

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA

FILED

APR 19 2010

ROBERT D. DENNIS, CLERK
U.S. DIST. COURT, WESTERN DIST. OF OKLA.
BY _____ DEPUTY

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)

DEFENDANT AND RELIEF DEFENDANTS' RULE 26(a)(1) INITIAL DISCLOSURES

Pursuant to Fed. R. Civ. P. 26(a)(1), "Defendant", Kenneth W. Lee, and "Relief Defendants"
Sheila

M. Lee, David A. Lee and Darren A. Lee, respectfully submit this initial disclosure of information to the
Plaintiffs in the above-captioned matter.

I. Introduction

This disclosure is based upon information reasonably available to Defendant and Relief Defendants. Consequently, the Defendant and Relief Defendants may have omitted from this disclosure certain information that Defendant and Relief Defendants do not yet know will support their case against the allegations at trial. Defendant and Relief Defendants reserve the right to supplement these initial disclosures as permitted pursuant to Fed. R. Civ. P. 26}(e) to the extent that additional discoverable information that Defendant and Relief Defendant may use to support its claims or defenses comes within their possession, custody, or control in the future.

In making these disclosures, Defendant and Relief Defendants do not waive their objections to the disclosure of any documents protected by any applicable privilege of law. In addition, Defendant and Relief Defendants do not waive any of the privileges asserted in this objection by any inadvertent production of protected documents that may occur, despite Defendant and Relief Defendants diligence. Defendant and Relief Defendants reserve the right to demand the return of any privileged documents inadvertently produced to Plaintiffs.

II. Defendant's and Relief Defendants' Disclosures

A(i). The name and, if known, the address and telephone number of each individual likely to have discoverable information - along with the subjects of that information - that the disclosing party may use to support its claims or defenses, unless the use would be solely for impeachment:

1. Kenneth W. Lee, 1660 Jorrington Street, Mount Pleasant, SC 29466 (843) 814-3884, is likely to have discoverable information relating to the customers and companies that Prestige Ventures and/or Federated Management traded/worked with, along with any information filed with the answers to the complaint, answers to the, alleged, Contempt, the Statutory Restraining Order, and information relating to, the fact, that every account holder was required to be a non-U.S. citizen.
2. Sheila M. Lee, 1660 Jorrington Street, Mount Pleasant, SC 29466 (843) 814-3862, is likely to have discoverable information relating to identities of Defendant and Relief Defendants, and information on her initial investment.

3. Darren A. Lee, 2676 Palmetto Hall Boulevard, Mount Pleasant, SC 29466, (843) 814-3884, is likely to have discoverable information relating to his answer to the Complaint, the, alleged, Contempt, the Statutory Restraining Order, the services he provided, the investments that he made, and any counter-claims and counter-suit that are in the developments.
4. David A. Lee, 2676 Palmetto Hall Boulevard, Mount Pleasant, SC 29466, (843) 814-3255, is likely to have discoverable information relating to his services that he provided, answer to the Complaint, the, alleged, Contempt, the Statutory Restraining Order, the investments that he made, and any counter-claims.
5. Custodians of records for the financial institutions, futures commission merchants, and other similar entities utilized by Defendant, are likely to have discoverable information about Defendant's financial information and trading activities.
6. All former and current customers of Defendant are likely to have discoverable information relating to customers soliciting themselves without going through the application process with Defendant, Kenneth W. Lee, directly, and/or indirectly.
7. Stephen Moriarty and/or another person from his office, 100 North Broadway Avenue, Suite 1700, Oklahoma City, Oklahoma 73102, (405) 232-0621, is likely to have discoverable information relating to Defendant's and Relief Defendants' assets and bank accounts, the identity of Defendants' customers, the and the non-completed analysis of, alleged, benefits received by Relief Defendants from Defendant, that allegedly, form the basis for the Plaintiff's bogus claims for restitution and disgorgement.

