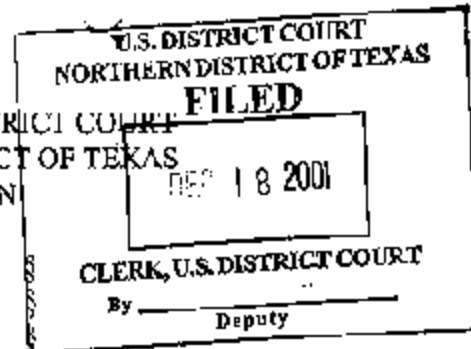


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

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

Defendants,

and

HOWE FINANCIAL TRUST, an Indiana corporation,
et al,

Defendants Solely for Purposes
of Equitable Relief.

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

MOTION TO APPROVE HANDLING OF UNCASHED CHECKS
(Cord/Winterhawk Receivership Estate)

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling ("Receiver"), and files this his Motion to Approve Handling of Uncashed Checks and in support of such would show unto the Court as follows:

1. On November 13, 1998, the Securities and Exchange Commission ("SEC") initiated these proceeding and, thereafter, Michael J. Quilling was appointed was Receiver.
2. On March 12, 2001, the Court issued its Order designating four different receivership estates within this case. One of the estates established was the Cord/Winterhawk receivership estate.
3. On July 3, 2001 the Receiver filed his Final Report and Proposed Distribution Plan as to the Cord/Winterhawk receivership estate, which Plan was subsequently approved by Judge

Kaplan in Findings and Recommendations dated August 17, 2001, and by virtue of an Order issued by Judge Lynn on September 7, 2001.

4. On September 14, 2001 the Receiver mailed final distributions checks to each holder of an allowed claim against the Cord/Winterhawk receivership estate. Each distribution check plainly stated on its face that it would be void unless cashed within 45 days. As of the date of the filing of this Motion two checks remain uncashed, to-wit: Check No. 5042 in the amount of \$405.66 payable to Yashanad Mhaskar and Check No. 5039 in the amount of \$896.17 payable to Paul Tinsley. Each of the forgoing checks were sent by the Receiver to purported counsel for each of the individuals, John Sherman.

5. The Receiver's staff has attempted to determine why each of the checks have not been cashed and has learned that with respect to Mr. Mhaskar that Mr. Sherman has not forwarded the check to him because Mr. Sherman believes that Mr. Mhaskar owes him approximately \$54.00. The Receiver requests that he be allowed to issue a new check directly payable to Mr. Mhaskar and send it to him for immediate cashing. As to Mr. Tinsley, the Receiver is advised that Mr. Sherman's office is unable to locate Mr. Tinsley. The Receiver does not know the location of Mr. Tinsley and does not believe it appropriate to continue wasting time to attempt to locate him given the small amount of the check. Despite the existence of these proceedings over several years, Mr. Tinsley has never appeared in the case other than through counsel. Accordingly, the Receiver believes that it would be appropriate to forfeit Mr. Tinsley's funds and have them paid into the Funding Resources receivership estate. In the alternative, the funds can be paid into the registry of this Court.

6. Until and unless some resolution of each of the foregoing uncashed checks is determined, the Cord/Winterhawk receivership estate cannot be closed.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final hearing and consideration of this matter that the Court authorize the Receiver to issue a new check and send it to Mr. Mbaskar and to pay any funds otherwise belonging to Mr. Tinsley into the Funding Resources receivership estate and for such other and further relief, general or special, at law or in equity, to which the Receiver and QSC&L may show themselves justly entitled.

Respectfully submitted,

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

2001 Bryan Street, Suite 1800

Dallas, Texas 75201

(214) 871-2100 (Telephone)

(214) 871-2111 (Facsimile)

By: 

Michael J. Quilling

State Bar No. 16432300

ATTORNEYS FOR RECEIVER

CERTIFICATE OF CONFERENCE

I hereby certify that I have discussed the foregoing Motion with Bob Brunig of the SEC and he does not oppose it. None of the other named defendants in the case are affected by this matter and it is presumed that they do not oppose it. I am advised that Mr. Sherman is ill and is unavailable to discuss the matter. It is presumed that he opposes the matter.


Michael J. Quilling

CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of December, 2001 a true and correct copy of the foregoing document was served via first class mail, postage pre-paid, on:

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

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

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

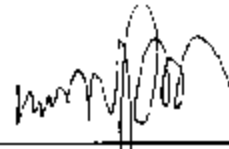
Dan R. Waller
Secore & Waller, LLC
13355 Noel Road, Suite 2290
Dallas, Texas 75240

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

John Sherman
1214 Texas Avenue, Suite 1410
Houston, Texas 77002

Yashanad Mhaskar
1602 West Glenn Avenue
Springfield, IL 62704

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



Michael J. Quilling