

Schonsky files this Amended Status Report, with minor changes to the Status Report filed by the Receiver earlier today.

STATEMENT OF THE CASE

1. Michael J. Quilling, as Receiver for Sardaukar Holdings, IBC and Bradley C. Stark, has filed suit against Jeffrey M. Schonsky, alleging that Mr. Schonsky received property and cash from Bradley C. Stark, who, through Sardaukar Holdings, IBC, was allegedly running a Ponzi scheme, in at least the aggregate amount and value of \$189,219.42, which the Receiver claims the right to recover and hold as Receivership assets pursuant to this Court's Order. The Receiver is seeking, among other things, disgorgement of said cash and/or assets by the Defendant. The Defendant admits that he has received as gifts the cash and property described in the Complaint, but that he has no knowledge of any ill gotten gains or Ponzi scheme. Defendant believes that this Court has no *in personam* jurisdiction over him and that venue in this Court is improper. Defendant further asserts that, even if he did receive the cash and property described in the Complaint, he did not violate any securities laws, and that any remedy to be had in this Court by the Receiver should be against the violator of any securities laws, not the recipient of any funds generated by such violations.

CHALLENGES TO JURISDICTION AND VENUE

2. Defendant has asserted as affirmative defenses challenges to *in personam* jurisdiction and venue of this cause. Defendant has recently retained counsel; as such, counsel anticipates filing motions in support of these challenges.

MOTIONS

3. Defendant has asserted challenges to both the venue and the ability of this Court to assert personal jurisdiction over him. Defendant anticipates filing a Motion to Dismiss based on these challenges. Defendant reserves his right to file additional Motions as necessary in the event his Motion to Dismiss is denied. The Receiver contemplates filing a summary judgment motion following Defendant's deposition. The Receiver would suggest that the Court require motions of a dispositive nature to be filed at least sixty (60) days before trial.

COURT CONFERENCE

4. There are no matters at this time that require a conference with the Court.

ADDITIONAL PARTIES

5. At this time, neither Defendant nor the Receiver are aware of the necessity of joining any other parties to this action.

DISCOVERY

6. The Receiver estimates that no more than twelve months will be needed for discovery. The Defendant is a resident of New York, who may need to schedule travel necessary to conduct discovery.

7. The Receiver will only need to conduct limited discovery, as the issues in the case are straightforward. At a minimum, the Receiver will take the Defendant's deposition to find out, among other things, the circumstances and details surrounding their receipt of the cash and property belonging to the Receivership estate; their relationship with Sardaukar Holdings and Bradley Stark; any consideration given by Defendant in exchange for said property; and the current whereabouts and status of said property.

8. The Receiver is not aware of any limitations not stated in the Federal Rules of Civil Procedure that should be placed on discovery. The Receiver sees no need for discovery to be conducted in phases or in any manner different from that set forth in the Fed. R. Civ. P. The Receiver does not believe that the Court need schedule a conference to develop a discovery schedule.

DONDI DECISION

9. Counsel for Receiver and counsel for Defendant have read the *Dondi* decision, 121 F.R.D. 284 (N.D. Tex. 1988). Counsel for Receiver and counsel for Defendant have read and are familiar with the District Court's civil justice expense and delay reduction plan as amended May 2002.

TRIAL DATE

10. The Receiver requests a trial date on or after November 1, 2006. The Receiver estimates the trial of this cause should take no more than two days. A jury has been demanded.

CONSENT TO MAGISTRATE

11. The Receiver and Defendant will consent to trial before United States Magistrate Judge Irma C. Ramirez.

SETTLEMENT

12. There are no settlement negotiations ongoing and no current prospects for settlement of this case. The Receiver does not believe the Court should schedule a settlement conference.

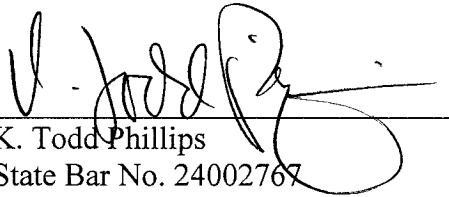
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13. The Receiver and Defendant will agree to mediation and believe that it would be most effective at the close of discovery.

OTHER MATTERS

14. There are no other matters relevant to the status and disposition of this case known to the parties at this time.

Respectfully submitted this 3rd day of January, 2006,



K. Todd Phillips
State Bar No. 24002767


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COUNSEL FOR DEFENDANT

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document has been duly served upon the following counsel of record via facsimile on January 3, 2006.

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