

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

MICHAEL J. QUILLING, RECEIVER	§	
FOR MEGAFUND CORPORATION AND	§	
STANLEY A. LEITNER,	§	
	§	
Plaintiff,	§	
	§	Civil Action No. 3:06-CV-0355-L
v.	§	
	§	
MI-TY PRODUCTIONS, INC.,	§	
	§	
Defendant.	§	

ORDER

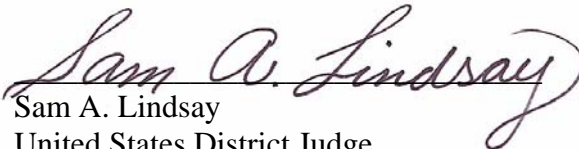
This case arises out of a lawsuit brought by the Securities and Exchange Commission (“SEC”) against various defendants and relief-defendants for an alleged fraudulent investment scheme whereby Megafund Corporation (“Megafund”), an unlicensed securities broker, solicited investor funds by making false representations, and ultimately diverted the invested funds for *Ponzi* payments to earlier investors and other undisclosed expenditures. *See SEC v. Megafund Corp., et al.*, No. 3-05-CV-1328-L (“*Megafund* litigation”). On July 5, 2005, the court appointed Michael J. Quilling as the Receiver for all defendants in the *Megafund* litigation. The Receiver subsequently filed this action against Mi-Ty Productions, Inc. (“Mi-Ty”).

Pursuant to 28 U.S.C. § 636(b), and an order of the court in implementation thereof, this action was referred to United States Magistrate Judge Jeff Kaplan for pretrial management. On June 5, 2006, the Receiver obtained a default judgment against Mi-Ty in the principal amount of \$967,500. On September 15, 2006, the Receiver filed a Motion for Turnover Order and Brief in Support. On October 16, 2006, the Findings and Recommendation of the United States Magistrate

Judge were filed, recommending that the court grant the Receiver's Motion for Turnover Order as modified by the magistrate judge. No objections were filed.

Having reviewed the pleadings, file and record in this case, and the findings and conclusions of the magistrate judge, the court determines that the findings and conclusions are correct. They are **accepted** as those of the court. Accordingly, the court **grants as modified** Receiver's Motion for Turnover Order. The court hereby **orders** that all persons and entities, including third-parties, who are in possession of master negatives, digital data masters, mini DV copies, digi beta copies, audio, video, sound, and other elements created or intended for producing the film *Steppin: The Movie*, shall turn over those items to Michael J. Quilling as Receiver for Megafund Corporation. The turnover order, however, is hereby limited to property owned by and subject to the possession or control of Mi-Ty Productions, Inc.

It is so ordered this 3rd day of November, 2006.


Sam A. Lindsay
United States District Judge