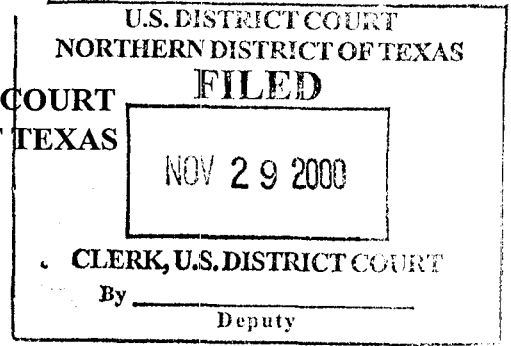


IN THE UNITED STATES DISTRICT COURT
 FOR THE NORTHERN DISTRICT OF TEXAS
 DALLAS DIVISION



Michael J. Quilling, Receiver for §
 Hammersmith Trust, LLC, §
 Hammersmith Trust, Ltd., §
 Microfund, LLC, and Bridgeport §
 Alliance, LLC §

Plaintiff §

Civil Action No. 3:00-CV-1405-M

vs. §

Adam Shaw, Thomas R. Smith, §
 Linda J. Smith, Michael Klein, §
 Leon Hurst, Summit Marketing, Inc., §
 Bancorp Mortgage, Inc., Caton & §
 Associates, Inc., Simplified §
 Communications, Inc., Chatham §
 International, Inc., Thomas McCrimmon §
 United Holdings Corp., Greg Skibbee, §
 Rick Shirrell, Jeffrey A. Matz, §
 Christopher J. Carlson, Murray §
 Stucker and Larry K. Lewis. §

Defendants §

(Jury Trial Demanded)

**UNOPPOSED MOTION TO APPROVE COMPROMISE
 AND SETTLEMENT AGREEMENT WITH MICHAEL KLEIN**

TO THE HONORABLE BARBARA M.G. LYNN, UNITED STATES DISTRICT JUDGE:

COMES NOW, Michael J. Quilling (“Receiver”) and files this Unopposed Motion to Approve
 Compromise and Settlement Agreement with Michael Klein and in support of such would respectfully show
 unto the Court as follows:

1. On November 13, 1998, the United States Securities and Exchange Commission (“SEC”) initiated Cause No. 3:98-CV-2689-M (the “SEC Proceedings”) and, in connection therewith, sought the

appointment of a Receiver. By Order dated November 13, 1998, Michael J. Quilling was named as the Receiver as to the Defendants and Equity Relief Defendants named at that time.

2. On July 23, 1999, the Court issued an Order in the SEC Proceedings expanding the receivership to cover individuals and entities named as additional Equity Relief Defendants by virtue of the Third Amended Complaint filed in the SEC Proceedings. In connection with performing his duties as Receiver for Hammersmith Trust, LLC and Microfund, LLC, the Receiver has traced funds from defrauded investors to individuals and entities who acted as agents/brokers with respect to the programs. Thereafter, the Receiver initiated these proceedings in an effort to recover the funds paid to agents/brokers. Defendant Michael Klein received \$120,000.00.

3. After extensive arm's-length negotiations and sworn financial disclosures, an agreement has been reached between Michael Klein and the Receiver regarding the claims of the Receiver. A true and correct copy of the Compromise and Settlement Agreement reached between the parties is attached hereto as Exhibit "1" and incorporated herein by reference for all purposes.

4. The Compromise and Settlement Agreement has been approved by the SEC through its representative Bob Brunig. None of the other Defendants named in these proceedings has any stake with regard to the claims of the Receiver against Michael Klein and, therefore, should have no objection to it. In addition, none of the other Defendants has filed an answer in these proceedings.

WHEREFORE, PREMISES CONSIDERED, the Receiver requests that the Court approve the Compromise and Settlement Agreement 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.

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 have conferred with Bob Brunig of the SEC and he does not oppose Court approval of the Compromise and Settlement Agreement. No other Defendants have any stake with regard to the matters covered by the Agreement and, therefore, should have no objections to it. In addition, none of the Defendants have filed an answer in these proceedings. For that reason, the Motion is presented as unopposed.


Michael J. Quilling

CERTIFICATE OF SERVICE

I hereby certify that on the 29th day of November, 2000, 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


Michael J. Quilling

**UNOPPOSED MOTION TO APPROVE COMPROMISE
AND SETTLEMENT AGREEMENT WITH MICHAEL KLEIN - PAGE 3**

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Nov. 17 2000 11:28AM P2
F.02/00

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

Michael J. Quilling, Receiver for
Hammersmith Trust, LLC,
Hammersmith Trust, Ltd.,
Microfund, LLC, and Bridgeport
Alliance, LLC

Plaintiff

vs.

Adam Shaw, Thomas R. Smith,
Linda J. Smith, Michael Klein,
Leon Hurst, Summit Marketing, Inc.,
Bancorp Mortgage, Inc., Caton &
Associates, Inc., Simplified
Communications, Inc., Chatham
International, Inc., Thomas McCrimmon
United Holdings Corp., Greg Skibbee,
Rick Shirrell, Jeffrey A. Matz,
Christopher J. Carlson, Murray
Stucker and Larry K. Lewis.

