

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. _____

**JAMES D. SALLAH, not individually, but
solely in his capacity as Court-Appointed
Receiver for JCS Enterprises Inc., d/b/a
JCS Enterprises Services Inc., T.B.T.I. Inc.,
My Gee Bo, Inc., JOLA Enterprise, Inc.,
and PSCS Holdings, LLC,**

Plaintiff,

vs.

**INSURANCE AND FINANCIAL
HEALTH SERVICES, INC., a California
corporation, JOHN MARSHALL, an
individual, TRACY M. SPAETH, an
individual, JAMES CHRISTIAN PURDY,
an individual, PURDY HERITAGE, LLC,
an Indiana limited liability company,
RICHARD L. KAUFMAN, an individual,
DIANE KAUFMAN, an individual,
STEWART JOSHUA SCHLINSKY, an
individual, MARC ALEXANDER
SCHLINSKY, an individual, PRODUCERS
EDGE, INC., an Arizona corporation,
TREVOR HARBOUR, an individual,
HEATHER HARBOUR, an individual,
AKL FINANCIAL SERVICES, INC., a
California corporation, ALAN KAPLAN,
an individual, and DARRYL P.
DEMARCO, an individual,**

Defendants.

COMPLAINT

Plaintiff James D. Sallah, Esq. (“Plaintiff,” “Mr. Sallah,” or the “Receiver”), not individually, but solely in his capacity as Court-Appointed Receiver for JCS Enterprises Inc., d/b/a JCS Enterprises Services Inc. (“JCS”), T.B.T.I. Inc. (“TBTI”), My Gee Bo, Inc. (“Gee Bo”), JOLA

Enterprise Inc. (“JOLA”), and PSCS Holdings, LLC (“PSCS”) (collectively, the “Receivership Entities” or the “Receivership Estate”), by and through undersigned counsel, hereby files suit against Insurance and Financial Health Services, Inc. (“IFHS”), a California corporation; John Marshall (“Marshall”), an individual; Tracy M. Spaeth (“Spaeth”), an individual; James Christian Purdy (“Purdy”), an individual; Purdy Heritage, LLC (“Heritage”), an Indiana limited liability company; Richard L. Kaufman (“R. Kaufman”), an individual; Diane Kaufman (“D. Kaufman”), an individual; Stewart Joshua Schlinsky (“S. Schlinsky”), an individual; Marc Alexander Schlinsky (“M. Schlinsky”), an individual; Producers Edge, Inc. (“Producers Edge”), an Arizona corporation; Trevor Harbour (“Trevor Harbour”), an individual; Heather Harbour (“Heather Harbour”), an individual; AKL Financial Services, Inc. (“AKL”), a California corporation; Alan Kaplan (“Kaplan”), an individual; and Darryl P. Demarco (“Demarco”), an individual (collectively, “Defendants”), and alleges as follows:

I. PARTIES AND OTHER RELEVANT PERSONS

A. THE RECEIVER, JAMES D. SALLAH, ESQ.

1. On April 7, 2014, the United States Securities and Exchange Commission (the “SEC”) commenced an action against JCS, TBTI, and two individuals, Joseph Signore (“Joseph Signore”) and Paul L. Schumack, II (“Paul Schumack”) in the case styled, *Securities and Exchange Commission v. JCS Enterprises, Inc., d/b/a JCS Enterprises Services, Inc., T.B.T.I. Inc., Joseph Signore, and Paul L. Schumack, II.*, Case No. 14-CV-80468-MIDDLEBROOKS/BRANNON (S.D. Fla. Apr. 7, 2014) (the “SEC Case”).

2. On April 7, 2014, the Honorable Donald M. Middlebrooks, United States District Court Judge, issued an Amended Receivership Order and appointed Mr. Sallah as Receiver over JCS and TBTI. In accordance with 28 U.S.C. §754, the Receiver filed notice of the Complaint

and Amended Receivership Order in the SEC Case in the Northern District of Texas and Northern District of California within ten (10) days of the Amended Receivership Order.

