

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p>Plaintiff,</p> <p>vs.</p> <p>TRAVIS E. CORRELL, individually and doing business as Horizon Establishment; GREGORY THOMPSON; DWIGHT J. JOHNSON; HARRY ROBINSON "ROBBIE" GOWDEY, individually and doing business as Atlas and Jericho Productions; GRANT CARDNO; NEULAN D. MIDKIFF; TRAVIS CORRELL & COMPANY, INC.; THE LIBERTY ESTABLISHMENT, INC.; SOVEREIGN CAPITAL INVESTMENTS, S.A.; TNT OFFICE SUPPLY, INC.; NET WORTH GROUP, INC.; and JOSHUA TREE GROUP LLC,</p> <p>Defendants,</p> <p>and</p> <p>BANNER SHIELD, LLC; HOSPITALITY MANAGEMENT GROUP, INC.; CREATIVE WEALTH VENTURES, LLC, and JTA ENTERPRISES,</p> <p>Defendants Solely for Purposes of Equitable Relief.</p>	<p>CIVIL ACTION NO. 4:05CV472</p> <p>Case 4:05-cv-00472-RAS Document 63-2 Filed 03/20/2006</p>
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DECLARATION OF MARK C. KING

COMES NOW Mark C. King and, pursuant to 28 U.S.C. § 1746, declares under penalty of perjury that the following is true and correct.

1. I have personal knowledge of the facts set forth in this Declaration. I am over the age of 21 and suffer from no disability affecting my ability to provide competent testimony.

2. In accordance with the Court's December 7, 2005 Order Appointing Receiver (the "Receivership Order"), S. Gregory Hays, the court-appointed Receiver in this matter, has retained Hays Financial Consulting, LLC as his accountants and financial consultants in this case.

3. I am employed by Hays Financial Consulting, LLC and have worked with the Receiver and his counsel on various aspects of this Receivership. Among other things, my responsibilities have included: dealing with Defendant Neulan D. Midkiff ("Midkiff") on behalf of the Receiver; determining the nature and extent of assets that Midkiff owns or controls; trying to locate and secure Midkiff's assets; and, if appropriate, arranging to liquidate those assets for the benefit of the Receiver Estate.

4. I first met Midkiff on December 7, 2005, at his office in Minnesota. At that time, I provided Midkiff with a copy of the Complaint filed by the SEC in this case, the Receivership Order and other documents filed with or entered by the Court at the time that this case was filed. Mr. Midkiff refused to grant us access to his office or his home and did not provide us with any meaningful information. Except for providing me with documents and computer records for Defendant Joshua Tree Group, LLC on a later trip to Minnesota, and allowing me to photograph furnishings and other personal property located at his current residence, Midkiff has not cooperated with the Receiver and me in identifying and turning over assets or providing us with the information required by the Receivership Order.

5. Through my investigation, and the investigations of other employees of the Receiver, I have learned that Midkiff actually owns or controls the following assets that belong to the Receiver Estate:

- a. A house, used as Midkiff's current residence, located at 7580 Hilo Lane, Forest Lake, Minnesota 55025, in Washington County, Minnesota (the "Hilo Lane House").
- b. A house located at 1319 Bay Drive SE, Forest Lake, Minnesota, 55025, which Midkiff is apparently providing to tenants rent-free (the "SE Bay House").
- c. Furniture and other furnishings in both the Hilo Lane House and the SE Bay House.

6. In addition to the houses and furnishings described above, our investigation causes me to believe that, at the time that this case was filed, Midkiff also owned or controlled: several automobiles, including a Lincoln Navigator and a 1996 GMC Jimmy; a motor home; real property located in Israel; an apartment located in the Ukraine; a boat; and a golf cart, among other things.

7. On several occasions, I have tried to obtain information from Midkiff and to discuss these assets with him. I have had great difficulty in reaching Midkiff by telephone. Although I have left numerous messages with him on the voice recording system associated with his mobile telephone, very few of my calls have been returned.

8. While I have been interested in all of Midkiff's assets, I have been especially focused on the Hilo Lane House. Midkiff has apparently spent well in excess of \$400,000 in making payments on the house and improvements. Our hope is to salvage some of this "equity" on behalf of the Receiver Estate. I made the following efforts to take control of the Hilo Lane House:

- a. **December 7, 2005:** I met with Midkiff and served a copy of the Order Appointing Receiver and Order of Preliminary Injunction and Other Equitable Relief as to Midkiff and Defendant Joshua Tree Group LLC.

