

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

SECURITIES AND EXCHANGE
COMMISSION

V.

FUNDING RESOURCE GROUP
f/k/a FRG TRUST, ET AL.

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§
§

No. 3-98-CV-2689-M

**RECEIVER'S BUDGET FOR MEMPHIS, TENNESSEE LITIGATION
(HAMMERSMITH TRUST v. DAVID H. JOHNSON, ET AL.)**

TO THE HONORABLE JEFF KAPLAN, U.S. MAGISTRATE JUDGE:

Michael J. Quilling, as Receiver for Funding Resource Group and related entities (the "Receiver"), pursuant to the Court's Order of March 8, 2001, hereby submits his proposed litigation budget pertaining to *Hammersmith Trust v. David Johnson, et al.*, Civil Action No. 00-2098 G/V pending in the United States District Court for the Western District of Tennessee. This budget combines anticipated fees of Quilling, Selander, Cummiskey & Lownds, P.C. which are set forth below and for out-of-state counsel (Borod & Kramer, P.C.) which are attached. It is anticipated that the bulk of the work will be performed by Borod & Kramer, P.C.

BUDGET

<u>Stage</u>	<u>Total Hours (Estimated)</u>	<u>Attorney Compensation (hourly rate)</u>	<u>Estimated Costs</u>	<u>Total</u>
Preliminary investigation	Completed			
Legal research	None anticipated			
Pleading preparation	None anticipated			
Formal discovery	50	\$250.00	\$10,000.00	\$22,500.00

<u>Stage</u>	<u>Total Hours (Estimated)</u>	<u>Attorney Compensation (hourly rate)</u>	<u>Estimated Costs</u>	<u>Total</u>
Expert witnesses	None anticipated			
Dispositive motions	5	\$ 250.00	\$ 100.00	\$ 1,350.00
Trial preparation	10	\$ 250.00	\$1,500.00	\$ 4,000.00
Trial	4-5 days	\$2,500.00 /day	\$2,500.00	\$12,500.00
Administrative	30	\$ 250.00	\$ 500.00	\$ 8,000.00
Settlement/mediation	15	\$ 250.00	\$2,500.00	<u>\$ 6,250.00</u>
GRAND TOTAL				<u>\$54,600.00</u>

This budget **excludes** fees and expenses which have already been approved and paid to the Receiver and also **excludes** all fees and expenses for the time period from December 1, 2001 through March 31, 2001. In other words, this budget only includes estimated expenses and costs on a go-forward basis beginning April 1, 2001.

The Receiver reasonably and in good faith estimates that he may realistically expect to recover either the real estate which is the subject of the litigation, or its equivalent fair market value which is approximately \$400,000.00.

DATED this 4th day of April, 2001.

Respectfully submitted,

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

By:



Michael J. Quilling, SBN 16432300

ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this document was mailed on April 5th, 2001, via first class mail to the following:

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

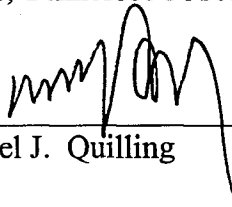
Wendell A. Odom, Jr.
440 Louisiana, Suite 800
Houston, Texas 77002

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

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

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

Bruce Kramer
Borod & Kramer, P.C.
245 Wagner Place, Suite 350
Memphis, Tennessee 38103



Michael J. Quilling

BOROD & KRAMER, P.C.
Attorneys

Bruce S. Kramer

VIA FAX and U.S. MAIL.

March 27, 2001

Mr. Michael J. Quilling
2001 Bryan St., Suite 1800
Dallas, TX 75201

RE: *SEC v. Funding Resource Group*, No. 3:98-CV-2689-M
United States District Court, Northern District of Texas
Dallas Division
Order Directing Counsel to Complete Litigation Budget
* * * *
Hammersmith v. Johnson, No. 00-2098
United States District Court, Western District of Tennessee
Western Division

Dear Mr. Quilling:

In accord with the Order of March 8, 2001, entered by the Honorable Jeff Kaplan, United States Magistrate Judge, in *SEC v. Funding Resource Group*, No. 3:98-CV-2689-M, the following is the estimated budget for *Hammersmith v. Johnson*, No. 00-2098, USDC WD, in which we have been retained as counsel to you in your capacity as Receiver.

<u>Stage</u>	<u>Total Hours (Estimated)</u>	<u>Attorney Compensation (Hourly Rates)</u>	<u>Estimated Costs</u>	<u>Total</u>
Preliminary Investigation		COMPLETED		
Legal Research	55	\$205.00*	0	\$11,275.00
Pleading preparation		COMPLETED		
<u>Formal discovery:</u>				
<u>Written discovery -</u>				
Interrogatories/Requests for Production of Documents and Request for Admissions	25	\$205.00*	\$ 250.00	\$ 5,375.00
Depositions** (some will be videotaped)	45	\$250.00	\$6,250.00	\$17,500.00
Expert Witnesses (meeting/preparation of)	20	\$295.00	\$25,000.00	\$30,900.00
Dispositive Motions	25	\$295.00	0	\$7,375.00

BOROD & KRAMER, P.C.
Attorneys

Mr. Michael J. Quilling
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Trial Preparation (Excludes Trial)	30	\$250.00*	\$2500.00	\$7,500.00
Trial	4-5 days	\$3,500/day	\$2,000.00	\$17,500.00
General/Administrative	20	\$205.00	\$1000.00	\$5100.00
Settlement/Documentation	20	\$295.00	\$250.00	\$6150.00
			Total Estimated costs and fees	<u>\$108,675.00</u>

Estimated Recovery \$3-5 million

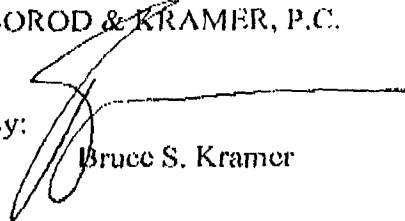
*Blended rate

Should you have any questions, please do not hesitate to call.

Sincerely,

BOROD & KRAMER, P.C.

By:



Bruce S. Kramer

BSK/sj