

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

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| <b>Securities and Exchange Commission,</b> | : |                                      |
|                                            | : |                                      |
| <b>Plaintiff,</b>                          | : | <b>Case No. 2:08-cv-667</b>          |
|                                            | : |                                      |
| <b>v.</b>                                  | : | <b>Judge Edmund A. Sargus, Jr.</b>   |
|                                            | : |                                      |
| <b>One Equity Corporation,</b>             | : | <b>Magistrate Judge Mark R. Abel</b> |
| <b>Triangle Equities Group, Inc.,</b>      | : |                                      |
| <b>Victory Management Group, Inc.,</b>     | : |                                      |
| <b>Dafcan Finance, Inc.,</b>               | : |                                      |
| <b>Michael S. Spillan,</b>                 | : |                                      |
| <b>Melissa K. Spillan,</b>                 | : |                                      |
|                                            | : |                                      |
| <b>Defendants.</b>                         | : |                                      |

**ORDER APPROVING  
SEVENTH REPORT OF COURT APPOINTED RECEIVER AND APPLICATION  
FOR: 1) RELIEF FROM THE MODIFICATION OF SECTION II.B OF THE ORDER  
OF PRELIMINARY INJUNCTION AGAINST MICHAEL AND MELISSA SPILLAN;  
2) CONSOLIDATION; 3) APPROVAL OF PROPOSED COMPROMISE WITH  
CERTAIN OHIO AGENCIES; 4) APPROVAL OF FEES AND EXPENSES; AND  
5) ORDER SETTING FORTH PROCEDURE FOR SERVICE, OBJECTION, AND  
HEARING FOR SEVENTH REPORT**

This matter comes before the Court upon the Seventh Report of Court Appointed Receiver and Application for: 1) Relief from the Modification of Section II.B of the Order of Preliminary Injunction Against Michael and Melissa Spillan; 2) Consolidation; 3) Approval of Proposed Compromise with Certain Ohio Agencies; 4) Approval of Fees and Expenses; and 5) Order Setting Forth Procedure for Service, Objection, and Hearing for Seventh Report (“Seventh Report”) [Doc.

No. 180]. The Court finds that the Receiver served the Seventh Report upon the master service list and the claimants and interested parties on February 10, 2011 as prescribed in the Order Setting Forth the Procedure for Service, Objection and Hearing for the Seventh Report of Court Appointed Receiver (“Order of Procedure”) [Doc. No. 186].

The Court further finds that the Order of Procedure required that responses/objections to the Seventh Report be filed on or before March 10, 2011. The Court finds that no such responses/objections were filed and that the hearing scheduled for March 22, 2011 at 10:00 a.m. to consider any such objection(s) shall be cancelled.

The Court further finds that there is good cause to approve said Seventh Report. In the Seventh Report, Receiver has provided this Court with a detailed report of his actions, negotiations, and status of the legal proceedings as of January 24, 2011.

The Court further finds that Michael S. Spillan and Melissa K. Spillan, as reported in the Seventh Report, are subject to a criminal case pending before this court. As part of that criminal proceeding, certain restrictions have been placed upon the Spillans and the Spillans have failed to cooperate and comply with the order modifying Section II.B of the Order of Preliminary Injunction Against Michael S. Spillan and Melissa K. Spillan. Based upon the foregoing findings, the Court finds that there is good cause to relieve the Receiver of the continued requirements of the modification of Section II.B. and that the \$31.77 deposited by the Receiver in a checking account related to the Spillans shall be used within the distribution plan to be proposed by the Receiver.

The Court further finds that as of January 6, 2011, the Receiver had \$4,470,013.64 deposited in certain bank accounts established as described above and for the companies for which the Receiver was appointed. However, the receivership entities had/have no distinct identity of their own.<sup>1</sup> Based upon the Receiver's Seventh Report, the Court finds good cause to authorize and order the Receiver to consolidate the bank accounts and treat the various receivership entities as one substantively consolidated estate for the purpose of making a plan of distribution for allowed claims.

The Court further finds that the Receiver entered into negotiations with the Ohio Department of Taxation, Ohio Bureau of Workers' Compensation, and Ohio Department of Job and Family Services (collectively, the "Ohio Agencies"). Those Ohio Agencies generally agreed, subject to this Court's approval, to the following compromise:

Based on the Receiver's representation that he did not operate any of the Receivership Entities, each of these Ohio Agencies is willing to agree to conclude its involvement in this receivership, including waiving any and all requirements of the receivership entities for filing additional tax returns and/or reports, either pre- or post-receivership. That is, no further demands will be made of the Receiver to file additional returns or reports for the receivership entities. In addition, the Ohio Agencies will waive any right to receive any additional distributions from the receivership estate for any and all claims that have been, or could have been, asserted against the receivership estate.

In return, the Receiver and each of these Ohio Agencies have agreed,

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The receivership entities are One Equity Corporation, Triangle Equities Group, Inc., Dafcan Finance, Inc., Victory Management Group, Inc., Marshal-Light Trading Partners, Inc., and Resource Property Management.

subject to Court approval of this proposed compromise, that the Receiver shall pay certain agreed upon or established amounts relative to each proof of claim filed by the Ohio Agencies.

The specific terms for each Ohio agency were set forth in a proposed stipulated order attached as Exhibit 2 to the Seventh Report. This Court finds that the compromise as set forth in Exhibit 2 is in the best interest of the receivership estate and that said stipulated order attached to the Seventh Report as Exhibit 2 shall be entered by this Court.

The Court further finds that the Receiver has provided a detailed summary of his time, fees, and expenses as stated within the Seventh Report. The Receiver has expended a great amount of time and effort to review, investigate, and liquidate assets of the Receivership entities. The Receiver has done so assuming the risk that the assets could not be liquidated through the advancement of legal time, costs and expenses to achieve a recovery on behalf of claimants. The Court finds that the Receiver has made application that the fees and expenses for the time period of September 1, 2008 through November 30, 2010, be approved. Those fees and expenses total \$854,490.02. Being fully advised in the premises, this Court finds that the Receiver's application for these fees and expenses to be well taken and hereby approves and grants the same.

Therefore, it is hereby **ORDERED** as follows:

1. The Receiver's Seventh Report is hereby approved and granted by this Court;
2. The Receiver hereby is relieved of the continued requirements of the modification of Section II.B of the Preliminary Injunction Against Michael S. Spillan and Melissa K. Spillan [Doc. No. 24];
3. The Receiver shall substantively consolidate the bank accounts and treat


the receivership entities as one substantively consolidated estate for the purpose of making a plan of distribution for allowed claims;

4. The proposed stipulated order with the Ohio Agencies is approved and shall be entered by this Court; and

5. The Receiver is hereby authorized to make disbursement of fees and expenses approved for the time period of September 1, 2008 through November 30, 2010, in the total amount of \$854,490.02. Said disbursement shall occur out of the funds collected and held by the Receiver.

**IT IS SO ORDERED.**

Date: 3-15-2011

  
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Edmund A. Sargus, Jr.  
United States District Judge