

APPEAL, CLOSED, COUCH, _JC

**U.S. District Court
Western District of Oklahoma[LIVE] (Oklahoma City)
CIVIL DOCKET FOR CASE #: 5:09-cv-01284-R
*Internal Use Only***

Commodity Futures Trading Commission et al v. Prestige
Ventures Corp et al
Assigned to: Honorable David L. Russell
Case in other court: Tenth Circuit, 10-06276
Cause: 7:6(b) Federal Commodity Exchange Regulation

Date Filed: 11/20/2009
Date Terminated: 11/29/2010
Jury Demand: None
Nature of Suit: 850 Securities/Commodities
Jurisdiction: U.S. Government Plaintiff

Plaintiff

**Commodity Futures Trading
Commission**
US,

represented by **James H Holl , III**
US Commodity Futures Trading
Commission-WASHINGTON
1155 21st St NW
Washington, DC 20584
202-418-5311
Fax: 202-418-5538
Email: jholl@cftc.gov
ATTORNEY TO BE NOTICED

Kevin S Webb
US Commodity Futures Trading
Commission-WASHINGTON
1155 21st St NW
Washington, DC 20584
202-418-5000
Fax: 202-418-5538
Email: kwebb@cftc.gov
ATTORNEY TO BE NOTICED

Katherine S Driscoll
U S Commodity Futures Trading
Commission-WASHINGTON
1155 21st St NW
Washinton, DC 20581
202-418-5544
Fax: 202-418-5538
Email: kdriscoll@cftc.gov
ATTORNEY TO BE NOTICED

Plaintiff

Irving L Faught
Oklahoma Department of Securities, ex rel

represented by **Patricia A Labarthe**
Oklahoma Dept of Securities
120 N Robinson Ave
Suite 860
Oklahoma City, OK 73102

405-280-7735
Fax: 405-280-7742
Email: pal@securities.ok.gov
ATTORNEY TO BE NOTICED

Terra Shamas Bonnell
Oklahoma Dept of Securities
120 N Robinson Ave
Suite 860
Oklahoma City, OK 73102
405-280-7715
Fax: 405-280-7742
Email: tbonnell@securities.ok.gov
ATTORNEY TO BE NOTICED

V.

Defendant

Prestige Ventures Corp
a Panamanian corporation

Defendant

Federated Management Group Inc
a Texas corporation

Defendant

Kenneth Wayne Lee
an individual

represented by **Kenneth Wayne Lee**
1660 Jorrington Street
Mount Pleasant, SC 29466
(843)388-9073
PRO SE

Defendant

Simon Yang
an individual
also known as
Xiao Yang
also known as
Simon Chen

represented by **Simon Yang**
1912 NW 176th Terrace
Edmond, OK 73012
PRO SE

Defendant

Darren Lee
an individual

represented by **Darren Lee**
2676 Palmetto Hall Blvd
Mount Pleasant, SC 29466
(843)814-3884
PRO SE

Defendant

represented by

Sheila M Lee
an individual

Sheila M Lee
 1660 Jorrington Street
 Mount Pleasant, SC 29466
 PRO SE

Defendant

David A Lee
an individual

represented by **David A Lee**
 2676 Palmetto Hall Blvd
 Mount Pleasant, SC 29466
 (843)814-3255
 PRO SE

V.

Receiver

Stephen Moriarty

represented by **Warren F Bickford , IV**
 Fellers Snider Blankenship Bailey
 &Tippens-OKC
 100 N Broadway Ave
 Suite 1700
 Oklahoma City, OK 73102-8820
 405-232-0621
 Fax: 405-232-9659
 Email: wbickford@fellerssnider.com
ATTORNEY TO BE NOTICED

Stephen J Moriarty
 Fellers Snider Blankenship Bailey
 &Tippens-OKC
 100 N Broadway Ave
 Suite 1700
 Oklahoma City, OK 73102-8820
 405-232-0621
 Fax: 405-232-9659
 Email: smoriarty@fellerssnider.com
ATTORNEY TO BE NOTICED

Date Filed	#	Page	Docket Text
11/20/2009	<u>1</u>		EX PARTE MOTION to Seal Case by Commodity Futures Trading Commission, Irving L Faught. (kw,) (Entered: 11/20/2009)
11/20/2009	<u>2</u>		BRIEF IN SUPPORT re <u>1</u> MOTION to Seal Case by Commodity Futures Trading Commission, Irving L Faught. (kw,) (Entered: 11/20/2009)
11/20/2009	<u>3</u>		ORDER granting <u>1</u> Motion to Seal Case. Signed by Honorable David L. Russell on 11/20/09. (kw,) (Entered: 11/20/2009)
11/20/2009	<u>4</u>		COMPLAINT against Prestige Ventures Corp, Federated Management Group Inc, Kenneth Wayne Lee, Simon Yang filed by Commodity Futures Trading Commission, Irving L Faught. (Attachments: # <u>1</u> Civil Cover Sheet)(kw,)

		(Entered: 11/20/2009)
11/20/2009	<u>5</u>	MOTION for Leave to File Excess Pages by Commodity Futures Trading Commission, Irving L Faught. (kw,) (Entered: 11/20/2009)
11/20/2009	<u>6</u>	ORDER granting <u>5</u> Motion for Leave to File Excess Pages. Signed by Honorable David L. Russell on 11/20/09. (kw,) (Entered: 11/20/2009)
11/20/2009	<u>7</u>	EX PARTE MOTION for Statutory Restraining Order, MOTION to Appoint Temporary Receiver, MOTION to Expedite Discovery, Accounting, MOTION for Order to Show Cause re Preliminary Injunction by Commodity Futures Trading Commission, Irving L Faught. (kw,) (Entered: 11/20/2009)
11/20/2009	<u>8</u>	BRIEF IN SUPPORT re <u>7</u> MOTION for Statutory Restraining Order, MOTION to Appoint Receiver, MOTION to Expedite Discovery, MOTION for Order to Show Cause by Commodity Futures Trading Commission, Irving L Faught. (Attachments: # <u>1</u> Exhibit 1 – Declaration of Kara L. Mucha, Part 1, # <u>2</u> Exhibit 2 – Declaration of Kara Mucha, Part 2, # <u>3</u> Exhibit 3 – Declaration of Kara Mucha, Part 3, # <u>4</u> Exhibit 1 – Declaration of Kara Mucha, Part 4, # <u>5</u> Exhibit 1 – Declaration of Kara Mucha, Part 5, # <u>6</u> Exhibit 2 – Declaration of Carol Gruis, # <u>7</u> Exhibit 3 – Declaration of Kenneth G. Maillard, # <u>8</u> Exhibit 4 – Declaration of Sharon Pendleton, # <u>9</u> Exhibit 5 – Declaration of Glen R. Grossman, # <u>10</u> Exhibit 6 – Declaration of Ming Yu, # <u>11</u> Exhibit 7 – Declaration of Zhong Xiang Luo, # <u>12</u> Exhibit 8 – Declaration of Dexiang Luo, # <u>13</u> Exhibit 9 – Declaration of Jian Yue, # <u>14</u> Exhibit 10 – Declaration of Susie Southwell, # <u>15</u> Exhibit 10 – Declaration of Susie Southwell, Part 2, # <u>16</u> Exhibit 10 – Declaration of Susie Southwell, Part 3, # <u>17</u> Exhibit 11 – Declaration of Xihai Zhang)(kw,) (Entered: 11/20/2009)
11/20/2009	<u>9</u>	ORDER granting <u>7</u> Motion for SRO; granting <u>7</u> Motion to Appoint Receiver. Stephen Moriarty appointed; granting <u>7</u> Motion to Expedite Discovery; granting <u>7</u> Motion for Order to Show Cause. Hearing set for 12/2/09 at 10:00 a.m. in Courtroom 302. Signed by Honorable David L. Russell on 11/20/09. (kw,) (Entered: 11/20/2009)
11/20/2009	<u>10</u>	Summons Issued as to Prestige Ventures Corp, Federated Management Group Inc, Kenneth Wayne Lee, Simon Yang. Summons returned to plaintiffs at the front counter. (kw,) (Entered: 11/20/2009)
11/20/2009		Set/Reset Hearings: Show Cause Hearing set for 12/2/2009 10:00 AM in Courtroom 302 before Honorable David L. Russell. (kw,) (Entered: 11/20/2009)
11/20/2009	<u>11</u>	ENTRY of Appearance by Warren F Bickford, IV on behalf of Stephen Moriarty (kw,) (Entered: 11/20/2009)
11/20/2009	<u>12</u>	ENTRY of Appearance by Stephen J Moriarty on behalf of Stephen Moriarty (kw,) (Entered: 11/20/2009)
11/20/2009	<u>13</u>	ENTRY of Appearance by Terra Shamas Bonnell on behalf of Oklahoma Department of Securities ex rel Irving L Faught (kw,) (Entered: 11/20/2009)
11/20/2009	<u>14</u>	ENTRY of Appearance by Patricia A Labarthe on behalf of Oklahoma Department of Securities ex rel Irving L Faught (kw,) (Entered: 11/20/2009)
11/20/2009	<u>15</u>	

