

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

SECURITIES AND EXCHANGE	§	
COMMISSION	§	
	§	
Plaintiff,	§	
	§	
VS.	§	NO. 3-05-CV-1328-L
	§	
MEGAFUND CORPORATION,	§	
ET AL.	§	
	§	
Defendants.	§	

**ORDER**

Michael J. Quilling, as Receiver for the Lancorp Financial Group Receivership Estate, has filed an amended fourth interim application for payment of \$45,758.00 in fees and \$1,763.55 in expenses incurred by the Receiver and his law firm, Quilling Selander Cummiskey & Lownds, P.C., from July 1, 2006 through January 31, 2007.<sup>1</sup> The Receiver also seeks authority to pay \$5,487.00 in fees incurred by his accountants, Litzler, Segner, Shaw & McKenney, LLP, during that time period. The Receiver was ordered to post a copy of the fee application on his website with notice to all interested parties that any objections must be filed with the court by March 2, 2007. No written objections have been received. The Securities and Exchange Commission, through its regional counsel, previously consented to payment of the amounts requested.

The court has reviewed the fee application and the exhibits attached thereto, and finds that the time spent, services performed, expenses incurred, and hourly rates charged by the Receiver are

---

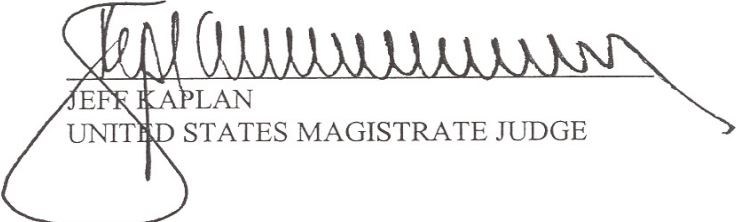
<sup>1</sup> The court previously authorized the Receiver "to pay 100% of his expenses on a monthly basis, provided statements are sent to the SEC each month, no objections thereto have been presented, and the quarterly fee applications are filed as required." *See* Order, 5/8/06 at 4. As permitted by this order, the Receiver has reimbursed his law firm \$1,763.55 in expenses and now seeks court approval of that action.

justified under the factors set forth in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974). The court further determines that the fees incurred by the accountants employed by the Receiver are reasonable and necessary in light of the factors set forth in *In re First Colonial Corp. of America*, 544 F.2d 1291 (5th Cir. 1977). To date, Receiver has recovered more than \$1.3 million for the Lancorp Financial Group Receivership Estate. With the approval of this fee application, the total fees and expenses paid to the Receiver and his accountants are \$140,820.13, which is manifestly reasonable in light of the complexities of this case and the results obtained for defrauded investors. The court therefore determines that no adjustments to the fees requested by the Receiver are warranted at the present time.

Accordingly, the Receiver's amended fourth interim application for payment of fees and expenses [Doc. #270] is approved. The Receiver is authorized to pay the law firm of Quilling Selander Cummiskey & Lownds, P.C. the sum of \$45,758.00 in attorney's fees and \$1,763.55 in expenses incurred from July 1, 2006 through January 31, 2007. The Receiver is further authorized to pay the accounting firm of Litzler, Segner, Shaw & McKenney, LLP the sum of \$5,487.00 in fees incurred during that time period. All payments shall be chargeable to the Lancorp Financial Group Receivership Estate.

SO ORDERED.

DATED: March 20, 2007.

  
JEFF KAPLAN  
UNITED STATES MAGISTRATE JUDGE