

**EXHIBIT DONAT****EXCERPT OF DENNIS DONAT DEPOSITION TRANSCRIPT - SEPT. 24, 2010**

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3 Q. And preparing for the Louisville show, Heartland typically

4 goes out and contacts the dealers it expects to meet at

5 that show, right?

6 A. Yes.

7 Q. And in that contact you typically try to get orders or

8 commitments to orders for the show?

9 A. I don't -- I guess I've never been asked to make contact

10 with the dealers, so I don't know what they do.

11 Q. But you know that salespeople are doing that prior to the

12 Louisville show, right?

13 A. I know that they are.

14 Q. You see a lot of orders come in just prior to the show,

15 don't you?

16 A. Not that I recall.

17 Q. You don't see a higher sales volume just before the

18 Louisville show?

19 A. No, I don't believe -- I don't recall seeing that.

20 Q. I see. Do you notice higher selling expenses prior to the

21 Louisville show?

22 A. I've never noticed that.

23 Q. I see. Do you know of any reason why it would be to

24 Heartland's advantage to get dealers to commit to sales

25 before a trade show?

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A. I could speculate.

2 Q. Well, based upon your years of experience in the industry,

3 I don't want you to speculate, but I want you to tell me

4 what your understanding is. Why would you try to write up

5 the orders and get the confirmations before the show?

6 A. It would be good to get a dealer's commitment to sell the

7 company's product.

8 Q. Well, you know that your dealers only have a certain

9 amount of financing they can get for trailers, right?

10 A. They have their credit limits, correct.

11 Q. Yes. And you know that most of your dealers sell other

12 lines of trailers, right?

13 A. I would believe most of them sell other lines of trailers.

14 Q. So if a dealer commits before a trade show to buy a

15 certain number of units from you, that limits the amount

16 of money he's got left to buy from someone else, doesn't

17 it?

18 A. Probably does.

19 Q. And so rather than wait to meet the dealer at the show, it

20 would be in Heartland's best interest to sign them up  
21 before the show so they get the business that their  
22 competitors don't, right?  
23 A. That would be logical.

24 Q. Now, we talked about these discounts and rebates, spiffs,  
25 sales allowances and all the stuff you give to a dealer to

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A. Yes.

3 Q. Are there certain times of year when Heartland is more  
4 inclined to give a greater allowance to the dealer in that  
5 regard?

6 A. Historically during the non-peak season, the dealer  
7 incentives will increase.

8 Q. And the non-peak season is when?

9 A. It starts right after July's shut down and goes through  
10 the January show season, even February of the following  
11 year.

12 Q. The January show season, that's the retail show season,  
13 right?

14 A. Yeah, I suppose that's true.

15 Q. Have you ever heard of something called a Louisville  
16 discount?

17 A. Yes.

18 Q. And what is that?

19 A. The Louisville discount can be an amount that has been  
20 offered to the dealer as an incentive to write orders so  
21 that sales folks can write orders at the Louisville show.

22 Q. In other words, you're trying to get a lot of sales at  
23 Louisville so you give a bigger discount; is that right?

24 A. There will be additional incentives usually at Louisville  
25 to promote sales.

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Q. We talked about the financial condition of Heartland in  
18 the fall of 2008 in some respects. We talked about a cash  
19 flow problem. We talked about increasing -- or borrowing  
20 from your line of credit and so forth, right?

21 A. We did.

22 Q. Would it be fair to say that in the fall of 2008 Heartland  
23 was unable to meet large debts when due?

24 MR. IRMSCHER: Objection, lack of foundation,  
25 calls for speculation.

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1 A. I don't believe that's a correct characterization.

2 Q. In the fall of 2008, you stopped paying Scott Tuttle the  
3 money that you owed him, right?

4 A. We did.

5 Q. And you told him it was because you couldn't afford to pay

6 it, right?

7 A. That's correct.