

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA

FILED

MAR 26 2010

ROBERT J. DENNIS, CLERK
U.S. DIST. COURT, WESTERN DIST. OF OKLA.
BY W DEPUTY

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)

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

Relief Defendants,)

Case No. 09-CV-1284 (DLR)

Relief Defendant David A. Lee,
Sheila M. Lee and Darren A. Lee's
Response to (PROPOSED) ORDER
GRANTING PLAINTIFF
COMMISSION'S MOTION TO
THE *EX PARTE* STATUTORY
RESTRAINING ORDER

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

1. I am not a polished attorney nor do I represent myself to have any skills in such matters. I am having to represent myself as no attorney would take this matter as they were concerned that they would have to turn any monies paid to them to the receiver.

2. As stated in **(PROPOSED) ORDER GRANTING PLAINTIFF COMMISSION'S MOTION TO AMEND THE *EX PARTE* STATUTORY RESTRAINING ORDER** there is no evidence or cause to believe that David A. Lee is engaged or about to engage in acts and practices constituting violations of the Act. David Lee has not spoken to or communicated with any of the customers of this case ever.

3. There is no cause to believe that David A. Lee, Darren Lee or Sheila Lee have received, are receiving or about to receive funds, assets, or property as a result of Defendant Kenneth Lee's violative acts and practices or that they have or will unjustifiably be enriched. Each of the above-mentioned persons contributed funds of their own and received only what they had earned or added to any trading programs. Each named individual has a legitimate interest or entitlement to these funds, assets, or property received through the course of day to day operations. These funds should be returned to the parties above and all bank accounts and property be released to Relief Defendants control as there is no evidence of any wrong doing on their part.

4. There is no 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. Relief Defendant David Lee has never indicated nor attempted to dispose of any assets during this process before the Court. Defendant Kenneth Lee has indicated several times that he would like to have the chance to earn cash from trading commodities to repay customers. Defendant Kenneth Lee is still willing and capable of doing this, given permission by the Court. Defendant Kenneth Lee is a capable trader and can earn these funds. Defendant Kenneth Lee earned large returns from 2003 to 2005 before market conditions and withdrawals along with huge margin increases caused large losses. Profits and only the portion earned were taken on part of Defendant Kenneth Lee's earnings and paid to Relief Defendant David Lee for household expenses and other items.

5. There is no cause for 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 anyone from destroying any records or denying Commission representatives access to inspect and copy records to ensure that Commission representatives have immediate and complete access to those books records. Defendant Kenneth Lee and Relief Defendant David Lee have given to the Commission and Receiver all records held by Defendant Kenneth Lee and Relief Defendant David Lee or any other person or persons. All customer funds invested information was given to the Receiver, and this information was from the customer. Defendant Kenneth Lee asked all customers to indicate the amounts they invested and received back from Defendant Kenneth Lee and this information was presented to the Receiver along with a complete list of all customers. Defendant Kenneth Lee and Relief Defendant David Lee do not

hold any additional records pertaining to this matter. There is no evidence that Relief Defendant David Lee, Relief Defendant Darren Lee or Relief Defendant Sheila Lee have ever destroyed any records or hidden any records from the Receiver or Commission. There are no records nor have we ever held any such records. There is also no cause for a Receiver to be appointed to control the assets of Relief Defendants in this matter.

6. There is no cause to appoint a Receiver for Relief Defendants David Lee, Darren Lee and Sheila Lee as Relief Defendants were not a part of Prestige Ventures or Federated Management. Any and all funds received by Relief Defendants were rightfully earned by their investments and rightfully belonged to Relief Defendants. Defendant Kenneth Lee has represented to the Receiver and Commission that he would like the opportunity to earn the funds, as Defendant Kenneth Lee had always intended, and have the investors paid back the amounts invested. Defendant Kenneth Lee requested a time period to accomplish this and indicated that all funds would be directly under the control of the Court or Receiver for the duration of time required to make restitution. This seemed, to Defendant Kenneth Lee, that it was the best way to have the investors repaid and resolve the matter. By taking all assets from Defendant Kenneth Lee and Relief Defendants would only limit the amounts the investors would receive.

7. There is no cause to make an accounting to determine the location and disposition of any customer's funds as Defendant Kenneth Lee has already provided this information to the Commission and Receiver. All bank records, trading account information and funds have been frozen by the Court and are available to the Receiver and Commission. Relief Defendants hold no records and have never held any records related to this matter.

8. Defendant Kenneth Lee executed a document styled **[PROPOSED] CONSENT**

ORDER OF PRELIMINARY INJUNCTION AND OTHER EQUITABLE RELIEF and

ask that the Court consider this document to show that Defendant Kenneth Lee's intentions were always to repay to all customers who invested with Prestige and Federated and thought it was the fastest way to begin the process. It was represented to Defendant Kenneth Lee that it would be in his best interest and benefit to execute this document and would speed things along. Relief Defendants never solicited funds from customers or any other persons.

