UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: Chapter 7 Case

SRC Holding Corporation, BKY Case Nos. 02-40284 to 02-40286
f/k/a Miller & Schroeder, Inc.
and its subsidiaries, Jointly Administered

Debtors.

Brian F. Leonard, Trustee, Adv. Case No. 03-4155

Plaintiff,

vs.

James E. Iverson,

Defendant.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: Chapter 7 Case

SRC Holding Corporation, BKY Case Nos. 02-40284 to 02-40286
f/k/a Miller & Schroeder, Inc.
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Debtors.

Brian F. Leonard, Trustee, Adv. Case No. 03-4153

Plaintiff,

vs.

Roger J. Wikner,

Defendant.

PLAINTIFFS RESPONSE TO DEFENDANTS' MOTIONS
FOR SUMMARY JUDGMENT

INTRODUCTION

Defendants Roger Wikner ("**Wikner**") and James Iverson ("**Iverson**") (collectively referred to as "**Defendants**") are not entitled to prevail on their respective motions for summary judgment.[1] Each Defendant has taken a historically revisionist view of the subject July 31, 1997 transactions and each now attempts to reclassify the events as though they were originally constructed as Defendants now creatively describe. There is no factual support for Defendants' version of the relevant history. Further, Plaintiff Brian F. Leonard, Trustee of these jointly-administered Chapter 7 cases ("**Trustee**") has established that he is entitled to summary judgment on his own pending motion.

It would have been quite simple for the Defendants to have structured a transaction which did not subject them to scrutiny herein. For instance, MIAC Acquisition Corporation ("**MIAC**") could have actually raised sufficient funding and then paid Defendants the full purchase price for their shares and Defendants could have, then, actually repaid their substantial debts to the Debtors.[2] However, Defendants permitted their self-interests to determine the transaction. Neither Defendant gave the interest of the Debtors a modicum of thought (until this action was commenced). Each testified that their mutual counsel negotiated the transaction. Defendants' counsel structured the transaction in a manner which (a) allowed MIAC to use the Debtors' assets (Defendants' obligations to the Debtors) to fund the stock purchase (to the sole harm to Debtors and their creditors), and (b)

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[1]The Trustee is submitting the same Memorandum in each adversary file in response to Defendants' motions. Further, the Trustee is relying, in large part, on the evidence submitted in support of his own motion for summary judgment in defense of Defendants' motions.

[2]The "Debtors," as used herein, are Miller & Schroeder, Inc. ("**MSI**") and its affiliates and subsidiaries, including Miller & Schroeder Financial, Inc. ("**MSFI**").

to allow Defendants to pay a lesser amount in income taxes. Defendants entirely ignored their duty of stringent loyalty to the Debtors.

Each Defendant treated the sale proceeds (even the amounts not actually paid by MIAC) as capital gains. However, there was no money for MIAC to withhold from Defendants, there was no payment to Debtors and there were no advances.[3] Defendants' obligations to the Debtors were "forgiven." If the transaction had been treated for tax purposes as debt forgiveness, Defendants would have paid tens of thousands of dollars more in income taxes as the "forgiveness" would have been taxed as ordinary income (as opposed to the lower capital gains rate).

Each Defendant has filed a motion for summary judgment and, in each, Defendants make representations to the Court as to how the events of July 1997 unfolded and how MSI was "unaffected" by the sale to MIAC. Each Defendants' characterization of the events are just that - characterizations. Neither points to any evidence, contemporaneous or prior to the closing, which establishes that MSI or MSFI avoided harm or how Defendants' debts to those entities were satisfied. Instead, each attempts to alter history. Further, each makes statements which contradict their own positions. The Trustee herein, will buttress his own motion for summary judgment by exposing the dramatic flaws in Defendants' arguments.

Examples of statements made by Defendants that are inconsistent with their own position include or are unsupportable by evidence include:

A. "The $ 15,000,000 purchase price was to be funded . . . with an estimated 1,500,000 of proceed [sic] from payment of notes receivable from [Defendants] . . ." Iverson Memorandum

[3]Defendant can offer no evidence that actual funds, raised by MIAC, were withheld, that Debtors were paid or that the same funds were then "advanced" to MIAC.

at p. 2. *Comment: This is a blatant statement of the problem in this case. The money should have gone to the Debtors, not for the stock acquisition. This is an admission that Defendants knew that the structure of the transaction breached their fiduciary duties.*

B. "the private placement memorandum prepared by [MIAC] . . . states in pertinent part the purchase of [MSI] was funded in part by 2 million dollars from the assets of [MSI]." *Id*., at 11; See also, Lawver Affidavit, Exhibit C, page 3 (Executive Summary) *Comment: This shows harm to the Debtors - MSI and MSFI should have been strangers to this transaction*.

C. On page 4 of his Memorandum, Defendant Wikner shows the balance of $795,992.29 and refers to the same as "representing amount repaid to [MSI and MSFI]." Wikner Memorandum at 4. *Comment: Wikner has no evidence of any actual sums of money being transferred to the Debtors*.

D. "as of July 31, 1997 the Officer Liabilities in the amount of $2,001,548 were satisfied" and that the same were "paid." *Id.* at 5. *Comment: Again, Defendants are relying on accounting entries generated after closing to account for what occurred. Neither Defendant can sincerely argue that any real economic transactions took place. In fact, they avoid that topic at every turn*.

E. "The Noncompetition Agreement was a transaction negotiated by [MIAC] for its business reasons. . ." *Id.* at 14. *Comment: The Debtors were satisfied with the pre-existing agreements. They ended up paying Wikner and Iverson more money due to MIAC's needs*.

F. "It was important to MIAC . . . that he not be able to compete . . ." *Id.* at 19. *Comment: The only evidence is that Debtors were satisfied with the pre-existing agreements.*

Debtors ended up paying Wikner and Iverson more money due to MIAC's needs as opposed to their own.

G. The funds withheld at closing were "used to satisfy Wikner's own personal Officer Liabilities to the Debtors . . . as of the closing date." *Id.* at 26. *Comment: No evidence of any actual funds being withheld nor that the same were used to satisfy anything*.

The Trustee believes that his original submissions, coupled with the flaws in Defendants' motions, merit that summary judgment be entered in his favor.

ARGUMENT

I. DEFENDANTS' DEBT WAS NOT PROPERLY "FORGIVEN"

The Defendants argue that they have paid their respective debts to the Debtors.[4] They argue this despite the fact that MIAC did not possess sufficient funding to satisfy the Defendants' debts and despite the fact that Defendants cannot identify a single real dollar that made its way into to the Debtors' coffers. See, i.e., Deposition of James Dlugosh, Trustee's Notice of Hearing, Exhibit D.

The items of evidence upon which Defendants rely are the post-closing accounting records (created by MIAC) and cancelled promissory notes. There is no evidence that a contemporaneous, conscious and authentic effort was made to satisfy the Defendants' obligations. In fact, the evidence establishes that this could not have happened.

As to the cancelled notes, there is absolutely no evidence that the Debtors, in fact, cancelled the notes. The notes in evidence are simply labeled as "cancelled" and they have a date of July 31, 1997. There is no signature or other indication that the Debtors consented to the cancellation. It is most likely that counsel structured the transaction for Defendants and MIAC labeled the promissory

[4]Again, neither Defendant alleged payment as an affirmative defense.

notes as "cancelled." A corporation can act only through its agents and, like a natural person, is bound only by acts an agent does within the scope of his authority. *Budelman v. White's Exp. & Transfer Co.*, 140 A. 2d 552, 556 (NJ. Sup. A.D. 1958). An unauthorized signature of an agent is 'wholly inoperative' and equal to forgery. *Id.*, at 557. The general rule is that burden of establishing authority of an agent is on the party contending that the act was authorized. *Commercial Bank and Trust Co. v. Dixie Sound & Communications Corp.*, 468 F. Supp 576, 584 (D. Ark. 1979), citing *Johnson v. Mosley*, 179 F.2d 573 (8th Cir. 1952). There is no evidence that anyone of authority cancelled the promissory notes. Defendants cannot meet their burden that the notes were properly cancelled.

Defendants cannot identify how cancellation was authorized or why it would have been so authorized. Any "authorization" would have been wholly premised on furthering Defendants' self-serving transaction.[5] Accordingly, the Trustee submits that the promissory notes were not properly cancelled.

II. DEFENDANTS' DISTRIBUTION ARGUMENT MISSTATES THE FACTS AND MINNESOTA LAW

The Defendants each now assert that they received a distribution as part of the July 31, 1997 closing. Defendants seek to recharacterize the events as a distribution in an effort to forestall the Trustee's fraudulent transfer claims and to create a shorter statute of limitation period. This is a clever argument and one that is flat out misplaced in this case.

[5]Without proper cancellation, Defendants also remain liable on the notes.

"Forgiveness" of the debt is not a distribution as defined by Minn. Stat. §302A.011(10).[6] The end of the first sentence of §30A.ll(10) requires that the distribution be "in respect of its shares." In this case, any "distribution" to Defendants was not on account of their shares. It was on account of their unequal debts owed to the Debtor corporations and Defendants' desire to accommodate MIAC. If these were true distributions, they would have been in proportion to each Defendants' equal stock ownership - they were not.

Further, distributions must be declared by the board of directors pursuant to Minn. Stat. §302A.551. The Defendants cannot point to a single board resolution or record wherein a distribution to facilitate this closing was discussed or voted upon. In fact, there are no board resolutions, at all, of the Debtors which relate to the transaction. Distributions are voted upon by directors and tied to the stock of the corporation. That did not happen here.

Also, it should be noted that Defendants argue that the Debtors were repaid. If the Debtors received consideration for the distributions, then there was not a distribution. Defendants' distribution arguments are inconsistent with the law and the facts presented and, therefore, they must fail.

III. DEFENDANTS' ARGUMENTS THAT DEBTORS RECEIVED VALUE IS INCONSISTENT WITH THE FACTS AND THEIR OWN STATEMENTS

The Trustee does not want to beat a dead horse with respect to lack of reality as to Defendants' arguments that the Debtors were repaid as part of this transaction. There is absolutely no evidence that on or before July 31,1997 the Defendants' obligations to the Debtors were satisfied.

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[6]That section provides: "Distribution" means a direct or indirect transfer of money or other property, other than its own shares, with or without consideration, or an incurrence or issuance of indebtedness, by a corporation to any of its shareholders in respect of its shares. A distribution may be in the form of a dividend or a distribution in liquidation, or as consideration for the purchase, redemption, or other acquisition of its shares, or otherwise.

The only items of evidence possessed by Defendants are cancelled notes and post-closing accounting entries.

Defendants attempt to paint a picture that the Debtors were made whole as part of the transaction. For instance, Defendant Wikner alleges that, "Debtors received a dollar-for-dollar payment from Wikner and Iverson at closing." *Wikner Memorandum*, at 28. There was not a single dollar paid to Debtors. See, *Dlugosch Deposition* and *Dlugosch Statement*. Iverson also paints a false picture. He states, "$808,289.79 were withheld at closing **as payment to [MSI]** for notes receivable and interest, and $382,661.79 were withheld at closing **for payment to [MSFI]**. *Iverson Memorandum* at 2. He added, "[MIAC] received inter-company transfers . . ." *Id*. at 3.[7] Again, neither Defendant can propound evidence that a real economic transaction took place. Neither can show any transaction which occurred at or prior to closing which satisfied Defendants' debts to the Debtors. That is because MIAC did not raise funds to pay the Debtors.

In summary, Defendants really only have two arguments as to how they satisfied their debts. These are summarized as follows:

Argument	**Comment**
The Notes Were Cancelled:	The notes are, indeed, marked as being "cancelled." There is no indication as to who marked them as such. There is no evidence that the Debtors cancelled the Notes nor that the Debtors received value.
The "Advances" Replaced the Debt:	There is no evidence of an advance. In fact, the advances could not have occurred. The evidence establishes that MIAC used the debt "forgiveness" as part of it purchase of

[7]This means that MIAC paid the Debtors and then took the money back as an advance. There is no evidence that this occurred or could have occurred.

> Defendants' stock, and that the book entries were "accounting treatment."

There is no evidence before this Court which supports Defendants' arguments that the Debtors were actually repaid. Defendants walked away from the transaction without paying their debts. Their newly-created arguments are not supported by the evidence.

IV. DEBTORS WERE IN VICINITY OF INSOLVENCY AT TIME OF CLOSING

The Trustee addressed the topic of insolvency, vicinity of insolvency and the existence of creditors in his own Motion for Summary Judgment and the submissions therewith. It is clear, despite Defendants' reliance on financial statements, that the Debtors were either insolvent or within the zone of insolvency at all times material herein. Wikner's counsel attested via affidavit that he reviewed the claims registers and that there were no claims relevant to this action. Yet, the Trustee has submitted claims into evidence, predating the transaction, totaling $153,412,928. Trustee's Notice of Hearing and Motion, Exhibit I. The Trustee is submitting additional relevant claims via affidavit herewith - including Defendant Wikner's own claim which evidences significant pre-closing liabilities.

When viewing a director's actions, there are three general financial "tests" used to determine the zone of insolvency. Peterson, Directors' Duties in the Zone of Insolvency: The Quandary of the Nonprofit Corp., 23 AMBKRIJ 12 (March 2004). The tests are the "balance sheet test," the "cash flow test" and transactional analysis. *Id*. The Trustee submits that only the first and last tests are pertinent to this case.

A. Debtors Fail the Balance Sheet Test

A corporation is insolvent under the balance sheet test if its "financial condition is such that the sum of such entity's debts is greater than all of such entity's property, at a fair valuation." 11 U.S.C. §101(32)(A); Minn. Stat. §513.42(a). A "debt" is any "liability on a claim." 11 U.S.C. §101(12); Minn. Stat. §513.41(5). A "claim" is the "right to payment, whether or not such is reduced to judgment, liquidated, unliquidated, fixed, **contingent**, matured, **unmatured**, disputed, undisputed, legal, equitable, secured or unsecured." 11 U.S.C. §101(5)(A).

Exhibit N to the Trustee's Verified Notice of Hearing and Motion for Summary Judgment was a statement of financial condition "as of July 31, 1997," but created sometime after. That statement shows that the consolidated shareholders' equity (assets less liabilities) on July 31,1997 was $10,552,344. Not included within the liabilities are either (a) the potential liabilities disclosed in the schedules to the Stock Purchase Agreement, or (b) the potential/actual liabilities generated by the Heritage Bond debacle. As to the former, the Trustee has submitted records with his submission, both from the closing schedules and items attached to the Affidavit of Patrick McDavitt, which evidence contingent liabilities, valued at their expected liability, in excess of $14,000,000.00. This, alone, evidences insolvency on the balance sheet test.

However, when the Heritage issues are considered, these Debtors move far underwater on the balance sheet test. Again, the Heritage-related claims belittle this entire transaction. The Trustee has already submitted evidence that the Heritage claims "brought down" the Debtors and that four offerings totaling over $44,000,000 had closed prior to July 31, 1997.

Defendants cannot counter these extensive contingent liabilities. The Trustee submits that the fact that the Heritage ultimately did destroy the Debtors is significant evidence that these contingent liabilities are properly included in the analysis.

B. Debtors Fail the "Transactional Analysis" Test

Even though a corporation is balance sheet solvent, it may still in the vicinity of insolvency where there is a substantial risk that the assets would be dissipated putting the creditors at substantial risk. *In re Ben Franklin Retail Stores, Inc.*, 225B.R. 646, 655 n. 14 (Bankr. N.D. Ill. 1998). When a corporation enters into a transaction that results in unreasonably small capital remaining in the corporation, and the corporation faces an unreasonable risk of insolvency, it has entered the zone of insolvency. See, *In re Healthco Int'l Inc.*, 208 B.R. 288, 399 (Bankr. D. Mass. 1997).

Some commentators have stated that there is not really a test for the vicinity of insolvency. See, 2003: A Legal Perspective, 67 TXBJ 22, 23 (Jan. 2004) (No standard has been devised for determining when a corporation is in the "vicinity of insolvency;" rather, the determination is made on a case-by-case basis). Another commentator has argued that the term "vicinity of insolvency" should be limited to circumstances where "a corporation's contemplated action would cause insolvency." Schwarcz, Rethinking a Corporation's Obligations to Creditors, 17 Cardozo L. Rev. 647, 665 (1996). Schwarcz noted that a better term for the "vicinity of insolvency" should be "contingent insolvency." *Id*.

Directors have been advised to account for contingent liabilities. Another commentator has stated that, "Even where contingent liabilities and losses appear unlikely to occur, directors must be cognizant of the risk that these liabilities and losses ultimately may be realized and, despite the directors' prior reasonable assessment that these contingencies were unlikely to occur, a court in the

future nevertheless may determine the corporation was insolvent using '20-20 hindsight' . . ." Hot Topics in Chapter 11: Protecting Directors in the 'Zone of Insolvency',- 013102 ABI-CLE 109, *4 (2002). Interestingly, as noted in the Trustee's initial submission, neither Defendant gave the matter of this closing a bit of thought. Based on their testimony, Defendants did not consider potential liabilities (or anything else). Defendant Wikner was even surprised that there was a closing. They blindly entered into the transaction.

The Trustee's evidence with respect to the vicinity of insolvency includes, but is not limited to, the $14,000,000 in liabilities disclosed in the closing schedules, the Heritage liabilities (commenced in 1996) which total over $ 150,000,000[8] and the fact that the companies were losing money. Defendants rely upon financial statements which were created after-the-fact. Further, these statements leave open the door for additional liabilities. Each financial statement provided by Defendants contains "Off-Balance-Sheet Risk." Those state "The Company. . . is exposed to off-balance-sheet risk of loss. . . " See, i.e., Lawver Affidavit, Ex. D. at p. 10. See also, Ricke Exhibit D at p. 13 (Debtors even deny Heritage liability as late as October 2000). Therefore, the balance sheets do not totally reflect the companies' liabilities.

The evidence demonstrates that the Heritage offerings commenced prior to the closing and that they ultimately destroyed the Debtors and created a creditor pool with millions of dollars of claims. The Heritage transaction was well under way by July 31, 1997. Thus, Defendants fail under the transactional analysis.

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[8]Proofs of claim filed with Trustee's motion as Exhibit I. Generally, a creditor's proof of claim constitutes prima facie evidence of the validity and amount of a claim. *In re Brown*, 82 F.3d 801, 805 (8th Cir. 1996).

V. FRAUDULENT TRANSFER HAS BEEN ESTABLISHED

In accord with the Uniform Fraudulent Transfer Act, Minnesota law provides:

> (a) A transfer made or obligation incurred by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made or the obligation was incurred if the debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.

Minn. Stat. 513.45(a). Therefore, constructive fraud requires proof of a transfer, a prior claim, no "reasonably equivalent value," and debtor insolvency.

Defendants do not appear to be arguing that about the "transfer" issue. Instead, they focus on the latter three elements. As to the "prior claim" issue, the Trustee submits that the proofs of claim, together with the closing schedules and other evidence, establish that creditors were in existence at the time of the closing.

These Debtors did not receive reasonably equivalent value. As the Trustee has noted repetitiously throughout his submissions, there is no evidence that the Debtors received a single, real economic item. Wikner argues that the "funds that were withheld by the buyer, MIAC, from Wikner at closing, . . . were used to satisfy Wikner's [liabilities] . . ." Wikner Memorandum at 26. There is not a scintilla of evidence that the money withheld was paid to the Debtors. In fact, it has been established that this could not have occurred. See, i.e., Deposition of James Dlugosch. The Trustee submits that replacing substantial obligors (Defendants) with the debt-ridden MIAC whose only asset was the Debtors, did not give the Debtors value, either.[9]

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[9]There is no evidence that MIAC ever actually became bound to the Debtors or that any claimed accounting treatment created an enforceable obligation.

The Trustee has discussed the issue of the Debtors' insolvency elsewhere in this Memorandum, as well as in his first submission. The only evidence before this Court bearing on the Debtor's condition as of July 31, 1997 shows that the Debtors were well within the vicinity of insolvency.

VI. THERE WAS NO RATIFICATION

As the Trustee argued in his first submission, self-dealing and waste are not ratifiable. However, Minn. Stat. §302A.255 only stands for that certain acts are not voidable under that section. Other items, such as waste and self-dealing, are not within the penumbra of protection offered by §302A.255. See, *Onvoy, Inc. v. SHAL, Inc.*, 669 NW2d 344, 356 (Minn. 2003). In this case, we have the diversion of a corporate opportunity (the opportunity to be repaid) being forsaken for the apparent reason of generating a tax savings for Defendants. There cannot be a ratification of such acts or omissions.

VII. MUTUAL RELEASE IS A RED HERRING

The Settlement Agreement dated December 11, 1997 has no bearing on the issues raised in this case. The Stock Purchase Agreement was the purchase of Defendants' stock by MIAC in July of 1997. The Settlement Agreement's purpose was to adjust the price (section 2.3 of Stock Purchase Agreement) paid by MIAC to Wikner and Iverson (by requiring that they repay money to MIAC). This action is between the MIAC-acquired Debtors, whose claims were preserved in the subsequent corporate merger, against Wikner and Iverson.

Section 5 of the Settlement Agreement releases claims related to section 2.03 of the Stock Purchase Agreement, alone. In this case, the Trustee alleges fraudulent transfer, preference, breach of fiduciary duty, conversion and other claims. None of these claims are barred by the terms

of the Settlement Agreement as none of them are related to it. The Debtors possessed these claims immediately upon the closing which occurred on July 31,1997. The Settlement Agreement does not bear on these claims. In fact, assuming for arguments sake that the Agreement did purport to bar the Trustee's claims, then the Settlement Agreement itself would be a fraudulent transfer and a further breach of Defendants' fiduciary duties. The bottom line is that the Defendants gave the matters raised by the Trustee no thought in 1997 and are now attempting to rewrite history and to assign new meanings to paper trail.

VIII. NONCOMPETITION AGREEMENTS

The Trustee has offered evidence that, (a) noncompetition agreements were already in place for each Defendant in July 1997, (b) that MIAC offered $16.4 million for Defendants' stock with $1.4 million being paid via consulting agreements, and,(c) that the consulting agreements morphed into noncompetition agreements prior to closing. The Trustee contends that there is sufficient evidence that the noncompetition agreements were really a way to pay the purchase price (from the Debtors' assets with a deductibility) and that there was no consideration for the same. There is no evidence that the Debtors were displeased with the noncompensatory noncompetition agreements that they possessed with Defendants and those agreements had been in place for twelve years.

Defendant Wikner's characterization of noncompetition agreements supports the Trustee's position. In his Memorandum, Wikner's counsel states, "The Noncompetition Agreement was a transaction negotiated by [MIAC] for its business reasons. . ." Wikner Memorandum at p. 14. MIAC did not negotiate with Debtors - it dealt with Defendants' counsel. Wikner's counsel also further states, "<u>It was important to MIAC</u>,. . . that [Wikner] not be able to compete or solicit

employees of the Company, and a one year noncompete would not have been adequate for the business purposes of the Debtors and MIAC." *Id.*, at 19 (citing Dlugosch deposition at p. 28).[10]

The foregoing demonstrates that the noncompetition agreements were insisted upon and were for the benefit of MIAC - not the Debtors. Further, it appears that they were truly a vehicle to pay a portion of MIAC's purchase price (despite Defendants' denial of the same). The Debtors had already sufficiently "tied up" Defendants' post-employment ability to compete.

The Defendants' 1985 Employment Contracts (Trustee's Motion, Exhibit L), indefinitely restrain Defendants from using trade secrets, information, data, or the like. Competitive employment was barred for a year. Yet, Defendants caused the Debtors to highly compensate them for the same restrictions.

The highly compensated noncompetition agreements were not for anyone's benefit other than those of Defendants and MIAC.

IX. EVIDENTIARY ISSUES

During the course of this case, and without notice to the Trustee, it is believed that Defendant Wikner served a subpoena upon KPMG, the Debtors' post-acquisition accountants, to obtain certain records. Those records were obtained by Defendants and were, after the fact, made available for inspection by the Trustee.[11] The KPMG records have now surfaced as Exhibits to the Affidavits of Defendants' counsel as Exhibit J to Ricke Affidavit and as Exhibit B to Lawver Affidavit. Neither provides proper foundation for those records.

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[10]Mr. Dlugosch was the president of MIAC. The actual dialogue was: Q:But for business reasons was it important to your acquisition group that Mr. Wikner not be able to compete or solicit employees? A: Yes. Dlugosch Deposition at 28. Mr. Dlugosch did not state that it was important to the Debtors.

[11]It is believed that the error in not giving the Trustee notice of the subpoena, which was to be issued contemporaneously with a deposition notice, was an inadvertent oversight by Wikner's counsel.

It is fundamental that before a document may be admitted into evidence it must be established that it is what it purports to be. *Leonard v. Chubb & Son, Inc., et al. (In re M.F. Bank & Company, Inc.)*, Adv. 03-4094, Order dated April 7,2004 at 21 (Dreher, J.), citing, Fed. R. Evid. 901 (a). A document is not authenticated by simply attaching it to an affidavit. *Id.*, at 22, citing, *U.S. v. Dibble*, 429 F.2d 598, 602 (9th Cir. 1970). Neither of Defendants' counsel have personal knowledge of the KPMG records. No proper foundation has been laid for their admission in these proceedings. In addition, the foregoing records are excludable as hearsay.

Given the significant liabilities disclosed in the closing schedules and the evidence that the Trustee has adduced with respect to the Heritage liabilities, the KPMG records are possibly moot. However, the Trustee believes that the records have not been properly placed in the record for purposes at these motions and should not receive consideration:

X. PREFERENCE ISSUES AND REMAINING CLAIMS

A. Defendants Have not Established an Ordinary Course of Business Exception

The Trustee submits that he has established all of the elements for a preference in his own motion for summary judgement. The Defendants each claim "ordinary course of business" as their defense to the Trustee's claim. However, neither Defendant has met <u>their burden</u> as to that defense. A transferee must prove, by the preponderance of the evidence, that all three elements of §547(c)(2) are met. *In re Gateway Pacific Corp.*, 214 B.R. 870, 874 (8th Cir. BAP 1997). The first element is that the "debt was incurred by the debtor in the ordinary course of business or financial affairs of the debtor." 11 U.S.C. §547(c)(2)(A). As the Defendants arranged for the debt in furtherance of their own self-interests and to facilitate the sale of their stock to MIAC, Defendants cannot meet this first element. Defendants cannot establish an ordinary course of business exception.

B. Unjust Enrichment and Conversion

The Trustee submits that he addressed these issues in his own motion for summary judgment. Defendants offer nothing new. It is inescapable that the Defendants deprived the Debtors of assets in July of 1997 and for many years thereafter solely to facilitate their sale of stock. The Debtors should have been strangers to the MIAC transaction and were not. Based on these facts, Defendants have both been unjustly enriched and have converted the Debtors' assets.

CONCLUSION

There may be times where ignorance can actually be bliss. Those in control of corporations with millions of dollars of liability are not afforded such luxury. Defendants were undisputedly "hands off" with respect to the construction and execution of the transaction which resulted in the sale of their shares to MIAC. The problem with their actions was that they allowed their own self-interests to be placed ahead of those of the Debtors to whom they owed a duty of stringent loyalty. On July 31, 1997, as Wikner and Iverson drove away from closing, they had caused the Debtors harm in excess of $2 million dollars. They utilized the assets of the Debtors to fund the sale of their stock and they ignored their fiduciary duties.

Every argument now propounded by Defendants is a revisionist view of the transactions which does not ring true as Defendants lack evidence to support their arguments. The reason that the evidence is lacking is that their arguments are premised upon fictions and post-closing "accounting treatment." Defendants cannot show a single transaction where money flowed to the Debtors to satisfy their debts. Defendants simply cashed out, chased a better tax rate and gave the Debtors no thought.

