

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

CASE NO. _____

JAMES D. SALLAH, ESQ., 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.

BARBARA SEAROCK, an individual, PATRICK MURPHY, an individual, DAVID BREGIO, an individual, RYAN DAVILA, an individual, AMANDA DAVILA, an individual, DOMINIC SCHENDER, an individual, JAMES FOWLER, an individual, ANDREA FOWLER, an individual, MICHAEL VAN SCHOICK, an individual, JESSICA HOWARD, an individual, J. RUSSO INVESTMENTS LLC, a Florida limited liability company, JOSEPH MANFREDINI, an individual, KRISTAL JOYNER, an individual, KENNETH ASH ENTERPRISES INC., a Texas corporation, MARVIN PAUL MILLER, an individual, MELVIN ROBINSON, an individual, MINAXIBEN PATEL, an individual, POWELL BRYANT INVESTMENTS, LLC, a Texas limited liability company, EPRAR, LLC, a Georgia limited liability company, LEONARDO REDONDO, an individual, ROBERT GRAZIOSE, an individual, CUOR DI LEONE INC., a Florida corporation, MLB ENTERPRISES, LLC, a Louisiana limited liability company, LARRY STARR, an individual, CAROL STARR, an individual, TATYANA KAPLAN A/K/A TANYA KAPLAN, an individual, THOMAS COTE, an individual, TRAVIS MACEK, an individual, JEREMY TUCKER, an individual, KATHLEEN WENGER, an individual, ZOE ACOSTA, an individual, CRAIG TILOT, an individual, JONATHAN CAMPAGNA, an individual, RALPH FURFARO, an individual, HEATHER MIANECKI, an individual, JIM MOBASHERY, an individual, MELISSA RASMUSSEN, an individual,

RHONDA ROQUETA, an individual, CHARLES ROQUETA, an individual, PATRICIA MIELKE, an individual, CHARLIE WIMMER, an individual, RANDY BUROKER, an individual, KATHRYN BUROKER, an individual, MICHIGAN TOUCHSCREEN TECHNOLOGIES, LLC, a Michigan limited liability company, STEVE DAVIES, an individual, AMIE DAVIES, an individual, JAMES KERRY CONKLE, an individual, MELISSA BROOKMAN, an individual, and GARY BROOKMAN, 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 sues Barbara Searock, an individual (“Searock”); Patrick Murphy, an individual (“Murphy”); David Bregio, an individual (“Bregio”); Ryan Davila, an individual (“Ryan Davila”); Amanda Davila, an individual (“Amanda Davila”); Dominic Schender, an individual (“Schender”); James Fowler, an individual (“James Fowler”); Andrea Fowler, an individual (“Andrea Fowler”); Michael Van Schoick, an individual (“Van Schoick”); Jessica Howard, an individual (“Howard”); J. Russo Investments LLC, a Florida limited liability company (“J. Russo Investments”); Joseph Manfredini, an individual (“Manfredini”); Kristal Joyner, an individual (“Joyner”); Kenneth Ash Enterprises Inc., a Texas corporation (“Kenneth Ash Enterprises”); Marvin Paul Miller, an individual (“Miller”); Melvin Robinson, an individual (“Robinson”); Minaxiben Patel, an individual (“Patel”); Powell Bryant Investments LLC, a Texas limited liability company (“Powell Bryant Investments”); Eprar,

LLC, a Georgia limited liability company (“Eprar”); Leonardo Redondo, an individual (“Redondo”); Robert Graziore, an individual (“Graziore”); Cuor Di Leone Inc., a Florida corporation (“Cuor Di Leone”); MLB Enterprises LLC, a Louisiana limited liability company; Larry Starr, an individual (“Larry Starr”); Carol Starr, an individual (“Carol Starr”); Tatyana Kaplan a/k/a Tanya Kaplan, an individual (“Kaplan”); Thomas Cote, an individual (“Cote”); Travis Macek, an individual (“Macek”); Jeremy Tucker, an individual (“Tucker”); Kathleen Wenger, an individual (“Wenger”); Zoe Acosta, an individual (“Acosta”); Craig Tilot, an individual (“Tilot”); Jonathan Campagna, an individual (“Campagna”); Ralph Furfaro, an individual (“Furfaro”); Heather Mianecki, an individual (“Mianecki”); Jim Mobashery, an individual (“Mobashery”); Melissa Rasmussen, an individual (“Rasmussen”); Rhonda Roqueta, an individual (“Rhonda Roqueta”); Charles Roquetta, an individual (“Charles Roquetta”); Patricia Mielke, an individual (“Mielke”); Charlie Wimmer, an individual (“Wimmer”); Randy Buroker, an individual (“Randy Buroker”); Kathryn Buroker, an individual (“Kathryn Buroker”); Michigan Touchscreen Technologies, LLC, a Michigan limited liability company (“Michigan Touchscreen”); Steve Davies, an individual (“Steve Davies”); Amie Davies (“Amie Davies”); James Kerry Conkle, an individual (“Conkle”); Melissa Brookman, an individual (“Melissa Brookman”); and Gary Brookman, an individual (“Gary Brookman”) (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 (“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 TBTL.

