

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 00-6885-CIV-ZLOCH

COMMODITY FUTURES TRADING
COMMISSION,

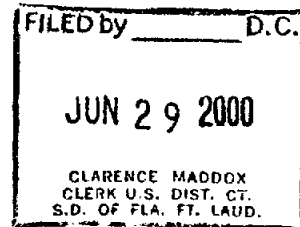
Plaintiff,

**STATUTORY RESTRAINING ORDER AND
ORDER SETTING EVIDENTIARY HEARING**

vs.

NATIONAL BULLION AND COIN,
INC., d/b/a NATIONAL BULLION
& COIN SERVICES, INC., CAPITAL
CREDIT MANAGEMENT & FINANCE,
INC., JOSEPH B. FLANIGAN,
and LAWRENCE COLMAN,

Defendants.



THIS MATTER is before the Court upon the Emergency *Ex Parte* Motion For A Statutory Restraining Order Freezing Assets, Appointing A Temporary Receiver, Prohibiting The Destruction Of Evidence, Permitting The Commission Immediate Access To Review Records, Granting Leave To Conduct Expedited Discovery, And Ordering The Defendants To Show Cause Why A Preliminary Injunction Should Not Be Granted, bearing file stamp of the Clerk of this Court dated June 28, 2000, filed herein by the Plaintiff, the Commodity Futures Trading Commission. The Court has carefully considered the Complaint, the aforementioned Motion, and other written submissions of the Plaintiff. An evidentiary hearing was held before this Court on June 29, 2000 and the Court is otherwise fully advised in the premises.

DEFINITIONS

For the purposes of this Order, the following definitions apply:

1. "Assets" means any legal or equitable interest in, right to, or claim to, any real or personal property, including but not limited to chattels, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, receivables, contracts, insurance policies, and all cash, wherever located, whether in the United States or abroad.

2. The term "document" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes, but is not limited to, writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

3. "Defendants" means National Bullion and Coin, Inc., d/b/a National Bullion & Coin, Services, Inc., a Florida corporation ("NBC"), Capital Credit Management & Finance, Inc. ("CCMF"), a Florida corporation, Joseph B. Flanigan ("Flanigan") and Lawrence Colman ("Colman") and any other person insofar as he or she is acting in the capacity of an officer, agent, servant, employee or attorney of the NBC, CCMF, Flanigan or Colman, and any person who receives actual notice of this Order by personal service or

otherwise insofar as he or she is acting in concert or participation with NBC, CCMF, Flanigan or Colman.

4. Receivership Defendants means NBC and CCMF and any affiliates or subsidiaries of NBC or CCMF.

THE COURT HEREBY FINDS AS FOLLOWS:

1. This Court has jurisdiction over the subject matter of this case pursuant to Section 6c of the Commodity Exchange Act (hereinafter "the Act"), 7 U.S.C. §13a-1, which authorizes *ex parte* relief;

2. There is good cause to believe that Defendants National Bullion and Coin, Inc., d/b/a/ National Bullion & Coin, Services, Inc., a Florida corporation, Capital Credit Management & Finance Inc., a Florida corporation, Joseph B. Flanigan and Lawrence Colman have engaged in, are engaging in, or are about to engage in fraud in violation of 7 U.S.C. § 6b and the sale of illegal futures contracts in violation of 7 U.S.C. § 6(a);

3. Since on or about September 1998, the Defendants have operated a telemarketing investment scheme involving futures contracts;

4. Between approximately 1990 and 1997 Defendant Flanigan operated a similar telemarketing scheme involving the sale of future contracts in violation of the Act, First National Bullion and Coin Services, Inc. The Commission has evidence that this company closed down and failed to return customer funds owing;

5. Absent the entry of this Statutory Restraining Order, the Defendants are likely to dissipate or transfer assets and destroy

business records; and

6. This is a proper case for granting a statutory restraining order *ex parte* to preserve the status quo, protect public customers from loss and damage, and enable the Commission to fulfill its statutory duties.

