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

MICHAEL J. QUILLING, RECEIVER §
FOR SARDAUKAR HOLDINGS, IBC and §
BRADLEY C. STARK, §
Plaintiff, §

CIVIL ACTION NO. **3 - 05 CV 2122 - H**

v. §

(JURY TRIAL DEMANDED)

JEFFREY MARC SCHONSKY, §
Defendant. §

COMPLAINT

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, Michael J. Quilling, in his capacity as Receiver for Sardaukar Holdings, IBC and Bradley C. Stark ("Receiver") and files this his Complaint against Jeffrey Marc Schonsky, and in support of such would respectfully show unto the Court the following:

Parties

1. Michael J. Quilling is the Receiver appointed for Sardaukar Holdings, IBC and Bradley C. Stark pending before the United States District Court for the Northern District of Texas, Dallas Division, the Honorable Sam A. Lindsay presiding.
2. Jeffrey Marc Schonsky, Defendant, is an individual resident and citizen of the State of New York and may be served with process at 6520 Booth Street, Apartment 3-L, Rego Park, New York 11374.

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.

The Order Appointing Receiver expressly states that all actions to determine disputes relating to Receivership Assets shall be filed in this Court. In addition, this Court has subject matter 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) the SEC Proceedings referenced below are pending in this District and this action is ancillary to it; (2) the Receiver was appointed in this District; and (3) this action involves Receivership Assets within the meaning of the Order Appointing Receiver. The Order Appointing Receiver expressly states that all actions to determine disputes relating to Receivership Assets shall be filed in this Court.

Background Facts

5. On July 1, 2005 the Securities and Exchange Commission (“SEC”) initiated Civil Action No. 3:05-CV-1328-L currently styled *Securities and Exchange Commission v. Megafund Corporation, Stanley A. Leitner, Sardaukar Holdings, IBC, Bradley C. Stark, CIG, Ltd., and James A. Rumpf, Individually and d/b/a Cilak International and Pamela C. Stark, Relief Defendant*, and in connection therewith sought the appointment of a Receiver as to the Defendants and Relief Defendant. By Order dated July 5, 2005 in the SEC Proceedings, Michael J. Quilling was appointed as Receiver and has continued to function in that capacity since that time.

6. By subsequent Order dated July 19, 2005 in the SEC Proceedings, the receivership was expanded to include additional individuals and entities, including CIG, Ltd. and James A. Rumpf, Individually and d/b/a Cilak International. By virtue of the same Order, Michael J. Quilling was appointed as Receiver for each of the additional individuals and entities and he continues to function in that capacity since that time.

7. Sardaukar Holdings, IBC (“Sardaukar”) is an entity which operated a *Ponzi* scheme and fraudulent investment program under the direction and control of Bradley C. Stark (“Stark”).

In particular, investors sent funds to an account at JPMorgan Chase Bank, N.A. in the name of Sardaukar which were to be invested by Sardaukar under the direction of Stark. However, as investor funds were received, he systemically diverted most of the funds to support an extravagant lifestyle and spending habits and to make *Ponzi* payments to investors. He also systemically diverted investor funds to his cronies so that they could share in the loot.

8. One such crony was Jeffrey M. Schonsky ("Defendant"). Based upon records currently available to the Receiver, on February 24, 2005 Stark caused Sardaukar to transfer \$175,000.00 to the Defendant. In addition, Stark used investor funds to purchase a Rolex watch for \$7,500.00 and \$6,719.42 to purchase a laptop computer, each of which he then gave to the Defendant. The Defendant gave no benefit whatsoever to Sardaukar for the funds and other assets and has no legitimate claim to them.

COUNT ONE

Constructive Trust & Disgorgement

9. The Receiver incorporates paragraphs 1 through 8 set forth above as if set forth verbatim hereat.

10. The funds paid to Defendant and the computer and watch possessed by 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 his ill-gotten gains.

11. Pursuant to principles of equity, the Receiver seeks the imposition of a constructive trust upon the watch and computer and all funds paid to Defendant and a judgment requiring disgorgement of all amounts received. To the extent Defendant is unable to disgorge the funds

received, the Receiver seeks a money judgment against him in an amount equal to the funds received and/or the value of the watch and computer.

COUNT TWO

Fraudulent Transfer

12. The Receiver incorporates paragraphs 1 through 11 set forth above as if set forth verbatim hereat.

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

COUNT THREE

Fees, Expenses, Costs and Interest

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

15. As a direct result of the conduct of 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

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

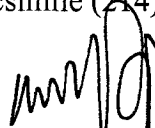
WHEREFORE, PREMISES CONSIDERED, the Receiver prays that upon final trial hereof that the Court enter judgment in favor of the Receiver against the Defendant in an amount equal to the amount of investor funds and assets received by him, plus pre- and post-judgment interest,

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
Michael D. Clark
State Bar No. 00798108

ATTORNEYS FOR RECEIVER

JS 44 (Rev. 11/04)

REF
OCT 28 2005
CIVIL COVER SHEET
 CLERK, U.S. DISTRICT COURT
 NORTHERN DISTRICT OF TEXAS

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**

I. (a) PLAINTIFFS Michael J. Quilling, Receiver for Sardaukar Holdings, IBC and Bradley C. Stark (b) County of Residence of First Listed Plaintiff <u>Dallas</u> (EXCEPT IN U.S. PLAINTIFF CASES) (c) Attorney's (Firm Name, Address, and Telephone Number) Quilling Selander Cummiskey & Lownds, P.C., 2001 Bryan Street, Suite 1800, Dallas, Texas 75201, (214) 871-2100	DEFENDANTS Jeffrey Marc Schonsky 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. Attorneys (if Known) <div style="font-size: 2em; font-weight: bold; text-align: center;">3-05 CV 2122-H</div>
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ORIGINAL

II. BASIS OF JURISDICTION (Place an "X" in One Box Only) <input type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input checked="" type="checkbox"/> 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) (For Diversity Cases Only) <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Citizen of This State</td> <td style="width: 10%;"><input checked="" type="checkbox"/> 1</td> <td style="width: 10%;"><input type="checkbox"/> 1</td> <td style="width: 33%;">Incorporated or Principal Place of Business In This State</td> <td style="width: 10%;"><input type="checkbox"/> 4</td> <td style="width: 10%;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input checked="" type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>	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
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														
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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)				
CONTRACT <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 REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <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 PERSONAL INJURY <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 <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 PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <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	FORFEITURE/PENALTY <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 LABOR <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	BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <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)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	OTHER STATUTES <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)

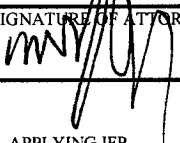
1 Original Proceeding
 2 Removed from State Court
 3 Remanded from Appellate Court
 4 Reinstated or Reopened
 5 Transferred from another district (specify) _____
 6 Multidistrict Litigation
 7 Appeal to District Judge from Magistrate Judgment

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 \$ 190,000.00 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 10/28/05 SIGNATURE OF ATTORNEY OF RECORD 

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG JUDGE _____