However, in addition to saddling the Debtors with nonpayment of their substantial debt, Defendants also allowed the Debtors to be saddled with significant payment streams on noncompetition agreements. There is no evidence that the Debtors were anything but complacent with the protections which they already had in place with Defendants. The party who wanted more was MIAC. Defendants granted MIAC more, by allowing the Debtors to become obligated to themselves. While Defendants claim that this was legitimate, their position is belied by the fact that MIAC had offered $16.4 million for their stock and had, through the negotiations, been working on consulting agreements as opposed to noncompetition agreements. By closing, the consulting agreements were gone, the purchase price "dropped" and the noncompetition agreements surfaced. The Trustee submits that the evidence supports his allegation that the Debtors did not receive consideration for the new noncompetition agreements. The parties that benefitted were MIAC and Defendants. Further, the very structuring of this type of transaction was a breach of Defendants' fiduciary duties.

Based on the volume of records submitted to the Court, it would appear that this matter is quite complex and that it is difficult for one to get their arms around the same. However, when the transaction is viewed from the "eyes" of the Debtors, it is not difficult to see how they were harmed. As noted in the Trustee's motion, the Debtors should have been, properly, strangers to this transaction. It was a private stock sale which did not need to involve the Debtors. Instead, ignoring their fiduciary duties, Defendants made the Debtors the financiers of the transaction - all to Defendants' benefit and to the harm of creditors.

The Trustee submits that there does not exist a genuine issue of material fact as to the matters presented to the Court in the parties' respective motions. Further, the Trustee submits that he is

entitled to summary judgment on his motion and, at the same time, that he has properly defended the Defendants' motions. The Trustee respectfully requests that judgment be entered in his favor.

LEONARD, O'BRIEN
SPENCER, GALE & SAYRE, LTD.

Dated: April 28, 2004

/e/ Matthew R. Burton
By_____

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AFFIDAVIT OF BRIAN F. LEONARD

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

1. I am the Plaintiff in the above-captioned adversary proceeding.

2. This Affidavit is submitted to provide the Court with additional evidence with respect to the Debtor Corporations' being within the vicinity of insolvency on or about July 31, 1997.

3. Submitted as exhibits to my prior affidavit were proofs of claim from the Securities Resolution Corporation (f/k/a Miller & Schroeder Financial, Inc.) bankruptcy. Those claims, which were attached as Exhibit I, contained a date "incurred" prior to July 31, 1997 and those claims totaled in excess of $150,000,000.

4. Attached hereto as Exhibit A are proofs of claims from the SRC Holding Corporation (f/k/a Miller & Schroeder, Inc.) bankruptcy case. Each of these claims, too, contain an "incurred" date or documentary evidence for the claim predating the closing that is the subject of this action. The claims are attached in numerical order. The claims listed in Exhibit A have a face value of $293,242,000.

5. I realize that some of these claims duplicate each other. However, the basis for all claims seems to be the *Hermann* matter, which alleges in excess of $144,000,000 as due from the Miller & Schroeder entities.

6. Claim number 9, in the amount of "$144,000,000.00+," **filed by Defendant Iverson**, attaches the *Hermann* complaint. That complaint alleges that the fraudulent scheme concocted by the Debtors with respect to the "Heritage Bonds" commenced in 1996. Specifically, the Compliant alleges that, "Commencing in or about 1996, Defendants entered into an agreement and scheme to defraud investors by effecting transactions in Heritage Bonds through the use of false and

defraud investors by effecting transactions in Heritage Bonds through the use of false and misleading statements." Exhibit A, claim 9, at 11. The dates of the Heritage Bond offerings, and their amounts, are listed on page 15 of the Complaint and evidences that at least four of the offerings predated July 31, 1997. *Id.*, at 15.

FURTHER YOUR AFFIANT SAYETH NOT.

Dated: April 28, 2004

Brian F. Leonard

Subscribed and sworn to before me
this 28th day of April, 2004.

Stephanie L Wood
Notary Public

C:\Documents and Settings\stephanie\Desktop\Affidavit of BFL.wpd

FORM B10 (Official Form 10)(4/01)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA (MINNEAPOLIS)

PROOF OF CLAIM

Name of Debtor	Case Number
SRC HOLDING CORPORATION	02-40284

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. §503.

Name of Creditor (The person or other entity to whom the debtor owes money or property):
HERRMANN LEWIS G
Name and Address where notices should be sent:

HERRMANN LEWIS G
C O MILLER MILOVE & KOB
THE KOLL CENTER
501 W BROADWAY ~~720~~ 1600
SAN DIEGO CA 92101

Telephone Number: (619) 696-5200

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
☐ Check box if you have never received any notices from the bankruptcy court in this case.
☒ Check box if the address differs from the address on the envelope sent to you by the court.

UNITED STATES Received FEB 28 2002 BANKRUPTCY COURT

Account or other number by which creditor identifies debtor:

Check here if this claim ☐ replaces ☐ amends a previously filed claim, dated _____

1. Basis for Claim
☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other Securities violations

☐ Retiree benefits as defined in 11 U.S.C. §1114(a)
☐ Wages, salaries, and compensation (fill out below)
Your SS #: _____ _____ _____
Unpaid compensation for services performed from _____ (date) to _____ (date)

2. Date debt was incurred: Lawsuit filed 11/20/01

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ 3.3 million
If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim.
☐ Check this box if your claim is secured by collateral (including a right of setoff).
Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle
☐ Other_____

Value of Collateral: $_____

Amount of arrearage and other charges at time case filed included in secured claim, if any: $_____

6. Unsecured Priority Claim.
☐ Check this box if you have an unsecured priority claim
Amount entitled to priority $_____
Specify the priority of the claim:
☐ Wages, salaries, or commissions (up to $4,650),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).
☐ Contributions to an employee benefit plan - 11 U.S.C. §507(a)(4).
☐ Up to $ 2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6).
☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(__).

**Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
8. Supporting Documents: *Attach copies of supporting documents,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.
9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

SEND CLAIM TO:
U.S. BANKRUPTCY COURT
301 U.S. COURTHOUSE
300 SOUTH FOURTH STREET
MINNEAPOLIS, MN 55415

Date: 2/25/02

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):
W. Richard Sintek, atty.
W. Richard Sintek

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

EXHIBIT
tabbies
A

007360 54515007375017

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Bradd Milove - #117221
Jeffrey S. Kob - #147971
W. Richard Sintek - #134894
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Attorneys for Plaintiff
Lewis G. Herrmann individually and as Trustee of The Herrmann Family Trust

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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

LEWIS G. HERRMANN AS TRUSTEE OF THE HERRMANN FAMILY TRUST, on behalf of himself and all others similarly situated, Plaintiff, v. MILLER & SCHROEDER FINANCIAL, INC.; MILLER & SCHROEDER, INC.; MILLER & SCHROEDER INVESTMENTS CORPORATION; MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION; MILLER & SCHROEDER MORTGAGE CORPORATION; POOLED LOAN MARKETING CORPORATION; PLMC-I, INC; MARSHALL MILLER & SCHROEDER, INC.; MM&S INVESTMENTS CORPORATION; MM&S FINANCIAL , INC.; JAMES E. IVERSON; JOHN M. CLAREY; JEROME A. TABOLICH; EDWARD J. HENTGES; KENNETH R. LARSEN; STEVEN W. ERICKSON; PAUL R. EKHOLM; JAMES F. DLUGOSCH; MARK F. AUGUSTA; BRUCE R. TALLEY; GAY M. REEVES formerly known as GAY DIAZ; JAMI J. WAGNER; DANIEL C. OSGOOD; DEBORAH L. STOKES; SCOTT T. PENWARDEN; TIMOTHY E. JONES; RONALD W. VANDERVEEN; BEREAN CAPITAL, INC.; JOEL T. BOEHM; SABO & GREEN, a professional corporation; ATKINSON, ANDELSON, LOYA, RUUD & ROMO, a professional corporation; HERITAGE HOUSING DEVELOPMENT, INC.;	CASE NO. GIC 778499 **CLASS ACTION COMPLAINT FOR:** **1.** Misrepresentations in connection with the offer and sale of securities in violation of section 12(2) of the 1933 Securities Act; **2.** Misrepresentations in connection with the offer and sale of securities in violation of section 25501 of the California Corporations Code; **3.** Fraud and Deceit; **4.** Negligent Misrepresentation; **5.** Breach of Fiduciary Duty; **6.** Avoidance of transfer, Temporary Restraining Order, Preliminary and Permanent Injunction, Attachment, and Appointment of a Receiver; **7.** Successor Liability

HERITAGE HEALTHCARE OF AMERICA, INC.; HERITAGE RANCHO HEALTHCARE, INC; HERITAGE CARE OF CHICAGO, INC.; HERITAGE GERIATRIC HOUSING DEVELOPMENT IX, INC.; HERITAGE CARE OF SARASOTA, INC.; HERITAGE GERIATRIC HOUSING DEVELOPMENT VIII, INC.; HERITAGE GERIATRIC HOUSING DEVELOPMENT VII, INC.; JEROLD V. GOLDSTEIN; EMERY RUBIN; LARRY A. RUBIN; VIRGIL LIM; ONOFRIO V. BERTOLINI; BERMAN AND BERTOLINI, INC. aka BERMAN & ASSOCIATES; HEALTH CARE HOLDINGS, LLC; CARECONTINUUM, LLC; IHN HEALTH SERVICES GROUP, INC.; BHMC, INC.; JDDJ HOLDINGS, L.P.; ROBERT A. KASIRER; and DOES 1 though 100,

Defendants.

Plaintiff, Lewis G. Herrmann as Trustee of The Herrmann Family Trust, alleges on behalf o himself and all others similarly situated as follows:

I.

SUMMARY

1. This is a class action complaint on behalf of purchasers of municipal bonds underwritten offered and sold by Defendant Miller & Schroeder Financial, Inc. (hereinafter referred to as Miller & Schroeder"). The municipal bonds were structured as conduit financing for the acquisition of distressec hospital properties to be converted into health care and Alzheimer care facilities. The stated issuer o the municipal bonds was a quasi-governmental agency that assumed no debt obligations to bond holder and no project oversight. Instead, bond holders were dependant upon the integrity and skill of th promoter, Defendant Heritage Housing Development, Inc. and its affiliates, and the manager, Defendan Robert Kasirer and his affiliates, to generate operating revenues from the proposed health care facilitie to pay debt obligations of principal and interest to the bond holders. Twelve related bond offerings, witl a face value of over $144 million, were financed, structured, and marketed by Miller & Schroeder fron its Solana Beach, California office. All twelve bond issuances are in default and are hereinafter referre to as the "Heritage Bonds".

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as Trustees of The Herrmann Family Trust

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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

LEWIS G. HERRMANN AND FLORENCE HERRMANN AS TRUSTEES OF THE HERRMANN FAMILY TRUST Claimants, v. MILLER & SCHROEDER FINANCIAL, INC.; MARK F. AUGUSTA; DANIEL E. DILL; VICTOR P. DHOOGE; JAMES E. IVERSON; MARSHALL MILLER & SCHROEDER; BEREAN CAPITAL, INC.; THE CHAPMAN COMPANY; Respondents.	CASE NO. 01-05806 **STATEMENT OF CLAIM FOR:** **Securities Fraud;** **Breach of Fiduciary Duty;** **Constructive Fraud;** **Intentional Misrepresentation;** **Negligent Misrepresentation;** **Elder Abuse**

Claimants, Lewis G. Herrmann and Florence Herrmann as Trustees of The Herrmann Famil Trust, allege as follows:

I. NATURE OF THE CLAIMS

The claims stated herein are based upon Respondents' fraudulent underwriting, recommendatior offer, and sale of unrated municipal bonds providing conduit financing for speculative privat development. Respondents' bonds were represented to be safe and secure when in fact they were ver risky and systematically sold utilizing written and oral misrepresentations of material facts and throug the failure to state material facts necessary to make those facts stated not misleading. Respondents fraudulent operations and sales practices target elderly persons, such as Claimants, who relied upon th

safety provided by historically low levels of default in the municipal bond market and the misrepresentations by Respondents.

II. IDENTIFICATION OF THE PARTIES AND ACCOUNT

1. Claimants Lewis Herrmann and Florence Herrmann are approximately 90 years old and reside in Southern California. At all relevant times herein, they were acting as trustees of The Herrmann Family Trust.

2. Respondents, and each of them, have transacted business within the county of San Diego and throughout California. The violations of law described herein occurred, among other places, within the County of San Diego

3. Respondent Miller & Schroeder Financial, Inc.("M&S"), is a Minnesota corporation doing business in San Diego County, from offices in Solana Beach, as a securities firm underwriting and selling municipal bonds. M&S was issued a broker-dealer certificate in California in 1984 authorizing it to offer and sell securities in compliance with the law. M&S has been a member of the National Association of Securities Dealers ("NASD"), a self-regulatory organization, since 1976. M&S has at all times herein, held itself out to the public as a regulated entity composed of securities professionals specializing in municipal bonds. At all relevant times herein, Claimants maintained a securities brokerage account with M&S Account Number RI 2701301.

4. Respondent Marshall Miller & Schroeder is a Minnesota corporation. Claimants are informed and believe that Marshall Miller & Schroeder is a successor corporation of M&S. Beginning in 2001, M&S began divesting portions of its business to employees and third parties. Claimants are informed and believe that M&S continues to conduct business as usual from its Solana Beach offices in San Diego County, using the name of Marshall Miller & Schroeder.

5. Respondent Mark F. Augusta has been and is a resident of San Diego County. At all relevant times herein, Respondent Augusta was acting as a First Vice President for M&S in the Solana Beach office in San Diego County. Respondent Augusta acted as Claimants' securities broker and advisor with respect to the investments which are the subject of this claim.

6. Claimants are informed and believe that Respondent Daniel E. Dill is a resident o Washington state. At all relevant times herein, Dill was acting as an investment banker for M&S fo

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the purpose of underwriting municipal bonds to be offered and sold by M&S.

7. Claimants are informed and believe that Respondent Victor P. Dhooge is a resident of San Diego County. At all relevant times herein, Dhooge was acting as an investment banker for M&S for the purpose of underwriting municipal bonds to be offered and sold by M&S.

8. Respondent James E. Iverson has been and is a resident of San Diego County. Claimants are informed and believe that Iverson is and was a control person, owner, officer and director of M&S, working from the Solana Beach office, at all relevant times herein.

9. Respondent Berean Capital, Inc., is a Delaware corporation doing business as a securities firm underwriting and selling municipal bonds. Berean Capital Inc. has been a member of the NASD since 1989. Berean Capital Inc.'s broker-dealer certificate was revoked in California in 1999. At all times herein, Berean Capital Inc. has held itself out to the public as a regulated entity composed of securities professionals specializing in municipal bonds.

10. Respondent The Chapman Company is a Maryland corporation doing business in California as a securities firm underwriting and selling municipal bonds. The Chapman Company was issued a broker-dealer certificate in California in 1994. The Chapman Company has been a member of the NASD since 1987.

III. IDENTIFICATION OF THE BONDS WHICH ARE THE SUBJECT OF THIS CLAIM

11. Respondents underwrote, recommended, offered, or sold the following bonds to Claimants on or about the following dates:

A. Municipal Bonds Issued Pursuant to Agreements Between Redevelopment Agencies and Heritage Housing Development, Inc. and its affiliates ("HERITAGE")

- 1996 Danforth Health Facilities Corp. Revenue Bonds: Heritage Danforth Gardens-Texas City

$6,440,000 Series A tax-exempt; $855,000 Series B taxable;
Herrmann is solicited and buys $50,000 Series A on 12/31/96
Herrmann is solicited and buys $15,000 Series A on 1/27/97
Herrmann is solicited and buys $15,000 Series A on 3/10/97
Herrmann is solicited and buys $25,000 Series A on 3/10/97
Herrmann is solicited and buys $10,000 Series A on 9/8/98
Herrmann is solicited and buys $40,000 Series A on 3/5/99
Herrmann is solicited and sells $50,000 Series A on 7/2/99
The Heritage Danforth Gardens - Texas City bonds are in default. The Trustee instituted judicia

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proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1997 Danforth Health Facilities Corp. Revenue Bonds: Heritage Sam Houston Gardens-Houston
$9,265,000 Series A tax-exempt; $1,105,000 Series B taxable
Herrmann is solicited and buys $5,000 Series B on 3/13/97
Herrmann is solicited and buys $20,000 Series B on 3/13/97
Herrmann is solicited and buys $20,000 Series A on 9/28/98
Herrmann is solicited and buys $10,000 Series A on 9/4/98
The Heritage San Houston Gardens - Houston bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1998 Danforth Health Facilities Corp. Revenue Bonds: Heritage Duval Gardens-Austin
$9,190,000 Series A tax-exempt; $1,900,000 Series B taxable
Herrmann is solicited and buys $45,000 Series A on 7/30/98
Herrmann is solicited and buys $20,000 Series A on 8/11/98
The Heritage Duval Gardens-Austin bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1997 Tarrant County Health Facilities Development Corp. Revenue Bonds: Heritage St. Joseph-Ft. Worth
$11,745,000 Series A tax-exempt; $1,675,000 Series B taxable
Herrmann is solicited and buys $50,000 Series A on 6/10/97
Herrmann is solicited and buys $25,000 Series A on 6/10/97
Herrmann is solicited and buys $10,000 Series A on 6/13/97
Herrmann is solicited and buys $25,000 Series A on 7/10/97
Herrmann is solicited and buys $5,000 Series A on 7/1/98
Herrmann is solicited and buys $50,000 Series B on 1/20/99
Herrmann is solicited and buys $30,000 Series A on 4/12/99
The Heritage St. Joseph-Ft.Worth bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1998 Tarrant County Health Facilities Development Corp. Revenue Bonds: Heritage Eastwood Gardens-Houston
$8,775,000 Series A tax-exempt; $2,545,000 Series B taxable
Herrmann is solicited and buys $25,000 Series A on 12/3/98
The Heritage Eastwood Gardens-Houston bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1998 Tarrant County Health Facilities Development Corp. Revenue Bonds: Heritage Valley Gardens-Brownsville
$9,785,000 Series A tax-exempt; $1,950,000 Series B taxable
Herrmann is solicited and buys $70,000 Series A on 3/31/99
Herrmann is solicited and buys $25,000 Series A on 4/5/99
Herrmann is solicited and buys $30,000 Series A on 4/5/99
The Heritage Valley Gardens-Brownsville bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1997 City of Mexico Beach Public Service Facilities Revenue Bonds: Heritage House Sarasota
$10,740,000 Series A tax-exempt; $1,565,000 Series B taxable
Herrmann is solicited and buys $25,000 Series A on 1/5/98
The Heritage House-Sarasota bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1998 City of Mexico Beach Public Service Facilities Revenue Bonds: Heritage House-Seminole
$5,820,000 Series A tax-exempt; $1,410,000 Series B taxable

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Herrmann is solicited and buys $100,000 Series A on 12/30/98
Herrmann is solicited and buys $25,000 Series A on 1/14/99
Herrmann is solicited and buys $15,000 Series A on 2/17/99
The Heritage House-Seminole bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1998 Chicago Health Facilities Revenue Bonds: Heritage Care-Chicago

$15,750,000 Series A tax-exempt; $1,525,000 Series B taxable
Herrmann is solicited and buys $25,000 Series A on 7/31/98
Herrmann is solicited and buys $10,000 Series A on 8/19/98
The Heritage Care-Chicago bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

These nine bond issuances are collectively referred to as the "HERITAGE BONDS".

B. Municipal Bonds Issued Pursuant to Agreements Between Redevelopment Agencies and the Christian Methodist Episcopal Church and its affiliates ("CME Church")

- 1999 County of Shelby TN Health Educational and Housing Facility Board: CME-Jackson Avenue Apartments

$3,470,000 Series A tax-exempt; $300,000 Series B taxable; $2,650,000 Series C tax-exempt
Herrmann is solicited and buys $50,000 Series C on 7/6/99
Herrmann is solicited and buys $100,000 Series C on 7/20/99
Herrmann is solicited and buys $65,000 Series C on 8/6/99
Herrmann is solicited and buys $35,000 Series C on 8/16/99
Herrmann is solicited and buys $50,000 Series C on 9/3/99
Herrmann is solicited and buys $50,000 Series C on 9/7/99
Herrmann is solicited and buys $210,000 Series C on 9/30/99
The CME-Jackson Avenue bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1997 County of Shelby TN Health Educational and Housing Facility Board: Raleigh Woods Apartment Project

Face amount and tax status of issuance unknown to Claimant at this time.
Herrmann is solicited and buys $25,000 Series C on 9/16/97
The CME-Raleigh Woods bonds are in default.

- 1996 County of Shelby TN Health Educational and Housing Facility Board: CME-Harbour Apartments Project

Face amount and tax status of issuance unknown to Claimant at this time.
Herrmann is solicited and buys $30,000 Series C on 5/17/99
Claimants are informed and believe that the CME-Harbour Apartments bonds are in default.

- 1996 County of Shelby TN Health Educational and Housing Facility Board: CME-Forest & Sherwood Apartments Project

Face amount and tax status of issuance unknown to Claimant at this time.
Herrmann is solicited and buys $5,000 Series D on 8/14/98
Herrmann is solicited and buys $30,000 Series D on 4/30/99
The status of the CME-Forest & Sherwood bonds is unknown to Claimant at this time.

- 1996 County of Shelby TN Health Educational and Housing Facility Board: CME-Sub Corners Apartment Project

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Face amount and tax status of issuance unknown to Claimant at this time.
Herrmann is solicited and buys $25,000 Series D on 9/16/97
Herrmann is solicited and buys $50,000 Series D on 1/20/00
The status of the CME-Sub Corners bonds is unknown to Claimant at this time.

- 1999 County of Jackson Missouri Industrial Development Authority Revenue Anticipation Bonds: CME-Stonegate Meadows Apartments Project

$10,135,000 Series A; $480,000 Series B; $1,265,000 Series C; $1,000,000 Series D
Herrmann is solicited and buys $100,000 of Series C on 6/8/99
Herrmann is solicited and buys $60,000 of Series C on 6/14/99
Herrmann is solicited and buys $135,000 of Series A on 9/30/99
Herrmann is solicited and buys 25,000 of Series A on 11/1/99
Herrmann is solicited and buys 25,000 of Series A on 7/25/00
The CME-Stonegate Meadows bonds are in default. The Trustee instituted judicial proceedings to foreclose on any security for the bonds and to obtain appointment of a Receiver.

- 1999 County of Jackson Missouri IDA Bonds: CME-Santa Fe Village Apartments

$5,070,000 Series A tax-exempt; $355,000 Series B taxable; $635,000 Series C tax-exempt
Herrmann is solicited and buys $35,000 Series C on 3/4/99
Herrmann is solicited and buys $25,000 Series C on 3/10/99
The CME-Santa Fe Village bonds are in default. The Trustee obtained appointment of a Receiver.

- 1998 Louisiana Housing Finance Agency Revenue Bonds: CME-Southside Villa Apartments

$3,525,000 Series A tax-exempt; $275,000 Series B taxable; $550,000 Series C tax-exempt
Herrmann is solicited and buys $100,000 Series C on 8/28/98
Herrmann is solicited and buys $50,000 Series C on 9/8/98
Herrmann is solicited and buys $10,000 Series C on 9/23/98
Herrmann is solicited and buys $20,000 Series C on 10/2/98
$5,000 redemption 1/12/01
The status of the CME-Southside Villa bonds is unknown to Claimant at this time.

These eight bond issuances are collectively referred to as the "CME CHURCH BONDS".

C. Municipal Bonds Issued Pursuant to Agreements Between Redevelopment Agencies and American Opportunity Foundation and its affiliates ("AOF")

- 1997 Beech Grove Economic Development Revenue Bonds: AOF-Diplomat South Apartments

$8,200,000 Series A tax-exempt; $460,000 Series B taxable; $1,000,000 Series C tax-exempt
Herrmann is solicited and buys $25,000 Series C on 1/5/98
Herrmann is solicited and buys $50,000 Series C on 1/7/98
Herrmann is solicited and buys $50,000 Series C on 2/10/98
$5,000 Series C redeemed in July of 2001
The AOF-Diplomat South Apartments bonds are in default.

- 1998 Beech Grove Economic Development Revenue Bonds: AOF-Beech Grove Village Apartments

Face amount and tax status of issuance unknown to Claimant at this time.
Herrmann is solicited and buys $20,000 Series C on 10/30/97
Herrmann is solicited and buys $25,000 Series C on 12/8/97
Herrmann is solicited and buys $10,000 Series A on 9/4/98
Herrmann is solicited and buys $40,000 Series A on 12/6/00
Herrmann sells $40,000 Series A on 12/20/00
The AOF-Beech Grove Village bonds were in default pursuant to Trustee's Notice of Default dated October 17, 2000.

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OFFICE: (619) 696-5200 ❖ FACSIMILE: (619) 696-5393

- 1999 Illinois Development Finance Authority Mortgage Revenue Bonds: AOF-South Shore View Apartments

$3,975,000 Series A tax-exempt; $375,000 Series B taxable; $500,000 Series C tax-exempt
Herrmann is solicited and buys $20,000 Series C on 9/7/99
The AOF-South Shore View bonds were in default pursuant to Trustee's Notice of Default dated October 17, 2000.

- 1998 Illinois Development Finance Authority Mortgage Revenue Bonds: AOF-Spring Grove Apartments

$4,465,000 Series A tax-exempt; $285,000 Series B taxable; $570,000 Series C tax-exempt
Herrmann is solicited and buys $60,000 Series C on 1/4/99
Herrmann is solicited and buys $25,000 Series A on 5/5/00
The AOF-Spring Grove bonds were in default pursuant to Trustee's Notice of Default dated October 17, 2000.

- 1996 Indianapolis Economic Development Revenue Bonds: AOF-Willowbrook Apartments

$12,560,000 Series A tax-exempt; $370,000 taxable Series B; $1,365,000 Series C tax-exempt; $2,585,000 Series D tax-exempt and not rated
Herrmann buys $15,000 Series D on 10/1/96
Herrmann buys $15,000 Series D on 10/28/96
Herrmann buys $5,000 Series D on 1/13/97
Claimant is informed and believes that the AOF-Willowbrook bonds are in default.

- 2000 Aurora Housing Authority Revenue Bonds: AOF-River Falls Project

$17,100,000 Series A tax-exempt; $375,000 Series B taxable; $2,045,000 Series C tax-exempt; $1,600,000 Series D tax-exempt and not rated
Herrmann solicited and buys $100,000 Series D on 6/22/99
Herrmann solicited and buys $65,000 Series D on 6/23/99
Claimant is informed and believes that the AOF-River Falls bonds are in default.

These six bond issuances are collectively referred to as "AOF BONDS".

D. Miscellaneous Municipal Bonds Issued Pursuant to Agreements with Redevelopment Agencies and Private Developers

- 1998 Oklahoma County Finance Authority Revenue Bonds: Oklahoma City-Midwest City Apartments

$19,500,000 Series A tax-exempt; $700,000 Series B taxable; $2,850,000 Series C tax-exempt
Herrmann is solicited and buys $25,000 of Series C on 9/17/98
Herrmann is solicited and buys $25,000 of Series C on 9/23/98
Herrmann is solicited and buys $50,000 of Series C on 10/9/98
Herrmann is solicited and buys $95,000 of Series C on 10/20/98
Herrmann is solicited and buys $50,000 of Series C on 12/1/98
Herrmann is solicited and buys $25,000 of Series C on 1/5/99
Herrmann is solicited and buys $60,000 of Series C 2/1/99
Claimant is informed and believes that the Midwest City bonds are in default.

