		10,000	CLEVELAND PORT AUTH	0	0	0	0	0	0	0	(1,701)	(1,701)
41041			RICKENBACKEN PORT AUTHORITY	0	0	0	0	0	0	0	(162)	(162)
0605			M DIPERNA PROMO	0	0	0	0	0	0	0	(785)	(785)
0662			M DOWNIE PROMO	0	0	0	0	0	0	0	(10)	(10)
1257			D HART PROMO	0	0	0	0	0	0	0	(738)	(738)
2100			T LONG PROMO	0	0	0	0	0	0	0	(1,204)	(1,204)
			ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(239)	(239)
TOTAL OPEN ISSUES				0	0	0	0	0	0	0	(4,839)	(4,839)
TOTAL COLUMBUS U/W				0	0	0	0	0	0	0	(7,122)	(7,122)

06-26-97
2:53pm

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
May 31, 1997

Cat # RV-120

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	RETAIL	TRADING	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- T&E AND PROMO	NET PROFIT TO U/W
20051	12/27/96	7,300	BROOKLYN CTR RAINBOW FOODS	0	0	0	0	0	0	0	(15)	(15)
20033	03/13/97	6,275	COHASSET TECHNIMAR MFG	2,000	(2,000)	0	0	0	0	(99)	0	(99)
20063	03/26/97	2,775	VIRGINIA ARROWHEAD HLTH CARE	0	0	0	0	0	0	(898)	0	(898)
20050	03/31/97	3,100	BROOKLYN CENTER HOLIDAY INN	(11,625)	0	0	0	(11,625)	0	(8,938)	(15)	(20,578)
20073	04/22/97	1,025	COTTAGE GROVE HOLLYWOOD VIDEO	0	0	0	0	0	0	(212)	0	(212)
20065	04/25/97	4,050	ROCHESTER RAMADA INN	0	(1,350)	0	0	(1,350)	0	(567)	(21)	(1,938)
20072	04/29/97	2,850	BLOOMINGTON SLUMBERLAND	0	0	0	0	0	0	(590)	0	(590)
20080	04/30/97	2,064	RACINE RADISSON HARBOURWALK	0	0	0	0	0	0	0	0	0
20076	05/05/97	3,000	J LUPIENT WOKING CAPITAL LOC	30,000	(18,000)	0	0	12,000	5,220	(4,324)	0	12,896
20068	05/07/97	9,250	MINOT MEDICAL CENTER	161,875	(74,000)	0	(3,750)	84,125	15,369	(11,688)	0	87,806
20082	05/15/97	750	NATIONAL LODGING LAND PURCHASE	30,000	(9,000)	0	(7,500)	13,500	1,693	0	0	15,193
20074	05/30/97	2,000	S M TAUBE II UNSECURED LOAN	26,665	(16,665)	0	0	10,000	0	(27)	0	9,973
TOTAL 1997 FINANCINGS				238,915	(121,015)	0	(11,250)	106,650	22,282	(27,343)	(51)	101,538
1996 FINANCINGS												
20004	03/28/96	3,800	RACINE RADISSON HARBOURWALK	0	0	0	0	0	0	(1,202)	0	(1,202)
20002	05/03/96	1,650	MUKWONAGO WI SLEEP INN	0	0	0	0	0	0	(4)	0	(4)
48572	06/21/96	5,750	COUNCIL BLUFFS KINS AMERISTAR	0	0	0	0	0	0	(50)	0	(50)
20032	09/16/96	6,900	APPLE VALLEY SQUARE SHOPPING CT	0	0	0	0	0	0	(240)	0	(240)
20015	09/18/96	5,575	LEEDS ND-FARMERS CHOICE PASTA	0	0	0	0	0	0	(309)	0	(309)
20031	10/18/96	5,000	COLORADO SPRINGS CHIDLAW BLDG	0	0	0	0	0	0	(8)	0	(8)
20018	10/23/96	3,564	CRIPPLE CREEK 2	0	0	0	0	0	0	(349)	0	(349)
TOTAL 1996 FINANCINGS				0	0	0	0	0	0	(2,162)	0	(2,162)
1995 FINANCINGS												
48553	03/27/95	2,815	STILLWATER LUMBERMAN EXCH HOTEL	0	0	0	0	0	0	(34)	0	(34)
48555	06/09/95	4,300	CHANHASSEN COUNTRY SUITES	0	0	0	0	0	0	(607)	0	(607)
48565	07/27/95	525	ST MICHAEL J&B EQUIPMENT	0	0	0	0	0	0	(44)	0	(44)
TOTAL 1995 FINANCINGS				0	0	0	0	0	0	(685)	0	(685)
TOTAL REVENUES				238,915	(121,015)	0	(11,250)	106,650	22,282	(30,190)	(51)	98,691
OPEN ISSUES												
20037			KINSETH COUNCIL BLUFFS	0	0	0	0	0	380	0	0	380
20060			LYNDALE ESTATES 1ST MTG	0	0	0	0	0	0	1,800	0	1,800
20066			7605 CORPORATE WAY EDEN PRAIRIE	0	0	0	0	0	0	(2,763)	0	(2,763)
20067			RESIDENCE INN HOTEL MINNEAPOLI	0	0	0	0	0	0	(7,763)	0	(7,763)

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
May 31, 1997

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	RETAIL	TRADING	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- T&E AND PROMO	NET PROFIT TO U/W
20069	UNDERWATER WORLD-MALL OF AM BLO	0	0	0	0	0	0	(193)	0	(193)
20071	CRIPPLE CREEKE EXPANSION	0	0	0	0	0	0	(7)	0	(7)
20077	PARKWAY BUSINESS CENTER	0	0	0	0	0	0	(5,393)	0	(5,393)
20078	SHERATON FOUR POINTS HOTEL	0	0	0	0	0	0	(2,421)	0	(2,421)
20079	HOLIDAY INN CHICAGO IL	0	0	0	0	0	0	(219)	(754)	(973)
20081	GENERAL WAREHOUSE BLDG TERM LOA	0	0	0	0	0	0	(14)	0	(14)
00000	OTHER ISSUE EXPENSES	0	0	0	0	0	0	8,556	0	8,556
2481	GREG MILLER T&E	0	0	0	0	0	0	0	(1,252)	(1,252)
2791	SHARON PAYNE T&E	0	0	0	0	0	0	0	(14)	(14)
	ADVERTISING-OTHER	0	0	0	0	0	0	0	(3,285)	(3,285)
TOTAL OPEN ISSUES		0	0	0	0	0	380	(8,417)	(5,305)	(13,342)
TOTAL DEPT		238,915	(121,015)	0	(11,250)	106,650	22,662	(38,607)	(5,356)	85,349

MILLER & SCHROEDER FINANCIAL, INC.
MILWAUKEE REVENUE SUMMARY
May 31, 1997

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	RETAIL	TRADING	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- T&E AND PROMO	NET PROFIT TO U/W
MORTGAGE BANKING									
1997 FINANCINGS									
25007 11/19/96 2,610 FERGUS FALLS MN-WESTRIDGE MALL	0	0	0	0	0	0	(181)	0	(181)
25008 04/28/97 3,350 MILWAUKEE, WI-INN TOWNE HOTEL	0	1,224	0	0	1,224	0	(684)	0	540
25015 05/13/97 1,500 BLACK RIVER FALLS-NO COUNTRY LO	26,250	(13,500)	0	0	12,750	11,572	(7,026)	0	17,296
TOTAL 1997 FINANCINGS	26,250	(12,276)	0	0	13,974	11,572	(7,891)	0	17,655
OPEN ISSUES									
25014 GEORGETOWN TERM LOAN	0	0	0	0	0	0	(2,597)	0	(2,597)
25019 910 SO MICHIGAN CONDO	0	0	0	0	0	0	(9,691)	(7,351)	(17,042)
25020 ST CHARLES IL HOTEL BAKER	0	0	0	0	0	0	(149)	0	(149)
TOTAL OPEN ISSUES	0	0	0	0	0	0	(12,437)	(7,351)	(19,788)
TOTAL MORTGAGE BANKING	26,250	(12,276)	0	0	13,974	11,572	(20,328)	(7,351)	(2,133)
SBA LOAN ORIGINATION									
1997 ORIGINATIONS									
25010 11/20/96 185 INNOVATIVE TECHNOLOGIES SBA	332	0	0	0	332	0	(55)	0	277
25011 01/09/97 500 INFORMATION SOLUTIONS SBA	1,110	0	0	0	1,110	0	(151)	0	959
25018 04/09/97 750 ROBERTS ROOFING & SIDING INC.	0	0	0	0	0	21,874	(18,923)	0	2,951
TOTAL 1997 ORIGINATIONS	1,442	0	0	0	1,442	21,874	(19,129)	0	4,187
1996 ORIGINATIONS									
25005 08/14/96 336 BADGER FLORIST SBA	537	0	0	0	537	0	(97)	0	440
TOTAL 1996 ORIGINATIONS	537	0	0	0	537	0	(97)	0	440
OPEN ISSUES									
25006 ATTUCKS CENTER INC	0	0	0	0	0	0	(1,000)	0	(1,000)
MISC CREDIT REPORT EXP	0	0	0	0	0	0	18,672	0	18,672
40241 HELEN DIXON CONSULTING	0	0	0	0	0	0	0	(6,994)	(6,994)
ADVERTISING	0	0	0	0	0	0	0	(2,176)	(2,176)

06-26-97
4:00pm

MILLER & SCHROEDER FINANCIAL, INC.
MILWAUKEE REVENUE SUMMARY
May 31, 1997

Cat # RV-125

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	RETAIL	TRADING	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- T&E AND PROMO	NET PROFIT TO U/W
25013	MPLS SUPPORT/OFFICE T&E	0	0	0	0	0	0	0	(420,530)	(420,530)
3011	STEVE RAYL PROMO	0	0	0	0	0	0	0	(542)	(542)
TOTAL OPEN ISSUES		0	0	0	0	0	0	17,672	(430,242)	(412,570)
TOTAL SBA ORIGINATIONS		1,979	0	0	0	1,979	21,874	(1,554)	(430,242)	(407,943)
TOTAL DEPT		28,229	(12,276)	0	0	15,953	33,446	(21,882)	(437,593)	(410,076)

06-25-97
5:30pm

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Seven Months Ended May 31, 1997

Cat # RV-122

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED T INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
1997 TAXABLE FINANCINGS													
22065	12/06/96	9,772	BOIS FORTE III	0	0	0	0	0	0	0	0	(112)	(112)
22068	12/27/96	5,138	MOHEGAN SUN III	0	0	0	0	0	0	600	0	0	600
22069	01/07/97	1,600	LAC VIEUX DESERT VI	0	0	0	0	0	0	(13)	0	0	(13)
22064	02/10/97	9,500	THREE AFFIL TRIBES-4 BEARS CAS	0	0	0	0	0	0	0	0	(886)	(886)
22080	03/19/97	500	KEN KELLAR UNSECURED	0	0	0	0	0	0	(32)	0	0	(32)
22078	03/31/97	300	CROW CREEK LODESTAR	4,500	0	0	0	4,500	0	0	0	(112)	4,388
22090	04/28/97	2,100	KICKAPOO TRIBE INTERIM '	0	0	0	0	0	0	(290)	0	(1,056)	(1,346)
TOTAL 1997 FINANCINGS				4,500	0	0	0	4,500	0	265	0	(2,166)	2,599
1996 TAXABLE FINANCINGS													
48110	12/26/95	2,300	DEADWOOD SD BODEGA	0	0	0	0	0	0	(968)	0	0	(968)
22007	04/08/96	5,505	LEECH LAKE 2	0	0	0	0	0	0	(5,604)	0	0	(5,604)
22047	10/09/96	15,500	COQUILLE II	0	0	0	0	0	0	(223)	0	0	(223)
22051	10/28/96	11,600	SPIRIT LAKE (DEVILS LK) VI	0	0	0	0	0	0	(42)	0	(77)	(119)
TOTAL 1996 TAXABLE FINANCINGS				0	0	0	0	0	0	(6,837)	0	(77)	(6,914)
1995 TAXABLE FINANCINGS													
48087	05/31/95	5,000	DEADWOOD GULCH CASINO	0	0	0	0	0	0	0	0	(421)	(421)
TOTAL 1995 TAXABLE FINANCINGS				0	0	0	0	0	0	0	0	(421)	(421)
PRIOR YEARS TAXABLE FINANCINGS & SECONDARY SALES													
TOTAL TAXABLE FINANCING				4,500	0	0	0	4,500	0	(6,572)	0	(2,664)	(4,736)
TAXABLE FINANCING OPEN ISSUES													
48079		25,000	SANTA ANNA PUEBLO	0	0	0	0	0	0	0	0	(497)	(497)
22059			ST JOSEPH RIVERBOAT PARTNERS	0	0	0	0	0	0	0	0	(207)	(207)
22066			ARISTOCRAT, INC.	0	0	0	0	0	0	(91)	0	0	(91)
22071			SILETZ TRIBE WORKOUT EXP	0	0	0	0	0	0	0	0	(40)	(40)
22072			YAKIMA INDIAN NATION	0	0	0	0	0	0	(5,225)	0	(2,601)	(7,826)
22075			ROSEBUD SIOUX TRIBE CASINO/HOT	0	0	0	0	0	0	(675)	0	(144)	(819)
22076			GAMING WORLD WORKOUT EXPENSES	0	0	0	0	0	0	(4,086)	0	0	(4,086)
22079			QUECHEN TRIBE-PACIFICCOAST GAM	0	0	0	0	0	0	0	0	(2,461)	(2,461)
22092			THREE AFFILIATED TRIBES TWIN B	0	0	0	0	0	0	(37)	0	(299)	(336)

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Seven Months Ended May 31, 1997

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED T INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
22094	MILLE LACS SPECIAL EVENT	0	0	0	0	0	0	0	0	(55)	(55)
22095	BOIS FORTE FORTUNE BAY RESORT	0	0	0	0	0	0	0	0	(173)	(173)
TOTAL TAXABLE FINANCING OPEN ISSUES		0	0	0	0	0	0	(10,114)	0	(6,477)	(16,591)
TOTAL TAXABLE FINANCING		4,500	0	0	0	4,500	0	(16,686)	0	(9,141)	(21,327)
MUNICIPAL											
MUNICIPAL OPEN ISSUES											
40241	HELEN DIXON CONSULTING	0	0	0	0	0	0	0	0	(216)	(216)
TOTAL MUNICIPAL OPEN ISSUES		0	0	0	0	0	0	0	0	(216)	(216)
TOTAL MUNICIPAL		0	0	0	0	0	0	0	0	(216)	(216)
PROMO & OTHER OPEN ISSUES											
0055	ALI ALIZEDAH PROMO	0	0	0	0	0	0	0	0	(1,860)	(1,860)
0750	STEVEN ERICKSON PROMO	0	0	0	0	0	0	0	0	(15,719)	(15,719)
0750	STEVE ERICKSON COUNTRY CLUB	0	0	0	0	0	0	0	0	(3,311)	(3,311)
0932	P FREDERICKS PROMO	0	0	0	0	0	0	0	0	(202)	(202)
1480	D HOLSTAD PROMO	0	0	0	0	0	0	0	0	(475)	(475)
	OTHER PROMO	0	0	0	0	0	0	0	0	(477)	(477)
	PUBLIC RELATIONS/SPONSORSHIPS	0	0	0	0	0	0	0	0	(5,000)	(5,000)
	CLIENT GIFTS	0	0	0	0	0	0	0	0	(88)	(88)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	0	(27,132)	(27,132)
TOTAL		4,500	0	0	0	4,500	0	(16,686)	0	(36,489)	(48,675)

MILLER & SCHROEDER FINANCIAL, INC.
CORPORATE CAPITAL REVENUE SUMMARY
May 31, 1997

Cat # RV-123

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
CORPORATE CAPITAL FINANCINGS									
23021 07/29/96 263 BANC, INC PRIVATE PLACEMENT	0	0	0	0	0	896	0	0	896
23040 04/17/97 19,500 BANC, INC COMMON STOCK	0	0	0	0	0	(312)	0	0	(312)
TOTAL FINANCINGS	0	0	0	0	0	584	0	0	584
TOTAL CORPORATE CAPITAL REVENUE	0	0	0	0	0	584	0	0	584
TOTAL REVENUES	0	0	0	0	0	584	0	0	584
OPEN ISSUES									
23026 LOON STATE ENTERPRISES	0	0	0	0	0	(5)	0	0	(5)
23041 LUPIENT AUTO GROUP-SUBORD DEBT	0	0	0	0	0	(374)	0	0	(374)
TOTAL OPEN ISSUES	0	0	0	0	0	(379)	0	0	(379)
TOTAL DEPT	0	0	0	0	0	205	0	0	205

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE TRADING REVENUE SUMMARY
May 31, 1997

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
TAXABLE TRADING									
1995 FINANCINGS									
48084 11/10/94 2,540 1ST FIDELITY AUTO 94-1 DEFER	0	0	0	0	0	(3,125)	0	0	(3,125)
TOTAL 1995 FINANCING	0	0	0	0	0	(3,125)	0	0	(3,125)
TOTAL REVENUES	0	0	0	0	0	(3,125)	0	0	(3,125)
OPEN ISSUES									
35032 TEXAS PREMIUM FINANCING	0	0	0	0	0	(3,230)	0	0	(3,230)
3439 STANCHFIELD PROMO	0	0	0	0	0	0	0	(493)	(493)
0299 BUTORAC PROMO	0	0	0	0	0	0	0	(195)	(195)
TOTAL OPEN ISSUES	0	0	0	0	0	(3,230)	0	(688)	(3,918)
TOTAL DEPT	0	0	0	0	0	(6,355)	0	(688)	(7,043)

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
May 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
51100	12/18/96	16,320	SAN BERN JPFA-CITY HALL REF	0	0	0	0	0	(825)	0	(319)	(1,144)
51064	12/31/96	7,295	DANFORTH TX HEALTH FAC CORP	1,545	0	(1,500)	(30)	15	0	0	0	15
51054	03/13/97	10,370	DANFORTH TX-SAM HOUSTON L T CA	(970)	0	850	20	(100)	0	0	(195)	(295)
51115	04/09/97	1,500	HESPERIA COMM REDEV-LOW/MIDDLE	0	0	0	0	0	(375)	0	0	(375)
47533	05/01/97	33,000	SAN BERN-HIGHLAND HILLS RMKTG	0	(16,500)	0	0	(16,500)	0	0	0	(16,500)
51119	05/14/97	2,000	LOS BANOS CA REDEV AGCY T/A NO	33,575	0	(19,750)	(1,975)	11,850	(415)	0	0	11,435
51113	05/28/97	13,420	TARRANT CO TX-ST JOSEPH LT CAR	555,460	0	(224,600)	(12,790)	318,070	(31,612)	0	32	286,490
51108	05/29/97	11,000	MURIETA CA COP-ROAD IMPR PROJ	132,595	0	(5,490)	(2,600)	124,505	(1,183)	0	0	123,322
TOTAL MUNICIPAL BOND U/W				722,205	(16,500)	(250,490)	(17,375)	437,840	(34,410)	0	(482)	402,948
INVESTMENT BANKING FEES												
47546	12/01/95	3,500	SAN MARCOS CA-TRI M CO RMKTG	1,094	0	0	0	1,094	0	0	0	1,094
TOTAL INVESTMENT BANKING FEES				1,094	0	0	0	1,094	0	0	0	1,094
TOTAL REVENUES				723,299	(16,500)	(250,490)	(17,375)	438,934	(34,410)	0	(482)	404,042
OPEN ISSUES												
41570			BUS DEV CONS: OXBERRY	0	0	0	0	0	0	0	(10,992)	(10,992)
41621			BUS DEV CONS: JOE MILLER	0	0	0	0	0	0	0	(4,634)	(4,634)
41626		11,000	SAN DIEGO AIRCRAFT CARRIER MUS	0	0	0	0	0	0	0	(18)	(18)
51034			SAN BERN-TRANS 1 YR NOTE	0	0	0	0	0	0	0	(60)	(60)
51046		8,500	SPARKS NV REDEV AGCY TAX ALLOC	0	0	0	0	0	0	0	(336)	(336)
51051			NATIONAL ASSOC OF COUNTIES	0	0	0	0	0	0	0	(476)	(476)
51068			SAN BERNARDINO 1997-1998 TRAN	0	0	0	0	0	0	0	(3,323)	(3,323)
51074			EUNTANA UNFIED SCHOOL DIST. G.	0	0	0	0	0	(992)	0	0	(992)
51078			MESQUITE REDEVELOP.AGENCY REDE	0	0	0	0	0	0	0	(301)	(301)
51092			BUS DEV CONS: BIO-RECLAMATION	0	0	0	0	0	(25,000)	0	0	(25,000)
51097			WALLER CNTY TEXAS UNITED TIRE	0	0	0	0	0	0	0	(1,845)	(1,845)
51099			NATIONAL ASS. OF COUNTIES-NACO	0	0	0	0	0	0	0	(2,808)	(2,808)
51102			CTY ALHAMBRA REFND C.O.P. SERI	0	0	0	0	0	(375)	0	(57)	(432)
51103			MONTE VISTA WATER DIST WATER C	0	0	0	0	0	(11)	0	0	(11)
51104			CTY SAN MARCOS PUBLIC FIN AUTH	0	0	0	0	0	0	0	(33)	(33)
51116			SOLANO CNTY EMPLOYEE HLTH BENE	0	0	0	0	0	0	0	(77)	(77)
51117			CITY OF HENDERSON,NV MONARCH G	0	0	0	0	0	0	0	(1,056)	(1,056)
51118			CITY OF SAN DIEGO SCRIPPS MEDI	0	0	0	0	0	0	0	(551)	(551)
51122		10,000	SAN BERN -SUMITOMO TXBL LOAN	0	0	0	0	0	(1,575)	0	0	(1,575)
51126		155,000	COLUMBUS UNIFIED SCHOOL DIST	0	0	0	0	0	(98)	0	0	(98)

06-24-97
10:14am

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-151

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
0153	B BIGGINS PROMO	0	0	0	0	0	0	0	(24)	(24)
0260	ROBIN THOMAS PROMO	0	0	0	0	0	0	0	(300)	(300)
0445	RHONDA CONNOLLY PROMO	0	0	0	0	0	0	0	(439)	(439)
0590	VIC DHOOGE PROMO	0	0	0	0	0	0	0	(196)	(196)
1266	JIM HATTER PROMO	0	0	0	0	0	0	0	(223)	(223)
1590	JIM IVERSON PROMO	0	0	0	0	0	0	0	(27)	(27)
1805	MAURICE KIRKHOFER PROMO	0	0	0	0	0	0	0	(348)	(348)
2320	KERMIT MCMILLIN PROMO	0	0	0	0	0	0	0	(134)	(134)
3256	J SCHWARTZ PROMO	0	0	0	0	0	0	0	(2,078)	(2,078)
9012	MICHAEL WHIPPLE PROMO	0	0	0	0	0	0	0	(638)	(638)
	ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(2,331)	(2,331)
	OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(1,002)	(1,002)
	ALL OTHER	0	0	0	0	0	0	0	1,318	1,318
TOTAL OPEN ISSUES		0	0	0	0	0	(28,051)	0	(32,989)	(61,040)
TOTAL SOLANA BEACH U/W		723,299	(16,500)	(250,490)	(17,375)	438,934	(62,461)	0	(33,471)	343,002

06-24-97
10:38am

MILLER & SCHROEDER FINANCIAL, INC.
PASADENA U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-153

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
53006	LAS VEGAS RENT TO OWN	0	0	0	0	0	0	0	(675)	(675)
0206	REGGIE BOTTGER PROMO	0	0	0	0	0	0	0	(2,321)	(2,321)
1997	VICTOR LEE PROMO	0	0	0	0	0	0	0	(1,080)	(1,080)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	(4,076)	(4,076)
TOTAL PASADENA U/W		0	0	0	0	0	0	0	(4,076)	(4,076)

MILLER & SCHROEDER FINANCIAL, INC.
SEATTLE U/W REVENUE SUMMARY

For the Seven Months Ended May 31, 1997

*** CURRENT MONTH ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
43549	09/25/96	16,880	INDIANAPOLIS-WILLOWBROOK APTS	0	0	1,000	0	1,000	0	0	0	1,000
54017	01/30/97	6,750	MANHATTAN KS-HOLIDAY INN PROJ	2,363	0	0	0	2,363	0	0	0	2,363
54018	01/30/97	6,750	LAWRENCE KS-HOLIDAY INN PROJ	2,363	0	0	0	2,363	0	0	0	2,363
54008	05/21/97	7,745	AUSTIN TX-WOODLAND HEIGHTS APT	162,925	(19,362)	0	0	143,563	(1,278)	0	(5,729)	136,556
TOTAL MUNICIPAL BOND U/W				167,651	(19,362)	1,000	0	149,289	(1,278)	0	(5,729)	142,282
TOTAL REVENUES				167,651	(19,362)	1,000	0	149,289	(1,278)	0	(5,729)	142,282
OPEN ISSUES												
43558		3,590	HARRIS COUNTY, TX ARBOR COURT	0	0	0	0	0	(15)	0	(1,144)	(1,159)
54007			BERNATILLO CNTY NEW MEXICO	0	0	0	0	0	0	0	(2,858)	(2,858)
54033		4,500	ASSOC OF BAY AREA GOVT-BRIARWO	0	0	0	0	0	0	0	(368)	(368)
54037		25,000	JACKSONVILLE FL-CENTURY 21 APT	0	0	0	0	0	(35)	0	(94)	(129)
2618			TOM NULL PROMO	0	0	0	0	0	0	0	(91)	(91)
			EVENT & SPORT TICKETS	0	0	0	0	0	0	0	(406)	(406)
			OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(29)	(29)
TOTAL OPEN ISSUES				0	0	0	0	0	(50)	0	(4,990)	(5,040)
TOTAL SEATTLE U/W				167,651	(19,362)	1,000	0	149,289	(1,328)	0	(10,719)	137,242

06-24-97
4:04pm

MILLER & SCHROEDER FINANCIAL, INC.
ORLANDO U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-156

*** CURRENT MONTH ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES											
42514	4,500	BUFFALO NY TEE TO GREEN GOLF C	0	0	0	0	0	0	0	(38)	(38)
56003		FLORIDA KEYS AQUADUCT	0	0	0	0	0	0	0	(226)	(226)
56007	14,000	PORT ORANGE FL WATER & SEWER	0	0	0	0	0	0	0	(37)	(37)
3666		TOBY WAGNER PROMO	0	0	0	0	0	0	0	(41)	(41)
TOTAL OPEN ISSUES			0	0	0	0	0	0	0	(342)	(342)
TOTAL ORLANDO U/W			0	0	0	0	0	0	0	(342)	(342)

06-24-97
3:43pm

MILLER & SCHROEDER FINANCIAL, INC.
SACRAMENTO U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-157

*** CURRENT MONTH ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W									
INVESTMENT BANKING FEES									
OPEN ISSUES									

06-24-97
4:32pm

MILLER & SCHROEDER FINANCIAL, INC.
SELF-INS GROUP REVENUE SUMMARY
May 31, 1997

Cat # RV-161

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
44525	SAN DIEGO WORK COMP	0	0	0	0	0	0	0	(85)	(85)
44529	MINNESOTA COUNTIES	0	0	0	0	0	0	0	(78)	(78)
61001	SAN DIEGO UNIFIED SCHL DIST	0	0	0	0	0	0	0	(556)	(556)
61003	STATE OF WYOMING EMPL BENEFITS	0	0	0	0	0	0	0	(974)	(974)
61010	CITY OF MILWAUKEE	0	0	0	0	0	0	0	(243)	(243)
61016	SANTA CLARA CO WORK COMP	0	0	0	0	0	0	0	(192)	(192)
61023	SAN MAREO-WORKERS COMP. PROG.	0	0	0	0	0	0	0	(317)	(317)
61024	NACO-WORKERS COMP. PROG.	0	0	0	0	0	0	0	(698)	(698)
61027	SAN BERNARDINO CNTY SELF INS.F	0	0	0	0	0	0	0	(1,453)	(1,453)
61029	SAN DIEGO CO WORKERS COMP	0	0	0	0	0	0	0	(85)	(85)
61030	WISCONSIN SELF INSURANCE DEALS	0	0	0	0	0	(5,873)	0	0	(5,873)
2786	S PATRAN PROMO	0	0	0	0	0	0	0	(377)	(377)
2789	BRIAN PAULSON PROMO	0	0	0	0	0	0	0	(2,646)	(2,646)
	ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(39)	(39)
TOTAL OPEN ISSUES		0	0	0	0	0	(5,873)	0	(7,743)	(13,616)
TOTAL		0	0	0	0	0	(5,873)	0	(7,743)	(13,616)

06-24-97
4:23pm

MILLER & SCHROEDER FINANCIAL, INC.
ADMIN U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-181

*** CURRENT MONTH ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDER'S FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
0110	JOHN ARVOLD PROMO	0	0	0	0	0	0	0	(124)	(124)
	SUITE RENTAL EXPENSE	0	0	0	0	0	0	0	(1,739)	(1,739)
	OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(2,220)	(2,220)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	(4,083)	(4,083)
TOTAL ADMIN U/W		0	0	0	0	0	0	0	(4,083)	(4,083)

MSF:@ALL_DPT
06-26-97
1:59pm

MILLER & SCHROEDER FINANCIAL, INC.
U/W REVENUE RECAP BY CATEGORY & DEPT
May 31, 1997

Cat # RV-100

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W
MUNICIPAL BOND U/W-					
11 - MINNEAPOLIS U/W	1,198,552	(139,696)	(181,682)	(26,095)	851,079
12 - ST PAUL U/W	75,282	(15,725)			59,557
13 - COLUMBUS U/W	324,288	(42,819)			281,469
22 - TAXABLE FINANCING (SWE)	9,044				9,044
51 - SOLANA BEACH U/W	3,101,484	(193,752)	(764,797)	(90,400)	2,052,535
53 - PASADENA U/W	237,573				237,573
54 - SEATTLE U/W	702,755	(94,912)	(11,550)	(842)	595,451
57 - SACRAMENTO U/W	297,467	(30,720)		(2,588)	264,159
74 - M&S U/W (CA TRAD)	96,534		(21,761)		74,773
TOTAL MUNICIPAL U/W	6,042,979	(517,624)	(979,790)	(119,925)	4,425,640
INVESTMENT BANKING FEES-					
11 - MINNEAPOLIS U/W	513,375				513,375
12 - ST PAUL U/W	7,681				7,681
13 - COLUMBUS U/W	30,943				30,943
51 - SOLANA BEACH U/W	205,967				205,967
54 - SEATTLE U/W	10,000				10,000
56 - ORLANDO U/W	32,117				32,117
57 - SACRAMENTO U/W	30,000				30,000
81 - CORPORATE ADMIN	67,000				67,000
TOTAL INVEST BANK FEES	897,083				897,083
MORTGAGE BANKING-					
20 - MORTGAGE BANKING	1,772,717		(712,830)		1,059,887
25 - MILWAUKEE MORTGAGE/SBA	244,081		(64,142)		179,939
TOTAL MORTGAGE BANKING	2,016,798		(776,972)		1,239,826
TAXABLE FINANCING-					
22 - TAXABLE FINANCING	934,335		(559,789)		374,546
35 - TAXABLE TRADING	34,200		(17,100)		17,100
21 - LOAN ADMINISTRATION	5,078				5,078
TOTAL TAXABLE FINANCING	973,613		(576,889)		396,724
CORPORATE CAPITAL-					
23 - CORPORATE CAPITAL GROUP	185,147		(88,180)	(3,432)	93,535
TOTAL U/W PROFIT/FEES	10,115,620	(517,624)	(2,421,831)	(123,357)	7,052,808

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
40083	03/15/94	435	NEW SHARON IA	0	0	0	0	0	0	0	(379)	(379)
40009	05/16/94	23,635	NW MULTI CNTY HRA 94A,B	0	0	0	0	0	(12,386)	0	0	(12,386)
40138	11/04/94	3,609	CHASKA HRA MULTI-FAMILY HOUSIN	2,924	0	0	0	2,924	0	0	0	2,924
40110	12/29/94	5,440	SANDSTONE ECON DEV AUTH HSG DE	0	0	0	0	0	0	0	(54)	(54)
47539	01/30/96	2,050	MPLS VAR PURPOSE SRS 95B RMKTG	0	(235)	0	0	(235)	0	0	0	(235)
40305	02/27/96	4,160	COLD SPRING ASSUMPTION'HOME SR	0	0	0	0	0	(5)	0	(186)	(191)
10029	02/28/96	8,930	MPLS/ST PAUL HRA PHASE I RFDG	(374)	0	(428)	(50)	(852)	0	0	0	(852)
10024	03/29/96	8,890	ROCHESTER-SAMARITAN BETHANY IN	0	0	0	0	0	0	0	(139)	(139)
10041	06/04/96	8,465	VIRGINIA MN-WA MANOR SRS 96	0	0	0	0	0	0	0	(132)	(132)
10013	06/11/96	10,062	MN MULTI-ISSUERS SFMRB 96A	0	0	0	0	0	0	0	(111)	(111)
10040	06/18/96	3,420	ANOKA CNTY MN 96A-HAM LAKE MN	0	0	0	0	0	0	0	(60)	(60)
10023	07/30/96	5,860	FERGUS FALLS-PIONEER HOME	0	0	0	0	0	0	0	(157)	(157)
47547	07/31/96	28,200	CITY OF MPLS VAR RATE BONDS SR	0	(14,375)	0	0	(14,375)	0	0	0	(14,375)
47548	09/20/96	12,555	MPLS/ST PAUL SFMRB PHASE X RMK	892	0	0	0	892	0	0	0	892
10082	10/15/96	3,165	MN VALLEY TRANSIT 96A	3,033	0	(2,950)	(2,322)	(2,239)	0	0	0	(2,239)
10086	10/30/96	8,770	HOPKINS MN-OAKS OF MAIN ST	29,182	0	(20,512)	(3,860)	4,810	4,536	0	(193)	9,153
10072	10/30/96	545	MPLS COMM DEV AG-LAVIN PROJ 96	6,800	0	(5,075)	(495)	1,230	(129)	0	0	1,101
48143	11/01/96	381	ST CROIX RIVER REMKT	0	0	(1,898)	0	(1,898)	0	0	0	(1,898)
10088	11/13/96	1,265	DELANO-WRIGHT CO ELECTRIC	15,288	0	(9,738)	(1,422)	4,128	325	0	0	4,453
10077	11/18/96	4,135	APPLETON INDEP HSNG SR96	96,375	0	(38,742)	(4,585)	53,048	(4,365)	0	(421)	48,262
10084	11/26/96	26,000	MARICOPA CO AZ-TEMPE GROVE APT	164,538	(39,500)	0	0	125,038	(22,075)	0	(3,183)	99,780
10089	11/26/96	2,125	STILLWATER-COTTAGES OF STILLWA	45,650	(5,150)	(650)	(65)	39,785	(839)	0	(341)	38,605
47552	12/02/96	205	EVANSVILLE WI-BAKER BLOCK RMKT	0	0	(2,050)	(205)	(2,255)	0	0	0	(2,255)
10106	01/21/97	10,845	CTY ST CLOUD GO SR A&B JT	9,925	0	(2,969)	(6,572)	384	0	0	0	384
10091	01/23/97	7,185	AURORA IL-FOX VALLEY TWO	88,850	(17,962)	0	0	70,888	(18,075)	0	(1,091)	51,722
10109	01/29/97	3,210	H R PARKWAY VAR RATE DEMAND	23,988	0	0	0	23,988	(449)	0	(28)	23,511
10004	01/30/97	4,050	MPLS HSNG AUTH GEN CREDIT ENER	70,750	(10,125)	0	0	60,625	(5,843)	0	(44)	54,738
10113	03/17/97	2,550	COTTAGES OF STILLWATER SRS 97	58,588	(6,375)	0	0	52,213	(2,720)	0	0	49,493
10058	03/18/97	4,995	IOWA FIN AUTH-T D MARC	59,288	(12,488)	0	0	46,800	(639)	0	(2,947)	43,214
10092	03/20/97	4,005	ST CLOUD HRA-PARAMOUNT THEATER	19,024	(5,006)	0	0	14,018	(1,199)	0	(51)	12,768
10120	03/27/97	6,198	NASHUA NH-CLOCKTOWER PROJECT	61,980	(15,495)	0	0	46,485	(1,184)	0	(4,529)	40,772
10097	04/15/97	20,335	MPLS/ST PAUL HRA PHASE MID-INC	57,443	0	0	0	57,443	(2,119)	0	(2,859)	52,465
40290	04/15/97	6,500	MPLS COMMUNITY HOME PROJ SRS 9	186,753	0	(96,670)	(6,518)	83,565	(4,399)	0	(1,106)	78,060
10066	05/06/97	2,000	FARMINGTON MN-WFW VENTURES LLP	30,000	(5,000)	0	0	25,000	(499)	0	(91)	24,410
10133	05/13/97	3,194	SEATTLE WA-MT ZION HSNG PROJ	40,333	(7,985)	0	0	32,348	(1,911)	0	(1,718)	28,719
10094	05/29/97	13,394	MN MULTI-ISSUERS SFMRB SRS 199	100,461	0	0	0	100,461	(1,495)	0	(12)	98,954
10074	06/03/97	12,055	SCOTT CO HRA-JUSTICE CENTER	26,863	0	0	0	26,863	(219)	0	(155)	26,489
TOTAL MUNICIPAL U/W				1,198,554	(139,696)	(181,682)	(26,094)	851,082	(75,689)	0	(19,987)	755,406

