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U.S. DIST. COURT, WESTERN DIST. OF OKLA.
BY _____ DEPUTY

**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 A. LEE,)
an individual,)

Relief Defendants,

Case No. 09-CV-1284 (DLR)

**Relief Defendant Kenneth W. Lee's
Response to PLAINTIFFS'
MOTION, AND BRIEF IN
SUPPORT, FOR AN ORDER
FINDING KENNETH WAYNE
LEE, SIMON YANG, DAVID
LEE, AND DARREN LEE IN
CONTEMPT OF COURT**

**ENTRY OF APPEAL
PLEASE ENTER ME, KENNETH W. 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 18 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 **PLAINTIFFS' MOTION, AND BRIEF IN SUPPORT, FOR AN ORDER FINDING KENNETH WAYNE LEE, SIMON YANG, DAVID LEE, AND DARREN LEE IN CONTEMPT OF COURT**, dated March 3, 2010.

I. SUMMARY

Kenneth W. Lee denies that, in flagrant disregard for the Orders, Lee has dissipated assets; destroyed records; is fraudulently soliciting existing and new pool participants with promises that his trading of new funds will be profitable and old funds will be returned; has not provided an accounting; and has not turned over his books and records. Kenneth W. Lee has not dissipated assets. The assets that the Plaintiffs are alleging were

dissipated was from money that had to go out to pay bills for survival. The Commission alleges that they have claim to those monies and demanded them back. The bills had to be paid. Each account participant was advised and indicated they understood that the program was a very long term program and we would strive to maintain the growth indicated. Kenneth W. Lee has maintained that and the Plaintiffs allege that Kenneth W. Lee is fraudulently soliciting existing account holders. Kenneth W. Lee denies these fabricated allegations that he is soliciting new 'pool' participants. Kenneth W. Lee has no knowledge of the solicitations and denies ever soliciting to anyone.

Kenneth W. Lee denies the Plaintiffs' allegations of an alleged blatant disregard for the Court's Orders imposes a risk of harm to existing pool participants in the Prestige Enterprise.

II. FACTS

A. **Lee's Violations**

1. ***Dissipation of Assets***

The assets that the Plaintiffs are alleging were dissipated was from money that had to go out to pay bills for survival. The Commission alleges that they have claim to those monies and demanded them back. The bills had to be paid.

2. ***Destruction of Documents***

Kenneth W. Lee did not know that he had to turn over emails that took place after and did not delete them out of malice or intent to deceive the Commission. Any emails that may have

shown as deleted were probably entered into the junk email folder as has happened many times in the past and automatically deleted. Lee did not deliberately delete any emails.

Kenneth W. Lee denies that deleting a trading platform off of a computer is cause for the Plaintiffs to request the respected Court to find Kenneth W. Lee in Contempt. The Plaintiff has all account information and the trading platform is not a document. The Plaintiffs had already seized PFG Best's trading account with Prestige, so it is irrelevant if a program was deleted to prevent anyone who isn't authorized to trade on the account to use it.

3. *Fraudulent Solicitation*

Each account participant was advised and indicated they understood that the program was a very long term program and we would strive to maintain the growth indicated. Kenneth W. Lee has maintained that and the Plaintiffs allege that Kenneth W. Lee is fraudulently soliciting existing account holders. Kenneth W. Lee denies these fabricated allegations that he is soliciting new 'pool' participants. Kenneth W. Lee has no knowledge of the solicitations and denies ever soliciting to anyone.

With these, alleged, baseless promises that the Plaintiffs are referring to, are not promises at all. The Plaintiffs have frozen the accounts and have the house in a suit in the respected Court, so Kenneth W. Lee cannot use any of the equity in his home to begin working on retirement again. Kenneth W. Lee does not continue to 'mislead' account participants. There is more evidence that Kenneth W. Lee has been respectfully awaiting for 2 ½ weeks now from the Commission. The Plaintiffs are incorrect in their allegations.

The Plaintiffs' are trying to allege that "his sons have solicited funds from approximately seven of their friends for Lee to trade on their behalf." My son's friends offered Darren the

money if he needed it because they know the situation that he is in. I never mentioned it to them, they brought it up to Darren, and nobody expected, or asked for, anything in return. This is ridiculous that the Plaintiffs' are alleging that my sons solicited their friends and Kenneth W. Lee would respectfully have the Plaintiffs' recognize what 'solicitation' truly means.

Kenneth W. Lee has turned \$15,000 accounts into accounts that are very well established with profits. Kenneth W. Lee would respectfully request the respected Court to remove the claim that 'three of his sons' friends have agreed to invest for this purpose at least \$15,000 to be pooled and used to trade futures and/or forex by Lee. This has nothing to do with a pool and Kenneth W. Lee informed the Commission this and, yet, the Commission still uses it as a claim for another solicitation of Kenneth W. Lee. Kenneth W. Lee denies these fabricated allegations that he is soliciting new 'pool' participants. Kenneth W. Lee has no knowledge of the solicitations and denies ever soliciting to anyone. Kenneth W. Lee asks the Court to allow the funds that were seized from Relief Defendant David A. Lee's personal bank account be returned to him and he will allow those funds to be used for the trading account Lee is asking for.

