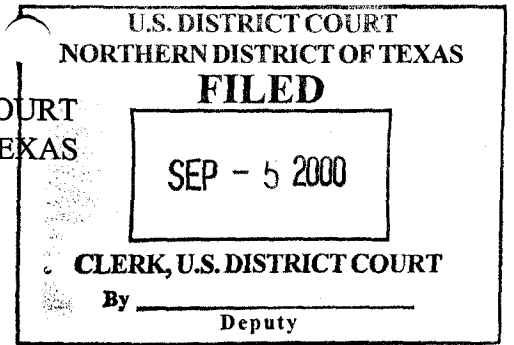


IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

FUNDING RESOURCE GROUP, a/k/a FRG Trust;  
QUENTIN HIX; GENE COULTER; STEVEN C.  
ROBERTS; MVP NETWORK, INC., a Texas corporation,  
a/k/a MVP Network (Trust); FMCI TRUST; FUNDERS  
MARKETING COMPANY, INC., a Texas corporation;  
RAYMOND G. PARR; WILLARD VEARL SMITH;  
EARL D. McKINNEY; FORTUNE INVESTMENTS,  
LTD., a Nevada corporation; ROBERT CORD, a/k/a  
Robert F. Schoonover, Jr.; WINTERHAWK WEST  
INDIES, INC.; IGW TRUST; CAROLYN  
DON HICKS; and CARL LaDANE WEAVER,

Defendants,

and

HOWE FINANCIAL TRUST, an Indiana corporation;  
TREDS FINANCIAL TRUST; and  
MARY ANN BAUCE,

Defendants Solely for Purposes  
of Equitable Relief.

CIVIL ACTION NO.  
3:98-CV-2689-M

**THIRD INTERIM APPLICATION BY RECEIVER  
FOR COMPENSATION OF FEES AND REIMBURSEMENT OF EXPENSES FOR  
ACCOUNTANTS FOR RECEIVER AND BRIEF IN SUPPORT**

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling ("Receiver") and files this his Third Interim Application by  
Receiver for Compensation of Fees and Reimbursement of Expenses of Accountants for Receiver and Brief  
in Support ("Application") and in support thereof would respectfully show the Court as follows:

**THIRD INTERIM APPLICATION BY RECEIVER FOR COMPENSATION  
OF FEES AND REIMBURSEMENT OF EXPENSES FOR ACCOUNTANTS  
FOR RECEIVER AND BRIEF IN SUPPORT - PAGE 1**

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## **BACKGROUND**

1. On November 13, 1998, the Securities and Exchange Commission ("SEC") initiated these proceedings and, in connection therewith, sought the appointment of a receiver as to each of the named Defendants. On November 13, 1998, the Court issued its Order Appointing Temporary Receiver pursuant to which Michael J. Quilling was named Receiver ("Receiver").

2. On January 21, 1999, the Court issued an Order freezing the assets of and appointing Michael J. Quilling as the Receiver for Hammersmith Trust, LLC and others.

3. Pursuant to the terms of each of the foregoing Orders, the Receiver was authorized to employ such accountants as is necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets. Subsequent to his appointment, the Receiver employed the accounting firm of Litzler, Segner, Shaw, McKinney & Dohmeyer as his accountants ("Accountants"). The Accountants have performed investigative and accounting services as requested by the Receiver.

4. This Application seeks approval and payment of the fees and reimbursement of expenses for the Accountants for the Receiver for the time period from January 1, 2000 through August 31, 2000.

5. During the Period covered by this Application, the Accountants have incurred fees and expenses with respect to their activities on a monthly basis as follows:

<b><u>Month</u></b>	<b><u>Fees</u></b>	<b><u>Expenses</u></b>
January, 2000	\$10,889.50	\$27.09
February, 2000	\$21,002.50	\$2,374.40
March, 2000	\$12,343.50	\$524.35
April, 2000	\$35,888.00	\$7,970.20
May, 2000	\$32,723.50	\$5,722.84

June, 2000	\$41,705.50	\$6,907.08
July, 2000	\$8,413.50	\$728.09
August, 2000	\$8,749.50	\$1,567.26
Total:	\$171,715.50	\$25,821.31

6. Exhibit "A", which is attached hereto and incorporated herein by reference for all purposes conveys the following information for the time period January 1, 2000 through August 31, 2000: (a) the number of hours worked by each accountant and staff member on a particular day; (b) the manner and type of work performed by each accountant and staff member, (c) the customary billing rate for each person rendering service in this matter, and (d) the monetary value assigned to each task performed by a given accountant and/or staff member. Each of the invoices attached hereto as Exhibit "A" reflect aggregate expenses by category during a given month. Receipts for travel expenses and items in excess of \$500.00 are included in Exhibit "A".

### **JOHNSON FACTORS**

7. In order to establish an objective basis for determining the amount of compensation that is reasonable for professionals' services, a court in the Fifth Circuit must consider the following twelve factors in awarding such fees:

- 1) Time and labor required;
- 2) Novelty and difficulty of the questions involved;
- 3) Skill requisite to perform the accounting services;
- 4) Exclusion of other employment by the accountants due to acceptance of the case;
- 5) The customary fee;
- 6) Whether the fee is fixed or contingent;

- 7) The amount involved and the results obtained;
- 8) The experience, reputation and the ability of the accountants;
- 9) The undesirability of the case;
- 10) The nature and length of the professional relationship with the client; and
- 11) Awards in similar cases.

*Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5<sup>th</sup> Cir. 1974).

8. Information exists that is pertinent to each of these factors and that may assist this Court in assessing the merits of this Application. The information is summarized by factor in the paragraphs below.

#### **TIME AND LABOR REQUIRED**

9. The Accountants have expended over 1,262 hours in the performance of professional services for the Receiver from January 1, 2000 through August 31, 2000, resulting in total accounting fees of \$171,715.50.