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
INVESTMENT BANKING FEES												
47504	12/13/93	26,000	BLOOM-HAMPSHIRE APTS RMKT FEE	3,156	0	0	0	3,156	0	0	0	3,156
47518	12/31/93	5,500	FBS-CASS OIL RMKT FEE	3,466	0	0	0	3,466	0	0	0	3,466
47515	03/08/94		DAK CTY GNMA 1987 RMKTG	389	0	0	0	389	0	0	0	389
47516	03/08/94		DAK CTY SO STP GNMA 1988 RMKTG	419	0	0	0	419	0	0	0	419
47544	03/21/94	2,935	NEW BRIGHTON VEN I&II RMKTG	4,220	0	0	0	4,220	0	0	0	4,220
10020	03/08/96	9,185	MCDA-RADISSON PLAZA VII'REFINA	0	0	0	0	0	0	0	(133)	(133)
47543	04/23/96	72,000	MPLS G.O.-TARGET CTR RMKTG	1,049	0	0	0	1,049	0	0	0	1,049
40317	10/03/96	20,000	DAK CNTY SFH PROG SR 96	0	0	0	0	0	(387)	0	0	(387)
47549	10/03/96	4,125	CITY OF BLOOM ATS II 93	2,578	0	0	0	2,578	0	0	0	2,578
10086	10/30/96	8,770	PACKERKANE-HOPKINS OAKS OF MAI	2,931	0	0	0	2,931	0	0	0	2,931
10084	11/26/96	26,000	PACKERKANE-MARICOPA CO-TEMPE G	7,577	0	0	0	7,577	0	0	0	7,577
10089	11/26/96	2,125	PACKERKANE-COTTAGES OF STILLWA	1,167	0	0	0	1,167	0	0	0	1,167
40229	12/30/96	27,493	IOWA FIN AUTH STRUCTURING AGEN	293,048	0	0	0	293,048	(129,715)	(15,400)	(6,557)	141,376
40134	01/24/97	12,000	BROWARD CO FL-WINDOVER OAKS	53,683	0	0	0	53,683	0	0	(18,499)	35,184
10038	01/30/97	1,000	DAKOTA CO-HASTINGS TAX CREDITS	25,000	0	0	0	25,000	0	0	(4,565)	20,435
10091	02/26/97	7,185	AURORA IL-FOX VALLEY TWO	1,500	0	0	0	1,500	0	0	0	1,500
47552	02/28/97	205	EVANSVILLE WI-BAKER BLOCK 86	4,100	0	0	0	4,100	0	0	0	4,100
10113	03/17/97	2,550	COTTAGES OF STILLWATER SRS 97	51,767	0	0	0	51,767	0	0	0	51,767
10123	04/14/97	2,565	MCDA-LASALLE RAMP FIN ADV	1,000	0	0	0	1,000	0	0	0	1,000
10044	04/30/97	4,600	MCDA-AMBASSADOR PRINTING FIN A	23,000	0	0	0	23,000	0	0	(108)	22,892
10118	04/30/97	2,500	MCDA-AL HALPER BOX FIN ADV	12,000	0	0	0	12,000	0	0	(38)	11,962
10131	04/30/97	1,365	MCDA-SHAW ACQ CO RFDG 97-3	6,825	0	0	0	6,825	0	0	0	6,825
10132	04/30/97	1,450	MCDA-BW DEVELOPMENT LLP FIN AD	14,500	0	0	0	14,500	0	0	0	14,500
TOTAL INVESTMENT BANKING FEES				513,375	0	0	0	513,375	(130,102)	(15,400)	(29,900)	337,973
TOTAL REVENUES				1,711,929	(139,696)	(181,682)	(26,094)	1,364,457	(205,791)	(15,400)	(49,887)	1,093,379
OPEN ISSUES												
40010			ST CLOUD NORTHWAY REFUNDING	0	0	0	0	0	0	0	(138)	(138)
40017			GENERAL SINGLE FAM REFUNDING	0	0	0	0	0	0	0	(1,268)	(1,268)
40021		5,300	ST CLOUD HRA-CENT SQUARE II	0	0	0	0	0	0	0	(34)	(34)
40029		47,000	DES MOINES-HILLSIDE NEIGHBOR	0	0	0	0	0	20,950	0	612	21,562
40036			STATE LEGISLATION	0	0	0	0	0	0	0	(458)	(458)
40054			FED LEGISLATION	0	0	0	0	0	0	0	(677)	(677)
40130		13,000	WELSH COMP ST LOUIS	0	0	0	0	0	0	0	(22)	(22)
40135		20	BREVARD CTY HSG FIN AUTH	0	0	0	0	0	0	0	(21)	(21)
40169		2,000	TAMPA HSG AUTH-MORGAN APTS	0	0	0	0	0	0	0	(1,238)	(1,238)

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
40241		BUS DEV CONS: DIXON	0	0	0	0	0	0	0	(2,714)	(2,714)
40244		BUS DEV CONS: GRIGGS & SANTOW	0	0	0	0	0	0	0	(1,250)	(1,250)
40246	10,000	SOUTH DAKOTA HOUSING PROGRAM	0	0	0	0	0	(16,860)	0	0	(16,860)
40248		RANGE CNTY JT POWERS BOARD	0	0	0	0	0	0	0	(209)	(209)
40263		GARCIA AND ASSOCIATES	0	0	0	0	0	0	0	(7,000)	(7,000)
40292		NW MN MULTI CO HRA PHASE II	0	0	0	0	0	0	0	(546)	(546)
40312		SOUTHEAST MN SINGLE FAMILY HSN	0	0	0	0	0	0	0	(53)	(53)
40315		HOPKINS ESSENTIAL FUNCTION BDS	0	0	0	0	0	0	0	(260)	(260)
49522		MAPLE CONSULTING	0	0	0	0	0	(9,700)	0	0	(9,700)
10011	10,000	MULTI-ISSUER-MILITARY HSNG	0	0	0	0	0	(23,041)	0	(8,738)	(31,779)
10025		SANDIA PUEBLO	0	0	0	0	0	0	0	(576)	(576)
10036		KEVIN FOLEY CONSULTING	0	0	0	0	0	0	0	(10,000)	(10,000)
10039	7,600	TAMPA HSNG AUTH-EAGLES POINT	0	0	0	0	0	0	0	(650)	(650)
10043		WILLIAM DREW CONSULTING	0	0	0	0	0	0	0	(10,000)	(10,000)
10047		JANZEN BROS CONSULTING	0	0	0	0	0	0	0	(22,088)	(22,088)
10052		DEKALB COUNTY CROSSINGS	0	0	0	0	0	0	0	(43)	(43)
10056		MITCHELL COUNTY MEDICAL CENTER	0	0	0	0	0	0	0	(137)	(137)
10062		OSSEO MN-HEALTH DIMENSIONS	0	0	0	0	0	0	0	(67)	(67)
10065		CARVER CO-LAKE GRACE APTS	0	0	0	0	0	0	0	(26)	(26)
10067		EDEN PRAIRIE-PARKWAY APTS	0	0	0	0	0	0	0	(350)	(350)
10070		ANOKO CTY HRA HOMEOWNERSHIP PR	0	0	0	0	0	0	0	(117)	(117)
10071		DAKOTA CTY HRA DAKOTA CTY SING	0	0	0	0	0	0	0	(602)	(602)
10076		CITY ROSEBUD/ROSEBUD SIOUX TRI	0	0	0	0	0	0	0	(883)	(883)
10078		VOORHEES CAPITL GRP.MULTIFAM.H	0	0	0	0	0	0	0	(73)	(73)
10080		CITY MANSON,IA SOUTHBRIDGE MA	0	0	0	0	0	0	0	(329)	(329)
10087		MIAMI,FL POWER PLANT/PHILIPS P	0	0	0	0	0	0	0	(182)	(182)
10090		SOUTH DAKOTA STUDENT LOAN PROG	0	0	0	0	0	0	0	(60)	(60)
10093		COMMUNITY HSG CORP-U OF M PROJ	0	0	0	0	0	0	0	(114)	(114)
10095		COMMUNITY HSG CORP-ST THOMAS P	0	0	0	0	0	(1,702)	0	(205)	(1,907)
10096		SOUTH DAKOTA STD LOANS	0	0	0	0	0	(34)	0	(1,099)	(1,133)
10098		SALT RIVER COMM TAX EXEMPT & T	0	0	0	0	0	0	0	(316)	(316)
10099		RED LK FALLS SECTION 8 TAX EXE	0	0	0	0	0	0	0	(529)	(529)
10100		LEASING SOLUTIONS-TE TRUSTS	0	0	0	0	0	(15,000)	0	(3,700)	(18,700)
10101		CARVER CNTY HRA LAKE GRACE REF	0	0	0	0	0	0	0	(1,308)	(1,308)
10102		DES MOINES AIRPORT	0	0	0	0	0	0	0	(895)	(895)
10103		SPPA JACKSON TOWERS	0	0	0	0	0	(366)	0	(103)	(469)
10104		CITY OF EDEN PRAIRIE	0	0	0	0	0	0	0	(968)	(968)
10105		DAKOTA CNTY HRA	0	0	0	0	0	0	0	(58)	(58)
10107		SECTION 8 REFUNDING	0	0	0	0	0	(200)	0	(379)	(579)
10108		DAKOTA/MPLS MULTI ISSUER	0	0	0	0	0	0	0	(1,106)	(1,106)
10112		FARIBAULT HRA	0	0	0	0	0	0	0	(46)	(46)
10114		NW MULTI CNTY WORKOUT EXP	0	0	0	0	0	(61,144)	0	(668)	(61,812)
10117		GOVERNMENT EDUCATION ASSIST CO	0	0	0	0	0	0	0	(67)	(67)

MILLER & SCHROEDER FINANCIAL, INC.
MINNEAPOLIS U/W REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
10119		MILWAUKEE HSING AUTH S.F. REFU	0	0	0	0	0	0	0	(1,995)	(1,995)
10121		RFDS TAX-EXEMPT ASST LIVING NE	0	0	0	0	0	(66)	0	(805)	(871)
10124	8,000	NEW HOPE PASTA MFG FAC	0	0	0	0	0	0	0	(103)	(103)
10125	8,500	CA COMM - BORREGAS PARK	0	0	0	0	0	0	0	(3,009)	(3,009)
10126	8,000	COLORADO RIVER TRIBE-WASTEWATE	0	0	0	0	0	0	0	(888)	(888)
10127	8,000	LAKE SUPERIOR CENTER FISH AQUA	0	0	0	0	0	0	0	(402)	(402)
10128	11,500	UNIV OF ST THOMAS LEASE BACKED	0	0	0	0	0	0	0	(60)	(60)
10129	24,000	CITY OF MPLS WORKERS COMP SELF	0	0	0	0	0	0	0	(63)	(63)
10134		CITY OF DESMOINES WATERWORKS	0	0	0	0	0	0	0	(863)	(863)
10135	10,000	GLENVIEW IL-VALLEY TOWERS	0	0	0	0	0	0	0	(796)	(796)
10137	5,000	SAN JUAN PUEBLO WASTEWATER	0	0	0	0	0	0	0	(231)	(231)
10138		PHIL MCMULLEN CONSULTING	0	0	0	0	0	0	0	(6,571)	(6,571)
10139	4,800	WISCONSIN HEALTH FACILITIES AU	0	0	0	0	0	0	0	(204)	(204)
10141	3,350	VILLAGE OF RATHSCHILD WI NOTE	0	0	0	0	0	0	0	(87)	(87)
10142		ROZET ASSOC FINANCIAL CORP	0	0	0	0	0	0	0	(2,381)	(2,381)
10144	20,000	PENNSYLVANIA TURNPIKE AUTH	0	0	0	0	0	0	0	(61)	(61)
10145	1,600	CITY OF JUNEAU WI NOTE	0	0	0	0	0	(184)	0	0	(184)
10147		ASSOC OF BAY AREA GOVT-GILROY	0	0	0	0	0	0	0	(640)	(640)
00000		OTHER ISSUE EXPENSES	0	0	0	0	0	(497)	0	0	(497)
0119		DENNIS BALYEAT	0	0	0	0	0	0	0	(4,948)	(4,948)
0518		JIM DANFORD	0	0	0	0	0	0	0	(3,521)	(3,521)
0560		LOU DEMARS	0	0	0	0	0	0	0	(163)	(163)
0710		PAUL EKHOLM	0	0	0	0	0	0	0	(4,165)	(4,165)
1632		JAY JENSEN	0	0	0	0	0	0	0	(82)	(82)
1931		TOM LAIRD	0	0	0	0	0	0	0	(100)	(100)
1941		GARY LAMPPA	0	0	0	0	0	0	0	(4,742)	(4,742)
2057		JOHN LINDEMAN	0	0	0	0	0	0	0	(866)	(866)
2144		ERIC LUNDE	0	0	0	0	0	0	0	(2,259)	(2,259)
2655		PATRICK O'LEARY	0	0	0	0	0	0	0	(338)	(338)
2870		LAURA EKHOLM	0	0	0	0	0	0	0	(263)	(263)
2934		CHAD RACH	0	0	0	0	0	0	0	(1,439)	(1,439)
3172		PHIL MCMULLEN	0	0	0	0	0	0	0	(184)	(184)
		ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(16,447)	(16,447)
		OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(5,776)	(5,776)
TOTAL OPEN ISSUES			0	0	0	0	0	(107,844)	0	(146,210)	(254,054)
TOTAL MINNEAPOLIS U/W			1,711,929	(139,696)	(181,682)	(26,094)	1,364,457	(313,635)	(15,400)	(196,097)	839,325

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MILLER & SCHROEDER FINANCIAL, INC.
ST PAUL U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-112

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W									
12002 09/17/96 4,135 ST PAUL-RICE & ARLINGTON REC F	$0	$0	$0	$0	$0	$0	$0	$(40)	$(40)
12017 01/29/97 6,290 DAKOTA CO HRA-PARK PLACE APTS	75,282	(15,725)	0	0	59,557	(1,265)	0	(661)	57,631
TOTAL MUNICIPAL U/W	75,282	(15,725)	0	0	59,557	(1,265)	0	(701)	57,591
INVESTMENT BANKING FEES									
47512 01/27/93 SPPA-WESTGATE FEE	1,650	0	0	0	1,650	0	0	0	1,650
47530 04/26/95 ST PAUL WATER REVENUE BONDS	6,031	0	0	0	6,031	0	0	0	6,031
TOTAL INVESTMENT BANKING FEES	7,681	0	0	0	7,681	0	0	0	7,681
TOTAL REVENUES	82,963	(15,725)	0	0	67,238	(1,265)	0	(701)	65,272
OPEN ISSUES									
40504 ADOPT A HIGH RISE	0	0	0	0	0	0	0	(100)	(100)
12008 PENSION FD-TECH IND,INC 1STMOR	0	0	0	0	0	0	0	(75)	(75)
12010 ST.PAUL HSNG & RED AUTHORTY-PR	0	0	0	0	0	0	0	(941)	(941)
12011 BLOCK 39 FORWARD REFUNDING	0	0	0	0	0	0	0	(1,066)	(1,066)
12014 BLOCK 39 PARKING REVENUE	0	0	0	0	0	0	0	(70)	(70)
12015 BLOCK 39 TXBL BOND	0	0	0	0	0	0	0	(73)	(73)
12016 GREAT PLAINS SOFTWARE	0	0	0	0	0	0	0	(359)	(359)
12018 WOODBURY VILLAGE MULTIFAMILY H	0	0	0	0	0	0	0	(80)	(80)
40036 STATE LEGISLATION	0	0	0	0	0	0	0	(51)	(51)
1831 J KLOOS PROMO	0	0	0	0	0	0	0	(128)	(128)
2310 G MCMAHON PROMO	0	0	0	0	0	0	0	(5,370)	(5,370)
3416 B SORENSON PROMO	0	0	0	0	0	0	0	(657)	(657)
ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(2,853)	(2,853)
OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(2,213)	(2,213)
TOTAL OPEN ISSUES	0	0	0	0	0	0	0	(14,036)	(14,036)
TOTAL ST PAUL U/W	82,963	(15,725)	0	0	67,238	(1,265)	0	(14,737)	51,236

MILLER & SCHROEDER FINANCIAL, INC.
COLUMBUS U/W REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
13004	01/30/96	10,155	ST OF OHIO-RICKENBACKER PORT A	0	0	0	0	0	0	0	(241)	(241)
13019	11/07/96	8,305	LORAIN PORT IDR BRUSH WELLMAN	94,912	(10,381)	0	0	84,531	(1,940)	0	(4,861)	77,730
13025	11/12/96	5,975	HAMILTON CO-GARDEN HILL & WASH	149,375	(14,938)	0	0	134,437	(287)	0	(1,566)	132,584
13014	12/18/96	4,000	TOLEDO-LUC PORT 96-1 BURLINGTO	50,000	(10,000)	0	0	40,000	(527)	0	(6,814)	32,659
13031	04/17/97	3,000	BIRMINGHAM AL-JJ&W IV LTD	30,000	(7,500)	0	0	22,500	(469)	0	0	22,031
TOTAL MUNICIPAL U/W				324,287	(42,819)	0	0	281,468	(3,223)	0	(13,482)	264,763
INVESTMENT BANKING FEES												
41002	12/31/93		STATE OF OHIO BOND FUND	0	0	0	0	0	0	0	(860)	(860)
41003	12/31/93		TOLEDO BOND FUND	0	0	0	0	0	0	0	(2,238)	(2,238)
47535	06/01/94	9,000	MISSISSIPPI-METALLOY CORP RMKT	5,316	0	0	0	5,316	0	0	0	5,316
47550	06/03/96	2,510	GAHANNA-FRANKLIN STEEL RMKTG	628	0	0	0	628	0	0	0	628
13027	10/24/96		ODOT SIB-EXPENSES	20,000	0	0	0	20,000	0	0	(2,843)	17,157
13012	10/30/96		COLLEGE BOND FUND PROGRAM	0	0	0	0	0	0	0	(86)	(86)
13029	11/20/96		ABS INDUSTRIES ESCROW 94-3	5,000	0	0	0	5,000	(1,412)	0	0	3,588
TOTAL INVESTMENT BANKING FEES				30,944	0	0	0	30,944	(1,412)	0	(6,027)	23,505
TOTAL REVENUES				355,231	(42,819)	0	0	312,412	(4,635)	0	(19,509)	288,268
OPEN ISSUES												
41005			TOLEDO/LUCAS CO PORT AUTH	0	0	0	0	0	0	0	(43)	(43)
41023		10,000	CLEVELAND PORT AUTH	0	0	0	0	0	0	0	(9,265)	(9,265)
41040			SOUTHERN AIR TRANSPORT	0	0	0	0	0	0	0	(20)	(20)
41041			RICKENBACKEN PORT AUTHORITY	0	0	0	0	0	0	0	(162)	(162)
13011			MISC BUSINESS EXPENSES	0	0	0	0	0	0	0	(1,465)	(1,465)
13018			CUYAHOGA COUNTY BOND FUND	0	0	0	0	0	0	0	(155)	(155)
13021			TOLEDO PORT AUTH.HOOV.GRP-DEF	0	0	0	0	0	(81)	0	0	(81)
13030			UNDERWATER WORLD REFINANCING	0	0	0	0	0	(22)	0	(966)	(988)
13032			AUTO ASSET BACKED FINANCING	0	0	0	0	0	(3,000)	0	0	(3,000)
0605			M DIPERNA PROMO	0	0	0	0	0	0	0	(9,811)	(9,811)
0662			M DOWNIE PROMO	0	0	0	0	0	0	0	(1,302)	(1,302)
0775			G FAIRBANKS PROMO	0	0	0	0	0	0	0	(1,756)	(1,756)
1257			D HART PROMO	0	0	0	0	0	0	0	(9,192)	(9,192)
1331			D HENDERSON PROMO	0	0	0	0	0	0	0	(6,927)	(6,927)
2100			T LONG PROMO	0	0	0	0	0	0	0	(19,016)	(19,016)
2100			T LONG COUNTRY CLUB DUES	0	0	0	0	0	0	0	(905)	(905)
			EVENT AND SPORT TICKETS	0	0	0	0	0	0	0	(560)	(560)

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MILLER & SCHROEDER FINANCIAL, INC.
COLUMBUS U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-113

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(7,297)	(7,297)
OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(3,508)	(3,508)
TOTAL OPEN ISSUES	0	0	0	0	0	(3,103)	0	(72,350)	(75,453)
TOTAL COLUMBUS U/W	355,231	(42,819)	0	0	312,412	(7,738)	0	(91,859)	212,815

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
41503	12/23/93	12,500	CATHEDRAL REV NOTES 93A	0	0	0	0	0	0	0	(42)	(42)
41519	03/02/94	283	SAN BERN-MEDICAL	0	0	0	0	0	0	0	(1,008)	(1,008)
41527	10/11/94	5,000	CTY OF SPARKS NV BAN SER 1994	0	0	0	0	0	0	0	(535)	(535)
41627	06/28/95	363,265	SAN BERN MED CTR JT	7,574	0	0	0	7,574	0	0	0	7,574
41680	06/25/96	25,390	INLAND EMPIRE SER 96A	0	0	0	0	0	0	0	(250)	(250)
51041	10/17/96	8,900	RIALTO COMM FAC DIST NO 87-1	456	0	(212)	(25)	219	0	0	0	219
51085	10/18/96	1,200	HERITAGE RANCHO SUB NOTES	24,028	0	(15,900)	(265)	7,863	873	(1,128)	0	7,608
51065	10/30/96	4,400	COLTON CA-RANCHO MED NOTES 96	40,744	0	(34,638)	(4,558)	1,548	(1,242)	0	(467)	(161)
51082	11/13/96	16,335	NORCO FIN AUTH-PROJ AREA #1	215,979	(31,000)	0	0	184,979	(1,620)	0	(13)	183,346
51090	11/20/96	2,555	RIVERSIDE IND SCHOOL DIST RMKT	73,614	0	(20,000)	(3,950)	49,664	(32,298)	0	0	17,366
51079	11/22/96	8,790	LAQUINTA FIN AUTH-CITY HALL PR	80,248	(12,900)	(2,390)	(535)	64,423	(11,223)	0	(241)	52,959
51083	11/22/96	33,240	FRESNO UNIF SCHOOL DIST G.O. S	107,638	0	0	0	107,638	(250)	0	0	107,388
51080	11/26/96	10,100	LANCASTER-FRIENDLY VILLAGE	187,686	0	(28,563)	(21,418)	137,705	(4,133)	0	(254)	133,318
51081	11/26/96	6,070	LANCASTER-HACIENDA ESTATES	130,052	0	(75,100)	(7,100)	47,852	(8,306)	0	0	39,546
51098	12/05/96	3,500	PIMA AZ-UNIVERSITY HEIGHTS	55,500	(8,762)	0	0	46,738	(1,640)	0	0	45,098
51100	12/18/96	16,320	SAN BERN JPFA-CITY HALL REF	191,536	(26,220)	0	0	165,316	(8,028)	0	(5,796)	151,492
51064	12/31/96	7,295	DANFORTH TX HEALTH FAC CORP	264,835	0	(155,580)	(9,108)	100,147	(7,732)	(3,768)	(2,999)	85,648
51066	02/05/97	52,085	POMONA UNIF SCHOOL DIST 97A	136,182	(38,885)	(3,950)	(6,968)	86,379	0	0	(758)	85,621
51054	03/13/97	10,370	DANFORTH TX-SAM HOUSTON L T CA	389,680	0	(159,875)	(17,610)	212,195	(11,041)	0	(1,536)	199,618
51107	03/19/97	44,485	INLAND VALLEY DEV AUTH SRS 97	444,850	(59,485)	0	0	385,365	(7,988)	0	(1,221)	376,156
51115	04/09/97	1,500	HESPERIA COMM REDEV-LOW/MIDDLE	29,250	0	(18,750)	(1,500)	9,000	(1,129)	0	(13)	7,858
47533	05/01/97	33,000	SAN BERN-HIGHLAND HILLS RMKTG	0	(16,500)	0	0	(16,500)	0	0	0	(16,500)
51119	05/14/97	2,000	LOS BANOS CA REDEV AGCY T/A NO	33,575	0	(19,750)	(1,975)	11,850	(790)	0	0	11,060
51113	05/28/97	13,420	TARRANT CO TX-ST JOSEPH LT CAR	555,460	0	(224,600)	(12,790)	318,070	(33,847)	0	(12,036)	272,187
51108	05/29/97	11,000	MURIETA CA COP-ROAD IMPR PROJ	132,595	0	(5,490)	(2,600)	124,505	(5,022)	0	(2,107)	117,376
TOTAL MUNICIPAL BOND U/W				3,101,482	(193,752)	(764,798)	(90,402)	2,052,530	(135,416)	(4,896)	(29,276)	1,882,942
INVESTMENT BANKING FEES												
47520	03/23/94	12,000	SAN BERN-CITY HALL RMKTG	15,000	0	0	0	15,000	0	0	0	15,000
41501	09/24/93		TORREY PINES CAPITAL GROUP	0	0	0	0	0	0	0	(283)	(283)
51002	08/25/95		SAN DIEGO CIVIC CENTER MASTER	0	0	0	0	0	(75)	0	(565)	(640)
41666	09/20/95	13,165	MESA UNIFIED SCHOOL DISTRICT	5,000	0	0	0	5,000	0	0	0	5,000
47546	12/01/95	3,500	SAN MARCOS CA-TRI M CO RMKTG	2,188	0	0	0	2,188	0	0	0	2,188
51059	10/09/96	18,500	VENTURA CO-OXNARD SCHL DIST	116,642	0	0	0	116,642	0	0	(633)	116,009
51073	11/11/96	3,600	DINUBA CA-WASTEWATER EXPANSION	30,638	0	0	0	30,638	(914)	0	0	29,724
51105	01/29/97		RANCHO CUCAMONGA SRS 96 RES AG	10,000	0	0	0	10,000	0	0	0	10,000
51064	12/31/96	7,295	DANFORTH HEALTH CARE CORP	10,000	0	0	0	10,000	0	0	0	10,000
51054	03/13/97	10,370	DANFORTH TX-SAM HOUSTON LT CAR	10,000	0	0	0	10,000	0	0	0	10,000
51030	04/14/97	2,200	ELKO, NV G.O. RFDG BONDS	6,500	0	0	0	6,500	0	0	(689)	5,811

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
TOTAL INVESTMENT BANKING FEES	205,968	0	0	0	205,968	(989)	0	(2,170)	202,809
MUNICIPAL SECONDARY PROFIT									
51127 12/31/96 4,000 EL CAJON REDEV AGENCY NOTES	8,372	0	0	0	8,372	0	0	0	8,372
TOTAL MUNICIPAL SECONDARY PROFIT	8,372	0	0	0	8,372	0	0	0	8,372
GOVERNMENT SECURITIES									
51082 11/13/96 16,335 NORCO FIN AUTH-PROJ AREA #1	4,000	0	0	0	4,000	0	0	0	4,000
51107 03/19/97 44,485 INLAND VALLEY DEV AUTH SRS 97	2,500	0	0	0	2,500	0	0	0	2,500
TOTAL GOVERNMENT SECURITIES	6,500	0	0	0	6,500	0	0	0	6,500
TOTAL REVENUES	3,322,322	(193,752)	(764,798)	(90,402)	2,273,370	(136,405)	(4,896)	(31,446)	2,100,623
OPEN ISSUES									
41570 BUS DEV CONS: OXBERRY	0	0	0	0	0	0	0	(62,999)	(62,999)
41607 3,000 MURIETA-ROYAL OAKS	0	0	0	0	0	0	0	(27)	(27)
41621 BUS DEV CONS: JOE MILLER	0	0	0	0	0	0	0	(26,920)	(26,920)
41626 11,000 SAN DIEGO AIRCRAFT CARRIER MUS	0	0	0	0	0	0	0	(18)	(18)
41633 CITY OF OXNARD-OXNARD TOWN SQU	0	0	0	0	0	0	0	(50)	(50)
51012 CITY OF COTATI	0	0	0	0	0	0	0	(384)	(384)
51017 SAN BERN JPFA-MERIDIAN TERRACE	0	0	0	0	0	0	0	(259)	(259)
51034 SAN BERN-TRANS 1 YR NOTE	0	0	0	0	0	0	0	(60)	(60)
51040 POMONA CA-REFUNDING PROJECTS	0	0	0	0	0	0	0	(330)	(330)
51046 8,500 SPARKS NV REDEV AGCY TAX ALLOC	0	0	0	0	0	0	0	(1,878)	(1,878)
51051 NATIONAL ASSOC OF COUNTIES	0	0	0	0	0	0	0	(476)	(476)
51068 SAN BERNARDINO 1997-1998 TRAN	0	0	0	0	0	0	0	(4,132)	(4,132)
51070 UNIBERSITY OF MONTANA EMPL. B	0	0	0	0	0	0	0	(123)	(123)
51074 EUNTANA UNFIED SCHOOL DIST. G.	0	0	0	0	0	(992)	0	0	(992)
51075 CALF.PUB.EMPL.RETIRE.SYST. HLT	0	0	0	0	0	0	0	(206)	(206)
51077 SAN BERNARDINO CITYHALL SWAP	0	0	0	0	0	(624)	0	0	(624)
51078 MESQUITE REDEVELOP.AGENCY REDE	0	0	0	0	0	0	0	(301)	(301)
51092 BUS DEV CONS: BIO-RECLAMATION	0	0	0	0	0	(175,000)	0	0	(175,000)
51093 BUS DEV CONS: PAUL MCINTOSH	0	0	0	0	0	0	0	(127)	(127)
51094 NEW YORK CY-HLTH BENE. REV.BON	0	0	0	0	0	0	0	(1,428)	(1,428)
51095 NACO DESIGN.ISSUERS HLTH BEN.P	0	0	0	0	0	0	0	(175)	(175)
51097 WALLER CNTY TEXAS UNITED TIRE	0	0	0	0	0	0	0	(3,915)	(3,915)
51099 NATIONAL ASS. OF COUNTIES-NACO	0	0	0	0	0	0	0	(7,803)	(7,803)

MILLER & SCHROEDER FINANCIAL, INC.
SOLANA BEACH U/W REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***			TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
51102		CTY ALHAMBRA REFND C.O.P. SERI	0	0	0	0	0	(375)	0	(57)	(432)
51103		MONTE VISTA WATER DIST WATER C	0	0	0	0	0	(11)	0	(299)	(310)
51104		CTY SAN MARCOS PUBLIC FIN AUTH	0	0	0	0	0	0	0	(56)	(56)
51106		CITY OF MOORPARK COMM FAC DIST	0	0	0	0	0	0	0	(274)	(274)
51109		SAN FRAN UNIFIED SCHOOL DIST	0	0	0	0	0	0	0	(57)	(57)
51111		CITY OF ARCADIA CENTRA REDEVEL	0	0	0	0	0	(400)	0	0	(400)
51112		CITY OF PASADENA-PLAYHOUSE REV	0	0	0	0	0	0	0	(500)	(500)
51114		CITY OF THOUSAND OAKS SHADOW R	0	0	0	0	0	0	0	(244)	(244)
51116		SOLANO CNTY EMPLOYEE HLTH BENE	0	0	0	0	0	0	0	(181)	(181)
51117		CITY OF HENDERSON,NV MONARCH G	0	0	0	0	0	0	0	(2,942)	(2,942)
51118		CITY OF SAN DIEGO SCRIPPS MEDI	0	0	0	0	0	0	0	(1,129)	(1,129)
51120		MIAMI HLTH FAC AUTH.-SARASOTA	0	0	0	0	0	0	0	(2,298)	(2,298)
51121		CITY OF HESPERIA COMM FAC.DIST	0	0	0	0	0	0	0	(73)	(73)
51122	10,000	SAN BERN -SUMITOMO TXBL LOAN	0	0	0	0	0	(1,575)	0	0	(1,575)
51125	11,000	MARYLAND IND FIN AUTH-ST THOMA	0	0	0	0	0	0	0	(550)	(550)
51126	155,000	COLUMBUS UNIFIED SCHOOL DIST	0	0	0	0	0	(98)	0	0	(98)
0099		JOE ARTON PROMO	0	0	0	0	0	0	0	(64)	(64)
0153		B BIGGINS PROMO	0	0	0	0	0	0	0	(75)	(75)
0260		ROBIN THOMAS PROMO	0	0	0	0	0	0	0	(609)	(609)
0285		ANTHONY BUDINAK PROMO	0	0	0	0	0	0	0	(1,425)	(1,425)
0343		MIKE CAVANAUGH PROMO	0	0	0	0	0	0	0	(174)	(174)
0445		RHONDA CONNOLLY PROMO	0	0	0	0	0	0	0	(1,714)	(1,714)
0590		VIC DHOOGE PROMO	0	0	0	0	0	0	0	(1,467)	(1,467)
1266		JIM HATTER PROMO	0	0	0	0	0	0	0	(5,698)	(5,698)
1590		JIM IVERSON PROMO	0	0	0	0	0	0	0	(676)	(676)
1805		MAURICE KIRKHOFER PROMO	0	0	0	0	0	0	0	(4,141)	(4,141)
2320		KERMIT MCMILLIN PROMO	0	0	0	0	0	0	0	(3,174)	(3,174)
2932		G PUMAR PROMO	0	0	0	0	0	0	0	(52)	(52)
3256		J SCHWARTZ PROMO	0	0	0	0	0	0	0	(2,480)	(2,480)
9012		MICHAEL WHIPPLE PROMO	0	0	0	0	0	0	0	(4,045)	(4,045)
		SPECIAL EVENTS	0	0	0	0	0	0	0	(6,148)	(6,148)
		ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(24,528)	(24,528)
		OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(6,670)	(6,670)
		ALL OTHER	0	0	0	0	0	0	0	864	864
TOTAL OPEN ISSUES			0	0	0	0	0	(179,075)	0	(182,547)	(361,622)
TOTAL SOLANA BEACH U/W			3,322,322	(193,752)	(764,798)	(90,402)	2,273,370	(315,480)	(4,896)	(213,993)	1,739,001

