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LISA SMITH, COUNTY RECORDER  
MADISON COUNTY IOWA

Prepared by and return to: Bob Douglas, 4201 Westown Parkway, Suite 300, West Des Moines, IA 50266, (515)-288-2500

**AFFIDAVIT**

$\frac{1}{2}$  STATE OF IOWA

COUNTY OF POLK, SS:

The undersigned, Robert J. Douglas, Jr., being first duly cautioned and sworn, deposes and says as follows:

1. Affiant is an Iowa licensed Attorney at Law and has personal knowledge of the facts herein contained.
2. CSMC, Inc., d/b/a Central States Mortgage, (hereinafter "CSMC") is a Wisconsin corporation, licensed to do business in the State of Iowa, engaging primarily in the business of real property, mortgage secured lending.
3. CSMC is presently the Debtor of record in a voluntary receivership action filed as Case No. 09-CV-004763, Circuit Court-Branch: 41, Milwaukee County, Wisconsin.
4. Attached hereto and incorporated by reference as "Exhibit A" is a certified copy of the Order Appointing Receiver, Enjoining Creditors, Approving Terms of Appointment and Establishing Rules of Administration of Debtor's Estate and Order Authorizing Receiver to Sell Real Estate Free and Clear of All Liens, Claims and Encumbrances and for Authority to Disburse the Sale Proceeds which have been entered in such proceeding, which authorize Michael S. Polsky as successor assignee and Receiver to convey property owned by CSMC.
5. Affiant, for purposes of supplementing the record hereby gives this affidavit evidencing proper authority of the Receiver on behalf of CSMC during the pendency of said receivership.

Further Affiant sayeth naught.

\_\_\_\_\_  
Robert J. Douglas, Jr.

Sworn to before me and subscribed in my presence this 2nd day of December, 2010.

\_\_\_\_\_  
Notary Public





STATE OF WISCONSIN      CIRCUIT COURT      MILWAUKEE COUNTY  
BRANCH \_\_\_\_\_

CSMC, Inc., d/b/a/ CENTRAL STATES MORTGAGE Debtor.	Case No: 09-cv-004763 Other Debtor Action: Case Code: 30304
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~~ORDER APPOINTING RECEIVER,~~  
ENJOINING CREDITORS, APPROVING TERMS OF APPOINTMENT,  
AND  
ESTABLISHING RULES OF ADMINISTRATION OF DEBTOR'S ESTATE

CSMC, Inc., having filed with this Court an Assignment for the Benefit of Creditors, made and duly executed by a duly authorized officer of CSMC, Inc., assigning all of its assets to Michael S. Polsky of Milwaukee, Wisconsin, as Successor Assignee;

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. Michael S. Polsky, Successor Assignee, be and hereby is appointed Receiver of CSMC, Inc., with all usual and customary powers as provided under Chapter 128, Wis. Stats., and the laws applicable thereto. Said Receiver shall file his acceptance of said Assignment in writing in these proceedings, and in accordance with Wis. Stat. § 128.05, within ten (10) days of the date of this Order.
2. The terms of engagement of said Receiver, as set forth in the Agreement between the Proposed Receiver and the Debtor, attached hereto, are approved in their entirety.
3. A surety bond from the Receiver shall be issued by an insurance carrier in the amount of \$50,000, and will be allowed to stand until such time as

unencumbered assets come into the possession of the Receiver exceeding this value, at which time the Receiver shall cause the increase of said bond such that the amount is not less than the value of the unencumbered assets in the Receiver's possession; the premium for such bond may be taken from the assets that come into the Receivers possession. Proof of the bond shall be filed with this Court upon issuance. Said Receiver shall file its bond in accordance with Wis. Stat. 128.09, within ten (10) days of the date of this order.

4. The Debtor shall cause to be filed with this Court a verified list of assets and liabilities of CSMC, Inc. within fifteen (15) days of the date this Order is entered, and shall turn over to the Receiver all books and records of Debtor within the same fifteen (15) day period.

5. Receiver shall give notice of this Assignment for the Benefit of Creditors to all known creditors or owners of claims against the Debtor, by mail and by publication as a Class III notice under Chapter 985, in Milwaukee County, Wisconsin, and shall further give notice to the Internal Revenue Service, the Wisconsin Department of Revenue, Wisconsin Department of Workforce Development, and the local municipality.

6. The above described notice shall direct all creditors and claimants to file their claims within three (3) months of the date of the notice, with the Milwaukee County Clerk Circuit Court. Such notice shall direct that all creditors and claimants failing to timely file their claim shall be precluded and barred from participating in any dividend payable to creditors.

7. The Debtor above named, its agents, directors and officers are hereby enjoined and restrained from transferring, encumbering, or otherwise disposing of any assets of the Debtor.

8. Pursuant to Wis. Stats. 128.14(1), all creditors and claimants of CSMC, Inc., are hereby enjoined and restrained from commencing or continuing to prosecute any action or proceeding against the Debtor other than in these proceedings, and are further enjoined and restrained from enforcing against the Debtor or its property any judgment and from taking any action to collect or recover any claim of any nature against the Debtor.

9. The Receiver is authorized to employ professional personnel, including attorneys and accountants, at their usual and customary rates, to assist in the administration of the estate, subject to the approval of this Court of all terms of engagement. Notwithstanding the foregoing, the Receiver is hereby authorized to retain the law firm of Beck, Chaet, Bamberger & Polsky, S.C., at their customary hourly rates as counsel for the Receiver for the purpose of handling any and all legal matters affecting these proceedings. BCBP shall be compensated as an administrative expense in these receivership proceedings.

