

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

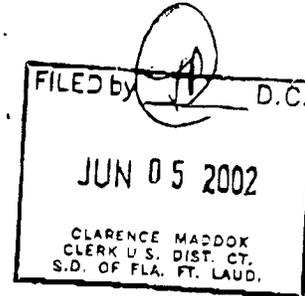
02-60769
CIV-FERGUSON MAGISTRATE JUDGE
SNOW
CIVIL ACTION NO.

COMMODITY FUTURES TRADING :
COMMISSION, :
Plaintiff :

v. :

OFFSHORE FINANCIAL :
CONSULTANTS OF FLORIDA, INC., :
INTERNATIONAL CURRENCY :
MERCHANTS, INC., :
OFFSHORE FINANCIAL :
CONSULTANTS OF GEORGIA, INC., :
GLOBAL FINANCIAL :
CONSULTANTS, INC., :
JUAN CARLOS GOMEZ, :
MARSHALL SHELDON, :
ELAINE KAZANAS, :
THOMAS DESTASIO, and :
WILLIAM AUGELLO, :
Defendants. :

TDD ENTERPRISES, COIN BANK, :
ANTHONY RUSSO, :
LIBERTY FOREIGN INVESTMENTS :
GROUP INC., DANIEL FASCIANA, :
AFFILIATED PAYROLL :
SERVICES INC., JAMES SEXTON, :
JBA LIMITED INC., PICO :
INVESTMENTS AND CONSULTING :
INC., and STEPHEN DELONG :
Relief Defendants. :



FILED UNDER SEAL

STATUTORY RESTRAINING ORDER

Plaintiff, the Commodity Futures Trading Commission ("Commission"), has filed a complaint for permanent injunction and other relief, and moved *ex parte*, pursuant to Section 6c of the Commodity Exchange Act, as amended (the "Act"), 7 U.S.C. § 13a-1 (1994), for a Statutory Restraining Order freezing the assets of defendants and relief defendants, appointing a temporary receiver, ordering defendants to show cause why a permanent receiver should not be appointed and why a preliminary injunction should not be issued, and prohibiting defendants from destroying any business records, books or documents. The Court has considered the pleadings, declarations, exhibits, and memorandum filed in support of the Commission's motion and now being fully advised in the premises finds that:

- (1) this Court has jurisdiction over the subject matter of this case, and Section 6c of the Act, 7 U.S.C. § 13a-1 (1994), authorizes *ex parte* relief;
- (2) there is good cause to believe that defendants, Offshore Financial Consultants of Florida, Inc. ("Offshore Florida"), International Currency Merchants, Inc. ("ICM"), Offshore Financial Consultants of Georgia, Inc. ("Offshore Georgia"), and Global Financial Consultants Inc. ("Global"), Marshall Sheldon ("Sheldon"), Thomas Destasio ("Destasio"), Elaine Kazanas ("Kazanas"), Juan Gomez ("Gomez"), and William Augello ("Augello"), have engaged in, are engaging in, or are about to engage in: fraud in violation of 7 U.S.C. § 6c(b) (1994) and 17 C.F.R. §§ 1.1 and 32.9 (2000); the illegal sale of options contracts in violation of 7 U.S.C. § 6c(b) (1994) and 17 C.F.R. §§32.11 and 33.3(a)(2000); and the failure to make proper disclosures in violation of 17 C.F.R. § 32.5 (2000);
- (3) since April 2001 and possibly earlier, defendants have fraudulently telemarketed foreign currency options contracts to individuals nationwide;

(4) the defendants operated their scheme through a series of interrelated companies constituting a common enterprise ("Offshore Common Enterprise");

(5) the typical Offshore Common Enterprise entity solicits customers for a few months, after which it shuts down and reopens under a new name;

(6) when soliciting members of the public to purchase these options contracts, the defendants make false claims concerning the profitability and risks of these options contracts and failed to disclose known risks associated with these contracts with knowledge that their claims of profitability are false or with reckless disregard for the truth or falsity of these statements;

(7) absent the entry of this statutory restraining order, the defendants are likely to dissipate or transfer assets and destroy business records; and,

(8) this is a proper case for granting a statutory restraining order *ex parte* to preserve the status quo, protect public customers from loss and damage, and enable the Commission to fulfill its statutory duties.

Therefore the Court orders as follows:

DEFINITIONS

For the purposes of this Order, the following definitions apply:

1. The term "document" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 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.

2. "Defendants" means Offshore Florida, ICM, Offshore Georgia, Global, Gomez, Sheldon, Kazanas, Destasio, Augello, and any person who receives actual notice of this Order by personal service or otherwise insofar as he or she is acting in concert or participation with the Offshore Common Enterprise, Gomez, Sheldon, Kazanas, Augello or Destasio.