3. On April 14, 2014, the Court expanded the Receivership over Gee Bo. On December 12, 2014, the Court expanded the Receivership over JOLA and PSCS.

4. On December 15, 2014, the Court reappointed Mr. Sallah as Receiver for the Receivership Entities (the "Reappointment Order"). In accordance with 28 U.S.C. §754, the Receiver filed notice of the Complaint and Reappointment Order in the SEC Case in the Central District of California, District of New Jersey, and District of Arizona within ten (10) days of the Amended Receivership Order.

5. In the Reappointment Order, the Court has directed the Receiver to:

Investigate the manner in which the affairs of the Receivership Entities were conducted and institute such actions and legal proceedings, for the benefit and on behalf of the Receivership Entities and their investors and other creditors, as the Receiver deems necessary against those individuals, corporations, partnerships, associations and/or unincorporated organizations, which the Receiver may claim have wrongfully, illegally or otherwise improperly misappropriated or transferred monies or other proceeds directly or indirectly traceable from investors in the Receivership Entities, including their officers, directors, employees, affiliates, subsidiaries, or any persons acting in concert or participation with them, or against any transfers of money or other proceeds directly or indirectly traceable from investors in the Receivership Entities; provided such actions may include, but not be limited to, seeking imposition of constructive trusts, disgorgement of profits, recovery and/or avoidance of fraudulent transfers under Florida Statute §726.101, *et seq.* or otherwise, rescission and restitution, the collection of debts, and such orders from this Court as may be necessary to enforce this Order.

6. In accordance with the Reappointment Order, Mr. Sallah has brought this action, not in his individual capacity, but solely in his capacity as Court-Appointed Receiver, to recover money transferred to Defendants from the Receivership Entities.

B. THE RECEIVERSHIP ENTITIES

7. JCS is a Delaware corporation, incorporated in 2010, with its principal place of business in Jupiter, Florida. Joseph Signore was the Chairman and President of JCS, and Laura Signore was its Vice Chairperson and Vice President.

8. TBTI is a Florida corporation, incorporated in 2001, with its former principal place of business in Coconut Creek, Florida. Paul Schumack was Vice President of TBTI, and Christine Schumack (“Christine Schumack”) was its President.

9. Gee Bo is a Florida corporation, incorporated in 2013, with its former principal place of business in Jupiter, Florida. Joseph Signore was Gee Bo’s President and Laura Signore was its Treasurer and Secretary.

10. JOLA was a Florida corporation, incorporated in 2013, with its former principal place of business in Jupiter, Florida. Joseph Signore was Gee Bo’s President and Laura Signore was its Treasurer and Secretary.

11. PSCS was a limited liability company organized under the laws of the State of Florida in 2013 with its former principal place of business in Highland Beach, Florida. Paul and Christine Schumack were PSCS’s member-managers.

C. DEFENDANTS

12. Upon information and belief, Defendant IFHS is a California corporation with its principal place of business in La Quinta, California.

13. Upon information and belief, Defendant Marshall is an individual who resides in La Quinta, California, and who owns and controls IFHS.

14. Upon information and belief, Spaeth is an individual who resides in Lubbock, Texas. On December 4, 2014, Spaeth entered a plea of *nolo contendere* and was found guilty of

one count of selling securities without registration in violation of Section 581-29(B) of the Texas Securities Code before the 364th District Court in Lubbock County, Texas, in the matter styled as *The State of Texas v. Tracy Spaeth*, Action No. 2013-400,253 (Tx. 2014). On the same day, Spaeth was sentenced to 10 years confinement, but that sentence was suspended and Spaeth was placed on eight years of community supervision.

15. Upon information and belief, Purdy is an individual who resides in Delray Beach, Florida, and who owns and controls Heritage.

16. Upon information and belief, Heritage is an Indiana limited liability company with its principal place of business in Delray Beach, Florida.

17. Upon information and belief, Defendant R. Kaufman is an individual who resides in Santa Rosa, California.

18. Upon information and belief, Defendant D. Kaufman is an individual who resides in Santa Rosa, California.

19. Upon information and belief, Defendant S. Schlinsky is an individual who resides in Hollywood, Florida.

20. Upon information and belief, Defendant M. Schlinsky is an individual who resides in Hollywood, Florida.

21. Upon information and belief, Defendant Producers Edge is an Arizona corporation with its principal place of business in Phoenix, Arizona.

