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so as reflected in an Order dated January 11, 1999. Michael J. Quilling has served in that capacity since that time.

2. After the receivership was made permanent by virtue of the hearing on November 30, 1998, the Receiver met with representatives of Howe Financial Trust and determined that it had “loaned” \$2.745 million to Hammersmith Trust. Thereafter, the Receiver met with representatives of Hammersmith Trust to agree upon a repayment schedule. Despite reaching an agreement, Hammersmith Trust failed to pay the Receiver as agreed. Accordingly, on January 21, 1999 the Receiver filed a Declaration in which he requested that the Court extend the receivership as to Hammersmith Trust which the Court did by Order dated January 22, 1999. On that same day, the United States Customs Service and the FBI served a search warrant on the offices of Hammersmith Trust located in Destin, Florida and seized all books and records. On February 9, 1999 the Court issued an Order Allowing Inspection and Copying of Records, requiring that the United States Customs Service allow the Receiver access to all seized documents, electronic media and related materials. Those materials total in excess of 50,000 pages.

3. After the Receiver’s preliminary review of the books and records of Hammersmith Trust, it was his opinion that the “investment programs” being operated by Hammersmith Trust and related companies and individuals were fraudulent. Accordingly, on March 11, 1999 the Receiver filed a Declaration with the Court and requested that the receivership be extended as to those entities and individuals. By Order dated March 11, 1999 the Court extended the receivership and scheduled a hearing on the issue for March 22, 1999. Thereafter, a number of parties filed papers with the Court contesting the receivership as to them. However, at the time of the scheduled hearing, the parties announced to the Court that an agreement regarding a specific schedule of repayment of the monies owed by Hammersmith Trust to Howe Financial Trust had been reached which the parties

wanted to incorporate into a court order. Accordingly, on March 26, 1999 the Court entered an Agreed Order Modifying and Abating Orders of January 21, 1999 and March 11, 1999 Freezing Assets and Appointing Temporary Receiver.

4. Thereafter, Hammersmith Trust and its related entities were supposed to make payments to the Receiver which it did not. In addition, one of the entities, Landfair Custodial Services, Inc., was to return all the investor funds which it held to the investors which deposited them. Payments in the amount of \$1,500,000 were made directly to the investors by Landfair Custodial Services, Inc. as a result of the Receiver's actions.

5. As a result of the failure of Hammersmith Trust and its related entities to pay the Receiver as ordered, on July 23, 1999 the Court entered its Order Freezing Assets, Reinstating Appointment of Receiver and Authorizing Expedited Discovery pursuant to which Hammersmith Trust, L.L.C. (Tennessee and West Indies), Hammersmith Trust, Ltd., Bridgeport Alliance L.L.C., Landfair Custodial Services, Inc., Microfund L.L.C., American Pacific Bank and Trust, Inc. Eurofund Investments, Inc., B. David Gilliland and Melody Rose were put into receivership.

6. Throughout the time the foregoing orders were being sought as to the Hammersmith Trust related entities, the Receiver continued his efforts to identify and liquidate the assets of all of the other defendants and equity relief defendants. After being appointed Receiver for the Hammersmith Trust related entities, he began focusing on identifying and liquidating those assets as well. As his efforts progressed, it became evident that the massive receivership estate needed to be divided into several distinct receivership estates.

7. On March 9, 2001 the Receiver filed his Unopposed Motion to Designate Receivership Estates. By Order entered March 13, 2001 the Court established four different receivership estates with respect to these proceedings. One of those established is the Hammersmith

Trust Receivership Estate. It is comprised of the assets and claims with respect to Hammersmith Trust, L.L.C. (both Tennessee and Nevis, West Indies), Hammersmith Trust, Ltd., Bridgeport Alliance, L.L.C., Landfair Custodial Services, Inc., Microfund, L.L.C., American Pacific Bank & Trust, Inc., Eurofund Investments, Inc., B. David Gilliland and Melody Rose.<sup>1</sup>

8. On January 12, 2001, the Receiver filed his Unopposed Motion to Establish Claim Procedures and to Approve Claim Form. By Order entered January 17, 2001 the Court approved an official claim form to be used in these proceedings and established procedures by which claims would be processed by the Receiver. The deadline for submitting the claim form to the Receiver was established as March 31, 2001.

