IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

RALPH S. JANVEY, IN HIS CAPACITY AS COURT APPOINTED RECEIVER FOR THE STANFORD INTERNATIONAL BANK, LTD., ET AL.	*	**Case No. 03:09-CV-0724-N**
Plaintiff,	*	
v.	*	
JAMES R. ALGUIRE, ET AL.	*	
Investor Defendants	*	

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ANSWER TO RECEIVER'S FIRST AMENDED COMPLAINT
(INVESTOR DEFENDANTS)

Investor Defendants, **JAMES BROWN, ROBERT BUSH, GENE CAUSEY, JOSEPH CHUTZ, DARRELL COURVILLE, KENNETH DOUGHERTY, GWENDOLYNE E. FABRE, RICHARD S. FEUCHT, DENNIS KIRBY, WILLIAM BRUCE JOHNSON, LAURA JEANETTE LEE, TROY LILLIE, CHARLIE L. MASSEY, RONALD B. MCMORRIS, VIRGINIA MCMORRIS, BILLIE RUTH MCMORRIS, MONTY PERKINS, LARRY W. PERKINS, CHARLES R. SANCHEZ, MAMIE C. SANCHEZ, THOMAS W. SLAUGHTER, LARRY N. SMITH, TERRY N. TULLIS, ANTHONY J. VENTRELLA, OLIVE SUE WARNOCK, ARTHUR WAXLEY AND CHARLES WHITE** ("Investor Defendants") file this Answer and Affirmative Defenses in response to the Receiver's First Amended Complaint.

ANSWER

SUMMARY

1. No response is required for the allegations contained in paragraph 1 of the Receiver's First Amended Complaint. To the extent that the response is required, allegations contained in paragraph 1 are denied for lack of sufficient information to justify a belief therein.

2. Investor Defendants deny that they had knowledge of the use or whereabouts of their investments as alleged in paragraph 2. The allegations contained in paragraph 2 of the Receiver's First Amended Complaint are denied for lack of sufficient information to justify a belief therein. Investor Defendants deny the amounts set forth on the Appendix are the correct amounts or the date on which the Ponzi scheme commenced.

3. The first sentence in paragraph 3 is denied. The second sentence of paragraph 3 is denied for lack of sufficient information to justify a belief therein. The third sentence in paragraph 3 is denied. All other allegations are denied.

4. The last sentence of paragraph 4 is denied. Except as otherwise noted, all other allegations contained in paragraph 4 of the Receiver's First Amended Complaint are denied for lack of sufficient information to justify a belief there.

5. The allegations contained in paragraph 5 are denied for lack of sufficient information to justify a belief therein. Investor Defendants deny the amounts set forth on the Appendix are the correct amounts or the date on which the Ponzi scheme commenced.

6. The allegations contained in paragraph 6 are a statement of law and not fact. To the extent that a response is required, the allegation in paragraph 6 is denied because it is not a proper statement of the law. Further, any factual allegations contained in paragraph 6 are denied.

PARTIES

7. Subject to the allegations made in Investor Defendants's Sixth Affirmative Defense: Investor Defendants Are not the Owners of Transferred Assets, the allegations contained in paragraph 7 are admitted.

8. The allegations contained in paragraph 8 are denied for lack of sufficient information to justify a belief therein.

PROCEDURAL HISTORY

9. The allegations contained in paragraph 9 are a statement of law and not fact. To the extent that a response is required, the allegation in paragraph 9 is denied because it is not a proper statement of the law. Any factual allegations contained in paragraph 9 are denied for lack of sufficient information to justify a belief therein.

JURISDICTION AND VENUE

10. The allegation contained in paragraph 10 is denied for lack of sufficient information to justify a belief therein.

11. The allegation contained in paragraph 11 is denied including the Fifth Affirmative Defense.

12. The allegation contained in paragraph 12 is denied for lack of sufficient information to justify a belief therein.

13. The document executed by each Investor Defendant, if executed, as alleged in paragraph 13, is the best evidence of its terms. Except as otherwise noted, all allegations contained in paragraph 13 are denied for lack of sufficient information to justify a belief there.