		ENTRY of Appearance by Katherine S Driscoll on behalf of Commodity Futures Trading Commission (kw,) (Entered: 11/20/2009)
11/24/2009	<u>16</u>	EX PARTE MOTION to Unseal Case by Commodity Futures Trading Commission. (kw,) (Entered: 11/24/2009)
11/24/2009	<u>17</u>	ORDER granting <u>16</u> Motion to Unseal Case. Signed by Honorable David L. Russell on 11/24/09. (ns,) (Entered: 11/24/2009)
12/01/2009	<u>18</u>	NOTICE of Lis Pendens by Stephen Moriarty (Moriarty, Stephen) (Entered: 12/01/2009)
12/02/2009	<u>19</u>	NOTICE of Lis Pendens by Stephen Moriarty (Moriarty, Stephen) (Entered: 12/02/2009)
12/02/2009	<u>20</u>	NOTICE (other) by Stephen Moriarty re <u>19</u> Notice of Lis Pendens <i>CORRECTING to add Notary</i> (Moriarty, Stephen) (Entered: 12/02/2009)
12/02/2009	<u>21</u>	Minute Entry for proceedings held before Honorable David L. Russell: Preliminary Injunction Hearing held on 12/2/2009. Parties appeared and agreed to continue previously entered statutory restraining order. Dft Simon Yang ordered to produce requested documents to the Plaintiffs w/i 7 days. (Court Reporter Alana LaGrow.) (ns,) (Entered: 12/02/2009)
12/02/2009	<u>22</u>	CONSENT ORDER of Preliminary Injunction and Other Equitable Relief of Kenneth Wayne Lee. Signed by Honorable David L. Russell on 12/2/09. (ns,) (Entered: 12/02/2009)
12/02/2009	<u>23</u>	CONSENT ORDER of Preliminary Injunction and other Equitable relief of Simon Yang. Signed by Honorable David L. Russell on 12/2/09. (ns,) (Entered: 12/02/2009)
12/04/2009		NOTICE from the Court striking <u>19</u> Notice of Lis Pendens. It has been correctly refiled as document <u>20</u> . (kw,) (Entered: 12/04/2009)
12/14/2009	<u>24</u>	ANSWER to Complaint by Simon Yang. (Attachments: # <u>1</u> Exhibit 1 – Letter to PVC Investors, # <u>2</u> Exhibit 2 – Distributions, # <u>3</u> Exhibit 3 – Letter to Ken from Simon, # <u>4</u> Exhibit 4 – Prestige Ventures, Corp. Performance Chart 2009, # <u>5</u> Exhibit 5 – Emails between Ken Lee and Simon Yang, November 2009, # <u>6</u> Exhibit 6 – Emails between Simon Yang and Ken Lee on November 28, 2009, # <u>7</u> Exhibit 7 – Emails between Simon Yang and Ken Lee on December 4, 2009, # <u>8</u> Exhibit 8 – Email from Simon Yang to Ken Lee on November 4, 2004, # <u>9</u> Exhibit 9 – Emails between Simon Yang and Ken Lee on January 29, 2007)(kw,) (Entered: 12/15/2009)
12/17/2009	<u>25</u>	SUMMONS Returned Executed by Commodity Futures Trading Commission. Simon Yang served on 11/20/2009. (Driscoll, Katherine) (Entered: 12/17/2009)
01/13/2010	<u>26</u>	SUMMONS Returned Executed by Commodity Futures Trading Commission. Kenneth Wayne Lee served on 11/23/2009. (Driscoll, Katherine) (Entered: 01/13/2010)
01/13/2010	<u>27</u>	SUMMONS Returned Executed by Commodity Futures Trading Commission. Federated Management Group Inc served on 11/23/2009. (Driscoll, Katherine) (Entered: 01/13/2010)

01/13/2010	<u>28</u>	SUMMONS Returned Executed by Commodity Futures Trading Commission. Prestige Ventures Corp served on 11/23/2009. (Driscoll, Katherine) (Entered: 01/13/2010)
01/14/2010	<u>29</u>	MOTION for Entry of Default <i>against Defendant Kenneth Wayne Lee</i> by Commodity Futures Trading Commission. (Attachments: # <u>1</u> Affidavit of Katherine S. Driscoll)(Driscoll, Katherine) (Entered: 01/14/2010)
01/15/2010	<u>30</u>	Clerk's ENTRY OF DEFAULT as to Defendant Kenneth Wayne Lee; granting <u>29</u> Motion for Entry of Default (kw,) (Entered: 01/15/2010)
01/19/2010	<u>31</u>	Receiver's FINANCIAL REPORT. (Attachments: # <u>1</u> Exhibit "A" Kenneth Lee Accounting, # <u>2</u> Exhibit "B" Kenneth Lee Email)(Moriarty, Stephen) (Entered: 01/19/2010)
02/09/2010	<u>32</u>	DOCKET: Status/Scheduling Conference set for 4/6/2010 at 11:00 AM in Chambers before Honorable David L. Russell. (ns,) (Entered: 02/09/2010)
03/03/2010	<u>33</u>	MOTION for Leave to <i>File First Amended Complaint</i> by all plaintiffs. (Driscoll, Katherine) (Entered: 03/03/2010)
03/03/2010	<u>34</u>	MOTION to Amend/Correct <u>9</u> Order on Motion for TRO, Order on Motion to Appoint Receiver, Order on Motion to Expedite, Order on Motion for Order to Show Cause by Commodity Futures Trading Commission. (Attachments: # <u>1</u> Affidavit of Katherine S. Driscoll, # <u>2</u> Affidavit of Glen Grossman, # <u>3</u> Affidavit of Carol Gruis, # <u>4</u> Exhibit 1 to 3)(Driscoll, Katherine) Modified on 3/5/2010 to seal attachments 1 and 2. See Order dated 3/4/10 (kw,). (Entered: 03/03/2010)
03/03/2010	<u>35</u>	MOTION for Contempt <i>against Defendants Kenneth Lee and Simon Yang and Third Parties David Lee and Darren Lee</i> by all plaintiffs. (Attachments: # <u>1</u> Affidavit of Stephen Moriarty (1 of 2), # <u>2</u> Affidavit of Stephen Moriarty (2 of 2), # <u>3</u> Affidavit of Nathan Johnson, # <u>4</u> Affidavit of Katherine Driscoll (1 of 5), # <u>5</u> Affidavit of Katherine Driscoll (2 of 5), # <u>6</u> Affidavit of Katherine Driscoll (3 of 5), # <u>7</u> Affidavit of Katherine Driscoll (4 of 5), # <u>8</u> Affidavit of Katherine Driscoll (5 of 5))(Driscoll, Katherine) (Entered: 03/03/2010)
03/04/2010	<u>36</u>	ORDER granting <u>34</u> Motion to Amend/Correct. Signed by Honorable David L. Russell on 3/4/10. (ns,) (Entered: 03/04/2010)
03/04/2010	<u>37</u>	ORDER granting <u>33</u> Motion for Leave to file first amended complaint. Signed by Honorable David L. Russell on 3/4/10. (ns,) (Entered: 03/04/2010)
03/04/2010	<u>38</u>	MOTION to Seal Document <i>Number 34, Attachments 1 and 2</i> by Commodity Futures Trading Commission. (Driscoll, Katherine) (Entered: 03/04/2010)
03/04/2010	<u>39</u>	AMENDED COMPLAINT against all defendants Filed by all plaintiffs.(Driscoll, Katherine) (Entered: 03/04/2010)
03/04/2010	<u>40</u>	ORDER granting <u>38</u> Motion to Seal Document. Signed by Honorable David L. Russell on 3/4/10. (ns,) (Entered: 03/04/2010)
03/05/2010	<u>41</u>	DECLARATION by Commodity Futures Trading Commission <i>Katherine Driscoll in Support of Plaintiff Commission's Motion to Amend (redacted)</i> . (Attachments: # <u>1</u> Exhibit A (Excerpts from Transcript of Deposition of Sheila Lee), # <u>2</u> Exhibit B (Excerpts from Transcript of Deposition of David Lee), # <u>3</u>

