

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-L (BD)
	§	
v.	§	ECF
	§	
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 UNOPPOSED MOTION TO RETAIN APPRAISERS
AND REQUEST FOR EXPEDITED RULING WITH BRIEF IN SUPPORT
(1318 Minchen Drive)**

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling as the Receiver for Megafund Corporation (“Receiver”) and files this Unopposed Motion to Retain Appraisers and Request for Expedited Ruling. In support, the Receiver would respectfully show the Court as follows:

1. On January 23, 2007, the Court entered Judgment in Case No. 3:06-CV-0959 against Defendant Gary McDuff in the principal amount of \$304,272.58. *Judgment* [Dkt. No. 41] (3:06-CV-0959). That judgment also imposed a constructive trust on the property at 1318 Minchen Drive in Deer Park, Texas (the “Property”). *Id.*

2. The Court then entered an Order of foreclosure directing that the Property be sold by the U.S. Marshals. *Order* [Dkt. No. 63] (3:06-CV-0959). That Order also authorized the Receiver to bid his judgment amount at the foreclosure sale. *Id.*

3. The foreclosure sale will take place on October 2, 2007. The Receiver anticipates taking title to the Property at that time because (1) third-party bidders at foreclosure sales typically make bids that are substantially below market value and, therefore, not in the receivership estate's best interest and (2) the Receiver has a judgment credit that allows him to take title to the Property with minimal expense to the receivership estate. The Receiver, therefore, intends to acquire the Property at the foreclosure sale and start marketing it for private sale under 28 U.S.C. § 2001(b). The Receiver submits that selling the Property through private sale is in the receivership estate's best interest because private sales generally produce higher returns and allow the Court to approve the final sale price.

4. The private sale of real property under Court supervision is governed by 28 U.S.C. § 2001(b). That statute requires the Court to appoint three disinterested persons to appraise the property before determining a final sale price:

After a hearing, of which notice to all parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby. Before confirmation of any private sale, the court shall appoint three disinterested persons to appraise such property . . . No private sale shall be confirmed at a price less than two-thirds of the appraisal value. Before confirmation of any private sale, the terms thereof shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation. The private sale shall not be confirmed if a bona fide offer is made, under conditions prescribed by the court, which guarantees at least a 10 per centum increase over the price offered in the private sale.

28 U.S.C. § 2001(b) (emphasis added).

5. The Receiver now seeks authority to retain three disinterested persons to appraise the Property under 28 U.S.C. § 2001(b). The Receiver has already identified three appraisers in Deer Park, Texas, who can prepare the necessary appraisal reports for \$325.00 to \$350.00 each. The Receiver believes that those fees are reasonable and consistent with fees charged by other appraisers.

6. The Receiver also requests that the Court grant this motion without scheduling a 20-day objection period. Since the appraisers must be retained under 28 U.S.C. § 2001(b), there is no substantive basis for any interested party to object to the Receiver's motion. An expedited order would also allow the Receiver to more quickly determine a price for marketing and selling the Property, which is clearly in the receivership estate's best interest.

WHEREFORE, PREMISES CONSIDERED, the Receiver respectfully requests that this Court authorize him to retain three disinterested persons to appraise the property at 1318 Minchen Drive in Deer Park, Texas, according to 28 U.S.C. § 2001(b). The Receiver also asks that the Court enter an order granting this motion on an expedited basis, without setting a 20-day objection period, and for such other and further relief, general or special, at law or in equity, to which he may show himself justly entitled.

Respectfully submitted,

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ATTORNEYS FOR RECEIVER

CERTIFICATE OF CONFERENCE

The undersigned has personally conferred with Stephen Korotash, counsel for the Securities and Exchange Commission, and it was determined that the requested relief is unopposed.

 /s/ Brent J. Rodine
Brent J. Rodine

CERTIFICATE OF SERVICE

This motion will be served on all interested parties through the Court's electronic filing system and a copy will be posted on the Receiver's website at www.secreceiver.com.

 /s/ Brent J. Rodine
Brent J. Rodine