Accordingly, after due consideration, it is

ORDERED AND ADJUDGED as follows:

I. ASSET FREEZE

The Defendants, along with any of their agents, servants, employees, or assigns and persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, except as otherwise ordered by this Court, are restrained and enjoined from directly or indirectly:

A. Transferring, selling, alienating, liquidating, encumbering, pledging, leasing, loaning, assigning, concealing, dissipating, converting, withdrawing, or otherwise disposing of any assets, wherever located, including assets held outside the United States, except as otherwise provided in Paragraphs III and VI of this Order, or as otherwise ordered by the Court.

B. Opening or causing to be opened any safe deposit boxes titled in the name or subject to access by any of the Defendants.

C. Notwithstanding the provisions of this paragraph, Defendants shall transfer possession of all assets of the Receivership Defendants pursuant to Paragraph III and VI of this

Order.

The assets affected by this Paragraph shall not include assets that have been obtained by the Defendants after the entry of this order and are not derived from or otherwise related to the activities alleged in the Commission's Complaint.

II.

IT IS FURTHER ORDERED AND ADJUDGED, pending further Order of this Court, that any financial or brokerage institution, business entity, or person that holds, controls, or maintains custody of any account or asset titled in the name of, held for the benefit of, or otherwise under the control of any Defendant, or has held, controlled, or maintained custody of any such account or asset of any Defendant at any time since September 1, 1998, shall:

A. Prohibit Defendants and all other persons from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling or otherwise disposing of any such asset except as directed by further Order of the Court or, as to Receivership assets, as directed by the Receiver appointed herein;

B. Deny Defendants and all other persons access to any safe deposit box that is:

1. Titled in the name of any Defendant, either individually or jointly; or

2. Otherwise subject to access by any Defendant.

Notwithstanding this Paragraph, the Receiver appointed herein shall be provided with access to any safe deposit box titled in the name of, or subject to access by NBC, CCMF, Flanigan, and/or Colman.

C. Provide the Receiver and counsel for the Commission, within five (5) business days of receiving a copy of this Order, a statement setting forth:

1. The identification number of each such account or asset titled in the name, individually or jointly, of any of the Defendants, or held on behalf of, or for the benefit of, any of the Defendants, or under the control of any of the Defendants;

2. The balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted; and

3. The identification of any safe deposit box that is either titled in the name, individually or jointly, of any Defendant, or is otherwise subject to access by any Defendant;

D. Upon request by the Receiver or the Commission, promptly provide the Receiver and the Commission with copies of all records or other documentation pertaining to such account or asset, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other

debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; and

E. Cooperate with all reasonable requests of the Receiver relating to implementation of this Order, including transferring funds at the Receiver's direction and producing records related to Defendants' accounts.

III.

IT IS FURTHER ORDERED that within five (5) business days following the service of this Order, each Defendant shall, if they have not done so already:

A. Provide the Commission and the Receiver with a full accounting of all funds, documents, and assets held outside of the United States which are (1) titled in the name individually or jointly of such Defendant; or (2) held by any person or entity for the benefit of any Defendant; or (3) under such Defendant's direct or indirect control, whether jointly or singly;

B. Transfer to the territory of the United States and deliver to the Receiver all funds, documents, and assets located in foreign countries which are (1) titled in the name individually or jointly of such Defendant; or (2) held by any person or entity for the benefit of any Defendant; or (3) under such Defendant's direct or indirect control, whether jointly or singly; and

C. Provide the Commission access to all records of accounts or assets of the Defendants by financial institutions located outside the territorial United States by signing the Consent to

Release of Financial Records attached to this Order.

IV. TEMPORARY RECEIVER

IT IS FURTHER ORDERED AND ADJUDGED that Gerald B. Wald, Esquire is appointed temporary Receiver for the Receivership Defendants, with the full powers of an equity receiver. The Receiver shall be the agent of this Court in acting as Receiver under this Order.

V.

