

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA

)
 U.S. COMMODITY FUTURES)
 TRADING COMMISSION and)
 OKLAHOMA DEPARTMENT OF)
 SECURITIES *ex rel.* IRVING L.)
 FAUGHT,)
)
 Plaintiffs,)
)
 v.)
)
 PRESTIGE VENTURES CORP., a)
 Panamanian corporation, FEDERATED)
 MANAGEMENT GROUP, INC., a Texas)
 corporation, KENNETH WAYNE LEE,)
 an individual, and SIMON YANG (a/k/a)
 XIAO YANG a/k/a SIMON CHEN), an)
 individual,)
)
 Defendants; and)
)
 SHEILA M. LEE, an individual, DAVID)
 A. LEE, an individual, and DARREN)
 LEE, an individual,)
)
 Relief Defendants.)
 _____)

Case No. 09-cv-1284 (DLR)

PLAINTIFFS' OBJECTION AND RESPONSE TO DEFENDANT KENNETH LEE'S AND RELIEF DEFENDANTS SHEILA LEE, DARREN LEE AND DAVID LEE'S MOTIONS FOR RECONSIDERATION AND RELIEF FROM JUDGMENT

On December 8, 2010, Defendant Kenneth Lee and Relief Defendants Sheila Lee, Darren Lee, and David Lee (collectively, the "Lees") each filed a motion for reconsideration and relief from judgment under Fed.R.Civ.P. 59 and 60 (Doc. No. 134-

137) (collectively, the “Motions”). The Motions are substantively identical with the exception of an irrelevant and untrue allegation concerning settlement negotiations made in paragraphs 4(b) of the motions filed by Kenneth Lee and Darren Lee. Plaintiffs U.S. Commodity Futures Trading Commission (the “Commission”) and Oklahoma Department of Securities (“ODS”) (collectively, “Plaintiffs”) object and respond to the Motions as follows.

Motions for Reconsideration

The Motions fail to specify what the Lees request the Court to “reconsider.” Plaintiffs respond to the Motions under the assumption that the Lees are requesting the Court to reconsider the Order entered on October 27, 2010 (Doc. No. 120), the Order entered on November 29, 2010 (Doc. No. 131), and the Judgment entered on November 29, 2010 (Doc. No. 132).

It is well established that because the Federal Rules of Civil Procedure do not recognize a “motion for reconsideration,” such a motion relating to a final decision should be treated as a motion to alter or amend a judgment under Fed.R.Civ.P. 59(e) if filed within the time allowed by Fed.R.Civ.P. 59(e) and should be treated as a motion for relief from judgment under Fed.R.Civ.P. 60(b) if filed after the time allowed by Fed.R.Civ.P. 59(e). *See Hatfield v. Board of Country Commissioners for Converse County*, 52 F.3d 858, 861 (10th Cir. 1995); *Van Skiver v. U.S.*, 952 F.2d 1241, 1243 (10th Cir. 1991), cert. denied, 506 U.S. 828 (1992); *Servants of the Paraclete v. Does*, 204 F.3d 1005, 1012 (10th Cir. 2000); *Adams v. Reliance Standard Life Insurance*, 225 F.3d 1179, 1186 n.5 (10th Cir. 2000). A motion for reconsideration of a non-final order should

be considered under Fed.R.Civ.P. 54(b). *Low v. Chu*, 2010 WL 617371 *1 (N.D. Okla. 2010) (citing *Raytheon Constructors, Inc. v. Asarco Inc.*, 368 F.3d 1214, 1217 (10th Cir. 2003)); *Lindley v. Life Investors Insurance Company of America*, 2010 WL 2737135 *2 (N.D. Okla. 2010) (citing *Raytheon*); *Nalley v. Dunn*, 2010 WL 3008780 *1 (N.D.Okla. 2010) (citing *Raytheon*).

A final decision “leaves nothing for the court to do but execute the judgment.” *Servants of the Paraclete*, 204 F.3d at 1010 (quoting *Albright v. UNUM Life Ins. Co.*, 59 F.3d 1089, 1092 (10th Cir. 1995) (citation omitted)). An order determining liability but leaving the issue of damages is not final. *Id.* at 1011 (citing *Albright*, 59 F.3d at 1092).

October 27th Order

The October 27th Order granted Plaintiffs’ motion for summary judgment, found Defendants and Relief Defendants liable, and left the issue of damages and penalties to be heard at trial. The October 27th Order is not a final order. To the extent the Motions are motions for reconsideration of the October 27th Order, the Motions should be considered under Fed.R.Civ.P. 54(b).

Fed.R.Civ.P. 54(b) provides that “any order . . . that adjudicates fewer than all the claims or the rights and liabilities of fewer than all the parties does not end the action as to any of the claims or parties and may be revised at any time before the entry of a judgment adjudicating all the claims and all the parties’ rights and liabilities.” The November 29th Order and Judgment adjudicated all the claims and all the parties’ rights and liabilities and preclude the October 27th Order from being revised pursuant to Rule 54(b).

