

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.

Civil Action No.

3-00-CV-1405-R

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.

**DEFENDANTS GREG SKIBBEE AND UNITED HOLDINGS
CORP.'S OBJECTION TO PERSONAL JURISDICTION, VENUE,
AND SERVICE OF PROCESS, AND, SUBJECT THERETO,
ORIGINAL ANSWER TO PLAINTIFF'S COMPLAINT**

TO THE HONORABLE COURT:

In accordance with the Federal Rules of Civil Procedure, Defendants United Holdings Corp. and Gregory Skibbee (improperly pleaded as "Greg Skibbee") timely object to personal

**DEFENDANTS GREG SKIBBEE AND UNITED HOLDINGS CORP.'S OBJECTION TO PERSONAL
JURISDICTION, VENUE, AND SERVICE OF PROCESS, AND, SUBJECT THERETO, ORIGINAL
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jurisdiction, venue, and service of process, and, subject thereto, file this answer to Plaintiff's Complaint.

OBJECTION TO PERSONAL JURISDICTION

This Court lacks personal jurisdiction over Defendants Gregory Skibbee and United Holdings Corp. Defendant Skibbee is a citizen and resident of New York, and Defendant United Holdings Corp. is a Delaware corporation with its principal office in New York. The Court's exercise of personal jurisdiction over Skibbee and United Holdings would violate the due process clause of the Fifth Amendment to the U.S. Constitution because neither Skibbee nor United Holdings have had contacts with Texas sufficient to establish either specific or general jurisdiction, and because maintenance of this suit against them in Texas would offend traditional notions of fair play and substantial justice.

OBJECTION TO SERVICE OF PROCESS

Defendants Skibbee and United Holdings object to the method of service of process upon them in this matter, because it fails to comply with the requirements of the Federal Rules of Civil Procedure, the Texas long-arm statute, and the Fifth Amendment to the U.S. Constitution. Accordingly, this Court's exercise of personal jurisdiction over Defendants Skibbee and United Holdings would offend traditional notions of fair play and substantial justice.

OBJECTION TO VENUE

Venue is improper in this district and, accordingly, this case should be dismissed. Alternatively, venue in this district is inconvenient and should be transferred to a more convenient forum under 28 U.S.C. § 1404(a).

**ANSWER SUBJECT TO OBJECTIONS TO PERSONAL
JURISDICTION, SERVICE OF PROCESS, AND VENUE**

Answering the Plaintiff's Complaint by paragraph:

Parties:

1. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 1.

2. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 2.

3. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 3.

4. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 4.

5. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 5.

6. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 6.

7. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 7.

8. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 8.

9. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 9.

10. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 10.

11. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 11.

12. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 12.

13. Defendants Skibbee and United Holdings admit the factual averments made in Paragraph 13, insofar as they allege that "United Holdings Corp. is an (sic) corporation organized under the laws of the State of Delaware and may be served with process at The Villa-Crows Nest Road (sic), Tuxedo Park, New York 10987. . .," but deny the remaining factual averments made in Paragraph 13.

14. Defendants Skibbee and United Holdings admit the factual averments made in Paragraph 14.

15. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 15.

16. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 16.

17. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 17.

18. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 18.

19. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 19.

Jurisdiction and Venue:

20. Defendants Skibbee and United Holdings admit that Plaintiff purports to state jurisdictional bases in Paragraph 20, but deny that this action should be maintained.

21. Defendants Skibbee and United Holdings admit that Plaintiff purports to state venue bases in Paragraph 21, but deny that venue is proper and that this action should be maintained.

Background Facts:

22. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 22.

23. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 23.

24. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 24.

25. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 25.

26. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in the first through sixth sentences of Paragraph 26. Skibbee and United Holdings deny that they knew or should have known that the programs were fraudulent as alleged in the last sentence of Paragraph 26.

27. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 27, but Skibbee and United Holdings deny that they received any monies that were not properly earned.

COURT ONE - Constructive Trust & Disgorgement

28. Defendants Skibbee and United Holdings incorporate the specific responses made herein to any allegations incorporated in Paragraph 28.

29. Defendants Skibbee and United Holdings deny the factual averments made in Paragraph 29.

30. Defendants Skibbee and United Holdings admit that Plaintiff purports to seek the imposition of a constructive trust and disgorgement, but deny that this relief is appropriate and deny that Plaintiff is entitled to any judgment against Skibbee or United Holdings.

COUNT TWO - Aiding and Abetting Breach of Fiduciary Duty

31. Defendants Skibbee and United Holdings incorporate the specific responses made herein to any allegations incorporated in Paragraph 31.

32. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in Paragraph 32.

33. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of the factual averments made in the first sentence of Paragraph 33. Skibbee and United Holdings deny the factual averments made in the last sentence of Paragraph 33.

34. Defendants Skibbee and United Holdings deny the factual averments made in Paragraph 34.

COUNT THREE - Aiding and Abetting Corporate Waste:

35. Defendants Skibbee and United Holdings incorporate the specific responses made herein to any allegations incorporated in Paragraph 35.

36. Defendants Skibbee and United Holdings are without knowledge or information sufficient to form a belief as to the truth of whether the funds invested by the lenders/investors constitute corporate assets of Hammersmith and Microfund, whether Gilliland and the management of Hammersmith and Microfund, prior to the receivership, wasted the corporate assets by diverting them for improper purposes, or whether other agents or brokers may have aided or abetted Gilliland and the management of Hammersmith and Microfund. Skibbee and United Holdings deny the factual averments made in Paragraph 36 insofar as they relate or refer to Skibbee and United Holdings.

