

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA

FILED
MAR 26 2010

ROBERT D. 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)
)
 SHEILA M. LEE, an individual, DAVID A.)
 LEE, an individual, and DARREN A. LEE,)
 an individual,)
)
 Relief Defendants,)

Case No. 09-CV-1284 (DLR)

Defendant Kenneth Wayne Lee's
Opposition to Plaintiffs' Objection to
Defendants Motion to Stay
Receivership of Any Property Owned
by Kenneth Wayne Lee, Sheila M.
Lee, Darren A. Lee and David A. Lee
and Allow Defendant Lee to Trade
for the Account of Investors for
Purposes of Repayment

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

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.

Defendant Lee does not deny that time has passed since he was served with the Statutory Restraining Order, Lee attempted to obtain the services of an attorney, but was unable to do so as no funds for such were available. Defendant has asked for a motion to stay and will ask each of the Relief Defendants, Sheila M. Lee, David A. Lee and Darren A. Lee to file such motions on their own. Each of the Relief Defendants were listed on the documents Lee was served with therefore including them in his motion.

Lee objects to the presented fact the only \$45,638 were invested by the Relief Defendants. There has been no accounting for cash that was deposited into Prestige Ventures bank account and sent directly to the trading firms and deposits to trading accounts directly from credit cards and debit cards. Lee stated that until the first part of 2006 trading was profitable and fees were claimed by Lee and Relief Defendants. From the profits of investors Lee was to receive 20% of all profits and they were taken by Lee prior to the economic fall beginning in 2006. Lee's personal deposits were also earning profits of which Lee claimed 100% and were being traded more aggressively from 2003 - 2006.

A. The Court Should Grant Lee The Stay And Allow Lee To Resume Trading For The Benefit Of Those Who Invested.

1. Lee denies making any Fraudulent Misrepresentations to the Court that he made to the Pool Participants that he never had any losing trades. Lee continues to ask the Court to lift the Statutory Restraining Order and allow Lee to trade for the benefit of those who invested. Lee does also continue to maintain that he is capable of earning the profits to pay to the investors and return their invested funds. Plaintiff has indicated an interest in settling this case, if so then the best and most efficient way is to allow Lee to trade and return funds to investors

Lee is capable of earning the funds to pay those investors and a realistic time frame remains to be approximately four (4) years. Allowed to do so would provide a greater return for the investors than any property that Lee and Relief Defendants have. Lee has always attempted to have the funds returned to the investors. Also there seems to be little mention of the funds that Lee did return to investors.

With the \$15,000 start up capital Lee mentioned to the Commission Lee maintains that he can earn the necessary funds to repay the investors. Lee has never solicited to anyone for these mentioned \$15,000, but was accused of doing so. These funds were offered free and clear to Relief Defendant Darren Lee. Darren did not ask for these funds, but was offered them after those offering the funds had discussed it between themselves. Darren has helped each of the ones offering the funds and they were only returning favors Darren had done for each of them. No solicitation was every made for these funds, but offered freely and willingly to Darren to help in this situation. They indicated that there was never any need to return the funds and they did not expect any returns be paid to them. Lee denies that the reason he states for the funds being made available is "a poor one", the funds were offered with no one asking for these funds, and no one has accepted any funds from any one that made the offer.

Lee has provided all documents and information that he has. All documents were held on line with the trading firms and never any hard copy sent to Lee. All bank records were held online with the bank and no hard copy sent to Lee. To indicate that Lee has destroyed records is not true as there were never any documents to destroy.

Lee also ask the Court to have two computers that were provided to the Receiver be returned to Lee. They have been checked by the Receiver and any information available should have, by now, been preserved by the Receiver. Lee offered to show the Receiver how to download the trade platform, but was never contacted about the installation.

Lee denies knowing that he could address the Court directly. Lee did receive permission from the Court, through The Honorable David L. Russell's assistant, to miss the preliminary injunction. Lee does not deny that he could not afford to make the Court date and contacted the Court's coordinator. Lee was told by the Commission that if he did not make the appearance he could be "locked up". The Court indicated that this was not a true statement by the Commission.

Lee does state again that certain funds came from unknown investors, Lee could not determine who they belonged to until they contacted Lee to advise that they had made a deposit and failed to notify Lee that they had done so, and the comparison that Lee can not read a bank statement to determine where funds came from is not accurate. New investors were the ones that did this and if Lee did not know the party in the first place he could not determine who the funds belonged to. The bank statements only listed **Counter Deposit** and many were made in cash and did not indicate who deposited the funds.

Lee did sign a **[PROPOSED] CONSENT ORDER OF PRELIMINARY INJUNCTION AND OTHER EQUITABLE RELIEF**. that was provided by the Commission.

It was represented to Lee that it would speed things along and allow for progress to be made. Lee has never represented that he did not want to earn the funds and pay the investors. The Consent Order was to serve that purpose as it was represented to Lee. The Commission would never discuss the **[PROPOSED] CONSENT ORDER OF PRELIMINARY INJUNCTION AND OTHER EQUITABLE RELIEF** again and would not allow any mention or discussion of it during depositions.