Defendants

Civil Action No. 3-00-CV-1405-M

(Jury Trial Demanded)

COMPROMISE AND SETTLEMENT AGREEMENT

This Agreement is entered into between Michael J. Quilling in his capacity as Receiver in the above-entitled and numbered proceedings ("Receiver") and Michael Klein, individually ("Klein").

RECITALS

WHEREAS, on November 13, 1998, the Securities and Exchange Commission ("SEC") initiated Case No. 3:98-CV-2689-M, *SEC v. Funding Resources Group, et al.* in connection with which the Receiver was appointed as to the defendants and equity relief defendants named in the Complaint at that time; and

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Nov. 17 2000 11:28AM P3

WHEREAS, on July 22, 1999, the Court issued its order freezing assets pursuant to which the Receiver was appointed as to certain additional named equity relief defendants; and

WHEREAS, the Receiver has asserted various claims against Klein by virtue of filing the Complaint with respect to the above-entitled and numbered proceedings, which claims Klein has denied; and

WHEREAS, in order to avoid the inconvenience and expense of litigation, the parties have, without admitting any liability but only so as to buy peace and to resolve the disputes between them, agreed to the terms set forth below.

AGREEMENTS

NOW, THEREFORE, based upon the consideration set forth hereafter, the sufficiency of which is hereby acknowledged, the parties agree as follows:

I. Payment by Klein. Contemporaneous with execution and delivery of the original of this Agreement to the Receiver, Klein shall deliver a cashier's check payable to the Receiver in the amount of \$30,000.00 in full and final settlement of all claims by the Receiver against him.

II. Deposition of Klein. On a mutually convenient date prior to January 31, 2001, Klein agrees to give his deposition at the offices of the Receiver in Dallas regarding his knowledge of facts regarding the Hammersmith Trust and Microfund programs. Upon the conclusion of the deposition, the Receiver will reimburse Klein \$1,000.00 for his expenses associated with attendance at the deposition.

III. Release. Based upon the representations and consideration stated herein, the Receiver hereby releases any and all claims of any nature whatsoever against Klein arising out of the facts and circumstances asserted against Klein by the Receiver in the Complaint filed in these proceedings, as of the date of this Agreement.

COMPROMISE AND SETTLEMENT AGREEMENT - Page 2

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IV. Representations. Klein has made certain representations regarding his financial condition in a letter and exhibits from Chad Baruch to the Receiver dated October 23, 2000 which have induced the Receiver to make the agreements stated. Should any representation made by Klein regarding his financial condition be false in any material respect, then the Receiver may, at his option, declare the release granted herein to be void and may continue to assert additional claims against Klein.

V. No Claims Against Receivership Estate. For valuable consideration, Klein hereby agrees that he shall not assert any claim against any of the receivership estates which are the subject of these proceedings or make any claim to share in any proceeds of assets liquidated or recovered by the Receiver.

VI. No Extraneous Representations. Each party to this agreement are represented by counsel and are relying upon the advice of their counsel in freely and voluntarily entering into this agreement. It is expressly acknowledged by Klein that the decision to execute this agreement is not based upon any representations by the Receiver, oral or written, of any nature whatsoever, other than expressly set forth herein.

VII. Multiple Counterparts. This agreement may be executed in numerous identical counterparts, each of which shall be deemed an original for all purposes.

VIII. Entire Agreement. This agreement constitutes the entire agreement between the parties hereto.

IX. Governing Law and Venue. This agreement shall be governed by and construed in accordance with the laws of the State of Texas and it is expressly agreed that the proper venue for any action which might be brought in connection with this agreement shall be proper in, and only in, the Northern District of Texas.

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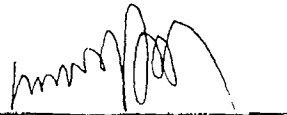
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X. Court Approval. This agreement will be submitted to the Court for approval. Should such approval not be obtained, this agreement shall be void. Upon approval by the Court of this Agreement, the Receiver shall dismiss all claims against Klein with prejudice.

Executed this 17th day of November, 2000.



MICHAEL J. QULLING, Receiver



MICHAEL KLEIN, INDIVIDUALLY

FROM :

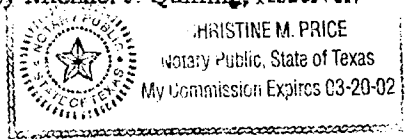
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STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was ACKNOWLEDGED before me on the 29th day of November 2000 by Michael J. Quilling, Receiver.



Christine M. Price
Notary Public, State of Texas

STATE OF HAWAII §
 §
COUNTY OF Honolulu §

This instrument was ACKNOWLEDGED before me on the 17th day of November 2000 by Michael Klein.

Ann Lohman
Notary Public, State of Hawaii
my comm expires : 6/25/2004