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JUL 27 2004  
CLERK U.S. DISTRICT COURT  
DISTRICT OF ARIZONA  
BY \_\_\_\_\_ DEPUTY

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JUL 29 2004  
CLERK U.S. DISTRICT COURT  
DISTRICT OF ARIZONA  
BY \_\_\_\_\_ DEPUTY

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

Securities and Exchange Commission,  
Plaintiff,  
vs.  
Ronald Stephen Holt, et al  
Defendants and Relief Defendants

CV 03-1826 PHX PGR

Cause No. CV 03-1825 PHX PGR

Commodities Futures Trading  
Commission,  
Plaintiff,  
vs.  
International Funding Association, et al  
Defendants.

Consolidated for Hearing on Motions for  
Contempt with

Cause No. CV 03-1826 PHX PGR

CIVIL

**ORDER HOLDING RONALD HOLT IN CONTEMPT OF COURT**

The Court consolidated for hearing and on June 28, 2004 and July 27, 2004, conducted a hearing on the *Joint Motion for an Order to Show Cause and an Order Holding Defendant Ronald Stephen Holt in Contempt, the Supplemental Joint Motion for an Order to Show Cause and an Order Holding Defendant Ronald Stephen Holt in Contempt, and the Second Supplemental Joint Motion for an Order to Show Cause and an Order Holding Defendant Ronald Stephen Holt in Contempt* filed by the Receiver and the Securities and Exchange Commission in *Securities and Exchange Commission v. Holt et al*, cause number CV03-1825 PHX PGR ("SEC Action"), and the *Plaintiff's Motion to*

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1 *Show Cause as to Defendants Ronald S. Holt, Cambridge Global Group and Global*  
2 *Management Group*, filed by the Commodities Futures Trading Commission and the  
3 *Second Supplemental Joint Motion for and Order to Show Cause and Order Holding*  
4 *Defendant Ronald Stephen Holt in Contempt* filed by the Commodities Futures Trading  
5 Commission and the Receiver in the related case *Commodities Futures Trading*  
6 *Commission v. International Funding Association etc*, cause number CV03-1826 PHX  
7 PGR (“CFTC Action”). In consideration of the evidence introduced and the arguments  
8 by the parties, the Court finds <sup>BY CLEAR AND CONVINCING EVIDENCE</sup> as follows: ARL

9       1.     On September 18, 2003, the Securities and Exchange Commission filed its  
10 Complaint in the SEC Action alleging violations of the federal securities laws by  
11 Defendant Ronald Stephen Holt and others (“SEC Action”).

12       2.     In a related action, on September 18, 2003 the Commodities Futures  
13 Trading Commission (“CFTC”) filed suit in the CFTC Action alleging violations of the  
14 federal laws governing commodities by Defendant Ronald Stephen Holt and others  
15 (“CFTC Action”).

16       3.     On that same date, this Court granted the plaintiffs’ requests for *ex parte*  
17 temporary restraining order, including an asset freeze, and other equitable relief against  
18 the named defendants and relief defendants. Additionally, the Court granted motions for  
19 the appointment of a receiver in each action, appointing Lawrence J. Warfield as receiver  
20 to marshal and preserve the assets of the Defendant Holt, Pacific Central Asset  
21 Management, and others for the benefit of the victims of the fraudulent schemes alleged  
22 in each action.

23

1           4.     Defendant Holt filed in the SEC Action a *Motion to Dissolve* the temporary  
2 restraining order, which the Court heard and denied on September 25, 2003. During the  
3 hearing on the *Motion to Dissolve*, Holt testified under oath that as the manager of  
4 International Funding Association he personally wire transferred at least \$3,000,000 of  
5 investor funds to overseas accounts.

6           5.     On September 29, 2003, the Court granted the motions of the Commission  
7 and the CFTC and entered preliminary injunctions in each case.

8           6.     The *Order of Preliminary Injunction Freezing Assets and Orders Requiring*  
9 *an Accounting, Requiring Preservation of Documents and Requiring Repatriation of*  
10 *Assets* entered in the SEC Action, among other things, enjoined Defendant Holt from  
11 transferring any interest in the assets of the defendants or relief defendants; ordered  
12 Defendant Holt to file an accounting listing all bank and securities accounts and other  
13 assets, and ordered Defendant Holt to return to identified accounts in the United States of  
14 America all monies and liquid assets held outside this Court's jurisdiction.

