

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

FILED
CHARLOTTE, N. C.
MAR 18 2005
U. S. DISTRICT COURT
W. DIST. OF N. C.

MICHAEL J. QUILLING, RECEIVER for §
FREDERICK J. GILLILAND, §
Plaintiff, §

v. §

Civil Action No. 3:04-CV-251

GRAND STREET TRUST, HEARTLAND §
CONTROL TRUST, FUTURE CONTROL §
TRUST, MARIE MARGARITE GUECO §
MERCADO PAQUETTE, REIN EVANS §
SESTANOVICH, f/k/a DRESSLER REIN §
EVANS & SESTANOVICH, MELROSE §
ESCROW, INC. AND PAUL J. COHEN, §
Defendants. §

RESPONSE TO MOTION TO WITHDRAW AS COUNSEL OF RECORD

TO THE HONORABLE DAVID C. KEESLER, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling (“Receiver”) and files this his Response to Motion to Withdraw as Counsel of Record and in support of such would respectfully show unto the Court as follows:

1. Over the course of the past couple of years, the Receiver has been diligently trying to obtain information from Marie Margarite Gueco Mercado Paquette (“Paquette”) and her myriad of shell entities which she used to perpetuate financial scams in the State of California before eventually fleeing to Canada. As part and parcel of her financial schemes, she obtained \$2.5 million from Fred Gilliland which belongs to the Receivership Estate and which funds, if recovered, will eventually be dispersed pro rata back to defrauded investors.

2. This action was filed May 20, 2004. Thereafter, the Receiver hired counsel in Canada to have Ms. Paquette served. She constantly evaded service and ultimately, the Receiver’s Canadian

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counsel obtained an Order for Substituted Service from the appropriate court in Canada. Ultimately, on September 15, 2004, Paquette was served via substituted service and thereafter hired her counsel who now seeks to withdraw. The Receiver is in agreement that no counsel should be forced to work without payment and on that basis, he does not oppose the withdrawal. However, the Trusts, as noted by counsel, must have counsel in these proceedings and may not represent themselves. If no substitute counsel is in place within thirty (30) days after any order allowing the withdrawal, this Court should enter judgment against each of the Trusts without otherwise wasting time on the pending Motion to Dismiss.

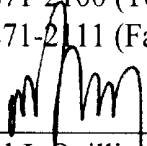
3. As to Paquette individually, the Receiver has spent a great deal of time and money obtaining service upon her and has no effective means of communication with her. Likewise, this Court has no effective way of communicating with her. If the Court is going to allow withdrawal of counsel, it should be clearly noted in any order that Paquette's address given by counsel shall be considered effective for service of any future pleadings upon her and that the Court will not require the Receiver to undergo the time and expense of any other type of service of pleadings other than by delivery by mail.

4. In short, the Receiver seeks safeguards for both himself and the Court in terms of how to communicate with and serve Paquette and her sham corporations so that this case can eventually be concluded.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final hearing and consideration of the Motion that the Court enter an order consistent with the foregoing and for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself justly entitled.

Respectfully submitted,
QUILLING SELANDER CUMMISKEY & LOWNDS, P.C.
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(214) 871-2111 (Facsimile)

By: _____


Michael J. Quilling
Texas Bar No. 16432300
D. Dee Raibourn, III
Texas Bar No. 24009495

ATTORNEYS FOR PLAINTIFF


CERTIFICATE OF SERVICE

I hereby certify that on the 17th day of March, 2005 a true and correct copy of the foregoing document was served via first class mail, postage pre-paid, on:

James B. Gatehouse
Rayburn, Cooper & Durham, P.A.
Suite 1200, The Carillon
227 West Trade Street
Charlotte, North Carolina 28202

E. Hardy Lewis
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Marie Paquette
2701 Cartier Street
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Michael J. Quilling