14. The allegation contained in paragraph 14 is denied for lack of sufficient information to justify a belief therein.

STATEMENT OF FACTS

15. Investor Defendants deny that they have any personal knowledge of any of the factual basis for the fraud, misrepresentations, or omissions or failure to comply with the regulatory laws as of the date of the transfers which are the subject of the First Amended Complaint. However, Investor Defendants now believe that many of the facts alleged are now in fact true. The allegations concerning actions of Stanford Defendants contained in paragraphs 15-24 are denied for lack of sufficient information to justify a belief therein. The allegations contained in Paragraphs 15 - 24 are admitted except for the date that the Ponzi Scheme started. All allegations regarding the date of the commencement of the Ponzi Scheme are denied. The exact date for the commencement of the Ponzi scheme is a contested issue of fact of which Plaintiff must establish in order to contest the transfers which are the subject of this suit.

16. The allegations contained in paragraph 25 are denied.

17. The allegations contained in paragraph 26 are admitted subject to the Fourth Affirmative Defense.

REQUESTED RELIEF

18. The allegation contained in paragraph 27 is a statement of law and not fact. To the extent that a response is required, the allegation contained in paragraph 27 is denied because it does not properly state the law. Further, any factual allegations contained in paragraph 27 are denied.

19. The allegation contained in paragraph 28 is a statement of law and not fact. To the extent that a response is required, the allegation contained in paragraph 28 is denied because it does not properly state the law. Further, any factual allegations contained in paragraph 28 are denied.

20. The allegation contained in paragraph 29 is a statement of law and not fact. To the extent that a response is required, the allegation contained in paragraph 29 is denied because it does not properly state the law. Further, any factual allegations contained in paragraph 29 are denied.

21. The allegations contained in Paragraph 30 are denied.

22. The allegations in paragraphs 31 - 36 concerning the amount received by all investors other than the Investor Defendants are denied of lack of sufficient information to justify a belief therein. To the extent that the allegation is applicable to Investor Defendants, the allegation is denied because either the amount is not correct or the Receiver has filed a claim against the individual beneficiary of an Individual Retirement Accounts plan (the "IRA Plan") and not the custodian of the IRA Plan or the IRA Plan which owns the funds. The amount of assets owned by the IRA Plans are set forth in Paragraph 50. All other allegations set forth in paragraphs 31-36 are a statement of law and not fact. To the extent that a response is required, the allegations contained in paragraphs 31-36 are denied because they are an improper statement of the law. Further, any factual allegations contained in paragraphs 31-36 are denied.

23. The allegations contained in Paragraph 37 are denied.

24. The allegations contained in Paragraph 38 are denied.

25. The allegations set forth in Paragraph 39 - 42 are statements of law and not fact. To the extent that a response is required, the allegations set forth in Paragraph 39 - 42 are denied because it is an improper statement of the law. Further, any factual allegations are denied.

26. The allegations set forth in paragraph 43 are statements of law and not fact. To the extent that a response is required, the allegations in paragraph 43 are denied as a proper statement of the law. Further, any factual allegations in paragraph 43 are denied.

27. All other allegations not specifically mentioned are hereby denied.

AFFIRMATIVE DEFENSES

I. First Affirmative Defense: Fraudulent Transfer Act

28. The Texas Fraudulent Transfer Act is set out in Tex. Bus. & Com. Ann. § 24.001 et seq. ("the Act"). Investor Defendants hereby allege that the transfers: (1) were for reasonably equivalent value based upon an existing antecedent debt; (2) were made in good faith, or (3) that Investor Defendants were a "subsequent transferee" not subject to being voidable under the Act.

29. Section 24.009(a) of the Act provides: "A transfer or obligation is not voidable under Section 24.005(a)(1) of the Act against a person who took in ***good faith*** and for a ***reasonably equivalent value*** or against any "***subsequent transferee or obligee.***" Tex. Bus. & Com. Ann. §24.009(a) (emphasis added). Many if not all of the Investor Defendants were not transferees from Stanford International Bank ("SIB") and are not subject to the act.

30. Investor Defendants (1) acted in good faith *and* (2) gave reasonably equivalent value in exchange for the transfer because the interest and principal payments were transferred in satisfaction of an antecedent debt represented by a contractual agreement as previously determined by the United States Fifth Circuit Court of Appeal in *Janvey v. Adams* 2009 WL 3791623, 2 (5th Cir.

2009).

31. All transfers were made to IRA Plans of which the Stanford Trust was the custodian and Investor Defendants were beneficiaries. In many instances, the Custodian of the IRA Plans ("IRA Custodian") never made any distributions or limited distributions to Investor Defendants. In instances where the IRA Custodians made distributions to Investor Defendants, the amount of the transfers were transfers made to "subsequent transferees" and are not subject to the Act.