A(ii). A copy - or a description by category and location - of all documents, electronically stored information, and tangible things that the disclosing party has in its possession, custody, or control and may use to support its claims or defenses, unless the use would be solely for impeachment:

1. The unjust depositions that were illegally taken from the Defendant and Relief Defendants.
2. The Answers to the Complaints, SRO, and, alleged, Contempt are in possession of the Court, Commission, ODS, Defendant, and Relief Defendants.
3. Electronic communications between the Plaintiffs and Defendant/Relief Defendants.
4. A letter denying that the Plaintiff would disclose the depositions of 2 crucial people that Defendant/Relief Defendants requested 3 weeks prior to the Plaintiff objecting to every request but one that Darren. A. Lee sent via US Mail to the

Commission.

5. Defendant and Relief Defendants have any information regarding the harassing, humiliating, and threatening behavior of the Commission.
6. Defendant and Relief Defendants have any information regarding the pre-mature determinations of the Receiver.
7. Relief Defendant, Darren A. Lee, has communications between him and several attorneys showing diligent efforts to find legal representation.

A(iii) A computation of each category of damages claimed by the disclosing party - who must also make available for inspection and copying as under Rule 34 the documents or other evidentiary material, unless privileged or protected from disclosure, on which each computation is based, including materials bearing on the nature and extent of injuries suffered.

1. Defendant and Relief Defendants do not know how to properly address this.
2. Relief Defendants shall seek hedonic damages and punitive damages from the Plaintiffs' for the freezing of assets, discriminatory behavior, and slanderous actions that the Plaintiffs have taken, and are continuing to take.

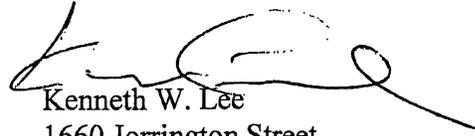
A(iv) for inspection and copying as under Rule 34, any insurance agreement under which an insurance business may be liable to satisfy all of part of a possible judgment in the action or to indemnify or reimburse for payments made to satisfy the judgment:

Defendant and Relief Defendants are not aware of any documents responsive to Fed. R. Civ. P. 26(a)(1)(A)(iv).

Respectfully submitted,



Sheila M. Lee
1660 Jorrington Street
Mount Pleasant, SC 29466
843-814-3862



Kenneth W. Lee
1660 Jorrington Street
Mt Pleasant, SC 29466
843-814-3877



Darren Alexander Lee
Palmetto Hall Boulevard
Mount Pleasant, SC 29466
843-814-3884



David Armstrong Lee
2676 Palmetto Hall Boulevard
Mount Pleasant, SC 29466
(843) 814-3255

CERTIFICATE OF SERVICE

I hereby certify that, on April 15, 2010, I caused one copy of Defendant's and Relief Defendant's rule 26(a)(1) Initial Disclosures to be served by U.S. Mail on the following:

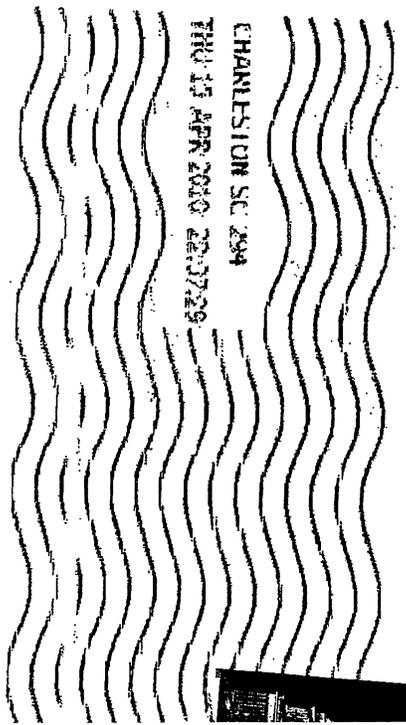
Katherine S. Driscoll
1155 21st Street NW
Washington, DC 20581

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

Kenneth Lee
1660 Jorringtc
Mount Pleasant, SC 29466



Clerk, US District Court
200 NW 4th Street
Oklahoma City, OK 73102



RECEIVED

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Clerk, U.S. District Court
WEST. DIST. OF OKLA.