IT IS FURTHER ORDERED AND ADJUDGED that the Receiver is directed and authorized to accomplish the following:

A. Assume full control of the Receivership Defendants by removing Defendants Colman and Flanigan, and any officer, independent contractor, employee, or agent of the Receivership Defendants, from control and management of the affairs of the Receivership Defendants;

B. Take exclusive custody, control, and possession of all the funds, property, mail and other assets of, in the possession of, or under the control of the Receivership Defendants, wherever situated. The Receiver shall have full power to sue for, collect, receive and take possession of all goods, chattels, rights, credits, moneys, effects, land, leases, books, records, work papers, and records of accounts, including computer-maintained information, and other papers and documents of the Receivership

Defendants, including documents related to customers or clients whose interest are now held by or under the direction, possession, custody or control of the Receivership Defendants;

C. Take all steps necessary to secure the business premises of the Receivership Defendants, including but not limited to premises located at 5950 W. Oakland Park Blvd, Suite 201, Fort Lauderdale, Florida, 33313, 3650 Environ Blvd., #303, Lauderhill Florida 33319 or 4407 Treehouse Lane, Suite C, Fort Lauderdale, Florida 33319; and any and all other premises under the control of the Receivership Defendants;

D. Preserve, hold and manage all Receivership assets, and perform all acts necessary to preserve the value of those assets, in order to prevent any loss, damage or injury to customers or clients;

E. Prevent the withdrawal or misapplication of funds entrusted to the Receivership Defendants, and otherwise protect the interests of customers or clients;

F. Manage and administer the Receivership Defendants by performing all acts incidental thereto that the Receiver deems appropriate, including hiring or dismissing any and all personnel or suspending operations;

G. Collect all money owed to the Receivership Defendants;

H. Initiate, defend, compromise, adjust, intervene in, dispose of, or become a party to any actions or proceedings in state, federal or foreign court necessary to preserve or increase the assets of the Receivership Defendants or to carry out his

duties pursuant to this Order;

I. Choose, engage and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;

J. Issue subpoenas to obtain documents and records pertaining to the Receivership, and conduct discovery in this action on behalf of the Receivership estate;

K. Open one or more bank accounts as designated depositories for funds of the Receivership Defendants. The Receiver shall deposit all funds of the Receivership Defendants in such designated accounts and shall make all payments and disbursements from the Receivership estate from such accounts;

L. Make payments and disbursements from the Receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by the Receivership Defendants prior to the date of entry of this Order, except for payments that the Receiver deems necessary or advisable to secure assets of the Receivership Defendants;

M. Liquidate all assets of the Receivership Defendants and hold such assets pending further of the order Court; and

N. Vacate the business premises occupied by the Receivership Defendants and consolidate all records and other assets by moving

assets and records currently located outside of this District to a secure facility maintained within this District.

VI.

IT IS FURTHER ORDERED AND ADJUDGED that, immediately upon service of this Order upon them, the Defendants, along with any of their agents, servants, employees, or assigns and persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and any other person or entity served with a copy of this Order, shall immediately or within such time as permitted by the Receiver in writing, deliver over to the Receiver:

A. Possession and custody of all funds, assets, property, and all other assets, owned beneficially or otherwise, wherever situated, of the Receivership Defendants;

B. Possession and custody of documents of the Receivership Defendants, including but not limited to, all books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents and other papers;

C. Possession and custody of all precious metals, other commodities, funds and other assets belonging to members of the public now held by the Receivership Defendants;

D. All keys, computer passwords, entry codes, and combinations to locks necessary to gain or to secure access to any

of the assets or documents of the Receivership Defendants, including but not limited to, access to the Receivership Defendants' business premises, means of communication, accounts, computer systems, or other property; and

E. Information identifying the accounts, employees, properties or other assets or obligations of the Receivership Defendants.

VII.

IT IS FURTHER ORDERED AND ADJUDGED that the Defendants along with any of their agents, servants, employees, or assigns and persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and all other persons or entities served with a copy of this order shall cooperate fully with and assist the Receiver. This cooperation and assistance shall include, but not be limited to, providing any information to the Receiver that the Receiver deems necessary to exercising the authority and discharging the responsibilities of the Receiver under this Order; providing any password required to access any computer or electronic files in any medium; and advising all persons who owe money to the Receivership Defendants that all debts should be paid directly to the Receiver.

