

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

ABC VIATICALS, INC.,
C. KEITH LAMONDA,
and JESSE W. LAMONDA, JR.

Defendants,

and
LAMONDA MANAGEMENT FAMILY
LIMITED PARTNERSHIP,
STRUCTURED LIFE SETTLEMENTS, INC.,
BLUE WATER TRUST,
and DESTINY TRUST,

Relief Defendants

CIVIL ACTION NO.
3:06-CV-2136-P

ECF

**RECEIVER'S UNOPPOSED MOTION FOR
AUTHORITY TO PAY TAXES AND BRIEF IN SUPPORT**

TO THE HONORABLE JORGE A. SOLIS, UNITED STATES DISTRICT COURT JUDGE:

COMES NOW Michael J. Quilling, the Receiver for ABC Viaticals and other related individuals and entities, and files this his Unopposed Motion for Authority to Pay Taxes and would respectfully show the Court as follows:

1. On November 17, 2006, the Securities and Exchange Commission filed its Complaint against the Defendants and Relief Defendants in this case. *Complaint* [Dkt. No. 1]. On that same day, by agreement of the parties, this Court issued an Order Appointing Receiver that charged Michael J. Quilling with complete and exclusive control, possession, and custody of all Receivership Assets. *Order Appointing Receiver* [Dkt. No. 8]. The Receiver has since

continued to function in that capacity.

2. Since his appointment, the Receiver has collected and reviewed the life insurance policies, bank accounts, books, and records maintained by the Defendants and Relief Defendants. He has determined that Receivership Assets currently have a face value in excess of \$225 million while potential investor claims total approximately \$120 million.

3. The Tax Assessors for both Harris County, Texas, and Hall County, Georgia, (collectively, the "County Tax Assessors") have issued 2006 Property Tax Statements relating to real estate now held by the Receivership Estate. Failure to pay those taxes on time will result in unnecessary penalties and potential foreclosure proceedings. In fact, the Hall County Tax Commissioner's letter states that foreclosure proceedings will begin unless they receive full payment by April 1, 2007. Therefore, in order to preserve the Receivership Estate's assets, the Receiver hereby requests prospective authority to pay all amounts due to taxing authorities with respect to their secured claims.

4. District Courts overseeing federal receiverships sit in equity and have "broad powers and wide discretion" when fashioning relief in the Receivership Estate's best interests. *SEC v. Basic Energy & Affiliated Res., Inc.*, 273 F.3d 657,668 (6th Cir. 2001); *SEC v. Elliott*, 653 F.2d 1560, 1566 (11th Cir. 1992). This discretion extends to orders distributing funds and making payments out of the Receivership Estate. *See, e.g., Quilling v. Trade Partners, Inc.*, Cause No. 1:03-CV-0236 (W.D. Mich. Dec. 1, 2006). In this case, the County Tax Assessors have a secured claim against certain real property held by the Receivership Estate. *See* III Clark on Receivers, §662.1 at 1174 (Anderson 3d ed. 1959) (explaining that secured creditors have priority of payment over investors). Therefore, they may foreclose upon that property if the Receivership Estate fails to pay the outstanding tax liability.

WHEREFORE, PREMISES CONSIDERED, the Receiver respectfully requests that this Court issue an order authorizing him to pay the Receivership Estate's secured property taxes, and any other secured taxes that may become due, 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: /s/ Michael J. Quilling

Michael J. Quilling
State Bar No. 16432300
D. Dee Raibourn, III
State Bar No. 24009495
Brent Rodine
State Bar No. 24048770

ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on the 15th day of March 2007, a true and correct copy of this document was served to all interested parties through the Court's electronic filing system.

/s/ Michael J. Quilling

CERTIFICATE OF CONFERENCE

Pursuant to Local Civil Rule 7.1, the undersigned conferred with all counsel of record and it was determined that this motion would be unopposed.

/s/ Michael J. Quilling