

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

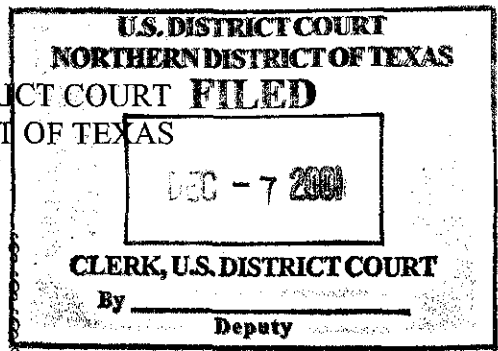
FUNDING RESOURCE GROUP, a/k/a FRG Trust, et al,

Defendants,

and

HOWE FINANCIAL TRUST, an Indiana corporation,  
et al,

Defendants Solely for Purposes  
of Equitable Relief.



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

**RECEIVER'S UNOPPOSED MOTION TO ESTABLISH PROCEDURES  
REGARDING FUNDING RESOURCES RECEIVERSHIP ESTATE CLAIMS**

THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling ("Receiver") and files this his Unopposed Motion to Establish Procedures Regarding Funding Resources Receivership Estate Claims and in support of such would respectfully show unto the Court as follows:

1. On November 13, 1998 the United States and Securities and Exchange Commission ("SEC") initiated these proceedings and, in connection therewith, requested the appointment of a Receiver as to the Defendants and Equity Relief Defendants named in the Complaint at that time. By Order dated November 13, 1998 Michael J. Quilling was appointed as Receiver and he has continued to function in that capacity since that time.

2. On January 12, 2001 the Receiver filed his Unopposed Motion to Establish Claim Procedures and to Approve Claim Form. On January 17, 2001 the Court entered its Order Regarding Claim Procedures and Claim Form ("Claim Form Order") pursuant to which March 31, 2001 was established as the deadline by which time claimants had to submit a completed Claim Form to the Receiver.

3. On March 9, 2001 the Receiver filed a Motion to Designate Receivership Estates. On March 13, 2001 the Court issued its Order Designating Receivership Estates pursuant to which four separate receivership estates were established for the purpose of handling claims and making distributions. This Motion relates to the Funding Resources receivership estate.

4. Since the Court entered the Claim Form Order the Receiver has sent a claim form to all known possible claimants of the Funding Resources receivership estate and has worked diligently to resolve all Funding Resources receivership claims. Despite such efforts, it is possible that the Receiver may not be able to resolve all Funding Resources receivership claims received. Accordingly, so as to allow the claim resolution process and ultimate distributions to proceed as smoothly and as quickly as possible, the Receiver proposes that the Court enter an order establishing the following deadlines and procedures:

- The Receiver shall file a written statement on or before December 21, 2001 of each individual/entity holding an allowed claim (a claim to which the Receiver does not object) against the Funding Resources receivership estate and shall state the amount of the allowed claim.
- The Receiver shall file his written objections to Funding Resources receivership estate claims, if any, on or before December 21, 2001.

- The objections to claims shall be served upon the SEC, counsel of record for the Defendants in these proceedings and the individual/entity (or counsel, if any) to which the objection relates.
- Each individual/entity having a claim objected to by the Receiver shall file with the Court and serve upon the Receiver a written response on or before January 21, 2002.
- A hearing will be held on Friday, January 25, 2002 at 9:00 a.m. at which time the Court shall consider and rule upon the Receiver's objections to the Funding Resources receivership estate claims. Any individual/entity desiring to present evidence or argument in response to the Receiver's objection must personally appear before the Court at the time of the hearing. If no personal appearance is made then the Court will only consider any written response filed by the January 25, 2002 deadline.
- At the conclusion of the January 21, 2002 hearing, the Court will enter an Order setting forth the identity of each holder of an allowed claim against the Funding Resources receivership estate as well as the amount of the allowed claim.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final hearing and consideration of this matter that the Court enter an Order consistent with the foregoing and consistent with whatever the Court's schedule will allow and for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself justly entitled.

Respectfully submitted,

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

By: 

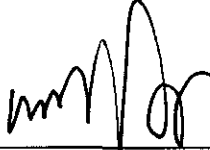
Michael J. Quilling  
State Bar No. 16432300

2001 Bryan Street, Suite 1800  
Dallas, Texas 75201  
(214) 871-2100 (Telephone)  
(214) 871-2111 (Fax)

ATTORNEYS FOR THE RECEIVER

**CERTIFICATE OF CONFERENCE**

I certify that prior to filing this Motion I conferred with Bob Brunig of the SEC and he does not oppose the Motion. None of the Defendants represented by counsel are affected by the Motion and it is presumed they do not oppose it. Accordingly, the Motion is presented as unopposed.

  
Michael J. Quilling

**CERTIFICATE OF SERVICE**

I hereby certify that on the 7<sup>th</sup> day of December, 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

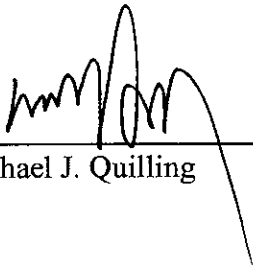
Deborah Goodall  
Goodall & Sooter  
12830 Hillcrest Rd., Suite 111  
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Wendell A. Odom, Jr.  
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Houston, Texas 77002

Dan R. Waller  
Secore & Waller, LLC  
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Dallas, Texas 75240

Raymond Parr  
15455 Point Northwest Blvd., Apt. #507  
Houston, Texas 77095

This Motion will also be posted on the Receiver's website [www.receiver.com](http://www.receiver.com) immediately after filing.

  
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Michael J. Quilling