- 1999 Savannah GA Economic Development Authority Revenue Bonds: Marshview Inn

Face amount and tax status of issuance unknown to Claimant at this time.
Herrmann solicited and buys $100,000 Series B on 9/10/99
Herrmann solicited and buys $100,000 Series B on 9/27/99
$5,000 of Series B is redeemed on 7/3/00
Claimant is informed and believes that the Marshview Inn bonds are in default.

- 2000 Louisiana Local Government Environmental Facilities and Community Development Authority: Baton Rouge Apartments

$7,200,000 Series A tax-exempt; $375,000 Series B taxable; $900,000 Series C tax-exempt; $1,175,000 Series D tax-exempt
Herrmann solicited and buys $50,000 Series D on 1/31/00
Herrmann solicited and buys $100,000 Series D on 2/3/00
Claimant is informed and believes that the Baton Rouge bonds are in default.

The total amount invested by Plaintiffs in these bonds which are the subject of this claim is approximately $3,300,000.

12. With respect to each of these so called municipal bonds, no municipality or other governmental agency maintained any obligation with respect to the debt represented by the bond. Indeed, the bonds were each underwritten and sold by Respondents as part of a fraudulent financing scheme for unseasoned promoters and projects engaged in a pattern of self-dealing, as described below.

IV. THE SCHEME TO COMMIT SECURITIES FRAUD THROUGH THE SALE OF FRAUDULENTLY ISSUED MUNICIPAL BONDS TO THE ELDERLY

13. All of the municipal bonds which are the subject of this action were underwritten and sold by Respondents M&S and Augusta to Claimants. Respondent Berean Capital Inc. participated with M&S as co-underwriters in the Heritage Care-Chicago bonds. Respondent The Chapman Company participated with M&S as co-underwriters in the CME-Jackson Avenue bonds. All of the municipal bonds which are the subject of this action are securities subject to the anti-fraud provisions of federal securities law and the California Corporate Securities Law.

14. Respondents M&S and Augusta acted as Claimants' securities brokers in connection with the sale of municipal bonds and as such owed Claimants an ongoing fiduciary duty. This fiduciary duty included post-sale continuing advice concerning the status of the bonds held in Claimants' securities account with M&S until January of 2001.

15. Claimants are informed and believe and based thereon allege that all of the municipal bonds that are the subject of this action were sold to Claimants as part of an initial public offering of the bonds.

16. Respondents have engaged in ongoing fraudulent marketing of fraudulently issued municipal bonds targeted at the elderly and have utilized mass media advertising designed to create the misleading impression that the municipal bond investments being offered are safe and conservative.

MILLER MILOVE & KOB
ATTORNEYS AT LAW ❖ A PROFESSIONAL CORPORATION
501 WEST BROADWAY, SUITE 720 ❖ SAN DIEGO, CALIFORNIA 92101
OFFICE: (619) 696-5200 ❖ FACSIMILE: (619) 696-5393

B10 (Official Form 10) (4/98)

UNITED STATES BANKRUPTCY COURT DISTRICT OF MINNESOTA

PROOF OF CLAIM

Name of Debtor: **SRC HOLDING CORPORATION**

Case Number: **02-40284**

RECEIVED
2002 MAY -6 PM 1:56
U.S. BANKRUPTCY COURT

NOTE: This form should not be used to make a claim for administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor: (The person or entity to whom the debtor owes money or property

BAKER LIVING TRUST UAD 3-5-86

Name and address where notices should be sent:

BAKER LIVING TRUST UAD 3-5-86
C/O JOHN R STOEBNER, ESQ.
LAPP, LIBRA, THOMSON, STOEBNER & PUSCH, CHARTERED
120 SOUTH SIXTH STREET, SUITE 2500
MINNEAPOLIS, MN 55402

Telephone number: **612-338-5815**

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
☐ Check box if you have never received any notices from the bankruptcy court in this case.
■ Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

5

Account or other number by which creditor identifies debtor:

Check here if this claim: ☐ replaces ☐ amends a previously filed court claim dated: _____

1. Basis for Claim:
☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
■ Other **BOND INVESTMENTS**

☐ Retiree benefits as defined in 11 U.S.C. § 1114 (a)
☐ Wages, salaries, and compensation (Fill out below)
Your SS# _____
Unpaid compensation for services performed
from _____ (date) to _____ (date)

2. Date debt was incurred: 1994 THROUGH 1999

3. If court judgment, date obtained:

4. Total amount of Claim at Time Case Filed: $ 616,876.00 .

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim
☐ Check this box if your claim is secured by collateral (including a right of setoff).
Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle
☐ Other _____

Value of Collateral: $_____

Amount of arrearage and other charges at time case filed included in secured claim, if any:
$_____

6. Unsecured Priority Claim
☐ Check this box if you have an unsecured priority claim
Amount entitled to priority claim $_____
Specify the priority of the claim:
☐ Wages, salaries, or commissions (up to $4,300*), earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier — 11 U.S.C. § 507 (a)(3)
☐ Contributions to an employee benefit plan — 11 U.S.C. § 507 (a)(4)
☐ Up to $1,950* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use — 11 U.S.C. § 507 (a)(6)
☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child — 11 U.S.C. § 507 (a)(7)
☐ Taxes or other penalties of governmental units — 11 U.S.C. § 507 (a)(8)
☐ Other — Specify applicable paragraph of 11 U.S.C. § 507 (a)
_____

**Amounts are subject to adjustment on 4/1/98 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

7. **Credits:** The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
8. **Supporting Documents:** *Attach copies of supporting documents*, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.
9. **Date-Stamped Copy:** To receive an acknowledgment of the filing of your claim, enclosed a stamped, self-addressed envelope and copy of this proof of claim.

SEND CLAIMS TO:

U.S. Bankruptcy Court
301 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

Date

May 6, 2002

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):

John R. Stoebner, Attorney for Baker Living Trust UAD 3-5-86

Penalty for presenting fraudulent claims: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

For CHAPTER 7, 11 or 12 CASES filed on or after April 1, 1998

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	4/15/15	3/16/09				BONDS ONLY-UPDATED 4-15-02									
2	Age of Charles Baker	AGE OF FRAN BAKER	BAKER'S ID NUM	AGENTS	PURCHASED. OR EVENT DATE	TRANSACTIONS FROM MILLER AND SCHROEDER INC. AND THE SPELMAN CO.	PAR VALUE	ACQ. PRICE	SALE PRICE	DATE OF SALE	PROFIT/ LOSS OF BONDS	RATE	STATED MATURITY DATE	CUSPID-	comments
3	79	85	7B29	JONES	11/12/93	CEDAR CITY CORP- UTAH- IND DEVEL REV BDS (DCI INC PROJ) SER 1993	$10 000	$10 031	$7 740	5/31/01	($2,291)	8 000%	12/1/23	150058AK1	R-195
4	79	85	7B27 8.7b30 7b32	JONES	5/23/94	CITY OF INDIANAPOLIS-IN ,MULTI FAM HSG REV BD (SUNRISE APTS PROJ)-SERIES-C three bonds	$45,000	$44,454	$10 108	6/1/01	($34 346)	9 000%	6/1/19	455284AE9	C-154
5	79	85	7B30	JONES	2/21/94	CITY OF INDIANAPOLIS-IN ,MULTI FAM HSG REV.BDS (SUNRISE APT PROJ (SERIES-C)	see 7b27b		see below	6/1/01		9 000%	6/1/19	455284AE9	C-129
6	79	85	7B32	JONES	7/11/94	CITY OF INDIANAPOLIS-SUNRISE APT-SERIES-C-219	see7b27b		see above	6/1/01		9 000%	6/1/19	455284AE9	C-219
7	79	86	7B34	JONES	9/24/94	SOUTH EAST TEXAS HOUSING FINANCE CORP MULTI FAM HSG REV GARDLAND OAKS APT PROJ	$10 000	$10 016	$1	9/7/00	($10 015)	8 500%	8/1/24	841514 CG5	R0120
8	82	88	7B44	JONES	10/19/96	CITY OF INDIANAPOLIS ECON DEVEL REV BD (WILLOWBROOK APTS PROJ)JUNIOR SUBOR SER -1996D	$20 000	$20 800	$715	5/24/01	($20 085)	9 000%	7/1/26	455261 RR0	D-89
9	82	88	7B45	JONES	3/12/97	DANSFORTH HEALTH Fac Corp Rev Bd (Sam Houston Long Term Care Fac Houston Tex)1997SER A	$20,000	$20,073	$2,269	5/30/01	($17,804)	8.250%	3/1/27	236141BH9	R0149
10	83	89	7B53	JONES	12/15/97	CITY OF FONTANA- CMNTY FAC DIST 90-3(EMPIRE CENTER)- SPEC.TX.BOND SER A	$20,000	$19,991	$10,200	5/18/01	($9,791)	8.500%	4/1/21	344630EY0	#3148
11	83	89	7B55	JONES	7/8/98	DANFORTH HEALTH FAC CORP.REV BD (HERITAGE DUVAL GARDENS- AUSTIN TEX)1998 SRS -A	$20,000	$20,061	$1,022	5/29/01	($19,039)	7.375%	7/1/28	236141CF2	R0073
12	83	90	7B56	JONES	9/9/98	DESERT HOT SPRINGS PUBL FIN.AUTH (HEALTH CARE REFUNDING.IMPT CERT OF PART -HERITAGE HOSP PROJ)1998 SERIES A	$20,000	$20 508	$1,338	5/31/01	($19,170)	5 500%	8/1/28	250415AV3	R28-96
13	84	90	7B58	JONES	10/14/98	CITY OF CHICAGO-ILL HLTH. FACS REV BDS (HERITAGE CARE OF CHICAGO INC)1998 SERIES A	$10,000	$10,531	$559	5/29/01	($9,972)	7.625%	7/1/28	167583AA05	R0196
14	84	90	7B60B	JONES	12/16/98	ILLINOIS DEVEL FIN AUTH -MULTI FAM MTG REV BDS (SPRING GROVE APTS PRJ)SUBOR SER 1998C	$35,000	$35,155	$11 487	5/18/01	($23,668)	6.000%	1/1/29	451915BG6	C29
15	84	90	7B61	JONES	3/4/99	INDUST.DEVEL AUTH- COUNTY OF JACKSON ,STATE OF MO - MULTI FAM HSG REV BDS (SANTA FE VLG APTS PROJ) SENIOR SER 1999A	$20,000	$20,126	$5,684	5/18/01	($14 444)	7 000%	7/1/29	467369AS3	R39
16	84	90	7B62	JONES	4/15/99	TARRANT COUNTY HEALTH FAC.DEV CORP REV BD (HERITAGE VALLEYGARDENS BROWNSVILLE TX) 1998 BRNSVILLE SER A	$25,000	$25,161	$1,150	5/30/01	($24,011)	7.750%	3/1/29	87638LFY1	R0108
17															
18	83	89	7B51	JONES	12/17/97	CITY OF BEECH GROVE ECONOMIC DEV REV DIPLOMAT SOUTH APTS PROJ	$25 000	$25,017	$2,500	estimated value	($22 517)	8 000%	1/1/28	076696-DG1	
19	79	85	7B31	JONES	3/29/94	INDUST DEV BD- CNTY OF HAMILTON TENN- MULTI FAM HSG REV (WATERFORD PL APTS)-SUBOR SER 1994 C-1	$10,000	$10,185	$5,000	estimated value	($5 185)	9 000%	2/1/14	407339AP5	RC-1-0036
20	82	88	7B46 and 7b60	JONES	5/7/97	TARRANT CNTY HEALTH FAC DEV CORP REC BD (ST JOSEPH L T CARE FAC FT WORTH TEX -SRS 1997A	$30,000	$30,661	$3,600	estimated value	($27 061)	8.500%	5/1/27	87638LBN9	R27-123
21	82	89	7B49	JONES	9/10/97	SHELBY CNTY TENN-HEALTH EDUC -HOUSING FAC BRD REV MULTI HSG JR SUB CORNERS SER 96C	$20 000	$20 582	$16,000	estimated value	($4,582)	8 000%	3/1/27	821697-PL7	R0037
22	83	89	7B50	JONES	10/22/97	CITY OF BEECH GROVE-INDIANA - ECON DEV REV BD (BEECH GROVE VILLAGE APTS PROJ)SENIOR SER 1997A	$20 000	$19 619	$6,000	estimated value	($13 619)	7 000%	1/1/28	076696-CB3	A185
23	83	89	7B52	JONES	12/15/97	CITY OF MEXICO BEACH PUBL SERV FAC REV BD MULTI-JURIS N P.SERIES 1997-HERITAGE HOUSE OF SARASOTA-FLA PROJ)1997 SER -A	$20,000	$20,088	$5,000	estimated value	($15 069)	8 000%	12/1/27	592837AQ3	R27-45
24	83	90	7B57	JONES	5/18/98	OKA COUNTY FIN AUTH MULTI FAM HSG (OKA CTY/MIDWEST CTY APTS POOL)SUBORD SER 1998C	$20,000	$20 102	$2,000	estimated value	($18 102)	8.000%	7/1/28	678902-CV7	R22
25	84	90	7B60	JONES	10/1/98	TARRANT CNTY HEALTH FAC DEV CORP REV BD (ST JOSEPH L T CAREFAC FT WORTH TEX)SRS1997A		see 7b46	see 7b46	estimated value		8 500%	5/1/27	87638LBN5	R27-363
26	84	90	7B59	JONES	10/16/98	TULSA CNTY STATE OF OK INDUST AUTH MULTI FAM HSG REV (SHADYBROOK APTS PROJ)SERIES 1998A	$20 000	$20 088	$14,000	est value	(56 088)	6 375%	7/1/28	899522 CE4	R16
27						TOTALS		$423 252	$106 377		($316 876)				

B10 (Official Form 10) (4/98)F:\DOC\02\020041\0240284 proof of claim form.wpd

UNITED STATES BANKRUPTCY COURT DISTRICT OF MINNESOTA		PROOF OF CLAIM
Name of Debtor: SRC HOLDING CORPORATION	Case Number: 02-40284	
NOTE: This form should not be used to make a claim for administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		RECEIVED
Name of Creditor: (The person or entity to whom the debtor owes money or property LEWIS G. HERRMANN AS TRUSTEE OF THE HERRMANN FAMILY TRUST, ON BEHALF OF HIMSELF AND ALL OTHERS SIMILARLY SITUATED Name and address where notices should be sent: LEWIS G. HERRMANN AS TRUSTEE OF THE HERRMANN FAMILY TRUST, ON BEHALF OF HIMSELF AND ALL OTHERS SIMILARLY SITUATED C/O JOHN R STOEBNER, ESQ. LAPP, LIBRA, THOMSON, STOEBNER & PUSCH, CHARTERED 120 SOUTH SIXTH STREET, SUITE 2500 MINNEAPOLIS, MN 55402 Telephone number: 612-338-5815	■ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. ☐ Check box if you have never received any notices from the bankruptcy court in this case. ■ Check box if the address differs from the address on the envelope sent to you by the court.	THIS SPACE IS FOR COURT USE ONLY 6
Account or other number by which creditor identifies debtor:	Check here if this claim: ☐ replaces ☐ amends a previously filed court claim dated: _____	

1. Basis for Claim:
☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
■ Other BOND INVESTMENTS - CLASS ACTION

☐ Retiree benefits as defined in 11 U.S.C. § 1114 (a)
☐ Wages, salaries, and compensation (Fill out below)
Your SS# _____
Unpaid compensation for services performed
from _____ (date) to _____ (date)

2. Date debt was incurred: 1994 THROUGH 1999

3. If court judgment, date obtained:

4. Total amount of Claim at Time Case Filed: $ 144,000,000.00 .

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim
☐ Check this box if your claim is secured by collateral (including a right of setoff).
Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle
☐ Other _____

Value of Collateral: $ _____

Amount of arrearage and other charges at time case filed included in secured claim, if any:
$ _____

6. Unsecured Priority Claim
☐ Check this box if you have an unsecured priority claim
Amount entitled to priority claim $ _____
Specify the priority of the claim:
☐ Wages, salaries, or commissions (up to $4,300*), earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier — 11 U.S.C. § 507 (a)(3)
☐ Contributions to an employee benefit plan — 11 U.S.C. § 507 (a)(4)
☐ Up to $1,950* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use — 11 U.S.C. § 507 (a)(6)
☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child — 11 U.S.C. § 507 (a)(7)
☐ Taxes or other penalties of governmental units — 11 U.S.C. § 507 (a)(8)
☐ Other — Specify applicable paragraph of 11 U.S.C. § 507 (a)
_____

**Amounts are subject to adjustment on 4/1/98 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

7. **Credits:** The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
8. **Supporting Documents:** *Attach copies of supporting documents*, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.
9. **Date-Stamped Copy:** To receive an acknowledgment of the filing of your claim, enclosed a stamped, self-addressed envelope and copy of this proof of claim.

SEND CLAIMS TO:

U.S. Bankruptcy Court
301 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

Date	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):
May 6, 2002	JOHN R. STOEBNER, ATTORNEY FOR LEWIS G. HERRMANN AS TRUSTEE OF THE HERRMANN FAMILY TRUST, ON BEHALF OF HIMSELF AND ALL OTHERS SIMILARLY SITUATED

Penalty for presenting fraudulent claims: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

For CHAPTER 7, 11 or 12 CASES filed on or after April 1, 1998

ATTACHMENT

■ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

It is possible that individual class action members may have filed separate claims.

F:\DOC\02\020041\attachment poc.1.wpd

Brian Miller - #117262
Bradd Milove - #117221
Jeffrey S. Kob - #147971
W. Richard Sintek - #134894
Miller Milove & Kob
The Koll Center
501 West Broadway, Suite 720
San Diego, California 92101
(619) 696-5200

Attorneys for Plaintiff
Lewis G. Herrmann individually and as Trustee of The Herrmann Family Trust

FILED
CIVIL BUSINESS OFFICE 5

2001 NOV 20 P 4: 23

MILLER MILOVE & KOB
ATTORNEYS AT LAW ❖ A PROFESSIONAL CORPORATION
501 WEST BROADWAY, SUITE 720 ❖ SAN DIEGO, CALIFORNIA 92101
OFFICE: (619) 696-5200 ❖ FACSIMILE: (619) 696-5393

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

LEWIS G. HERRMANN AS TRUSTEE OF THE HERRMANN FAMILY TRUST, on behalf of himself and all others similarly situated, Plaintiff, v. MILLER & SCHROEDER FINANCIAL, INC.; MILLER & SCHROEDER, INC.; MILLER & SCHROEDER INVESTMENTS CORPORATION; MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION; MILLER & SCHROEDER MORTGAGE CORPORATION; POOLED LOAN MARKETING CORPORATION; PLMC-I, INC; MARSHALL MILLER & SCHROEDER, INC.; MM&S INVESTMENTS CORPORATION; MM&S FINANCIAL , INC.; JAMES E. IVERSON; JOHN M. CLAREY; JEROME A. TABOLICH; EDWARD J. HENTGES; KENNETH R. LARSEN; STEVEN W. ERICKSON; PAUL R. EKHOLM; JAMES F. DLUGOSCH; MARK F. AUGUSTA; BRUCE R. TALLEY; GAY M. REEVES formerly known as GAY DIAZ; JAMI J. WAGNER; DANIEL C. OSGOOD; DEBORAH L. STOKES; SCOTT T. PENWARDEN; TIMOTHY E. JONES; RONALD W. VANDERVEEN; BEREAN CAPITAL, INC.; JOEL T. BOEHM; SABO & GREEN, a professional corporation; ATKINSON, ANDELSON, LOYA, RUUD & ROMO, a professional corporation; HERITAGE HOUSING DEVELOPMENT, INC.;	CASE NO. GIC 778499 **CLASS ACTION COMPLAINT FOR:** **1.** Misrepresentations in connection with the offer and sale of securities in violation of section 12(2) of the 1933 Securities Act; **2.** Misrepresentations in connection with the offer and sale of securities in violation of section 25501 of the California Corporations Code; **3.** Fraud and Deceit; **4.** Negligent Misrepresentation; **5.** Breach of Fiduciary Duty; **6.** Avoidance of transfer, Temporary Restraining Order, Preliminary and Permanent Injunction, Attachment, and Appointment of a Receiver; **7.** Successor Liability

HERITAGE HEALTHCARE OF AMERICA, INC.; HERITAGE RANCHO HEALTHCARE, INC; HERITAGE CARE OF CHICAGO, INC.; HERITAGE GERIATRIC HOUSING DEVELOPMENT IX, INC.; HERITAGE CARE OF SARASOTA, INC.; HERITAGE GERIATRIC HOUSING DEVELOPMENT VIII, INC.; HERITAGE GERIATRIC HOUSING DEVELOPMENT VII, INC.; JEROLD V. GOLDSTEIN; EMERY RUBIN; LARRY A. RUBIN; VIRGIL LIM; ONOFRIO V. BERTOLINI; BERMAN AND BERTOLINI, INC. aka BERMAN & ASSOCIATES; HEALTH CARE HOLDINGS, LLC; CARECONTINUUM, LLC; IHN HEALTH SERVICES GROUP, INC.; BHMC, INC.; JDDJ HOLDINGS, L.P.; ROBERT A. KASIRER; and DOES 1 though 100,

Defendants.

Plaintiff, Lewis G. Herrmann as Trustee of The Herrmann Family Trust, alleges on behalf of himself and all others similarly situated as follows:

I.

SUMMARY

1. This is a class action complaint on behalf of purchasers of municipal bonds underwritten offered and sold by Defendant Miller & Schroeder Financial, Inc. (hereinafter referred to as Miller & Schroeder"). The municipal bonds were structured as conduit financing for the acquisition of distressed hospital properties to be converted into health care and Alzheimer care facilities. The stated issuer of the municipal bonds was a quasi-governmental agency that assumed no debt obligations to bond holders and no project oversight. Instead, bond holders were dependant upon the integrity and skill of the promoter, Defendant Heritage Housing Development, Inc. and its affiliates, and the manager, Defendant Robert Kasirer and his affiliates, to generate operating revenues from the proposed health care facilities to pay debt obligations of principal and interest to the bond holders. Twelve related bond offerings, with a face value of over $144 million, were financed, structured, and marketed by Miller & Schroeder from its Solana Beach, California office. All twelve bond issuances are in default and are hereinafter referred to as the "Heritage Bonds".

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FORM B10 (Official Form 10) (4/01)

UNITED STATES BANKRUPTCY COURT _____ DISTRICT OF Minnesota

PROOF OF CLAIM

Name of Debtor: SRC Holding Corporation

Case Number: 02-40284

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property): James E. Iverson

☒ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check box if you have never received any notices from the bankruptcy court in this case.

☐ Check box if the address differs from the address on the envelope sent to you by the court.

Name and address where notices should be sent:
Joseph W. Lawver
Messerli & Kramer P.A.
150 South Fifth Street, Suite 1800
Minneapolis, MN 55402
Telephone number: 612-672-3600

UNITED STATES BANKRUPTCY COURT Received APR 25

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THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor:

Check here if this claim ☐ replaces ☐ amends a previously filed claim, dated:_____

1. Basis for Claim

☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other Indemnification

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensation (fill out below)
Your SS #: _____ _____ _____
Unpaid compensation for services performed
from _____ (date) to _____ (date)

2. Date debt was incurred: Lawsuit filed 11/20/01

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ 144,000,000 +

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim.

☐ Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle
☐ Other_____

Value of Collateral: $_____

Amount of arrearage and other charges at time case filed included in secured claim, if any: $_____

6. Unsecured Priority Claim.

☐ Check this box if you have an unsecured priority claim

Amount entitled to priority $_____

Specify the priority of the claim:

☐ Wages, salaries, or commissions (up to $4,650),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).
☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).
☐ Up to $2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6).
☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____).

Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

8. Supporting Documents: *Attach copies of supporting documents,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

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Date: 4/23/02

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):

Joseph W. Lawver attorney

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

LEWIS G. HERRMANN AS TRUSTEE OF THE HERRMANN FAMILY TRUST, on behalf of himself and all others similarly situated, Plaintiff, v. MILLER & SCHROEDER FINANCIAL, INC.; MILLER & SCHROEDER, INC.; MILLER & SCHROEDER INVESTMENTS CORPORATION; MILLER & SCHROEDER SMALL BUSINESS CAPITAL CORPORATION; MILLER & SCHROEDER MORTGAGE CORPORATION; POOLED LOAN MARKETING CORPORATION; PLMC-I, INC; MARSHALL MILLER & SCHROEDER, INC.; MM&S INVESTMENTS CORPORATION; MM&S FINANCIAL , INC.; JAMES E. IVERSON; JOHN M. CLARBY; JEROME A. TABOLICH; EDWARD J. HENTGES; KENNETH R. LARSEN; STEVEN W. ERICKSON; PAUL R. EKHOLM; JAMES F. DLUGOSCH; MARK F. AUGUSTA; BRUCE R. TALLEY; GAY M. REEVES formerly known as GAY DIAZ; JAMI J. WAGNER; DANIEL C. OSGOOD; DEBORAH L. STOKES; SCOTT T. PENWARDEN; TIMOTHY E. JONES; RONALD W. VANDERVEEN; BEREAN CAPITAL, INC.; JOEL T. BOEHM; SABO & GREEN, a professional corporation; ATKINSON, ANDELSON, LOYA, RUUD & ROMO, a professional corporation; HERITAGE HOUSING DEVELOPMENT, INC.;	CASE NO. GIC 778499 **CLASS ACTION COMPLAINT FOR:** 1. Misrepresentations in connection with the offer and sale of securities in violation of section 12(2) of the 1933 Securities Act; 2. Misrepresentations in connection with the offer and sale of securities in violation of section 25501 of the California Corporations Code; 3. Fraud and Deceit; 4. Negligent Misrepresentation; 5. Breach of Fiduciary Duty; 6. Avoidance of transfer, Temporary Restraining Order, Preliminary and Permanent Injunction, Attachment, and Appointment of a Receiver; 7. Successor Liability

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Investment bankers and other control persons at Miller & Schroeder structured each of the offerings in negotiations with Defendant Heritage Housing Development, Inc. and its affiliates and control persons. The creation and marketing of the Heritage Bonds was centered in the Solana Beach office of Miller & Schroeder. The Heritage Bonds were mostly offered and sold from the Solana Beach branch office of Miller & Schroeder which acted as the underwriter for each of the Heritage Bonds.

With respect to each of the Heritage Bonds, a primary disclosure document known as an Official Statement was prepared by Defendant Miller & Schroeder's counsel, Defendant Joel Boehm of San Diego. Defendants knew these Official Statements contained common and typical misrepresentations of relevant facts and omitted to state other facts necessary to be disclosed so that other facts stated would not be misleading. Generally, the misrepresentations and omissions concerned: (1) overstating the value of the collateral represented by the underlying real estate projects securing the Heritage Bonds; (2) the background and experience of the Heritage Bond promoters and managers; (3) an undisclosed financial relationship between the Heritage Bond promoters and Miller & Schroeder in the form of undisclosed loans from Miller & Schroeder and their repayment from bond proceeds; and (4) a course of business to conceal development delays and cost overruns that were extraordinary in light of promised construction cost "guarantees" in the Official Statements, and defaults in connection with prior Heritage Bond offerings structured, financed, and marketed by Miller & Schroeder.

These misrepresentations and omissions of material facts were contained in written Official Statements drafted by Miller & Schroeder and disseminated by its Solana Beach sales staff to Plaintiffs and other investors through the instrumentalities of interstate commerce including the mails.

