

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

V.

**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

**RECEIVER'S UNOPPOSED MOTION FOR ORDER
APPROVING SETTLEMENT OF U.K. LITIGATION**

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

Michael J. Quilling, the Receiver appointed in these proceedings, (“Receiver”) files this motion for an agreed order approving settlement of his lawsuit in the United Kingdom styled as *ABC Viaticals Inc. (in receivership) v. DMH Stallard*, No. HC10C02105 in the High Court of Justice, Chancery Division, Royal Court. In support, he would respectfully show as follows:

1. This Court appointed the Receiver for ABC Viaticals, Inc. and other related entities (“ABC”).

2. Before going into receivership, ABC hired the English law firm DMH Stallard to conduct due diligence into Albatross Invest S.p.a. (“Albatross”), an Italian company that provided bonds backing some of ABC’s investments. After several months of due diligence, DMH Stallard issued an opinion letter and a report prepared by one of its solicitors, Christopher John William Stenning. Those materials concluded that Albatross’ obligations to ABC were valid and enforceable. Based upon that opinion, ABC paid \$5,578,000 to Albatross for additional bonds.

3. After being appointed, the Receiver discovered that Albatross was an insolvent criminal enterprise and virtually all of the documents DMH Stallard relied upon were forgeries.

4. The Receiver filed a lawsuit in the United Kingdom against DMH Stallard (the “U.K. Lawsuit”) for negligence and breach of its retainer agreement.¹ He sought to recover the \$5,578,000 paid in reliance upon the opinion letter and report.

5. After nearly three years of exhaustive investigation and litigation and after two full days of mediation, the parties agreed to a settlement (the “Agreement”) outlined in the Draft Consent Order attached as Exhibit A. Subject to this Court’s approval, the Agreement would recover £845,290.35² for the receivership estate and dispose of all claims in the U.K. Lawsuit. The Receiver would also recover the £130,000 he was authorized to pay into the U.K. court’s registry as security for costs. *See* Order [Doc. 309].

6. Settling the U.K. Lawsuit would avoid the tremendous expenses of interviewing numerous witnesses likely to testify at trial, preparing their witness statements, conducting a fact-intensive trial in a foreign country, and running the risk of paying the other side’s

¹ The U.K. Lawsuit is styled as *ABC Viaticals Inc. (in receivership) v. DMH Stallard*, No. HC10C02105 in the High Court of Justice, Chancery Division, Royal Court.

reasonable attorneys fees if the Receiver were to lose. For these reasons, the Receiver believes that the Agreement is in the receivership estate's best interest.

WHEREFORE, the Receiver asks for an order approving the Agreement and authorizing him to settle the U.K. Lawsuit according to its terms. He also asks for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself entitled.

Respectfully submitted,

QUILLING, SELANDER, LOWNDS,
WINSLETT & MOSER, P.C.
2001 Bryan Street, Suite 1800
Dallas, Texas 75201
(214) 871-2100 (Telephone)
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By: /s/ Brent J. Rodine
Michael J. Quilling
State Bar No. 16432300
Brent Rodine
State Bar No. 24048770

ATTORNEYS FOR RECEIVER

² At current exchange rates, that would be approximately \$1,350,000.

CERTIFICATE OF SERVICE

The undersigned has personally conferred with counsel for the SEC and with the Examiner and it was determined that they agree to the relief requested.

/s/ Brent J. Rodine

CERTIFICATE OF SERVICE

A true and correct copy of this motion will be served upon all interested parties through the Court's electronic filing system.

/s/ Brent J. Rodine