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MILLER & SCHROEDER FINANCIAL, INC.
PASADENA U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-153

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W									
53016 12/11/96 24,890 LOS ANGELES CO PUB WORKS JT	99,290	0	0	0	99,290	0	0	0	99,290
51066 02/05/97 52,085 POMONA UNIF SCHOOL DIST 97A	138,283	0	0	0	138,283	0	0	0	138,283
TOTAL MUNICIPAL BOND U/W	237,573	0	0	0	237,573	0	0	0	237,573
TOTAL REVENUES	237,573	0	0	0	237,573	0	0	0	237,573
OPEN ISSUES									
43006 20,000 SONOMA-SELF INSUR TE&TAX	0	0	0	0	0	0	0	(578)	(578)
53006 LAS VEGAS RENT TO OWN	0	0	0	0	0	0	0	(675)	(675)
53010 LA COUNTY HOUSING DEV CORPORAT	0	0	0	0	0	0	0	(885)	(885)
0206 REGGIE BOTTGER PROMO	0	0	0	0	0	0	0	(3,592)	(3,592)
1997 VICTOR LEE PROMO	0	0	0	0	0	0	0	(5,404)	(5,404)
3122 MIKE RUBAL PROMO	0	0	0	0	0	0	0	(405)	(405)
OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(175)	(175)
TOTAL OPEN ISSUES	0	0	0	0	0	0	0	(11,714)	(11,714)
TOTAL PASADENA U/W	237,573	0	0	0	237,573	0	0	(11,714)	225,859

MILLER & SCHROEDER FINANCIAL, INC.
SEATTLE U/W REVENUE SUMMARY

For the Seven Months Ended May 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W												
43548	04/17/96	17,050	DEKALB GA-REGENCY WOODS I & II	7,200	(7,200)	0	0	0	0	0	0	0
54002	06/25/96	9,450	SHELBY CO-RALIEGH & SHERWOOD A	209	0	(250)	(10)	(51)	0	0	0	(51)
43566	08/07/96	22,150	TEXAS HSNG-DALLAS/FT WORTH APT	1,403	0	0	0	1,403	0	0	0	1,403
43549	09/25/96	16,880	INDIANAPOLIS-WILLOWBROOK APTS	2,450	0	(1,000)	(50)	1,400	0	0	0	1,400
43555	11/05/96	13,050	TEXAS HSNG-PLUMTREE APTS JT	(20,620)	0	0	0	(20,620)	0	0	(2,667)	(23,287)
54014	12/19/96	4,720	SHELBY CO-THE CORNERS APTS	98,570	(10,425)	(5,500)	(275)	82,370	(1,090)	0	(7,136)	74,144
54017	01/30/97	6,750	MANHATTAN KS-HOLIDAY INN PROJ	137,363	(16,875)	0	0	120,488	(1,016)	0	0	119,472
54018	01/30/97	6,750	LAWRENCE KS-HOLIDAY INN PROJ	137,363	(16,875)	0	0	120,488	(1,016)	0	0	119,472
54016	02/28/97	9,945	SHELBY CNTY TN-RALEIGH WDS ABC	175,892	(24,175)	(4,800)	(508)	146,409	(2,887)	0	(7,873)	135,649
54008	05/21/97	7,745	AUSTIN TX-WOODLAND HEIGHTS APT	162,925	(19,362)	0	0	143,563	(1,328)	0	(8,378)	133,857
TOTAL MUNICIPAL BOND U/W				702,755	(94,912)	(11,550)	(843)	595,450	(7,337)	0	(26,054)	562,059
INVESTMENT BANKING FEES												
43541	10/16/95	14,740	IL DEV FIN AUTH-BRITTANY WOODS	0	0	0	0	0	(6,193)	0	0	(6,193)
54013	11/30/96	8,500	JOPLIN MO-NORTHPARK MALL EXP	10,000	0	0	0	10,000	0	0	0	10,000
TOTAL INVESTMENT BANKING FEES				10,000	0	0	0	10,000	(6,193)	0	0	3,807
TOTAL REVENUES				712,755	(94,912)	(11,550)	(843)	605,450	(13,530)	0	(26,054)	565,866
OPEN ISSUES												
43520		11,200	OMAHA NE-PACIFIC WEST APTS	0	0	0	0	0	0	0	(44)	(44)
43558		3,590	HARRIS COUNTY, TX ARBOR COURT	0	0	0	0	0	(58)	0	(3,163)	(3,221)
54007			BERNATILLO CNTY NEW MEXICO	0	0	0	0	0	(474)	0	(3,701)	(4,175)
54010			ORANGE CNTY HOUSING FIN. AUTH	0	0	0	0	0	0	0	(229)	(229)
54012			SHELBY CNTY,TN THE CORNERS APA	0	0	0	0	0	0	0	(82)	(82)
54015			HEHFB SHELBY CNTY,TN EDGEWATER	0	0	0	0	0	(27)	0	0	(27)
54020			DEKALB CNTY,GA COVINGTON WLK M	0	0	0	0	0	(12)	0	0	(12)
54021			HARRIS CNTY HSING FIN CORP OAK	0	0	0	0	0	(12)	0	0	(12)
54022			HENRICO CNTY DEV CORP AXATEA A	0	0	0	0	0	(6)	0	0	(6)
54027			AUSTIN HSING FIN.CORP.-CYPRESS	0	0	0	0	0	(6)	0	0	(6)
54033		4,500	ASSOC OF BAY AREA GOVT-BRIARWO	0	0	0	0	0	(10)	0	(368)	(378)
54037		25,000	JACKSONVILLE FL-CENTURY 21 APT	0	0	0	0	0	(35)	0	(94)	(129)
0000			OTHER ISSUE EXPENSES	0	0	0	0	0	(6)	0	0	(6)
0597			DAN DILL PROMO	0	0	0	0	0	0	0	(5,705)	(5,705)
1278			JACKLIN HAWE PROMO	0	0	0	0	0	0	0	(806)	(806)
2618			TOM NULL PROMO	0	0	0	0	0	0	0	(5,897)	(5,897)
			EVENT & SPORT TICKETS	0	0	0	0	0	0	0	(406)	(406)
			ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(18)	(18)
			OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(137)	(137)
TOTAL OPEN ISSUES				0	0	0	0	0	(646)	0	(20,650)	(21,296)
TOTAL SEATTLE U/W				712,755	(94,912)	(11,550)	(843)	605,450	(14,176)	0	(46,704)	544,570

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MILLER & SCHROEDER FINANCIAL, INC.
ORLANDO U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-156

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
INVESTMENT BANKING FEES												
40134	01/24/97	12,000	BROWARD CO FL-WINDOVER OAKS	32,117	0	0	0	32,117	0	0	0	32,117
TOTAL INVESTMENT BANKING FEES				32,117	0	0	0	32,117	0	0	0	32,117
TOTAL REVENUES				32,117	0	0	0	32,117	0	0	0	32,117
OPEN ISSUES												
42503		25,000	ORLANDO-CONROY ROAD PROJ	0	0	0	0	0	0	0	(16)	(16)
42514		4,500	BUFFALO NY TEE TO GREEN GOLF C	0	0	0	0	0	0	0	(38)	(38)
42516		4,000	CITY OF KISSIMMEE, FL	0	0	0	0	0	0	0	(216)	(216)
56003			FLORIDA KEYS AQUADUCT	0	0	0	0	0	0	0	(226)	(226)
56004		10,500	FACTOR ONE SENIOR NOTES	0	0	0	0	0	0	0	(617)	(617)
56007		14,000	PORT ORANGE FL WATER & SEWER	0	0	0	0	0	0	0	(37)	(37)
3666			TOBY WAGNER PROMO	0	0	0	0	0	0	0	(327)	(327)
			ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(108)	(108)
			ALL OTHER	0	0	0	0	0	0	0	(89)	(89)
TOTAL OPEN ISSUES				0	0	0	0	0	0	0	(1,674)	(1,674)
TOTAL ORLANDO U/W				32,117	0	0	0	32,117	0	0	(1,674)	30,443

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS-ISSUE EXP	LESS-FINDERS FEE	LESS-T&E AND PROMO	NET PROFIT TO U/W
20034	11/14/96	7,031	INSTANT WEB REFINANCE	129,100	(49,218)	0	79,882	9,474	(8,421)	0	0	80,935
20039	12/18/96	2,100	LINCOLN NB BRANKER BUICK	63,000	(21,000)	0	42,000	5,180	(4,439)	0	0	42,741
20052	12/18/96	5,050	MPLS HOELAN BLDG	63,125	(30,300)	0	32,825	11,115	(13,144)	0	(14)	30,782
20051	12/27/96	7,300	BROOKLYN CTR RAINBOW FOODS	109,500	(51,100)	0	58,400	2,806	(5,619)	0	(33)	55,554
20058	01/21/97	750	CHANHASSEN COUNTRY SUITES 2	18,750	(9,275)	0	9,475	2,970	(992)	0	0	11,453
20055	01/22/97	835	BELLEVUE NB HOLLYWOOD VIDEO	16,700	(6,680)	0	10,020	1,226	(1,165)	0	(96)	9,985
20057	01/31/97	600	MPLS NATIONAL LODGING-LAND	18,000	(7,500)	0	10,500	4,215	(4,059)	0	0	10,656
20059	01/31/97	14,900	ST PAUL 3M DIST REFINANCE	372,500	(163,900)	0	208,600	9,517	(4,304)	0	0	213,813
20053	02/03/97		MPLS MID-CITY PLAZA PLCMT FEE	19,500	0	0	19,500	0	0	0	0	19,500
20045	02/21/97	500	KENOSHA MED OFFICE BLDG	16,250	(6,250)	(5,000)	5,000	800	(1,715)	0	(3)	4,082
20070	02/28/97	566	STILLWATER LUMBERMAN HOTEL MOD	11,500	0	0	11,500	0	(3,012)	0	0	8,488
20033	03/13/97	6,275	COHASSET TECHNIMAR MFG	156,875	(62,750)	0	94,125	11,545	(11,203)	0	(4)	94,463
20064	03/20/97	1,525	DESMOINES HOLLYWOOD VIDEO	26,700	(11,438)	0	15,262	5,037	(4,625)	0	(372)	15,302
20036	03/26/97	2,640	HIBBING IRONGATE MALL	52,800	(26,400)	0	26,400	13,239	(8,979)	0	0	30,660
20063	03/26/97	2,775	VIRGINIA ARROWHEAD HLTH CARE	55,500	(22,200)	0	33,300	4,418	(5,337)	(3,328)	0	29,053
20044	03/31/97	1,500	KENOSHA MEDICAL OFFICE BLDG	30,000	(13,500)	0	16,500	6,966	(5,747)	0	(454)	17,265
20050	03/31/97	3,100	BROOKLYN CENTER HOLIDAY INN	50,375	(24,800)	0	25,575	10,733	(10,005)	0	(15)	26,288
20073	04/22/97	1,025	COTTAGE GROVE HOLLYWOOD VIDEO	15,375	(7,175)	0	8,200	1,166	(385)	0	0	8,981
20065	04/25/97	4,050	ROCHESTER RAMADA INN	81,000	(33,750)	0	47,250	5,879	(4,110)	0	(41)	48,978
20072	04/29/97	2,850	BLOOMINGTON SLUMBERLAND	42,750	(19,950)	0	22,800	1,744	(1,109)	0	0	23,435
20080	04/30/97	2,064	RACINE RADISSON HARBOURWALK	30,960	(15,480)	0	15,480	2,020	0	0	0	17,500
20076	05/05/97	3,000	J LUPIENT WOKING CAPITAL LOC	30,000	(18,000)	0	12,000	5,220	(4,324)	0	0	12,896
20068	05/07/97	9,250	MINOT MEDICAL CENTER	161,875	(74,000)	(3,750)	84,125	15,369	(13,532)	0	0	85,962
20082	05/15/97	750	NATIONAL LODGING LAND PURCHASE	30,000	(9,000)	(7,500)	13,500	1,693	0	0	0	15,193
20074	05/30/97	2,000	S M TAUBE II UNSECURED LOAN	26,665	(16,665)	0	10,000	0	(651)	0	0	9,349
TOTAL 1997 FINANCINGS				1,628,800	(700,331)	(16,250)	912,219	132,332	(116,877)	(3,328)	(1,032)	923,314
1996 FINANCINGS												
48583	12/20/95	1,087	COON RAPIDS FIRST BANK	5,400	0	(2,690)	2,710	50	(241)	0	0	2,519
48587	12/28/95	6,100	BURNSVILLE ASSET MARKETING	0	0	0	0	0	(30)	0	0	(30)
20001	01/17/96	11,000	SOUTH OMAHA-NEBRASKA BEEF	0	0	0	0	0	(155)	0	0	(155)
48586	02/12/96	4,650	SHAKOPEE NURSING HOME	0	0	0	0	0	(113)	0	0	(113)
20004	03/28/96	3,800	RACINE RADISSON HARBOURWALK	0	0	0	0	0	(2,329)	0	0	(2,329)
20011	03/29/96	5,840	NEW HOPE RAS BEN FRANK BLDG	0	0	0	0	0	(362)	0	0	(362)
20006	03/29/96	5,000	CEDAR FALLS KINS HOLID INN	0	0	0	0	150	(185)	0	0	(35)
20009	04/12/96	3,800	STILLWATER MARKETPLACE	0	0	0	0	0	(162)	0	(24)	(186)
20002	05/03/96	1,650	MUKWONAGO WI SLEEP INN	0	0	0	0	0	(81)	0	(9)	(90)
48588	05/14/96	2,897	LAC DU FLAMBEAU TORCHES HOTEL	0	0	0	0	0	(260)	0	0	(260)
48572	06/21/96	5,750	COUNCIL BLUFFS KINS AMERISTAR	0	0	0	0	0	(625)	0	(1,396)	(2,021)
20022	07/12/96	2,700	ARDEN HILLS ROUND LK BUS CTR	0	0	0	0	0	(14)	0	0	(14)
20019	07/23/96	615	COON RAPIDS CORNER PLAZA	0	0	0	0	0	(4)	0	0	(4)

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS-ISSUE EXP	LESS-FINDERS FEE	LESS-T&E AND PROMO	NET PROFIT TO U/W
20021	07/30/96	1,250	GOLDEN VALLEY 55 PROF BLDG	0	0	0	0	0	(852)	0	0	(852)
20028	07/30/96	8,200	CHASKA RAS SANOFI REFIN	0	0	0	0	0	(11)	0	(22)	(33)
20029	07/31/96	2,100	HOPKINS AUTO MALL REFIN	0	0	0	0	0	(36)	0	0	(36)
20014	07/31/96	3,750	CHANHASSEN LAKEVIEW APTS	0	0	0	0	0	(3)	0	0	(3)
20025	08/01/96	1,200	HURST TX VILLAGE SQ APT	0	0	0	0	0	(381)	0	0	(381)
20032	09/16/96	6,900	APPLE VALLEY SQUARE SHOPPING CT	0	0	0	0	0	(314)	0	0	(314)
20015	09/18/96	5,575	LEEDS ND-FARMERS CHOICE PASTA	0	0	0	0	0	(1,849)	0	(404)	(2,253)
48585	09/20/96	4,475	BLOOMINGTON PEBBLEBROOK APTS	16,781	0	(11,188)	5,593	6,690	(5,372)	0	0	6,911
20041	10/07/96	1,450	WACONIA STONE CONTAINER	1,650	(1,650)	0	0	0	(77)	0	0	(77)
20031	10/18/96	5,000	COLORADO SPRINGS CHIDLAW BLDG	1,350	(1,350)	0	0	0	(256)	0	0	(256)
20048	10/18/96	2,025	FRIDLEY HILLWIND OFFICE CTRE	0	0	0	0	0	(64)	0	0	(64)
20018	10/23/96	3,564	CRIPPLE CREEK 2	11,250	(9,500)	0	1,750	0	(682)	0	0	1,068
TOTAL 1996 FINANCINGS				36,431	(12,500)	(13,878)	10,053	6,890	(14,458)	0	(1,855)	630
1995 FINANCINGS												
48549	11/18/94	800	STILLWATER OFFIC MODIF	0	0	0	0	0	(4)	0	0	(4)
48544	12/09/94	11,750	ST. PAUL 3M REFINANCE	0	0	0	0	0	(11)	0	0	(11)
48553	03/27/95	2,815	STILLWATER LUMBERMAN EXCH HOTEL	0	0	0	0	0	(302)	0	0	(302)
48555	06/09/95	4,300	CHANHASSEN COUNTRY SUITES	0	0	0	0	0	(607)	0	0	(607)
48567	07/20/95	11,332	CAREFREE LIVING FAC (4 LOC)	0	0	0	0	0	599	0	0	599
48565	07/27/95	525	ST MICHAEL J&B EQUIPMENT	0	0	0	0	0	(44)	0	0	(44)
48552	07/28/95	3,250	NEWTON, IA RADISSON INN	0	0	0	0	(1,989)	0	0	0	(1,989)
TOTAL 1995 FINANCINGS				0	0	0	0	(1,989)	(369)	0	0	(2,358)
1994 FINANCINGS												
48517	10/24/94	4,725	MPLS CUB FOODS	0	0	0	0	0	(10)	0	0	(10)
48540	10/24/94	8,300	SELECT INNS (4 LOC)	0	0	0	0	0	(501)	0	0	(501)
TOTAL 1994 FINANCINGS				0	0	0	0	0	(511)	0	0	(511)
TOTAL REVENUES				1,665,231	(712,831)	(30,128)	922,272	137,233	(132,215)	(3,328)	(2,887)	921,075
OPEN ISSUES												
48584			PUEBLO CO HOTEL CONF CTR	0	0	0	0	0	(2,283)	0	0	(2,283)
48615			LYND ESTY	0	0	0	0	0	(75)	0	0	(75)
48618			RDST II-R	0	0	0	0	0	(47)	0	0	(47)
20020			HIBBING-IRONGATE MALL	0	0	0	0	0	(1,129)	0	0	(1,129)
20037			KINSETH COUNCIL BLUFFS	0	0	0	0	380	0	0	1,016	1,396

MILLER & SCHROEDER FINANCIAL, INC.
MORTGAGE BANKING REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- FINDERS FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
20038	CEDAR PLAZA	0	0	0	0	0	(242)	0	0	(242)
20040	HOLIDAY INN SUN SPREE RESORT	0	0	0	0	0	(4,500)	0	0	(4,500)
20043	BURNSVILLE SLUMBERLAND	0	0	0	0	0	(220)	0	0	(220)
20047	PELLA PRODUCTS BLDG	0	0	0	0	0	(104)	0	0	(104)
20049	DESMOINES GK OFFICE/SHOWROOM	0	0	0	0	0	(1,733)	0	(38)	(1,771)
20056	NATL LODGING SECOND MTG	0	0	0	0	0	(2,760)	0	0	(2,760)
20060	LYNDALE ESTATES 1ST MTG	0	0	0	0	0	(220)	0	(8)	(228)
20061	MORTENSON/GREAT PLAINS SOFTWARE	0	0	0	0	0	0	0	(73)	(73)
20062	EDINA OFFICE WAREHOUSE	0	0	0	0	0	(82)	0	0	(82)
20066	7605 CORPORATE WAY EDEN PRAIRIE	0	0	0	0	0	(3,360)	0	0	(3,360)
20067	RESIDENCE INN HOTEL MINNEAPOLI	0	0	0	0	0	(7,767)	0	0	(7,767)
20069	UNDERWATER WORLD-MALL OF AM BLO	0	0	0	0	0	(5,206)	0	0	(5,206)
20071	CRIPPLE CREEKE EXPANSION	0	0	0	0	0	(7)	0	0	(7)
20075	HERITAGE MANOR NURSING HOME-CHI	0	0	0	0	0	(15)	0	0	(15)
20077	PARKWAY BUSINESS CENTER	0	0	0	0	0	(5,393)	0	0	(5,393)
20078	SHERATON FOUR POINTS HOTEL	0	0	0	0	0	(2,421)	0	0	(2,421)
20079	HOLIDAY INN CHICAGO IL	0	0	0	0	0	(219)	0	(754)	(973)
20081	GENERAL WAREHOUSE BLDG TERM LOA	0	0	0	0	0	(14)	0	0	(14)
00000	OTHER ISSUE EXPENSES	0	0	0	0	0	(285)	0	0	(285)
84017	GRAND RAPIDS-POKEGAMA CC	0	0	0	0	0	0	0	(1,404)	(1,404)
0197	GREG BOLIN T&E	0	0	0	0	0	0	0	(406)	(406)
2481	GREG MILLER T&E	0	0	0	0	0	0	0	(5,151)	(5,151)
2791	SHARON PAYNE T&E	0	0	0	0	0	0	0	(31)	(31)
3535	JERRY TABOLICH T&E	0	0	0	0	0	0	0	(7,527)	(7,527)
	OTHER T&E	0	0	0	0	0	0	0	(209)	(209)
	ADVERTISING-OTHER	0	0	0	0	0	0	0	(8,766)	(8,766)
	BROCHURES/PROMOTION	0	0	0	0	0	0	0	(55)	(55)
	OTHER PROMOTION	0	0	0	0	0	0	0	(1,591)	(1,591)
TOTAL OPEN ISSUES		0	0	0	0	380	(38,082)	0	(24,997)	(62,699)
TOTAL DEPT		1,665,231	(712,831)	(30,128)	922,272	137,613	(170,297)	(3,328)	(27,884)	858,376

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MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Seven Months Ended May 31, 1997

Cat # RV-122

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED TO- INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
1997 TAXABLE FINANCINGS													
22065	12/06/96	9,772	BOIS FORTE III	285,174	0	(146,580)	0	138,594	0	(1,411)	0	(212)	136,971
22068	12/27/96	5,138	MOHEGAN SUN III	102,768	0	(51,584)	0	51,184	0	1,192	0	(186)	52,190
22069	01/07/97	1,600	LAC VIEUX DESERT VI	16,000	0	(8,000)	0	8,000	0	287	0	0	8,287
22070	01/08/97	600	BAD RIVER 2	12,000	0	(4,500)	0	7,500	0	1,054	0	0	8,554
22073	01/29/97	500	LAC VIEUX DESERT VII	5,000	0	(2,500)	0	2,500	0	(36)	0	0	2,464
22064	02/10/97	9,500	THREE AFFIL TRIBES-4 BEARS C	237,500	0	(118,750)	0	118,750	0	(1,227)	0	(2,998)	114,525
22080	03/19/97	500	KEN KELLAR UNSECURED	15,000	0	(7,500)	0	7,500	0	0	0	(4,006)	3,494
22078	03/31/97	300	CROW CREEK LODESTAR	7,500	0	0	(3,000)	4,500	0	0	0	(205)	4,295
22090	04/28/97	2,100	KICKAPOO TRIBE INTERIM	84,000	0	(31,500)	0	52,500	0	(290)	0	(1,210)	51,000
TOTAL 1997 FINANCINGS				764,942	0	(370,914)	(3,000)	391,028	0	(431)	0	(8,817)	381,780
1996 TAXABLE FINANCINGS													
22017	02/05/96	1,400	PDS/SANTE FEE RESTRUCTURE	0	0	0	0	0	0	(564)	0	0	(564)
22006	03/22/96	26,000	SILETZ II CONST/PERM	0	0	0	0	0	0	(209)	0	(3,981)	(4,190)
22009	03/29/96	2,600	PINE RIDGE I	0	0	0	0	0	0	0	0	(140)	(140)
22007	04/08/96	5,505	LEECH LAKE 2	0	0	0	0	0	0	(5,604)	0	(210)	(5,814)
22027	06/11/96	14,200	TRUMP INDIANA, INC.	0	0	0	0	0	0	0	0	(53)	(53)
22031	06/26/96	1,941	BOIS FORTE RESORT I	0	0	0	0	0	0	0	0	(120)	(120)
22038	07/30/96	14,000	DIAMOND JO RIVERBOAT CASINO	0	0	0	0	0	0	(10,000)	0	0	(10,000)
22053	09/30/96	7,704	PDS MOHEGAN SUN EQUIP	0	0	0	0	0	0	0	0	(4)	(4)
22047	10/09/96	15,500	COQUILLE II	72,200	0	(57,100)	(15,100)	0	0	(5,278)	0	0	(5,278)
22051	10/28/96	11,600	SPIRIT LAKE (DEVILS LK) VI	64,500	0	(78,500)	(7,500)	(21,500)	0	5,499	0	(77)	(16,078)
22055	10/28/96	2,000	TREASURE ISLAND VII EQUIP	0	0	0	0	0	0	(774)	0	(142)	(916)
22058	10/31/96	1,250	GRAND PORTAGE V	0	0	0	0	0	0	(100)	0	(456)	(556)
22063	10/31/96	3,702	PDS MOHEGAN SUN 2	56,275	0	(47,619)	0	8,656	0	(399)	0	0	8,257
TOTAL 1996 TAXABLE FINANCINGS				192,975	0	(183,219)	(22,600)	(12,844)	0	(17,429)	0	(5,183)	(35,456)
1995 TAXABLE FINANCINGS													
48065	05/09/95	500	DEVILS LAKE EQUIP	0	0	0	0	0	0	0	0	(903)	(903)
48088	05/25/95	500	LAC DU FLAMBEAU, WI	0	0	0	0	0	0	(2,625)	0	(403)	(3,028)
48087	05/31/95	5,000	DEADWOOD GULCH CASINO	0	0	0	0	0	0	0	0	(421)	(421)
48116	08/17/95	10,700	LAC DU FLAM-LAKE OF TORCHES	0	0	0	0	0	0	(45)	0	0	(45)
48090	10/30/95		LAC VIEUX DESERT EXPENSES	0	0	0	0	0	0	0	0	(97)	(97)
TOTAL 1995 TAXABLE FINANCINGS				0	0	0	0	0	0	(2,670)	0	(1,824)	(4,494)
PRIOR YEARS TAXABLE FINANCINGS & SECONDARY SALES													

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Seven Months Ended May 31, 1997

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED TO- INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSF LEGAL	LESS- OTHER ISS EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
48016	01/24/94	3,000	GRAND PORTAGE CONST FINANCIN	0	0	0	0	0	0	0	0	(127)	(127)
48091			SECONDARY COMM	2,017	0	(5,656)	0	(3,639)	0	0	0	0	(3,639)
TOTAL TAXABLE FINANCING				959,934	0	(559,789)	(25,600)	374,545	0	(20,530)	0	(15,951)	338,064
TAXABLE FINANCING OPEN ISSUES													
48005			PROSPECTIVE INDIAN GAMBLING	0	0	0	0	0	0	(902)	0	0	(902)
48014		18,000	TREASURE ISLAND-NOT DONE	0	0	0	0	0	0	(1)	0	(77)	(78)
48024			COW CREEK	0	0	0	0	0	0	0	0	(117)	(117)
48079		25,000	SANTA ANNA PUEBLO	0	0	0	0	0	0	0	0	(1,867)	(1,867)
48117			HINCK HOTEL 1995 REV BONDS	0	0	0	0	0	0	(10)	0	0	(10)
48121			LEECH LAKE CASINO	0	0	0	0	0	0	0	0	(196)	(196)
22011			COQUILLE ECONOMIC DEV CORP	0	0	0	0	0	0	(31)	0	(2,927)	(2,958)
22015			COQUILLE II CASINO REFINANCI	0	0	0	0	0	0	(36)	0	0	(36)
22023			SIOUX TRIBE GAMING PH 1	0	0	0	0	0	0	0	0	(79)	(79)
22028			ATLANTIC CITY NJ-TRUMP PLAZA	0	0	0	0	0	0	0	0	(237)	(237)
22043			OMAHA TRIBE OF NEBRASKA	0	0	0	0	0	0	0	0	(45)	(45)
22044			LAC VIEUX DESERT VI	0	0	0	0	0	0	0	0	(8)	(8)
22045			CROW CREEK SIOUX TRIBE	0	0	0	0	0	0	0	0	(1,397)	(1,397)
22054			GRAND PORTAGE V	0	0	0	0	0	0	0	0	(363)	(363)
22059			ST JOSEPH RIVERBOAT PARTNERS	0	0	0	0	0	0	0	0	(207)	(207)
22066			ARISTOCRAT, INC.	0	0	0	0	0	0	(2,728)	0	(73)	(2,801)
22067			LADY LUCK BETTENDORF	0	0	0	0	0	0	(20)	0	(2,094)	(2,114)
22071			SILETZ TRIBE WORKOUT EXP	0	0	0	0	0	0	(69)	0	(12,166)	(12,235)
22072			YAKIMA INDIAN NATION	0	0	0	0	0	0	(5,225)	0	(3,470)	(8,695)
22074			HANNAHVILLE INDIAN COMMUNITY	0	0	0	0	0	0	0	0	(50)	(50)
22075			ROSEBUD SIOUX TRIBE CASINO/H	0	0	0	0	0	0	(675)	0	(1,494)	(2,169)
22076			GAMING WORLD WORKOUT EXPENSE	0	0	0	0	0	0	(7,810)	0	0	(7,810)
22077			PACIFIC COAST GAMING QUECHAN	0	0	0	0	0	0	0	0	(36)	(36)
22079			QUECHEN TRIBE-PACIFICCOAST G	0	0	0	0	0	0	0	0	(6,723)	(6,723)
22091			PINERIDGE MOTEL/CONF.CENTER	0	0	0	0	0	0	0	0	(656)	(656)
22092			THREE AFFILIATED TRIBES TWIN	0	0	0	0	0	0	(37)	0	(299)	(336)
22094			MILLE LACS SPECIAL EVENT	0	0	0	0	0	0	0	0	(55)	(55)
22095			BOIS FORTE FORTUNE BAY RESOR	0	0	0	0	0	0	(2)	0	(173)	(175)
TOTAL TAXABLE FINANCING OPEN ISSUES				0	0	0	0	0	0	(17,546)	0	(34,809)	(52,355)
TOTAL TAXABLE FINANCING				959,934	0	(559,789)	(25,600)	374,545	0	(38,076)	0	(50,760)	285,709

MUNICIPAL

MUNICIPAL BOND U/W

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE FINANCING REVENUE SUMMARY
For the Seven Months Ended May 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMM ALLOCATED TO- INSTIT	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	LESS- MSP LEGAL	LESS- OTHER ISS EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
10111 12/15/96 35,330 MISSOURI-DEACONESS LT HEALTH	9,044	0	0	0	9,044	0	0	0	0	9,044
TOTAL MUNICIPAL BOND U/W	9,044	0	0	0	9,044	0	0	0	0	9,044
TOTAL MUNICIPAL	9,044	0	0	0	9,044	0	0	0	0	9,044
MUNICIPAL OPEN ISSUES										
40201 LOMA LINDA ESCROW ACCT RESTR	0	0	0	0	0	0	0	0	(409)	(409)
40241 HELEN DIXON CONSULTING	0	0	0	0	0	0	0	0	(216)	(216)
TOTAL MUNICIPAL OPEN ISSUES	0	0	0	0	0	0	0	0	(625)	(625)
TOTAL MUNICIPAL	9,044	0	0	0	9,044	0	0	0	(625)	8,419
PROMO & OTHER OPEN ISSUES										
3700 ROGER WIKNER PROMO	0	0	0	0	0	0	0	0	(837)	(837)
0055 ALI ALIZEDAH PROMO	0	0	0	0	0	0	0	0	(11,912)	(11,912)
0750 STEVEN ERICKSON PROMO	0	0	0	0	0	0	0	0	(24,086)	(24,086)
0750 STEVE ERICKSON COUNTRY CLUB	0	0	0	0	0	0	0	0	(10,646)	(10,646)
0932 P FREDERICKS PROMO	0	0	0	0	0	0	0	0	(6,117)	(6,117)
1480 D HOLSTAD PROMO	0	0	0	0	0	0	0	0	(7,596)	(7,596)
1931 TOM LAIRD PROMO	0	0	0	0	0	0	0	0	(937)	(937)
OTHER PROMO	0	0	0	0	0	0	0	0	(1,413)	(1,413)
ADVERTISING	0	0	0	0	0	0	0	0	(1,123)	(1,123)
PUBLIC RELATIONS/SPONSORSHIP	0	0	0	0	0	0	0	0	(9,879)	(9,879)
CLIENT GIFTS	0	0	0	0	0	0	0	0	(88)	(88)
OTHER EMPLOYEE EXPENSES	0	0	0	0	0	0	0	0	(706)	(706)
TOTAL OPEN ISSUES	0	0	0	0	0	0	0	0	(75,340)	(75,340)
TOTAL	968,978	0	(559,789)	(25,600)	383,589	0	(38,076)	0	(126,725)	218,788

MILLER & SCHROEDER FINANCIAL, INC.
CORPORATE CAPITAL REVENUE SUMMARY
May 31, 1997

Cat # RV-123

*** YEAR-TO-DATE ***				TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
CORPORATE CAPITAL FINANCINGS												
49001	08/04/93	1,000	NORTHERN NATURAL POWER	0	0	0	0	0	(33)	0	0	(33)
49006	VARIOUS	6,050	UNITED MARKET SERVICE	0	0	0	0	0	(3,000)	0	(8)	(3,008)
23019	06/14/96	1,045	CASH'N'PAWN CONV SUBORD DEBEN	56,550	0	(33,930)	(1,414)	21,206	0	0	(1,500)	19,706
23021	07/29/96	263	BANC, INC PRIVATE PLACEMENT	20,000	0	(12,000)	(250)	7,750	(50)	0	(5)	7,695
23022	10/30/96	2,000	LUNDGREN BROS DEBT OFFERING	52,320	0	(28,900)	(1,485)	21,935	(387)	0	(112)	21,436
23036	02/19/97	55,500	BANC, INC COMMON STOCK	22,604	0	(6,600)	(139)	15,865	(150)	0	0	15,715
23038	03/11/97	19,500	BANC, INC COMMON STOCK	2,250	0	(2,250)	(49)	(49)	0	0	0	(49)
23040	04/17/97	19,500	BANC, INC COMMON STOCK '	7,500	0	(4,500)	(96)	2,904	(312)	0	0	2,592
TOTAL FINANCINGS				161,224	0	(88,180)	(3,433)	69,611	(3,932)	0	(1,625)	64,054
CORPORATE CAPITAL ADVISORY FEES												
49030	03/31/95		PALLET RECYCLING OF N A	0	0	0	0	0	0	0	(11)	(11)
23006	11/30/95		REMBRANDT/ROYBET RETIREMENT HO	0	0	0	0	0	5,150	0	0	5,150
23016	01/11/96		SPIELO FINANCIAL ADVISOR	15,000	0	0	0	15,000	0	0	36	15,036
23014	03/11/96		LIBBY CORP	453	0	0	0	453	0	0	0	453
23032	11/30/96		RACING SERVICES FIN ADV	470	0	0	0	470	0	0	0	470
23035	02/27/97		VIDEO UPDATE FIN ADV	5,000	0	0	0	5,000	0	0	0	5,000
23037	03/21/97		WANNER ENGINEERING SR SEC NOTE	3,000	0	0	0	3,000	0	0	0	3,000
TOTAL ADVISORY FEES				23,923	0	0	0	23,923	5,150	0	25	29,098
TOTAL CORPORATE CAPITAL REVENUE				185,147	0	(88,180)	(3,433)	93,534	1,218	0	(1,600)	93,152
MORTGAGE POOL TRADING PROFIT												
49029	03/31/95	4,110	LSBO #18 RTC MORTGAGE POOL	0	0	0	0	0	(21,974)	0	0	(21,974)
TOTAL MORTGAGE POOL PROFIT				0	0	0	0	0	(21,974)	0	0	(21,974)
TOTAL REVENUES				185,147	0	(88,180)	(3,433)	93,534	(20,756)	0	(1,600)	71,178
OPEN ISSUES												
23024			PEAC AIRBORNE TECHNOLOGIES	0	0	0	0	0	(3,300)	0	0	(3,300)
23026			LOON STATE ENTERPRISES	0	0	0	0	0	(5)	0	0	(5)
23033			DALLET RECYCLING ASSOC.N.AM.-P	0	0	0	0	0	(1,864)	0	0	(1,864)
23034			WELSH COMPANIES	0	0	0	0	0	0	0	(113)	(113)
23039			PRANA WORKOUT EXPENSES	0	0	0	0	0	(2,040)	0	0	(2,040)
23041			LUPIENT AUTO GROUP-SUBORD DEBT	0	0	0	0	0	(374)	0	0	(374)
0829			FINSTUEN PROMO	0	0	0	0	0	0	0	(399)	(399)
1066			GLASRUD PROMO	0	0	0	0	0	0	0	(148)	(148)

