

2011 JAN 27 AM 10:35

UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

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,)

No. 10-6276,CFTC, et al v. Lee, et al

Motion and Supporting
Memorandum to Stay Judgment and
Receivership Pending the Court of
Appeals' Resolution of Defendants'
Motion Pursuant to Federal Rule of
Appellate Procedure 8(a)(2).

Motion and Supporting Memorandum to Stay Judgment and Receivership Pending the Court of Appeals' Resolution of Defendants' Motion Pursuant to Federal Rule of Appellate Procedure 8(a)(2).

INTRODUCTION

The District Court denied the Motion to Stay Execution of Order on the grounds that, "there is no likelihood they will prevail on the merits of the appeal, because they neither responded to Plaintiffs' motion for summary judgment nor appeared for trial." Darren Lee requested time in answering the Motion for Summary Judgment because the Plaintiffs had yet to turn over the discoverable information that Darren Lee requested. The Plaintiffs replied to Darren Lee's request with denials to turn anything of the information over after the time frame of answering the motion for summary judgment.

Darren Lee, also, submitted his second motion for continuance (EXHIBIT 1) before the trial began and the District Court did not notify Darren Lee of the denial on the motion for continuance until 1 day after the alleged trial began. A continuance can be granted at anytime and there was no legitimate reason for it to be denied. The continuance was requested in good faith in order to get the necessary discoverable information from the Plaintiffs (who co-operated minimally) and information from the Company that was in Panama City, Panama. Darren Lee requested his tax records two different times from the IRS for the years 2002-2009 almost a year ago, and Darren Lee has yet to receive those records. Those were requested from the IRS in Washington, DC that is a government agency only 8 hours from my house. How is it expected for a Relief Defendant to obtain his account records in just 3 months from a Latin country when it has taken an established world powers government agency, the United States' Internal Revenue

Service, almost a year to send the properly requested documents. The Plaintiffs have been investigating this case since 2004 and refuse the courtesy to allow the opposing party the opportunity to fairly represent themselves. In this case of the Order and Judgment, justice was never upheld and the interests of justice were ignored.

Judge David Russell stated during the June 2010 hearing that Defendant Kenneth Lee and Relief Defendants were allowed to attend by telephone that if Defendant Kenneth Lee and Relief Defendants obtained an attorney, a continuance would be granted. That decision makes no sense to grant a lawyer a continuance and not a *pro se* individual who is asking, in good faith, that the trial be postponed so that the interest of justice be maintained. Everyday this country slips back to what the framers did not intend to happen. It is a disgrace to the people that have sacrificed their lives and dreams to ensure that we maintain our ethics and pride in what this great country was originally founded on. Where is the justice in seizing all of someone's assets and bank accounts on the grounds of an unproved allegation that money will be lost if not restrained by the District Court, when in all reality, the Plaintiffs wanted to ensure that Defendant Kenneth Lee and Relief Defendants could not get adequate legal representation, or any legal representation what-so-ever. The equity in our homes could have payed for a law firm to represent us, but those basic civil liberties and rights were denied from my by the Plaintiffs and the District Court that granted that statutory restraining order that was not in good faith. In the transcript of the hearing on April 21, 2010 (EXHIBIT 9), the Court expresses their knowledge of this denial of due process by the Plaintiffs one month after the Court ruled in favor to deny this right of due process. 7:11-15. It would seem that the Plaintiffs ran the Court and manipulated the constitution to something that it is not. This denial of such a basic civil liberty, as the right to due

process, should result in the case being dismissed. The footnote number 1 in the Order denying the Motion For Reconsideration and relief From Judgment Under Rules 59 and 60(EXHIBIT 2) states, "Defendant and Relief Defendants would argue they were unable to attend due to financial constraints caused by the freezing of their assets at the outset of this case. Neither Defendant nor Relief Defendants ever sought the release of funds for purposes of attending trial or procuring counsel. Indeed, the minimal amount of funds in the frozen accounts would not likely have allowed for either to occur." Defendant Kenneth Lee and Relief Defendants sought the release of their funds in the requests for a stay in April 2010 and was swiftly denied. The honorable Judge Russell asked Katherine Driscoll in the April 6th, 2010 phone hearing, "How do you expect them to get to any trial or any hearing if they don't have the money to get here?" Katherine Driscoll replied, "I do not know." To state that now after imposing an outrageous punishment and unjust decision is quite manipulating. EXHIBIT 7 shows the letters to Judge Russell informing the District Court of the financial repercussions the SRO has caused the defense and ability to travel to any hearing, or trial. Defendant Kenneth Lee and Relief Defendants are trying to obtain the transcript that has the evidence of that conversation and will submit that in the appeal itself.

Defendant Kenneth Lee and Relief Defendants are indigent due to the punitive acts by the Plaintiffs, when they state that Relief Defendants are not accused of any wrongdoing in the Amended Statutory Restraining Order (EXHIBIT 3)that was filed the same day as the Amended Complaint to name the Relief Defendants on March 4th, 2010. The District Court was 1700 miles away and never gave more than one day consideration on any motion that was submitted on behalf of Defendant Kenneth Lee and Relief Defendants, regardless of the factual content that established why the motions should be granted. Countless evidence was submitted to the District

Court and nothing was taken into consideration. As explained below, Defendant Kenneth Lee and Relief Defendants have a substantial likelihood of success on appeal. Given the harm to the Lee family from the judgment and deceptive mannerisms by the Plaintiffs and the likely possibility that the funds will be disbursed to Plaintiffs for which Defendant Kenneth Lee and Relief Defendants will be unable to recover, the balance of hardships overwhelmingly weigh in the Defendant and Relief Defendants' favor.

STANDARD OF REVIEW

Defendants seek a stay of the permanent injunction pending appeal pursuant to Fed. R. Civ. P. 62(c) which provides that “[w]hen an appeal is taken from an interlocutory or final judgment granting, dissolving, or denying an injunction, the court in its discretion may suspend, modify, restore, or grant an injunction during the pendency of the appeal ...” Four factors must be considered before staying the actions of a lower court including: (1) whether the movant has demonstrated a substantial possibility, although less than a likelihood of success, on appeal; (2) whether the movant will suffer irreparable injury absent a stay; (3) whether another party will suffer irreparable injury if a stay is issued; and (4) the public interests that may be affected. See Hirschfeld v. Bd. of Elections, 984 F.2d 35, 39 (2d Cir.1993); see also In re World Trade Center Disaster Site Litigation, 503 F.3d 167, 170-71 (2d Cir. 2007).

In Mohammed v. Reno, 309 F.3d 95 (2d Cir. 2002), the Second Circuit surveyed how different courts have analyzed the likelihood of success necessary for issuing a stay, ultimately agreeing with the District of Columbia Circuit's approach, whereby “[t]he necessary ‘level’ or ‘degree’ of possibility of success will vary according to the court's assessment of the other [stay] factors.” Id. at 101 (quoting Washington Metro. Area Transit Comm'n v. Holiday Tours, Inc.,

559 F.2d 841, 843 (D.C. Cir. 1977)). The Court observed: “[t]he probability of success that must be demonstrated is inversely proportional to the amount of irreparable injury plaintiff will suffer absent the stay. Simply stated, more of one excuses less of the other.” Mohammed, 309 F.3d at 101 (citing Washington Metro. Area Transit Comm’n, 559 F.2d at 843)).

ARGUMENT

A. Defendants and Relief Defendants have a Substantial Likelihood of Prevailing on their Appeal

“In England a bill of attainder originally connoted a parliamentary Act sentencing a named individual or identifiable members of a group to death.” Nixon, 433 U.S. at 473. In American history, the Constitution’s ban on bills of attainder was also applied to imprisonment, banishment, and the punitive confiscation of property. See *id.* at 473-74. More recently, the Supreme Court has expanded the definition of punishment to include “legislative enactment[s] barring designated individuals or groups from participation in specified employments or vocations, a mode of punishment commonly employed against those legislatively branded as disloyal.” *Id.* at 474; see also *Selective Serv. Sys.*, 468 U.S. at 852; *Navegar, Inc. v. United States*, 192 F.3d 1050, 1066 (D.C. Cir. 1999); *Atonio v. Wards Cove Packing Co., Inc.*, 10 F.3d 1485, 1496 (9th Cir. 1993). Thus, while the Supreme Court has not strictly limited the Bill of Attainder Clause to the punishments specifically contemplated by the Framers, the Court has found it applicable in only five instances, in each of which Congress had, in fact, inflicted punishment on individuals or groups of individuals for political acts or beliefs.

Defendants and Relief Defendants have experienced the denial of participating in

specified employments and the punitive confiscation of property. The Plaintiffs took control of all assets and bank accounts of Relief Defendants before the Relief Defendants were notified of being named in the case at hand. Defendant Kenneth Lee and Relief Defendant Sheila Lee have had their Social Security money seized by the Plaintiffs from their bank account that was not associated with Prestige Ventures or Federated Management. This act, by the Plaintiffs, falls within the traditional meaning of a legislative punishment. *Id.* at 617 (“Here the sanction is the mere denial of a noncontractual governmental benefit.”); see also Selective Serv. Sys., 468 U.S. at 853 (quoting Flemming v. Nestor for this point). The District Court denied Relief Defendant Sheila Lee’s Motion to Release Bank Accounts Frozen in SRO (EXHIBIT 4) on the grounds that, “the Court’s November 29, 2010 Order and Judgment , which required Sheila Lee to disgorge \$711,845.00 as money received from the enterprise to which she was not entitled. The receiver further notes that the judgment remains unsatisfied and that although the sums contained in the accounts that Sheila Lee seeks are minimal, that they should be maintained as assets of Prestige and Federated,”. The Receiver has all of the information that the money was deposited into Sheila Lee’s account from the Commissioner of Social Security and, yet, his act, by the Receiver, falls within the traditional meaning of a legislative punishment. The Anti-Assignment clause of the Social Security Act, 42 U.S.C. §407(a), states that a person's entitlement to Social Security payments shall not "be subject to execution, levy, garnishment, or other legal process."

