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ROBERT D. DENNIS, CLERK
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**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA**

**U.S. COMMODITY FUTURES)
TRADING COMMISSION and)
OKLAHOMA DEPARTMENT OF)
SECURITIES ex rel. IRVING . L)
FAUGHT,)**

Plaintiffs,)

v.)

**PRESTIGE VENTURES CORP., a)
Panamanian corporation, FEDERATED)
MANAGEMENT GROUP, INC., a Texas)
corporation, KENNETH WAYNE LEE,)
an individual, and SIMON YANG (a/k/a)
XIAO YANG a/k/a SIMON CHEN), an)
individual)**

Defendants; and)

**Sheila M. Lee, an individual, DAVID)
A. LEE, an individual, and DARREN)
LEE, an individual,)**

Relief Defendants,)

Case No. 09-CV-1284 (DLR)

**ANSWER OF SHEILA M. LEE TO FIRST
AMENDED COMPLAINT FOR
INJUNCTIVE AND OTHER
EQUITABLE RELIEF AND FOR
CIVIL PENALTIES UNDER THE
COMMODITY EXCHANGE ACT
AND THE OKLAHOMA UNIFORM
SECURITIES ACT**

**ENTRY OF APPEAL
PLEASE ENTER ME, SHEILA M. LEE, AS REPRESENTING MYSELF IN THE
ABOVE CAPTIONED MATTER**

I am not an attorney nor do I represent myself to have any skills in such matters. I have over 5 inches of legal documents in front of me that I have no idea what most of it means. I am having to represent myself, as no attorney would take this matter pro-bono. I have no way to retain them with my house and bank accounts frozen in the courts. I am trying to research the proper way to address the respected courts in this matter and am having difficulties understanding what exactly I am reading. I am going to have trouble addressing the plaintiffs arguments where cases are listed because I do not know how to look up those cases which could be detrimental, or beneficial, to my case.

As stated in and response to **FIRST AMENDED COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF AND FOR THE CIVIL PENALTIES UNDER THE COMMODITY EXCHANGE ACT AND THE OKLAHOMA UNIFORM SECURITIES ACT**, dated April 6th, 2010.

I. SUMMARY

6. Sheila M. Lee, denies the allegations that Lee and the Prestige Enterprise misappropriated participant funds for personal use and used over \$2 million of pool funds to purchase real estate, cars, and other things for and to funnel cash to Lee's wife, Relief Defendant Sheila M. Lee, and Lee's sons, Relief Defendants Sheila M. Lee and Darren A Lee (collectively,

“Relief Defendants”). Sheila M. Lee denies that the Relief Defendants provided no legitimate services to the Prestige Enterprise. Sheila M. Lee has no knowledge of the pool participants or the pool participants funds. Legitimate services is vague to me.

C. Relief Defendants

33. **Sheila M. Lee** admits that she is an individual whose last known address is 1660 Jorrington Street, Mt. Pleasant, South Carolina 29466 and that Sheila M. Lee is the wife of Defendant Lee. Sheila M. Lee admits having never been registered with the Commission in any capacity, or under the OUSA, or any predecessor act, because Sheila M. Lee has never invested any money but her own. The only money that Sheila M. Lee received was from her own trading account, that was her own trading account under Prestige Ventures. Sheila M. Lee denies that between 2003 and 2009, she has received approximately \$200,000 in pool participant funds from Lee and the prestige enterprise in the form of cash, real estate, cars, a boat and miscellaneous expenses.

All of the money that was paid to me were results of my personal trading account and not those of the company, to make any other allegation is incorrect..

The Prestige Enterprise and Lee Lost Funds Trading and Misappropriated Funds

70. Sheila M. Lee denies the example that during the relevant period, the Relief Defendants, Sheila, David, and Darren Lee, together, received over \$2 million of Prestige Enterprise pool participant funds in the form of cash, real estate, cars, boats, yachting fees, medical insurance, and miscellaneous expenses. Sheila M. Lee has no knowledge of the pool participants or the pool participants funds.

Sheila M. Lee denies the examples listed because they were purchased with her own

money that was withdrawn from her personal trading account through Prestige Ventures. Sheila M. Lee knew nothing about any accounts with Prestige and was completely confused with any questions about any other account, other than Sheila M. Lee's, that the Commission weaved into questions about Sheila M. Lee's personal accounts.