November 29th Order and Judgment

The November 29th Order determined the damages and penalties imposed against Defendants and Relief Defendants and left nothing for the Court to do except enter the November 29th Judgment. The November 29th Order and Judgment are final decisions.

The Motions were filed nine days after the entry of the November 29th Order and Judgment. To the extent the Motions are motions to reconsider the November 29th Order and Judgment, the Motions should be treated as motions to alter or amend the November 29th Order and Judgment pursuant to Fed.R.Civ.P. 59(e). *See Hatfield*, 52 F.3d at 861; *Van Skiver*, 952 F.2d at 1243; *Servants of the Paraclete*, 204 F.3d at 1012.

The Court is vested with considerable discretion in determining whether to grant or deny the motions to alter or amend the November 29th Order and Judgment. *Brown v. Presbyterian Healthcare Services*, 101 F.3d 1324, 1332 (10th Cir. 1996) (citations omitted). There are three grounds warranting a motion to reconsider or a motion to alter or amend a judgment: “(1) an intervening change in the controlling law, (2) new evidence previously unavailable, [or] (3) the need to correct clear error or prevent manifest injustice.” *Servants of the Paraclete*, 204 F.3d at 1013; *Nalley*, 2010 WL 3008780 at *1; *see also Adams*, 225 F.3d at 1186 n. 5 (stating, “A motion for reconsideration ‘should be granted only to correct manifest errors of law or to present newly discovered evidence.’” (citation omitted)). Asking the Court to reconsider arguments that have been considered and rejected is not a basis for a motion to reconsider. *Nalle*, 2010 WL 3008780 at *1.

None of the grounds that would warrant a motion to alter or amend the November 29th Order and Judgment exist. There has been no intervening change in the controlling law since the entry of the November 29th Order and Judgment, no discovery of new evidence that was previously unavailable, no clear error, and no manifest injustice. Instead, the Motions are based on the Lees' misrepresentations and misguided perceptions.

The Lees' first purported reason for the Motions is that the record demonstrates that there is a genuine issue of material fact as to whether the properties belonging to the Lees are the fruits of unlawful activity and therefore whether penalties or sanctions are appropriate. The Lees' opportunity to present evidence to the Court on this issue has come and gone. The Lees failed to file a response to Plaintiffs' motion for summary judgment on the issue of liability and failed to appear for the trial on the issues of damages and penalties. Not only have the Lees missed their opportunity to present such evidence to the Court, they have failed to provide Plaintiffs with any credible proof of entitlement to the "properties" (presumably the two houses and the Edgewater boat).

The Lees' second alleged reason for reconsideration is that the Court "did not provide proper notice of any hearing to impose penalties and sanctions." Contrary to the Lees' representation, the October 27th Order stated, "Unless the parties request a jury trial within five days of entry of this Order, the Court will conduct a non-jury trial on the issues of damages and penalties on November 8, 2010." In addition, the Lees were provided multiple other forms of notice of the November 8th trial date and the issues to be heard. The Scheduling Order, dated June 24, 2010, (Doc. No. 92), set the trial for the

Court's November 2010 trial docket and stated, "Trial dockets generally begin the second Monday of each month[.]" The Court's trial docket published on September 7, 2010 (Doc. No. 110) gave notice to the Lees that trial would commence on November 8, 2010, or shortly thereafter. After the entry of the October 27th Order, ODS's counsel further notified the Lees of the issues to be heard at trial in an email dated October 29, 2010. See Exhibit "A". In addition, the Final Pretrial Report, filed by Plaintiffs on November 1, 2010 (Doc. No. 121) and adopted by the Court on November 1, 2010 (Doc. No. 122), provided notice of the impending trial date and stated, "The issue to be decided is what damages and penalties should be ordered against Defendants and Relief Defendants." A Courtroom Minute Sheet filed by the Court on November 3, 2010, stated, "Non-Jury trial to begin on Monday, 11/8/10 at 9:00 a.m." Darren Lee's motion for continuance filed on November 3, 2010 (Doc. No. 124) referred to October 29th being "10 days before the trial" and is further evidence of the Lees' awareness of the impending trial date.

The Motions further allege that because Plaintiffs withheld vital information from the Court, the Court did not have all necessary documents and proof that the Lees invested or caused personal funds to be deposited into Prestige Ventures Corp. It was the Lees' obligation, not Plaintiffs', to prove that they invested or caused personal funds to be deposited into Prestige, and they failed to do so.

Another purported basis for the Motions is that the Lees' were deprived of their "fundamental right to counsel" through the entry of an *ex parte* order freezing their assets. However, the Sixth Amendment to the United States Constitution provides the Lees with the right to counsel in criminal proceedings and not civil proceedings. *S.E.C.*

v. *Current Financial Services*, 62 F.Supp.2d 66, 67 (D.D.C. 1999) (citing *Gideon v. Wainwright*, 372 U.S. 335, 344, 83 S.Ct.792, 9 L.Ed.2d 799 (1963)). Even in criminal proceedings, “[a] defendant has no Sixth Amendment right to spend another person's money for services rendered by an attorney, even if those funds are the only way that that defendant will be able to retain the attorney of his choice.” *Caplin & Drysdale, Chartered v. U.S.*, 491 U.S. 617, 624-26 (1989).

