

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
VS.	§	CIVIL ACTION NO.
	§	3:98-CV-2689-M
FUNDING RESOURCE GROUP, a/k/a FRG Trust, et al,	§	
	§	
Defendants,	§	
	§	
and	§	
	§	
HOWE FINANCIAL TRUST, an Indiana corporation,	§	
et al,	§	
	§	
Defendants Solely for Purposes	§	
of Equitable Relief.	§	

**UNOPPOSED MOTION TO ESTABLISH
CLAIM PROCEDURES AND TO APPROVE CLAIM FORM**

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling ("Receiver"), the Receiver appointed by the Court in these proceedings, and the Securities and Exchange Commission ("SEC") and files this their Unopposed Motion to Establish Claim Procedures and Approve Claim Form and in support of such would respectfully show the Court as follows:

1. On November 13, 1998, the Securities and Exchange Commission filed a lawsuit against several persons and entities styled *S.E.C. v. Funding Resource Group, et al.*, Civ. Action No. 3:98-CV-2689-X (N.D. Tex.). Michael J. Quilling was appointed Receiver for the Defendants in that lawsuit, and he continues to serve in that capacity.

2. Prior to the appointment of the Receiver, the SEC alleged that the Defendants were operating an illegal *ponzi* scheme. During the period of Defendant's operations (mid-1997 through November 13, 1998), the *ponzi* scheme involved approximately 1,000 individuals and entities. Early participants in the programs conducted by Defendants have probably been paid substantial amounts, if not in full. Later entrants into the programs are owed substantial sums. The amount of virtually every claim of the investors is different.

3. Since his appointment, the Receiver has liquidated almost all known assets to cash. It is anticipated that all remaining assets will be liquidated in the near future. So as to expedite any partial or final distribution to participants, the Receiver requests that the Court enter an Order approving a Claim Form which can be sent to each investor. A copy of the proposed Claim Form and a proposed cover letter to be sent by the Receiver to investors are collectively attached hereto as Exhibit "A" and are incorporated herein by reference for all purposes. In addition to mailing the Claim Form to all known investors, the Receiver also intends to make the form available for completion and transmission on his web site. As set forth in the proposed cover letter, the Receiver requests that the Court establish March 31, 2001 as the deadline by which investors must complete and return the Claim Form. Such a deadline will allow the investors approximately two (2) months to complete and return the form.

4. Once the Receiver has received a claim form from the investor, a postcard will be sent confirming receipt. A copy of the proposed Claim Form confirmation is attached hereto as Exhibit "B" and is incorporated herein by reference for all purposes.

WHEREFORE, PREMISES CONSIDERED, the Parties request that upon final consideration of this Motion that the Court enter an Order consistent with the foregoing requested relief and for such other and further relief, general or special, at law or in equity, to which the parties may show

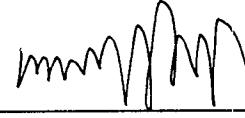
themselves justly entitled.

Respectfully submitted,

SECURITIES & EXCHANGE COMMISSION
801 Cherry Street, Ste. 1900
Fort Worth, Texas
(817) 978-3821 (Telephone)
(817) 978-2700 (Telecopier)

By: Robert Brunig by MSR with permission
Robert A. Brunig


QUILLING, SELANDER, CUMMISKEY & LOWNDS, P.C.
2001 Bryan St., Suite 1800
Dallas, Texas 75201-4240
(214) 871-2100 (Telephone)
(214) 871-2111 (Telecopier)

By: 
Michael J. Quilling, SBN 16432300
D. Dee Raibourn, SBN 24009495

ATTORNEYS FOR RECEIVER

CERTIFICATE OF CONFERENCE

In that all claimants are anxious to receive a distribution it is anticipated that they will agree to the claim form. Due to the number of investors it is impractical to contact each of them to discuss this Motion. Accordingly, it is presented as unopposed.


Michael J. Quilling

CERTIFICATE OF SERVICE

I certify that on January 12, 2001, a true and correct copy of the foregoing was served via first class mail, on:

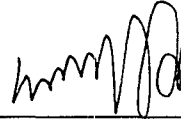
Robert B. Brunig
Securities & Exchange Commission
801 Cherry Street, 19th Floor
Fort Worth, Texas 76102

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

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

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

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

A handwritten signature in black ink, appearing to read 'Michael J. Quilling', is written over a horizontal line. The signature is stylized with a large, looping 'M' and a long, sweeping tail that extends downwards and to the right.