The questions about how I understand something and whether that is factual are far from being legitimate reasons for the Plaintiffs to completely imply that it is fact and true. It is hardly justification for freezing of assets owned by Sheila M. Lee. It was Sheila M. Lee's own individual money that was transferred to Prestige from her personal trading account, to be paid to Sheila M. Lee. Sheila M. Lee had no knowledge of how that money was processed to get to her.

Sheila M. Lee didn't know the bank account information well enough for it to be used as factual evidence in the respected Court. The Commission asked for any documents I had and I have none. I do not know anything about Prestige Ventures bank accounts. Prestige Enterprise does not own my house, my car, or my bank accounts from 2003-2009. I am submitting into evidence, from Sheila M. Lee's deposition, pages 37:16-38:7, The Declaration of Sheila M. Lee Exhibit A.

Sheila M. Lee denies the allegation that she provided no legitimate services to the Prestige Enterprise. Legitimate services is a vague statement. To say that I did not provide 'legitimate services' to Prestige Enterprise is ridiculous.

COUNT SEVEN

Disgorgement of Funds from the Relief Defendants

123. Sheila M. Lee denies that she received funds as a result of the Defendants' fraudulent conduct and have been unjustly enriched thereby.

124. Sheila M. Lee denies this allegation that Sheila M. Lee has no legitimate entitlement to or interest in all of the funds received. Sheila M. Lee has no knowledge of the Defendants' alleged fraudulent conduct.

125. Sheila M. Lee denies that she received any money from the Defendants' alleged fraudulent conduct.

STATEMENT OF FACTS i

1.

a.) Pursuant to Fed. R. Civ. P. 28(C), no deposition shall be taken before a person who is a relative or employee or counsel of any party, or is a relative or employee or associate of such counsel, or is financially interested in the action. However, on consent of all the parties or their counsel, a deposition may be taken before such person, but only if the relationship of that person and the waiver are set forth in the certificate of return to the Court. Sheila M. Lee has not seen the certificate that was returned to the Court and would request his deposition fall under the Disqualification for Interest clause if there is no certificate.

b) No resident at 1660 Jorrington Street received the FedEx letter that was allegedly sent by the Plaintiffs. Sheila M. Lee only found out that she had to go and be deposed was by an email that notified her again one day before the deposition. Sheila M. Lee was unaware that she had a legal option to move the deposition to a later date which applies with Fed. R. Civ. P. Rule32(a)(5)(a). I am submitting into evidence from the deposition of Sheila M. Lee page 23:8-18, The Declaration of Sheila M. Lee Exhibit B.

c) A deposition taken without leave of Court under the unavailability provision of Rule 30(a)(2)(A)(iii) must not be used against a party who shows that, when served with the notice, it

could not, despite diligent efforts, obtain an attorney to represent it at the deposition. There was 1 business day until the deposition, Sheila M. Lee never had time to obtain an attorney. Fed. R. Civ. P. 32(a)(5)(b). I would respectfully request the court to refer to The Declaration of Sheila M. Lee Exhibit B

d) The date and location were not stated to Sheila M. Lee during the introduction by the Officer giving the deposition therefore failing in the Officer's Duties Fed. R. Civ. P. 30(b)(5)(ii). I am submitting into evidence pages 4:1-5:22 from the deposition of Sheila M. Lee, The Declaration of Sheila M. Lee Exhibit C.

e) It does not seem fair to be able to do any of those things and all are in violation of the Federal Rules of Civil Procedure Rule.

CONCLUSION

Sheila M. Lee has not received any ill-gotten gains for there to be legitimate claims for her assets to be frozen. Sheila M. Lee acknowledged that the Plaintiffs do not accuse the Relief Defendants of wrongdoing, however, they have frozen Sheila M. Lee's assets and have treated Sheila M. Lee unjustly with these actions that have been taken against her. The result of the freezing of her assets is detrimental and has completely put her life in shambles. The Plaintiffs have left Sheila M. Lee feeling, as though, she is the victim in this matter, and, yet, Sheila M. Lee has done nothing but cooperate fully with the Commission, Oklahoma Department of Securities, and the Receiver.

The Plaintiffs are left to their proofs and Sheila M. Lee should be treated innocent until proven otherwise by the respected Court. Sheila M. Lee denies knowledge of any other allegation that Sheila M. Lee has not addressed from the Amended Complaint. I believe in the

courts ability to grant a proper judgment in this matter.

I thank the Court for its time and patience in this filing and realize it may not be correct in every legal respect.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Sheila M. Lee". The signature is written in black ink and is positioned above the typed name and address.

