

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 06-60001-CIV-DIMITROULEAS

COMMODITY FUTURE TRADING
COMMISSION,

Plaintiff,

vs.

DOREEN ROSE VALKO, FRANK A .
DESANTIS, a.k.a. JOSH ANTHONY, and
INTERNATIONAL INVESTMENTS
HOLDING CORP.,

Defendants .

vs.

JASON TODD DEAN, et al.,

Relief Defendants.

JUDGMENT BY DEFAULT AND ORDER OF DISGORGEMENT
AS TO RELIEF DEFENDANT THOMAS W. YOOS, JR.

THIS CAUSE is before the Court upon the granting of Plaintiff's Motion for Final Judgment by Default and Order of Disgorgement as to Relief Defendant Thomas W. Yoos, Jr. filed herein on June 4, 2008. [DE-230].

Plaintiff Commodity Futures Trading Commission (the "Commission" or Plaintiff), filed this action in this Court on or about January 3, 2006, charging that defendants International Investments Holdings Corp. ("IIHC"), Doreen Valko ("Valko") and Frank A. DeSantis ("DeSantis") (collectively the "Defendants") have engaged, are engaging, and may be about to engage in acts and practices which constitute violations of Section 4c(b) of the Commodity Exchange Act ("Act"), 7 U.S.C. § 6c(b) (2002), and Commission Regulations ("Regulations")

1.1(b)(1) and (3), 32.9(a), (b) and (c), 32.11(a), 17 C.F.R. §§ 1.1(b)(1) and (3), 32.9(a), (b) and (c), and 32.11(a) (2006) by soliciting the public for the offer and sale of illegal, off-exchange foreign currency options, generating false statements for customer accounts and misappropriating customer funds. The Complaint also seeks disgorgement of ill-gotten gains from a number of relief defendants, including Thomas W. Yoos, Jr. (“Yoos”).

The Commission has moved this Court for Judgment by Default and Order of Disgorgement as to relief defendant Yoos. Based upon the Commission’s memorandum in support of its motion and exhibits attached thereto, the record in this case, and the Court being otherwise advised in the premises, it is hereby:

ORDERED that Judgment by Default and Order of Disgorgement as to relief defendant Yoos is hereby entered and the Court hereby enters the following findings of fact¹ and conclusions of law, and orders relief defendant Yoos to disgorge \$15,100. Accordingly, the Court now issues the following Judgment by Default and Order of Disgorgement as to Yoos.

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Order and that there is no just reason for delay. The Court therefore, further directs the entry of the following Findings of Fact and Conclusions of Law, and Order of Disgorgement, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), as set forth herein.

¹On August 16, 2006, the Court entered a Judgment by Default and Order of Permanent Injunction against IIHC, *et al.*, wherein the Court entered Findings of Fact and Conclusions of Law as to IIHC and ordered that IIHC pay: restitution in the amount of \$6,060,000, which represents the amount solicited from customers; and a civil monetary penalty in the amount of \$6,060,000. [DE-105]. The factual allegations in those Findings of Fact were deemed admitted only for the purpose of that Default Judgment and Permanent Injunction. See Aug. 16, 2006 Order n. 1 (S.D. Fla. Aug. 16, 2006). Similarly, the factual allegations contained herein are admitted only for purposes of this Order of Default against Thomas W. Yoos, Jr., just as they were in a default judgment against Relief Defendant American Lighthouse [DE-241].

A. JURISDICTION

1. This Court has subject matter jurisdiction over this action and the allegations in the Complaint pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a) (2002).

2. This Court has personal jurisdiction over Yoos pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a) (2002).

3. Venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1(e) (2002), because Yoos resided in and transacted business in the Southern District of Florida.

B. PARTIES

4. The Commodity Futures Trading Commission is an independent federal regulatory agency that is charged with responsibility for administering and enforcing the provisions of the Act, as amended, 7 U.S.C. §§ 1 *et seq.* (2002), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2006).

5. Thomas W. Yoos, Jr. is an individual residing at 13300 Big Cedar Trail, Yukon, Oklahoma 73099. Yoos was registered with the Commission, most recently as a principal and associate person of Fortune Financial Services, LLC. Yoos withdrew his registration on January 27, 2005.

C. FINDINGS OF FACT

6. In July 2000, IIHC entered into a written “Clearing and Business Agreement” (“Agreement”) with World Banks. The Agreement states that “IIHC is a clearing and options merchant. Accepting and transferring risk from various options or clearing firms (sic).” The

Agreement further provides that “IIHC will receive and execute orders, but will not be obligated for order execution...IIHC will prepare and transmit, or have prepared and transmitted by a third party organization customer reports of execution, monies due, call, and monthly statements.”

Pursuant to the terms of the Agreement, the parties agreed that “IIHC will hold cash, securities and other property received from [World Banks] on behalf of customers” in connection with the purchase or sale of commodity options contracts. IIHC ultimately accepted more than \$6 million in customer funds, purportedly for executing transactions involving commodities on behalf of customers.