9. On April 15, 2004 the Receiver filed his Statement of Allowed Claims filed against the Hammersmith Trust Receivership Estate and his Objections to Claims (Hammersmith Trust Receivership Estate). After the hearing held on May 27, 2004 to consider the Receiver's Objections to Claims, on May 27, 2004 Judge Kaplan issued Findings of Fact and Recommendations which were adopted by the Court by Order dated August 20, 2004. By virtue of these rulings, all allowed claims against the Hammersmith Trust Receivership Estate were established. The case is now ready to be closed.

#### **Assets Liquidated and Liabilities Paid**

10. In addition to the direct payments by Landfair Custodial Services, Inc. to its investors at the direction of the Receiver, since his appointment, the Receiver has taken possession of various assets of one or more of the entities and individuals subject to the Hammersmith Trust Receivership

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<sup>1</sup> During the course of these receivership proceedings, a number of individuals associated with its operation were tried and convicted by the United States in Pensacola, Florida. As part of the sentencing and restitution orders, the Court ordered that Michael J. Quilling be appointed restitution receiver and that such funds be paid to him and distributed to victims as part of these proceedings. Accordingly, those payments are also included within the receivership estate.

Estate. All such physical assets have been liquidated to cash and all outstanding liabilities relating to them have been paid. In addition, as set forth more particularly below, the Receiver instituted and prosecuted several different lawsuits against numerous individuals and entities designed to recover funds which could be disbursed to victims of the Hammersmith Trust financial scam.

11. Attached hereto as Exhibit "1" and incorporated herein by reference is a Summary of Cash Receipts and Disbursements into and out of the Hammersmith Trust Receivership Estate through September 15, 2004. Attached hereto as Exhibit "2" and incorporated herein by reference is a Detail of Cash Receipts and Disbursements which is a detailed statement of the categories identified on Exhibit "1". As indicated on Exhibit "1" and as discussed below there are legal fees outstanding to the Receiver's law firm.

#### **Litigation Prosecuted and Concluded**

12. In his capacity as Receiver, the Receiver initiated and prosecuted the following litigation and in connection therewith, obtained the results indicated. The cost of the litigation, both in terms of fees and expenses to the Receiver and his law firm as well as to other counsel (where applicable) is indicated.

- (A) *Michael J. Quilling, Receiver for Hammersmith Trust, LLC, Microfund, LLC and B. David Gilliland v. Melody Wolcott Gilliland*; Cause No. 3:01-CV-1617-BD before the United States District Court for the Northern District of Texas.
- i. general description: lawsuit to recover fraudulent transfers to former wife of David Gilliland.
  - ii. results achieved: judgment in the amount of \$266,790.00 plus post-judgment interest and costs; released as part of settlement of lawsuit described in paragraph B.
  - iii. cost of litigation: \$11,832.07.

- (B) *Michael J. Quilling, Receiver for Hammersmith Trust, LLC, et al. v. The Wolcott Lifetime Trust and Jeffrey D. Saxon, Jr.*; Cause No. 1:00-CV-826 before the United States District Court for the Western District of Michigan.
- i. general description: lawsuit to clear and obtain title to real property purchased with funds from defrauded Hammersmith investors; hotly contested litigation opposed by group of banks with mortgages against the property.
  - ii. results achieved: settlement of \$150,000.00 paid to receivership estate.
  - iii. cost of litigation: \$188,246.60 - QSCL  
\$25,778.24 - Smith Haughey, et al.
- (C) *Michael J. Quilling, Receiver for Hammersmith Trust, LLC v. Douglas M. West Trust*; Cause No. 3:00-CV-1976-M before the United States District Court for the Northern District of Texas.
- i. general description: lawsuit to recover fraudulent transfers to father of Bill West, owner of Bridgeport Alliance.
  - ii. results achieved: settlement in the amount of \$410,000 paid to receivership estate and release of any claims.
  - iii. cost of litigation: \$3,649.20.
- (D) *Granite Holdings, LLC, et al. v. David Johnson*; Cause No. 00-209-G/V before the United States District Court for the Western District of Tennessee.
- i. general description: legal malpractice lawsuit brought by a group of Hammersmith Trust investors and the Receiver against Memphis attorney David Johnson for his role as trustee and counsel for Hammersmith Trust.
  - ii. results achieved: settlement in the amount of \$600,000.00 paid to the receivership estate and release of any claims.
  - iii. cost of litigation: \$43,910.99 - QSCL  
\$119,386.48 - Borod & Kramer
- (E) *National Union Fire Insurance Co. v. United States Holdings, LLC*; Cause No. 01-0657-PHX-JWS before the United States District Court, Arizona District.
- i. general description: lawsuit brought by insurance company to rescind bond coverage and counterclaim by the Receiver to recover under bonds.

