

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

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

200 MAY 18 A 9:44

CLERK OF DISTRICT COURT

BY: \_\_\_\_\_  
 EFFORTY

SECURITIES AND EXCHANGE §  
 COMMISSION, §  
 §  
 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 OBJECTIONS TO NON-INVESTOR CLAIMS**

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

Comes now, Michael J. Quilling, ("Receiver") and files these his Objections to Non-Investor claims and in support of such would respectfully show unto the Court as follows:

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

2. On March 16, 2000, the Receiver filed his Unopposed Motion to Establish Claim Procedures and Approve Claim Forms. On March 17, 2000, the Court issued its Order Regarding Claim Procedures pursuant to which it approved a claim bar date notice and established that all non-

investor claimants (excluding credit card companies) must file and submit written notice and supporting documentation of their claim to the Receiver by May 1, 2000.

3. Although the Receiver has resolved almost all non-investor claims submitted to him, there remain a number of claims (and apparent claims) which the Receiver has not yet been able to resolve. Accordingly, the Receiver objects to the following claims for the following reasons:

<u>NAME OF ENTITY</u>	<u>AMOUNT OF CLAIM</u>	<u>REASON FOR OBJECTION</u>
Big Planet	\$1,109.04	The Receiver objects to the claim because the vendor has failed to provide any supporting documentation for the claim and continues to assess monthly late charges despite prior requests by the Receiver to be provided supporting documentation. Until or unless the supporting documentation is provided, the Receiver cannot determine whether the claim is legitimate. In any event, any late charges should be disallowed.
Latent Technology Group, Inc.	\$ 184.95	The Receiver objects to the claim because it is for services provided subsequent to the initiation of the receivership. Apparently, these services were provided with respect to a website being maintained by Gary Reeder, for which the receivership should not have any responsibility. The Receiver has paid all amounts for services prior to the receivership.
Great America Leasing	unknown	The Receiver objects to the claim regarding a lease of telephone equipment because no credit has been given to the receivership estate for a return of the telephone system. In addition, the claim includes inappropriate late charges and other processing charges.
Viking Office Products/ OSI Collection Services, Inc.	\$ 107.96	The Receiver objects to the claim because the Receiver does not believe that any additional amounts are owed to Viking Office Products which have not been previously paid.
Uline, Inc./ OSI Collection Services, Inc.	\$ 106.85	The Receiver objects to the claim because no supporting documentation has been provided as to the nature of the claim despite requests by the Receiver.

Renaissance d/b/a  
The Tax People

\$ 116.25

The Receiver objects to the claim because no supporting documentation has been provided despite requests by the Receiver. In addition, the claim appears to relate to materials shipped subsequent to the initiation of the receivership. The Receiver does not believe that such materials were ever received.

Capital One/  
Metro Collections

\$ 241.37

The Receiver objects to the claim because the Receiver believes that it has been paid. In addition, no supporting documentation for the continued assertion of the claim has been provided despite requests by the Receiver for such documentation.

Unidial

\$4,711.23

The Receiver objects to the claim because Unidial has failed to provide any supporting documentation for the claim despite requests by the Receiver. In addition, Unidial has refused to terminate the account despite prior notification by the Receiver to do so. The Receiver further objects to the claim because Unidial continues to assess late charges and other related charges despite prior notification by the Receiver to terminate the account and eliminate such charges.

United Parcel Service/  
OSI Collection Services

\$ 601.14

The Receiver objects to the claim because no supporting documentation has ever been provided despite requests by the Receiver. In addition, despite the Receiver having notified United Parcel Service to cancel and terminate the account, it has refused to do so and continues to assess monthly charges.

Federal Express

\$21.37 and \$24.49

The Receiver objects to the claim because no supporting documentation has been provided despite request for the Receiver. In addition, the Receiver has repeatedly notified Federal Express to cancel the account and it has refused to do so and instead continues to send monthly charges which are not understandable nor which are owed.

Ms. Gail Lawson/Upline, Inc.

\$ 75,000.00

The Receiver objects to the claim because the documentation submitted does not prove value in the amount of the claim. In addition, it appears that the claimant aided and abetted Cornerstone in soliciting investors and marketing of the Cornerstone program. The

Receiver does not believe it appropriate to pay the claimant with respect to those efforts.

Bellaire Ranch/  
National Credit Systems, Inc.

\$1,799.88

The Receiver objects to the claim because no supporting documentation has been provided despite requests by the Receiver.

I-Link Worldwide/  
Allied Credit Companies

\$1,109.04

The Receiver objects to the claim because no supporting documentation has been provided despite request by the Receiver. In addition, the records of the Receiver reflects that all amounts owed have been paid.

Conseco Finance

unknown

The Receiver objects to any claim asserted by Conseco Finance for any deficiency allegedly owed for the lease of a portion of the telephone system because Conseco Finance has failed to timely file a claim, has failed to give any credit for the return of the system and has failed to act in a commercially reasonable manner.

WHEREFORE, PREMISES CONSIDERED, the Receiver requests that the Court schedule a hearing with respect to the foregoing objections and that upon final hearing of this matter that the Court disallow each of the claims and for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself 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: 

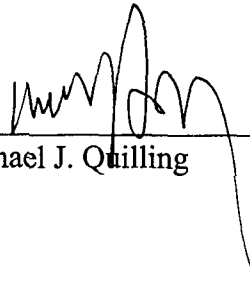
Michael J. Quilling

State Bar No. 16432300

ATTORNEYS FOR RECEIVER

**CERTIFICATE OF CONFERENCE**

Each of the claimants oppose disallowance of their claim and therefore this matter is presented to the Court for determination.



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Michael J. Quilling

**CERTIFICATE OF SERVICE**

I hereby certify that on the 17<sup>th</sup> day of May, 2000 a true and correct copy of the foregoing document was served via first class mail, postage pre-paid, on:

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

Allied Credit Companies  
PO Box 2449  
Gig Harbor, WA 98335-4449

United Parcel Service  
PO Box 4980  
Hagerstown, MD 21747-4980

UniDial  
1901 Eastpoint Parkway  
Louisville, KY 40223

Renaissance  
1001 SW Gage Boulevard  
Topeka, Kansas 66604

Viking Office Products  
PO Box 30488  
Los Angeles, CA 90030-0488

Big Planet  
PO Box 1140  
Draper, UT 84020-1140

Conseco Finance  
95 Route 17 South  
Paramus, NJ 07653

Gary D. Reeder and Sandra Reeder  
1350 E. Flamingo Road, Unit #555  
Las Vegas, Nevada 89119

National Credit Systems, Inc.  
PO Box 312125  
Atlanta, GA 31131

Federal Express Corp.  
PO Box 1140  
Memphis, TN 38101-1140

Metro Collections  
4745 North 7<sup>th</sup> Street, Suite 100  
PO Box 7366  
Phoenix, AZ 85011-7366

OSI Collection Services, Inc.  
4400 Renaissance Parkway  
Cleveland, Ohio 44128-5763

Uline  
Attn: Accounts Receivable  
2200 S. Lakeside Drive  
Waukegan, IL 60085

Great American Leasing  
PO Box 609  
Cedar Rapids, IA 52406-0609

Latent Technology Group, Inc.  
5646 Milton Street, Suite 329  
Dallas, Texas 75206

  
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Michael J. Quilling