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

MICHAEL J. QUILLING, RECEIVER FOR	§
HOWELL FINANCIAL TRUST, MVP	§
NETWORK, INC. D/B/A MVP TRUST,	§
AND TREDS FINANCIAL TRUST,	§
	§
PLAINTIFF;	§
	§
VS.	<b>§</b> CIVIL ACTION No. 3:98-CV-2699-M
	§
JAMES W. CONWAY, AN INDIVIDUAL	<b>§</b>
AND, JAMES W. CONWAY, P.S.C., A	§ .
KENTUCKY PROFESSIONAL SERVICES	§
CORPORATION,	§
	§
DEFENDANTS.	§

# JOINT STATUS REPORT AND PROPOSED SCHEDULING PLAN SUBJECT TO JUDGE KAPLAN'S RECOMMENDED DISMISSAL OF DEFENDANTS JAMES CONWAY, P.S.C.

## a. A brief description of the nature of the case and contentions of the parties.

The Receiver contends that the Defendants were active participants in an illegal ponzi scheme. Specifically, the Receiver contends that James Conway, an attorney, utilized his services as an attorney and his law office to "launder" money for the illegal ponzi scheme. James Conway actively participated in getting people to invest their hard-earned money into his illegal ponzi scheme in order to get a "fee". One such example is where Conway solicited a \$28,000,000.00 deal from the Butler Group. The Receiver contends that no reasonable attorney would allow for his/her trust account to be utilized to "launder" money for an illegal ponzi scheme and that a reasonable attorney either would have known or should have known that the "returns" which were being promised were not realistic and could only be part of a fraud. The Receiver contends that the Defendants aided and abetted the illegal ponzi scheme.

Subject to Defendants' dismissal, James W. Conway, an individual, and James W. Conway, P.S.C., a Kentucky Professional Services Corporation ("Defendants"), challenge personal jurisdiction and generally deny the Receiver's allegations and specifically deny that the Defendants were negligent, that Defendants made negligent misrepresentations, and that

Defendants aided or abetted corporate waste or that Defendants breached a contract.

## b. Any challenges to jurisdiction or venue.

Subject to Defendants' dismissal, as set forth in the Defendants' Motion to Dismiss and Brief in Support of Defendants' Motion to Dismiss and Defendants' Reply to Receiver's Response to Defendants' Motions to Dismiss granted by Judge Kaplan, Defendants challenge personal jurisdiction over Defendants.

## c. Any pending or contemplated motions.

The Receiver has filed objections to the U.S. Magistrate's Finding and Recommendation related to the Defendants' Motion to Dismiss.

Subject to Defendants' dismissal, if the Court fails to adopt Judge Kaplan's recommendation granting Defendants' dismissal, Defendants anticipate filing a Motion for Summary Judgment on each cause of action alleged by Receiver.

## d. A proposed deadline to file motions to amend pleadings and join additional parties.

On July 14, 2000 counsel for the parties, Andrew Trusevich (for the Receiver) and Todd Ramsey (for Defendants), met face to face and conferred at Mr. Trusevich's offices located at 2001 Bryan Street, Suite 1800, Dallas, Texas 75201. Topics discussed include scheduling proposals/deadlines set forth in this joint status report and proposed scheduling plan and other matters included herein.

With respect to the deadline to move to amend pleadings and join additional parties, the parties, subject to Defendants' dismissal, have agreed on September 15, 2000.

## e. A proposed deadline to file dispositive motions and other pretrial motions.

Subject to Defendants' dismissal, thirty (30) days before trial.

# f. A proposed discovery plan.

Subject to Defendants' dismissal, the parties agree to the presumptive limits of 10 depositions per side and 25 interrogatories per party. The parties are unaware of any other discovery limitations at this time. Plaintiffs will designate experts ninety (90) days before trial and Defendants will designate sixty (60) days before trial. Motions challenging the relevance or reliability of expert testimony under *Daubert* will be filed thirty (30) days before trial. Discovery will be complete and responses will be supplemented thirty (30) days before trial.

g. The position of each party regarding mediation or other forms of alternate dispute resolution, including a proposed deadline for the completion of such procedures.

Subject to Defendants' dismissal, the parties are agreeable to mediation of this case.

h. A proposed trial date.

Subject to Defendants' dismissal, June 11, 2001.

i. Whether the parties consent to have any or all further proceedings conducted by the magistrate judge. The parties may also consent to have the magistrate judge make final rulings on case dispositive motions, while reserving their right to trial before the district judge.

Subject to Defendants' dismissal, the parties cannot agree to consent to trial before the U.S. Magistrate.

j. Any other matters relevant to the status or disposition of the case.

Subject to Defendants' dismissal, none.

# Respectfully submitted,

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