- ii. results achieved: settlement in the amount of \$764,400.00 paid to the receivership estate.
  - iii. cost of litigation: \$48,016.21 - QSCL  
\$64,725.22 - Holden Brodman
- (F) *Michael J. Quilling, Receiver for Hammersmith Trust, LLC and Microfund, LLC v. Anthony D. Cupini and Cadet Holdings*; Cause No. 3:00-CV-2258-M before the United States District Court for the Northern District of Texas.
- i. general description: lawsuit to recover fees paid to an agent/broker for Hammersmith Trust and Microfund programs.
  - ii. results achieved: settlement in the amount of \$50,000.00 paid to the receivership estate and release of any claims.
  - iii. cost of litigation: \$43,643.56
- (G) (a) *Michael J. Quilling, Receiver for Hammersmith Trust, LLC, et al. v. Jerrold L. Gunn, et al.*; Cause No. 3:00-CV-1318-M and (b) *Michael J. Quilling, Receiver for Hammersmith Trust, LLC, et al. v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*; Cause No. 3:01-CV-0177-M before the United States District Court for the Northern District of Texas.
- i. general description: lawsuit to recover fraudulent transfers from counsel for Hammersmith Trust.
  - ii. results achieved: judgment in the amount of \$10,000,000.00 obtained against Gunn; Merrill Lynch account garnished and \$77,277.85 recovered from the account and \$84,977.75 as result of contempt motion.
  - iii. cost of litigation: \$42,692.18
- (H) *Michael J. Quilling, Receiver for Hammersmith Trust, LLC, et al. v. Adam Shaw, et al.*; Cause No. 3:00-CV-1405-M before the United States District Court for the Northern District of Texas.
- i. general description: lawsuit to recover broker/agent fees for the Hammersmith Trust and Microfund programs.
  - ii. results achieved: judgments against Murray Stucker (\$156,700.00), Rick Shivell (\$98,377.50); Bancorp Mortgage (\$24,000.00), Chatham International (\$1,693,500.00), Summit Marketing (\$1,170,000.00), Canton & Associates (\$24,000.00), Leon Hurst (\$450,000.00), Thomas McCrimmon (\$415,000.00) and settlements with Michael Klein (\$30,000.00), Simplified

Communications (\$26,993.65), Tom/Linda Smith (\$65,000.00), Greg Skibbee (\$20,000.00), Chris Carlson (\$500.00) and Leon Hurst (\$7,687.71) paid to the receivership estate.

iii. cost of litigation: \$107,726.82

(I) *Michael J. Quilling, Receiver for Microfund, LLC v. Mark D. Talley, et al.*; Cause No. 00-3041-G/BRE before the United States District Court for the Western District of Tennessee.

i. general description: lawsuit for legal malpractice with respect to the Microfund/Luxor program; attempted to intervene in coverage denial lawsuit between carrier and Talley.

ii. results achieved: lawsuit dismissed because of bankruptcy filing and denial of coverage in the insurance action.

iii. cost of litigation: \$11,819.46 - QSCL  
\$38,461.88 - Borod & Kramer

(J) *John Papagni, Pamela L. Albion, Byron W. Bacchi Irrevocable Trust by Eddie M. Bacchi, Trustee, Eddie M. Bacchi & Virginia M. Bacchi 1991 Living Trust by Eddie Bacchi, Trustee, and William L. Bacchi and Terri L. Bacchi Revocable Trust by William L. Bacchi, Trustee v. Hammersmith Trust, LLC, David Gilliland, [Jane Doe] Gilliland, [John Doe] Tsang, [John Doe] Houran and [John Doe] Van Aggol*; Civil Action No.3:00-CV-1065-M before the United States District Court for the Northern District of Texas.

i. general description: lawsuit by various investors in California transferred to Dallas.

ii. results achieved: Agreed Judgment given to each investor.

iii. cost of litigation: \$6,561.58

### **Pending and Unpaid Legal Fees**

13. By virtue of prior fee applications, all fees and expenses owed to the Receiver and his law firm incident to the litigation described in the paragraph above have been approved and paid. In addition, by virtue of prior fee applications, all fees owed to the Receiver and his firm through November 30, 2000 and all expenses owed to the Receiver and his law firm through July 31, 2001

have been paid. Since those dates through September 15, 2004, there are legal fees and expenses in the amount of \$127, 686.48 outstanding which have not yet been considered or approved by the Court. A detail of those fees and expenses is set forth in the Receiver's Final Fee Application filed contemporaneously with this Final Report. As part of this Report, the Receiver requests that the Court consider and authorize payment of such legal fees and expenses.

