

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

SECURITIES AND EXCHANGE COMMISSION, §

Plaintiff, §

v. §

Civil Action No. 3:05-CV-1328-(BD)

MEGAFUND CORPORATION, STANLEY A. §
LEITNER, SARDAUKAR HOLDINGS, IBC., §
and BRADLEY C. STARK, CIG, LTD., and §
JAMES A. RUMPF, Individually and d/b/a §
CILAK INTERNATIONAL, §

ECF
Referred to the U.S. Magistrate Judge

Defendants, §

and §

PAMELA C. STARK, §

Relief Defendant. §

RECEIVER'S INTERIM REPORT
(MEGAFUND RECEIVERSHIP ESTATE)

TO THE HONORABLE JEFF A. KAPLAN, UNITED STATES MAGISTRATE JUDGE:

Pursuant to the Court's Order of March 27, 2006, the Receiver in these proceedings, Michael J. Quilling, submits this Interim Report incident to his Sixth Interim Fee Application covering the period from May 1, 2007 to July 31, 2007.

DESCRIPTION OF THE ACTIONS TAKEN DURING THIS PERIOD

1. During the period covered by this Application, the Receiver has undertaken the following generally described activities:

- a. Continuing to prosecute/settle pending lawsuits;
- b. Cooperating with law enforcement agencies;
- c. Cooperating with and communicating with the SEC regarding case issues;

- d. Reconciling receivership bank accounts;
- e. Paying receivership asset expenses;
- f. Receiving and processing investor claim forms;
- g. Performing website updates;
- h. Communicating with investors;
- i. Handling matters incident to making an interim distribution; and
- j. Handling general/administrative matters relating to the estate.

MONEY AND ASSETS RECOVERED DURING THIS PERIOD

2. From May 1, 2007 through July 31, 2007 the Receiver has recovered \$25,526.19 including interest.

TOTAL RECOVERIES TO DATE

3. From inception of the receivership estate through July 31, 2007 the Receiver has recovered \$1,567,139.38 including interest. In addition, the Receiver has received a distribution of \$1,832,076.24 from the Sardaukar Holdings receivership estate. \$2.5 million has been distributed to investors pursuant to an interim distribution.

ANTICIPATED ACTIONS DURING THE NEXT PERIOD

4. During the next three-month period, the Receiver anticipates undertaking at least the following activities:

- a. Continuing to prosecute/settle pending lawsuits and collect on judgments received;
- b. Cooperating with law enforcement agencies;
- c. Cooperating with and communicating with the SEC regarding case issues;
- d. Reconciling receivership bank accounts;

- e. Paying receivership asset expenses;
- f. Receiving and processing investor claim forms;
- g. Performing website updates;
- h. Communicating with investors; and
- i. Handling general/administrative matters relating to the estate.

ITEMS TO BE COMPLETED BEFORE THE ESTATE CAN BE CLOSED

5. In order to position the receivership estate for closing, the following items must be completed:

- The McDuff house must be sold. The Receiver is in the process of foreclosing his lien so that title is in his name and can be sold. The house has been secured and cleaned. All expenses are paid current and a realtor has been located.
- The Kenneth Humphries settlement payments must be collected. Through the date of this report, Humphries has paid \$12,572.00 of the required \$19,000.00 and is making timely monthly payments, the last of which is due December 15, 2007.
- The Robert Reese settlement payments must be collected. Through the date of this report, Reese has paid \$3,500.00 of the required \$6,000.00 and is making timely monthly payments, the last of which is due December 20, 2007.
- Distribution from another receivership must be collected. The Receiver has submitted a claim in the amount of \$1,541,862.89 to the receiver in Cause No. 4:05-CV-472-RAS, *Securities and Exchange Commission v. Travis E. Correll, et al.*, pending in the Eastern District of Texas. The Receiver does not know when a distribution will be made in this case but will continue to monitor the proceedings.

- The Bonanza Gold stock must be liquidated. The Receiver holds 30,000 shares of Bonanza Gold stock, which has restrictions upon its sale. The Receiver is going to file a motion to lift the restrictions so that the stock can be sold. The Receiver anticipates that the Court will grant the motion and thereafter the Receiver will sell the stock as the market allows.
- The MI-TY film transaction must be completed. The Receiver has obtained Court permission to sell its interest in a film produced by MI-TY Productions, Inc. To date, the parties have been unable to consummate the sale due to financing issues. The Receiver is uncertain when, if ever, the sale will be concluded. However, if the sale is not concluded by the time this case is otherwise ready to be closed, the Receiver will request that the Court allow him to otherwise dispose of the film.
- The estate must receive a final distribution from the Sardaukar receivership estate. This receivership estate cannot be closed until the Receiver has received a final distribution from the Sardaukar receivership estate.

DATED this 9th day of August, 2007.

Respectfully submitted,

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By: /s/ Michael J. Quilling
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ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

This is to certify that on the 9th day of August, 2007, a true a correct copy of the above and foregoing has been served on the attorneys for the parties in this matter via electronic notice.

This Interim Report will also be posted on the Receiver's website, www.secreceiver.com after filing.

/s/ Michael J. Quilling