

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

**Michael J. Quilling, Receiver for  
Hammersmith Trust, LLC  
and Microfund, LLC**

**Plaintiff**

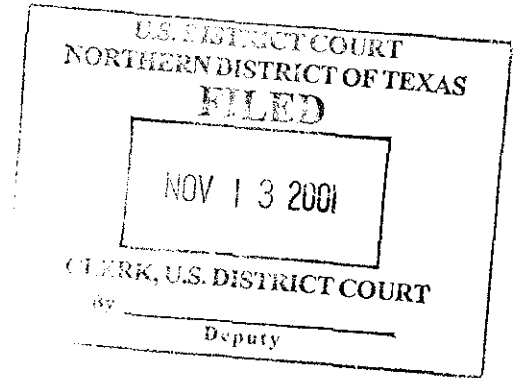
vs.

**Anthony D. Cupini and  
Cadet Holdings, Inc.**

**Defendants**

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Civil Action No. 3:00-CV-2258-M



**UNOPPOSED MOTION TO APPROVE COMPROMISE  
AND SETTLEMENT AGREEMENT WITH CADET HOLDING, ET AL.**

TO THE HONORABLE BARBARA M.G. LYNN, UNITED STATES DISTRICT JUDGE:

COMES NOW, Michael J. Quilling (“Receiver”) and files this Unopposed Motion to Approve Compromise and Settlement Agreement with Cadet Holdings, Inc., et. al. and in support of such would respectfully show unto the Court as follows:

1. On November 13, 1998, the United States Securities and Exchange Commission (“SEC”) initiated Cause No. 3:98-CV-2689-M (the “SEC Proceedings”) and, in connection therewith, sought the appointment of a Receiver. By Order dated November 13, 1998, Michael J. Quilling was named as the Receiver as to the Defendants and Equity Relief Defendants named at that time.

2. On July 23, 1999, the Court issued an Order in the SEC Proceedings expanding the receivership to cover individuals and entities named as additional Equity Relief Defendants by virtue

of the Third Amended Complaint filed in the SEC Proceedings. In connection with performing his duties as Receiver for Hammersmith Trust, LLC and Microfund, LLC, the Receiver has traced funds from defrauded investors to individuals and entities who acted as agents/brokers with respect to the programs. Thereafter, the Receiver initiated these proceedings in an effort to recover the funds paid to agents/brokers. Defendant Cadet Holdings, Inc. received \$502,000.00.

3. After extensive arm's-length negotiations and sworn financial disclosures, an agreement has been reached between Cadet Holdings, Inc. and principals of the entity and the Receiver regarding the claims of the Receiver. A true and correct copy of the Compromise and Settlement Agreement reached between the parties is attached hereto as Exhibit "1" and incorporated herein by reference for all purposes.

4. The Compromise and Settlement Agreement has been approved by the SEC through its representative Bob Brunig.

WHEREFORE, PREMISES CONSIDERED, the Receiver requests that the Court approve the Compromise and Settlement Agreement and for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself justly entitled.

Respectfully submitted,

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

2001 Bryan Street, Suite 1800

Dallas, Texas 75201

(214) 871-2100 (Telephone)

(214) 871-2111 (Facsimile)

By: 

Michael J. Quilling

State Bar No. 16432300

ATTORNEYS FOR RECEIVER

**CERTIFICATE OF CONFERENCE**

I have conferred with Bob Brunig of the SEC and he does not oppose Court approval of the Compromise and Settlement Agreement.

  
Michael J. Quilling


**CERTIFICATE OF SERVICE**

I hereby certify that on the 13<sup>th</sup> day of November, 2001, 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

J. Robert Forshey  
Forshey & Prostok, L.L.P.  
777 Main Street, Suite 1285  
Fort Worth, Texas 76102

R. C. Wuestling  
Wuestling & James, L.C.  
1015 Locust Street, Suite 730  
St. Louis, Missouri 63101

  
Michael J. Quilling