32. The transfers made to the IRA Plans and/or the Investor Defendants were transfers made for "antecedent debts" within the meaning of Tex. Bus. & Com. Ann. § 24.004(a) because the funds were CD proceeds pursuant to written certificate of deposit agreements with SIB, which granted them certain rights and obligations as determined by the United States Fifth Circuit Court of Appeals in *Janvey v. Adams*, supra, where the Court stated the following, "There was a debtor-creditor relationship between the Investor Defendants and the Stanford Bank based on written agreements well before the underlying SEC enforcement action against Stanford and the resulting receivership and restraining order. The Court continued to state,"The Investor Defendants have legitimate ownership interests in their CD proceeds." The United States Fifth Circuit Court of Appeals held, "The opinion does not cast any doubt upon our conclusion that the Investor Defendants here, against whom no wrongdoing has been alleged, have ownership interests in and legitimate claims to the proceeds of the CDs that they purchased from the Stanford Bank just as thousands of other innocent investors have done." *Janvey v. Adams* 2009 WL 3791623, 2 (5th Cir. 2009).

33. As a matter of law, the interest payments are a reasonably equivalent value because they are based upon contractual agreements and are antecedent debts within the meaning of the Act.

34. As a matter of law, the principal payments received are a reasonably equivalent value because they represent the payment of an antecedent debt, based upon the previous ruling of Judge Godbey in the order dated July 31,2009, which has not been reversed as of the date of the filing of the First Amended Complaint by the Receiver.

35. Section 24.004(a) of the Act specifically provides that "value" includes satisfaction of an antecedent debt. Tex. Bus. & Com. Ann. § 24.004(a). A debtor may also receive "reasonably equivalent value" when the debtor's payment of a third-party's debt reduces the debtor's liabilities.[1] *In re IFS Financial Corp*. 417 B.R. 419, 441, 442 (Bkrtcy.S.D.Tex. 2009).

36. The estate's liabilities are reduced in the same amount as the transfer. SIB received reasonably equivalent value from the disputed transfers in that its liability was reduced in the amount of the transfers. *In re IFS Financial Corp*. 417 B.R. 419, 442 (Bkrtcy. S.D.Tex. 2009).

II. Second Affirmative Defense: Interest Payments are Payments for Antecedent Debt

37. A debtor does not receive reasonably equivalent value for any payments made to investors that represent false profits. *See In re Hedged-Investors Associates, Inc.,* 84 F.3d 1286, 1290 (10th Cir.1996); *Scholes v. Lehmann,* 56 F.3d 750, 757-58 (7th Cir.); *In re Taubman,* 160 B.R. 964, 967 (Bankr.S.D.Ohio 1993); *Eby v. Ashley,* 1 F.2d 971, 973 (4th Cir.1924). *Warfield v. Carnie* 2007 WL 1112591, 12 (N.D.Tex. 2007). However, false profits and interests are not the same types of compensation. *In re Carrozzella & Richardson,* 286 B.R. 480, 491 (D.Conn.2002).

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[1](a) Value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied, but value does not include an unperformed promise made otherwise than in the ordinary course of the promisor's business to furnish support to the debtor or another person. Tex. Bus. & Com. Ann. § 24.004(a).

38. In exchange for the interest paid to the Investor Defendants, SIB received a dollar-for-dollar forgiveness of a contractual debt. Since the SIB CDs are contractual obligations of SIB, SIB was obligated to pay the interest that accrued on the SIB CDs. SIB's payment of the accrued interest constituted dollar-for-dollar forgiveness of a contractual debt, which is "reasonably equivalent value." *Freeland v. Enodis Corp.* 540 F.3d 721, 735 (7th Cir. 2008)*; In re Carrozzella & Richardson,* 286 B.R. 480, 491 (D.Conn.2002); *Kipperman v. Onex Corp.* 411 B.R. 805, 851 (N.D.Ga. 2009); *In re N & D Properties, Inc*. 54 B.R. 590, 605 (D.C.Ga.1985).

III. Third Affirmative Defense: Investor Defendants Acted in Good Faith

39. Plaintiff has not alleged sufficient facts relating to each transfer of principal or interest over multiple years for Investor Defendants to be able to determine on what date Plaintiff believes that Investor Defendants should have reasonably known of SIB's insolvency or should have reasonably put them on notice at the time of each transfer of principal or interest that the transfer was made in order to delay, hinder, or defraud creditors of the debtor.