22. Upon information and belief, Defendant Trevor Harbour is an individual who resides in Phoenix, Arizona, and who owns and controls Producers Edge.

23. Upon information and belief, Defendant Heather Harbour is an individual who resides in Phoenix, Arizona, and who owns and controls Producers Edge.

24. Upon information and belief, Defendant AKL is a California corporation with its principal place of business in Walnut Creek, California.

25. Upon information and belief, Defendant Kaplan is an individual who resides in Walnut Creek, California, and who owns and controls AKL.

26. Upon information and belief, Defendant Demarco is an individual who resides in Port St. Lucie, Florida.

D. NON-PARTIES RICHARD RENSHAW AND INVESTORS UNLIMITED LLC

27. Upon information and belief, Richard Renshaw (“Renshaw”) resides in Lake Saint Louis, Missouri.

28. Upon information and belief, Investors Unlimited, LLC (“Investors Unlimited”), is a limited liability company organized under the laws of the State of Missouri in May 2013 by Richard Renshaw. Investors Unlimited’s principal place of business is in Lake Saint Louis, Missouri, and its member-manager is Renshaw.

II. JURISDICTION AND VENUE

29. The Court has subject matter jurisdiction over this matter pursuant to 15 U.S.C. § 78aa, 28 U.S.C. § 754, and principles of ancillary or supplemental jurisdiction under 28 U.S.C. § 1367. This Complaint is brought to accomplish the objectives of the Reappointment Order, and thus this matter is ancillary to the Court’s exclusive jurisdiction over the Receivership Estate.

30. The Court has personal jurisdiction over Defendants pursuant to 28 U.S.C. §§ 754 and 1692.

31. The Court has personal jurisdiction over Defendants Purdy, Heritage, M. Schlinsky, J. Schlinsky, and Demarco as they reside in this District.

32. Alternatively, the Court has personal jurisdiction over Defendants Trevor and Heather Harbour, Producers Edge, AKL, Kaplan, Spaeth, Marshall, and IFHS pursuant to Florida's long-arm statute, Fla. Stat. §48.193, as Defendants personally, or through agents, operated, conducted, engaged in, or carried on, a business or business venture in this state or had an office or agency in this state.

33. Venue in this District and Division is proper under 28 U.S.C. § 754 as this action is related to the SEC Case pending in this District and the Receiver was appointed in this District.

III. FACTS RELEVANT TO THE RECEIVER'S CLAIMS

A. THE JCS-TBTI PONZI SCHEME

34. JCS manufactured and marketed virtual concierge machines ("VCMs"), which are free-standing or wall-mounted, ATM-like machines that were promised to be placed at various locations to enable businesses to advertise their products and services via touch screen and printable tickets or coupons which were dispensed from the VCMs.

35. In 2011, JCS and TBTI entered into an agreement whereby TBTI would be the sales agent for JCS and its Virtual Concierge program.

36. From at least as early as 2011 through April 7, 2014, Joseph Signore operated JCS.

37. From at least as early as 2011 through April 7, 2014, Paul Schumack operated TBTI.

38. Joseph Signore and Paul Schumack, through JCS and TBTI, respectively, offered and sold investments in JCS's virtual concierge machines ("VCMs"), which would purportedly pay income to investors from advertising revenues generated by the VCMs.

39. JCS and TBTI, combined, raised approximately \$80 million from at least 1,800 investors nationwide by selling contracts for more than 22,500 VCMs.

40. These sales to investors were documented through contracts with JCS and TBTI, and those contracts represented that advertising revenue would provide investors with a return of \$300 per month for thirty-six (36) to forty-eight (48) months, or a return of at least \$10,800 over a 36 month period.

41. However, advertising revenues were insufficient to pay the promised returns to investors.

42. During the relevant time period from 2011 through April 7, 2014, JCS and TBTI, combined, earned a total of approximately \$21,000 in advertising revenue from these machines.