4. *Failure to Provide an Accounting*

Kenneth W. Lee has provided the Receiver with a *full* accounting of the assets owned by him and/or the Prestige Enterprise. Contrary to the Plaintiff and Receiver's beliefs, Kenneth W. Lee has given a full accounting and beliefs mean nothing when it is fact.

5. *Failure to Turn Over books and Records*

Every document that Kenneth W. Lee has is electronic and has been given to the Plaintiffs. Kenneth W. Lee did not keep documents in paper form.

III. ARGUMENT

A. Defendants Lee and Yang, and David Lee and Darren Lee Should Be Held in Civil Contempt and Compelled to Comply with This Court's Orders

1. The Orders Are Valid and in Existence

Kenneth W. Lee acknowledges that the respected Court is granted the duty of deciding what it may consider "appropriate". Kenneth W. Lee did not know that he was consenting to the Injunction as Mrs. Driscoll claims it was. It was supposed to be a document that Driscoll stated, "this will help speed things up and help you out". Driscoll hence denied talking with Kenneth W. Lee into signing the document, but with dates of conversations before she handed it, to Kenneth W. Lee, in person, to sign, and was delivered to the Court in Katherine Driscoll own deliverance.

2. Defendants Lee and Yang Had Knowledge of the Orders, and David Lee and Darren Lee Had Knowledge of the SRO

Kenneth W. Lee did not know that he was consenting to the Injunction as Katherine Driscoll ("Driscoll") claims it was. It was supposed to be a document that Driscoll stated, "this will help speed things up and help you out". Driscoll hence denied talking with Kenneth W. Lee into signing the document, but with dates of conversations before Driscoll handed it, to Kenneth W. Lee, in person, to sign, and was delivered to the Court in Katherine Driscoll own deliverance.

3. Defendants Lee and Yang and David Lee and Darren Lee Violated the Orders

Kenneth W. Lee denies the Plaintiffs' allegation that Kenneth W. Lee has violated the SRO and the Lee Preliminary Injunction by: (1) dissipating assets, in violation of

Section I.14 of the SRO; (2) destroying documents in violation of Section IV.23 of the SRO; (3) continuing to fraudulently solicit existing pool participants and fraudulently soliciting new pool participants in violation of the Act and OUSA and, thereby, in violation of Section II of the Lee Preliminary Injunction; (4) failing to provide to the Receiver a full accounting; and (5) failing to turn over all the books, records, and other documents of Defendants to the Receiver or the Commission, in violation of Sections V.24, V.25, and VI.B.28 of the SRO.

IV. CONCLUSION

Kenneth W. Lee denies the allegation that there is a very real risk that assets and information will be lost forever. Darren A. Lee would respectfully request the Court to deny the issuance of an Order:

1. Finding Lee in contempt of the SRO and the Lee Preliminary Injunction;

2. Compelling Lee to:

A) Provide a full and accurate accounting of the receipt and expenditure of all funds he received from his sons on or after November 20, 2009, and turn over any funds remaining in his possession, custody or control to the Receiver;

B) Deliver to the Receiver a full accounting of all of his assets and the assets of Prestige Ventures Corporation and Federated Group Management Inc. owned during the time period January 1, 2003, until November 20, 2009, and the underlying information to support the accounting;

C) Deliver to the Receiver all books, records, and documents of Defendants Lee, Prestige Ventures Corporation and Federated Group Management Inc.;

D) Provide the Receiver with a list and description of all documents, relating to the business practices or business or personal finances of Defendants, that he destroyed on or after November 20, 2009;

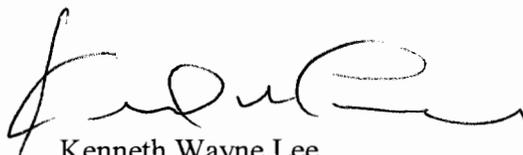
E) obtain, if possible, from the Prestige Ventures' domain host, and deliver to the Receiver, all emails, relating to the business practices or business or personal finances of Defendants, he deleted on or after November 20, 2009; and

F) Provide the Receiver and Plaintiffs with the name, address, and telephone number of all persons whom he, or someone on his behalf, has solicited funds from since November 20, 2009;

Kenneth W. Lee feels that the Plaintiffs will overlook facts that will show the truths, just to stay the course blindly and have job look better by making 'somebody guilty'.

Dated: April 14th, 2010

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Kenneth Wayne Lee', with a stylized flourish at the end.

Kenneth Wayne Lee
1660 Jorrington Street
Mount Pleasant, SC 29466
Telephone - 843-814-3877

CERTIFICATE OF SERVICE

I hereby certify that, on April 14, 2010, I caused one copy of **Relief Defendant Darren A. Lee's Response to Relief Defendant Darren A. Lee's Response to PLAINTIFFS' MOTION, AND BRIEF IN SUPPORT, FOR AN ORDER FINDING KENNETH WAYNE LEE, SIMON YANG, DAVID LEE, AND DARREN LEE IN CONTEMPT OF COURT** 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