		Exhibit C (Excerpts from Transcript of Deposition of Darren Lee), # <u>4</u> Exhibit D (Excerpts from Transcript of Deposition of Kenneth Lee))(Driscoll, Katherine) (Entered: 03/05/2010)
03/05/2010	<u>42</u>	DECLARATION by Commodity Futures Trading Commission <i>Glen Grossman in Support of Plaintiff Commission's Motion to Amend SRO (Doc. No. 34 (redacted))</i> . (Driscoll, Katherine) Modified on 3/5/2010 to create link to doc <u>34</u> (kw,). (Entered: 03/05/2010)
03/05/2010	<u>43</u>	Summons Issued electronically as to Darren Lee, Sheila M Lee, David A Lee. (kw,) (Entered: 03/05/2010)
03/09/2010	<u>44</u>	SUMMONS Returned Executed by Commodity Futures Trading Commission. Darren Lee served on 3/6/2010. (Driscoll, Katherine) (Entered: 03/09/2010)
03/09/2010	<u>45</u>	SUMMONS Returned Executed by Commodity Futures Trading Commission. David A Lee served on 3/6/2010. (Driscoll, Katherine) (Entered: 03/09/2010)
03/09/2010	<u>46</u>	SUMMONS Returned Executed by Commodity Futures Trading Commission. Kenneth Wayne Lee served on 3/5/2010. (Driscoll, Katherine) (Entered: 03/09/2010)
03/09/2010	<u>47</u>	SUMMONS Returned Executed by Commodity Futures Trading Commission. Sheila M Lee served on 3/5/2010. (Driscoll, Katherine) (Entered: 03/09/2010)
03/09/2010	<u>48</u>	MOTION to Stay Receivership of any Property Owned by Kenneth Wayne Lee, Sheila Marjorie Lee, Darren Alexander Lee, and David Armstrong Lee and Allow Defendant Lee to Trade for the Account of Investors for Purposes of Repayment by Kenneth Wayne Lee. (kw,) (Entered: 03/10/2010)
03/10/2010	<u>49</u>	CERTIFICATE OF SERVICE by Plaintiff Irving L Faught re <u>36</u> Order on Motion to Amend/Correct, <u>37</u> Order on Motion for Leave to, <u>38</u> MOTION to Seal Document <i>Number 34, Attachments 1 and 2</i> , <u>40</u> Order on Motion to Seal Document, <u>39</u> Amended Complaint (Bonnell, Terra) (Entered: 03/10/2010)
03/18/2010	<u>50</u>	RESPONSE in Opposition re <u>48</u> MOTION to Stay Case filed by Commodity Futures Trading Commission. (Attachments: # <u>1</u> Exhibit 1 – Declaration of Kara Mucha, # <u>2</u> Exhibit 2 – Declaration of Glen Grossman)(Driscoll, Katherine) (Entered: 03/18/2010)
03/24/2010	<u>51</u>	LETTER from Defendant Simon Yang (ns,) (Entered: 03/24/2010)
03/24/2010	<u>52</u>	LETTER from the Court in Response to letter from Dft Yang (ns,) (Entered: 03/24/2010)
03/26/2010	<u>53</u>	ANSWER to <u>39</u> Amended Complaint by Darren Lee. (Attachments: # <u>1</u> Exhibit A – Depo excerpt of Darren A. Lee, # <u>2</u> Exhibit B – Depo excerpt of Darren A. Lee, # <u>3</u> Envelope)(kw,) (Entered: 03/29/2010)
03/26/2010	<u>54</u>	RESPONSE to <u>9</u> Order on Motion for Statutory Restraining Order filed by Darren Lee, Sheila M Lee, David A Lee. (kw,) (Entered: 03/29/2010)
03/26/2010	<u>55</u>	RESPONSE to <u>9</u> Order on Motion for Statutory Restraining Order filed by Kenneth Wayne Lee. (kw,) (Entered: 03/29/2010)
03/26/2010	<u>56</u>	RESPONSE re <u>9</u> Order on Motion for Statutory Restraining Order filed by Darren Lee, Sheila M Lee, David A Lee. (kw,) (Entered: 03/29/2010)

03/26/2010	<u>57</u>	REPLY (titled Opposition to Plaintiffs' Objection to...) by Defendant Kenneth Wayne Lee re <u>48</u> MOTION to Stay Stay Receivership of any Property Owned by Kenneth Wayne Lee, Sheila Marjorie Lee, Darren Alexander Lee, and David Armstrong Lee and Allow Defendant Lee to Trade for the Account of Investors for Purposes of Repayment filed by Kenneth Wayne Lee. (kw,) (Entered: 03/29/2010)
03/30/2010	<u>58</u>	ORDER Setting Hearing on Motions: Motion Hearing set for 4/21/2010 at 09:00 AM in Courtroom 302 before Honorable David L. Russell on Plfs Mtn for Contempt and Dfts Mtn to Stay Receivership.. Signed by Honorable David L. Russell on 3/30/10. (ns,) (Entered: 03/30/2010)
03/30/2010	<u>59</u>	JOINT STATUS REPORT AND DISCOVERY PLAN by Plaintiff Irving L Faight. (Bonnell, Terra) (Entered: 03/30/2010)
04/02/2010	<u>60</u>	REPLY by Plaintiffs Commodity Futures Trading Commission, Irving L Faight re <u>55</u> Response to (Proposed) Order Granting Plaintiff Commission's Motion to the Ex Parte Statutory Restraining Order, filed by all plaintiffs. (Bonnell, Terra) (Entered: 04/02/2010)
04/02/2010	<u>61</u>	REPLY by Plaintiffs Commodity Futures Trading Commission, Irving L Faight re <u>54</u> Response (Proposed) Order Granting Plaintiff Commission's Motion to Amend the Ex Parte Statutory Restraining Order filed by all plaintiffs. (Driscoll, Katherine) (Entered: 04/02/2010)
04/02/2010	<u>62</u>	REPLY by Plaintiffs Commodity Futures Trading Commission, Irving L Faight re <u>56</u> Response to (Proposed) Order Granting Plaintiff Commission's Motion to Amend the Ex Parte Statutory Restraining Order filed by all plaintiffs. (Driscoll, Katherine) (Entered: 04/02/2010)
04/05/2010	<u>63</u>	RESPONSE (Answer) to Motion re <u>34</u> MOTION to Amend <u>9</u> Order on Motion for SRO filed by Darren Lee. (Attachments: # <u>1</u> Exhibit C – Depo excerpt of Darren Lee, # <u>2</u> Exhibit D – Depo excerpt of Darren Lee)(kw,) (Entered: 04/06/2010)
04/06/2010	<u>64</u>	SCHEDULING ORDER: Defendants granted 10 days to file answer and respond to Motion for Contempt. Signed by Honorable David L. Russell on 4/6/10. (ns,) (Entered: 04/06/2010)
04/13/2010	<u>65</u>	Exhibit List / Witness List for Hearing on Plaintiffs' Motion for Contempt by Plaintiffs Commodity Futures Trading Commission, Irving L Faight. (Bonnell, Terra) (Entered: 04/13/2010)
04/13/2010	<u>66</u>	REPLY by Plaintiffs Commodity Futures Trading Commission, Irving L Faight re <u>63</u> Response to Motion to Amend Statutory Restraining Order filed by all plaintiffs. (Attachments: # <u>1</u> Exhibit 1 (Relevant portions of Transcript of Deposition of Darren Lee), # <u>2</u> Affidavit of Kara L. Mucha in Support of Plaintiffs' Reply)(Driscoll, Katherine) (Entered: 04/13/2010)
04/15/2010	<u>67</u>	ANSWER to <u>39</u> Amended Complaint by Kenneth Wayne Lee.(kw,) (Entered: 04/19/2010)
04/15/2010	<u>68</u>	ANSWER to <u>39</u> Amended Complaint by Sheila M Lee. (Attachments: # <u>1</u> Exhibits A–C)(kw,) (Entered: 04/19/2010)
04/15/2010	<u>69</u>	