Courts considering whether certain legislative acts have constituted punishment for bill of attainder purposes have typically found punishment only when the statutes singled out individuals or groups of individuals for punishment.

Second, even applying the “functional test” to gauge whether the legislation at issue

constitutes a bill of attainder, the Court of Appeals may have questions about whether the burdens imposed serve a legitimate, nonpunitive purpose. The functional test inquires: whether the law under challenge, viewed in terms of the type and severity of burdens imposed, reasonably can be said to further nonpunitive legislative purposes. Where such legitimate legislative purposes do not appear, it is reasonable to conclude that punishment of individuals disadvantaged by the enactment was the purpose of the decisionmakers. *Nixon*, 433 U.S. at 475-76, 97 S.Ct. 2777 (internal citations omitted); see also *Hawker v. New York*, 170 U.S. 189, 196 (1898) (rejecting bill of attainder and ex post facto challenges to a statute barring ex-felons from the practice of medicine); *SeaRiver*, 309 F.3d at 674 (“[E]ven if the Act singles out an individual on the basis of irreversible past conduct, if it furthers a nonpunitive legislative purpose, it is not a bill of attainder.”).

Finally, the search for punitive legislative motives is rarely significant. As the Supreme Court explained:

We observe initially that only the clearest proof could suffice to establish the unconstitutionality of a statute on such a ground. Judicial inquiries into Congressional motives are at best a hazardous matter, and when that inquiry seeks to go behind objective manifestations it becomes a dubious affair indeed. Moreover, the presumption of constitutionality with which this enactment, like any other, comes to us forbids us lightly to choose that reading of the statute's setting which will invalidate it over that which will save it.

Fleming v. Nestor, 363 U.S. 603, 617 (1960); see also *Selective Serv. Sys.*, 468 U.S. 841, 855 n.15 (1984) (requiring "unmistakable evidence of punitive intent" by Congress before a statute may be invalidated on bill of attainder grounds) (quoting *Fleming*, 363 U.S. at 619) (emphasis added). The Court of Appeals for this Circuit has echoed that "[t]he legislative record by itself is insufficient evidence for classifying a statute as a bill of attainder unless the record

reflects overwhelmingly a clear legislative intent to punish." *Con. Ed.*, 292 F.3d at 354 (emphasis added). "Statements by a smattering of legislators do not constitute the required unmistakable evidence of punitive intent." *Id.* (citation and quotation omitted) (emphasis added); see also *United States v. O'Brien*, 391 U.S. 367, 384 (1968) ("What motivates one legislator to make a speech about a statute is not necessarily what motivates scores of others to enact it."); *Edwards v. Aguillard*, 482 U.S. 578, 637-638 (1987) (Scalia, J., dissenting).

B. Defendant Kenneth Lee and Relief Defendants Will Be Irreparably Harmed Absent a Stay

Defendant Kenneth Lee and Relief Defendants will suffer irreparable harm absent a stay of the District Courts Order and Judgment. Enforcement of the Order and Judgment (EXHIBIT 5) prior to review by the Court of Appeals will make the recovery of the assets and monies taken from Defendant Kenneth Lee and Relief Defendants doubtful. This Court of Appeals should conclude that Defendant Kenneth Lee and Relief Defendants are likely to be irreparably injured. For example, courts have found irreparable harm where the government would not be able to recover the value of seized property if it were to prevail on appeal, absent a stay pending appellate review. See, e.g., *United States v. Fourteen Various Firearms*, 897 F. Supp. 271, 273 (E.D. Va. 1995) ("[W]here the failure to enter a stay will result in a meaningless victory in the event of appellate success, the district court should enter a stay of its order.") (citation omitted); *United States v. \$14,876.00 U.S. Currency*, No. 97-cv-1967, 1998 WL 37522 (E.D. La. Jan. 29, 1998) ("[t]he property at issue is easily depleted. Therefore, absent a stay, the Government very likely would suffer irreparable harm if it were to succeed in its appeal."). Whether it is the

Government, or a Citizen of the United States, they are both one and the same and should be treated and entitled to the same rights and liberties. Given the harm to Defendant Kenneth Lee and Relief Defendants from enforcing a presumptively valid Order and Judgment prior to appellate review, the specific injuries associated with the likely possibility that funds will be disbursed to Plaintiffs and other covered entities for which Defendants will be unable to recover, the balance of hardships weigh in Defendants' favor.

C. Any Harm to Plaintiffs If A Stay Is Granted Is Minimal

The third factor – whether Plaintiffs will suffer substantial injury if a stay is granted – also weighs in favor of Defendants and Relief Defendants. In examining whether to enforce the Order and Judgment, the temporary loss of income does not normally constitute irreparable harm, even if it represents a sizeable amount of funding. See, e.g., *Somerset House, Inc. v. Turnock*, 900 F.2d 1012, 1018 (7th Cir. 1990); *Experience Works, Inc. v. Chao*, 267 F.Supp.2d 93, 96 (D.D.C. 2003). That principle is implicated here with the assets and monies not being disgorged and creating the temporary loss of income for the Plaintiffs. The CFTC, ODS, and Receiver cannot consider the harm inflicted from a Stay comparable to the harm to Defendant Kenneth Lee and Relief Defendants because the Plaintiffs' suffering is minimal, if existent at all.

D. The Public Interest Favors A Stay.

Finally, the public interest weighs in Defendant Kenneth Lee and Relief Defendants' favor. There have been several letters (EXHIBIT 6) written to the District Court by customers on behalf of Prestige Ventures and Federated Management after the Order and Judgment was granted in the Plaintiffs' favor that protested the decision and stated that the customers were suffering the

most in the District Courts decision to liquidate assets of Prestige and Federated. These customers, who are portraying their public interest, wrote those letters on their own volition and explained their reasons voicing their opinion about the Order and Judgment to the District Court. The public interest would best be served by staying the permanent injunction, so that the Court of Appeals can decide this issue before Plaintiffs begin disbursing funds. Plaintiffs will suffer no irreparable injury under this course of action.

E. In the Alternative, Defendants Request a Temporary Administrative Stay Pending the Court of Appeals Resolution of Defendants' Motion For Stay Pending Appeal Made Under Federal Rule of Appellate Procedure 8

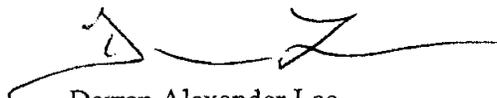
In the alternative, Defendants request that the Court grant a temporary, administrative stay of the Order and Judgment to give the Court of Appeals sufficient time to rule on a motion for stay pending appeal pursuant to Federal Rule of Appellate Procedure 8(a)(2). The Receiver has demanded the homes of Defendant Kenneth Lee and Relief Defendant by February 2nd, 2011 stating that the Appeal does not stay the receivership. EXHIBIT 8 are the documents described above. Representing yourself *Pro Se* with minimal legal knowledge and being homeless through winter, it would be impossible to represent the case at hand and the forcing of a family on the street would weigh the possible Appeal in the Plaintiffs favor. A temporary stay until the Court of Appeals can rule on Defendant Kenneth Lee and Relief Defendants Motion for Stay Pending Appeal will prevent the assets and monies from being dispersed and prevent the assets from being lost and unrecoverable by the Plaintiffs.

WHEREFORE, for good cause shown, Defendant Kenneth Lee and Relief Defendants request the Circuit Court of Appeals to stay the District Court's Order and Judgment pending

appeal, and/or in the alternative, issue a temporary administrative stay of receivership of properties and assets of Defendant Kenneth Lee and Relief Defendants pending the Court of Appeals' resolution of Defendant Kenneth Lee and Relief Defendants' motion under Federal Rule of Appellate Procedure 8.

Dated: January 25, 2011

Respectfully submitted,



Darren Alexander Lee
2676 Palmetto Hall Blvd
Mount Pleasant, SC 29466
Telephone - 843-814-3884



David Armstrong Lee
2676 Palmetto Hall Blvd
Mount Pleasant, SC 29466
Telephone - 843-814-3255



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



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

CERTIFICATE OF SERVICE

I hereby certify that, on January 25th, 2011, I caused one copy of **Motion and Supporting Memorandum to Stay Judgment and Receivership Pending the Court of Appeals' Resolution of Defendants' Motion Pursuant to Federal Rule of Appellate Procedure 8(a)(2)** 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

Stephen Moriarty
Receiver
100 North Broadway, Suite 1700
Oklahoma City, Oklahoma 73102-8820

EXHIBIT 1 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)

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)

DARREN A. LEE'S SECOND
REQUEST FOR MOTION OF
CONTINUANCE

**ENTRY OF APPEAL
PLEASE ENTER ME, DARREN A LEE, AS REPRESENTING MYSELF IN THE
ABOVE CAPTIONED MATTER**

I am having to represent myself in this extremely complicated case out of the respected Oklahoma Court. The Plaintiffs have refused to answer 95% of the Admission, Interrogatories, and Document Requests. It is imperative to receive legal fairness in seeking justice in a case, and the Commission and ODS are trying every underhanded trick to lean the balance in their favor. The Relief Defendants are not going to file for damages in this respected Court on the grounds that our rights were violated here in the state of SC and we reserve the right to file a lawsuit against the CFTC, ODS, and Receiver from the state of our residence.

With the Commission refusing to answer any of the questions, that were requested from them, in Darren Lee's First Set of Admissions, Interrogatories, and Document Requests, that are imperative to even having a fair trial, they have shown that none of the facts supplied by the Relief Defendants are disputed, in which pertain to what the Defendants and Relief Defendants have submitted. The Commission maintains that the Defendants and Relief Defendants have not supplied "one shred of evidence", which is a blatant misrepresentation to the Court. There has been plenty of evidence submitted to the respected Court and I cannot figure out how they so arrogantly misrepresent the facts. It is not fair, and it is a bullying tactic that has no place in a Court of Law.

