

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
COURT
TEXAS
MAR - 9 2001
CLERK, U.S. DISTRICT COURT
By _____ Deputy

[illegible]

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

FUNDING RESOURCE GROUP, a/k/a FRG Trust, et al,

and

Defendants Solely for Purposes of Equitable Relief.

THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling (“Receiver”) and files this his Unopposed Motion to Establish Procedures Regarding Cord/Winterhawk Claims and in support of such would respectfully show unto the Court as follows:

1. On November 13, 1998 the United States and Securities and Exchange Commission (“SEC”) initiated these proceedings and, in connection herewith, requested the appointment of a Receiver as to the Defendants and Equity Relief Defendants named in the Complaint at that time. By Order dated November 13, 1998 Michael J. Quilling was appointed as Receiver and he has continued to function in that capacity since that time.

2. On January 12, 2001 the Receiver filed his Unopposed Motion to Establish Claim Procedures and to Approve Claim Form. On January 17, 2001 the Court entered its Order Regarding Claim Procedures and Claim Form ("Claim Form Order") pursuant to which March 31, 2001 was established as the deadline by which time claimants had to submit a completed Claim Form to the Receiver.

3. Although there are a large number of individual and entities and although Orders of the Court have always treated the case as one big receivership estate, from the Receiver's perspective, the case really consists of four distinct groups, each of which comprise a separate receivership estate. They are as follows:

I. Cord/Winterhawk

This estate is comprised of the assets and recoveries traceable to Robert Cord a/k/a Robert F. Schoonover, Jr. and Winterhawk West Indies, Ltd.

II. Funding Resource Group

This estate is comprised of the assets and recoveries traceable to Funding Resource Group, Funding Resource Group, Inc. , Funding Resource Group, Inc. Trust, FMCI Trust, Funders Marketing Company, Inc., MVP Network, Inc., MVP Network Trust, Fortune Investments, Ltd., Treds Financial Trust, Steve Roberts, Raymond Parr, Quentin Hix, Gene Coulter, Vearl Smith, Earl McKinney, Don Hicks, Carl Weaver Mary Ann Bauce.

III. Howe Financial Trust

This estate is comprised of the assets and recoveries traceable to Howe Financial Trust.

IV. Hammersmith Trust

This estate is comprised of the assets and recoveries traceable to Hammersmith Trust, L.L.C. (both Tennessee and Nevis, West Indies) Hammersmith Trust, Ltd., Bridgeport Alliance, L.L.C., and Land fair Custodial Services, Inc., Microfund, L.L.C., American Pacific Bank & Trust, Inc., Eurofund Investments, Inc., B. David Gilliland and Melody Rose.

4. In order to move forward with distribution of funds held by the Receiver, the Receiver has sought an Order from this Court recognizing that this case actually involves four distinct receivership estates each of which have different claimants and each of which have different funds to ultimately disburse¹. This Motion is dependent upon the Court's entry of an Order designating the four different estates described above.

5. Since the Court entered the Claim Form Order the Receiver has sent a claim form to all known possible claimants of the Cord/Winterhawk receivership estate and has worked diligently to resolve all Cord/Winterhawk claims². Despite such efforts, it is possible that the Receiver may not be able to resolve all Cord/Winterhawk claims received. Accordingly, so as to allow the claim resolution process and ultimate distributions to proceed as smoothly and as quickly as possible, the Receiver proposes that the Court enter an order establishing the following deadlines and procedures:

- The Receiver shall file a written statement on or before April 10, 2001 of each individual/entity holding an allowed claim (a claim to which the Receiver does not object) against Cord/Winterhawk and shall state the amount of the allowed claim.

¹Contemporaneous with the filing of this Motion, the Receiver has also filed a Motion to Designate Receivership Estates.

²The claim form has been sent to all claimants of each of the four proposed receivership estates. However, for the purposes of this Motion, the Receiver assumes the Court will agree as to the proposed designation of different estates.


- The Receiver shall file his written objections to Cord/Winterhawk claims, if any, on or before April 10, 2001.
- The objections to claims shall be served upon the SEC, counsel of record for the Defendants in these proceedings and the individual/entity (or counsel, if any) to which the objection relates.
- Each individual/entity having a claim objected to by the Receiver shall file with the Court and serve upon the Receiver a written response on or before April 25, 2001.
- A hearing will be held on Friday, April 27, 2001 at 9:00 a.m. at which time the Court shall consider and rule upon the Receiver's objections to Cord/Winterhawk claims. Any individual/entity desiring to present evidence or argument in response to the Receiver's objection must personally appear before the Court at the time of the hearing. If no personal appearance is made then the Court will only consider any written response filed by the April 25, 2001 deadline.
- At the conclusion of the April 27, 2001 hearing, the Court will enter an Order setting forth the identity of each holder of an allowed claim against the Cord/Winterhawk estate as well as the amount of the allowed claim.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final hearing and consideration of this matter that the Court enter an Order consistent with the foregoing and consistent with whatever the Court's schedule will allow 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.

By:




Michael J. Quilling
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ATTORNEYS FOR THE RECEIVER

CERTIFICATE OF CONFERENCE

I certify that prior to filing this Motion I conferred with Bob Brunig of the SEC and he does not oppose the Motion. None of the Defendants represented by counsel are affected by the Motion and it is presumed they do not oppose it. Accordingly, the Motion is presented as unopposed.



Michael J. Quilling

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I hereby certify that on the 9th day of March, 2001 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
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This Motion will also be posted on the Receiver's website www.receiver.com immediately after filing.



Michael J. Quilling