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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. MEGAFUND CORPORATION, STANLEY A. LEITNER, SARDAUKAR HOLDINGS, IBC., and 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-(BD) **ECF** **Referred to the U.S. Magistrate Judge**

RECEIVER'S SECOND MOTION TO DISALLOW POTENTIAL "A" CLAIMS (SARDAUKAR HOLDINGS RECEIVERSHIP ESTATE)

TO THE HONORABLE JEFF A. KAPLAN, UNITED STATES MAGISTRATE JUDGE:

Pursuant to this Court's Order of August 19, 2005 [Docket No. 53], the Receiver submits this Second Motion to Disallow the Potential "A" Claims of Robin Schaefer, CDB&B Investors, Inc., and International Consultants & Referrals. In support of such, the Receiver would respectfully show this Court as follows:

1. On July 1, 2005, the Securities and Exchange Commission ("SEC") initiated these proceedings against the Defendants and Relief Defendant for their involvement in a purported investment scheme. *Complaint* [Dkt. No. 1]. By Order of July 5, 2005, the Court appointed Michael

J. Quilling as Receiver for those parties and he has since continued to function in that capacity. *Order Appointing Temporary Receiver* [Dkt. No. 9], as amended July 19, 2005 [Dkt. No. 36].

2. On July 6, 2005, the Receiver met with Brad Stark at his apartment in Riverside, California. *Receiver's Declaration,* Exhibit "A" at ¶ 3. During that meeting, Ralph Schaefer arrived at Stark's apartment and the Receiver personally informed him of these receivership proceedings. *Id.* Since that time, the Receiver has had other correspondence with Schaefer, both individually and as principal agent for CDB&B Investors, Inc., regarding these receivership proceedings in general and the claim form process in particular. *Id.*

3. On September 26, 2005, the Receiver sent claim forms to the addresses of all known Sardaukar investors, including the following:

Potential Sardaukar Claimant	Mailing Address
CDB&B Investors, Inc. c/o Ralph Schaefer and Robin Schaefer	1005 Terminal Way, Suite 110, Reno, NV 89502
International Consultants & Referrals c/o Stanley J. Szklany Welby Law Offices	Thirteen Ventura Drive North Dartmouth, MA 02741
International Consultants & Referrals c/o Antonio Dudley	Ave. 5a Norte Enrique Geenzier, El Cangrejo, No. 17-40, PO Box 1082, Panama 9A Panama City, Panama RP

Id. at ¶ 4. Those claim forms expressly stated that they were to be completed and returned in sixty days. *Id.*

4. On November 2, 2006, the Receiver filed his First Motion to Allow "A" Claims and Disallow Potential "A" Claims with respect to the Sardaukar Holdings Receivership Estate [Dkt. No. 226]. At a hearing that same day, the Receiver and Brad Stark entered into a Court-approved

Settlement Agreement [Dkt. No. 228] wherein Stark agreed to e-mail all Sardaukar investors and urge them to cooperate with these proceedings and provide their current contact information to the Receiver. On November 6, 2006, the Court issued an Order [Dkt. No. 230] denying the Receiver's motion so that Brad Stark had an opportunity to e-mail the Sardaukar investors.

5. In November 2006, Stark joined the Receiver in sending e-mails to potential Sardaukar claimants, including the following:

Potential Sardaukar Claimant	E-mail Address	Sent Date
Robin Schaefer c/o Ralph Schaefer	irs1040ez@aol.com	11/13/2006
International Consultants and Referrals	i.c.referralsinc@safe-mail.net	11/14/2006
CDB&B Investors, Inc. c/o Ralph Schaefer	irs1040ez@aol.com	11/15/2006

Receiver's Declaration, Exhibit "A" at ¶ 5; *E-mails to Claimants,* Exhibits "B", "C", and "D".