3. "Relief Defendants" means Coin Bank, TDD Enterprises ("TDD"), JBA Limited Inc. ("JBA"), Affiliated Payroll Services Inc. ("Affiliated"), Pico Investments and Consulting, Inc. ("Pico"), Liberty Foreign Investments Group, Inc. ("Liberty"), Daniel Fasciana ("Fasciana"), Anthony Russo ("Russo"), James Sexton ("Sexton"), Stephen Delong ("Delong"), and any person insofar as he or she is acting in the capacity of an officer, agent, servant, employee, or attorney of Coin Bank, TDD, JBA, Affiliated, Pico, Liberty, Fasciana, Russo, Sexton, Delong, and any person who receives actual notice of this Order by personal services or otherwise insofar as he or she is acting in concert or participation with Coin Bank, TDD, JBA, Affiliated, Pico, Liberty, Fasciana, Russo, Sexton, and Delong.

RELIEF GRANTED

I.

Asset Freeze

IT IS HEREBY ORDERED that defendants and relief defendants, except as otherwise ordered by this Court, are restrained and enjoined from directly or indirectly:

- A. transferring, selling, alienating, liquidating, encumbering, pledging, leasing, loaning, assigning, concealing, dissipating, converting, withdrawing, or otherwise disposing of any assets, wherever located, including assets held in corporate or partnership accounts in which defendants and relief defendants have an interest, except as provided in Paragraphs III and VI of this Order or as otherwise ordered by the Court;

- B. opening or causing to be opened any safe deposit boxes titled in the name of, or subject to access by, the Defendants and Relief Defendants.
- C. Notwithstanding the provisions of this paragraph, defendants shall transfer possession of all assets of the receivership defendants pursuant to paragraph VI of this Order.

II.

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, controls, or maintains custody of any account or asset, or at any time since January, 2001, has held, controlled, or maintained custody of any account or asset of the defendants and relief defendants shall:

- A. Prohibit defendants and relief defendants and all other persons from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling or otherwise disposing of any such asset except as directed by further order of the Court or, as to receivership assets, as directed by the Receiver appointed herein;
- B. Deny defendants and relief defendants and all other persons access to any safe deposit box that is:
 - 1. titled in the name of defendants and relief defendants either individually or jointly; or
 - 2. otherwise subject to access by defendants and relief defendants.

Notwithstanding this Paragraph, the Receiver appointed herein shall be provided with access to any safe deposit box titled in the name of or subject to access by the Offshore Common Enterprise.

- C. Provide the Receiver and counsel for the Commission, within five (5) business days of receiving a copy of this Order, a statement setting forth:
1. the identification number of each and every account or asset titled in the name, individually or jointly, of , or held on behalf of, or for the benefit of, defendants and relief defendants;
 2. 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
 3. the identification of any safe deposit box that is either titled in the name, individually or jointly, of defendants and relief defendants or is otherwise subject to access by defendants and relief defendants;
- D. Upon request by the Receiver and the Commission, promptly provide the Receiver and the Commission 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, 1099 forms, and safe deposit box logs.
- E. Cooperate with all reasonable requests of the Receiver relating to implementation of this Order, including transferring funds at the Receiver's direction and producing records related to defendants' or the relief defendant's accounts.

III.**Accounting**

IT IS FURTHER ORDERED that within three (3) business days following the service of this Order, defendants and relief defendants shall:

- A. Provide the Commission and the Receiver with a full accounting of all funds and assets both within and outside of the United States which are held by defendants and relief defendants, on their behalf, or under their direct or indirect control, whether jointly or singly, or in which they have an interest, and a full accounting of all funds and assets that defendants and relief defendants received from their clients and the ultimate use or current location of those funds or assets;
- B. Provide the Commission with full access to and permit copying of all documents both within and outside of the United States which are held by them, on their behalf, or under their direct or indirect control, or relate to a corporate or partnership entity in which they have an interest;
- C. Transfer to the territory of the United States all funds, documents, and assets located in foreign countries which are held by them, for their benefit, or under their direct or indirect control, whether jointly or singly;
- D. Provide the Commission access to all records of defendants and relief defendants held by financial institutions located both within and outside the territorial United States by signing a Consent to Release of Financial Records; and
- E. Provide the Commission with a complete customer list, including, without limitation, the names, addresses and telephone numbers of all persons who transferred funds to defendants and relief defendants from April 1, 2001 to the present.

IV.

Temporary Receiver

IT IS FURTHER ORDERED that Dale R. Baringer, Esq. is appointed temporary Receiver for the Offshore Common Enterprise and any affiliates or subsidiaries of the Offshore Common Enterprise (hereinafter referred to as the "receivership 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.

V.

Receiver's Duties and Authorization

IT IS FURTHER ORDERED that the Receiver is directed and authorized to accomplish the following:

- A. Assume full control of the receivership defendants by removing defendants, and any officer, independent contractor, employee, or agent of the receivership defendants, from control and management of the affairs of the receivership defendants;
- 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 receivership 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 receivership defendants, including documents related to customers or clients whose interest are now held by or under the direction, possession, custody or control of the receivership defendants;
- C. Take all steps necessary to secure the business premises of the receivership defendants, including but not limited to premises located at 2002 20th Street, Suite

A202, Kenner, Louisiana 70062; and any and all other premises under the control of the 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 customers or clients;
- E. Prevent the withdrawal or misapplication of funds entrusted to the receivership defendants, and otherwise protect the interests of customers or clients;
- F. Manage and administer the receivership defendants 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 receivership 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 assets of the receivership defendants 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 receivership defendant. The Receiver shall deposit all funds of the receivership 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 receivership 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 receivership defendants.

