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2. On July 23, 1999, the Court issued an Order freezing the assets of and appointing Michael J. Quilling as the Receiver for Hammersmith Trust, LLC and a number of related entities.

3. Pursuant to the terms of each of the foregoing Orders, the Receiver was authorized to employ such attorneys as is necessary and proper for the collection, preservation, maintenance and operation of the Receivership's Assets. Subsequent to his appointment, the Receiver employed the law firm of Quilling, Selander, Cummiskey, Clutts & Lownds, P.C., now known as Quilling, Selander, Cummiskey & Lownds, P.C. ("QSC&L") as his general counsel. The Receiver is an attorney and a shareholder of the law firm and has rendered many of the legal services which are the subject of this Application as well as performing his duties as the Receiver.

4. Since his appointment, the Receiver has been diligently locating and pursuing Receivership Assets in an effort to gain possession, custody and control over them. As of the date of this Application, the Receiver has received the following funds from the following sources and has deposited them in his general bank account at Comerica Bank in the name of Funding Resources:

<u>Source</u>	<u>Amount</u>
Bank of America	\$ 26,026.59
Howe Financial Trust	60,000.00
PGW Trust	30,000.00
Norwest Bank	22,919.18
First National Bank - Jasper	319.82
H & B Galleries — McKinney house furniture	25,135.19
Sale of McKinney House	689,587.75
McKinney Cash from FBI	7,500.00
McKinney Computer	450.00
Settlement with Eliot Lumpkin	15,000.00
Interest	<u>11,990.94</u>

<u>Source</u>	<u>Amount</u>
<b>TOTAL</b>	<b>\$888,929.47</b>

When the Receiver began obtaining possession of funds and property from the U.S. Marshals Service in connection with the forfeiture proceedings involving the assets of Robert Cord, the Receiver established a separate holding account at Comerica Bank into which the Receiver has deposited only proceeds from Robert Cord Assets. Specifically, the Receiver has received the following funds and has deposited them into the Robert Cord holding account at Comerica Bank:

<u>Source</u>	<u>Amount</u>
Cash - U.S. Marshals	\$992,674.85
Mike Peterson Auctioneers - Boat and Trailer	6,435.00
Rent - NASA Road Condominium	400.00
Rent - Vidor Truck Stop	4,000.00
Sale of Falcon Crest Property	128,203.44
Sale of Bombardier Boat	2,785.00
Insurance Refund	293.50
Sale of NASA Road Condominium	28,606.09
Tax Refund	64.94
Sale of Motorhome	12,052.00
Sale of 38' Bayliner	42,300.00
Sale of Diahatsu and Trailer	3,212.00
Sale of Vidor Property	40,482.93
Sale of New Caney property	104,842.91
Sale of 300E Mercedes	20,000.00
Sale of 500SL Mercedes	31,000.00
Sale of Chris Craft boat	12,500.00

<u>Source</u>	<u>Amount</u>
Misc. Refund	181.45
Smith Settlement	30,000.00
Interest	<u>71,343.60</u>
<b>TOTAL</b>	<b>\$1,531,377.71</b>

The Receiver has also received funds from Hammersmith Trust, LLC, which have been deposited in the Receiver's holding account for Howe Financial Trust at Comerica Bank<sup>1</sup> as follows:

<u>Source</u>	<u>Amount</u>
Hammersmith Trust	\$270,000.00
Hammersmith Trust	500,000.00
Hammersmith Trust	350,000.00
Hammersmith Trust	200,000.00
Close Spectrum Account	66.42
Foley & Lardner payment	8,940.00
Interest/Dividend	<u>66,648.57</u>
<b>TOTAL</b>	<b>\$1,395,654.99</b>

The Receiver has also begun receiving funds relating to entities involved with the Hammersmith Trust LLC aspects of the case which he has deposited in his Microfund holding account as follows:

<u>Source</u>	<u>Amount</u>
Close Landfair Southtrust account	\$1,000.00
Close Landfair First American account	4.83
Close Landfair AMPAC accounts	\$12,332.06
Interest	<u>106.70</u>

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<sup>1</sup> These monies were originally deposited at Merrill Lynch but have been moved to Comerica Bank in order to save transaction charges.

**Source**

**Amount**

**TOTAL**

**\$13,443.59**

The Receiver has also deposited funds in his Hammersmith Trust holding account as follows:

**Source**

**Amount**

Close Bridgeport NationsBank account

193.73

Sale of Bridgeport furniture

1,237.50

Close Hammersmith AMPAC account

158.25

Sale of BMW 740i

47,000.00

Sale of Gilliland furniture

1,982.50

Sale of EDC Boat

22,528.65

Cash from Gilliland Storage

26.79

Settlement with Bill West

109,735.00

Loan repayment - Southern Consultants

11,700.00

Interest

1,445.68

**TOTAL:**

**\$196,008.10**

5. On January 15, 1999, the Receiver filed his First Interim Application for Allowance of Fees and Expenses. By Order entered on February 10, 1999, the Court approved the First Interim Application for Allowance of Fees and Expenses and thereafter \$71,947.46 was paid to QSC&L.

6. On March 16, 1999, the Receiver filed his Second Interim Application for Allowance of Fees and Expenses. By Order entered March 25, 1999, the Court approved the Second Interim Application for Allowance of Fees and Expenses and, thereafter, \$87,616.69 was paid to QSC&L.

7. On May 13, 1999, the Receiver filed his Third Interim Application for Allowance of Fees and Expenses. By Order entered May 25, 1999, the Court approved the Third Interim Application for Allowance of Fees and Expenses and, thereafter, \$131,814.08 was paid to QSC&L.

8. On July 15, 1999, the Receiver filed his Fourth Interim Application for Allowance of Fees and Expenses. By Order entered July 20, 1999, the Court approved the Fourth Interim Application for Allowance of Fees and Expenses and, thereafter, \$89,383.54 was paid to QSC&L.

9. On September 22, 1999, the Receiver filed his Fifth Interim Application for Allowance of Fees and Expenses. By Order entered October 1, 1999, the Court approved the Fifth Interim Application for Allowance of Fees and Expenses and, thereafter, \$132,727.26 was paid to QSC&L.

10. On November 15, 1999, the Receiver filed his Sixth Interim Application for Allowance of Fees and Expenses. By Order entered November 29, 1999, the Court approved the Sixth Interim Application for Allowance of Fees and Expenses and, thereafter, \$166,805.43 was paid to QSC&L.

11. On February 7, 2000 the Receiver filed his Seventh Interim Application for Allowance of Fees and Expenses. By Order entered on March 17, 2000, the Court approved the Seventh Interim Application for Allowance of Fees and Expenses and, thereafter, \$85,300.36 was paid to QSC&L.

12. On March 28, 2000 the Receiver filed his Eighth Interim Application for Allowance of Fees and Expenses. By Order entered April 4, 2000 the Court approved the Eighth Interim Application for Allowance of Fees and Expenses and, thereafter, \$83,332.54 was paid to QSC&L.

13. On May 16, 2000, the Receiver filed his Ninth Interim Application for Allowance of Fees and Expenses. By Order dated June 6, 2000, the Court approved the Ninth Interim Application for Allowance of Fees and Expenses and, thereafter, \$100,980.08 was paid to QSC&L.

14. On July 21, 2000, the Receiver filed his Tenth Interim Application for Allowance of Fees and Expenses. On July 25, 2000, the Court issued its Order denying the Application without prejudice so that new procedures could be implemented regarding fee applications.

15. On August 24, 2000, the Court issued its Order regarding the Receiver's Proposed Budget pursuant to which the Court established procedures for fee applications to be submitted by the Receiver. This Application is submitted pursuant to that Order.

16. This Application seeks approval and payment of the fees and reimbursement of expenses for the Receiver and QSC&L for the time period from May 1, 2000 through August 31, 2000. In order to better track the fees and expenses relating to lawsuits initiated by the Receiver (as opposed to fees and expenses relating to the main receivership case) starting June 1, 2000, the Receiver established separate billing files for each lawsuit. In accordance with other Orders issued by the Court in each of those cases, separate fee applications have been filed by the Receiver in each of those cases. Those amounts are not included in this Application. As described below, this Application also seeks allowance and payment of the Receiver's local counsel in Memphis and Tampa.

17. During the period covered by this Application, the Receiver has incurred fees and expenses with respect to his activities as Receiver and with respect to QSC&L on a monthly basis as follows:

<u>Month</u>	<u>Fees</u>	<u>Expenses</u>
May 2000	\$53,913.00	\$33,099.33

<u>Month</u>	<u>Fees</u>	<u>Expenses</u>
June 2000	60,799.50	7,139.50
July 2000	17,342.50	7,522.02
August 2000	40,595.50	10,150.82
<b>Total</b>	<b>\$172,650.50</b>	<b>\$ 57,911.67</b>

18. Exhibit "A," which is attached hereto and incorporated herein by reference for all purposes conveys the following information for the time period of May 1, 2000 through August 31, 2000: (a) the number of hours worked by each attorney and staff member on a particular day, (b) the manner and type of work performed by each attorney and staff member, (c) the customary billing rate for each person rendering service in this matter, and (d) the monetary value assigned to each task performed by a given attorney and/or staff member. Each of the invoices attached hereto as Exhibit "A" reflect aggregate expenses by category during a given month. Whenever an individual expense item exceeds \$500.00 a receipt is attached at the end of the particular monthly statement to evidence the charge. Travel expenses have also been itemized under Exhibit "B."

19. As authorized by the Orders Appointing the Receiver, the Receiver has retained local counsel to assist him in connection with two separate matters. First, the Receiver has hired Bob Glenn of Glenn, Rasmussen, Fogarty & Hooker in Tampa, Florida to defend the receivership estate's interest in Cause No. 99-CV-40-T-23E styled *Sterling Management Services, Inc. v. David B. Gilliland a/k/a B. David Gilliland, Hammersmith Trust, LLC, a foreign (Tennessee) corporation and Hammersmith Trust, LLC, a foreign (West Indies) corporation*, pending before the United States Federal District Court, Middle District of Florida, Tampa. His fee statements are attached hereto as Exhibit "C." The Receiver has also retained Bob Flynn of Spicer, Flynn & Rudstrom in Memphis,



Tennessee to assist the Receiver with respect to several matters including *In re: The Search of 200 Clara Drive, Eads, Tennessee*. His fee statement is attached hereto as Exhibit "D."

### **JOHNSON FACTORS**

20. In support of this request for allowance of compensation and reimbursement of expenses, the Receiver and QSC&L respectfully direct this Court's attention to those factors generally considered by courts in awarding compensation to professionals for services performed in connection with the administration of a receivership estate. As stated by the Fifth Circuit Court of Appeals in *Migis v. Pearle Vision, Inc.*, 135 F.3d 1041, 1047 (5th Cir. 1998) "The calculation of attorneys fees involves a well-established process. First, the court calculates a 'lodestar' fee by multiplying the reasonable number of hours expended on the case by the reasonable hourly rates for the participating lawyers. (cite omitted.) The court then considers whether the lodestar figure should be adjusted upward or downward depending on the circumstances of the case. In making a lodestar adjustment the court should look at twelve factors, known as the Johnson factors, after *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974)." Those factors as applied to the services rendered in this case by the Receiver and QSC&L are addressed below.

(a) The Time and Labor Required. The Receiver and QSC&L respectfully refer the Court's attention to Exhibit "A" which details the involvement of the Receiver and QSC&L's attorneys in this case during the four month period covered by this Application during which a total of more than 882 hours of attorney and Receiver time have been expended.

(b) The Novelty and Difficulty of the Questions. Many of the tasks reflected in Exhibit "A" involved factual and legal questions which were of substantial complexity. In many instances the resolution of such questions required prompt and definitive action by the Receiver and QSC&L within abbreviated time periods.

(c) The Skill Requisite to Perform the Service. The Receiver believes that the services performed in this case have required individuals possessing considerable experience in asset seizure, tracing and liquidation. Both the Receiver and QSC&L have considerable experience in such areas.

(d) The Preclusion of Other Employment Due to Acceptance of the Case. The Receiver and QSC&L have not declined any representation solely because of their services as Receiver and counsel for the Receiver.

(e) The Customary Fee. The hourly rates sought herein are commensurate with the rates charged by other practitioners of similar experience levels in the Northern District of Texas. During the course of these proceedings, the following lawyers at QSC&L have performed legal services on behalf of the Receiver: Mike Quilling (\$250.00 per hour), licensed in 1982 and Board Certified in Business Bankruptcy Law and Civil Trial Law; Clark Will (\$200.00 per hour), licensed in 1980; Andy Trusevich (\$200.00 per hour) licensed in 1992 and Board Certified in Labor and Employment Law; Ken Hill (\$195.00 per hour), licensed in 1991; Murray Camp (\$170.00 per hour), licensed in 1994; Michael Clark (\$125.00 per hour), licensed in 1997; Dee Raibourn (\$125.00 per hour), licensed in 1998.

(f) Whether the Fee is Fixed or Contingent. The Receiver's and QSC&L's fees are fixed insofar as monies exist by way of Receivership Assets from which to pay such fees. Payment of such fees, however, is subject to Court approval.

