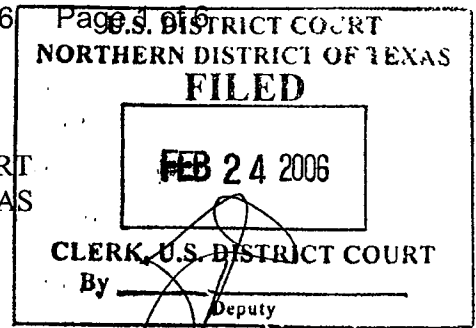


# **Exhibit “A-2”**



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

MICHAEL J. QUILLING, RECEIVER  
FOR MEGAFUND CORPORATION and  
STANLEY A. LEITNER,

Plaintiff,

v.

**ORIGINAL**

MI-TY PRODUCTIONS, INC.,

Defendant.

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CIVIL ACTION NO. \_\_\_\_\_

**3-06CV0355-N**

228253 228253B

(JURY TRIAL DEMANDED)

**COMPLAINT**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, Michael J. Quilling, in his capacity as Receiver for Megafund Corporation and Stanley A. Leitner, ("Receiver") and files this his Complaint against MI-TY Productions, Inc. and, in support of such, would respectfully show unto the Court the following:

**Parties**

1. Michael J. Quilling is the Receiver appointed for Megafund Corporation, Stanley A. Leitner, and other associated individuals and entities pending before the United States District Court for the Northern District of Texas, Dallas Division, the Honorable Sam A. Lindsay presiding.

2. Defendant MI-TY Productions, Inc. ("Defendant") is a California corporation located in Los Angeles, California. Defendant's registered agent can receive service of process at the following address: MI-TY Productions, Inc. c/o CSC - Lawyers Incorporating Service, 2730 Gateway Oaks Drive, Suite 100, Sacramento, California 95833.

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### **Jurisdiction and Venue**

3. This Court has jurisdiction over the subject matter of this action because the actions stated herein constitute Receivership Assets within the meaning of the Order Appointing Receiver. That Order requires that all disputes relating to Receivership Assets be filed in this Court. This Court also has subject matter jurisdiction, in personam jurisdiction, and in rem jurisdiction pursuant to 28 U.S.C. § 754, § 1692, and Fed. R. Civ. P. 4(k)(1)(D).

4. Venue for this action is proper in the Northern District of Texas because: (1) this action is ancillary to the SEC Proceedings pending in this District; (2) the Receiver was appointed in this District; and (3) this action involves Receivership Assets within the meaning of the Order Appointing the Receiver, which requires that all disputes relating to those assets be filed in this Court.

### **Background Facts**

5. On July 1, 2005, the Securities and Exchange Commission ("SEC") initiated Case No. 3:05-CV-1328-L, *Securities and Exchange Commission, v. Megafund Corporation, Stanley A. Leitner, et al.* In connection with that case, the SEC sought the appointment of a Receiver as to the Defendants and the Relief Defendant. By Order dated July 5, 2005, the Judge overseeing that case appointed Michael J. Quilling as the Receiver for Megafund Corporation, Stanley A. Leitner, Sardaukar Holdings IBC, Bradley C. Stark, and Pamela C. Stark. The Receiver has since continued to function in that capacity.

6. On July 11, 2005, the Receiver filed notice of appointment in the United States District Court for the Central District of California, as required by 28 U.S.C. § 754. That notice is on file with the District Court Clerk as MISC-05-77.

7. By Order dated July 19, 2005, entered in the SEC Proceedings, the receivership was expanded to include CIG, Ltd. and James A. Rumpf, individually and d/b/a Cilak International, as additional Defendants. That Order appointed Michael J. Quilling as the Receiver for those parties and he has since continued to function in that capacity.

8. By a third Order dated January 20, 2006, entered in the SEC Proceedings, the receivership was expanded to include Lancorp Financial Group, LLC as an additional Defendant. That Order also appointed Michael J. Quilling as that company's Receiver and he has since continued to function in that capacity.

9. Stanley A. Leitner ("Leitner") operated a *Ponzi* scheme and fraudulent investment program through an entity under his direction and control called Megafund Corporation ("Megafund"). In particular, investors sent funds to Megafund's accounts at Wells Fargo Bank and SouthTrust Bank believing those funds would be invested under Leitner's supervision. Leitner told investors that their funds would be sent to a "Trader" to execute various trades on their behalf and that their principal investments were never at risk. As Megafund received investor funds, however, Leitner fraudulently diverted large amounts as *Ponzi* payments to previous investors and for other expenses not related to the investment program. Megafund was never managed in a manner consistent with Leitner's representations.

10. Between February 10, 2005, and April 28, 2005, Megafund began to divert funds to the Defendant. Based upon records currently available to the Receiver, the Defendant received eleven transfers from Megafund's Wells Fargo bank account during that time, totaling at least \$967,500.00. Megafund and its investors did not receive a reasonable value in exchange and, therefore, Defendant has no legitimate claim to these funds.