In addition to common misrepresentations of material facts, omissions of material facts, half-truths, and misleading statements in each of the Official Statements prepared by Miller & Schroeder, oral misrepresentations and omissions, parroting the false and misleading written misrepresentations, were made directly to Plaintiffs by Miller & Schroeder representatives. The misrepresented and omitted information caused the bonds to be in a state of default and the loss of Plaintiffs' investment funds.

The Solana Beach office of Miller & Schroeder Financial, Inc. conducted a boiler room sales operation targeting elderly investors because of their need and desire for safety of principal and the historically low default rate associated with municipal bonds. Sales were generated in part by television

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regulatory organization, since 1976. Miller & Schroeder has at all times herein, held itself out to the public as a regulated entity composed of securities professionals specializing in municipal bonds. At all relevant times herein, Plaintiffs maintained a securities brokerage account with Miller & Schroeder.

4. Plaintiff is informed and believes and based thereon alleges that Defendants Miller & Schroeder Inc., Miller & Schroeder Investments Corporation, Miller & Schroeder Small Business Capital Corporation, Miller & Schroeder Mortgage Corporation, Pooled Loan Marketing Corporation, and PLMC-I Inc. are Minnesota corporations affiliated with Miller & Schroeder through common ownership and control. These five corporate defendants, plus Miller & Schroeder, are sometimes collectively referred to hereinafter as "MILLER & SCHROEDER DEFENDANTS".

C. MM&S CORPORATE DEFENDANTS

5. Defendant MM&S Financial Inc. ("MM&S") is a Minnesota corporation doing business in San Diego County, from offices in Solana Beach, as a securities firm underwriting and selling municipal bonds. Following the recent acquisition of assets from the MILLER & SCHROEDER DEFENDANTS, MM&S became a licensed broker-dealer in California and a member of the NASD in October, 2001, thereby authorizing it to offer and sell securities in compliance with the law. MM&S holds itself out to the public as a regulated entity composed of securities professionals specializing in municipal bonds. Plaintiffs are informed and believe that MM&S is operating as a successor corporation of Miller & Schroeder. Beginning in 2001, the MILLER & SCHROEDER DEFENDANTS began divesting portions of its business to employees and others. Plaintiffs are informed and believe that Miller & Schroeder continues to conduct business as usual from its Solana Beach office, using the name of MM&S.

6. Plaintiff is informed and believes and based thereon alleges that Defendants Marshall Miller & Schroeder Inc., and MM&S Investments Corporation are Minnesota corporations affiliated with MM&S through common ownership and control. These two corporate defendants, plus MM&S, are sometimes collectively referred to hereinafter as "MM&S DEFENDANTS".

D. MILLER & SCHROEDER INDIVIDUAL DEFENDANTS

7. Defendant James E. Iverson is and was at all relevant times herein a resident of San Diego County, a former Securities & Exchange Commission enforcement attorney, and an officer, director,

relevant times herein, Augusta was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

17. Defendant Bruce R. Talley has been and is a resident of San Diego County. At all relevant times herein, Talley was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

18. Defendant Gay M. Reeves, also known as Gay Diaz, has been and is a resident of San Diego County. At all relevant times herein, Reeves was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

19. Defendant Jami J. Wagner has been and is a resident of San Diego County. At all relevant times herein, Wagner was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

20. Plaintiff is informed and believes that Defendant Daniel C. Osgood is a resident of San Diego County. At all relevant times herein, Osgood was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

21. Plaintiff is informed and believes that Defendant Timothy E. Jones has been and is a resident of San Diego County. At all relevant times herein, Jones was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

22. Plaintiff is informed and believes that Defendant Scott T. Penwarden has been and is a resident of San Diego County. At all relevant times herein, Penwarden was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

23. Plaintiff is informed and believes that Defendant Deborah L. Stokes has been and is a resident of San Diego County. At all relevant times herein, Stokes was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

24. Plaintiff is informed and believes that Defendant Ronald W. Vanderveen has been and is a resident of San Diego County. At all relevant times herein, Vanderveen was employed as a stockbroker for Miller & Schroeder offering and selling Heritage Bonds from the Solana Beach office.

25. Defendants Augusta, Talley, Reeves, Wagner, Osgood, Jones, Penwarden, Stokes, and

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affiliate of defendant Heritage Housing Development Inc.

34. Defendant Heritage Geriatric Housing Development IX Inc. is a nonprofit Texas corporation and an affiliate of defendant Heritage Housing Development Inc.

35. Defendant Heritage Geriatric Housing Development VIII Inc. is a nonprofit Texas corporation and an affiliate of defendant Heritage Housing Development Inc.

36. Defendant Heritage Geriatric Housing Development VII Inc. is a nonprofit Texas corporation and an affiliate of defendant Heritage Housing Development Inc.

37. Defendant Heritage Care of Sarasota Inc. is a nonprofit Florida corporation and an affiliate of defendant Heritage Housing Development Inc.

38. Defendant Jerold V. Goldstein is and at all relevant times herein was a licensed California attorney acting as an officer and director for Heritage Housing Development, Inc. and its affiliates. Plaintiff is informed and believes that Defendant Goldstein resides in Los Angeles County.

39. Defendant Emery Rubin is and at all relevant times herein was acting as an officer and director of Heritage Housing Development, Inc., and its affiliates. Plaintiffs is informed and believes that Defendant Rubin resides in Los Angeles County.

40. Defendant Larry A. Rubin is and at all relevant times herein was acting as an officer and director for Heritage Housing Development, Inc., and its affiliates. Plaintiff is informed and believes that Defendant Rubin resides in Los Angeles County.

41. Defendant Virgil Lim is and at all relevant times herein was acting as an officer and director for Heritage Housing Development, Inc., and its affiliates. Plaintiff is informed and believes that Defendant Lim resides in Los Angeles County.

42. Defendant Onofrio Bertolini is and at all relevant times herein was acting as an officer and director for Heritage Housing Development, Inc., and its affiliates. Defendant Bertolini is also a principal of Defendant Berman and Bertolini, Inc. Plaintiff is informed and believes that Defendant Bertolini resides in Los Angeles County.

43. Defendant Berman and Bertolini, Inc., aka Berman & Associates, is a California corporation engaged in construction oversight in connection with the Heritage Bonds.

44. Heritage Housing Development Inc., Heritage Healthcare of America Inc., Heritage

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51. Robert Kasirer, JDDJ, HCH, CareContinuum LLC, BMHC Corp., and IHN are sometimes collectively referred to hereinafter as "KASIRER DEFENDANTS".

52. Plaintiff does not know the names of defendants sued herein as DOES 1 - 100 who were acting at all times herein as agents, employees, principals, partners, business associates, co-conspirators, aiders and abettors, successors, or alter egos of the named Defendants and who committed acts in furtherance of the scheme to defraud alleged herein.

53. Defendants and each of them, unless otherwise stated in this Complaint, directly or indirectly, singularly and in concert and aiding and abetting each other, have engaged in acts and practices constituting violations of law complained of herein pursuant to a common plan and scheme among all defendants.

III.
CONSPIRACY TO DEFRAUD THROUGH THE OFFER AND SALE OF HERITAGE BONDS

A. GENERAL DESCRIPTION OF THE SCHEME TO DEFRAUD

54. Commencing in or about 1996, Defendants entered into an agreement and scheme to defraud investors by effecting transactions in Heritage Bonds through the use of false and misleading statements of material facts.

55. Pursuant to the agreement and scheme to defraud, Miller & Schroeder acted as the investment banker and lead underwriter in all twelve Heritage Bond offerings. Under the direction of KEY EMPLOYEE DEFENDANTS, and others unknown to Plaintiffs at this time, Miller & Schroeder raised capital for purported health care facility development by structuring securities offerings utilizing a municipal entity as the stated issuer. Miller & Schroeder SALES DEFENDANTS were responsible for retail distribution of the securities, in the form of municipal bonds referred to collectively herein as Heritage Bonds, to investors such as the Plaintiff Class.

56. The Heritage Bonds, underwritten and sold by Miller & Schroeder in furtherance of the agreement and scheme to defraud, share these characteristics: the stated issuer was a local governmental agency or non-profit corporation created pursuant to a statutory scheme addressing health care needs; the governmental issuer did not have taxing power and lacked assets to secure the bonds; the ultimate obligors responsible for debt service payments to investors are the HERITAGE DEFENDANTS and

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financing to private developers such as the HERITAGE DEFENDANTS and the KASIRER DEFENDANTS.

61. The success of each proposed health care facility financed by the Heritage Bonds, and thus the repayment of principal and interest to bond holders, was dependant upon the experience, skill, competence, efforts and integrity of the promoters and managers. The Heritage Bonds were in effect providing financing for private real estate development projects of the HERITAGE DEFENDANTS and the KASIRER DEFENDANTS. The development projects were speculative start-up real estate ventures financed by Miller & Schroeder's sale of Heritage Bonds to the Plaintiff Class.

C. SEED MONEY PROVIDED BY MILLER & SCHROEDER DEFENDANTS

62. The MILLER & SCHROEDER DEFENDANTS agreed to loan seed money to the HERITAGE DEFENDANTS and the KASIRER DEFENDANTS before the Heritage Bonds were structured and marketed to the investing public. The purpose of the loans was to provide bridge financing for preliminary work such as property appraisals and feasibility studies.

63. This seed money took the form of at least two loans, totaling approximately $700,000. The loans were secured by investor proceeds derived from the anticipated public sale of Heritage Bonds.

64. The seed money loans from Miller & Schroeder to the HERITAGE DEFENDANTS and KASIRER DEFENDANTS were not disclosed to investors in the Heritage Bonds.

D. STRUCTURING THE HERITAGE BONDS

65. In order to secure its seed money loans and to generate fees, Miller & Schroeder structured the Heritage Bonds in the form of negotiated conduit revenue bonds for sale to the public.

66. Miller & Schroeder assembled a "working group" of bond professionals who recruited the stated issuers and commenced drafting the agreements and documents necessary to make the proposed Heritage Bonds marketable to investors.

67. The KASIRER DEFENDANTS located distressed hospitals and negotiated for their purchase with anticipated proceeds from the proposed sale of Heritage Bonds.

68. The HERITAGE DEFENDANTS participated as the promoter by borrowing Heritage Bond proceeds to provide funds to purchase and renovate the hospital property.

69. The HERITAGE DEFENDANTS and the KASIRER DEFENDANTS were paid "fees"

78. After Miller & Schroeder determined that sufficient "indications of interest" were obtained by SALES DEFENDANTS, the bond issuance was ready to close. Closing occurred when the working group executed the necessary documents, including the bond purchase agreement whereby Miller & Schroeder purchased the entire bond offering, less its negotiated discount.

79. Upon closing each Heritage Bond transaction, SALES DEFENDANTS collected investor funds in exchange for the Heritage Bonds.

80. SALES DEFENDANTS, from their Solana Beach office of Miller & Schroeder, targeted elderly investors seeking safety and tax benefits historically provided by municipal bonds. The solicitations included mass media advertising on television and in newspapers, and cold calling.

F. CHRONOLOGY OF THE HERITAGE BONDS

81. Beginning in 1996, the Miller & Schroeder financed, structured, and marketed to Plaintiff Class the Heritage Bonds as follows:

1. California Communities Local Public Improvements Financing Authority Health Care Revenue Bonds $13,050,000 (Rancho Cucamonga Hospital) Official Statement dated February 15, 1996

2. Danforth Health Facilities Corporation Revenue Bonds $7,295,000 (Danforth Long Term Care Facility-Texas City Texas) Official Statement dated December 20, 1996

3. Danforth Health Facilities Corporation Revenue Bonds $10,370,000 (Sam Houston Long Term Care Facility, Houston, Texas) Official Statement dated March 3, 1997

4. Tarrant County Health Facilities Development Corporation Revenue Bonds $13,420,000 (St. Joseph Long Term Care Facility, Fort Worth, Texas) Official Statement dated May 15, 1997

5. City of Mexico Beach, Florida Public Services Facilities Revenue Bonds $12,305,000 Multi-Jurisdictional No-Profit Series 1997 (Heritage House of Sarasota Project) Official Statement dated December 22, 1997

6. Danforth Health Facilities Corporation Revenue Bonds $11,090,000 (Heritage Duval Gardens, Austin, Texas) Official Statement dated July 10, 1998

7. City of Chicago, Illinois Health Facilities Revenue Bonds $17,275,000 (Heritage Care of Chicago, Inc.) Official Statement dated July 24, 1998

8. Desert Hot Springs Public Financing Authority Health Care Refunding and Improvement Certificates of Participation $22,330,000 (Heritage Hospital Project) Official Statement dated August 20, 1998

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Houston"). The face value of the bonds totaled approximately $10,370,000. The HERITAGE DEFENDANTS were paid a fee, from bond proceeds, to participate in the offering as borrower and promoter. The KASIRER DEFENDANTS were paid to manage the facility.

85. In furtherance of the agreement and scheme to defraud Heritage Bond investors, beginning on or about May 15, 1997, Miller & Schroeder underwrote, offered, and sold Tarrant County Health Facilities Development Corporation Revenue Bonds for the stated purpose of financing the acquisition, renovation and management of a proposed Heritage facility in Fort Worth, Texas (hereinafter referred to as "Tarrant - Ft. Worth"). The face value of the bonds totaled $13,420,000. The HERITAGE DEFENDANTS were paid a fee, from bond proceeds, to participate in the offering as borrower and promoter. The HERITAGE DEFENDANTS used bond proceeds to acquire the property from the KASIRER DEFENDANTS. Thereafter the KASIRER DEFENDANTS were paid to manage the facility.

86. In furtherance of the agreement and scheme to defraud Heritage Bond investors, beginning in or about December of 1997, Miller & Schroeder underwrote, offered, and sold City of Mexico Beach Public Service Facilities Revenue Bonds for the stated purpose of financing the acquisition, renovation and management of a proposed Heritage facility in Sarasota, Florida (hereinafter referred to as "Mexico Beach - Sarasota"). The face value of the bonds totaled approximately $12,305,000. The HERITAGE DEFENDANTS were paid a fee, from bond proceeds, to participate in the offering as borrower and promoter. The KASIRER DEFENDANTS were paid to manage the facility.

87. In furtherance of the agreement and scheme to defraud Heritage Bond investors, beginning in or about July of 1998, Miller & Schroeder underwrote, offered, and sold Danforth Health Facilities Corporation Revenue Bonds for the stated purpose of financing the acquisition, renovation and management of a proposed Heritage facility in Austin, Texas (hereinafter referred to as "Danforth - Austin"). The face value of the bonds totaled $11,090,000. The HERITAGE DEFENDANTS were paid a fee, from bond proceeds, to participate in the offering as borrower and promoter. The KASIRER DEFENDANTS were paid to manage the facility.

88. In furtherance of the agreement and scheme to defraud Heritage Bond investors,

borrower and promoter. The HERITAGE DEFENDANTS used bond proceeds to acquire the property from the KASIRER DEFENDANTS. Thereafter the KASIRER DEFENDANTS were paid to manage the facility.

92. In furtherance of the agreement and scheme to defraud Heritage Bond investors, beginning in or about December of 1998, Miller & Schroeder underwrote, offered, and sold City of Mexico Beach Public Service Facilities Revenue Bonds for the stated purpose of financing the acquisition, renovation and management of a proposed Heritage facility in Seminole, Florida (hereinafter referred to as "Mexico Beach - Seminole"). The face value of the bonds totaled $7,230,000. The HERITAGE DEFENDANTS were paid a fee, from bond proceeds, to participate in the offering as borrower and promoter. The HERITAGE DEFENDANTS used bond proceeds to acquire the property from the KASIRER DEFENDANTS. Thereafter the KASIRER DEFENDANTS were paid to manage the facility.

93. In furtherance of the agreement and scheme to defraud Heritage Bond investors, beginning in or about March 15 of 1999, Miller & Schroeder underwrote, offered, and sold Tarrant County Health Facilities Development Corporation Revenue Bonds for the stated purpose of financing the acquisition, renovation and management of a proposed Heritage facility in Brownsville, Texas (hereinafter referred to as "Tarrant - Brownsville"). The face value of the bonds totaled $11,735,000. The HERITAGE DEFENDANTS were paid a fee, from bond proceeds, to participate in the offering as borrower and promoter. The HERITAGE DEFENDANTS used bond proceeds to acquire the property from the KASIRER DEFENDANTS. Thereafter the KASIRER DEFENDANTS were paid to manage the facility.

94. In each of the above-referenced Heritage Bonds, Miller & Schroeder underwrote, offered, and sold the securities for the stated purpose of financing the acquisition, renovation and management of a proposed hospital or Alzheimer facility. The HERITAGE DEFENDANTS were paid a fee, from bond proceeds, to substantially assist in each offering as the borrower and promoter. The KASIRER DEFENDANTS were paid fees from bond proceeds to manage the facility for the HERITAGE DEFENDANTS.

95. Beginning with the earliest Heritage Bonds in 1996, Defendants knew that the renovation

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& Schroeder settled the litigation in the fall of 2001 by agreeing to pay $350,000 to the county.

103. While continuing to make a market for the Heritage Bonds, the KEY EMPLOYEES began selling off pieces of the business. In or about January of 2001, Miller & Schroeder sold its asset management unit and 10,000 retail securities accounts to a Minnesota-based company.

104. In 2001, the MILLER & SCHROEDER DEFENDANTS entered into an Asset Purchase Agreement with the MM&S DEFENDANTS. Under the terms of the Asset Purchase Agreement, the MILLER & SCHROEDER DEFENDANTS are attempting to transfer their assets to the former executives of Miller & Schroeder now doing business as the MM&S DEFENDANTS.

105. In recent months, the liquidity and value of the Heritage Bonds collapsed in the secondary market based after Miller & Schroeder ceased acting as the lead underwriter and primary market maker for the Heritage Bonds.

H. FRAUDULENT CONVEYANCE

106. While Plaintiff Class is left with Heritage Bonds that are not marketable and of little value, the KEY EMPLOYEE DEFENDANTS continue to conduct business as usual. Plaintiff is informed and believes that the MM&S DEFENDANTS employ approximately 19 former managers and approximately 100 former employees of Miller & Schroeder. The MM&S DEFENDANTS continue to underwrite bonds and loan participations, including Indian gambling financing, using the same locations and phone numbers used by the MILLER & SCHROEDER DEFENDANTS to finance, structure, and market the Heritage Bonds. For example, MM&S Financial Inc. is now doing business from the former Miller & Schroeder Solana Beach office.

107. Pursuant to the Asset Purchase Agreement, MILLER & SCHROEDER DEFENDANTS' assets were transferred to MM&S DEFENDANTS in an effort to avoid obligations relating to the Heritage Bonds.

108. The MILLER & SCHROEDER DEFENDANTS structured the Asset Purchase Agreement so that the value of the assets transferred to the MM&S DEFENDANTS exceeds the value received by the MILLER & SCHROEDER DEFENDANTS. Value received does not include unperformed promises contingent upon any future success of the MM&S DEFENDANTS. The MILLER & SCHROEDER DEFENDANTS are in the process of being left insolvent for the intended

exit strategy and fraudulent conveyance, including selling his Miller & Schroeder stock in August of 1997 and then continuing as a control person of Miller & Schroeder until the fraudulent conveyance resulted in him presently acting as a shareholder and consultant of MM&S, Inc.; and

i. substantially assisting the fraudulent conveyance as a "key employee".

112. John Clarey agreed to participate with full knowledge of the conspiracy by:

a. acting as chairman of the credit committee at Miller & Schroeder with responsibility for reviewing the proposed Heritage Bond underwritings and documentation including the Official Statements;

b. approving successive Heritage Bond underwritings while accumulating information of problems plaguing earlier Heritage Bond projects;

c. acting as an officer, director, and shareholder of Miller & Schroeder during the financing, structuring, and marketing of the Heritage Bonds;

d. accepting a promotion from Chief Operating Officer to Executive Vice President of Miller & Schroeder and thereafter acting as a key Miller & Schroeder executive officer responsible for controlling the Heritage Bond problems with investors and the media during implementation of the exit strategy;

e. substantially assisting the fraudulent conveyance as a "key employee" and "knowledgeable seller".

113. Jerome Tabolich agreed to participate with full knowledge of the conspiracy by:

a. acting as a member of the credit committee at Miller & Schroeder with responsibility for reviewing the proposed Heritage Bond underwritings and documentation including the Official Statements;

b. acting as an officer and shareholder of Miller & Schroeder during the financing, structuring, and marketing of the Heritage Bonds;

c. participating in the exit strategy and fraudulent conveyance as the President of the MILLER & SCHROEDER DEFENDANTS and continuing thereafter as an officer and shareholder of the MM&S DEFENDANTS; and

d. substantially assisting the fraudulent conveyance as a "key employee" and

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responsibility for reviewing the proposed Heritage Bond underwritings and documentation including the Official Statements;

b. acting as an executive officer of Miller & Schroeder during the financing, structuring, and marketing of the Heritage Bonds;

c. participating in the exit strategy and fraudulent conveyance as a Senior Vice-President of the MILLER & SCHROEDER DEFENDANTS and continuing thereafter as an executive officer and shareholder of the MM&S DEFENDANTS; and

d. substantially assisting the fraudulent conveyance as a "key employee".

118. James F. Dlugosch agreed to participate with full knowledge of the conspiracy by:

a. acting as a member of the credit committee at Miller & Schroeder with responsibility for reviewing the proposed Heritage Bond underwritings and documentation including the Official Statements;

b. acting as an officer, director, and shareholder of Miller & Schroeder during the financing, structuring, and marketing of the Heritage Bonds; and

c. participating in the exit strategy and fraudulent conveyance as an executive officer and director of the MILLER & SCHROEDER DEFENDANTS and substantially assisting the fraudulent conveyance as a "knowledgeable seller".

119. Mark Augusta agreed to participate with full knowledge of the conspiracy by:

a. recommending, offering, and selling over $10 million of Heritage Bonds to mostly elderly investors from the Solana Beach office of Miller & Schroeder; and

b. participating as a shareholder in the MILLER & SCHROEDER DEFENDANTS.

120. Bruce Talley agreed to participate with full knowledge of the conspiracy by recommending, offering, and selling Heritage Bonds from the Solana Beach office of Miller & Schroeder.

121. Gay Reeves, formerly known as Gay Diaz, agreed to participate with full knowledge of the conspiracy by recommending, offering, and selling Heritage Bonds from the Solana Beach office of Miller & Schroeder.

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Heritage Bonds; and

c. providing legal services to Miller & Schroeder, on behalf of Defendant Sabo & Green, in connection with the 1996 Rancho Cucamonga bonds and the 1996 Danforth Texas City bonds before he was licensed to practice law in California in January of 1997.

130. Sabo & Green agreed to participate with full knowledge of the conspiracy by:

a. employing and supervising Joel Boehm as an unlicensed attorney providing legal services in recruiting municipal conduit issuers and providing financing for the HERITAGE DEFENDANTS' and the KASIRER DEFENDANTS' proposed health care facilities;

b. employing and supervising Joel Boehm to act as the lead attorney for the firm in its role as underwriter's counsel for Miller & Schroeder in connection with the following Heritage Bonds and drafting the Official Statement, which included misrepresentations and omissions of material fact, for distribution to prospective purchasers of the following Heritage Bonds: 1996 Rancho Cucamonga, 1996 Danforth Texas City, 1997 Mexico Beach Sarasota, 1997 Danforth Houston, 1997 Tarrant Fort Worth, 1998 Chicago, 1998 Desert Hot Springs, and 1998 Danforth Austin; and

c. representing a defendant in Platt v. Kasirer, et al., a lawsuit filed in August of 1997 in San Bernardino Superior Court by the Chief Executive Officer of the Rancho Cucamonga Heritage Hospital alleging misappropriation of bond proceeds from the 1996 Rancho Cucamonga Heritage Bonds.

131. Atkinson, Andelson, Loya, Ruud & Romo agreed to participate with full knowledge of the conspiracy by:

a. employing and supervising Joel Boehm as an attorney providing legal services in recruiting municipal conduit issuers and providing financing for the HERITAGE DEFENDANTS' and the KASIRER DEFENDANTS' proposed health care facilities; and

b. employing and supervising Joel Boehm to act as the lead attorney for the firm in its role as underwriter's counsel for Miller & Schroeder in connection with the following Heritage Bonds and drafting the Official Statement, which included misrepresentations and omissions of material fact, for distribution to prospective purchasers of the following Heritage Bonds: 1998 Tarrant Houston, 1998 Tarrant Fort Worth, 1998 Tarrant Brownsville, and 1998 Mexico Beach Seminole.

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Cucamonga bonds and the 1998 Desert Hot Springs bonds to further the private development interests of the KASIRER DEFENDANTS;

b. unlawfully transferring proceeds from the Heritage Bond offerings; and

c. failing to provide ongoing disclosure of material information and events in connection with these Heritage Bonds after agreeing to do so.

135. Heritage Care of Chicago Inc., an affiliate of Defendant Heritage Housing Development Inc., agreed to participate with full knowledge of the conspiracy by:

a. acting as the conduit issuer borrowing proceeds from the 1998 Chicago Heritage bonds to further the private development interests of the KASIRER DEFENDANTS;

b. unlawfully transferring proceeds from the Heritage Bond offerings; and

c. failing to provide ongoing disclosure of material information and events in connection with these Heritage Bonds after agreeing to do so.

136. Heritage Geriatric Housing Development IX Inc., an affiliate of Defendant Heritage Housing Development Inc., agreed to participate with full knowledge of the conspiracy by:

a. acting as the conduit issuer borrowing proceeds from the 1997 Tarrant Fort Worth bonds and the 1998 Tarrant Forth Worth bonds to further the private development interests of the KASIRER DEFENDANTS;

b. unlawfully transferring proceeds from the Heritage Bond offerings; and

c. failing to provide ongoing disclosure of material information and events in connection with these Heritage Bonds after agreeing to do so.

137. Heritage Geriatric Housing Development VIII Inc., an affiliate of Defendant Heritage Housing Development Inc., agreed to participate with full knowledge of the conspiracy by:

a. acting as the conduit issuer borrowing proceeds from the 1997 Danforth Houston bonds to further the private development interests of the KASIRER DEFENDANTS;

b. unlawfully transferring proceeds from the Heritage Bond offerings; and

c. failing to provide ongoing disclosure of material information and events in connection with these Heritage Bonds after agreeing to do so.

138. Heritage Geriatric Housing Development VII Inc., an affiliate of Defendant Heritage

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acquiring vacant health care facilities, most of which were burdened with restrictive use covenants.

141. Emery Rubin agreed to participate with full knowledge of the conspiracy by:

a. combining his status as an officer and director for the HERITAGE DEFENDANTS with his pre-existing business relationship with Robert Kasirer to further the private development interests of the KASIRER DEFENDANTS with knowledge of negative information regarding the background of Robert Kasirer;

b. structuring and agreeing to use the non-profit status of the HERITAGE DEFENDANTS as conduit issuers in a scheme to provide financing for the KASIRER DEFENDANTS' proposed purchase, renovation, and management of distressed health care facilities;

c. collecting fees paid from Heritage Bond proceeds for purported administrative oversight services in connection with the acquisition and renovation of the health care facilities;

d. unlawfully directing the transfer of proceeds from the Heritage Bond offerings;

e. obtaining secret loans for the HERITAGE DEFENDANTS from Miller & Schroeder to obtain appraisals and feasibility studies needed by Miller & Schroeder to underwrite the proposed Heritage Bonds; and

f. directing Heritage Bond proceeds to assist the KASIRER DEFENDANTS in acquiring vacant health care facilities, most of which were burdened with restrictive use covenants.