3. On April 14, 2014, the Court expanded the Receivership over Gee Bo. On December 11, 2014, the Court expanded the Receivership over JOLA and PSCS.

4. On December 12, 2014, the Court reappointed Mr. Sallah as Receiver for the Receivership Entities (the “Reappointment Order”). A copy of the Reappointment Order is attached hereto as **Exhibit 1**.

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 28 U.S.C. §754, the Receiver filed a copy of the Complaint in the SEC Case and a copy of the Amended Receivership Order or the Reappointment Order in the

United States District Courts for the Districts where each Defendant resides within ten (10) days of the issuance of the respective orders, as applicable.

7. In accordance with the Amended Receivership Order and 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

8. 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 (“Laura Signore”) was Vice Chairperson and Vice President.

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

10. 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.

11. JOLA is a Florida corporation, incorporated in 2013, with its former principal place of business in Jupiter, Florida.

12. PSCS is 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.

C. DEFENDANTS

13. Upon information and belief, Defendant Barbara Searock resides in Sharpsburg, Georgia.

14. Upon information and belief, Defendant Patrick Murphy resides in Land O Lakes, Florida.

15. Upon information and belief, Defendant David Bregio resides in Miami Lakes, Florida.

16. Upon information and belief, Defendants Ryan and Amanda Davila are married and reside in Abilene, Texas.

17. Upon information and belief, Defendant Dominic Schender resides in Willoughby, Ohio.

18. Upon information and belief, Defendants James and Andrea Fowler are married and reside in Centerville, Ohio.

19. Upon information and belief, Defendant Michael Van Schoick resides in Vivian, Louisiana.

20. Upon information and belief, Defendant Jessica Howard resides in Senoia, Georgia.

21. Upon information and belief, Defendant J. Russo Investments LLC, is a Florida limited liability company.

22. Upon information and belief, Defendant Joseph Manfredini resides in Kenosha, Wisconsin.

23. Upon information and belief, Defendant Kristal Joyner resides in Chester, Virginia.

24. Upon information and belief, Defendant Kenneth Ash Enterprises Inc., is a Texas corporation.

25. Upon information and belief, Defendant Marvin Paul Miller resides in Houston, Texas.

26. Upon information and belief, Defendant Melvin Robinson resides in Sharpsburg, Georgia.

27. Upon information and belief, Defendant Minaxiben Patel resides in Englewood, Florida.

28. Upon information and belief, Defendant Powell Bryant Investments LLC is a Texas limited liability company.

29. Upon information and belief, Defendant Eprar, LLC is a Georgia limited liability company.

30. Upon information and belief, Defendant Leonardo Redondo resides in Miami Springs, Florida.

31. Upon information and belief, Defendant Robert Graziose resides in Locust Valley, New York.

32. Upon information and belief, Defendant Cuor Di Leone Inc., is a Florida corporation.

33. Upon information and belief, Defendant MLB Enterprises LLC is a Louisiana limited liability company.

34. Upon information and belief, Defendants Larry and Carol Starr are married and reside in Chesterfield, Virginia.

35. Upon information and belief, Defendant Tatyana Kaplan a/k/a Tanya Kaplan resides in Pleasant Hill, California.

36. Upon information and belief, Defendant Thomas Cote resides in Surry, New Hampshire.

37. Upon information and belief, Defendant Travis Macek resides in Garrettsville, Ohio.

38. Upon information and belief, Defendant Jeremy Tucker resides in Chester, Virginia.

39. Upon information and belief, Defendant Kathleen Wenger resides in Jefferson City, Missouri.

40. Upon information and belief, Defendant Zoe Acosta resides in Miami, Florida.

41. Upon information and belief, Defendant Craig Tilot resides in Green Bay, Wisconsin.

42. Upon information and belief, Defendant Jonathan Campagna resides in Tyrone, Georgia.

43. Upon information and belief, Defendant Ralph Furfaro resides in Jupiter, Florida.

44. Upon information and belief, Defendant Heather Mianecki resides in Key West, Florida.

45. Upon information and belief, Defendant Jim Mobashery resides in Plainsboro, New Jersey.