Of further significance is the fact that the Lees had accessible funds to retain counsel but chose not to do so. In December 2009, after the entry of the original statutory restraining order but before it was amended, David Lee received \$120,000 cash from the sale of a home. Although David Lee shared the funds with his family, none of the Lees used the money to retain legal counsel. Kenneth Lee was already a party at the time he received the sale proceeds from David Lee. The Relief Defendants were deposed by Plaintiffs around the time of the sale of the house and were on notice that it was likely that they would be added as parties. The Lees chose not to use the funds to retain counsel.

The potential application of the homestead exemptions provided under South Carolina law is another purported reason for the Motions. South Carolina Code 1976 § 15-41-30 provides an exemption from “attachment, levy, and sale under any mesne or final process issued by a court or bankruptcy proceeding” for certain “real and personal property of a debtor.” However, in the November 29th Order, the Court properly found that, due to the fact that the houses were purchased entirely with fraudulently-obtained customer funds, the two houses at issue are property of Prestige Ventures Corp. rather

than property of the Lees. Therefore, the Lees do not have a homestead exemption in the two houses.

In addition, courts have held that “a debtor may not ‘use the exemption laws as a safe harbor for ill-gotten gain[.]’” *Brown v. Manty*, 427 B.R. 715, 723 (D.Minn. 2010) (quoting *Pineo v. Bogan*, 302 B.R. 524, 529 (Bankr.W.D.Pa. 2003). Even if the Lees did have a homestead exemption in the two houses, it would be limited to \$50,000 for Darren Lee and \$100,000 for Kenneth and Sheila Lee under South Carolina Code 1976 § 15-41-30.

Another alleged basis for the Motion is that “[t]here was newly discovered evidence that, with reasonable diligence, could not have been discovered in time to move for a new trial under Rule 59(b).”¹ The Lees assert that the newly discovered evidence consists of cashiers’ checks, statements from a Panama investment account, and emails with an account manager and a customer. The Lees contend that the withholding of this information from the Court was detrimental to the Lees. However, the Lees failed to appear for the November 8th trial to offer such evidence that was clearly in their possession prior to that time as the cashiers’ checks were attached to Darren Lee’s request for motion for continuance filed on November 3, 2010, (Doc. No. 124), and the remaining documents were provided by Kenneth Lee to Stephen Moriarty, the court-appointed receiver, in May of 2010. See Exhibits “B” and “C”. Subsequently, the Lees attached such evidence to their response to Plaintiffs’ Proposed Findings of Fact,

¹ The 28 days allowed for a motion for a new trial pursuant to Fed.R.Civ.P. 59(b) had not expired at the time the Lees filed their Motions.

Conclusions of Law, and Order, filed on November 29, 2010, (Doc. No. 133), requesting the Court to consider it. The appropriate time for the offering of this evidence would have been at trial where Plaintiffs would have had the opportunity to challenge its authenticity and credibility.

The Lees further allege that they have been disadvantaged in responding to Plaintiffs' motions because they have been served upon them by mail. Service by mail complies with Fed.R.Civ.P. 5(b)(2) and does not warrant the granting of the Motions.

The Lees' final purported reason for the Motions is that there "was misconduct by the opposing party pertaining to their refusal to turn over discoverable documents and failing to disclose pertinent information that is crucial to the fairness and integrity under what is rightfully [the Lees'] rights for a fair trial." The Lees' further allege that they were "in all cases" denied information from Plaintiffs and that they were surprised with evidence in the Commission's possession four days before trial. These allegations are simply untrue. Plaintiffs made all disclosures required by Fed.R.Civ.P. 26(a), responded substantively to all timely discovery requests that did not exceed limits imposed by Fed.R.Civ.P. 33 or LCvR36.1, and exchanged exhibits in accordance with LCvR39.4. If the Lees took issue with a response to a discovery request as the Motions indicate, they should have filed a motion to compel rather than now try to use it as a justification for their failure to answer Plaintiffs' Motion for Summary Judgment and for the Motions.

Because no grounds warranting the alteration or amendment of the November 29th Order and Judgment under Fed.R.Civ.P. 59(e) exist, the Motions should be denied to the extent they are motions to reconsider the November 29th Order and Judgment.

Motions for Relief from Judgment

Under Fed.R.Civ.P. 60(b), the Court may relieve a party from a “final judgment, order, or proceeding” for certain reasons.

October 27th Order

To the extent the Motions are motions for relief from the October 27th Order under Fed.R.Civ.P. 60(b), the Motions should be denied because the October 27th Order is not a final order, as further discussed above.

