

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

U.S. DISTRICT COURT
 NORTHERN DISTRICT OF TEXAS
 FILED
 JUL 25 2000
 NANCY DOHERTY, CLERK

Michael J. Quilling, Receiver for
 Hammersmith Trust, LLC,
 Hammersmith Trust, Ltd.,
 Microfund, LLC, and B. David
 Gilliland

Plaintiff

vs.

Jerrold L. Gunn and
 Jerrold L. Gunn, L.L.B.

Defendants

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Civil Action No: 3-00-CV-1318-M

(Jury Trial Requested)

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 June 28, 2000, submits this his proposed litigation budget¹:

Nature of Action And Good Faith Recovery Estimate

This is an action by the Receiver to recover \$250,000.00 of investor monies diverted by receivership defendant David Gilliland (through a number of entities controlled by him) to defendant Canadian lawyer, Jerrold L. Gunn. The Receiver also alleges a legal malpractice cause of action. In that the Court has previously frozen an account owned by Gunn containing approximately \$130,000.00, the Receiver anticipates recovery of at least that amount.

¹ This budget is submitted even though Gunn's counsel, Ernest Leonard, has not accepted service on behalf of his client, despite the chambers conference with your Honor. Gunn has been indicted in Pensacola, Florida and Mr. Leonard does not believe Gunn will ever agree to be served. The legal research section of the budget below is designed to address, in part, the costs of determining how to achieve and obtain service upon Gunn in Canada.

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	50	\$150.00	\$ 100.00	\$ 7,600.00
Pleading Preparation	Completed			
Formal Discovery	30	\$250.00	\$5,000.00	\$12,500.00
Expert Witnesses	Unknown at this time			
Dispositive Motions	40	\$250.00	\$ 100.00	\$10,000.00
Trial Preparation	20	\$250.00	\$ 500.00	\$ 5,500.00
Trial	40	\$250.00	\$ 300.00	<u>\$10,300.00</u>
Total Estimated Fees and Costs:				<u>\$ 46,000.00</u>

DATED THIS 25th day of July 2000.

Respectfully submitted,

By: _____

Michael J. Quilling
State Bar No. 16432300

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

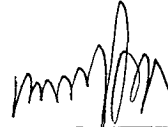
2001 Bryan Street, Suite 1800
Dallas, Texas 75201-4240
(214) 871-2100 (Telephone)
(214) 871-2111 (Facsimile)

CERTIFICATE OF SERVICE

A true and correct copy of this document was mailed on July 25, 2000, via first class mail to the following:

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

Ernest Leonard
Friedman, Driegert & Hsueh, LLC
8117 Preston Road
570 Preston Commons West
Dallas, Texas 75225



Michael J. Quilling