10. The hourly billing rate of each professional and paraprofessional performing services on behalf of the Receiver are as follows:

Partner	\$ 195.00 - 220.00
Staff Accountant	100.00 - 165.00
Paraprofessional	30.00 - 95.00

11. The number of hours expended by each professional and paraprofessional are reflected in the summary attached hereto as Exhibit "A".

### **NOVELTY AND DIFFICULTY OF QUESTIONS PRESENTED**

12. The Receiver believes that the accounting and tax questions encountered in representing the Receiver were of a complex and specialized nature, requiring a very high degree of skill in obtaining their successful resolution.

### **SKILL REQUISITE TO PERFORM SERVICES PROPERLY**

13. The Accountant's firm have numerous members, including members who have performed services on behalf of the Receiver, who specialize exclusively in the practice of bankruptcy and insolvency accounting. Due to their expertise and skill in this highly specialized realm, the Receiver believes far more time would have been employed by less experienced professionals and with considerably less rewarding results. The array of financial and accounting considerations presented in this proceeding and the prompt and skillful action taken upon those problems by the Accountants required a very high degree of expertise and experience. Prompt, skillful action was utilized by the Accountants in providing professional services to the Receiver in this proceeding.

### **EXCLUSION OF OTHER EMPLOYMENT**

14. The Receiver is unable to estimate the extent of other employment the Accountants were precluded from accepting by reason of the employment as accountants for the Receiver herein, but does not believe it to be significant.

### **CUSTOMARY FEES**

15. The fees applied for herein are equivalent to customary fees allowed in other proceedings for similar services rendered and results obtained.

### **WHETHER THE FEE IS FIXED OR CONTINGENT**

16. The fees of the Accountants are fixed insofar as funds exist with which to pay them from the Receivership Estate. Payment of such fees, however, is subject to Court approval.

### **THE AMOUNT INVOLVED AND THE RESULTS OBTAINED**

17. This case involves the misappropriation of millions of dollars by hundreds of persons and entities. The accounting and tracing issues are extremely complex. As a result of the efforts of the accountants, much of the work with respect to future recoveries of funds by the Receiver has already been accomplished.

### **THE EXPERIENCE, REPUTATION AND ABILITY OF ACCOUNTANTS**

18. As stated above, the Accountants specialize in the practice of accounting and consultation. Much of the Accountants' practice has been devoted to asset management, accounting services, development of accounting data, preparation of tax returns for estates, formulation of plans of reorganization and consultation with creditors and estate representatives. The Accountants are recognized as experts in the accounting field and possess a reputation of high quality, integrity and ability.

### **UNDESIRABILITY OF THE CASE**

19. The Receiver does not believe the subject case or the representation of the Receiver in this proceeding was "undesirable".

### **NATURE AND LENGTH OF THE PROFESSIONAL RELATIONSHIP WITH THE CLIENT**

20. Prior to the institution of this proceeding, the Accountants have represented the Receiver from time to time with regard to general accounting matters and consultation in similar proceedings.

**AWARDS IN SIMILAR CASES**

21. The Receiver believes that the services rendered herein for the Receiver have substantially benefitted this estate and that such services are of a reasonable value of this date in the approximate amount of \$171,715.50 plus expenses in the amount of \$25,821.31. The Receiver further represents that the fees applied for are in conformity with fees allowed in similar proceedings for similar services rendered and results obtained.

**WHEREFORE**, the Receiver respectfully requests that the Court allow and authorize him to pay the requested compensation for professional services and expenses rendered by the Accountants for the Receiver in the sum of \$197,536.81, as per itemization in Exhibit "A" attached hereto.

Respectfully submitted,

QUILLING, SELANDER, CUMMISKEY & LOWNDS, P.C.

By: 

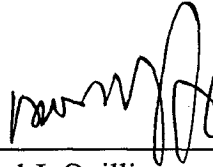
Michael J. Quilling  
State Bar No. 16432300

2001 Bryan Street, Suite 1800  
Dallas, Texas 75201  
(214) 871-2100 (Telephone)  
(214) 871-2111 (Fax)

ATTORNEY FOR RECEIVER

### CERTIFICATE OF CONFERENCE

Prior to filing this Application, as required by the Order Appointing Temporary Receiver, I conferred with Bob Brunig of the SEC regarding the filing of this Application and the amounts requested. The SEC consents to payment of the requested fees and expenses and believes them to be necessary and reasonable.



\_\_\_\_\_  
Michael J. Quilling

### CERTIFICATE OF SERVICE

I hereby certify that on that 5<sup>th</sup> day of September, 2000, a true and correct copy of the foregoing document was served via first class mail, postage pre-paid, to the following parties:

Robert B. Brunig  
Securities & Exchange Commission  
801 Cherry Street, 19th Floor  
Fort Worth, Texas 76102

Wendell A. Odom, Jr.  
440 Louisiana, Suite 800  
Houston, Texas 77002

S. Cass Weiland  
Sheinfeld, Maley & Kay, P.C.  
1700 Pacific Avenue, Suite 4400  
Dallas, Texas 75201-4618

Deborah Goodall  
Goodall & Sooter  
12830 Hillcrest Rd., Suite 111  
Dallas, Texas 75230

Dan R. Waller  
Secore & Waller, LLC  
13355 Noel Road, Suite 2290  
Dallas, Texas 75240



\_\_\_\_\_  
Michael J. Quilling



Funding Resource Group  
Fees and  
Expenses by Month

Month	Fees	Expenses	Total
Jan	\$ 10,889.50	\$ 27.09	\$ 10,916.59
Feb	\$ 21,002.50	\$ 2,374.40	\$ 23,376.90
Mar	\$ 12,343.50	\$ 524.35	\$ 12,867.85
Apr	\$ 35,888.00	\$ 7,970.20	\$ 43,858.20
May	\$ 32,723.50	\$ 5,722.84	\$ 38,446.34
June	\$ 41,705.50	\$ 6,907.08	\$ 48,612.58
July	\$ 8,413.50	\$ 728.09	\$ 9,141.59
Aug	\$ 8,749.50	\$ 1,567.26	\$ 10,316.76
Total	\$ 171,715.50	\$ 25,821.31	\$ 197,536.81



