

L.L.C., Landfair Custodial Services, Inc., Microfund, L.L.C., American Pacific Bank & Trust, Inc., Eurofund Investment Inc., B. David Gilliland, and Melody Rose, pending before the United States District Court for the Northern District of Texas, Dallas Division, the Honorable Joe Kendall presiding. Plaintiff is hereinafter referred to as "Receiver".

2. Defendant Morgan, Weinstein & Co., Inc., a Delaware corporation may be served with this Amended Complaint by serving its counsel of record, pursuant to this Court's Order, dated March 21st, 2000. Further, pursuant to the same Order, Defendant Richard A. Parker has been dismissed, without prejudice to his being re-served and re-added as a party at a future date, if appropriate.

JURISDICTION AND VENUE

3. This Court has jurisdiction over the subject matter of this action because the actions stated herein constitute Receivership Assets within the meaning of the order appointing the Receiver. The Court also has jurisdiction pursuant to 28 U.S.C. § 1332(a). The Plaintiff is a citizen of Texas and the Defendant transacts business in the State of Texas. The amount in controversy is more than \$75,000.00 exclusive of interest and costs.

4. Venue for this action is proper in the Northern District of Texas because the SEC Action referenced below is pending in this District and this action is ancillary to it, the Receiver was appointed in this District, and this action involves Receivership Assets within the meaning of the order appointing the Receiver. Further, the Order Appointing Temporary Receiver in the SEC Action (hereinafter defined) directs all actions such as this to be filed in the Northern District of Texas, Dallas Division.

BACKGROUND FACTS

5. On November 13, 1998, the United States Securities and Exchange Commission ("SEC") instituted Civil Action 3:98-CV-2689-X, styled *Securities and Exchange Commission v. Funding Resource Group, Quentin Hix, Gene Coulter, Steven C. Roberts, MVP Network, Inc., FMCI Trust, Funders Marketing Company, Inc., Raymond G. Parr, Willard Vearl Smith, Earl D. McKinney, Fortune Investments, Ltd., Robert Cord, Winterhawk West Indies, Inc., IGW Trust, Carolyn Don Hicks and Carl LaDane Weaver; and Howe Financial Trust and Treds Financial Trust* (the "SEC Action"), pursuant to which the SEC alleged various counts of securities fraud by a number of individuals and entities and, in connection therewith, sought the appointment of a receiver.

6. On November 13, 1998, in the SEC Action, the Court appointed Michael J. Quilling as the Receiver as to all named Defendants and Equity Relief Defendants. One of the Defendants to whom the receivership applies is Robert Cord.

7. Robert Cord set up numerous corporations, assumed names, and alias' whereby he perpetrated his fraud. One of the companies established, controlled, and operated by Robert Cord was a company known as Saber Industries. Saber Industries was utilized by Robert Cord to perpetrate his "Ponzi" scheme, as alleged in the SEC Action. Saber Industries is nothing more than an alter ego of Robert Cord, and was incorporated, maintained and in fact utilized by Robert Cord to perpetrate a fraud. Accordingly, pursuant to applicable law, the corporate form of Saber Industries should be ignored, and the actions of Robert Cord, on behalf of or to the benefit of Saber Industries, are in fact those of Robert Cord.

8. On or about October 27, 1996, Robert Cord, through Saber Industries entered into a letter agreement with Defendant (the "Contract"), whereby Defendant agreed, among other things,

to provide "project funding". A true and correct copy of the Contract, is attached hereto as Exhibit "A" and is incorporated by reference herein for all purposes.

9. Prior to its acceptance of the Contract, Robert Cord, through Saber Industries wire transferred \$200,000.00 to Defendant as a "retainer" for Defendant to find funding for Cord in the total amount of \$200,000,000.00, which was to be "raised" as described in the Contract.

10. Through communication with Defendant, Defendant admits that the "funding" envisioned under the Contract, has not been placed. Based upon information and belief, no funding is forthcoming, and Defendant does not operate a legitimate business, as no legitimate business could create the level of "funding" represented by Defendant.

11. The Receiver, on behalf of MVP Network, Inc. has made written demand upon the Defendant to pay the Receiver all amounts paid to the Defendant, but the Defendant has failed and refused and continues to fail and refuse to pay such amounts to the Receiver. Accordingly, the Receiver has found it necessary to employ attorneys to represent the Receiver in these proceedings.

Count One — Breach of Contract

12. The Receiver incorporates paragraphs 1 through 11 set forth above as if set forth verbatim hereat.

13. The conduct of the Defendant constitutes a breach of the Contract. As a result of such breach of contract, Robert Cord has been damaged in an amount equal to at least the amount of all monies tendered by Saber Industries under the Contract, for which amounts the Receiver hereby sues.

14. As a result of such breach of the Contract, the Receiver also seeks recovery of attorneys' fees, costs of court, and pre- and post-judgment interest at the highest rate allowed by law.

Count Two — Unjust Enrichment

15. The Receiver incorporates paragraphs 1 through 11 set forth above as if set forth verbatim hereat.

16. By virtue of the Defendant's conduct, Saber Industries, and/or Robert Cord received nothing for the money which it submitted to the Defendant. The Defendant's continued retention of the money would constitute unjust enrichment and, therefore, in equity and good conscience the Defendant should be required to repay the money to the Receiver.

17. In connection with bringing this cause of action, the Receiver seeks recovery of his attorneys' fees, costs of court, and pre- and post-judgment interest at the highest rate allowed by law.

Count Three — Fraud

18. The Receiver incorporates paragraphs 1 through 11 set forth above as if set forth verbatim hereat.

19. The conduct of the Defendant constitutes fraud. The Defendant represented to Saber Industries and/or Robert Cord that it would use the money to obtain "funding" in the amount of \$200,000,000.00, but instead the Defendant did nothing more than steal the money. Based upon the representation made, Robert Cord sent Defendant the money and has been damaged thereby in an amount equal to at least the amounts sent by Robert Cord and/or Saber Industries to the Defendant, for which amount the Receiver hereby sues.

20. The conduct of the Defendant was accomplished willfully and with intent to damage Saber Industries and/or Robert Cord and in such a manner so as to justify the imposition of punitive damages for which the Receiver hereby sues.

21. In connection with this action, the Receiver seeks to recover attorneys' fees, costs of court, and pre- and post-judgment interest at the highest rate allowed by law.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final trial of this matter that he recover judgment against the Defendant in accordance with the foregoing, and for such other and further relief, general or special, at law or in equity, to which he may show himself justly entitled.

Respectfully submitted)

By: 

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ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

A true and correct copy of this document was mailed on April 19th, 2000, via the U.S. Postal Service, certified mail, R.R.R., to the following:

John H. Baker
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