

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

MICHAEL J. QUILLING, Receiver	§	
for Lancorp Financial Group, LLC, and	§	
Lancorp Financial Fund Business Trust	§	
	§	
Plaintiff,	§	
	§	CIVIL ACTION NO. 3:07-CV-0682-L
v.	§	
	§	ECF
ROBERT TRINGHAM,	§	
FIRST NATIONAL BAN CORP., FIRST	§	
ASSET MANAGEMENT CORP., MAX	§	
INTERNATIONAL BROKER DEALER	§	
CORP., and NIGEL GILBERT,	§	
	§	
Defendants.	§	

NOTICE OF DISMISSAL WITH PREJUDICE

TO THE HONORABLE SAM A. LINDSAY, UNITED STATES DISTRICT JUDGE:

COMES NOW Michael J. Quilling, as Receiver for Lancorp Financial Group, LLC and the Lancorp Financial Fund Business Trust, (“Plaintiff” or “Receiver”) and files this Notice of Dismissal with Prejudice under Fed. R. Civ. P. 41(a)(1)(i) and Local Civ. R. 41.1. In support, the Receiver would respectfully show the Court as follows:

1. Michael J. Quilling is the Receiver for Lancorp Financial Group, LLC, the Lancorp Financial Fund Business Trust (“Lancorp”), and other associated parties in *SEC v. Megafund Corporation, et al.*, Case No. 3:05-CV-1328, pending before the United States District Court for the Northern District of Texas (the “Receivership Proceedings”).

2. On April 20, 2007, the Receiver filed suit against Defendants Robert Tringham, First National Ban Corp., and First Asset Management Corp. (“Tringham Defendants”) in these

proceedings to recover Lancorp investor funds totaling \$884,371.23, representing the remaining balance of funds deposited by Lancorp into First National Ban Corp.'s ("FNB") bank account at Max International. *Complaint* [Dkt. No. 1]. Until recently, those funds were subject to a civil forfeiture action in the United States District Court for the Central District of California (the "Civil Forfeiture Action"). *See Receiver's Motion to Approve Settlement with Robert Tringham* [Dkt. No. 358] (3:05-CV-1328).

3. On or about September 13, 2007, the parties executed a Settlement Agreement in which the Tringham Defendants would not oppose a transfer to the Receiver of \$884,371.23 that the Internal Revenue Service seized from FNB's Max International bank account, thereby making Lancorp whole with respect to the money it deposited in that account. *Compromise & Settlement Agreement* [Dkt. No. 354-2] (3:05-CV-1328). In exchange, the Receiver would dismiss all claims that Lancorp has or could have asserted against the Tringham Defendants.

4. This Court approved that Settlement Agreement on October 10, 2007. *Order* [Dkt. No. 365]. It expressly required the parties to submit an order of dismissal in this case once the transfer was approved in the Civil Forfeiture Action.¹ *Id.*

5. On November 8, 2007, the Court overseeing the Civil Forfeiture Action entered an Order requiring the U.S. Attorney and Internal Revenue Service to deliver \$884,371.23 to the Receiver within sixty days. A true and correct copy of that Order is attached as Exhibit 1 and fully incorporated for all purposes. Once paid, the Receiver will have obtained a full recovery of

¹ The Receiver submits that a notice of dismissal is appropriate in this case under Federal Rule of Civil Procedure 41(a)(1)(i), since these Defendants have not yet answered or filed a motion for summary judgment.

all funds sought through this lawsuit.²

6. Accordingly, the Receiver now submits this notice asking the Court to dismiss, with prejudice, all claims stated against the Tringham Defendants and leave those parties to bear their fees and costs. An Order of Dismissal with Prejudice is attached as Exhibit 2 and fully incorporated for all purposes.

WHEREFORE, PREMISES CONSIDERED, the Receiver hereby notifies this Court of his desire to dismiss, with prejudice, all claims asserted against Defendants Robert Tringham, First National Ban Corp., and First Asset Management Corp. in this case. The Receiver further asks that this Court sign the Order of Dismissal with Prejudice attached as Exhibit 2 and grant such other and further relief, general or special, at law or in equity, to which he may otherwise be entitled.

Respectfully submitted,

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By: /s/ Brent J. Rodine

Michael J. Quilling
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Brent J. Rodine
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ATTORNEYS FOR PLAINTIFF

² Although not addressed in the Court's Order of October 10, 2007, the Receiver will also work with Defendant Max International Broker Dealer Corp. and Defendant Nigel Gilbert to secure stipulations of dismissal relating to the claims against them.

CERTIFICATE OF CONFERENCE

On November 15, 2007, the undersigned personally conferred with David Mizgala, counsel for Defendants Robert Tringham, First National Ban Corp., and First Asset Management Corp., and it was determined that both parties agreed to the requested relief.

/s/ Brent J. Rodine

CERTIFICATE OF SERVICE

A copy of this notice will be served on all interested parties through the Court's electronic filing system.

/s/ Brent J. Rodine