LITZLER, SEGNER, SHAW, MCKENNEY & DOHME, R, L.L.P.  
1412 Main Street, 24th Floor  
Dallas, Texas 75202  
(214) 752-0999 \* (214) 752-0990

Funding Resource Group  
2001 Bryan Street  
Suite 1800  
Dallas TX 75201

Page: 1  
09/05/00  
Account No: 13-00900M  
Invoice No: 1127

Professional Services Rendered 01/01/00 thru 08/31/00

	Hours	
01/04/00 MHS Update schedule of accounts (.5); review and analyze account summaries (1.2)	1.70	425.00
01/08/00 MHS Conference with MQuilling regarding scheduling and document requests.	1.00	250.00
01/10/00 MHS Call from USCS regarding document production and new account information.	0.40	100.00
01/15/00 RN Pick up bank account data at Quillings; discuss same data with Dee	1.10	104.50
01/18/00 RN Begin work on additional data for 5 existing accounts and 10 new accounts	6.20	589.00
SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	7.50	487.50
MHS Review bank documents and organize for data input (2.0); update schedule of accounts (.5)	2.50	625.00
01/19/00 RN Continue input on additional data for 5 existing accounts and data for 10 new accounts	5.70	541.50
SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	3.00	195.00
01/20/00 RN Continue input of additional data for 5 existing accounts and data for 10 new accounts	4.60	437.00
SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	5.00	325.00
01/21/00 RN Continue input of additional data for 5 existing accounts and data for 10 new accounts	4.80	456.00
SR Examination of bank statements and related documents and input of data to transaction		

		Hours	
	spreadsheet.	7.00	455.00
01/22/00	RN Continue input of additional data for 5 existing accounts and data for 10 new accounts	2.40	228.00
	SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	3.00	195.00
01/24/00	RN Continue input of additional data for 5 existing accounts and data for 10 new accounts	6.80	646.00
	SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	7.50	487.50
01/25/00	RN Continue input of additional data for 5 existing accounts and data for 10 new accounts	4.90	465.50
	SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	3.50	227.50
01/26/00	RN Continue input of additional data for 5 existing accounts and data for 10 new accounts; start printing	5.80	551.00
	SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	6.00	390.00
01/27/00	RN Finish printing reports; deliver to Quillings; convert lotus files to excel; cut CD of excel files for Dee and deliver	7.90	750.50
	MHS Review spreadsheet analysis of various accounts.	3.50	875.00
01/28/00	RN Start combined spreadsheet with all accounts to date	5.60	532.00
01/31/00	RN Continue combined spreadsheet with all accounts to date; review and clean up all accounts	5.80	551.00
02/01/00	RN Start to reconcile Rose account	0.70	66.50
	SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	7.50	487.50
02/02/00	RN Continue reconciliation of Melody account	4.50	427.50
	SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	6.00	390.00
02/03/00	SR Examination of bank statements and related documents and input of data to transaction spreadsheet.	4.00	260.00
02/04/00	RN Complete reconciliation of Melody account; convert .123 files to .xls; cut cd's and zip disks	6.30	598.50

		Hours	
02/05/00 RN	Print out complete set of documents for MHS for Pensacola trip	3.10	294.50
02/06/00 MHS	Review updated analyses and prepare for trip to Pensacola.	1.50	375.00
02/07/00 RN	Trip to Pensacola; data input and account reconciliations between accounts	10.90	1,035.50
MHS	Travel to Pensacola (2.5); reconcile data transactions between Hammersmith account, edit and reference database (8.4); meeting with USCS regarding data request (.5)	11.40	2,850.00
02/08/00 RN	Continue data input and account reconciliations between accounts	9.00	855.00
MHS	Continued reconciliation of account analysis (9.0); conference with MQuilling regarding various matters (.8)	9.80	2,450.00
02/09/00 RN	Continue data input and account reconciliations between accounts; trip to DFW	14.10	1,339.50
MHS	Continued examination of bank documents and reconciliation of account analysis (8.1); return to Dallas including conference with MQuilling, RNordyke and DRaibourn and update of notes and schedules (6.0)	14.10	3,525.00
02/15/00 RN	Gather missing data from documents and input; add detail to landfair accounts; receive new docs and begin summary of accounts	6.60	627.00
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	2.00	130.00
02/16/00 RN	Continue review and organize of new documents	3.40	323.00
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	5.00	325.00
02/20/00 RN	Start input of new documents received 2/15 into spreadsheet form and adding detail to existing accounts	2.60	247.00
02/21/00 RN	Continue input of new documents received 2/15 into spreadsheet form and adding detail to existing accounts	1.30	123.50
02/23/00 RN	Continue input of new documents received 2/15 into spreadsheet form and adding detail to existing accounts	3.50	332.50
02/25/00 RN	Continue input of new documents received 2/15 into spreadsheet form and adding detail to existing accounts	7.70	731.50
SR	Examination of bank statements and related		

