

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA**

Michael J. Quilling, Receiver for)	
Frederick J. Gilliland,)	
)	
Plaintiff,)	
)	
v.)	
)	
Grand Street Trust, Heartland)	
Control Trust, Future Control)	
Trust, Marie Margarite Gueco)	
Mercado Paquette, Rein Evans)	
Sestanovich, L.L.P. f/k/a Dressler)	
Rein Evans & Sestanovich, L.L.P.,)	
Melrose Escrow, Inc., and Paul J.)	
Cohen,)	
)	
Defendants.)	
)	

Case No. 3:04-CV-251

**MOTION OF DEFENDANT
REIN EVANS SESTANOVICH
FOR ENTRY OF DEFAULT
JUDGMENT AGAINST
MARIE MARGARITE GUECO
MERCADO PAQUETTE, GRAND
STREET TRUST, HEARTLAND
CONTROL TRUST, AND FUTURE
CONTROL TRUST**

Moldo Davidson Fraioli Seror & Sestanovich LLP, a California limited liability partnership formerly known as Rein Evans & Sestanovich LLP, and before that, known as Dressler Rein Evans & Sestanovich LLP (hereafter referred to as the “Firm”) hereby moves, pursuant to Federal Rule of Civil Procedure 55(b), for entry of a default judgment against defendants Grand Street Trust, Heartland Control Trust, Future Control Trust and Marie Margarite Gueco Mercado Pacquette a/k/a Marie Mercado, a/k/a Marie Paquette (hereafter “Mercado Paquette”). The Motion is supported by the Declaration of Peter Davidson filed simultaneously herewith. The Motion should be granted because:

1. The present action was filed on May 20, 2004.
2. On September 22, 2005, the Firm filed an answer, counter-claims, and cross-claims against the other named defendants.

3. On October 19, 2005, the Clerk of Court entered an Order for Entry of Default on the Firm's cross-claims against defendants Grand Street Trust, Heartland Control Trust, Future Control Trust and Mercado Paquette (collectively the "Mercado Defendants").

4. On November 14, 2006, this Court approved a settlement agreement resolving the claims of all parties, except as against the Mercado Defendants. The order approving that settlement was entered in a related case captioned *Securities & Exchange Commission v. Gilliland*, 02-CV-128. The settlement agreement contemplated that the Firm would seek a default judgment on its cross-claims against the Mercado Defendants.

5. The allegations in the Firm's Cross-claims have been admitted by the Mercado Defendants by their failure to respond to the complaint. The allegations are further supported by the Affidavit of Peter Davidson.

WHEREFORE, the Firm respectfully requests that the Court enter default judgment against the Mercado Defendants as follows:

(a) Judgment against Mercado Paquette and in favor of the Firm in the amount of \$170,984.47, on the Firm's first, second and third cross-claims for breach of contract, quantum meruit and account stated; and

(b) Judgment against Grand Street Trust, Future Control Trust, Heartland Control Trust and Mercado Paquette and in favor of the Firm in the amount of \$74,000.00, composed of \$24,000 in settlement, plus attorneys' fees of \$50,000 expended in defending this case, on the Firm's fourth and fifth claims for indemnity and contribution.

Dated: January 3, 2007.

Respectfully submitted,

PARKER POE ADAMS & BERNSTEIN LLP

By: s/ William L. Esser IV

Susan Taylor Wall (S.C. Bar no. 4502)

William L. Esser IV (N.C. Bar no. 29201)

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CERTIFICATE OF SERVICE

This is to certify that on this date I served the foregoing by first class mail addressed as follows:

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This 3rd day of January, 2007

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