#### **Allocation of Attorney's Fees to Close Receivership Estate**

14. Even if the request for legal fees set forth above is approved (as is or with modifications), there will still be several items which will require attention by the Receiver and his lawyers. In addition to those items, the Receiver will have to prepare and mail distribution checks, reconcile bank accounts and respond to investor inquiries. The Receiver proposes that the Court allocate \$5,000.00 to cover the cost of addressing those items and conducting the hearing requested in paragraph 17. The Receiver requests that the fees allocated actually be approved and paid at the time of the final hearing requested in paragraph 17.

#### **Proposed Final Distribution Amount**

15. As reflected on Exhibits 1 and 2, through September 15, 2004 the Receiver has \$1,755,966.68 of cash currently available for distribution (\$3,572,954.49 total receipts less \$1,816,987.81 total disbursements). If the request to pay legal fees set forth in this Report and detailed in the Final Fee Application is granted then the amount is reduced to \$1,623,280.20. The Receiver proposes that \$1,623,280.20 be distributed as a final distribution to all persons/entities which hold an allowed claim against the Hammersmith Trust Receivership Estate. On August 20, 2004, the Court entered its Order Approving the Findings and Recommendations of Judge Kaplan regarding claims, as a result of which claims totaling \$28,438,498.00 were approved. Accordingly,

the percentage amount to be paid to each holder of an allowed claim on a final basis is calculated as follows:

$$\frac{\text{Cash Available to Distribute}}{\text{Total Allowed Claims}} = \text{Distribution Percentage}$$

$$\frac{\$ 1,623,280.20}{\$28,438,498.00} = 5.7\%$$

Attached hereto as Exhibit "3" is a schedule which sets forth the amount to be paid to each holder of an allowed claim against the Hammersmith Trust Receivership Estate if the Court approves the foregoing final distribution analysis. As soon as the distribution percentage and amount is approved, the Receiver is ready to begin the issuance of final distribution checks immediately.

16. In connection with making distributions, the Receiver proposes that each distribution check issued by the Receiver will state on its face that it is void unless cashed within forty-five (45) days from the date issued. In light of the claims handling process, the Receiver believes that the proper address for each claimant is known and that no checks will be returned. Therefore, forty-five (45) days should be more than adequate to allow claimants to receive and cash their checks. The Receiver also requests authority to send a letter along with each check to the holders of allowed claims in the form attached hereto as Exhibit "4".

**Record Abandonment, Closure of Estate, Discharge of Receiver  
and Release of Bond**

17. As soon as the Court's calendar will allow after the time by which all distribution checks must be cashed, the Receiver requests that the Court schedule a hearing to consider entry of an Order which:

- Authorizes the Receiver to abandon and destroy all records relating to the Hammersmith Trust Receivership Estate at such time as the Receiver, in his discretion, deems proper;

- Closes the Hammersmith Trust Receivership Estate to any further proceedings, absent good cause shown;
- Discharges the Receiver from any further service or responsibility as to the Hammersmith Trust Receivership Estate;
- Releases the Bond posted by the Receiver in these proceedings insofar as it relates to the Hammersmith Trust Receivership Estate; and
- Approves and authorizes payment of the \$5,000.00 of fees requested in paragraph 14 above.

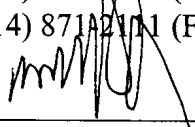
### Summary

18. Since his appointment, the Receiver has caused \$1,500,000.00 to be repaid to investors by Landfair Custodial and has taken possession of and administered cash and other assets totaling \$3,572,954.49 for a total of \$5,072,954.49. The cost of administration totals \$1,949,674.29 or 38% in the aggregate.<sup>2</sup> Of the 38% it can be broken down as legal fees regarding general matters (\$570,197.82 - 12%), legal fees relating to litigation matters (\$760,636.85 - 16%), accounting fees (\$369,476.31 - 8%), miscellaneous and asset expenses (\$116,676.83 - 2%). Each claimant with an allowed claim will receive 5.7% of their claim by virtue of the Receiver's proposed final distribution.

Respectfully submitted,

QUILLING SELANDER CUMMISKEY & LOWNDS, P.C.  
2001 Bryan Street, Suite 1800  
Dallas, Texas 75201  
(214) 871-2100 (Telephone)  
(214) 871-2101 (Facsimile)

BY:

  
\_\_\_\_\_  
Michael J. Quilling  
State Bar No. 16432300

ATTORNEYS FOR RECEIVER

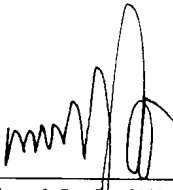
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<sup>2</sup>Assuming all attorney's fees requested herein are approved.

## CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of September, 2004, a true and correct copy of the foregoing document was served via first class mail, postage pre-paid, on the persons set forth below:

Kevin Edmundson  
Securities & Exchange Commission  
801 Cherry Street, 19<sup>th</sup> Floor  
Fort Worth, Texas 76102

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

This report will also be posted on the Receiver's website [www.secreceiver.com](http://www.secreceiver.com) immediately after filing.

# **Exhibit “1”**

CIVIL ACTION NO. 3:98-CV-2689-M  
FUNDING RESOURCE GROUP, ET AL.

**HAMMERSMITH TRUST RECEIVERSHIP ESTATE**

**Summary of Cash Receipts and Disbursements**  
(thru 09/15/04)

**RECEIPTS BY RECEIVER:**

Asset Sales	\$ 84,586.15
Account closures	22,823.93
Refunds	61.00
Miscellaneous	974,863.65
Settlements	2,463,872.99
Interest	<u>26,746.77</u>

\$ 3,572,954.49

**RECOVERIES PAID TO INVESTORS:**

Microfund Investors	<u>\$1,500,000.00</u>
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\$1,500,00.00

**DISBURSEMENTS BY RECEIVER:**

Receivership Asset Expenses	\$ 3,419.83
Miscellaneous	112,999.39
Bank Charges	257.61
Accounting Fees	369,476.31
Legal Fees - QSCL - general	561,175.29
Legal Fees - QSCL - lawsuits	512,285.03
Legal Fees - other counsel - general	9,022.53
Legal Fees - other counsel - lawsuits	248,351.82

<\$1,816,987.81>

**DISBURSEMENTS DIRECTLY TO INVESTORS:**

Microfund Investors	<u>\$1,500,000.00</u>
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<\$1,500,000.00>

**CASH ON HAND:**

\$1,755,966.68

Less Administrative Expenses:

QSCL (requested)

\$127,686.48

QSCL (requested)

5,000.00

**TOTAL CASH AVAILABLE FOR DISTRIBUTION:**

\$1,623,280.20

# **Exhibit “2”**

CIVIL ACTION NO. 3:98-CV-2689-M  
FUNDING RESOURCE GROUP, ET AL

**HAMMERSMITH TRUST RECEIVERSHIP ESTATE**

**Detail of Cash Receipts and Disbursements (09/15/04)**

**RECEIPTS:**

**Asset Sales:**

Bridgeport Alliance furniture	\$ 187.50
Bridgeport Alliance furniture	250.00
Bridgeport Alliance furniture	300.00
Bridgeport Alliance furniture	395.00
Bridgeport Alliance furniture	305.00
Bridgeport Alliance furniture	542.50
Bridgeport Alliance furniture	385.00
Bridgeport Alliance furniture	300.00
Bridgeport Alliance furniture	992.50
Gilliland BMW	47,000.00
EDC Boat	22,528.65
Cobb cars and houses	8,900.00
West artwork	<u>2,500.00</u>

84,586.15

**Account Closures:**

Landfair - AMPAC	\$ 12,332.06
Landfair - SouthTrust	1,000.00
Landfair - First American	4.83
Bridgeport Alliance	193.73
AMPAC accounts	158.25
Sands Point Trust	5,829.34
David Johnson	1,931.06
Bill West - Payne Webber	<u>1,374.66</u>

22,823.93

**Refunds:**

Comerica	\$ 3.00
Comerica	10.00
Comerica	13.00
Comerica	19.00
Comerica	<u>16.00</u>

61.00

**Miscellaneous:**

Gilliland cash	\$ 26.79
Loan Repayment - Southern Consultants	11,700.00
Gunn Merrill Lynch account	84,977.75
Thomas McCrimmon sanctions	2,495.00
Jeffrey Matz bond money	5,070.89
Jeffrey Matz seized funds	23,000.00
U.S. Treasury	502,000.00
Merrill Lynch sanctions	77,277.85
David Bishara restitution	50.00
David Bishara restitution	295.70
David Gilliland restitution	141.00
Witness fee	40.00
David Bishara restitution	220.10
U.S. Treasury	150,000.00
David Bishara restitution	246.38
David Bishara restitution	268.69
David Bishara restitution	253.05
David Bishara restitution	275.47
Chatham Int'l account	3,958.68
David Bishara restitution	270.87
David Bishara restitution	221.38
David Bishara restitution	254.56
David Bishara restitution	236.35
David Bishara restitution	408.06
David Bishara restitution	185.41
Thomas McCrimmon stock	2,330.04
David Bishara restitution	681.00
David Gilliland restitution	731.69
David Bishara restitution	1,238.36
David Bishara restitution	1,561.71
David Bishara restitution	1,802.53
David Bishara Bond	99,590.88
David Bishara restitution	1,312.53

