

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 (BD)
	§	
MEGAFUND CORPORATION, STANLEY A.	§	ECF
LEITNER, SARDAUKAR HOLDINGS, IBC.,	§	
and BRADLEY C. STARK, CIG, LTD., and	§	Referred to the U.S. Magistrate Judge
JAMES A. RUMPF, Individually and d/b/a	§	
CILAK INTERNATIONAL,	§	
	§	
Defendants,	§	
and	§	
	§	
PAMELA C. STARK,	§	
	§	
Relief Defendant.	§	

RECEIVER’S REQUEST FOR INSTRUCTIONS

TO THE HONORABLE JEFF A. KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling as Receiver in these proceedings and files this his Request for Instructions and would respectfully show the Court as follows:

1. Following his appointment, the Receiver filed suit against Urban Television Network Corporation (“UTNC”) to recover \$665,000.00 of funds fraudulently transferred out of Megafund Corporation (“Megafund”). That case is currently styled *Michael J. Quilling, Receiver for Megafund Corporation and Stanley A. Leitner, Plaintiff v. Urban Television Network Corp., Defendant*; Cause No. 3:05-CV-2395 (N.D. Tex.).

2. From the beginning, the Receiver was confident in the merits of his claim but uncertain about UTNC’s ability to satisfy a \$665,000.00 judgment. Therefore, the Receiver avoided

investing a great deal of time and expense in this case until he could determine UTNC's ability to pay.

3. After reviewing the produced documents and conferring with opposing counsel, the Receiver has concluded that UTNC does not have enough assets on hand to satisfy any real recovery for the Receivership Estate. At one time UTNC was broadcasting television shows nationwide through local cable outlets. The company, however, encountered financial troubles and has defaulted on payments to various creditors and/or service providers. Since then, broadcasts have ceased completely and it is unlikely that UTNC will resume revenue-producing operations anytime soon. Furthermore, what operating assets the company has are secured by liens to other creditors.

4. As part of a possible settlement, UTNC has offered to assign the Receiver its cause of action against Dove Media Group, Inc. f/k/a World One Media Group, Inc. ("Dove Media"). UTNC alleges that it has a viable contract claim against Dove Media arising out of a subscription agreement to purchase 70,000,000 shares of UTNC's Common Stock for \$7,000,000.00. UTNC claims that Dove Media breached that contract by failing to complete the installment agreements provided therein. Accordingly, on July 26, 2005, UTNC's Board of Directors voted to terminate Dove Media's subscription agreement and cancel the sale. The parties then entered into a settlement agreement whereby UTNC (1) recognized the \$250,000.00 actually advanced by Dove Media (independent of the advances that Stan Leitner made on Dove Media's behalf), (2) issued stock to Dove Media for that amount, and (3) reserved all other rights against Dove Media.

5. UTNC has informed the Receiver that the cause of action against Dove Media is supported by the original subscription agreement, various board resolutions and minutes, the parties' settlement agreement, and other disclosures on file with the Securities and Exchange Commission.

6. As always, the Receiver is chiefly concerned about recovering investor funds in the most cost-efficient manner. He, therefore, submits two alternative proposals and requests instructions from the Court as to each of the matters set forth below.

7. First, with regard to the suit against UTNC, the Receiver respectfully requests that the Court issue instructions to proceed with one of the following alternatives:

a. Abandon the Lawsuit Against UTNC. From the beginning, the Receiver has avoided investing a great deal of time and expense in this case until he could determine UTNC's ability to pay. He has since concluded that pursuing this case would likely result in a net loss for the Receivership Estate. The Receiver is, therefore, in a position to dismiss his case against UTNC and focus efforts on other cases with a greater likelihood of recovery.

b. Continue the Lawsuit Against UTNC. The Receiver is confident in his ability to obtain a judgment against UTNC or otherwise settle this case for an assigned cause of action against Dove Media. He could, therefore, continue pursuing UTNC and seek whichever recovery appears most beneficial for the Receivership Estate.

8. Second, with respect to UTNC's offer to assign its claims against Dove Media to the Receivership Estate, the Receiver respectfully requests that the Court issue instructions to proceed with one of the following alternatives:

a. Accept UTNC's Assignment of Claim. The Receiver could accept the assignment of UTNC's claim against Dove Media. While that claim could ultimately result in a net gain for the Receivership Estate, the Receiver would have to expend some resources up front to determine whether the claim is viable and if Dove Media has any assets to satisfy a recovery.

b. Decline UTNC's Assignment of Claim. Since any Receivership Estate assets spent on pursuing Dove Media appear to be speculative at this point, the Receiver could conserve assets by declining UTNC's offer and focusing on other recovery efforts.

WHEREFORE, PREMISES CONSIDERED, the Receiver respectfully requests that this Court issue instructions directing how to proceed with respect to the alternatives listed above.

Respectfully submitted,

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By: /s/ Brent J. Rodine

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ATTORNEYS FOR RECEIVER

CERTIFICATE OF CONFERENCE

Pursuant to Local Civil Rule 7.1, the undersigned made numerous attempts to confer with Jeffrey L. Cureton, UTNC's attorney of record, but was unable to do so.

/s/ Brent J. Rodine

CERTIFICATE OF SERVICE

This is to certify that on September 5, 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.

/s/ Brent J. Rodine

This request will also be posted on the Receiver's website, www.secreceiver.com after filing.