

**UNITED STATES DISTRICT COURT**  
Northern District of Indiana  
South Bend Division

HEARTLAND RECREATIONAL	)	
VEHICLES, LLC,	)	
Plaintiff,	)	
	)	CASE NO.: <u>3:08-cv-490</u>
v.	)	
	)	
FOREST RIVER, INC.,	)	JURY DEMAND
Defendant.	)	

**DECLARATION OF CHRISTINE LAUBER**

I, Christine Lauber, hereby declare under penalties of perjury by the laws of the State of Indiana, that:

1. I am an adult and am competent to testify as to the matters herein based upon my personal knowledge and upon information and belief. I have been retained as an expert witness and consultant in accounting and related issues in this lawsuit. I have examined the income statements and other financial documents provided by Heartland in this lawsuit and I attended the deposition of Dennis Donat, Heartland’s chief financial officer. I am in the process of analyzing the extent to which Heartland obtained any financial benefit from the use of Forest River’s Master List. I expect to prepare a report in that regard for use in this lawsuit.

2. I have read Heartland’s “Response to Forest River’s Motion for Extension of Time” for filing my report. By way of comment to that Response, I never received Heartland’s “financial statements.” Within the practice of accounting, “financial statements” generally refer to the combination of 1. Income statements, 2. Balance sheets, and 3. Cash flow statements. All I received from Heartland in that regard were the unaudited income statements.

3. Often times, the income statement will indicate where the “profit” of a business is, but how a company amortizes or writes off certain expenses and accrues costs on its balance sheet does affect how “profit” is calculated. In reviewing the Heartland records certain aspects of that business lead me to believe that the income statements alone are not sufficient to accurately show its profit during the time period of October - November, 2008. For example, during this time frame Heartland reportedly purchased a significant number of “buy-back” travel trailers. Separating the effect of those out from normal travel trailer purchases may have a significant effect on the “profits” we are trying to measure. Also, it is my understanding from Mr. Donat’s testimony that at least with respect to certain travel trailers being sold in this time period, Heartland was intentionally selling them without any normal profit. Further, it appears that the company was engaged in providing constructive dividends to at least certain of its shareholders and was engaged in what Mr. Donat referred to as “Purchase Accounting.”

4. From what I saw in the financial records thus far, it appears that the year-end audit of Heartland’s income statements for 2008 required a major adjustment in the income statement, but the notes of the auditors explaining why that was done were not provided to me. Accordingly, it appears that at least the auditors found the income statements to be contrary to GAAP in some respects. Mr. Donat’s spreadsheet did not appear to be a regularly kept business record, does not have a direct tie in to the income statement, and lacked complete back-up or supporting documentation. Mr. Donat’s testimony did not answer all of my questions in this regard.

5. I have provided a supplemental sheet detailing why I believe the additional business records are needed to complete an accurate “profit” analysis, as attached hereto. With those additional records, I believe I can complete my report.