MILLER & SCHROEDER FINANCIAL, INC.
CORPORATE CAPITAL REVENUE SUMMARY
May 31, 1997

Cat # RV-123

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
3855 ZIBLEY PROMO	0	0	0	0	0	0	0	(548)	(548)
TOTAL OPEN ISSUES	0	0	0	0	0	(7,583)	0	(1,208)	(8,791)
TOTAL DEPT	185,147	0	(88,180)	(3,433)	93,534	(28,339)	0	(2,808)	62,387

MILLER & SCHROEDER FINANCIAL, INC.
MILWAUKEE REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- FINDERS FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
MORTGAGE BANKING									
1997 FINANCINGS									
25007 11/19/96 2,610 FERGUS FALLS MN-WESTRIDGE MALL	71,775	(23,490)	0	48,285	11,089	(8,761)	0	0	50,613
25008 04/28/97 3,350 MILWAUKEE, WI-INN TOWNE HOTEL	56,106	(27,152)	0	28,954	19,770	(19,286)	0	0	29,438
25015 05/13/97 1,500 BLACK RIVER FALLS-NO COUNTRY LO	26,250	(13,500)	0	12,750	11,572	(10,996)	0	(59)	13,267
TOTAL 1997 FINANCINGS	154,131	(64,142)	0	89,989	42,431	(39,043)	0	(59)	93,318
OPEN ISSUES									
25004 CPB RICHARD PROPERTY-DEAD	0	0	0	0	0	(2,446)	0	0	(2,446)
25009 JOHNNY V'S CLASSIC CAFE	0	0	0	0	400	(400)	0	0	0
25014 GEORGETOWN TERM LOAN	0	0	0	0	0	(4,011)	0	(126)	(4,137)
25016 JELLYSTONE PARK	0	0	0	0	0	(266)	0	0	(266)
25019 910 SO MICHIGAN CONDO	0	0	0	0	0	(10,989)	0	(7,458)	(18,447)
25020 ST CHARLES IL HOTEL BAKER	0	0	0	0	0	(2,325)	0	0	(2,325)
TOTAL OPEN ISSUES	0	0	0	0	400	(20,437)	0	(7,584)	(27,621)
TOTAL MORTGAGE BANKING	154,131	(64,142)	0	89,989	42,831	(59,480)	0	(7,643)	65,697
SBA LOAN ORIGINATION									
1997 ORIGINATIONS									
25010 11/20/96 185 INNOVATIVE TECHNOLOGIES SBA	522	0	0	522	6,365	(5,858)	0	0	1,029
25011 01/09/97 500 INFORMATION SOLUTIONS SBA	1,438	0	0	1,438	14,827	(14,615)	0	(208)	1,442
25018 04/09/97 750 ROBERTS ROOFING & SIDING INC.	0	0	0	0	21,874	(22,137)	0	0	(263)
TOTAL 1997 ORIGINATIONS	1,960	0	0	1,960	43,066	(42,610)	0	(208)	2,208
1996 ORIGINATIONS									
25005 08/14/96 336 BADGER FLORIST SBA	2,093	0	0	2,093	0	(9,670)	0	0	(7,577)
TOTAL 1996 ORIGINATIONS	2,093	0	0	2,093	0	(9,670)	0	0	(7,577)
OPEN ISSUES									
25006 ATTUCKS CENTER INC	0	0	0	0	0	(1,825)	0	0	(1,825)

MILLER & SCHROEDER FINANCIAL, INC.
MILWAUKEE REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	RETAIL	LESS FEES/DISC TO CUST	PROFIT TO U/W	REIMB EXPENSE	LESS- ISSUE EXP	LESS- FINDERS FEE	LESS- T&E AND PROMO	NET PROFIT TO U/W
40241	HELEN DIXON CONSULTING	0	0	0	0	0	0	0	(38,047)	(38,047)
	ADVERTISING	0	0	0	0	0	0	0	(3,522)	(3,522)
25013	MPLS SUPPORT/OFFICE T&E	0	0	0	0	0	0	0	(2,463,302)	(2,463,302)
3011	STEVE RAYL PROMO	0	0	0	0	0	0	0	(5,099)	(5,099)
	OTHER	0	0	0	0	0	0	0	(363)	(363)
TOTAL OPEN ISSUES		0	0	0	0	0	(1,825)	0	(2,510,333)	(2,512,158)
TOTAL SBA ORIGINATIONS		4,053	0	0	4,053	43,066	(54,105)	0	(2,510,541)	(2,517,527)
TOTAL DEPT		158,184	(64,142)	0	94,042	85,897	(113,585)	0	(2,518,184)	(2,451,830)

MILLER & SCHROEDER FINANCIAL, INC.
TAXABLE TRADING REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
TAXABLE EQUIPMENT FINANCINGS									
35043 11/21/96 1,141 FIRST MID-AMERICA FINANCE	34,200	0	(17,100)	0	17,100	(6,675)	0	0	10,425
TOTAL TAX EQUIP FINANCINGS	34,200	0	(17,100)	0	17,100	(6,675)	0	0	10,425
TAXABLE TRADING									
1995 FINANCINGS									
48084 11/10/94 2,540 1ST FIDELITY AUTO 94-1 DEFER	0	0	0	0	0	(3,125)	0	0	(3,125)
TOTAL 1995 FINANCING	0	0	0	0	0	(3,125)	0	0	(3,125)
TOTAL REVENUES	34,200	0	(17,100)	0	17,100	(9,800)	0	0	7,300
OPEN ISSUES									
35032 TEXAS PREMIUM FINANCING	0	0	0	0	0	(8,296)	0	0	(8,296)
24001 SYBASE	0	0	0	0	0	0	0	(46)	(46)
00000 OTHER ISSUE EXPENSE	0	0	0	0	0	(4,795)	0	0	(4,795)
3439 STANCHFIELD PROMO	0	0	0	0	0	0	0	(1,236)	(1,236)
0299 BUTORAC PROMO	0	0	0	0	0	0	0	(260)	(260)
TOTAL OPEN ISSUES	0	0	0	0	0	(13,091)	0	(1,542)	(14,633)
TOTAL DEPT	34,200	0	(17,100)	0	17,100	(22,891)	0	(1,542)	(7,333)

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MILLER & SCHROEDER FINANCIAL, INC.
SACRAMENTO U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-157

*** YEAR-TO-DATE ***	TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
MUNICIPAL BOND U/W									
57001 12/19/96 30,000 MENDOCINO CO PENSION OBLIG 96	297,467	(30,720)	0	(2,588)	264,159	(42,660)	0	(13,151)	208,348
TOTAL MUNICIPAL BOND U/W	297,467	(30,720)	0	(2,588)	264,159	(42,660)	0	(13,151)	208,348
INVESTMENT BANKING FEES									
57001 12/19/96 30,000 MENDOCINO CO PENSION OBLIG 96	30,000	0	0	0	30,000	0	0	0	30,000
TOTAL INVESTMENT BANKING FEES	30,000	0	0	0	30,000	0	0	0	30,000
TOTAL REVENUES	327,467	(30,720)	0	(2,588)	294,159	(42,660)	0	(13,151)	238,348
OPEN ISSUES									
57009 MENDOCINO CNTY COP REFUNDING	0	0	0	0	0	0	0	(740)	(740)
57010 MENDOCINO SOLID WASTE AUTHORIT	0	0	0	0	0	0	0	(142)	(142)
57012 MENDOCINO CNTY TRANS	0	0	0	0	0	(5,000)	0	0	(5,000)
57014 EL DORADO UNION HIGH SCHOOL DI	0	0	0	0	0	0	0	(81)	(81)
2586 S NIELSON PROMO	0	0	0	0	0	0	0	(584)	(584)
OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(325)	(325)
TOTAL OPEN ISSUES	0	0	0	0	0	(5,000)	0	(1,872)	(6,872)
TOTAL SEATTLE U/W	327,467	(30,720)	0	(2,588)	294,159	(47,660)	0	(15,023)	231,476

MILLER & SCHROEDER FINANCIAL, INC.
SELF-INS GROUP REVENUE SUMMARY
May 31, 1997

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
OPEN ISSUES										
44505	VENTURA LIAB WORK COMP	0	0	0	0	0	0	0	(557)	(557)
44514	SAN ANTONIO LIAB WORK COMP	0	0	0	0	0	0	0	(524)	(524)
44516	SCHOOL KERN LIAB WORK COMP	0	0	0	0	0	0	0	(124)	(124)
44520	RIVERS CTY	0	0	0	0	0	0	0	(948)	(948)
44522	SO CA JT POWERS INSUR AUTH	0	0	0	0	0	0	0	(141)	(141)
44524	SCRIPT REVENUE	0	0	0	0	0	0	0	(581)	(581)
44525	SAN DIEGO WORK COMP	0	0	0	0	0	0	0	(206)	(206)
44529	MINNESOTA COUNTIES	0	0	0	0	0	0	0	(1,777)	(1,777)
44544	FRESNO COUNTY SELF INSURANCE	0	0	0	0	0	0	0	(897)	(897)
44545	FRESNO CNTY SELF INS	0	0	0	0	0	0	0	(524)	(524)
43006	SONOMA CTY SELF INS TX & TE	0	0	0	0	0	0	0	(247)	(247)
61001	SAN DIEGO UNIFIED SCHL DIST	0	0	0	0	0	0	0	(1,108)	(1,108)
61003	STATE OF WYOMING EMPL BENEFITS	0	0	0	0	0	(7,000)	0	(3,801)	(10,801)
61010	CITY OF MILWAUKEE	0	0	0	0	0	0	0	(243)	(243)
61011	STATE OF NORTH DAKOTA	0	0	0	0	0	0	0	(7,083)	(7,083)
61012	CITY OF FORT WORTH TEXAS	0	0	0	0	0	0	0	(29)	(29)
61013	UNIVERSITY OF TEXAS	0	0	0	0	0	0	0	(398)	(398)
61014	CITY OF AUSTIN TEXAS	0	0	0	0	0	0	0	(2,912)	(2,912)
61016	SANTA CLARA CO WORK COMP	0	0	0	0	0	0	0	(237)	(237)
61017	STATE OF NEVADA/WORKER COMP PR	0	0	0	0	0	0	0	(840)	(840)
61020	SAN FRANCISCO/WORKERS COMP PRO	0	0	0	0	0	0	0	(682)	(682)
61021	CONTRA COSTA COUNTY/WORKERS CO	0	0	0	0	0	0	0	(45)	(45)
61023	SAN MAREO-WORKERS COMP. PROG.	0	0	0	0	0	0	0	(3,052)	(3,052)
61024	NACO-WORKERS COMP. PROG.	0	0	0	0	0	0	0	(3,492)	(3,492)
61027	SAN BERNARDINO CNTY SELF INS.F	0	0	0	0	0	0	0	(3,312)	(3,312)
61029	SAN DIEGO CO WORKERS COMP	0	0	0	0	0	0	0	(85)	(85)
61030	WISCONSIN SELF INSURANCE DEALS	0	0	0	0	0	(5,873)	0	0	(5,873)
0099	JOE ARTON PROMO	0	0	0	0	0	0	0	(75)	(75)
0518	J DANFORD PROMO	0	0	0	0	0	0	0	(543)	(543)
2786	S PATRAN PROMO	0	0	0	0	0	0	0	(1,251)	(1,251)
2787	BEN PAULSON PROMO	0	0	0	0	0	0	0	(620)	(620)
2789	BRIAN PAULSON PROMO	0	0	0	0	0	0	0	(11,032)	(11,032)
3709	K WILLIAMS PROMO	0	0	0	0	0	0	0	(266)	(266)
	ADVERTISING/PROMOTION	0	0	0	0	0	0	0	(333)	(333)
	ALL OTHER	0	0	0	0	0	0	0	(90)	(90)
TOTAL OPEN ISSUES		0	0	0	0	0	(12,873)	0	(48,055)	(60,928)
TOTAL		0	0	0	0	0	(12,873)	0	(48,055)	(60,928)

06-24-97
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MILLER & SCHROEDER FINANCIAL, INC.
ADMIN U/W REVENUE SUMMARY
May 31, 1997

Cat # RV-181

*** YEAR-TO-DATE ***		TOTAL U/W FEES & TRAD PROF	GROSS COMMISSION ALLOCATED TO- INSTIT	RETAIL	TRADING	PROFIT TO U/W	LESS- ISSUE EXP	LESS- FINDERS FEES	LESS- T&E AND PROMO	NET PROFIT TO U/W
INVESTMENT BANKING FEES										
49503	UNITED MORTGAGE CORPORATION	25,000	0	0	0	25,000	0	0	0	25,000
40134 01/31/97 12,000	BROWARD CO FL-WINDOVER OAKS	42,000	0	0	0	42,000	0	0	0	42,000
TOTAL INVESTMENT BANKING FEES		67,000	0	0	0	67,000	0	0	0	67,000
TOTAL REVENUES		67,000	0	0	0	67,000	0	0	0	67,000
OPEN ISSUES										
0110	JOHN ARVOLD PROMO	0	0	0	0	0	0	0	(2,405)	(2,405)
0625	JIM DLUGOSCH PROMO	0	0	0	0	0	0	0	(7,254)	(7,254)
	SUITE RENTAL EXPENSE	0	0	0	0	0	0	0	(12,046)	(12,046)
	DUES & MEMBERSHIPS	0	0	0	0	0	0	0	(17,544)	(17,544)
	OTHER EMPLOYEE EXPENSE	0	0	0	0	0	0	0	(3,300)	(3,300)
	ALL OTHER	0	0	0	0	0	0	0	(1,172)	(1,172)
TOTAL OPEN ISSUES		0	0	0	0	0	0	0	(43,721)	(43,721)
TOTAL ADMIN U/W		67,000	0	0	0	67,000	0	0	(43,721)	23,279

MILLER & SCHROEDER FINANCIAL, INC.
DEPARTMENT FINANCIAL STATEMENT SUMMARY PAGE
For the Seven Months Ended May 31, 1997

	DESCRIPTION	March	April	May	YTD	PY-YTD
10	MPLS PUBLIC FINANCE (11-18,56)					
11	MINNEAPOLIS U/W	$(13,611)	$8,376	$(108,145)	$(194,238)	$(320,627)
12	ST PAUL U/W	(32,486)	(59,227)	(50,401)	(197,642)	192,896
13	COLUMBUS U/W	(76,305)	(46,941)	(85,487)	(311,682)	30,904
18	RESIDENTIAL MTGE BANKING	1,193	(4,825)	(1,261)	(27,753)	19,411
--	LOAN FEES IN MSMC	(1,678)	3,846	1,027	20,992	(19,972)
56	ORLANDO U/W	(12,447)	(6,810)	(7,602)	(42,371)	(11,937)
19	MPLS TAXABLE FINANCE (20-25)					
20	MORTGAGE BANKING	179,405	43,025	38,756	617,136	374,085
21	LOAN ADMINISTRATION	1,069	(693)	(90)	5,250	7,974
22	TAXABLE FINANCING	(54,279)	7,832	(77,581)	(84,952)	725,692
23	CORPORATE CAPITAL	(48,204)	(31,943)	(36,454)	(206,019)	328,977
24	STRUCTURED FINANCING	0	0	0	0	(53,711)
25	SBA MILWAUKEE	(29,682)	(20,626)	(14,821)	(101,670)	(133,950)
--	SERVICING FEES IN MSIC	(39,845)	(36,832)	(45,113)	(340,419)	(261,475)
29	MPLS RETAIL SALES (30,31)					
30	MPLS RETAIL	(18,654)	(33,191)	(59,176)	(290,581)	(176,007)
31	MPLS BANK RETAIL	42,523	11,798	30,492	361,725	553,489
33	MPLS INSTITUTIONAL SALES	72,377	215	30,316	266,439	413,032
34	MPLS RETAIL TRADING	(21,601)	(72,953)	(2,895)	(196,363)	(150,709)
35	MPLS TAXABLE TRADING	(7,665)	(10,405)	(10,411)	(131,250)	(98,673)
36	MPLS FINANCIAL SERVICES	(868)	868	1,238	2,598	24,399
37	MPLS EQUITIES TRADING	(6,186)	(4,558)	(5,970)	(49,749)	(2,013)
49	CALIFORNIA SUMMARY (50-54,57-74)					
50	SOLANA BEACH ADMIN	(50,968)	(56,388)	(86,907)	(400,321)	(317,071)
51	SOLANA BEACH U/W	289,577	(94,363)	106,039	358,539	818,866
53	PASADENA U/W	(47,235)	(49,968)	(46,616)	(92,575)	(47,882)
54	SEATTLE U/W	(49,320)	(26,668)	94,434	251,009	308,863
57	SACRAMENTO U/W	(12,750)	(18,598)	(8,606)	143,522	0
61	SELF-INSURANCE GROUP	(54,865)	(45,920)	(60,162)	(372,003)	(6,838)
70	SOL BEACH RETAIL SALES	28,543	(15,695)	(4,787)	(145,975)	(59,245)
74	SOL BEACH TRADING	38,259	(22,300)	(13,448)	69,877	405,395
79	MPLS ADMIN SUMMARY (80-83)					
80	MINNEAPOLIS ADMIN	(122,516)	(91,930)	(75,641)	(637,637)	(479,581)
81	CORPORATE ADMIN	(15,145)	(19,717)	(21,185)	(136,512)	(333,958)
81	GENERAL BONUS	(3,104)	(16,822)	4,845	73,680	(926,724)
82	CORPORATE LEGAL	(34,968)	(42,965)	(39,661)	(133,542)	(694,901)
83	CORPORATE INTEREST	55,082	68,364	12,208	375,943	415,387
89	MPLS SUPPORT SUMMARY (90-96)					
90	PERSONNEL	0	0	0	(1)	2
91	TEMP POOL	0	(1)	0	1	0
92	OFFICE SERVICES	1	(1)	(1)	1	1
93	MIS	1	0	0	(1)	(1)
94	ACCOUNTING	0	(1)	0	1	0
95	RESEARCH	(1)	0	1	(4)	2
96	OPERATIONS	0	0	0	0	1
	PROFIT (LOSS) BEFORE TAX	(46,353)	(686,017)	(543,065)	(1,546,547)	524,097
81	INCOME TAXES	16,000	270,000	215,000	601,000	(96,250)
	NET PROFIT (LOSS)	(30,353)	(416,017)	(328,065)	(945,547)	427,847

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-020

11-MINNEAPOLIS UNDERWRITING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	182,715	265,632	195,550	1,198,552	1,315,324
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(1,712)	(80,132)	(10,250)	(149,322)	(236,552)
MN BANK RETAIL	0	(5,250)	0	(29,910)	(107,487)
MN INSTITUTIONAL	(23,369)	(25,382)	(12,985)	(139,696)	(110,781)
MN RETAIL TRADING	(115)	(5,680)	(928)	(26,045)	(31,532)
MN TAXABLE TRADING	0	0	0	(50)	(5,628)
CA RETAIL SALES	0	(2,188)	0	(2,450)	(379)
NET MUNICIPAL BOND U/W	157,519	147,000	171,387	851,079	822,965
INVESTMENT BANKING FEES	6,099	57,744	1,117	513,375	175,072
MUNICIPAL LEASE U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	0	4,667
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	0	0	0	0	(4,667)
MN RETAIL TRADING	0	0	0	0	(467)
NET MUNICIPAL LEASE U/W	0	0	0	0	(467)
MISCELLANEOUS INCOME-					
EQUITIES COMMISSIONS (SCDRY)	0	0	0	35	12
TOTAL REVENUES	163,618	204,744	172,504	1,364,489	997,582
DIRECT ISSUE EXPENSES	(19,760)	(27,706)	(37,509)	(313,634)	(154,543)
GROSS PROFIT	143,858	177,038	134,995	1,050,855	843,040
EXPENSES-					
SALARIES	73,156	73,085	80,537	494,063	421,346
BONUS & INCENTIVE COMP	18,000	25,000	43,000	139,000	148,618
REFERRAL COMP TO EMPLOYEES	0	0	0	15,400	875
OTHER PERSONNEL	11,994	9,020	11,377	85,594	65,504
TRAVEL & BUSINESS DEV	13,211	13,506	39,063	196,097	221,108
COMMUNICATION & OPERATING	17,996	22,220	18,128	112,838	113,722
OCCUPANCY & EQUIPMENT	8,075	8,893	12,400	61,351	49,021
GENERAL & ADMINISTRATIVE	719	531	21,951	30,510	35,141
TOTAL EXPENSES	143,151	152,255	226,456	1,134,853	1,055,335
NET OPERATING INCOME	707	24,783	(91,461)	(83,998)	(212,295)
INTERDEPT ALLOCATIONS	(14,317)	(16,405)	(16,684)	(110,239)	(108,333)
NET INCOME BEFORE TAX	(13,610)	8,378	(108,145)	(194,237)	(320,627)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

12-ST. PAUL UNDERWRITING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	(29,352)	0	75,282	530,902
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	0	0	0	(74,988)
MN BANK RETAIL	0	0	0	0	(2,479)
MN INSTITUTIONAL	0	0	0	(15,725)	(75,979)
MN RETAIL TRADING	0	0	0	0	(5,066)
CA RETAIL SALES	0	0	0	0	(292)
NET MUNICIPAL BOND U/W	0	(29,352)	0	59,557	372,099
INVESTMENT BANKING FEES	0	3,000	0	7,681	98,978
TOTAL REVENUES	0	(26,352)	0	67,238	471,077
DIRECT ISSUE EXPENSES	0	0	0	(1,265)	(34,981)
GROSS PROFIT	0	(26,352)	0	65,973	436,096
EXPENSES-					
SALARIES	22,150	22,150	22,150	159,050	144,981
BONUS & INCENTIVE COMP	0	1,000	13,000	17,000	9,222
OTHER PERSONNEL	2,513	2,923	4,464	20,026	15,462
TRAVEL & BUSINESS DEV	748	129	4,247	14,734	23,221
COMMUNICATION & OPERATING	1,364	1,413	1,124	10,195	10,630
OCCUPANCY & EQUIPMENT	3,270	2,408	2,305	20,227	18,570
GENERAL & ADMINISTRATIVE	127	130	455	2,280	1,940
TOTAL EXPENSES	30,172	30,153	47,745	243,512	224,026
NET OPERATING INCOME	(30,172)	(56,505)	(47,745)	(177,539)	212,070
INTERDEPT ALLOCATIONS	(2,315)	(2,721)	(2,657)	(20,104)	(19,175)
NET INCOME BEFORE TAX	(32,487)	(59,226)	(50,402)	(197,643)	192,896

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

13-COLUMBUS UNDERWRITING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	62,625	0	324,288	95,723
LESS: GROSS COMM ALLOC TO-					
MN INSTITUTIONAL	0	(7,500)	0	(42,819)	(14,445)
NET MUNICIPAL BOND U/W	0	55,125	0	281,469	81,279
INVESTMENT BANKING FEES	2,658	0	0	30,943	719,885
TOTAL REVENUES	2,658	55,125	0	312,412	801,163
DIRECT ISSUE EXPENSES	(1,412)	(3,469)	0	(7,737)	(34,911)
GROSS PROFIT	1,246	51,656	0	304,675	766,253
EXPENSES-					
SALARIES	39,500	40,198	41,040	281,221	308,396
BONUS & INCENTIVE COMP	1,000	3,000	0	24,000	116,667
OTHER PERSONNEL	6,414	7,640	7,183	42,739	39,106
TRAVEL & BUSINESS DEV	9,573	13,109	7,123	92,145	108,756
COMMUNICATION & OPERATING	6,313	8,104	9,192	54,218	53,648
OCCUPANCY & EQUIPMENT	11,398	12,539	10,820	78,205	73,694
GENERAL & ADMINISTRATIVE	828	10,801	7,348	23,448	13,046
TOTAL EXPENSES	75,026	95,391	82,706	595,976	713,312
NET OPERATING INCOME	(73,780)	(43,735)	(82,706)	(291,301)	52,941
INTERDEPT ALLOCATIONS	(2,524)	(3,207)	(2,780)	(20,379)	(22,035)
NET INCOME BEFORE TAX	(76,304)	(46,942)	(85,486)	(311,680)	30,906

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

18-RESIDENTIAL MORTGAGE BANKING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
RESIDENTIAL MTGE BANK FEES-					
PROGRAM ADMINISTRATION FEES	20,678	19,154	23,473	140,508	151,436
CONSTR LOAN COMMITMENT FEES	0	0	0	0	32,842
TOTAL RESID MTGE FEES *	20,678	19,154	23,473	140,508	184,279
TOTAL REVENUES	20,678	19,154	23,473	140,508	184,279
GROSS PROFIT	20,678	19,154	23,473	140,508	184,279
EXPENSES-					
SALARIES	13,750	13,750	13,750	96,250	95,121
BONUS & INCENTIVE COMP	0	0	0	0	4,083
OTHER PERSONNEL	1,968	2,079	1,925	14,568	15,040
TRAVEL & BUSINESS DEV	0	232	573	1,640	3,411
COMMUNICATION & OPERATING	1,066	2,169	2,179	10,306	10,139
OCCUPANCY & EQUIPMENT	(26)	2,479	3,149	15,854	15,168
GENERAL & ADMINISTRATIVE	128	132	132	8,379	958
TOTAL EXPENSES	16,886	20,841	21,708	146,997	143,920
NET OPERATING INCOME	3,792	(1,687)	1,765	(6,489)	40,359
INTERDEPT ALLOCATIONS	(2,600)	(3,138)	(3,026)	(21,263)	(20,947)
NET INCOME BEFORE TAX	1,192	(4,825)	(1,261)	(27,752)	19,412
* AMOUNT OF THIS RESID MTGE FEE RECORDED IN MSMC	1,678	(3,846)	(1,027)	(20,992)	19,972

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-020

56-ORLANDO UNDERWRITING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	0	79,248
LESS: GROSS COMM ALLOC TO- MN INSTITUTIONAL	0	0	0	0	(99)
NET MUNICIPAL BOND U/W	0	0	0	0	79,149
INVESTMENT BANKING FEES	0	0	0	32,117	0
TOTAL REVENUES	0	0	0	32,117	79,149
GROSS PROFIT	0	0	0	32,117	79,149
EXPENSES-					
SALARIES	6,112	1,750	1,750	31,946	20,708
BONUS & INCENTIVE COMP	0	0	0	2,000	26,833
OTHER PERSONNEL	1,046	599	679	6,085	4,685
TRAVEL & BUSINESS DEV	112	155	342	1,673	3,229
COMMUNICATION & OPERATING	2,080	1,106	1,709	9,037	10,767
OCCUPANCY & EQUIPMENT	2,097	2,061	2,039	14,451	14,264
GENERAL & ADMINISTRATIVE	164	164	164	1,119	974
TOTAL EXPENSES	11,611	5,835	6,683	66,311	81,461
NET OPERATING INCOME	(11,611)	(5,835)	(6,683)	(34,194)	(2,312)
INTERDEPT ALLOCATIONS	(836)	(975)	(920)	(8,177)	(9,625)
NET INCOME BEFORE TAX	(12,447)	(6,810)	(7,603)	(42,371)	(11,937)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

20-MORTGAGE BANKING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MORTGAGE BANKING-					
TOTAL ORIGINATION FEES	388,055	175,555	238,915	1,665,231	1,401,349
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	(161,138)	(79,205)	(115,015)	(706,830)	(653,217)
CA RETAIL SALES	0	0	(6,000)	(6,000)	0
LESS: FEES/DISC TO CUST	(2,690)	0	(11,250)	(30,127)	(64,042)
NET MORTGAGE BANKING	224,227	96,350	106,650	922,274	684,090
EXPENSE REIMBURSEMENTS	45,754	17,043	22,662	137,614	109,899
TOTAL MORTGAGE BANKING	269,981	113,393	129,312	1,059,888	793,990
LOAN SERVICING FEES-					
MONTHLY RECURRING FEES	40,055	39,791	42,421	282,890	253,286
LOAN PAYOFF & OTHER FEES	298	0	4,127	70,296	27,374
TOTAL LOAN SERVICING FEES	40,353	39,791	46,548	353,186	280,660
ALLOCATE TO LOAN ADMIN DEPT- FROM MORTGAGE BANKING	(16,569)	(17,100)	(17,541)	(122,001)	(114,056)
NET SERVICING FEES *	23,784	22,691	29,007	231,185	166,604
TOTAL REVENUES	293,765	136,084	158,319	1,291,073	960,593
DIRECT ISSUE EXPENSES	(38,435)	(22,967)	(38,607)	(170,297)	(120,260)
GROSS PROFIT	255,330	113,117	119,712	1,120,776	840,333
EXPENSES-					
SALARIES	24,000	25,910	25,445	180,496	187,530
BONUS & INCENTIVE COMP	34,000	20,000	28,000	164,000	120,392
REFERRAL COMP TO EMPLOYEES	0	0	3,328	3,328	11,422
OTHER PERSONNEL	8,173	3,790	3,744	33,907	26,761
TRAVEL & BUSINESS DEV	1,646	6,883	5,419	27,837	37,044
COMMUNICATION & OPERATING	2,436	4,325	4,854	30,611	24,359
OCCUPANCY & EQUIPMENT	469	2,899	3,122	18,032	17,449
GENERAL & ADMINISTRATIVE	144	172	1,509	5,281	2,280
TOTAL EXPENSES	70,868	63,979	75,421	463,492	427,237
NET OPERATING INCOME	184,462	49,138	44,291	657,284	413,096
INTERDEPT ALLOCATIONS	(5,058)	(6,113)	(5,535)	(40,148)	(39,011)
NET INCOME BEFORE TAX	179,404	43,025	38,756	617,136	374,085

* NET SVC FEE RECORDED IN MSIC

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

21-LOAN ADMINISTRATION

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
INVESTMENT BANKING FEES	0	0	0	0	8,750
TAXABLE FINANCING-					
TOTAL ORIGINATION FEES	0	0	0	0	2,917
LESS: GROSS COMM ALLOC TO-					
NET TAXABLE FINANCING	0	0	0	0	2,917
EQUIPMENT FINANCING-					
TOTAL ORIGINATION FEES	0	0	0	5,078	0
LESS: GROSS COMM ALLOC TO-					
NET EQUIPMENT FINANCING	0	0	0	5,078	0
LOAN SERVICING FEES-					
ALLOCATE TO LOAN ADMIN DEPT-					
FROM MORTGAGE BANKING	16,271	17,100	17,541	121,702	114,056
FROM TAXABLE FINANCING	10,836	10,658	11,355	79,369	57,178
FROM CORPORATE CAPITAL	0	0	0	0	862
FROM STRUCTURED FINANCING	212	210	74	2,169	2,739
FROM MILWAUKEE MTG BANK	151	0	0	775	0
FROM OTHER U/W DEPTS	30	32	30	1,485	165
NET SERVICING FEES *	27,500	28,000	29,000	205,500	174,999
TOTAL REVENUES	27,500	28,000	29,000	210,578	186,666
DIRECT ISSUE EXPENSES	(496)	1,141	(21)	(1,291)	(1,420)
GROSS PROFIT	27,004	29,141	28,979	209,287	185,246
EXPENSES-					
SALARIES	11,897	12,442	12,320	85,324	79,917
OTHER PERSONNEL	1,970	2,227	1,871	13,609	11,977
TRAVEL & BUSINESS DEV	0	50	(2,018)	(1,252)	932
COMMUNICATION & OPERATING	2,716	3,179	5,277	24,291	19,636
OCCUPANCY & EQUIPMENT	(69)	1,553	1,365	10,511	11,208
GENERAL & ADMINISTRATIVE	75	101	101	662	656
TOTAL EXPENSES	16,589	19,552	18,916	133,145	124,325
NET OPERATING INCOME	10,415	9,589	10,063	76,142	60,920
INTERDEPT ALLOCATIONS	(9,346)	(10,282)	(10,153)	(70,895)	(52,947)
NET INCOME BEFORE TAX	1,069	(693)	(90)	5,247	7,974

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

22-TAXABLE FINANCING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	9,044	0
LESS: GROSS COMM ALLOC TO-					
NET MUNICIPAL BOND U/W	0	0	0	9,044	0
TAXABLE FINANCING-					
TOTAL ORIGINATION FEES	29,643	84,000	4,500	959,935	3,152,626
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	(14,259)	(31,500)	0	(556,664)	(1,235,948)
CA RETAIL SALES	0	0	0	(3,125)	(17,500)
LESS: FEES/DISC TO CUST	(3,000)	0	0	(25,600)	(336,471)
NET TAXABLE FINANCING	12,384	52,500	4,500	374,546	1,562,707
LOAN SERVICING FEES-					
MONTHLY RECURRING FEES	26,676	24,799	27,460	185,320	128,722
LOAN PAYOFF & OTHER FEES	0	0	0	2,201	18,543
TOTAL LOAN SERVICING FEES	26,676	24,799	27,460	187,521	147,265
ALLOCATE TO LOAN ADMIN DEPT- FROM TAXABLE FINANCING	(10,836)	(10,658)	(11,355)	(79,369)	(57,178)
NET SERVICING FEES *	15,840	14,141	16,105	108,152	90,087
TOTAL REVENUES	28,224	66,641	20,605	491,742	1,652,794
DIRECT ISSUE EXPENSES	(3,887)	(4,660)	(16,685)	(38,147)	(128,382)
GROSS PROFIT	24,337	61,981	3,920	453,595	1,524,412
EXPENSES-					
SALARIES	33,861	34,705	35,486	245,553	231,840
BONUS & INCENTIVE COMP	0	0	0	45,000	226,788
REFERRAL COMP TO EMPLOYEES	0	0	0	0	9,475
OTHER PERSONNEL	2,907	3,400	2,929	37,377	26,921
TRAVEL & BUSINESS DEV	31,624	5,702	36,489	126,727	227,508
COMMUNICATION & OPERATING	4,016	3,835	1,975	32,008	26,504
OCCUPANCY & EQUIPMENT	1,113	2,621	2,662	17,511	16,531
GENERAL & ADMINISTRATIVE	1,602	106	(1,823)	5,661	1,919
TOTAL EXPENSES	75,123	50,369	77,718	509,837	767,484
NET OPERATING INCOME	(50,786)	11,612	(73,798)	(56,242)	756,928
INTERDEPT ALLOCATIONS	(3,493)	(3,779)	(3,784)	(28,709)	(31,236)
NET INCOME BEFORE TAX	(54,279)	7,833	(77,582)	(84,951)	725,692