(g) Time Limitations Imposed by the Client or Other Circumstances. The time requirements during the period covered by this Application have been extreme at times. In many instances, the Receiver and lawyers at QSC&L have been required to travel upon very short notice to properly perform their duties.

(h) The Amount Involved and the Results Obtained. This case involves the misappropriation of millions of dollars. The funds were diverted to a large number of persons and entities, many of whom then transferred the funds to others. Since his appointment the Receiver and attorneys at QSC&L have been tracing the funds into various persons, companies, trusts and assets. Where appropriate, the Receiver has taken possession of some of the assets and is in the process of taking possession of others. The amount of money recovered to date is set forth above. As additional assets are located and liquidated, the amount recovered will increase. However, through the efforts described in Exhibit "A", much of the groundwork for future recoveries has already been accomplished.

(i) The Experience, Reputation, and Ability of the Attorneys. QSC&L has several attorneys who specialize exclusively in the practice of civil trial law. The practice of those attorneys regularly includes the representation of bankruptcy trustee and receivers. The reputation of QSC&L's attorneys is recognized and respected in the community.

(j) The Undesirability of the Case. The representation of the Receiver incident to this case has not been undesirable.

(k) The Nature and Length of the Professional Relationship with the Client. QSC&L did not represent the Receiver in these proceedings prior to being retained in these proceedings.

(l) Award in Similar Cases. QSC&L believes that the fees requested in this case are less than or equal to those which have been awarded in similar cases in this District.

WHEREFORE, PREMISES CONSIDERED, the Receiver and QSC&L request that this Court approve all of the fees and expenses as set forth herein and for such other and further relief, general or special, at law or in equity, to which the Receiver and QSC&L may show themselves 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)

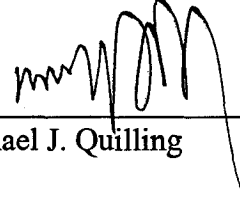
By: 

Michael J. Quilling  
State Bar No. 16432300

ATTORNEYS FOR RECEIVER

**CERTIFICATE OF CONFERENCE**

Prior to filing this Application, as required by the Order Appointing Temporary Receiver, I conferred with Bob Brunig of the SEC regarding the filing of this Application. The SEC consents to payment of the requested fees and expenses and believes them to be necessary and reasonable.



Michael J. Quilling

**CERTIFICATE OF SERVICE**

I hereby certify that on the 5th day of September, 2000 a true and correct copy of the foregoing document was served via first class mail, postage pre-paid, on:

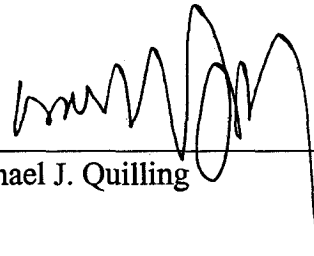
Robert B. Brunig  
Securities & Exchange Commission  
801 Cherry Street, 19th Floor  
Fort Worth, Texas 76102

Deborah Goodall  
Goodall & Sooter  
12830 Hillcrest Rd., Suite 111  
Dallas, Texas 75230

Wendell A. Odom, Jr.  
440 Louisiana, Suite 800  
Houston, Texas 77002

Dan R. Waller  
Secore & Waller, LLC  
13355 Noel Road, Suite 2290  
Dallas, Texas 75240

S. Cass Weiland  
Sheinfeld, Maley & Kay, P.C.  
1700 Pacific Avenue, Suite 4400  
Dallas, Texas 75201-4618



Michael J. Quilling

# QUILLIN SELANDER, CUMMISKEY & OWNDS

A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS

BRYAN TOWER

2001 BRYAN STREET, SUITE 1800

DALLAS, TEXAS 75201-4240

TAX ID #75-2459334

TELEPHONE: (214) 871-2100

TELECOPIER: (214) 871-2111

Michael J. Quilling, Receiver

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05/31/00

Client No: 911-01M

Invoice No: 40012

Re: Funding Resources Group, et al

	Hours	
05/01/00		
CBW Telephone conference with Mike McReynolds re settlement offer and counteroffer in Smith matter (Cord).	.30	60.00
MJQ Review of correspondence relating to case (.4); office conference with Andy Truesvich discussing various pending lawsuits and strategy (.5).	.90	225.00
RB Bates label documents produced by David Johnson.	1.50	127.50
DDR Telephone conference with investor re status of case (.3); Review of voluminous Hammersmith financial documents, including spreadsheets, in preparation for meetings in Florida (1.6).	1.90	237.50
05/02/00		
MJQ Review of materials from counsel for Papagni and telephone conference with counsel discussing same (.3); telephone conference with Michele Heldmeyer regarding various case issues (.2); telephone conference with witness regarding various case issues (.2); review of materials from Receiver for Kairos Financial and telephone conference discussing same (.8); gather materials and prepare for trip to Pensacola, Florida.	3.00	750.00
RB Bates label various sets of documents produced by Alan Baker and Paine Webber.	7.00	595.00
DDR Telephone conference with Attorney Broach re status of case (.3); Telephone conference with		

PLEASE NOTE: NEW BILLING ADDRESS  
DUE AND PAYABLE UPON RECEIPT



Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
Investor Cotton re status of case (.3); Left Voice Mail for Attorney Eckerson re production of various depositions (.1); Left VM for Investor Becker re status of Papagani lawsuit (.1); Review of investor correspondence (.2); Gather materials and prepare for meetings in Pensacola, Fl (1.0); Telephone conference with Investor Becker re status of case (.3).	2.30	287.50
05/03/00		
MJQ Travel to Pensacola, Florida including review of various bank account spreadsheets to determine missing information (6.5); initial meetings with US Customs (.5).	7.00	1,750.00
CWF Travel to Pensacola from Dallas	6.50	552.50
RB Travel to Pensacola, Florida.	6.50	552.50
DDR Travel to Pensacola, FL and review of bank account spreadsheets (6.5); Meeting with U.S. Customs (.5).	7.00	875.00
05/04/00		
CBW Office conference with Andy Trusevich re strategies in various pending matters (Conway, Morgan, etc.) (.3); review and file errata from Holcomb deposition from earlier trip to Houston (.2).	.50	100.00
MJQ Review of voluminous financial and business records of Hammersmith related entities and discussions with Milo Segner regarding the same (4.0); instructions and assistance to paralegals regarding document organization and labeling (3.0); telephone conference with Michele Heldmeyer regarding Affidavit (.3); begin preparation of Affidavit (1.0); telephone conference with Bob Flynn regarding case facts		

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
(.5).	8.80	2,200.00
CWF Continue work on organizing and creating labels for Hammersmith files.	8.00	680.00
RB Work on organization, labeling and sorting of voluminous Hammersmith documents.	8.00	680.00
DDR Review and analysis of voluminous financial and business records of Hammersmith and its related entities (5.0); Review, analyse, and organize voluminous Hammersmith and related entities documents (3.5).	8.50	1,062.50
05/05/00		
MJQ Meeting with Michele Heldmeyer regarding contents of Affidavit and attention to finalizing same (1.0); meeting with US Customs, FBI and Michele Heldmeyer regarding case issues (1.5); telephone conference with Ray Hanson regarding resolution of issues as to Sands Point Trust (.4); continue review and organization of voluminous Hammersmith documents (3.5).	6.40	1,600.00
CWF Continue work on organization, labeling and sorting of Hammersmith documents	8.00	680.00
RB Continue work on organization, labeling and sorting of voluminous Hammersmith documents.	8.00	680.00
DDR Meeting with US Customs, FBI and AUSA Heldmeyer re various case issues (1.5); Attention given to filling in unknown items in Hammersmith financial spreadsheets including review of documents (3.0); Continue to review and organize voluminous Hammersmith documents (2.5); Telephone conference with Robert Brunig re scheduling of various depositions (.3).	7.30	912.50



Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
05/08/00		
MJQ Continue work on organization, labeling and sorting of voluminous Hammersmith documents (8.5); telephone conference with counsel for Ray Hanson discussing resolution of Sands Point Trust issues (.3).	8.80	2,200.00
AMT Discussion with Eliot Lupkin and drafting of demand/settlement letter to him.	.60	120.00
CWF Organization, sorting and creating labels of Hammersmith files.	9.50	807.50
DDR Continue to work on review, organization and labeling of voluminous Hammersmith documents (9.5).	9.50	1,187.50
RB Organization, sorting and creating labels of Hammersmith files.	9.50	807.50
AMT Draft response to Gunn's Motion to Dissolve Order Freezing Account.	2.70	540.00
AMT Conduct research on available remedies to a Receiver against a "nominal defendant."	2.40	480.00
05/09/00		
CBW Telephone conference with Texas Ranger Hanak re update on Roberts, Parr and Brieley.	.50	100.00
MJQ Continue work on sorting and organization of voluminous Hammersmith Trust records.	9.50	2,375.00
CWF Work on organization, labeling and sorting of Hammersmith documents	9.50	807.50
RB Continue working on organization, labeling and sorting of voluminous Hammersmith documents.	9.50	807.50

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
DDR Continue work on review, organization, and labeling of voluminous Hammersmith documents (9.5).	9.50	1,187.50
AMT Research issue of whether a "nominal defendant" has right to conduct discovery under the Federal Rules of Civil Procedure; prepare Motion for Protective Order in relation to Jerrold L. Gunn's Discovery Requests.	2.10	420.00
05/10/00		
MJQ Continue work on sorting, organization and labeling of voluminous documents (5.0); return travel to Dallas, TX (6.5).	11.50	2,875.00
CWF Continue work on organization and labeling of Hammersmith documents (5.0); return travel to Dallas (6.5).	11.50	977.50
RB Continue working on organization, labeling and sorting of voluminous Hammersmith documents (5.0); return travel to Dallas (6.5).	11.50	977.50
DDR Telephone conference with Robert Brunig re various case issues and scheduling various depositions (.3); Continue to review, organize, and label voluminous Hammersmith documents (5.0); Return travel to DFW, including review of notes and Hammersmith financial spreadsheets (6.5).	12.10	1,512.50
05/11/00		
RB Bates labeling of J.C. Bradford documents. Copy and Federal Express to appropriate parties.	1.00	85.00
DDR Telephone conference with Attorney Jackson re status of case (.3); Telephone conference with Attorney Wallis re production of depositions and status of case (.5); Telephone conference with Attorney Eckerson re status of case and various		

Michael J. Quilling, Receiver

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05/31/00

Re: Funding Resources Group, et al

	Hours	
discovery issues (.4); Review of investor correspondence (.2); Left VM for FBI Agent Walthers re status of criminal investigation (.1); Telephone conference with Otto Hanek re status of case and discussion of Receivership powers and authorities (.5); Attention given to Texas Coastal Litigation (.7).	2.70	337.50
05/12/00 CBW Telephone conference with Mike McReynolds re update on Smith negotiation (.3); follow up telephone conference with McReynolds re offer from Smiths (.3).	.60	120.00
MJQ Preparation of letter to Randy Walker forwarding 6(e) materials (.2); telephone conference with Alan Baker discussing return of documents and related matters (.2); telephone conference with Jim Lambert discussing case issues (.2); telephone conference with Bill West discussing logistics of completing settlement (.3); initial review of JC Bradford documents (.5); preparation of letter to Bob Flynn (.2).	1.60	400.00
RB Bates label Paine Webber, Douglas West, Grand Coral documents. Copy and Federal Express to appropriate parties.	3.00	255.00
DDR Create and populate Hammersmith Document Database (2.0); Telephone conference with investor re status of case (.3); Telephone conference with Hammersmith bank re supplementing bank records and discussion of missing items (.4).	2.70	337.50
05/15/00 MJQ Begin work on Receiver's Ninth Interim Application (.5); telephone conference with Rod Prohaska discussing issues relating to case (.2); telephone conference with Bill West regarding		

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05/31/00

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Re: Funding Resources Group, et al

	Hours	
wiring instructions (.1); review of materials from Rod Prohaska (.3).	1.30	325.00
RB Bates labeling additional Grand Coral Bay / Douglas West documents.	1.00	85.00
05/16/00		
CBW Review correspondence from attorney McReynolds (.3); office conference with Mike Quilling re settlement proposal (.4); prepare correspondence to attorney McReynolds accepting settlement offer (.5).	1.20	240.00
MJQ Continue work on Ninth Interim Fee Application (1.5); preparation of draft of Compromise and Settlement Agreement with Sands Point Trust (1.); preparation of letter forwarding same to counsel for Ray Hanson (.2); telephone conference with investor in Howe Financial regarding status (.3); review of letters from counsel for seller of house to Howe Financial and telephone conference with counsel discussing same (.4); preparation of letter to Milo Segner regarding same (.1); telephone conference with bank regarding receipt of settlement proceeds from Bill West (.1); attention to issuance of check to Pezzulli and preparation of letter forwarding same (.2); preparation of letter to counsel for Brian Riewe, receiver for Kairos Financial (.2).	4.00	1,000.00
05/17/00		
MJQ Telephone conference with Bob Flynn regarding intervention in Memphis proceedings (.4); preparation of letter to John Yanchunis forwarding requested materials (.2); telephone conference with Bill West regarding case issues (.2).	.80	200.00
DHD Telephone conference with Michael Taylor		

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Re: Funding Resources Group, et al

	Hours	
requesting information on pay-outs to investors re Funding Resources and IGW Trust.	.30	25.50
DDR Conference with MJQ re various case issues and strategies (.2); Various Telephone conferences with Special Agent Lambert re various case facts and issues (.6); Telephone conference with accountants re status of Hammersmith financial records for Hammersmith (.4); Review of general correspondence (.2).	1.40	175.00
05/19/00 RB Prepare two sets of documents produced by Paine Webber, Douglas West, Grand Coral Bay and Federal Express to appropriate parties.	1.00	85.00
DDR Review of Order transferring Papagani case to Northern District of Texas (.2); Left Voice Mail for Attorney Schwartz re same (.1); Attention given to updating investor database (.6); Attention given to scheduling numerous depositions and drafting of same, including various subpoenas (1.4).	2.30	287.50
05/22/00 DDR Telephone conference with investor Patel re status of case (.3); Telephone conference with investor re status of case (.3); Telephone conference with Special Agent Lambert and AUSA Heldmeyer re various case facts (.5); Attention given to general correspondence (.2); Telephone conference with Brook Rawlins re various outstanding case issues (.3); Review of Receiver's Motion to Intervene (.3); Telephone conference with Special Agent Walthers re status of criminal investigation and various case issues and facts (.7); Left voice mail for Attorney Adler re status of Steve Roberts (.1); Telephone conference with MJQ re various case issues (.3);		

Michael J. Quilling, Receiver

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05/31/00  
Client No: 911-01M  
Invoice No: 40012

Re: Funding Resources Group, et al

Hours

Review of documents produced by AUSA Barry and conference with MJQ re same (.5); Office conference with AMT re Texas Coastal litigation, Pre-trial conference order (.2); Review, analyse and organization of voluminous notes and documents concerning Hammersmith (1.5).

