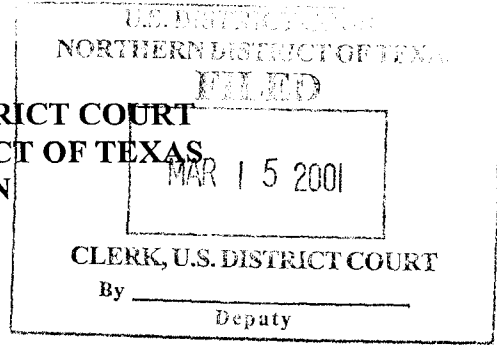


**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**



**Michael J. Quilling, Receiver for  
Howe Financial Trust, MVP  
Network, Inc. d/b/a MVP Trust,  
and TREDIS Financial Trust**

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**Plaintiff,**

v.

**James W. Conway, an individual and,  
James W. Conway, P.S.C., a Kentucky  
Professional Services Corporation**

**Defendants.**

300 CV 2401 M  
Civil Action No. ~~3:98-CV-2401-M~~

**RECEIVER'S PROPOSED LITIGATION BUDGET**

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling ("Receiver") and, pursuant to this Court's Order entered on March 8, 2001, submits this his proposed litigation budget:

**Nature of Action And Good Faith Recovery Estimate**

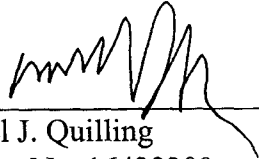
This is an action by the Receiver against defendant Kentucky lawyer, James Conway, with respect to his dealings with receivership defendant Howe Financial Trust. Although the damages sought by the Receiver are in excess of \$1.5 million, any recovery will probably be limited to the \$500,000.00 (less burnoff) malpractice insurance policy maintained by defendant Conway. If the malpractice claim is not successful, it is unknown whether Conway has the ability to pay a judgment which might be entered against him under other theories.

Litigation Budget

<u>Stage</u>	<u>Total Hours (Estimate)</u>	<u>Attorney Compensation (Hourly Rate)</u>	<u>Estimated Costs</u>	<u>Total</u>
Preliminary Investigation	Completed			
Legal Research <sup>1</sup>	50	\$ 200.00	\$ 250.00	\$10,250.00
Pleading Preparation	Completed			
Formal Discovery	100	\$ 250.00	\$25,000.00	\$50,000.00
Expert Witnesses	If the case is not dismissed, then retention of an expert on Kentucky legal practice standards will be necessary. The cost has not yet been investigated nor is it known.			
Dispositive Motions	75	\$ 250.00	\$ 250.00	\$ 9,000.00
Trial Preparation	40	\$ 250.00	\$ 1,000.00	\$11,000.00
Trial	100	\$ 250.00	\$ 5,000.00	\$30,000.00
<b>Total Estimated Fees and Costs:</b>				<b>\$120,250.00</b>

DATED this 14<sup>th</sup> day of March 2001.

Respectfully submitted,

By:   
Michael J. Quilling  
State Bar No. 16432300

QUILLING, SLANDER, CUMMISKEY  
& LOWNDS, P.C.  
2001 Bryan Street, Suite 1800  
Dallas, Texas 75201-4240  
(214) 871-2100 (Telephone)  
(214) 871-2111 (Facsimile)

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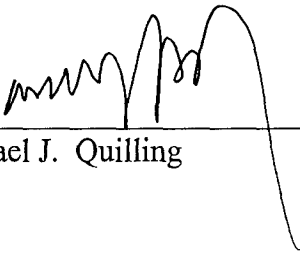
<sup>1</sup>A large part of the anticipated legal research will relate to responding to the Defendants' Motion to Dismiss pursuant to Fed. R. Civ. P. 12(b)(2).

**CERTIFICATE OF SERVICE**

A true and correct copy of this document was mailed on March 19, 2001, via first class mail to the following:

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

Gary D. Elliston  
Dehay & Elliston, L.L.P.  
3500 Bank of America Plaza  
901 Main Street  
Dallas, Texas 75202-3736



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Michael J. Quilling