		Hours	
	documents and input of data to transaction spreadsheet.	6.00	390.00
DR	Prepare list of entities, banks, and account numbers for organization of binders.	1.30	45.50
02/26/00 RN	Continue input of new documents received 2/15 into spreadsheet form and adding detail to existing accounts	7.10	674.50
02/27/00 RN	Continue input of new documents received 2/15 into spreadsheet form and adding detail to existing accounts	7.20	684.00
02/28/00 RN	Continue input of new documents received 2/15 into spreadsheet form and adding detail to existing accounts	9.30	883.50
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	6.50	422.50
DR	Continue with preparation of index for binder of entities, banks, and account numbers.	3.10	108.50
03/01/00 RN	Continue input of new documents received 2/15 into spreadsheet form and adding detail to existing accounts	6.10	579.50
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	8.50	552.50
03/02/00 RN	Continue detail input on new account spreadsheet	5.10	484.50
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet..	2.00	130.00
MHS	Teleconference with DRaibourn regarding status of financial records and case items.	0.40	100.00
03/06/00 RN	Make corrections to spreadsheets found in reconciliation between accounts	4.20	399.00
MHS	Meeting with DRaibourn regarding status of Hammersmith financial records and various case facts.	1.00	250.00
03/07/00 RN	Make corrections to spreadsheets found in reconciliation between accounts, begin account cleanup (re-calculate sort area and summary)	2.20	209.00
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	8.00	520.00
03/08/00 SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	7.50	487.50
03/09/00 SR	Examination of bank statements and related documents and input of data to transaction		

		Hours	
	spreadsheet.	2.00	130.00
03/11/00 RN	Continue account cleanup (re-calculate sort areas and summaries)	3.10	294.50
03/12/00 RN	Continue account cleanup (re-calculate sort areas and summaries)	7.90	750.50
03/13/00 RN	Continue account cleanup (re-calculate sort areas and summaries)	8.80	836.00
MHS	Office conference with MQuilling and DRaibourn regarding status of financial records for Hammersmith.	0.50	125.00
03/14/00 RN	Complete account cleanup (re-calculate sort areas and summaries), convert all files to excel format, cut CD's for MHS	7.70	731.50
03/16/00 RN	Print out Hammersmith accounts	0.60	57.00
03/17/00 RN	Add detail to Antigua account	5.00	475.00
03/18/00 RN	Continue to add detail to Antigua account	7.40	703.00
03/20/00 MHS	Teleconference with MQuilling regarding preparation for testimony i trial regarding JRT Family Trust.	0.30	75.00
03/21/00 RN	Add running balances to all accounts	8.60	817.00
SR	Review account summaries to determine balance of accounts.	0.30	19.50
03/22/00 RN	Continue to add running balances to all accounts	6.10	579.50
MHS	Review and analysis of voluminous records to determine wire transfers (1.5); teleconference with MQuilling regarding same (.3)	1.80	450.00
03/23/00 RN	Begin printouts (4 sets) of all accounts	3.30	313.50
03/24/00 RN	Continue printouts of all accounts	1.80	171.00
MHS	Teleconference with MQuilling regarding financial records and case issues.	0.30	75.00
03/26/00 RN	Continue printouts of accounts.	1.90	180.50
03/27/00 RN	Continue printouts of accounts.	3.20	304.00
SR	Review all account details and summaries in preparation for Pensacola trip.	1.00	65.00
MHS	Teleconference with DRaibourn regarding documents produced by EBI Securities.	0.30	75.00
03/28/00 RN	Complete printouts and collate 4 sets of documents	6.70	636.50
SR	Examination of bank statements and related documents and input of data to transaction		

		Hours	
	spreadsheet.	3.60	234.00
03/29/00 RN	Prepare boxes and ship documents to USCS Pensacola and Cox	1.30	123.50
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	5.50	357.50
03/31/00 DR	Sort and prepare list of tax returns/records.	1.50	52.50
04/03/00 SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	5.50	357.50
MHS	Teleconference with DRaibourn regarding document production to Customs and other case issues.	0.30	75.00
04/04/00 DR	Prepare summary of spreadsheets and organize in volumes.	6.30	220.50
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	5.00	325.00
MHS	Review and edit EBI transaction analysis (1.3); teleconference with DRaibourn regarding analysis of Hammersmith account at EBI securities (.3); Teleconference with MQuilling, DRaibourn and AUSA Heldmeyer regarding status of Hammersmith financial records (.7)	2.30	575.00
04/05/00 DR	Continue summary of spreadsheets and organization of volume II.	4.00	140.00
SR	Examination of bank statements and related documents and input of data to transaction spreadsheet.	6.90	448.50
SR	Review Hammersmith First American and Bank One accounts in reference to source and receipts sort.	2.00	130.00
MHS	Teleconference with DRaibourn regarding Hammersmith documents to be used in Steve Signer's deposition (.3); travel to Denver including review of notes and spreadsheets (1.5); review documents regarding deposition of Steve Signer (2.0)	3.80	950.00
04/06/00 DR	Continue summary of spreadsheets to organization of volume III.	3.00	105.00
MHS	Attend and assist with deposition of Steve Signer (9.0); return travel to Dallas including review of documents produced at deposition (2.5)	11.50	2,875.00
04/07/00 MHS	Teleconference with DRaibourn regarding production of documents by Signer.	0.30	75.00
04/08/00 RN	Travel time DFW to Pensacola.	6.50	617.50