VIII.

IT IS FURTHER ORDERED AND ADJUDGED that except by leave of the

Court, during the pendency of the Receivership ordered herein, the Defendants, and all other persons and entities be and hereby are stayed from taking any action to establish or enforce any claim, right or interest for, against, on behalf of, in, or in the name of, the Receivership Defendants, the Receiver, Receivership assets, or the Receiver's duly authorized agents acting in their capacities as such, including but not limited to, the following actions:

A. Commencing, prosecuting, litigating or enforcing any suit, except that actions may be filed to toll any applicable statute of limitations;

B. Accelerating the due date of any obligation or claimed obligation, enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, property of the Receivership Defendants or any property claimed by the Receivership Defendants, or attempting to foreclose, forfeit, alter or terminate any of the Receivership Defendants' interests in property, whether such acts are part of a judicial proceeding or otherwise;

C. Using self-help or executing or issuing, or causing the execution or issuance of any court attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking possession of or interfering with, or creating or enforcing a lien upon any property, wherever located, owned by or in the possession of the Receivership Defendants, or the Receiver, or any agent of the Receiver; and

D. Doing any act or thing to interfere with the Receiver taking control, possession or management of the property subject to

the Receivership, or to in any way interfere with the Receiver or the duties of the Receiver; or to interfere with the exclusive jurisdiction of this Court over the property and assets of the Receivership Defendants.

This Paragraph does not stay the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power.

IX.

IT IS FURTHER ORDERED AND ADJUDGED that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by, or in the possession or control of, or which may be received by the Receivership Defendants. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of this Order. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

X.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to 28 U.S.C.

§ 754, the Receiver shall file with the Clerk of the Court a bond in the amount of \$ 5000.00 ^(WTD) with sureties to be approved by the Court, conditioned that the Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs.

XI. MAINTENANCE OF AND ACCESS TO BUSINESS RECORDS

IT IS FURTHER ORDERED AND ADJUDGED that the Defendants, along with any of their agents, servants, employees, or assigns and persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and all persons or entities who receive notice of this Order by personal service or otherwise, are restrained and enjoined from directly or indirectly destroying, mutilating, erasing, altering, concealing or disposing of, in any manner, directly or indirectly, any documents that relate to the business practices or business or personal finances of any Defendant.

XII.

IT IS FURTHER ORDERED AND ADJUDGED that representatives of the Commission be immediately allowed to inspect the books, records, and other documents of the Defendants and their agents including, but not limited to, paper documents, electronically stored data, tape recordings, and computer discs, wherever they may be situated and whether they are in the possession of the Defendants or others,

and to copy said documents, data and records, either on or off the premises where they may be situated.

XIII. SERVICE OF AND ASSISTANCE OF THE UNITED STATES

MARSHALS SERVICE

IT IS FURTHER ORDERED AND ADJUDGED that copies of this Order may be served by any means, including facsimile transmission, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of any Defendant, or that may be subject to any provision of this Order.

XIV.

IT IS FURTHER ORDERED AND ADJUDGED that the United States Marshals Service is directed to: (a) assist the Commission in the service of the summons, complaint, and this statutory restraining order on the Defendants; and (b) assist the Receiver in taking control and custody of the assets, records and business premises of the Receivership Defendants.

XV. EXPEDITED DISCOVERY

IT IS FURTHER ORDERED AND ADJUDGED that the parties and the Receiver are granted leave, at any time after service of this Order, to take the deposition of and demand the production of documents from any person or entity for the purpose of discovering the nature, location, status, and extent of assets of the

Defendants, and the location of documents reflecting the business transactions of the Defendants; forty-eight (48) hours notice shall be deemed sufficient for any such deposition and five (5) days notice shall be deemed sufficient for the production of any such documents.

XVI.