* NET SVC FEE RECORDED IN MSIC

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

23-CORPORATE CAPITAL

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
CORPORATE CAPITAL GROUP-					
TOTAL FEES & TRADING PROFIT	11,814	7,500	0	185,147	887,200
ADD TRAD LOSS ALLOC TO SALES	0	0	0	0	19,256
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(2,250)	(4,500)	0	(78,180)	(233,594)
MN BANK SALES	0	0	0	(10,000)	(18,083)
MN RETAIL TRADING	(2)	(2)	0	(30)	(177)
MN TAXABLE TRADING	(47)	(94)	0	(3,402)	(12,450)
CA RETAIL SALES	0	0	0	0	(245)
NET CORPORATE CAPITAL	9,515	2,904	0	93,535	641,907
MORTGAGE POOL TRADING PROFIT-					
TOTAL FEES & TRADING PROFIT	0	0	0	0	85,773
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	0	0	0	0	(17,093)
TOTAL MORTGAGE POOLS	0	0	0	0	68,680
LOAN SERVICING FEES-					
MONTHLY RECURRING FEES	0	0	0	0	2,188
TOTAL LOAN SERVICING FEES	0	0	0	0	2,188
ALLOCATE TO LOAN ADMIN DEPT-					
FROM CORPORATE CAPITAL	0	0	0	0	(862)
NET SERVICING FEES *	0	0	0	0	1,325
TOTAL REVENUES	9,515	2,904	0	93,535	711,912
DIRECT ISSUE EXPENSES	(22,024)	3,060	205	(28,339)	(21,875)
GROSS PROFIT	(12,509)	5,964	205	65,196	690,037
EXPENSES-					
SALARIES	25,000	27,380	27,275	187,447	163,075
COMMISSIONS	0	0	0	0	2,625
BONUS & INCENTIVE COMP	1,000	0	0	5,000	102,783
OTHER PERSONNEL	5,150	3,313	2,460	28,211	38,608
TRAVEL & BUSINESS DEV	105	(6)	0	2,807	6,529
COMMUNICATION & OPERATING	1,038	991	693	6,899	6,498
OCCUPANCY & EQUIPMENT	264	2,163	2,305	13,745	13,047
GENERAL & ADMINISTRATIVE	125	153	151	1,272	2,178
TOTAL EXPENSES	32,682	33,994	32,884	245,381	335,344
NET OPERATING INCOME	(45,191)	(28,030)	(32,679)	(180,185)	354,694
INTERDEPT ALLOCATIONS	(3,013)	(3,913)	(3,776)	(25,833)	(25,717)
NET INCOME BEFORE TAX	(48,204)	(31,943)	(36,455)	(206,018)	328,977

* NET SVC FEE RECORDED IN MSIC

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-020

25-SBA MILWAUKEE

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MORTGAGE BANKING-					
TOTAL ORIGINATION FEES	0	56,106	26,250	154,131	0
LESS: GROSS COMM ALLOC TO-MN BANK SALES	0	(28,375)	(12,276)	(64,142)	0
NET MORTGAGE BANKING	0	27,731	13,974	89,989	0
EXPENSE REIMBURSEMENTS	0	19,770	11,572	42,831	7,182
TOTAL MORTGAGE BANKING	0	47,501	25,546	132,820	7,182
SBA LOAN U/W-					
ORIG FEES & EXP REIMB	1,260	813	23,853	47,119	1,482
NET SBA LOAN U/W	1,260	813	23,853	47,119	1,482
LOAN SERVICING FEES-					
MONTHLY RECURRING FEES	372	0	0	1,857	0
TOTAL LOAN SERVICING FEES	372	0	0	1,857	0
ALLOCATE TO LOAN ADMIN DEPT-FROM MILWAUKEE MTG BANK	(151)	0	0	(775)	0
NET SERVICING FEES *	221	0	0	1,082	0
TOTAL REVENUES	1,481	48,314	49,399	181,021	8,664
DIRECT ISSUE EXPENSES	(10,615)	(40,924)	(21,882)	(113,585)	(8,750)
GROSS PROFIT	(9,134)	7,390	27,517	67,436	(86)
EXPENSES-					
SALARIES	6,417	7,497	8,625	48,205	28,632
BONUS & INCENTIVE COMP	0	5,000	7,000	16,000	0
OTHER PERSONNEL	1,369	1,214	1,277	8,885	8,175
TRAVEL & BUSINESS DEV	7,256	7,499	17,257	55,075	55,218
COMMUNICATION & OPERATING	2,123	1,489	3,656	11,935	8,000
OCCUPANCY & EQUIPMENT	2,547	4,310	3,447	21,683	14,129
GENERAL & ADMINISTRATIVE	0	0	136	393	14,928
TOTAL EXPENSES	19,712	27,009	41,398	162,176	129,081
NET OPERATING INCOME	(28,846)	(19,619)	(13,881)	(94,740)	(129,168)
INTERDEPT ALLOCATIONS	(836)	(1,006)	(941)	(6,930)	(4,782)
NET INCOME BEFORE TAX	(29,682)	(20,625)	(14,822)	(101,670)	(133,950)

* NET SVC FEE RECORDED IN MSIC

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

29-MPLS SALES SUMMARY (30-31)

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
U/W GROSS COMMISSIONS-					
MUNICIPAL BONDS	66,838	92,182	94,225	424,637	539,788
MUNICIPAL U/W-TRADING	0	0	0	950	26,118
MUNICIPAL LEASES	0	0	0	0	4,667
MORTGAGE BANKING	161,138	107,580	127,292	771,017	653,217
TAXABLE FINANCING	14,259	31,500	0	556,714	1,247,614
TAXABLE FINANCING (TX TD)	0	0	0	17,100	0
TAXABLE EQUIP LEASING	0	0	0	0	33,883
CORPORATE CAPITAL	2,250	4,500	0	88,180	251,677
TRADING GROSS COMMISSIONS-					
MUNICIPAL SECONDARY-					
MINNEAPOLIS TRADING	51,175	64,344	45,923	412,448	516,458
SOLANA BEACH TRADING	34,423	29,392	7,650	125,934	94,274
DEFAULT INVENTORY	0	0	0	15	0
INSTITUTIONAL TRADING	0	5,103	0	5,103	3,630
MUNICIPAL PUBLIC SALES-					
MINNEAPOLIS TRADING	0	5,621	25,190	40,873	55,412
SOLANA BEACH TRADING	0	0	0	0	751
MORTGAGE BACKED SEC	9,204	2,387	5,692	47,708	117,139
MORTGAGE POOLS	0	0	0	0	17,093
GOVERNMENT SECURITIES	28,012	34,270	13,511	173,001	141,976
CORPORATE SECONDARY	9,275	41,535	28,263	187,060	149,812
BOND FUNDS	7,390	4,826	7,452	42,459	51,918
OTHER GROSS COMMISSIONS-					
DIRECT INVESTMENT PROD	1,200	11,467	11,760	85,737	128,157
INSURANCE PRODUCTS	31,401	37,642	25,752	210,314	215,588
MUTUAL FUNDS & CD'S	13,012	19,093	19,999	132,799	131,458
EQUITIES	11,160	4,808	8,299	48,031	29,336
MISCELLANEOUS	861	3,374	376	18,318	21,674
TOTAL GROSS COMMISSIONS	441,598	499,624	421,384	3,388,398	4,431,639
LESS REVENUE ALLOCATIONS-					
BOND FUNDS (15%)	(1,109)	(724)	(1,118)	(6,369)	(7,787)
DIRECT INVESTMENTS (25%)	(300)	(2,867)	(2,940)	(21,434)	(32,040)
INSURANCE PRODUCTS (25%)	(7,850)	(9,411)	(6,085)	(52,226)	(53,897)
MUTUAL FUNDS & CD'S (15%)	(1,952)	(2,864)	(3,484)	(19,030)	(19,721)
LESS U/W & TRAD LOSS ALLOC-					
TAXABLE FINANCING	0	0	0	0	(11,667)
CORPORATE CAPITAL U/W	0	0	0	0	(19,256)
DIRECT INVESTMENTS	0	0	0	0	(4,080)
TOTAL REVENUES	430,387	483,758	407,757	3,289,339	4,283,192
DIRECT ISSUE EXPENSES	0	0	(2,820)	(4,400)	(19,451)
GROSS PROFIT	430,387	483,758	404,937	3,284,939	4,263,740
EXPENSES-					
SALARIES	67,058	69,411	45,519	382,791	447,709
COMMISSION PAYOUTS	196,677	232,809	191,057	1,524,456	2,001,092
COMMISSION AWARDS	49	50	613	1,482	2,660
BONUS & INCENTIVE COMP	4,500	6,000	2,500	33,000	81,469
OTHER PERSONNEL	33,032	28,775	32,214	238,861	256,397
TRAVEL & BUSINESS DEV	22,930	36,015	46,151	190,956	229,599
COMMUNICATION/OPERATING	16,334	31,568	24,337	194,557	177,139
OCCUPANCY & EQUIPMENT	56	20,522	21,243	122,964	119,375
GENERAL & ADMINISTRATIVE	3,724	3,216	4,216	22,950	25,274
TOTAL EXPENSES	344,360	428,366	367,850	2,712,017	3,340,713
NET OPERATING INCOME	86,027	55,392	37,087	572,922	923,027
INTERDEPT ALLOCATIONS	(62,158)	(76,786)	(65,772)	(501,774)	(545,546)
NET INCOME BEFORE TAX	23,869	(21,394)	(28,685)	71,148	377,481
COMMISSION PAYOUT %	44.5	46.6	45.3	45.0	26.3
COMMISSION PAYOUT % (ANNUALIZED)					45.2

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

30-MINNEAPOLIS RETAIL SALES

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
U/W GROSS COMMISSIONS-					
MUNICIPAL BONDS	66,838	86,932	94,225	382,427	383,795
MUNICIPAL U/W-TRADING	0	0	0	950	25,811
CORPORATE CAPITAL	2,250	4,500	0	78,180	233,594
TRADING GROSS COMMISSIONS-					
MUNICIPAL SECONDARY-					
MINNEAPOLIS TRADING	44,256	57,134	39,857	366,690	480,072
SOLANA BEACH TRADING	33,923	29,392	7,650	115,026	87,945
DEFAULT INVENTORY	0	0	0	15	0
INSTITUTIONAL TRADING	0	5,103	0	5,103	1,555
MUNICIPAL PUBLIC SALES-					
MINNEAPOLIS TRADING	0	2,621	15,200	22,777	27,404
SOLANA BEACH TRADING	0	0	0	0	532
MORTGAGE BACKED SEC	7,095	2,387	5,692	42,729	87,092
GOVERNMENT SECURITIES	1,863	4,228	3,743	23,417	20,088
CORPORATE SECONDARY	9,275	40,910	24,898	162,442	127,009
BOND FUNDS	7,390	4,826	7,452	42,459	51,918
OTHER GROSS COMMISSIONS-					
DIRECT INVESTMENT PROD	1,200	11,467	11,760	85,737	128,157
INSURANCE PRODUCTS	31,401	37,642	25,752	210,314	215,588
MUTUAL FUNDS & CD'S	13,012	19,093	19,999	132,799	131,458
EQUITIES	11,160	4,808	8,299	48,031	29,336
MISCELLANEOUS	861	3,374	376	18,318	21,674
TOTAL GROSS COMMISSIONS	230,524	314,417	264,903	1,737,414	2,053,028
LESS REVENUE ALLOCATIONS-					
BOND FUNDS (15%)	(1,109)	(724)	(1,118)	(6,369)	(7,787)
DIRECT INVESTMENTS (25%)	(300)	(2,867)	(2,940)	(21,434)	(32,040)
INSURANCE PRODUCTS (25%)	(7,850)	(9,411)	(6,085)	(52,226)	(53,897)
MUTUAL FUNDS & CD'S (15%)	(1,952)	(2,864)	(3,484)	(19,030)	(19,721)
LESS U/W & TRAD LOSS ALLOC-					
CORPORATE CAPITAL U/W	0	0	0	0	(19,256)
DIRECT INVESTMENTS	0	0	0	0	(4,080)
TOTAL REVENUES	219,313	298,551	251,276	1,638,355	1,916,247
DIRECT ISSUE EXPENSES	0	0	(2,820)	(4,400)	(19,451)
GROSS PROFIT	219,313	298,551	248,456	1,633,955	1,896,795
EXPENSES-					
SALARIES	33,998	34,720	35,860	243,625	228,744
COMMISSION PAYOUTS	101,702	156,236	121,312	749,034	874,846
COMMISSION AWARDS	49	50	0	869	117
BONUS & INCENTIVE COMP	2,500	3,000	1,500	16,000	30,479
OTHER PERSONNEL	21,222	20,209	23,734	155,467	179,173
TRAVEL & BUSINESS DEV	15,446	19,882	37,245	133,759	106,163
COMMUNICATION/OPERATING	8,927	16,143	15,564	114,616	103,068
OCCUPANCY & EQUIPMENT	(425)	13,137	13,521	78,237	75,002
GENERAL & ADMINISTRATIVE	2,981	2,484	3,484	17,545	18,933
TOTAL EXPENSES	186,400	265,861	252,220	1,509,152	1,616,523
NET OPERATING INCOME	32,913	32,690	(3,764)	124,803	280,272
INTERDEPT ALLOCATIONS	(51,566)	(65,883)	(55,413)	(415,382)	(456,279)
NET INCOME BEFORE TAX	(18,653)	(33,193)	(59,177)	(290,579)	(176,007)
COMMISSION PAYOUT %	44.1	49.7	45.8	43.1	24.9
COMMISSION PAYOUT % (ANNUALIZED)					42.6

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

31-MINNEAPOLIS BANK RETAIL SALES

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
U/W GROSS COMMISSIONS-					
MUNICIPAL BONDS	0	5,250	0	42,210	155,993
MUNICIPAL U/W-TRADING	0	0	0	0	306
MUNICIPAL LEASES	0	0	0	0	4,667
MORTGAGE BANKING	161,138	107,580	127,292	771,017	653,217
TAXABLE FINANCING	14,259	31,500	0	556,714	1,247,614
TAXABLE FINANCING (TX TD)	0	0	0	17,100	0
TAXABLE EQUIP LEASING	0	0	0	0	33,883
CORPORATE CAPITAL	0	0	0	10,000	18,083
TRADING GROSS COMMISSIONS-					
MUNICIPAL SECONDARY-					
MINNEAPOLIS TRADING	6,919	7,210	6,066	45,758	36,386
SOLANA BEACH TRADING	500	0	0	10,908	6,329
INSTITUTIONAL TRADING	0	0	0	0	2,076
MUNICIPAL PUBLIC SALES-					
MINNEAPOLIS TRADING	0	3,000	9,990	18,096	28,008
SOLANA BEACH TRADING	0	0	0	0	219
MORTGAGE BACKED SEC	2,109	0	0	4,979	30,046
MORTGAGE POOLS	0	0	0	0	17,093
GOVERNMENT SECURITIES	26,149	30,042	9,768	149,584	121,888
CORPORATE SECONDARY	0	625	3,365	24,618	22,804
TOTAL GROSS COMMISSIONS	211,074	185,207	156,481	1,650,984	2,378,612
LESS U/W & TRAD LOSS ALLOC-					
TAXABLE FINANCING	0	0	0	0	(11,667)
TOTAL REVENUES	211,074	185,207	156,481	1,650,984	2,366,945
GROSS PROFIT	211,074	185,207	156,481	1,650,984	2,366,945
EXPENSES-					
SALARIES	33,060	34,691	9,659	139,166	218,965
COMMISSION PAYOUTS	94,975	76,573	69,745	775,422	1,126,246
COMMISSION AWARDS	0	0	613	613	2,543
BONUS & INCENTIVE COMP	2,000	3,000	1,000	17,000	50,990
OTHER PERSONNEL	11,810	8,566	8,480	83,394	77,224
TRAVEL & BUSINESS DEV	7,484	16,133	8,906	57,197	123,436
COMMUNICATION/OPERATING	7,407	15,425	8,773	79,941	74,071
OCCUPANCY & EQUIPMENT	481	7,385	7,722	44,727	44,373
GENERAL & ADMINISTRATIVE	743	732	732	5,405	6,341
TOTAL EXPENSES	157,960	162,505	115,630	1,202,865	1,724,190
NET OPERATING INCOME	53,114	22,702	40,851	448,119	642,755
INTERDEPT ALLOCATIONS	(10,592)	(10,903)	(10,359)	(86,392)	(89,267)
NET INCOME BEFORE TAX	42,522	11,799	30,492	361,727	553,488
COMMISSION PAYOUT %	45.0	41.3	44.6	47.0	27.6
COMMISSION PAYOUT % (ANNUALIZED)					47.3

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

33-MINNEAPOLIS INSTITUTIONAL

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
UNDERWRITING GROSS COMMISSION-					
MUNICIPAL BOND U/W	102,966	36,945	48,848	517,625	553,713
TOTAL U/W GROSS COMM	102,966	36,945	48,848	517,625	553,713
MUNICIPAL SECONDARY TRADING-					
TOTAL TRADING PROFIT	9,278	10,428	476	28,392	161,980
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	(5,103)	0	(5,103)	(1,555)
MN BANK SALES	0	0	0	0	(2,076)
NET SECONDARY TRAD PROF	9,278	5,325	476	23,289	158,350
PUBLIC SALES TRADING-					
TOTAL TRADING PROFIT & FEES	0	0	0	0	21,088
NET PUBLIC SALES PROF	0	0	0	0	21,088
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	(9)	0	0	437	157
LESS: GROSS COMM ALLOC TO-					
NET EQUITIES PROF/FEES	(9)	0	0	437	157
TOTAL REVENUES	112,235	42,270	49,324	541,351	733,307
DIRECT ISSUE EXPENSES	0	0	0	0	(11,667)
GROSS PROFIT	112,235	42,270	49,324	541,351	721,641
EXPENSES-					
SALARIES	21,158	21,905	16,042	137,329	134,062
COMMISSION PAYOUTS	(49)	0	0	(49)	0
BONUS & INCENTIVE COMP	7,500	7,500	(5,500)	42,000	83,271
OTHER PERSONNEL	1,576	1,790	1,718	21,988	14,202
TRAVEL & BUSINESS DEV	2,947	328	461	5,650	6,001
COMMUNICATION & OPERATING	2,970	5,948	2,703	30,541	31,106
OCCUPANCY & EQUIPMENT	180	1,617	1,583	10,655	11,347
GENERAL & ADMINISTRATIVE	103	83	83	634	782
TOTAL EXPENSES	36,385	39,171	17,090	248,748	280,771
NET OPERATING INCOME	75,850	3,099	32,234	292,603	440,869
INTERDEPT ALLOCATIONS	(3,474)	(2,884)	(1,918)	(26,165)	(27,838)
NET INCOME BEFORE TAX	72,376	215	30,316	266,438	413,032

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

34-MINNEAPOLIS RETAIL TRADING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
UNDERWRITING GROSS COMMISSION-					
MUNICIPAL BOND U/W	115	5,680	928	26,045	36,598
MUNICIPAL LEASE U/W	0	0	0	0	467
CORPORATE CAPITAL GROUP	2	2	0	30	177
TOTAL U/W GROSS COMM	117	5,682	928	26,075	37,242
MUNICIPAL U/W-TRADING DEPT-					
TOTAL PROFIT	0	0	0	0	31,098
LESS: GROSS COMM ALLOC TO:					
MN RETAIL SALES	0	0	0	0	(25,811)
MN BANK SALES	0	0	0	0	(306)
CA RETAIL SALES	0	0	0	0	(700)
NET M&S U/W-TRADING PROFIT	0	0	0	0	4,280
MUNICIPAL SECONDARY TRADING-					
TOTAL TRADING PROFIT	56,072	44,731	56,114	456,334	574,763
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(44,256)	(57,134)	(39,857)	(368,190)	(480,072)
MN BANK SALES	(6,919)	(7,210)	(6,066)	(45,758)	(36,386)
MN INSTITUTIONAL	(2,100)	(400)	0	(4,638)	(561)
CA RETAIL SALES	(888)	(3,557)	(338)	(8,597)	(6,888)
NET SECONDARY TRAD PROF	1,909	(23,570)	9,853	29,151	50,856
PUBLIC SALES TRADING-					
TOTAL TRADING PROFIT & FEES	528	(11,501)	37,526	45,705	75,315
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	(5,621)	(15,200)	(25,777)	(27,404)
MN BANK SALES	0	0	(9,990)	(15,096)	(28,008)
NET PUBLIC SALES PROF	528	(17,122)	12,336	4,832	19,903
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	0	0	11	756	48
LESS: GROSS COMM ALLOC TO-					
NET EQUITIES PROF/FEES	0	0	11	756	48
MARK TO MARKET ADJUSTMENTS	0	(16,731)	0	(61,328)	(26,919)
TOTAL REVENUES	2,554	(51,741)	23,128	(514)	85,410
DIRECT ISSUE EXPENSES	(205)	(873)	(1,284)	(4,372)	(25,274)
GROSS PROFIT	2,349	(52,614)	21,844	(4,886)	60,136
EXPENSES-					
SALARIES	13,681	9,130	11,026	81,769	79,413
COMMISSION PAYOUTS	0	(5)	0	(5)	0
BONUS & INCENTIVE COMP	0	0	0	13,000	33,250
REFERRAL COMP TO EMPLOYEES	0	0	0	0	1,803
OTHER PERSONNEL	2,385	1,113	1,162	14,856	11,566
TRAVEL & BUSINESS DEV	0	141	1,818	2,024	421
COMMUNICATION & OPERATING	3,954	3,762	3,686	33,566	34,126
OCCUPANCY & EQUIPMENT	(684)	1,148	1,452	8,256	9,503
GENERAL & ADMINISTRATIVE	103	83	333	839	1,149
TOTAL EXPENSES	19,439	15,372	19,477	154,305	171,231
NET OPERATING INCOME	(17,090)	(67,986)	2,367	(159,191)	(111,094)
INTERDEPT ALLOCATIONS	(4,513)	(4,966)	(5,259)	(37,172)	(39,615)
NET INCOME BEFORE TAX	(21,603)	(72,952)	(2,892)	(196,363)	(150,709)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

35-MINNEAPOLIS TAXABLE TRADING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
UNDERWRITING GROSS COMMISSION-					
MUNICIPAL BOND U/W	0	0	0	50	8,107
CORPORATE CAPITAL GROUP	47	94	0	3,402	12,450
TOTAL U/W GROSS COMM	47	94	0	3,452	20,557
TAXABLE FINANCING U/W-					
TOTAL FEES & PROFIT	0	0	0	34,200	0
LESS: GROSS COMM ALLOC TO-					
MN BANK SALES	0	0	0	(17,100)	0
NET TAXABLE FINANCE U/W	0	0	0	17,100	0
MORTGAGE BACKED SEC TRADING-					
TOTAL TRADING PROFIT	11,328	3,698	7,842	54,958	122,687
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(7,095)	(2,387)	(5,692)	(42,729)	(87,092)
MN BANK SALES	(2,109)	0	0	(4,979)	(30,046)
CA RETAIL SALES	(3,322)	(512)	(1,753)	(8,421)	(17,306)
NET CMO TRADING PROFIT	(1,198)	799	397	(1,171)	(11,758)
GOVERNMENT SECURITIES TRADING-					
TOTAL TRADING PROFIT	41,676	47,784	14,034	188,926	189,794
LESS: GROSS COMM ALLOC TO-					
SOLANA BEACH U/W	(2,500)	0	0	(6,500)	762
PASADENA U/W	0	0	0	0	10,450
SELF INSURANCE GROUP	0	0	0	0	(1,220)
MN RETAIL SALES	(1,863)	(4,228)	(3,843)	(23,517)	(20,088)
MN BANK SALES	(26,149)	(30,042)	(9,768)	(149,584)	(121,888)
CA RETAIL SALES	(1,162)	(50)	(100)	(2,101)	(3,102)
NET GOVTS TRADING PROF	10,002	13,464	323	7,224	54,707
CORPORATE SECONDARY TRADING-					
TOTAL TRADING PROFIT	33,907	89,092	88,287	451,541	290,269
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(9,275)	(40,910)	(24,898)	(162,988)	(131,811)
MN BANK SALES	0	(625)	(3,365)	(24,070)	(22,804)
CA RETAIL SALES	(21,836)	(44,944)	(43,970)	(236,070)	(136,557)
NET CORP SCDRY TRAD PROF	2,796	2,613	16,054	28,413	(902)
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	0	0	0	0	4
LESS: GROSS COMM ALLOC TO-					
NET EQUITIES PROF/FEES	0	0	0	0	4
MARK TO MARKET ADJUSTMENTS	0	(6,839)	0	(11,721)	(18,443)
MISCELLANEOUS INCOME	0	0	0	0	0
TOTAL REVENUES	11,647	10,131	16,774	43,297	44,164
DIRECT ISSUE EXPENSES	0	0	(6,355)	(22,891)	(197)
GROSS PROFIT	11,647	10,131	10,419	20,406	43,967
EXPENSES-					
SALARIES	10,125	10,417	11,642	72,763	53,282
BONUS & INCENTIVE COMP	0	0	0	5,000	20,417
OTHER PERSONNEL	1,654	1,628	1,676	14,471	9,904
TRAVEL & BUSINESS DEV	44	130	688	1,586	6,334
COMMUNICATION & OPERATING	3,420	3,381	2,668	22,194	21,300
OCCUPANCY & EQUIPMENT	557	1,512	1,213	9,490	8,284
GENERAL & ADMINISTRATIVE	62	66	70	450	408
TOTAL EXPENSES	15,862	17,134	17,957	125,954	119,928
NET OPERATING INCOME	(4,215)	(7,003)	(7,538)	(105,548)	(75,961)
INTERDEPT ALLOCATIONS	(3,450)	(3,402)	(2,874)	(25,700)	(22,710)
NET INCOME BEFORE TAX	(7,665)	(10,405)	(10,412)	(131,248)	(98,671)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

36-MINNEAPOLIS FINANCIAL SERVICES

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
BOND FUND TRADING-					
TOTAL TRADING PROFIT	12,153	8,003	7,837	46,760	64,007
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(7,390)	(4,826)	(7,452)	(36,810)	(51,918)
CA RETAIL SALES	(4,645)	(3,178)	(321)	(9,679)	(9,118)
NET BOND FUND TRAD PROF	118	(1)	64	271	2,972
GROSS COMM REALLOC (15%)	1,805	1,201	1,166	8,125	9,154
NET BOND FUND REVENUES	1,923	1,200	1,230	8,396	12,126
DIRECT INVESTMENT PRODUCTS-					
TOTAL FEES & COMMISSIONS	1,200	11,552	12,495	92,343	148,219
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(1,200)	(11,467)	(11,760)	(85,737)	(128,157)
CA RETAIL SALES	0	(75)	0	(75)	(1,444)
NET DIRECT INV FEES	0	10	735	6,531	18,618
GROSS COMM REALLOC (25%)	300	2,886	2,940	21,453	32,401
NET DIRECT INV REVENUES	300	2,896	3,675	27,984	51,018
INSURANCE PRODUCTS-					
TOTAL FEES & COMMISSIONS	32,783	37,669	28,431	214,102	213,586
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(31,401)	(37,642)	(25,752)	(210,314)	(215,588)
CA RETAIL SALES	(1,382)	(27)	(2,679)	(4,089)	(2,224)
NET INSURANCE FEES	0	0	0	(301)	(4,227)
GROSS COMM REALLOC (25%)	8,196	9,418	6,754	53,248	54,453
NET INSURANCE REVENUES	8,196	9,418	6,754	52,947	50,226
MUTUAL FUNDS-					
TOTAL COMMISSIONS	12,913	10,418	7,860	80,724	85,445
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(10,462)	(8,990)	(7,760)	(73,921)	(71,208)
CA RETAIL SALES	(767)	(1,599)	(100)	(3,921)	(14,165)
NET MUTUAL FUND COMM	1,684	(171)	0	2,882	72
GROSS COMM REALLOC (15%)	0	1,588	1,178	8,623	12,808
NET MUTUAL FUND REVENUES	1,684	1,417	1,178	11,505	12,879

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

36-MINNEAPOLIS FINANCIAL SERVICES

DESCRIPTION	March	April	May	YTD	PY-YTD
MUTUAL FUND REINVESTMENTS-					
TOTAL COMMISSIONS	3,713	10,794	15,403	68,644	66,588
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(2,385)	(9,927)	(12,239)	(55,986)	(56,751)
CA RETAIL SALES	(1,328)	(860)	(3,164)	(12,652)	(9,820)
CA RETAIL TRADING	0	0	0	0	(17)
NET REINVESTMENT COMM	0	7	0	6	0
GROSS COMM REALLOC (15%)	557	1,618	3,259	9,130	9,989
NET REINVESTMENT REV	557	1,625	3,259	9,136	9,989
CERTIFICATES OF DEPOSIT-					
TOTAL COMMISSIONS	166	175	0	4,364	3,534
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(166)	(175)	0	(4,266)	(3,499)
CA RETAIL SALES	0	0	0	0	(35)
NET CD COMM	0	0	0	98	0
GROSS COMM REALLOC (15%)	25	26	0	640	530
NET CD REVENUE	25	26	0	738	530
MARK TO MARKET ADJUSTMENTS	0	0	0	0	(200)
TOTAL REVENUES	12,685	16,582	16,096	110,706	136,568
GROSS PROFIT	12,685	16,582	16,096	110,706	136,568
EXPENSES-					
SALARIES	8,607	8,756	8,752	60,321	56,166
COMMISSION PAYOUTS	0	1	0	1	33
BONUS & INCENTIVE COMP	0	0	0	0	7,000
OTHER PERSONNEL	1,521	1,806	1,473	12,501	11,912
TRAVEL & BUSINESS DEV	50	0	0	50	624
COMMUNICATION & OPERATING	430	447	371	3,959	4,694
OCCUPANCY & EQUIPMENT	345	1,748	1,744	11,091	11,198
GENERAL & ADMINISTRATIVE	86	88	88	600	593
TOTAL EXPENSES	11,039	12,846	12,428	88,523	92,220
NET OPERATING INCOME	1,646	3,736	3,668	22,183	44,349
INTERDEPT ALLOCATIONS	(2,516)	(2,868)	(2,431)	(19,585)	(19,950)
NET INCOME BEFORE TAX	(870)	868	1,237	2,598	24,399

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

37-MINNEAPOLIS EQUITIES TRADING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	13,685	7,811	10,436	56,111	0
EQUITIES FEES/REBATES	162	389	0	979	0
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(11,160)	(4,749)	(8,299)	(44,191)	0
MN INSTITUTIONAL	0	0	0	(319)	0
MN TRADING	0	0	0	(717)	0
CA RETAIL	(3,293)	(3,062)	(2,060)	(17,414)	0
CA TRADING	0	0	0	(22)	0
NET EQUITIES PROF/FEES	(606)	389	77	(5,573)	0
TOTAL REVENUES	(606)	389	77	(5,573)	0
GROSS PROFIT	(606)	389	77	(5,573)	0
EXPENSES-					
SALARIES	3,000	3,000	3,000	21,000	1,750
OTHER PERSONNEL	264	265	265	2,010	229
TRAVEL & BUSINESS DEV	0	0	1,116	3,385	0
COMMUNICATION & OPERATING	1,440	691	701	11,239	34
OCCUPANCY & EQUIPMENT	308	308	308	1,916	0
GENERAL & ADMINISTRATIVE	25	26	26	173	0
TOTAL EXPENSES	5,037	4,290	5,416	39,723	2,013
NET OPERATING INCOME	(5,643)	(3,901)	(5,339)	(45,296)	(2,013)
INTERDEPT ALLOCATIONS	(542)	(658)	(631)	(4,454)	0
NET INCOME BEFORE TAX	(6,185)	(4,559)	(5,970)	(49,750)	(2,013)

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-002

49-CALIFORNIA SUMMARY (50-74)

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
UNDERWRITING PROFIT/FEES-					
MUNICIPAL BONDS	692,289	52,274	770,018	3,872,523	4,103,830
INVESTMENT BANKING FEES	30,000	133,142	1,094	245,967	726,976
MORTGAGE BANKING	0	0	6,000	6,000	0
TAXABLE FINANCING	0	0	0	3,125	17,500
CORPORATE CAPITAL	0	0	0	0	245
TRADING PROFIT-					
MUNICIPAL SECONDARY	259,840	215,143	83,809	999,625	1,292,516
MUNICIPAL PUBLIC SALES	0	0	0	20,296	199,155
MORTGAGE BACKED SEC	3,322	512	1,753	8,421	17,306
GOVERNMENT SECURITIES	3,662	50	100	8,601	(6,890)
CORPORATE SECONDARY	21,836	44,944	43,970	236,070	136,557
BOND FUNDS	3,948	2,701	273	9,954	7,750
MARK-TO-MARKET	0	0	0	0	(162,507)
COMMISSION & FEE INCOME-					
DIRECT INVESTMENT PROD	0	56	(104)	(48)	1,144
INSURANCE PRODUCTS	1,037	20	2,009	3,066	1,668
MUTUAL FUNDS & CD'S	1,781	2,090	2,311	13,693	20,431
EQUITIES	3,293	3,064	2,060	18,633	6,003
MISCELLANEOUS	1,198	1,303	5	9,596	4,321
TOTAL REVENUES	1,022,206	455,299	913,298	5,455,522	6,366,005
DIRECT ISSUE EXPENSES	(45,979)	(40,183)	(69,662)	(391,770)	(415,179)
GROSS PROFIT	976,227	415,116	843,636	5,063,752	5,950,826
EXPENSES-					
SALARIES	256,611	251,328	250,192	1,735,549	1,487,597
COMMISSIONS	176,350	142,420	165,388	875,643	768,894
BONUS & INCENTIVE COMP	130,896	35,678	107,517	513,952	591,826
OTHER PERSONNEL	48,002	37,142	37,769	306,641	259,695
TRAVEL & BUSINESS DEV	51,589	84,065	103,603	516,129	447,700
COMMUNICATION/OPERATING	47,533	68,419	67,985	404,714	379,585
OCCUPANCY & EQUIPMENT	55,888	55,635	60,886	393,747	373,153
GENERAL & ADMINISTRATIVE	5,702	4,016	7,243	44,425	77,263
TOTAL EXPENSES	772,571	678,703	800,583	4,790,800	4,385,712
NET OPERATING INCOME	203,656	(263,587)	43,053	272,952	1,565,114
INTERDEPT ALLOCATIONS-					
ALLOCATED FROM SUPPORT DEPT	(62,414)	(66,316)	(63,108)	(460,882)	(463,027)
NET INCOME BEFORE TAX	141,242	(329,903)	(20,055)	(187,930)	1,102,087

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-020

50-SOLANA BEACH ADMINISTRATION

DESCRIPTION	March	April	May	YTD	PY-YTD
EXPENSES-					
SALARIES	39,500	39,500	39,500	236,500	199,792
OTHER PERSONNEL	2,652	1,900	1,898	20,073	15,646
TRAVEL & BUSINESS DEV	1,927	6,577	26,440	71,239	41,137
COMMUNICATION & OPERATING	1,842	2,742	10,491	30,206	18,981
OCCUPANCY & EQUIPMENT	3,955	4,447	7,400	33,897	31,173
GENERAL & ADMINISTRATIVE	365	368	368	2,484	4,262
TOTAL EXPENSES	50,241	55,534	86,097	394,399	310,990
NET OPERATING INCOME	(50,241)	(55,534)	(86,097)	(394,399)	(310,990)
INTERDEPT ALLOCATIONS	(726)	(855)	(812)	(5,921)	(6,081)
NET INCOME BEFORE TAX	(50,967)	(56,389)	(86,909)	(400,320)	(317,071)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

