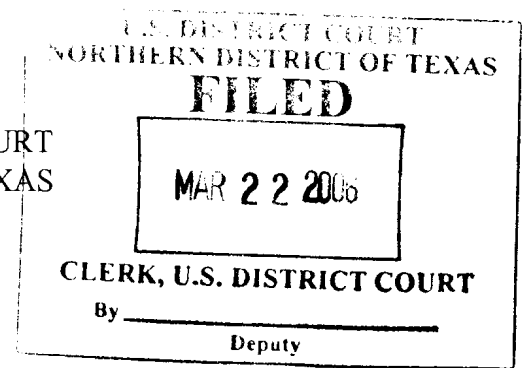


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION, §

Plaintiff, §

v. §

Civil Action No. 3:05-CV-1328-L

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. §

**RECEIVER'S MOTION TO APPROVE SETTLEMENT AND SALE OF VEHICLE
FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES**

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

COMES NOW, Michael J. Quilling ("Receiver"), and files this his Unopposed Motion to Approve Settlement and Sale of Vehicle Free and Clear of All Liens, Claims and Encumbrances, 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 and in connection therewith sought the appointment of a receiver as to the Defendants and Relief Defendant. By Order dated July 5, 2005, the Court appointed Michael J. Quiling as receiver and he has since continued to serve in that capacity.

2. The Receivership Estate includes two vehicles titled in the name of Cecil R. Wilks and Linda Sue Wilks. The first vehicle is a 2005 Cadillac SRX (VIN# 1GYEE63A550224252) ("the

SUV”) and the second is a 2005 Cadillac STS (VIN# 1G6DC67A350199016) (“the Sedan”).

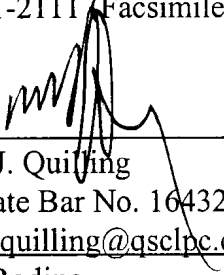
3. On February 24, 2006, the Receiver made formal demand on the Wilkses to relinquish possession of those vehicles or, alternatively, tender payment to the Receivership Estate for one or both of them. Subject to this Court’s approval, the Wilkses have agreed (1) to relinquish title and possession of the SUV to the Receiver and (2) to purchase the Sedan for \$35,000.00, reflecting the current Blue Book value for that vehicle. The proposed settlement agreement is attached hereto as Exhibit “A.” The Receiver believes that this agreement is in the best interests of the Receivership Estate and that the proposed purchase price accurately represents the Sedan’s fair market value given its condition and mileage. To the Receiver’s knowledge, there are no known liens or encumbrances against that vehicle. Accordingly, the Receiver requests that the Court authorize him to sell the Sedan, free and clear of all liens, claims, and encumbrances, to the Wilkses.

WHEREFORE, PREMISES CONSIDERED, the Receiver requests that the Court enter an Order approving the proposed settlement agreement and authorizing him to sell the 2005 Cadillac STS (VIN# 1G6DC67A350199016) to Cecil R. Wilks and Linda Sue Wilks, and for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself justly entitled.

Respectfully submitted,

QUILLING SELANDER CUMMISKEY & LOWNDS, P.C.
2001 Bryan Street, Suite 1800
Dallas, Texas 75201-4240
(214) 871-2100 (Telephone)
(214) 871-2111 (Facsimile)

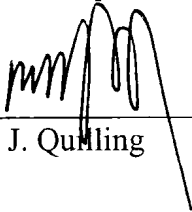
By: _____


Michael J. Quilling
Texas State Bar No. 16432300
Email: mquilling@qsclpc.com
Brent J. Rodine
Texas State Bar No. 24048770
Email: brodine@qsclpc.com

ATTORNEYS FOR RECEIVER

CERTIFICATE OF CONFERENCE

Pursuant to Local Civil Rule 7.1, I have conferred with counsel of record regarding the relief requested in this motion and they do not oppose the relief requested.



Michael J. Quilling

CERTIFICATE OF SERVICE

This is to certify that on the 22nd day of March, 2006, a true and correct copy of the above and foregoing Motion was served, via first class mail, with full and proper postage prepaid thereon, to:

Stephen J. Korotash
Securities and Exchange Commission
801 Cherry Street, Suite 1900
Fort Worth, Texas 76102

Jeffrey Henderson
Henderson & Lyman
175 West Jackson Boulevard, Suite 240
Chicago, Illinois 60604

James Rumpf, Individually and d/b/a
CILAK International
1802 Pleasant Valley Drive, Suite 100-149
Garland, Texas 75040

Scott Baker
10830 North Central Expressway
Suite 475, B4
Dallas, Texas 75231

CIG, Ltd.
c/o James Rumpf
1802 Pleasant Valley Drive, Suite 100-149
Garland, Texas 75040

Steve Smoot
Smoot Law Firm, P.C.
4545 Mt. Vernon
Houston, Texas 77006



Michael J. Quilling

EXHIBIT “A”

COMPROMISE AND SETTLEMENT AGREEMENT

This Compromise and Settlement Agreement is entered into by and between Cecil R. Wilks and Linda Sue Wilks (the "Wilkses"), on the one hand, and Michael J. Quilling in his capacity as Receiver for Sardaukar Holdings, IBC, Bradley C. Stark, Pamela C. Stark, et al. ("Receiver") on the other hand, effective this 22nd day of March, 2006.