	Hours	
04/09/00 MHS Prepare for trip to Pensacola including gathering of workpapers, data disks and numerous conferences with MJQ.	2.00	500.00
04/10/00 MHS Meeting with USCS and attorneys; analyze bank account detail and identify accounts requiring further detail; conference with R. Cox; review and edit database.	10.50	2,625.00
RN Pensacola - input data, research accounts	7.30	693.50
04/11/00 RN Input data, research accounts.	8.10	769.50
MHS Meeting with US Customs, FBI and IRS to review bank account spreadsheets, determine missing information and other related issues.	8.50	2,125.00
04/12/00 RN Input data, research accounts	7.10	674.50
MHS Continued work on bank account spreadsheets to determine missing information (3.0); meeting with AUSA to analyze issues relating to case (2.0); continue review of investor files to summarize (3.5); teleconferences with counsel for Bill West regarding closing of boat sale (.5); teleconference with Bill West regarding scheduling of boat sale closing (.2)	8.20	2,050.00
04/13/00 RN Input data, research accounts	7.10	674.50
MHS Continue review of investor files to obtain information (4.0); preparation of materials for M.Heldmeyer (.5); travel to Shalimar, FL to attend boat sale closing and discussions with Bill West (4.6)	9.10	2,275.00
04/14/00 RN Travel time Pensacola to DFW	6.00	570.00
MHS Return travel to Dallas (4.0); teleconference with M.Heldmeyer and J.Lambert regarding case issues (.6)	4.60	1,150.00
04/17/00 MHS Review materials received from SEC.	0.60	150.00
04/18/00 MHS Office conference with DRaibourn and MQuilling regarding preparation for meeting with Randy Walker.	0.40	100.00
04/19/00 MHS Prepare for meeting with AUSA and prepare analysis of accounts; review transactions for various investors.	5.60	1,400.00
SR Examination of bank statements and related documents and input of data to transaction spreadsheet. Shred obsolete work product documents.	3.50	227.50
RN Print out reports for MHS	1.10	104.50
MHS Teleconference with DRaibourn regarding missing data from financial records	0.30	75.00



		Hours	
04/20/00	SR Examination of bank statements and related documents and input of data to transaction spreadsheet. Shred obsolete spreadsheets.	5.20	338.00
	RN Begin sort of all accounts by target/victim list	1.30	123.50
	MHS Travel to Charlotte NC for meeting with FBI including review of materials and bank account spreadsheets for Sterling Management (4.5); attend meeting with FBI, IRS and US Attorney to discuss movement and tracking of funds (4.0); teleconference with Bob Brunig regarding case issues (.3)	8.80	2,200.00
04/21/00	MHS Return to Dallas including review of Sterling Management analysis, notes and conference with M. Quilling; review documents received regarding securities accounts.	5.50	1,375.00
	RN Begin input of EBI accounts	3.30	313.50
04/24/00	MHS Conference with M. Quilling regarding planning; review transactions with Baker and Sherrill; prepare for trip to Springfield; update analysis of account.	4.00	1,000.00
	RN Input JC Bradford account data	4.40	418.00
04/25/00	DR Organize and sort summaries of accounts in binders.	4.50	157.50
	RN Prepare, print, and bind reports for presentation at Pensacola meeting	9.20	874.00
	MHS Travel to Springfield MO and assist with interview of Alan Baker.	14.00	3,500.00
04/26/00	RN Continue JC Bradford account input	3.10	294.50
04/27/00	SR Review literature in reference to research for Aegis Group.	2.10	136.50
	RN Continue EBI account input; begin Matz-SOA document review and input	6.20	589.00
	MHS Teleconference with DRaibourn regarding discussion of missing documents and production of same (.3); review report and prepare presentation (3.5)	3.80	950.00
04/28/00	RN Continue Matz-SOA document input	5.90	560.50
05/01/00	RN Travel time from DFW to Pensacola; input Hammersmith Bank One data; begin all combined 05012000 spreadsheet	11.10	1,054.50
05/02/00	RN Continue all account compilation; sort and print Australian banks	7.70	731.50
05/03/00	RN Input Landfair Custodial - Prudential account information	7.80	741.00
	MHS Travel to Pensacola FL including review of various bank account spreadsheets to determine		

		Hours	
	missing information (6.5); meeting with US Customs (.5)	7.00	1,750.00
05/04/00	RN Continue reconciliation of Landfair - Prudential account data	8.70	826.50
	MHS Review voluminous financial and business records of Hammersmith related entities and discussions with MQuilling regarding same.	4.00	1,000.00
05/05/00	RN Continue input of data, research accounts.	11.00	1,045.00
	MHS Meet with AUSA regarding document requests (1.0); meet with US Customs, FBI and AUSA regarding case issues (1.5); review and organization of Hammersmith documents (3.5)	6.00	1,500.00
05/08/00	RN Reports for MHS	1.10	104.50
	MHS Continue work on investor claims.	8.50	2,125.00
05/09/00	RN Perform query on all combined spreadsheet per MHS	3.40	323.00
	MHS Continue work on investor claims.	9.50	2,375.00
05/10/00	RN Research and compile report on all Foreign banks for MHS	6.20	589.00
	MHS Continue work on sorting, investor claims (5.0) return travel to Dallas (6.5)	11.50	2,875.00
05/11/00	RN Continue entry of Matz - SOA data	4.00	380.00
05/17/00	RN Continue review and input of Matz - SOA data	6.70	636.50
	MHS Teleconference with DRaibourn regarding status of Hammersmith financial records.	0.40	100.00
05/18/00	RN Continue Matz - SOA data input; begin compilation of allcombined spreadsheet 05192000	6.50	617.50
	RN Complete all combined spreadsheet	5.30	503.50
05/22/00	RN Begin name query on all combined spreadsheet	4.10	389.50
05/23/00	RN Complete name query reports from all combined spreadsheet	4.30	408.50
	MHS Teleconference with DRaibourn regarding status of financial records and case items (.4); review transaction analysis for various parties (4.0)	4.40	1,100.00
05/24/00	RN Input JC Bradford data; begin input of Paine Webber account data	6.40	608.00
05/25/00	KM Audited investor spreadsheets.	4.30	516.00
	RN Continue input of Paine Webber data	6.50	617.50
	MHS Teleconference with DRaibourn regarding status of financial records (.5); review Braford account analysis (2.0)	2.50	625.00
05/26/00	KM Audited investor spreadsheets.	7.30	876.00
	RN Input paine webber data; prepare reports and cd's		