		ANSWER to <u>39</u> Amended Complaint by David A Lee. (Attachments: # <u>1</u> Exhibits A-E)(kw,) (Entered: 04/19/2010)
04/15/2010	<u>70</u>	RESPONSE to Motion re <u>35</u> MOTION for Contempt <i>against Defendants Kenneth Lee and Simon Yang and Third Parties David Lee and Darren Lee</i> filed by Darren Lee. (Attachments: # <u>1</u> Exhibit A – Letter from Stephen Moriarty dated 4/5/10)(kw,) (Entered: 04/19/2010)
04/15/2010	<u>71</u>	RESPONSE to Motion re <u>35</u> MOTION for Contempt <i>against Defendants Kenneth Lee and Simon Yang and Third Parties David Lee and Darren Lee</i> filed by David A Lee. (kw,) (Entered: 04/19/2010)
04/15/2010	<u>72</u>	RESPONSE to Motion re <u>35</u> MOTION for Contempt <i>against Defendants Kenneth Lee and Simon Yang and Third Parties David Lee and Darren Lee</i> filed by Kenneth Wayne Lee. (kw,) (Entered: 04/19/2010)
04/19/2010	<u>73</u>	DISCLOSURE STATEMENT – RULE 26 by Darren Lee, Sheila M Lee, David A Lee, Kenneth Wayne Lee. (kw,) (Entered: 04/20/2010)
04/19/2010	<u>74</u>	RESPONSE by Defendant Darren Lee to Plaintiff Commission's Objections and Responses to Relief Defendant Darren Lee's Requests for Documents filed by Darren Lee. (kw,) (Entered: 04/20/2010)
04/21/2010	<u>75</u>	Minute Entry for proceedings held before Honorable David L. Russell: Motion Hearing held on 4/21/2010. MOTION to Stay Receivership was Denied; MOTION for Contempt <i>against Defendants Kenneth Lee and Simon Yang and Third Parties David Lee and Darren Lee</i> filed by Irving L Faught, Commodity Futures Trading Commission was granted in part and denied in part. Testimony of witnesses hrd. Plfs exhibits 1,2,8-10,12,13,23-27&32-36 admitted, but w/drawn at conclusion. Plfs cnsl to prepare order for Court's signature. (Court Reporter Alana LaGrow.) (ns,) (Entered: 04/21/2010)
04/29/2010	<u>76</u>	MOTION to Stay Receivership Of Property, Bank Accounts, and Assets Owned By Darren Lee re <u>9</u> Order on Motion for SRO, Order on Motion to Appoint Receiver, Order on Motion to Expedite, Order on Motion for Order to Show Cause by Darren Lee. (kw,) (Entered: 05/04/2010)
04/29/2010	<u>77</u>	SURREPLY re <u>34</u> MOTION to Amend <u>9</u> Order on Motion for SRO filed by Darren Lee. (kw,) (Entered: 05/04/2010)
04/29/2010	<u>78</u>	MOTION to Stay <u>9</u> Order on Motion for SRO, Order on Motion to Appoint Receiver, Order on Motion to Expedite, Order on Motion for Order to Show Cause by David A Lee. (kw,) (Entered: 05/04/2010)
04/29/2010	<u>79</u>	MOTION to Stay <u>9</u> Order on Motion for SRO, Order on Motion to Appoint Receiver, Order on Motion to Expedite, Order on Motion for Order to Show Cause by Sheila M Lee. (kw,) (Entered: 05/04/2010)
05/07/2010	<u>80</u>	MOTION for Order <i>Requiring Proof of Insurance, Proof of Current Payment of Real Estate Taxes, and Establishing Procedures Regarding Maintenance of Property</i> by Stephen Moriarty. (Attachments: # <u>1</u> Exhibit 1 – August 2003 Bank Statement, # <u>2</u> Exhibit 2 – September 2003 Bank Statement, # <u>3</u> Exhibit 3 – Receiver's Analysis, # <u>4</u> Exhibit 4 – Deposition of Kenneth Wayne Lee taken 11/30/09, # <u>5</u> Exhibit 5 – Deposition of Sheila Lee taken 12/8/09, # <u>6</u> Exhibit 6 – Deposition of Darren A. Lee taken 12/9/09, # <u>7</u> Exhibit 7 – Deposition of

		David A. Lee taken 12/9/09, # <u>8</u> Exhibit 8 – E-Mail Exchange)(Bickford, Warren) (Entered: 05/07/2010)
05/10/2010	<u>81</u>	ORDER denying <u>76</u> Motion to Stay Case; denying <u>78</u> Motion to Stay Case; denying <u>79</u> Motion to Stay Case. Signed by Honorable David L. Russell on 5/10/10. (ns,) (Entered: 05/10/2010)
05/10/2010	<u>82</u>	ORDER granting <u>35</u> Motion for Contempt(more fully set out). Signed by Honorable David L. Russell on 5/10/10. (ns,) (Entered: 05/10/2010)
05/10/2010		Docket Annotation: Order <u>82</u> is stricken to be refiled due to a page not being complete. (ns,) (Entered: 05/10/2010)
05/10/2010	<u>83</u>	ORDER of Civil Contempt (more fully set out). Signed by Honorable David L. Russell on 5/10/10. (ns,) (Entered: 05/10/2010)
05/12/2010	<u>84</u>	NOTICE OF FILING OF OFFICIAL TRANSCRIPT of Proceedings held on 4-21-10 before Judge David L. Russell. Court Reporter: Alana LaGrow, Telephone number (405) 609--5103. Transcript of: Hearing. Transcript may be viewed at the court public terminal or purchased through the Court Reporter/Transcriber before the deadline for Release of Transcript Restriction. After that date it may be obtained through PACER. Redaction Request due 6/2/2010. Redacted Transcript Deadline set for 6/14/2010. Release of Transcript Restriction set for 8/10/2010. (asl,) (Entered: 05/12/2010)
05/17/2010	<u>85</u>	RESPONSE to Motion re <u>80</u> MOTION for Order <i>Requiring Proof of Insurance, Proof of Current Payment of Real Estate Taxes, and Establishing Procedures Regarding Maintenance of Property</i> filed by Darren Lee. (Attachments: # <u>1</u> Exhibit A – Declaration of Dexiang Luo, # <u>2</u> Exhibit B – Declaration of Susie Southwell, # <u>3</u> Exhibit C – Declaration of Ming Yu, # <u>4</u> Exhibit D – Titled Declaration of Kara Mucha but exhibit is page 4 of 7 to an unknown document)(kw,) (Entered: 05/18/2010)
05/24/2010	<u>86</u>	NOTICE (other) by Stephen Moriarty re <u>83</u> Order <i>Report of Receiver Regarding Attempt of Defendant, Kenneth Wayne Lee, to Purge Civil Contempt of Court</i> (Attachments: # <u>1</u> Exhibit Kenneth Lee Emails)(Moriarty, Stephen) (Entered: 05/24/2010)
05/24/2010	<u>87</u>	NOTICE (other) by Stephen Moriarty <i>Report of Receiver Regarding Attempt of Relief Defendant, David A. Lee, to Purge Civil Contempt of Court</i> (Attachments: # <u>1</u> Exhibit David Lee 05122010 Email, # <u>2</u> Exhibit Response Email to David Lee, # <u>3</u> Exhibit David Lee Reply Email, # <u>4</u> Exhibit David Lee Bank Statements, # <u>5</u> Exhibit David Lee Reply Email, # <u>6</u> Exhibit Receiver Emails, # <u>7</u> Exhibit Email with Home Sale Accounting, # <u>8</u> Exhibit All Other Emails &Correspondence Received)(Moriarty, Stephen) (Entered: 05/24/2010)
05/24/2010	<u>88</u>	RESPONSE to Motion re <u>80</u> MOTION for Order <i>Requiring Proof of Insurance, Proof of Current Payment of Real Estate Taxes, and Establishing Procedures Regarding Maintenance of Property</i> filed by Kenneth Wayne Lee. (Attachments: # <u>1</u> Exhibit 1 – Acknowledge of Receipt of the Prestige Program Disclosure by Iundong Lan and Zheng Zhou, # <u>2</u> Exhibit 2 – Email from Ming Yu to Ken Lee dated 12/3/03, # <u>3</u> Exhibit 3 – Brokerage Account Statement)(kw,) (Entered: 05/25/2010)
05/27/2010	<u>89</u>	