15          7.     Later the Court entered in this case an *Amended Order Appointing Receiver*  
16 dated November 6, 2003, which among other things, ordered Defendant Ronald Holt to  
17 promptly deliver to the Receiver all Receivership Assets in the possession or control of  
18 any of the defendants or relief defendants, enjoined Defendant Holt from interfering with  
19 the Receiver or disturbing the Receivership Assets, and enjoined Defendant Holt from  
20 filing any actions or proceedings which affect Receivership Assets.

21          8.     Defendant Holt had actual notice of the above orders either directly or  
22 through his counsel.

23

1           9.     On October 30, 2003, in the SEC Action Holt filed and swore to under  
2 oath his own personal accounting ("Holt Accounting"), which states:

3                     Pursuant to the Order of the Court filed October 1, 2003, requiring the filing of  
4 a complete accounting under oath from certain Defendants and Equitable  
5 Defendants, the following is Defendant Ronald Stephen Holt's Accounting in  
6 seriatim with reference to page 6 of said Order:

7                     (1) "... detailing all monies and other benefits which he received,  
8 directly or indirectly, as a result of the sale of any security. . .":

9                     **Answer:** \$00.00

10                    (2) "... listing all current assets. . .":

11                    **Answer:** a) Clothing, jewelry, and personal care items, of the value of  
12 approximately \$3,000.

13                    b) Investments in International Funding Association. Amount  
14 unknown.

15                    (3) "... listing all accounts with any financial or brokerage  
16 institution. . .":

17                    **Answer:** Bank One Joint Account with Annette Holt, Phoenix,  
18 Arizona; Account #1338-5659, Balance \$50.

19           10.     On October 30, 2003, in the SEC Action Holt filed and swore to under  
20 oath, as its manager, an accounting of Pacific Central Asset Management ("PCMA  
21 Accounting"), which states:

22                     Pursuant to the Order of the Court filed October 1, 2003, requiring the filing of  
23 a complete accounting under oath from certain Defendants and Equitable  
24 Defendants, the following is Equitable Defendant Pacific Central Asset  
25 Management's Accounting in seriatim with reference to page 6 of said Order:

26                     (1) "... detailing all monies and other benefits which he received,  
27 directly or indirectly, as a result of the sale of any security. . .":

28                     **Answer:** \$00.00

29                     (2) "... listing all current assets. . .":

30                     **Answer:**   a) 3x4 wheeler's (ATV's); Polaris-Scramblers; Approximate  
31 Value \$400 each

32                     b) 2 x storage and transport trailers:

33                                     -12 foot Braco; Approximate Value \$1,000

34                                     -25 foot Week-ENDER; Approximate Value \$8,500

35                     c) 1999 GMC Yukon, Approximate Value \$8,500

36                     d) 1999 GMC Suburban, Approximate Value \$8,000.

37                     (3) "... listing all accounts with any financial or brokerage  
38 institution. . .":

1                   **Answer:** Bank One, Scottsdale, AZ; Account #1106-5213.  
2                   Approximately \$50.00.

3                   11.     On October 30, 2003, in the SEC Action Holt filed and swore to under  
4                   oath, as its manager, an accounting of Leonora Street which states that the Leonora  
5                   Street Property is an asset of the Leonora Street Trust, a receivership entity, subject to  
6                   reconveyance by Rose Holt, in recognition that the property had previously been  
7                   transferred from the Trust to Rose Holt. On October 1, 2003 the Court in the SEC  
8                   Action entered its *Order of Preliminary Injunction Freezing Assets and Orders Requiring*  
9                   *an Accounting, Requiring Preservation of Documents and Requiring Repatriation of*  
10                  *Assets*, which found among other things that the Leonora Street Property was a  
11                  Receivership Asset. On November 6, 2003, the Court entered in the SEC Action its  
12                  *Amended Order Appointing Receiver* which among other things ordered that the Leonora  
13                  Street Property was a Receivership Asset. Finally, on December 15, 2003, Rose Holt,  
14                  Defendant Holt's mother, conveyed by Quit Claim Deed to the Receiver all of her  
15                  interests in the Leonora Street Property.

