

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED

COURT
TEXAS

JUN - 4 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.

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling ("Receiver"), the Receiver appointed in these proceedings, and files this his Unopposed Motion to Allow Reimbursement of Expenses and in support of such and would respectfully show unto the Court as follows:

1. On November 13, 1998 the United States Securities and Exchange Commission ("SEC") initiated these proceedings and, in connection therewith, requested the appointment of a receiver. By Order dated November 13, 1998, Michael J. Quilling was appointed Receiver and he continues to function in that capacity since that time.

2. On November 30, 1998 the Court held a hearing to determine whether the receivership should remain in place. After hearing evidence and argument, the Court made the

receivership and the appointment of the Receiver permanent for the duration of these proceedings, all as set forth in the Court's Order of January 12, 1999.

3. On July 23, 1999 the Court issued an Order expanding the receivership as to additional individuals and entities and appointed Michael J. Quilling to act as Receiver.

4. As authorized by each of the Orders appointing him as Receiver, the Receiver has employed attorneys to assist him with the conduct of his duties and responsibilities. During the course of these proceedings, the Receiver has filed eleven interim fee applications, each of which were approved by the Court. In its Order of January 5, 2001 wherein the Court approved the Receiver's Eleventh Interim Fee Application, the Court indicated that it would not approve any further fee applications "until such time as a procedure had been approved for the disbursement of proceeds to defrauded investors and such disbursements had commenced." However, the Court indicated it would continue to consider reimbursement of expenses.

5. This Motion seeks recovery of out-of-pocket expenses in the Main Case (Civil Action No. 3:98-CV-2689-M) from March 1, 2001 through May 31, 2001 which total in the aggregate \$22,813.44. Set forth below is a month-by-month breakdown of the requested expenses as to each of the four different receivership estates.

EXPENSES

	<u>March, 2001</u>	<u>April, 2001</u>	<u>May, 2001</u>
Cord	\$ -0-	-0-	-0-
Funding	\$ 3,417.48	946.13	807.88
Howe	\$ 7,475.56	3,624.59	143.65
Hammersmith	\$ <u>62.98</u>	<u>4,002.98</u>	<u>2,332.19</u>
	\$ 10,956.02	8,573.70	3,283.72

Grand total requested — \$22,813.44

Attached hereto as Exhibit A is a detailed itemization of the requested expenses. Receipts are attached for those items which exceed \$500.00. If approved, the expenses will be paid by the Receiver from funds in the respective receivership estates as indicated above.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final hearing and consideration of this Motion that the Court allow the Receiver to reimburse the out-of-pocket expenses as set forth above, and for such other and further relief, both general and special, at law or in equity, to which the Receiver may show himself justly entitled.

Respectfully submitted,

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

By: 

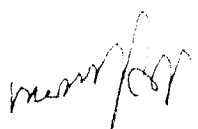
Michael J. Quilling
State Bar No. 16432300

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

ATTORNEYS FOR THE RECEIVER

CERTIFICATE OF CONFERENCE

I certify that prior to filing this Motion I conferred with Bob Brunig of the SEC who does not oppose the Motion. It is not anticipated that any of the other Defendants will oppose the Motion.


Michael J. Quilling

CERTIFICATE OF SERVICE

I hereby certify that on the 4th day of June, 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
Fort Worth, Texas 76102

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

Raymond Parr
15455 Point Northwest Blvd., Apt. #507
Houston, Texas 77095

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

This Motion will also be posted on the Receiver's website www.receiver.com immediately after filing.



Michael J. Quilling