

2. The Order Appointing Receiver expressly authorizes legal action to recover funds transferred out of the Receivership Estate:

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.

Id. at ¶ 13. Case 3:06-cv-00299 Document 48 Filed 05/29/2007 Page 2 of 3

3. On February 16, 2006, the Receiver filed his Complaint against the Defendant in this case. *Complaint* [Dkt. No. 1]. The Receiver alleged that Defendant received \$19,000.00 in funds fraudulently transferred from Megafund Corporation (“Megafund”) and that he negligently caused Lancorp Financial Group, LLC to suffer losses in excess of \$9 million. *Id.*

4. The Defendant asserted a counterclaim against the Receivership Estate for misrepresentations that Megafund made to him. *Defendant’s Response to Receiver’s Original Complaint* [Dkt. No. 9].

5. On December 8, 2006, this Court entered an interlocutory judgment for the Receiver on his claims for fraudulent transfer and negligent misrepresentation. *Interlocutory Judgment* [Dkt. No. 41]. Since that judgment awarded the Receiver all relief sought in his Complaint, the Receiver dismissed all other claims stated against the Defendant. *Motion for Court Order Dismissing Plaintiff’s Remaining Claims* [Dkt. No. 37]; *Order*, Nov. 16, 2006 [Dkt. No. 39]; *Interlocutory Judgment* [Dkt. No. 41].

6. Accordingly, the only remaining claim at issue before the Court is Defendant’s counterclaim relating to Megafund’s misrepresentations to him. *See Defendant’s Response to Receiver’s Original Complaint* [Dkt. No. 9].

7. On April 26, 2007, the parties entered into a Compromise and Settlement Agreement reflecting a full and final settlement of all claims and defenses between them. Pursuant to that

agreement, the parties hereby stipulate to dismissal of the Defendant's counterclaims, with prejudice, and any other unresolved claims and defenses stated against each other in this lawsuit. The parties further stipulate that this Court's Interlocutory Judgment [Dkt. No. 41] shall become the Final Judgment resolving this case.

WHEREFORE, PREMISES CONSIDERED, the Receiver as Defendant hereby requests the Court of their desire to dismiss the Defendant's counterclaim, with prejudice, and respectfully request that the Court (1) sign an appropriate order of dismissal, (2) convert its Interlocutory Judgment [Dkt. No. 41] into the Final Judgment resolving this case, and (3) leave both parties to bear their own costs and fees.

Respectfully submitted,

QUILLING SELANDER CUMMISKEY &
LOWNDS, P.C.
2001 Bryan Street, Suite 1800
Dallas, Texas 75201
Telephone (214) 871-2100
Facsimile (214) 871-2111

By: /s/ Brent J. Rodine
Michael J. Quilling
State Bar No. 16432300
Brent J. Rodine
State Bar No. 24048770

ATTORNEYS FOR PLAINTIFF

Kenneth Wayne Humphries
P.O. Box 74
110 East Ninth Street
Hopkinsville, Kentucky 42241-0074
Telephone (270) 886-5649
Facsimile (270) 886-5649

By: Kenneth W. Humphries
Kenneth W. Humphries

PRO SE DEFENDANT