43. To put things into perspective, the advertising revenue actually generated by VCMs would not even have supported the obligations for two (2) VCMs that were sold under the shorter, 36-month contracts. Moreover, based on a conservative calculation assuming that the payment stream would be limited to 36 months, JCS and TBTI would have been obligated to pay more than \$243.4 million to investors during the duration of these investment contracts, or \$6.75 million per month.

44. Besides approximately \$21,000 in advertising revenue, JCS and TBTI generated no other meaningful source of revenue or cash inflows from which to pay investors or any other creditors.

45. In order to maintain the fiction that the investment was valid and make these payments to investors, Joseph Signore and Paul Schumack caused JCS and TBTI, respectively, to use new investor funds to make so-called “returns” to earlier investors in the total amount of \$49.7 million.

46. While Joseph Signore operated JCS and Paul Schumack operated TBTI, they caused JCS and TBTI to transfer monies, among other things: (a) as returns and/or redemptions

to earlier investors; (2) for commissions paid to agents who perpetuated their scheme; and (3) for their own use, including diverting funds to themselves or other companies they controlled.

47. These transfers were made almost exclusively from: (1) principal money from new investors; (2) existing investors' principal investment money; and/or (3) additional principal investment money from existing investors.

48. All transfers that Joseph Signore wrongfully caused JCS to make as returns and/or redemptions to investors and as commissions paid to agents were made in furtherance of his scheme.

49. All transfers that Paul Schumack wrongfully caused TBTI to make as returns and/or redemptions to investors and as commissions paid to agents were made in furtherance of his scheme.

50. Thus, all of the money transferred or paid to Defendants, which is the subject of this Complaint, was improperly diverted assets of one or more of the Receivership Entities.

51. As a result, Joseph Signore and Paul Schumack operated JCS and TBTI, respectively, as part of a single, continuous Ponzi scheme.

52. Indeed, regarding this Ponzi scheme, on December 7, 2015, a jury sitting in the United States District Court for the Southern District of Florida found Joseph Signore and Paul Schumack guilty of multiple crimes, including conspiracy to commit wire or mail fraud; mail fraud; wire fraud; conspiracy to commit money laundering; promotional money laundering; concealment money laundering; and transactional money laundering. *See United States of America v. Joseph Signore, Paul Lewis Schumack II, and Laura Grande-Signore*, Jury Verdicts (DE 677, 678), Case No. 9:14-cr-80081-HURLEY (S.D. Fla. Dec. 7, 2015).

B. THE VCM CONTRACTS WERE SECURITIES

53. The VCM contracts that were at the heart of the JCS-TBTI Ponzi scheme provided that investors could choose one (1) of two (2) options: “passive” or “aggressive.”

54. The aggressive program burdened investors with responsibility for operating the VCMs, but allowed for greater returns.

55. Under the passive program, investors would purchase VCMs, but would not take possession of the VCMs they had purchased. Instead, JCS or TBTI would assume responsibility for operating the VCMs. As summarized in the “Concept of the Operation” section of TBTI’s contracts, it required the investors to do nothing except make their initial investment and insulated the investors from any risk or liability. Investors did not have to install, maintain, update content on, or find a location for, their VCM. They were not liable for theft or damage.

56. The overwhelming majority of investors chose the passive program.

C. SCHUMACK CAUSED TBTI TO PAY COMMISSIONS, DIRECTLY OR INDIRECTLY, TO DEFENDANTS TO SELL PURPORTED INVESTMENTS IN THE JCS-TBTI PONZI SCHEME

57. Starting in or around April 2013, Renshaw entered into an agreement with TBTI whereby Renshaw and Investors Unlimited, either themselves or through other agents working with Investors Unlimited, would solicit investors to invest in VCMs in exchange for the payment of commissions to Investors Unlimited.

58. In July 2013, Investors Unlimited, through its managing member, Renshaw, formalized this agreement with TBTI (the “TBTI-Investors Unlimited Agreement”). A copy of the TBTI-Investors Unlimited Agreement is attached hereto as **Exhibit A**.

