

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, §

Defendants, §

and §

PAMELA C. STARK, §

Relief Defendant. §

**ECF
Referred to the U.S. Magistrate Judge**

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 Third Interim Fee Application covering the period from April 1, 2006 to June 30, 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; and
- m. Handling general/administrative matters relating to the estate.

MONEY AND ASSETS RECOVERED DURING THIS PERIOD

2. From April 1, 2006 through June 30, 2006 the Receiver has recovered \$88,667.90 including interest.

TOTAL RECOVERIES TO DATE

3. From inception of the receivership estate through June 30, 2006 the Receiver has recovered \$2,521,477.55 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; and
- n. Handling general/administrative matters relating to the estate.

DATED this 10th day of July, 2006.

Respectfully submitted,

QUILLING SELANDER CUMMISKEY & LOWNDS, P.C.
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By: /s/ Michael J. Quilling

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ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

This is to certify that on the 10th day of July, 2006, 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 _____