

ORIGINAL

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

SECURITIES AND EXCHANGE  
COMMISSION

Plaintiff,

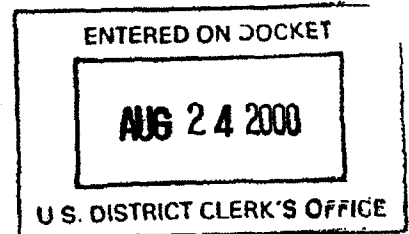
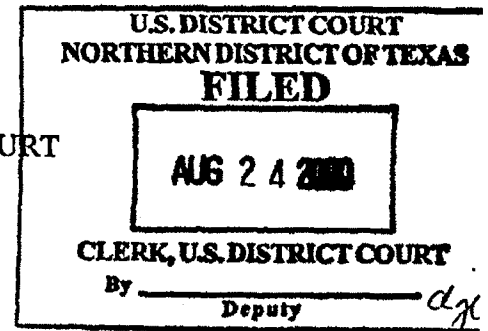
VS.

FUNDING RESOURCE GROUP  
a/k/a FRG TRUST, ET AL.

Defendants.

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NO. 3-98-CV-2689-M



**ORDER**

Michael J. Quilling, as Receiver for Funding Resource Group and related entities, has submitted a litigation budget for this case in the amount of \$457,625.00. A hearing on this proposed budget was held on August 24, 2000. The purpose of this hearing was to give defendants and all interested parties an opportunity to present any objections. A copy of the proposed budget and notice of this hearing was served on all parties who have made an appearance in this case. However, no formal objections have been received.<sup>1</sup>

The Court finds that the proposed litigation budget is excessive and should be reduced to \$350,000.00. This finding is based, in part, on the Receiver's good faith estimate that he realistically expects to recover an additional \$2.5 million on behalf of the defrauded investors as a direct result of this lawsuit. The following procedures are hereby established for payment of the Receiver:

<sup>1</sup> Johnny Sherman, an attorney representing various investors, appeared at the hearing and voiced concern over the lack of information provided by the Receiver. However, Sherman did not object to the proposed litigation budget.

1. The Receiver shall submit quarterly applications specifying the amount of fees and expenses incurred in this case for the preceding 90 days. Fee applications shall be filed with the district clerk on or before the first Monday of September, December, March, and June. The application must be supported by detailed records documenting the time spent, services performed, and expenses incurred in connection with this matter. The hourly rate for each attorney or legal assistant who performed the service shall be listed for each entry. Any out-of-pocket expense item of more than \$500 must be supported by a receipt. A copy of the fee application shall be made available to all interested parties when it is filed with the court.

2. A hearing will be scheduled within 30 days after the Receiver submits his fee application. The Receiver shall notify all interested parties of this hearing date. Written objections to the fee application must be filed at least 10 days prior to the hearing.

3. The Receiver may comply with the notice requirements of this Order by posting a copy of his fee application and this Order on his website, [SECRECEIVER.COM](http://SECRECEIVER.COM). Appropriate links to the court's docket sheet shall also be provided on the website.

SO ORDERED.

DATED: August 24, 2000.

  
JEFF KAPLAN  
UNITED STATES MAGISTRATE JUDGE