51-SOLANA BEACH UNDERWRITING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	822,196	44,698	722,205	3,101,484	3,050,990
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	(65,125)	(4,000)	(83,975)	(223,355)	(33,212)
MN BANK RETAIL	0	0	0	(12,300)	(42,411)
MN INSTITUTIONAL	(59,485)	0	(16,500)	(193,752)	(187,501)
MN TAXABLE TRADING	0	0	0	0	(2,479)
CA RETAIL SALES	(93,975)	(25,838)	(166,515)	(529,142)	(429,308)
CA RETAIL TRADING	(17,595)	(1,755)	(17,375)	(90,400)	(140,312)
NET MUNICIPAL BOND U/W	586,016	13,105	437,840	2,052,535	2,215,768
INVESTMENT BANKING FEES	30,000	133,142	1,094	205,967	296,777
TRADING DEPT ALLOCATIONS-					
MUNICIPAL SECONDARY	0	8,372	0	8,372	0
GOVERNMENT SECURITIES	2,500	0	0	6,500	(762)
TOTAL TRADING DEPT ALLOCATIONS	2,500	8,372	0	14,872	(762)
MARK-TO-MARKET ADJUSTMENTS	0	0	0	0	(30,641)
TOTAL REVENUES	618,516	154,619	438,934	2,273,374	2,481,141
DIRECT ISSUE EXPENSES	(44,214)	(33,904)	(62,461)	(315,478)	(251,714)
GROSS PROFIT	574,302	120,715	376,473	1,957,896	2,229,428
EXPENSES-					
SALARIES	80,984	80,752	79,629	565,172	463,200
BONUS & INCENTIVE COMP	125,000	21,000	92,000	367,000	297,012
REFERRAL COMP TO EMPLOYEES	0	0	0	4,896	0
OTHER PERSONNEL	16,915	9,945	10,890	83,080	81,873
TRAVEL & BUSINESS DEV	16,225	41,187	35,854	216,377	197,527
COMMUNICATION & OPERATING	12,443	30,775	15,996	118,970	95,362
OCCUPANCY & EQUIPMENT	21,087	20,577	21,530	149,348	153,742
GENERAL & ADMINISTRATIVE	2,171	667	3,967	17,486	52,238
TOTAL EXPENSES	274,825	204,903	259,866	1,522,329	1,340,952
NET OPERATING INCOME	299,477	(84,188)	116,607	435,567	888,476
INTERDEPT ALLOCATIONS	(9,901)	(10,175)	(10,567)	(77,029)	(69,609)
NET INCOME BEFORE TAX	289,576	(94,363)	106,040	358,538	818,866

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

53-PASADENA UNDERWRITING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	(2,180)	(5,646)	0	237,573	195,723
LESS: GROSS COMM ALLOC TO- MN INSTITUTIONAL	0	0	0	0	(20,877)
NET MUNICIPAL BOND U/W	(2,180)	(5,646)	0	237,573	174,846
INVESTMENT BANKING FEES	0	0	0	0	178,138
TRADING DEPT ALLOCATIONS-					
GOVERNMENT SECURITIES	0	0	0	0	(10,450)
TOTAL TRADING DEPT ALLOCATIONS	0	0	0	0	(10,450)
TOTAL REVENUES	(2,180)	(5,646)	0	237,573	342,534
DIRECT ISSUE EXPENSES	0	0	0	0	(8,010)
GROSS PROFIT	(2,180)	(5,646)	0	237,573	334,524
EXPENSES-					
SALARIES	29,685	29,685	29,685	207,794	226,641
BONUS & INCENTIVE COMP	0	0	0	20,000	23,257
OTHER PERSONNEL	5,329	3,925	3,878	27,734	28,470
TRAVEL & BUSINESS DEV	1,639	2,555	4,076	11,714	21,533
COMMUNICATION & OPERATING	1,994	2,007	3,419	19,821	34,324
OCCUPANCY & EQUIPMENT	3,988	3,329	2,878	23,574	22,758
GENERAL & ADMINISTRATIVE	132	137	137	948	4,057
TOTAL EXPENSES	42,767	41,638	44,073	311,585	361,040
NET OPERATING INCOME	(44,947)	(47,284)	(44,073)	(74,012)	(26,515)
INTERDEPT ALLOCATIONS	(2,289)	(2,685)	(2,543)	(18,564)	(21,366)
NET INCOME BEFORE TAX	(47,236)	(49,969)	(46,616)	(92,576)	(47,882)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

57-SACRAMENTO UNDERWRITING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	297,467	0
LESS: GROSS COMM ALLOC TO-					
MN INSTITUTIONAL	0	0	0	(30,720)	0
CA RETAIL TRADING	0	0	0	(2,588)	0
NET MUNICIPAL BOND U/W	0	0	0	264,159	0
INVESTMENT BANKING FEES	0	0	0	30,000	0
TOTAL REVENUES	0	0	0	294,159	0
DIRECT ISSUE EXPENSES	0	(5,000)	0	(47,660)	0
GROSS PROFIT	0	(5,000)	0	246,499	0
EXPENSES-					
SALARIES	7,083	7,083	7,083	49,583	0
BONUS & INCENTIVE COMP	0	5,000	0	23,000	0
OTHER PERSONNEL	1,988	674	695	6,199	0
TRAVEL & BUSINESS DEV	2,026	0	0	15,023	0
COMMUNICATION & OPERATING	515	0	0	3,044	0
OCCUPANCY & EQUIPMENT	556	215	212	1,803	0
GENERAL & ADMINISTRATIVE	23	24	24	120	0
TOTAL EXPENSES	12,191	12,996	8,014	98,772	0
NET OPERATING INCOME	(12,191)	(17,996)	(8,014)	147,727	0
INTERDEPT ALLOCATIONS	(558)	(602)	(591)	(4,206)	0
NET INCOME BEFORE TAX	(12,749)	(18,598)	(8,605)	143,521	0

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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-020

61-SELF INSURANCE GROUP

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MUNICIPAL BOND U/W-					
TOTAL FEES & TRADING PROFIT	0	0	0	0	561,482
LESS: GROSS COMM ALLOC TO-					
MN BANK RETAIL	0	0	0	0	(1,604)
MN INSTITUTIONAL	0	0	0	0	(49,525)
CA RETAIL SALES	0	0	0	0	(1,579)
CA RETAIL TRADING	0	0	0	0	(11,770)
NET MUNICIPAL BOND U/W	0	0	0	0	497,005
INVESTMENT BANKING FEES	0	0	0	0	164,111
TRADING DEPT ALLOCATIONS-					
GOVERNMENT SECURITIES	0	0	0	0	1,220
TOTAL TRADING DEPT ALLOCATIONS	0	0	0	0	1,220
TOTAL REVENUES	0	0	0	0	662,336
DIRECT ISSUE EXPENSES	0	0	(5,873)	(12,873)	(135,826)
GROSS PROFIT	0	0	(5,873)	(12,873)	526,510
EXPENSES-					
SALARIES	24,779	24,771	24,835	174,352	205,676
BONUS & INCENTIVE COMP	0	0	0	0	128,011
OTHER PERSONNEL	2,409	2,198	2,278	22,770	28,008
TRAVEL & BUSINESS DEV	11,622	5,749	7,743	48,055	73,270
COMMUNICATION & OPERATING	7,749	3,728	9,128	36,807	30,832
OCCUPANCY & EQUIPMENT	5,079	5,655	6,725	45,612	38,301
GENERAL & ADMINISTRATIVE	249	249	249	6,977	1,535
TOTAL EXPENSES	51,887	42,350	50,958	334,573	505,633
NET OPERATING INCOME	(51,887)	(42,350)	(56,831)	(347,446)	20,877
INTERDEPT ALLOCATIONS	(2,979)	(3,570)	(3,331)	(24,557)	(27,715)
NET INCOME BEFORE TAX	(54,866)	(45,920)	(60,162)	(372,003)	(6,838)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

70-SOLANA BEACH RETAIL SALES

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
U/W GROSS COMMISSIONS-					
MUNICIPAL BONDS	93,975	30,025	165,515	533,392	460,651
MUNICIPAL U/W-TRADING	0	0	0	20,811	700
MORTGAGE BANKING	0	0	6,000	6,000	0
TAXABLE FINANCING	0	0	0	3,125	17,500
CORPORATE CAPITAL	0	0	0	0	245
TRADING GROSS COMMISSIONS-					
MUNICIPAL SECONDARY-					
MINNEAPOLIS TRADING	888	3,557	338	10,097	6,888
SOLANA BEACH TRADING	212,727	197,075	84,873	860,716	785,898
MUNICIPAL PUBLIC SALES-					
SOLANA BEACH TRADING	0	0	0	15,445	55,236
MORTGAGE BACKED SEC	3,322	512	1,753	8,421	17,306
GOVERNMENT SECURITIES	1,162	50	100	2,101	3,102
CORPORATE SECONDARY	21,836	44,944	43,970	236,070	136,557
BOND FUNDS	4,645	3,178	321	11,711	9,118
OTHER GROSS COMMISSIONS-					
DIRECT INVESTMENT PROD	0	75	(104)	(29)	1,504
INSURANCE PRODUCTS	1,382	27	2,679	4,089	2,224
MUTUAL FUNDS & CD'S	2,095	2,459	3,264	16,109	24,037
EQUITIES	3,293	3,064	2,060	18,606	5,945
MISCELLANEOUS	1,198	1,303	5	9,596	4,321
TOTAL GROSS COMMISSIONS	346,523	286,269	310,774	1,756,260	1,531,232
LESS REVENUE ALLOCATIONS-					
BOND FUNDS (15%)	(697)	(477)	(48)	(1,757)	(1,368)
DIRECT INVESTMENTS (25%)	0	(19)	0	(19)	(361)
INSURANCE PRODUCTS (25%)	(346)	(7)	(670)	(1,022)	(556)
MUTUAL FUNDS & CD'S (15%)	(314)	(369)	(953)	(2,416)	(3,606)
TOTAL REVENUES	345,166	285,397	309,103	1,751,046	1,525,342
DIRECT ISSUE EXPENSES	0	0	0	0	(1,546)
GROSS PROFIT	345,166	285,397	309,103	1,751,046	1,523,796
EXPENSES-					
SALARIES	44,029	39,820	39,743	299,166	207,926
COMMISSION PAYOUTS	176,350	142,420	165,388	875,613	768,843
COMMISSION AWARDS	0	0	0	30	46
BONUS & INCENTIVE COMP	6,896	5,678	6,517	35,056	24,872
OTHER PERSONNEL	14,869	15,257	15,118	111,339	81,813
TRAVEL & BUSINESS DEV	7,286	25,230	18,770	104,422	63,172
COMMUNICATION/OPERATING	14,237	16,883	15,967	102,615	93,807
OCCUPANCY & EQUIPMENT	10,747	12,398	10,721	72,853	65,491
GENERAL & ADMINISTRATIVE	2,693	2,426	2,426	15,848	14,363
TOTAL EXPENSES	277,107	260,112	274,650	1,616,942	1,320,331
NET OPERATING INCOME	68,059	25,285	34,453	134,104	203,466
INTERDEPT ALLOCATIONS	(39,516)	(40,980)	(39,240)	(280,078)	(262,712)
NET INCOME BEFORE TAX	28,543	(15,695)	(4,787)	(145,974)	(59,246)
COMMISSION PAYOUT %	50.9	49.8	53.2	49.9	29.3
COMMISSION PAYOUT % (ANNUALIZED)					50.2

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

74-SOLANA BEACH RETAIL TRADING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
UNDERWRITING GROSS COMMISSION-					
MUNICIPAL BOND U/W	17,595	2,262	17,375	93,830	166,943
TOTAL U/W GROSS COMM	17,595	2,262	17,375	93,830	166,943
MUNICIPAL U/W-TRADING DEPT-					
TOTAL PROFIT	0	0	0	96,534	0
LESS: GROSS COMM ALLOC TO:					
MN RETAIL SALES	0	0	0	(950)	0
CA RETAIL SALES	0	0	0	(20,811)	0
NET M&S U/W-TRADING PROFIT	0	0	0	74,773	0
MUNICIPAL SECONDARY TRADING-					
TOTAL TRADING PROFIT	293,375	243,253	91,122	1,117,736	1,379,902
LESS: GROSS COMM ALLOC TO-					
SOLANA BEACH U/W	0	(8,372)	0	(8,372)	0
MN RETAIL SALES	(33,923)	(29,392)	(7,650)	(115,026)	(87,945)
MN BANK SALES	(500)	0	0	(10,908)	(6,329)
MN INSTITUTIONAL	0	(2,275)	0	(2,275)	0
CA RETAIL SALES	(212,727)	(197,075)	(84,873)	(860,716)	(785,898)
NET SECONDARY TRAD PROF	46,225	6,139	(1,401)	120,439	499,731
PUBLIC SALES TRADING-					
TOTAL TRADING PROFIT & FEES	0	0	0	20,296	220,994
LESS: GROSS COMM ALLOC TO-					
MN RETAIL SALES	0	0	0	(300)	(532)
MN BANK SALES	0	0	0	0	(219)
MN INSTITUTIONAL	0	0	0	0	(21,088)
CA RETAIL SALES	0	0	0	(15,145)	(55,236)
NET PUBLIC SALES PROF	0	0	0	4,851	143,919
EQUITIES TRADING (SECONDARY)					
EQUITIES TRADING PROFIT	0	0	0	27	57
LESS: GROSS COMM ALLOC TO-					
NET EQUITIES PROF/FEES	0	0	0	27	57
MARK TO MARKET ADJUSTMENTS	0	0	0	0	(131,866)
TOTAL REVENUES	63,820	8,401	15,974	293,920	678,784
DIRECT ISSUE EXPENSES	(52)	0	0	(1,584)	(7,111)
GROSS PROFIT	63,768	8,401	15,974	292,336	671,673
EXPENSES-					
SALARIES	10,759	10,759	10,759	75,312	75,072
COMMISSION PAYOUTS	0	0	0	0	6
OTHER PERSONNEL	1,201	1,401	1,413	14,080	10,365
TRAVEL & BUSINESS DEV	320	1,259	0	2,595	5,373
COMMUNICATION & OPERATING	4,141	7,932	9,299	65,604	85,804
OCCUPANCY & EQUIPMENT	4,674	4,131	4,183	29,057	28,043
GENERAL & ADMINISTRATIVE	50	52	52	357	551
TOTAL EXPENSES	21,145	25,534	25,706	187,005	205,214
NET OPERATING INCOME	42,623	(17,133)	(9,732)	105,331	466,460
INTERDEPT ALLOCATIONS	(4,363)	(5,168)	(3,717)	(35,454)	(61,065)
NET INCOME BEFORE TAX	38,260	(22,301)	(13,449)	69,877	405,395

06-27-97
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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-020

79-MINNEAPOLIS ADMIN SUMMARY (80-83)

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
INVESTMENT BANKING FEES	12,500	0	0	67,000	51,042
DEFAULTED MUNI SCDRY TRADING-					
TOTAL FEES & TRADING PROFIT	0	(6,665)	0	(6,665)	31,333
LESS: GROSS COMM ALLOC TO-					
TOTAL DEFAULT SCDRY	0	(6,665)	0	(6,665)	31,333
TRADING DEPT ALLOCATIONS-					
MUNICIPAL SECONDARY	0	0	5,058	5,058	(8,421)
CORPORATE SECONDARY	4,569	0	0	53,469	0
TOTAL TRADING DEPT ALLOCATIONS	4,569	0	5,058	58,527	(8,421)
MARK-TO-MARKET ADJUSTMENTS	0	0	0	0	(102,453)
MISCELLANEOUS INCOME-					
EQUITIES COMMISSIONS (SCDRY)	0	0	0	0	25
M&S LEGAL FEES	0	0	1,950	1,950	3,792
M&S LEGAL FEES-INTERDEPT	250	0	0	250	64,648
INTERCO MGT FEES-MSIC	10,000	10,000	10,000	70,000	0
INTERCO MGT FEES-PLMC	500	500	500	3,500	1,750
INTERCO MGT FEES-MSCC/GVLP	4,000	4,000	4,000	28,000	24,500
INTERCO MGT FEES-SBCC	1,000	500	500	4,000	5,833
OTHER MISCELLANEOUS	5,183	2,671	18	17,980	30,739
TOTAL REVENUES	38,002	11,006	22,026	244,542	102,788
DIRECT ISSUE EXPENSES	(120)	0	0	(120)	(3,119)
GROSS PROFIT	37,882	11,006	22,026	244,422	99,669
EXPENSES-					
SALARIES	87,971	60,977	68,062	487,260	470,524
COMMISSIONS	0	0	(4)	(4)	0
BONUS & INCENTIVE COMP	3,104	16,822	(4,845)	(73,680)	926,724
OTHER PERSONNEL	5,924	4,867	8,365	55,333	56,049
TRAVEL & BUSINESS DEV	76,859	45,746	31,604	375,079	235,028
COMMUNICATION & OPERATING	7,418	8,144	5,703	50,537	45,483
OCCUPANCY & EQUIPMENT	5,172	16,759	20,694	119,409	111,227
GENERAL & ADMINISTRATIVE	22,192	23,227	18,403	24,508	652,016
TOTAL EXPENSES	208,640	176,542	147,982	1,038,442	2,497,051
NET OPERATING INCOME	(170,758)	(165,536)	(125,956)	(794,020)	(2,397,382)
INTERDEPT ALLOCATIONS	(4,992)	(5,877)	(5,685)	(39,989)	(37,783)
NET INCOME BEFORE TAX	(175,750)	(171,413)	(131,641)	(834,009)	(2,435,165)

06-27-97
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MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-020

80-MINNEAPOLIS ADMINISTRATION

DESCRIPTION	March	April	May	YTD	PY-YTD
EXPENSES-					
SALARIES	38,375	38,375	38,583	228,833	198,048
OTHER PERSONNEL	2,561	1,489	1,557	16,902	28,063
TRAVEL & BUSINESS DEV	73,242	42,532	26,937	325,736	187,678
COMMUNICATION & OPERATING	1,832	2,340	1,418	15,122	12,424
OCCUPANCY & EQUIPMENT	3,787	4,701	4,727	31,125	34,924
GENERAL & ADMINISTRATIVE	889	391	391	5,647	4,086
TOTAL EXPENSES	120,686	89,828	73,613	623,365	465,221
NET OPERATING INCOME	(120,686)	(89,828)	(73,613)	(623,365)	(465,221)
INTERDEPT ALLOCATIONS	(1,850)	(2,082)	(2,028)	(14,271)	(14,359)
NET INCOME BEFORE TAX	(122,536)	(91,910)	(75,641)	(637,636)	(479,581)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

81-CORPORATE ADMINISTRATION

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
INVESTMENT BANKING FEES	12,500	0	0	67,000	51,042
DEFAULTED MUNI SCDRY TRADING-					
TOTAL FEES & TRADING PROFIT	0	(6,665)	0	(6,665)	31,333
LESS: GROSS COMM ALLOC TO-					
TOTAL DEFAULT SCDRY	0	(6,665)	0	(6,665)	31,333
TRADING DEPT ALLOCATIONS-					
MUNICIPAL SECONDARY	0	0	5,058	5,058	(8,421)
CORPORATE SECONDARY	4,569	0	0	53,469	0
TOTAL TRADING DEPT ALLOCATIONS	4,569	0	5,058	58,527	(8,421)
MARK-TO-MARKET ADJUSTMENTS	0	0	0	0	(102,453)
MISCELLANEOUS INCOME-					
EQUITIES COMMISSIONS (SCDRY)	0	0	0	0	25
INTERCO MGT FEES-MSIC	10,000	10,000	10,000	70,000	0
INTERCO MGT FEES-PLMC	500	500	500	3,500	1,750
INTERCO MGT FEES-MSCC/GVLP	4,000	4,000	4,000	28,000	24,500
INTERCO MGT FEES-SBCC	1,000	500	500	4,000	5,833
OTHER MISCELLANEOUS	5,183	2,671	18	17,980	30,739
TOTAL REVENUES	37,752	11,006	20,076	242,342	34,348
DIRECT ISSUE EXPENSES	0	0	0	0	(2,700)
GROSS PROFIT	37,752	11,006	20,076	242,342	31,648
EXPENSES-					
SALARIES	29,179	2,083	9,333	121,929	142,333
COMMISSIONS	0	0	(4)	(4)	0
BONUS & INCENTIVE COMP	3,104	16,822	(4,845)	(73,680)	926,724
OTHER PERSONNEL	1,301	677	958	18,107	14,221
TRAVEL & BUSINESS DEV	3,256	994	4,082	43,720	37,250
COMMUNICATION & OPERATING	4,866	5,068	3,550	28,238	15,677
OCCUPANCY & EQUIPMENT	(1,204)	8,055	11,931	61,664	51,359
GENERAL & ADMINISTRATIVE	14,523	12,681	10,277	97,299	98,802
TOTAL EXPENSES	55,025	46,380	35,282	297,273	1,286,366
NET OPERATING INCOME	(17,273)	(35,374)	(15,206)	(54,931)	(1,254,718)
INTERDEPT ALLOCATIONS	(974)	(1,164)	(1,133)	(7,900)	(5,965)
NET INCOME BEFORE TAX	(18,247)	(36,538)	(16,339)	(62,831)	(1,260,683)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

82-CORPORATE LEGAL

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES					
MISCELLANEOUS INCOME-					
M&S LEGAL FEES	0	0	1,950	1,950	3,792
M&S LEGAL FEES-INTERDEPT	250	0	0	250	64,648
TOTAL REVENUES	250	0	1,950	2,200	68,440
DIRECT ISSUE EXPENSES	(120)	0	0	(120)	(419)
GROSS PROFIT	130	0	1,950	2,080	68,021
EXPENSES-					
SALARIES	20,417	20,519	20,146	136,498	130,143
OTHER PERSONNEL	2,062	2,701	5,850	20,324	13,766
TRAVEL & BUSINESS DEV	361	2,220	585	5,623	10,100
COMMUNICATION & OPERATING	720	736	735	7,177	17,382
OCCUPANCY & EQUIPMENT	2,589	4,003	4,036	26,620	24,944
GENERAL & ADMIN (EXCL LEGAL)	151	155	155	1,062	832
TOTAL EXPENSES	26,300	30,334	31,507	197,304	197,167
NET OPERATING INCOME	(26,170)	(30,334)	(29,557)	(195,224)	(129,147)
INTERDEPT ALLOCATIONS	(2,168)	(2,631)	(2,524)	(17,818)	(17,459)
NET INCOME BEFORE LEGAL	(28,338)	(32,965)	(32,081)	(213,042)	(146,605)
OUTSIDE LEGAL EXPENSE-					
LEGAL FEES	6,629	10,000	7,580	85,220	169,130
LEGAL SETTLEMENTS	0	0	0	(164,720)	379,167
TOTAL LEGAL EXPENSE	6,629	10,000	7,580	(79,500)	548,297
NET INCOME BEFORE TAX	(34,967)	(42,965)	(39,661)	(133,542)	(694,902)

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

89-MINNEAPOLIS SUPPORT SUMMARY (90-96)

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
MISCELLANEOUS INCOME-					
MONEY MARKET COMM FEES	0	0	1,490	2,967	3,756
SERVICE FEES-					
COUPONS	0	45	30	205	391
IRA ACCOUNTS	1,155	6,756	275	12,146	6,052
REG T EXTENSION	70	160	60	790	502
RESET CHARGES-REPS	1,152	426	139	4,737	12,763
CALLED/MATURED BONDS	775	650	325	4,283	3,240
CUSTOMER P&H CHARGE	2,864	3,792	2,194	18,789	21,265
TICKET CHARGES-REPS	2,905	3,468	2,548	19,054	20,872
MISCELLANEOUS	590	165	40	1,405	780
TOTAL SVC FEES	9,511	15,462	5,611	61,409	65,864
SAFEKEEPING FEES-					
REREGISTRATION	910	838	1,352	6,530	3,081
DEPOSITS/WITHDRAWALS	10	5	45	380	618
TOTAL SFKPG FEES	920	843	1,397	6,910	3,699
CLEARING FEES-INTERDEPT	2,828	1,585	2,987	18,579	16,438
INTERCO ACCOUNTING FEES-					
M&S INVESTMENTS CORP	1,500	1,500	1,500	10,500	10,500
PLMC INC	500	500	500	3,500	3,500
M&S CAPITAL CORP / GVLP	500	500	500	3,500	7,000
M&S SMALL BUS CAP CORP	0	500	500	3,000	1,750
MISCELLANEOUS	20	0	0	20	0
TOTAL MISC INCOME	15,779	20,890	14,485	110,385	112,506
TOTAL REVENUES	15,779	20,890	14,485	110,385	112,506
EXPENSES-					
SALARIES	105,744	103,083	102,870	733,729	669,437
OTHER PERSONNEL	36,233	40,506	36,825	265,523	272,960
TRAVEL & BUSINESS DEV	782	310	300	9,485	7,949
COMMUNICATION/OPERATING	44,632	50,488	37,947	310,950	405,788
OCCUPANCY & EQUIPMENT	7,411	31,313	23,483	193,259	202,404
GENERAL & ADMINISTRATIVE	12,639	12,486	12,695	88,300	80,717
TOTAL EXPENSES	207,441	238,186	214,120	1,601,246	1,639,256
NET OPERATING EXPENSES	(191,662)	(217,296)	(199,635)	(1,490,861)	(1,526,750)
INTERDEPT ALLOCATIONS	(20,204)	(23,766)	(20,636)	(156,025)	(153,437)
TOTAL DEPT EXPENSE	(211,866)	(241,062)	(220,271)	(1,646,886)	(1,680,186)
ALLOCATIONS TO OTHER DEPTS	211,867	241,061	220,271	1,646,881	1,680,188
NET DEPT EXPENSE	1	(1)	0	(5)	2

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

90-PERSONNEL

DESCRIPTION	March	April	May	YTD	PY-YTD
EXPENSES-					
SALARIES	6,698	6,971	6,910	47,873	44,719
OTHER PERSONNEL	14,366	18,400	14,292	108,747	107,465
TRAVEL & BUSINESS DEV	0	0	0	200	1,251
COMMUNICATION/OPERATING	482	434	848	4,808	7,305
OCCUPANCY & EQUIPMENT	2,519	3,107	2,726	22,023	19,889
GENERAL & ADMINISTRATIVE	55	56	56	383	427
TOTAL EXPENSES	24,120	28,968	24,832	184,034	181,055
NET OPERATING EXPENSES	(24,120)	(28,968)	(24,832)	(184,034)	(181,055)
TOTAL DEPT EXPENSE	(24,120)	(28,968)	(24,832)	(184,034)	(181,055)
ALLOCATIONS TO OTHER DEPTS	24,121	28,967	24,832	184,034	181,057
NET DEPT EXPENSE	1	(1)	0	0	2

06-27-97
11:56am

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-050

91-TEMPORARY POOL

DESCRIPTION	March	April	May	YTD	PY-YTD
EXPENSES-					
SALARIES	2,933	1,832	1,556	20,287	23,595
OTHER PERSONNEL	274	171	146	1,976	2,843
COMMUNICATION/OPERATING	0	0	0	137	7
OCCUPANCY & EQUIPMENT	58	0	0	58	134
GENERAL & ADMINISTRATIVE	0	0	0	0	249
TOTAL EXPENSES	3,265	2,003	1,702	22,458	26,829
NET OPERATING EXPENSES	(3,265)	(2,003)	(1,702)	(22,458)	(26,829)
TOTAL DEPT EXPENSE	(3,265)	(2,003)	(1,702)	(22,458)	(26,829)
ALLOCATIONS TO OTHER DEPTS	3,265	2,003	1,702	22,458	26,828
NET DEPT EXPENSE	0	0	0	0	(1)

06-27-97
11:56am

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-050

92-OFFICE SERVICES

DESCRIPTION	March	April	May	YTD	PY-YTD
EXPENSES-					
SALARIES	5,950	6,265	7,597	44,250	37,743
OTHER PERSONNEL	4,262	4,265	3,820	27,620	22,378
TRAVEL & BUSINESS DEV	222	0	0	285	347
COMMUNICATION/OPERATING	2,950	3,954	4,748	25,403	13,817
OCCUPANCY & EQUIPMENT	3,210	6,154	4,551	35,738	33,499
GENERAL & ADMINISTRATIVE	177	179	179	1,213	1,832
TOTAL EXPENSES	16,771	20,817	20,895	134,509	109,615
NET OPERATING EXPENSES	(16,771)	(20,817)	(20,895)	(134,509)	(109,615)
INTERDEPT ALLOCATIONS	(326)	(397)	(462)	(2,611)	(2,709)
TOTAL DEPT EXPENSE	(17,097)	(21,214)	(21,357)	(137,120)	(112,324)
ALLOCATIONS TO OTHER DEPTS	17,097	21,214	21,357	137,120	112,324
NET DEPT EXPENSE	0	0	0	0	0

06-27-97
11:56am

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-050

93-MANAGEMENT INFORMATION SERVICES

DESCRIPTION	March	April	May	YTD	PY-YTD
EXPENSES-					
SALARIES	17,163	17,669	18,143	123,666	108,211
OTHER PERSONNEL	3,527	3,482	3,126	22,533	39,065
TRAVEL & BUSINESS DEV	213	13	89	3,102	2,220
COMMUNICATION/OPERATING	603	635	1,425	6,842	30,018
OCCUPANCY & EQUIPMENT	2,670	8,195	4,015	48,822	66,865
GENERAL & ADMINISTRATIVE	138	142	142	965	877
TOTAL EXPENSES	24,314	30,136	26,940	205,930	247,256
NET OPERATING EXPENSES	(24,314)	(30,136)	(26,940)	(205,930)	(247,256)
INTERDEPT ALLOCATIONS	(1,163)	(1,436)	(1,380)	(9,107)	(7,472)
TOTAL DEPT EXPENSE	(25,477)	(31,572)	(28,320)	(215,037)	(254,728)
ALLOCATIONS TO OTHER DEPTS	25,477	31,572	28,321	215,036	254,727
NET DEPT EXPENSE	0	0	1	(1)	(1)

06-27-97
11:56am

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-050

94-ACCOUNTING

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
MISCELLANEOUS INCOME-					
INTERCO ACCOUNTING FEES-					
M&S INVESTMENTS CORP	1,500	1,500	1,500	10,500	10,500
PLMC INC	500	500	500	3,500	3,500
M&S CAPITAL CORP / GVLP	500	500	500	3,500	7,000
M&S SMALL BUS CAP CORP	0	500	500	3,000	1,750
TOTAL MISC INCOME	2,500	3,000	3,000	20,500	22,750
TOTAL REVENUES	2,500	3,000	3,000	20,500	22,750
EXPENSES-					
SALARIES	30,458	27,813	28,314	211,811	185,074
OTHER PERSONNEL	4,394	4,712	5,998	39,773	32,698
TRAVEL & BUSINESS DEV	149	297	0	1,570	2,307
COMMUNICATION/OPERATING	1,389	2,111	1,473	12,567	10,641
OCCUPANCY & EQUIPMENT	(640)	4,100	4,058	29,434	26,983
GENERAL & ADMINISTRATIVE	11,745	11,567	11,663	81,878	73,495
TOTAL EXPENSES	47,495	50,600	51,506	377,033	331,197
NET OPERATING EXPENSES	(44,995)	(47,600)	(48,506)	(356,533)	(308,447)
INTERDEPT ALLOCATIONS	(3,428)	(4,249)	(3,698)	(27,648)	(26,623)
TOTAL DEPT EXPENSE	(48,423)	(51,849)	(52,204)	(384,181)	(335,070)
ALLOCATIONS TO OTHER DEPTS	48,423	51,849	52,203	384,180	335,070
NET DEPT EXPENSE	0	0	(1)	(1)	0

06-27-97
11:56am

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

Cat # FS-050

95-RESEARCH

DESCRIPTION	March	April	May	YTD	PY-YTD
EXPENSES-					
SALARIES	4,104	4,104	4,104	27,859	29,888
OTHER PERSONNEL	537	579	544	4,543	4,897
TRAVEL & BUSINESS DEV	0	0	0	1,600	80
COMMUNICATION/OPERATING	257	341	372	2,450	2,785
OCCUPANCY & EQUIPMENT	(224)	711	709	4,143	4,139
GENERAL & ADMINISTRATIVE	53	55	55	374	396
TOTAL EXPENSES	4,727	5,790	5,784	40,969	42,186
NET OPERATING EXPENSES	(4,727)	(5,790)	(5,784)	(40,969)	(42,186)
INTERDEPT ALLOCATIONS	(1,084)	(1,316)	(1,262)	(8,909)	(8,997)
TOTAL DEPT EXPENSE	(5,811)	(7,106)	(7,046)	(49,878)	(51,183)
ALLOCATIONS TO OTHER DEPTS	5,811	7,106	7,046	49,875	51,185
NET DEPT EXPENSE	0	0	0	(3)	2

MILLER & SCHROEDER FINANCIAL, INC.
Statement of Income & Expense
For the Seven Months Ended May 31, 1997

96-OPERATIONS

DESCRIPTION	March	April	May	YTD	PY-YTD
REVENUES-					
MISCELLANEOUS INCOME-					
MONEY MARKET COMM FEES	0	0	1,490	2,967	3,756
SERVICE FEES-					
COUPONS	0	45	30	205	391
IRA ACCOUNTS	1,155	6,756	275	12,146	6,052
REG T EXTENSION	70	160	60	790	502
RESET CHARGES-REPS	1,152	426	139	4,737	12,763
CALLED/MATURED BONDS	775	650	325	4,283	3,240
CUSTOMER P&H CHARGE	2,864	3,792	2,194	18,789	21,265
TICKET CHARGES-REPS	2,905	3,468	2,548	19,054	20,872
MISCELLANEOUS	590	165	40	1,405	780
TOTAL SVC FEES	9,511	15,462	5,611	61,409	65,864
SAFEKEEPING FEES-					
REREGISTRATION	910	838	1,352	6,530	3,081
DEPOSITS/WITHDRAWALS	10	5	45	380	618
TOTAL SFKPG FEES	920	843	1,397	6,910	3,699
CLEARING FEES-INTERDEPT	2,828	1,585	2,987	18,579	16,438
MISCELLANEOUS	20	0	0	20	0
TOTAL MISC INCOME	13,279	17,890	11,485	89,885	89,756
TOTAL REVENUES	13,279	17,890	11,485	89,885	89,756
EXPENSES-					
SALARIES	38,438	38,429	36,246	257,983	240,207
OTHER PERSONNEL	8,873	8,897	8,899	60,331	63,615
TRAVEL & BUSINESS DEV	198	0	211	2,728	1,744
COMMUNICATION/OPERATING	38,951	43,013	29,081	258,743	341,216
OCCUPANCY & EQUIPMENT	(182)	9,046	7,424	53,041	50,895
GENERAL & ADMINISTRATIVE	471	487	600	3,487	3,442
TOTAL EXPENSES	86,749	99,872	82,461	636,313	701,118
NET OPERATING EXPENSES	(73,470)	(81,982)	(70,976)	(546,428)	(611,362)
INTERDEPT ALLOCATIONS	(14,203)	(16,368)	(13,834)	(107,750)	(107,636)
TOTAL DEPT EXPENSE	(87,673)	(98,350)	(84,810)	(654,178)	(718,997)
ALLOCATIONS TO OTHER DEPTS	87,673	98,350	84,810	654,178	718,997
NET DEPT EXPENSE	0	0	0	0	0

