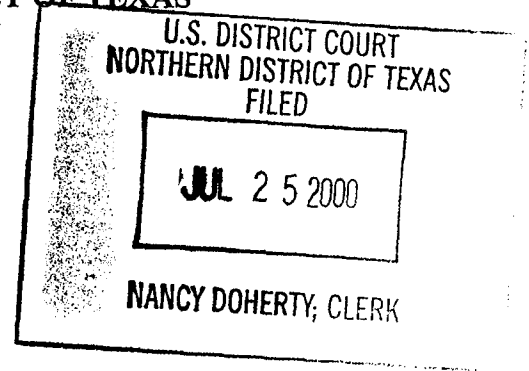


UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



John Papagni, Pamela L. Albion, §
Byron W. Bacchi Irrevocable §
Trust, by Eddie M. Bacchi, Trustee, §
Eddie M. Bacchi & Virginia M. §
Bacchi 1991 Living Trust, by Eddie §
Bacchi, Trustee, and William L. Bacchi §
& Terri L. Bacchi Revocable §
Trust, by William L. Bacchi, Trustee, §
§
Plaintiffs, §
§
V. §
§
Hammersmith Trust, L.L.C., §
David Gilliland, [Jane Doe] §
Gilliland, [John Doe] Tsang §
[John Doe] Houran, and [John Doe] §
Van Aggol, §
§
Defendants. §

Civil Action No: 3:00-CV-1065-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 June 28, 2000, submits this his proposed litigation budget:

Nature of Action And Good Faith Recovery Estimate

This is an action by investor plaintiffs against the receivership estate to recover judgments with respect to money they invested with receivership defendant Hammersmith Trust. Liability has already been decided by the Court in San Francisco presiding over the case prior to its transfer here. The Receiver has proposed the entry of Agreed Judgments in favor of each of the plaintiffs against Hammersmith Trust. David Gilliland has his own counsel and this budget does not address the remaining issues between the plaintiffs and Gilliland.

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	None			
Legal Research	None			
Pleading Preparation	4.0	\$200.00	\$ 40.00	\$ 840.00
Formal Discovery	None			
Expert Witnesses	None			
Dispositive Motions	None			
Trial Preparation	None			
Trial	None			
Total Estimated Fees and Costs:			\$ 840.00	

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)

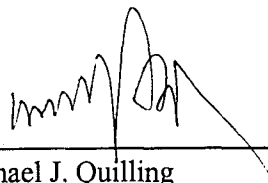
CERTIFICATE OF SERVICE

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

Michael G. Schwartz
Gray Cary Ware & Freidenrich L.L.P.
3340 Hillview Avenue
Palo Alto, CA 94304

Jim F. Adams
Passman & Jones
2500 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270-2599

A handwritten signature in black ink, appearing to read "Michael J. Quilling", is written over a horizontal line.

Michael J. Quilling