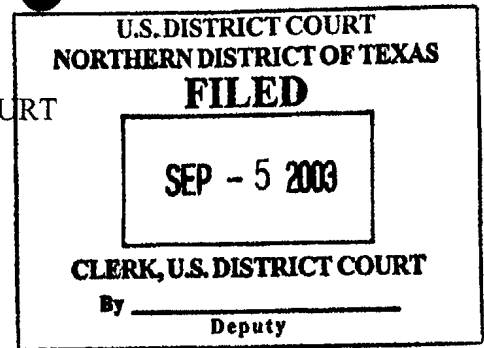


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ORIGINAL

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

**FINDINGS AND RECOMMENDATION OF THE
UNITED STATES MAGISTRATE JUDGE**

Michael J. Quilling, as Receiver for Funding Resource Group and related entities, has filed a motion to close the Funding Resource Group Estate. According to the Receiver, final distribution checks have been sent to each holder of an allowed claim, most of the checks have been cashed,¹ and all matters relating to the Estate have been concluded.

The Receiver was ordered to post a copy of this motion on his website with instructions to all interested parties that any objections must be filed by August 22, 2003. No objections have been received by the Receiver or the court. A hearing was held on September 5, 2003. The Receiver notified all interested parties of this hearing by posting notice on his website. No one appeared at the hearing or otherwise objected to the motion. The Securities and Exchange Commission, through its regional counsel, has consented to the relief sought.

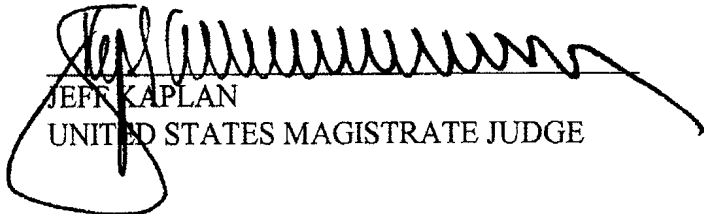
¹ Final distribution checks sent to four claimants totaling \$780.76 have either been returned to the Receiver, unclaimed, or uncashed. By separate order this date, the Receiver has been authorized to pay these unclaimed funds into the registry of the court.

The magistrate judge finds that all matters relating to the Funding Resource Group Estate have been concluded that this Estate should be closed. Accordingly, the following orders should be entered in this cause:

1. The Funding Resource Group Estate should be closed to any further proceedings and the Receiver should be discharged from any further service or responsibility to the Estate;
2. The bond posted by the Receiver should be released, but only insofar as it relates to the Funding Resource Group Estate;
3. The Receiver should be authorized to abandon and destroy all records relating to the Funding Resource Group Estate; and
4. The Receiver should be authorized to pay \$4,999.95 to the law firm of Quilling, Selander, Cummiskey & Lownds, P.C. to cover legal fees and expenses.

The Receiver is ordered to post a copy of this report and recommendation on his website, www.secreceiver.com. Any claimant or interested party may file written objections to this recommendation by **September 19, 2003**. The failure to file written objections shall bar the aggrieved party from appealing the factual findings and legal conclusions of the magistrate judge that are accepted or adopted by the district court, except upon grounds of plain error or manifest injustice. *See Douglass v. United Services Automobile Ass'n*, 79 F.3d 1415, 1417 (5th Cir. 1996).

DATED: September 5, 2003.


JEFF KAPLAN
UNITED STATES MAGISTRATE JUDGE