**COUNT ONE**

**Constructive Trust & Disgorgement**

11. The Receiver incorporates paragraphs 1 through 10 set forth above, as if set forth verbatim herein.

12. In his capacity, the Receiver has a claim and interest in funds belonging to the above-named parties, along with any transfers, benefits, proceeds, or their equivalent value that can be traced to those funds. The funds paid to and obligations satisfied on behalf of the Defendant constitute and are directly traceable to the funds of the defrauded investors. As such, they are impressed with a constructive trust and constitute Receivership Assets. The Defendant should be required to disgorge its ill-gotten gains.

13. Pursuant to principles of equity, the Receiver seeks the imposition of a constructive trust upon all funds paid to the Defendant and a judgment requiring disgorgement of all amounts received. To the extent the Defendant is unable to disgorge the funds received, the Receiver seeks a money judgment against it in an amount equal to the funds received.

**COUNT TWO**

**Fraudulent Transfer**

14. The Receiver incorporates paragraphs 1 through 13 set forth above as if set forth verbatim herein.

15. The Megafund investment program was fraudulent and a *Ponzi* scheme. Consequently, all funds and benefits the Defendant received from Megafund constitute fraudulent transfers. The Receiver is entitled to recover all such funds from the Defendant as fraudulent transfers, for which amounts the Receiver hereby sues.

**COUNT THREE**

**Fees, Expenses, Costs and Interest**

16. The Receiver incorporates paragraphs 1 through 15 set forth above as if set forth verbatim herein.

17. As a direct result of the conduct of the Defendant, as alleged above, it has been necessary for the Receiver to file this action. The Receiver sues for all costs, expenses, attorneys' fees and pre-judgment and post-judgment interest to which he is entitled under the law or at equity.

**JURY DEMAND**

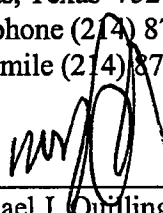
18. The Receiver respectfully requests that this case be tried before a jury.

WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final trial hereof that the Court enter judgment in favor of the Receiver against the Defendant in an amount equal to the amount of investor funds received, plus pre- and post-judgment interest, attorneys' fees and costs of court, and for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself justly entitled.

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: \_\_\_\_\_

  
Michael J. Quilling  
State Bar No. 16432300  
D. Dee Raibourn, III  
State Bar No. 24009495  
Brent J. Rodine  
State Bar No. 24048770

ATTORNEYS FOR RECEIVER

CIVIL COVER SHEET

JS 44 (Rev 11/04)

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

<b>I. (a) PLAINTIFFS</b>		<b>DEFENDANTS</b>	
Michael J. Quilling, Receiver for Megafund Corporation and Stanley A. Lerner County of Residence of First Listed Plaintiff <u>Dallas</u> (EXCEPT IN U.S. PLAINTIFF CASES) CLERK, U.S. DISTRICT COURT NORTHERN DISTRICT OF TEXAS FEB 24 2006 <b>ORIGINAL</b>		MI-TY Productions, Inc. <b>8-06CV0355-N</b> County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY) NOTE IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED	
<b>(c) Attorney's (Firm Name, Address, and Telephone Number)</b>		<b>Attorneys (If Known)</b>	
Quilling Selander Cummiskey & Lownds, P.C., 2001 Bryan Street, Suite 1800, Dallas, Texas 75201, (214) 871-2100			

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

1 U.S. Government Plaintiff

2 U.S. Government Defendant

3 Federal Question (U.S. Government Not a Party)

4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input checked="" type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

<b>CONTRACT</b>	<b>TORTS</b>	<b>FORFEITURE/PENALTY</b>	<b>BANKRUPTCY</b>	<b>OTHER STATUTES</b>	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input checked="" type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability <b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl Ret Inc Security Act	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

**V. ORIGIN** (Place an "X" in One Box Only)

1 Original Proceeding

2 Removed from State Court

3 Remanded from Appellate Court

4 Reinstated or Reopened

5 Transferred from another district (specify)

6 Multidistrict Litigation

7 Appeal to District Judge from Magistrate Judgment

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

**VI. CAUSE OF ACTION** Brief description of cause: Constructive trust and fraudulent transfer

**VII. REQUESTED IN COMPLAINT:**  CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ 967,500.00 CHECK YES only if demanded in complaint: JURY DEMAND:  Yes  No

**VIII. RELATED CASE(S) IF ANY** (See instructions): JUDGE Sam A. Lindsay DOCKET NUMBER 3:05-CV-1328-L

DATE 2/23/06 SIGNATURE OF ATTORNEY OF RECORD 

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING FFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG JUDGE \_\_\_\_\_