		REPLY to Response to Motion re <u>80</u> MOTION for Order <i>Requiring Proof of Insurance, Proof of Current Payment of Real Estate Taxes, and Establishing Procedures Regarding Maintenance of Property (Kenneth Lee and Darren Lee)</i> filed by Stephen Moriarty. (Attachments: # <u>1</u> Exhibit \$130,000 Deposit, # <u>2</u> Exhibit \$30,000 Deposit, # <u>3</u> Exhibit \$15,000 Deposit)(Moriarty, Stephen) (Entered: 05/27/2010)
05/28/2010	<u>90</u>	ORDER denying <u>80</u> MOTION for Order <i>Requiring Proof of Insurance, Proof of Current Payment of Real Estate Taxes, and Establishing Procedures Regarding Maintenance of Property</i> filed by Stephen Moriarty. Status Conference set for 6/24/2010 09:00 AM in Chambers before Honorable David L. Russell. Status Report due by 6/21/2010. Signed by Honorable David L. Russell on 5/28/10. (kw,) (Entered: 05/28/2010)
06/23/2010	<u>91</u>	JOINT STATUS REPORT AND DISCOVERY PLAN by Plaintiffs Commodity Futures Trading Commission, Irving L Faught. (Bonnell, Terra) (Entered: 06/23/2010)
06/24/2010	<u>92</u>	SCHEDULING ORDER: Motions to join due by 7/20/10; Motions to amend due by 7/20/10; Pla expert witness list and expert reports due 8/1/10; Dft expert witness list and expert reports due 8/15/10; Pla witness list due 8/15/10; Dft witness list due 8/29/10; Pla exhibit list due 8/15/10; Dft exhibit list due 8/29/10; Motions in limine due 11/1/10; Jury instructions due 11/1/10; Voir dire requests due 11/1/10; Trial briefs due 11/1/10; Discovery due by 10/1/2010. Jury Trial set for 11/8/2010 at 09:30 AM in Courtroom 302 before Honorable David L. Russell. Motions due by 9/1/2010. Pretrial Report due by 11/1/2010.. Signed by Honorable David L. Russell on 6/24/10. (ns,) (Entered: 06/24/2010)
06/28/2010	<u>93</u>	MOTION to Continue by Darren Lee. (Attachments: # <u>1</u> Exhibit A Account of Darren Lee, # <u>2</u> Exhibit B Account of Kenneth Lee & family, # <u>3</u> Exhibit C Account of Dingxiang, # <u>4</u> Exhibit D Accounting of Lee Family Monies, # <u>5</u> Exhibit E Errors of the Commission)(kr,) (Entered: 06/30/2010)
07/01/2010	<u>94</u>	ORDER denying <u>93</u> Motion to Continue trial. Signed by Honorable David L. Russell on 7/1/10. (ns,) (Entered: 07/01/2010)
07/13/2010	<u>95</u>	DISCLOSURE STATEMENT – RULE 26 by Simon Yang. (kw,) (Entered: 07/14/2010)
07/22/2010	<u>96</u>	MOTION to Strike or, in the alternative, MOTION to Dismiss <u>95</u> Disclosure Statement – Rule 26 by Commodity Futures Trading Commission, Irving L Faught. (Bonnell, Terra). Added on MOTION to Dismiss 8/6/2010 (kw,). (Entered: 07/22/2010)
08/10/2010	<u>97</u>	NOTICE titled Yang's Proposal by Simon Yang. (kw,) (Entered: 08/11/2010)
08/16/2010	<u>98</u>	Exhibit List / Witness List by Plaintiff Irving L Faught. (Labarthe, Patricia) (Entered: 08/16/2010)
08/17/2010	<u>99</u>	ORDER granting <u>96</u> Motion to Strike. Signed by Honorable David L. Russell on 8/17/10. (ns,) (Entered: 08/17/2010)
08/19/2010	<u>100</u>	Exhibit List / Witness List (<i>Amended Final</i>) by Plaintiffs Commodity Futures Trading Commission, Irving L Faught. (Bonnell, Terra) (Entered: 08/19/2010)
08/24/2010	<u>101</u>	

		MOTION for Leave to File <i>Oversized Brief in Support of Motion for Summary Judgment</i> by Commodity Futures Trading Commission, Irving L Faught. (Attachments: # <u>1</u> Attachment Proposed Order)(Bonnell, Terra) (Entered: 08/24/2010)
08/25/2010	<u>102</u>	ORDER granting <u>101</u> Motion for Leave to file oversized brief. Signed by Honorable David L. Russell on 8/25/10. (ns,) (Entered: 08/25/2010)
08/30/2010	<u>103</u>	RESPONSE re <u>97</u> Notice (other) filed by Commodity Futures Trading Commission, Irving L Faught. (Bonnell, Terra) (Entered: 08/30/2010)
08/30/2010	<u>104</u>	ENTRY of Appearance by James H Holl, III on behalf of Commodity Futures Trading Commission (Holl, James) (Entered: 08/30/2010)
08/31/2010	<u>105</u>	SECOND MOTION for Leave to File Excess Pages in <i>MSJ brief</i> by Commodity Futures Trading Commission. (Attachments: # <u>1</u> proposed order)(Holl, James) (Entered: 08/31/2010)
08/31/2010	<u>106</u>	ORDER granting <u>105</u> Motion for Leave to File Excess Pages. Signed by Honorable David L. Russell on 8/31/10. (ns,) (Entered: 08/31/2010)
09/01/2010	<u>107</u>	MOTION for Summary Judgment by Commodity Futures Trading Commission, Irving L Faught. (Bonnell, Terra) (Entered: 09/01/2010)
09/01/2010	<u>108</u>	NOTICE of Conventional Filing of <i>Appendix to Plaintiffs' Motion for Summary Judgment</i> by Terra Shamas Bonnell on behalf of Commodity Futures Trading Commission, Irving L Faught (Bonnell, Terra) (Entered: 09/01/2010)
09/02/2010		NOTICE from the Court striking <u>108</u> Notice of Conventional Filing. Appendix will be filed electronically. (kw,) (Entered: 09/02/2010)
09/02/2010	<u>109</u>	APPENDIX re <u>107</u> MOTION for Summary Judgment by Commodity Futures Trading Commission, Irving L Faught. (Attachments: # <u>1</u> Answer of Kenneth W. Lee, # <u>2</u> Deposition of Kenneth W. Lee, # <u>3</u> Answer of Simon Yang, # <u>4</u> Deposition of Simon Yang, # <u>5</u> Answer of Sheila M. Lee, # <u>6</u> Deposition of Sheila M. Lee, # <u>7</u> Sheila M. Lee's Responses to Requests, # <u>8</u> Answer of Darren A. Lee, # <u>9</u> Deposition of Darren A. Lee, # <u>10</u> Darren A. Lee's Responses to Requests, # <u>11</u> Answer of David A. Lee, # <u>12</u> Deposition of David A. Lee, # <u>13</u> David A. Lee's Responses to Requests RD, # <u>14</u> Declaration of Dexiang Edward Luo, # <u>15</u> Declaration of Jian Yue, # <u>16</u> Declaration of Ming Yu, # <u>17</u> Declaration of Susie Southwell, # <u>18</u> Declaration of Xihai Zhang, # <u>19</u> Declaration of Zhong Xiang Luo, # <u>20</u> Declaration of Carol Gruis October 9, 2009, # <u>21</u> Declaration of Carol Gruis January 14, 2010, # <u>22</u> Declaration of Glen R. Grossman, # <u>23</u> Declaration of Kenneth G. Maillard, # <u>24</u> Declaration of Sharon Pendleton, # <u>25</u> Declaration of Kara L. Mucha Part1, # <u>26</u> Declaration of Kara L. Mucha Part2)(Bonnell, Terra) (Entered: 09/02/2010)
09/07/2010	<u>110</u>	DOCKET: Docket Call set for 11/3/2010 at 09:00 AM in Courtroom 302 before Honorable David L. Russell. Jury Trial set for 11/8/2010 at 09:30 AM in Courtroom 302 before Honorable David L. Russell. (ns,) (Entered: 09/07/2010)
09/10/2010	<u>111</u>	REPLY by Defendant Simon Yang re <u>97</u> Yang's Proposal filed by Simon Yang. (kw,) (Entered: 09/13/2010)
09/13/2010	<u>112</u>	REQUEST for Damages by Darren Lee (kw,) (Entered: 09/14/2010)

