

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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DEBORAH A. HARRIS, CLERK
U.S. DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN

BY **COPY**

MICHAEL J. QUILLING, Receiver for §
Hammersmith Trust, L.L.C., Hammersmith §
Trust, Ltd., Microfund, L.L.C. and B. §
David Gilliland §

Plaintiff, §

v. §

Civil Action No. 1:00CV826

Hon. Gordon J. Quist

THE WOLCOTT LIFETIME TRUST, §
JACK W. HIGGINS, TRUSTEE, §
MELODY WOLCOTT GILLILAND, §
JEFFREY D. SAXON, JR., §
OPTION ONE MORTGAGE §
CORPORATION, NORWEST BANK §
MINNESOTA, n/k/a WELLS FARGO §
BANK MINNESOTA and NORTHPOINTE §
BANK, §

Defendants. §

**ANSWER OF MICHAEL J. QUILLING, RECEIVER FOR
HAMMERSMITH TRUST, L.L.C., HAMMERSMITH TRUST, LTD.
MICROFUND, L.L.C. AND B. DAVID GILLILAND TO THE
COUNTERCLAIM OF OPTION ONE MORTGAGE CORPORATION,
NORWEST BANK MINNESOTA (n/k/a WELLS FARGO BANK MINNESOTA)
AND NORTHPOINTE BANK**

TO THE HONORABLE GORDON J. QUIST:

COMES NOW, Michael J. Quilling, Receiver for Hammersmith Trust, L.L.C.,
Hammersmith Trust, Ltd., Microfund, L.L.C. and B. David Gilliland ("Receiver"), Counter-
Defendant herein, and files this his answer to the counterclaim of Option One Mortgage Corporation
("Option One"), Norwest Bank Minnesota (n/k/a Wells Fargo Bank Minnesota) ("Norwest"), and
Northpointe Bank ("Northpointe"), Counter-Plaintiffs herein, and for such would respectfully show

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TO THE COUNTERCLAIM OF OPTION ONE MORTGAGE CORPORATION, NORWEST BANK
MINNESOTA (n/k/a WELLS FARGO BANK MINNESOTA) AND NORTHPOINTE BANK - Page 1

unto the Court as follows:

ANSWER TO COUNTERCLAIM

1. The Receiver admits the allegations contained in paragraph 1 of the counterclaim.
2. The Receiver admits the allegations contained in paragraph 2 of the counterclaim.
3. The Receiver admits the allegations contained in paragraph 3 of the counterclaim.
4. The Receiver admits the allegations contained in paragraph 4 of the counterclaim.
5. The Receiver admits the allegations contained in paragraph 5 of the counterclaim.
6. The Receiver admits the allegations contained in paragraph 6 of the counterclaim.
7. The Receiver admits the allegations contained in paragraph 7 of the counterclaim.
8. The Receiver admits the allegations contained in paragraph 8 of the counterclaim.
9. The Receiver denies the allegations contained in paragraph 9 of the counterclaim.
10. The Receiver denies the allegations contained in paragraph 10 of the counterclaim.
11. The Receiver denies the allegations contained in paragraph 11 of the counterclaim.
12. The Receiver denies the allegations contained in paragraph 12 of the counterclaim.
13. The Receiver admits the allegations contained in paragraph 13 of the counterclaim.
14. The Receiver denies the allegations contained in paragraph 14 of the counterclaim.

14(a). The Receiver admits that the Texas Action named multiple defendants, but denies that none of such defendants have ever been an owner of the Property identified in the Notice of Lis Pendens. The Receiver admits the remaining allegations contained in paragraph 14(a) of the counterclaim.

14(b). The Receiver admits that the Texas Action relates to and involves the freezing of the assets of the defendants in that case and that the Property was not specifically described in the

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Complaint filed in that case. The Receiver denies the remaining allegations contained in paragraph 14(b) of the counterclaim.

14(c). The Receiver denies the allegations contained in paragraph 14(c) of the counterclaim.

14(d). The Receiver denies the allegations contained in paragraph 14(d) of the counterclaim.

14(e). The Receiver denies the allegations contained in paragraph 14(e) of the counterclaim.

14(f). The Receiver denies the allegations contained in paragraph 14(f) of the counterclaim.

14(g). The Receiver denies the allegations contained in paragraph 14(g) of the counterclaim.

Prayer for Relief

15. The Receiver denies that Option One, Norwest and Northpointe are entitled to the relief requested in the prayer to the counterclaim.

AFFIRMATIVE DEFENSES TO COUNTERCLAIM

16. Franklin Mortgage was not a good faith creditor because it had actual, constructive, inquiry and/or imputed notice of the claims of the Receiver.

17. Option One and Norwest were not good faith assignees of Franklin Mortgage because they had actual, constructive, inquiry and/or imputed notice of the claims of the Receiver.

18. Northpointe was not a good faith creditor because it had actual, constructive, inquiry and/or imputed notice of the claims of the Receiver.

19. To the extent that it is necessary, the Receiver would show that the Notice of Lis Pendens is exempt from the requirements of MCLA 565.25(2) under the terms of MCLA 565.25(3)(b) and/or (d).

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that Option One, Norwest and Northpointe take nothing by virtue of their counterclaim, and that the Receiver be discharged


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with his costs, and for such other and further relief, both general and special, at law and in equity,
to which the Receiver may show himself justly entitled.

Respectfully submitted,

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ATTORNEYS FOR PLAINTIFF

CERTIFICATE OF SERVICE

I certify that on this 5th day of January, 2001, a true and correct copy of the foregoing
was served via regular U.S. Mail on:

ANSWER OF MICHAEL J. QUILLING, RECEIVER FOR HAMMERSMITH TRUST,
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TO THE COUNTERCLAIM OF OPTION ONE MORTGAGE CORPORATION, NORWEST BANK
MINNESOTA (n/k/a WELLS FARGO BANK MINNESOTA) AND NORTHPOINTE BANK - Page 4

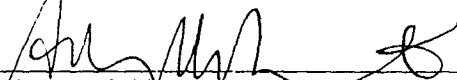
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TO THE COUNTERCLAIM OF OPTION ONE MORTGAGE CORPORATION, NORWEST BANK
MINNESOTA (n/k/a WELLS FARGO BANK MINNESOTA) AND NORTHPOINTE BANK - Page 5