37. Defendants Skibbee and United Holdings deny the truth of the factual averments made in Paragraph 37.

COUNT FOUR - Fees, Expenses, Cost and Interest

38. Defendants Skibbee and United Holdings incorporate the specific responses made herein to any allegations incorporated in Paragraph 38.

39. Defendants Skibbee and United Holdings admit that the Receiver has sued for all costs, expenses, attorneys' fees and pre-judgment and post-judgment interest to which he is entitled under the law or equity, but deny that Plaintiff is entitled to the relief requested. Skibbee and United Holdings deny all remaining factual averments made in Paragraph 39.

40. Defendants Skibbee and United Holdings respectfully join in the request that this case be tried before a jury.

41. Skibbee and United Holdings deny that any relief is recoverable as requested in Plaintiff's prayer for relief.

42. Defendants Skibbee and United Holdings deny all other unanswered allegations in the Complaint.

43. Defendants Skibbee and United Holdings reserve the right to amend and/or supplement this answer based upon any other pleadings and/or discovery.

AFFIRMATIVE AND OTHER DEFENSES

44. This Court lacks personal jurisdiction over Defendants Skibbee and United Holdings.

45. Plaintiff failed to properly serve Defendants Skibbee and United Holdings with process.

46. Venue is improper in this district, or, alternatively, inconvenient.

47. The Complaint fails to state a claim on which relief may be granted.

48. Plaintiff's claims are barred, in whole or in part, by the doctrine of estoppel.

49. Plaintiff's claims are barred, in whole or in part, because of breach of contract.

50. Plaintiff's claims are barred by the doctrine of bona fide error.

51. Defendants Skibbee and United Holdings did not aid or abet any alleged breach of fiduciary duties.

52. Defendants Skibbee and United Holdings did not aid or abet any alleged wasting of the corporate assets.

53. Defendants Skibbee and United Holdings incorporate by reference any other

applicable defenses asserted and proved by other Defendants or otherwise demonstrated by the evidence presented to the Court.

54. Any and all injuries and damages sustained were the result of one or more third parties over whom Defendants Skibbee and United Holdings had no control.

55. The Plaintiff or those whom he purports to represent assumed the risk and were fully cognizant of any and all circumstances surrounding the alleged matters and are, therefore, barred from recovery.

56. Plaintiff's claims are barred, in whole or in part, by the doctrine of waiver.

57. Plaintiff's claims are barred, in whole or in part, by the doctrine of ratification.

58. Plaintiff's claims are barred, in whole or in part, by the doctrine of unclean hands.

59. Plaintiff's claims are barred, in whole or in part, by comparative negligence and/or contributory negligence or fault.

60. Plaintiff's claims are barred, in whole or in part, because Defendants Skibbee and United Holdings justifiably relied on attorneys, the management of Hammersmith, Bridgeport and other entities, and others before soliciting any investors/lenders.

61. The claims asserted are barred, in whole or in part, under the applicable statute of limitations and under the doctrine of laches.

62. Defendants Skibbee and United Holdings violated no legal duty owed to the Plaintiff or those whom he represents.

63. Defendants Skibbee and United Holdings are free from any negligence, misrepresentation, and fraud.

64. Defendants Skibbee and United Holdings actions were not the proximate cause of any damages suffered by Plaintiff's or those whom he purports to represent.

65. Plaintiff's wrongful conduct bars this claim for relief.

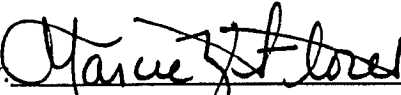
66. Plaintiff and those whom he purports to represent are barred from recovery because they failed to mitigate damages.

67. Plaintiff is barred from recovery by the way of accord and satisfaction, and settlement of this matter with Defendants Skibbee and United Holdings.

WHEREFORE, PREMISES CONSIDERED, Defendants Skibbee and United Holdings pray that Plaintiff be denied all relief requested, that Plaintiff take nothing, that Defendants Skibbee and United Holdings recover their costs and attorneys' fees, and that Defendants Skibbee and United Holdings have such other and further relief, both at law and in equity, to which they may be justly entitled.

Dated: April 16, 2001.

Respectfully submitted,

By: 

Bruce S. Sostek, Attorney
State Bar No. 18855700

Marcie Y. Flores, Attorney
State Bar No. 00796557

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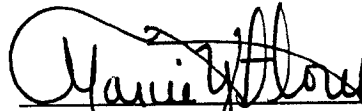
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Waldwick, New Jersey

ATTORNEYS FOR GREGORY SKIBBEE AND
UNITED HOLDINGS CORP.

CERTIFICATE OF SERVICE

I hereby certify that, on the 16th day of April, 2001, a true and correct copy of the foregoing document was served by Certified Mail, return receipt requested on plaintiff's attorney of record:

Andrew M. Trusevich, Esq.
Quilling, Selander, Cummiskey & Lownds, P.C.
2001 Bryan Street, Suite 1800
Dallas, Texas 75201

A handwritten signature in black ink, appearing to read "Marcie Y. Flores", written over a horizontal line.

Marcie Y. Flores