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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JCS ENTERPRISES, INC., d/b/a JCS
ENTERPRISES SERVICES, INC., T.B.T.I. INC.,
JOSEPH SIGNORE, and PAUL L. SCHUMACK, II

Defendants.

Per Local Rule 5.4(d), the matter(s)
shall remain sealed until further
order.

— years
— p. (other).

14-80468

CIV-MIDDLEBROOK

**ORDER GRANTING TEMPORARY RESTRAINING ORDER
AND OTHER EMERGENCY RELIEF**

This cause comes before the Court upon the emergency motion by Plaintiff Securities and Exchange Commission for the following orders with respect to Defendants JCS Enterprises, Inc. (“JCS”); T.B.T.I. Inc. (“T.B.T.I.”); Joseph Signore; and Paul L. Schumack, II..

1. a Temporary Restraining Order;
2. an Order to Show Cause Why a Preliminary Injunction Should Not be Granted;
3. an Order Freezing JCS’s, T.B.T.I.’s, Signore’s, and Schumack’s Assets;
4. an Order Requiring Sworn Accountings;
5. an Order Prohibiting Destruction of Documents; and
6. an Order Expediting Discovery.

The Court has considered the Commission’s Complaint, its Emergency *Ex Parte* Motion for a Temporary Restraining Order and Other Relief and Memorandum of Law in

Support, and the declarations and exhibits filed in support of that motion. The Court finds the Commission has made a sufficient and proper showing in support of the relief granted herein by: (1) presenting a *prima facie* case of securities laws violations by Defendants; and (2) showing a reasonable likelihood Defendants will harm the investing public by continuing to violate the federal securities laws unless they are immediately restrained. The Court also finds good cause to believe that unless immediately restrained and enjoined by Order of this Court, Defendants will continue to dissipate, conceal or transfer from the jurisdiction of this Court assets which could be subject to an Order of Disgorgement.

Accordingly, the motion is **GRANTED**, and the Court hereby orders as follows:

I.

SHOW CAUSE HEARING

IT IS HEREBY ORDERED that Defendants show cause, if any, before the Honorable DONALD M. DEBROOKS of this Court, at 10 o'clock A.m., on the 17th day of April, 2014, in Courtroom 7 of the United States Courthouse, 701 Odomatis St, WPB, FL 33401, Florida, or as soon thereafter as the matter can be heard, why a Preliminary Injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure should not be granted against Defendants, as requested by the Commission.

II.

TEMPORARY RESTRAINING ORDER

IT IS FURTHER ORDERED that, pending determination of the Commission's request for a Preliminary Injunction, JCS, T.B.T.I., Signore, and Schumack, and their

directors, officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby restrained and enjoined from:

Section 5(a) and (c) of the Securities Act of 1933

A. directly or indirectly, (i) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities in the form of units, common stock, warrants or any other securities through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such securities; (ii) carrying securities, in the form of units, common stock, warrants or any other securities, or causing them to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, unless and until a registration statement is in effect with the Commission as to such securities; or (iii) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of any prospectus or otherwise, any securities, in the form of units, common stock, warrants or any other securities unless a registration statement is filed with the Commission as to such securities, or while a registration statement filed with the Commission as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act of 1933 ("Securities Act"), 15 § U.S.C. 77h, in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. §§ 77e(a) and 77e(c) .

Section 17(a)(1) of the Securities Act of 1933

B. Violating Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, to employ any device, scheme, or artifice to defraud either orally or in writing, concerning (i) any investment strategy or investment in securities; (ii) the use of investor funds or proceeds; (iii) the background and history of the principals of any company involved in a securities offering; (iv) the business prospects, success level, or assets of any company involved in a securities offering; and (v) the risk involved in investing in a securities offering; and

Section 17(a)(2) of the Securities Act of 1933

C. violating Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading either orally or in writing, concerning (i) any investment strategy or investment in securities; (ii) the use of investor funds or proceeds; (iii) the background and history of the principals of any company involved in a securities offering; (iv) the business prospects, success level, or assets of any company involved in a securities offering; and (v) the risk involved in investing in a securities offering; and

Section 17(a)(3) of the Securities Act of 1933

D. violating Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser, concerning (i) any investment strategy or investment in securities; (ii) the use of investor funds or proceeds; (iii) the background and history of the principals of any company involved in a securities offering; (iv) the business prospects, success level, or assets of any company involved in a securities offering; and (v) the risk involved in investing in a securities offering; and

Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5(a) and (c)

E. violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5(a) and (c) promulgated thereunder, 17 C.F.R. § 240.10b-5(a) and (c), by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security: to employ any device, scheme, or artifice to defraud and either orally or in writing; or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person concerning (i) any investment strategy or investment in securities, (ii) the use of investor funds or proceeds, (iii) the background and history of the principals of any company involved in a securities offering; (iv) the business prospects, success level, or assets of any company

involved in a securities offering; and (v) the risk involved in investing in a securities offering; and

Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5(b)

F. violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5(b) promulgated thereunder, 17 C.F.R. § 240.10b-5(b), by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security: to make any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, either orally or in writing, concerning (i) any investment strategy or investment in securities, (ii) the use of investor funds or proceeds, (iii) the background and history of the principals of any company involved in a securities offering; (iv) the business prospects, success level, or assets of any company involved in a securities offering; and (v) the risk involved in investing in a securities offering; and

III.