59. The TBTI-Investors Unlimited Agreement specifically contemplated that TBTI would pay “Investors Unlimited, LLC producer[s]” for selling “VC unit[s].” *See* Exhibit A.

60. Based on the records reviewed by the Receiver as of the filing of this Complaint, between 2011 and April 7, 2014, Schumack caused TBTI to pay Investors Unlimited \$1,877,850 in commissions, including payments made for Investors Unlimited, LLC Producers.

61. Defendants also entered into agreements with Renshaw and Investors Unlimited whereby Defendants would solicit investors to invest in VCM contracts for TBTI in exchange for the payment of commissions to Defendants (“Commission Payments”).

62. Defendants were “Investors Unlimited, LLC producers” who entered into agreements with Investors Unlimited to act as an intermediary in the transfer of Commission Payments from TBTI to Defendants.

63. From the commissions that Schumack caused TBTI to transfer to Investors Unlimited, Investors Unlimited transferred Commission Payments to the Defendants.

64. Schumack caused TBTI to make the Commission Payments to Defendants with actual intent to hinder, delay, or defraud TBTI.

65. TBTI did not receive a reasonably equivalent value in exchange for these transfers of purported Commission Payments.

66. At the time of these transfers, Paul Schumack was engaged, or was about to engage, in a business or a transaction for which his remaining assets were unreasonably small in relation to the business or transaction.

67. At the time of these transfers, Paul Schumack intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as they became due.

68. TBTI was harmed by this unauthorized course of conduct, which was effectuated by Paul Schumack, individually, or through his control of TBTI.

69. This conduct dissipated TBTI's assets.

70. Accordingly, Paul Schumack is a debtor under Fla. Stat. §726.102(6), and the Receiver, on behalf of the Receivership Entities, is a creditor of Paul Schumack for the recovery of wrongful transfers he made to third parties, including to Defendants for their receipt of Commission Payments for the sale of VCM contracts.

71. Based on the records reviewed by the Receiver as of the filing of this Complaint, between April 2013 and April 2014, Defendants, whether individually or through their companies, received the following Commission Payments through Investors Unlimited:

a. IFHS (Marshall):

Date	Amount
8/2/2013	\$19,800.00
8/29/2013	9,750.00
9/24/2013	80,100.00
10/25/2013	47,250.00
<u>Total:</u>	<u>\$156,900.00</u>

b. Spaeth:

Date	Amount
8/23/2013	\$18,000.00
9/25/2013	51,300.00
<u>Total:</u>	<u>\$69,300.00</u>

c. Purdy:

Date	Amount
6/3/2013	\$1,075.00
6/27/2013	2,275.00
7/25/2013	4,250.00
8/27/2013	12,325.00
9/25/2013	16,375.00
10/25/2013	10,975.00
<u>Total:</u>	<u>\$47,275.00</u>

d. R. Kaufman:

Date	Amount
7/1/2013	\$900.00
7/22/2013	450.00
<u>Total:</u>	<u>\$1,350.00</u>

e. S. Schlinsky:

Date	Amount
7/23/2013	\$15,000.00
8/26/2013	10,000.00
9/25/2013	23,500.00
<u>Total:</u>	<u>\$48,500.00</u>

f. M. Schlinsky:

Date	Amount
7/23/2013	\$4,350.00
8/26/2013	3,950.00
9/25/2013	8,000.00
<u>Total:</u>	<u>\$16,300.00</u>

g. Producers Edge (Trevor and Heather Harbour):

Date	Amount
7/24/2013	\$3,000.00
8/28/2013	1,000.00
10/28/2013	3,500.00
<u>Total:</u>	<u>\$7,500.00</u>

h. AKL (Kaplan):

Date	Amount
9/24/2013	\$5,050.00
10/25/2013	9,430.00
<u>Total:</u>	<u>\$14,480.00</u>

i. Demarco:

Date	Amount
10/23/2013	<u>\$4,500.00</u>

72. None of the individual Defendants was registered with the United States Securities and Exchange Commission to sell securities or associated with any entity that was registered with the United States Securities and Exchange Commission to sell securities.