142. Larry Rubin agreed to participate with full knowledge of the conspiracy by:

a. combining his status as an officer and director for the HERITAGE DEFENDANTS with his pre-existing business relationship with Robert Kasirer to further the private development interests of the KASIRER DEFENDANTS with knowledge of negative information regarding the background of Robert Kasirer;

b. structuring and agreeing to use the non-profit status of the HERITAGE DEFENDANTS as conduit issuers in a scheme to provide financing for the KASIRER DEFENDANTS' proposed purchase, renovation, and management of distressed health care facilities;

c. collecting fees paid from Heritage Bond proceeds for purported administrative oversight services in connection with the acquisition and renovation of the health care facilities;

d. unlawfully directing the transfer of proceeds from the Heritage Bond offerings;

f. directing Heritage Bond proceeds to assist the KASIRER DEFENDANTS in acquiring vacant health care facilities, most of which were burdened with restrictive use covenants

145. Berman and Bertolini Inc. agreed to participate with full knowledge of the conspiracy by:

a. using the status of owner Onofrio Bertolini to direct architecture business to the Berman and Bertolini Inc. in connection with the Heritage Bonds; and

b. collecting fees paid from Heritage Bond proceeds for purported architecture and construction oversight services in connection with the acquisition and renovation of the health care facilities.

146. Robert Kasirer agreed to participate with full knowledge of the conspiracy by:

a. using his pre-existing business relationships with Defendant James Iverson, Defendant Jerold Goldstein, Defendant Emery Rubin, and Defendant Larry Rubin, to obtain financing from the Heritage Bonds to further the private development interests of the KASIRER DEFENDANTS;

b. using Heritage Bond proceeds to assist the KASIRER DEFENDANTS in acquiring vacant hospitals, most of which were burdened with restrictive use covenants, and then reselling the property to the HERITAGE DEFENDANTS at a profit;

c. using funds secretly loaned by Miller & Schroeder to obtain appraisal reports and feasibility studies, based on hypothetical assumptions and limiting conditions, for the proposed health care facilities to be financed by the Heritage Bonds;

d. directing fees derived from Heritage Bond proceeds to the KASIRER DEFENDANTS purportedly acting as managers of the health care facilities;

e. unlawfully directing the transfer of proceeds from the Heritage Bonds; and

f. Plaintiff alleges on information and belief that Defendant Kasirer engaged in self-dealing by misappropriating Heritage Bond proceeds for the unauthorized use of the KASIRER DEFENDANTS.

147. JDDJ Holdings L.P., under the direction and control of Defendant Robert Kasirer, agreed to participate with full knowledge of the conspiracy by locating vacant health care properties for resale at an undisclosed profit paid from proceeds of the Chicago bonds, from the Tarrant Houston bonds, from the Mexico Beach Seminole bonds, and from the Tarrant Brownsville bonds.

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Heritage Bonds were underwritten. These loans provided seed money to the HERITAGE DEFENDANTS in preparation for underwriting the Heritage Bonds.

154. The Official Statements contained a section titled "Relationships Among The Parties", for the purpose of disclosing conflicts of interest and related party transactions, that stated, "[T]here is no direct or indirect relationship between any of the officers of the Company (the HERITAGE DEFENDANTS) and the officers and directors of the Manager (the KASIRER DEFENDANTS)."

155. The Official Statements' representations in the section titled "Relationships Among The Parties" was false and misleading because there was no disclosure of loans from Miller & Schroeder, no disclosure of pre-existing business relationships involving Defendants Robert Kasirer, Jerold Goldstein, Larry Rubin, Emery Rubin and James Iverson, and no disclosure of the continuing relationship between Miller & Schroeder and the HERITAGE DEFENDANTS and the KASIRER DEFENDANTS as evidenced by twelve successive Heritage Bond offerings.

156. The Official Statements contained a section titled "Estimated Sources and Uses of Funds" describing the expected application of Heritage Bond proceeds. The descriptions were false and misleading because, among other reasons, the use of Heritage Bond proceeds to repay the loans from Miller & Schroeder should have been, but was not, disclosed in the Official Statements as a conflict of interest and as a use of investor funds.

B. <u>COST OVERRUNS AND CONSTRUCTION DELAYS FOR EACH PROJECT</u>

157. The Official Statements for the Heritage Bonds contained representations regarding the use of investor proceeds to renovate the project property and operate it as a health care facility. In addition to the "Estimated Sources And Uses Of Funds" section, the Official Statements contained a section titled "Construction Contract and the Contractor" which stated, "[U]pon issuance of the (Heritage Bonds), the Company (the HERITAGE DEFENDANTS) will enter into a construction contract ... to renovate the Existing Facility, pursuant to a **guaranteed** maximum price contract in the amount of ... . In connection with the Renovation Project, the contractor will **guarantee** completion of the Renovation Project and will provide a performance bond ... . The Construction Contract requires the Contractor to complete the Renovation Project by ..., subject to certain limited extensions, and to **guarantee** completion of the Renovation Project." (emphasis added)

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and integrity of the KASIRER DEFENDANTS, including Robert Kasirer, was material to prospective investors because revenue derived from operation of the facility by the KASIRER DEFENDANTS was the sole source of funds available for debt service payments for each respective Heritage Bond. Representations in the Official Statements about the achievements of the developer and manager were material to Plaintiffs because without an established and reputable and financially strong developer and manager, Heritage Bond holders had little, if any, assurance that the proposed project would be developed and operated and valued as represented in the Official Statements.

164. The Official Statements prepared and used by Miller & Schroeder in connection with the Heritage Bonds failed to disclose negative information regarding the KASIRER DEFENDANTS including: (a) several lawsuits in the last eight years alleging wrongful acts, including fraud, against Robert Kasirer in various business transactions including development of real property;

(b) unpaid obligations, totaling hundreds of thousands of dollars, of Robert Kasirer arising from tax liens and unsatisfied judgments;

(c) an IRS investigation involving Robert Kasirer's participation in the tax-exempt status of municipal securities financing real property development involving defendants Emery Rubin and Jerold Goldstein;

(d) (for those Heritage Bonds marketed after August of 1997) a lawsuit filed August 7, 1997, in California, against Robert Kasirer, some of the HERITAGE DEFENDANTS, Larry Rubin, and Emery Rubin, alleging wrongful acts such as misappropriation of bond proceeds at the Rancho Cucamonga Heritage facility; or

(e) (for those Heritage Bonds marketed after July of 1998) a lawsuit was threatened and eventually filed July 22, 1998, in California, against some of the KASIRER DEFENDANTS and some of the HERITAGE DEFENDANTS alleging wrongful acts such as fraud in the management of the Rancho Cucamonga Heritage facility.

165. The Official Statements prepared and used by Miller & Schroeder in connection with the Heritage Bonds also contained a "Litigation" section stating in part, "[T]he Company (the HERITAGE DEFENDANTS) has advised that no litigation or proceedings are pending or, to its knowledge, threatened against it or the Facility or the transactions described herein or which might have a material

terms such as price, fair market value, liens, restrictive covenants, and the identity and profit of participants to the transaction such as the KASIRER DEFENDANTS.

171. Heritage Bond holders were misled by not knowing the true and complete assumptions and limiting conditions supporting the appraisals, opinions of value, and feasibility reports for the real property purchased with bond holder proceeds and pledged as collateral to secure the bonds. The present fair market value of the pledged property was material to prospective investors' calculation of the value-to-lien ratio which measures the adequacy of the collateral securing their investment.

V.

OFFER AND SALE OF HERITAGE BONDS TO PLAINTIFF HERRMANN

172. Defendant Augusta solicited Plaintiff who purchased Heritage Danforth - Texas City bonds, from December of 1996 through March of 1999, with a face value of approximately $155,000.

173. Defendant Augusta solicited Plaintiff who purchased Heritage Danforth - Houston bonds, from March of 1997 through September of 1998, with a face value of approximately $55,000.

174. Defendant Augusta solicited Plaintiff who purchased Heritage Tarrant - Ft. Worth bonds, from May of 1997 through March of 1999, with a face value of approximately $195,000.

175. Defendant August solicited Plaintiff who purchased Heritage Mexico City - Sarasota bonds, in or about January of 1998, with a face value of approximately $25,000.

176. Defendant August solicited Plaintiff who purchased Heritage Danforth - Austin bonds, from July of 1998 through August of 1998, with a face value of approximately $65,000.

177. Defendant Augusta solicited Plaintiff who purchased Heritage - Chicago bonds, from July of 1998 through August of 1998, with a face value of approximately $35,000.

178. Defendant Augusta solicited Plaintiff who purchased Desert Hot Springs bonds, in or about August of 1998 with a face value of approximately $265,000. Plaintiffs sold these bonds in June of 1999.

179. Defendant Augusta solicited Plaintiff who purchased Heritage Tarrant - Houston bonds, in November of 1998, with a face value of approximately $25,000.

180. Defendant Augusta solicited Plaintiff who purchased Heritage Mexico Beach - Seminole bonds, from December of 1998 through February of 1999, with a face value of approximately $140,000.

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commencement of proceedings to foreclose on the project property securing the Heritage Bonds. At no time did the trustee, Miller & Schroeder, the SALES DEFENDANTS, or Defendant Clarey advise Plaintiff Class of the misrepresentations and omissions alleged herein. Instead, Miller & Schroeder led Plaintiffs to believe that the Heritage Bonds were in default for economic reasons other than misrepresentations and that investors would continue to be protected from losses because principal and interest payments were secured by first mortgages or trust deeds on the various health care facility real estate projects.

188. Heritage Bond holders remain ignorant of the true and complete facts regarding Miller & Schroeder loans and advances to the HERITAGE DEFENDANTS, the extent of the cost overruns and delays, the background and role of the KASIRER DEFENDANTS, and the lack of adequate real estate values to secure repayment of the Heritage Bonds. Plaintiffs' counsel recently learned of this material information in late October, 2001.

189. As part of the effort to conceal the fraud in connection with the Heritage Bonds, KEY EMPLOYEE DEFENDANTS have fraudulently conveyed the assets of Miller & Schroeder as alleged herein. In furtherance of the agreement and scheme to defraud in connection with the Heritage Bonds, Miller & Schroeder has stated to bond holder claimants and their counsel, including during the course of arbitration hearings, that Defendant Miller & Schroeder is and has been insolvent, thus with no ability to pay judgments. With the exception of the one class member, bond holder Lundquist, the MILLER & SCHROEDER DEFENDANTS have effectively prevented the Plaintiff Class members from discovering the true nature of the fraud perpetrated by the Defendants.

VII.

DEFINITION OF THE CLASS

190. Plaintiff Herrmann purchased ten different Heritage Bonds from Miller & Schroeder.

191. Plaintiff prosecutes this action on behalf of himself and all others similarly situated. The class is defined as follows:

> All those persons who held an account with Miller & Schroeder Financial, Inc. and who purchased during the time period of January 1, 1996 through December 31, 2000, beneficial interests in any of the following Heritage Bonds:

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Section 382. There is a community of interest amongst the class members who are so numerous and geographically dispersed so that it is impracticable to bring them all before this Court. Hundreds, if not thousands, of persons throughout the United States are members of the Plaintiff Class, most of whom are elderly and many of whom would face physical challenges in personally prosecuting an action of this nature. Many class members' damages are not large enough to economically justify litigation of this nature. Heritage Bonds were sold in denominations of $5,000. Common questions or law and fact predominate over any questions affecting only individual members of the Plaintiff Class. The common questions of law and fact that predominate include, among others:

(a) whether the Official Statements described herein contain false and misleading statements;

(b) whether the Asset Purchase Agreement dated as of July 26, 2001, between MILLER & SCHROEDER DEFENDANTS as "Sellers" and MM&S DEFENDANTS as "Buyers", represents a fraudulent conveyance of assets to avoid liabilities to the Plaintiff Class;

(c) whether a lien upon the assets transferred and a restraining order or injunction against further transfer of the assets transferred pursuant to the July 26, 2001 Asset Purchase Agreement should be imposed; and

(d) whether the MM&S DEFENDANTS are liable as successor corporations and/or alter egos of Defendant Miller & Schroeder Financial, Inc.

Plaintiff's claims are typical of the absent class members and Plaintiff will adequately and fairly represent the Plaintiff Class.

VIII.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

Untrue and misleading statements of material fact in the offer and sale of securities in violation of sections 12(a)(2) and 15 of the 1933 Securities Act

193. Plaintiffs reallege and incorporate by reference all previous allegations of this complaint and prosecute this claim for relief against Miller & Schroeder, Berean Capital Inc., the KEY EMPLOYEE DEFENDANTS, the SALES DEFENDANTS, the HERITAGE DEFENDANTS, and Does

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196. By reason of issuing, underwriting, offering, or selling municipal securities in this state by means of untrue statements and statements that are misleading because of the omission of material facts as alleged herein, these defendants violated Corporations Code section 25401 and as a result, Plaintiff and all those similarly situated have been damaged in an amount to be determined at trial pursuant to Corporations Code section 25501. Defendants Miller & Schroeder, Berean Capital Inc., and the SALES DEFENDANTS are liable as sellers as alleged in this complaint. The KEY EMPLOYEE DEFENDANTS are liable as control persons of Miller & Schroeder and the SALES DEFENDANTS pursuant to Corporations Code section 25504, with knowledge of the false and misleading statements alleged herein. The KEY EMPLOYEE DEFENDANTS are liable for materially assisting in the violations alleged herein pursuant to Corporations Code section 25504.1, with intent to deceive or defraud. The Heritage entities (Heritage Housing Development Inc., Heritage Healthcare of America Inc., Heritage Rancho Healthcare Inc., Heritage Care of Chicago Inc., Heritage Geriatric Housing Development IX Inc., Heritage Geriatric Housing Development VIII Inc., Heritage Geriatric Housing Development VII Inc. and Heritage Care of Sarasota) were issuers and sellers liable pursuant to Corporations Code section 25501. The Heritage control persons (Jerold Goldstein, Emery Rubin, Larry Rubin, Virgil Lim, and Onofrio Bertolini) are liable pursuant to Corporations Code section 25504, with knowledge of the false and misleading statements alleged herein. The Heritage control persons, Berman and Bertolini Inc., Joel Boehm, Sabo & Green, and Atkinson, Andelson, Loya, Ruud & Romo are liable for materially assisting in the violations alleged herein pursuant to Corporations Code section 25504.1, with intent to deceive or defraud.

THIRD CAUSE OF ACTION
Fraud and Deceit

197. Plaintiff realleges and incorporates by reference all previous allegations of this complaint and prosecute this claim for relief against all Defendants.

198. Defendants engaged in a course of business to deceive investors such as Plaintiffs, as alleged herein, by understating and inadequately disclosing, in each respective official statement, the true risks of using municipal bond proceeds to provide financing for speculative real estate development projects by non-governmental participants whose history and ability and financial status is inadequately

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and prosecute this claim for relief against all Defendants and Does 1-100 for breach of fiduciary duty and conspiracy to breach fiduciary duty in connection with defendants duty to properly advise Plaintiffs regarding the bonds.

208. At all times herein Defendants Miller & Schoeder and the SALES DEFENDANTS owed Plaintiff and all those similarly situated a fiduciary duty.

209. Defendants breached their fiduciary duty by recommending, offering, and selling unsuitable Heritage Bonds to Plaintiffs, effected through the use of misrepresentations and omissions of material information, as described herein.

210. By reason of the breach of fiduciary duty in connection with the sale of Heritage Bonds, these Defendants are liable to Plaintiffs for damages according to proof at trial.

211. Defendants, and each of them, did the wrongful acts alleged herein maliciously and with the intent to defraud and oppress Plaintiffs. Plaintiffs are therefore entitled to punitive and exemplary damages in such amount as may abide in the discretion of the trier of fact.

SIXTH CAUSE OF ACTION

Avoidance of transfer of property, attachment, temporary restraining order, preliminary and permanent injunction, and appointment of a receiver

212. Plaintiff prosecutes this cause of action on behalf of himself and all others similarly situated pursuant to the Uniform Fraudulent Transfer Act, California Civil Code Section 3439 et. seq., against the MM&S DEFENDANTS and the MILLER & SCHROEDER DEFENDANTS. Plaintiff incorporates by reference all preceding allegations of this Class Action Complaint.

213. The transfer of assets from the MILLER & SCHROEDER DEFENDANTS to the MM&S DEFENDANTS and their principals was: (a) not in good faith nor for a reasonably equivalent value; (b) with actual intent to hinder, delay and defraud creditors; (c) without receipt of reasonably equivalent value in exchange for the transfer; (d) was a transaction intended to render the MILLER & SCHROEDER DEFENDANTS and the MM&S DEFENDANTS judgment proof, with an apparent inability to satisfy liabilities to the Plaintiff Class.

214. If this transfer of assets, including cash, is not subject to an avoidance to the extent necessary to satisfy claims of the Plaintiff and all those similarly situated, these Defendants will further encumber or transfer the transferred assets frustrating any effort by Plaintiff and all those similarly

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PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment as follows:

UPON THE FIRST CAUSE OF ACTION

1. For rescission of Plaintiffs' Heritage Bond investments underwritten and sold by Miller & Schroeder Financial Inc., as described herein.

2. For damages in an amount exceeding $144,000,000 with interest as provided by law.

UPON THE SECOND CAUSE OF ACTION

3. For rescission of Plaintiffs' Heritage Bond investments underwritten and sold by Miller & Schroeder Financial Inc., as described herein.

4. For damages in an amount exceeding $144,000,000 with interest as provided by law.

UPON THE THIRD CAUSE OF ACTION

5. For damages in an amount exceeding $144,000,000 with interest as provided by law.

6. For punitive and exemplary damages.

UPON THE FOURTH CAUSE OF ACTION

7. For damages in an amount exceeding $144,000,000 with interest as provided by law.

UPON THE FIFTH CAUSE OF ACTION

8. For damages in an amount exceeding $144,000,000 with interest as provided by law.

9. For punitive and exemplary damages.

UPON THE SIXTH CAUSE OF ACTION

10. For an Order and Judgment setting aside the transferred assets as identified in the Asset Purchase Agreement to the extent necessary to satisfy the Plaintiffs' claims.

11. For injunctive relief in the form of a Temporary Restraining Order, Preliminary Injunction, and Permanent Injunction restraining Miller & Schroeder Financial Inc., Miller & Schroeder Inc., Miller & Schroeder Investments Corporation, Miller & Schroeder Small Business Capital Corporation, Miller & Schroeder Mortgage Corporation, Pooled Loan Marketing Corporation, PLMC-I Inc., MM&S Financial Inc., Marshall Miller & Schroeder Inc., MM&S Investments Corporation and each of them, their attorneys, officers, employees, agents, and those persons acting in concert or participation with them from directly or indirectly causing the transferred assets of Miller & Schroeder

B10 (Official Form 10) (4/01)

UNITED STATES BANKRUPTCY CC T DISTRICT OF MINNESOTA

PROOF OF CLAIM

Name of Debtor: SRC HOLDING CORPORATION fka MILLER & SCHROEDER, INC.

Case Number: 02-40284

RECEIVED

2002 MAY 22 PM 2:29

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor: (The person or entity to whom the debtor owes money or property)
MARK F. AUGUSTA

Name and address where notices should be sent:
Mark F. Augusta
c/o ROBBINS & KEEHN, APC
530 "B" Street, Suite 2400
San Diego, CA 92101
Telephone number: 619-232-1700

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
☐ Check box if you have never received any notices from the bankruptcy court in this case.
☐ Check box if the address differs from the address on the envelope sent to you by the court.

12

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor:

Check here if this claim: ☐ replaces ☐ amends a previously filed court claim, dated: _____

1. Basis for Claim:
☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other Indemnification and general damages for Fraud

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensations (Fill out below)
Your SS# _____
Unpaid compensations for services performed
from _____ (date) to _____ (date)

2. Date debt was incurred: December 1996 - March 1999

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ 7,000,000.00
If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim
☐ Check this box if your claim is secured by collateral (including a right of setoff).
Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle
☐ Other _____
Value of Collateral: $_____
Amount of arrearage and other charges at time case filed included in secured claim, if any: $_____

6. Unsecured Priority Claim
☐ Check this box if you have an unsecured priority claim.
Amount entitled to priority claim $_____
Specify the priority of the claim:
☐ Wages, salaries, or commissions (up to $4,650*), earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier — 11 U.S.C. § 507(a)(3)
☐ Contributions to an employee benefit plan — 11 U.S.C. §507(a)(4)
☐ Up to $2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use — 11 U.S.C. §507(a)(6)
☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child — 11 U.S.C. §507(a)(7)
☐ Taxes or other penalties of governmental units — 11 U.S.C. § 507(a)(8)
☐ Other — Specify applicable paragraph of 11 U.S.C. § 507(a) _____
**Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

7. **Credits:** The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
8. **Supporting Documents:** *Attach copies of supporting documents,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.
9. **Date-Stamped Copy:** To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

SEND CLAIMS TO:

U.S. BANKRUPTCY COURT
301 U.S. COURTHOUSE
300 SOUTH FOURTH STREET
MINNEAPOLIS, MN 55415

Date 5/20/02

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

For CHAPTER 7, 11 or 12 CASES filed on or after April 1, 2001

B10 (Official Form 10) (4/01)

UNITED STATES BANKRUPTCY COURT DISTRICT OF MINNESOTA | **PROOF OF CLAIM**

Name of Debtor: SRC Holding Corporation

Case Number: 02-40284-NCD

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor: (The person or entity to whom the debtor owes money or property)
Wanda Pope Felton

Name and address where notices should be sent:
c/o John R. Stoebner, Esq.
120 South 6th Street, Ste 2500, Mpls, MN 55402
Telephone number: 612-338-5815

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
☒ Check box if you have never received any notices from the bankruptcy court in this case.
☐ Check box if the address differs from the address on the envelope sent to you by the court.

MAR 13 2003

21

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor:
R125192801

Check here if this claim: ☐ replaces ☐ amends a previously filed court claim, dated: _____

1. Basis for Claim:
☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other Investment Losses

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensations (Fill out below)
Your SS# _____
Unpaid compensations for services performed
from _____ (date) to _____ (date)

2. Date debt was incurred: See attached

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $ 1,325,615.53
If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
☒ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim
☐ Check this box if your claim is secured by collateral (including a right of setoff).
Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle
☐ Other _____
Value of Collateral: $_____
Amount of arrearage and other charges at time case filed included in secured claim, if any: $_____

6. Unsecured Priority Claim
☐ Check this box if you have an unsecured priority claim.
Amount entitled to priority claim $_____
Specify the priority of the claim:
☐ Wages, salaries, or commissions (up to $4,650*), earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier — 11 U.S.C. § 507(a)(3)
☐ Contributions to an employee benefit plan — 11 U.S.C. §507(a)(4)
☐ Up to $2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use -- 11 U.S.C. §507(a)(6)
☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child — 11 U.S.C. §507(a)(7)
☐ Taxes or other penalties of governmental units — 11 U.S.C. § 507(a)(8)
☐ Other — Specify applicable paragraph of 11 U.S.C. § 507(a) _
Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

7. **Credits:** The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
8. **Supporting Documents:** *Attach copies of supporting documents,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.
9. **Date-Stamped Copy:** To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

SEND CLAIMS TO:

U.S. BANKRUPTCY COURT
301 U.S. COURTHOUSE
300 SOUTH FOURTH STREET
MINNEAPOLIS, MN 55415

Date: 3/12/03

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):
John R. Stoebner,
Attorney for Creditor

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

For CHAPTER 7, 11 or 12 CASES filed on or after April 1, 2001

Re: US Bankruptcy Court
Case # 02-06093JM

Creditor: Wanda Pope Felton Revocable Living Trust

Investment Losses (through Miller and Schroeder Account # RI 27928 01

Loss of Principal

Issue	Cusip	Quantity	Cost	Current Market Value	Loss
Beech Grove	076698CB3	25,000	25,004.00	11,000.00	(14,733.17)
Beech Grove	076698DG1	45,000	45,000.00	2,250.00	(43,160.00)
Bexar	088379NF5	60,000	60,000.00	6,000.00	(54,000.00)
East Point GA	274503AE1	40,000	41,604.00	35,173.00	(6,431.00)
Emerald Coast	29087RAA3	195,000	195,000.00	81,900.00	(114,708.75)
Emerald Coast	29087RAA3	5,000	5,000.00	2,100.00	(2,900.00)
Emerald Coast	29087RAA3	5,000	4,900.00	2,100.00	(2,800.00)
Fontana	344630EY0	325,000	295,315.50	260,812.00	(35,003.50)
Fontana	344630EN4	75,000	72,375.00	60,187.00	(12,188.00)
Fontana	344630ES3	70,000	61,258.00	56,175.00	(5,083.00)
GlobalStar	379363AKO	104,000	72,564.00	6,760.00	(65,804.00)
GlobalStar	379363AR5	25,000	18,879.00	1,625.95	(17,254.05)
Indianapolis	455369BB9	10,000	10,189.70	1,000.00	(9,189.70)
Jackson Cnty,MO	467369BB9	75,000	75,000.00	6,750.00*	(68,250.00)*
Jackson Cnty,Mo	467369AZ7	65,000	59,278.25	42,138.59*	(17,139.66)*
Mexico Beach	59283TAQ3	500,000	500,000.00	500.00	(450,000.00)
Mexico Beach	59283TBJ8	130,000	130,000.00	10,400.00	(119,600.00)
Tarrant Co. TX	87638LFY1	45,000	45,000.00	2,250.00	(42,250.00)
Tarrant Co. TX	87638LBN8	100,000	100,000.00	10,000.00	(90,000.00)
Weirtan	948804AC3	35,000	35,787.50	8,400.00	(27,387.50)
Total Loss of Principal					**(1,197,881.53)**

- Jackson County, MO development was purchased by Bank of America and they gave the value listed above for the bonds.