David Bishara restitution	880.01
David Bishara restitution	<u>860.92</u>

974,863.65

**Settlements:**

Bill West	\$ 109,735.00
Sands Point Trust	7,500.00
Michael Klein	30,000.00
Sand Point Trust	160,000.00
Doug West	409,988.50
Sands Point Trust	49,990.00
Simplified Communications	26,993.65
Anthony Cupini	25,000.00
Greg Skibbee	10,000.00
Leon Hurst	7,687.71
Greg Skibbee	5,000.00
Greg Skibbee	5,000.00
Anthony Cupini	15,000.00
Anthony Cupini	10,000.00
Tom/Linda Smith	65,000.00
Old Republic Title	150,000.00
Chris Carlson	500.00
Sands Point Trust	12,078.13
David Johnson	600,000.00
National Union	<u>764,400.00</u>

2,463,872.99

**Interest:**

Microfund money market account	\$ 415.17
Hammersmith money market account	<u>26,331.60</u>

26,746.77

**Total Receipts:**

**\$3,572,954.49**

## DISBURSEMENTS:

### Receivership Asset Expenses:

Shalimar Yacht Basin	\$ 292.56
Shalimar Yacht Basin	292.56
Shalimar Yacht Basin	292.56
Shalimar Yacht Basin	292.56
Shalimar Yacht Basin	292.56
Jack Higgins	198.25
Bill West - insurance for house	<u>1,758.78</u>

3,419.83

### Miscellaneous:

Pezulli & Loewensohn	\$ 25,000.00
Don Coffman	183.04
Granite Holdings	58,591.35
Prof. Harold Levinson	<u>29,225.00</u>

112,999.39

### Bank Charges:

Comerica Bank	\$ 3.00
Comerica Bank	13.00
Clarke American	21.50
Comerica Bank	19.00
Comerica Bank	16.00
Clarke American	21.50
Clarke American	21.50
Comerica Bank	10.00
Clarke American	28.61
Comerica Bank	10.00
Clarke American	42.50
Comerica Bank	10.00
Comerica Bank	4.00
Comerica Bank	10.00
Comerica Bank	5.00
Clarke American	<u>22.00</u>

257.61

**Accounting Fees:**

Litzler Segner	\$ 369,476.31
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369,476.31

**Legal Fees:**Hammersmith Trust Receivership Estate - General Matters

QSCL (through 11/30/00)	\$ 548,508.10
QSCL (post 12/01/00) - expenses	3,406.65
	6,398.15
	<u>2,862.39</u>
	561,175.29