73. None of the non-natural entity Defendants was registered with the United States Securities and Exchange Commission to sell securities.

74. The transfers of Commission Payments to IFHS, Producers Edge, and AKL were made for the benefit of Defendants John Marshall, Trevor and Heather Harbour, and Alan Kaplan, respectively.

75. Investors Unlimited stopped acting as an intermediary for the transfer of Commission Payments from TBTI to Defendants after October 2013, but Defendant Purdy continued to sell VCM contracts to investors in exchange for additional Commission Payments that Schumack caused TBTI to make to him.

76. On or about November 29, 2013, Schumack caused TBTI to transfer \$3,500.00 in additional Commission Payments to Defendant Purdy.

77. On or about December 30, 2013, Schumack caused TBTI to transfer \$3,650.00 in additional Commission Payments to Defendant Purdy.

D. TRANSFERS TO DEFENDANTS PURDY, HERITAGE, RICHARD AND DIANE KAUFMAN, TREVOR AND HEATHER HARBOUR, PRODUCERS EDGE, AND SPAETH FOR THEIR PURPORTED INVESTMENTS

78. Besides paying commissions for the sale of VCMs to investors, Schumack also caused TBTI to transfer purported income and/or purported return of principal payments (the

“Income Payments”) to Defendants Purdy, Heritage,¹ Richard and Diane Kaufman, Producers Edge (for the benefit of Trevor and Heather Harbour), and Spaeth.

79. As detailed in Exhibits B, C, D, and E, attached hereto and incorporated herein, based on the records reviewed by the Receiver as of the filing of this Complaint, between 2011 and April 7, 2014, Defendants invested in VCMs and received Income Payments in the following amounts:

<u>Defendant</u>	<u>Amount Invested</u>	<u>Income Payments</u>
Purdy/Heritage	\$ 83,500.00	\$ 155,700.00
Richard and Diane Kaufman	21,500.00	14,100.00
Producers Edge (Trevor and Heather Harbour)	89,000.00	115,200.00
Spaeth	76,950.00	43,800.00

80. Paul Schumack caused TBTI to make these Income Payments with actual intent to hinder, delay, or defraud TBTI.

81. TBTI did not receive a reasonably equivalent value in exchange for any Income Payments that were made to Defendants Purdy, Heritage, Richard and Diane Kaufman, Trevor and Heather Harbour, Producers Edge, and Spaeth in excess of the amounts they invested (the “Excess Income Payments”).

82. At the time of these transfers, Paul Schumack was engaged, or was about to engage, in a business or a transaction for which his remaining assets were unreasonably small in relation to the business or transaction.

¹ TBTI paid income payments to Purdy individually. However, Purdy requested that TBTI issue a Form 1099 to Heritage.

83. At the time of these transfers, Paul Schumack intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as they became due.

84. TBTI was harmed by this unauthorized course of conduct, which was effectuated by Paul Schumack, individually, or through his control of TBTI.

85. This conduct dissipated TBTI's assets.

86. Accordingly, Paul Schumack is a debtor under Fla. Stat. §726.102(6), and the Receiver, on behalf of the Receivership Entities, is a creditor of Paul Schumack and entitled to the recovery of the Income Payments.

**E. DEFENDANTS' RETENTION OF THE BENEFITS CONFERRED BY
THE RECEIVERSHIP ESTATE**

87. TBTI conferred benefits on Defendants, representing the difference between the amounts Defendants contributed to TBTI and the amounts Defendants received from TBTI.

88. Defendants accepted these benefits willfully and voluntarily.

89. Defendants continue to retain the benefits conferred on them by TBTI.

90. To allow the Defendants to retain TBTI's funds would be inequitable and unjust, including to investors in, and creditors of, the Receivership Entities.

CONDITIONS PRECEDENT

91. All conditions precedent for asserting the claims herein have been satisfied, executed or waived.

COUNT I
SECTION 726.105(1)(a), FLA. STAT.:
UNIFORM FRAUDULENT TRANSFER ACT
(AGAINST ALL DEFENDANTS FOR COMMISSION PAYMENTS)
(IN THE ALTERNATIVE TO COUNTS II, III, AND VII)

92. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 86.