46. Upon information and belief, Defendant Melissa Ramussen resides in Oshkosh, Wisconsin.

47. Upon information and belief, Defendants Rhonda and Charles Roqueta are married and reside in Largo, Florida.

48. Upon information and belief, Defendant Patricia Mielke resides in Menasha, Wisconsin.

49. Upon information and belief, Defendant Charlie Wimmer resides in Phenix City, Alabama.

50. Upon information and belief, Defendants Randy and Kathryn Buroker are married and reside in Peachtree City, Georgia.

51. Upon information and belief, Defendant Michigan Touchscreen Technologies, LLC is a Michigan limited liability company.

52. Upon information and belief, Defendants Steve and Amie Davies are married and reside in Chester, Virginia.

53. Upon information and belief, Defendant James Kerry Conkle resides in McDonough, Georgia.

54. Upon information and belief, Defendants Melissa and Gary Brookman are married and reside in Mechanicsville, Virginia.

II. JURISDICTION AND VENUE

55. 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 Receivership Order, and thus this matter is ancillary to the Court's exclusive jurisdiction over the Receivership Estate.

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

57. 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

58. 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.

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

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

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

62. Joseph Signore and Schumack offered and sold investments in JCS's VCMs, which would purportedly pay income to investors from advertising revenues generated by the VCMs.

63. JCS and TBTI, combined, raised approximately \$80.8 million from at least 1,800 investors by selling contracts for more than 22,500 VCMs.

64. 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.

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

66. 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.

67. 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, let alone more than 22,000 VCMs. 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.

68. 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.

69. 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.

70. While Joseph Signore operated JCS and Paul Schumack operated TBTI, they caused JCS and TBTI to transfer monies: (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.

71. 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.

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

73. All transfers that Paul Schumack wrongfully cause TBTI to make as returns and/or redemptions to investors and as commissions paid to agents were diverted and misappropriated by Paul Schumack in furtherance of his scheme.

74. As a result, Joseph Signore operated JCS as a Ponzi scheme.

75. As a result, Paul Schumack operated TBTI as a Ponzi scheme.

76. 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), No. 14-80081-Civ-HURLEY (S.D. Fla. Dec. 7, 2015).

77. On November 16, 2016, the Honorable Kenneth A. Marra, United States District Judge, found that “Paul L. Schumack, II operated TBTI as a Ponzi scheme.” *Sallah v. Barnes, et al.*, Declaratory Judgment (DE 15), No. 16-80781-Civ-MARRA (S.D. Fla. Nov. 16, 2016).

78. On November 17, 2016, the Honorable Donald M. Middlebrooks, United States District Judge, entered summary judgment against Joseph Signore, finding that “the undisputed facts show that Signore operated a Ponzi scheme.” *James D. Sallah, Esq., as Receiver v. Joseph Signore, et al.*, Order Granting Motion for Summary Judgment (DE 125), No. 15-80946-Civ-Middlebrooks (S.D. Fla. Nov. 18, 2016).

B. SCHUMACK CAUSED TBTI TO TRANSFER FUNDS FRAUDULENTLY TO DEFENDANTS BARBARA SEAROCK, DAVID BREGIO, RYAN AND AMANDA DAVILA, DOMINIC SCHENDER, JAMES AND ANDREA FOWLER, JESSICA HOWARD, J. RUSSO INVESTMENTS LLC, JOSEPH MANFREDINI, KRISTAL JOYNER, MELVIN ROBINSON, EPRAR LLC, LEONARDO REDONDO, ROBERT GRAZIOSE, MLB ENTERPRISES LLC, LARRY AND CAROL STARR, TATYANA KAPLAN A/K/A TANYA KAPLAN, THOMAS COTE, TRAVIS MACEK, JEREMY TUCKER, KATHLEEN WENGER, ZOE ACOSTA, CRAIG TILOT, JONATHAN CAMPAGNA, HEATHER MIANECKI, MELISSA RASMUSSEN, PATRICIA MIELKE, CHARLIE WIMMER, RANDY AND KATHRYN BUROKER, MICHIGAN TOUCHSCREEN TECHNOLOGIES, LLC, STEVE AND AMIE DAVIES, JAMES KERRY CONKLE, AND MELISSA AND GARY BROOKMAN FOR THEIR PURPORTED INVESTMENTS