10. The Receiver is authorized to sell any and all property of the Debtor outside the ordinary course of business free and clear of all liens, with liens to attach to the proceeds, through either public or private proceedings, in a commercially reasonable fashion, subject to the prior approval of this Court. The Receiver is further authorized to transfer or abandon any property of the Debtor in which only a single

creditor holds an interest, also subject to the prior approval of this Court, and of the creditor.

11. Final compensation of professionals shall be determined by order of this Court after proper motion seeking final approval of fees and costs. The above notwithstanding, Receiver is authorized to pay professional fees including fees to the Receiver itself, on an interim basis, subject to recoupment and disgorgement. The fees of all professionals shall be treated as administrative costs pursuant to Wis. Stat. § 128.17(1)(b). Any entity which may pay such fees in advance of the distribution to creditors in this case, shall have an administrative claim against the assets of the estate.

12. The Receiver is hereby authorized to operate the business of CSMC, Inc., if doing so in the opinion of the Receiver is in the best interest of the creditors and the Debtor, and said Receiver is further authorized to enter into further agreements relating to such operation upon notice to the Court.

13. The Receiver is authorized to use any federally insured institution as the Receiver so chooses, as a depository for any funds which may come into its possession from the sale or liquidation of the Debtor's assets, or such other funds procured by the Receiver during the administration of this case.

14. The Receiver may take any and all other action he believes necessary to preserve, protect and/or recover the assets of CSMC, Inc.

15. Among his other tasks and responsibilities, the Receiver shall (i) promptly perform an analysis of potential avoidable transfers recoverable by the

Receiver as well as transfers recoverable only by a trustee under Title 11, U.S.C., (ii) determine based on such an analysis whether a filing of a petition for relief under Title 11, U.S.C. would be in the best interest of the Debtor's creditors, (iii) report the results of such an analysis to the Court within forty five (45) days of his appointment.

16. Some property currently in Debtor's possession may be held as a fiduciary to one or more of Debtor's creditors. To the extent it is determined that such property is being so held by Debtor, it shall be similarly so held by the Receiver. Nothing contained herein shall effect the status of such property.


17. The Receiver shall be authorized to collect, compromise, sell or dispose of any account receivable, claims, demand or cause of action existing in favor of the Debtor, and to settle and compromise any and all claims against the Debtor.

18. The Receiver shall not, by the exercise of its authority under this Order be deemed to possess or control, nor hold title, the subsurface of any real estate, nor any hazardous waste or hazardous substance. The terms "hazardous waste" and/or "hazardous substance" shall mean those substances which are regulated by or form the basis of liability under any federal, state or local environment laws, including without limitation, asbestos, polychlorinated biphenyl's ("PCBs"), and radioactive substances, or any other materials or substance which has in the past or could in the future constitute a health, safety or environmental hazard to any person or property.

19. The Receiver may apply for such other and further relief as it is appropriate under the circumstances.

Dated this 7 day of April, 2009.

BY THE COURT:

  
John J. DiMotto

Milwaukee County Circuit Judge

STATE OF WISCONSIN  
MILWAUKEE COUNTY } SS.

I, the undersigned Clerk of the Circuit Court of Milwaukee County, Wisconsin do hereby certify that I have compared this document with the original on file and that the same is a full, true and correct copy of said original and of the whole hereof, as the same remains of record in my office.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed the seal of said court, this JUL 22 2006 date



JOHN BARRETT  
Clerk of Circuit Court

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STATE OF WISCONSIN

CIRCUIT COURT

MILWAUKEE COUNTY

In re:

CSMC, INC.,  
d/b/a CENTRAL STATES MORTGAGE.

Case No. 09CV146

Assignor.

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09CV00476-3

**ORDER AUTHORIZING RECEIVER TO SELL REAL ESTATE FREE  
AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES AND  
FOR AUTHORITY TO DISBURSE THE SALE PROCEEDS**

Upon the Receiver's Motion for Authority to Sell Real Estate Free and Clear of All Liens, Claims and Encumbrances and for Authority to Disburse the Sale Proceeds (the "Omnibus Sale Motion") and it appearing that said Omnibus Sale Motion is necessary and proper, and in the best interests of creditors and the administration of the estate, and it appearing that said consummation of sales as described in the Omnibus Sale Motion, are appropriate and reasonable:

**NOW, THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Receiver is hereby authorized to sell the individual real estate owned properties free and clear of all liens, claims and encumbrances, with any and all liens, claims and encumbrances, attaching to the proceeds of the sales in the same priority as they existed prior to the closing of the sale without further notice or order of this Court; and

2. The Receiver shall pay from the closing proceeds the usual and customary closing costs, taxes due and amounts incurred to secure, maintain, insure and/or repair as well as market the premises. In the event the Credit Union Pool, Members United, Associated Bank and Amcore Bank agree, in writing, as to how the net sale proceeds from any parcel of real estate should be disbursed, the Receiver requests authority to disburse the net sale proceeds



accordingly, and, in the event there is no such agreement, the Receiver will hold the net sale proceeds in trust pending further Court Order in these proceedings.

3. It is further ordered that the Receiver shall give Notice to all interested parties of this Order, and, unless an Objection is filed within ten (10) days from the date of said Notice, this Order shall become a final Order. In the event an Objection is received on a timely basis, this Order shall be deemed an interim Order, until a hearing on the Objection may be conducted by this Court.

Dated this 30 day of June, 2009.


BY THE COURT:

  
Honorable John DiMotto

STATE OF WISCONSIN }  
MILWAUKEE COUNTY } SS.

I, the undersigned Clerk of the Circuit Court of Milwaukee County, Wisconsin do hereby certify that I have compared this document with the original on file and that the same is a full, true and correct copy of said original and of the whole thereof, as the same remains of record in my office.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed the seal of said court, this JUL 27 2009

  
JOHN BARRETT  
Clerk of Circuit Court