MILLER & SCHROEDER INC
STATEMENT OF FINANCIAL CONDITION
MAY 31, 1997

	MAR 97	APR 97	MAY 97
ASSETS			
CASH	7,437	4,526	(4,247)
CASH-RESTRICTED ESCROW	0	0	0
RECEIVABLES			
INTEREST	62,072	62,072	61,053
OFFICER/STOCKHOLDERS	1,123,833	1,128,455	1,141,852
INCOME TAXES	205,237	209,237	209,237
OTHER	13,334	20,001	10,963
NOTES RECEIVABLE	709,366	709,366	719,366
RENTAL PROPERTY	3,807,020	3,790,384	3,783,615
OTHER ASSETS-			
CASH VALUE LIFE, NET	237,554	240,304	242,734
PREPAID EXPENSES	37,564	35,066	56,017
DEPOSIT - RENTAL PROPERTY	19,772	20,692	23,103
DEFERRED FINANCING COSTS	9,630	9,441	19,252
ESCROW DEPOSITS - UMC	637,707	637,707	637,707
ESCROW DEPOSITS - OTHER	0	0	0
INVESTMENT IN SUBS	9,253,734	9,253,734	9,253,734
INVESTMENT IN UMC	0	0	0
TOTAL ASSETS	16,124,260	16,120,985	16,154,386
LIABILITIES			
NOTE PAYABLE MSIC (NNP)	0	0	0
OPERATING ACCTS PAYABLE	0	12,409	0
DUE TO RELATED CO	3,470,736	3,488,773	3,528,106
DEFERRED INCOME	10,256	10,256	17,981
ACCRUED INTEREST	22,819	15,385	45,274
ACCRUED INCOME TAXES	0	0	0
ACCRUED EXPENSES	22,585	33,085	17,344
TERM DEBT-USF&G	4,620,954	4,606,892	4,606,892
TERM DEBT-MSIC	916,665	899,998	883,331
FUNDS HELD IN ESCROW	0	0	0
TOTAL LIABILITIES	9,064,015	9,066,798	9,098,928
SHAREHOLDERS EQUITY			
COMMON STOCK	99,063	99,063	99,063
PREFERRED STOCK	0	0	0
PAID-IN CAPITAL	6,000,000	6,000,000	6,000,000
RETAINED EARNINGS-PRIOR	1,003,419	1,003,419	1,003,419
RETAINED EARNINGS-CURRENT	(42,237)	(48,295)	(47,024)
TOTAL SHAREHOLDERS EQUITY	7,060,245	7,054,187	7,055,458
TOTAL LIABILITIES & EQUITY	16,124,260	16,120,985	16,154,386

MILLER & SCHROEDER INC
STATEMENT OF INCOME & EXPENSE
FOR THE YEAR ENDED 10/31/97

	MAR 97	APR 97	MAY 97	YTD 97
REVENUES				
U/W PROFIT & FEES	0	0	0	0
SECONDARY BOND TRADING	0	0	0	0
GAIN ON UMC SALE	0	0	0	0
LOAN COMMITMENT FEES (TJ&W)	0	0	0	0
INTEREST INCOME	4,621	4,621	12,384	41,129
MISCELLANEOUS INCOME	0	0	0	0
RENTAL INCOME, NET	38,249	40,621	42,535	277,934
TOTAL REVENUES	42,870	45,242	54,919	319,063
ISSUE EXPENSES-				
FEE TO MSF	0	0	0	0
GROSS PROFIT	42,870	45,242	54,919	319,063
EXPENSES				
STATIONARY & FORMS	0	0	0	0
DEPRECIATION & AMORTIZATION	16,704	16,704	16,703	116,927
GENERAL & ADMINISTRATIVE				
LEGAL	0	0	(3,000)	5,200
CONSULTING	0	0	0	0
OFFICER LIFE INSURANCE	(100)	(100)	(100)	(700)
REAL ESTATE TAXES ON REO	0	0	0	0
REO MAINT EXP	0	0	0	0
CORPORATE REGISTRATION	0	0	0	0
DEFERRED FINANCING EXP	189	189	189	1,323
BAD DEBT EXPENSE	0	0	0	0
DIRECTORS FEES EXPENSE	0	0	0	0
MISCELLANEOUS	0	0	0	0
INTEREST-USF&G	29,928	28,881	29,753	205,300
INTEREST-MSIC (NNP)	7,301	6,937	7,414	51,214
INTEREST-OTHER	0	0	0	0
INTEREST-LIFE INSURANCE	2,689	2,689	2,689	18,823
TOTAL EXPENSES	56,711	55,300	53,648	398,087
INCOME (LOSS) BEFORE TAX	(13,841)	(10,058)	1,271	(79,024)
INCOME TAX (EXPENSE)	6,000	4,000	0	32,000
NET INCOME (LOSS)	(7,841)	(6,058)	1,271	(47,024)

8

06-30-97
11:22am

MILLER & SCHROEDER INVESTMENTS CORPORATION
Statement of Financial Condition
May 31, 1997

Cat # FS-BS

	February	March	April	May
ASSETS-				
CASH-				
UNRESTRICTED	575,619	63,658	502,980	1,281,036
RECEIVABLES-				
INTEREST	28,349	54,349	32,349	37,349
ORIGINATION FEES	44,750	44,750	44,750	44,750
OTHER	58,967	58,967	58,967	(8,095)
ADVANCES TO RELATED COMPANY	1,104,596	1,496,469	185,921	425,514
NOTES RECEIVABLE HELD FOR SALE	2,208,776	4,403,663	8,301,302	1,023,389
FURNITURE & EQUIP, NET	400	300	200	100
TOTAL ASSETS	4,021,457	6,122,156	9,126,469	2,804,043
LIABILITIES-				
DEMAND NOTES PAYABLE	2,316,000	3,683,000	6,520,000	100,000
ACCOUNTS PAYABLE-				
LOAN FUNDING LIABILITY	3,000	441,585	1,429,001	850,383
OPERATING	15,828	6,328	1,100	160
SERVICING	679,632	879,894	52,229	692,372
DEFERRED INCOME-DEPOSITS	147,450	247,450	225,575	252,575
ACCRUED INTEREST	37,666	11,292	30,000	26,959
ACCRUED EXPENSES	0	0	0	0
ACCRUED LPN LOSS	140,892	142,037	142,037	134,231
ACCRUED INCOME TAXES	115,557	127,557	133,557	141,557
TOTAL LIABILITIES	3,456,025	5,539,143	8,533,499	2,198,237
SHAREHOLDERS EQUITY-				
COMMON STOCK	10,000	10,000	10,000	10,000
PAID-IN CAPITAL	140,600	140,600	140,600	140,600
RETAINED EARNINGS	414,833	432,413	442,370	455,205
TOTAL SHAREHOLDERS EQUITY	565,433	583,013	592,970	605,805
TOTAL LIABILITIES & EQUITY	4,021,458	6,122,156	9,126,469	2,804,042
FUNDS HELD IN ESCROW-				
CASH	102,241	148,809	120,444	(166,642)
MONEY MARKET ASSET	8,072,001	6,316,155	5,718,380	7,522,184
SUBTOTAL	8,174,242	6,464,964	5,838,824	7,355,542
ESCROW LIABILITY	(8,174,242)	(6,464,964)	(5,838,824)	(7,355,542)
	0	0	0	0

06-30-97
11:11am

MILLER & SCHROEDER INVESTMENTS CORPORATION
Statement of Income & Expense
May 31, 1997

Cat # FS-001

DESCRIPTION	February	March	April	May	YTD
REVENUES					
ORIGINATION FEES-					
MORTGAGE BANKING	255,411	388,055	231,661	276,790	1,827,531
TAXABLE FINANCING	260,575	29,643	84,000	4,500	944,884
TAXABLE FINANCING-TXBL TRAD	0	0	0	0	34,200
TAXABLE FINANCING-EQUIP	0	0	0	0	5,078
TOTAL ORIGINATION FEES	515,986	417,698	315,661	281,290	2,811,693
INTEREST INCOME-					
NOTES RECEIVABLE	39,940	28,536	9,531	26,399	252,420
OTHER	1,239	0	0	0	2,838
LOAN ADMIN FEES	96,285	67,997	65,123	75,933	552,502
GROSS REVENUES	653,450	514,231	390,315	383,622	3,619,453
LESS MANAGEMENT FEE TO MSF-					
MORTGAGE BANKING	(255,411)	(388,055)	(231,661)	(276,790)	(1,827,531)
TAXABLE FINANCING	(260,575)	(29,643)	(84,000)	(4,500)	(944,884)
TAXABLE FINANCING-TXBL TRAD	0	0	0	0	(34,200)
TAXABLE FINANCING-EQUIP	0	0	0	0	(5,078)
TOTAL MGT FEE TO MSF	(515,986)	(417,698)	(315,661)	(281,290)	(2,811,693)
GROSS PROFIT	137,464	96,533	74,654	102,332	807,760
EXPENSES					
COMMUNICATION & OPERATING	(7)	1	0	4,999	4,995
DEPRECIATION & AMORTIZATION	100	100	100	100	700
GENERAL & ADMINISTRATIVE-					
LEGAL EXPENSE	0	0	0	368	368
LEGAL SETTLEMENT EXPENSE	0	0	0	0	20,000
CORPORATE REGISTRATION	0	0	3,000	0	11,174
FEES TO RELATED CO-					
LOAN ADMIN FEE-MSF	30,500	27,500	28,000	29,000	205,500
ACCOUNTING FEE-MSF	1,500	1,500	1,500	1,500	10,500
MANAGEMENT FEE-MSF	10,000	10,000	10,000	10,000	70,000
INTEREST	39,928	27,852	16,096	35,530	254,231
TOTAL EXPENSES	82,021	66,953	58,696	81,497	577,468
INCOME BEFORE TAX	55,443	29,580	15,958	20,835	230,292
INCOME TAX (EXPENSE)	(22,000)	(12,000)	(6,000)	(8,000)	(91,000)
NET INCOME	33,443	17,580	9,958	12,835	139,292

06-20-97
4:24pm

POOLED LOAN MARKETING CORPORATION
Statement of Financial Condition
May 31, 1997

Cat # FS-BS

	FEBRUARY	MARCH	APRIL	MAY
ASSETS				
CASH	367	369	369	369
RECEIVABLES				
INTEREST	3,440	3,420	5,114	6,798
OTHER	1,600	1,600	1,600	1,600
NOTES RECEIVABLE				
ELECTROLURGY	166,610	165,621	165,621	165,621
E&D WASTE	2,347,061	2,313,522	2,279,719	2,245,652
OTHER ASSETS				
PREPAID EXPENSE-E&D WASTE	2,926	2,790	2,654	2,518
FUNDS HELD IN ESCROW-E&D	227,662	279,238	224,164	275,740
TOTAL ASSETS	2,749,666	2,766,560	2,679,241	2,698,298
LIABILITIES				
ACCOUNTS PAYABLE				
OPERATING	8,143	8,143	8,143	8,143
DUE TO RELATED COMPANY	356,966	366,402	364,720	365,720
ACCRUED INTEREST	118,241	127,156	40,568	60,630
ACCRUED INCOME TAXES	(1,600)	(1,600)	(1,600)	(1,600)
TERM DEBT				
ELECTROLURGY	182,000	182,000	182,000	182,000
E&D WASTE	2,420,000	2,420,000	2,420,000	2,420,000
TOTAL LIABILITIES	3,083,750	3,102,101	3,013,831	3,034,893
SHAREHOLDERS EQUITY				
COMMON STOCK	1,000	1,000	1,000	1,000
PRIOR RETAINED EARNINGS	(331,950)	(331,950)	(331,950)	(331,950)
RETAINED EARNINGS	(3,134)	(4,590)	(3,639)	(5,644)
TOTAL SHAREHOLDERS EQUITY	(334,084)	(335,540)	(334,589)	(336,594)
TOTAL LIABILITIES & EQUITY	2,749,666	2,766,561	2,679,242	2,698,299

POOLED LOAN MARKETING CORPORATION
CONSOLIDATED
Statement of Income & Expense
May 31, 1997

DESCRIPTION	FEBRUARY	MARCH	APRIL	MAY	YTD
REVENUES-					
INTERCO MGT FEE PLMC-I	0	0	0	0	0
INTEREST INCOME	20,388	20,117	22,525	19,568	145,368
TOTAL REVENUES	20,388	20,117	22,525	19,568	145,368
EXPENSES-					
GENERAL & ADMINISTRATIVE-					
TRUSTEE EXPENSE	375	375	375	375	2,625
DEFERRED FINANCING	136	136	136	136	952
INTERCO FEE-MSF ACCOUNTING	500	500	500	500	3,500
INTERCO FEE-MSF MANAGEMENT	500	500	500	500	3,500
TOTAL GENERAL & ADMIN	1,511	1,511	1,511	1,511	10,577
INTEREST EXPENSE	20,062	20,062	20,062	20,062	140,435
TOTAL EXPENSES	21,573	21,573	21,573	21,573	151,012
INCOME BEFORE TAX	(1,185)	(1,456)	952	(2,005)	(5,644)
NET INCOME	(1,185)	(1,456)	952	(2,005)	(5,644)

06-29-97 Miller & Schroeder Small Business Capital Corporation Cat # FS-BS
10:22pm Statement of Financial Condition
April 30, 1997

DESCRIPTION	February	March	April	May
ASSETS-				
CASH-				
UNRESTRICTED	1,049	16,874	29,767	9,091
CERTIFICATE OF DEPOSIT	313,279	313,279	315,756	315,756
TOTAL CASH	314,328	330,153	345,523	324,847
ADVANCES TO RELATED CO	0	0	0	0
NOTES RECEIVABLE	870,019	862,441	871,896	867,219
DEPOSITS & PREPAID EXP	7,390	0	0	0
TOTAL ASSETS	1,191,737	1,192,594	1,217,419	1,192,066
LIABILITIES & EQUITY-				
ACCOUNTS PAYABLE-				
OPERATING	0	0	0	0
ADVANCES FROM RELATED CO	876,011	888,453	897,833	877,921
ACCRUED EXPENSES-				
INCOME TAXES	(275)	175	2,875	3,875
OTHER	12,615	0	7,944	0
TOTAL LIABILITIES	888,351	888,628	908,652	881,796
SHAREHOLDER'S EQUITY-				
COMMON STOCK AT PAR	100	100	100	100
PAID-IN CAPITAL	305,900	305,900	305,900	305,900
RETAINED EARNINGS	(2,613)	(2,034)	2,766	4,270
TOTAL EQUITY	303,387	303,966	308,766	310,270
TOTAL LIAB & EQUITY	1,191,738	1,192,594	1,217,418	1,192,066

06-29-97
11:33pm

Cat # FS-001

Miller & Schroeder Small Business Capital Corporation
Statement of Income and Expense
For the Seven Months Ended May 31, 1997

DESCRIPTION	February	March	April	May	YTD
REVENUES					
ORIGINATION FEES-					
SBA LOANS	0	1,260	813	1,979	4,053
INTEREST INCOME-					
NOTES RECEIVABLE	7,192	7,130	4,049	8,588	34,751
OTHER	0	0	2,477	0	6,257
OTHER INCOME-					
LOAN ADMIN FEES	17	17	879	361	1,307
GROSS REVENUES	7,209	8,407	8,218	10,928	46,368
LESS MANAGEMENT FEE TO MSF-					
SBA LOANS	0	(1,260)	(813)	(1,979)	(4,052)
TOTAL MGT FEE TO MSF	0	(1,260)	(813)	(1,979)	(4,052)
DIRECT ISSUE EXPENSES	0	180	0	0	180
GROSS PROFIT	7,209	7,327	7,405	8,949	42,496
EXPENSES					
GENERAL & ADMINISTRATIVE					
FEES TO RELATED CO-					
ACCOUNTING FEE-MSF	500	500	500	500	3,500
MANAGEMENT FEE-MSF	500	500	500	500	3,500
INTEREST EXP-					
INTEREST TO MSF	5,344	5,298	(1,095)	5,401	20,959
INTEREST OTHER	0	0	0	45	45
TOTAL EXPENSES	6,344	6,298	(95)	6,446	28,004
INCOME BEFORE TAX	865	1,029	7,500	2,503	14,492
INCOME TAXES	350	450	2,700	1,000	5,500
NET INCOME	515	579	4,800	1,503	8,992

06-27-97
2:24pm

MILLER & SCHROEDER CAPITAL CORPORATION
Statement of Financial Condition
May 31, 1997

Cat # FS-BS

DESCRIPTION	February	March	April	May
ASSETS-				
CASH-				
UNRESTRICTED	1,172	1,176	1,176	1,180
TOTAL CASH	1,172	1,176	1,176	1,180
RECEIVABLES-				
INCOME TAXES	6,100	1,600	2,300	6,900
TOTAL RECEIVABLES	6,100	1,600	2,300	6,900
ADVANCES TO RELATED CO	132,216	0	78,602	0
OTHER ASSETS-				
INV IN GLOBETROTTERS	101,634	101,634	101,634	101,634
INV IN GAMING VENTURES LTD	146,272	146,272	146,272	146,272
INV IN LOON STATE ENTERPRISES	75,000	75,000	75,000	75,000
OTHER	0	0	0	0
TOTAL OTHER ASSETS	322,906	322,906	322,906	322,906
TOTAL ASSETS	462,394	325,682	404,984	330,986
LIABILITIES & EQUITY-				
DEMAND NOTES PAYABLE	481,547	284,311	423,117	315,554
ADVANCES FROM RELATED CO	0	53,898	0	35,898
ACCRUED EXPENSES-				
TOTAL LIABILITIES	481,547	338,209	423,117	351,452
SHAREHOLDER'S EQUITY-				
COMMON STOCK AT PAR	1,000	1,000	1,000	1,000
RETAINED EARNINGS	(20,153)	(13,527)	(19,132)	(21,465)
TOTAL EQUITY	(19,153)	(12,527)	(18,132)	(20,465)
TOTAL LIAB & EQUITY	462,394	325,682	404,985	330,987

06-27-97
2:25pm

MILLER & SCHROEDER CAPITAL CORPORATION
Statement of Income and Expense
For the Seven Months Ended May 31, 1997

Cat # FS-001

DESCRIPTION	February	March	April	May	YTD
REVENUES-					
UNDERWRITING PROFIT/FEES-					
INVESTMENT BANKING FEES	0	18,386	0	0	27,908
TOTAL REVENUES	0	18,386	0	0	27,908
GROSS PROFIT	0	18,386	0	0	27,908
EXPENSES-					
INTERCO FEE-MSF ACCOUNTING	500	500	500	500	3,500
INTERCO FEE-MSF MANAGMENT	4,000	4,000	4,000	4,000	28,000
TOTAL EXPENSES	4,500	4,500	4,500	4,500	31,500
NET OPERATING INCOME	(4,500)	13,886	(4,500)	(4,500)	(3,592)
INTEREST-					
INTEREST INCOME	7	4	0	4	26
INTEREST EXPENSE	(1,547)	(2,765)	(1,805)	(2,437)	(8,711)
INCOME BEFORE TAX	(6,040)	11,125	(6,305)	(6,933)	(12,277)
INCOME TAX (EXPENSE)	2,500	(4,500)	700	4,600	4,900
NET INCOME	(3,540)	6,625	(5,605)	(2,333)	(7,377)

06-20-97
3:54pm

MILLER & SCHROEDER MORTGAGE CORPORATION
Statement of Financial Condition
May 31, 1997

Cat # FS-BS

	February	March	April	May
ASSETS-				
CASH-				
UNRESTRICTED	123,467	151,564	2,566	26,772
TOTAL CASH	123,467	151,564	2,566	26,772
RECEIVABLES-				
PROGRAM ADMIN FEES	22,000	23,000	22,733	22,000
OTHER	0	0	0	0
TOTAL RECEIVABLES	22,000	23,000	22,733	22,000
ADVANCES TO RELATED CO	197,944	178,944	315,944	291,444
TOTAL ASSETS	343,411	353,508	341,243	340,216
LIABILITIES & EQUITY-				
ACCOUNTS PAYABLE-				
OPERATING	1,569	9,988	1,569	1,569
ACCRUED EXPENSES-				
INCOME TAXES	18,260	18,910	20,010	17,010
TOTAL LIABILITIES	19,829	28,898	21,579	18,579
SHAREHOLDER'S EQUITY-				
COMMON STOCK AT PAR	1,000	1,000	1,000	1,000
RETAINED EARNINGS	322,582	323,610	318,664	320,637
TOTAL EQUITY	323,582	324,610	319,664	321,637
TOTAL LIAB & EQUITY	343,411	353,508	341,243	340,216

06-20-97
3:54pm

Cat # FS-001

MILLER & SCHROEDER MORTGAGE CORPORATION
Statement of Income and Expense
For the Seven Months Ended May 31, 1997

DESCRIPTION	February	March	April	May	YTD
RESIDENTIAL MORTGAGE BANKING-					
COMMISSION & FEE INCOME-					
PROGRAM ADMIN FEES	19,621	20,678	19,154	23,473	140,508
TOTAL COMM & FEES	19,621	20,678	19,154	23,473	140,508
EXPENSES-					
INTERCO MGT FEE TO MSF	22,000	19,000	23,000	24,500	161,500
TOTAL EXPENSES	22,000	19,000	23,000	24,500	161,500
NET RESID MORTGAGE BANKING INCOME	(2,379)	1,678	(3,846)	(1,027)	(20,992)
FINANCING-					
REVENUES					
EXPENSES					
MISCELLANEOUS EXPENSE	0	0	0	0	45
TOTAL EXPENSES	0	0	0	0	45
NET FINANCING INCOME	0	0	0	0	(45)
NET INCOME BEFORE TAXES	(2,379)	1,678	(3,846)	(1,027)	(21,037)
INCOME TAX (EXPENSE)	1,000	(650)	(1,100)	3,000	8,400
NET INCOME	(1,379)	1,028	(4,946)	1,973	(12,637)

MILLER & SCHROEDER FINANCIAL, INC.
SCHEDULE OF RECEIVABLES FROM OFFICERS & EMPLOYEES
MAY 31, 1997

OFFICERS NOTES & ADVANCES	RJW	JEI	TOTAL
EXPENSES TO BE REIMBURSED	52,569	17,957	70,526
BONUS ADVANCES	155,000	115,000	270,000
NOTE RECEIVABLE, 6.31%, MATURITY DATE 10/31/98	54,932	240,486	295,418
NOTE INTEREST	2,022	8,852	10,874
TOTAL OFFICERS NOTES AND ADVANCES	264,523	382,295	646,818

EMPLOYEE ADVANCES	ADVANCE	INTEREST	TOTAL
SALARY ADVANCES			
DEMARS, LOU (10/16/87) & (01/29/88)	5,566		5,566
SORLEY, ROB	40		40
TOTAL SALARY ADVANCES	5,606	0	5,606
BONUS ADVANCES			
BALYEAT, DENNIS	10,738		10,738
DENNIS, NICK	25,000		25,000
DILL, DAN	4,234		4,234
MCMAHON, GEORGE	2,562		2,562
MCMILLIN, KERMIT	20,000		20,000
SORENSON, BRUCE	10,959		10,959
WEGNER, FAY	18,750		18,750
TOTAL BONUS ADVANCES	92,243	0	92,243
TRAVEL ADVANCES			
BALYEAT, DENNIS	2,000		2,000
CLARK, MARLENE	500		500
DEMARS, LOU	5,000		5,000
DIPERNA, MICHAEL	1,325		1,325
EKHOLM, LAURA	500		500
EKHOLM, PAUL	2,500		2,500
ERICKSON, STEVEN	10,065		10,065
ERICKSON, STEVEN - CLUB	9,521		9,521
FREDERICKS, PATRICIA	(200)		(200)
HART, DONALD	800		800
HENDERSON, DON	3,288		3,288
JASPER, DENICE	500		500
LAMPPA, GARY	3,000		3,000
LONG, TIMOTHY	2,062		2,062
MATTOX, JOHN	711		711
O'DONNELL, BRIAN	381		381
STANCHFIELD, PAT	7,933		7,933
COLUMBUS PETTY CASH	50		50
TOTAL TRAVEL ADVANCES	49,936		49,936
MISCELLANEOUS ADVANCES	12,418		12,418
TOTAL EMPLOYEE ADVANCES	160,202	0	160,202
EMPLOYEE NOTES			
LAIRD, THOMAS	7,172	393	7,565
LANDRY, DOISEY (0%)	1,818		1,818
SORENSON, BRUCE	31,065	1,530	32,595
TOTAL EMPLOYEE NOTES	40,055	1,923	41,978
TOTAL EMPLOYEE RECEIVABLES			848,998

MILLER & SCHROEDER, INC.
OFFICER NOTES RECEIVABLE
MAY 31, 1997

OFFICER	DATE OF NOTE	DATE DUE	INTEREST RATE	PRINCIPAL	INTEREST	BALANCE
R WIKNER	4/30/95	10/31/98	7.34%	100,000	7,943	107,943
R WIKNER	10/31/96	10/31/01	6.72%	225,000	8,820	233,820
J IVERSON	10/31/94	10/31/97	6.34%	452,652	46,070	498,722
J IVERSON	10/31/96	10/31/01	6.72%	290,000	11,368	301,368
TOTAL				1,067,652	74,200	1,141,852

DEPOSITION EXHIBIT
#6 2/10/04

RESOLUTIONS ELECTING OFFICERS **26951.1**

MSI Acquisition Corporation/MSI Acquisition

PLMC-I, INC.

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of PLMC-I, Inc., a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, John Arvold, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article II of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President and Chief Executive Officer, Paul H. Tietz is hereby elected to the office of Secretary, and Kenneth Dawkins is hereby elected to the offices of Chief Financial Officer and Treasurer, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

POOLED LOAN MARKETING CORPORATION

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Pooled Loan Marketing Corporation, a California corporation (the "Corporation"), acting pursuant to the General Corporation Law of California, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article IV of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER FINANCIAL, INC.

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder Financial, Inc., a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER MORTGAGE CORPORATION

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder Mortgage Corporation, a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION

WRITTEN ACTION OF BOARD OF DIRECTORS
IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder Small Business Capital Corporation, a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER CAPITAL CORPORATION

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder Capital Corporation, a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER, INC.

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder, Inc., a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

_____
John M. Clarey

Constituting all of the members of the Board of Directors

RESOLUTIONS ELECTING DIRECTORS **26951.1**

MSI Acquisition Corporation/MSI Acquisition

DEPOSITION EXHIBIT

#7 2/10/04

2400 IDS CENTER
80 SOUTH EIGHTH STREET
MINNEAPOLIS, MINNESOTA 55402
TELEPHONE (612) 334-8400
FACSIMILE (612) 334-8650

BRIGGS AND MORGAN

PROFESSIONAL ASSOCIATION

WRITER'S DIRECT DIAL
(612) 334-8498
WRITER'S E-MAIL
ketlor@email.briggs.com

July 30, 1997

VIA MESSENGER

Kenneth Dawkins
CH Brown Company
3800 West 80th Street, Suite 260
Bloomington, MN 55431

RE: MI Acquisition Corporation

Dear Ken:

In connection with the formation of MI Acquisition Corporation (the "Company") and its acquisition of Miller & Schroeder, Inc. ("M&S"), enclosed are a number of documents for your signature in your capacity as a shareholder and director of the Company and a prospective director of M&S, including:

1. A signature page for the first minutes of the board of directors of the Company taken in lieu of a meeting, which serve to establish the Company's organization, appoint additional directors of the Company, namely, William D. Sexton, Paul H. Tietz, John Peterson, Jim Arias and Don Furman, approve the private placement of the Company's stock and approve the stock purchase agreement whereby the Company will acquire M&S;

2. A written action by the board of directors authorizing a stock option plan for the Company;

3. A written action by the shareholders of the Company authorizing the stock option plan for the Company identified in item 2 above;

4. A written action by the board of directors of the Company authorizing the financing required to acquire M&S;

5. Written actions of several of the subsidiaries of M&S guaranteeing the financing noted in item 4 above;

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6. Written actions by M&S and each of its subsidiaries appointing officers of M&S and its subsidiaries.

We have enclosed a number of signature pages for some of the above mentioned items. Please execute all signature pages where indicated. We have instructed the messenger to wait for your signature unless you instruct otherwise. In the event you do not wish to have the messenger wait for your signature, please contact me at 334-8498 to arrange for the return of the documents to our offices. The documents are required for the closing of the acquisition of M&S, which is expected to be July 31, 1997.

Should you have any questions regarding this matter, please feel free to contact me.

Very truly yours,

Lori J. Ketola

Lori J. Ketola

Enclosures

IN WITNESS WHEREOF, the undersigned have executed these consent resolutions effective as of the date first set forth above.

_____
James F. Dlugosch

_____
Kenneth Dawkins

_____
James L. Morrell

Constituting all the members of the
Board of Directors

MI ACQUISITION CORPORATION

ACTION IN WRITING TAKEN BY DIRECTORS IN LIEU OF MEETING

The undersigned, being all of the directors of MI Acquisition Corporation, a Minnesota corporation (the "Corporation"), pursuant to Minnesota Statutes, Section 302A.239, do hereby take action in writing in lieu of a meeting and do adopt the following resolutions effective April 1, 1997:

1997 STOCK OPTION PLAN

WHEREAS, it is desirable to compensate the Corporation's employees, consultants and other independent contractors of the Corporation by granting to them stock options to purchase shares of common stock of the Corporation ("Common Stock"), in consideration of their services to the Corporation; and

WHEREAS, it is desirable to adopt the MI Acquisition Corporation 1997 Stock Option Plan (the "Plan"), in the form attached hereto as Exhibit A and incorporated herein by reference, pursuant to which the Corporation may grant incentive stock options and non-statutory stock options to its employees, consultants and other independent contractors who serve the Corporation; it is

RESOLVED, that the form of the Plan attached hereto as Exhibit A and incorporated herein by reference be and the same hereby is adopted, ratified and approved in all respects, subject to approval by the shareholders of the Corporation within one (1) year following this adoption date.

RESOLVED, that 200,000 shares of Common Stock are hereby reserved for issuance pursuant to options granted under the Plan.

IN WITNESS WHEREOF, the undersigned have executed these consent resolutions, effective as of the date set forth above.

_____
James F. Dlugosch

_____
Kenneth Dawkins

_____
James L. Morrell

Constituting all of the Directors of the Corporation

MI ACQUISITION CORPORATION
ACTION IN WRITING TAKEN BY
SHAREHOLDERS IN LIEU OF MEETING

The undersigned, being all of the shareholders of MI Acquisition Corporation (the "Shareholders"), a Minnesota corporation (the "Corporation"), pursuant to Minnesota Statutes, Section 302A.441, do hereby take action in writing in lieu of a meeting and do adopt the following resolutions effective April 2, 1997:

1997 STOCK OPTION PLAN

WHEREAS, the Board of Directors of the Corporation deems it to be desirable for the Shareholders to adopt the MI Acquisition Corporation 1997 Stock Option Plan (the "Plan"), in the form attached hereto as Exhibit A and incorporated herein by reference, pursuant to which the Corporation may grant incentive stock options and non-statutory stock options to its employees, consultants and other independent contractors who serve the Corporation; it is

RESOLVED, that the form of the Plan attached hereto as Exhibit A and incorporated herein by reference be and the same hereby is adopted, ratified and approved in all respects.

RESOLVED, that 200,000 shares of Common Stock are hereby reserved for issuance pursuant to options granted under the Plan.

IN WITNESS WHEREOF, the undersigned have executed these consent resolutions, effective as of the date set forth above.

CH BROWN COMPANY INC.

By_____
Its_____

_____
James F. Dlugosch

_____
James J. Dlugosch

_____
Theodore G. Glasrud III

_____
James L. Morrell

_____
Paul H. Tietz

_____
Kenneth Dawkins

Constituting all of the Shareholders of the Corporation

RESOLUTIONS OF THE BOARD OF DIRECTORS
OF MI ACQUISITION CORPORATION
IN WRITING IN LIEU OF A MEETING

Pursuant to Minnesota Business Corporation Act, Chapter 302A, the undersigned, being all of the members of the Board of Directors of **MI ACQUISITION CORPORATION,** a Minnesota corporation (the "**Corporation**"), do, by the execution hereof, take such action in writing, without a meeting, consent to, approve and adopt the following, effective as of July 31, 1997.

WHEREAS, it appears to be in the best interests of the Corporation to borrow $5,000,000 from Norwest Bank Minnesota, National Association ("Lender"), pursuant to a revolving credit facility which will be used in part to fund the purchase of the stock of Miller & Schroeder, Inc., as well as for general business purposes (the "Revolving Credit Facility"), and a $2,000,000 demand discretionary facility (the "Demand Facility"), in accordance with the terms and conditions of a certain Credit Agreement dated as of July 31, 1997, by and between the Corporation and the Lender (the "Credit Agreement"); and

WHEREAS, the Corporation's obligations to Lender under the Revolving Credit Facility shall be evidenced by a certain Revolving Note dated as of July 31, 1997, made payable by the Corporation to the order of Lender in the original principal amount of $5,000,000 (the "Revolving Note"); and

WHEREAS, the Corporation's obligations to Lender under the Demand Facility shall be evidenced by a certain Demand Note dated as of July 31, 1997, made payable by the Corporation to the order of Lender in the original principal amount of $2,000,000 (the "Demand Note"); and

WHEREAS, it appears to be in the best interests of the Corporation to secure its obligations under the Revolving Note and the Demand Note by executing that certain Collateral Pledge Agreement dated as of July 31, 1997 in favor of Lender (the "Pledge Agreement");

WHEREAS, it appears to be in the best interests of the Corporation to guaranty certain conditional credit line facilities made by the Lender to subsidiaries of the Corporation, Miller & Schroeder Financial, Inc., Miller & Schroeder Investments Corporation, and Miller & Schroeder Small Business Capital Corporation (collectively, the "Subsidiaries"), pursuant to those certain Guaranties dated as of July 31, 1997 executed in favor of Lender (the "Guaranties");

NOW, THEREFORE, BE IT RESOLVED, that the Corporation hereby approves and authorizes the borrowing of $5,000,000 from Lender under the Revolving Credit Facility, and $2,000,000 under the Demand Facility, and approves and authorizes the guaranty of the obligations of the Subsidiaries, and the execution and delivery to Lender of the following:

1. The Credit Agreement

2. The Revolving Note;

3. The Demand Note;

4. The Pledge Agreement;

5. The Guaranties;

6. And any and all other documents and instruments required to be delivered by the Corporation to Lender in connection with the Credit Agreement, Revolving Note, Demand Note, the Revolving Credit Facility, the Demand Facility, Pledge Agreement and the Guaranties; and

RESOLVED FURTHER, that the Corporation hereby authorizes the President, or any other officer of the Corporation, acting singly, and any one of such officers is authorized to execute and deliver the foregoing documents and instruments and any and all other documents and instruments required to be executed and delivered by the Corporation in connection with the transaction contemplated by the Credit Agreement and the Guaranties; and

RESOLVED FURTHER, that any officer of the Corporation, acting singly, is hereby authorized and directed to take any and all other action as such officer deems necessary and appropriate to effectuate the transaction contemplated by the Credit Agreement and the Guaranties; and

RESOLVED FURTHER, that all actions of the directors, officers, employees and agents of the Corporation taken prior to the adoption of these resolutions in connection with the transaction contemplated by the Credit Agreement, and the Guaranties, including negotiation of and execution of any and all documents relating thereto, are hereby in all respects ratified, confirmed and approved.