79. Defendants Barbara Searock, David Bregio, Ryan and Amanda Davila, Dominic Schender, James and Andrea Fowler, Jessica Howard, J. Russo Investments LLC, Joseph Manfredini, Kristal Joyner, Melvin Robinson, Eprar LLC, Leonardo Redondo, Robert Graziose, MLB Enterprises LLC, Larry and Carol Starr, Tatyana Kaplan a/k/a Tanya Kaplan, Thomas Cote, Travis Macek, Jeremy Tucker, Kathleen Wenger, Zoe Acosta, Craig Tilot, Jonathan Campagna, Heather Mianeki, Melissa Rasmussen, Patricia Mielke, Charlie Wimmer, Randy and Kathryn Buroker, Michigan Touchscreen Technologies, LLC, Steve and Amie Davies, James Kerry Conkle, and Melissa and Gary Brookman invested in VCM contracts in the amounts indicated in the table, below in Paragraph 80, net of any chargebacks they may have received.

80. Schumack caused TBTI to transfer purported income and/or purported return of principal payments (“Income Payments”) to Defendants Barbara Searock, David Bregio, Ryan and Amanda Davila, Dominic Schender, James and Andrea Fowler, Jessica Howard, J. Russo Investments LLC, Joseph Manfredini, Kristal Joyner, Melvin Robinson, Eprar LLC, Leonardo Redondo, Robert Graziose, MLB Enterprises LLC, Larry and Carol Starr, Tatyana Kaplan a/k/a Tanya Kaplan, Thomas Cote, Travis Macek, Jeremy Tucker, Kathleen Wenger, Zoe Acosta, Craig Tilot, Jonathan Campagna, Heather Mianeki, Melissa Rasmussen, Patricia Mielke, Charlie Wimmer, Randy and Kathryn Buroker, Michigan Touchscreen Technologies, LLC, Steve and

Amie Davies, James Kerry Conkle, Melissa and Gary Brookman in the amounts indicated in the table, below:

<u>Exhibit</u>	<u>Defendant</u>	<u>Net Amount Invested</u>	<u>Income Payments</u>
2	Barbara Searock	\$0.00	\$2,100.00
3	David Bregio	\$6,000.00	\$9,600.00
4	Ryan and Amanda Davila	\$52,500.00	\$64,500.00
5	Dominic Schender	\$0.00	\$12,900.00
6	James and Andrea Fowler	\$30,750.00	\$42,000.00
7	Jessica Howard	\$3,250.00	\$6,000.00
8	J. Russo Investments LLC	\$0.00	\$24,000.00
9	Joseph Manfredini	\$12,300.00	\$18,000.00
10	Kristal Joyner	\$4,000.00	\$7,500.00
11	Melvin Robinson	\$10,000.00	\$15,600.00
12	Eprar LLC ¹	\$38,600.00	\$39,900.00
13	Leonardo Redondo	\$6,000.00	\$11,400.00
14	Robert Graziose	\$22,400.00	\$33,600.00
15	MLB Enterprises LLC ²	\$15,000.00	\$22,500.00
16	Larry and Carol Starr	\$24,000.00	\$25,800.00

¹ The investment for Eprar LLC was made by the persons whom the Receiver believes were its principals, Ralph A. and Edith P. Rebel.

² The investment for MLB Enterprises LLC was made by Michelle Bean, whom the Receiver believes was MLB Enterprises LLC's principal.