My father, Kenneth Lee, was deposed at the end of September and the copy of that deposition has still not been received to be reviewed by Defendants and/or Relief Defendants. During Kenneth Lee's deposition he was informed that all of the evidence in question and a copy

of the transcript would be in Kenneth Lee's possession by 'next week'. Those promises have not been kept and discovery of those documents has been ignored. Darren Lee was deposed in August and the copy of the deposition has not been received either. That is the process of discovery and just another underhanded ploy by the Plaintiffs to not turn over the evidence, in question during the deposition, and take this to trial against unprepared *Pro Se* litigants. The process of preparing for a trial is mainly based on discovery and having the Plaintiffs not cooperating with that process shows disregard for the justice system. The trial must be delayed in the best interest of justice. I know your Honor would like to get this off of his respected docket, but fairness and equality must be maintained for the justice system to uphold the true purposes that it was founded upon.

The Commission and Receiver have yet to turn over their true and accurate accounting of the investors and the money involved. One minute the Commission claims \$6.8 million dollars, the lawsuit claims \$8.7 million, today on the phone the Commission states \$9.2 million with \$1.2 million in extra in cash that the Commission, stated, that it has no idea where it came from. The Plaintiffs have never mentioned \$1.2 million in cash until just today, October 29th, 2010. 10 days before the trial. There have been numerous requests to the Commission for the information that they claim, and the Commission has failed to turn over these documents. When the Commission claimed Darren Lee was not cooperating, the Commission filed a motion against Darren Lee for Contempt of Court. There is not enough time before the trial for the Plaintiffs to figure this out and for the defense to process the information. I am submitting as Exhibit 7 a summary of the phone call today with Mr. Holl, Ms. Bonnell, and Mr. Moriarty. This exact email has been sent to the involved parties requesting a sign off that this is a good summary of the conversation. A

continuance is requested again on these grounds of having discoverable information still in the hands of the opposing party.

The Commission has been dragging their feet with every request that the Defendants and Relief Defendants have had. Defendants and Relief Defendants only have 7 days to respond to the Plaintiffs' requests, and, yet, the Plaintiffs take a month or more to get back with their refusal to answer anything. I am submitting into evidence both the Admissions, Interrogatories, and Document Requests (EXHIBIT 1) that I submitted to the Commission and the answers that were received by Mr. Holl, (EXHIBIT 2). EXHIBIT 3 is an email received from Mr. Holl pertaining to the unresponsive answers that were supplied to the request for Admissions from Darren A. Lee

I am also submitting into evidence, an email thread from the ODS. In the emails, the ODS is describing that they are waiting to finish an offer for a settlement. The Plaintiffs needed more time to finish it and were going to have it to Kenneth Lee by October 22nd. On October 21st the ODS says that "it will be next week before Plaintiffs get back to you regarding possible settlement." (EXHIBIT 4) Mr. Holl then emails saying that the settlement has been on the table the whole time.(EXHIBIT 5) The Plaintiffs have not even disclosed a restitution amount or any other figures that would be relevant to finalizing the case. They want us kicked out of our homes for the settlement. There is not one person involved in this case that their life is just a game to be played with and manipulated. The Commission and ODS have acknowledged that none of the Relief Defendants have violated any law, rule, or act. In the settlement they are demanding the Relief Defendants to pay a fine, turn over my home and my parents home, a life time ban to trade personally and/or professionally, on all of the Lee family members, and maximum restitution. The Relief Defendants have done nothing wrong to be punished, and I find that just ludicrous

that the Commission assumes they can intimidate the Relief Defendants into a settlement when they cannot explain the \$1.2 million in extra cash that they claim knowledge of but will not disclose to the Defendants and/or Relief Defendants.

The Commission have not factually dis-proven anything, and they continue to manipulate the Relief Defendant's lives for their misconstrued 'interest of justice'. The Relief Defendant's 5th, 9th, and 10th amendment rights have been ignored, trampled on, and violated repeatedly by an agency that is set in motion to protect the citizens of the United States of America.

With the duty of working for a government agency, one would assume that it is required to maintain ethics to perform a civic duty with integrity and fairness. That is how our founding fathers began this great nation with the Constitution that ensures that, we, the people are protected from unjust manipulation and intimidation by any form of government, or government agencies. Do those beliefs still stand true or have we faltered back to a time before we were truly a free land? There are many reasons to grant a continuance in this case, and I humbly request the Court to grant it, so that justice can be fair and balanced, the way our Constitution designed it to be. The Plaintiffs' Motion for Summary Judgment did not disprove any of the facts that have been submitted unto the Court by the Defendants and Relief Defendants. If a brokerage house's statements (PanAmerica Group) cannot be taken into consideration, then how can any other statement (Bank of America) be taken as factual? I am submitting into evidence copies of deposit slips to the brokerage house in Panama. (EXHIBIT 6) This brokerage firm is a true and factual company out of Panama. There have been brokerage account statements submitted into the Court and not one of them has been acknowledged or disputed in any answer by the Plaintiffs. The Plaintiffs have yet to dispute those statements and the respected Court has no reason to

disqualify that as evidence. Fairness in this trial must be maintained for justice to work as it has been intended all these years.

I apologize for any errors that are in my filing, as I have no legal knowledge and/or practice, and I am trying to do my best.

Dated: June 23rd, 2010

Respectfully Submitted,

Darren Alexander Lee
2676 Palmetto Hall Blvd.
Mount Pleasant, SC 29466
Telephone - 843-814-3884

CERTIFICATE OF SERVICE

I hereby certify that, on June 23rd, 2010, I caused one copy of **DARREN A. LEE'S SECOND REQUEST FOR MOTION OF CONTINUANCE** to be served by Electronic 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 2 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)**

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

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

Plaintiffs,)

v.)

Case No. CIV-09-1284-R

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)
E. LEE, an individual,)

Relief Defendants.)

ORDER

This matter comes before the Court on the Motions for Reconsideration and relief From Judgment Under Rules 59 and 60, filed by Relief Defendants Darren Lee (Doc. No. 134), David Lee (Doc. No. 135), and Sheila Lee (Doc. No. 137), and by Defendant Kenneth Lee (Doc. No. 136) and Plaintiffs responded in opposition to the motions, filing a single response because the Defendant and Relief Defendants filed substantively identical motions. Having considered the parties' submissions, the Court finds as follows.

As noted by Plaintiffs, the motions are not specific in what they request the Court to reconsider. The Court entered an Order granting summary judgment in favor of the Plaintiffs' on the issue of liability, and a subsequent Order on November 29, 2010, imposing civil monetary penalties, restitution and disgorgement of funds improperly received by the Relief Defendants. It is apparent to the Court that Defendant and Relief Defendants are asking that the Court reconsider its rulings on the issues of liability, penalties, damages and disgorgement. Although Plaintiffs have done a thorough analysis of the potentially applicable standards of review, the Court finds no such analysis is necessary, because regardless of the applicable standard, Defendant and Relief Defendants are not entitled to relief.

Defendant and Relief Defendants first contend that Plaintiffs did not present all applicable evidence to the Court in pursuit of summary judgment and during trial on the issues of penalties, damages and disgorgement. Defendant and Relief Defendants misapprehend the Plaintiffs' role in this adversarial process. Defendants and Relief Defendants were required to respond to the motion for summary judgment, which they failed to do. They did not respond nor seek an extension of time in which to respond. It is not Plaintiffs' obligation to present evidence in support of Defendant's and Relief Defendants' contentions, that was purely their obligation. Additionally, Defendant and Relief Defendants were aware of the trial in this matter and chose not to attend.¹

¹ Defendant and Relief Defendants would argue they were unable to attend due to financial constraints caused by the freezing of their assets at the outset of this case. Neither Defendant nor Relief Defendants ever sought the release
(continued...)

Defendants and Relief Defendants contend they were denied due process and the right to counsel. Defendant and Relief Defendants were provided with adequate notice and an opportunity to be heard prior to the Court's entry of the orders and judgment. Defendant and Relief Defendants chose to forego this opportunity, and evidence they submitted after trial was not properly authenticated nor was it subject to the Court's consideration, because it was provided after the close of the evidence in this case. As such, Defendant and Relief Defendants were not entitled to present evidence to the Court or to present proposed findings of fact and conclusions of law.

Defendant and Relief Defendants further contend they were denied their Sixth Amendment right to counsel. There is no Sixth Amendment right to counsel in a civil action, and thus the failure of the Court to appoint counsel does not provide a basis for reconsideration of the Court's prior rulings.

Defendant and Relief Defendants contend they are entitled to protection from the disgorgement of their homes by virtue of South Carolina's homestead exemption. The Court concluded in its prior orders that Defendant and Relief Defendants did not have a right to the properties, because the properties were purchased with assets of the corporate entities, specifically investor funds that the Defendant and Relief Defendants treated as their own. As such, Defendant and Relief Defendants are not entitled to protection under the South Carolina homestead exemption.

¹(...continued)

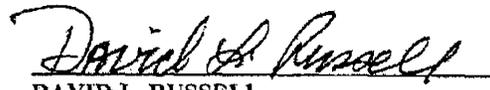
of funds for purposes of attending trial or procuring counsel. Indeed, the minimal amount of funds in the frozen accounts would not likely have allowed for either to occur.

Defendant and Relief Defendants contend there is newly discovered evidence that could not, even with reasonable diligence, have been discovered in a timely manner. Again, it was Defendant and Relief Defendants' obligation to provide information to the Court in a timely and admissible format, that is either in response to the motion for summary judgment filed by Plaintiffs or at trial. Defendant and Relief Defendants effectively opted out, and cannot now be heard to complain about their failure to properly present evidence to the Court.

Defendant and Relief Defendants contend they were impacted by the mailing of filings to them, which was required because of their *pro se* status. The Court notes that Defendant and Relief Defendants had ample opportunity to respond to the motion for summary judgment, and they failed to do so. Again, the Court cannot table consideration of the merits of litigation until such time as litigants decide they wish to participate.

Having reviewed the Motion to Reconsider of the Defendant and Relief Defendants, the Court hereby DENIES the motions.

IT IS SO ORDERED THIS 13th day of January, 2011.