November 29th Order and Judgment

To the extent the Motions are motions for relief from the November 29th Order and Judgment under Fed.R.Civ.P. 60(b), the Motions should be treated as motions to alter or amend the November 29th Order and Judgment under Fed.R.Civ.P. 59(e) because they were filed within the time allowed by Fed.R.Civ.P. 59(e). *Skagerber v. Oklahoma*, 797 F.2d 881 (10th Cir. 1986) (per curiam) (The Court found that the appellant’s filing entitled “Motion for Rule 60 Relief, or Appeal” was properly treated as a Fed.R.Civ.P. 59(e) motion, regardless of how the appellant characterized it, because it questioned the correctness of the judgment and was filed within the time allotted for filing a Fed.R.Civ.P. 59(e) motion.) For the reasons stated above, the Lees’ motions to alter or amend the November 29th Order and Judgment should be denied.

In conclusion, the Motions are based on the Lees’ misrepresentations and misguided perceptions and fail to demonstrate the existence of any of the three grounds that would warrant the granting of the Motions. Plaintiffs respectfully request that the Motions be denied.

Respectfully Submitted,

/s/ James H. Holl, III

James H. Holl, III

U.S. Commodity Futures Trading Commission

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Washington, DC 20581

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ATTORNEY FOR THE PLAINTIFF

U.S. COMMODITY FUTURES TRADING

COMMISSION

/s/ Terra Shamas Bonnell

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Patricia A. Labarthe, OBA # 10391

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ATTORNEYS FOR THE PLAINTIFF

OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on December 20, 2010, I caused the above response to be served by U.S. mail on the following, who are not registered participants of the ECF System:

Simon Yang
1912 NW 176th Terrace
Edmond, OK 73012

Kenneth Lee
1660 Jorrington Street
Mt. Pleasant, SC 29466

Sheila Lee
1660 Jorrington Street
Mt. Pleasant, SC 29466

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

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

I hereby certify that on December 20, 2010, I electronically transmitted the above response to the Clerk of Court using the ECF System for filing. Based on the records currently on file, the Clerk of Court will transmit a Notice of Electronic Filing to the following ECF registrants:

James H. Holl, III

Kevin S. Webb

Stephen J. Moriarty

Warren F. Bickford, IV

/s/ Terra Shamas Bonnell

Terra Bonnell

From: Terra Bonnell
Sent: Friday, October 29, 2010 12:41 PM
To: 'Ken Lee'; 'Simon Yang'; 'David'; 'darren lee'; 'Sheila Lee'
Cc: 'STEPHEN MORIARTY'; 'Holl, James'; Patty Labarthe
Subject: Final Pretrial Report
Attachments: Final Pretrial Report_10.pdf

All:

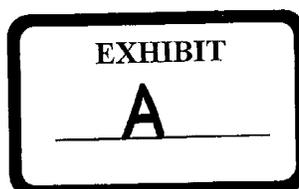
Another revised version of the proposed Final Pretrial Report is attached for your review and consideration. The only differences between this one and the last one is that the paragraph numbering/lettering was corrected in Item 5(A) and a phrase was added to Item 5(A)(2).

This report is still due on Monday. Please let me know as soon as possible if you are agreeable to the report.

In addition, please note that Defendants' and Relief Defendants' contentions are not included in this report because the Judge has issued a ruling finding liability against Defendants and Relief Defendants. The only issue to be determined at trial is what damages and penalties should be ordered against Defendants and Relief Defendants. Therefore, only contentions relating to that issue are relevant.

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tbonnell@securities.ok.gov

12/10/2010



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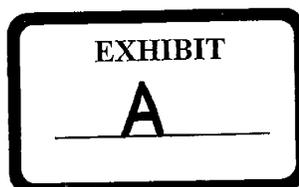
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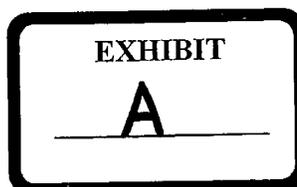
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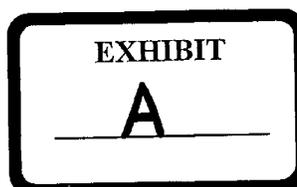
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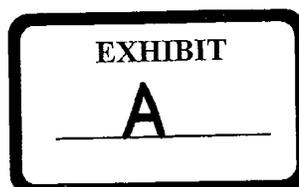
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tbonnell@securities.ok.gov

12/10/2010



Terra Bonnell

From: Ken Lee [klee88@prestigeventures.com]
Sent: Thursday, May 27, 2010 12:24 PM
To: STEPHEN MORIARTY
Subject: Re: Emailing: CFTC v.Prestige-PanAmericaGroup-FederatedAccountStatement

Attachments: Dingxiang withdraw 9500.pdf; Deposit Dec 03.pdf; Dingxiang Lin.pdf; Dingxiang wire request.pdf



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9500.pdf (1...



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Dingxiang Lin.pdf
(11 KB)



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request.pdf (11...

----- Original Message -----

From: "STEPHEN MORIARTY" <SMORIARTY@fellerssnider.com>
To: <klee88@prestigeventures.com>
Sent: Wednesday, May 26, 2010 2:58 PM
Subject: Re: Emailing: CFTC
v.Prestige-PanAmericaGroup-FederatedAccountStatement

> The date of the SRO is immaterial. You are required to turn over all
> PVC and Federated books and records in your possession regardless of
> when they were created.