17	Tatyana Kaplan a/k/a Tanya Kaplan	\$31,800.00	\$33,300.00
18	Thomas Cote	\$0.00	\$4,800.00
19	Travis Macek	\$0.00	\$4,200.00
20	Jeremy Tucker	\$15,000.00	\$21,000.00
21	Kathleen Wenger	\$750.00	\$3,000.00
22	Zoe Acosta	\$6,000.00	\$9,600.00
23	Craig Tilot	\$0.00	\$7,800.00
24	Jonathan Campagna	\$8,550.00	\$15,300.00
25	Heather Mianecki	\$258,800.00	\$333,300.00
26	Melissa Rasmussen	\$72,230.00	\$100,200.00
27	Patricia Mielke	\$123,000.00	\$135,900.00
28	Charlie Wimmer	\$27,000.00	\$36,000.00
29	Randy and Kathryn Buroker	\$30,000.00	\$34,300.00
30	Michigan Touchscreen Technologies, LLC ³	\$90,075.00	\$94,505.00
31	Steve and Amie Davies	\$27,000.00	\$34,800.00
32	James Kerry Conkle	\$2,150.00	\$9,300.00
33	Melissa and Gary Brookman	\$130,200.00	\$146,700.00

³ The investment for Michigan Touchscreen Technologies, LLC, was made by Quinn Management Systems, LLC, and Justin Quinn, who was the principal of Michigan Touchscreen Technologies, LLC.

Additionally, Schumack caused TBTI, and Signore caused JCS, to transfer purported income and/or purported return of principal payments (“Income Payments”), on a combined basis,⁴ to Defendant Powell Bryant Investments LLC in the amount indicated in the table below:

<u>Exhibit</u>	<u>Defendant</u>	<u>Net Amount Invested</u>	<u>Income Payments</u>
34	Powell Bryant Investments LLC	\$100,000.00	\$103,800.00

These transfers are itemized in **Exhibits 2 through 34**, which detail the date and amount of each such transfer from and to Defendants Barbara Searock, David Bregio, Ryan and Amanda Davila, Dominic Schender, James and Andrea Fowler, Jessica Howard, J. Russo Investments LLC, Joseph Manfredini, Kristal Joyner, Melvin Robinson, Powell Bryant Investments LLC, Eprar LLC, Leonardo Redondo, Robert Graziose, MLB Enterprises LLC, Larry and Carol Starr, Tatyana Kaplan a/k/a Tanya Kaplan, Thomas Cote, Travis Macek, Jeremy Tucker, Kathleen Wenger, Zoe Acosta, Craig Tilot, Jonathan Campagna, Heather Miannecki, Melissa Rasmussen, Patricia Mielke, Charlie Wimmer, Randy and Kathryn Buroker, Michigan Touchscreen Technologies, LLC, Steve and Amie Davies, James Kerry Conkle, Melissa and Gary Brookman.

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

82. TBTI did not receive a reasonably equivalent value in exchange for any Income Payments that were made to Defendants Barbara Searock, David Bregio, Ryan and Amanda

⁴ Powell Bryant Investments LLC invested \$54,500.00 with TBTI and received \$76,200.00 from TBTI for a net profit of \$21,700.00. Powell Bryant Investments LLC also invested \$45,500.00 with JCS and received \$27,600.00 from JCS for a net loss of \$17,900.00. Altogether, the net investment with both entities was \$100,000.00, and the amounts received were \$103,800.00. The Receiver has decided only to seek the total net result of the investments with TBTI and JCS, rather than seeking the profit with TBTI and requiring Powell Bryant Investments LLC to file a separate claim regarding its investment with JCS.

Davila, Dominic Schender, James and Andrea Fowler, Jessica Howard, J. Russo Investments LLC, Joseph Manfredini, Kristal Joyner, Melvin Robinson, Powell Bryant Investments LLC, Eprar LLC, Leonardo Redondo, Robert Graziose, MLB Enterprises LLC, Larry and Carol Starr, Tatyana Kaplan a/k/a Tanya Kaplan, Thomas Cote, Travis Macek, Jeremy Tucker, Kathleen Wenger, Zoe Acosta, Craig Tilot, Jonathan Campagna, Heather MianECKi, Melissa Rasmussen, Patricia Mielke, Charlie Wimmer, Randy and Kathryn Buroker, Michigan Touchscreen Technologies, LLC, Steve and Amie Davies, James Kerry Conkle, Melissa and Gary Brookman in excess of the amounts they invested (“Excess Income Payments”).

83. 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.

84. 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.

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

86. This conduct dissipated TBTI’s assets.

87. 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.

