

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
**FILED**  
AUG 18 2006  
CLERK, U.S. DISTRICT COURT  
By \_\_\_\_\_  
Deputy

ORIGINAL

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

MICHAEL QUILLING,

Petitioner

v.

GARY McDUFF, et al.,

Respondent

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Civil Action No. 3:06-CV-0959-L

**RESPONDENT'S CHALLENGE OF JURISDICTION**

COMES NOW the Respondent in the above styled cause, in Special Visitation, NOT General Appearance, to challenge the jurisdiction of this Court, the Securities and Exchange Commission and Michael Quilling to impede and interfere into the affairs of Southern Trust Company, a Belize entity, and Gary McDuff, a private Texan, an American National, a non-fiction in the attempted forfeiture and seizure of money and a property located at 1318 Minchen Dr. in Deer Park, Texas. Southern Trust Company and its only beneficiary, Wilhelm Cadle, cannot be connected to any illicit act committed in the United States and under the jurisdiction of the aforementioned U.S parties. Said property located at 1318 Minchen Dr. in Deer Park, Texas belongs to Southern Trust Company not Gary McDuff.

With all due respect to the Court, there is still the matter of evidence of

jurisdiction which Mr. Michael Quilling has failed to prove. Respondent has not entered into any commercial transactions with the UNITED STATES CORPORATION, nor has Respondent requested any benefits from that corporation.

Mr. Quilling references 28 USC § 754 - "Receivers of property in different districts" as an attempt to extend his attack on Respondent by claiming that the property located at 1318 Minchen Dr. in Deer Park, Texas is part of the same transaction(s) which Mr. Quilling is protesting. Mr. Quilling never showed the connection nor provided evidence that the funds used in the Deer Park, Texas purchase came from the same source funds in Mr. Quillings complaint. Mr. Quilling has not provided probable cause that the Deer Park, Texas property is involved in a tort of some sort. In the U.S. 7<sup>th</sup> Circuit Court of Appeals case, Janmark, Inc. V. James T. Reidy and Dreamkeeper, Inc., No. 96 C 7206 - Charles P. Kocoras, Judge (12-24-1997), the Court ruled:

"There is no tort without injury, Rozenfeld v. Medical Protective Co.,

73 F.3d 154, 156 (7<sup>th</sup> cir. 1996) (Illinois law), and the state in which

the injury (and therefore the tort) occurs may require the wrongdoer to answer for its deeds even if events were put in train outside its borders. A wrong does not become a 'tort' until an injury has occurred (speeding is wrongful, but not tortious, if no one is injured), and the location of the injury therefore is vital to understanding where the tort occurred."

Since the United States has no lawful police power within the Union states of America, Mr. Quilling has not provided, that Southern Trust Company has committed a tort damaging anyone, particularly the United States corporation, by purchasing property within Texas. Southern Trust company, as an investor, has not damaged anyone within Texas. Therefore Texas law is not a proper vehicle to pursue forfeiture against Southern Trust Co. That leaves the United States and the SEC to prove that monies from Southern Trust Co. were not from a different source and that Southern Trust Co. had committed a tort within Texas which specifically involved the Deer Park property in a damaging action. Was the purchase of the Deer Park property, by itself, a tort? Yes or no? If not, there is no jurisdiction to bring this property into any forfeiture action in rem.

Mr. Quilling relies upon 28 USC § 1692 as a means of claiming that the property located at 1318 Minchen Dr. in Deer Park, Texas is within a federal district. Again we have to look at U.S. Supreme Court cases to disprove this theory for the enlargement of federal power artificially. See Keller v. U.S., 213 U.S. 138 (1909); U.S.v. DeWitt, 76 U.S. 41 (1869) and U.S. v. Lopez, 514 U.S. 549 (1995) to understand that the use of federal districts or zones within Texas (or any Union state) is an attempt at promoting federal cooperatism which would allow for a state to become a "State" of the corporate U.S. government. The "Commerce Clause"

of the U.S. Constitution cannot be used to penetrate the jurisdiction of the states.

No matter which way an onion is sliced, it still smells.

Next, Mr. Quilling has called upon 28 USC 4(k)(1)(D) which states:

(k) Territorial Limits of Effective Service

(1) Service of a summons or filing a waiver of service is effective

to establish jurisdiction over the person of a defendant...

(D) when authorized by a statute of the United States.

The fact that Respondent had often been within Texas on business does not mean that the United States can lawfully issue service upon a fictional crime or tort. The alleged laws which Mr. Quilling claims are violated are "resolutions." The United States corporation's Congress issues "resolutions," not statutes. Resolutions are "municipal opinions" only and not laws or statutes within the states. Respondent has not committed an offense upon property which belongs to the United States, therefore, the United States cannot lawfully seize the property of private men, women or entities such as a trust without making a claim in the proper "state" court of competent jurisdiction and receiving a judgment, the same as anyone else in Texas.

It matters not that Mr. Quilling is a "receiver" for the SEC. The SEC cannot place Southern Trust Co., a Belize entity, into receivership or take a general

forfeiture position against Southern Trust Company because Mr. Quilling believes that Southern Trust Co. should not have purchased property within Texas.

Mr. Quilling claims that Respondent has committed some fraud for doing the same type of business transactions which thousands of companies do everyday without fear of or believing that these transactions are criminal or tortious in nature. Respondent works for a living and must show a positive action in his transactions with various companies and is not responsible for the actions of the directors of those companies which are not acting properly. Respondent has no influence upon the way those directors handle their financial transactions. Respondent must act in good faith and with reasonable care; however, Mr. Quilling cannot hold Respondent responsible for lack of decency or criminal intent in actions taken by officers of a company or companies owned or operated by other parties. To do so would be ludicrous. Respondent did not NOT receive the plaintiffs suggested compensation for the transactions with Lancorp or Megafund. Respondent would not have received anything less than a retainer for consulting even if there were no transactions with Lancorp or Megafund, and Respondent received the retainer long before Lancorp and Megafund were in the picture. Respondent believes that Mr. Quilling is trying to feather his own hat by making accusations he cannot prove, therefore, defrauding the Court, me and Mr. Cadle.

Respondent has been a victim of the actions of the United States government without actually seeing the evidence of the claims made by the United States. Respondent doesn't start his day by looking for a way to destroy his own reputation as an honest businessman anymore than the rest of Respondent's family would. Respondent operates within the most moral realm of guidelines and resents the claim (without evidence) that Respondent would cheat Respondent's business associates.

Respondent expects this Court to uphold the laws of the United States where they apply and disregard the extension of such authority where not appropriate.

Respectfully submitted,



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Gary McDuff

Without prejudice

c/o 1314 Minchen Drive  
Deer Park, Texas [77536]

Cc: Michael J. Quilling  
Wilhelm Cadle  
Victor Fuentes