40. Investor Defendants did not have knowledge of facts that should have reasonably put them on notice at the time of each transfer of principal or interest that the transfer was made in order to delay, hinder, or defraud creditors of the debtor. *Terry v. June* 432 F.Supp.2d 635, 641 (W.D.Va. 2006); *United States v. Romano,* 757 F.Supp. 1331, 1338 (M.D.Fla.1989); *Plotkin v. Pomona Valley Imports (In re Cohen),* 199 B.R. 709, 719 (Bankr.Fed.App.1996); *Fisher v. Sellis (In re Lake States Commodities, Inc.),* 253 B.R. 866, 878 (Bankr.N.D.Ill.2000); *In re Agricultural Research & Tech. Group, Inc.,* 916 F.2d 528, 536 (9th Cir. 1990).

41. Most of the payments of interest occurred years before the date of the receivership filing by the SEC. Investor Defendants did not know or should not have known that the debtors were

insolvent at the time of each transfer of principal and interest. Investor Defendants did not have knowledge of facts at the time of the transfer of each payment of principal and interest that should have reasonably put them on notice that SIB was insolvent or that the transfers were being made to delay, hinder, or defraud creditors of the debtor.

42. As a matter of law, since the facts and circumstances surrounding the operation of Stanford International Bank ("SIB") did not reasonably put the Securities and Exchange Commission and FINRA, which were responsible for monitoring the activities of the Stanford Group, on notice during the relevant time period that transfers were being made to delay hinder or defraud creditors of the debtor through the implementation of a Ponzi Scheme, then Investor Defendants, as innocent investors, may not be held to a higher standard of knowledge or inquiry than the Securities and Exchange Commission and FINRA.

43. Investor Defendants were unsophisticated investors who were innocent retirees who invested their life savings in the IRA Plans. Investor Defendants knowledge of particular facts was not such that they should have known of the fraudulent scheme or the insolvency of SIB.

44. In the alternative, because the transfers in question involved multiple transfers and multiple time periods, each transfer requires a finding that facts existed that provide the basis for a lack of good faith.

45. The primary purpose of disgorgement is to deprive a "wrongdoer" of unjust enrichment. In this particular case, as admitted by the Receiver, no "wrongdoer" is the subject of the plan for disgorgement. *S.E.C. v. JT Wallenbrock & Associates*, 440 F.3d 1109, 1113 (9th Cir.2006). See also, *Securities and Exchange Commission v. Blatt*, 583 F.2d 1325, 1335 (5th

Cir.1978); *S.E.C. v. Seghers*, 298 Fed.Appx. 319, 336, 2008 WL 4726248, 14 (5th Cir.2008). For this reason, Plaintiff is not entitled to the relief requested.

46. Even if wrongdoing is involved, the amount of the principal investment is not subject to recoupment. *Scholes v. Lehmann*, 56 F.3d 750 (7th Cir.1995); *S.E.C. v. Blatt*, 583 F.2d at 1325, 1335 (5th Cir. 1978); Ruling of Judge Godbey dated July 31, 2009.

IV. Fourth Affirmative Defense: Uncertainty of Commencement Date of Ponzi Scheme

47. As a matter of law, the time period for seeking recovery of the transfers based upon the actual intent to hinder, delay, or defraud creditors cannot commence until the date of the commencement of the Ponzi scheme is proven. Plaintiff makes no attempt to allege when the Ponzi Scheme started. In order to establish that the transfer was made with actual intent to hinder, delay or defraud any creditor of the debtor, the date of the commencement of the Ponzi Scheme must be factually pleaded and established. Until the date of the commencement of the Ponzi Scheme is proven, Investor Defendants reserve the right to assert the defense that the transfers made to them for certain interest payments were prior to the date of the commencement of the Ponzi Scheme.

48. The transfers of interest and principal to Investor Defendants occurred in multiple years and months. The transfers from the receivership entities to Investor Defendants were not made with actual intent to hinder, delay, or defraud creditors of the receivership entities during all periods for which disgorgement is being sought. The defenses of Investor Defendants for the time periods for disgorgement cannot be ascertained until Plaintiff sets forth the facts for the time in which the Ponzi Scheme commenced.