> -----Original Message-----

> From: Ken Lee <klee88@prestigeventures.com>
> To: MORIARTY, STEPHEN <SMORIARTY@fellerssnider.com>

> Sent: 5/26/2010 1:15:00 PM
> Subject: Re: Emailing: CFTC v.
> Prestige-PanAmericaGroup-FederatedAccountStatement

> The floppy disc I have are prior to the SRO dates. Most of the
> information on them predates the SRO dates as well and is strong
> evidence that I did

> have funds in Prestige Ventures. You are requesting information that
> is

> inclusive of the SRO dates I take it.

> Is this correct.

> ----- Original Message -----

> From: "STEPHEN MORIARTY" <SMoriarty@fellerssnider.com>
> To: "Ken Lee" <klee88@prestigeventures.com>
> Cc: "Katherine Driscoll" <kdriscoll@cftc.gov>;
> <tbonnell@securities.ok.gov>
> Sent: Wednesday, May 26, 2010 11:02 AM
> Subject: Re: Emailing: CFTC v.
> Prestige-PanAmericaGroup-FederatedAccountStatement

>> Thank you.

>> Stephen J. Moriarty, Esq.
>> Fellers, Snider, Blankenship,
>> Bailey & Tippens, P.C.
>> 100 N. Broadway Ave., Suite 1700
>> Oklahoma City, OK 73102
>> Main: 405/232-0621
>> Direct : 405/239-7251

EXHIBIT

B

>> Fax: 405/232-9659

>>

>> e-mail: smoriarty@fellerssnider.com

>>

>>

>>

>> NOTICE: CONFIDENTIAL AND PRIVILEGED COMMUNICATION: The information in
>> this electronic mail, including any attachments, is sent by or on
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>> Thank you.

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>> related penalties or promoting, marketing or recommending any tax
>> related matter to another person.

>>

>>

>>>> Ken Lee <klee88@prestigeventures.com> 5/26/2010 9:59:53 AM >>>
>> You will get the disc and documents. I am making copies for myself
>> now.

>>

>>

>>

>>

>> ----- Original Message -----

>> From: "STEPHEN MORIARTY" <SMoriarty@fellerssnider.com>

>> To: "Ken Lee" <klee88@prestigeventures.com>

>> Cc: "Katherine Driscoll" <kdriscoll@cftc.gov>;

>> <tbonnell@securities.ok.gov>

>> Sent: Wednesday, May 26, 2010 10:57 AM

>> Subject: Re: Emailing: CFTC v. Prestige-PanAmerica

>> Group-FederatedAccountStatement

>>

>>

>>>I would ask that you deliver everything (including documents and
>>>computer disks) in your possession that relates to PVC, Federated or
>> any

>>> other entity named in this case to me immediately as required by the
>> SRO

>>> and the Contempt Order.

>>>

>>> Stephen J. Moriarty, Esq.

>>> Fellers, Snider, Blankenship,

>>> Bailey & Tippens, P.C.

>>> 100 N. Broadway Ave., Suite 1700

>>> Oklahoma City, OK 73102

>>> Main: 405/232-0621

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>>> Fax: 405/232-9659

>>>

>>> e-mail: smoriarty@fellerssnider.com
>>>
>>>
>>>
>>> NOTICE: CONFIDENTIAL AND PRIVILEGED COMMUNICATION: The information
>> in
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>>>
>>>
>>>>> Ken Lee <klee88@prestigeventures.com> 5/26/2010 9:45:42 AM >>>
>>> I can thank you for my finding these documents. They can only be
>> view
>>> by
>>> going through some very old 3.5" floppy disc. They will be made
>>> available to you as soon as I can get them all broken down. I do
>>> not have all the programs on this old computer and it is the one
>>> that recorded them
>> in
>>> the
>>> beginning.
>>>
>>> Do not worry, you will have them. I did not think they even still
>>> existed or you would have had them as I think they are good evidence
>>> that I
>> did
>>> have
>>> funds in the program.
>>>
>>> I think there are still a few on the disc, but it is very difficult
>> to
>>> find
>>> them with out the proper program.
>>>
>>> Thank you,
>>>
>>>
>>> ----- Original Message -----
>>> From: "STEPHEN MORIARTY" <SMoriarty@fellerssnider.com>
>>> To: "Ken" <klee88@prestigeventures.com>
>>> Cc: "Katherine Driscoll" <kdriscoll@cftc.gov>;
>>> <tbonnell@securities.ok.gov>

