

**COPY**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

FILED  
U.S. DISTRICT COURT  
NORTHERN DIST. OF TX  
FORT WORTH DIVISION

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**SECURITIES AND EXCHANGE  
COMMISSION,**

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**Plaintiff,**

v.

**CORNERSTONE PRODIGY GROUP,  
INC., GARY D. REEDER and  
SANDRA M. REEDER,**

**Defendants.**

and

**EXECUTIVE NETPROFITS, INC.**

**Defendant Solely for the  
Purpose of Equitable Relief**

**CIVIL ACTION NO. 499-CV-0978-Y**

**RECEIVER'S AMENDED UNOPPOSED MOTION TO SELL REAL PROPERTY FREE  
AND CLEAR OF ALL LIENS,  
CLAIMS AND ENCUMBRANCES AND BRIEF IN SUPPORT**

TO THE HONORABLE TERRY R. MEANS, UNITED STATES DISTRICT JUDGE:

COMES NOW, Michael J. Quilling ("Receiver"), and files now his Amended Unopposed Motion to Sell Real Property Free and Clear of all Liens, Claims and Encumbrances and in support of such would respectfully show unto the Court as follows:

**FACTUAL BACKGROUND**

1. On November 24, 1999, the Securities and Exchange Commission ("SEC") initiated these proceedings and, in connection therewith, requested the appointment of a Receiver. On November 24, 1999 the Court appointed Michael J. Quilling as Receiver and since that time he has continued to function in that capacity.

2. One of the assets of the receivership estate over which the Receiver established control and possession on the date of his appointment was certain real property located at Lot 11R, Block 26, Sugar Tree Golf & County Club, Phase I, Parker County, Texas (the "Property").

3. Subsequent to the Receiver filing his Unopposed Motion to Sell Real Property Free and Clear of all Liens, Claims and Encumbrances and Brief in Support and as required by U.S.C. 28§2001(b), the Receiver has obtained three appraisals attached hereto as Exhibits "1 - 3." A copy of an appraisal report prepared by Brian K. Huffman, SRA, of Appraisal Services, Inc., 500 West 7<sup>th</sup> Street, Suite 534, Fort Worth, Texas 76102 is attached hereto as Exhibit "1" to this Motion and is incorporated herein by reference. The said appraisal report reflects that the market value of the Property as of July 27, 2000 is \$25,000.00. A copy of an appraisal report prepared by Stanton Ray Yates, SRA, of S.R. Yates Real Estate, Inc., 2800 Tex Blvd., Fort Worth, Texas 76116 is attached hereto as Exhibit "2" to this Motion and is incorporated herein by reference. Said appraisal report reflects that the market value of the Property as of August 21, 2000 is \$33,000.00. A copy of an appraisal report prepared by Marty Johnson, SRA, of Ben Dyess & Associates, 1 Ridgemar Centre, 6500 W. Freeway, Suite 220, Fort Worth, Texas 76116 is attached hereto as Exhibit "3" to this Motion and is incorporated herein by reference. Said appraisal report reflects that the market value of the Property as of August 19, 2000 is \$27,000.00.

4. Based upon the appraisals received by the Receiver, the average appraised value of the Property is \$28,333.34.

5. The Receiver has published the terms of the proposed sale in the *Fort Worth Star Telegram*, a newspaper of general circulation from August 14, 2000 through August 24, 2000, being

at least ten (10) days before confirmation. A copy of the Notice of Private Sale found in the *Fort Worth Star Telegram* is attached hereto as Exhibit "4" and incorporated herein by reference.

6. As part of his duties, the Receiver has actively marketed the Property for sale. As a result of those efforts, the Receiver has received an offer to purchase the Property for \$16,500.00.

7. Based upon current market conditions, the remote location of the Property, restrictions placed on marketing the Property by the subdivision, the abundance of similar lots for sale in the area, and the fact that no other offers have been received during the nine (9) month marketing period, the Receiver believes that the proposed sale is in the best interest of the receivership estate.

8. Accordingly, the Receiver respectfully requests that upon final consideration of this Motion, that he be allowed to sell the Property for \$16,500.00 free and clear of all liens, claims and encumbrances. To the best of his knowledge of the Receiver, there are no outstanding liens, claims, or encumbrances with respect to the Property.

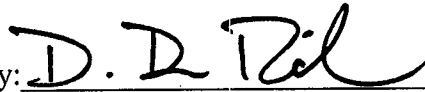
#### **ARGUMENTS AND AUTHORITIES**

9. The ultimate purpose of a receivership is to provide a vehicle through which assets can be held, liquidated and distributed to the particular beneficiaries of the receivership. In this instance, the beneficiaries are the creditors and investors of Cornerstone Prodigy Group, Inc., its related entities and Gary and Sandra Reeder. Allowing the Property to be sold now at the price indicated will both further and expedite the process.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final hearing and consideration of this matter that the Court authorize him to consummate the Proposed Contract of Sale, undertake all actions necessary to close the sale, that the sale be allowed free and clear of all liens, claims and encumbrances, and such other and further relief, general or special, at law or in equity, to which the receiver may show himself to be justly entitled.

Respectfully submitted,

QUILLING, SELANDER, CUMMISKEY  
& LOWNDS, P.C.  
2001 Bryan Street, Suite 1800  
Dallas, Texas 75201  
(214) 871-2100 (Telephone)  
(214) 871-2111 (Facsimile)

By: 

Michael J. Quilling  
State Bar No. 16432300  
D. Dee Raibourn, III  
State Bar No. 24009495

ATTORNEYS FOR RECEIVER

**CERTIFICATE OF CONFERENCE**

I have conferred with Karen Cook of the SEC regarding the relief requested in this Motion and she does not oppose the sale, and believes that it should be authorized by the Court.

  
\_\_\_\_\_  
D. Dee Raibourn, III

**CERTIFICATE OF SERVICE**

I hereby certify that on the 13<sup>th</sup> day of August, 2000 a true and correct copy of the foregoing document was served via U.S. mail, first class, postage prepaid, on:

Steve Korotash  
Securities & Exchange Commission  
801 Cherry Street, 19th Floor  
Fort Worth, Texas 76102

Mr. Gary Reeder  
1350 E. Flamingo, Unit 555  
Las Vegas, NV 89119

  
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D. Dee Raibourn, III