9. There is no cause to believe or indicate that Defendant Kenneth Lee paid to David Lee, Sheila Lee and Darren Lee any funds that rightfully belong to Prestige or Federated. To imply that no funds were rightfully Defendant Kenneth Lee's and Relief Defendants David Lee, Darren Lee and Sheila Lee's is not correct and not in keeping with industry standards of not having to repay rightfully earned profits.

RELIEF

I.

10. Relief Defendants David Lee, Darren Lee and Sheila Lee are asking the Court to grant relief from the current order and allow Defendant Kenneth Lee to trade through PFGBest Brokerage firm, where funds are held presently, and repay customers through the Court or Receiver. Relief Defendant David Lee respectfully request that the Court grant this request. Given the chance to trade, it would improve the returns to all investors which should be the most important part of these proceedings. Plaintiff has indicated being in favor of settling this matter. By allowing Defendant Kenneth Lee to trade and continue his efforts to repay would be the most profitable method of doing this. Contrary to the belief of Receiver and Commission Defendant Kenneth Lee is a capable trader and given the chance Defendant Kenneth Lee can accomplish

this.

11. Relief Defendant David Lee is not hiding or holding any assets from the Court, Commission or Receiver and has indicated this to the Commission and Receiver. There are no assets outside the United States and never have been any assets outside the United States. Relief Defendant David Lee asks that any further discovery be stayed as there are no documents or information available to any Relief Defendants other than that which has been presented.

12. Relief Defendant David Lee ask the Court to stay any receivership ordered and allow the funds in PFGBest trading account to be used to invest for the customers benefit. Also, Relief Defendant David Lee ask that any Contempt of Court charges by stayed as we have complied with orders received from the Receiver and Commission. Relief Defendants have been inundated with Orders, Motions and other legal documents from the Receiver and Commission and had no idea that we could address the court in this matter. No documents exist other than those already presented and all properties owned by either Relief Defendant David Lee, Darren Lee and Sheila Lee are rightfully theirs and not purchased with funds from investors, but were purchased with earned profits from Relief Defendants personal investments. It has been presented to the Court that large amounts have been paid to Relief Defendant David Lee, Sheila Lee and Darren Lee were from funds provided by investors, this is not true, all funds received were rightfully Relief Defendants. Nowhere is it deemed necessary to return earned trading profits that have been paid after losses are encountered. It is not done on Wall Street nor should it be considered in this case.

I beg the Courts favorable ruling in this request for stay of executing any receivership and contempt charges of any property Relief Defendant David Lee has have. Relief Defendants

David Lee, Darren Lee and Sheila Lee deposited their own funds and earned profits to purchase their homes, vehicles and a small fishing boat from 2003 to 2006. These funds were made available to them and they made the purchases. I also request that Relief Defendant David Lee be dismissed from this case as Relief Defendant has no knowledge of any matters involving operations or trading or investors. Relief Defendant David Lee also earned profits from investments and they are rightfully Relief Defendants. Relief Defendants profits should not be considered differently than other investors

I thank the Court for its time and patience in this filing as I realize it is not polished and correct in every legal respect.

Conclusion

For all the reasons stated above the Relief Defendant respectfully requests that the Court approve Relief Defendants David Lee's Motion to be excluded from proceedings and Stay and release all funds frozen in my personal bank account. Also, grant permission for Defendant Kenneth Lee to trade again for investors for the purpose of repayment, and deny the Plaintiff's Motion for **(PROPOSED) ORDER GRANTING PLAINTIFF COMMISSION'S MOTION TO AMEND THE *EX PARTE* STATUTORY RESTRAINING ORDER**

Dated: March 23, 2010

Respectfully Submitted,



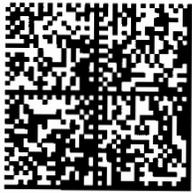
David A. Lee
2676 Palmetto Hall Blvd
Mt Pleasant, SC 29466
843-814-3255

CERTIFICATE OF SERVICE

I hereby certify that, on March 23, 2010, I caused one copy of **Relief Defendant David A. Lee, Sheila M. Lee and Darren A. Lee's Response to (PROPOSED) ORDER GRANTING PLAINTIFF COMMISSION'S MOTION TO THE *EX PARTE* STATUTORY RESTRAINING ORDER** 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



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MAR 26 2010

Clerk, U.S. District Court
WEST. DIST. OF OKLA.

Clerk, US District Court
200 NW 4th Street
Oklahoma City, OK 73102

FIRST CLASS

Palmetto Hall Blvd.
Leasant, SC 29466