DAVID L. RUSSELL
UNITED STATES DISTRICT JUDGE

**EXHIBIT 3 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)**

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA

U.S. COMMODITY FUTURES)	
TRADING COMMISSION and)	
OKLAHOMA DEPARTMENT OF)	Case No. 09-CV-1284 (DLR)
SECURITIES <i>ex rel.</i> 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.)	
)	

**(PROPOSED) ORDER GRANTING PLAINTIFF COMMISSION’S MOTION
TO AMEND THE EX PARTE STATUTORY RESTRAINING ORDER**

This matter came before the Court on plaintiff Commodity Futures Trading Commission’s (“Commission”) Motion to Amend the *Ex Parte* Statutory Restraining Order, Appointment of Temporary Receiver, Expedited Discovery, Accounting, Order to Show Cause re Preliminary Injunction, and Other Equitable Relief, dated November 20, 2009 (“Motion”). The Court, having considered the Motion, the brief in support thereof, and all other evidence presented by the Commission, and having heard the arguments of counsel, finds that:

1. This Court has jurisdiction over the parties and over the subject matter of this action pursuant to Section 6c of the Commodity Exchange Act, 7 U.S.C. § 1 et seq. (2006) (the “Act”), 7 U.S.C. § 13a-1 (2006).

2. Venue lies properly within this District pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006).

3. There is good cause to believe that defendants Prestige Ventures Corp. (“Prestige”), Federated Management Group (also doing business as Federated Management, Federated Management Group, USA and Federated Management Corp.) (“Federated” or “FMG”), acting as a common enterprise (collectively, the “Prestige Enterprise”), and individual defendants Kenneth Wayne Lee (“Lee”) and Simon Yang (a/k/a Simon Chen a/k/a Xiao Yang) (“Yang”) (collectively, “Defendants”) have engaged, are engaging, and are about to engage in acts and practices constituting violations of the Act.

4. There is good cause to believe that Relief Defendants Sheila M. Lee (“Sheila Lee”), David Armstrong Lee (“David Lee”), and Darren Alexander Lee (“Darren Lee”) have received, are receiving, and are about to receive funds, assets, or property as a result of Defendants’ violative acts and practices and have been unjustifiably enriched thereby. The Relief Defendants do not have any legitimate interest or entitlement to these funds, assets, or property received as a result of Defendants’ violative conduct.

5. There is good cause to believe that immediate and irreparable damage to the Court’s ability to grant effective final relief for customers in the form of monetary redress will occur from the sale, transfer, assignment, or other disposition by Defendants of assets or records unless Defendants and Relief Defendants are immediately restrained and enjoined by Order of the Court.

6. Good cause exists for the freezing of assets owned, controlled, managed, or held by, on behalf of, or for the benefit of Defendants and Relief Defendants and for entry of an order prohibiting Defendants and Relief Defendants, their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with Defendants and Relief Defendants, including any successor thereof, from destroying records and/or denying Commission representatives access to inspect and copy records to ensure that Commission representatives have immediate and complete access to those books records.

7. Good cause exists for the appointment of a Receiver to take control of all assets owned, controlled, managed or held by, on behalf of, or for the benefit of Defendants (“Defendants’ Assets”) and Relief Defendants (“Relief Defendants’ Assets”) in order to preserve assets, investigate and determine customer claims, determine unlawful proceeds retained by Defendants and Relief Defendants and amounts due to customers as a result of Defendants alleged violations, and distribute remaining funds under the Court’s supervision.

8. Good cause exists to require an accounting to determine the location and disposition of Prestige and Federated customer funds.

9. Good cause exists to order repatriation of assets controlled by Defendants and Relief Defendants to assure payment of restitution and disgorgement as authorized and for the benefit of customers.

10. Good cause exists for the Commission to conduct expedited discovery in order to determine the full extent of Defendants’ alleged wrongdoing, locate Defendants

and other customers, identify customers' funds and other of Defendants' Assets and Relief Defendants' Assets, and clarify the source of various funds.

11. Weighing the equities and considering the Commission's likelihood of success in its claims for relief, the issuance of an amended statutory restraining order is in the public interest.

DEFINITIONS

For purposes of this Order, the following definitions apply:

12. The term "document" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure (FRCP) 34(a), and includes, but is not limited to, writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

13. "Assets" mean any legal or equitable interest in, right to, or claim to, any real or personal property, whether individually or jointly, direct or indirect control, and wherever located, including, but not limited to: chattels, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes, accounts (including, but not limited to, bank accounts and accounts at financial institutions), credits, receivables, lines of credit, contracts including spot and futures or options contracts, insurance policies, and all cash, wherever located.

14. "Defendants" shall mean and refer to Prestige, Federated, Lee, and Yang and also to any d/b/a, successor, affiliate, subsidiary or other entity owned, controlled, managed or held by, on behalf of, or for the benefit of Prestige, Federated, Lee, and/or Yang.

15. "Relief Defendants" shall mean and refer to Sheila Lee, David Lee, and Darren Lee, and also to any d/b/a, successor, affiliate, subsidiary or other entity owned, controlled, managed or held by, on behalf of, or for the benefit of Prestige, Federated, Lee, and/or Yang.

RELIEF GRANTED

I.

Order Against Transfer, Dissipation, and Disposal of Assets

IT IS HEREBY ORDERED that:

16. Defendants, Relief Defendants and their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with them, including any successor thereof, and persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, are immediately restrained and enjoined from directly or indirectly transferring, selling, alienating, liquidating, encumbering, pledging, leasing, loaning, assigning, concealing, dissipating, converting, withdrawing, or otherwise disposing of any of Defendants' Assets or Relief Defendants' Assets, wherever located, including Defendants' Assets and Relief Defendants' Assets held outside the United States, except as provided in Section III of this Order, or as

otherwise ordered by the Court. The Assets affected by this paragraph shall include both existing Assets and Assets acquired after the effective date of this Order.

17. Defendants and Relief Defendants are restrained and enjoined from directly or indirectly opening or causing to be opened any safe deposit boxes titled in the name of, or subject to, access by Defendants and Relief Defendants.

II.

Accounting and Transfer of Funds and Documents

IT IS FURTHER ORDERED that within five (5) business days following the service of this Order, Defendants and Relief Defendants shall:

18. Provide the Commission and the Receiver with a full accounting of all Defendants' Assets and Relief Defendants' Assets, inside and outside of the United States, from January 1, 2003 to the date of this Order;

19. Transfer to the territory of the United States, to the possession, custody, and control of the Receiver, all of Defendants' Assets and Relief Defendants' Assets (other than real property) located outside the United States; and

20. Provide the Commission and Receiver access to all records of Defendants and Relief Defendants held by financial institutions located within or outside the territorial United States by signing the Consent to Release of Financial Records attached to this Order.

III.

Directives to Financial Institutions and Others

IT IS FURTHER ORDERED, pending further Order of this Court, that any

financial or brokerage institution, business entity, or person that holds or has held, controls or has controlled, or maintains or has maintained custody of any of Defendants' Assets or Relief Defendants' Assets at any time since January 1, 2003, shall:

21. Prohibit Defendants and Relief Defendants and all other persons from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling, or otherwise disposing of Defendants' Assets and/or Relief Defendants' Assets, except as directed by further Order of the Court;

22. Deny Defendants and Relief Defendants and all other persons access to any safe deposit box that is: (a) owned, controlled, managed, or held by, on behalf of, or for the benefit of Defendants, either individually or jointly; or (b) otherwise subject to access by Defendants and/or Relief Defendants;

23. Provide counsel for the Commission and Receiver, within five (5) business days of receiving a copy of this Order, a statement setting forth: (a) the identification number of each and every account or other asset owned, controlled, managed, or held by, on behalf of, or for the benefit of Defendants and/or Relief Defendants, either individually or jointly; (b) the balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted; and (c) the identification of any safe deposit box that is owned controlled, managed, or held by, on

behalf of, or for the benefit of Defendants and/or Relief Defendants, either individually or jointly, or is otherwise subject to access by Defendants and/or Relief Defendants; and

24. Upon request by the Commission or the Receiver, promptly provide the Commission and the Receiver with copies of all records or other documentation pertaining to such account or asset, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, Internal Revenue Service Form 1099s, and safe deposit box logs.

IV.

Maintenance of Business Records

IT IS FURTHER ORDERED that:

25. Defendants, Relief Defendants, and their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with Defendants and Relief Defendants, including any successor thereof, and all other persons or entities who receive notice of this Order by personal service or otherwise, are immediately restrained and enjoined from directly or indirectly destroying, mutilating, erasing, altering, concealing or disposing of, in any manner, directly or indirectly, any documents that relate to the business practices or business or personal finances of Defendants or Relief Defendants and their subsidiaries or affiliates.

V.

Inspection and Copying of Books and Records

IT IS FURTHER ORDERED that:

26. Representatives of the Commission and the Receiver shall immediately be allowed to inspect the books, records, and other documents of Defendants and Relief Defendants and their agents, including, but not limited to, electronically stored information, tape recordings, and computer discs, wherever they may be situated and whether they are in the person of Defendants and Relief Defendants, or others, and to copy said documents, information and records, either on or off Defendants' and Relief Defendants' premises; and

27. Defendants, Relief Defendants, and their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with Defendants, including any successor thereof, who receive actual notice of this Order by personal service or otherwise, including facsimile or other electronic transmission, shall cooperate fully with the Commission and/or the Receiver to locate and provide to representatives of the Commission and/or the Receiver all books and records of Defendants and Relief Defendants, wherever such books and records may be situated, and to locate and provide to representatives of the Commission and/or the Receiver information regarding the whereabouts of Defendants and Relief Defendants.

VI.