Re: US Bankruptcy Court
Case #02-06093JM

Creditor: Wanda Pope Felton Revocable Living Trust

Loss of Interest Income

East Point GA:	Last Interest Payment 9/01		
	$1,800.00 x 2 missed payments (3/02, 7/02)	3,600	
	$2,250.00 x 3 missed payments (9/99,3/00,9/00)	6,750.00	
			(10,350.00)
GlobalStar	Last Interest Payment 12/01/2000		
	$1,437.50 x 4 missed payments (6/01,12/01,6/02,12/02)	5750.00	
GlobalStar	Last Interest Payment 2/15/00		
	$5915.00 x 5 missed payments (8/00,2/01,8/01,2/02,8/02)	47,320.00	
			(53,070)
Jackson Cnty MO:	Last Interest Payment 7/1/2000		
	$5,275 x 2 missed payments (1/01,7/01)		(10,550.00)
Mexico Beach FL:	Last Interest Payment 12/1/99		
	$20,000 x 6 missed payments (6/2000,12/00,6/01,12/01 6/02,12/02)	120,000	
Mexico Beach FL:	Last Interest Payment 12/01/99		
	$4,875 x 6 missed payments (6/00,12/00,6/01,12/01 6/02,12/02)	29,250	
			(149,250.00)
{Mexico Beach partial payment	6/10/02		107,855.00
Mexico Beach partial payment	6/10/02		23,595.00
Tarrant Co. TX:	Last Interest Payment 9/99		
	$1744 x 6 missed payments (3/00,9/00,3/01,9/01,3/02,9/02)	10,464	
Tarrant Co.TX:	Last Interest Payment 11/99		
	$4250 x 6 missed payments (5/00,11/00,5/01,11/01 5/02,11/02)	25,500	
			(35,964.00)
Total loss of interest income			**(127,734.00)**
Total investment losses through 12/1/2002			**(1,325,615.53)**

P.04/12
TO 918638597425
DEC 04 2002 23:56 FR

TD PSN	**TYPE 1-8**	PX/DLA	FS	EX	SYM/MV
228.7523	WAL-MART STORES INC	53.930		A	WMT
		10/09/02 MV:12,336			
		SB:228.7523			
		DR OR:1			
2,628.4358	WALGREEN CO	28.600		A	WAG
		11/19/02 MV:75,173			
		SB:2,628.4358			
		DR OR:1			
		RI OR:2,628.4358			
104,000	GLOBALSTAR L P CAP CORP	6.500		H	5563177
	SR NOTE	01/17/01 MV:6,760			
	DUE 02/15/2004 INT 11.375%	SB:104,000			
30,000	SAN JOSE CALIF IMP BD ACT 1915	105.680K			3917183
	IMP DIST 83-176SJ-SENTER RD	01/17/01 MV:31,704			
	DUE 07/02/2004 INT 10.600%	SB:30,000			

DEC 04 2002 23:56 FR TO 918638597425 P.05/12

TD PSN	**TYPE 1-8**	PX/DLA	FS EX	SYM/MV
25,000	GLOBALSTAR L P / GLOBALSTAR	6.500	H	5157683
	CAP CORP SR NOTE	01/17/01 MV:1,625		
	DUE 06/01/2005 INT 11.500%	SB:25,000		
75,000	FONTANA CALIF SPL TAX CMNTY	80.250K		3277279
	FACS DIST #90-3 EMPIRE	10/04/01 MV:60,187		
	DUE 04/01/2011 INT 8.375%	SB:75,000		
35,000	WEIRTON W VA POLLUTN CTL REV	24.000K		3845041
	RFDG WEIRTON STEEL PROJ	05/06/02 MV:8,400		
	DUE 11/01/2014 INT 8.625%	SB:35,000		
70,000	FONTANA CALIF SPL TAX CMNTY	80.250K		3277280
	FACS DIST #90-3 EMPIRE	10/04/01 MV:56,175		
	DUE 04/01/2015 INT 8.400%	SB:70,000		
10,000	INDIANAPOLIS IND MULTI-FAM REV	10.000K		3501097
	HSG SUNRISE APTS PJ SER C	11/29/02 MV:1,000		
	DUE 06/01/2019 INT 9.000%	SB:10,000		

DEC 04 2002 23:56 FR TO 18638597425 P.06/12

TD PSN	**TYPE 1-8**	PX/DLA	FS EX	SYM/MV
325,000	FONTANA CALIF SPL TAX CMNTY	80.250K		3277281
	FACS DIST #90-3 EMPIRE	10/04/01 MV:260,812		
	DUE 04/01/2021 INT 8.500%	SB:325,000		
40,000	EAST POINT GA HSG AU MULTIFAM	87.934K		3523322
	REV SUB HSG COLONY REGENCY	03/01/02 MV:35,173		
	DUE 03/01/2023 INT 9.000%	SB:40,000		
205,000	EMERALD COAST FLA HSG II INC	42.000K		3786009
	HSG REV SER A	01/17/01 MV:86,100		
	DUE 07/01/2026 INT 8.250%	SB:205,000		
35,000	NEWPORT KY PUB PPTYS CORP REV	95.967K		3152343
	1ST MTG-PUB PRKG & PLAZA-A-1	01/17/01 MV:33,588		
	DUE 01/01/2027 INT 8.500%	SB:35,000		
100,000	TARRANT CNTY TEX HEALTH FACS	10.000K		2846913
	DEV CORP REV ST JOSEPH LONG	01/17/01 MV:10,000		
	DUE 05/01/2027 INT 8.500%	SB:100,000		

TMV 1,451,622
T/E 1,451,622

TO :8638597425 P.07/12
DEC 04 2002 23:56 FR

TD PSN	**TYPE 1-8**	PX/DLA	FS EX	SYM/MV
500,000	MEXICO BEACH FLA PUB SVC	.100K		3832943
	FACS REV HERITAGE HOUSE	01/17/01 MV:500		
	DUE 12/01/2027 INT 8.000%	SB:500,000		
25,000	BEECH GROVE IND ECONOMIC DEV	44.000K		2873341
	REV VLG APTS PJ SR-A	01/17/01 MV:11,000		
	DUE 01/01/2028 INT 7.000%	SB:25,000		
45,000	BEECH GROVE IND ECONOMIC DEV	5.000K		2959105
	REV DIPLOMAT SOUTH APTS PJ	01/17/01 MV:2,250		
	DUE 01/01/2028 INT 8.000%	SB:45,000		
60,000	BEXAR CNTY TEX HSG FIN CORP	10.000K		3481788
	MULTI FAMILY HSG-KINGS PL &	01/17/01 MV:6,000		
	DUE 07/01/2028 INT 8.000%	SB:60,000		
130,000	MEXICO BEACH FLA PUB SVC FACS	8.000K		2969573
	REV HERITAGE HOUSE SEMINOLE PJ	01/17/01 MV:10,400		
	DUE 12/01/2028 INT 7.500%	SB:130,000		

030 356-30169-FSX POPE FELTON TR B-3 S-7 9:53 12/04/02
CL A1 TAX 4 C/S C ACM M FD016 TMV 1,451,622
T/E 1,451,622

TD PSN	**TYPE 1-8**	PX/DLA	FS EX	SYM/MV
45,000	TARRANT CNTY TEX HEALTH FACS	5.000K		2968553
	DEV CORP REV HERITAGE VLY	01/17/01 MV:2,250		
	DUE 03/01/2029 INT 7.750%	SB:45,000		

N: A/C: ka6 30169 SPAD ID: LAST PAGE PA2-PREV
TYPE SSC#

Beech Grove in Economic Dev
Beech Grove Village Proj Apts PRJ
Sr. Ser. 97A Callable 1/01/03 @ 102
7%

11/04/98 Bought 25,000 = $ par 25,000 -
Int 729 17
Fee 4 00
25,733 12

Cusip - 076698CB3

Miller & Schroeder Financial, Inc.

P.O. BOX 799
MINNEAPOLIS, MN 55440-0799

TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-8788

Member
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO	TYPE	TRANS NO	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE	IR	CAC
AUGUSTA		38026266	1	00026	O	2		11/04/98	12/01/98	CA01	IR

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

SOCIAL SEC / ID NO.
: 508-05-1655

CONTRA PARTY OR CUSTOMER

ANDA POPE FELTON F/K/A WANDA B
OPE TRS WANDA POPE FELTON F/K/A
ANDA POPE REV LIV TR DTD 11/17/88
MENDED 11/16/95
330 WESTLAKE PARKER DR
AKELAND FL 33805-4553

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
OU BOT	25000	076698CB3	BEECH GROVE IN ECONOMIC DEV REV BEECH GROVE VLG APTS PRJ SR SER 97A CALL 1/1/03 @ 102 CALLABLE 01/01/03 AT 102.000 GID: 97.537	7.0000	01/01/28 DATED: 10/01/97

INT ACRD 07/01/98 TO 12/01/98

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
100.00	25000.00			729.17		4.00	25733.17

MDY NR S&P NR FITCH NR DUFF NR

YIELD TO 01/01/05 CALL AT 100.000 6.9982%

ADDL CALL FEATURES: IF THIS SECURITY WAS PURCHASED ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THE ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS.

MS-2 3/94

Beech Grove Economic Dev.
Rev. Diplomat / South Apts PRJ
Subordinated SRS 1997 C
Callable 1/01/03 @ 102 ±

8% due 1/01/28

Sold 7/01/98 - 1800 -

1/07/98 Bought 45000 @ par = 45,000
Interest 410
45,410

Cusip 076698DG1

~~Wash 98 45~~

Miller & Schroeder Financial, Inc.

3

P.O. BOX 789
MINNEAPOLIS, MN 55440-0789

TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-5289

SIPC Member: National Association of Securities Dealers, Inc. / Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE		
M AUGUSTA		38026266	1	00037	O	2	C	01/07/98	01/12/98	CA01	IE

SOCIAL SEC / ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION:
INVESTOR LETTER REQUIRED
APPLY PROCEEDS FROM SOLD BONDS

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOUGHT	45000	076698DG1	BEECH GROVE IN ECONOMIC DEV REV DIPLOMAT SOUTH APTS PRJ SUBORDINATED SRS 1997C CALLABLE 01/01/03 AT 102.000	8.0000	01/01/28

INT ACRD 12/01/97 TO 01/12/98 — DATED: 12/01/97 FIRST: 07/01/98

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	
100.00	45000.00			410.00			45410.00

MDY NR S&P NR FITCH NR DUFF NR ADDL CALL FEATURES EXIST

YIELD TO 01/01/03 CALL AT 100.000 7.9999

[illegible] AMOUNT DUE OR SECURITIES DUE NOT ALREADY IN YOUR ACCOUNT. THEY MUST BE RECEIVED IN OUR OFFICES ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THOSE ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS

Econ Grove in Economic Dev
Rev Beech Grove Village Proj Apt PRJ
Sr. Ser. 97A Callable 1/01/03 @ 102
[illegible]

11/04/98 Bought 25,000 = @ par 25,000 -
Int 729 17
Fee 4 00
25,733 17

Comp - 076698CB3

Miller & Schroeder Financial, Inc.

Member
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

P.O. BOX 45
MINNEAPOLIS, MN 55440-0789

TOLL FREE: MINNESOTA 1-800-321-6742 / CALIFORNIA 1-800-342-6145

SETTLEMENT INSTRUCTIVE	STREET	ACCOUNT NO.	TYPE	TRANS NO.	PRIC	CAP	SPEC	TRADE DATE	SETTLEMENT DATE	TE	ASSOC
AUGUSTA		38036266	1	00026	O	2		11/04/98	12/01/98	CA01	IR

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

SOCIAL SEC / ID NO. — CONTRA PARTY OR CUSTOMER

508-05-1665

ANDA POPE FELTON F/K/A WANDA B
OPE TRS WANDA POPE FELTON F/K/A
ANDA POPE REV LIV TR DTD 11/17/88
MENDED 11/16/95
830 WESTLAKE PARKER DR
AKELAND FL 33805-4558

	QUANTITY	CUSIP #/FILE #	DESCRIPTION	RATE	MATURITY
OU OT	25000	076698CB3	BEECH GROVE IN ECONOMIC DEV REV BEECH GROVE VLG APTS PRJ SR SER 97A CALL 1/1/03 @ 102 CALLABLE 01/01/03 AT 102.000 OID: 97.537	7.0000	01/01/28 DATED: 10/01/97

NT ACRD 07/01/98 TO 12/01/98

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	
100.00	25000.00			729.17		4.00	25733.17

MDY NR S&P NR FITCH NR DUFF NR 6.9968%
YIELD TO 01/01/03 CALL AT 100.000

ADDITIONAL CALL FEATURES EXIST. THE AMOUNT DUE OR SECURITIES ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED BY US PRIOR ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THE ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

SEE REVERSE SIDE FOR EXPLANATION OF MOST TERMS AND DEFINITIONS

Bexar Co. Hsg. Fin. Corp.
Multi Family Housing King Point
Thompson Place Apts Proj. Subord
Series 98C
Callable 7/01/03 @ 102.00
8% due 7/01/28 Dated 7/01/98 Int 4/01/98
4/07/98 Bought 60,000 at par 60,000.-
Int. 186.67
60,186.67
Cusip 088379NF5

Miller & Schroeder Financial, Inc.

P.O. BOX 759
MINNEAPOLIS, MN 55440-0759 TOLL FREE: MINNESOTA 1-800-323-9122 • CALIFORNIA 1-800-542-9288

Member
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAPS	SPEC	TRADE DATE	PROCESS DATE	DELIVERY	DATE
M AUGUSTA		38026266	1	00063	O	2	E	04/07/98	04/15/98	CA01	1

SOCIAL SEC / ID NO. / CONTRA PARTY OR CUSTOMER

S: 508-05-1655

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 W LAKE PARKER DR
LAKELAND FL 33805-4553

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

INVESTOR LETTER REQUIRED

APPLY SOLD BOND PROCEEDS

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	60000	088379NF5	BEXAR CNTY HSG FIN CORP MULTI-FAM HSG REV KINGS PT THOMPSON PLACE APTS PRJ SUBORD SRS 98C	8.0000	07/01/28

INT ACRD 04/01/98 TO 04/15/98 CALLABLE 07/01/03 AT 102.000 DATED: 04/01/98 FIRST: 07/01/99

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	REC FEE	MISC	NET AMOUNT
100.00	60000.00			186.67			60186.67

MDY NR S&P NR FITCH NR DUFF NR ADDL CALL FEATURES EXIST

YIELD TO 07/01/05 CALL AT 100.000 7.99645%

IF YOU ARE PURCHASING OR SELLING THIS AMOUNT OR GREATER AND THESE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OFFICE ON OR BEFORE THIS SETTLEMENT DATE

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

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SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS

MS-23/A

[illegible] Bain-Facil, [illegible] Hanc. [illegible] Mach.
Sam. Hog. Sub Rev. Bro. Calamy Rty
Prior: Pri. Series B. Mat. to 4MT
~~Atmos.~~ Callable 3/01/03 at 102.00
9%, due 3/01/23.

Page 3,4

8/28/96 Bought 40,000 @ 104.00 — 41,600.00
Int 90 —
Fee 4
41,694.00

10/04/96 - To Trader - Schneider attest mark

1/24/97 Bought 10,000 @ 105 10500 —
Int 376 —
Fee 4 —
10874.00
+ above 41694.00
Total Cost 52,568.00

Cusip: 274503 AE1
New 50,000 Total

6/23/97 Bought 15,000 @ 102.75 15,413.00
Int 420 —
Fee 4.00
15,837.00

New 65,000 total

New 60,000 Total

9/02/97 500 called @ 100.00 = 50000.00
New 55,000 Total
3/01/99 500.00 to be called
Balance - now 54000
5000 called @ 100.00

— Owed 51,500.00

9/01/00 - 5,000 called

Miller & Schroeder Financial, Inc.

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MINNEAPOLIS, MN 55440-0799

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Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE		
M AUGUSTA		38026266	1	00011	0	2		08/28/96	09/10/96	CA01	XHR

SOCIAL SEC/ID NO.: S: 508-05-1655

COMPLIANCE/DEPT CUSTOMER

SPECIAL DELIVERY INSTRUCTIONS/ADDITIONAL INFORMATION

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/89
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

YOU BOT	QUANTITY	CUSIP W/FILE #	DESCRIPTION	RATE	MATURITY
	40000	274503AE1	EAST POINT GA HSG AUTH MULTI FAM HSG SUB REV BDS COLONY RCV PTNRS PRJ SER B SUBJ TO AMT CALLABLE 03/01/03 AT 102.000	9.0000	03/01/23 DATED: 03/01/93

INT ACRD 09/01/96 TO 09/10/96
SUBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	NET AMOUNT
104.00	41600.00			90.00		4.00	41694.00

MDY NR S&P NR FITCH NR DUFF NR

YIELD TO 03/01/05 CALL AT 100.000 8.3318 ADDL CALL FEATURES

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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*SEE REVERSE SIDE FOR EXPLANATION OF MISC. TERMS AND CONDITIONS.

PLEASE RETAIN THIS COPY FOR YOUR RECORDS

MS-2 3/94
CP

CONFIRMATION

Miller & Schroeder Financial, Inc.

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MINNEAPOLIS, MN 55440-0789

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National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE	TIME	LOC
M AUGUSTA		38026266	1	00073	0	2		01/24/97	01/29/97	CA01	IN

SOCIAL SEC./ID NO. 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

SPECIAL DELIVERY INSTRUCTIONS/ADDITIONAL INFORMATION

APPROX YIELD TO MATURITY = 8.51%

	QUANTITY	CUSIP #/FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	10000	274503AF1	EAST POINT GA HSG AUTH MULTI FAM HSG SUB REV BDS COLONY RGY FINRS PRJ SER B SUBJ TO AMT CALLABLE 03/01/03 AT 102.000	9.0000	03/01/23 DATED 03/01/93

INT ACRD 09/01/96 TO 01/29/97
SUBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC.	NET AMOUNT DUE
105.00	10500.00			370.00		4.00	10874.00

MDY NR S&P NR FITCH NR DUFF NR
YIELD TO 03/01/05 CALL AT 100.000 8.141

THANK YOU FOR LETTING US SERVE YOU. IF WE ARE DUE OR DUE, BUT ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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M9-2 3/94 CONFIRMATION

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INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAPS	SPEC	TRADE DATE	SETTLEMENT DATE		
M AUGUSTA		38026266	1	00079	O	2		06/18/97	06/23/97	CA01	1

SOCIAL SEC/ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INSTRUCTIONS

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

APPROX YIELD TO MATURITY = 8.72%
CURRENT YIELD = 8.75%

RPR

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	15000	274503AE1	EAST POINT GA HSG AUTH MULTI FAM HSG SUB REV BDS COLONY PCTY PTNRS PRJ SER B SUBJ TO AMT CALLABLE 03/01/03 AT 102.000	9.0000	03/01/23 DATED: 03/01/93

INT ACRD 03/01/97 TO 06/23/97
SUBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT DUE ON SECURITIES
102.758	15413.70			420.00		4.00	15837.70

MDY NR S&P NR FITCH NR DUFF NR

YIELD TO 03/01/05 CALL AT 100.000 8.500000% ADDL CALL FEATURES EXIST

THANK YOU FOR INVESTING WITH US. IF SECURITIES ARE NOT ALREADY IN YOUR ACCOUNT, THE AMOUNT DUE ON SECURITIES MUST BE ON OR BEFORE THE SETTLEMENT DATE.

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MS-2 3/94
60

YOUR PRIVATE COPY

Note Reg. Serv. A.

8.25% due 7/01/26

Coupons 7/01/02 @ 103.5

Chip 29087RAA3

5000 —

45 83

4 —

5044 83

Total Cost

4800 —

Int. Due 1 14 —

4914 —

Total Cost

304,914 —

8/19/96 Recd Cert # AR-0152

200,000 —

Cusip 29087RAA3

Rec. 7/25/96

10/04/96 To Miller + Schroeder

street name

Due 315000 —

11/20/96

1/24-1/97

105,000 —

194,008.75

8/24/96 Pay agt

Emerald Coast

AMSo. Bank of Alabama

PO Box 11007

Birmingham AL

35203

205-326-5163

Miller & Schroeder Financial, Inc.

P.O. BOX 789
MINNEAPOLIS, MN 55440-0789

TOLL FREE: MINNESOTA 1-800-328-8122 • CALIFORNIA 1-800-542-6288

SIPC
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	TYPE	ACCOUNT NR.	TAX	TRAN NR.	SRC	CUS	REV	TRADE DATE	DELIVERY DATE	CUSTOMER CODE
M AUGUSTA		38026266	1	00040	0	2		06/18/96	06/21/96	CA01

SOCIAL SEC/TAX ID NR. CONTINUATION OF CUSTOMER

SS: 508-05-1655

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

DUPLICATE

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA B POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

	QUANTITY	CUSIP NR/REF.	DESCRIPTION	COUPON	MATURITY
YOU BUY	195000	29087RAA3	EMERALD COAST FL HSG IT INC HSG REV SER A	8.2500	07/01/26

DATED: 05/15/96
FIRST: 01/01/97

INT ACRD 05/15/96 TO 06/21/96 CALLABLE 07/01/06 AT 103.500

PRICE	PRINCIPAL	COMMISSION	HAZ TAX	INTEREST	SEC FEE	OTHER	NET AMOUNT
100.00	195000.00			1608.75			196608.75

MDY NR. S&P NR. FITCH NR. DUFF NR. ADDL CALL FEATURES

YIELD TO 07/01/13 CALL AT 100.000 8.249%

PROSPECTUS SENT SEPARATELY

THANK YOU FOR LETTING US SERVE YOU. THE AMOUNT OR SECURITIES DUE MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

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MS-9 0494
OVP

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SIPC Member
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	DATE	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CUST	TYPE	TRADE DATE	SETTLE DATE		
W AUGUSTA		38026266	1	00113	0	2	C	06/20/96	06/25/96	CA01	XCR

SS 508-05-1655

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA B POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

DUPLICATE

	QUANTITY	CUSIP NO.	DESCRIPTION	COUPON	MATURITY
YOU BOT	5000	29087RAA3	EMERALD COAST FL HSG II INC HSG REV SER A	8.2500	07/01/26

INT ACCR 06/15/96 TO 06/25/96 CALLABLE 07/01/06 AT 103.500 DATED: 05/15/96 FIRST: 01/01/97

PRICE	PRINCIPAL AMT	COMMISSION	NET	INTEREST	FEE	NET AMOUNT
100.00	5000.00			45.83	4.00	5049.83

MDY NR S&P NR FITCH NR DUR NR ADDL CALL FEATURES

YIELD TO 07/01/13 CALL AT 100.000 0.249701%

THANK YOU FOR LETTING US SERVE YOU. THE AMOUNT OR SECURITIES DUE MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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MS-23/94

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INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SEC	TRADE DATE	SETTLEMENT DATE	OFF	AEC
M AUGUSTA		38026266	1	00046	0	2	C	08/20/96	08/23/96	CA01	XHK

SOCIAL SEC NO./I.D. NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

APROX YIELD TO MATURITY = 8.433%
CURRENT YIELD = 8.418%

	QUANTITY	CUSIP #/FILE #	DESCRIPTION	RATE	MATURITY
YOU BUY	5000	29087RAA3	EMERALD COAST FL HSG II INC HSG REV SER A	8.2500	07/01/26

CALLABLE 07/01/06 AT 103.500

DATED: 05/15/96
FIRST: 01/01/97

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
98.00	4900.00			4.00			4904.00

MDY NR S&P NR FITCH NR DUFF NR ADDL CALL FEATURES: FIRST

YIELD TO MATURITY 8.432698%

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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MS-2 8/94
CAP

Santana CA Special Tax Bonds
Community Facilities Dist.
No 90-3-Empire
Callable 4/01/01 @ 102
8.4% due 4/01/15

3/06/97 Bought 20,000 @ 80 : 16,000
Int 746.67
16,750.67
Due 4/01 4.00
Cusip 344630 E53 16,754.67

Partial Call 10/01/98 25,000

8/19/97 Bought 25,000 @ 90½ 22,625
Int Due 886.67
23,511.67

8/19/97 Bought another 25,000 @ 90½ 22,625
886.67
23,511.67

25,000
~~50~~

Total now 95,000

25,000 - called 10/01/98 at par (25,000)

Total now $70,000

4/01/00 - defaulted partially

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Member:
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE	IR	A-B-C
M. AUGUSTA		38026266	1	07026	O	2		08/19/97	09/03/97	CA01	IR

SOCIAL SEC / ID NO.: S: 508-05-1655

CONTRA PARTY OF CUSTOMER:

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION:

CURRENT YIELD = 8.282%

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	25000	344630ES3	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3-EMPIRE CALLABLE 04/01/01 AT 102.000	8.4000	04/01/15

DATED: 03/27/91

INT ACRD 04/01/97 TO 09/03/97
SUBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	NET AMOUNT DUE
90 1/2	22625.00			886.67		4.00	23515.67

MDY NR S&P NR FITCH NR DUFF NR

CORRECTION

YIELD TO MATURITY 9.522092%

ADDL CALL FEATURES EXIST

REVISED FOR A/C # & SETTLEMENT DATE

INVESTOR LETTER ON FILE

MS-2 3/94 CAP

CONFIRMATION

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE*	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	IE	A-B-C*
M.AUGUSTA		38026266	1	07024	O	2		08/19/97	09/03/97	CA01	IR

SOCIAL SEC / ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER:

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION:

CURRENT YIELD = 9.282%
APPLY CALLED BOND PROCEEDS

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	25000	344630ES3	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3-EMPIRE	8.4000	04/01/15

INT ACRD 04/01/97 TO 09/03/97
SUBJECT TO EXTRAORDINARY REDEM
CALLABLE 04/01/01 AT 102.000
DATED: 03/27/91

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT DUE
90 1/2	22625.00			886.67		4.00	23515.67

MDY NR S&P NR FITCH NR DUFF NR

ADDL CALL FEATURES EXIST

CORRECTION

YIELD TO MATURITY 9.522092%

REVISED FOR PAR VALUE

MS-2 3/94 CAP

CONFIRMATION

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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Member:
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	IE	A-B-C*
M AUGUSTA		38026266	1	07024	O	2		08/19/97	09/03/97	CA01	IR

SOCIAL SEC / ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER:

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	25000	344630ES3	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3-EMPIRE CALLABLE 04/01/01 AT 102.000	8.4000	04/01/15

INT ACRD 04/01/97 TO 09/03/97
SUBJECT TO EXTRAORDINARY REDEM

DATED: 03/27/91

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
90 1/2	22625.00			886.67		4.00	23515.67

MDY NR S&P NR FITCH NR DUFF NR ADDL CALL FEATURES EXIST

CORRECTION

YIELD TO MATURITY 9.522092%

REVISED FOR PAR VALUE

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OF SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THESE ADDITIONAL CALL FEATURES MAY AFFECT YIELD; COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

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*SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS.

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MS-2 3/94 CAP

CONFIRMATION

Miller & Schroeder Financial, Inc.