>>> Sent: Wednesday, May 26, 2010 9:41 AM
>>> Subject: Emailing: CFTC v. Prestige-PanAmerica Group-Federated
>>> AccountStatement
>>>
>>>
>>>> The attached account statement was attached to a pleading you filed
>>>> yesterday with the Court. It purports to be an account statement
>> for
>>> an
>>>> account at PanAmerica Group, Inc. for Prestige Ventures, Corp. I do
>>> not
>>>> believe that you have previously provided a copy of this statement
>> to
>>> me
>>>> though it was clearly covered by the SRO and the Contempt Order
>>> entered
>>>> herein.
>>>>
>>>> I have repeatedly asked you and your family members to provide all
>>>> documentation that support the claims you have made in this case.
>> If
>>>> there are other documents in your possession they must be turned
>>> over
>>>> immediately.
>>>>
>>>> Stephen J. Moriarty, Esq.
>>>> Fellers, Snider, Blankenship,
>>>> Bailey & Tippens, P.C.
>>>> 100 N. Broadway Ave., Suite 1700
>>>> Oklahoma City, OK 73102
>>>> Main: 405/232-0621
>>>> Direct : 405/239-7251
>>>> Fax: 405/232-9659
>>>>
>>>> e-mail: smoriarty@fellerssnider.com
>>>>
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Ken PVC

From: "Dingxiang Lin" <dlin08880@betungind.com>
To: "Ken Lee" klee@prestigeventures.com >
Sent: Sunday, June 29, 2003 10:27 AM
Subject: Open Account

Mr. Ken Lee

The correct amount to send to Taiwan should be \$9,500.00. I will need more soon but not sure now. I know \$200 will be fee for send money. That is ok I will make more in time.

Thank you,

Dingxiang

6/29/2003

Ken Lee

From: Dingxiang Lin [dlin0880@betungind.com]
Sent: Monday, June 23, 2003 3:29 PM
To: Ken Lee <klee@prestigeventures.com>
Subject: Re: Money send to me

Mr. Ken Lee

This is good. I will need money at end of July too and I will tell you early again. I remember talk about \$200.00.

Thank you,

Dingxiang

----- Original Message -----

From: Ken Lee <klee@prestigeventures.com>
To: Dingxiang Lin <dlin0880@betungind.com>
Sent: Monday, June 23, 2003 1:46PM
Subject: RE: Money send to me

Thank you and that will be no problem. I will send it on Monday, June 30, 2003. I will instruct it be sent that morning. I will send from our Panama account and take a position in your account 030518. The accounting will reflect the withdrawal from your 030518 account, but funds will come from Panama. The bank charges \$200.00 to wire funds. The amount you indicated will be sent to you, but it will show that \$9,700.00 was deducted from your account. We discussed this earlier.

From: Dingxiang Lin [mailto:dlin0880@betungind.com]
Sent: Monday, June 23, 2003 9:22 AM
To: Ken Lee <klee@prestigeventures.com>
Subject: Money send to me

Mr. Ken Lee

I will need to have send to me 9500.00 on last day of month this month. Can you do this with no troubles.

Thank you,

Dingxiang

Ken Lee

From: Ricardo Garcia de Paredes [mailto:rgparedes@panamericacapital.com]
Sent: Wednesday, December 03, 2003 3:44 PM
To: 'Ken Lee' <klee@prestigeventures.com>
Subject: RE: Added Funds

I have deposited the funds into your accounts subaccount F2021111-01.

Best regards,

Ricardo Garcia de Paredes
Vice President Investments
PanAmerica Capital, Inc
Tel: 207-8572 Fax: 207-8575

From: Ken Lee [mailto:klee@prestigeventures.com]
Sent: Tuesday, December 02, 2003 10:23 AM
To: Ricardo Garcia de Paredes [mailto:rgparedes@panamericacapital.com]
Subject: RE: Added Funds

Thank you,

From: Ricardo Garcia de Paredes [mailto:rgparedes@panamericacapital.com]
Sent: Tuesday, December 02, 2003 10:22 AM
To: 'Ken Lee' <klee@prestigeventures.com>
Subject: RE: Added Funds

Thank you Ken,

I will be alert to the funds arriving. David and Darren are excellent traders and we would certainly like to have them with us, but understand. I do not know how I will fair in Europe either, but it is a change that I will try to live with.

Best regards,

Ricardo Garcia de Paredes
Vice President Investments
PanAmerica Capital, Inc
Tel: 207-8572 Fax: 207-8575

From: Ken Lee [mailto:klee@prestigeventures.com]
Sent: Monday, December 01, 2003 4:51 PM
To: Ricardo Garcia de Paredes <rgparedes@panamericacapital.com>
Subject: Added Funds

Ricardo,

I just overnighted a deposit of \$100,000.00 to be credited to the account. Instructions are included in the package.

Thank you and I am sorry, yet glad to hear that your group will be moving to Europe. Thanks for the offer to David and Darren and I know they would like to go to Europe but think they will be much inclined to stay here.

Thank you,

Ken PVC

From: "Dingxiang Lin" <dlin08880@betungind.com>
To: "Ken Lee" klee@prestigeventures.com >
Sent: Monday, June 2, 2003 10:27 AM
Subject: Open Account

Mr. Ken Lee

I hope this note find you in excellent health. I am glad you will take my account position and understand why you see to do this. I am in Taiwan all time, but come to USA sometime.

When I want money to me you would wire to people I ask money for? I have bank name for you and will see you the date and amount. I would like to wait for whole month earn before send money. If that ok.

