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

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CHARLOTTE, N.C.
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U.S. DISTRICT COURT
W. DIST. OF N.C.

GEORGE AND DOLORES ROLLAR,)
)
 Plaintiffs,)
)
 v.)
)
 UNITED STATES OF AMERICA, et al.,)
)
 Defendants,)
)
 RICHARD VASQUEZ,)
)
 Intervener.)

PETITION OF INTERVENER
VASQUEZ AND SPECIAL K'S LTD
FOR INTERIM DISTRIBUTION OF
FUNDS FROM RECEIVER

Civil Action No. 3:01CV205-McK

NOW COMES INTERVENER RICHARD VASQUEZ, for himself and as sole shareholder and owner of SPECIAL K'S LTD (a Nassau, Bahamas, corporation), by and through the undersigned counsel, and files this petition for a interim distribution of funds from Receiver, Michael J. Quilling, Esq.

STATEMENT OF FACTS SUPPORTING DEMAND FOR RELIEF

1. Intervener Richard Vasquez is a victim of the "ponzi" scheme, which resulted in the United States seizure of \$18,823,635.73 from NationsBank, N.A. (now known as Bank of America).
2. At the suggestion of Anthony J. "Tony" Marino, an accomplice and co-conspirator of Frederick Gilliland, in and around late July and early August of 1998 Intervener invested \$899,875.00 in what intervener believed was a legitimate high yield investment opportunity.

3. On or about August 11, 1998, at the direction of Mr. Marino, Intervener wire transferred his \$899,875.00 to Allied Dunbar International Bank's correspondent account at Chase Manhattan Bank for the account of Sterling Asset Services, Ltd., at Allied Dunbar International Bank in the Isle of Man. Conspirator Frederick Gilliland operated the Allied Dunbar International Bank.

4. On or about September 16, 1998, Gilliland or some other conspirator caused Sterling Asset Services, Ltd., to wire transfer \$20,002,000 (which amount included Intervener's \$899,875.00) from the Sterling Asset Services, Ltd., account at Allied Dunbar International Bank in the Isle of Man to the account of MM APMC Banque de Commerce, Inc., at NationsBank, N.A. in Charlotte, North Carolina.

5. On December 12, 1998, the United States lawfully seized the balance of the MM APMC Banque de Commerce, Inc., account at NationsBank, N.A., which as of December 12, 1998, was \$18,823,635.73 (the "Seized Funds").

6. Based on the preceding transfers, intervener's \$899,875.00 is directly traceable to the subject \$18,823,635.73.

7. Following a status conference on August 31, 2001, the Plaintiff, Defendant United States, and Intervener tentatively agreed to the terms of a Consent Order for the purpose of ensuring a fair, orderly and expeditious distribution of the seized funds to claimants.

8. On or about October 11, 2001, the Court entered said Consent Order after Plaintiffs, Defendant United States, and Intervener had executed it.

9. The Consent Order, pursuant to Fed. R. Civil Proc. 66, provides for the appointment of a Receiver to oversee the distribution of the seized funds.

10. The parties tentatively stipulated that Michael J. Quilling shall serve as Receiver for distributing the seized funds, subject to the Court finding that Mr. Quilling has no conflicts of interest.

11. The Consent Order further provides for the Receiver to make interim distributions:

After the [Receiver] has been appointed, the Court, on its own motion or the motion of a party, may order interim distributions from the seized funds if, in the Court's judgment, such distributions can be made without prejudice to claimants or potential claimants who may have a cognizable interest in the seized funds.

See Consent Order.

12. The Court issued its Order on October 29, 2001 appointing Michael J. Quilling as Receiver in this case.

See Order.

13. Intervener has invested a substantial portion of his life-savings in the subject Gilliland ponzi scheme,¹ and it has been over three years since he made this investment, and over three years since the government seized the subject funds.

