

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
(LANCORP FINANCIAL 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. Prosecuting a lawsuit against Robert Tringham and others;
- b. Working to obtain a release of funds held by the IRS incident to proceedings in California;

- c. Cooperating with law enforcement agencies;
- d. Cooperating with and communicating with the SEC regarding case issues;
- e. Reconciling receivership bank accounts;
- 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 not recovered any additional funds but interest in the amount of \$1,286.85 has accrued.

TOTAL RECOVERIES TO DATE

3. From inception of the receivership estate through July 31, 2007 the Receiver has recovered \$1,338,880.28 including interest. In addition, the Receiver has recovered a distribution of \$1,556,136.27 from the Megafund Corporation 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 lawsuits to recover receivership assets;
- b. Cooperating with law enforcement agencies;
- c. Cooperating with and communicating with the SEC regarding case issues;
- d. Reconciling receivership bank accounts;

- e. Performing website updates;
- f. Communicating with investors; and
- g. 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 recovery of funds from the Government must be concluded. The Receiver has filed a Motion for Order to Show Cause [Dkt. No. 328], which has been resolved by agreement, assuming the funds can be released by the United States District Court in California. A hearing on the Government's motion to accomplish that result is set for September 17, 2007. The Receiver anticipates that the Court will allow a release of the funds and expects to receive the funds shortly thereafter.
- The Tringham lawsuit must be concluded. The Receiver has filed a lawsuit against Robert Tringham and others, Cause No. 3:07-CV-0682-L, pending before this Court. All parties have now been served and the answer date for the last of the defendants is September 4, 2007. In the interim, it is the Receiver's hope that the funds can be recovered from the Government and, if so, the Receiver intends to dismiss the lawsuit.
- The estate must receive a final distribution from the Megafund receivership estate. This estate cannot be closed until the Megafund receivership estate is closed and the Receiver has obtained a final distribution from that estate.

DATED this ___ day of August, 2007.

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/ Michael J. Quilling

Michael J. Quilling
State Bar No. 16432300
Email: mquilling@qsclpc.com

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