

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

SECURITIES AND EXCHANGE COMMISSION, §  
§  
Plaintiff, § Civil Action No. 3:05-CV-1328(BD)  
§  
v. § **ECF**  
§ **Case 3:05-cv-01328 Document 354 Filed 09/17/2007 Page 1 of 4**  
MEGAFUND CORPORATION, STANLEY A. § **Referred to the U.S. Magistrate Judge**  
LEITNER, SARDAUKAR HOLDINGS, IBC., §  
BRADLEY C. STARK, CIG, LTD., and §  
JAMES A. RUMPF, Individually and d/b/a §  
CILAK INTERNATIONAL, §  
§  
Defendants, §  
and §  
§  
PAMELA C. STARK, §  
§  
Relief Defendant. §

**RECEIVER'S MOTION TO APPROVE SETTLEMENT  
WITH ROBERT TRINGHAM, FIRST NATIONAL BAN CORP,  
AND FIRST ASSET MANAGEMENT CORP**

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

COMES NOW, Michael J. Quilling as the Receiver for Lancorp Financial Group, LLC and Lancorp Financial Fund Business Trust ("Plaintiff" or "Receiver") and files this his Motion to Approve Settlement with Robert Tringham, First National Ban Corp, and First Asset Management Corp. In support, the Receiver would respectfully show the Court as follows:

1. On July 1, 2005, the Securities and Exchange Commission ("SEC") initiated these proceedings against numerous defendants involved in a fraudulent investment scheme. *See Complaint* [Dkt. No. 1]. In connection with that case, this Court appointed Michael J. Quilling as Receiver for

Lancorp Financial Group, LLC and Lancorp Financial Fund Business Trust (“Lancorp”) and he has since continued to function in that capacity. *See Agreed Order Expanding Receivership and Appointing Receiver* (“Order Appointing Receiver”) [Dkt. No. 84], as amended March 1, 2006 [Dkt. No. 98].

2. The Order Appointing Receiver expressly authorizes legal action to recover funds transferred out of the Receivership Estate:

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The Receiver is hereby authorized to institute such actions or proceedings to impose a constructive trust, obtain possession and/or recover judgment with respect to persons or entities who received assets or funds traceable to investor monies.

*Id.* [Dkt. No. 84] at ¶ 12.

3. On April 20, 2007 the Receiver filed a Complaint against Robert Tringham, First National Ban Corp, and First Asset Management Corp (collectively, “Tringham”). *Complaint* [Dkt. No. 1] (3:07-CV-0628). The Receiver alleged that Tringham mishandled Lancorp investor funds, causing it to suffer \$884,371.23 in damages. *Id.*

4. Those Lancorp investor funds are now subject to a civil forfeiture action in the Central District of California styled *United States v. \$2,457,472.07 in Bank Account Funds*, Cause No. 2:06-CV-1971 (C.D. Cal.). The IRS is holding those funds as custodian in that case, including the \$884,371.23 claimed by the Receiver.

5. Tringham and the Receiver have entered into a Settlement Agreement to resolve the claims at issue between them. As part of that settlement, Tringham has consented to have \$884,371.23 transferred from the California civil forfeiture action for distribution by the Lancorp receivership estate. Once the California court orders the transfer of those funds, the Receiver will

dismiss his lawsuit against Tringham. A true and correct copy of the proposed Settlement Agreement is attached as Exhibit "1" and fully incorporated for all purposes.

6. The Receiver submits that approving this Settlement Agreement is in the receivership estate's best interest because it effectively recovers all amounts sought in the lawsuit against Tringham.

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WHEREFORE, PREMISES CONSIDERED, the Receiver requests that this Court enter an Order approving the proposed Settlement Agreement attached as Exhibit "1" and awarding the Receiver such other and further relief, general or special, at law or in equity, to which he may show himself justly entitled.

Respectfully submitted,

QUILLING SELANDER CUMMISKEY & LOWNDS, P.C.  
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Dallas, Texas 75201-4240  
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By: /s/ Brent J. Rodine

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ATTORNEYS FOR RECEIVER

**CERTIFICATE OF SERVICE**

This is to certify that on September 17, 2007, a true a correct copy of this motion has been served by electronic notice on the parties in this matter and by U.S. mail, with first-class postage pre-paid, to:

David Mizgala  
Munsch Hardt Kopf & Harr  
4000 Fountain Place  
1445 Ross Avenue  
Dallas, TX 75202

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/s/ Brent J. Rodine

This Motion will also be posted on the Receiver's website, [www.secreceiver.com](http://www.secreceiver.com) after filing.