5.30 662.50

05/23/00

MJQ Telephone conference with counsel for creditor of Bridgeport Alliance discussing status (.2); review of indictment of Steve Roberts and office conference with Dee Raibourn regarding the same (.2); telephone conference with Alan Baker regarding various records (.2); review of materials from Bob Flynn regarding intervention (.2); review of Response of US Attorney to Rule 41(e) Motion of Gilliland (.3); review of Order Transferring Papagni litigation to Dallas and telephone conference with counsel for Plaintiff discussing same (.4); preparation of draft letter to counsel for Gilliland regarding same (.3); telephone conference with Bob Brunig of SEC regarding case issues (.3); office conference with Dee Raibourn regarding action to be taken in case (.3); telephone conference with Bob Flynn regarding Intervention in Memphis proceedings (.3); telephone conference with Mike Schwartz discussing case issues (.2); review of letter from counsel for Acquisition Funding and preparation of letter regarding the same (.2).

3.10 775.00

CBW Review and analysis of offer from Baker Group in Morgan Weinstein (.3); telephone conference with attorney Baker re offer, and re additional information (.4); telephone conference with Bob Brunig re recent developments (.5); office conference with Mike Quilling re Morgan Weinstein offer (.3); review of correspondence from attorney Baker (.2); telephone conference with

Michael J. Quilling, Receiver

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05/31/00

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Re: Funding Resources Group, et al

	Hours	
Kit Bromley re Morgan Weinstein (.3).	2.00	400.00
DDR Telephone conference with MVP investor re status of case and submission of claim (.4); Compilation and review of notes from meeting with David Bishara (.6); Attention given to organization of case file (.3); Telephone conference with Special Agent Jimmy Lambert re various case issues and status of financial records (.8); Telephone conference with accountants re status of financial records and discussion of unknown items (.4); Telephone conference with Attorney Eckerson re Designation and interview of expert witness (.3); Office conference with MJQ re same (.2); Left voice mail for Special Agent Holesky re results from subpoenas concerning various case assets (.1); Telephone conference with MJQ and Robert Brunig re various case issues (.3); Review and analysis of voluminous bank records for Hammersmith (1.2).	4.50	562.50
05/24/00		
MJQ Telephone conference with Rod Prohaska discussing issues relating to Alan Baker (.2); telephone conference with Michelle Heldmeyer discussing case issues (.3).	.50	125.00
CBW Office conference with Mike Quilling re settlement (.2); prepare settlement documents for Smith (1.3); prepare correspondence to attorney McReynolds (.5); telephone conference with attorney Baker re settlement status (.1).	2.10	420.00
DDR Telephone conference with investor Jennings re status of case (.4); Telephone conference with investor Johnson re status of case (.3); Review of Bearpath file re demand from Edina Title for back taxes (.3); Telephone conference with Cynthia Smith re same and settlement negotiation		

Michael J. Quilling, Receiver

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05/31/00

Client No: 911-01M  
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Re: Funding Resources Group, et al

	Hours	
(.4); Telephone conference with Bill Parrish re service of process status (.2); Telephone conference with Attorney Eckerson re scheduling of interview for potential expert witness (.3); Attention given to locating various individuals related to case (1.0).	2.90	362.50
05/25/00		
MJQ Continued review of materials relating to lawsuit against David Johnson (.8); telephone conference with Michele Heldmeyer regarding Memphis hearing (.2); preparation of letter to Michele Heldmeyer regarding David Johnson's documents (.1); telephone conference with Rod Prohaska discussing issues relating to case (.2).	1.30	325.00
DDR Telephone conference with accountants re status of financial records and various case facts (.3); Telephone conference with investor re status of case (.3); Create document database for indexing of voluminous Hammersmith documents including agent and investor files (7.0).	7.60	950.00
05/26/00		
MJQ Travel to Memphis including review of pleadings and new motions filed by US Attorney (2.5); meeting with Bob Flynn regarding hearing strategy (1.0); meeting with Michele Heldmeyer regarding the same (.8); attend hearings before magistrate (1.5); follow-up discussions with Michele Heldmeyer and Bob Flynn (.5); return travel to Dallas (2.0).	7.80	1,950.00
DDR Draft letter to AUSA Barry re Steve Roberts indictment and possible plea agreement (.3); Left VM for Attorney Adler re S. Roberts deposition (.1); Telephone conference with accountants re preparation for meetings in Pensacola and various case issues (.3); Review, analyze and organize		



Michael J. Quilling, Receiver

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05/31/00

Client No: 911-01M

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Re: Funding Resources Group, et al

		Hours	
	voluminous Hammersmith documents and files (6.0).	6.70	837.50
05/28/00			
	DDR Prepare and organize documents for travel to Pensacola (1.5).	1.50	187.50
05/29/00			
	MJQ Travel to Pensacola, Florida including review of financial spreadsheets to determine missing information.	6.50	1,625.00
	DDR Travel to Pensacola, FL including review of Hammersmith financial spreadsheets and various bank records (6.5).	6.50	812.50
05/30/00			
	AMT Draft Motion to Dismiss and Order re: Eliot J. Lupkin	1.10	220.00
	MJQ Review of voluminous investor and agent files and preparation of notes and reconciliations regarding same.	8.00	2,000.00
	DDR Review of voluminous Hammersmith documents and files, including preparation of notes concerning agents and investors (8.0).	8.00	1,000.00
05/31/00			
	AMT Draft Settlement Agreement for Eliot J. Lupkin; review Debbie Melson's deposition and Dorothy Holcomb's second deposition in order to draft Original Complaint; draft Original Complaint	4.50	900.00
	MJQ Continue review of voluminous investor and agent files (8.0); telephone conference with Bob Brunig regarding case issues (.2).	8.20	2,050.00
	DDR Continue to review voluminous Hammersmith documents and preparation of notes regarding		

Michael J. Quilling, Receiver

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05/31/00

Client No: 911-01M

Invoice No: 40012

Re: Funding Resources Group, et al

	Hours	
agents and investors, including locating investors (8.0).	8.00	1,000.00
	-----	-----
For Current Services Rendered	358.60	53,913.00

Timekeeper	Hours	Hourly Rate	Total
-----	-----	-----	-----
Michael J. Quilling	99.00	\$250.00	\$24,750.00
Dawn H. De Leon	0.30	85.00	25.50
Andy M. Trusevich	13.40	200.00	2,680.00
Candace W. Folks	53.00	85.00	4,505.00
D. Dee Raibourn	118.20	125.00	14,775.00
Clark B. Will	7.20	200.00	1,440.00
Roxanne Breitbarth	67.50	85.00	5,737.50

Telecopies	77.00
Long-Distance Telephone	22.53
Parking	22.50
Travel Expenses - Andy Trusevich to Houston on 4/24/2000	1,111.87
Travel Expenses - Mike Quilling, Dee Raibourn, Pensacola, Fl. on 5/4/2000 to 5/11/2000	5,703.33
Travel Expenses - Mike Quilling to Springfield, Missouri on 4/25/00	888.27
Travel Expenses - Mike Quilling to Charlotte North Carolina on 4/20/00 to 4/21/00	2,987.62
Travel Expenses - Mike Quilling, Dee Raibourn, Roxanne Breitbart & Candace Folks to Pensacola, Fl. on 5/4/00 to 5/10/00	13,771.54
Travel Expenses - Andy Trusevich and Dee Raibourn to Houston on 4/24/00	581.75
Travel Expenses - Mike Quilling to Pensacola, Fl on 4/26/00 to 4/27/00	1,152.59
Courier Deliveries	118.50
Express Mail Service	452.55
Travel Expense - Dee Raibourn to Houston, Texas	

Michael J. Quilling, Receiver

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05/31/00

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Re: Funding Resources Group, et al

for Depositions of W. Melson, D. Melson and D. Holcomb	49.09
Travel Expenses - Dee Raibourn Pensacola, Florida on 5/03/2000	117.00
Paid to Hunter & Geist, Inc., for the Deposition Transcript of Steven C. Signer	821.20
Paid to Court Reporter's Clearinghouse, Inc. for Deposition of Dorothy Holcombe Vol. 2	520.25
Paid to Esquire Deposition Services - Services provided on 02/09/2000 re Wayne Wade	1,499.28
Paid to Southwest Security & Investigations - Served summons on Paul Pursehouse	72.80
Paid to Southwest Security & Investigations - Served summons on Paul Pursehouse	315.75
Photocopying	2,785.80
Postage	28.11
	-----
Total Expenses Thru 05/31/00	33,099.33
Total Current Work	87,012.33
Balance Due	\$87,012.33
	=====

NOTE: PLEASE REFERENCE THE CLIENT NO. WITH PAYMENT



# HUNTER & GEIST, INC.

1900 Grant Street, Suite 800, Denver, Colorado 80203, (303) 832-5966, (800) 525-8490, FAX (303) 832-9525  
*Court Reporting & Video*

D. DEE RAIBOURN, III, ESQ.  
QUILLING, SELANDER, CUMMISKEY & LOWNDS, P.C.  
2001 BRYAN STREET, SUITE 1800  
DALLAS, TX 75201

INVOICE NUMBER

14895

DATE	ACCT. #	CASE NUMBER	CHARGES
04/18/2000	4056	3:98CV2689	
Re: SECURITIES & EXCHANGE COMM V. FUNDING RESOURCE GROUP			
Assignment Date: April 06, 2000			
Deposition Of STEVEN C. SIGNER			
ORIGINAL TRANSCRIPT PREP.			723.70
APPEARANCE FEE			97.50
			=====
Total Amount \$			821.20

HUNTER & GEIST, INC.  
Federal Tax Id#: 84-0835207

(Please return remittance copy with payment to ensure proper credit.)

THANK YOU!

Court Reporter's Clearinghouse, Inc.  
4545 Post Oak Place, Suite 350  
Houston, TX 77027-3105  
Ph: (713) 626-2629 Fax: (713) 626-1966

# Invoice

DATE	INVOICE #
5/8/2000	00479A

BILL TO
Mr. Andrew M. Trusevich Qulling, Selander, Cumminskey & Lownds One Dallas Centre 350 N. St. Paul, Suite 2800 Dallas, TX 75201-4240

REPORTED BY	DATE TAKEN	TERMS
Kim Tuttle / CRC	4/26/2000	Net 30
DESCRIPTION		AMOUNT
No. 3:98-CV-2689-X; Securities and Exchange Commission vs. Funding Resource Group, et al 911.01		
Deposition of DOROTHY HOLCOMBE - VOL. 2 (Original)		520.25
Taxable cost: \$520.25		
Check Number 6696		
Check Date 5/31/00		
Check Amount \$ 1642.80		
Federal Tax I.D. #76-0537648. Thank you for your business.		<b>Total</b> \$520.25



(E) Esquire Deposition Services  
703 McKinney Avenue, Suite 320  
Dallas, TX 75202  
Tel (214) 965-9200 Fax (214) 965-9205  
Tax ID # 33-0781435

8025 SULL 01

INVOICE NUMBER	DATE
7644	02/25/00

To: Quilling, Selander, et al.  
One Dallas Centre  
350 North St. Paul, Suite 2800  
Dallas, TX 75201-4240

ATTN: Andy Trusevich

Due upon receipt.

