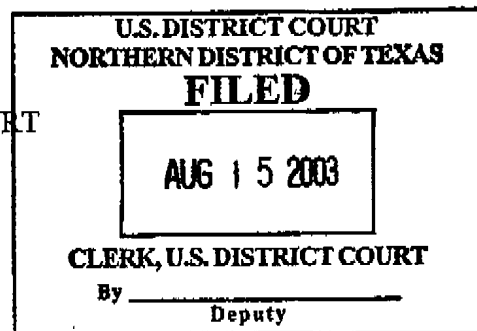


ORIGINAL

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



SECURITIES AND EXCHANGE
COMMISSION

Plaintiff,

VS.

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

Defendants.

§
§
§
§
§
§
§
§
§
§
§

NO. 3-98-CV-2689-M

ORDER SETTING HEARING

Michael J. Quilling, as Receiver for the Hammersmith Trust and related entities, has filed a motion to approve a compromise and settlement agreement with National Union Fire Insurance Company of Pittsburgh, Pennsylvania in Case No. 01-0657-PHX, styled *National Union Fire Insurance Co. of Pittsburgh, Pa. v. United States Holdings, L.L.C., et al.*, currently pending in the United States District Court for the District of Arizona ("National Union Litigation"). Pursuant to this settlement, National Union has agreed to pay the Receiver and Patrick Murphy, the court-appointed agent for a group of claimants know as the "Isle of Mann Investors," a total of \$975,000 in exchange for a release of all claims. Of this sum, \$764,400 will be paid to the Receiver and added to the Hammersmith Trust Estate. The remaining \$210,600 will be paid to Murphy in his capacity as agent for the Isle of Mann Investors.¹ By this motion, the Receiver seeks approval of the

¹ The proposed distribution of settlement proceeds is based on proportionate losses sustained by investors whose funds were placed in the Hammersmith Trust and Isle of Mann programs. After reviewing the records and documents of these programs, the Receiver has determined that the total loss sustained by all investors is \$11,167,634.14. Of this amount, \$2,412,208.97, or 21.6%, has been attributed to the Isle of Mann program. Therefore, a like percentage of the settlement proceeds, or \$210,600, will be paid to Isle of Mann Investors.

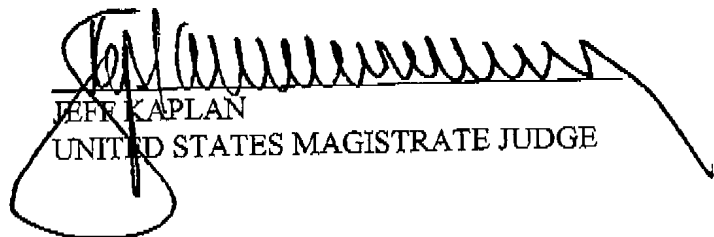
settlement and authority to pay: (1) \$18,252.50 in attorney's fees and \$3,555.69 in expenses to the law firm of Quilling, Selander, Cummiskey & Lownds, P.C.; and (2) \$22,292.75 in attorney's fees and \$2,428.42 in expenses to the law firm of Holden Brodman.²

A hearing on the motion is set for September 5, 2003 at 9:00 a.m. before U.S. Magistrate Judge Jeff Kaplan, 1100 Commerce Street, 16th Floor, Dallas, Texas. Written objections to the motion must be filed by September 2, 2003. Interested parties will be given an opportunity to present their objections at the hearing.

The Receiver is ordered to post a copy of his motion and this Order on his website, SECRECEIVER.COM. Appropriate links to the court's docket sheet shall also be provided on the website.

SO ORDERED.

DATED: August 15, 2003.


JEFF KAPLAN
UNITED STATES MAGISTRATE JUDGE

² To date, the Quilling Selander firm has been paid a total of \$26,213.02 in attorney's fees and expenses and the Holden Brodman firm has been paid a total of \$40,004.05 in attorney's fees and expenses.