

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,

Plaintiffs,

vs.

JEFFREY MARC SCHONSKY, *pro se*,

Defendant.

§
§
§
§
§
§
§
§
§
§
§
§

Case 3:05-cv-02122 Document 7 Filed 01/03/2006 Page 1 of 11
Civil Action No. 3:05-CV-2122-H
ECF

STATUS REPORT

TO THE HONORABLE JUDGE OF SAID COURT:

In accordance with this Court's Order of December 12, 2005, the following status report is submitted by Plaintiff, Michael J. Quilling, Receiver ("Receiver").

On December 13, counsel for the Receiver sent Defendant Schonsky a letter to the address listed on Defendant's Original Answer requesting his input and participation in preparing a Joint Status Report. Receiver's counsel attached a proposed draft of a Joint Status report for Defendant's review and comment. A true and correct copy of this letter, with attached proposed Joint Status Report, is attached hereto as Exhibit A. To date, Receiver's counsel has received no communication of any sort from Defendant by way of response. As such, Plaintiff now submits this Status Report without input from Defendant.

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 running a Ponzi scheme, in at least the aggregate amount and value of \$189,219.42, which the Receiver has 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." Defendant believes that this Court has no *in personam* jurisdiction over him. Defendant further asserts that, even if he did receive the cash and property described in the Complaint, that 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 an affirmative defense a challenge to *in personam* jurisdiction and venue of this cause.

Motions

3. There are no pending motions. 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, the Receiver is not 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 and needs 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, IBC 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 has read the *Dondi* decision, 121 F.R.D. 284 (N.D. Tex. 1988). Counsel for Receiver has 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 will consent to trial before United States Magistrate Judge Irma C. Ramirez.
Case 3:05-cv-02122 Document 7 Filed 01/03/2006 Page 4 of 11

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.

ADR

13. The Receiver will agree to mediation and believes 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 Receiver at this time.

Respectfully submitted,



MICHAEL J. QUILLING

State Bar No. 16432300

Michael D. Clark

State Bar No. 00798108

Quilling Selander Cumiskey & Lownds, P.C.

Case 3:05-cv-02102-Bryant Document 57 Filed 01/03/06 Page 5 of 11

2102 Bryant Street, Suite 1800
Dallas, Texas 75201-4240

214 871-2100

214 871-2111 (FAX)

ATTORNEYS FOR MICHAEL J. QUILLING,
RECEIVER

December 13, 2005

Mr. Jeffrey Marc Schonsky
65-20 Booth Street, Apt. 3L
Rego Park, NY 11374

Re: *Michael J. Quilling, Receiver v. Jeffrey Marc Schonsky*; Cause No. 3:05-CV-2122-H Case 3:05-cv-02122 Document 7 Filed 01/03/2006 Page 6 of 11

Dear Mr. Schonsky:

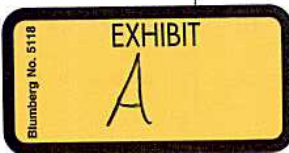
I write in regard to two matters in the captioned cause:

(1) I have yet to receive a response from you to my December 1 letter. I would appreciate hearing from you about the matters contained in that letter. If I do not hear from you in the next ten (10) days, it will be necessary for me to go ahead and unilaterally notice up your deposition here in Dallas. In such event, unless you file an objection, you will be required to personally appear here to testify under oath at the time and date specified therein.

As previously stated, you may contact me via telephone 214.871.2100 (x838) or via e-mail, at your convenience.

(2) As you may know by now, the Court has ordered us to prepare and file a Joint Status Report by **January 2, 2006**. I enclose a copy of the Court's Order in this respect for your easy reference. The Order states that all parties appearing in the case "must participate in the preparation of the Report."

As such, I also enclose a proposed draft of the Joint Status Report for your review. Please take a look at it, mark any changes you desire on it and send it back to me as soon as possible. This is a quick and easy process, and I would like to get the Report filed before Christmas, if possible. I need your signature on the Report before filing it, so please do not delay in assisting me with getting it finalized. I am available to discuss specific matters to be addressed in the Report if you desire.



Mr. Jeffrey Marc Schonsky
December 13, 2005
Page 2

Thanks very much, and I look forward to hearing from you concerning these two matters.

Case 3:05-cv-02122 Document 7 Filed 01/03/2006 Page 7 of 11

Very truly yours,



Michael D. Clark

Enclosures

cc: Michael J. Quilling / firm

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,

Plaintiffs,

vs.

JEFFREY MARC SCHONSKY, *pro se*,

Defendant.

§
§
§
§
§
§
§
§
§
§
§

Case 3:05-cv-02122 Document 7 Filed 01/03/2006 Page 8 of 11

Civil Action No. 3:05-CV-2122-H

ECF

JOINT STATUS REPORT

TO THE HONORABLE JUDGE OF SAID COURT:

In accordance with this Court's Order of December 12, 2005, the following status report is submitted by the parties.

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 running a Ponzi scheme, in at least the aggregate amount and value of \$189,219.42, which the Receiver has 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." Defendant believes that this Court has no *in personam* jurisdiction over him. Defendant further asserts that, even if he did receive the cash and property described in the

Complaint, that 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 an affirmative defense a challenge to *in personam* jurisdiction and venue of this cause. Case 3:05-cv-02122 Document 7 Filed 01/03/2006 Page 9 of 11

Motions

3. There are no pending motions. The Receiver contemplates filing a summary judgment motion following Defendant's deposition. The parties 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, the parties are not aware of the necessity of joining any other parties to this action.

Discovery

6. The parties estimate that no more than twelve months will be needed for discovery. The Defendant is a resident of New York and needs 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, IBC and Bradley Stark; any consideration given by Defendant in exchange for said property; and the current whereabouts and status of said property.

8. The parties are not aware of any limitations not stated in the Federal Rules of Civil Procedure that should be placed on discovery. The parties see 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 parties do not believe that the Court need schedule a conference to develop a discovery schedule.

Dondi Decision

9. Counsel for Plaintiff and *pro se* Defendant have read the *Dondi* decision, 121 F.R.D. 284 (N.D. Tex. 1988). Counsel for Plaintiff and *pro se* 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 parties request a trial date on or after November 1, 2006. The parties estimate the trial of this cause should take no more than two days. A jury has been demanded.

Consent to Magistrate

11. The parties 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 parties do not believe the Court should schedule a settlement conference.

ADR

13. The parties 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.

Case 3:05-cv-02122 Document 7 Filed 01/03/2006 Page 11 of 11

Respectfully submitted,

MICHAEL J. QUILLING
State Bar No. 16432300
Michael D. Clark
State Bar No. 00798108
Quilling Selander Cummiskey & Lownds, P.C.
2001 Bryan Street, Suite 1800
Dallas, Texas 75201-4240
214 871-2100
214 871-2111 (FAX)

ATTORNEYS FOR MICHAEL J. QUILLING,
RECEIVER

And

Jeffrey Marc Schonsky
65-20 Booth Street, Apt. 3L
Rego Park, New York 11374

PRO SE DEFENDANT