	AMOUNT DUE	ENCL.
<p>YOUR REFERENCE NUMBER: Federal</p> <p>CAPTION: SEC VS. FUNDING RESOURCE GROUP, ET AL.</p> <p>SERVICES PROVIDED ON 02/09/00:</p> <p>Wayne Wade 1- 111 111 PGS</p> <p>Carla Wade 1- 113 113 PGS</p> <p>Caseview</p> <p>Rough Disk/DRAFT</p> <p>Administration Fee</p> <p>Exhibits (Discounted)</p> <p>Key Word Index</p> <p>Shipping &amp; Handling</p>		O+1 O+1
<b>TOTAL</b>	<b>1,499.28</b>	Thank You

YOU CAN SAVE 10% BY PAYING WITH MASTERCARD OR VISA!

↓ Please detach and send with payment

Remit To:  
ESQUIRE DEPOSITION SERVICES  
703 McKinney Avenue  
Suite 320  
Dallas, TX 75202  
Tax ID # 33-0781435

JOB #: 8025 TOTAL: \$1499.28  
INVOICE #: 7644 TX  
DATE: 02/25/00

Quilling, Selander, et al.  
Attn: Andy Trusevich  
One Dallas Centre  
350 North St. Paul, Suite 2800  
Dallas, TX 75201-4240

  
**ESQUIRE**  
DEPOSITION SERVICES  
A Record Of Excellence

# QUILLIN SELANDER, CUMMISKEY & OWNDS

A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS

BRYAN TOWER

2001 BRYAN STREET, SUITE 1800

DALLAS, TEXAS 75201-4240

TELEPHONE: (214) 871-2100

TELECOPIER: (214) 871-2111

TAX ID #75-2459334

Michael J. Quilling, Receiver

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06/30/00

Client No: 911-01M

Invoice No: 40407

Re: Funding Resources Group, et. al

	Hours	
06/01/00		
MJQ Continue review of voluminous investor and agent files and preparation of notes (5.5); return travel to Dallas, Texas including continued preparation of notes and drafting of lawsuit against agents (5.0).	10.50	2,625.00
DDR Continued review of voluminous investor and agent files and preparation of notes (8.5).	8.50	1,062.50
06/02/00		
AMT Telephone conference with Eliot J. Lupkin re: settlement documents (.4); Draft cover letter to Eliot J. Lupkin re: settlement documents (.3); Continue drafting Original Complaint relating to the Melsons, Wades and Dorothy Holcomb (1.2).	1.90	380.00
MJQ Review of Lumpkin Settlement documents (.1); review of draft of lawsuit against Melsons and others and office conference with Andy Truesvich regarding same (.3); telephone conference with Milo Segner regarding accounting issues relating to Hammersmith (.2).	.60	150.00
DDR Continue to review voluminous investor and agent files and preparation of notes (5.5); Return travel to Dallas including continuation of preparation of notes (6.5).	12.00	1,500.00
06/05/00		
MJQ Telephone conference with John Cotter, FBI regarding Morgan Weinstein (.3); review of		

**PLEASE NOTE: NEW BILLING ADDRESS**

**DUE AND PAYABLE UPON RECEIPT**

Michael J. Quilling, Receiver

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06/30/00

Client No: 911-01M  
Invoice No: 40407

Re: Funding Resources Group, et al

	Hours	
documents from Rod Prohaska regarding Tactical Capital (.3); office conference with Dee Raibourn discussing same (.2); telephone conference with Bob Brunig discussing various case issues (.3).	1.10	275.00
DDR Office conference with AMT re various case issues, strategies and potential actions (.5); Review and analysis of Hammersmith bank account at Union Securities (1.6); Office conference with MJQ re same (.2); Telephone conference with Attorney Adler re Steve Roberts status and potential deposition (.6); Office conference with MJQ and AMT re various case issues and strategies (.3); Telephone conference with Attorney Miller re scheduling of V. Smith deposition (.3); Review of general investor correspondence (.2); Telephone conference with Special Agent James Lambert re various case facts (.4); Continue to review and organize investor and agent files (1.4).	5.80	725.00
06/06/00 MJQ Telephone conference with Ray Hanson discussing status of settlement documents (.2); reviewed and revised information sheets relating to agents and investors in Hammersmith (.7); prepare for and attend status conference with Court (2.4); follow up discussions with Milo Segner, Andy Trusevich and Dee Raibourn regarding strategy and further collection efforts (1.0) telephone conference with Jim Lambert discussing case issues (.2).	4.50	1,125.00
DDR Telephone conference with investor Cotton re status of case (.3); Telephone conference with Special Agent James Lambert re production of Hammersmith records and various case facts (.5); Telephone conference with investor Wilson re status of case (.3); Research re location of various potential defendants (1.3); Prepare for		



Michael J. Quilling, Receiver

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06/30/00  
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Re: Funding Resources Group, et al

	Hours	
and attend status conference with Court (2.4); Follow up discussions with MJQ, AMT and accountants re strategy and collection efforts (1.0); Continue analysis of Hammersmith bank records (1.1).	6.90	862.50
AMT Attend status conference with Court	1.30	260.00
06/07/00		
CBW Telephone conference with Mike McReynolds re settlement documents.	.30	60.00
MJQ Telephone conference with Milo Segner regarding various accounting issues (.3); telephone conference with counsel for Ray Hanson discussing settlement status (.3).	.60	150.00
DDR Telephone conference with investor re status of case(.3); Left VM with Special Agent Drohlshagen re status of TN investors (.1); Review of general investor correspondence (.3); Telephone conference with case witness re various case facts (.6).	1.30	162.50
06/08/00		
CBW Review correspondence from Mike McReynolds re changes to settlement agreement (.4); review proposed revisions to settlement agreement (.3); prepare correspondence to attorney McReynolds re proposed changes to settlement agreement (.4).	1.10	220.00
MJQ Extended meeting with accountants to review bank account spreadsheets, investor information and agent payments (3.0); telephone conference with Jim Lambert regarding case issues (.2).	3.20	800.00
DDR Extended meeting with accountants to review bank account spreadsheets, investor information and agent payments (3.0); Draft letter to counsel re		

Michael J. Quilling, Receiver

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06/30/00  
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Re: Funding Resources Group, et al

	Hours	
June 23, 2000 status conference (.4); Attention to sending out same and updating service list (.4); Continue to review and analyze agent and investor files (1.5).	5.30	662.50
RB Conference with Dee Raibourn regarding agent and investor notebooks (.20); Organize and assemble notebooks for agents and investors (1.0).	1.20	102.00
06/09/00 MJQ Telephone conference with Michele Heldmeyer regarding case issues (.6); telephone conference with Michele Roberts discussing deposition of David Bishara (.3); office conference with Andy Trusevich discussing filing and review of lawsuits and issue relating to pending lawsuits (.5); review of Orders from Court (.1); prepare for and gather materials for trip to Pensacola (.5).	2.00	500.00
CBW Work on revisions to settlement agreement in Smith matter.	.80	160.00
AMT Conduct research, per request from Mike Quilling, re: Federal Declaratory Judgment Act, constructive trust, disgorgement, unjust enrichment; begin drafting memo re: results of research.	7.50	1,500.00
DDR Telephone conference with investor Bragg re status of case (.3); Left VM for investor Lockwood re claim on receivership estate (.1); Telephone conference with case witness re various case facts (.4); Telephone conference with attorney Roberts and MJQ re scheduling of Bishara deposition and production of documents (.3); Continue to review, analyze and organize investor and agent files (6.6); Update Hammersmith investor database (.2).	7.90	987.50

Michael J. Quilling, Receiver

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06/30/00  
Client No: 911-01M  
Invoice No: 40407

Re: Funding Resources Group, et al

	Hours	
06/10/00		
DDR Draft deposition notice and duces tecum for David Bishara and AMPAC (1.0); Draft letter to attorney Roberts re same (.3); Prepare materials for travel to Pensacola, FL (1.2)	2.50	312.50
06/11/00		
MJQ Travel to Pensacola including discussions of logistics of locating missing information and document review.	6.00	1,500.00
DDR Travel to Pensacola including discussions regarding missing information and unknown entities.	6.50	812.50
06/12/00		
CBW Telephone conference with Michael McReynolds re changes to the settlement agreement (.3); work on changes to settlement agreement (.4).	.70	140.00
MJQ Continue review of voluminous documents at Customs office to determine missing investor and agent information (2.0); attend interview of Ray Hanson and Jack Higgins (7.5).	9.50	2,375.00
AMT Continue drafting memorandum of law relating to Receiver's causes of action.	2.30	460.00
DDR Continue review of voluminous documents at Customs office to determine missing investor and agent information (2.0); Attend interview of Ray Hanson and Jack Higgins (7.5).	9.50	1,187.50
06/13/00		
MJQ Attend continued interview with Ray Hanson and Jack Higgins (4.0); continue review of voluminous documents at Customs (4.0); meeting with Michele Heldmeyer regarding case issues (1.5).	9.50	2,375.00

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
DDR Attend continued interview of Ray Hanson and Jack Higgins (4.0); Continue review of voluminous documents at U.S. Customs (5.5).	9.50	1,187.50
06/14/00		
CBW Revise settlement agreement and prepare correspondence to attorney McReynolds.	1.20	240.00
MJQ Continue review of voluminous documents at Customs office to determine missing investor and agent information (7.0); analyze bank account spreadsheets to determine assets (2.0); meeting with Michele Heldmeyer regarding same (2.0)	11.00	2,750.00
AMT Continue research re: potential causes of action for Receivers (.6); shepardize cases for memorandum of law; read and analyze case law re: constructive trusts and Receivers (4.9); continue drafting memorandum of law (1.6).	7.10	1,420.00
DDR Continued review of voluminous documents at U.S. Customs (8.0); Analysis of Hammersmith financial records to determine receivership assets (3.0);	11.00	1,375.00
06/15/00		
MJQ Review of documents at Customs office relating to AMPAC and Continental Management to begin preparation for deposition of David Bishara (6.0); telephone conference with Terri Fedonczak regarding Sands Point Trust issues (.2); return travel to Dallas including continued review of documents relating to David Bishara (6.0); telephone conference with Andy Trusevich regarding David Johnson litigation (.5).	12.50	3,125.00
DDR Continued review of voluminous documents at U.S. Customs, including review of contents of several computers (7.5); Continue to trace funds to potential receivership assets (2.0).	9.50	1,187.50

Michael J. Quilling, Receiver

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Client No: 911-01M  
Invoice No: 40407

Re: Funding Resources Group, et al

	Hours	
06/16/00		
MJQ Telephone conference with Brooke Rollins regarding David Johnson litigation (.2); telephone conference with Michele Roberts regarding Bishara deposition (.1); prepare for and begin Bishara deposition (6.0); telephone conference with Donald Beckner discussing issues relating to Gilliland (.2); telephone conference with Michele Heldmeyer discussing related issues to case (.5).	7.00	1,750.00
AMT Review documents associated with Bishara deposition (3.2); attend deposition of David Bishara (.8).	5.10	1,020.00
DDR Continue review of contents of seized computers (3.0); Continued review of investor/agent files to determine unknown entities and preparation of notes (5.5).	8.50	1,062.50
06/18/00		
DDR Continued review of contents of seized computers.	3.00	375.00
06/19/00		
CBW Review changes to settlement agreement from attorney McReynolds, make changes and telephone conference with Bob Brunig re settlement.	.70	140.00
MJQ Travel to Pensacola including review of bank account spreadsheets and investor information (6.0); continue review and analysis of voluminous investor and agent files (4.0).	10.00	2,500.00
MDC Phone calls to/from attorney Dee Raibourn re analysis of funds to/from Howe and Hammersmith; Locate documents pertaining to same and arrange for transmittal to Mr. Raibourn in Florida.	.80	100.00
DDR Continue to trace funds to potential assets		

Michael J. Quilling, Receiver

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06/30/00

Client No: 911-01M

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Re: Funding Resources Group, et al

		Hours	
	(4.5); Continued reviewing voluminous documents at US Customs and preparation of notes (6.0).	10.50	1,312.50
06/20/00			
MJQ	Continue review of voluminous records at Customs office(3.0); prepare for and testify before Grand Jury regarding Hammersmith and Microfund programs (5.0); work on list of assets to be seized (2.0).	10.00	2,500.00
DDR	Continued review of voluminous records at Customs office (8.0); Work on list of assets to be seized during forfeiture action (2.0).	10.00	1,250.00
AMT	Draft stipulation of dismissal of Dorothy Kerr; draft revised order of dismissal re: Eliot Lupkin.	1.00	200.00
06/21/00			
MJQ	Return travel to Dallas including several telephone conferences with Michelle Heldmeyer to identify bank accounts to be seized (6.0); review of Lupkin settlement papers (.10).	6.10	1,525.00
DDR	Return travel to Dallas including review of potential assets and Hammersmith bank records (6.5); Draft letter to AUSA Heldmyer re analysis of tracing of money to various bank accounts (1.0); Telephone conference with AUSA Heldmyer re same (.2).	7.70	962.50
06/22/00			
MJQ	Review voluminous pleadings and mail relating to case (.5); preparation of letter to Bruce Kramer regarding David Johnson issues (.3); preparation of letter to Michelle Heldmeyer regarding waiver of attorney-client privilege (.2); preparation for continuation of David Bishara deposition (2.0).	3.00	750.00

