

**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

STATUS REPORT

Plaintiff, Michael J. Quilling, Receiver for Frederick J. Gilliland, hereby provides the following status report in accordance with the Court’s March 29, 2007 order.

Plaintiff reached a settlement agreement with defendants Rein Evans Sestonovich, L.L.P. f/k/a Dressler Rein Evans (“Rein Evans”), Melrose Escrow, and Paul J. Cohen. The parties have satisfied all of the obligations of the agreement and a Stipulation of Dismissal was filed on March 30, 2007 dismissing the settling defendants.

Plaintiff is filing concurrently with this Status Report, his Notice of Voluntary Dismissal as to Grand Street Trust, Heartland Control Trust, Future Control Trust, and Marie Margarite Gueco Mercado Paquette (collectively referred to as the “Mercado Defendants”).

Defendant / Counterclaimant / Cross-Claimant Rein Evans, obtained a Default Judgment against the Mercado Defendants on February 21, 2007.

Accordingly, all of the claims and counterclaims asserted by all the parties in this case have been resolved by either dismissal or court order and, therefore, this case may be closed.

Respectfully submitted,

Dated this 9th day of April, 2007.

/s/ Michael J. Quilling
Michael J. Quilling
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ATTORNEYS FOR PLAINTIFF

CERTIFICATE OF SERVICE

This is to certify that on the 9th day of April, 2007, a true and correct copy of the above and foregoing Status Report was served via first class mail, with full and proper postage pre-paid thereon, to:

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/s/ Michael J. Quilling
Michael J. Quilling