Sheila Marjorie Lee
1660 Jorrington Court
Mount Pleasant, SC 29466
Telephone - 843-814-3862

CERTIFICATE OF SERVICE

I hereby certify that, on April 7th, 2010, I caused one copy of **Relief Defendant Sheila M. Lee's Response to FIRST AMENDED COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF AND FOR THE CIVIL PENALTIES UNDER THE COMMODITY EXCHANGE ACT AND THE OKLAHOMA UNIFORM SECURITIES ACT** to be served by U.S. Mail on the following:

Katherine S. Driscoll
1155 21st Street NW
Washington, DC 20581

Terra Shamas Bonnell
Oklahoma Department of Securities
120 North Robinson Avenue, Suite 860
Oklahoma City, OK 73102

**EXHIBIT A to
Declaration of Sheila M. Lee**

1 IN THE UNITED STATES DISTRICT COURT
2 WESTERN DISTRICT OF OKLAHOMA
3 CASE NO.: 09-cv-01284

4 U.S. COMMODITY FUTURES TRADING)
5 COMMISSION AND OKLAHOMA DEPARTMENT)
6 OF SECURITIES ex rel. IRVING L.)
7 FAUGHT,)

8)
9)
10 Plaintiffs,)

11 -vs-) DEPOSITION OF:
12) SHELIA M. LEE
13) December 8, 2009

14 PRESTIGE VENTURES CORP., a)
15 Panamanian corporation, FEDERATED)
16 MANAGEMENT GROUP, INC., a Texas)
17 corporation, KENNETH WAYNE LEE, an)
18 individual, and SIMON YANG (a/k/a)
19 XIAO YANG a/k/a SIMON CHEN), an)
20 individual,)

21)
22)
23 Defendants.)

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The deposition of SHELIA M. LEE, taken
before Lynda A. Bousquet, Professional Court Reporter
and Notary Public, at the offices of the U.S.
Attorney's Office, 151 Meeting Street, Charleston,
South Carolina, on Tuesday, December 8, 2009, at
10:04 a.m.

1 A The money that my husband gave me, the
2 \$2,000 that he gave once a month, plus Social
3 Security. Did you say before 2003?

4 Q Yes.

5 A Oh, sorry. Before 2003, I worked, so I had
6 my own money.

7 Q Did you use any --

8 A I thought you meant after 2003. I'm
9 sorry.

10 Q That's okay. Thanks for clarifying.

11 A So I had my own money.

12 Q Did you have any involvement in getting the
13 money from investors that went into the Prestige bank
14 account?

15 A No.

16 Q I'm being vague here, but when I say the
17 Prestige bank account, I am referring to a bank
18 account at Bank of America that ends in the numbers
19 986.

20 A No. I never had anything to do with any of
21 my husband's businesses.

22 Q Did your husband have any other bank
23 accounts between 2003 and today?

24 A Not that I know of. I don't -- you know, I
25 am only privy to myself, so I can't answer for him.

1 But I can answer for myself. But not to my
2 knowledge.

3 Q Did he receive bank account statements in
4 the mail --

5 A No.

6 Q -- at the 1660 Jorrington Street address?

7 A I never saw any.

8 Q Did your husband have any other addresses
9 where he might have received mail between 2003 and
10 today?

11 A He had an office on Johnnie Dodds.

12 Q When did he have that office?

13 A Well, it was a workshop really that he had
14 that he worked out of. I'm not -- you would have to
15 ask him the dates.

16 Q What was the address of the office?

17 A I just know it was Johnnie Dodds
18 Boulevard.

19 Q Can you spell that please?

20 A J-o-h-n-n-i-e D-o-d-d-s. It was really a
21 workshop, a woodworking workshop. He had a hobby in
22 woodworking.

23 Q What type of woodworking?

24 A Just making furniture.

25 Q Did he ever sell his furniture?

**EXHIBIT B to
Declaration of Sheila M. Lee**

1 IN THE UNITED STATES DISTRICT COURT
2 WESTERN DISTRICT OF OKLAHOMA
3 CASE NO.: 09-cv-01284
4 U.S. COMMODITY FUTURES TRADING)
5 COMMISSION AND OKLAHOMA DEPARTMENT)
6 OF SECURITIES ex rel. IRVING L.)
7 FAUGHT,)
8)
9)
10 Plaintiffs,)
11)
12 -vs-) DEPOSITION OF:
13) SHELIA M. LEE
14) December 8, 2009
15 PRESTIGE VENTURES CORP., a)
16 Panamanian corporation, FEDERATED)
17 MANAGEMENT GROUP, INC., a Texas)
18 corporation, KENNETH WAYNE LEE, an)
19 individual, and SIMON YANG (a/k/a)
20 XIAO YANG a/k/a SIMON CHEN), an)
21 individual,)
22)
23)
24 Defendants.)
25

15 The deposition of SHELIA M. LEE, taken
16
17 before Lynda A. Bousquet, Professional Court Reporter
18
19 and Notary Public, at the offices of the U.S.
20
21 Attorney's Office, 151 Meeting Street, Charleston,
22
23 South Carolina, on Tuesday, December 8, 2009, at
24
25 10:04 a.m.