Michael J. Quilling, Receiver

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06/30/00  
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Invoice No: 40407

Re: Funding Resources Group, et al

	Hours	
CBW Review changes to Smith settlement with client (.3); review correspondence from SEC re Smith settlement and prepare forwarding correspondence to attorney McReynolds (.3).	.60	120.00
DDR Telephone conference with Robert Brunig re Bishara and Parr deposition (.3); Telephone conference with accountants re analysis of AMPAC documents (.3); Telephone conference with attorney Odom re appearance at status conference (.3); Begin drafting duces tecum for Coffman deposition notice (.8); Telephone conference with AUSA Stafford re tracing of various case assets (.3); Telephone conference with case witness re various case facts (.6); Telephone conference with AUSA Stafford re information regarding various bank accounts (.3); Office conference with AMT re Coffman duces tecum (.2); Numerous telephone conversations with Special Agent Lambert and Edmonson re various case issues and facts (.8); Review and revision of proposed TRO in criminal forfeiture action (1.0); Review of bank account information and preparation for Bishara deposition (1.2).	6.10	762.50
06/23/00		
MJQ Continue preparation for and take deposition of David Bishara (8.0); prepare for and attend Status Conference and related hearings (2.5).	10.50	2,625.00
DDR Finalize duces tecum for Coffman deposition notice (1.5); Prepare for and attend David Bishara deposition (6.0); Attend Status Conference hearing (2.5).	10.00	1,250.00
AMT Attend portion of Bishara deposition (4.7); attend status conference with Judge Kaplan (2.5).	7.20	1,440.00

Michael J. Quilling, Receiver

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06/30/00  
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Invoice No: 40407

Re: Funding Resources Group, et al

	Hours	
06/25/00		
MJQ Telephone conference with Kurt Becker discussing case issues.	.30	75.00
06/26/00		
DDR Telephone conference with Stuart Dickinson re title transfer of Amerosport boat (.3); Office conference with MJQ and AMT re various case issues and strategy (.8); Review of proposed TRO in criminal forfeiture action and review of Hammersmith financial records (1.2); Telephone conference with investor re status of case (.3); Telephone conference with accountants re various case issues regarding Hammersmith financial records (.4); Several telephone conferences with Special Agent James Lambert re various case issues (.6); Review of notes from Florida trip and update various spreadsheets and databases (2.0).	5.60	700.00
MJQ Prepare for and attend chamber conference with Judge Kaplan (1.5); telephone conference with Michele Heldmyer regarding 6(e) issues (.3); telephone conference with counsel for Gilliland discussing indictment and pursuit of assets (.3); telephone conference with Bruce Kramer discussing document production (.4); telephone conference with Bob Brunig regarding case issues (.5); office conference with Andy Trusevich regarding lawsuit discovery issues (.3); review of TRO as to Hammersmith related assets and office conference with Dee Raibourn regarding the same (.3); telephone conference with Michele Heldmyer regarding issues relating to same (.4).	4.00	1,000.00
CBW Telephone conference with Mike McReynolds re settlement agreement (.1); draft correspondence to McReynolds with final settlement (.5).	.60	120.00



Michael J. Quilling, Receiver

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06/30/00  
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Re: Funding Resources Group, et al

Hours

06/27/00

DDR Telephone conference with accountants re information concerning various bank accounts (.3); Research to locate unknown investors/agents (1.0); Telephone conference with AUSA Stafford re TRO revisions (.3); Review and revise proposed TRO in criminal forfeiture action to freeze receivership assets, including analysis of bank accounts of defendants (3.0); Telephone conference with Texas Parks and Wildlife regarding transfer of Amerosport title (.5); Telephone conference with Stuart Dickinson re same (.3); Telephone conference with investor Kaplan re status of case (.4); Review of Orders entered by Court and discussion with AMT regarding same (.3); Telephone conference with attorney Adler regarding Steve Roberts (.3). 6.40 800.00

MJQ Review of correspondence from H&B Gallery and preparation of letter responding to same (.2); several telephone conferences with Kurt Becker discussing investments and document issues (.4); telephone conference with Ernest Norcross regarding Melody Rose issues (.3); telephone conference with David Bishara regarding AMPAC accounts (.3); telephone conference with Jim Lambert discussing case issues (.5); telephone conference with Mike Lithnacome discussing frozen funds and potential claims of receivership to same (.7). 2.40 600.00

06/28/00

DDR Review of Hammersmith financial documents to determine possible duplicates and fill in missing gaps (3.5); Office conference with MJQ and AMT re discussion of various orders entered by the Court (.3); Attention given to scheduling of Attorney conferences order by Court (.7). 4.50 562.50

Michael J. Quilling, Receiver

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06/30/00

Client No: 911-01M

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Re: Funding Resources Group, et al

Hours

AMT Review new orders issued by Judge Kaplan; meet with Michael J. Quilling re: scheduling orders issued by Judge Kaplan.	1.20	240.00
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06/30/00

AMT Telephone call to Cass Weiland re: scheduling meeting to prepare joint status report pursuant to Judge Kaplan's Order; telephone call to Greg Clark's office re: joint status report; telephone call to Brian Dumesnil's office re: joint status report; telephone call to Bob Brunig re: joint status report; draft letter to all counsel of record in SEC v. Funding case re: joint status report.	1.70	340.00
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For Current Services Rendered

337.10 60,799.50

Recapitulation

Timekeeper	Hours	Hourly Rate	Total
Michael J. Quilling	124.30	\$250.00	\$31,075.00
Andy M. Trusevich	36.30	200.00	7,260.00
D. Dee Raibourn	168.50	125.00	21,062.50
Michael D. Clark	0.80	125.00	100.00
Clark B. Will	6.00	200.00	1,200.00
Roxanne Breitbarth	1.20	85.00	102.00

Telecopies	183.00
Long-Distance Telephone	171.25
Outside Photocopy Service	117.08
Parking	7.00
Travel Expenses - Dee Raibourn meals in Florida	44.38
Travel Expenses - Michael Quilling to Memphis, Tn on May 26, 2000	963.56
Travel Expenses - Michael Quilling & Dee Raibourn to Pensacola, Fl. on May 26 to June 2, 2000	3,627.20
Courier Deliveries	227.00

Michael J. Quilling, Receiver

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06/30/00

Client No: 911-01M  
Invoice No: 40407

Re: Funding Resources Group, et al

Express Mail Service	146.92
Paid to Jana Lea Atchison, Shorthand Reporter, for the telephonic oral deposition of David Bishara	664.00
Subpoena Fee - Donald Coffman, Jr.	40.00
Certified copy of Receiver's Motion to Sell Amerosport Boat	21.00
Paid to ChoicePoint for name searches	120.00
Filing Fee to U.S. District Clerk	150.00
Photocopying	554.60
Postage	97.18
West Law Computer Research	5.33
	-----
Total Expenses Thru 06/30/00	7,139.50
Total Current Work	67,939.00
Balance Due	\$67,939.00 =====

NOTE: PLEASE REFERENCE THE CLIENT NO. WITH PAYMENT

**JANA LEA ATCHISON**  
**Certified Shorthand Reporter**  
**6313 Stonewall Street**  
**Greenville, Texas 75402**  
**Metro 903.450.8015**

**INVOICE**

Invoice No. 10681

June 21, 2000

Mr. Michael J. Quilling  
Quilling, Selander, Cummiskey & Lownds, P.C.  
2001 Bryan Street  
Suite 1800  
Dallas, Texas 75201

Re: SEC vs. Funding Resource Group, a/k/a FRG Trust, et al., and Howe Financial Trust,  
et al.

**DESCRIPTION**

**TOTAL**

Original and one copy of the  
telephonic oral deposition of  
David Bishara  
taken June 16, 2000  
(Expedited Delivery)

\$664.00

Itemization:

124 pages @ 5.00 per page (620.00)  
Binding (14.00)  
Condensed (10.00)  
FedEx delivery (20.00)

Check Number 6969  
Check Date 6-30-00  
Check Amount \$ 664.00

**TOTAL AMOUNT DUE: \$664.00**  
**THANK YOU FOR YOUR BUSINESS!**  
Tax ID: 467-25-6948

**QUILLIN SELANDER, CUMMISKEY & LOWNDS**

**A PROFESSIONAL CORPORATION  
ATTORNEYS AND COUNSELORS**

**BRYAN TOWER  
2001 BRYAN STREET, SUITE 1800  
DALLAS, TEXAS 75201-4240**

TAX ID #75-2459334

TELEPHONE: (214) 871-2100  
TELECOPIER: (214) 871-2111

Michael J. Quilling, Receiver

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07/31/00  
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Re: Funding Resources Group, et al

	Hours	
07/05/00		
MJQ Telephone conference with Michelle Heldmyer discussing case issues (.3); telephone counsel for David Gilliland regarding same (.2); review and execute letter agreement with counsel for AMPAC and telephone conference regarding the same (.3); telephone conference with Kurt Becker regarding case issues (.3).	1.10	275.00
07/10/00		
AMT Contact attorneys re: scheduling meeting for status conference and telephone call to Robert Brunig (.3), Deborah Goodall (.3), Wendell Odom (.3), Dan Waller's office (.3), Cass Weiland (.3), Ernest Leonard re: same (.3); prepare and transmit scheduling letter to attorneys (1.1).	3.00	600.00
DDR Telephone conference with Robert Brunig re various case issues including court ordered status conference meetings (.3); Telephone conference with Special Agent Lambert re various case issues and documents (.5); Several telephone conferences with purchaser of Amerosport re transfer of title (.3); Attention given to sale of Amerosport boat (.5); Telephone conference with case witness re various case facts (.5); Review and organize voluminous Hammersmith documents (1.4).	3.50	437.50
07/11/00		
MJQ Review of correspondence relating to case (.3); telephone conference with Doug Gordimer		

**PLEASE NOTE: NEW BILLING ADDRESS  
DUE AND PAYABLE UPON RECEIPT**

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
discussing case issues (.2).	.50	125.00
DDR Telephone conference with investor Swift re status of case (.4); Review of Court's Order and office conference with AMT regarding strategy with same (.2); Telephone conference with Special Agent Lambert re status of criminal case and various case facts (.3); Telephone conference with investor Schepps re status of case (.3); Telephone conference with attorney Rick Broach re status of case (.2); Attention given to sale of Amerosport (.2); Telephone conference with Milo Segner re tracing of monetary transfers to Hammersmith agents (.4).	2.00	250.00
07/12/00		
MJQ Prepare for and attend portions of meeting to establish pre-trial scheduling (.8); meeting with Steve Roberts regarding bank account issues (3.0); meeting with Bob Brunig regarding case issues (1.0).	4.80	1,200.00
AMT Prepare draft copy of joint status report and proposed scheduling order in relation to Judge Kaplan's June 26th Order (2.6); attend meeting with counsel re: joint status report and proposed scheduling order (2.3); revise draft of joint status report and proposed scheduling order (1.4).	6.30	1,260.00
DDR Telephone conference with Special Agent Lambert re various case issues and facts (.4); Telephone conference with investor Stevens re status of case (.3); Telephone conference with attorney Eckerson re certificate of conference for Smith settlement and discussion of potential expert witness (.4); Extended meeting with case witness (3.0); Review of Hammersmith financial records to determine potential asset freezes by AUSA in		

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
Florida (2.6): Telephone conference with AUSA Heldmyer re same (.3).	7.00	875.00
07/13/00		
MJQ Telephone conference with Ernest Norcross discussing case issues (.4); review of Emergency Motion by Parr (.1); telephone conference with Kurt Becker discussing case issues (.2).	.70	175.00
DDR Telephone conference with accountants re various issues concerning Hammersmith financial records (.3); Various telephone conferences with Special Agent Lambert re financial records of Hammersmith and transfers to various entities (.7); Review of Hammersmith financial records re same (.7); Telephone conference with attorney Eckerson re discussion of potential expert witness (.2); Telephone conference with investor re status of case (.3).	2.20	275.00
07/14/00		
MJQ Telephone conference with Donald Coffman discussing deposition scheduling (.2); telephone conference with Michele Heldmyer discussing case issues and review of electronic data and computer hard drives (.5); begin work on Tenth Fee Application (.8).	1.50	375.00
CBW Work on draft of unopposed motion and order on Smith settlement and research various orders pertaining to motion filings recently received (1.2); telephone conference with John Moncure re objection to Smith settlement (vm) (.1); telephone conference with Olney Wallace, left message (.1).	1.40	280.00
DDR Telephone conference with investor re status of case (.3); Telephone conference with investor Patel re status of case (.3); Telephone		