IT IS FURTHER ORDERED that the limitations and conditions set forth in Federal Rule of Civil Procedure 30(a)(2)(B) regarding subsequent depositions of an individual shall not apply to depositions taken pursuant to this Order. No depositions taken pursuant to paragraph XV shall count towards the ten deposition limit set forth in Federal Rule of Civil Procedure 30(a)(2)(A).

XVII. SERVICE ON THE COMMISSION

IT IS FURTHER ORDERED AND ADJUDGED that the Defendants shall serve all pleadings, correspondence, notices required by this Order, and other materials on the Commission by delivering a copy to Michael Solinsky, Senior Trial Attorney, Division of Enforcement, Commodity Futures Trading Commission, 1155 21st Street, N.W., Washington, D.C. 20581.

XVIII. ORDER TO SHOW CAUSE

IT IS FURTHER ORDERED AND ADJUDGED that the Plaintiff's Motion For A Preliminary Injunction is hereby set for an

evidentiary hearing before this Court on July 10, 2000, at 9:30 a.m., or as soon thereafter as counsel can be heard, in the United States District Court for the Southern District of Florida, before the Honorable William J. Zloch, in Courtroom A of the United States Courthouse, 299 East Broward Boulevard, Fort Lauderdale, Florida. Each side shall have sixty (60) minutes to present its testimony and other evidence regarding whether this Court should enter a preliminary injunction enjoining the Defendants from further violations of the Act, continuing the freeze on the assets of the Defendants, making the receiver's appointment permanent, and ordering any additional relief this Court deems appropriate.

XIX.

IT IS FURTHER ORDERED AND ADJUDGED that on or before June 30, 2000, personal service or service by certified mail (return receipt requested) of this Order, the Summons, and Complaint shall be made upon the Defendants, or any registered agent, officer, or director or the Defendants, and may be made by any employee of the Commodity Futures Trading Commission who is not counsel of record in this matter, or by special process server, or by any other person in any manner authorized by Rule 5 of the Federal Rules of Civil Procedure.

XX.

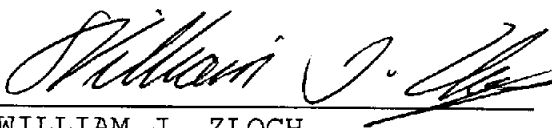
IT IS FURTHER ORDERED AND ADJUDGED that on or before July 6,

2000, at 4:00 p.m., the Defendants shall file opposing papers, if any with the Clerk of this Court, and serve same upon Plaintiff's counsel. On or before July 7, 2000, at 4:00 p.m., the Plaintiff shall file a Reply Memorandum, if any.

XXI.

IT IS FURTHER ORDERED AND ADJUDGED that this Order shall remain in full force and effect until the date of the evidentiary hearing set forth above, or such further dates as set forth by Order of the Court, unless the Defendants stipulate, or have not objected, to entry of a preliminary injunction.

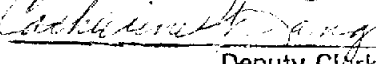
DONE AND ORDERED in Chambers at Fort Lauderdale, Broward County, Florida, this 29th day of June, 2000, at 9:37 a.m.



WILLIAM J. ZLOCH
United States District Judge

Copies furnished:

Michael Solinsky, Esq.
For Plaintiff

Certified to be a true and correct copy of the document on file	
Clarence Maddox, Clerk, U. S. District Court Southern District of Florida	
By	 Deputy Clerk
Date	6-29-00

CONSENT TO RELEASE OF FINANCIAL RECORDS

I, _____, do hereby direct any financial or brokerage institution, business entity, or bank or trust company at which I have an account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control which relate to said bank accounts to any attorney of the Commodity Futures Trading Commission, and to give evidence relevant thereto, in the matter of Commodity Futures Trading Commission v. National Bullion and Coin, Inc., d/b/a/ National Bullion & Coin Services, Inc., Capital Credit Management & Finance, Inc., Joseph B. Flanigan, and Lawrence Colman now pending before the United States District Court for the Southern District of Florida, and this shall be irrevocable authority for so doing. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be a relevant principal.

Dated: _____, 2000

Signature