		Hours	
	for Pensacola trip	5.80	551.00
MHS	Teleconference with DRaibourn regarding preparation for meeting in Pensacola and other case issues.	0.30	75.00
05/29/00 RN	Travel from DFW to Pensacola including conferenses with MSegner and MQuilling regarding spreadsheet analyses.	6.60	627.00
MHS	Travel to Pensacola FL including review of financial spreadsheets to determine missing information; conference with MQuilling regarding identification of payments.	6.50	1,625.00
05/30/00 RN	Input account data, research documents	7.50	712.50
MHS	Review of voluminous investor and agent files and preparation of notes and reconciliations regarding same.	8.00	2,000.00
05/31/00 RN	Input account data, research documents	7.00	665.00
MHS	Continue review of voluminous investor and agent files (7.0); various conferences with MQuilling regarding agent payments (1.2)	8.20	2,050.00
06/01/00 RN	Input account data, research documents	8.30	788.50
MHS	Continue review of voluminous investor and agent files and preparation of notes (5.5); return travel to Dallas (5.0)	10.50	2,625.00
06/02/00 RN	Input account data, research documents; trip from Pensacola to DFW	12.40	1,178.00
MHS	Teleconference with MQuilling regarding Hammersmith accounting issues (.2); continue analysis of participant investments (6.0)	6.20	1,550.00
06/05/00 RN	Review accounts in preparation for new all_combined spreadsheet	3.60	342.00
06/06/00 MHS	Attend status conference (2.4); conference with MQuilling, Andy Trusevich and DRaibourn regarding strategy and collection efforts (1.0); continue analysis of participant investments (2.5)	5.90	1,475.00
MHS	Conference with MQuilling, DRaibourn and ATrusevich regarding strategy.	1.00	250.00
06/07/00 RN	Make reports on individuals; funds paid in and funds received	4.90	465.50
MHS	Teleconference with MQuilling regarding case and accounting issues (.3); research database regarding funds transfers (1.5)	1.80	450.00
06/08/00 RN	Continue reports of amounts paid in and received by certain individuals; meeting with MHS, MJQ, DR.	5.80	551.00
MHS	Meeting with MQuilling regarding review of bank account spreadsheets, investor information and		

		Hours	
	agent payments.	3.00	750.00
MHS	Conference with MQuilling and DRaibourn regarding review of bank account spreadsheets and investor information.	3.00	750.00
06/09/00 RN	Produce reports requested by MJQ on funds entities paid in and received	6.50	617.50
06/11/00 MHS	Travel to Pensacola including discussions of locating missing information and document review.	6.00	1,500.00
06/12/00 RN	USCS-Pensacola-input data; prepare reports; assist in preparation of material for presentation to AUSA	9.90	940.50
MHS	Continue review of documents at Customs office to determine investor and agent information (3.0); continue analysis of investor claims (6.5)	9.50	2,375.00
06/13/00 RN	USCS-Pensacola-input data; prepare reports; assist in preparation of material for presentation to AUSA	13.70	1,301.50
MHS	Attend continued interview with Ray Hanson and inspection of documents (1.5); continue review of documents at Customs (6.5); meeting with AUSA regarding case issues (1.5)	9.50	2,375.00
06/14/00 RN	USCS-Pensacola-input data; prepare reports; assist in preparation of material for presentation to AUSA.	9.40	893.00
MHS	Continue review of documents at Customs office to determine missing investor and agent information (7.0); update investors claims analysis (2.0); meet with AUSA regarding case issues (2.0)	11.00	2,750.00
06/15/00 RN	USCS-Pensacola-input data; prepare reports; assist in preparation of material for presentation to AUSA.	8.70	826.50
MHS	Return travel to Dallas including continued review of documents, notes and discussion with MQuilling (6.0)	6.00	1,500.00
06/16/00 RN	USCS-Pensacola-input data; prepare reports; assist in preparation of material for presentation to AUSA.	7.90	750.50
06/17/00 RN	Review and mark copy of database for matching of funds moved between accounts	7.80	741.00
06/18/00 RN	Continue matching of debits and credits for cross referencing accounts	5.10	484.50
06/19/00 RN	USCS-Pensacola-input data; prepare reports; assist in preparation of material for presentation to AUSA.	11.80	1,121.00
MHS	Travel to Pensacola FL including review of bank		

		Hours	
	account spreadsheets and investor information (6.0); continue review of investor and updates to claims analysis (4.0)	10.00	2,500.00
06/20/00 RN	USCS-Pensacola-input data; prepare reports; assist in preparation of material for presentation to AUSA.	5.20	494.00
MHS	Continue review of records at Customs office (3.0); prepare for presentation regarding Hammersmith and Microfund programs (5.0); preparation of schedules of assets to be siezed (2.0)	10.00	2,500.00
06/21/00 MHS	Return travel to Dallas including review of finanacial analyses to identify bank accounts to be seized (6.0)	6.00	1,500.00
06/22/00 RN	Input account data on American Pacific Bank & Trust accounts	7.70	731.50
MHS	Teleconference with DRaibourn regarding analysis of AMPAC documents.	0.30	75.00
MHS	Review notes and analyses regarding Bishara and AMPAC for continued deposition.	4.50	1,125.00
06/23/00 RN	Input data on Ampac accounts; attend David Bishara deposition; attend status hearing	10.30	978.50
MHS	Prepare for and attend status conference and related hearings (2.5); numerous conferences with MQuilling regarding Bishara deposition information (1.0); meeting with AUSA and agents regarding case issues (3.0)	6.50	1,625.00
06/25/00 RN	Prepare summary of funds paid in and funds received for Gunn, including account history for accounts affected by transactions	0.90	85.50
06/26/00 RN	Print out reports for MHS & MJQ meeting with Judge; form and print reports per MHS	2.00	190.00
MHS	Attend chamber conferences with Judge Kaplan (1.5)	1.50	375.00
MHS	Teleconference with DRaibourn regarding records and other case issues.	0.40	100.00
06/27/00 MHS	Teleconference with DRaibourn regarding bank accounts.	0.30	75.00
07/11/00 MHS	Teleconference with DRaibourn regarding money transfers to Hammersmith agents.	0.40	100.00
07/12/00 SR	Print out spreadsheets regarding all Steve Roberts' accounts.	1.00	65.00
07/13/00 MHS	Teleconference with DRaibourn regarding Hammersmith financial records.	0.30	75.00

