

3. On October 19, 2005, the Clerk of Court entered an Order for Entry of Default on the Firm's cross-claims against defendants Grand Street Trust, Heartland Control Trust, Future Control Trust and Mercado Paquette (collectively the "Mercado Defendants").

4. On November 14, 2006, this Court approved a settlement agreement resolving the claims of all parties, except as against the Mercado Defendants. The order approving that settlement was entered in a related case captioned *Securities & Exchange Commission v. Gilliland*, 02-CV-128. The settlement agreement contemplated that the Firm would seek a default judgment on its cross-claims against the Mercado Defendants.

5. The allegations in the Firm's Cross-claims have been admitted by the Mercado Defendants by their failure to respond to the complaint. The allegations are further supported by the Affidavit of Peter Davidson.

WHEREFORE, the Firm respectfully requests that the Court enter default judgment against the Mercado Defendants as follows:

(a) Judgment against Mercado Paquette and in favor of the Firm in the amount of \$170,984.47, on the Firm's first, second and third cross-claims for breach of contract, quantum meruit and account stated; and

(b) Judgment against Grand Street Trust, Future Control Trust, Heartland Control Trust and Mercado Paquette and in favor of the Firm in the amount of \$74,000.00, composed of \$24,000 in settlement, plus attorneys' fees of \$50,000 expended in defending this case, on the Firm's fourth and fifth claims for indemnity and contribution.

Dated: January 3, 2007.

Respectfully submitted,

PARKER POE ADAMS & BERNSTEIN LLP

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CERTIFICATE OF SERVICE

This is to certify that on this date I served the foregoing by first class mail addressed as follows:

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This 3rd day of January, 2007

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