C. SIGNORE CAUSED JCS TO TRANSFER FUNDS FRAUDULENTLY TO PATRICK MURPHY, MICHAEL VAN SCHOICK, KENNETH ASH ENTERPRISES INC., MARVIN PAUL MILLER, MINAXIBEN PATEL, CUOR DI LEONE INC., RALPH FURFARO, JIM MOBASHERY, AND RHONDA AND CHARLES ROQUETA

88. Defendants Patrick Murphy, Michael Van Schoick, Kenneth Ash Enterprises Inc., Marvin Paul Miller, Minaxiben Patel, Cuor Di Leone Inc., Ralph Furfaro, Jim Mobashery, and

Rhonda and Charles Roqueta, invested in VCM contracts in the amounts indicated in the table, below in Paragraph 89, net of any chargebacks they may have received.

89. Signore caused JCS to transfer Income Payments to Defendants Patrick Murphy, Michael Van Schoick, Kenneth Ash Enterprises Inc., Marvin Paul Miller, Minaxiben Patel, Cuor Di Leone Inc., Jonathan Campagna, Ralph Furfaro, Jim Mobashery, and Rhonda and Charles Roqueta, in the amounts indicated in the table, below:

<u>Exhibit</u>	<u>Defendant</u>	<u>Net Amount Invested</u>	<u>Income Payments</u>
35	Patrick Murphy	\$22,500.00	\$24,900.00
36	Michael Van Schoick	\$65,000.00	\$69,000.00
37	Kenneth Ash Enterprises Inc.	\$35,200.00	\$55,200.00
38	Marvin Paul Miller	\$7,000.00	\$8,800.00
39	Minaxiben Patel	\$12,500.00	\$18,900.00
40	Cuor Di Leone Inc.	\$9,000.00	\$15,800.00
41	Ralph Furfaro	\$42,000.00	\$70,200.00
42	Jim Mobashery	\$151,800.00	\$198,900.00
43	Rhonda and Charles Roqueta	\$58,300.00	\$94,200.00

These transfers are itemized in **Exhibits 35 through 43**, which detail the date and amount of each such transfer from and to Defendants Patrick Murphy, Michael Van Schoick, Kenneth Ash Enterprises Inc., Marvin Paul Miller, Minaxiben Patel, Cuor Di Leone Inc., Ralph Furfaro, Jim Mobashery, and Rhonda and Charles Roqueta.

90. Joseph Signore caused JCS to make these Income Payments with actual intent to hinder, delay, or defraud JCS.

91. JCS did not receive a reasonably equivalent value in exchange for any Income Payments that were made to Defendants Patrick Murphy, Michael Van Schoick, Kenneth Ash Enterprises Inc., Marvin Paul Miller, Minaxiben Patel, Cuor Di Leone Inc., Ralph Furfaro, Jim Mobashery, and Rhonda and Charles Roqueta in excess of the amounts they invested (the “Excess Income Payments”).

92. At the time of these transfers, Joseph Signore 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.

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

94. JCS was harmed by this unauthorized course of conduct, which was effectuated by Joseph Signore, individually, or through his control of JCS.

95. This conduct dissipated JCS’s assets.

96. Accordingly, Joseph Signore is a debtor under Fla. Stat. §726.102(6), and the Receiver, on behalf of the Receivership Entities, is a creditor of Joseph Signore.

**D. DEFENDANTS’ RETENTION OF THE BENEFITS CONFERRED BY
THE RECEIVERSHIP ESTATE**

97. TBTI and JCS conferred benefits on Defendants, respectively, including the transfers to Defendants of funds in excess of the amounts they respectively contributed to TBTI and JCS, respectively, as reflected in Exhibits 1 to 43, above.

98. Defendants accepted these benefits willfully and voluntarily.

99. Defendants continue to retain the benefits conferred on them by JCS or TBTI, as applicable.

100. To allow the Defendants to retain these funds would be inequitable and unjust, including to investors in the Receivership Entities.

CONDITIONS PRECEDENT

101. 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 DEFENDANTS BARBARA SEAROCK, DAVID BREGIO, RYAN AND AMANDA DAVILA, DOMINIC SCHENDER, JAMES AND ANDREA FOWLER, JESSICA HOWARD, J. RUSSO INVESTMENTS LLC, JOSEPH MANFREDINI, KRISTAL JOYNER, MELVIN ROBINSON, EPRAR LLC, LEONARDO REDONDO, ROBERT GRAZIOSE, MLB ENTERPRISES LLC, LARRY AND CAROL STARR, TATYANA KAPLAN A/K/A TANYA KAPLAN, THOMAS COTE, TRAVIS MACEK, JEREMY TUCKER, KATHLEEN WENGER, ZOE ACOSTA, CRAIG TILOT, JONATHAN CAMPAGNA, HEATHER MIANECKI, MELISSA RASMUSSEN, PATRICIA MIELKE, CHARLIE WIMMER, RANDY AND KATHRYN BUROKER, MICHIGAN TOUCHSCREEN TECHNOLOGIES, LLC, STEVE AND AMIE DAVIES, JAMES KERRY CONKLE, AND MELISSA AND GARY BROOKMAN FOR THEIR RESPECTIVE INCOME PAYMENTS)

102. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 101.

