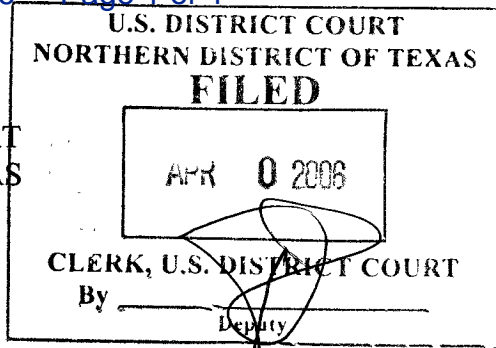


BD

ORIGINAL

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



SECURITIES AND EXCHANGE COMMISSION, §

Plaintiff, §

v. §

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. §

Civil Action No. 3:05-CV-1328-L

**RECEIVER'S INTERIM REPORT**  
**(SARDAUKAR HOLDINGS 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 Second Interim Fee Application covering the period from November 1, 2005 to March 31, 2006.

**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. Continuing to subpoena and analyze documents from third parties, financial institutions and brokerage houses;

- c. Continuing reconstruction/completion of bank account histories;
- d. Cooperating with law enforcement agencies;
- e. Cooperating with and communicating with the SEC regarding case issues;
- f. Reconciling receivership bank accounts;
- g. Paying receivership asset expenses;
- h. Pursuing sales of receivership assets, including eBay sales;
- i. Receiving and processing investor claim forms;
- j. Performing website updates;
- k. Communicating with investors;
- l. Engaging in formal discovery of key fact witnesses;
- m. Handling general/administrative matters relating to the estate.

MONEY AND ASSETS RECOVERED DURING THIS PERIOD

2. From November 1, 2005 through March 31, 2006 the Receiver has recovered \$310,294.40 including interest.

TOTAL RECOVERIES TO DATE

3. From inception of the receivership estate through March 31, 2006 the Receiver has recovered \$2,432,809.65 including interest.

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;
- b. Continuing to subpoena and analyze documents from third parties, financial institutions and brokerage houses;

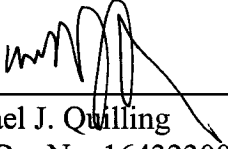
- c. Investigating and filing additional lawsuits to recover receivership assets;
- d. Continuing reconstruction/completion of bank account histories;
- e. Cooperating with law enforcement agencies;
- f. Cooperating with and communicating with the SEC regarding case issues;
- g. Reconciling receivership bank accounts;
- h. Paying receivership asset expenses;
- i. Pursuing sales of receivership assets, including eBay sales;
- j. Receiving and processing investor claim forms;
- k. Performing website updates;
- l. Communicating with investors;
- m. Engaging in formal discovery of key fact witnesses;
- n. Handling general/administrative matters relating to the estate.

DATED this 10th day of April, 2006

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: \_\_\_\_\_

  
Michael J. Quilling  
State Bar No. 16432300

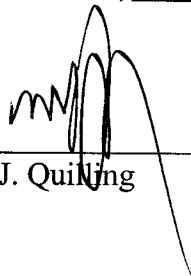
ATTORNEYS FOR RECEIVER

**CERTIFICATE OF SERVICE**

This is to certify that on the 10th day of April, 2006, a true and correct copy of the above and foregoing Interim Report was served, via first class mail, with full and proper postage prepaid thereon, to:

|   |   |
|---|---|
| Stephen J. Korotash<br>Securities and Exchange Commission<br>801 Cherry Street, Suite 1900<br>Fort Worth, Texas 76102 | Scott Baker<br>10830 North Central Expressway<br>Suite 475, B4<br>Dallas, Texas 75231 |
| Steve Smoot<br>Smoot Law Firm, P.C.<br>4545 Mt. Vernon<br>Houston, Texas 77006  | Bradley C. Stark<br>16960 Washington Street<br>Riverside, California 92504            |
| Pamela C. Stark<br>16960 Washington Street<br>Riverside, California 92504   |   |

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

  
\_\_\_\_\_  
Michael J. Quilling