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

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

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,

Hon. Gordon J. Quist

Defendants.

**ANSWER AND AFFIRMATIVE DEFENSES OF DEFENDANTS
OPTION ONE MORTGAGE CORPORATION,
NORWEST BANK MINNESOTA (k/n/a
WELLS FARGO BANK MINNESOTA), and
NORTHPOINTE BANK TO AMENDED
CROSS CLAIM OF DEFENDANT MELODY WOLCOTT GILLILAND**

Defendants Option One Mortgage Corporation (“Option One”), Norwest Bank Minnesota (k/n/a Wells Fargo Bank Minnesota) (“Norwest”) and Northpointe Bank (“Northpointe”), by their attorneys, Miller, Johnson, Snell & Cumiskey, P.L.C., hereby submit their Answer and Affirmative Defenses to the Amended Cross Claim of Defendant Melody Wolcott Gilliland as follows:

1. Admitted.
2. Admitted that the Trustee of the Wolcott Lifetime Trust has unlimited power to sell or otherwise dispose of the trust property as provided by the specific written provisions of the Trust Agreement. Defendants deny all remaining allegations of Paragraph 2.
3. Denied.
4. Denied.
5. Admitted that the deed from the Wolcott Lifetime Trust to Jeffrey Darrouf Saxon, Jr. is attached as Exhibit 4 to Plaintiff's Complaint. As to the remaining allegations of Paragraph 5, no answer is required because the document speaks for itself. To the extent an answer is required, Defendants deny the remaining allegations of Paragraph 5.
6. Denied.

AFFIRMATIVE DEFENSES

Defendants Option One, Norwest and Northpointe will rely on the following Affirmative Defenses to the Cross Claim:

- (a) The Wolcott Lifetime Trust provides to the Trustee an unlimited power to sell all assets of the Trust including real estate.
- (b) The Quit Claim Deed from the Trust to Jeffrey Darrouf Saxon, Jr. states that the deed was conveyed "for good consideration and for the sum of One Hundred Dollars (\$100.00)" and, therefore, does not specify that the total consideration was \$100.00.
- (c) Michigan statutory law provides that any deed accepted for recording is valid as to notice to third parties despite not being in accordance with the statutory requirements of MCLA 207.501 et. seq. See MCLA 207.511 and Michigan Land Title Standards Fifth Addition, 1999, Standard 3.7.

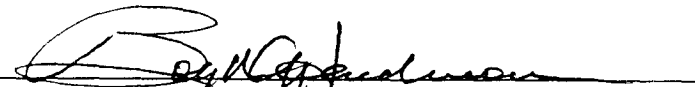
- (d) Defendants Option One, Norwest and Northpointe were good faith creditors and good faith assignees respectively without notice of the claims of Defendant Melody Wolcott Gilliland or of the claims of any other parties in this litigation proceeding.
- (f) Defendants Option One, Norwest and Northpointe hereby incorporate by reference all of their Affirmative Defenses stated in their response to Plaintiffs' Complaint in this matter.

WHEREFORE, the Court is requested to deny and dismiss Defendant Gilliland's Cross Claim against Defendants Option One, Norwest and Northpointe and to award to Defendants Option One, Norwest and Northpointe their costs and attorneys fees allowed by statute or by discretion of the Court as justice would allow.

MILLER, JOHNSON, SNELL & CUMMISKEY, P.L.C.
Attorneys for Defendants Option One Mortgage, Norwest Bank and Northpointe Bank

Dated: January 5, 2001

By



Boyd A. Henderson

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MINNESOTA, and NORTHPOINTE BANK,

Hon. Gordon J. Quist

Defendants.

PROOF OF SERVICE

STATE OF MICHIGAN)
)ss
County of Kent)

The undersigned being duly sworn states that on the 5th day of January, 2001 she served a copy of Answer and Affirmative Defenses Option One Mortgage Corporation, Norwest Bank Minnesota, n/k/a Wells Fargo Bank Minnesota and Northpointe Bank to Amended Cross Claim of Defendant Melody Wolcott Gilliland upon:

Terence J. Ackert
Smith, Haughey Rice & Roege
200 Calder Plaza Building
250 Monroe Avenue NW
Grand Rapids, MI 49503-2251

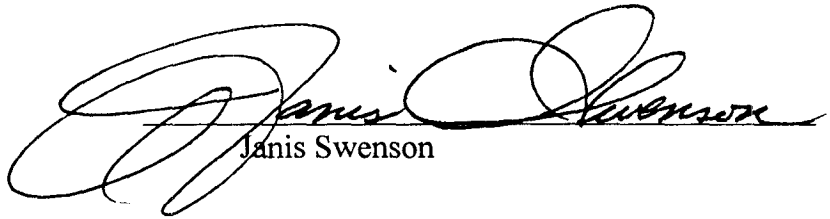
Arthur F. Selander
Quilling, Selander, Cummiskey & Lownds, P.C.
2001 Bryan St., Suite 1800
Dallas, Texas 75201

Melody Wolcott Gilliland
c/o Charles E. Damon
220 Lyon NW, Suite 525
Grand Rapids, MI 49503


The Wolcott Lifetime Trust
Jack W. Higgins, Trustee
4022 Indian Trail
Destin, FL 32541

Jeffrey D. Saxon, Jr.
9370 Leverette Drive
Semmes, Alabama 36575

Service was made by placing a copy of said document in envelopes addressed as stated and mailed via first class mail.


Janis Swenson

Subscribed and sworn to before me
this 5th day of January, 2001.


Notary Public, Kent County, MI
My commission expires: 9/1/04