14. Intervener as a direct result from the loss of use of funds invested in the Gilliland Ponzi scheme was forced to take a second mortgage on his home in order to pay for necessities and avoid filing bankruptcy. *See Exhibit A – Mortgage Statements*

15. Intervener as a direct result from the loss of use of funds invested in the Gilliland Ponzi scheme is experiencing continual difficulty in making monthly mortgage payments on his

¹ Intervener also invested a substantial portion of his life savings in another Gilliland ponzi scheme involving the Paramount Insurance Company in New Zealand. At this time, he is not claiming that he should receive a distribution from the seized funds for any share of that investment. Although it is unlikely he will make such claim, Intervener reserves the right to make such claim in the future if the fact and circumstances support such a claim.

home, as well as timely paying property tax assessments. *See Exhibit B - Delinquent Property Tax Notice.*

16. As a direct result of the continual difficulty in satisfying his mortgage obligations and property tax assessments, Intervener is selling his home in a effort to avoid further delinquencies, and circumvent eventual foreclosure. *See Exhibit C – Residential Real Estate Listing 2112 Feather Sound Drive, Clearwater, Florida, 33762.*

17. It is Intervener's reasonable and good faith belief that the sale of his existing home, and subsequent purchase of a smaller, substantially less expensive home, will allow for a increase in monthly cash flow; whereby Intervener will be able to timely satisfy other financial obligations.

18. Intervener has reached a agreement in principal to purchase a replacement home for \$270,000.00.

19. Notwithstanding the aforementioned desire to sell his home and purchase a replacement home; Intervener has little, if any, equity in his current residence, and does not have sufficient assets available to finance a replacement home. *See Exhibit D – Estimated Disposition of Proceeds from Sale of Home Located at 2112 Feather Sound Drive.*

20. Intervener is of Social Security Age and Social Security is his only source of income.

21. Intervener is of limited financial resources and savings.

22. As a direct result of the loss of use of funds invested in the Gilliland Ponzi Scheme, Intervener's creditworthiness has been adversely impacted.

23. It is Intervener's reasonable and good faith belief that based upon his current creditworthiness he will have a difficult time securing financing for the purchase of a

replacement home, and will need to supply a substantial equity contribution in order to guarantee the purchase.

24. Intervener is in need of an additional distribution of his share of proceeds from the seized assets for the purpose of financing the purchase of a replacement home to reside in upon the sale of his existing residence.

25. It is Intervener's reasonable and good faith belief that an additional interim distribution in the amount of two-hundred and fifty thousand dollars (\$250,000.00) (excluding any share of interest to which intervener/petitioner may be entitled) will allow for the financing of a replacement home, satisfy any outstanding obligations remaining on his current residence, and provide cash flow to meet near term obligations.

26. It is Intervener's reasonable and good faith belief that an additional interim distribution in the amount of two-hundred and fifty thousand dollars (\$250,000.00) (excluding any share of interest to which intervener/petitioner may be entitled) can be made without prejudicing any existing or potential claimants.

27. Furthermore, such distribution should be made in the interest of justice to allow Intervener to regain funds fraudulently taken from him over three (3) years ago.

PRAYER FOR RELIEF

Intervener prays the Court to:

- 1) Direct Receiver Michael J. Quilling to take appropriate steps to immediately release to Intervener through his counsel of record a portion of his share of the seized funds in the amount of \$250,000.00; or,

- 2) In the alternative, direct Receiver Michael J. Quilling to take appropriate steps to immediately release to Intervener through his counsel of record as large a portion of his share of the seized funds as the Court deems appropriate without prejudicing any other existing or potential claimant; and,
- 3) Order such further relief as the Court deems appropriate.

Respectfully submitted this the 6th day of May 2002.

COUNSEL FOR RICHARD VASQUEZ



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CERTIFICATE OF SERVICE

The undersigned certifies that on this date a copy of the foregoing Petition of Intervener Richard Vasquez was placed in First Class United States Mail to the following:

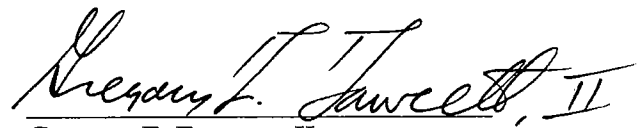
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This the 6th day of May 2002.


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