

ORIGINAL

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

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
JUL 5 2005
CLERK, U.S. DISTRICT COURT
By _____ Deputy *dy*

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

**MEGAFUND CORPORATION,
STANLEY A. LEITNER,
SARDAUKAR HOLDINGS, IBC., and
BRADLEY C. STARK,**

Defendants,

and,

**PAMELA C. STARK, and
CIG, LTD.,**

Relief Defendants.

Civil Action No.

3-05-CV-1328-L

ORDER APPOINTING TEMPORARY RECEIVER

This matter came on before me, the undersigned United States District Judge, this *5th* day of July 2005, on the motion of Plaintiff Securities and Exchange Commission ("Commission") for the appointment of a Temporary Receiver for all Defendants and Relief Defendants. It appears that this Order Appointing Temporary Receiver is both necessary and appropriate in order to prevent waste and dissipation of the assets to the detriment of investors.

I.

IT IS THEREFORE ORDERED:

1. This Court hereby takes exclusive jurisdiction and possession of the assets, monies, securities, claims in action, and properties, real and personal, tangible and intangible, of

whatever kind and description, wherever situated, of Defendants and Relief Defendants and any entities they control ("Receivership Assets"), and the books and records of the Defendants and Relief Defendants ("Receivership Records").

2. Michael J. Quilling located at 2001 Bryan Street, Suite 1800, Dallas, Texas 75201 with the phone number of (214) 871-2100, facsimile number (214) 871-2111, is appointed Temporary Receiver ("Receiver") for the Receivership Assets. The Receiver shall file with the Clerk of this Court a bond in the sum of \$10,000, without need for sureties approved by the Court, to assure his conscientious performance of the duties and responsibilities imposed by this Order. The Receiver is hereby authorized to take and have possession of the Receivership Assets and Receivership Records. Until further order of this Court, the Receiver shall have complete and exclusive control, possession, and custody of all Receivership Assets and Receivership Records.

3. All persons, including Defendants and Relief Defendants, and their officers, agents, servants, employees, brokers, facilitators, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and specifically including any bank or other financial or depository institution holding accounts for or on behalf of Defendants or Relief Defendants herein, shall promptly deliver to the Receiver all Receivership Assets in the possession or under the control of any one or more of them and shall promptly surrender all Receivership Records. No separate subpoena shall be required. Upon presentment of this Order, all persons, including financial institutions, shall provide account balance information, transaction histories, all account records and any other Receivership Records to the Receiver or his agents, in the same manner as they would be provided were the Receiver the signatory on the account.

4. The Receiver is authorized, without breaching the peace and if necessary with the assistance of local peace officers or U.S. Marshals, to enter and secure any premises, wherever located or situated, in order to take possession, custody, or control of, or to identify the location or existence of Receivership Assets or Receivership Records.

5. All persons, including Defendants and Relief Defendants, and their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, are enjoined from in any way interfering with the operation of the Receivership or in any way disturbing the Receivership Assets and Receivership Records, from filing or prosecuting any actions or proceedings which involve the Receiver or which affect the Receivership Assets and Receivership Records, specifically including any proceeding initiated pursuant to the United States Bankruptcy Code, except with the prior permission of this Court. Any actions so authorized to determine disputes relating to Receivership Assets and Receivership Records shall be filed in this Court.

6. The Receiver is hereby authorized to make appropriate notification to the United States Postal Service to forward delivery of any mail addressed to Defendants, and Relief Defendants, ^{bag} or any company or entity under the direction or control of any of the Defendants and Relief Defendants, to himself. Further, the Receiver is hereby authorized to open and inspect all such mail, to determine the location or identity of assets or the existence and amount of claims.

7. The Receiver is hereby authorized to make from Receivership Assets such ordinary and necessary payments, distributions, and disbursements as he deems advisable or proper for the marshaling, maintenance or preservation of the Receivership Assets. From and

after the date of entry of this Order, the Receiver shall have the authority to conduct the business operations of Defendants and Relief Defendants, and the entities they control, including the collection of rents or continuation and termination or any employment arrangement and the terms thereof. The Receiver shall have the authority to contact and negotiate with any creditors of Defendants and Relief Defendants, for the purpose of compromising or settling any claim. To this purpose, in those instances in which Receivership Assets serve as collateral to secured creditors, the Receiver may surrender such assets to secured creditors, and shall have the authority to make such surrender conditional upon the waiver of any deficiency of collateral. Furthermore, the Receiver is authorized to renew, cancel, terminate, or otherwise adjust any agreements to which any of these Defendants or Relief Defendants are a party.