V. Fifth Affirmative Defense: Ownership of Claim

49. Plaintiff does not have title to the claim, and as a matter of law, is not entitled to enforce any right of SIB against Investor Defendants until it is determined who is the proper receiver to represent SIB in pursuing its claims.

VI. Sixth Affirmative Defense: Investor Defendants Are not the Owners of Transferred Assets

. 50. The proceeds listed in the following table are held by the IRA Custodian.

Last Name	Receiver No	Distribution to IRA	11/24 Clawback	Footnote
Brown	226	$504,039.05	$90,386.71	
Bush	319	$736,419.75	$100,849.09	
Causey	189	$527,946.96	$123,288.92	
Chustz	268	$599,055.60	$33,340.28	
Courville	316	$495,600.00	$125,960.34	
Dougherty	190	$522,604.54	$122,527.19	
Fabre	292	$259,810.37	$55,453.05	
Feucht	245	$372,046.69	$133,701.68	
Johnson	514		$45,414.72	(1)
Kirby	88	$581,199.83	$175,006.66	
Lee	270	$347,972.84	$176,724.64	
Lillie	318	$902,406.55	$203,451.44	
Massey	283	$363,306.23	$140,747.84	
McMorris	457	$859,551.27	$246,164.09	(2)
Perkins	282	$65,199.82	$29,000.00	
Perkins	269	$427,785.41	$27,640.62	
Sanchez	273	$252,119.62	$82,204.45	
Sanchez	273	$71,962.20	$82,204.45	
Slaughter	229	$634,589.76	$211,481.93	
Smith	169	$485,996.41	$73,370.47	
Tullis	116	$372,801.00	$89,938.39	
Ventrella	404	$483,398.42	$13,427.03	
Warnock	305	$352,247.05	$42,455.46	
Waxley	308	$527,376.21	$115,268.15	
White	172	$480,332.29	$108,813.61	

(1) William Bruce Johnson redeemed his CD in 2006.

(2) Investor Defendants McMorris has several accounts. Two of the accounts are IRA accounts and one of the accounts is an individual account. Based upon the best information available, the approximate of interest accruing to the individual accounts for all periods is approximately $130,000. This information is based upon incomplete records of Investor Defendants McMorris. Billy Jean McMorris is the mother of Ronald Mc Morris.

Plaintiff has filed suit against Investor Defendants for the funds held in the IRA Plans. As a matter of law, Plaintiffs and IRA Plans are not the same legal entity, and the Receiver's action against the

Investor Defendants for the funds titled in the name of the IRA Plans do not state a legal claim for the funds held by the IRA.

51. Plaintiff has ignored this requirement and named the wrong party as a Investor Defendants in order to avoid the exemption provisions of § 42.0021 of the Texas Property Code. Tex. Prop. Ann. §24.009.

52. It is the burden of the party claiming an exemption under § 42.0021 of the Texas Property Code to prove that he is entitled to such exemptions. *Lozano v. Lozano* 975 S.W.2d 63, 67 (Tex. App-Houston [14th Dist.] 1998, pet. denied).

53. All of the accounts listed in Paragraph 50 of Investor Defendants' Answer to Receiver's First Amended Complaint are IRA Plans established with the Stanford Trust to purchase SIB CD's. Investor Defendants are not the owners of the funds which are the subject of the claims.

54. Texas Property Code § 42.0021 states the following:

> *In addition to the exemption prescribed by Section 42.001, a person's right to the assets held in or to receive payments, whether vested or not, under any stock bonus, pension, profit-sharing, or similar plan, including a retirement plan for self-employed individuals, and under any annuity or similar contract purchased with assets distributed from that type of plan, and under any retirement annuity or account described by Section 403(b) or 408A of the Internal Revenue Code of 1986, and under any individual retirement account or any individual retirement annuity, including a simplified employee pension plan, and under any health savings account described by Section 223 of the Internal Revenue Code of 1986, is exempt from attachment, execution, and seizure for the satisfaction of debts unless the plan, contract, or account does not qualify under the applicable provisions of the Internal Revenue Code of 1986.* Tex. Prop. Ann. §42.0021(a).

55. Based upon the liberal rule of construction, evidence that an account is an IRA is sufficient to establish that it is exempt, unless evidence is presented that the IRA does not qualify for exempt treatment under the Internal Revenue Code. *In re Jarboe* 365 B.R. 717, 721, 722 (Bkrtcy.S.D.Tex. 2007). Plaintiff has made no attempt to allege that IRA Plans fail to qualify

as a tax exempt entity or to explain in his complaint why he is able to pursue claims against the individual beneficiaries for funds owned by the IRA Plans.