Glenn, Rasmussen & Fogarty	\$ 3,666.74
Spicer, Flynn & Rudstrom	<u>5,355.79</u>

570,197.82

Hammersmith Trust Receivership Estate - Lawsuits1. David Johnson Litigation

QSCL	\$ 43,910.99
Borod & Kramer	<u>119,386.48</u>

163,297.47

2. Mark Talley Litigation

QSCL	\$ 11,819.46
Borod & Kramer	<u>38,461.88</u>

50,281.34

3. Jerrold Gunn Litigation

QSCL	\$ 42,692.18
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42,692.18

4. Anthony Cupini Litigation

QSCL \$ 43,643.56

43,643.56

5. Adam Shaw Litigation

QSCL \$ 107,726.82

107,726.82

6. Melody Gilliland Litigation

QSCL \$ 11,832.07

11,832.07

7. John Papagni Litigation

QSCL \$ 6,561.58

6,561.58

8. Doug West Litigation

QSCL \$ 3,649.20

3,649.20

9. Wolcott Lifetime Trust - Dallas Litigation

QSCL \$ 4,186.36

4,186.36

10. Wolcott Lifetime Trust - Michigan Litigation

QSCL \$ 188,246.60  
Smith, Haughey, Rice & Roegge 25,778.24

214,024.84

11. National Union Litigation

QSCL  
Holden Brodman

\$ 48,016.21  
64,725.22

112,741.43

**Total Disbursements:**

**\$1,816,987.81**

# **Exhibit “3”**

	First Name	Last Name	Allowed Claim	Distribution Amount
1	Mehrdad	Amin	\$ 95,000.00	\$ 5,422.64
2	Claudio	Antonini	\$ 74,637.50	\$ 4,260.34
3	Richard	Assaly	\$ 90,000.00	\$ 5,137.23
4	Henry	Back	\$ 430,000.00	\$ 24,544.56
5	Ellis	Barnes	\$ 107.83	\$ 6.15
6	Elaine	Boiko	\$ 70,000.00	\$ 3,995.63
7	Connie	Boothe	\$ 21,262.00	\$ 1,213.64
8	Theodor	Brinek	\$ 64,381.00	\$ 3,674.89
9	Joseph	Cardozo	\$ 95,000.00	\$ 5,422.64
10	Vernon	Carlson	\$ 99,461.00	\$ 5,677.27
11	Lynn Dysart	Cashwell	\$ 17,000.00	\$ 970.37
12	Lynn Dysart	Cashwell	\$ 11,036.00	\$ 629.94
13	William	Cox	\$ 1,896.56	\$ 108.26
14	Michael	De Prince	\$ 211,500.00	\$ 12,072.50
15	Arun Kumar	Dosaj	\$ 166,950.00	\$ 9,529.57
16	Regina	Drennen	\$ 515.74	\$ 29.44
17	Linda Turner	Dysart	\$ 26,710.00	\$ 1,524.62
18	Idora L	Eldred	\$ 100,000.00	\$ 5,708.04
19	George R	Fairman	\$ 16,711.00	\$ 953.87
20	Bradley	Farmer	\$ 350.42	\$ 20.00
21	Robert	Gilmore	\$ 255,000.00	\$ 14,555.50
22	Andrew J	Glenn, III	\$ 118,750.00	\$ 6,778.29
23	Wanda	Gurski	\$ 1,651.84	\$ 94.29
24	Stephen	Guy	\$ 1,628.89	\$ 92.98
25	Janalee	Hawkins	\$ 45,000.00	\$ 2,568.62
26	Joe	Hensley	\$ 688.26	\$ 39.29
27	John	Hillis Estate	\$ 933,333.00	\$ 53,275.00
28	Dennis	Hudson	\$ 184,751.00	\$ 10,545.66
29	Evelyn	Jarrard	\$ 43.96	\$ 2.51
30	Bill	Jennings	\$ 9,649.00	\$ 550.77
31	Sarah	Johnson	\$ 29,062.50	\$ 1,658.90
32	William	Jones	\$ 619.44	\$ 35.36
33	Christopher	Kazana	\$ 400,000.00	\$ 22,832.15
34	Robert	Koontz	\$ 367.07	\$ 20.95
35	Billy	Lawson	\$ 285.39	\$ 16.29
36	Dinah	Lawson	\$ 229.42	\$ 13.10
37	Cecil	Light	\$ 917.69	\$ 52.38
38	Bo Ewert	Linne	\$ 960,000.00	\$ 54,797.16
39	Bo Ewert	Linne	\$ 506,000.00	\$ 28,882.67
40	Bo Ewert	Linne	\$ 270,000.00	\$ 15,411.70
41	Michael Carl	Manley	\$ 54,018.00	\$ 3,083.37
42	Donnie	Marshall	\$ 2,294.22	\$ 130.95
43	John K	McAllister	\$ 1,644.00	\$ 93.84
44	John K	McAllister	\$ 1,370.00	\$ 78.20
45	Richard	McFarland	\$ 1,227.96	\$ 70.09
46	John Joseph	McGarry	\$ 315,000.00	\$ 17,980.32
47	Harold	Miller	\$ 80,000.00	\$ 4,566.43
48	Michael	Mitchell	\$ 100,000.00	\$ 5,708.04
49	Amal E	Moorad	\$ 137,500.00	\$ 7,848.55
50	Marshall	Olchoway	\$ 103,500.00	\$ 5,907.82
51	Robert	Page	\$ 1,468.30	\$ 83.81
52	Alvin	Perry	\$ 100,000.00	\$ 5,708.04
53	Elizabeth Holland	Rachels	\$ 193,000.00	\$ 11,016.51
54	David and Valerie	Romanow	\$ 1,010,402.00	\$ 57,674.13
55	Joseph	Romanow	\$ 694,618.00	\$ 39,649.06