6. By December 2006, only six Sardaukar investors had responded to the Receiver and filed timely claim forms. *Id.* at ¶ 6. At that time, there were twenty-seven known Sardaukar investors who ignored the Receiver's requests for information, including CDB&B Investors, Inc., Robin Schaefer, and International Consultants and Referrals. *Id.*

7. On January 11, 2007, the Receiver filed his Amended First Motion to Allow "A" Claims and Disallow Potential "A" Claims with respect to the Sardaukar Holdings Receivership Estate [Dkt. No. 250]. In it, the Receiver recommended that the Court allow claims by the six Sardaukar investors who filed timely claim forms and disallow potential claims by the twenty-seven Sardaukar investors who did not. On February 28, 2007, the Court entered its Order [Dkt. No. 289]

approving the Receiver's motion. That Order specifically disallowed the potential "A" claims for CDB&B Investors, Inc., Robin Schaefer, and International Consultants & Referrals, Inc.

8. On February 23, 2007, Ralph Schaefer sent a letter to the Court Clerk [Dkt. Nos. 287, 288], which included a claim form for his wife, Robin Schaefer, and her portion of funds purportedly invested through CDB&B Investors, Inc. Schaefer, however, has not submitted any claim forms for the other investors who sent money to Sardaukar through CDB&B Investors, Inc. *Receiver's Declaration,* Exhibit "A" at ¶ 7.

9. On March 2, 2007, Antonio Dudley sent a claim form to the Receiver on behalf of International Consultants & Referrals. *Id.* at ¶ 8. In his cover letter, Dudley claimed that he had "been notified by attorney Stanley J. Szklany of Welby Law Offices of your request for a claim." *Dudley Letter,* Feb. 27, 2007, Exhibit "E". As explained above, the Receiver sent that request nearly a year and a half earlier. *Id.* at ¶ 4.

10. The Receiver submits that these claims should be disallowed because (1) the claimants have had notice of this receivership since at least September 2005, (2) the claimants refused to submit a claim or cooperate with the Receiver's efforts for nearly a year and a half, (3) as a result of their delay, this Court has already disallowed their claims, and (4) the Receiver does not believe either claimant has shown good cause for their delay. The Receiver's position is explained more fully below:

(a) Ralph Schaefer, Robin Schaefer, and CDB&B Investors, Inc.

Ralph Schaefer and CDB&B Investors, Inc. have known about these receivership proceedings since July 6, 2005. Since then, they have refused to comply with the Receiver's numerous requests to submit claim forms or provide information about themselves or the money they invested in

Sardaukar on behalf of other parties. *E-mails to Claimants,* Exhibits "B" and "D". Although CDB&B Investors, Inc. contributed over $1 million of aggregated investments to Sardaukar, Ralph Schaefer has only filed a claim for $200,000.00—the portion attributable to his wife. *Schaefer Claim Form* [Dkt. Nos. 287, 288]; *Receiver's Declaration,* Exhibit "A" at ¶ 7. The Receiver would consider recommending approval of this claim if Schaefer were forthcoming about the other investors who contributed more than $800,000.00 to Sardaukar through CDB&B Investors, Inc. Schaefer, however, continues to withhold that information from the Receiver. *Receiver's Declaration,* Exhibit "A" at ¶ 7. Therefore, his claim on behalf of Robin Schaefer and CDB&B Investors, Inc. ought to be disallowed unless he agrees to give sworn testimony accounting for the source of all funds that CDB&B Investors, Inc. contributed to Sardaukar. At that time, the Receiver can reconsider his position.

(b) Antonio Dudley and International Consultants & Referrals:

In September 2005, the Receiver sent claim forms to International Consultants & Referrals at both its Panama address and to Welby Law Offices, its legal counsel located in Massachusetts. *Id.* at ¶ 4. At all times, it had the benefit of legal counsel to explain the consequences for not filing a timely claim form. The Receiver submits that Mr. Dudley's recent submission does not set forth any good reason for failing to return that claim form for nearly a year and a half. Therefore, the Receiver respectfully submits that it ought to be disallowed.

11. **This motion does NOT address claims against either the Megafund Receivership Estate or the Lancorp Financial Receivership Estate.**

DATED this 9th day of April, 2007.

Respectfully submitted,

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