

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

SECURITIES AND EXCHANGE
COMMISSION

Plaintiff,

VS.

MEGAFUND CORPORATION,
ET AL.

Defendants.

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NO. 3-05-CV-1328-L

ORDER

Michael J. Quilling, as Receiver for Sardaukar Holdings, IBC and related entities, has filed a motion to allow "A" claims and disallow potential "A" claims against the Sardaukar Holdings Receivership Estate. As of November 2, 2006, the Receiver has approved two such claims totaling \$6,163,266.38-- a \$100,000 claim filed by Lynn Atkinson d/b/a Rose of Avalon, LLC and a \$6,063,266.38 claim filed by the Receiver on behalf of CIG, Ltd. Although the Receiver has reason to believe that at least 32 other persons and entities may have potential claims against the Receivership Estate, he does not have the addresses or telephone numbers of these potential claimants because Brad Stark thus far has refused to provide such information.

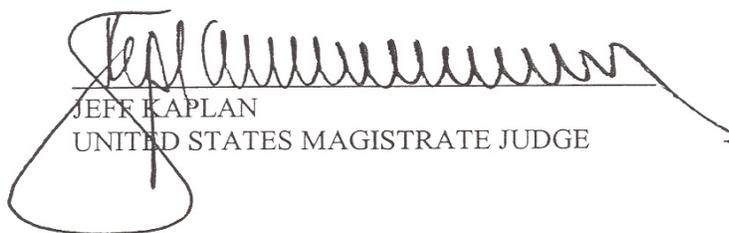
By order dated November 1, 2006, the district judge approved a settlement between the Receiver and Brad Stark which requires, *inter alia*, Stark to email all potential claimants by November 15, 2006 to request their name, physical address, and telephone number. Within 10 days thereafter, Stark "shall sign a letter to be sent by the Receiver to each of the [potential claimants] in a form acceptable to the Receiver . . . that instructs them to file a claim form with the Receiver and

which informs them that no further monies will be paid by [Stark] to any of them unless paid by the Receiver." In order to ensure that all potential claimants of the Sardaukar Holdings Receivership Estate are given notice by the best means available, the court declines to allow any claims or disallow any potential claims until the Receiver obtains additional information from Stark and contacts the potential claimants by mail.

Accordingly, the Receiver's motion to allow "A" claims and disallow potential "A" claims against the Sardaukar Holdings Receivership Estate [Doc. #226] is denied without prejudice. The Receiver may refile his motion after potential claimants are notified by mail of their right to file a claim against the Estate.

SO ORDERED.

DATED: November 6, 2006.


JEFF KAPLAN
UNITED STATES MAGISTRATE JUDGE