Michael J. Quilling

SEC v Funding Resources Group., et al.;
Cause No 3:98-CV-2689-M (N.D. Tex)
OFFICIAL COURT-APPROVED CLAIM FORM

****You must complete and return this form on or before March 31, 2000****

My Full Name Is: _____
(Please print) (Last) (First) (MI)

Social Security Number: _____ - _____ - _____

Home Address: _____
(Street) (City) (St) (ZIP)

Mailing Address: _____
(If different from Home) (Street) (City) (St) (ZIP)

Home PH:() _____ **Work PH:** () _____ **Cell PH:** () _____

Email: _____ **Other:** _____

The Individual I invested with is: _____

The Trust/Entity my contract is with is: _____

My contract is dated: _____

The total amount of my investment is: \$ _____ (1)
This includes monies you paid by cash, check or wire transfer. Do not include unearned interest or any rollover/reinvestment amounts. If you had multiple investments, make copies of this form and submit a separate claim for each investment.

The total I received back from my investment as either a return of principal or as an interest payment is: \$ _____ (2)

Please provide a breakdown of these returns:
(Use separate paper and attach to claim form if necessary)

Date	Amount	Principal/Interest?
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



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OFFICIAL COURT-APPROVED CLAIM FORM

Claim form continued...

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The total of any other monies or benefits I received is:

\$ _____ (3)

I.E. Override payments, commission fees, referral fees, funds withdrawn, etc.

Please provide a break down of these monies below.

If you received non-monetary returns such as gifts or favors also list those here and estimate a value for those.

(Use separate paper and attach to claim form if necessary)

Date	Amount	Purpose of Funds
_____	_____	_____
_____	_____	_____

My Total Claim on this Investment is:

\$ _____ (4)

Compute this amount by starting with your investment amount (1), subtract interest/principal payments received (2), & subtract other payments (3). This will be your net claim amount (4).

Does this investment include any money provided by anyone other than yourself, such as a partnership or an investment pool?

(Circle one) YES / NO

If YES, please provide name, address, contact phone number, and amount invested:

(Use separate paper and attach to claim form if necessary)

Additional Information: (Use separate paper and attach to claim form if necessary)

If you are aware of any other investors please feel free to provide them with a copy of this claim form and/or list them in the additional information section so we can contact them.

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OFFICIAL COURT-APPROVED CLAIM FORM

Claim form continued...

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IMPORTANT: Please provide copies of these documents along with this claim form:
(Failure to supply any of these documents may result in the disallowance of your claim)

- Copy of your joint venture agreement, borrowing agreement or contract.
- Proof of your investment amount. (Copy of your checks, cashier checks, money order, wire transfers, bank statements and/or receipts.)
- Proof of any return or monies you received. (Copy of your checks, cashier checks, money order, wire transfers, bank statements and/or receipts.)

ALSO:

- **DO NOT SEND** your completed claim form to the court, this will only delay the claim process.
- Once we receive your claim form, a postcard will be sent to you confirming receipt of your claim. IF you **DO NOT** receive a postcard from us within three weeks of submitting your claim, it is **YOUR RESPONSIBILITY** to contact us immediately to correct the problem. It is strongly recommended that you keep a copy of the completed claim form for your records.
- **IT IS YOUR RESPONSIBILITY** to advise us of any address or phone changes.
- For more information or to monitor the status of the case, please refer to the Receivership Website:
www.secreceiver.com

PLEASE READ: By signing below I declare under penalty and perjury of law that I have a claim in the amount set forth above and to the best of my knowledge all information provided on this claim form and any attachments is correct and factual as I know it.

Claimant (Please sign)

Date

****You must complete and return this form on or before March 31, 2000****

Please return to:

Quilling, Selander, Cumiskey & Lownds, P.C.
Attn: Stephen Tomasky
2001 Bryan St, Ste 1800
Dallas, TX 75201

SEC V Funding Resources Group, et al.; Cause No 3:98-CV-2689-M (N.D. Tex)

Claim Form Confirmation

****PLEASE READ****

Your claim has been received by the Receiver, M.J. Quilling:

- ☐ Currently, nothing further on you part is required. However, you may be required to provide additional information in the future.
- ☐ Your claim is incomplete and you are requested to:
 - ☐ Provide a copy of your contract or agreement.
 - ☐ Provide proof of your investment (Check copy, money order receipt, wire transfer, etc.).
 - ☐ _____

Please Note: It is your responsibility to notify us of any change in address or telephone number!

Mail correspondence to: Attn Stephen Tomasky, Quilling, Selander, Cumminskey & Lownds, P.C
2001 Bryan St, Ste 1800, Dallas, Texas 75201

Visit our website at: www.secreceiver.com