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
conference with investor Porter re status of case (.3); Review of Hammersmith financial records to help criminal authorities to seize various assets (1.0); Telephone conference with Special Agent Lambert re same (.3).	2.20	275.00
07/17/00		
CBW Telephone calls to attorneys Jackson, Dickens and Clark re settlement (.3); telephone conference with attorney Jackson re unopposed to settlement (.3); telephone conference with attorney Clark re unopposed to settlement (.3).	.90	180.00
AMT Prepare final joint status report and proposed scheduling order and transmit to Bob Brunig.	.60	120.00
DDR Telephone conference with case witness re various case facts (.3); Office conference with AMT re various case strategies and issues (.3); Meeting with buyer of Amerosport at Texas Parks and Wildlife re transfer of Amerosport title to owner (2.5); Telephone conference with Attorney for Texas Parks and Wildlife re various transfer issues (.3); Review of pleadings and file for documents to satisfy Texas Parks and Wildlife request and draft letter to same (.5); Prepare and gather materials for trip to Pensacola (.9).	4.80	600.00
07/18/00		
CBW Telephone conference with attorney Clark re unopposed to settlement with Smith.	.20	40.00
PA Organize and copy documents for labeling and indexing.	3.00	255.00
PA Label and index documents.	2.50	212.50
DDR Travel to Pensacola Florida and review of notes and financial records with accountants (5.5);		



Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
Review of voluminous documents seized by US Customs (5.5); Telephone conference with MJQ re same (.3).	11.30	1,412.50
07/19/00		
CBW Telephone conference with Matt Rubin re unopposed to settlement.	.30	60.00
MJQ Telephone conference with Don Beckner discussing case issues (.4); review of correspondence relating to case (.3); work on Tenth Interim Fee Application (.3).	1.00	250.00
DDR Review of voluminous documents and electronic media seized by U.S. Customs (10.5); Telephone conference with MJQ re same (.3).	10.80	1,350.00
07/20/00		
MJQ Telephone conference with Jeff Smith discussing document production relating to Hammersmith (.2); reviewed and revised Joint Status Report and telephone conference with Bob Brunig regarding the same (.4); telephone conference with Richard Carter discussing Peter Dyer's claims and document production (.5); reconcile bank accounts (1.0); continue work on Tenth Fee Application (.7).	2.80	700.00
PA Label and index documents.	3.50	297.50
DDR Review of voluminous documents and electronic media seized by U.S. Customs (7.5); Attend arraignment of defendants in criminal case in Florida and lengthy meeting with AUSA regarding same (4.0); Telephone conference with Milo Segner re various issues concerning Hammersmith financial records (.3); Telephone conference with MJQ re issues stemming from reveiw of documents (.2).	12.00	1,500.00

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
07/21/00		
DDR Review of voluminous documents and electronic media seized by U.S. Customs (6.0); Return travel to DFW and review of documents collected in Florida (5.5).	11.50	1,437.50
07/24/00		
CBW Telephone conference with John Sherman re objections to settlement (.1); revise motion to approve settlement and prepare correspondence to court re same (.8).	.90	180.00
DDR Telephone conference with case witness re various case facts (.3); Telephone conference with AUSA Barry re status of Steve Roberts and various case issues (.3); Telephone conference with Special Agent Lambert re various case issues and facts (.3).	.90	112.50
07/25/00		
PA Index documents.	1.50	127.50
DDR Telephone conference with investor Wurst re status of case (.4); telephone conference with investor Johnson re status of case (.3); Telephone conference with Stan Tadlock of Arizona Securities Commission re transfers to Hammersmith (.3).	1.00	125.00
07/26/00		
DDR Telephone conference with investor Byers re status of case (.3); Telephone conference with investor re status of case (.3); Telephone conference with Robert Brunig re various case issues (.3).	.90	112.50
07/27/00		
CBW Telephone conference with John Sherman (.3); review and analyze correspondence from Judge		

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
Kaplan re investor inquiry (.2).	.50	100.00
MJQ Review of Order from Judge Kaplan.	.10	25.00
DDR Telephone conference with investor Jones re status of case (.3).	.30	37.50
07/28/00		
MJQ Telephone conference with Jeff Smith discussing document production (.2); review of voluminous pleading and correspondence relating to case (.7); review of letter from Judge Kaplan and preparation of response to same (.2); meeting with paralegal team regarding creation of investor databases (1.0).	2.10	525.00
CWF Meeting with Receiver to discuss database creation.	.50	42.50
DDR Meeting with MJQ and paralegals re various projects to start (.3); Telephone conference with investor re status of case (.2).	.50	62.50
07/31/00		
CBW Review and analysis of orders received from Magistrate Judge Kaplan re litigation budgets, and telephone conference to Receiver re same (.3); review and analysis of additional orders received from court re budget (.2).	.50	100.00
DDR Review of documents produced by Steve Roberts and financial records in preparation for meeting with same (1.3); Meeting with Steve Roberts re various case issues and facts (2.5); Return travel to Dallas from Houston (3.5); Telephone conference with Special Agent Edmonson re various case issues and facts (.5).	7.80	975.00
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For Current Services Rendered	118.90	17,342.50

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

Recapitulation

Timekeeper	Hours	Hourly Rate	Total
-----	-----	-----	-----
Michael J. Quilling	14.60	\$250.00	\$3,650.00
Paralegal Assistant	10.50	85.00	892.50
Andy M. Trusevich	9.90	200.00	1,980.00
Candace W. Folks	0.50	85.00	42.50
D. Dee Raibourn	78.70	125.00	9,837.50
Clark B. Will	4.70	200.00	940.00
Telecopies			58.00
Long-Distance Telephone			58.79
Outside Photocopy Service			98.29
Travel Expenses - Dee Raibourn and Reed Nordyke to Pensacola, Fl. on 7/17/00 to 7/21/00			1,033.30
Travel Expenses - Mike Quilling and Dee Raibourn to Pensacola, Florida on 6/11/00 to 6/15/00			1,269.90
Travel Expenses - Mike Quilling and Dee Raibourn to Pensacola, Fl. on 6/19/2000 to 6/21/2000			3,047.26
Travel Expenses - Dee Raibourn to Houston on 7/30/2000 to 7/31/2000			243.05
Courier Deliveries			122.80
Express Mail Service			199.09
Photocopying			728.60
Postage			38.27
West Law Computer Research			5.33
West Law Computer Research			619.34
			-----
Total Expenses Thru 07/31/00			7,522.02
Total Current Work			24,864.52
Balance Due			\$24,864.52
			=====

NOTE: PLEASE REFERENCE THE CLIENT NO. WITH PAYMENT

# QUILLIN, SELANDER, CUMMISKEY & LOWNDS

A PROFESSIONAL CORPORATION  
ATTORNEYS AND COUNSELORS

BRYAN TOWER  
2001 BRYAN STREET, SUITE 1800  
DALLAS, TEXAS 75201-4240

TAX ID # 75-2459334

TELEPHONE: (214) 871-2100  
TELEFAX: (214) 871-2111

Michael J. Quilling, Receiver

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08/31/00  
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Invoice No: 41515

Re: Funding Resources Group, et al

	Hours	
08/01/00		
DDR Telephone conference with Robert Brunig re various case issues and facts (.3); Telephone conference with Special Agent Lambert re various case facts (.3).	.60	75.00
08/02/00		
CWF Meeting with Dee Raibourn re Funding databases (.3); Create format of database for MVP Trust and analyze information (.7).	1.00	85.00
DDR Telephone conference with accountants re status of Hammersmith financial spreadsheets and various case facts (.3); Telephone conference with case witness lawyer re potential causes of action by the receiver (.5); Telephone conference with Special Agent Lambert re various case issues and facts (.4); Telephone conference with MJQ re various case issues and facts (.3). Draft deposition Notice for Smith, Bauce, and Hix (2.5); Gather information and prepare for meeting with Holly Rachels (.7).	4.70	587.50
08/03/00		
MJQ Attention to receipt and deposit of funds from H&B Gallery (.1); review of various correspondence relating to case (.2).	.30	75.00
CWF Review format and calculation of MVP database with Dee.	.90	76.50
DDR Travel to Blowing Rock, NC and review of		

**PLEASE NOTE: NEW BILLING ADDRESS  
DUE AND PAYABLE UPON RECEIPT**

Michael J. Quilling, Receiver

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08/31/00

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Re: Funding Resources Group, et al

	Hours	
materials in preparation for meeting with Holly Rachels (5.0); Extensive interview of Holly Rachels with U.S. Customs (7.5)	12.50	1,562.50
08/04/00		
MJQ Preparation of Receiver's Litigation Budget (4.0); meeting with Dee Raibourn and Andy Trusevich to discuss action to be taken to pursue additional litigation and bank records analysis (.6); telephone conference with Michele Heldmyer discussing case issues (.3).	4.90	1,225.00
CWF Meeting with Receiver, Dee and Andy re the latest update on Funding Resources Group (.9); Conference call to Michelle Heldmeyer with Receiver and Dee (.4).	1.30	110.50
DDR Return travel to DFW and organize and review notes from meeting with Holly Rachels (4.5); Review and revise Receiver's litigation budget for SEC v. FRG, et al (1.0).	5.50	687.50
08/06/00		
MJQ Review and calendar Initial Scheduling Order.	.30	75.00
08/07/00		
MJQ Telephone conference with Bob Brunig regarding scheduling order and compliance with same (.3); review of various correspondence relating to case (.3); telephone conference with counsel for David Gilliland and Rule 11 proffer (.4); several telephone conferences with counsel for Vearl Smith and Quentin Hix regarding deposition rescheduling (.8); telephone conference with Jeff Smith discussing production of documents (.1); preparation for trip to Pensacola to question David Gilliland (1.0); travel to Pensacola including review of various spreadsheets, accounting records and notes to prepare for		

Michael J. Quilling, Receiver

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08/31/00

Client No: 911-01M

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Re: Funding Resources Group, et al

	Hours	
questioning (6.0).	8.90	2,225.00
DDR Attention given to rescheduling various depositions (.3); Gather documents for travel to Florida (1.3); Travel to Pensacola including preparation for Rule 11 proffer of David Gilliland (6.0).	7.60	950.00
MJQ Office conference with Andy Trusevich regarding refiling of suit.	.20	50.00
08/08/00		
MJQ Continue preparation for and attend Rule 11 proffer of David Gilliland.	9.00	2,250.00
DDR Continue to prepare for and attend Rule 11 proffer of David Gilliland (9.0).	9.00	1,125.00
08/09/00		
MJQ Telephone conference with Bruce Kramer regarding review of records at Custom Office and office conference with Michele Heldmyer regarding same (.4); telephone conference with Bob Brunig regarding case issues (.3); telephone conference with Wendall Odom regarding deposition rescheduling (.2); preparation of letter regarding same Rule 11 proffer of David Gilliland (9.0); telephone conference with counsel for Bill West regarding Sands Point Trust issues (.2).	10.20	2,550.00
DDR Continue to attend Rule 11 Proffer of David Gilliland (9.0).	9.00	1,125.00
08/10/00		
MJQ Preparation of letter to Bob Walker regarding release of computer (.2); telephone conference with Bob Flynn regarding same (.2); preparation of letter to Richard Odom regarding release of Gilliland records (.2); continue attendance at		

Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
Rule 11 proffer of David Gilliland (7.5); preparation of letter to Kutak Rock regarding waiver of privilege (.2).	8.30	2,075.00
DDR Continue to attend Rule 11 Proffer for David Gilliland (7.5).	7.50	937.50
08/11/00		
CWF Meeting with Receiver re the latest update on Funding Resources.	.50	42.50
MJQ Return travel to Dallas including review of notes and formulation of additional lawsuit list (6.5); telephone conference with Dee Raibourn regarding status of electronic media review (.2); telephone conference with counsel for Kutak Rock regarding waiver of privilege (.3).	7.00	1,750.00
CWF Update with Receiver on Funding Resources.	.50	42.50
DDR Review of voluminous documents at U.S. Customs office (2.5); Extensive telephone conference with Ray Hanson re location of various electronic files and password access to same (1.3); Review of voluminous electronic media on computers seized by U.S. Customs (6.0).	9.80	1,225.00
08/12/00		
DDR Continued review of electronic media at U.S. Customs office (2.5); Return travel to DFW and review of documents obtained from search of seized computer (6.0).	8.50	1,062.50
08/13/00		
DDR Prepare for and gather documents for V. Smith and M. Baucé depositions (2.0).	2.00	250.00
08/14/00		
MJQ Continue preparation for and take deposition of		



Michael J. Quilling, Receiver

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Re: Funding Resources Group, et al

	Hours	
Vearl Smith (9.5); prepare for deposition of Mary Ann Baucé (2.3); telephone conference with Ray Hanson discussing case issues (.3); telephone conference with Kurt Becker discussing same (.2).	12.30	3,075.00
CWF Prepare exhibits for deposition of Vearl Smith and Mary Baucé (.4); Attendance at deposition of Vearl Smith (5.5).	6.90	586.50
DDR Telephone conference with investor Cardosi re status of case (.3); Continue to prepare for and gather materials for V. Smith and M. Baucé depositions (2.0); Attend deposition of V. Smith (8.5); Telephone conference with MJQ and Ray Hanson re various case issues and issues surrounding asset turnover (.3).	11.10	1,387.50
08/15/00		
MJQ Review of letter from Bill West (.1); telephone conference with Michele Heldmyer and telephone conference with Bill West discussing same (.3); prepare for and take deposition of Mary Ann Baucé (3.0); follow-up discussions with counsel and Bob Brunig regarding settlement (.6).	4.20	1,050.00
DDR Prepare for and attend deposition of M. Baucé (4.3); Telephone conference with investor re status of case (.4).	4.70	587.50
08/16/00		
MJQ Telephone conference with Cord investor discussing status (.2); telephone conference with Bill West and counsel discussing resolution of Sands Point Trust issues (.3); telephone conference with Kim Pingleton discussing status (.2).	.70	175.00
DDR Telephone conference with investor re status of case (.3); Telephone conference with investor		

