

EXHIBIT K

WIAND GUERRA KING

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January 3, 2012

H. Allen Pennington, Jr., Esq.
Pennington Hill, LLP
Tindall Square – Warehouse No. 3
509 Pecan Street, Suite 101
Fort Worth, TX 76102

Re: Civil Action No. 8:09-cv-87-T-2GTBM; *SEC v. Nadel, et al.*

Dear Mr. Pennington:

We are in receipt of a check in the amount of \$9,342.78 from Quest Operating LLC. This amount represents one of a series of its loan payments, but apparently Mr. Downey is attempting to create a different impression by suggesting that it is being sent as a “good faith payment toward the amount owed under Quest’s settlement agreement with the Receiver.” Clearly, your client is neither acting in good faith nor acting upon any valid legal theory. If Mr. Downey is referring to the agreement by which he and Quest promised to wire transfer \$2.3 million in exchange for a release of the note obligation and other claims against Quest by the Receiver, then you and he both know that no transfer was ever made by Quest and a “payment plan” was not an available option under that agreement.

Your client, aided by Christopher Moody, made repeated representations regarding “potential investors” who were going to infuse capital which would, in part, fund that proposed settlement. Irrespective of the truth or falsity of any of those statements, no payment was ever made as required.

Please seriously reconsider your client’s “strategy” and let me know promptly if your client will withdraw the condition attached to the check as submitted.

As for the contention in Paragraph 1 of your letter, I suggest you review the record and further caution you insofar as allegations of that sort, as no protection is available at law for the implications you apparently intend. With respect to Paragraphs 2 and 3 of your letter, I trust you know your client’s rights in that regard and will advise him accordingly.

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Sincerely,



George L. Guerra

GLG/sgb