93. Paul Schumack, a debtor, caused TBTI to transfer Commission Payments to Defendants, directly or indirectly, with actual intent to hinder, delay or defraud the Receiver, a creditor, as set forth in Paragraphs 71, 76, and 77, above.

94. The Receiver is entitled to avoid these fraudulent transfers of Commission Payments, pursuant to FLA. STAT. §§726.105(1)(a), 726.108(1), and 726.109(2).

WHEREFORE, the Receiver asks this Court to enter judgment against all Defendants, respectively, avoiding all transfers of Commission Payments made by TBTI to Defendants, directly or indirectly, as set forth in Paragraphs 71, 76, and 77, above, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

COUNT II
SECTION 726.105(1)(b), FLA. STAT.:
UNIFORM FRAUDULENT TRANSFER ACT
(AGAINST ALL DEFENDANTS FOR COMMISSION PAYMENTS)
(IN THE ALTERNATIVE TO COUNTS I, III, AND VII)

95. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 86.

96. TBTI did not receive a reasonably equivalent value in exchange for the transfer of Commission Payments that Paul Schumack caused TBTI to make, directly or indirectly, to Defendants, as set forth in Paragraphs 71, 76, and 77, above.

97. When these transfers were made to Defendants, Paul Schumack was engaged in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction.

98. When these transfers were made, Paul Schumack intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as the debt became due.

99. Pursuant to FLA. STAT. §§726.105(1)(b), 726.108(1), and 726.109(2), the Receiver is entitled to avoid the transfers of Commission Payments made, directly or indirectly, from TBTI to Defendants.

WHEREFORE, the Receiver asks this Court to enter judgment against all Defendants, avoiding all Commission Payments from TBTI to Defendants, directly or indirectly, as set forth in Paragraphs 71, 76, and 77, above, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

COUNT III
SECTION 726.106(1), FLA. STAT.:
UNIFORM FRAUDULENT TRANSFER ACT
(AGAINST ALL DEFENDANTS FOR COMMISSION PAYMENTS)
(IN THE ALTERNATIVE TO COUNTS I, II, AND VII)

100. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 86.

101. Paul Schumack caused TBTI to transfer Commission Payments to Defendants, directly or indirectly, as set forth in Paragraphs 71, 76, and 77, above.

102. TBTI's claim against Paul Schumack arose before Paul Schumack caused TBTI to transfer any of the Commission Payments to Defendants, directly or indirectly.

103. TBTI did not receive a reasonably equivalent value in exchange for the transfers of Commission Payments made to Defendants, directly or indirectly.

104. Paul Schumack was insolvent at the time of the transfers or became insolvent as a result of the transfers.

105. The Receiver is entitled to avoid the transfers of Commission Payments made by TBTI to Defendants, directly or indirectly, pursuant to FLA. STAT. §§726.106(1), 726.108(1), and 726.109(2).

WHEREFORE, the Receiver asks this Court to enter judgment against all Defendants, avoiding all transfers of Commission Payments from TBTI to Defendants, respectively, directly or indirectly, as set forth in Paragraphs 71, 76, and 77, above, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

COUNT IV
SECTION 726.105(1)(a), FLA. STAT.:
UNIFORM FRAUDULENT TRANSFER ACT
(AGAINST DEFENDANTS SPAETH, PURDY, HERITAGE, PRODUCERS EDGE, TREVOR AND
HEATHER HARBOUR, AND RICHARD AND DIANE KAUFMAN FOR
INCOME PAYMENTS)
(IN THE ALTERNATIVE TO COUNTS V, VI, AND VII)

106. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 86.

107. Paul Schumack, a debtor, caused TBTI to transfer purported Income Payments to Defendants Spaeth, Purdy, Heritage, Producers Edge, Trevor and Heather Harbour, and Richard and Diane Kaufman, directly or indirectly, with actual intent to hinder, delay or defraud the Receiver, a creditor, as set forth in Exhibits B through E for Defendants, respectively.

