

2. SMS must file its response brief on or before May 6, 2008. SMS's principal officer, David Goldenberg, has already committed suicide. The Receiver spoke with representatives for SMS's only known remaining officer—Mark Wolok—and he does not intend to file a response brief for SMS. Wolok is currently under criminal indictment for his role in SMS (Criminal Action No.2:07-CR-00366-GEB-8 (E.D. Cal.)).

3. The Receiver has negotiated a settlement agreement with David Goldenberg's estate to take the \$3 million death benefit on his life insurance policy through U.S. Financial Life. *See Unopposed Motion to Approve Compromise and Settlement Agreement* [Dkt. No. 73]; *Order Approving Compromise and Settlement Agreement* [Dkt. No. 75]. SMS is the beneficiary on that policy. **Accordingly, if this Court grants summary judgment against SMS, the Receiver intends to take the \$3 million death benefit in satisfaction of that judgment and dismiss the remaining parties from this case.**

4. The Receiver understands that the U.S. State Department is still attempting to serve Defendants KPMG Vanuatu, Hawkes Law, and Mohan & Associates through letters rogatory. *See Status Report* [Dkt. No. 67]. The Receiver, however, intends to dismiss those parties if he obtains summary judgment against SMS and recovers the \$3 million death benefit. At that point, dismissal serves the receivership estate's best interests because it would eliminate the costs of additional litigation after obtaining the highest likely recovery in this lawsuit.

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/ Brent J. Rodine
Michael J. Quilling
State Bar No. 16432300
Brent J. Rodine
State Bar No. 24048770

ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

A true and correct copy of this pleading shall be served on all interested parties through the Court's electronic filing system.

/s/ Brent J. Rodine