

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
MAR 15 2001
CLERK, U.S. DISTRICT COURT
By _____ Deputy

CIVIL ACTION NO.
3:98-CV-2689-M

Defendants Solely for Purposes of Equitable Relief.

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling (“Receiver”), the Receiver appointed in these proceedings, and files this his Unopposed Motion to Allow Reimbursement of Expenses and in support of such and would respectfully show unto the Court as follows:

1. On November 13, 1998 the United States Securities and Exchange Commission (“SEC”) initiated these proceedings and, in connection therewith, requested the appointment of a receiver. By Order dated November 13, 1998, Michael J. Quilling was appointed Receiver and he continues to function in that capacity since that time.

2. On November 30, 1998 the Court held a hearing to determine whether the receivership should remain in place. After hearing evidence and argument, the Court made the

receivership and the appointment of the Receiver permanent for the duration of these proceedings, all as set forth in the Court's Order of January 12, 1999.

3. On July 23, 1999 the Court issued an Order expanding the receivership as to additional individuals and entities and appointed Michael J. Quilling to act as Receiver.

4. As authorized by each of the Orders appointing him as Receiver, the Receiver has employed attorneys to assist him with the conduct of his duties and responsibilities. During the course of these proceedings, the Receiver has filed eleven interim fee applications, each of which were approved by the Court. In its Order of January 5, 2001 wherein the Court approved the Receiver's Eleventh Interim Fee Application, the Court indicated that it would not approve any further fee applications "until such time as a procedure had been approved for the disbursement of proceeds to defrauded investors and such disbursements had commenced."

5. On March 5, 2001, the Receiver filed his Twelfth Interim Application which requested fees and expenses in connection with out-of-state litigation but which did not seek any fees in connection with the main case receivership proceedings. By Order dated March 7, 2001, the Court denied the application without prejudice.

6. In an effort to recoup out-of-pocket expenses during the interim period between December 1, 2000 (the end of the period covered by the Eleventh Interim Application) and the time that a procedure has been approved by the Court for disbursement of proceeds, the Receiver seeks to be allowed to reimburse out-of-pocket expenses in connection with both the main case and any out-of-state lawsuits with respect to which the Court will not currently entertain fee applications.

7. Specifically, this Motion seeks recovery of out-of-pocket expenses from December 1, 2000 through February 28, 2001 which total in the aggregate \$15,026.16. Set forth below is a month-by-month breakdown of the requested expenses.

EXPENSES

MAIN CASE

	<u>December 2000</u>	<u>January 2001</u>	<u>February 2001</u>
Cord	\$ -0-	129.50	8.26
Funding	\$ 819.69	2,198.48	2,029.69
Howe	\$ -0-	129.50	135.93
Hammersmith	<u>\$ 20.50</u>	<u>1,039.00</u>	<u>2,347.15</u>
	\$ 840.19	3,496.48	4,521.03

WOLCOTT CASE IN MICHIGAN

	<u>December 2000</u>	<u>January 2001</u>	<u>February 2001</u>
Hammersmith	\$2,765.17	806.35	79.25

DAVID JOHNSON CASE IN MEMPHIS

	<u>December 2000</u>	<u>January 2001</u>	<u>February 2001</u>
Hammersmith	\$ 2.00	27.65	-0-

MARK TALLEY CASE IN MEMPHIS

	<u>December 2000</u>	<u>January 2001</u>	<u>February 2001</u>
Hammersmith	\$ -0-	30.56	-0-

Grand total requested — \$15,026.16

Attached hereto as Exhibit A is a detailed itemization of the requested expenses. Receipts are attached for those items which exceed \$500.00. If approved, the expenses will be paid by the Receiver from funds in the respective four receivership estates.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final hearing and consideration of this Motion the Court allow the Receiver to reimburse the out-of-pocket expenses as set forth above, and for such other and further relief, both general and special, at law or in equity, to which the Receiver may show himself justly entitled.

Respectfully submitted,

QUILLING, SELANDER, CUMMISKEY
& LOWNDS, P.C.

By: 

Michael J. Quilling
State Bar No. 16432300

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ATTORNEYS FOR THE RECEIVER

CERTIFICATE OF CONFERENCE

I certify that prior to filing this Motion I conferred with Bob Brunig of the SEC who does not oppose the Motion. It is not anticipated that any of the other Defendants will oppose the Motion.


Michael J. Quilling

CERTIFICATE OF SERVICE

I hereby certify that on the 15th day of March, 2001 a true and correct copy of the foregoing document was served via first class mail, postage pre-paid, to the following parties:

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

Deborah Goodall
Goodall & Sooter
12830 Hillcrest Rd., Suite 111
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Wendell A. Odom, Jr.
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Secore & Waller, LLC
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S. Cass Weiland
Sheinfeld, Maley & Kay, P.C.
1700 Pacific Avenue, Suite 4400
Dallas, Texas 75201-4618

This Motion will also be posted on the Receiver's website www.receiver.com immediately after filing.



Michael J. Quilling