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

MICHAEL J. QUILLING, Receiver for ROBERT CORD. et al.

Plaintiff,

V.

CASE NO. 3-99CV1929-T
RICHARD A. PARKER dba MORGAN,
WEINSTEIN & CO., aka MORGAN,
WEINSTEIN & CO., INC., a Delaware
Corporation, and aka MORGAN,
WEINSTEIN & CO., LTD.,

Defendant.

S

Defendant.

ANSWER TO COMPLAINT

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW. defendant MORGAN, WEINSTEIN & CO., INC., aka MORGAN, WEINSTEIN & CO., LTD. and files with the Court this Answer to the First Amended Complaint.

- 1. The Defendant admits the allegations in paragraph 1.
- 2. The Defendant admits the allegations in paragraph 2.

JURISDICTION AND VENUE

3. In answering the allegations contained in paragraph 3 of the First Amended Complaint, Defendant has no information upon which to form a belief concerning the ownership of the action, and thus denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular, except that Defendant admits the amount in controversy is more than \$75,000.00 exclusive of interest and costs.

ANSWER TO COMPLAINT - PAGE 1

4. In answering the allegations contained in paragraph 4 of the First Amended Complaint, Defendant has no information upon which to form a belief as to said allegations, and on that basis denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular.

BACKGROUND FACTS

- 5. In answering the allegations contained in paragraphs 5 and 6 of the First Amended Complaint, Defendant has no information and belief as to said allegations, and on that basis denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular.
- 6. In answering the allegations contained in paragraph 7 of the First Amended Complaint, Defendant has no information upon which to form a belief as to said allegations, and thus denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular, except that Defendant admits that Robert Cord operated a company known as Saber Industries.
- 7. In answering the allegations contained in paragraph 8 of the First Amended Complaint, Defendant denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular, except that Defendant admits that Robert Cord, on behalf of Saber Industries, signed a letter agreement which is attached to the First Amended Complaint as Exhibit "A." The document speaks for itself.
- 8. In answering the allegations contained in paragraph 9 of the First Amended Complaint, Defendant denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular, except that Defendant admits that Robert Cord, *on behalf of* Saber Industries, which informed Defendant that Cord was acting *on behalf* of Saber's clients, wire

transferred \$200,000.00 to Morgan, Weinstein & Co., Inc., as a retainer, pursuant to the letter attached to the First Amended Complaint as Exhibit "A."

- 9. In answering the allegations contained in paragraph 10 of the First Amended Complaint, Defendant admits that the funding envisioned under the Contract has not yet been placed. Defendant denies all of the other said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular.
- 10. In answering the allegations contained in paragraph 11 of the First Amended Complaint, Defendant denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular, except that Defendant admits that the Receiver made a written request for payment, but not on behalf of MVP Network, Inc.

Count One — Breach of Contract

- 11. In answering the allegations contained in paragraph 12 of the First Amended Complaint, Defendant refers to and incorporates herein by this reference, his answers to paragraphs 1 through 11 of the First Amended Complaint, and therefore denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular, except for those matters that are expressly admitted.
- 12. In answering the allegations contained in paragraphs 13 and 14 of the First Amended Complaint, Defendant denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular.

Count Two — Unjust Enrichment

13. In answering the allegations contained in paragraph 15 of the First Amended Complaint,
Defendant refers to and incorporates herein by this reference, his answers to paragraphs 1 through
11 of the First Amended Complaint, and therefore denies said allegations generally and specifically,

conjunctively and disjunctively, each and every, all and singular, except for those matters that are expressly admitted.

14. In answering the allegations contained in paragraphs 16 and 17 of the First Amended Complaint, Defendant denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular.

Count Three — Fraud

- 15. In answering the allegations contained in paragraph 18 of the First Amended Complaint, Defendant refers to and incorporates herein by this reference, his answers to paragraphs 1 through 11 of the First Amended Complaint, and therefore denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular, except for those matters that are expressly admitted.
- 16. In answering the allegations contained in paragraphs 19 through 21, inclusive, of the First Amended Complaint. Defendant denies said allegations generally and specifically, conjunctively and disjunctively, each and every, all and singular.
- 17. In answering the allegations contained in paragraph 21, the Defendant admits that the Receiver seeks to recover attorneys' fees, costs of court, and pre- and post judgment interest at the highest rate allowed by law. Defendant denies that those fees are recoverable or that the Receiver is entitled to those fees.

AFFIRMATIVE DEFENSES

- 18. As the first affirmative defense of Defendant to Plaintiff's First Amended Complaint,
 Defendant alleges that Plaintiff is estopped from attempting to collect any money from Defendant.
- 19. As the second affirmative defense of Defendant to Plaintiff's First Amended Complaint,
 Defendant maintains that Plaintiff is maintaining his action in equity with unclean hands.

WHEREFORE, Defendant prays for judgment against Plaintiff as follows:

- 1. For dismissal with prejudice of each and every alleged cause of action in Plaintiff's First Amended Complaint:
 - 2. For costs of suit incurred herein;
 - 3. For such other and further relief as this Court finds equitable and just.

Respectfully submitted,

Robert J. Reagan

State Bar No. 16630980

REAGAN & McLAIN

6060 North Central Expressway

Suite 790

Dallas, Texas 75206

Telephone: 214-691-6622

FAX: 214-691-2984

John H. Baker

California Bar No. 90710

23046 Avenue de la Carlota Suite 600

Laguna Hills, California 92653

Telephone: 949-588-5767

Attorneys for Defendant

Certificate of Service

The undersigned certifies that the foregoing instrument was served on all parties by mailing certified mail, return receipt requested, and FAX to the following person at the following address on June 2, 2000.

Clark B. Will, P.C. OUILLING, SELANDER, CUMMISKEY,

CLUTT & LOWNDS, P.C. 2001 Bryan Street, Suite 1800 Dallas, Texas 75201

214-871-2111

Jabut Keagur