103. This claim is asserted in the alternative to Counts II, III, and IV.

104. Paul Schumack, a debtor, caused TBTI to transfer purported income and/or purported return of principal payments to Defendants respectively, directly or indirectly, with actual intent to hinder, delay or defraud the Receiver, a creditor.

105. The Receiver is entitled to avoid the fraudulent transfers of the Income Payments from TBTI to Defendants, as set forth in Exhibits 2 to 34, pursuant to Section 726.105(1)(a), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants, for the Income Payments, as set forth in Exhibits 2 to 34, 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 DEFENDANTS BARBARA SEAROCK, DAVID BREGIO, RYAN AND AMANDA DAVILA, DOMINIC SCHENDER, JAMES AND ANDREA FOWLER, JESSICA HOWARD, J. RUSSO INVESTMENTS LLC, JOSEPH MANFREDINI, KRISTAL JOYNER, MELVIN ROBINSON, EPRAR LLC, LEONARDO REDONDO, ROBERT GRAZIOSE, MLB ENTERPRISES LLC, LARRY AND CAROL STARR, TATYANA KAPLAN A/K/A TANYA KAPLAN, THOMAS COTE, TRAVIS MACEK, JEREMY TUCKER, KATHLEEN WENGER, ZOE ACOSTA, CRAIG TILOT, JONATHAN CAMPAGNA, HEATHER MIANECKI, MELISSA RASMUSSEN, PATRICIA MIELKE, CHARLIE WIMMER, RANDY AND KATHRYN BUOKER, MICHIGAN TOUCHSCREEN TECHNOLOGIES, LLC, STEVE AND AMIE DAVIES, JAMES KERRY CONKLE, AND MELISSA AND GARY BROOKMAN FOR THEIR RESPECTIVE EXCESS INCOME PAYMENTS)

106. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 101.

107. This claim is asserted in the alternative to Counts I, III, and VII.

108. TBTI did not receive a reasonably equivalent value in exchange for the transfer of the Excess Income Payments made to Defendants, as reflected in Exhibits 2 to 34.

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

110. 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.

111. The Receiver is entitled to avoid the transfers of Excess Income Payments made from TBTI to Defendants, as set forth in Exhibits 2 to 34, pursuant to Section 726.105(1)(b), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants, respectively, avoiding all transfers of Excess Income Payments, as set forth in Exhibits 2 to 34, 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 DEFENDANTS BARBARA SEAROCK, DAVID BREGIO, RYAN AND AMANDA DAVILA, DOMINIC SCHENDER, JAMES AND ANDREA FOWLER, JESSICA HOWARD, J. RUSSO INVESTMENTS LLC, JOSEPH MANFREDINI, KRISTAL JOYNER, MELVIN ROBINSON, EPRAR LLC, LEONARDO REDONDO, ROBERT GRAZIOSE, MLB ENTERPRISES LLC, LARRY AND CAROL STARR, TATYANA KAPLAN A/K/A TANYA KAPLAN, THOMAS COTE, TRAVIS MACEK, JEREMY TUCKER, KATHLEEN WENGER, ZOE ACOSTA, CRAIG TILOT, JONATHAN CAMPAGNA, HEATHER MIANECKI, MELISSA RASMUSSEN, PATRICIA MIELKE, CHARLIE WIMMER, RANDY AND KATHRYN BUROKER, MICHIGAN TOUCHSCREEN TECHNOLOGIES, LLC, STEVE AND AMIE DAVIES, JAMES KERRY CONKLE, AND MELISSA AND GARY BROOKMAN FOR THEIR RESPECTIVE EXCESS INCOME PAYMENTS)

112. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 101.