8. The Receiver is hereby directed to file with this Court and serve upon the parties, within 30 days after entry of this Order, a preliminary report setting out the identity, location and value of the Receivership Assets, any liabilities pertaining thereto and any assets of the Defendants beyond the value of the assets received from Defendants and Relief Defendants in the course of the events made the basis of this action. Further, at the time the Receiver makes such report, he shall recommend to the Court whether, in his opinion, based on his initial investigation, claims against Defendants or Relief Defendants should be adjudged in the Bankruptcy Court. After providing the parties an opportunity to be heard, this Court will determine whether to accept the Receiver's recommendation and, if appropriate, issue an order authorizing the Receiver to commence a bankruptcy proceeding.

9. This Order does not prohibit the prosecution of any civil action or other proceeding against Defendants or Relief Defendants, including non-dischargeability proceedings and enforcement of any judgments obtained in such actions or proceedings, or effect the release

of any claim asserted therein. However, to the extent any creditors or claimants seek to prosecute an action or proceeding against the Defendants or Relief Defendants, or to satisfy a judgment or claim from Receivership Assets, they will do so only with the prior permission of this Court or the United States Bankruptcy Court in the event the Receiver recommends and the Court approves commencement of such a proceeding, and in accordance with an order of priority established by a plan of liquidation and distribution, or any automatic or other stay provided under the Bankruptcy Code.

10. The Receiver is hereby authorized to employ such employees, accountants, and attorneys and others as are necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets and Receivership Records.

11. The Receiver is hereby authorized to receive and collect any and all sums of money due to Defendants, whether the same are now due or shall hereafter become due and payable, and is authorized to incur such expenses and make such disbursements as are necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets. The Receiver is further authorized, in his discretion, to abandon or sell assets which are less than \$1,500.00 in value without obtaining further order of the Court, provided that such action is set forth in the Receiver's Final Report.

12. The Receiver is hereby authorized to institute, defend, compromise or adjust such actions or proceedings in state or federal courts now pending and hereafter instituted, as may in his discretion be advisable or proper for the protection of the Receivership Assets or proceeds therefrom, and to institute, prosecute, compromise or adjust such actions or proceedings in state or federal court as may in his judgment be necessary or proper for the collection, preservation and maintenance of the Receivership Assets.

13. 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. All such actions shall be filed in this Court.

14. Upon the request of the Receiver, the United States Marshal's Office is hereby ordered to assist the Receiver in carrying out his duties to take possession, custody or control of, or identify the location of, any Receivership Assets or Receivership Records. The Receiver is authorized to remove any person from any premises or real estate constituting a Receivership Asset that attempts to interfere with the Receiver, his attorneys or agents in the performance of their duties. The Receiver is further authorized to change any locks or other security mechanisms with respect to any premises or other assets that constitute Receivership Assets.

15. The Receiver shall keep the Commission apprised at reasonable intervals of developments concerning the operation of the receivership, and shall provide to the Commission upon request any documents under the control of the Receiver.

16. The Receiver shall file on at least a quarterly basis an application for approval of the disbursements for professional fees and expenses to himself or others. The Receiver may pay up to 90% of the professional fees and 100% of the expenses on a monthly basis, provided statements are made on a monthly basis to the Commission, no objections thereto have been presented and applications have been made as required. Any and all costs incurred by the Receiver shall be paid from the Receivership Assets.

II.

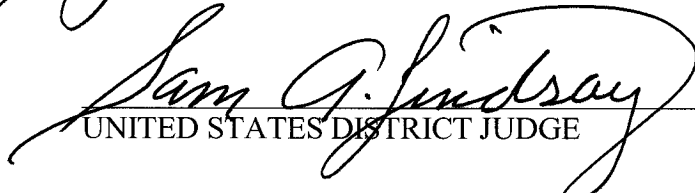
IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all purposes. The Receiver is hereby authorized, empowered and directed to apply to this Court,

with notice to the Commission and Defendants and Relief Defendants for issuance of such other orders as may be necessary and appropriate in order to carry out the mandate of this Court.

III.

IT IS FURTHER ORDERED that this Order will remain in effect until modified by further order of this Court.

Dated this 5th day of July, 2005.


UNITED STATES DISTRICT JUDGE