I only be in account short time and you thank for help me with new business. Much money needed to do this and when they need money I will ask you send.

Better for me contact you because I move a lot. I will use code when I let you know much money to send.

I will talk soon with you about friend that want to do same thing. Short investment and money to Japan and China. Maybe next week.

Thank you,

Dingxiang

6/2/2003

Terra Bonnell

From: Ken Lee [klee88@prestigeventures.com]
Sent: Thursday, May 27, 2010 11:24 AM
To: STEPHEN MORIARTY
Subject: Re: Emailing: CFTC v.Prestige-PanAmericaGroup-FederatedAccountStatement

Attachments: Sheila KWL Deposits.pdf; Darren 27320 deposit.pdf; David 25k deposit.pdf; Phone Call Confirmation.pdf; PVC PANAMA OPEN ACCOUNT.pdf



Sheila KWL



Darren 27320



David 25k



Phone Call



PVC PANAMA OPEN

deposits.pdf (10 KB).deposit.pdf (10 K... deposit.pdf (10 KB);onfirmation.pdf (1..ACCOUNT.pdf (1...

I will have more coming later.

They are hard to get loaded to send.

----- Original Message -----

From: "STEPHEN MORIARTY" <SMORIARTY@fellerssnider.com>
To: <klee88@prestigeventures.com>
Sent: Wednesday, May 26, 2010 2:58 PM
Subject: Re: Emailing: CFTC
v.Prestige-PanAmericaGroup-FederatedAccountStatement

> The date of the SRO is immaterial. You are required to turn over all
> PVC and Federated books and records in your possession regardless of
> when they were created.

> -----Original Message-----

> From: Ken Lee <klee88@prestigeventures.com>
> To: MORIARTY, STEPHEN <SMORIARTY@fellerssnider.com>

> Sent: 5/26/2010 1:15:00 PM
> Subject: Re: Emailing: CFTC v.
> Prestige-PanAmericaGroup-FederatedAccountStatement

> The floppy disc I have are prior to the SRO dates. Most of the
> information on them predates the SRO dates as well and is strong
> evidence that I did

> have funds in Prestige Ventures. You are requesting information that
> is

> inclusive of the SRO dates I take it.

> Is this correct.

> ----- Original Message -----

> From: "STEPHEN MORIARTY" <SMoriarty@fellerssnider.com>
> To: "Ken Lee" <klee88@prestigeventures.com>

> Cc: "Katherine Driscoll" <kdriscoll@cftc.gov>;
> <tbonnell@securities.ok.gov>

> Sent: Wednesday, May 26, 2010 11:02 AM
> Subject: Re: Emailing: CFTC v.
> Prestige-PanAmericaGroup-FederatedAccountStatement

>> Thank you.

>> Stephen J. Moriarty, Esq.
>> Fellers, Snider, Blankenship,
>> Bailey & Tippens, P.C.
>> 100 N. Broadway Ave., Suite 1700
>> Oklahoma City, OK 73102
>> Main: 405/232-0621



>> Direct : 405/239-7251

>> Fax: 405/232-9659

>> e-mail: smoriarty@fellerssnider.com

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>> related matter to another person.

>>>> Ken Lee <klee88@prestigeventures.com> 5/26/2010 9:59:53 AM >>>
>> You will get the disc and documents. I am making copies for myself
>> now.

>> ----- Original Message -----

>> From: "STEPHEN MORIARTY" <SMoriarty@fellerssnider.com>
>> To: "Ken Lee" <klee88@prestigeventures.com>
>> Cc: "Katherine Driscoll" <kdriscoll@cftc.gov>;
>> <tbonnell@securities.ok.gov>
>> Sent: Wednesday, May 26, 2010 10:57 AM
>> Subject: Re: Emailing: CFTC v. Prestige-PanAmerica
>> Group-FederatedAccountStatement

>>>I would ask that you deliver everything (including documents and
>>>computer disks) in your possession that relates to PVC, Federated or
>> any
>>> other entity named in this case to me immediately as required by the
>> SRO
>>> and the Contempt Order.

>>> Stephen J. Moriarty, Esq.
>>> Fellers, Snider, Blankenship,
>>> Bailey & Tippens, P.C.
>>> 100 N. Broadway Ave., Suite 1700
>>> Oklahoma City, OK 73102
>>> Main: 405/232-0621
>>> Direct : 405/239-7251
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>>>
>>> e-mail: smoriarty@fellerssnider.com
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>>>>>> Ken Lee <klee88@prestigeventures.com> 5/26/2010 9:45:42 AM >>>
>>> I can thank you for my finding these documents. They can only be
>> view
>>> by
>>> going through some very old 3.5" floppy disc. They will be made
>>> available to you as soon as I can get them all broken down. I do
>>> not have all the programs on this old computer and it is the one
>>> that recorded them
>> in
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>>> beginning.
>>>
>>> Do not worry, you will have them. I did not think they even still
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>>> that I
>> did
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>>> funds in the program.
>>>
>>> I think there are still a few on the disc, but it is very difficult
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>>> find
>>> them with out the proper program.
>>>
>>> Thank you,
>>>
>>>
>>> ----- Original Message -----
>>> From: "STEPHEN MORIARTY" <SMoriarty@fellerssnider.com>
>>> To: "Ken" <klee88@prestigeventures.com>
>>> Cc: "Katherine Driscoll" <kdriscoll@cftc.gov>