113. This claim is asserted in the alternative to Counts I, II and VII.

114. TBTI's claim arose before Paul Schumack caused TBTI to transfer the Excess Income Payments to Defendants, respectively.

115. TBTI did not receive a reasonably equivalent value in exchange for the transfer of the Excess Income Payments made to Defendants, respectively.

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

117. The Receiver is entitled to void these transfers of Excess Income Payments from TBTI to Defendants, respectively, as set forth in Exhibits 2 to 34, pursuant to Section 726.106(1) FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants, respectively, avoiding all transfers of the Excess Income Payments from TBTI to Defendants, as set forth in Exhibits 2 to 34, 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 PATRICK MURPHY, MICHAEL VAN SCHOICK, KENNETH ASH ENTERPRISES INC., MARVIN PAUL MILLER, MINAXIBEN PATEL, CUOR DI LEONE INC., RALPH FURFARO, JIM MOBASHERY, AND RHONDA AND CHARLES ROQUETA FOR THEIR RESPECTIVE INCOME PAYMENTS)

118. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 101.

119. This claim is asserted in the alternative to Counts V, VI, and VII.

120. Joseph Signore, a debtor, caused JCS to transfer purported income and/or purported return of principal payments to Defendants respectively, directly or indirectly, with actual intent to hinder, delay or defraud the Receiver, a creditor.

121. The Receiver is entitled to avoid the fraudulent transfers of the Income Payments from JCS to Defendants, as set forth in Exhibits 35 to 43, pursuant to Section 726.105(1)(a), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants, for the Income Payments, as set forth in Exhibits 35 to 43, 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 PATRICK MURPHY, MICHAEL VAN SCHOICK, KENNETH ASH ENTERPRISES INC., MARVIN PAUL MILLER, MINAXIBEN PATEL, CUOR DI LEONE INC., RALPH FURFARO, JIM MOBASHERY, AND RHONDA AND CHARLES ROQUETA FOR THEIR RESPECTIVE EXCESS INCOME PAYMENTS)

122. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 101.

123. This claim is asserted in the alternative to Counts IV, VI, and VII.

124. JCS did not receive a reasonably equivalent value in exchange for the transfer of the Excess Income Payments made to Defendants, as reflected in Exhibits 35 to 43.

125. When these transfers were made, Joseph Signore was engaged in a business or transaction for which the remaining assets were unreasonably small in relation to the business or transaction.

126. When these transfers were made, Joseph Signore 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.

127. The Receiver is entitled to avoid the transfers of Excess Income Payments made from JCS to Defendants, as set forth in Exhibits 35 to 43, pursuant to Section 726.105(1)(b), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants, respectively, avoiding all transfers of Excess Income Payments, as set forth in Exhibits 35 to 43, 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 PATRICK MURPHY, MICHAEL VAN SCHOICK, KENNETH ASH
ENTERPRISES INC., MARVIN PAUL MILLER, MINAXIBEN PATEL, CUOR DI LEONE INC., RALPH
FURFARO, JIM MOBASHERY AND RHONDA AND CHARLES ROQUETA FOR THEIR RESPECTIVE
EXCESS INCOME PAYMENTS)

128. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 101.

129. This claim is asserted in the alternative to Counts IV, V and VII.

130. JCS's claim arose before Joseph Signore caused JCS to transfer the Excess Income Payments to Defendants, respectively.

131. JCS did not receive a reasonably equivalent value in exchange for the transfer of the Excess Income Payments made to Defendants, respectively.

132. Joseph Signore was insolvent at the time of the transfers or became insolvent as a result of the transfers.

133. The Receiver is entitled to void these transfers of Excess Income Payments from JCS to Defendants, respectively, as set forth in Exhibits 35 to 43, pursuant to Section 726.106(1) FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants, respectively, avoiding all transfers of the Excess Income Payments from JCS to Defendants, as set forth in Exhibits 35 to 43, 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)

134. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 78, 80 through 88, and 90 through 101.

135. This unjust enrichment claim is asserted in the alternative to Counts I through VI in the event the remaining claims pleaded provide an inadequate remedy at law.

136. Defendants, respectively, received benefits from TBTI or JCS, as set forth herein.

137. Defendants, respectively, knowingly and voluntarily accepted and retained these benefits.

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

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

140. The Receiver, on behalf of TBTI and JCS, 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 Defendants for the value of the benefits conferred on them, respectively, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

Dated: May 24, 2017

Respectfully submitted,

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