

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

MICHAEL J. QUILLING, Receiver §
for Advanced Financial Services, Inc., §

Plaintiff, §

Civil Action No. 1:03CV-0236

vs. §

TRADE PARTNERS, INC., MACATAWA §

BANK CORPORATION, successor by §

merger to GRAND BANK, THOMAS J. §

SMITH and CHRISTINE M. ZMUDKA, §

Defendants. §

RECEIVER'S FIRST MOTION TO DISALLOW/ADJUST B CLAIMS

TO THE HONORABLE ELLEN CARMODY, UNITED STATES MAGISTRATE JUDGE:

Pursuant to this Court's Order of October 7, 2003 [Docket No. 223], the Receiver submits his First Motion to Disallow/Adjust B Claims.

I.

After reviewing the B Claims filed to date, the Receiver objects to the following claims for the following reasons:

- Claim No.:** B-0004
Name of Claimant: Irwin Seating Company
Amount of Claim: \$1,841,072.11
Reason for Objection: This claim relates to an investment in Interglobal Waste Management, Inc. and should be reclassified as an A claim. The Receiver also objects to the claim to the extent it includes interest, late charges and attorney fees.
- Claim No.:** B-0006
Name of Claimant: Hill Manufacturing Company, Inc.
Amount of Claim: \$466.72
Reason for Objection: This claim was supplemented by Claim No. B-0045 and only one claim should be allowed. The Receiver does not object to the supplemental Claim No. B-0045.

3. **Claim No.: B-0013**
Name of Claimant: Patrick J. McNamara
Amount of Claim: \$1,344,244.98
Reason for Objection: This claim arises from the sale of a house in Charlevoix to Trade Partners for a note of \$1,175,000.00 allegedly secured by an assignment of an interest in a viatical. The Receiver believes the purchase price was not the fair market value of the property at the time of the transaction. The claim also purports to be secured but is instead only an unsecured claim like all other viatical interest claims and should be reclassified as an A claim. In addition, the Receiver objects to the claim because it includes attorney fees and interest.
4. **Claim No.: B-0014**
Name of Claimant: VL Southgate Building Corp.
Amount of Claim: \$3,250,000.00
Reason for Objection: This claim relates to the purchase money owed with respect to the Ramada Inn Davenport. This claim has been resolved by prior Court order [Docket No. 208].
5. **Claim No.: B-0015**
Name of Claimant: Charles Willette/Bald Eagle Network
Amount of Claim: \$250,000.00
Reason for Objection: This claim is for unpaid commissions by a broker who solicited investors for Trade Partners. Insufficient documentation has been submitted and it appears to be grossly exaggerated. The claim should be disallowed or reduced to the amount of unpaid commissions, if any, which can actually be proven by the claimant.
6. **Claim No.: B-0016**
Name of Claimant: Habersham Funding, LLC
Amount of Claim: \$2,900,763.00
Reason for Objection: The Receiver objects to the claim to the extent it seeks a return of unpaid policies. The claimant has no right to a return of the policies and is instead a classic general unsecured claim.
7. **Claim No.: B-0018**
Name of Claimant: BBG Corporation
Amount of Claim: \$267,527.29
Reason for Objection: This claim is believed to be part of a larger transaction which the Receiver intends to challenge as a fraudulent transfer. In addition, to the extent valid, the note appears to be usurious and thus, voidable in whole in or part.
- 8.. **Claim No.: B-0019**
Name of Claimant: Irwin Seating Company
Amount of Claim: \$558,000.00
Reason for Objection: This claim is tied to claim B-0004 and represents additional collateral for the underlying promissory note. The additional collateral is "trade dollars" with Compass America, Ltd. These trade dollars are worthless and this is not really an additional claim.

9. **Claim No.:** B-0048
Name of Claimant: Kinetic Leasing, Inc.
Amount of Claim: \$27,135.64
Reason for Objection: This claim relates to an equipment lease covering TVs and door locks at the Atrium Inn in Branson, Missouri. The property was foreclosed on in May, 2003 and the lender retained the equipment and the related liability.
10. **Claim No.:** B-0076
Name of Claimant: Microfridge
Amount of Claim: \$9,506.58
Reason for Objection: This claim relates to an equipment lease covering refrigerators and irons at the Atrium Inn in Branson, Missouri. This property was foreclosed on in May, 2003 and the lender retained the equipment and the related liability.
11. **Claim No.:** B-0105
Name of Claimant: Weisner Publishing, LLC
Amount of Claim: \$3,374.00
Reason for Objection: This claim is a duplicate of Claim No. B-0033 and only one claim should be allowed.
12. **Claim No.:** B-0116
Name of Claimant: Michael Cagen
Amount of Claim: \$1,067.36
Reason for Objection: This claim is for services provided to Green Rhino which is a personal entity owned by Tom Smith in which Trade Partners, Inc. had no ownership interest
13. **Claim No.:** B-0119
Name of Claimant: David K. Ellis of Ellis Management Services
Amount of Claim: \$25,159.72
Reason for Objection: This claim relates to legal fees incurred by Ellis Management. This claim has been resolved by virtue of a mutual release between the Receiver and Ellis Management.
14. **Claim No.:** B-0120
Name of Claimant: Macatawa Bank
Amount of Claim: unliquidated
Reason for Objection: This is a claim for indemnity by Macatawa Bank and is unliquidated. The Trustee does not believe that the receivership estate owes anything to Macatawa Bank, but instead Macatawa Bank owes the receivership estate.
15. **Claim No.:** B-0122
Name of Claimant: Randall S. Levine, P.C. d/b/a Levine & Levine
Amount of Claim: \$14,055.39
Reason for Objection: This claim relates to fees for legal services provided to Chris Zmudka on an individual basis and Trade Partners, Inc. and its subsidiaries did not benefit from the services.

