

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

MICHAEL J. QUILLING, RECEIVER FOR	§	
MEGAFUND CORPORATION	§	
AND STANLEY A. LEITNER,	§	
	§	
Plaintiff,	§	
	§	
v.	§	CIVIL ACTION NO. 3:05-CV-2395-N
	§	
URBAN TELEVISION NETWORK	§	ECF
CORPORATION,	§	
	§	
Defendant.	§	Referred to U.S. Magistrate Judge

STIPULATION OF DISMISSAL

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling, in his capacity as Receiver for Megafund Corporation and Stanley A. Leitner, (“Receiver”) and files this Stipulation of Dismissal pursuant to Fed. R. Civ. P. 41(a)(1)(ii) and, in support of such, would respectfully show unto the Court as follows:

1. On July 1, 2005, the Securities and Exchange Commission (“SEC”) initiated these proceedings against numerous defendants involved in different levels of a purported investment program. *See Complaint* [Dkt. No. 1] (3:05-CV-1328). By order of July 5, 2005 this Court appointed Michael J. Quilling as Receiver for the defendants and relief defendant and he has since continued to function in that capacity. *See Order Appointing Temporary Receiver* (“Order Appointing Receiver”) [Dkt. No. 9], as amended July 19, 2005 [Dkt. No. 36] (3:05-CV-1328).

2. The Order Appointing Receiver expressly authorizes legal action to recover funds transferred out of the Receivership Estate:

The Receiver is hereby authorized to institute such actions or proceedings to impose a constructive trust, obtain possession and/or

recover judgment with respect to persons or entities who received assets or funds traceable to investor monies.

Id. [Dkt. No. 36] at ¶ 13 (3:05-CV-1328).

3. Accordingly, on December 6, 2005, the Receiver filed a Complaint against Urban Television Network Corporation (“UATV”) seeking to recover \$665,000.00 of investor funds that Megafund sent to them. *Complaint* [Dkt. No. 1]. UATV filed an Answer denying the Receiver’s allegations. *Defendant’s Original Answer* [Dkt. No. 7].

4. Since that time, the parties entered into a proposed Settlement Agreement wherein UATV assigned to the Receiver all rights, claims, and causes of action against Dove Media Group, Inc. f/k/a World One Media Group, Inc (“Dove Media”). On October 19, 2006, the Receiver filed his motion to have that agreement approved by the Court. *Motion to Approve Settlement Agreement* [Dkt. No. 223] (3:05-CV-1328). The Court, however, denied that motion without prejudice. *Order*, Oct. 20, 2006 [Dkt. No. 224] (3:05-CV-1328).

5. To avoid the time and expense of trial, the parties have stipulated that this case should be dismissed without prejudice under Fed. R. Civ. P. 41(a)(1)(ii), with each party bearing their own costs and fees. The Receiver, therefore, respectfully requests that the Court enter the Agreed Order of Dismissal attached as Exhibit “A.”

WHEREFORE, PREMISES CONSIDERED, the Receiver requests that this Court issue an Agreed Order of Dismissal that reflects the parties’ stipulation to dismiss this case without prejudice under Fed. R. Civ. P. 41(a)(1)(ii).

Respectfully submitted,

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