

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

MICHAEL J. QUILLING, RECEIVER	§	
FOR MEGAFUND CORPORATION AND	§	
LANCORP FINANCIAL GROUP, LLC,	§	
	§	
Plaintiff,	§	
	§	Civil Action No. 3:06-CV-0959-L
v.	§	
	§	
GARY MCDUFF, et al.,	§	
	§	
Defendants.	§	

ORDER

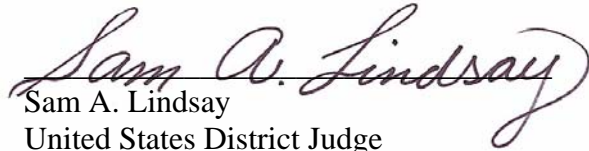
This case arises out of a lawsuit brought by the Securities and Exchange Commission (“SEC”) against various defendants and relief-defendants for an alleged fraudulent investment scheme whereby Megafund Corporation (“Megafund”), an unlicensed securities broker, solicited investor funds by making false 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. On May 30, 2006, the Receiver filed this action against Gary McDuff (“McDuff”), seeking to recover more than \$300,000 in investor funds allegedly transferred to McDuff and others.

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 October 20, 2006, the Receiver filed a motion for partial summary judgment. The Receiver alleges that \$304,272.58 paid to Gary McDuff by Megafund constitutes a voidable transfer under the Texas

Uniform Fraudulent Transfer Act (“TUFTA”). On December 13, 2006, the Findings and Recommendation of the United States Magistrate Judge were filed, recommending that the court grant the motion for partial summary judgment. No objections were filed.

Having reviewed the pleadings, file and record in this case, and the findings of the magistrate judge, the court determines that the findings are correct. They are **accepted** as those of the court. Accordingly, the court **grants** the Receiver’s motion for partial summary judgment.

It is so ordered this 23rd day of January, 2007.


Sam A. Lindsay
United States District Judge