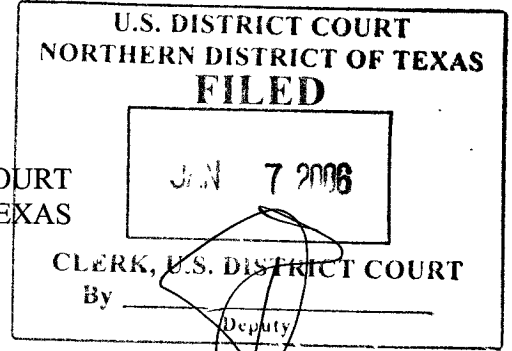


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ORIGINAL

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-L

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, §

Defendants, §

and §

PAMELA C. STARK, §

Relief Defendant. §

AGREED MOTION TO EXPAND RECEIVERSHIP

TO THE HONORABLE SAM A. LINDSAY, UNITED STATES DISTRICT JUDGE:

COMES NOW, Michael J. Quilling in his capacity as receiver (“Receiver”) and Lancorp Financial Group, LLC (“Lancorp”) and files this Agreed Motion to Expand Receivership and in support of such would show unto the Court as follows:

1. On July 1, 2005 the Securities and Exchange Commission (“SEC”) initiated these proceedings and, in connection therewith, sought the appointment of a receiver. On July 5, 2005 the Court issued an Order appointing Michael J. Quilling receiver as to the Defendants and the Equity Relief Defendants named in the Complaint at that time. On July 18, 2005 the SEC filed an

Amended Complaint and sought to add other individuals and entities to the receivership. On July 19, 2005 the Court issued an Amended Order Appointing Receiver.

2. Megafund Corporation received approximately \$17 million from investors, \$11 million of which was then forwarded to CILAK International/CIG, Ltd. who then forwarded \$9.5 million of it to Sardaukar Holdings. Lancorp was the largest single investor with Megafund sending \$9,365,000.00 to be invested. Lancorp is an investment fund run by Gary Lancaster ("Lancaster") which has 100 individual investors. Its principal place of business and records are located in Vancouver, Washington.

3. Since his appointment and in furtherance of his duties, the Receiver has met with Lancaster on two occasions. As a result of these meetings, counsel for the parties have reached several agreements which are designed to eliminate potential litigation between the parties and further judicial economy. The primary component of the agreement is that Lancorp has agreed to be placed into receivership under the auspices of this Court and as part of these proceedings with Michael J. Quilling to act as receiver. There are several reasons for such an agreement, the most important of which are set forth below.

4. First, the money which Lancorp forwarded to Megafund beneficially belonged to individual investors and Lancorp is still holding approximately \$1.6 million of investor funds which had not yet been placed for investment. Many of the investors are making demands for a return of their funds which will force Lancorp to file liquidation proceedings or otherwise involve itself in litigation in order to determine the rights of its investors. Receivership will accomplish the same thing faster and more cost efficiently. In addition, there will be no risk of judicial inconsistency because this Court will decide how all Lancorp investors are to be treated.

5. Second, the individuals who sent their funds to Lancorp which were then forwarded to Megafund have filed claims with the Receiver, all of which will have to be ruled upon by this Court anyway.

6. Third, having one receiver deal with both the funds still being held at Lancorp and the funds which were sent to Megafund makes far more sense than risking the disproportionate treatment of investors by two different courts or bankruptcy trustees or receivers.

7. Finally, given the facts and circumstances, if Lancorp were to not consent to being put into receivership, the SEC will likely seek to initiate receivership proceedings anyway and an agreement to simply expand the receivership will avoid the cost of having to deal with voluminous filings by the SEC attempting to accomplish the same result. Having done so twice already in these proceedings, the Court is familiar with the time required to study the papers and make appropriate rulings.

8. The parties request that a separate receivership estate be established as to Lancorp, similar to the Megafund Corporation/CIG, Ltd. and Sardaukar Holdings Receivership Estates already established by the Court by virtue of its Order of August 12, 2005 so that Lancorp's assets and claims can be administered separately:

WHEREFORE, PREMISES CONSIDERED, the Receiver and Lancorp respectfully request that upon final consideration of this matter that the Court issue an order placing Lancorp into receivership and for such other and further relief, general or special, at law or in equity, to which the parties may show themselves justly entitled.

Respectfully submitted,

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