Order Appointing Receiver

IT IS FURTHER ORDERED that:

28. Stephen J. Moriarty is appointed temporary Receiver for the Defendants' Assets and Relief Defendants' Assets and the Assets of any affiliates or subsidiaries of any Defendant and Relief Defendants, with the full powers of an equity receiver. The

Receiver shall be the agent of this Court in acting as Receiver under this Order;

A. Powers of the Receiver

29. The Receiver is directed and authorized to accomplish the following:
 - a. Assume full control of the corporate Defendants and any business entities owned by any Defendant and/or Relief Defendant, by removing any officer, independent contractor, employee, or agent of a corporate defendant, from control and management of the affairs of the corporate defendant and any business entities owned by any Defendant and/or Relief Defendant;
 - b. Take exclusive custody, control, and possession of all the funds, property, mail and other assets of, in the possession of, or under the control of the Defendants and Relief Defendants, wherever situated. The Receiver shall have full power to sue for, collect, receive and take possession of all goods, chattels, rights, credits, moneys, effects, land, leases, books, records, work papers, and records of accounts, including computer-maintained information, and other papers and documents of the Defendants and Relief Defendants, including documents related to customers or clients whose interest are now held by or under the direction, possession, custody or control of the Defendants and Relief Defendants;
 - c. Take all steps necessary to secure the residential and business premises of the Defendants and Relief Defendants;

- d. Preserve, hold and manage all receivership assets, and perform all acts necessary to preserve the value of those assets, in order to prevent any loss, damage or injury to Defendants' customers or clients;
- e. Prevent the withdrawal or misapplication of funds entrusted to the Defendants and Relief Defendants, and otherwise protect the interests of customers, clients, pool participants or investors;
- f. Manage and administer the Defendants' Assets and Relief Defendants' Assets by performing all acts incidental thereto that the Receiver deems appropriate, including hiring or dismissing any and all personnel or suspending operations;
- g. Collect all money owed to the Defendants and Relief Defendants;
- h. Initiate, defend, compromise, adjust, intervene in, dispose of, or become a party to any actions or proceedings in state, federal or foreign court necessary to preserve or increase the Defendants' Assets and Relief Defendants' Assets or to carry out his or her duties pursuant to this Order;
- i. Choose, engage and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;
- j. Issue subpoenas to obtain documents and records pertaining to the

receivership, and conduct discovery in this action on behalf of the receivership estate;

- k. Open one or more bank accounts as designated depositories for funds of the Defendants and Relief Defendants. The Receiver shall deposit all funds of the Defendants and Relief Defendants in such designated accounts and shall make all payments and disbursements from the receivership estate from such accounts; and
- l. Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by the Defendants and Relief Defendants prior to the date of entry of this Order, except for payments that the Receiver deems necessary or advisable to secure assets of the Defendants and Relief Defendants.

B. Delivery to the Receiver

30. Immediately upon service of this Order upon them, the Defendants and Relief Defendants, and any other person or entity served with a copy of this Order, shall immediately or within such time as permitted by the Receiver in writing, deliver over to the Receiver:

- a. Possession and custody of all funds, property, and other assets, owned beneficially or otherwise, wherever situated, of the

Defendants and Relief Defendants;

- b. Possession and custody of documents of the Defendants and Relief Defendants, including but not limited to, all books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents and other papers;
- c. Possession and custody of all precious metals, other commodities, funds, and other assets being held by or on behalf of the Defendants and Relief Defendants or on behalf of the Defendants' customers, clients, pool participants or investors;
- d. All keys, computer passwords, entry codes, and combinations to locks necessary to gain or to secure access to any of the assets or documents of the Defendants and Relief Defendants, including but not limited to, access to the Defendants' and Relief Defendants' residential and business premises, means of communication, accounts, computer systems, or other property; and
- e. Information identifying the accounts, employees, properties or other assets or obligations of the Defendants and Relief Defendants.

C. Cooperation with the Receiver

31. The Defendants, Relief Defendants, and all other persons or entities served with a copy of this order shall cooperate fully with and assist the Receiver. This

cooperation and assistance shall include, but not be limited to, providing any information to the Receiver that the Receiver deems necessary to exercising the authority; providing any password required to access any computer or electronic files in any medium; and discharging the responsibilities of the Receiver under this Order, and advising all persons who owe money to the Defendants and Relief Defendants that all debts should be paid directly to the Receiver.

D. Stay

32. Except by leave of the Court, during the pendency of the receivership ordered herein, the Defendants and all other persons and entities seeking relief of any kind from Defendants' Assets and/or Relief Defendants' Assets (other than the present action by the Commission), including, but not limited, to customers, clients, pool participants, investors, members, partners, trust beneficiaries, note holders, creditors, claimants, lessors, in law or in equity, and all persons acting on behalf of any such customer, client, pool participant, investor, member, partner, trust beneficiary, note holder, creditor, claimant, lessor, or other person, including sheriffs, marshals, and all offices and deputies, and their respective attorneys, servants, agents and employees, are, until further orders of this Court, be and hereby are restrained, enjoined and stayed from doing anything, directly or indirectly, to interfere with the Receiver's performance of his duties and the administration of Defendants' Assets and Relief Defendants' Assets. Accordingly, all such persons are enjoined and stayed from taking any action to establish or enforce any claim, right or interest for, against, on behalf of, in, or in the name of, the Defendants, Relief Defendants, the Receiver, receivership assets, or the Receiver's duly

authorized agents acting in their capacities as such, including but not limited to, the following actions:

- a. Commencing, prosecuting, litigating or enforcing any suit, except that actions may be filed to toll any applicable statute of limitations;
- b. Accelerating the due date of any obligation or claimed obligation, enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, property of the Defendants or Relief Defendants or any property claimed by the Defendants or Relief Defendants, or attempting to foreclose, forfeit, alter or terminate any of the Defendants' or Relief Defendants interests in property, whether such acts are part of a judicial proceeding or otherwise;
- c. Using self-help or executing or issuing, or causing the execution or issuance of any court attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking possession of or interfering with, or creating or enforcing a lien upon any property, wherever located, owned by or in the possession of the Defendants, Relief Defendants, or the Receiver, or any agent of the Receiver; and
- d. Doing any act or thing to interfere with the Receiver taking control, possession or management of the property subject to the receivership, or to in any way interfere with the Receiver or the duties of the Receiver; or to interfere with the exclusive jurisdiction of this Court over the property and assets of the Defendants and

Relief Defendants.

This paragraph does not stay the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power.

E. The Receiver's Report to the Court and Compensation

33. Within sixty (60) days of the date of this Order, the Receiver shall file with this Court and serve upon the Commission a report outlining claims that may exist against the Relief Defendants and an estimate of the time it will take to prosecute such claims.

34. The Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by, or in the possession or control of, or which may be received by the Defendants or Relief Defendants. The Receiver shall file with the Court and serve on the parties, including the Commission, periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of this Order. The Commission may object to any part of a request within thirty (30) calendar days of service of a request. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

VII.

Order Granting Expedited Discovery

IT IS FURTHER ORDERED that:

35. The Commission and Receiver may conduct expedited discovery, removing the prohibition upon discovery before the early meeting of counsel pursuant to FRCP 26(f), in accordance with FRCP 26(d). The Commission and Receiver may take depositions of Defendants, Relief Defendants, and non-parties subject to two (2) calendar days notice pursuant to FRCP 30(a) and 45, and notice may be given personally, by facsimile or by electronic mail. Further, more than ten (10) depositions may be taken and, if necessary, any deposition may last more than seven (7) hours.

36. The Commission and Receiver may conduct expedited discovery to enable the Commission to fulfill its statutory duties and protect investors from further loss or damage. This expedited discovery will allow the Commission and Receiver to determine the full extent of Defendants' alleged wrongdoing (including, but not limited to, the possible involvement of others), locate Defendants' other customers, identify customer funds, and other of Defendants' Assets and Relief Defendants' Assets, and clarify the sources of various funds.

VIII.

Bond Not Required of Plaintiff

IT IS FURTHER ORDERED that:

37. The Commission is an agency of the United States of America and, accordingly, need not post a bond.

IX.

Service

IT IS FURTHER ORDERED that:

38. This Order shall be served by any means, including facsimile transmission, upon any entity or person that may have possession, custody, or control of any documents or assets of Defendants, or that may be subject to any provision of the statutory restraining order; and

39. The Summons, Complaint, or other process may be effected by any Commission representative, the Receiver or any of his representatives, any United States Marshal or deputy United States Marshal, or in accordance with FRCP 4.

X.

Force and Effect

IT IS FURTHER ORDERED that:

40. Except to the extent amended herein, the Court's Ex Parte Statutory Restraining Order, dated November 20, 2009, Consent Order of Permanent Injunction against Defendant Kenneth Lee, dated December 2, 2009, and Consent Order of Permanent Injunction against Simon Yang, dated December 2, 2009, remain in full force and effect.

41. This Order shall remain in full force and effect until further order of this Court and that this Court retains jurisdiction of this matter for all purposes.

IT IS SO ORDERED, at Oklahoma City, Oklahoma, on the 4th day of March,
2010.



DAVID L. RUSSELL
UNITED STATES DISTRICT JUDGE

EXHIBIT 4 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

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

Plaintiffs,)

v.)

Case No. CIV-09-1284-R

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)
E. LEE, an individual,)

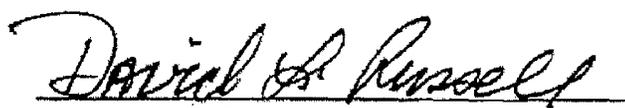
Relief Defendants.)

ORDER

This matter comes before the Court on Relief Defendant Sheila Lee's Motion to Release Bank Accounts Frozen in SRO, filed on December 9, 2010. [Document No. 138]. Therein she asks the Court to release a bank account in her name at Bank of America, which was seized by Plaintiff on March 5, 2010, pursuant to a restraining order. The account apparently had a balance of \$35.68 when the restraining order was issued. She further requests that an account with Wachovia bank, also subject to the same order, be released to

her, with a balance of \$400.00, which she asserts, without evidence, was received from the Commissioner of Social Security. The court-appointed receiver responded in opposition to the motion, noting the Court's November 29, 2010 Order and Judgment, which required Sheila Lee to disgorge \$711,845.00 as money received from the enterprise to which she was not entitled. The receiver further notes that the judgment remains unsatisfied and that although the sums contained in the accounts that Sheila Lee seeks are minimal, that they should be maintained as assets of Prestige and Federated, especially in light of the small chance of recovery of significant moneys for the victims of Kenneth Lee's investment scheme. The Court concurs with the arguments of the receiver, and Relief Defendant Sheila Lee's motion to Release Bank Accounts is therefore DENIED.