108. The Receiver is entitled to avoid these fraudulent transfers, pursuant to FLA. STAT. §§726.105(1)(a), 726.108(1), and 726.109(2).

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants, directly or indirectly, avoiding all commission transfers from TBTI to Defendants, directly or indirectly, as set forth in Exhibits B through E, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

COUNT V
SECTION 726.105(1)(b), FLA. STAT.:
UNIFORM FRAUDULENT TRANSFER ACT
(AGAINST DEFENDANTS PURDY, HERITAGE, PRODUCERS EDGE, AND TREVOR AND HEATHER
HARBOUR FOR EXCESS INCOME PAYMENTS)
(IN THE ALTERNATIVE TO COUNTS IV, VI, AND VII)

109. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 86.

110. TBTI did not receive a reasonably equivalent value in exchange for the transfer of Income Payments that Paul Schumack caused TBTI to make to Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, respectively, in excess of their respective investments (the "Excess Income Payments"), as set forth in Exhibits B and D.

111. When these transfers were made to Defendants Purdy, Heritage, and Producers Edge, respectively, Paul Schumack was engaged in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction.

112. When these transfers were made to Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, respectively, Paul Schumack intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as the debt became due.

113. Pursuant to FLA. STAT. §§726.105(1)(b), 726.108(1), and 726.109(2), the Receiver is entitled to avoid the transfers of Excess Income Payments made by TBTI to Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, respectively.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, respectively, directly or indirectly, avoiding all Excess Income Payments made by TBTI to Defendants, respectively, directly or indirectly, as set forth in Exhibits B and D, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

COUNT VI
SECTION 726.106(1), FLA. STAT.:
UNIFORM FRAUDULENT TRANSFER ACT
(AGAINST DEFENDANTS PURDY, HERITAGE, PRODUCERS EDGE, AND TREVOR AND HEATHER
HARBOUR FOR EXCESS INCOME PAYMENTS)
(IN THE ALTERNATIVE TO COUNTS IV, V, AND VII)

114. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through ___.

115. Paul Schumack caused TBTI to transfer Excess Income Payments to Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, respectively, as set forth in Exhibits B and D.

116. TBTI's claim against Paul Schumack arose before Paul Schumack caused TBTI to transfer any of the Excess Income Payments to Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, respectively.

117. TBTI did not receive a reasonably equivalent value in exchange for the respective transfers of Excess Income Payments to Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge.

118. Paul Schumack was insolvent at the time of the transfers or became insolvent as a result of the transfers of Excess Income Payments to Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, respectively.

119. The Receiver is entitled to avoid the transfers of Excess Income Payments from TBTI to Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, pursuant to FLA. STAT. §§726.106(1), 726.108(1), and 726.109(2).

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Purdy, Heritage, and Producers Edge, avoiding all transfers of Excess Income Payments from TBTI to Defendants Purdy, Heritage, Trevor and Heather Harbour, and Producers Edge, respectively, directly or indirectly, as set forth in Exhibits B and D, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

COUNT VII
UNJUST ENRICHMENT
(AGAINST ALL DEFENDANTS)

120. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 32 and 82 through 86.

121. This unjust enrichment claim is asserted in the alternative, in the event the remaining claims pleaded provide an inadequate remedy at law.

122. Defendants received benefits from TBTI.

123. Defendants knowingly and voluntarily accepted and retained these benefits.

124. The circumstances alleged in this complaint render Defendants' retention of those respective benefits inequitable and unjust, including to the investors of TBTI and the Receivership as a whole; so, Defendants must pay the Receiver, acting on behalf of TBTI, the value of the benefit received.

125. Defendants have been unjustly enriched at the expense of TBTI (and, ultimately, its investors) in the amount of the transfers to Defendants in excess of their respective, principal investments, and TBTI, through the Receiver, is entitled to judgment in that amount.

126. The Receiver, on behalf of TBTI, is entitled to the return of that money through disgorgement or any other applicable remedy.

WHEREFORE, the Receiver asks this Court to enter judgment against all Defendants for the value of the benefits conferred on Defendants, respectively, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

Respectfully submitted,

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