

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

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

Plaintiff, §

vs. §

TRADE PARTNERS, INC., MACATAWA §
BANK CORPORATION, successor by §
merger to GRAND BANK, THOMAS J. §
SMITH and CHRISTINE M. ZMUDKA, §

Defendants. §

Civil Action No. 1:03CV-0236

REPORT AND RECOMMENDATION
REGARDING RECEIVER'S SECOND MOTION TO DISALLOW/ADJUST B CLAIMS

On January 31, 2005 the Court considered the Receiver's Second Motion to Disallow/Adjust B Claims [Docket No. 799]. As to the following claims, the Court notes that, although properly served with notice of the hearing, none of the claimants responded to the motion. For the reasons stated in the motion as to why the claims should be disallowed, the Court recommends that the following B Claims be disallowed:

Claim No.	Claimant	Amount
B-00137	Thomas Sunderland	\$105,784.02
B-00138	Consumers Energy	\$94.68
B-00144	Harrell R. Breeze	\$2,610.00

At the time of the hearing, counsel for the Receiver and the following claimant announced additional time was needed to try to resolve the objection. Accordingly, the following claim objection will be considered at a later date:

Claim No.	Claimant	Amount
B-00140	Tradia Commerce Network, Inc.	\$6,933,750.00

The State of Michigan, Department of Treasury has submitted Claim Nos. B-00139, B-00143, B-00145, B-00146, B-00147, B-00148 and B-00149. Although given proper notice of the hearing, no representative of the State of Michigan appeared. Accordingly, the Court will issue a separate order directing that a representative appear at a specific date and time to answer questions of the Receiver and address the Court regarding the claims.

DATED this 9th day of February, 2005.

Respectfully submitted,

/s/ Ellen S. Carmody
ELLEN S. CARMODY
United States Magistrate Judge

OBJECTIONS to this Report and Recommendation must be filed with the Clerk of Court within ten (10) days of the date of service of this notice. 28 U.S.C. § 636(b)(1)(C). Failure to file objections within the specified time waives the right to appeal the District Court's order. *Thomas v. Arn*, 474 U.S. 140, 155 (1985); *United States v. Walters*, 638 F.2d 947, 949-950 (6th Cir. 1981).

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

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TRADE PARTNERS, INC., MACATAWA §
BANK CORPORATION, successor by §
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SMITH and CHRISTINE M. ZMUDKA, §

Defendants. §

Civil Action No. 1:03-CV-0236

**REPORT AND RECOMMENDATION REGARDING RECEIVER'S
SECOND MOTION TO DISALLOW/ADJUST B CLAIMS**

On January 31, 2005 the Court considered the Receiver's Second Motion to Disallow/Adjust B Claims [Docket No. 799] and, thereafter, issued a Report and Recommendation [Docket No. 867] and issued an Order to Show Cause to the State of Michigan, Department of Treasury [Docket No. 873]. On March 1, 2005 the Court considered certain unresolved claims referenced in the Second Motion to Disallow/Adjust B Claims and the Order to Show Cause at which time special counsel for the Receiver and counsel for the State of Michigan, Department of Treasury announced that an agreement had been reached as to how the claims should be treated. Having considered the agreement, the Court recommends that Claim No. B-00139 and Claim No. B-00149 be disallowed in their entirety and that the following claims be allowed as unsecured claims in the stated amounts:

Claim No.	Entity	Amount
B-00143	TPI Monthly Income XII, LLC	\$5,874.04
B-00145	TPI Monthly Income XXII, LLC	\$23,948.28

Claim No.	Entity	Amount
B-00146	TPI Monthly Income XV, LLC	\$3,855.34
B-00147	TPI Monthly Income XXVII, LLC	12,825.32
B-00148	Trade Partners, Inc.	\$33,547.95

Date: March 4, 2005

/s/ Ellen S. Carmody
 ELLEN S. CARMODY
 United States Magistrate Judge

OBJECTIONS to this Report and Recommendation must be filed with the Clerk of Court within ten (10) days of the date of service of this notice. 28 U.S.C. § 636(b)(1)(C). Failure to file objections within the specified time waives the right to appeal the District Court's order. *Thomas v. Arn*, 474 U.S. 140, 155 (1985); *United States v. Walters*, 638 F.2d 947, 949-950 (6th Cir. 1981).

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

MICHAEL J. QUILLING,

Plaintiff,

File No. 1:03-CV-236

v.

HON. ROBERT HOLMES BELL

TRADE PARTNERS, INC., et al.,

Defendants.

ORDER APPROVING REPORT AND RECOMMENDATION

On March 4, 2005, the Magistrate Judge issued a Report and Recommendation ("R&R") regarding the receiver's second motion to disallow/adjust B claims. The R&R was duly served on the parties. No objections have been filed. This Court has reviewed the R&R pursuant to 28 U.S.C. § 636(b)(1) and is satisfied that it reflects an appropriate disposition of the claims. Accordingly,

IT IS HEREBY ORDERED that the March 4, 2005, Report and Recommendation of the Magistrate Judge is **ADOPTED** as the opinion of the Court.

IT IS FURTHER ORDERED that Claim No. B-00139 and Claim No. B-00149 are **DISALLOWED** in their entirety.

IT IS FURTHER ORDERED that the following claims are **ALLOWED** as unsecured claims in the stated amounts:

Claim No.	Entity	Amount
B-00143	TPI Monthly Income XII, LLC	\$5,874.04
B-00145	TPI Monthly Income XXII, LLC	\$23,948.28
B-00146	TPI Monthly Income XV, LLC	\$3,855.34
B-00147	TPI Monthly Income XXVII, LLC	\$12,825.32
B-00148	Trade Partners, Inc.	\$33,547.95

Date: April 5, 2005

/s/ Robert Holmes Bell
ROBERT HOLMES BELL
CHIEF UNITED STATES DISTRICT JUDGE