IT IS SO ORDERED this 13th day of January 2011.



DAVID L. RUSSELL
UNITED STATES DISTRICT JUDGE

**EXHIBIT 5 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)**

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.

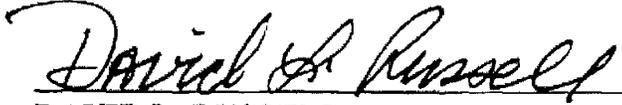
10. Simon Yang is precluded from making a claim for restitution or any return of funds or payment from Prestige, Federated, Kenneth Lee, the Receiver and/or the Receivership.

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)

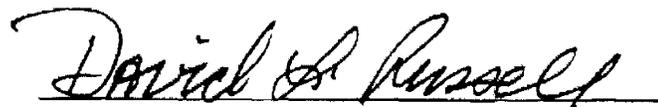
SHEILA M. LEE, an individual,)
DAVID A. LEE, an individual, and)
DARREN LEE, an individual,)

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

**EXHIBIT 6 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)**

Bihu Huang
5704 Hampton Pky
Pine Bluff, AR71603

December 6, 2010

Honorable Judge Russell
U.S. Courthouse
200 NW 4th Street
Oklahoma City, OK 73102
Fax: 405-609-5099

Case No. CIV-09-1284-R

Dear Judge Russell,

I am an investor of Prestige Ventures. I invested a total of \$307,000 to PVC. I believe that Ken Lee is indeed an exceptional trader, and PVC is a true investment business with hardships.

With my personal knowledge and understanding the final judgment of this lawsuit is not right or just, consequently we all investors of PVC would suffer more losses from this judgment.

I propose this to the court that PVC / Ken Lee is allowed to resume its normal investment operations over the next 24 to 36 months solely for returning all our funds with supervision of this court. All investors cannot lose any more, but gain only, from this proposal.

If PVC / Ken Lee is not able to return the remained funds to investors during this period, it would be not late to punish Ken Lee with just punishments by this court.

Sincerely,

Bihu Huang

PVC Account Number: 050203
Names of Investors: Bihu Huang

Cathy Chen
1912 NW 176th Terrace
Edmond, OK 73012

December 10, 2010

Honorable Judge Russell
U.S. Courthouse
200 NW 4th Street
Oklahoma City, OK 73102
Fax: 405-609-5099

Case No. CIV-09-1284-R

Dear Judge Russell,

I am an investor of Prestige Ventures. I chose to invest with PVC since 2003. My investments with PVC experienced difficulties on withdrawing funds since 2006, and PVC informed us of its difficulties / cash crunch due to margin calls from brokerages during this financial storm. According to PVC, margin deficits grew from \$1 million in early 2006 to \$38 million high some time in 2008 then were reduced to few millions by Sept. 2009.

With more PVC information of banks and brokerages from this lawsuit, I believe that Ken Lee is indeed an exceptional trader, and PVC is a true investment business with hardships since 2006, and its investment portfolios are somewhere outside the United States as PVC is a Panama company.

With my personal knowledge and understanding the final judgment of this lawsuit is not right or just, consequently we all investors of PVC would suffer more losses from this judgment.

I propose this to the court that PVC / Ken Lee is allowed to resume its normal investment operations over the next 24 to 36 months solely for returning all our funds with supervision of this court. All investors cannot lose any more, but gain only, from this proposal.

If PVC / Ken Lee is not able to return the remained funds to investors during this 24 to 36 months, it would be not late to punish Ken Lee with just punishments by this court.

Sincerely,

Cathy Chen

PVC Account Number: 020324, R6-020324, MIC-020324

Cherry To
1511 Edward Lane
Russellville, AR 72802

December 6, 2010

Honorable Judge Russell
U.S. Courthouse
200 NW 4th Street
Oklahoma City, OK 73102
Fax: 405-609-5099

Case No. CIV-09-1284-R

Dear Judge Russell,

I am an investor of Prestige Ventures, I invested about \$160,000 to PVC.

I believe that Ken Lee is indeed an exceptional trader, and PVC is a true investment business with hardships.

With my personal knowledge and understanding the final judgment of this lawsuit is not right or just, consequently we all investors of PVC would suffer more losses from this judgment.

I propose this to the court that PVC / Ken Lee is allowed to resume its normal investment operations over the next 12 to 18 months solely for returning all our funds with supervision of this court. All investors cannot lose any more, but gain only, from this proposal.

If PVC / Ken Lee is not able to return the remained funds to investors during this period, it would be not late to punish Ken Lee with just punishments by this court.

Sincerely,

Cherry To

PVC Account Number: 051206
Name of Investor: Cherry To

Haiwang Sun
21310 Chickory Trails
Katy, TX 77450
832 788 5458
December 13, 2010

Honorable Judge Russell
U.S. Courthouse
200 NW 4th Street
Oklahoma City, OK 73102
Fax: 405-609-5099

Case No. CIV-09-1284-R

Dear Judge Russell,

I am an investor of Prestige Ventures. I started the investment in 2004 with a total \$110,000 after learning from Mr. Simon Yang the exceptional earning potential by Mr. Ken Lee. I was informed that the investments with PVC experienced difficulties on withdrawing funds since 2006 and the problem was caused by margin calls from brokerages during the financial storm. According to what I was told by PVC / Ken Lee, the margin deficits grew and then reduced to a point that Mr. Ken Lee was ready to return all my money to me in few months before this case started.

With the information I got and I get, I tend to believe that Ken Lee is an exceptional trader and PVC is a true investment business with hardships since 2006. From the beginning, I knew the investment portfolios were outside the United States as PVC is a Panama company.

With the information I got, I strongly felt that the final judgment of this lawsuit was not right or just. It did not represent the best interest of all investors. Letting the judgement stay as what it is will cause investors of PVC lose more money.

To prove that our government is truly working for the best interest of people, the court should allow Ken Lee to resume its normal investment operations for a period of time under the surveillance of this court. This will prove if Mr. Ken Lee was really lying to all investors. If he failed to obtain what he promised, then the court can start to enforce its punishment.

Justice is the number ONE reason that America became great! I strongly believe all selfish lies will face punishment, either in this world, or in GOD world!

Sincerely,

Haiwang Sun

PVC Account Numbers: 040210, 88-040210, IFV 040210
Names of Investors: Simon Yang (Xiao Yang), Cathy Chen (Bilin Chen.)

Jiuhong Tang
16300 Fair Winds Way
Edmond, OK 73013
December 14, 2010

Honorable Judge Russell
U.S. Courthouse
200 NW 4th Street
Oklahoma City, OK 73102
Fax: 405-609-5099

Case No. CIV-09-1284-R

Dear Judge Russell,

I am an investor of Prestige Ventures. My husband and I chose to invest with PVC since April 2004 with my all saving of over US\$280,000. My investments with PVC experienced difficulties on withdrawing funds since 2006, and PVC informed me of its difficulties / cash crunchy due to margin calls from brokerages during this financial storm and asked helps of more cash with higher return programs. According to PVC / Ken Lee, margin deficits grew from \$1 million in early 2006 to \$38 millions high some time in 2008 then were reduced to few millions by Sept. 2009.

With more PVC information of banks and brokerages from this lawsuit, I think it is fair to me what Ken Lee explained, he is a trader, and PVC is a investment business with hardships since 2006, and its investment portfolios are somewhere outside the United States as PVC is a Panama company.

With my personal knowledge and understanding the final judgment of this lawsuit is not right or just, consequently we all investors of PVC would suffer more losses from this judgment. All investors cannot lose any more, as you know most investors are general people, they have been suffering horrible conditions since 2006, just same as the most general American. For an example, I could not buy a house until April 2010. Even worse I have been deeply suffering in my heart. I believe without return of our invest, most investors will live with a terrible conditions now and in the future, this will also affect their family and relatives, possible hundreds of general American, these could cause big problems to the neighbors and society in the future.

I propose to the court, please give a chance to PVC / Ken Lee and allow PVC / Ken Lee to resume its normal investment operations over the next 12 months solely for returning all our funds with supervision of this court. If PVC / Ken Lee is not able to return the remained funds to investors during this 12 months, it would be not late to punish Ken Lee with just punishments by this court.

Sincerely,

Jiuhong Tang

PVC Account Number: 040320
Name of Investors: Chunfeng Liu & Jiuhong Tang

Chunfeng Liu
16300 Fair Winds Way
Edmond, OK 73013
December 12, 2010

Honorable Judge Russell
U.S. Courthouse
200 NW 4th Street
Oklahoma City, OK 73102
Fax: 405-609-5099

Case No. CIV-09-1284-R

Dear Judge Russell,

I am an investor of Prestige Ventures. I chose to invest with PVC since April 2004 with my all saving of over US\$280,000. My investments with PVC experienced difficulties on withdrawing funds since 2006, and PVC informed me of its difficulties / cash crunchy due to margin calls from brokerages during this financial storm and asked helps of more cash with higher return programs. According to PVC / Ken Lee, margin deficits grew from \$1 million in early 2006 to \$38 millions high some time in 2008 then were reduced to few millions by Sept. 2009.

With more PVC information of banks and brokerages from this lawsuit, I think it is fair to me what Ken Lee explained, he is a trader, and PVC is a investment business with hardships since 2006, and its investment portfolios are somewhere outside the United States as PVC is a Panama company.

With my personal knowledge and understanding the final judgment of this lawsuit is not right or just, consequently we all investors of PVC would suffer more losses from this judgment. All investors cannot lose any more, as you know most investors are general people, they have been suffering horrible conditions since 2006, just same as the most general American. For an example, I could not buy a house until April 2010. I am still driving my 2002 Doge Neon with a few safety problems, even worse I have been deeply suffering in my heart. I believe without return of our invest, most investors will live with a terrible conditions now and in the future, this will also affect their family and relatives, possible hundreds of general American, these could cause big problems to the neighbors and society in the future.

