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

SECURITIES AND EXCHANGE COMMISSION,	§	
Plaintiff,	§	
v.	§	
CORNERSTONE PRODIGY GROUP, INC., GARY D. REEDER and SANDRA M. REEDER,	§	CIVIL ACTION NO. 499-CV-0978-Y
Defendants.	§	
and	§	
EXECUTIVE NETPROFITS, INC.	§	
Defendant Solely for the Purpose of Equitable Relief	§	

ORDER ON RECEIVER'S OBJECTION AND FIRST SUPPLEMENTAL OBJECTION TO CLAIMS OF CREDIT CARD COMPANIES

CAME ON FOR HEARING in the above-styled and numbered action the Objection to Claims of Credit Card Companies and the First Supplemental Objection to Claims of Credit Card Companies (collectively, the "Objection") filed by the Court appointed receiver in this case, Michael J. Quilling (the "Receiver"). After carefully considering the claims of the Credit Card Companies submitted to the Receiver as ordered, the Objection, the briefing submitted by the Credit Card Companies in connection with their claims, if any, the previous briefing, affidavits and supporting documentation submitted by the parties regarding the chargeback issues in this case, the arguments

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of counsel and the applicable authorities, the Court finds and determines that the Objection should be sustained as set forth herein.[1]

IT IS THEREFORE ORDERED that each and every claim of the Credit Card Companies is a contractual claim and shall be treated as a general claim to be paid ratably along with those of the investors of Defendant Cornerstone Prodigy Group, Inc. and its related entities.

IT IS FURTHER ORDERED that any portion of the Credit Card Companies' claims that seek any non-charge-back remuneration for attorney's fees, interest or other fees (including but not limited to charge-back fees or reject fees) is disallowed.

IT IS FURTHER ORDERED that PMT's claim for chargebacks as set forth in Exhibits "3" and "4" that were introduced by the Receiver at the July 10, 2000 hearing on the Objection is provisionally disallowed with respect to the specific cardholders/investors that the Receiver cannot identify as indicated in such Exhibits. Should PMT provide the name and card number of any unidentified card holder/investor to the Receiver by 12:00 noon on August 17, 2000, those charge-backs will be allowed.

IT IS FURTHER ORDERED that PMT's claim for $80, 248.96, representing charge-backs paid due to the Receiver's alleged failure to respond to Retrieval Requests, is disallowed as an operating or administrative expense, and constitutes a general claim for charge-backs to be paid ratably.

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[1]The term "Credit Card Companies" as used herein means PMT Services, Inc., as successor-in-interest to Superior Bankcard Services, Inc., and MBN National Inc. ("PMT"), American Express and Discover Financial Services, Inc. The claim of MBN National, Inc. is part of the claim submitted by PMT. No other credit card company has submitted a claim by the June 30, 2000 bar date.

IT IS FURTHER ORDERED that the Receiver's objection to the reserve account maintained by PMT is denied as moot.

SIGNED this 19th day of July, 2000.

TERRY R. MEANS
United States District Judge

After entry, return to:
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