- b. **December 8, 2005:** I traveled to the Hilo Lane House, and attempted to gain possession of it. Midkiff did not appear to be on the premises, and refused to answer his phone.
- c. **December 15, 2005:** Midkiff allowed me and a United States Marshal to enter the house on the Hilo Lane House in order to take photographs and to inventory Midkiff's possessions. That same day, he met with me and a United States Marshal and turned over records and a computer for Defendant Joshua Tree Group LLC. I also went to the SE Bay House simply to see it.
- d. **January 20, 2005:** Midkiff allowed appraisers retained by the Receiver to access the Hilo Lane House and the SE Bay House in order to have them appraised.
- e. **February 16, 2006:** I left a voicemail with Midkiff to discuss Midkiff's withdrawal from the Hilo Lane House. Midkiff did not return this voicemail.
- f. **February 17, 2006:** I left a voicemail with Midkiff to discuss Midkiff's withdrawal from the Hilo Lane House. In this voicemail, I requested that Midkiff both communicate and cooperate with the Receiver in the administration of the Receiver Estate. Midkiff did not return this voicemail.
- g. **February 20, 2006:** I left a voicemail with Midkiff requesting that he vacate the Hilo Lane House, but that he not remove any personal property from the premises. I further requested that Midkiff return my call so that we could set a reasonable deadline for Midkiff's departure. In the voicemail, I informed Midkiff that, if he did not cooperate, the Receiver intended to pursue contempt of court proceedings. Midkiff did not return this voicemail.

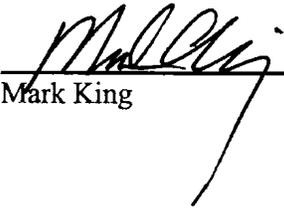
9. Midkiff has refused to provide the Receiver with an accounting of his assets or to turn over or account for the existence of many business records, insurance policies, computers and computer files, passwords and identifying information, and other information related to the Receiver Estate.

10. While we are continuing to investigate these issues, it is my understanding that, since the entry of the Receivership Order and asset freeze and my providing copies of those orders to him, Midkiff sold his motor home and, possibly, one other vehicle. Attached to this

Declaration as Exhibit "A" is a letter received by one of the Receiver's attorneys as a part of our investigation into the disposition of the motor home. As indicated in the letter, it appears that Midkiff sold his motor home five days after I served him with the Receivership Order and the Order of Preliminary Injunction and Other Equitable Relief freezing his assets.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 12th 2006
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Mark King

Exhibit A



EXECUTIVE PLAZA BUILDING,
300 SEVENTH STREET NORTH, BOX 307
MELBOURNE, PENNSYLVANIA 16802

320.253.7130
1.800.324.8290
FAX 320.253.0503
nflaw.com

February 14, 2006

Thomas E. Borton IV
Troutman Sanders LLP
Attorneys at Law
Bank of America Plaza
600 Peachtree Street NE, Suite 5200
Atlanta, GA 30308-2216

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Re: SEC v. Travis E. Correll, et al
Court Case No. 4:05CV472
Our File No. 22226

Dear Mr. Borton:

I am counsel for PleasureLand RV Center, Inc. I am writing in response to your correspondence dated February 8, 2006, which was received by my clients on February 9, 2006.

Your letter inquires into a 2000 Fleetwood Discovery motor home bearing VIN # 4UZ6XFBA2YGC89112 and displaying Minnesota license plate RVA7851. On December 12, 2005, an individual named Neulan Dae Midkiff from Forest Lake, Minnesota negotiated a sale of this vehicle at PleasureLand's Ramsey, Minnesota location. The motor home was unsecured and my clients purchased the vehicle for the sum of \$51,000.00. The motor home was serviced and improved by PleasureLand, and remained on the sales lot until January 20, 2005, at which time it was sold to a customer from the State of North Dakota. That sale included a trade of the customer's 1990 motor home as well cash consideration. This resale of the motor home was completed and the vehicle was delivered in late January of 2006, approximately two weeks before your correspondence was received. Accordingly, PleasureLand RV Center, Inc. is not in possession of the recreational vehicle, nor was it their possession at the time of your correspondence.

Yours truly,

NEILS. FRANZ & CHIRHART

Neil C. Franz
Attorney at Law

NF/nv

cc: S. Gregory Hays, Receiver
Marshall Gandy
U.S. District Court for the Eastern District of Texas
PleasureLand, Inc.

TROUTMAN SANDERS LLP
ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

Pleasureland RV Center, Inc.

February 8, 2006

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The undersigned acknowledges receipt of this letter and enclosed Orders.

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Bradley Bacon

SIGNATURE

Bradley Bacon

PRINT NAME

2/9/2006 8:00 am

DATE AND TIME OF RECEIPT