ASSET FREEZE

IT IS FURTHER ORDERED AND ADJUDGED that, pending determination of the Commission’s request for a Preliminary Injunction:

A. JCS, T.B.T.I., Signore, and Schumack, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, who receive notice of this

order by personal service, mail, facsimile transmission or otherwise, be and hereby are, restrained from, directly or indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of, or withdrawing any assets or property, including but not limited to cash, free credit balances, fully paid for securities, and/or property pledged or hypothecated as collateral for loans, or charging upon or drawing from any lines of credit, owned by, controlled by, or in the possession of:

1. JCS Enterprises, Inc. d/b/a JCS Enterprises Services, Inc.
2. T.B.T.I., Inc.
3. Joseph Signore; and
4. Paul Schumack.

B. Any financial or brokerage institution or other person or entity holding any such funds or other assets, in the name, for the benefit or under the control of Defendants, directly or indirectly, held jointly or singly, and wherever located, and which receives actual notice of this order by personal service, facsimile, or otherwise, shall hold and retain within its control and prohibit the withdrawal, removal, transfer, disposition, pledge, encumbrance, assignment, set off, sale, liquidation, dissipation, concealment, or other disposal of any such funds or other assets, including, but not limited to, the following presently known bank accounts:

- a) JCS Enterprises
BB&T
Account number ending in 5654

- b) JCS Enterprises
TD Bank
Account number ending in 8571
- c) JCS Enterprises
Seacoast National Bank
Account number ending in 1921
- d) JCS Enterprises
SunTrust
Account number ending in 3602
- e) JCS Enterprises
Scottrade
Account number ending in 6374
- f) TBTI Inc,
Bank of America
Account number ending in 2038
- g) TBTI
Bank of America
Account number ending in 4820
- h) TBTI Inc.
TD Bank
Account number ending in 4901

IV.

ACCOUNTINGS

A. Accounting and Identification of Accounts by Signore and by Schumack

IT IS FURTHER ORDERED AND ADJUDGED that within five days of the issuance of this Order, Signore and Schumack shall:

(a) make a sworn accounting to this Court and the Commission of all funds, whether in the form of compensation, commissions, income (including payments for assets, shares or property of any kind), and other benefits (including the provision of services of a personal or mixed business and personal nature) received by Signore or by Schumack directly or indirectly from JCS or by T.B.T.I.;

(b) make a sworn accounting to this Court and the Commission of all assets, funds, or other properties held by Signore and Schumack, jointly or individually, or for their direct or indirect beneficial interest, or over which they maintain control, wherever situated, stating the location, value, and disposition of each such asset, fund, and other property; and

(c) provide to the Court and the Commission a sworn identification of all accounts (including, but not limited to, bank accounts, savings accounts, securities accounts and deposits of any kind) in which they (whether solely or jointly), directly or indirectly (including through a corporation, partnership, relative, friend or nominee), either have an interest or over which they have the power or right to exercise control.

B. Accountings and Identification of Accounts by JCS and T.B.T.I.

IT IS HEREBY FURTHER ORDERED that JCS and T.B.T.I. shall each make a sworn accounting within five days of the issuance of this Order to the Commission and this Court of:

(a) all funds received from any source, including, but not limited to, funds received directly or indirectly from sales of JCS and T.B.T.I. securities;

(b) all compensation, income (including payment for assets, shares or property of any kind), other benefits (including the provision of services of a personal or mixed business and personal nature) they have paid directly or indirectly to Signore or to Schumack; and

(c) all assets, funds, or other properties held in their names, or for their direct or indirect beneficial interest, or over which they maintain control, wherever situated, stating the location, value, and disposition of each such asset, fund, and other property.

V.

RECORDS PRESERVATION

IT IS FURTHER ORDERED AND ADJUDGED that, pending determination of the Commission's request for a Preliminary Injunction, Defendants, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts,

statements, obligations, files and other property of or pertaining to Defendants wherever located and in whatever form, electronic or otherwise, until further Order of this Court.

VI.

EXPEDITED DISCOVERY

IT IS FURTHER ORDERED AND ADJUDGED that:

(a) Immediately upon entry of this Order, and while the Commission's request for a preliminary injunction is pending, the parties may take depositions upon oral examination of parties and non-parties subject to two days notice. Should any Defendant fail to appear for a properly noticed deposition, that party may be prohibited from introducing evidence at the hearing on the Commission's request for a preliminary injunction;

(b) Immediately upon entry of this Order, and while the Commission's request for a preliminary injunction is pending, the parties shall be entitled to serve interrogatories, requests for the production of documents and requests for admissions. The parties shall respond to such discovery requests within two days of service;

(c) All responses to the Commission's discovery requests shall be delivered to Russell Koonin, Esq. at 801 Brickell Avenue, Suite 1800, Miami, Florida 33131 by the most expeditious means available; and

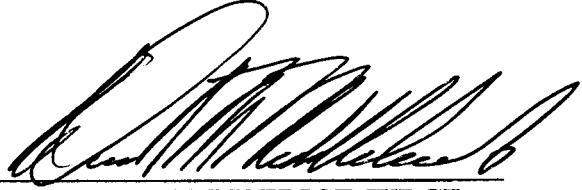
(d) Service of discovery requests shall be sufficient if made upon the parties by facsimile or overnight courier, and depositions may be taken by telephone or other remote electronic means.

VII.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED that this Court shall retain jurisdiction over this matter and Defendants in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED in Chambers in WPB, Florida, this 7 day of April, 2014.


UNITED STATES DISTRICT JUDGE

Copies to: Counsel of Record