7. IIHC, through its agents, prepared and transmitted to customers statements entitled “Transaction Summary.” These statements were issued on IIHC letterhead, purportedly from the “Chancery House, The Mall, Freeport, Grand Bahama” which was the address listed at the top of the statement. The “Transaction Summary” issued by IIHC to customers stated “[T]he following trades have been made this day for your account and risk,” and listed options contracts purportedly bought or sold on behalf of customers. The “Transaction Summary” statements were issued to 205 customers beginning on or about July 2000, and ending in late March 2001 when World Banks began winding down its operations. Each “Transaction Summary” issued by IIHC to customers constituted a false statement because none of the “trades” detailed in the “Transaction Summary” ever took place.

8. Despite the representations that IIHC traded for customer accounts, bank records for the period July 2000 through November 2004 regarding IIHC’s offshore accounts at the Bank of Nevis and the Canadian Imperial Bank of Commerce (“CIBC”) in the Bahamas demonstrate that no trading took place. For example, on or about February 12, 2001, World Banks wire

transferred \$554,226.50 to IIHC's account 8290132 at the Bank of Nevis. In March and April of 2001, the records for this account show that customer funds were used to pay \$44,000 to Erin DeSantis and \$5,000 to Jason and Tara Dean. In May 2001, over \$318,700 was wired to a Florida title company to purchase real estate located at 2410 NE 31st Court, Lighthouse Point, FL – Frank and Erin DeSantis' former waterfront home.

9. Similarly, between July 2000 and May 2001, other customer funds were wired by World Banks to IIHC's account at CIBC in the Bahamas - over \$164,650 - and used for a variety of purposes unrelated to options trading.

10. The monthly account statements of the two IIHC accounts at the Bank of Nevis show that approximately \$6,000,000 was wire transferred for a variety of purposes unrelated to options trading, including a transfer to relief defendant Yoos in the amount of \$15,100.

D. CONCLUSIONS OF LAW

11. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), which authorizes the Commission to seek injunctive relief against any person whenever it shall appear that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation or order thereunder.

12. This Court has personal jurisdiction over defendant IIHC and relief defendant Yoos herein.

13. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2002), in that defendant IIHC and relief defendant Yoos are found in, inhabit, or transact business in this district, and the acts and practices in violation of the Act have occurred,

are occurring, or are about to occur within this district, among other places.

14. By the conduct described above, defendant IIHC violated Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002), and Regulations 1.1, 32.9(a), (b) and (c), and 32.11(a), 17 C.F.R. §§ 1.1, 32.9(a), (b), and (c), and 32.11(a) (2006), in that, in or in connection with offers to enter into, or the confirmation of the execution of, commodity option transactions, it cheated or defrauded or attempted to cheat or defraud customers or prospective customers and deceived or attempted to deceive customers or prospective customers by, among other things: misappropriating customers' funds, issuing false account statements to customers, misrepresenting the likelihood that customers will profit from the trading of commodity options and failing to disclose that no trading of customers' funds was actually taking place.

15. Disgorgement by relief defendant Yoos is necessary as he received payments from defendant IIHC for no *bona fide* goods or services, he does not have a legitimate claim to the funds, and said funds are held in constructive trust for the benefit of defrauded customers.

II. ORDER FOR DISGORGEMENT

IT IS HERE BY ORDERED AND ADJUDGED that relief defendant Yoos shall disgorge \$15,100, plus post-judgment interest.

Post-judgment interest is payable on all the above amounts allowable by law at the statutory rate of 2.35%, from the date this judgment is entered until the date this judgment is paid.

Payments to Receiver: To effect payment by relief defendant Yoos and distribution of disgorgement to defendants' customers, the Court continues the appointment of the Gerald B.

Wald, Esq. as Receiver (the "Receiver"). The Receiver shall collect disgorgement payments from relief defendant Yoos, and make distributions as set forth below.

Disgorgement payments under this Order shall be made to the Receiver by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the "Doreen Valko Settlement Fund." and sent to:

Gerald B. Wald, Esq.
Murai, Wald, Biondo, Moreno & Bochin, PA
Two Alhambra Plaza, Penthouse 1B
Coral Gables, FL 33134
(305) 444-0101

Such payments shall be sent to the Receiver under a cover letter than identifies relief defendant Yoos and the name and docket number of the proceeding. Relief defendant Yoos shall simultaneously transmit copies of the cover letter and the form of payment to: (a) the Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1152 21st Street, N.W., Washington, D.C. 20581; and (b) the Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

The Receiver shall have the discretion to determine the manner for distribution of funds in an equitable fashion to IIHC's customers, and shall make such distributions of funds to IIHC's customers as appropriate. Based upon the amount of funds available, the Receiver may defer distribution until such time as he deems appropriate.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order.

DONE AND ORDERED in Chambers at Fort Lauderdale, Broward County, Florida, this
9th day of July, 2008.


WILLIAM P. DIMITROULEAS
United States District Judge

Copies furnished to:
Thomas W. Yoos, Jr.
13300 Big Cedar Trail
Yukon, OR 73099

David A. Reed, Esq.
Timothy J. Mulreany, Esq.
Francisco O. Sanchez, Esq.
Adam M. Shonson, Esq.
Benedict P. Kuehne, Esq.