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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

FILED
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U.S. DISTRICT COURT
W. DIST. OF N.C.

IN RE: ALL FUNDS ON DEPOSIT IN)	
ACCOUNT NUMBER 000669829075 in)	
THE BANK OF MM ACMC BANQUE DE)	
COMMERCE, INC., AT NATIONSBANK,)	
N.A., CONSISTING OF \$18,756,420.97,)	
MORE OR LESS.)	C.A. NO. 3:98mc96-McK
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GEORGE AND DOLORES ROLLAR,)	
Plaintiffs,)	
v.)	C.A. NO. 3:01CV205-McK
)	
UNITED STATES OF AMERICA, et al.,)	
Defendants,)	
)	(CASES CONSOLIDATED)
RICHARD VASQUEZ,)	
Intervener.)	
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RECEIVER'S FIRST MOTION TO DISALLOW POTENTIAL CLAIMS

TO THE HONORABLE H. BRENT McKNIGHT, UNITED STATES DISTRICT JUDGE:

Michael J. Quilling, the Receiver appointed in these proceedings (the "Receiver") files this his First Motion to Disallow Potential Claims, and in support of such shows the Court as follows:

1. On October 11, 2001, the Court issued its Consent Order regarding the appointment of a receiver in these proceedings. Thereafter, on October 29, 2001 the Court issued its Order Appointing Receiver pursuant to which Michael J. Quilling was specifically appointed to serve as receiver in this case.

2. The Receiver's primary assignment in this case is to identify the sources of deposits into four separate accounts controlled by Fred Gilliland, to-wit: (1) the NationsBank Account; (2) the Bank of Butterfield Account; (3) the Allied Dunbar Account No. 1; and (4) the Allied Dunbar Account No. 2.

3. On February 21, 2002, the Receiver filed his Unopposed Motion to Establish Claim Procedures and to Approve Claim Form (Docket No.46) and by Order dated February 25, 2002 (Docket No. 47) the Court approved the motion. The Order specifically provided that claimants would have 60 days from the date the claim form was sent to them to complete and return the form. Since that time, the Receiver has processed hundreds of claims. Several people were sent claim forms which they did not return. Other people the Receiver cannot locate.

4. Based on the Receiver's efforts to date, the Receiver believes that each of the following potential claims should be disallowed for the following reasons:

- **Kada Computers (Mahesh Yagnik)**

The Receiver has done everything reasonably possible to give this entity/person which sent \$25,000.00 to the Allied Dunbar Account No. 2 a chance to complete a claim form, but the entity has chosen not to do so. A claim form was mailed to the last known address but it was not completed and returned. In addition, telephone calls were placed to the home phone number of the identified individual but were not returned. Given these facts this potential claim should be disallowed.

- **Charlotte Scott-Russell**

Ms. Russell sent \$50,000.00 to the Allied Dunbar Account No. 1. A claim form has been sent to every address the Receiver has been able to locate and no claim form has been completed and returned. The accounting done by the Receiver indicates that Ms. Russell invested a total of \$75,000.00 with Sterling Management through the Allied Dunbar Account No. 1 and other Fred Gilliland-controlled accounts which are not the subject of these proceedings and received back \$135,000.00 from one or more of those accounts and, therefore, she should not be entitled to a net positive claim. In conversations with the Receiver, Fred Gilliland has stated that Ms. Russell got all her money back. Accordingly, this potential claim should be disallowed.

- **High Seas Trading**

This entity sent \$40,000.00 to the Bank of Butterfield Account. The Receiver has diligently tried to locate the company and/or determine the identity of its owner without any success. Fred Gilliland has stated that he knows nothing about the entity or its owner. Accordingly, this potential claim should be disallowed.

- **K & K Financial Enterprises**

This entity is owned/controlled by Werner Koester and it sent \$30,000.00 to the Bank of Butterfield Account. The Receiver has sent claim forms to several addresses for Mr. Koester and has not had a completed claim form returned. In addition, the bank records available to the Receiver indicate that K&K only invested a total of \$30,000.00 and received returns from various Fred Gilliland-controlled accounts in the amount of \$45,000.00 and, therefore, it should not have a net positive claim. Accordingly, this potential claim should be disallowed.

- **Bruce/Carol Vandusen**

These individuals sent \$25,000.00 to the Bank of Butterfield Account. The Receiver has diligently tried to locate these individuals without success. Fred Gilliland has stated that he does not know who they are. Accordingly, this potential claim should be disallowed.

- **Ronald L. Burr**

This individual sent \$25,000.00 to the Bank of Butterfield Account. The Receiver has diligently tried to locate this individual without success. Fred Gilliland has stated that he does not know who he is. Accordingly, this potential claim should be disallowed.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final hearing and determination of this motion that the Court disallow each of the potential claims set forth above, 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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By: _____

Michael J. Quilling
Texas State Bar No. 16432300

ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of April, 2004 a true and correct copy of the foregoing document was served via first class mail, postage pre-paid, on:

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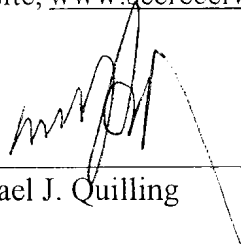
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This Application will also be posted on the Receiver's website, www.secreceiver.com, immediately after filing.



Michael J. Quilling