		Hours	
07/18/00	RN Trip to Pensacola; work at USCS with bank statements; review disks for data.	10.30	978.50
	MHS Travel to Pensacola FL including review of bank account spreadsheets (5.5); continue review of documents sent from US Customs (5.5)	11.00	2,750.00
07/19/00	RN Continue reviewing data disks for content; start new all combined account spreadsheet	9.50	902.50
07/20/00	RN Continue reviewing data disks for content; continue new all combined account spreadsheet.	12.90	1,225.50
	MHS Teleconference with DRaibourn regarding Hammersmith financial records.	0.30	75.00
07/21/00	RN Continue reviewing data disks for content; complete new all combined account spreadsheet; cut copies of CD's requested.	12.60	1,197.00
07/27/00	RN Complete Roberts dba FRG spreadsheets on Woodhollow Bank	1.00	95.00
07/31/00	MHS Prepare for meeting with Steve Roberts including review of documents and financial records (1.3); meeting with Steve Roberts regarding case issues (2.5)	3.80	950.00
08/02/00	DR Copy and sort tracing analysis.	1.00	35.00
	RN Begin tracing analysis.	2.80	266.00
08/03/00	RN Continue tracing analysis.	4.10	389.50
08/06/00	RN Travel time - Dallas to Pensacola	6.50	617.50
08/07/00	RN USCS - Pensacola - review material, fill in blanks in spreadsheets, input new account data	8.00	760.00
08/08/00	RN USCS - Pensacola - review material, fill in blanks in spreadsheets, input new account data	7.80	741.00
08/09/00	RN USCS - Pensacola - review material, fill in blanks in spreadsheets, input new account data	7.40	703.00
08/10/00	RN USCS - Pensacola - review material, fill in blanks in spreadsheets, input new account data	7.30	693.50
08/11/00	RN USCS - Pensacola - review material, fill in blanks in spreadsheets, input new account data, review data on computer server	10.50	997.50
08/12/00	RN USCS - Pensacola - review data on computer server	9.70	921.50
08/14/00	MHS Attend deposition of VSmith regarding formation and operation of MVP Network, etal (3.5); conferences with BBrunig and MQuilling (1.5)	5.00	1,250.00

	Hours	
08/15/00 MHS Attend deposition of MABouce including conferences with counsel regarding settlement criteria (3.0)	3.00	750.00
08/16/00 MHS Conferences with MQuilling, BBrunig and DRaibourn regarding status of case and strategy.	1.50	375.00
08/24/00 MHS Attend hearing on litigation budget, litigation status and procedures for case administration.	1.00	250.00
	<hr/>	<hr/>
For Current Services Rendered	1262.50	
		171,715.50

Timekeeper	Recapitulation Hours	Rate	Total
Milo H. Segner, Jr.	370.60	\$250.00	\$92,650.00
Kevin Morrison	11.60	120.00	1,392.00
Reed Nordyke	706.50	95.00	67,117.50
Diana Ronquillo	24.70	35.00	864.50
Scott Reese	149.10	65.00	9,691.50

Expenses

01/26/00	Mileage	2.70
01/26/00	Miscellaneous Expense. Supplies	23.79
01/27/00	Mileage	0.60
02/01/00	Delivery Service for On Time Couriers for immediate service.	15.00
02/06/00	Miscellaneous Expense. Supplies	54.09
02/07/00	Mileage	4.80
02/07/00	Parking.	36.00
02/07/00	Travel to Pensacola FL for MHS.	883.00
02/07/00	Travel for RNordyke to Pensacola FL.	883.00
02/08/00	Mileage	4.80
02/09/00	Lodging in Pensacola Grand Hotel in Pensacola FL for MHS.	493.71
03/11/00	Expenses at Office Depot for disk, Zip by Reed Nordyke.	259.78
03/14/00	Delivery Service by Fed Ex to Roger Cox.	18.45
03/16/00	Delivery Service by On Time Couriers for one hour delivery.	3.00
03/24/00	Expenses. Supplies	16.22
03/24/00	Expenses. Supplies	49.90
03/31/00	Postage.	6.20
03/31/00	Photocopies for 1/00 through 3/31.	170.80
04/05/00	Airfare to Denver for MHS.	693.00
04/05/00	Auto Rental for Reed Nordyke til 4/15/00.	790.83
04/06/00	Miscellaneous Expense for gas in Pensacola, FL.	89.96
04/06/00	Business Meals for MHS in Denver CO.	11.75
04/07/00	Lodging in Denver CO for MHS.	266.32