P.O. BOX 789
MINNEAPOLIS, MN 55440-0789

TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-6258

SIPC
Member:
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	IE	A-R-C*
M AUGUSTA		38026266	1	00048	O	2		08/19/97	09/03/97	CA01	IR

SOCIAL SEC / ID NO: S: 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	50000	344630ES3	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3-EMPIRE CALLABLE 04/01/01 AT 102.000	8.4000	04/01/15

INT ACRD 04/01/97 TO 09/03/97
SUBJECT TO EXTRAORDINARY REDEM

DATED: 03/27/91

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT DUE
90 1/2	45250.00			1773.33		4.00	47027.33

MDY NR S&P NR FITCH NR DUFF NR

YIELD TO MATURITY 9.522092%

ADDL CALL FEATURES EXIST

INVESTOR LETTER ON FILE

THANK YOU FOR LETTING US SERVE YOU. IF ANY AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE*	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	IE	A-B-C*
M AUGUSTA		38026266	1	07026	O	2		08/19/97	09/03/97	CA01	IR

SOCIAL SEC / ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER:
WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION:
DUPLICATE
FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	25000	344630ES3	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3-EMPIRE CALLABLE 04/01/01 AT 102.000	8.4000	04/01/15

INT ACRD 04/01/97 TO 09/03/97
SUBJECT TO EXTRAORDINARY REDEM

DATED: 03/27/91

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	NET AMOUNT DUE
90 1/2	22625.00			886.67		4.00	23515.67

MDY NR S&P NR FITCH NR DUFF NR ADDL CALL FEATURES EXIST

CORRECTION

YIELD TO MATURITY 9.522092%

REVISED FOR A/C # & SETTLEMENT DATE
INVESTOR LETTER ON FILE

MS-2 3/94
CAP

CONFIRMATION

IF YOU FORWARDED SECURITIES TO US IN PAYMENT OF AN AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-6288

SIPC Member: National Association of Securities Dealers, Inc. Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE	IE	A-S-C
M. AUGUSTA		38026266	1	07023	O	2		08/19/97	08/25/97	CA01	IR

SOCIAL SEC / ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER:

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION:

APPLY CALLED BOND PROCEEDS
CURRENT YIELD = 9.282%

	QUANTITY	CUSIP #/FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	25000	344630ES3	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3-EMPIRE CALLABLE 04/01/01 AT 102.000	8.4000	04/01/15

DATED: 03/27/91

INT ACRD 04/01/97 TO 08/25/97
SUBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
90 1/2	22625.00			840.00		4.00	23469.00

MDY NR S&P NR FITCH NR DUFF NR

YIELD TO MATURITY 9.521131%

ADDL CALL FEATURES EXIST

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE			TE	A-B-C
M AUGUSTA		38026266	1	00013	O	2		08/25/97	08/28/97		CA01	IR

SOCIAL SEC/ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER:
WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
OU	10000	344630EY0	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3 EMPIRE	8.5000	04/01/21
OT					DATED: 03/27/91

T ACRD 04/01/97 TO 08/28/97
UBJECT TO EXTRAORDINARY REDEM
CALLABLE 04/01/01 AT 102.000

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT DUE
1/4	9025.00			347.08		4.00	9376.08

NR S&P NR FITCH NR DUFF NR

YIELD TO MATURITY 9.545041%

ESTOR LETTER ON FILE

ADDL CALL FEATURES EXIST

IF YOU ARE PURCHASING SECURITIES, THE AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE*	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	JE	A-D-C*
M AUGUSTA		38026266	1	00064	O	2		05/04/99	05/07/99	CA01	IR

SOCIAL SEC / ID NO.
S: 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	30000	344630EY0	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3 EMPIRE CALLABLE 04/01/01 AT 102.000	8.5000	04/01/21

DATED: 03/27/91

INT ACRD 04/01/99 TO 05/07/99
SUBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	NET AMOUNT DUE
86.00	25800.00			255.00		4.00	26059.00

MDY NR S&P NR FITCH NR DUFF NR

YIELD TO MATURITY 10.096465%

ADDL CALL FEATURES EXIST

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Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE*	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	IE	A-B-C*
M AUGUSTA	106/35	38026266	1	00009	O	2		03/05/99	03/08/99	CA01	IR

SOCIAL SEC / ID NO.
S: 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

APPLY SOLD BOND PROCEEDS
INVESTOR LETTER REQUIRED

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	65000	344630EY0	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3 EMPIRE CALLABLE 04/01/01 AT 102.000	8.5000	04/01/21

INT ACRD 10/01/98 TO 03/08/99
SUBJECT TO EXTRAORDINARY REDEM

DATED: 03/27/91

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	NET AMOUNT
93 1/4	60612.50			2409.51		4.00	63026.01

MDY NR S&P NR FITCH NR DUFF NR

YIELD TO MATURITY 9.219877%

ADDL CALL FEATURES EXIST

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Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE*	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	RE	A.D.C.
M AUGUSTA		38026266	1	00017	O	2		10/26/98	10/29/98	CA01	IR

SOCIAL SEC / ID NO.
S: 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	30000	344630EY0	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3 EMPIRE CALLABLE 04/01/01 AT 102.000	8.5000	04/01/21

INT ACRD 10/01/98 TO 10/29/98 DATED: 03/27/91
SUBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT DUE
8.00	29400.00			198.33		4.00	29602.33

Y NR S&P NR FITCH NR DUFF NR
YIELD TO MATURITY 8.703103%

ADDL CALL FEATURES EXIST

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3

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE*	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	IE	A-B-C
M AUGUSTA		38026266	1	00006	O	2		01/26/98	01/29/98	CA01	IR

SOCIAL SEC / ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND
FL 33804-0304

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

APPROX YLD TO MATURITY = 8.882%
CURRENT YIELD = 8.831%
INVESTOR LETTER REQUIRED

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	50000	344630EY0	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3 EMPIRE CALLABLE 04/01/01 AT 102.000	8.5000	04/01/21 DATED: 03/27/91

INT ACRD 10/01/97 TO 01/29/98
SUBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	NET AMOUNT
6 1/4	48125.00			1393.06		4.00	49522.06

DY NR S&P NR FITCH NR DUFF NR

YIELD TO MATURITY 8.882250%

ADDL CALL FEATURES EXIST

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2.3/94
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INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	IE	A-G-C*
M AUGUSTA		38026266	1	00018	O	2		09/04/97	09/09/97	CA01	IR

SOCIAL SEC / ID NO.
S : 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90304
LAKELAND FL 33804-0304

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	90000	344630EY0	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3 EMPIRE CALLABLE 04/01/01 AT 102.000	8.5000	04/01/21 DATED: 03/27/91

NT ACRD 04/01/97 TO 09/09/97
UBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	NET AMOUNT
1/4	80325.00			3357.50		4.00	83686.50

Y NR S&P NR FITCH NR DUFF NR

YIELD TO MATURITY 9.663748%

ADDL CALL FEATURES EXIST

INVESTOR LETTER ON EXXX FILE

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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VESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE*	TRANS NO.	MKT*	CAP*	SPEC*	TRADE DATE	SETTLEMENT DATE	IE	A
AUGUSTA		38026266	1	00079	0	2		03/13/97	03/18/97	CA01	

SOCIAL SEC / ID NO.: 508-05-1655

CONTRA PARTY OR CUSTOMER:
ANDA POPE FELTON F/K/A WANDA B
OPE TRS WANDA POPE FELTON F/K/A
ANDA POPE REV LIV TR DTD 11/17/88
MENDED 11/16/95
O BOX 90304
AKELAND FL 33804-0304

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION:
CURRENT YIELD = 10.00%

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
DU DT	50000	344630FY0	FONTANA CA SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO 90-3 EMPIRE CALLABLE 04/01/01 AT 102.000	8.5000	04/01/21 DATED: 03/27/9

NT ACRD 10/01/96 TO 03/18/97
JBJECT TO EXTRAORDINARY REDEM

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	NET AMOUNT DUE
1.00	42000.00			1971.53		4.00	43975.53

TY NR S&P NR FITCH NR DUFF NR
YIELD TO MATURITY 10.310496%

NVESTOR LETTER REQUIRED

THANK YOU FOR LETTING US SERVE YOU. IF ANY AMOUNT DUE OR SECUR DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED I OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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S-2 3/94 CONFIRMATION

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MINNEAPOLIS, MN 55440-0789

TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-6289

National Association of Securities Investor P...

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	
M. AUGUSTA		38026266	1	00045	O	2		01/21/99	01/26/99

SOCIAL SEC./ID NO.: S: 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

DUPL

YOU BOT.	QUANTITY	CUSIP #/FILE #	DESCRIPTION	RATE	MATURITY
	75000	344630EN4	FONTANA CA SPECIAL TAX CMNTY FACS DIST # 90-3 EMPIRE CENTER	8.3750	04/01/1

INT ACRD 10/01/98 TO 01/26/99
SUBJECT TO EXTRAORDINARY REDEM
CALLABLE 04/01/01 AT 102.000
DATED: 03/27/

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC*	
96 1/2	72375.00			2006.51		4.00	74385.51

MOODY NR S&P NR FITCH NR DUFF NR
YIELD TO MATURITY 8.847357%
ADDL CALL FEATURES EXIST

CONFIRMATION

CLEARING DETAIL ON REVERSE SIDE

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THESE ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

*SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS.

Globalstar KY Capital
Book Entry - Callable 6/01/03
11.50% due 6/01/05

4/23/99 - Bought 25,000.00 @ 75½ 18,875.00
Interest 11.73.96
Fee 4.00
20,052.96

Cusip # 379363AR5
Due diligence
[illegible]

Miller & Schroeder Financial, Inc.

P.O. BOX 789
MINNEAPOLIS, MN 55440-0789 TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-6288

Member:
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	INTEREST	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE		A-B-C
I AUGUSTA		38026266	1	00058	O	2		04/23/99	04/28/99	CA01	IY

SOCIAL SEC / ID NO. CONTRA PARTY OR CUSTOMER SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

: 508-05-1655

ANDA POPE FELTON F/K/A WANDA B
OPE TRS WANDA POPE FELTON F/K/A
ANDA POPE REV LIV TR DTD 11/17/88
MENDED 11/16/05
930 WESTLAKE PARKER DR
AKELAND FL 33805-4553

	QUANTITY	CUSIP #/ FILE #	DESCRIPTION	RATE	MATURITY
OU OT	25000	379363AR5	GLOBALSTAR LP/CAPITAL BOOK ENTRY	11.5000	06/01/05

NT ACRD 12/01/98 TO 04/28/99 CALLABLE 06/01/03 AT 105.750 DATED: 05/20/98

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	
5 1/2	18875.00			1173.96		4.00	20052.96

DY CAA1 S&P B FITCH NR DUFF NR
YIELD TO MATURITY 18.330847%

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Globalstar Telecommunications
Series 7 Late - Book Entry
Callable 2/15/02 @ 105.690
11.375%, due 2/15/04

(G-STRP) Rep Inc.

9/15/98 Bought 40000 @ 65 - 26,000
Interest 404.44
Inc 4-
26,408

9/29/98 Bought 4000 @ 72 3/4 - 4,520-
Int. 930.22
47,490.22

Cusip: 379363 AK0
Total new 104,000

4/5/99 Bought 25000 @ [illegible]

Miller Schroeder Financial, Inc.
P.O. BOX 789
MINNEAPOLIS, MN 55440-0789
TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-548-9288
Member: National Association of Securities Dealers, Securities Investor Protection Corporation

SEND TO/CUSTOMER	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	DAY	SPEC	TRADE DATE	SETTLEMENT DATE	
M AUGUSTA		38029266	1	00048	O	2	1	09/15/98	09/17/98	CA01

SOCIAL SEC/ID NO.: 508-05-1655
CONTRA PARTY OR CUSTOMER:
SPECIAL DELIVERY DISTRIBUTIONS/ADDITIONAL INFORMATION:

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

DUPLICATE
FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
2330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

YOU BOUGHT	QUANTITY	CUSIP/W.I. FIGURE	DESCRIPTION	RATE	MATURITY
	41100	379363AK0	GLOBALSTAR TELECOMMUNICATIONS SENIOR NOTES BOOK ENTRY CALLABLE 02/15/02 AT 105.690	11.3750	02/15/04

DATED: 08/15/97

NT ACRD 08/15/98 TO 09/17/98

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
5.00	26000.00			404.44		4.00	26408.44

BY CAAI S&P B FITCH NR DUFF NR
YIELD TO MATURITY 22.9880283%

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITY DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES.

G-STRP

P.O. BOX 709
MINNEAPOLIS, MN 55440-0709

TOLL FREE: MINNESOTA 1-800-328-0123 • CALIFORNIA 1-800-645-8289

Member
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	DEPT	CNF	CDS	TRADE DATE	SETTLEMENT DATE	JR	ACCT
MI AUGUSTA		38026266	1	00125	O	2		09/29/98	10/01/98	CA01	IY

SOCIAL SEC./ID NO. — CONTRA PARTY OF CUSTOMER — SPECIAL DELIVERY INSTRUCTIONS — FINAL DESTINATION

S: 508-05-1555

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745

FOR THE ACCOUNT OF: DUPLICATE
WANDA POPE FELTON F/K/A WANDA E
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

TOU	QUANTITY	CUSIP/FIRM	DESCRIPTION	RATE	MATURITY
EOT	64000	379363AK0	GLOBALSTAR TELECOMMUNICATIONS SENIOR NOTES NON-ENTRI CALLABLE 02/15/02 AT 105.000	11.3750	02/15/04 DATED: 08/15/94

INT ACRD 08/15/98 TO 10/01/98

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
72 3/4	46560.00			930.22			47490.22

MDY CAA1 S&P B FITCH NR DUPP NO

YIELD TO MATURITY 19.5308333%

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OF SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THESE ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

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SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS.

Indianapolis - Sunrise Apts Proj. Rev Bd
Series A, Ser-C Subj to AMT
Callable 12/01/03 @ 102

9%, due 6/01/19

2/98 Bought 10,000 @ 101.857 - 10,185.70 10,150 -
Int 212.50 212.50
Sec 4.00 4 -
10,402.20 10,366.50

Cusip 455284AE9

Miller & Schroeder Financial, Inc.

P.O. BOX 723
MINNEAPOLIS, MN 55440-0723 TOLL FREE: MINNESOTA 1-800-328-6132 / CALIFORNIA 1-800-443-8236

Member:
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVEST EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CUSP	SEC	TRADE DATE	SETTLEMENT DATE	TERM	REP	ASC
AUGUSTA		38026266	1	00017	O	2		08/21/98	08/26/98		CA01	IR

SOCIAL SECURITY NO. 508-05-1655

CONTRA PARTY OR CUSTOMER

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

NDA POPE FELTON
ROX 854
KE JUNALUSKA NC 28745

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/18/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
	10000	455284AE9	INDIANAPOLIS IN MULTI-FAMILY HSG REV BD SUNRISE APTS PROJ SER-C SUBJ TO AMT CALLABLE 12/01/03 AT 102.000	9.0000	06/01/19

C ACCRD 06/01/98 TO 08/26/98 DATED: 12/01/93

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SAC FEE	MISC	NET AMOUNT
.857	10185.70			212.50		4.00	10402.20

NR S&P NR FITCH NR DUFF NR

CANCELLED

ALL CALL FEATURES EXIST. AMOUNT DUE OR DELIVERABLE

LD TO 12/01/07 CALL AT 100.000 8.70000%

DUE ARE NOT ALREADY IN YOUR ACCOUNT. THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

IF THIS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THERE ADDITIONAL CALL FEATURES MAY APPLY. WELCO COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS.

Partners to [illegible]
Multifamily Prj Stonegate Meadows
Apt. Proj. Sel. Serv. A. Mandate
Callable 7/01/04 @ 102.00 contingent
7% due 7/01/29
11/02/99 Bought 30,000 @ 94.01 - 28,221
Interest 1073.33
29,294.33
Cusip 46736 9427
1/05/00 Bought 35,000 @ 88.735 - 31057.25
Int. [illegible]
[illegible]
1/13/00 Rec 65,000
1/05/01 [illegible]
8/24/01 - Recd 32,500 on default and bond
Cost - 59,278.25
Sale 32,500
26,778.25
Total invested
29,294.33
31,382.92
60,677.25
P.L. 11/06/01 9,638.59
17,138.66
P.L. 10,294.46

AMERICAN CONTINENTAL CORPORATE FINANCIAL, INC.

P.O. BOX 755
MINNEAPOLIS, MN 55-40-0789 TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-6285

Member:
National Association of Securities Dealers, In
Securities Investor Protection Corporation

INVEST. EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAT	SPEC	TRADE DATE	SETTLEMENT DATE		IE	AGC
M AUGUSTA		38026268	I	00022	O	2	C	11/02/99	11/05/99		CA01	I

SOCIAL SEC/I.D. NO.: S: 508-05-1653

CONTRA PARTY OR CUSTOMER:

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

SPECIAL DELIVERY INSTRUCTIONS/ADDITIONAL INFORMATION

CURRENT YIELD = 7.44%

	QUANTITY	CUSIP #/FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	30000	467369AZ7	JACKSON CNTY MO INDL DEV AUTH MULTIFAM HSG REV STONEGATE MEA -DOWS APT PROJ SR SER A CALLABLE 07/01/04 AT 102.000	7.0000	07/01/29

INT ACRD 05/01/99 TO 11/05/99 DATED: 05/01/99 FIRST: 01/01/00

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
94.07	28221.00			1073.33			29294.33

MDY NR S&P NR FITCH NR DUFF NR ADDL CALL FEATURES EXIST

YIELD TO MATURITY 7.500000%

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Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
Account carried by Correspondent Services Corporation (CSC)

WE ARE PLEASED TO CONFIRM THE FOLLOWING TRANSACTION

WANDA POPE FELTON F/K/A WANDA
POPE TRS WANDA POPE FELTON
F/K/A WANDA POPE REV LIV TR
DTD 11/17/88 AMENDED 11/16/95
1001 CARPENTERS WAY #F320
LAKELAND FL 33809-3972

ACCOUNT NUMBER: RI 27928 1 01
TAX IDENTIFICATION NO.: ON FILE
SYMBOL:

YOU BOUGHT	TRADE DATE	PROCESS DATE	SETTLEMENT DATE	CUSIP NUMBER	SECURITY NUMBER	FOR
	01 05 00	01 13 00	01 31 00	467369AZ7	B85Z86 DTC	

QUANTITY	DESCRIPTION	◇	PRICE	GROSS
35000	JACKSON CO MO IDA CLLTZD REV /R/ YIELD 7 DUE 070129 DTD 050199 C 102 070104 PC 070106 MAND SINK FND FC 010100 CALL FEATURES EXIST WHICH MAY AFFECT YIELD-ADDITIONAL INFO ON REQUEST ***CANCELS PREVIOUS CONFIRMATION***		88.7350000 7.999	31057 25

TOTAL QUANTITY	GROSS AMOUNT	COMMISSION/MARK-UP	INTEREST	STATE TAX	OTHER ‡	TOTAL AMOUNT
35000	31057 25		204 17			31261 42

Non Rated Security - see reverse side
Next Call 07/01/04 @ $102.0000

Capacity: Principal

Please retain this confirmation for tax purposes. Agreement controlling this transaction and explanation of symbols (◇ ‡) are printed on the reverse side. Payments not received by the settlement date may be subject to a late payment fee. **Please notify us immediately if this confirmation is not correct.**

CALIFORNIA OFFICE CUSTOMERS
Please mail your check to:
MILLER & SCHROEDER FINANCIAL
P O Box 946
SOLANA BEACH, CA 92075-0946

If required, checks must be made payable to:
Miller & Schroeder Financial, Inc.
Please mail your check to:
MILLER & SCHROEDER FINANCIAL
PO BOX 789
MINNEAPOLIS MN 55440-0789

ACCOUNT CARRIED BY CORRESPONDENT SERVICES CORPORATION (CSC)

ADDITIONAL SECURITY DESCRIPTION:

JACKSON CO MO IDA CLLTZD
7.000 070129 DTD 050199
REV /R/
RATE 07.000% MATURES 07/01/29
MULTI FAM HSG REV
DATED 05/01/1999
REVENUE ANTICIPATION
07/01/2004 AT 102.00

REV /R/
JACKSON CO MO IDA CLLTZD
MAND SINK FND
JACKSON CNTY MO INDL DEV AUTH
DUE 07/01/2029
7.00% INTEREST
CALLABLE-NEXT PRICING CALL
MANDATORY SINK UNRATED

Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
An Independent Correspondent Services Corporation (ECSC)

WE ARE PLEASED TO CONFIRM THE FOLLOWING TRANSACTION

WANDA POPE FELTON F/K/A WANDA
POPE TRS WANDA POPE FELTON
F/K/A WANDA POPE REV LIV TR
DTD 11/17/88 AMENDED 11/16/95
1001 CARPENTERS WAY #F320
LAKELAND FL 33809-3972

ACCOUNT NUMBER: RI 27928 1 01
TAX IDENTIFICATION NO.: ON FILE
SYMBOL:

YOU BOUGHT	TRADE DATE	PROCESS DATE	SETTLEMENT DATE	CUSIP NUMBER	SECURITY NUMBER	FOR INTERNAL USE ONLY
	01 05 00	01 13 00	01 13 00	467369AZ7	B85Z86 DTC	AFLNT

QUANTITY	DESCRIPTION	◇	PRICE	GROSS AMOUNT
35000	JACKSON CO MO IDA CLLTZD REV /R/ YIELD 7 DUE 070129 DTD 050199 C 102 070104 PC 070106 MAND SINK FND FC 010100 CAL FEATURES EXIST WHICH MAY AFFECT YIELD-ADDITIONAL INFO ON REQUEST		88.7350000 7.999	31057 25

TOTAL QUANTITY	GROSS AMOUNT	COMMISSION/MARK-UP**	INTEREST	STATE TAX	OTHER ‡	TOTAL AMOUNT
35000	31057 25		81 67			31138 92

Non Rated Security - see reverse side
Next Call 07/01/04 @ $102.0000

Capacity: Principal

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agreement controlling this transaction and explanation
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ments not received by the settlement date may be sub-
to a late payment fee. **Please notify us immediately**
his confirmation is not correct.

CALIFORNIA OFFICE CUSTOMERS

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MILLER & SCHROEDER FINANCIAL
P O Box 946
SOLANA BEACH, CA 92075-0946

If required, checks must be made payable to:
Miller & Schroeder Financial, Inc.
Please mail your check to:
MILLER & SCHROEDER FINANCIAL
PO BOX 789
MINNEAPOLIS MN 55440-0789

ACCOUNT CARRIED BY CORRESPONDENT SERVICES CORPORATION (ECSC)

ADDITIONAL SECURITY DESCRIPTION:

JACKSON CO MO IDA CLLTZD
7.000 070129 DTD 050199
REV /R/
RATE 07.000% MATURES 07/01/29
MULTI FAM HSG REV
DATED 05/01/1999
REVENUE ANTICIPATION
07/01/2004 AT 102.00

REV /R/
JACKSON CO MO IDA CLLTZD
MAND SINK FND
JACKSON CNTY MO INDL DEV AUTH
DUE 07/01/2029
7.00% INTEREST
CALLABLE-NEXT PRICING CALL
MANDATORY SINK UNRATED

Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
Account carried by Correspondent Services Corporation (CSC)

WE ARE PLEASED TO CONFIRM THE FOLLOWING TRANSACTION

WANDA POPE FELTON F/K/A WANDA
POPE TRS WANDA POPE FELTON
F/K/A WANDA POPE REV LIV TR
DTD 11/17/88 AMENDED 11/16/95
1001 CARPENTERS WAY #F320
LAKELAND FL 33809-3972

ACCOUNT NUMBER: RI 27928 1 01
TAX IDENTIFICATION NO.: ON FILE
SYMBOL:

YOU BOUGHT	TRADE DATE	PROCESS DATE	SETTLEMENT DATE	CUSIP NUMBER	SECURITY NUMBER	FOR INTERNAL USE ONLY
	01 05 00	01 13 00	01 31 00	467369AZ7	B85Z86 DTC	AFLNT

QUANTITY	DESCRIPTION	PRICE	GROSS AMOUNT
35000	JACKSON CO MO IDA CLLTZD REV /R/ YIELD 7 DUE 070129 DTD 050199 C 102 070104 PC 070106 MAND SINK FND FC 010100 CALL FEATURES EXIST WHICH MAY AFFECT YIELD-ADDITIONAL INFO ON REQUEST ***CANCELS PREVIOUS CONFIRMATION***	88.7350000 7.999	31057 25

TOTAL QUANTITY	GROSS AMOUNT	COMMISSION/MARK**	INTEREST	STATE TAX	OTHER ‡	TOTAL AMOUNT
35000	31057 25		204 17			31261 42

Non Rated Security - see reverse side
Next Call 07/01/04 @ $102.0000

Capacity: Principal

lease retain this confirmation for tax purposes.
he agreement controlling this transaction and explanation
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ct to a late payment fee. **Please notify us immediately this confirmation is not correct.**

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P O Box 946
SOLANA BEACH, CA 92075-0946

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Miller & Schroeder Financial, Inc.
Please mail your check to:
MILLER & SCHROEDER FINANCIAL
PO BOX 789
MINNEAPOLIS MN 55440-0789

ACCOUNT CARRIED BY CORRESPONDENT SERVICES CORPORATION [CSC]

ADDITIONAL SECURITY DESCRIPTION:

JACKSON CO MO IDA CLLTZD
7.000 070129 DTD 050199
REV /R/
RATE 07.000% MATURES 07/01/29
MULTI FAM HSG REV
DATED 05/01/1999
REVENUE ANTICIPATION
07/01/2004 AT 102.00

REV /R/
JACKSON CO MO IDA CLLTZD
MAND SINK FND
JACKSON CNTY MO INDL DEV AUTH
DUE 07/01/2029
7.00% INTEREST
CALLABLE-NEXT PRICING CALL
MANDATORY SINK UNRATED

[illegible]

[illegible] 1/01/04 @ 10 [illegible]
[illegible] due 1/01/29

6/02/99 Bought 50,000.00 @ par 50,000.00
Carrying [illegible] Int. 411.11
467369B39 50411.11

6/09/99 Bought 25,000 @ par 25,000
Int. 216.67
25,216.67

Total now 75K Inv. 75,000.00

5/24/01 – Rec'd 6,750.00 on defaulted, sold bon

Cost 75,000 –
Sale 6750 –
Long Term Loss 68,250.00

Sent to Bank Manager

[illegible]

50,411.11
25,216.67

75,627.78
67,50

P.O. BOX 789
MINNEAPOLIS, MN 55440-0789

TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-9203

National Association of Securities Dealers
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE	
T AUGUSTA		38026260	I	07013	O	2	C	06/02/99	06/08/99	CA01

SOCIAL SECURITY NO. 508-05-1675

CONTRA PARTY OR CUSTOMER

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

NDA POPE FELTON
O BOX 854
AKE JUNALUSKA NC 28745

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

QUANTITY	CUSIP #/FILE#	DESCRIPTION	RATE	MATURITY
50000	467369BB9	JACKSON CNTY MO INDL DEV AUTH MULTIFAM HSG REV STONEGATE MEA -DOWS APT PROJ SUB SR SER C CALLABLE 07/01/04 AT 102.000	8.0000	07/01/29

OU
OT

NT ACRD 05/0 /99 TO 06/08/99

DATED: 05/01/99
FIRST: 01/01/00

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	
0.00	50000.00			411.11			50411.11

NR S&P NR FITCH NR DUFF NR ADDL CALL FEATURES EXIST 0607

ORRECTION

ELD TO 07/01/06 CALL AT 100.000 7.9989408%

EVISED FOR ACCOUNT NUMBER

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE AR NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON O BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THESE ADDITIONAL CA FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPO REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES I YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

[illegible] FINANCIAL, INC.

P.O. BOX 783
MINNEAPOLIS, MN 55440-0783

TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-6288

Member
National Association of Securities Dealers
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE	RR
[illegible] AUGUSTA		38026266	1	00063	O	2	C	06/09/99	06/10/99	CA01

SOCIAL SEC/ID NO.: [illegible] 508-05-1655

CONTRA PARTY OR CUSTOMER

[illegible]NDA POPE FELTON
[illegible] BOX 854
[illegible]AKE JUNALUSKA NC 28745

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

DUPLICATE

FOR THE ACCOUNT OF:
WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
[illegible]OU [illegible]CT	25,000	467369RB3	JACKSON CNTY MO INDL DEV AUTH MULTIFAM HSG REV STONEGATE MEA -DOWS APT PROJ SUB SR SER C	8.0000	07/01/29

[illegible]NT ACRD 05/01/99 TO 06/10/99 CALLABLE 07/01/04 AT 102.000

DATED: 05/01/99
FIRST: 01/01/00

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
[illegible]0.00	25000.00			216.67			25216.67

[illegible] NR S&P NR FITCH NR DURF NR ADDL CALL FEATURES EXIST

[illegible]ELD TO 07/01/06 CALL AT 100.000 7.998471%

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THESE ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

Mexico Beach FL Public Service Da
Rev. Multi-Juridictn Non Profit
Heritage House Sarasota 97A
Callable 12/01/02 at 102
8%, due 12/01/27
2/15/97 Bought 500,000.00 P par 500,000.00
Int. 2222.22
502,222.22

Cusip 59288TAQ3

Miller & Schroeder Financial, Inc.
P.O. BOX 799
MINNEAPOLIS, MN 55440-0799 TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-982-8293

3

Member
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Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	CUSTOMER NO.	MIN.	YEAR	SPEC.	TRADE DATE	SETTLEMENT DATE		
A AUGUSTA		38026266	1	00056	O	2	1 E	12/15/97	01/05/98	CA01	13

SOCIAL SECTIID NO. 3: 508-05-1655

CONTRA PARTY OR CUSTOMER

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
PO BOX 90804
LAKELAND FL 33804-0804

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

YOU BOUGHT	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
	500000	59288TAQ3	MEXICO BEACH FL PUB SVC FACS REV MULTI-JURISDTN NON PROFIT HERITAGE HOUSE SARASOTA 97A CALLABLE 12/01/02 AT 102.000	8.0000	12/01/27

INT ACRD 12/15/97 TO 01/05/98

DATED: 12/15/97
FIRST: 06/01/98

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET
00.00	500000.00			2222.22			502222.22

MDY NR S&P NR FITCH NR DUFF NR

YIELD TO 12/01/05 CALL AT 100.000 7.9979

ADDL CALL FEATURES EXIST

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THE ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION IS TO BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY LATER CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL SITUATION.