I propose to the court, please give a chance to PVC / Ken Lee and allow PVC / Ken Lee to resume its normal investment operations over the next 12 months solely for returning all our funds with supervision of this court. If PVC / Ken Lee is not able to return the remained funds to investors during this 12 months, it would be not late to punish Ken Lee with just punishments by this court.

Sincerely,

Chunfeng Liu

PVC Account Number: 040320
Name of Investors: Chunfeng Liu & JiuHong Tang

Yongsheng He
77 Elsie Drive
Plainsboro, NJ 08536

December 13, 2010

Honorable Judge Russell
U.S. Courthouse
200 NW 4th Street
Oklahoma City, OK 73102
Fax: 405-609-5099

Case No. CIV-09-1284-R

Dear Judge Russell,

I am an investor of Prestige Ventures. I chose to invest with PVC since March 2006 with my all saving in cash of \$36,000.

I had received the monthly report of my invest summary from PVC/Ken Lee, Simon Yang until November 2009 since my initial deposit in March 2006. The balance of my accounts (060330, 88-060330, & FENIX-071211) in November 10, 009 was \$100,067 in total (81,828.66 + 2,006.06 +16,232.81) as shown in the attached files with this letter.

My investments with PVC experienced difficulties on withdrawing funds due to the margin deficits grew and the investigation of this case lawsuit according to Simon Yang and Ken Lee.

As a PVC investor, I propose that the court should allow PVC / Ken Lee to resume its normal investment operations and return all my funds with supervision of this court during a period of time as soon as possible.

Sincerely,

Yongsheng

**EXHIBIT 7 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)**

TO: Katherine Driscoll
1155 21st Street NW
Washington, DC 20581

Terry Shamas Bonnell
120 North Robinson Avenue, Suite 860
Oklahoma City, OK 73102

Stephen Moriarty
100 N. Broadway, Suite 700
Oklahoma City, OK 73102

Due to the cost and lack of funds to attend the hearing in US District Court in Oklahoma City, OK on April 6, 2010 I am requesting that I be allowed to participate by telephone.

I was advised by Judge Russell's assistant that this is permissible, but I have to notify each of the representatives in this case and notify the Court that we will need a telephone link.

Thank you, and I hope you agree to this request.

Respectfully Submitted,

Kenneth W. Lee
1660 Jorrington Street
Mt Pleasant, SC 29466

Sheila M. Lee
1660 Jorrington Street
Mt Pleasant, SC 29466

David A. Lee
2676 Palmetto Hall Blvd
Mt Pleasant, SC 29466

Darren A. Lee
2676 Palmetto Hall Blvd
Mt Pleasant, SC 29466

Kenneth W. Lee
1660 Jorrington Street
Mt Pleasant, SC 29466
April 16, 2010

The Honorable Judge David L. Russell
200 NW Fourth Street
Oklahoma City, OK 73102

Dear Judge Russell

I am writing this to you as I do not know where to turn in the matter of **Case No. 09-CV-1284 (DLR)**.

We do not have the funds to attend this hearing in Oklahoma City on April 21, 2010 as all funds have been frozen and taken away. Funds that my wife and sons feel rightfully belong to them as it was their earned money.

David and Darren's accounts were frozen March 4th as well as Sheila's personal account. This leaves us totally without funds or the means to obtain funds to make trips to Oklahoma City.

I am asking that we be given consideration in this hearing on April 21, 2010 and not be judged harshly for being unable to be there due to having no money. This trip would cost more than \$1,500.00 and we do not have it. We are also without legal representation due to the bank accounts being frozen.

We have also filed the motions and answers required by the Court. We thank you for giving us the opportunity to take care of those issues.

I am making this request for myself, Kenneth W. Lee as well as Sheila M. Lee, David A. Lee and Darren A. Lee.

I have proposed a plan to the Receiver, Oklahoma Department of Securities and CFTC about how I could continue trading and get all investors funds to them. I have asked that I be given as much as four years to get this accomplished. If all of our assets were taken, it would not be nearly as much as if I were allowed to trade and have the funds paid to the customers.

I apologize if I am violating any rules in writing you, but I do not know what else to do, and I thank you for your time and consideration.

Sincerely,

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

Kenneth W. Lee
1660 Jorrington Street
Mt Pleasant, SC 29466
November 1, 2010

The Honorable Judge David L. Russell
200 NW Fourth Street
Oklahoma City, OK 73102

Dear Judge Russell

I am writing this to you as I do not know where to turn in the matter of **Case No. 09-CV-1284 (DLR)**.

I have been overwhelmed with Motions, Orders and such and just do not know what to do. I cannot hire an attorney as they are afraid they will not be paid or have to return any funds they might receive. I am at wit's end due to the stress it has placed on me and my family, and they are totally destroyed emotionally.

My wife Sheila, sons' David and Darren had nothing to do with any of this and invested their own funds along with others. Others received funds and it just does not seem right that Sheila, David and Darren cannot receive funds as well. They purchased their homes, cars and lived on the earnings of their investments. My sons traded their own accounts and were entitled to all of the profits from their work yet they are being denied any consideration for such investments and work in their own account.

We do not have the funds to attend any hearings or a trial in Oklahoma City as all funds have been frozen and taken away. Our financial situation is desperate and we are a destitute family existing on very little income. My sons have taken jobs that pay below minimum wage and can only afford the bare necessities of existence. My wife and I live on a very small Social Security payment and are the same, and we had both had to stop taking prescriptions medications for matters related to health issues as we could not afford the expense. We are living a bare existence and have no funds for any travel or accommodations for a trial.

I had hoped our situation would be better by now, and tired to determine how I could finance such an expensive trip, but I just do not have the funds to do so. I had hoped our situation would be better by now, but it has only gotten worse with each passing day and I see little hope of this situation improving in the immediate future with the restraints placed on each of us.

We, Kenneth, Sheila, David and Darren Lee asked the CFTC, Oklahoma Department of Securities and Receiver for all documents, depositions and complaints, be given us, but have never received any thing from them. It is demanded that we turn over documents that we do not have or ever had, but we seem to be unable to receive any thing from them. Darren and I have both been deposed and have never received a copy of our latest depositions, and we were promised these documents in a timely manner. These depositions were over a month ago, and still no copies for us. Darren was refused answers to a request he made to the CFTC for reasons known only to the CFTC.

During a phone conference call on Friday October 29, 2010 an offer of settlement was given me that I can not accept due to our financial situation. This offer was made because the Plaintiffs realized the we could not afford to travel to Oklahoma City for a lengthy trial and they thought this would help our situation.

I would have done so, but we would be totally homeless and destitute. I told this to the CFTC, Receiver and Oklahoma Department of Securities and they said it was not their problem and that was their final offer, take it or leave it and if I did not take it they would win in Court and we would be ordered out of our homes that we feel we rightfully own. They also said they were only down the street from the Court and could take as long as necessary in this case and would win.

I can not believe the Court would order this on us as we have tried to provide proof that we did in fact have funds in the investment program and these funds purchased our homes and other items. The Plaintiffs have refused to acknowledge that we did have funds invested and were entitled to these funds for our personal use.

I have searched for months for copies of cashiers checks that I had invested into our investment program and later invested into this program in question. I did find these checks on Friday night October 29, 2010 in a very unlikely place and know it will be met with scorn from the Plaintiffs, but hope the Court will consider these as proof that we did have personal funds invested. Not like the CFTC said in the conference call this past Friday, that I had put all the customers funds into my pocket. I guess all the trading records have no significance or indication that maybe we did trade for the customers and the CFTC can just ignore these documents.

The Plaintiffs turned a deaf ear to any documents that were in the Defendants and Relief Defendants favor and refused to acknowledge that we did have funds in this case. I am attaching the copies of the checks with this letter to hopefully show that we did invest and our purchases were rightfully ours and do belong to us.

I have indicated a willingness to settle this, but can not see my family thrown into the street as the Plaintiffs want, there must be a better way and I know the Honorable Court will find a fair solution.

I apologize if I am violating any rules in writing you, and for my ignorance of the procedures in such matters, but I do not know what else to do, and I thank you for your time and consideration.

Sincerely,

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

EXHIBIT 8 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)



FELLERS SNIDER
ATTORNEYS AND COUNSELLORS AT LAW
FELLERS SNIDER BLANKENSHIP BAILEY & TIPPENS, P.C.

STEPHEN A. MORIARTY
SHAREHOLDER
ATTORNEY AT LAW

smoriarty@fellerssnider.com

OKLAHOMA CITY ■ TULSA

January 13, 2011

(VIA E-MAIL TO klee88@prestigeventures.com
and by REGULAR U.S. MAIL)

Kenneth and Sheila Lee
1660 Jorrington
Mt. Pleasant, SC 2946

Re: Re: *CFTC, et al., v. Prestige Ventures Corp.*, USDC, WDOK, Case N. 09-cv-1284
Court Order of November 29, 2010
Court Order of January 13, 2011 Denying Motion to Reconsider (enclosed)
Court Order of January 13, 2011 Denying Motion for Stay (enclosed)

Dear Mr. and Mrs. Lee:

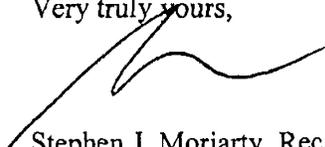
The Court has denied your Motion to Reconsider and your Motion for Stay. Pursuant to the terms of the November 29, 2010 Order, you are to vacate 1660 Jorrington (the "Premises") on or before February 2, 2011.

This is to advise you that I will take physical possession of the Premises on February 3, 2011. I would ask that you remove your personal possessions from the Premises prior to that time. Anything left on the premises will be considered abandoned. On February 3, 2011, I will be changing the locks and you will not have further access to the Premises.

If you have not vacated the Premises by February 2, 2011, I will be compelled to ask the U.S. Marshall to remove you on February 3, 2011.

If you should have any questions regarding the foregoing, please feel free to contact the undersigned.