09/14/2010	<u>113</u>	ORDER declining to adopt Mr. Yang's unorthodox proposal. Signed by Honorable David L. Russell on 9/14/10. (ns,) (Entered: 09/14/2010)
09/14/2010	<u>114</u>	ENTRY of Appearance by Kevin S Webb on behalf of Commodity Futures Trading Commission (Webb, Kevin) (Entered: 09/14/2010)
09/21/2010	<u>115</u>	MOTION for Damages by Simon Yang. (kw,) (Entered: 09/22/2010)
09/28/2010	<u>116</u>	RESPONSE to Motion re <u>115</u> MOTION for Damages <i>and Motion to Strike/Dismiss</i> filed by Commodity Futures Trading Commission. (Holl, James) (Entered: 09/28/2010)
09/30/2010	<u>117</u>	OBJECTIONS re <u>112</u> Notice (other) <i>Relief Defendant Darren Lee's Request for Damages</i> filed by Commodity Futures Trading Commission, Irving L Faught. (Bonnell, Terra) (Entered: 09/30/2010)
10/26/2010	<u>118</u>	MOTION in Limine <i>to deem Requests for Admission Deemed Admitted</i> by Commodity Futures Trading Commission. (Attachments: # <u>1</u> Attachment Discovery Requests)(Holl, James) (Entered: 10/26/2010)
10/26/2010	<u>119</u>	MOTION in Limine <i>to Exclude Defendants and Relief Defendants Witnesses and Exhibits</i> by Commodity Futures Trading Commission. (Holl, James) (Entered: 10/26/2010)
10/27/2010	<u>120</u>	ORDER granting <u>107</u> Motion for Summary Judgment; denying <u>115</u> Motion for Damages. Unless parties request a jury trial w/i 5 days the Court will conduct a non-jury trial on the issue of damages and penalties on 11/8/10. Signed by Honorable David L. Russell on 10/27/10. (ns,) (Entered: 10/27/2010)
11/01/2010	<u>121</u>	FINAL PRETRIAL REPORT. (Holl, James) (Entered: 11/01/2010)
11/01/2010	<u>122</u>	ORDER adopting the Final Pretrial Report. Signed by Honorable David L. Russell on 11/1/10. (ns,) (Entered: 11/01/2010)
11/02/2010	<u>123</u>	LETTER from dft Kenneth Lee (ns,) (Entered: 11/02/2010)
11/03/2010	<u>124</u>	SECOND REQUEST FOR MOTION to Continue by Darren Lee. (Attachments: # <u>1</u> Exhibit First Set of Requests, # <u>2</u> Exhibit Plaintiff's Response to Fisrt Request for Admissions, # <u>3</u> Exhibit Email from Darren Lee, # <u>4</u> Exhibit Email to Ken Lee dated 10/21/10, # <u>5</u> Exhibit Letter to Ken Lee and Terra Bonnell, # <u>6</u> Exhibit Cashier's Checks)(kr,) (Entered: 11/03/2010)
11/03/2010	<u>125</u>	ORDER denying <u>124</u> Motion to Continue non-jury trial. Signed by Honorable David L. Russell on 11/3/10. (ns,) (Entered: 11/03/2010)
11/03/2010	<u>126</u>	Minute Entry for proceedings held before Honorable David L. Russell: Docket Call held on 11/3/2010. Case discussed. Non-Jury trial to begin on 11/8/10 at 9:00 a.m. (ns,) (Entered: 11/03/2010)
11/08/2010	<u>127</u>	Courtroom Minute Entry for proceedings held before Honorable David L. Russell: Bench Trial held on 11/8/2010. Plf presents case w/testimony of witnesses. Plfs exhibits 1-6 were admitted. Parties rested. Parties to submit Findings of Fact & Conc. of Law w/i 10 days. Case taken under advisement. (Court Reporter Alana LaGrow.) (ns,) (Entered: 11/08/2010)
11/15/2010	<u>128</u>	NOTICE of Conventional Filing by Simon Yang - My files of PVC in a CD; PVC emails from 2004 to 2009, my Answer to Complaint (PVC lawsuit) and

			my Deposition and others. (pw,) (Entered: 11/15/2010)
11/18/2010	<u>129</u>		Proposed Findings of Fact by Plaintiffs Commodity Futures Trading Commission, Irving L Faught. (Attachments: # <u>1</u> Exhibit Proposed Order)(Bonnell, Terra) (Entered: 11/18/2010)
11/22/2010	<u>130</u>		NOTICE (other)(Titled Insights of PVC Business) by Simon Yang (Attachments: # <u>1</u> Exhibit 1 – Compounding Results from 1/1/1987 to 6/5/2003, # <u>2</u> Exhibit 2 – Corresponding Emails)(pw,) (Entered: 11/22/2010)
11/29/2010	<u>131</u>	16	ORDER (findings more fully set out). Signed by Honorable David L. Russell on 11/29/10. (ns,) (Entered: 11/29/2010)
11/29/2010	<u>132</u>	27	JUDGMENT in favor of the Plaintiff. Signed by Honorable David L. Russell on 11/29/10. (ns,) (Entered: 11/29/2010)
11/29/2010	<u>133</u>		RESPONSE re <u>129</u> Proposed Findings of Fact filed by Darren Lee, David A Lee, Kenneth Wayne Lee, Sheila M Lee. (Attachments: # <u>1</u> Exhibit 1 – Copies of Cashier's Checks, # <u>2</u> Exhibit 2 – Copies of Emails Between Kenneth Less and Panama Account Manager, # <u>3</u> Exhibit 3 – Copies of Emails Between Kenneth Lee and Dingxiang Lin, # <u>4</u> Envelope)(kw,) (Entered: 11/30/2010)
12/08/2010	<u>134</u>		MOTION for Reconsideration re <u>131</u> Order and <u>132</u> Judgment by Darren Lee. (Attachments: # <u>1</u> Envelope)(kw,) (Entered: 12/08/2010)
12/08/2010	<u>135</u>		MOTION for Reconsideration re <u>131</u> Order and <u>132</u> Judgment by David A Lee. (kw,) (Entered: 12/08/2010)
12/08/2010	<u>136</u>		MOTION for Reconsideration re <u>131</u> Order and <u>132</u> Judgment by Kenneth Wayne Lee. (kw,) (Entered: 12/08/2010)
12/08/2010	<u>137</u>		MOTION for Reconsideration re <u>131</u> Order and <u>132</u> Judgment by Sheila M Lee. (kw,) (Entered: 12/08/2010)
12/09/2010	<u>138</u>		MOTION to Release Bank Accounts Frozen in SRO by Sheila M Lee. (kw,) (Entered: 12/09/2010)
12/09/2010	<u>139</u>		NOTICE OF APPEAL as to <u>131</u> Order, <u>132</u> Judgment by Darren Lee, David A Lee, Kenneth Wayne Lee, Sheila M Lee. (kw,) (Entered: 12/09/2010)
12/09/2010	<u>140</u>		PRELIMINARY RECORD LETTER – Electronic Transmission of Notice of Appeal with Preliminary Record sent to Tenth Circuit Court of Appeals re <u>139</u> Notice of Appeal. (kw,) (Entered: 12/09/2010)
12/09/2010	<u>141</u>		Tenth Circuit USCA Case Number 10–6276 for <u>139</u> Notice of Appeal filed by David A Lee, Kenneth Wayne Lee, Darren Lee, Sheila M Lee. (kw,) (Entered: 12/10/2010)
12/10/2010	<u>143</u>		ORDER of USCA as to <u>139</u> Notice of Appeal filed by David A Lee, Kenneth Wayne Lee, Darren Lee, Sheila M Lee. Appeal is ABATED. District Court Clerk to amend the preliminary record after order entered on pending motions. (kw,) (Entered: 12/13/2010)
12/13/2010	<u>142</u>		MOTION to Stay Execution of <u>131</u> Order by Darren Lee, David A Lee, Kenneth Wayne Lee, Sheila M Lee. (kw,) (Entered: 12/13/2010)
12/16/2010	<u>144</u>		

