



## U.S. Securities and Exchange Commission

### U.S. SECURITIES AND EXCHANGE COMMISSION

#### Litigation Release No. 19307 / July 20, 2005

*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, defendants, and Pamela C. Stark, relief defendant, Civil Action No. 3-05-CV- 1328-L (U.S.D.C./N.D. Texas, Dallas Division)*

#### SEC AMENDS COMPLAINT TO NAME OTHER PARTICIPANTS IN THE MEGAFUND "HIGH YIELD" INVESTMENT SCHEME

The Securities and Exchange Commission ("Commission") announced today that on July 19, 2005, it filed an amended complaint in an emergency civil action originally filed in the U.S. District Court for the Northern District of Texas, on July 1, 2005. The amended complaint alleges that James A. Rumpf ("Rumpf"), individually, and operating under the assumed name, Cilak International, along with his offshore company, CIG Ltd. ("CIG"), participated in a "High Yield" investment scheme in which at least \$13.8 million was fraudulently raised from 70 investors nationwide. Other defendants in the case are Megafund Corporation ("Megafund"), its president, Stanley A. Leitner ("Leitner"), Bradley C. Stark ("Stark"), and Stark's offshore company, Sardaukar Holdings, IBC ("Sardaukar").

The Commission's amended complaint alleges that, from June 2004 through the present, the defendants engaged in a scheme to defraud investors with promises of 120 percent annual investment returns and safety of investment principal. It is further alleged that the defendants targeted Christian ministries and other non-profit organizations with claims that a portion of the profits generated would benefit charitable causes. According to the amended complaint, the defendants represented that investor funds would be placed in an "account at a major U.S. Brokerage firm" where an unnamed "Trader" would engage in "arbitrage" transactions involving, among other things, "Treasury bills" and "certificates of deposits." In truth, the amended complaint alleges that Megafund and Leitner transferred nearly \$11 million of investor funds to a Netherlands Antilles bank account controlled by Rumpf and CIG, and subsequently, Sardaukar and Stark received at least \$9.5 million of these funds.

On July 19, 2005, United States District Judge Sam A. Lindsay entered a temporary restraining order and asset freeze against Rumpf and CIG, appointed a receiver to preserve assets, ordered the repatriation of all funds in offshore accounts, and directed Rumpf to immediately surrender his passport. The court had previously entered similar orders against the other defendants, each of whom consented to preliminary injunctions entered on July 14, 2005.

The amended complaint charges each of the defendants with violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. In addition to the emergency relief listed above, the amended complaint seeks preliminary and permanent injunctive relief, an accounting, disgorgement of profits, and the imposition of civil penalties against the defendants.

(For additional information, please see Commission Litigation Release. No. LR-19292, July 5, 2005.)

▶ [SEC Complaint in this matter](#)

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