Lee, Shelia 12/8/2009 10:04:00 AM

23

1 Exhibit No. 1.

2 MS. DRISCOLL: For the record, Exhibit
3 No. 1 is a subpoena issued in the United
4 States District Court for the District of
5 South Carolina. I am going to show this now
6 to Mrs. Lee.

7 BY MS. DRISCOLL:

8 Q Do you recognize Exhibit 1?

9 A I mean, have I seen it before?

10 Q Yes.

11 A No.

12 Q No?

13 A No. My husband said you sent him an e-mail
14 to say I needed to come for a deposition.

15 Q Have you received a Federal Express package
16 containing that document?

17 A No. He said he got an e-mail from you
18 yesterday to say that I had to come to a deposition.

19 Q Does -- who opens the mail in your house?

20 A My husband, usually.

21 Q Would you be aware if you received a Federal
22 Express package?

23 A Oh, yes. Yeah.

24 Q Would your husband open the Federal Express
25 package before you?

**EXHIBIT C to
Declaration of Sheila M. Lee**

1 IN THE UNITED STATES DISTRICT COURT
2 WESTERN DISTRICT OF OKLAHOMA
3 CASE NO.: 09-cv-01284

4 U.S. COMMODITY FUTURES TRADING)
5 COMMISSION AND OKLAHOMA DEPARTMENT)
6 OF SECURITIES ex rel. IRVING L.)
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10 Plaintiffs,)

11 -vs-) DEPOSITION OF:
12) SHELIA M. LEE
13) December 8, 2009

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19 XIAO YANG a/k/a SIMON CHEN), an)
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The deposition of SHELIA M. LEE, taken
before Lynda A. Bousquet, Professional Court Reporter
and Notary Public, at the offices of the U.S.
Attorney's Office, 151 Meeting Street, Charleston,
South Carolina, on Tuesday, December 8, 2009, at
10:04 a.m.

1 (SHELIA M. LEE, having been first duly
2 sworn, testified as follows:)

3 EXAMINATION BY MS. DRISCOLL:

4 Q Would you please state your full name for
5 the record.

6 A Shelia Marjorie Lee.

7 Q Good morning, Mrs. Lee.

8 A Good morning.

9 Q My name is Katherine Driscoll. I am a trial
10 attorney with the Commodity Futures Trading
11 Commission. And we're here today in the matter of
12 CFTC and the Oklahoma Department of Securities vs.
13 Prestige Ventures, Federated Management Group,
14 Kenneth Lee and Simon Yang. We have two other
15 participants.

No DATE

16 MS. DRISCOLL: Could you please state
17 your name for the record.

18 MS. LABARTHE: I'm Patty Labarthe.
19 It's L-a b, as in boy, a-r-t-h-e. And I am
20 an attorney with the Oklahoma Department of
21 Securities.

22 MS. DRISCOLL: Steve, would you just
23 state your name for the record.

24 MR. MORIARTY: Yeah. This is Steve
25 Moriarty, M-o-r-i-a-r-t-y. I am the

1 court-appointed Receiver in this case.

2 BY MS. DRISCOLL:

3 Q Mrs. Lee, I just want to go over some ground
4 rules for the deposition and logistics. There's the
5 court reporter, as you can see, taking down
6 everything that we say today. So it's important that
7 what we're saying is clear to her. So we won't be
8 talking over each other please, which means that if
9 you let me finish asking my questions before you
10 answer, I will finish letting you answer before I ask
11 my next question?

12 A Uh-huh.

13 Q Okay?

14 A Yes.

15 Q Okay. The other thing is for you to respond
16 audibly. So instead of saying -- or, excuse me. So
17 instead of shaking your head or nodding your head,
18 please say yes or no --

19 A Yes.

20 Q -- so that the court reporter can take it
21 down.

22 A Yes.

23 Q Please tell me if any of my questions are
24 unclear.

25 A Uh-huh.