

any inadvertent production of protected documents that may occur, despite Defendant's diligence. Defendant reserves the right to demand the return of any privileged documents inadvertently produced to Plaintiffs.

II. Defendant's Disclosures

A(i). The name and, if known, the address and telephone number of each individual likely to have discoverable information – along with the subjects of that information – that the disclosing party may use to support its claims or defenses, unless the use would be solely for impeachment:

1. Simon X. Yang, 1912 NW 176th Terrace, Edmond, OK, 73012, (405) 216-8718, is likely to have discoverable information relating to Prestige Ventures, Federated Management Group and their customers, and any information filed with answer to the complaint, the alleged contempt, and investments he made.

A(ii). A copy – or a description by category and location – of all documents, electronically stored information, and tangible things that the disclosing party has in its possession, custody, or control and may use to support its claims or defenses, unless the use would be solely for impeachment:

1. The answer to the complaints and the alleged contempt.
2. Electronic communications between Kenneth W Lee and Defendant.
3. Electronic communications between friend investors of Prestige Ventures and Defendant.
4. Electronic communications between Plaintiffs/Receiver and Defendant.

A(iii). A computation of each category of damages claimed by the disclosing party – who must also make available for inspection and copying as under Rule 34 the documents or other evidentiary material, unless privileged or protected from disclosure, on which each computation is based, including materials bearing on the nature and extent of injuries suffered:

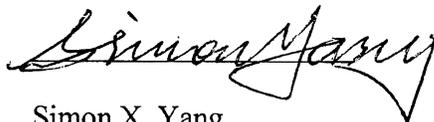
1. Defendant seeks \$25,000 for direct financial losses in defending himself at this point of time, and may seek more compensation if the lawsuit takes longer.
2. Defendant seeks \$700,000 for mental anguish and punitive damages.

A(iv). For inspection and copying as under Rule 34, any insurance agreement under which an insurance business may be liable to satisfy all or part of a possible judgment in the action or to indemnify or reimburse for payments made to satisfy the judgment:

Defendant is not aware of any documents responsive to Fed. R. Civ. P. 26(a)(1)(A)(iv).

Date July 11, 2010

Respectfully Submitted,



Simon X. Yang
1912 NW 176th Terrace
Edmond, OK 73012
Telephone: 405-216-8718
Email: simonyang@cox.net

Individual Defendant

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA**

Case No. CIV-09-1284-R

U.S. Commodity Futures Trading Commission and Oklahoma Department of Securities,
Plaintiffs, vs Prestige Ventures Corp., Federated Management Group, Inc., Kenneth
Wayne Lee and Simon Yang, Defendants

Innocence of Charges and Compensation for Simon Yang

I do not have financial resource to hire a lawyer to represent me in this matter; therefore I have to represent myself without legal knowledge. Please forgive my making mistakes during my defense procedures.

Since the opening of this lawsuit on November 20, 2009, I Simon Yang, an individual defendant, have fully cooperated with the Court by providing all and detailed facts and information for finding truth and justice for all parties.

I have been an investor with the Panamanian Federated Management Group initially since 2003 then with the Panamanian Prestige Ventures. I have invested all my personal savings of over \$500,000 with Prestige Ventures over the years, and withdrew around \$130,000 from 2004 to 2007 to cover my family daily expenses since I did not have any other financial source for providing for my family. For helping Prestige Ventures getting over the financial crisis starting in 2006, I continued to invest my little savings from our employments in 2008 and 2009, with my last investment of \$4,000 on the morning of November 20 2009.

I sincerely believed that through my personal experiences Federated Management Group and Prestige Ventures were real investment businesses, instead of Ponzi scheme as charged by the plaintiffs. Naturally I informed my other friends for this investment, but most of my friends would not accept this investment because they thought this

investment just being too good to be true, even though they were looking for investment opportunities with good returns. Investing is a personal decision with personal knowledge and taste. I just informed my friends what I knew and I understood with a sincere heart.

I did not willfully make any false statement to my friends or the Commodity Futures Trading Commission. I always told what I knew or my understandings with my limited knowledge. I was never an agent or employee of the companies, and I never received any cash/check payment for my services from the companies. I never received any commission payment from those friend investors by helping them on their investments, even though I spend at least hundreds even thousands of hours with them over the years. I was never in a business for making a living by marketing financial products to other people. Therefore there was no need for me to register with the related government agency.

Therefore all information and evidence of this case prove that I am innocent from all those charges against me by the plaintiffs in the lawsuit.

Instead, there were much misconduct by the witnesses of the plaintiffs and the plaintiffs. For example, false statements were repeatedly presented by the witnesses to the plaintiffs as well as the court in their declarations as I have pointed out in my answer to the complaints. The plaintiffs chose to ignore their "violation acts of soliciting investors without registration" while Ming Yu, Zhongxiang Luo and Jian Yue, witnesses of the plaintiffs, confessed to informing other family members and friends on this investment as I did to them naturally. The plaintiffs, government watchdog agencies, would not apply the same rules of regulation by charging against their witnesses without fairness, but discriminately did against me.

Furthermore, many facts are misrepresented or twisted to the Court as facts. I just told the Commission what I did and I knew in the 2004 subpoena, but I never willfully made false statements or omitted facts in order to take advantages of other people illegally. I wonder

why the Commission would let Federated Management Group go uncharged of any wrong doings like Ponzi scheme in the 2003 / 2004 investigations.

The plaintiffs claimed, "Yang claimed that positive returns were virtually guaranteed when trading with Lee". Actually I never made such a statement to any person to my knowledge since I had invested in stocks and mutual funds personally over 15 years.

As supposedly serving justice and fairness to all investors by the plaintiffs, government watchdogs for investors, justice and fairness has not been served by the plaintiffs. I just do not understand why such an injustice would occur in this country by those government watchdog agencies. As one of public investors and one of defendants I have suffered much from this lawsuit financially, physically and mentally.

Therefore I Simon Yang respectfully request that this Court enter:

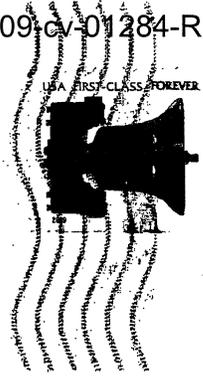
- 1) an order finding defendant Simon Yang innocent of all charges;
- 2) an order directing the plaintiffs to pay Simon Yang \$25,000 for direct losses in defending himself in the lawsuit;
- 3) an order directing the plaintiffs to pay Simon Yang \$700,000 for mental anguish and punitive damages;
- 4) such order as the Court may deem appropriate.

Dated: July 11, 2010



Simon X. Yang
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Edmond, OK 73012
Telephone: 405-216-8718
Email: simonyang@cox.net

Individual Defendant



OKLAHOMA CITY OK 731

RECEIVED

JUL 13 2010

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

U.S. District Courthouse

200 NW 4th Street

Oklahoma City, OK 73102

Simon Yang
1912 NW 17th Terrace
Edmond, OK 73012

7310233023