	First Name	Last Name	Allowed Claim	Distribution Amount
56	Donald Duane	Rose	\$ 131,875.00	\$ 7,527.47
57	Leif	Rosengaard	\$ 154,000.00	\$ 8,790.38
58	Robert	Schmidt	\$ 50,000.00	\$ 2,854.02
59	Gabriella & Seymour	Scholnick	\$ 94,620.00	\$ 5,400.95
60	Barry	Siskind	\$ 374,242.05	\$ 21,361.88
61	Norman	Spahr	\$ 52,000.00	\$ 2,968.18
62	Franklin	Spivey	\$ 2,772.87	\$ 158.28
63	Neal	Stevens	\$ 261,000.00	\$ 14,897.98
64	Jurgen	Tagert-Stavenow	\$ 121,438.00	\$ 6,931.73
65	Ramsinh	Tantod	\$ 650,000.00	\$ 37,102.24
66	Judy	Tate	\$ 596.50	\$ 34.05
67	Ira	Taylor	\$ 1,605.95	\$ 91.67
68	Jo Ann	Temple	\$ 100,000.00	\$ 5,708.04
69	Jo Ann	Temple	\$ 38,000.00	\$ 2,169.05
70	Aaron	Turner	\$ 21,262.00	\$ 1,213.64
71	Lee I	Turner	\$ 237,500.00	\$ 13,556.59
72	Menno	Wagler	\$ 448,267.95	\$ 25,587.30
73	Donna	Walker	\$ 29,062.50	\$ 1,658.90
74	Iris	Ward	\$ 917.69	\$ 52.38
75	Peter	Wolk	\$ 96,061.57	\$ 5,483.23
76	Paul	Zhernakov	\$ 120,500.00	\$ 6,878.19
77	Kim	Zuber	\$ 95,000.00	\$ 5,422.64
78	Atlantic Star Investments		\$ 525,000.00	\$ 29,967.20
79	Byron W Bacchi Irrevocable Trust		\$ 115,000.00	\$ 6,564.24
80	CEMA Trust		\$ 240,625.00	\$ 13,734.97
81	Dominic Cusumano		\$ 123,750.00	\$ 7,063.70
82	Eddie M & Virginia Bacchi 1991 Living Trust		\$ 57,500.00	\$ 3,282.12
83	Granite Holdings		\$ 1,754,000.00	\$ 100,118.98
84	HY Associates		\$ 466,667.00	\$ 26,637.53
85	Jodman, Inc		\$ 280,000.00	\$ 15,982.50
86	Jodman, Inc		\$ 271,500.00	\$ 15,497.32
87	John Papagni and Pamela Albion		\$ 42,496.00	\$ 2,425.69
88	JRT Family Trust		\$ 620,000.00	\$ 35,389.83
89	The Law Society		\$ 109,975.22	\$ 6,277.43
90	Olympus Pointe Investment Trust		\$ 720,000.00	\$ 41,097.87
91	Peter Dyer and Investors		\$ 1,400,000.00	\$ 79,912.52
92	Sercom One Ltd		\$ 984,220.00	\$ 56,179.65
93	Southeastern Oklahom Indian Credit Union		\$ 830,500.00	\$ 47,405.25
94	Southstar I		\$ 152,827.71	\$ 8,723.46
95	Southstar I		\$ 100,000.00	\$ 5,708.04
96	Sterling Management Services, Inc		\$ 8,349,676.00	\$ 476,602.64
97	The John Varga Revocable Trust		\$ 50,000.00	\$ 2,854.02
98	William & Terri Bachi Revocable Trust		\$ 57,500.00	\$ 3,282.12
<b>Total</b>			<b>\$ 28,438,498.00</b>	<b>\$ 1,623,280.20</b>

# **Exhibit “4”**

\_\_\_\_\_, 2004

**Re:** Civil Action No. 3-98CV2689-M; *Securities and Exchange Commission vs. Funding Resource Group, et al*; in the United States District Court for the Northern District of Texas, Dallas Division (Hammersmith Trust Receivership Estate)

Enclosed herewith please find a check made payable to you from me in my capacity as the Receiver appointed in the above-referenced case. The check enclosed represents a FINAL distribution to you with respect to your claim against the receivership estate. You will not receive any more funds on account of your claim. The enclosed check is ALL that you will receive. As indicated on the face of the check, it will become void if not cashed within 45 days from the date of the check. Please cash it as soon as possible. If you have any inquiries regarding this matter please contact my office. Do not attempt to contact the Court as the Court will just refer your inquiry to me. I appreciate your patience and consideration.

Very truly yours,

Michael J. Quilling

MJQ/lms  
Enclosure