Michael J. Quilling, Receiver

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911-01M  
41515

Re: Funding Resources Group, et al

	Hours	
Hartsfield re status of case and filing of claim (.5).	.80	100.00
08/17/00		
MJQ Meeting with Kim Pingleton regarding case issues (.5); telephone conference with Michele Heldmyer discussing same (.2).	.70	175.00
DDR Telephone conference with investor Southwen re status of case and filing of claim (.3).	.30	37.50
08/18/00		
CBW Review order accepting Smith settlement and draft correspondence to McReynolds re same.	.50	100.00
DDR Telephone conference with investor Tweedwell re status of case (.3); Telephone conference with investor Miller re status of case (.3); Telephone conference with Special Agent Walthers re various case facts (.5).	1.10	137.50
08/21/00		
DDR Review of file and documents concerning Sterling Management services and prepare same for production to Arizona State Securities Board (2.5); Telephone conference with Stan Tadlock of AZ State Securities Board re production of documents concerning Sterling Management Services (.3); Draft letter to same and gather documents responsive to request (.5); Telephone conference with accountants re disgorgement amount for Steve Roberts (.3); Review and revise Stipulation and Consent Order for Steve Roberts (.5); Telephone conference with Robert Brunig re same (.3); Office conference with MJQ re same (.1); Telephone conference with Rod Prohaska re production of documents concerning Rick Shirrell, Tony Cupini, and Alan Baker (.3); Prepare spreadsheets and produce documents responsive to		

Michael J. Quilling, Receiver

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08/31/00  
911-01M  
41515

Re: Funding Resources Group, et al

	Hours	
MO State Securities Board request (1.5).	7.20	900.00
08/22/00		
CWF Reconcile all Funding Resources bank accounts.	1.80	153.00
DDR Telephone conference with investor re status of case (.3); Review of Order of Reappointment (.1); Begin to locate districts to file Order of Reappointment in compliance of 28 USC section 754 (1.0).	1.30	162.50
08/23/00		
MJQ Telephone conference with Kurt Becker discussing status (.2); telephone conference with Robert Shoemaker discussing same (.2).	.40	100.00
CBW Telephone conference with Mike McReynolds re where's my check (.3); prepare correspondence to McReynolds re settlement agreement (.4); review correspondence from McReynolds and telephone conference with client re case status (.3).	1.00	200.00
DDR Draft letter to enclose with filings pursuant to filing requirements under 28 USC Section 754 (.5); Telephone conference with investor Ruhl re status of case and filing of claim (.4); Telephone conference with AUSA Heldmyer and Special Agent Lambert re various case issues and facts (.4); Telephone conference with accountants re various case facts and update of information for Hammersmith spreadsheets (.2).	1.50	187.50
CWF Collect data from bank for backup to complete the Funding Resources bank reconciliations (1.6); Make copies of MVP contracts (2.2).	3.80	323.00
CWF Assist in preparation Funding Resources hearing.	.30	25.50

Michael J. Quilling, Receiver

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08/31/00  
Client No: 911-01M  
Invoice No: 41515

Re: Funding Resources Group, et al

	Hours	
08/24/00		
MJQ Prepare for and appearance before Court to present litigation budget (1.0); meeting with legal team to discuss places to file Order of Reappointment (.3).	1.30	325.00
KO Research Federal District Court locations for 28 USC 754 filing of Order Reappointing Receiver.	3.30	280.50
DDR Review of draft Settlement agreement between Tracy Ekerson's clients and Texas Coastal Bank (.2); Left voice mail for attorney Eckerson re same (.1); Office conference with MJQ re same (.1); Attention given to filing of Order of Reappointment under Section 754 (1.5); Meeting with MJQ, AMT, and support staff re same (.3); Telephone conference with case witness re case facts (.3).	2.50	312.50
AMT Review files to determine that all relevant documents are in file for hearing on proposed litigation budgets (.5); attend hearing with Michael J. Quilling re: litigation budgets in front of Judge Kaplan.	3.20	640.00
08/25/00		
KO Continue researching Federal Court locations for 28 USC 754 filing of Order Reappointing Receiver (4.6); compile letters and check requests for each District (1.7).	6.30	535.50
DDR Attention given to mailout of Section 754 filing (.6); Review of file to determine location of potential subjects of litigation (.9).	1.50	187.50
08/27/00		
CWF Data entry of all addresses into MVP database. Sorted MVP database for listing. Create binder containing a print listing of the MVP database		

Michael J. Quilling, Receiver

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08/31/00  
Client No: 911-01M  
Invoice No: 41515

Re: Funding Resources Group, et al

	Hours	
and copies of all MVP contracts	3.40	289.00
08/28/00		
KO Assemble and transmit packages filing Order Reappointing Receiver under 28 USC 754.	7.00	595.00
MJQ Telephone conference with investor discussing status (.3); preparation of letter to Daniel Jackson regarding cause of action in state court (.2); attention to receipt and deposit of settlement funds from Smiths (.1).	.80	200.00
RB Assemble all Motions regarding 28 U.S.C., Section 754 (Reappointment of Receiver, Original Complaint, Third Amended Complaint and/or Adam Shaw, et al case) to be filed in thirty-six districts; prepare Federal Express materials and filing fees regarding the same.	9.00	765.00
DDR Telephone conference with attorney Eckerson re settlement agreement with Texas Coastal Bank (.3). Telephone conference with attorney Daniel Jackson re issues concerning authority to assert claim against Texas Coastal Bank (.3); Telephone conference with Special Agent Lambert re various case issues and facts (.6); Telephone conference with Bo Linne re status of case (.4); Telephone conference with Jana Atchinson re proof and edit of V. Smith and M. Baucé depositions (.3); Telephone conference with Special Agent Lambert re discussion of financial spreadsheets for Hammersmith and related entities (.3); Attention given to mail out of Section filings (1.2); Review of case file and documents to determine potential lawsuits and compliance with Section 754 (2.2)	5.60	700.00
08/29/00		
KO Telephone conferences with Court Clerks of So.		

Michael J. Quilling, Receiver

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08/31/00  
Client No: 911-01M  
Invoice No: 41515

Re: Funding Resources Group, et al

	Hours	
District of Alabama (.4) and Western District of Michigan (.5).	.90	76.50
KO Telephone conferences with Court Clerks of Federal District Court in California Eastern (.3), Colorado (.2), Louisiana (.3), Maryland (.4), Minnesota (.4), Nevada (.2), New York (.3), Tennessee Eastern (.2), Texas Eastern (.2), Wisconsin Eastern (.2), Wisconsin Western (.2).	2.90	246.50
DDR Several telephone conferences with AUSA Heldmyer re Rule 6(e) issues and disclosure of documents (.5); Research re Rule 6(e) disclosure (.8); Telephone conference with attorney Eckerson re claim issues and relation to Texas Coastal litigation (.3); Telephone conference with William Danna re status of case and filing of claim (.3).	1.90	237.50
CWF Added additional contracts to MVP database and binder. Resorted and created amended MVP database	.50	42.50
AAM Build web site; Pull and convert court docket sheet; Meet with Receiver regarding design and content; Create graphics and layout of main and lawsuit pages	5.00	425.00
KO Telephone conference with Court Clerk of Fed. District of Oregon.	.20	17.00
KO Telephone conference with Court Clerk of Calif. Northern District.	.20	17.00
08/30/00		
AAM Development of web site: Create and edit content of main page; Add programming for search engine; Create links; Create graphics	4.00	340.00
MJQ Work on Amended Tenth Interim Fee Application		

Michael J. Quilling, Receiver

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08/31/00

Client No: 911-01M  
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Re: Funding Resources Group, et al

	Hours	
(.7); preparation of draft Order regarding same (.1); begin work on website materials and several office conferences with Alena McHale regarding the same (2.0).	2.80	700.00
DDR Telephone conference with Barry Rutherford of Indiana State Police re various case facts and information concerning Howe Financial (.6); Begin to gather documents to send to same (.3); Telephone conference with case witness re various case facts (.5); Telephone conference with attorney Starry re settlement issues and effect on claim (.3); Left voice mail for Stan Tadlock of Arizona State Securities Commission re status of Sterling Management's claim against Hammersmith (.1); Telephone conference with Rod Prohaska re various case facts and status of Receiver's Complaint against various agents for Hammersmith (.3).	2.10	262.50
08/31/00 MJQ Telephone conference with Dan Waller discussing IGW documents (.2); continue work on website materials including preparation of general information language and identification of pleadings to scan and put on website (3.5).	3.70	925.00
AAM Development of web site; Scan in documents; Edit main pages for lawsuits; Link and save pdf files	4.00	340.00
DDR Telephone conference with Steve Roberts re stipulation and consent agreement (.3); Numerous telephone conferences with attorney Eckerson re impact of settlement of her case against Texas Coastal Bank and claims process (.5); Review of Steve Roberts file and documents to determine disgorgement amount (1.0); Telephone conference with AUSA Heldmyer re status of Jeffrey Matz financial spreadsheets (.4).	2.20	275.00

Michael J. Quilling, Receiver

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08/31/00

Client No: 911-01M

Invoice No: 41515

Re: Funding Resources Group, et al

	Hours	
KO Telephone conferences with Court Clerks in Districts of: Connecticut (.3); Georgia Northern (.4); Illinois Northern (.4); Michigan Eastern (.6); Mississippi Northern (.3); Mississippi Southern (.2); New York Northern (.4); Tennessee Middle (.3); Tennessee Western (.2); Texas Southern (.4); Texas Western (.3).	3.80	323.00
KO Compile returned 28 USC 754 file copies.	2.40	204.00
	-----	-----
For Current Services Rendered	271.10	40,944.00

Timekeeper	Hours	Hourly Rate	Total
-----	-----	-----	-----
Michael J. Quilling	76.00	\$250.00	\$19,000.00
Andy M. Trusevich	3.20	200.00	640.00
Alena A. McHale	13.00	85.00	1,105.00
Candace W. Folks	20.90	85.00	1,776.50
D. Dee Raibourn	120.50	125.00	15,062.50
Clark B. Will	1.50	200.00	300.00
Roxanne Breitbarth	9.00	85.00	765.00
Kirsten Oswald	27.00	85.00	2,295.00

Telecopies	102.00
Long-Distance Telephone	132.69
Parking	62.50
Travel Expenses - Dee Raibourn to Charlotte, NC on 8/03/2000 to 8/4/2000	1,476.13
Travel Expenses - Michael J. Quilling to Pensacola, Florida 8/7-11/00	2,639.16
Travel Expenses - Dee Raibourn to Pensacola, Fl on 8/08/2000	205.07
Travel Expenses - Michael J. Quilling to Pensacola, Florida 7/18-21/00	1,588.00
Courier Deliveries	113.50
Express Mail Service	32.52



Michael J. Quilling, Receiver

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Invoice No: 41515

Re: Funding Resources Group, et al

Paid to Jana Lea Atchison, Court Reporter Deposition of David Bishara, Volume 2	796.75
Paid to Maxon Mahoney Turner, Inc. for bond renewal	100.00
Certified copy of Order Reappointing Receiver	270.00
Paid to the US District Court, District of Arizona for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Eastern District of California for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, District of Colorado for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Northern District of Florida for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Northern District of Georgia for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Northern District of Illinois for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Northern District of Indiana for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Southern District of Indiana for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Middle District of Louisiana for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, District of Minnesota for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, District of Nevada for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Northern District of New York for filing fees for 28 USC Sec. 754	

Michael J. Quilling, Receiver

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08/31/00

Client No: 911-01M  
Invoice No: 41515

Re: Funding Resources Group, et al

filing.	20.00
Paid to the US District Court, Eastern District of Tennessee for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Middle District of Tennessee for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Western District of Tennessee for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Eastern District of Texas for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Southern District of Texas for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Western District of Texas for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Eastern District of Wisconsin for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Western District of Wisconsin for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, District of Oregon for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to the US District Court, Northern District of California for filing fees for 28 USC Sec. 754 filing.	20.00
Paid to Jana Lea Atchison - Court Reporter Original deposition of Vearl Smith and Mary Ann Bauce	1,497.85
Filing Fee for 28 USC & 754 Filing - District of Maryland	20.00
Filing Fee for 28 USC & 754 Filing - Eastern District of Michigan	20.00
Filing Fee for 28 USC & 754 - Northern District	

Michael J. Quilling, Receiver

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08/31/00

Client No: 911-01M

Invoice No: 41515

Re: Funding Resources Group, et al

of Mississippi	20.00
Filing Fee for 28 USC & 754 - Southern District	
of Mississippi	20.00
Postage	54.69
West Law Computer Research	559.96
	-----
Total Expenses Thru 08/31/00	10,150.82
Total Current Work	51,094.82
Balance Due	\$51,094.82
	=====

NOTE: PLEASE REFERENCE THE CLIENT NO. WITH PAYMENT

**JANA LEA ATCHISON**  
**Certified Shorthand Reporter**  
**6313 Stonewall Street**  
**Greenville, Texas 75402**  
**Metro 903/450-8015**

## **INVOICE**

Invoice No. 10686

August 5, 2000

Mr. Michael J. Quilling  
Quilling, Selander, Cummiskey & Lownds, P.C.  
2001 Bryan Street, Suite 1800  
Dallas, Texas 75201

Re: SEC vs. Funding Resource Group, et al.