16. **Claim No.:** B-0127
Name of Claimant: Charlevoix County Treasurer's Office
Amount of Claim: \$76,548.87
Reason for Objection: This claim is for real property taxes on a house in Charlevoix which was surrendered to the secured lender. The property taxes followed the real estate and have either been satisfied or will be paid by the lender.
17. **Claim No.:** B-0135
Name of Claimant: Microfridge
Amount of Claim: \$8,060.40
Reason for Objection: This claim relates to an equipment lease covering refrigerators at the Ramada Inn Davenport in Orlando, Florida. This property was surrendered to the lender and the lender retained the equipment and the related liability.
18. **Claim No.:** B-0136
Name of Claimant: James W. Boyd, Chapter 7 Trustee of Sojkara, LLC
Amount of Claim: Unknown
Reason for Objection: Sojkara, LLC was a bigger fraud than Trade Partners, Inc. The alleged collateral for the loans was nothing but smoke and mirrors and all loans were the result of fraudulent inducement. Any debt is owed by Sojkara, not Trade Partners, Inc.

Dated this 1st day of July, 2004.

Respectfully submitted,

QUILLING SELANDER CUMMISKEY & LOWNDS, P.C.
2001 Bryan Street, Suite 1800
Dallas, Texas 75201-4240
(214) 871-2100 (Telephone)
(214) 871-2111 (Facsimile)

By: /s/ Michael J. Quilling
Michael J. Quilling, Texas State Bar No. 16432300

SPECIAL COUNSEL TO RECEIVER

CERTIFICATE OF SERVICE

This is to certify that on the 1st day of July, 2004, a true correct copy of the above and foregoing motion was sent via first class mail, postage prepaid, on the following individuals and those on the attached service list:

Bruce S. Kramer
Borod & Kramer
80 Monroe, Suite G-1
Memphis, Tennessee 38103

Gillie W. Webb
United States Postal Inspector
Post Office Box 2245
Grand Rapids, Michigan 49501-2245

Glenn Martin
Assistant United States Attorney
Federal Courthouse, Room 252
315 West Allegan
Lansing, Michigan 48933

Steven A. Harr, Examiner
Munsch Hardt Kopf & Harr
1445 Ross Avenue, Suite 4000
Dallas, Texas 75202

Dennis Echelbarger, Trustee
EHTC
5136 Cascade Road SE, Suite 2A
Grand Rapids, Michigan 49456

/s/ Michael J. Quilling

Irwin Seating Company
Attn: Dale Tannis
P.O. Box 2429
Fruit Ridge Road NW
Grand Rapids, MI 49501

Stephen L. Ziegler
1401 E. Broward Blvd., #100
Ft. Lauderdale, FL 33308

BBG Corporation
201 N. Wall, Suite 17
Joplin, MO 64801

Weisner Publishing, LLC
7009 S. Potomac Street
Suite 200
Centennial, CO 80112

J.A. Cragwall
Warner Norcross & Judd
900 Fifth Third Center
111 Lyon Street NW
Grand Rapids, MI 49503

James W. Boyd, Trustee
c/o Running, Wise & Ford
P.O. Box 686
Traverse City, MI 49685

Hill Manufacturing Company
1500 Jonesboro Road SE
Atlanta, GA 30315-4085

Charles Willette/Bald Eagle
05845 S. Ranney Road
East Jordan, MI 49727

Kinetic Leasing, Inc.
825 28th Street SW, Suite D
Fargo, ND 58103

Michael A. Cagen
156 Campau Circle NW
Grand Rapids, MI 49503

Randall S. Levine, P.C.
d/b/a Levine & Levine
427 S. Burdick Street
Kalamazoo, MI 49007

Patrick J. McNamara
c/o Kurt M. Bowden
620 A Woodmere
Traverse City, MI 49686

Habersham Funding, LLC
415 E. Paces Ferry Road
Terrace Level
Atlanta, GA 30305

MicroFridge
22 Water Street
Cambridge, MA 02141

David K. Ellis
Ellis Management Services
221 W. Webster, Suite 400
Muskegon, MI 49440

Charlevoix Cty Treasurer
301 State Street
Charlevoix, MI 49720