2. The Motion Is Out of Time

Lee asks the Court to consider the Motion to Stay as Lee did not know that he had any options to contact the court in this matter. Lee was served with a stack of documents over 15 inches tall and was expected to be able to digest each one and respond timely and correctly by the Commission. This is not possible with no legal expertise and Lee does apologize to the Court for this delay. It was a very confusing time and short time when Lee would have had only three or four days to address the Court in this matter. The Commission wrongly presumes to know what Lee knew he could do and not do in this matter.

B. Sheila, David and Darren Lee should have their bank accounts released and all funds returned to them And Be Released As Relief Defendants.

The Relief Defendants mentioned in the response from the Commission to the Court mentioned the Relief Defendants and that they did in fact invest funds into Prestige Ventures and Federated Management. They earned profits on their investments and were entitled to them. David and Darren Lee traded their own accounts and earned their funds to which they were entitled and did receive these funds to make the purchases listed by the Commission. David Lee did deposit funds into Prestige Ventures. David gave to Lee cash from funds he received when he

sold a car in Texas and again from his job earnings in Texas. David Lee also gave to Lee all funds he received when he wrecked his vehicle and was paid by the insurance company. These funds were invested and David traded them for his own benefit. Darren Lee invested more than the \$15,000 indicated in the statement, and he earned more than the cost of any funds he withdrew from Prestige Ventures just as David and Sheila did. All Relief Defendants earned more than they received and in fact did lose money in Prestige and Federated as well.

Lee makes no claim that he earned 4,000% on any investment, but does claim that he did in fact earn the amounts indicated. On occasions Lee earned over \$650,000 in a single day. This was not unusual when the markets were doing so well in 2003, 2004 and 2005. Lee was trading approximately 400 to 600 US Treasury Bonds and as high as 2,000 US Treasury Bond contracts per trade and the earnings were very high. Darren, David and Sheila were able to trade as many as 60 to 100 US Treasury Bond contracts per trade and earned high returns on these trades.

Lee denies that he admits the funds the Relief Defendants received “rightfully belong to Prestige or Federated”. The funds that belonged to Sheila, Darren and David from their trading accounts rightfully belong to them and should not be frozen and or their assets seized. They purchased their assets with profits that rightfully belong to them. Therefore, all assets frozen should be returned to them and they should be released as Relief Defendants. Lee also paid to Sheila some of the profits he earned as she paid the daily house hold expenses from those.

C. Lee Has Turned Over All Books, Records And Computers to The Receiver and Commission And Provided A Full Accounting

Lee has provided all documents that he had and were available to him. As stated earlier all records that were available to Lee were on the brokerage online trading site and online with the

bank. Lee did not receive hard copy of any records and has on several occasions explained this to the Commission and Receiver. Lee denies the Plaintiffs' argument that any facts Lee includes are restatements of the Plaintiffs' charges against him. Lee has no records to turn over to the Plaintiff in this matter for the reasons stated above. Lee should not be held in contempt for these actions or requirements as stated above.

Lee has never withheld, destroyed or hidden records from the Commission or Receiver as there are no records to withhold or destroy. This has been stated to Receiver and Commission on many occasions.

Lee asked all investors to send him information on the amounts they invested and received back from Prestige. This information was turned over to the Receiver and was indicated that this was from the investors and was the accounting of funds to and from the investors. Lee did not compile these numbers, but rather had the investors compile the amounts.

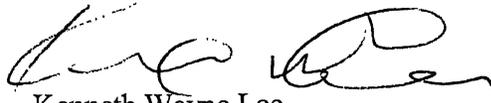
Lee states again that there was never any solicitation of funds from any of Darren or David's friends. Neither Lee, Sheila, Darren or David made any attempt to solicit funds from anyone. Lee never solicited funds from any of the investors either. Any funds received were from word of mouth or solicitation by other investors to their friends. Never did Lee ask for funds or represent to any one that he was soliciting for an investment. Lee never solicited any funds in the State of Oklahoma or any other state at any time.

Conclusion

For all the reasons stated above the Defendant respectfully requests that the Court approve Lee's Motion to Stay and grant permission to trade again for investors for the purpose of repayment, and deny the Plaintiff's Motion for Contempt of Court.

Dated: March 22, 2010

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Kenneth Wayne Lee', written in a cursive style.

Kenneth Wayne Lee
1660 Jorrington Street
Mt Pleasant, SC 29466
843-388-9073

CERTIFICATE OF SERVICE

I hereby certify that, on March 22, 2010, I caused one copy of **Defendant Kenneth Wayne Lee's Opposition to Plaintiffs' Objection to Defendants Motion to Stay Receivership of Any Property Owned by Kenneth Wayne Lee, Sheila M. Lee, Darren A. Lee and David A. Lee and Allow Defendant Lee to Trade for the Account of Investors for Purposes of Repayment** 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