			RESPONSE to Motion re <u>138</u> MOTION for Order <i>to Release Bank Accounts Frozen in SRO</i> filed by Stephen Moriarty. (Moriarty, Stephen) (Entered: 12/16/2010)
12/16/2010			NOTICE from the Court striking <u>144</u> Response to Motion as the wrong document is attached. Counsel will refile. (kw,) (Entered: 12/16/2010)
12/16/2010	<u>145</u>		RESPONSE to Motion re <u>138</u> MOTION for Order <i>to Release Bank Accounts Frozen in SRO</i> filed by Stephen Moriarty. (Moriarty, Stephen) (Entered: 12/16/2010)
12/17/2010	<u>146</u>	28	NOTICE OF APPEAL as to <u>131</u> Order and <u>132</u> Judgment by Simon Yang. (kw,) (Entered: 12/17/2010)
12/17/2010	<u>147</u>		USCA Appeal Fee received in the amount of \$ 455, receipt number 13954, re <u>146</u> Notice of Appeal filed by Simon Yang. (kw,) (Entered: 12/17/2010)
12/17/2010	<u>148</u>		PRELIMINARY RECORD LETTER – Electronic Transmission of Notice of Appeal with Preliminary Record sent to Tenth Circuit Court of Appeals re <u>146</u> Notice of Appeal (kw,) (Entered: 12/17/2010)

**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.)

CASE NO CIV-09-1284-R

**PRESTIGE VENTURES CORP.,)
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.)

ORDER

On November 8, 2010, this matter came to trial before this Court on the issues of sanctions and penalties to be ordered against Defendants and Relief Defendants. Plaintiffs U.S. Commodity Futures Trading Commission (the "Commission") and Oklahoma Department of Securities ("ODS") appeared by its counsel; and Defendant Simon Yang appeared pro se. The Receiver, Stephen J. Moriarty ("Receiver"), appeared in person.

Defendant Kenneth Wayne Lee and Relief Defendants David A. Lee, Darren Lee, and Sheila M. Lee did not appear.

On October 27, 2010, the Court granted Plaintiffs' Motion for Summary Judgment, finding Defendants liable for violations of the Commodity Exchange Act ("Act"), 7 U.S.C. §§ 1 et seq. (2006), Commission Regulations ("Regulations"), 17 C.F.R. §§ 1.1 et seq. (2009), and the Oklahoma Uniform Securities Act of 2004 ("OUSA"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2009). (Doc. No. 120). The Court further found that Relief Defendants Sheila Lee, David Lee, and Darren Lee directly or indirectly received substantial sums of money to which they had no legitimate ownership interest or entitlement from Defendants Prestige Ventures Corp. ("Prestige") and Federated Management Group, Inc. ("Federated") (hereinafter referred to collectively as the "Prestige Enterprise"). Having considered the submissions by the Plaintiff and Defendant Yang at the trial, the Court hereby finds as follows.

FINDINGS OF FACT

1. The Prestige Enterprise received at least \$10,656,921 from investors between March 5, 2003 and November 30, 2009 (the "Relevant Time Period").
- 2.. The Prestige Enterprise returned \$3,357,732 to investors during the Relevant Time Period.
3. The Prestige Enterprise received \$469,507 in investments from Simon Yang and disbursed \$133,500 to him during the Relevant Time Period.

4. The Prestige Enterprise received \$17,108 from Sheila Lee and disbursed \$728,953 to or for the benefit of Sheila Lee during the Relevant Time Period.

5. The Prestige Enterprise received \$190 from David Lee and disbursed \$574,464 to or for the benefit of David Lee during the Relevant Time Period.

6. The Prestige Enterprise received \$15,162 from Darren Lee and disbursed \$654,101 to or for the benefit of Darren Lee during the Relevant Time Period.

7. Kenneth Lee and Sheila Lee's residence, having a legal description of Lot 30, Phase 2A, Berkleigh at Parkwest, Mt. Pleasant, Charleston County, South Carolina, street address 1660 Jorrington Street, Mt. Pleasant, South Carolina ("Kenneth and Sheila Lee Residence"), was purchased with funds received by the Prestige Enterprise from investors and is an asset of the Prestige Enterprise.

8. Darren Lee's residence, having a legal description of Lot 165, Tract J, Phase II, Palmetto Hall at Dunes West, Mt. Pleasant, Charleston County, South Carolina, street address 2676 Palmetto Hall Boulevard, Mt. Pleasant, South Carolina ("Darren Lee Residence"), was purchased with funds received by the Prestige Enterprise from investors and is an asset of the Prestige Enterprise.

9. A boat (2004 Edgewater 175 cc, Boat registration number 1016BR, Hull number DMA03840H304) registered to David Lee and Darren Lee, along with an engine (2004 Yamaha F115, #68VL1018414, Engine serial number MAA0712198) and trailer (2004 Trailer, AA6515-17, #40ZBA1712Z3P101627) (hereinafter collectively referred to as the

“Edgewater Boat”), were purchased with funds received by the Prestige Enterprise from investors and are assets of the Prestige Enterprise.

CONCLUSIONS OF LAW

1. Section 6c(d)(1) of the Act, and Regulation 143.8, provide that the Commission may seek, and a District Court of the United States shall have jurisdiction to impose, a civil monetary penalty for violations of the Act and Regulations in the amount of not more than the greater of i) triple the monetary gain to each person for the violation, or ii) \$110,000 for violations committed between November 27, 1996 and October 22, 2000, \$120,000 for violations committed between October 23, 2000 and October 22, 2004, \$130,000 for violations committed between October 22, 2004, and/or \$140,000 for violations committed on or after October 23, 2008.

2. Upon a proper showing, this Court may enter a permanent injunction to enforce compliance with the Act and any rule, regulation or order thereunder. 7 U.S.C. § 13a-1.

In order to be entitled to injunctive relief, [the CFTC must] show a reasonable likelihood that [a defendant] would violate the Act in the future. The factors to be considered are “the egregiousness of the defendant’s actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the defendant’s assurances against future violations, the defendant’s recognition of the wrongful nature of his conduct, and the likelihood that the defendant’s occupation will present opportunities for future violations.”

CFTC v. Risk Capital Trading Group, Inc., 452 F.Supp.2d 1229, 1247 (N.D.Ga. 2006)(quoting *SEC v. Ginsburg*, 362 F.3d 1292, 1304 (11th Cir. 2004))(citation and quotation omitted).

3. The Court finds that in light of Defendants' prior conduct, notably Defendant Lee's prior conviction for fraud-related activities, Defendants defrauded investors out of millions of dollars, which were whittled away to thousands, yet continue to refuse to acknowledge in any manner their misdeeds, that there is a reasonable likelihood that Defendants will violate the Act in the future. For this reason, and for the reasons set forth in the Court's order granting Plaintiffs summary judgment, permanent injunctive relief is warranted.

4. "[T]he Court has the authority to award 'ancillary equitable relief,' including restitution." The purpose of restitution is to "restore the status quo and order [] the return of that which rightfully belongs to" the investors. *Commodity Futures Trading Com'n v. Brockbank*, 505 F.Supp.2d 1169, 1175 (D.Utah 2007).

5. The Court finds restitution is an appropriate remedy for Defendants, as more fully set out below.

6. Imposition of a substantial civil monetary penalty is appropriate in this case because certain Defendants' violations of the Act and Regulations were egregious.

