

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,	§	Civil Action No. 3:05-CV-1976(BD)
	§	
Plaintiff,	§	
	§	
v.	§	ECF
	§	Referred to the U.S. Magistrate Judge
	§	
JOHN W. STARK, JR. and BARBARA	§	
STARK,	§	
	§	
Defendants.	§	

JOINT STATUS REPORT

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

Plaintiff Michael J. Quilling, as Receiver for Sardaukar Holdings, IBC and Bradley C. Stark, (“Plaintiff” or “Receiver”) and Defendants John and Barbara Stark hereby file this Joint Status Report according to this Court’s Order of February 7, 2007 [Dkt. No. 48] and would respectfully show the Court as follows:

(A) Status of Settlement Negotiations

Last week, the Receiver and Defendants reached an agreement in principle that would settle all of the claims, counterclaims, and defenses at issue between them. The parties are currently working towards a Settlement Agreement and Agreed Judgment to be entered. Given these developments, it appears that trial or mediation will not be necessary in this case. Nevertheless, this Joint Status Report includes Sections (B) and (C) below as directed in the Court’s Order of February 7, 2007 [Dkt. No. 48].

(B) Proposed Trial Date and Estimated Length of Trial

The only remaining issue in this case is the Defendants' counterclaim alleging that the Receiver failed to provide timely tax reporting documents for salary that Defendants claim for 2005. If the parties are unable to settle this case, the Receiver plans on filing a summary judgment motion on that issue before trial. Otherwise the Receiver can be ready for trial by April 2007 and anticipates that it would last only one day. Defendants can be ready for trial by May 2007 and also anticipate that it would last one day.

(C) Jury Demand

The Receiver would seek a bench trial and consents to trial before the Magistrate Judge under Fed. R. Civ. P. 73(a). At this time, Defendants would seek a jury trial but may waive that right at a later date.

(D) Other Relevant Issues

Should the parties' recent settlement efforts end without success, the Receiver believes that this case can be fully resolved in a single hearing addressing two issues: (1) the Receiver's anticipated motion for summary judgment on Defendants' counterclaim and (2) the imposition and foreclosure of a lien upon Defendants' real property that was, in part, paid for with Sardaukar investor funds.

Approved as to form and content:

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