RECITALS

WHEREAS, the Receiver was appointed by the Court in Cause No. 3:05-CV-1328-L styled *Securities and Exchange Commission v. Megafund Corporation, et al.* ("Receivership Proceedings");

WHEREAS, the Wilkses possess and have title to a 2005 Cadillac SRX (VIN# 1GYEE63A550224252) and a 2005 Cadillac STS (VIN# 1G6DC67A350199016) paid for by Pamela C. Stark;

WHEREAS, the Receiver asserts that these vehicles comprise Receivership Estate assets;

WHEREAS, the Wilkses assert that they have a legitimate defense to the Receiver's claim;

WHEREAS, both parties dispute the claims and defenses of the other; and

WHEREAS, in an effort to resolve any and all disputes between them and to avoid further uncertainties, costs and expenses of litigation, the Wilkses and the Receiver have reached the agreements set forth below.

AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Wilkses and the Receiver agree as follows:

1. **Relinquishment of 2005 Cadillac SRX.** The Wilkses shall relinquish possession of the Cadillac SRX and deliver title of that vehicle to the Receiver or a party designated by the Receiver within 10 days of the date of this Agreement. The Receiver shall then retain possession of that vehicle pending the Court's approval of this Agreement.

2. **Purchase of the 2005 Cadillac STS.** The Receiver shall recommend to the Court in the Receivership Proceedings that the Cadillac STS be sold to the Wilkses for \$35,000.00, which both parties agree represents the fair market value of that vehicle. The Wilkses shall tender that amount to the Receiver or a party designated by the Receiver within 30 days of the Court's approval

of this agreement.

3. **Release of Claims.** The Receiver shall release all claims against the Wilkses with respect to these vehicles and any other funds transferred to the Wilkses, or on their behalf, relating to the Receivership Proceedings and accruing before the date of this agreement. Similarly, the Wilkses shall release all claims against the Receiver relating to the Receivership Proceedings and accruing before the date of this agreement.

4. **No Admission of Liability and No Precedential Effect.** Nothing in this Agreement shall be an admission of liability regarding the claims or defenses of either party and because the final settlement reflected in this Agreement is the result of arms length negotiations over contested issues. Nothing in this Agreement is intended to have any precedential effect and shall not be relied upon by any other person interested in the Receivership Proceedings.

5. **Court Approval.** This Agreement is expressly conditioned upon Court approval to be obtained in the Receivership Proceedings. Both parties shall have the right to rescind this Agreement if the Court has not entered its approval in the Receivership Proceedings by May 15, 2006. Furthermore, the Receiver shall have the right to rescind this Agreement if (1) the Wilkses have not tendered the Cadillac SRX within ten days of the date of the Agreement, or (2) the Wilkses have not tendered \$35,000.00 within 30 days of the Court's Order approving the Agreement. Both parties shall exercise their right of rescission by written notice to the other and both parties' right of rescission shall expire upon the Receiver's acceptance of \$35,000.00 along with possession and title to the Cadillac SRX from the Wilkses.

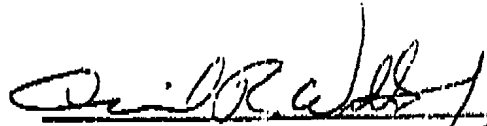
6. **Entire Agreement.** This Agreement sets forth the entire agreement between the Wilkses and the Receiver and there are no unwritten representations, agreements, understandings or promises not expressly set forth herein.


7. **Advice of Counsel.** In negotiating this Agreement, the Wilkses have had the opportunity to consult with counsel of their choosing and have been fully advised by counsel as to the effect of each and every provision of this Agreement and the consequences thereof with a full understanding of other options that he may have as opposed to entering the settlement set forth in this Agreement. After such advice, the Wilkses freely and voluntarily enter into this Agreement.

8. **Full Authority to Control.** The Wilkses expressly represent that, to the extent their trusts, heirs, or other beneficiaries have any interest in the matters that are the subject of this

Agreement, that the Wilkses are fully authorized to contract on their behalf and have complete authority to execute this Agreement.

SIGNED this 22nd day of March, 2006.


Cecil R. Wilks


Linda Sue Wilks


Michael J. Quilling as
Receiver for Sardaukar Holdings, LLC et al.