<b>DESCRIPTION</b>	<b>TOTAL</b>
Original and one copy of the oral deposition of David Bishara, Volume II, taken on June 23, 2000	\$796.75

**TOTAL AMOUNT DUE: \$796.75**  
**THANK YOU FOR YOUR BUSINESS!**  
Tax ID: 467-25-6948

**JANA LEA ATCHISON**  
**Certified Shorthand Reporter**  
**6313 Stonewall Street**  
**Greenville, Texas 75402**  
**Metro 903/450-8015**

(T)

## **INVOICE**

Invoice No. 10692

August 29, 2000

Mr. Michael J. Quilling  
Quilling, Selander, Cumiskey & Lownds, P.C.  
2001 Bryan Street, Suite 1800  
Dallas, Texas 75201

Re: SEC vs. Funding Resource Group, et al.

### **DESCRIPTION**

### **TOTAL**

Original and one copy of the oral depositions  
of Willard Vearl Smith (8/14/00)  
and Mary Ann Bauce (8/15/00)

\$1,156.80  
341.05

Itemization for Smith depo:

244 pages @ 4.25 per page = 1037.00

221 exhibit copies @ .20 = 44.20

72 exhibit tabs @ .30 = 21.60

Two 3-ring binders = 20.00

Two binders @ 7.00 = 14.00

Condensed transcript = 10.00

Postage = 10.00

Itemization for Bauce depo:

65 pages @ 4.25 per page = 276.25

124 exhibit copies @ .20 = 24.80

20 exhibit tabs @ .30 = 6.00

Two binders = 14.00

Condensed transcript = 10.00

Postage = 10.00

**TOTAL AMOUNT DUE: \$1,497.85**  
**THANK YOU FOR YOUR BUSINESS!**  
**Tax ID: 467-25-6948**

## GLENN RASMUSSEN &amp; FOGARTY

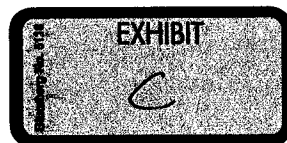
INVOICE

MICHAEL J. QUILLING, RECEIVER  
QUILLING SELANDER CUMMISKEY  
& LOWNDS, P.C.  
2800 ON DALLAS CENTRE  
350 N. ST. PAUL STREET  
DALLAS, TX 75201-4240

March 20, 2000  
STERLING MANAGEMENT SVC,  
INC. V. DAVID GILLILAND,  
ETAL.  
02184-00200 4659

Please remit this portion with your payment

For Services Rendered:	Value		
12/01/1999 RBG REVIEW CORRESPONDENCE FROM M. QUILLING RE TAMPA DISTRICT COURT LITIGATION; TELEPHONE CONFERENCE WITH M. QUILLING RE CASE BACKGROUND; TELEPHONE CONFERENCE WITH P. CALCUTT RE CASE BACKGROUND. ( 1.40 Hrs, \$260.00/Hr )	364.00		
Total Hours . . . . . 1.40			
Total For Services Rendered: . . . . .	\$364.00		
Expenses/Advances			
Postage	.99		
Photocopy charges	2.00		
Total Expenses/Advances . . . . .	\$2.99		
Total This Bill . . . . .	\$366.99		
--- Summary ---			
	Hours	Rate	Value
RBG Robert B. Glenn	1.40	260.00	364.00



Previous Balance. . . . .	\$ .00
Less Payments Received. . . . .	.00
	-----
Balance Forward . . . . .	\$ .00
	-----
Total Amount Due . . . . .	\$366.99
	=====

----- Aged Accounts Receivable Balances -----				
Current	30 Days	60 Days	90 Days	120 Days
366.99	.00	.00	.00	.00

SPICER, FLYNN & RUDSTROM, PLLC  
BRINKLEY PLAZA  
80 MONROE AVENUE  
SUITE 500  
MEMPHIS, TN  
38103

Federal Tax I.D. 62-0671474

August 10, 2000

B/N: 12553

MICHAEL J. QUILLING  
QUILLING, SELANDER, CUMMISKEY & LOWNDS  
2001 BRYAN STREET, SUITE 1800  
DALLAS, TX 75201

INTERIM [ ] FINAL [ ]

Our file# 002411 34902 RDF

RE: HAMMERSMITH TRUST, LLC

PROFESSIONAL SERVICES

05/17/2000	RDF	Review all file materials, including the Rule 41 Motion and supporting Memorandum; all Orders re receivership and related info; telephone conference with Mike Quilling re same	2.00	hrs.	330.00
05/17/2000	MLS	Thoroughly reviewed federal court's jacket on this matter and obtained a copy of all pleadings of the parties and orders of the court. I also created an index for all of the pleadings.	2.60	hrs.	273.00
05/18/2000	MLS	Research federal law, federal civil procedure rules and local district court rules regarding the right to intervene.	0.80	hrs.	84.00
05/18/2000	MLS	Draft Motion of Michael J. Quilling, Receiver, to Intervene and to Appear and Participate in Matter and Memorandum in Support Thereof.	3.10	hrs.	325.50
05/19/2000	MLS	Telephone call to U.S. Attorney Michelle Heldmyer, left detailed voicemail message	0.10	hrs.	10.50





Page	File No.				
2		002411 34902			
		advising that we are representing Quilling and wish to intervene.			
05/19/2000	MLS	Made final revisions to motion and memorandum and prepared Certificate of Consultation pursuant to local rules.	0.30	hrs.	31.50
05/19/2000	MLS	Draft proposed Order Granting Motion of Michael J. Quilling, Receiver, to Intervene and to Appear and Participate in matter.	0.60	hrs.	63.00
05/19/2000	MLS	Correspondence to Magistrate Vescovo forwarding Motion and proposed Order. I also advised that there is no opposition to the motion and request that she enter Order prior to May 26, 2000 hearing.	0.30	hrs.	31.50
05/19/2000	MLS	Telephone conversation with Michelle Heldmyer re: the Motion to Intervene, the government's response to the Joint Motion for Return of Seized Property, and anticipated motions and discovery.	0.20	hrs.	21.00
05/19/2000	MLS	Prepared Motion to Intervene with attachments and proposed order packets for filing. I also filed said documents with Clerk and hand-delivered our Motion to Magistrate Vescovo.	1.00	hrs.	105.00
05/19/2000	RDF	Telephone conversation with Charles Sevier, attorney for Holly Rachels re intervention	0.30	hrs.	49.50
05/19/2000	RDF	Draft revisions to Motion and Memorandum re Intervention	2.00	hrs.	330.00
05/23/2000	RDF	Telephone conversation with Mike Quilling re hearing	0.20	hrs.	33.00
05/23/2000	BJS	Telephone conversation with counsel for plaintiffs regarding standing of our client in criminal matter.	0.40	hrs.	30.00
05/24/2000	BJS	Telephone conversation with counsel for plaintiffs regarding clarification of his position regarding our client involvement in upcoming proceedings.	0.30	hrs.	22.50
05/24/2000	MLS	Telephone conversation with Quilling's secretary re: Response by U.S. Attorney. She was unable to locate a copy of this response. I will contact U.S. Assistant Attorney Michelle Heldmyer to obtain copy.	0.10	hrs.	10.50
05/24/2000	RDF	Correspondence to Magistrate Judge Vescovo re motion to intervene	0.20	hrs.	33.00
05/24/2000	RDF	Receipt and review of Response of government to motion to return seized property	0.50	hrs.	82.50

Page	File No.				
3		002411	34902		
05/25/2000	MLS	Receipt and review of United States Response to Motion for Order Returning Property to the United States District Court for the Western District of Tennessee and Joint Motion for Return of Seized Property Pursuant to Rule 41(e).	0.40	hrs.	42.00
05/25/2000	MLS	Receipt and review of Order of Reference on Motion of Michael J. Quilling, Receiver, to Intervene and to Appear and Participate in Matter filed on May 19, 2000.	0.10	hrs.	10.50
05/25/2000	MLS	Receipt and review of Pro Hac Vice Order of Donald L. Beckner.	0.10	hrs.	10.50
05/25/2000	MLS	Researched Tennessee and federal rules and case law to support Quilling's "standing" in the U.S. District Court matter in the Western District of Tennessee, Western Division. Also researched law as to whether the Western District of Tennessee, Western Division District Court is the proper forum for the Rule 41(e) motion.	1.30	hrs.	136.50
05/25/2000	MLS	Prepared file memo in which I outlined current federal law re: return of seized property to proper "legal" party and the proper forum to entertain a Rule 41(e) motion.	0.50	hrs.	52.50
05/25/2000	RDF	File review to prepare for hearing before Magistrate Judge	1.30	hrs.	214.50
05/25/2000	RDF	Legal research re standing issue re interpleader in Rule 41 proceeding	1.00	hrs.	165.00
05/26/2000	RDF	Additional preparation for hearing before Magistrate Judge	1.00	hrs.	165.00
05/26/2000	RDF	Office conference with Mike Quilling to prepare for the hearing; conference with the assistant US attorneys and custom agent in advance of hearing; and hearing before US Magistrate Vescovo	4.50	hrs.	742.50
05/30/2000	RDF	Receipt and review of complaint filed by Granite State et al re potential intervention	0.70	hrs.	115.50
06/06/2000	MLS	Telephone call from Judge Donald's clerk setting up conference call re: government's motion requesting that matter not be referred to Magistrate Vescovo.	0.10	hrs.	10.50
06/07/2000	MLS	Telephone conference with Judge Donald and all counsel of record re: hearing on government's Motion for Inquiry. Court held that there was no real, present conflict and that Magistrate Vescovo will remain assigned to this matter.	0.60	hrs.	63.00

Page	File No.				
4		002411	34902		
06/07/2000	MLS	Correspondence to client. I advised that Judge Donald held a telephonic hearing on the government's Motion of Inquiry. I outlined the government's arguments and the court's ruling.	0.30	hrs.	31.50
06/13/2000	RDF	Office conference Bruce Kramer and Jeff Smith, Granite State's attorneys re possible intervention	1.00	hrs.	165.00
06/15/2000	MLS	Receipt and review of Order on Writ of Inquiry.	0.10	hrs.	10.50
06/19/2000	RDF	Complete review of all documentation, including all Rule 26 initial disclosures, in lawsuit brought against David Johnson	2.00	hrs.	330.00
06/19/2000	RDF	Telephone conversation with Mike Quilling's office re resetting of hearing on motions re search warrants	0.20	hrs.	33.00
06/19/2000	RDF	Correspondence to Mike Quilling re motions re search warrants and strategy re potential action against David Johnson	0.20	hrs.	33.00
07/13/2000	RDF	Receipt and review of Court's ruling continuing the case together with the government's motion re same	0.30	hrs.	49.50
07/13/2000	RDF	Telephone conversation with Mike Quilling's office re continuance of the hearing	0.10	hrs.	16.50
07/27/2000	RDF	Receipt and review of Order of Reference to the Northern District of Florida and correspondence to Mike Quilling re same	0.30	hrs.	49.50

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\$4,312.50

**EXPENSES**

05/17/2000	0.00	Long distance 214-871-2100	0.18
05/19/2000	0.00	Long distance 850-444-4000	1.44
05/19/2000	0.00	Long distance 850-444-4000	0.36
05/22/2000	0.00	Long distance 214-871-2100	0.36
05/23/2000	0.00	Long distance 214-871-2100	1.26
05/24/2000	0.00	Long distance 214-871-2100	0.90
06/23/2000	1.00	PHOTOCOPIES @ .20 EA.	0.20

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\$4.70

Total to Date

0.00

0.00

Year to Date

**Billing Summary**

Total professional services  
Total expenses incurred

\$4,312.50  
\$4.70

Page  
5

File No. 002411

34902

Amount Outstanding from Prior Bills	0.00
Total of new charges for this invoice	<b>\$4,317.20</b>
Advance payment	<u>0.00</u>
<b>Total balance now due</b>	<b>\$4,317.20</b>
BJS 0.70 75.00 52.50	
MLS 12.60 105.00 1323.00	
RDF 17.80 165.00 2937.00	

Aged Balance Due				
31-60 days	61-90 days	91-120 days	Over 120 days	Balance Due
0.00	0.00	0.00	0.00	4317.20

PLEASE INCLUDE "OUR FILE #" ALONG WITH PAYMENT.