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

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OCT - 1 2001

Deputy

RK. U.S. DISTRICT COURT

DISTRICT OF TEXAS

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

Plaintiff,

vs.

Adam Shaw, et. al.,

Defendants.

# RECEIVER'S BUDGET FOR PHOENIX, ARIZONA LITIGATION (NATIONAL UNION FIRE INSURANCE COMPANY v. UNITED STATES HOLDINGS)

TO THE HONORABLE JEFF KAPLAN, U.S. MAGISTRATE JUDGE:

Michael J. Quilling, as Receiver for Funding Resource Group and related entities (the "Receiver"), pursuant to the Court's Order of September 18, 2001, hereby submits his proposed litigation budget pertaining to *National Union Fire Insurance Company of Pittsburgh, Pennsylvania v. United States Holdings, L.L.C. et. al.*, Civil Acton No. 01-0657-PHX-JWS, pending in the United States District Court for the District of Arizona. This budget combines anticipated fees for Quilling, Selander, Cummiskey & Lownds, P.C. which are set forth below and for out-of-state counsel (Holden & Walker, PLC) which are attached. It is anticipated that a substantial portion of the work will be performed by Holden & Walker, PLC. However, the Receiver intends to have substantial involvement in the preliminary investigation, discovery and settlement aspects of the file.

## **BUDGET - RECEIVER & QSCL**

<u>Stage</u>	Total Hours Compensation (Estimated) (hourly rate)		Estimated Costs	<u>Total</u>
Preliminary investigation	50	\$250.00	\$5,000.00	\$17,500.00
Legal research	10	\$150.00	\$500.00	\$2,000.00
Pleading preparation	5	\$250.00	-0-	\$1,250.00
Formal discovery	50	\$250.00	\$10,000.00	\$22,500.00
Expert witnesses	None anticipated			
Dispositive motions	20	\$ 250.00	\$ 100.00	\$ 5,100.00
Trial preparation	20	\$ 250.00	\$1,500.00	\$ 6,500.00
Trial	4-5 days	\$2,500.00 /day	\$2,500.00	\$12,500.00
Administrative	30	\$ 250.00	\$ 500.00	\$ 8,000.00
Settlement/mediation	20	\$ 250.00	\$2,500.00	\$ 7,500.00
GRAND TOTAL				\$82,850.00

#### **NATURE OF THE ACTION**

This is a lawsuit by an insurance company for declaratory judgment and recission of two commercial crime policies (bonds) totaling \$10 million. The bonds were issued to United States Holdings, L.L.C., an entity controlled by Jeffrey Matz, to supposedly protect potential investors in the Hammersmith Trust program. After his conviction in Pensacola, Judge Collier ordered all of United States Holdings, L.L.C.'s interest in the bonds to be turned over to the Receiver. The Receiver has answered the lawsuit and has filed a counterclaim for recovery under the bonds. The

Receiver reasonably and in good faith estimates that he may realistically expect to recover in excess of \$500,000.00 with respect to this case.

DATED this \_\_\_\_\_ day of October, 2001.

Respectfully submitted,

QUILLING, SELANDER, CUMMISKEY & LOWNDS, P.C. 2001 Bryan St., Suite 1800 Dallas, Texas 75201 (214) 871-2100 (Telephone) (214) 871-2111 (Telecopier)

By: Michael J. Quilling, SBN 16432300

ATTORNEYS FOR RECEIVER

## **CERTIFICATE OF SERVICE**

I hereby certify that on the \_\_\_\_ day of October, 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

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

Michael Holden Holden & Walker, PLC 2425 East Camelback Road Suite 800 Phoenix, Arizona 85016 Deborah Goodall Goodall & Sooter 12830 Hillcrest Rd., Suite 111 Dallas, Texas 75230

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

Michael J. Quilling

# HOLDEN WALKER PLC LITIGATION BUDGET

Stage	Total Hours (Estimated)	Attorney Comp Hourly Rate	Estimated Costs	<u>Total</u>
Preliminary Investigation	25 25	\$225.00 \$150.00	\$5,000.00	\$14,375.00
Legal Research	50	\$150.00	\$2,500.00	\$10,000.00
Pleading Preparat	tion 5	\$225.00	-0-	\$1,125.00
Formal Discovery	y 50	\$225.00	\$5,000.00	\$16,250.00
Expert witnesses	None ant	ricipated		
Dispositive motion	ons 20 20	\$225.00 \$150.00	\$500.00	\$8,000.00
Trial preparation	50	\$225.00	\$2,500.00	\$13,750.00
Trial	4-5 days	\$2,225.00	\$500.00	\$11,625.00
Settlement/media	ation 20	\$225.00	-0-	<u>\$4,500.00</u>
GRAND TOTA	L			\$79,625.00