56. IRAs are trusts which "exist separate from their owners. . . ." *Taproot Administrative Services v. CIR*, 133 T.C. No. 9, 5, 2009 WL 3098090 (U.S.Tax Ct.); 26 USC 408(a). Plaintiff may not circumvent the limitations of Tex. Prop. Ann. § 42.0021 on property owned by the IRA by naming the beneficiary of the IRA as a Investor Defendants.

VII. Seventh Affirmative Defense: Offset

57. The other unpaid creditors of SIB are the real parties in interest that the Plaintiff is representing in pursuing the claims against the Investor Defendants. Investor Defendants plead the right of offset and compensation in an amount equal to the pro-rata share of the amounts due and owing by all persons that have received payments during the period of the Ponzi Scheme of which Investor Defendants would be a beneficiary if the claims were pursued by the Receiver.

VIII. Eighth Affirmative Defense: Unjust Enrichment.

58. A cause of action for unjust enrichment only exists under circumstances in which one person has obtained a benefit from another by fraud, duress, or the taking of an undue advantage. Further, an element of the cause of action is that Investor Defendants wrongfully secured a benefit or passively received one which it would be unconscionable to retain. No fraud, duress or taking of undue advantage has occurred.

59. A certificate of deposit contract exists between the Plaintiff and Investor Defendants as determined by the United States Fifth Circuit Court of appeal in the case of *Janvey v. Adams, supra.* When a valid, express contract covers the subject matter of the parties' dispute, there can be no recovery under for unjust enrichment. *Fortune Production Co. v. Conoco, Inc*. 52 S.W.3d 671,

684 (Tex. 2000); *Pazarin v. Armes* 512 F.Supp.2d 861, 877 (W.D.Tex. 2007); *Becker v. National Educ. Training Group, Inc*. 2002 WL 31255021, 4(N.D.Tex. 2002).

60. The amount of compensation due is measured by the extent to which one has been enriched or the other has been impoverished, whichever is less. Plaintiffs have not been impoverished by the amount of the loss that hypothetically would have been lost in other investments.

61. As a matter of law, the amount of the enrichment alleged by the Plaintiff has no support in law or fact, because the enrichment is based upon a novel theory that Investor Defendants have been enriched by the amount of losses that they did not incur by not investing in some unknown or unspecified securities. Further, the legal proposition that Plaintiff is entitled to assume the alternative investment in which Investor Defendants would have invested funds for purposes of determining the loss/benefit if the funds had been withdrawn from SIB, is pure conjecture, has no support in fact or law and is designed to create a claim for unjust enrichment where none exists.

62. No enrichment has been properly alleged based upon the unfounded premise that hypothetical losses would have incurred in the market without specifically alleging what investments each Investor Defendant would have made if the funds had been available. As a matter of law, the alleged amount of damages are speculative at best.

IX. Ninth Affirmative Defense: Res Judicata and Collateral Estoppel

63. The issue of whether a claim can be made against innocent investors for the amount of the principal has been previously decided by this Honorable Court and the United States Fifth Circuit Court of Appeals and is res judicata. The courts have previously determined that Investor Defendants are the owners of the funds based upon the contractual agreement between Investor Defendants and SIB. Further, the Receiver is collaterally estopped from filing a new claim for the

principal amount of the funds invested in the SIB CD's based upon the prior rulings of the respective courts.

X. Tenth Affirmative Defense- Statute of Limitations

64. All transfers of interest occurring prior to December 7, 2005 are barred because all claims must be filed within four years of the date of the transfer.

Request for a Trial by Jury

65. Investor Defendants hereby request a jury trial on all issues.

WHEREFORE, having fully answered Receiver's First Amended Complaint, Investor Defendants prays for a judgment dismissing the Petition with prejudice and for such further relief as the Court may deem just.

Respectfully submitted by:

PREIS GORDON, APLC

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CERTIFICATE OF SERVICE

The undersigned certifies that on the 18th day of December, 2009, he filed the foregoing pleading with the Clerk of Court using the CM/ECF system and the CM/ECF system will send notification of all such filing to all counsel of record as noted on the CM/ECF system.

s/Phillip W. Preis
Phillip W. Preis