IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

MICHAEL J. QUILLING, Receiver for	§	
ABC VIATICALS, INC. and Related Entities,	§	
,	§	
Plaintiff,	§	
,	§	
v.	§	
	§	Civil Action No. 3:07-CV-0421-P
INTERNATIONAL FIDELITY &	§	
SURETY LIMITED, INTERNATIONAL	§	ECF
CONSULTANTS & MANAGEMENT LTD.,	§	
SURETY MARKETING SOURCE, LLC,	§	
KPMG VANUATU, HAWKES LAW,	§	
KPMG INTERNATIONAL, BOSWELL,	§	
DERMOTT & PAWLETT, LLP, MOHAN &	§	
ASSOCIATES, DAVID A. GOLDENBERG,	§	
DAG INVESTMENTS, LLC, LPG	§	
INVESTMENTS, LLC, WED MARKETING,	§	
LLC, GALAX HOLDINGS, LTD.,	§	
MARK WOLOK, LINDA WOLOK and	§	
ARIE KOTLER.	§	
	§	
Defendants	§	
	§	

STATUS REPORT

TO THE HONORABLE JORGE A. SOLIS, UNITED STATES DISTRICT COURT JUDGE:

COMES NOW, Michael J. Quilling as the Receiver for ABC Viaticals, Inc. ("ABC") and related entities, and files this Status Report in response to the Court's Order of April 1, 2008 [Dkt. No. 77]. The Receiver would respectfully show the Court as follows:

1. On April 16, 2008, the Receiver filed his Motion for Partial Summary Judgment [Dkt. Nos. 78-80] against Defendant Surety Marketing Source, LLC ("SMS"). That motion seeks to recover \$3,267,037.50 that ABC fraudulently transferred to SMS, along with costs, fees, pre-judgment interest, and post-judgment interest.

- 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,

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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