THEREFORE, IT IS ORDERED THAT:

The Defendants and all persons insofar as they are acting in the capacity of their agents, servants, employees, successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with them who receive actual notice of such order by personal service or otherwise, shall each be permanently restrained, enjoined and prohibited from directly or indirectly:

1. engaging in conduct in violation of Sections 4k(2), 4m(1), 4o(1), 6(c) and 9(a)(3) of the Act, 7 U.S.C. §§ 6k(2), 6m(1), 6o(1), 9(c) and 13(a)(3) (2006), Sections 4b(1)(A)-(C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(1)(A)-(C), Regulations 4.20(a)(1) and (b) and 4.21(a)(1) and (b), 17 C.F.R. §§ 4.20(a)(1) and (b) and 4.21(a)(1) and (b) (2009), and Sections 1-301, 1-402, and 1-501 of the OUSA;

2. trading on, or subject to the rules of, any registered entity (as that term is defined in Section 1a(29) of the Act, 7 U.S.C. § 1a(29)(2006));

3. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2009)) (“commodity options”), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(I) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(I)) (“forex contracts”) for their own personal account or for any account in which they have a direct or indirect interest;

4. having any commodity futures, options on commodity futures, commodity options, and/or forex contracts traded on their behalf;

5. controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options, and/or forex contracts;

6. soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, and/or forex contracts;

7. applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2009);

8. acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2009)), agent or any other officer or employee of any person registered, exempted from registration or required to be registered with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2009);

9. transacting business in and/or from the state of Oklahoma as an issuer, issuer agent, broker-dealer, broker-dealer agent, investment adviser and investment adviser representative, as those terms are defined by Section 1-102 of the OUSA;

10. transferring, selling, alienating, liquidating, encumbering, pledging, leasing, loaning, assigning, concealing, dissipating, destroying, converting, or otherwise disposing of any asset subject to this Order or any other asset of the Prestige Enterprise, except as provided in this Order; and

11. interfering with the Receiver's performance of his duties including, but not limited to, the acquisition and liquidation of assets of the Prestige Enterprise.

IT IS FURTHER ORDERED THAT:

1. The Receiver is hereby authorized to take possession of, market and sell the Kenneth and Sheila Lee Residence, the Darren Lee Residence and the Edgewater Boat. Receiver is hereby authorized to take all actions necessary to close such sales including, but

not limited to, (a) retention of real estate professionals, brokers and/or auctioneers, (b) execution of a deed, bill of sale or other conveyance document and (c) payment of a reasonable real estate commission and/or auctioneer fee.

2. Kenneth Lee, Sheila Lee, and any other occupant(s) of the Kenneth and Sheila Lee Residence, shall vacate the Kenneth and Sheila Lee Residence within twenty (20) days of the date of entry of this Order.

3. Having previously concluded that the relief Defendants, Sheila Lee, Darren Lee and David Lee were in possession of ill-gotten funds to which they lacked a legitimate claim, the Court orders:

a. Sheila Lee shall disgorge the total sum of \$711,845.

b. Darren Lee shall disgorge the total sum of \$638,938.

c. David Lee shall disgorge the total sum of \$574,273.

4. Darren Lee, David Lee, and any other occupant(s) of the Darren Lee Residence shall vacate the Darren Lee Residence within twenty (20) days from the date of entry of this Order.

5. Prestige, Federated, and Kenneth Lee shall, jointly and severally, pay restitution totaling \$5,857,503.00 (plus prejudgment and post-judgment interest¹) to the Receiver for distribution to the Prestige Enterprise investors. This restitution obligation

¹ Prejudgment interest is a matter of discretion for the Court, and is based on the wrongful deprivation of an aggrieved party of its money, including deprivation of the opportunity to earn a return on that money. *See SEC v. Hasho*, 784 F.Supp. 1059, 1112 (S.D.N.Y. 1992). The Court concludes that given the blatant nature of the fraud and the widespread abuse of investors' money by Defendants, that prejudgment interest is appropriate.

represents the amount of funds that the Prestige Enterprise investors deposited into bank accounts controlled by Defendant Lee as a result of the course of illegal conduct alleged in the Complaint, less the amount of identified funds paid to investors. The amount to be paid to each investor shall be determined by the Court after recommendation by the Receiver.

6. Prestige and Federated shall, jointly and severally, pay a civil monetary penalty in the amount of \$18.2 million to the Commission, plus post-judgment interest, within ten (15) days of the date of the entry of this Order. This represents \$130,000 times the 140 known investors. Should Defendants Prestige and Federated not satisfy their civil monetary penalty obligation within fifteen (15) days of the date of entry of this Order, post judgment interest shall accrue on the obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

7. Kenneth Lee shall pay a civil monetary penalty in the amount of \$7.2 million to the Commission, reflecting three times his direct, personal monetary gain of approximately \$2.4 million, plus post-judgment interest, within fifteen (15) days of the date of the entry of this Order. Should Kenneth Lee not satisfy his civil monetary penalty obligation within fifteen (15) days of the date of entry of this Order, post judgment interest shall accrue on the obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

8. Simon Yang shall pay restitution totaling \$133,000 (plus prejudgment and post-judgment interest) to the Receiver for distribution to the Prestige Enterprise investors.

The amount reflects the amount paid to Simon Yang by Defendants during the relevant time period. The amount to be paid to each investor shall be determined by the Court after recommendation by the Receiver.

9. The Court finds that in view of the prior order of restitution set forth herein and disgorgement remedies already imposed and his inability to pay a civil fine, that no civil fine will be imposed as to Defendant Yang.

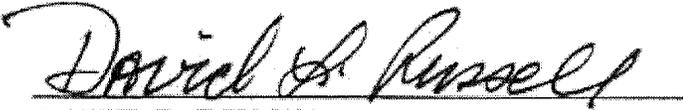
10. Simon Yang is precluded from making a claim for restitution or any return of funds or payment from Prestige, Federated, Kenneth Lee, the Receiver and/or the Receivership.

11 All payments by Defendants pursuant to this Order shall first be applied to satisfaction of the restitution obligations. After satisfaction of the restitution obligations, Defendants' payments pursuant to this Order shall be applied to satisfy the civil monetary penalty obligations.

12. Stephen J. Moriarty, as Receiver, is hereby authorized, empowered and directed to take all necessary and appropriate acts to carry out and implement this Order in accordance with its terms without further order of the Court. This includes, but is not limited to, the acquisition and liquidation of the assets of the Prestige Enterprise. Receiver shall make a report to the Court on all asset sales and will deposit the proceeds from such sales in a segregated account pending further Order of this Court.

13. After the termination of the Receivership, any restitution payment that is made shall be made in accordance with the terms of the order terminating the Receivership and/or discharging the Receiver.

IT IS SO ORDERED this 29th day of November, 2010.



DAVID L. RUSSELL
UNITED STATES DISTRICT JUDGE

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.)

CASE NO CIV-09-1284-R

PRESTIGE VENTURES CORP.,)
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.)

JUDGMENT

In accordance with the Court's order dated this same day, judgment is hereby entered
in favor of the Plaintiffs.

ENTERED this 29th day of November 2010.



DAVID L. RUSSELL
UNITED STATES DISTRICT JUDGE

**UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT
OFFICE OF THE CLERK**

Byron White United States Courthouse
1823 Stout Street
Denver, Colorado 80257
(303) 844-3157

Elisabeth A. Shumaker
Clerk of Court

December 17, 2010

Douglas E. Cressler
Chief Deputy Clerk

Simon Yang
1912 NW 176th Terrace
Edmond, OK 73012

RE: 10-6287, CFTC, et al v. Yang, et al
Dist/Ag docket: 5:09-CV-01284-R

Dear Appellant:

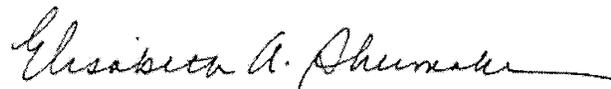
The court has received and docketed your appeal. Please note your case number above.

Attorneys for parties must complete and file an entry of appearance form within 14 days from the date of this letter. Pro se parties must complete and file the form within 30 days from the date of this letter. *See* 10th Cir. R. 46.1. Appellant's failure to enter an appearance may cause the appeal to be dismissed. An appellee who fails to enter an appearance may not receive notice or service of orders.

You will receive further instructions regarding prosecution of this appeal from the court within the next few weeks.

Please contact this office if you have questions.

Sincerely,



Elisabeth A. Shumaker
Clerk of the Court

cc: Terra Shamas Bonnell
Katherine S. Driscoll
James H. Holl III
Patricia A. Labarthe

Darren Lee
David A. Lee
Kenneth Wayne Lee
Sheila M. Lee
Kevin S. Webb

EAS/sds