

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

MICHAEL J. QUILLING, as Receiver	§	
for Megafund Corporation and	§	
Stanley A. Leitner	§	
	§	
Plaintiff,	§	
	§	NO. 3-06-CV-0355-L
VS.	§	
	§	
MI-TY PRODUCTIONS, INC.	§	
	§	
Defendant.	§	

ORDER

Michael J. Quilling, as Receiver for Megafund Corporation and related entities, has filed a motion for authority to enter into a contract satisfying the \$967,500 default judgment against Mi-Ty Productions, Inc. ("Mi-Ty"). According to the Receiver, Soul to Soul Ventures, Inc. ("STS") has agreed to pay \$350,000 for all right, title, and interest in the motion picture film *Steppin: The Movie*, which is the sole asset of Mi-Ty.¹ Although the proposed sales price is substantially less than the amount of the judgment, STS believes that the film is only 75% complete and will require an additional \$214,450 in production and distribution costs alone. Moreover, the master negatives, digital data masters, mini DV copies, digi beta copies, audio, video, sound, and other marketable elements of the film have no value to Megafund and STS is the only entity to engage the Receiver in discussions to purchase the film. The Receiver therefore believes that the proposed sale is in the best interest of the Megafund Corporation Receivership Estate.

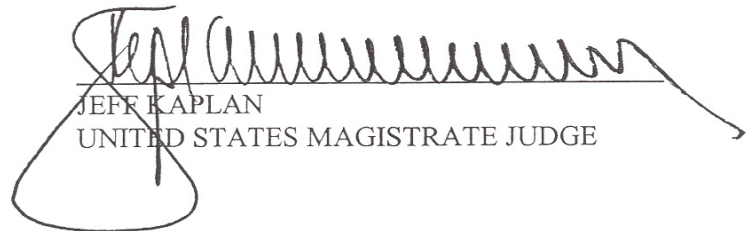
¹ Megafund paid Mi-Ty the sum of \$967,500 to underwrite production of the film. However, Mi-Ty never completed production and still retains the master negatives, digital data masters, mini DV copies, digi beta copies, audio, video, sound, and other marketable elements.

The Receiver was ordered to post a copy of the motion on his website with notice to all interested parties that any objections must be filed with the court by November 9, 2006. No written objections have been received. The Securities and Exchange Commission, through its regional counsel, has consented to the sale.

Accordingly, the Receiver's motion for authority to enter into contract satisfying judgment [Doc. #18] is granted. The Receiver is hereby authorized to enter into the proposed contract with Soul to Soul Ventures, Inc. for the sale of all rights to *Steppin: The Movie*. All proceeds from the sale shall be credited to offset the \$967,500 default judgment against Mi-Ty Productions, Inc.

SO ORDERED.

DATED: November 13, 2006.


JEFF KAPLAN
UNITED STATES MAGISTRATE JUDGE