04/08/00	Lodging for Reed Nordyke til 04/14/00 in Pensacola, FL.	245.22
04/10/00	Travel to Pensacola FL for MHS from 4/10 to 4/14.	1,604.00
04/11/00	Business Meals for Reed Nordyke in Pensacola, FL.	21.26
04/12/00	Business Meal in Pensacola FL.	74.00
04/12/00	Lodging in Pensacola FL for MHS.	383.68
04/13/00	Business Meals for Reed Nordyke in Pensacola, FL.	21.26
04/14/00	Parking at DFW Airport.	56.00
04/19/00	Delivery Service by On Time Couriers for one hour service.	3.00
04/19/00	Taxi & Tolls.	30.00
04/20/00	Travel to Charlotte, NC. for MHS.	1,260.00
04/20/00	Business Meal for MHS, MJQ and DR in Charlotte, NC.	100.81
04/20/00	Business Meals for MHS in Charlotte NC.	25.00
04/20/00	Taxi & Tolls.	22.00
04/20/00	Taxi & Tolls.	23.00
04/20/00	Lodging in Charlotte NC for MHS.	121.63
04/20/00	Business Meal in Charlotte NC.	93.81
04/20/00	Business Meal in Pensacola FL for MHS.	21.00
04/21/00	Business Meal in Charlotte NC for MHS.	3.83
04/21/00	Parking at DFW airport.	17.00
04/25/00	Travel to Springfield MO for MHS from 04/25/00 to 04/26/00.	803.00
04/25/00	Business Meals for MHS in Springfield, MO.	8.79
04/25/00	Parking at DFW airport.	12.00
04/25/00	Miscellaneous Expense. Supplies.	54.05
04/26/00	Travel to Pensacola FL from 04/26/00 to 04/27/00 for MHS.	1,102.00
04/27/00	Parking at DFW airport.	12.00
05/01/00	Travel to Pensacola FL for RN from 5/1 to 5/5.	933.00
05/02/00	Delivery Service by Fed Ex to US Customs Service.	75.28
05/03/00	Travel to Pensacola FL for MHS from 5/3 to 5/9.	1,604.00
05/03/00	Business Meals in Pensacola FL.	44.00
05/03/00	Business Meals in Pensacola FL.	137.60
05/05/00	Business Meals in Pensacola FL.	174.68
05/05/00	Business Meal in Pensacola FL.	42.74
05/09/00	Business Meal in Pensacola FL.	4.00
05/09/00	Business Meal in Pensacola FL.	8.25
05/11/00	Delivery Service by Fed Ex to US Attorney's Office.	18.34
05/11/00	Delivery Service by Fed Ex to US Customs Service.	18.34
05/29/00	Business Meals for MSegner, DRaibourn, MQuilling and RNordyke in Pensacola, FL.	123.48
05/29/00	Business Meal for MSegner in Pensacola FL.	16.00
05/30/00	Travel to Pensacola FL for RN from 5/29 through 6/2.	1,198.00
05/31/00	Travel to Pensacola FL for MHS from 5/29 through 6/2.	1,198.00
05/31/00	Business Meals for MSegner, DRaibourn, MQuilling and RNordyke in Pensacola, FL.	127.13
06/01/00	Business Meal for MSegner in Pensacola, FL.	22.18
06/02/00	Auto Rental for MSegner, DRaibourn and MQuilling in Pensacola, FL.	299.75
06/02/00	Parking in DFW airport.	60.00
06/02/00	Business Meal for MSegner in Pensacola, FL.	12.25



06/02/00	Business Meal for MSegner in Pensacola, FL.	8.00
06/05/00	Lodging in Pensacola FL for MHS and RN from 5/29 through 6/1.	963.60
06/10/00	Auto Rental for Reed Nordyke in Pensacola from 06/10/00 to 06/26/00.	902.56
06/10/00	Lodging for Reed Nordyke in Pensacola from 06/10/00 to 06/26/00.	408.70
06/10/00	Business Meals for Reed Nordyke in Pensacola from 06/10/00 to 06/26/00.	48.00
06/10/00	Travel for Reed Nordyke for fuel in Pensacola from 06/10/00 to 06/26/00.	90.90
06/11/00	Travel to New Orleans for MHS from 6/11 to 6/15.	259.00
06/11/00	Business Meals for MSegner, MQuilling, DRaibourn, and RNordyke in Pensacola, FL.	116.50
06/12/00	Business Meals for MSegner, MQuilling, DRaibourn and RNordyke in Pensacola FL.	118.48
06/15/00	Business Meal for MSegner in Pensacola, FL.	9.00
06/15/00	Business Meal for MSegner, MQuilling, RNordyke, DRaibourn in Pensacola, FL.	62.96
06/17/00	Business Meal for MSegner in Pensacola, FL.	35.77
06/17/00	Business Meals for MSegner, MQuilling, DRaibourn, and RNordyke in Pensacola, FL.	108.00
06/20/00	Business Meals MSegner, MQuilling, DRaibourn, RNordyke in Pensacola, FL.	116.50
06/21/00	Travel to Pensacola FL for MHS and D.Raibourn from 6/21 to 6/25	1,312.00
06/21/00	Auto Rental for MSegner, MQuilling, DRaibourn in Pensacola, FL.	630.51
06/21/00	Parking at DFW airport.	128.00
06/21/00	Lodging in Pensacola FL for MSegner from 6/9 to 6/20.	1,011.80
06/22/00	Business Meal.	43.62
06/23/00	Business Meals MSegner, MQuilling, DRaibourn and Pensacola agents.	137.92
06/30/00	Telephone-long distance for the month of June.	1.08
07/18/00	Parking at DFW airport for Reed Nordyke.	48.00
07/19/00	Business Meals for Reed Nordyke in Pensacola.	32.91
07/19/00	Business Meals for Reed Nordyke in Pensacola.	8.28
07/20/00	Miscellaneous Expense for Reed Nordyke for computer software.	333.22
07/21/00	Lodging for Reed Nordyke in Pensacola.	305.68
08/04/00	Miscellaneous Expense. Supplies	86.59
08/05/00	Auto Rental for Reed Nordyke in Pensacola.	572.47
08/06/00	Expenses for gas for Reed Nordyke while in Pensacola.	70.40
08/06/00	Business Meals for Reed Nordyke from 08/06 to 08/13/00 while in Pensacola.	43.18
08/06/00	Lodging for Reed Nordyke from 08/06 to 08/13/00 while in Pensacola.	323.82
08/31/00	Photocopies for 3/00 through 8/00.	470.80
	Total Expenses	25,821.31
	Total Current Work	197,536.81

Funding Resource Group

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09/05/00

Account No: 13-00900M

Invoice No: 1127

Balance Due

\$197,536.81

Due and payable upon receipt