VI.

IT IS FURTHER ORDERED that, 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, assets, property, and all other assets, owned beneficially or otherwise, wherever situated, of the receivership defendants;
- B. Possession and custody of documents of the receivership 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 receivership defendants or on behalf of the receivership defendants' customers;
- 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 receivership defendants, including but not limited to, access to the receivership defendants' 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 receivership defendants.

VII.

IT IS FURTHER ORDERED that defendants, the relief defendant 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 receivership defendants that all debts should be paid directly to the Receiver.

VIII.

IT IS FURTHER ORDERED that except by leave of the Court, during the pendency of the receivership ordered herein, the defendants, the relief defendant and all other persons and entities be and hereby are 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 receivership 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 receivership defendants or any property claimed by the receivership defendants, or attempting to foreclose, forfeit, alter or terminate any of the receivership 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 receivership 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 receivership 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.

IX.

IT IS FURTHER ORDERED that 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 receivership defendants. The Receiver shall file with the Court and serve on the parties 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 Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

X.

IT IS FURTHER ORDERED that, pursuant to 28 U.S.C. § 754 (1994), the Receiver shall file with the Clerk of the Court a bond in the amount of \$ 5,000.00 with sureties to be approved by the Court, conditioned that the Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs.

XI.**Maintenance of and Access to Business Records**

IT IS HEREBY ORDERED that the defendants, the relief defendant, and all persons or entities who receive notice of this Order by personal service or otherwise, are 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 any defendant or relief defendants.

XII.**Inspection and Copying of Books and Records**

IT IS FURTHER ORDERED that representatives of the Commission be immediately allowed to inspect the books, records, and other documents of the defendants and the relief defendant and their agents including, but not limited to, paper documents, electronically stored data, tape recordings, and computer discs, wherever they may be situated and whether they are in the possession of the defendants or the relief defendant or others, and to copy said documents, data and records, either on or off the premises where they may be situated.

XIII.**Expedited Discovery**

IT IS FURTHER ORDERED that the parties and the Receiver are granted leave, at any time after service of this Order, to take the deposition of and demand the production of documents from any person or entity for the purpose of discovering the nature, location, status, and extent of assets of the defendants and the relief defendant, and the location of documents

reflecting the business transactions of the defendants and the relief defendant; forty-eight (48) hours notice shall be deemed sufficient for any such deposition and five (5) days notice shall be deemed sufficient for the production of any such documents.

XIV.

IT IS FURTHER ORDERED that the limitations and conditions set forth in Federal Rule of Civil Procedure 30(a)(2)(B) regarding subsequent depositions of an individual shall not apply to depositions taken pursuant to this Order. No depositions taken pursuant to paragraph XV shall count towards the ten deposition limit set forth in Federal Rule of Civil Procedure 30(a)(2)(A).

XV.

IT IS FURTHER ORDERED that pursuant to Federal Rule of Civil Procedure 30(a)(2), the parties and the Receiver are granted leave to take the depositions of defendants confined in prison.

XVI.

Service on the Commission

IT IS FURTHER ORDERED that the defendants and the relief defendant shall serve all pleadings, correspondence, notices required by this Order, and other materials on the Commission by delivering a copy to Lael Campbell, Trial Attorney, Division of Enforcement, Commodity Futures Trading Commission, 1155 21st Street, N.W., Washington, D.C. 20581.

XVII.

Service of Order

IT IS FURTHER ORDERED that copies of this Order may 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 and relief defendants or that may be subject to any provision of this Order, and, additionally, that Vincent McGonagle, Lael Campbell,

Michael Lee and Mary Kaminski are specially appointed by the Court to effect service. Service of the summons, Complaint or other process may be effected by U.S. Marshal or deputy U.S. Marshal, or in accordance with Fed. R. Civ. P. 4.

XVIII.

Order to Show Cause

IT IS FURTHER ORDERED that the Defendants and Relief Defendants shall appear before this Court on the 14th day of June, 2002, at 1:30 P.M., before the Honorable Wilkie D. Ferguson, Jr. at the United States Courthouse for the Southern District of Florida at Fort Lauderdale, Florida, to show cause why this Court should not enter a Preliminary Injunction enjoining the Defendants and Relief Defendants from further violations of the Act, and ordering any additional relief this Court deems appropriate. Should any party wish to file a memorandum of law or other papers concerning the issuance of a Preliminary Injunction against the Defendants and Relief Defendants, such materials shall be filed, served and received by all parties at least two (2) days before the hearing ordered above.

XIX.

Force and Effect

IT IS FURTHER ORDERED that 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.

SO ORDERED, at Fort Lauderdale, Florida on this 5 day of June 2002, at 4:45 PM

William P. Dimitrouleas

UNITED STATES DISTRICT JUDGE
William P. Dimitrouleas for

Wilkie Ferguson