16                  12.     Commencing in August, prior to the filing of the Complaints in the SEC  
17                  Action and the CFTC Action, Holt, negotiated for the purchase of an apartment complex  
18                  in Chandler, Arizona for \$32,500,000. After the above actions had been filed and served  
19                  on Holt, Holt presented an offer to purchase the apartment complex and indicated his  
20                  intention and ability to make an earnest money deposit in the amount of \$23,345,000  
21                  toward the purchase of the apartment complex. The Holt Accounting filed by Defendant  
22                  Holt makes no mention of his possession or control of the above funds. Holt's failure to  
23

1 accurately account for all assets is a violation of the *Amended Order Appointing Receiver*  
2 and the *Order of Preliminary Injunction*.

3 13. During the hearing before this Court on September 25, 2003, Holt testified  
4 that he was the manager of International Funding Associates and he admitted  
5 responsibility for transferring at least \$3 million of investors' funds to overseas accounts,  
6 though he claimed he was not certain where the funds were at the time of the hearing.

7 14. On March 16, 2004, Holt made his initial disclosures in the SEC Action as  
8 provided under Fed.R.Civ.P. 26(a)(1), in which he included a document evidencing  
9 Holt's knowledge of the existence, location and control of \$3 million of investors' funds.

10 15. On April 22, 2004, the Receiver made demand on Holt, through his counsel  
11 of record, to return those funds to the United States and turn them over to the Receiver.  
12 Holt has refused to comply with or even acknowledge the Receiver's demand. Holt's  
13 failure to repatriate investors' funds and turn them over to the Receiver is a violation of  
14 the *Order of Preliminary Injunction*.

15 16. On February 24, 2004, Holt in the presence of his counsel made an offer to  
16 settle the SEC Action, the CFTC Action and the Investor Lawsuit by paying \$3 million.  
17 He indicated at the time that the funds would be raised from friends and relatives.  
18 However, at his deposition on July 26, 2004, Holt testified that he assumed that the \$3  
19 million to be paid in the settlement would come from the \$3 million of investor funds  
20 previously transferred offshore.

21 17. On March 11, 2004, counsel for the Receiver demanded that Holt turnover  
22 certain receivership assets consisting of various vehicles and trailers, including a 1999

23

1 GMC, VIN: 1GKEK13R8XR921618 and a 1999 GMC, VIN: 3GKGK26J1XG514096  
2 then titled in the name of Pacific Central Asset Management, a receivership defendant.

3 18. Following the Receiver's turnover demand, Holt signed Certificates of Title  
4 and filed with the Arizona Department of Motor Vehicles applications to transfer to an  
5 entity controlled by Holt, title to the following two receivership assets: a 1999 GMC,  
6 VIN: 1GKEK13R8XR921618 and a 1999 GMC, VIN: 3GKGK26J1XG514096. This  
7 conduct is a violation of the *Amended Order Appointing Receiver* and the *Order of*  
8 *Preliminary Injunction*.

9 19. On or about January 7, 2004, Holt attempted to close a bank account titled  
10 in the name of Pacific Central Asset Management, a receivership defendant, by making a  
11 written demand to Bank One to close the bank account and issue a certified check to Holt  
12 for the remaining funds in the account. This conduct is a violation of the *Amended Order*  
13 *Appointing Receiver* and the *Order of Preliminary Injunction*.

14 20. On or about May 10, 2004, Holt commenced and prosecuted an action  
15 entitled *Notice of International Commercial Claim in Admiralty Administrative Remedy*  
16 naming as Respondents the Receiver, his counsel and members of the Receiver's staff,  
17 and the SEC, its staff, and finally the judge of this Court. In this action, Holt requests  
18 compensatory and punitive damages against each of the named respondents in excess of  
19 \$217 billion. As required by the *Amended Order Appointing Receiver*, Holt did not seek  
20 the permission of this Court before commencing and prosecuting the *Notice of*  
21 *International Commercial Claim in Admiralty Administrative Remedy*, and accordingly  
22 has violated the provisions of the *Amended Order Appointing Receiver* and the *Order of*  
23 *Preliminary Injunction*.