*SEE REVERSE SIDE FOR EXPLANATION OF NOTES, ITEMS AND ABBREVIATIONS.

IB-8 3/96

Phedis Beach FL Pln Sve Ses
Rev. Multi-Jurisdictional Mun
Tax Domestic Prg. Sec. 98A
Calculc 12/01/03 $a102.
7.5% due 12/01/28, Stat 12/15/98

3187
Swe 10/1/99

12/17/98 - Bought 85,000 @ par 85,000 -
Int 265
85,265

Cusip 092837BJ8

1/04/99 Bought 15,000 @ par 15,000
Int 687.75
15,687.75

Now 100,000 at total cost of 100,000

1/11/99 Bought 30,000 at par 30,000
Int 181.25
30,181.25

Now 130,000 at a total cost of 130,000

Miller & Schroeder Financial, Inc.

P.O. BOX 789
MINNEAPOLIS, MN 55440-0789

TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-6298

Member:
National Association of Securities Dealers
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE		
M AUGUSTA		38026266	1	00027	O	2	C	01/11/99	01/14/99	CA01	UR

SOCIAL SEC/ID NO.: S: 508-05-1855

CONTRA PARTY OR CUSTOMER:

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1330 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	DATE	MATURITY
YOU BOT	30000	59283THJ6	MEXICO BEACH FL PUB SVC FACS REV MULTI JURISDICTIONAL NON PROF SEMINOLE PRJ SRS 98A CALLABLE 12/01/03 AT 102.000	7.5000	12/01/28

INT ACRD 12/15/98 TO 01/14/99

DATED: 12/15/98
FIRST: 06/01/99

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	
100.00	30000.00			181.25			30181.25

M MR S&P NR FITCH NR DUFF NR ADDL CALL FEATURES EXIST
YIELD TO 12/01/08 CALL AT 100.000 7.497640%

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES DUE ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THESE ADDITIONAL CALL FEATURES MAY AFFECT YIELD; COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS.

Miller & Schroeder Financial, Inc.

P.O. BOX 759
MINNEAPOLIS, MN 55440-0759

TOLL FREE: MINNESOTA 1-800-328-6122 - CALIFORNIA 1-800-342-4238

Member
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	CONTROL	MKT	CAP	REG	TRADE DATE	SETTLEMENT DATE	TR	ACC
M AUGUSTA		380262866	1	00016	O	2	C	01/04/99	01/07/99	CA01	1X4

SOCIAL SECURITY NO: SS# 508-05-1655

CONTRA PARTY OR CUSTOMER:

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/88
AMENDED 11/16/95
1336 WESTLAKE PARKER DR
LAKELAND FL 33895-4553

SPECIAL DELIVERY INSTRUCTIONS/ADDITIONAL INFORMATION

	QUANTITY	CUSIP #/FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	15000	59283TBJ8	MEXICO BEACH FL PUB SVC FACS REV MULTI JURISDICTIONAL NON PROF SEMINOLE PRJ SRS 98A CALLABLE 12/01/03 AT 102.000	7.5000	12/01/28 DATED: 12/15/98 FIRST: 06/01/99

INT ACRD 12/15/98 TO 01/07/99

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
100.00	15000.00			68.75			15068.75

MOY NR S&P NR FITCH NR DUFF NR

YIELD TO 12/01/05 CALL AT 100.000 7.4979%

ADDL CALL FEATURES EXIST

IF SECURITIES ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE DELIVERED IN GOOD FORM ON OR BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, THOSE ADDITIONAL CALL FEATURES MAY AFFECT YIELD. COMPLETE INFORMATION WILL BE PROVIDED UPON REQUEST.

PLEASE NOTIFY YOUR INVESTMENT EXECUTIVE IN WRITING OF ANY MATERIAL CHANGES IN YOUR INVESTMENT OBJECTIVES OR FINANCIAL STATUS.

SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS

MS-2 (3/91)

Miller & Schroeder Financial, Inc.

P.O. BOX 750
MINNEAPOLIS, MN 55440-0750

TOL. FREE: MINNESOTA 1-800-328-6122 · CALIFORNIA 1-800-542-5289

Member:
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	EXT	CAT	BOOK	TRADE DATE	SETTLEMENT DATE		REF
M AUGUSTA		38026266	1	00016	O	2	E	12/17/98	12/30/98	CA01	13

SOC SEC NO. / TAX ID. — CONTRA PARTY OR CUSTOMER — SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

S: 508-05-1655

WANDA POPE FELTON F/K/A WANDA B
POPE TRS WANDA POPE FELTON F/K/A
WANDA POPE REV LIV TR DTD 11/17/98
AMENDED 11/16/95
1530 WESTLAKE PARKER DR
LAKELAND FL 33805-4553

APPLY SOLD BOND PROCEEDS

	QUANTITY	CUSIP / FILE #	DESCRIPTION	RATE	MATURITY
YOU BOT	85000	592883TB38	MEXICO BEACH FL PUB SVC FACS REV MULTI JURISDICTIONAL NON PROF SEMINOLE PRJ SRS 98A CALLABLE 12/01/03 AT 102.000	7.5000	12/01/28

INT ACRD 12/15/98 TO 12/30/98 — DATED: 12/15/98 — FIRST: 06/01/99

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	OTHER	NET AMOUNT
100.00	85000.00			265.63			85265.63

MDY NR: S&P NR: FITCH NR: DUFF NR:
YIELD TO 12/01/03 CALL AT 100.000 7.4982555%

ADDL CALL FEATURES EXIST

85,000 x .075 ÷ 2 = 3187.50

IF THE NOTES ABOVE NOT ALREADY IN YOUR ACCOUNT DUE OR SECURITIES ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN GOOD ORDER ON OR BEFORE THE SETTLEMENT DATE.

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SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS.

Tarrant Cnty. Health Fac. Dev.
Corp. Rev. St. Joseph Long Term
Care Fac. Fort Worth TX SRS 97A
Callable 5/01/04 @ 102.00
8.50%, due 5/01/27

5/07/97 Bought 100,000.00 @ par 100,000 -
Interest 306.94
100,306.94

Cusip 87638LBN9

Miller & Schroeder Financial, Inc.

P.O. BOX 789
MINNEAPOLIS, MN 55440-0789 TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-8288

Member
National Association of Securities Dealers, Inc
Securities Investor Protection Corporation

INVESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	CAP	SPEC	TRADE DATE	SETTLEMENT DATE		
AUGUSTA		38026266	1	00076	0	2	1 E	05/07/97	05/28/97	CA01	IR

SOCIAL SEC/ID NO. 508-05-1655

CONTRA PARTY OR CUSTOMER

ANDA POPE FELTON F/K/A WANDA B
TPE TRS WANDA POPE FELTON F/K/A
ANDA POPE REV LIV TR DTD 11/17/88
WENDED 11/16/95
O BOX 90304
AKELAND FL 33804-0904

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
OU ST	100000	87638LBN9	TARRANT CNTY HEALTH FAC DEV CORP REV ST JOSEPH LONG TERM CARE FAC FORT WORTH TX SRS 97A	8.5000	05/01/27

NT ACCRD 05/15/97 TO 05/28/97 CALLABLE 05/01/04 AT 102.000 DATED: 05/15/97 FIRST: 11/01/97

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
10.00	100000.00			306.94			100306.94

MDY NR S&P NR FITCH NR DUFF NR
IELD TO 05/01/26 CALL AT 102.000 8.4981

THANK YOU FOR LETTING US SERVE YOU. IF THE AMOUNT DUE OR SECURITIES ARE NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN OUR OFFICE ON OR BEFORE THE SETTLEMENT DATE.

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SEE REVERSE SIDE FOR EXPLANATION OF NOTES, TERMS AND CONDITIONS.

Tarrant Cty, TX Hlth Facs Rev
Corp Rev. Heritage Valley Gardens
Brownsville, TX Series A
Callable 3/01/04 @ 102.00
7.75%, due 3/01/29, Callable 3/01/04 @ 102.00

3/11/99 Bought 45,000.00 @ par 45,000.00
Int 155.00
45,155.00

Cusip # 87638LFY1

Miller & Schroeder Financial, Inc.
P.O. BOX 799
MINNEAPOLIS, MN 55415-0789
TOLL FREE: MINNESOTA 1-800-328-6122 • CALIFORNIA 1-800-542-3288

Member:
National Association of Securities Dealers, Inc.
Securities Investor Protection Corporation

VESTMENT EXECUTIVE	SYMBOL	ACCOUNT NO.	TYPE	TRANS NO.	MKT	GAP	SPEC	TRADE DATE	SETTLEMENT DATE	#	ADJ
AUGUSTA		38026266	1	00110	D	2	E	03/11/99	03/31/99	CA01	IE

SOCIAL SEC./ID NO.: 508-05-1656

CONTRA PARTY OR CUSTOMER

ANDA POPE FELTON F/K/A WANDA B.
OPE TRS WANDA POPE FELTON F/K/A
ANDA POPE REV LIV TR DTD 11/17/88
MENDED 11/16/95
380 WESTLAKE PARKER DR
AKELAND FL 33805-4553

SPECIAL DELIVERY INSTRUCTIONS / ADDITIONAL INFORMATION

APPLY CALLED BOND PROCEEDS

	QUANTITY	CUSIP # / FILE #	DESCRIPTION	RATE	MATURITY
DU DT	45000	87638LFY1	TARRANT CNTY TX HLTH FACS DEV CORP REV HERITAGE VLY GARDENS BROWNSVILLE TX SERIES A CALLABLE 03/01/04 AT 102.000	7.7500	03/01/29

T ACRD 03/15/99 TO 03/31/99 DATED: 03/15/99 FIRST: 09/01/99

PRICE	PRINCIPAL	COMMISSION	STATE TAX	INTEREST	SEC FEE	MISC	NET AMOUNT
0.00	45000.00			155.00			45155.00

Y YR S&P NR FITCH NR DUFF NR
LD TO 03/01/06 CALL AT 100.000 7.748070% ADDL CALL FEATURES EXIST

THANK YOU FOR LETTING US SERVE YOU. IF YOU HAVE US, BUT SECURITIES DUE YOU NOT ALREADY IN YOUR ACCOUNT, THEY MUST BE RECEIVED IN GOOD ORDER BEFORE THE SETTLEMENT DATE.

IF IT IS NOTED ABOVE THAT ADDITIONAL CALL FEATURES EXIST, YOU MAY NOT FEATURE THE YIELD COMPLETE CONTINUED ON THE REPORT

Herndon, Va

Industrial Development Rev. (H

Rated - Moody - B-2 Standard & Poor - B
1989 Issue

8.78% Due 11/01/14 - current yield 8.43%

7/18/00 Bought 35,000 @ 102 25/32 = 35787.50
Int = 1182.34
Fee = 4
Total 36,973.84

7/25/00 Sold to Morgan Keegan
Proceeds 36,204.21 E.3

Miller & Schroeder Financial, Inc.

WE ARE PLEASED TO CONFIRM THE FOLLOWING TRANSACTION

COPY FOR ACCOUNT OF
WANDA POPE FELTON F/K/A WANDA
POPE TRS WANDA POPE FELTON
F/K/A WANDA POPE REV LIV TR
DTD 11/17/88 AMENDED 11/16/95
PO BOX 854
LAKE JUNALUSKA NC 28745-0854

ACCOUNT NUMBER
RI 27928 1 01
TAX IDENTIFICATION NO.
SYMBOL

YOU BOUGHT	TRADE DATE	PROCESS DATE	SETTLEMENT DATE	CUSIP NUMBER	SECURITY NUMBER	FOR INTERNAL USE ONLY
	09 20 00	09 20 00	09 22 00	948804AC3		

QUANTITY	DESCRIPTION	◇	PRICE	GROSS AMOUNT
35000	WEIRTON WV PLTN CTL REV REF WEIRTON STEEL PRJ/R/ YIELD 8.625 110114 DTD 110189 CALLABLE @ 102 102000 PC 110103 FC 050190 CALL FEATURES EXIST WHICH MAY AFFECT YIELD-ADDITIONAL INFO ON R DUPLICATE CONFIRMATION		102.2500000 5.109	35787 50

TOTAL QUANTITY	GROSS AMOUNT	COMMISSION/MARK**	INTEREST	STATE TAX	OTHER ‡	TOTAL AMOUNT
35000	35787 50		1182 34		4 00	36973 84

Capacity: Principal

Please retain this confirmation for tax purposes. The agreement controlling this transaction and explanation of the symbols (◇ ‡) are printed on the reverse side. Payments not received by the settlement date may be subject to a late payment fee. **Please notify us immediately if this confirmation is not correct.**

CALIFORNIA OFFICE CUSTOMERS

Please mail your check to:
MILLER & SCHROEDER FINANCIAL
P O Box 946
SOLANA BEACH, CA 92075-0946

If required, checks must be made payable to:
Miller & Schroeder Financial, Inc.
Please mail your check to:

ACCOUNT CARRIED BY CORRESPONDENT, SERVICES CORPORATION [CSC]

SEC RULE SETS PAYMENT TIME FRAME

In June 1995, the Securities and Exchange Commission (SEC) required that most U.S. Securities transactions be settled, or fully paid for, by the third business day after trade date (known as trade date plus three, or T+3 settlement). Previously, transactions had to be settled by the fifth business day after trade date.

It is your responsibility to make sure there is sufficient cash or borrowing power in your account to cover the cost of the transaction within three business days. If you ask us to sell securities that you hold yourself in certificate form, you will be required to deliver the securities in time to meet the T+3 deadline. Similarly, if we hold the securities, but they are registered in your name, you will have three days to obtain and complete the paperwork necessary to transfer ownership. If funds and/or securities are needed and are not already on deposit in your account federal regulations require that they be deposited by the settlement date.

COMPLYING WITH T+3

To comply with the three day settlement allow us to hold your securities in street name and keep enough cash in your account to accommodate your transaction needs. With an RMA, our central asset account, you can consolidate all your financial assets, including cash, in one place. If you would like more information please call your Investment Representative at the firm servicing your account.

February 2000

Value on January 31	$	1,691,690.07
Value on February 29	$	1,489,921.37
Money funds in 02/29 value	$	7,643.12

MILLER & SCHROEDER FINCL
150 S. 5TH ST., SUITE 3000
MINNEAPOLIS, MN 55402

NCZL123939-X - 0200 - RI - 1

Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
Account carried by Correspondent Services Corporation (CSC)

Account Number RI 27928 01 NCZL123939

Your Investment Representative
MARK AUGUSTA 800-542-6288 612-376-1500

WANDA POPE FELTON
PO BOX 854
LAKE JUNALUSKA NC 28745-0854

Activity highlights

	Current period	Year-to-date
Deposits	$ .00	$ 31,261.42
Withdrawals	.00	-20,000.00
Securities transferred in (valued at time of transfer)	5,332.10	5,332.10
Net change from activity listed above	$ 5,332.10	$ 16,593.52

Portfolio summary

	Current period	Year-to-date
Opening value	$ 1,691,690.07	$ 1,682,216.14
Net change from Activity Highlights	5,332.10	16,593.52
Net security earnings	7,245.75	27,429.56
Change in value of investments	-214,346.55	-236,317.85
Value on February 29	$ 1,489,921.37	$ 1,489,921.37

Asset summary

See back of page one for information on assets excluded from this summary.

	% of portfolio	Value
Corporate bonds and notes	5.20	77,617.50
Money funds	.51	7,643.12
Municipal bonds and notes	94.29	1,404,660.75
Net invested assets	**100.00**	$ 1,489,921.37
Value on February 29		$ 1,489,921.37

Duplicate statement for the account of
WANDA POPE FELTON F/K/A WANDA
POPE TRS WANDA POPE FELTON
F/K/A WANDA POPE REV LIV TR
DTD 11/17/88 AMENDED 11/16/95
1001 CARPENTERS WAY #F320
LAKELAND FL 33809-3972

Account instructions
Statement copies are sent to 1 interested party.

Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
Account carried by Correspondent Services Corporation [csc]

NCZL12394

Earnings summary

Earnings below are classified as taxable or non-taxable based on the tax status for the specific security on which the earnings are received and does not attempt to reflect your account's tax status or reporting requirements. Use only official tax reporting documents (e.g. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax reporting document provided by the issuer.

	Current period	Year-to-date
Taxable		
Interest	$ 5,916.39	$ 5,923.27
Total taxable security earnings	$ 5,916.39	$ 5,923.27
Non-taxable		
Dividends/interest	$ 1,064.36	$ 21,587.96
Less accrued interest paid	.00	-81.67
Prior month(s) adjustments	265.00	
Total non-taxable security earnings	$ 1,329.36	$ 21,506.29
Total current year security earnings	$ 7,245.75	$ 27,429.56
Net security earnings	$ 7,245.75	$ 27,429.56

Asset portfolio

When available, prices, income and current values may be approximate and thus gains/losses may not be accurately reflected. Details on back of page one. An asterisk (*) indicates a change in the original transaction data from the prior month or the display of new data input at your branch office. Gains/losses are not calculated for zero coupon investments.

Corporate bonds and notes

Prices are obtained from independent quotation bureaus that use computerized valuation formulas to calculate current values. Actual market values may vary and thus gains/losses may not be accurately reflected

Coupon corporates

Total face value at maturity	Description	Price	Current value	Est. annual income	Trade date	Face value purchased	Purchase price	Cost basis	Unrealized Gain/loss
104,000	GLOBALSTAR LP/CAPITAL SENIOR NOTES RATE 11.375% MATURES 02/15/04	60.750	63,180.00	11,830		104,000	---This information was unavailable---		
25,000	GLOBALSTAR LP/CAPITAL SR NTS RATE 11.500% MATURES 06/01/05	57.750	14,437.50	2,875		25,000	---This information was unavailable---		
129,000	Total	$	77,617.50	14,705					

Account Number RI 27928 01
Your Investment Representative
MARK AUGUSTA 800-542-6288
612-376-1500

Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
Account carried by Correspondent Services Corporation (csc)

NCZL12

Money funds

Description	Opening balance	Closing balance	Closing share price	Average yield	Dividend period	Days in period
RMA CAL MONEY FD	397.37	7,643.12	1.00	2.02%	01/20 - 02/18	28
Total	$ 397.37	$ 7,643.12				

Municipal bonds and notes

Prices are obtained from independent quotation bureaus that use computerized valuation formulas to calculate current values. Actual market values may be significantly different and thus gains/losses may not be accurate.

Coupon municipals

Cost basis for tax-exempt and AMT eligible Coupon Municipal securities has been automatically adjusted for estimated bond premium amortization to date.

Total face value / Maturity	Description	Price	Current value	Est. annual income	Trade date	Face value purchased	Purchase price	Cost basis	Unrealized Gain/Loss
25,000	WINTON CAL SAN DIST SPL TAX CMNTY DST#90-1 /R/ PRE-REFUNDED RATE 08.500% MATURES 08/01/09 PREREFUNDED 08/01/00 @ 102.00	103.774	25,943.50	2,125		25,000	---This information was unavailable---		
30,000	SAN JOSE CALIF IMPT BD ACT 1915 DST 83-176SJ RATE 10.600% MATURES 07/02/04 CALLABLE 07/02/00 @ 105.00	106.406	31,921.80	3,130		30,000	---This information was unavailable---		
75,000	FONTANA CAL SPL TAX COMM FAC DIST 390-3 EMPIRE/R/ MAND SINK FND RATE 08.375% MATURES 04/01/11 CALLABLE 04/01/01 @ 102.00	79.000	59,250.00	6,281		75,000	---This information was unavailable---		
70,000	FONTANA CALIF SPL TAX CMNTY DST #90-3EMPIRE/R/ MAND SINK FND RATE 08.400% MATURES 04/01/15 CALLABLE 04/01/01 @ 102.00	79.000	55,300.00	5,880		70,000	---This information was unavailable---		
10,000	INDIANAPOLIS IND MFH REV SUNSHINE SR C B/E AMT/R/ MAND SINK FND RATE 09.000% MATURES 06/01/19 CALLABLE 12/01/03 @ 102.00	70.887	7,088.70	900		10,000	---This information was unavailable---		

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Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
Account carried by Correspondent Services Corporation (csc)

NCZL1209

Coupon municipals - continued

Cost basis for tax-exempt and AMT eligible Coupon Municipal securities has been automatically adjusted for estimated bond premium amortization to date.

Total face value at maturity	Description	Price	Current value	Est. annual income	Trade date	Face value purchased	Purchase price	Cost basis	Unrealized Gain/loss
325,000	FONTANA CALIF SPL TAX CMNTY FAC DIST NO90-3/R/ MAND SINK FND RATE 08.500% MATURES 04/01/21 CALLABLE 04/01/01 @ 102.00	79.000	256,750.00	27,625		325,000	---This information was unavailable---		
50,000	EAST POINT GA HSG AUTH M/F REV COL REG PTNR /R/ MAND SINK FND RATE 09.000% MATURES 03/01/23 CALLABLE 03/01/03 @ 102.00	93.599	46,799.50	4,500		50,000	---This information was unavailable---		
205,000	EMERALD COAST FLA HSG II INC REV SER A /R/ MAND SINK FND RATE 08.250% MATURES 07/01/26 CALLABLE 07/01/07 @ 103.00	94.865	194,473.25	16,913		205,000	---This information was unavailable---		
100,000	TARRANT CO TEX HFDC REV SER A /R/ MAND SINK FND RATE 08.500% MATURES 05/01/27 CALLABLE 05/01/04 @ 102.00	73.000	73,000.00	8,500		100,000	---This information was unavailable---		
500,000	MEXICO BEACH FLA PUB SVC FACS REV REV /R/ MAND SINK FND RATE 08.000% MATURES 12/01/27 CALLABLE 12/01/02 @ 102.00	50.000	250,000.00	40,000		500,000	---This information was unavailable---		
45,000	BEECH GROVE IND ECON DEV REV /R/ MAND SINK FND RATE 08.000% MATURES 01/01/28 CALLABLE 01/01/03 @ 102.00	93.575	42,108.75	3,600		45,000	---This information was unavailable---		

ntinued on page 5

Your Investment Representative
MARK AUGUSTA 800-542-6288
612-376-1500

Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
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NCZL1239

Coupon municipals - continued

Cost basis for tax-exempt and AMT eligible Coupon Municipal securities has been automatically adjusted for estimated bond premium amortization to date.

Total face value at maturity	Description	Price	Current value	Est. annual income	Trade date	Face value purchased	Purchase price	Cost basis	Unrealized Gain/loss
25,000	BEECH GROVE IND ECON DEV REV OID@97.5371 /R/ MAND SINK FND RATE 07.000% MATURES 01/01/28 CALLABLE 01/01/03 @ 102.00	92.864	23,216.00	1,750		25,000	---This information was unavailable---		
60,000	BEXAR CO TEX HFC M/FM RV REV /R/ MAND SINK FND RATE 08.000% MATURES 07/01/28 CALLABLE 07/01/03 @ 102.00	93.447	56,068.20	4,800		60,000	---This information was unavailable---		
130,000	MEXICO BEACH FLA PUB SVC FACS REV REV /R/ MAND SINK FND RATE 07.500% MATURES 12/01/28 CALLABLE 12/01/03 @ 102.00	88.000	114,400.00	9,750		130,000	---This information was unavailable---		
45,000	TARRANT CO TEX HLTH FACS SER A REV /R/ MAND SINK FND RATE 07.750% MATURES 03/01/29 CALLABLE 03/01/04 @ 102.00	88.000	39,600.00	3,488		45,000	---This information was unavailable---		
65,000	JACKSON CO MO IDA CLLTZD REV /R/ MAND SINK FND RATE 07.000% MATURES 07/01/29 CALLABLE 07/01/04 @ 102.00	91.562	59,515.30	4,550	01/05/00	35,000	88.735	31,057	989
						30,000	---This information was unavailable---		
75,000	JACKSON CO MO IDA CLLTZD SER C REV /R/ MAND SINK FND RATE 08.000% MATURES 07/01/29 CALLABLE 07/01/04 @ 102.00	92.301	69,225.75	6,000		75,000	---This information was unavailable---		
1,035,000	Total		$ 1,404,660.75	149,842				31,057	989

Miller & Schroeder Financial, Inc.
P.O. Box 789 • Minneapolis, Minnesota 55440-0789
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NCZL123944

Monthly activity

Cash flow

Date	Activity	Description		Amount
1/31		**Balance forward**	$	.00
2/01	INTEREST	WINTON CAL SAN DIST SPL TAX CMNTY DST#90-1 /R/ 8.5 080109 DTD 072591 CALLABLE PAID ON 25000		1,062.50
2/08	INTEREST	SAN JOSE CALIF IMPT BD ACT 1915 DST 83-176SJ 10.6 070204 DTD 061584 CALLABLE AS OF 01/01/00		265.00
2/15	INTEREST	GLOBALSTAR LP/CAPITAL 11.375% 021504 DTD021997 FC081597 SENIOR NOTES PAID ON 104000		5,915.00
02/18	DIVIDEND	RMA CAL MONEY FD		1.86
02/22	INTEREST	INT. -PERIOD RATE DAYS 01/22 - 02/21 4 1/4 19 OPENING CR BAL 271 CLOSING CR BAL 5,915 AVERAGE CR BAL 619		1.39
		Funds used for money fund transactions	$	-7,245.75
02/29		**Closing balance**	$	.00

Security transactions

See Important information on the back of page one regarding the Price/Value presented for restricted securities.

Date	Activity	Description	Quantity	Price / Value	Amount
2/08	RECEIVE	SAN JOSE CALIF IMPT BD ACT 1915 DST 83-176SJ 10.6 070204 DTD 061584 CALLABLE AS OF 11/08/99	5,000.000	5,332.10	
		Securities transferred in or received		$ 5,332.10	$ .00

Money fund transactions

The RMA CAL Money Fd is your primary sweep fund.

Date	Activity	Money fund		Amount
1/31		**Opening RMA CAL Money Fd**	$	397.37
2/02	BOUGHT	RMA CAL MONEY FUND		1,062.50
2/09	BOUGHT	RMA CAL MONEY FUND		265.00
2/16	BOUGHT	RMA CAL MONEY FUND		5,915.00
2/18	BOUGHT	RMA CAL MONEY FUND		1.86
02/23	BOUGHT	RMA CAL MONEY FUND		1.39
02/29		**Closing RMA CAL Money Fd**	$	7,543.1[illegible]
		Money funds purchased	$	7,245.75

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

SRC Holding Corporation,
f/k/a Miller & Schroeder, Inc.
and its subsidiaries,

Debtors.

Chapter 7 Case

BKY Case Nos. 02-40284 to 02-40286

Jointly Administered

Brian F. Leonard, Trustee,

Plaintiff,

vs.

Roger J. Wikner,

Defendant.

Adv. Case No. 03-4153

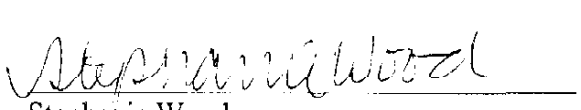
UNSWORN CERTIFICATE OF SERVICE

I, Stephanie Wood, declare under penalty of perjury that on the 28th day of April, 2004, I mailed a copy of the annexed ***Plaintiff's Response to Defendants' Motions for Summary Judgment and Affidavit of Brian F. Leonard*** on:

Larry B. Ricke, Esq.
Leonard Street & Deinard
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402

by handing to and leaving with the receptionist, enclosed in an envelope.

Dated: April 28, 2004



Stephanie Wood