

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

MICHAEL J. QUILLING,

Plaintiff,

Case No.: 1:03-CV – 0236

Hon. Robert Holmes Bell

v.

TRADE PARTNERS, INC. et al,

Defendants

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RECEIVER'S TWENTY-SEVENTH INTERIM REPORT

On April 15, 2003, Bruce S. Kramer, was appointed Receiver (Receiver) for Trade Partners, Inc. (TPI) incident to a Complaint filed by Michael J. Quilling, (Quilling) as Receiver for Advanced Financial Services, (AFS) a broker/associate of TPI. This is the Receiver's Twenty-Seventh Interim Report.<sup>1</sup>

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<sup>1</sup> The Receiver filed his First Interim report on May 22, 2003, the Second Interim Report on September 15, 2003, the Third Interim Report on January 22, 2004, the Fourth Interim Report on 23<sup>rd</sup> day of April 2004, the Fifth Interim Report on July 24, 2004 and the Sixth Interim Report on October 27, 2004 (Dkt. # 733), the Seventh Interim Report on January 25, 2005 (Dkt. # 845) the Eight Interim Report on April 28, 2005 (Dkt. # 979) the Ninth Interim Report was filed on August 2, 2005 (Dkt. # 1064) the Tenth Interim Report was filed on November 7, 2005 (Dkt. #1154) the Eleventh Interim Report was filed January 23, 2006 (Dkt. # 1212.) the Twelfth Interim Report was filed on April 25, 2006 (Dkt. #1289), the Thirteenth Interim Report was filed on July 25, 2006 (Dkt. #1354) the Fourteenth Interim Report was filed November 1, 2006 (Dkt. # 1489, the Fifteenth Interim Report was filed on January 25, 2007 (Dkt.# 1530) the Sixteenth Interim Report was filed (April 25, 2007) (Dkt. No. 1559); Seventeenth Interim Report was filed July 25, 2007 (Dkt No.1595.) the Eighteenth Interim Report was filed October 26, 2007 (Dkt. # 1652); the Nineteenth Interim Report was filed February 5, 2008 (Dkt. No. #1683) the Twentieth Interim Report was filed May 6, 2008 (Dkt. No. 1704) the Twenty-First Interim Report was filed on July 29, 2008 (Dkt. No. 1723) the Twenty-Second Interim Report was filed on December 3, 2008 (Dkt. No. 1754) the Twentieth-Third Interim Report was filed January 15, 2009; the Twenty-Fourth Interim Report was filed April 26, 2009 (Dkt. No. 1791); the Twenty-Fifth Interim Report was filed July 27, 2009 (Dkt No 1809) and the Twenty-Sixth Interim Report was filed November 3, 2009 (Dkt. No 1843). The Reports can be accessed from the Receiver's website, [www.bskreceiver.com](http://www.bskreceiver.com) or a hard copy can be requested from

RECENT ISSUES

**Second Distribution:**

On June 17, 2009, Magistrate Judge Ellen Carmody issued her Report and Recommendation (Dkt. No 1785) to approve the Receiver's Motion (Dkt. No 1778) requesting authorization to make a second interim distribution of TEN MILLION DOLLARS (\$10,000,000.00). Upon the receipt of the Order from Judge Bell granting the Report and Recommendation on July 30, 2009 (Dkt. No. 1811), we immediately implemented the distribution of checks authorized by the Court. All but 277 checks representing \$219,775.16 have been processed and paid. The outstanding checks are past the 120 days listed on the checks and all checks will be stale dated on Feb 10<sup>th</sup>. We are tracking these checks to ensure payment to all Class A claimants.

**Desert Carmel Lot Owners' Claim**

As reported in the last Report, certain lot owners in the Desert Carmel subdivision have filed a claim contending that the Receivership is obligated for \$2,714,880.00 for unpaid property association assessments. The Receiver filed a memorandum of law setting forth its position that the Court should deny this claim. The Receiver for the Desert Carmel Lot Owner's Association has filed a Notice to join in and support the claim filed by the individual lot owners. The Court has set a hearing on this claim for February 11, 2010.

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the Receiver's office. To avoid redundancy and duplication, it is recommended that these prior

**Remaining Life Insurance Portfolio:**

As a result of the Court approving the Agreement terminating our relationship with Universal Settlements International, Inc. (USI), we have continued the efforts to have all remaining policies but in proper form with the various insurance companies so they can be sold and transferred. In this regard we have filed several Motions to Show Cause to recalcitrant insurance companies. These Motions were argued before the Magistrate Judge on October 6, 2009, and the Court granted our Motions and issued Show Cause Orders and Recommendations that sanctions be granted.

Judge Carmody issued a Report and Recommendation that the Receiver's Motion to Market and Sell the remaining policies be granted and the District Court adopted and approved the Report and Recommendations. The Receiver, Special Counsel and Examiner are implementing the procedures approved by the Court and will be marketing the portfolio and soliciting bids in accord with those procedures.

**FINANCIAL AND MATURITY REPORTS**

The Financial Report (Cash Activity Report) and Maturity Report for this past quarter ending January 25, 2010, are attached to this report and are also available at the [www.bskreceiver.com](http://www.bskreceiver.com) website. Please read the Financial Report (Cash Activity Report) and accompanying Notes for a complete explanation. Please also see Receiver's Disclosure Statement, Dkt. 1371, filed August 8, 2006.

CONCLUSION

We are making progress in concluding this receivership. We have distributed an additional \$10,000,000 and continue to collect maturities and resolve claims. We are hopeful we can sell the remaining policies for a commercially reasonable amount, which will end our obligation to pay premiums and produce additional funds to distribute. The last claim to be resolved is the Desert Carmel Lot Owners'. We appreciate the continued patience and understanding of the claimants/investors as we continue to administer the receivership.

Respectfully submitted,

*/s/ Bruce S. Kramer*  
Bruce S. Kramer, Receiver

Dated: January 25, 2010

Counsel  
BOROD & KRAMER, P.L.C.  
80 Monroe Avenue  
Suite G-1  
Memphis, TN 38103  
901-524-0200

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing TWENTY-SEVENTH INTERIM REPORT OF RECEIVER has been posted on the Receivers' website at [www.bskreceiver.com](http://www.bskreceiver.com) and will be served upon all parties in interest and attorneys of record pursuant to the Court's electronic filing procedures and to all "A" and "B" approved Claimants via U.S. Mail, postage thereon prepaid, this the 25th day of January 2010.

*/s/ Bruce S. Kramer*  
Bruce S. Kramer, Receiver