1           21. On or about June 14, 2004, Holt filed three complaints with the District  
2 Clerk in the District of Arizona captioned as follows: *Ronald Stephen Holt, et al. vs.*  
3 *Marshall Gandy, et al.*, Cause No. 04-CV-1212-PHX (ROS); *Ronald Stephen Holt, et al.*  
4 *vs. Susanne E. Ingold, et al.*, Cause No. 04-CV-1213-PHX (JAT); and *Ronald Stephen*  
5 *Holt, et al. vs. Timothy Mulreany, et al.*, Cause No. 04-CV-1214- PHX (JAT). In these  
6 actions Holt names as plaintiffs, himself, his wife, relief defendant Annette Holt and  
7 certain receivership entities, including American Assets Ltd. Trust Co., Dover Childrens  
8 Trust, Clarendon Avenue Holding Trust, Dublin Holding Trust, Pacific Central Asset  
9 Management and American Benefit Card Services. This conduct is a violation of the  
10 *Amended Order Appointing Receiver* and the *Order of Preliminary Injunction*.

11           22. Defendant Holt, in violation of the *Amended Order Appointing Receiver*  
12 and the *Order of Preliminary Injunction*, has recently filed the following lawsuits:

13           a. On April 2, 2004, Holt filed a complaint for quiet title styled *Holt v.*  
14 *Pacific Asset Management Trust, et al*, CV2004-090855, seeking to quiet title to  
15 the following personal property constituting Receivership Assets: (1) 1999 GMC  
16 Yukon Denali Truck, (2) 1999 GMC Suburban Truck, (3) 2000 Weekender Travel  
17 Trailer, (4) 1999 Braco Box Trailer with spare tire, (5) three Polaris Scrambler  
18 Four-wheeler motorcycles with spare parts, helmets, extra dune tires and four 5-  
19 gallon plastic gasoline cans, and (6) two Yamaha Wave Runners with Zieme  
20 hauling trailer, life vests, tow ropes, ski ropes, four 5-gallon plastic gasoline cans  
21 and a spare tire.

22           b. On April 2, 2004, Holt filed a complaint styled *Holt v. All Persons*  
23 *Unknown, et al*, CV2004-090854, seeking to quiet title to the real property located

1 at 3719 East Leonora Street, Mesa, Arizona, which the Court has previously  
2 determined is a Receivership Asset.

3 c. On April 22, 2004, Holt filed a complaint styled *Holt v. All Persons*  
4 *Unknown, et al*, CV2004-091066, seeking to quiet title to the real property located  
5 at 1014 West Hackamore Street, Mesa, Arizona 85201, a property in which Holt  
6 claims an interest.

7 d. On April 22, 2004, Holt filed a complaint styled *Holt v. All Persons*  
8 *Unknown, et al*, CV2004-091067, seeking to quiet title to the real property located  
9 at 3134 East McKellips Road, Unit 14, Mesa, Arizona, a property in which Holt  
10 claims an interest.

11 e. On May 3, 2004, Holt filed a complaint styled *Holt v. All Persons*  
12 *Unknown, et al.*, CV 2004-091178, seeking to quiet title to the real property  
13 located at 1605 East Javelina Circle, Mesa, Arizona 85204, a property in which  
14 Holt claims an interest.

15 23. At the hearing in this matter Holt testified as to some matters and as to  
16 others refused to testify by invoking his Fifth Amendment Privilege. In response to  
17 several critical questions, Holt testified that he didn't remember or was not certain.  
18 When asked whether it was his signature that appeared on the demand to Bank One he  
19 testified that he was uncertain. The Court finds that this testimony was untrue and  
20 deliberately calculated by Holt to mislead the Court and the parties as to whether he had  
21 in fact signed the document. Likewise, when asked whether the \$3 million he transferred  
22 offshore was still in an account offshore, he again testified he could not remember the  
23 names of the financial institutions to which the funds were transferred. Holt further

1 testified in his deposition that records of the offshore bank to which he transferred  
2 investor funds had been destroyed by a fire at the bank and that Holt's own records of  
3 these transfers were stolen from a briefcase in his garage by an unidentified burglar. The  
4 court finds this testimony and Holt's explanations unworthy of belief. The Court finds  
5 that Holt in fact made the demand to Bank One and that he knows the whereabouts of the  
6 \$3 million previously transferred offshore and the identity of the person or persons who  
7 control these funds.

8         24. The above conduct constitutes contempt of this Court and the Court finds  
9 that Holt has failed to establish the defense of impossibility

10         25. As further evidence of his contempt for the orders of this court, Holt  
11 testified that he did not believe that this Court had jurisdiction to entertain these actions,  
12 that the Court had improperly denied his motions to dismiss and, therefore Holt was not  
13 bound by the orders of this Court.