James F. Dlugosch

Kenneth E. Dawkins

James L. Morrell

Constituting the entire Board of
Directors of MI Acquisition Corporation

RESOLUTIONS OF THE BOARD OF DIRECTORS
OF MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION
IN WRITING IN LIEU OF A MEETING

Pursuant to Minnesota Business Corporation Act, Chapter 302A, the undersigned, being all of the members of the Board of Directors of **MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION** a Minnesota corporation (the "**Corporation**"), do, by the execution hereof, take such action in writing, without a meeting, consent to, approve and adopt the following, effective as of July 31, 1997.

WHEREAS, it appears to be in the best interests of the Corporation to guaranty the obligations of MI Acquisition Corporation ("MIAC"), the sole shareholder of Corporation, pursuant to a $5,000,000 revolving credit facility from Norwest Bank Minnesota, National Association ("Lender"), (the "Revolving Credit Facility"), and a $2,000,000 demand discretionary facility which will be subordinated to the Revolving Credit Facility (the "Demand Facility"), in accordance with the terms and conditions of a certain Credit Agreement dated as of July 31, 1997 by and between MIAC and the Lender (the "Credit Agreement"); and

WHEREAS, the Corporation's guaranty obligation to Lender shall be evidenced by that certain Guaranty dated as of July 31, 1997 executed in favor of the Lender (the "Guaranty") and secured pursuant to a certain Security Agreement dated as of July 31, 1997 executed by the Corporation in favor of Lender (the "Security Agreement"); and

WHEREAS, it appears to be in the best interests of the Corporation to borrow up to $5,000,000 from Lender pursuant to a conditional credit line (the "Discretionary Line") to be used for general business purposes, in accordance with the terms and conditions of a certain letter agreement dated as of July 31, 1997 (the "Letter Agreement") and evidenced by two demand promissory note dated as of July 31, 1997 payable to the order of Lender in the principal amount of $1,000,000 and $4,000,000 (collectively, the "Demand Note");

NOW, THEREFORE, BE IT RESOLVED, that the Corporation hereby approves and authorizes the guaranty of MIAC's borrowing of $5,000,000 from Lender under the Revolving Credit Facility, and the $2,000,000 under the Demand Facility, and the borrowing of the Discretionary Line, and the execution and delivery to Lender of the following:

1. The Guaranty;

2. The Security Agreement;

3. The Letter Agreement;

4. The Demand Note;

5. Any and all other documents and instruments required to be delivered by the Corporation to Lender in connection with the Revolving Credit Facility, the Demand Facility and the Guaranty;

6. And any and all other documents and instruments required to be delivered by Corporation to Lender in connection with the Letter Agreement and Demand Note; and

RESOLVED FURTHER, that the Corporation hereby authorizes the President, or any other officer of the Corporation, acting singly, and any one of such officers is authorized to execute and deliver the foregoing documents and instruments and any and all other documents and instruments required to be executed and delivered by the Corporation in connection with the transaction contemplated by the Credit Agreement and the Letter Agreement; and

RESOLVED FURTHER, that any officer of the Corporation, acting singly, is hereby authorized and directed to take any and all other action as such officer deems necessary and appropriate to effectuate the transaction contemplated by the Credit Agreement and the Letter Agreement; and

RESOLVED FURTHER, that all actions of the directors, officers, employees and agents of the Corporation taken prior to the adoption of these resolutions in connection with the transaction contemplated by the Credit Agreement, and the Letter Agreement, including negotiation of and execution of any and all documents relating thereto, are hereby in all respects ratified, confirmed and approved.

_____
James F. Dlugosch

_____
Kenneth E. Dawkins

Constituting the entire Board of
Directors of Miller & Schroeder Small Business
Capital Corporation

RESOLUTIONS OF THE BOARD OF DIRECTORS
OF MILLER & SCHROEDER FINANCIAL, INC.
IN WRITING IN LIEU OF A MEETING

Pursuant to Minnesota Business Corporation Act, Chapter 302A, the undersigned, being all of the members of the Board of Directors of **MILLER & SCHROEDER FINANCIAL, INC.**, a Minnesota corporation (the "**Corporation**"), do, by the execution hereof, take such action in writing, without a meeting, consent to, approve and adopt the following, effective as of July 31, 1997.

WHEREAS, it appears to be in the best interests of the Corporation to guaranty the obligations of MI Acquisition Corporation ("MIAC"), the sole shareholder of Corporation, pursuant to a $5,000,000 revolving credit facility from Norwest Bank Minnesota, National Association ("Lender"), (the "Revolving Credit Facility"), and a $2,000,000 demand discretionary facility (the "Demand Facility"), in accordance with the terms and conditions of a certain Credit Agreement dated as of July 31, 1997 by and between MIAC and the Lender (the "Credit Agreement"); and

WHEREAS, the Corporation's guaranty obligation to Lender shall be evidenced by that certain Guaranty dated as of July 31, 1997 executed in favor of the Lender (the "Guaranty"); and

WHEREAS, it appears to be in the best interests of the Corporation to borrow up to $17,000,000 from Lender pursuant to a conditional credit line (the "Discretionary Line") to be used for general business purposes, in accordance with the terms and conditions of a certain letter agreement dated as of July 31, 1997 (the "Letter Agreement") and evidenced by a demand promissory note dated as of July 31, 1997 payable to the order of Lender in the principal amount of $17,000,000 (the "Demand Note");

NOW, THEREFORE, BE IT RESOLVED, that the Corporation hereby approves and authorizes the guaranty of MIAC's borrowing of $5,000,000 from Lender under the Revolving Credit Facility, and the $2,000,000 under the Demand Facility, and the borrowing of the Discretionary Line, and the execution and delivery to Lender of the following:

1. The Guaranty;

2. The Letter Agreement;

3. The Demand Note;

4. Any and all other documents and instruments required to be delivered by the Corporation to Lender in connection with the Revolving Credit Facility, the Demand Facility and the Guaranty;

5. And any and all other documents and instruments required to be delivered by Corporation to Lender in connection with the Letter Agreement and Demand Note; and

RESOLVED FURTHER, that the Corporation hereby authorizes the President, or any other officer of the Corporation, acting singly, and any one of such officers is authorized to execute and deliver the foregoing documents and instruments and any and all other documents and instruments required to be executed and delivered by the Corporation in connection with the transaction contemplated by the Credit Agreement and the Letter Agreement; and

RESOLVED FURTHER, that any officer of the Corporation, acting singly, is hereby authorized and directed to take any and all other action as such officer deems necessary and appropriate to effectuate the transaction contemplated by the Credit Agreement and the Letter Agreement; and

RESOLVED FURTHER, that all actions of the directors, officers, employees and agents of the Corporation taken prior to the adoption of these resolutions in connection with the transaction contemplated by the Credit Agreement, and the Letter Agreement, including negotiation of and execution of any and all documents relating thereto, are hereby in all respects ratified, confirmed and approved.

_____
James F. Dlugosch

_____
Kenneth E. Dawkins

Constituting the entire Board of
Directors of Miller & Schroeder Financial, Inc.

RESOLUTIONS OF THE BOARD OF DIRECTORS
OF MILLER & SCHROEDER, INC.
IN WRITING IN LIEU OF A MEETING

Pursuant to Minnesota Business Corporation Act, Chapter 302A, the undersigned, being all of the members of the Board of Directors of **MILLER & SCHROEDER, INC.**, a Minnesota corporation (the "**Corporation**"), do, by the execution hereof, take such action in writing, without a meeting, consent to, approve and adopt the following, effective as of July 31, 1997.

WHEREAS, it appears to be in the best interests of the Corporation to guaranty the obligations of MI Acquisition Corporation ("MIAC"), the sole shareholder of Corporation, pursuant to a $5,000,000 revolving credit facility from Norwest Bank Minnesota, National Association ("Lender"), (the "Revolving Credit Facility"), and a $2,000,000 demand discretionary facility (the "Demand Facility"), in accordance with the terms and conditions of a certain Credit Agreement dated as of July 31, 1997, by and between MIAC and the Lender (the "Credit Agreement"); and

WHEREAS, the Corporation's guaranty obligation to Lender shall be evidenced by that certain Guaranty dated as of July 31, 1997 executed in favor of the Lender (the "Guaranty"), and secured pursuant to a certain Collateral Pledge Agreement dated as of July 31, 1997 executed in favor of the Lender (the "Pledge Agreement"); and

NOW, THEREFORE, BE IT RESOLVED, that the Corporation hereby approves and authorizes the guaranty of MIAC's borrowing of $5,000,000 from Lender under the Revolving Credit Facility, and the $2,000,000 under the Demand Facility, and the execution and delivery to Lender of the following:

1. The Guaranty

2. The Pledge Agreement

3. And any and all other documents and instruments required to be delivered by the Corporation to Lender in connection with the Revolving Credit Facility, Demand Credit Facility, the Guaranty and the Pledge Agreement; and

RESOLVED FURTHER, that the Corporation hereby authorizes the President, or any other officer of the Corporation, acting singly, and any one of such officers is authorized to execute and deliver the foregoing documents and instruments and any and all other documents and instruments required to be executed and delivered by the Corporation in connection with the transaction contemplated by the Credit Agreement; and

RESOLVED FURTHER, that any officer of the Corporation, acting singly, is hereby authorized and directed to take any and all other action as such officer deems necessary and appropriate to effectuate the transaction contemplated by the Credit Agreement; and

RESOLVED FURTHER, that all actions of the directors, officers, employees and agents of the Corporation taken prior to the adoption of these resolutions in connection with the transaction contemplated by the Credit Agreement, including negotiation of and execution of any and all documents relating thereto, are hereby in all respects ratified, confirmed and approved.

James F. Dlugosch

Kenneth E. Dawkins

John Clarey

Constituting the entire Board of
Directors of Miller & Schroeder, Inc.

PLMC-I, INC.

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of PLMC-I, Inc., a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, John Arvold, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article II of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President and Chief Executive Officer, Paul H. Tietz is hereby elected to the office of Secretary, and Kenneth Dawkins is hereby elected to the offices of Chief Financial Officer and Treasurer, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

POOLED LOAN MARKETING CORPORATION

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Pooled Loan Marketing Corporation, a California corporation (the "Corporation"), acting pursuant to the General Corporation Law of California, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article IV of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER FINANCIAL, INC.

WRITTEN ACTION OF BOARD OF DIRECTORS
IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder Financial, Inc., a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER MORTGAGE CORPORATION

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder Mortgage Corporation, a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder Small Business Capital Corporation, a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER CAPITAL CORPORATION

WRITTEN ACTION OF BOARD OF DIRECTORS IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder Capital Corporation, a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

Constituting all of the members of the Board of Directors

MILLER & SCHROEDER, INC.

WRITTEN ACTION OF BOARD OF DIRECTORS
IN LIEU OF MEETING

July 31, 1997

The undersigned, being all of the members of the Board of Directors of Miller & Schroeder, Inc., a Minnesota corporation (the "Corporation"), acting pursuant to the Minnesota Business Corporation Act, do hereby consent to the adoption and do hereby adopt the following preambles and resolutions, effective the 31st day of July, 1997, with the same force and effect as if said preambles and resolutions were duly adopted at a meeting of the Board of Directors held for that purpose:

ELECTION OF OFFICERS

WHEREAS, the President of the Corporation, Roger Wikner, has submitted his resignation as an officer of the Corporation effective this 31st day of July, 1997; and

WHEREAS, the Minnesota Business Corporation Act requires a corporation to have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officer; and

WHEREAS, Article III of the Bylaws of the Corporation provides that the Board of Directors of the Corporation shall elect the officers of the Corporation; it is

> **RESOLVED,** that James F. Dlugosch is hereby elected to the offices of President, Chief Executive Officer and Chief Financial Officer, and Paul H. Tietz is hereby elected to the office of Secretary, each to serve until the members of the Board of Directors appoint successors.

Each director, by signing this written consent, agrees to the foregoing resolution in lieu of a meeting of the Board of Directors held for such purpose effective as of the date first above mentioned. This written consent may be executed in counterparts which together shall constitute one and the same instrument.

_____
James F. Dlugosch

_____
Kenneth Dawkins

_____
John M. Clarey

Constituting all of the members of the Board of Directors

INCUMBENCY CERTIFICATE

MI ACQUISITION CORPORATION

I, Paul H. Tietz, hereby certify that I am now, and at all times mentioned herein have been, the secretary of **MI ACQUISITION CORPORATION**, a Minnesota corporation (the "Company") and, as such secretary, I have access to the records of the Company, which records of the Company reflect that:

1. Resolutions. Attached hereto as Exhibit "A" and incorporated herein by reference is a true and correct copy of resolutions which have been duly adopted by the Board of Directors of the Company in compliance with, and not in contravention of, the Articles of Incorporation and Bylaws of the Company; none of such resolutions has been repealed or modified in any respect, and all of such resolutions are in full force and effect on the date hereof.

2. Incumbency. The following named individual is an officer of the Company as of the date hereof, and the signature set opposite the name is his true, authentic signature.

Name	Specimen Signature	Title
James F. Dlugosch	_____	President & CEO

3. Articles of Incorporation and Bylaws. Attached hereto as Exhibit "B" are true and correct copies of the Articles of Incorporation, the Bylaws of the Company, and any amendments thereto.

4. Officers Authorized to Request Advances. The following named individuals are officers of the Company as of the date hereof who are authorized to request Advances under the terms of the Credit Agreement (as defined in the resolutions), and the signatures set opposite their names are true, authentic signatures.

Name	Specimen Signature	Title
James F. Dlugosch	_____	President & CEO
Kenneth Dawkins	_____	Executive Vice President

IN WITNESS WHEREOF, I have duly executed this Certificate on behalf of the Company this 31st day of July, 1997.

_____
Paul H. Tietz, Secretary

I, James F. Dlugosch, hereby certify that I am now the President of the Company; that the person executing and delivering the foregoing Certificate is the current Secretary of the Company.

_____
President

CONSENT OF THE BOARD OF DIRECTORS

OF

MILLER & SCHROEDER FINANCIAL, INC.

The undersigned, being all of the Board of Directors of Miller & Schroeder Financial, Inc., a Minnesota corporation (the "Corporation"), hereby take the following action without a meeting, pursuant to Section 302A.239 of the Minnesota Business Corporation Act:

> **RESOLVED,** that pursuant to Article II, section 1 of the Bylaws of the Corporation the following named individuals are hereby elected as directors of the Corporation to serve for the term provided in the Bylaws or until their successors shall be elected and qualified:
>
> James F. Dlugosch
> Kenneth Dawkins

Dated as of July 31, 1997

_____
James E. Iverson

_____
Roger J. Wikner

CONSTITUTING THE ENTIRE BOARD OF DIRECTORS OF THE CORPORATION

CONSENT OF THE BOARD OF DIRECTORS

OF

MILLER & SCHROEDER, INC.

The undersigned, being all of the Board of Directors of Miller & Schroeder, Inc., a Minnesota corporation (the "Corporation"), hereby take the following action without a meeting, pursuant to Section 302A.239 of the Minnesota Business Corporation Act:

> **RESOLVED,** that pursuant to Article II, section 1 of the Bylaws of the Corporation the following named individuals are hereby elected as directors of the Corporation to serve for the term provided in the Bylaws or until their successors shall be elected and qualified:
>
> James F. Dlugosch
> Kenneth Dawkins

Dated as of July 31, 1997

_____
Roger J. Wikner

_____
James E. Iverson

_____
Steven W. Erickson

CONSTITUTING ALL OF THE BOARD OF DIRECTORS OF THE CORPORATION

CONSENT OF THE BOARD OF DIRECTORS

OF

MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION

The undersigned, being all of the Board of Directors of Miller & Schroeder Small Business Capital Corporation, a Minnesota corporation (the "Corporation"), hereby take the following action without a meeting, pursuant to Section 302A.239 of the Minnesota Business Corporation Act:

> **RESOLVED,** that pursuant to Article II, section 1 of the Bylaws of the Corporation the following named individuals are hereby elected as directors of the Corporation to serve for the term provided in the Bylaws or until their successors shall be elected and qualified:
>
> James F. Dlugosch
> Kenneth Dawkins

Dated as of July 31, 1997

_____
James E. Iverson

_____
Roger J. Wikner

CONSTITUTING THE ENTIRE BOARD OF DIRECTORS OF THE CORPORATION

CONSENT OF THE BOARD OF DIRECTORS

OF

MILLER & SCHROEDER INVESTMENTS CORPORATION

The undersigned, being the sole director of the Board of Directors of Miller & Schroeder Investment Corporation, a Minnesota corporation (the "Corporation"), hereby takes the following action without a meeting, pursuant to Section 302A.239 of the Minnesota Business Corporation Act:

> **RESOLVED,** that pursuant to Article II, section 1 of the Bylaws of the Corporation the following named individuals are hereby elected as directors of the Corporation to serve for the term provided in the Bylaws or until their successors shall be elected and qualified:
>
> James F. Kenneth
> Kenneth Dawkins

Dated as of July 31, 1997

_____
E.J. Hentges

CONSTITUTING THE SOLE MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION

CONSENT OF THE BOARD OF DIRECTORS

OF

POOLED LOAN MARKETING CORPORATION

The undersigned, being all of the Board of Directors of Pooled Loan Marketing Corporation, a Minnesota corporation (the "Corporation"), hereby take the following action without a meeting, pursuant to Section 302A.239 of the Minnesota Business Corporation Act:

> **RESOLVED,** that pursuant to Article IV, section 4.3 of the Bylaws of the Corporation the following named individuals are hereby elected as directors of the Corporation to serve for the term provided in the Bylaws or until their successors shall be elected and qualified:
>
> James F. Dlugosch
> Kenneth Dawkins

Dated as of July 31, 1997

_____
James E. Iverson

_____
Roger J. Wikner

CONSTITUTING THE ENTIRE BOARD OF DIRECTORS OF THE CORPORATION

CONSENT OF THE BOARD OF DIRECTORS

OF

PLMC-I, INC.

The undersigned, being the sole Director of the Board of Directors of PLMC-I, Inc., a Minnesota corporation (the "Corporation"), hereby takes the following action without a meeting, pursuant to Section 302A.239 of the Minnesota Business Corporation Act:

> **RESOLVED,** that pursuant to Article I, section 2 of the Bylaws of the Corporation the following named individuals are hereby elected as directors of the Corporation to serve for the term provided in the Bylaws or until their successors shall be elected and qualified:
>
> James F. Dlugosch
> Kenneth Dawkins

Dated as of July 31, 1997

_____

John T. Arvold

CONSTITUTING THE SOLE MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION

CONSENT OF THE BOARD OF DIRECTORS

OF

MILLER & SCHROEDER CAPITAL CORPORATION

The undersigned, being all of the Board of Directors of Miller & Schroeder Capital Corporation, a Minnesota corporation (the "Corporation"), hereby take the following action without a meeting, pursuant to Section 302A.239 of the Minnesota Business Corporation Act:

> **RESOLVED,** that pursuant to Article II, section 1 of the Bylaws of the Corporation the following named individuals are hereby elected as directors of the Corporation to serve for the term provided in the Bylaws or until their successors shall be elected and qualified:
>
> James F. Dlugosch
> Kenneth Dawkins

Dated as of July 31, 1997

_____
James E. Iverson

_____
Roger J. Wikner

CONSTITUTING THE ENTIRE BOARD OF DIRECTORS OF THE CORPORATION

CONSENT OF THE BOARD OF DIRECTORS

OF

MILLER & SCHROEDER MORTGAGE CORPORATION

The undersigned, being all of the Board of Directors of Miller & Schroeder Mortgage Corporation, a Minnesota corporation (the "Corporation"), hereby take the following action without a meeting, pursuant to Section 302A.239 of the Minnesota Business Corporation Act:

> **RESOLVED,** that pursuant to Article II, section 1 of the Bylaws of the Corporation the following named individuals are hereby elected as directors of the Corporation to serve for the term provided in the Bylaws or until their successors shall be elected and qualified:
>
> James F. Dlugosch
> Kenneth Dawkins

Dated as of July 31, 1997

_____
James E. Iverson

_____
Roger J. Wikner

CONSTITUTING THE ENTIRE BOARD OF DIRECTORS OF THE CORPORATION

NONCOMPETITION AGREEMENT

THIS NONCOMPETITION AGREEMENT ("Agreement") is made by and between **MILLER & SCHROEDER, INC.**, a Minnesota corporation ("Company"), and **ROGER WIKNER,** a resident of South Dakota ("Wikner") and is dated July 31, 1997.

WITNESSETH:

WHEREAS, Company is a Minnesota corporation engaged in the business of financial services;

WHEREAS, MI Acquisition Corporation ("MI") anticipates acquiring all of the issued and outstanding shares of capital stock of Company effective as of this 31st day of July, 1997 (the "Acquisition"), pursuant to that certain stock purchase agreement dated June 20, 1997 and effective as of June 1, 1997, among Roger Wikner, James Iverson and Steven Erickson and MI;

WHEREAS, prior to the Acquisition, Wikner owned 49% of the capital stock of Company and Wikner possesses certain unique skills, talents, contacts, judgment and knowledge of the Company's business, strategies and objectives;

WHEREAS, both parties recognize the critical importance to the Company, its employees and investors, of restricting Wikner's ability to compete with the Company or any of its affiliates, successors or assigns (the "Company Group");

WHEREAS, Wikner understands that (i) this Agreement shall be effective against Company only upon the closing of the Acquisition (the "Closing Date") and (ii) the execution of this Agreement is a condition of the closing of the Acquisition; and

WHEREAS, Wikner agrees that the restrictions contained in this Agreement are reasonable.

NOW, THEREFORE, in consideration of the recitals and the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. Restriction on Competition. Wikner acknowledges that the Company needs to be protected against the potential for unfair competition and impairment of the Company Group's goodwill by use of the Company Group's training, assistance, confidential information and trade secrets in direct or indirect competition with the Company Group. Wikner agrees that he will not, during the Term, directly or indirectly, operate, join, control, be employed by or participate in ownership, management, operation or control of, or be connected in any manner as an independent contractor, consultant or otherwise, with any person or entity which is engaged in any business in the United States and Canada in which a member of the Company Group is engaged on the date hereof.

DEPOSITION EXHIBIT

#8 2/10/04

2. Solicitation of Customers. During the Term, Wikner shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer, or otherwise:

a. for the benefit of any person or entity engaged in a business which is competitive with the business of any member of the Company Group on the date hereof, reveal the name or related information of, or solicit any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term; or

b. interfere with, or endeavor to entice from any member of the Company Group, any of the customers of the Company Group, whether such customers are currently customers or become customers during the Term.

3. Solicitation of Employees. During the Term, Wikner shall not directly or indirectly, through an existing or to be existing corporation, unincorporated business, affiliated party, successor employer or otherwise, solicit, hire for employment, or work with, on a part-time, consulting, advising or any other basis, other than on behalf of the Company, any employee, or independent contractor, of a member of the Company Group at the time of such solicitation, hire or work or during the six months prior thereto, if such employee or independent contractor is to directly or indirectly engage in a business which is competitive with the business of a member of the Company Group on the date hereof.

4. Term. The term of this Agreement shall commence on the date hereof and continue for a period of 4 years (the "Term").

5. Payment. As consideration for Wikner's agreements set forth in this Agreement, the Company shall pay to Wikner 48 equal monthly installments, in arrears, of $14,585 commencing on August 31, 1997. If Wikner shall breach any provision contained in this Agreement, the Company shall have no obligation to pay to Wikner any monthly payments due after the breach; provided, however, Wikner shall continue to be obligated to abide by the terms of this Agreement.

6. Enforcement. Company shall have the right to enforce the provisions of this Agreement by applying for and obtaining temporary and permanent restraining orders or injunctions from a court of competent jurisdiction without the necessity of filing a bond therefor. In any such court action, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the other party.

If any court of competent jurisdiction shall refuse to enforce any or all of the provisions hereof because they are more extensive (whether as to geographical area, scope of business or otherwise) than is deemed reasonable, it is expressly understood and agreed that such provisions shall not be void, but that for the purpose of such proceedings and in such jurisdiction, the restrictions contained herein (whether as to geographic area, scope of

business or otherwise) shall be deemed to be reduced to the extent necessary to permit enforcement of such provisions.

7. Miscellaneous.

A. Complete Agreement. This Agreement is the entire Agreement between the parties concerning the subject matter hereof and supersedes and replaces any existing arrangement between the parties hereto relating to subject matter hereof.

B. No Waiver. No failure on the part of Company or Wikner to exercise, and no delay in exercising any right hereunder will operate as a waiver thereof, nor will any single or partial exercise of any right hereunder by Company or Wikner preclude any other or further exercise thereof or the exercise of any other right.

C. Severability. It is further agreed and understood by the parties hereto that if any part, term or provision of this Agreement should be held unenforceable in the jurisdiction in which either party seeks enforcement of the contract, it shall be construed as if not containing the invalid provision or provisions, and the remaining portions or provisions shall govern the rights and obligations of the parties.

D. Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Minnesota, without regard to conflicts of law provisions.

E. Assignment. This Agreement is personal in nature and cannot be assigned by Wikner. This Agreement can be assigned by Company. The terms, conditions and covenants herein shall be binding upon the heirs and personal representatives of Wikner, and the successors, assigns of Company.

F. Remedies Not Exclusive. No remedy conferred hereunder is intended to be exclusive, and each shall be cumulative and shall be in addition to every other remedy. The election of any one or more remedies shall not constitute a waiver of any other remedy.

G. Captions. Captions and section headings used herein are for convenience only and are not a part of this Agreement, and shall not be used in construing it.

IN WITNESS WHEREOF, the parties have duly executed this Noncompetition Agreement as of the date and year first above written.

COMPANY: MILLER & SCHROEDER, INC.

By_____
Its President and
Chief Executive Officer

Wikner: _____
Roger Wikner

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

SRC Holdings Corporation,
f/k/a Miller & Schroeder, Inc.
and its subsidiaries

Debtor.

Chapter 7 Case

BKY Case Nos. 02-40284 to 02-40286

Jointly Administered

Brian F. Leonard, Trustee,

Plaintiff,

vs.

Executive Risk Indemnity, Inc.

Defendant.

ADV Case No. 03-_____

COMPLAINT

Plaintiff Brian F. Leonard, as the Trustee of the bankruptcy estate of the Debtors (hereafter "**Plaintiff**" or "**Trustee**"), by his attorneys, for his Complaint against the above Defendant Executive Risk Indemnity, states and alleges as follows:

JURISDICTION

1. The Debtors commenced their bankruptcy cases under Chapter 7 of the United States Bankruptcy Code on January 22, 2002.

2. Plaintiff is the duly appointed, qualified, and acting Trustee of the above bankruptcy cases.

3. Defendant is a Delaware insurance corporation, with offices at 32 Loockerman Square, Suite L100, Dover, Delaware, is an insurance company, and does business in the State of Minnesota.

4. This is a core proceeding under 28 U.S.C. § 157.

DEPOSITION EXHIBIT
#9 2/10/04

5. This Court has jurisdiction over this adversary proceeding, and this adversary proceeding is authorized under 28 U.S.C. §§ 157 and 1334.

HISTORY OF THE DEBTORS' OPERATIONS

6. Miller & Schroeder, Inc. ("**M&S**") (now SRC Holdings Corporation) was the parent company of several affiliated entities, including those identified in this paragraph. The Debtors operated a financial services business. Its two main operations were conducted by Miller & Schroeder Investments, Inc. ("**MSI**") (now SRC Investments Corporation), which conducted a loan origination and participation sale business, and Miller & Schroeder Financial, Inc. ("**MSF**") (now Securities Resolution Corporation), which operated a municipal bond underwriting and retail brokerage business.

7. MSF, as part of its municipal bond brokerage and underwriting business, was the underwriter for twelve separate municipal bond offerings made from December, 1996 through March, 1999 (collectively referred herein as the "**Heritage Bonds**"). The proceeds of each bond issue were loaned to related borrowers for the purported purpose of financing the acquisition, operation and/or renovation of hospitals and other long-term healthcare facilities. MSF issued a Prospectus in conjunction with each of the Heritage Bond offerings. The Heritage Bond offerings raised a total of approximately $140,000,000.00. The 12 related bond offerings were financed, structured and marketed by MSF from its Solana Beach, California office.

8. All of the Heritage Bond projects went into default soon after the bonds were sold. None of the projects made a single bond payment. The defaults in the earlier bond projects occurred, and said projects were in distress, at the time later Heritage Bond offerings were made in 1997, and 1998. MSF failed to disclose the defaults and problems in the earlier projects to investors who

purchased later issues in 1997 and 1998. The Prospectuses also contained other material misrepresentations and misstatements, and omitted to provide sufficient information to enable an investor to reasonably and intelligently assess the risk of investing in the Heritage Bonds.

9. The investors and bondholders of the Heritage Bonds filed numerous lawsuits, claims, and arbitration proceedings against the Debtors and many of the Debtors' officers, directors and employees. The investors and bondholders sought to recover their investment losses in the Heritage Bonds. The Debtors expended hundreds of thousands of dollars paying for attorneys' fees in connection with such lawsuits and arbitration proceedings. The Debtors lost each arbitration proceeding that reached conclusion.

10. The litigation resulting from the defaults in the Heritage Bond issues required the Debtors to deplete their cash and assets for the purpose of paying legal expenses in the defense of the actions. Miller and Schroeder, Inc. and its subsidiaries incurred nearly $2,000,000 in attorney's fees and costs defending the various actions and also were found liable to various customers for millions of dollars in damages.

11. On or about September 4, 2000, Defendant issued a "Directors and Officers Liability Insurance Policy", policy number 8166-6027, ("The Policy") to M & S. The Policy, in addition to providing coverage for officers and directors also provided coverage, for an additional premium, to "The Company" (M&S and its subsidiaries), as defined in The Policy. The Policy provided coverage for, among other things, defense and indemnification of the insureds against covered claims made during the period of coverage.

12. The Policy period was from July 31, 2000 to July 31, 2003. The insured companies included each of the Debtors. The Policy limits were $5,000,000

13. During the period of The Policy, M & S and its subsidiaries, officers, directors, and

employees, were named as defendants in a number of the lawsuits and other actions described above arising out of the Heritage Bond offerings.

14. Most of the customers who have alleged losses related to the above-referenced bonds have also made claims against the bankruptcy estates of the debtors. These claims greatly exceed the available coverage under The Policy.

15. The Policy expressly provides coverage for the claims made against M & S and against the bankruptcy estate and for the fees and costs associated with defending those claims. It was the insureds' expectation that the claims and fees and costs would be covered under The Policy.

16. Despite a demand for coverage for the losses associated with the bond litigation referenced above, Defendant has denied that coverage is available and has refused to defend and/or indemnify Plaintiff.

COUNT I - BREACH OF CONTRACT

17. Plaintiff realleges the foregoing paragraphs of this Complaint in their entirety.

18. Under The Policy, Defendant expressly agreed to indemnify and defend its insured against claims such as those made in the above-referenced bond litigation.

19. By refusing to provide coverage, Defendant has breached its obligation under The Policy.

20. As a direct and proximate result of Defendant's breach of contract, Plaintiff has suffered damages of $5,000,000, plus such other and consequential damages as will be proved at trial.

COUNT II - DECLARATORY JUDGMENT

21. Plaintiff realleges the foregoing paragraphs of this Complaint in their entirety.

22. The Policy expressly provides coverage for the claims made against Miller & Schroeder, Inc. and its subsidiaries.

23. Plaintiff is entitled to a declaration that The Policy provides coverage for the claims made, requiring Defendant to indemnify the bankruptcy estate for amounts already paid, defend against pending claims, and indemnify the bankruptcy estate for any allowed claims, up to the limits of coverage.

WHEREFORE, Plaintiff respectfully requests that the Court order that judgment be entered against Defendant as follows:

1. Declaring that The Policy provides coverage for the claims made against M & S and its subsidiaries by the bond holders, and requires Defendant to indemnify and defend the bankruptcy estate;

2. Awarding damages to Plaintiff in the amount of $5,000,000, plus such other and consequential damages as will be proved at trial;

3. Awarding Plaintiff pre-judgment interest and his costs and disbursements incurred herein; and

4. Granting such other relief as the Court deems just and equitable.

LEONARD, O'BRIEN
SPENCER, GALE & SAYRE, LTD.

Dated: October 1, 2003

By /e/ Thomas C. Atmore
Thomas C. Atmore, #191954
Matthew R. Burton, #210018
Attorneys for Plaintiff
55 East Fifth Street
Suite 800
St. Paul, Minnesota 55101
(651) 227-9505

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February 28, 1997

Mr. Roger Wikner
Mr. Jim Iverson
Miller & Schroeder Financial, Inc.
220 South Sixth Street
Minneapolis, MN 55402

Dear Roger and Jim:

The following is provided in further detail of my letter of intent to purchase Miller & Schroeder, Inc. dated February 18, 1997:

1. The purchase price will be $16,400,000.

2. Seller financing of $4,000,000 will be required. In addition, $1,400,000 of the purchase price will be paid over a seven year period as compensation for consulting services and the execution of a non-compete agreement. At closing, the seller will receive a note in the amount of $4,000,000, repayment of which will be subordinate to bank financing currently estimated at $5,000,000. Interest will be paid at 1% over the Norwest Bank prime rate. The note will be amortized over seven years and will be prepayable at any time.

3. An employment agreement will be negotiated between Jim Iverson and myself.

4. I am prepared to move quickly to a definitive purchase agreement and to close the transaction at an early date, assuming completion of due diligence and satisfactory securing of any contingent liabilities. I look forward to your response and to moving forward with this purchase.

Very truly yours,

James Dlugosch

DEPOSITION EXHIBIT
#10 2/10/04

136/22133218 2/28/97

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: Chapter 7 Case

SRC Holding Corporation,
f/k/a Miller & Schroeder, Inc.
and its subsidiaries,

BKY Case Nos. 02-40284 to 02-40286

Jointly Administered

Debtors.

Brian F. Leonard, Trustee, ADV Case No.03-4153

Plaintiff,

vs. **UNSWORN DECLARATION OF JAMES DLUGOSCH**

Roger Wikner,

Defendant.

I, James Dlugosch, hereby state as follows:

1. I was formerly the President of MI Acquisition Corporation ("**MIAC**") and served in that role with respect to MIAC's acquisition of shares of James Iverson, Roger Wikner and Steve Erickson in Miller & Schroeder, Inc. ("**MSI**") in 1997.

2. I am familiar with the Closing Statement Certificate and Receipt dated July 31, 1997 which was used in furtherance of and as a summarization of, the aforementioned stock acquisition. That document is attached hereto as Exhibit A and accurately summarizes the parties' closing.

3. MIAC was aware in 1997 that Iverson and Wikner were indebted to MSI in accord with sums stated in Exhibit A hereto. The debts related primarily to personal loans, advances, vehicles and club memberships. MIAC, Iverson and Wikner agreed to reduce the purchase price to

DEPOSITION EXHIBIT
#11 2/10/04

be paid to Iverson and Wikner for their stock by the sums stated in Exhibit A as MSI was valued that much less if the sums were not repaid. In other words, the debts owed by Wikner and Iverson to MSI reduced the value of the company.

4. MIAC did not settle the Iverson and Wikner debts to MSI. Instead, as stated above, since those debts were in existence, the purchase price of the shareholders' stock was reduced.

5. MSI did not pursue collecting the debts owed by Wikner and Iverson as it was presumed that the price reduction to MIAC resolved those issues.

_____
James Dlugosch

VERIFICATION

James Dlugosch, the Defendant in the above-referenced adversary case, declares under penalty of perjury that the foregoing is true and correct to the best of his knowledge, information and belief.

Dated: _____, 2003

_____
James Dlugosch

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