Very truly yours,


Stephen J. Moriarty, Receiver for
Prestige Ventures Corp., Federated
Management Group, Kenneth and
Sheila Lee, Darren Lee and David Lee

62510;WD554413

100 NORTH BROADWAY, SUITE 1700
OKLAHOMA CITY, OKLAHOMA 73102-8820

www.fellerssnider.com
TELEPHONE 405.232.0621 ■ FAX 405.232.9659



FELLERS SNIDER
ATTORNEYS AND COUNSELLORS AT LAW
FELLERS SNIDER BLANKENSHIP BAILLY & TIPPENS, P.C.

OKLAHOMA CITY ■ TULSA

STEPHEN A. MORIARTY
SHAREHOLDER
ATTORNEY AT LAW

smoriarty@fellerssnider.com

January 13, 2011

(VIA E-MAIL TO dalee26@yahoo.com
and by REGULAR U.S. MAIL)

Darren Lee
2676 Palmetto Hall Blvd.
Mt. Pleasant, SC 29466

Re: *CFTC, et al., v. Prestige Ventures Corp.*, USDC, WDOK, Case N. 09-cv-1284
Court Order of November 29, 2010
Court Order of January 13, 2011 Denying Motion to Reconsider (enclosed)
Court Order of January 13, 2011 Denying Motion for Stay (enclosed)

Dear Mr. Lee:

The Court has denied your Motion to Reconsider and your Motion for Stay. Pursuant to the terms of the November 29, 2010 Order, you are to vacate 2676 Palmetto Hall Blvd. (the "Premises") on or before February 2, 2011.

This is to advise you that I will take physical possession of the Premises on February 3, 2011. I would ask that you remove your personal possessions from the Premises prior to that time. Anything left on the premises will be considered abandoned. On February 3, 2011, I will be changing the locks and you will not have further access to the Premises.

If you have not vacated the Premises by February 2, 2011, I will be compelled to ask the U.S. Marshall to remove you on February 3, 2011.

If you should have any questions regarding the foregoing, please feel free to contact the undersigned.

Very truly yours,

Stephen J. Moriarty, Receiver for
Prestige Ventures Corp., Federated
Management Group, Kenneth and
Sheila Lee, Darren Lee and David Lee

62510;WD550084

**EXHIBIT 9 TO Motion to Stay Pursuant
to Federal Rule of Appellate Procedure
8(a)(2)**

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE WESTERN DISTRICT OF OKLAHOMA
3
4 U.S. COMMODITIES FUTURES
5 TRADING COMMISSION and
6 OKLAHOMA DEPARTMENT OF
7 SECURITIES, ex rel, IRVING
8 L. FAUGHT,
9 Plaintiffs,
10 vs. Case No. CIV-09-1284-R
11 PRESTIGE VENTURE CORP, et al,
12 Defendants.
13
14
15 TRANSCRIPT OF HEARING
16 BEFORE THE HONORABLE DAVID L. RUSSELL,
17 UNITED STATES DISTRICT JUDGE
18 APRIL 21, 2010
19
20
21 APPEARANCES:
22 FOR THE PLAINTIFF: MS. KATHERINE DRISCOLL
23 MS. PATTY LABARTHE
24 MS. TERRA BONNELL
25 Attorneys at Law
FOR THE DEFENDANT: MR. SIMON YANG, pro se

	EXAMINATION INDEX	
1		
2	STEPHEN MORIARTY	
3	DIRECT BY MS. DRISCOLL	13
	CROSS BY MR. YANG	38
4		
	SIMON YANG	
5	DIRECT BY MS. BONNELL	43
6	SUSIE SOUTHWELL	
	DIRECT BY MS. BONNELL	47
7	CROSS BY MR. YANG	48
	REDIRECT BY MS. BONNELL	50
8	RECROSS BY MR. YANG	52
	REDIRECT BY MS. BONNELL	55
9		
	HEATHER JOHNSON	
10	DIRECT BY MS. DRISCOLL	61
11	NATHAN JOHNSON	
	DIRECT BY MS. BONNELL	70
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 (PROCEEDINGS HAD APRIL 21, 2010.)

2 THE COURT: This is U.S. Commodities Futures Trading
3 Commission and the Oklahoma Department of Securities vs.
4 Prestige Ventures Corporation, et al, Civil 08-1370 --

5 THE CLERK: No, I'm sorry.

6 THE COURT: I'm sorry -- 09-1284. Will the parties
7 make their appearance for the record, please.

8 MS. DRISCOLL: Katherine Driscoll, Your Honor, on
9 behalf of the Commodities Futures Trading Commission.

10 MS. LABARTHE: Patty Labarthe with the Oklahoma
11 Department of Securities.

12 MS. BONNELL: Terra Bonnell with the Oklahoma
13 Department of Securities.

14 MR. YANG: Simon Yang just for myself.

15 THE COURT: All right. This comes on today --
16 there's several matters pending, the first being, I think, a
17 suggested -- or a request for holding various parties in
18 contempt.

19 We know the Lees -- none of the Lees are here. You all
20 have probably gotten some of the correspondence which I've
21 received and I don't anticipate they're going to come here now
22 or in the future. What do you all -- I've asked you this
23 before, and there's no easy answer to it, but how do you all
24 suggest that we proceed in this case? We're talking
25 specifically, to begin with, about contempt. Let me hear from

1 you in that regard.

2 MS. DRISCOLL: If I may approach the podium, Your
3 Honor?

4 THE COURT: Yes, please.

5 Let me ask you this: Do you have any idea that there are
6 any assets other than South Carolina?

7 MS. DRISCOLL: Other than in South Carolina, Your
8 Honor? Well, those assets do include the two homes, one owned
9 by Kenneth Lee, one owned by Darren Lee.

10 THE COURT: No, I'm saying are there assets other
11 than in South Carolina?

12 MS. DRISCOLL: As far as we're aware, no. There is
13 some outstanding cash that we think might be available, and if
14 it is available, I don't know where it resides. I believe
15 Mr. Moriarty could speak better to this, but as far as we're
16 aware, no, there are no assets outside of South Carolina.

17 THE COURT: Why shouldn't this case be in South
18 Carolina?

19 MS. DRISCOLL: Well, the reason why it's in Oklahoma,
20 Your Honor, is that we have evidence of there being at least
21 140 investors --

22 THE COURT: I know the investors are here, but
23 wouldn't, just from a practical standpoint, it be better being
24 in South Carolina?

25 MS. DRISCOLL: Well, actually, Your Honor, Mr. Yang

1 is here in Oklahoma; practically speaking, it's convenient for
2 Mr. Yang, also for the investors in case we needed investors to
3 come into the courtroom. We actually have two here today from
4 Edmond, Oklahoma.

5 THE COURT: I understand that, but when all the
6 assets and really the main defendants are in South Carolina,
7 from a practical standpoint, wouldn't that make sense?

8 MS. DRISCOLL: Well, honestly, Your Honor, when we
9 first brought the case, we didn't know where the assets were.
10 A lot of that's been only made known to us through discovery
11 since the case was filed. Yes, Mr. Lee was in South Carolina.
12 We didn't add the relief defendants who are also in South
13 Carolina until we had already started discovery.

14 Federated Management Group was operated out of Texas, we
15 believe, and Prestige Ventures Corp is a Panamanian corporation
16 that Mr. Lee did operate out of his own home, but --

17 THE COURT: I'm asking these questions with the idea
18 why wouldn't it make sense to transfer it to South Carolina?

19 MS. DRISCOLL: Well, I believe, Your Honor, we've put
20 a lot of work into this case here in Oklahoma. The
21 co-plaintiff is the Oklahoma Department of Securities and they
22 have a real interest in this case, given that most of the
23 investors are from Oklahoma. We now have a receiver who is
24 located in Oklahoma. I believe it's proper to keep it here in
25 Oklahoma City.

1 THE COURT: Go ahead. Let me hear from you in regard
2 to what you propose doing today.

3 MS. DRISCOLL: Well, first off, I propose denying
4 Kenneth Lee's motion to stay the receivership, and, in
5 addition, any of the relief defendants request to stay the
6 receivership and to in any way amend the statutory restraining
7 order that the Court has already entered.

8 THE COURT: They're wanting to -- or at least Kenneth
9 Lee, I believe, is wanting to amend it to allow him to continue
10 trading; is that what he wanted?

11 MS. DRISCOLL: Yes, Your Honor, I believe that's what
12 his main contention is.

13 THE COURT: I will agree with you on that as far as
14 that goes. I'll deny that.

15 So what else do you want to do?

16 MS. DRISCOLL: We would like for the Court to hold
17 Kenneth Lee, Simon Yang, David Lee, and Darren Lee in contempt
18 for violations of this Court's original statutory restraining
19 order, the consent preliminary injunction against Kenneth Lee,
20 the consent preliminary injunction against Simon Yang, and the
21 amended statutory restraining order.

22 As for Mr. Lee --

23 THE COURT: How do you propose that I enforce that?

24 MS. DRISCOLL: Well, at the moment, Your Honor, I
25 think the best way to enforce it is to give all of the

1 defendants and relief defendants a very strict deadline for
2 turning over the information and turning over ownership of the
3 assets to the receiver that they haven't done so far. And if
4 they don't do it within that short period of time, then I would
5 propose that Your Honor compel them to come to court and
6 explain themselves.

7 THE COURT: I've already compelled them to do that.

8 MS. DRISCOLL: Then I would propose that they be
9 incarcerated until a time that they comply with Your Honor's
10 orders.

11 THE COURT: Doesn't it strike you as kind of a
12 stretch of due process, taking somebody's home away from them
13 and subjecting all of their assets to a restraining order
14 without them ever being heard and not having the resources to
15 be heard?

16 MS. DRISCOLL: Well, two things, Your Honor: One,
17 it's not their home; Prestige Ventures owns the home.

18 THE COURT: The home, I've got to make a finding. I
19 mean, there's never been a judicial finding it's not their
20 home.

21 MS. DRISCOLL: Well, we would ask the Court to make
22 that judicial finding based on very clear and convincing
23 evidence found in bank records and the testimony of the relief
24 defendants and the main defendant, Kenneth Lee.

25 As to not giving them the ability to represent themselves,