14         NOW THEREFORE IT IS ORDERED holding Ronald Stephen Holt in contempt  
15 of Court.

16         IT IS FURTHER ORDERED that Ronald Stephen Holt be remanded into the  
17 custody of the United States Marshal and taken to the nearest detainment facility and  
18 there incarcerated until such time as he fully complies with the Court's *Order of*  
19 *Preliminary Injunction Freezing Assets and Orders Requiring an Accounting, Requiring*  
20 *Preservation of Documents and Requiring Repatriation of Assets* dated September 29,  
21 2003 and the Court's *Amended Order Appointing Receiver* dated November 6, 2003. In  
22 order to purge his contempt, Defendant Ronald Stephen Holt shall:

23

1           1.     Turn over to the Receiver all Receivership Assets, whether located within  
2 or outside the United States, including without limitation the \$3 million that Holt  
3 previously transferred offshore.

4           2.     Execute all documents necessary to vest the Receiver with clear title to the  
5 following vehicles:

6                   (a)    A 1999 GMC, VIN: 1GKEK13R8XR921618; and

7                   (b)    A 1999 GMC, VIN: 3GKGK26J1XG514096.

8           3.     Dismiss each of the following three lawsuits pending in the United States  
9 District Court for the District of Arizona:

10                   (a)    *Holt et al. v. Gandy et al.*, 04-CIV-1212;

11                   (b)    *Holt, et al. vs. Susanne E. Ingold, et al.*, 04-CV-1213;

12                   (c)    *Holt, et al. vs. Timothy Mulreany, et al.*, 04-CV-1214.

13           4.     Dismiss each of the following five lawsuits pending in the Arizona  
14 Superior Court for Maricopa County:

15                   (a)    *Holt v. Pacific Asset Management Trust, et al*, CV2004-090855;

16                   (b)    *Holt v. All Persons Unknown, et al*, CV2004-090854;

17                   (c)    *Holt v. All Persons Unknown, et al*, CV2004-091066;

18                   (d)    *Holt v. All Persons Unknown, et al*, CV2004-091067;

19                   (e)    *Holt v. All Persons Unknown, et al.*, CV 2004-091178.

20           5.     Execute a Notice in a form approved by the Court vacating and  
21 withdrawing the *Notice of International Commercial Claim in Admiralty Administrative*  
22 *Remedy* dated May 6, 2004, and any other similar documents issued by Ronald Holt and  
23 delivering same to all persons who received the original documents.

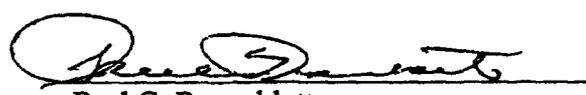
1           6. Acknowledge to the Court that he is bound by, and will fully comply with,  
2 all orders of the Court in the SEC Action and the CFTC Action.

3           IT IS FURTHER ORDERED that any pleadings previously filed in the SEC  
4 Action or in the CFTC Action by Ronald Stephen Holt <sup>EXCEPT AS TO THOSE MATTERS HE LEAVES TO HIMSELF</sup> are hereby stricken.

5           IT IS FURTHER ORDERED that Defendant Ronald Stephen Holt is enjoined  
6 from, directly or indirectly, issuing any notice of claim or other similar document, or  
7 initiating any litigation or proceeding against the Receiver or his agents;

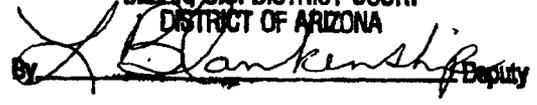
8           IT IS FURTHER ORDERED that Defendant Ronald Stephen Holt shall  
9 immediately transfer to the Receiver all Receivership Assets, including all funds and  
10 other assets obtained or derived from the activities described in the complaints filed in the  
11 SEC Action and the CFTC Action.

12           Dated July 27, 2004

14   
15 Paul G. Rosenblatt  
16 United States District Judge

17 I hereby attest and certify on 7-29-04  
18 that the foregoing document is a full, true and correct  
19 copy of the original on file in my office and in my custody.

19 0835-018 (28724)

20 CLERK, U.S. DISTRICT COURT  
21 DISTRICT OF ARIZONA  
22  Deputy