>>> <tbonnell@securities.ok.gov>
>>> Sent: Wednesday, May 26, 2010 9:41 AM
>>> Subject: Emailing: CFTC v. Prestige-PanAmerica Group-Federated
>>> AccountStatement
>>>
>>>
>>>> The attached account statement was attached to a pleading you filed
>>>> yesterday with the Court. It purports to be an account statement
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>>> an
>>>> account at PanAmerica Group, Inc. for Prestige Ventures, Corp. I do
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>>>> believe that you have previously provided a copy of this statement
>> to
>>> me
>>>> though it was clearly covered by the SRO and the Contempt Order
>>> entered
>>>> herein.
>>>>
>>>> I have repeatedly asked you and your family members to provide all
>>>> documentation that support the claims you have made in this case.
>> If
>>>> there are other documents in your possession they must be turned
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>>>> immediately.
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>>>> Main: 405/232-0621
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>>>> e-mail: smoriarty@fellerssnider.com
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Ken PVC

From: "Ricardo Garcia de Paredes" <rgparedes@panamericacapital.com>
To: "Ken Lee" <klee@prestigeventures.com>
Sent: Monday, November 11, 2002 2:47 PM
Subject: New Corporate Account

Dear Ken:

I am in receipt of two cashiers checks in the amount of \$30,000.00 and \$60,000.00 each. I will credit them today as they are verified. I understand that you would like four subaccounts in this account 6PVCPG-0618288. I will send those to you after funds are invested.

Enjoy your holiday,

Best regards,

Ricardo Garcia de Paredes
Vice President Investments
PanAmerica Capital, Inc
Tel: 207-8572 Fax: 207-8575

11/11/2002

Ken PVC

From: "Ricardo Garcia de Paredes" <rgparedes@panamericacapital.com>
To: "Ken Lee" <klee@prestigeventures.com>
Sent: Thursday, November 21, 2002 4:07 PM
Subject: New Corporate Account

Dear Ken:

I am in receipt of a cashiers check in the amount of \$25,000.00. It has been credited. I will have the subaccount numbers for you tomorrow.

Going fishing when I leave in a few minutes.

Best regards,

Ricardo Garcia de Paredes
Vice President Investments
PanAmerica Capital, Inc
Tel: 207-8572 Fax: 207-8575

11/21/2002

Ken PVC

From: "Ricardo Garcia de Paredes" <rgparedes@panamericacapital.com>
To: "Ken Lee" <klee@prestigeventures.com>
Sent: Monday, November 18, 2002 1:31 PM
Subject: New Corporate Account

Dear Ken:

I am in receipt of a cashiers check in the amount of \$27,320.00. I will credit it today. I will have the subaccount numbers for you as soon as the fourth check is credited. This will save time and be less confusing to the trading program.

As you can see, the trading is doing nicely.

Best regards,

Ricardo Garcia de Paredes
Vice President Investments
PanAmerica Capital, Inc
Tel: 207-8572 Fax: 207-8575

11/18/2002

Ken PVC

From: "Ricardo Garcia de Paredes" <rgparedes@panamericacapital.com>
To: "Ken Lee" <klee@prestigeventures.com>
Sent: Friday, November 8, 2002 9:29 AM
Subject: New Corporate Account

Dear Ken:

Thank you and I enjoyed our conversation yesterday, and I will be watching for your deposit for the new account. As we discussed, I will apply the two cashiers check to account 6PPVCPG-0618288.

And please alert me when the added deposits are sent and I will be watching for them and notify you as soon as they arrive.

Best regards,

Ricardo Garcia de Paredes
Vice President Investments
PanAmerica Capital, Inc
Tel: 207-8572
Fax: 207-8575

11/8/2002

Ken PVC

From: "Ricardo Garcia de Paredes" <rgparedes@panamericacapital.com>
To: "Ken Lee" klee@prestigeventures.com >
Sent: Wednesday, November 6, 2002 4:08 PM
Subject: New Corporate Account

Dear Sir:

The corporate account is now open. The account information is the following:

PRESTIGE VENTURES, CORP.
Number: [REDACTED] 8288

The information for viewing the account on line is the following:

User: PRESTIGE
Password: [REDACTED]

To view the account online please visit our website and select "your account":
<http://www.Panamericacapital.com/>

Also please review the account information at the following web page very
carefully: <http://www.panamericacapital.com/>

After you have carefully reviewed the information on the web pages I would like to schedule a telephone conversation in order to answer any questions you might have regarding PanAmerica Capital, Inc. and to learn about your investment objectives. Please provide me with an appropriate time and telephone number to call you.

Best regards,

Ricardo Garcia de Paredes
Vice President Investments
PanAmerica Capital, Inc
Tel: 207-8572 Fax: 207-8575

11/6/2002