

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA**

**CASE NO.** \_\_\_\_\_

**JAMES D. SALLAH, 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.**

**LASCELLES DAVIS, an individual,  
CASH EXPRESS SERVICES, LLC, a  
Florida limited liability company, and  
ALFRED TRACY, 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 Lascelles Davis (“Davis”), Cash Express Services, LLC (“CES” or “Cash Express Services”), and Alfred Tracy (“Tracy”) (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 TBTI.

3. In accordance with 28 U.S.C. §754, on April 14, 2014, the Receiver filed a copy of the Complaint in the SEC Case and a copy of the Reappointment Order in the United States District Court for the Middle District of Florida within ten (10) days of the Amended Receivership Order. A copy of the Notice of Filing Complaint and Order Appointing Receiver filed in the Middle District of Florida is attached hereto as **Exhibit A**.

4. On April 14, 2014, the Court expanded the Receivership over Gee Bo. On December 12, 2014, the Court expanded the Receivership over JOLA and PSCS.

5. On December 15, 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 B**.

6. 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 JCS and T.B.T.I., including against JCS and T.B.T.I., 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 JCS and T.B.T.I.; 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.

7. In accordance with 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 in excess of Defendant's principal investment.

**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. Defendant Joseph Signore was Gee Bo's President and Defendant 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 Lascelles Davis resides in Tampa, Florida.

14. Upon information and belief, Defendant Cash Express Services, LLC, is a limited liability company organized under the laws of the State of Florida with its principal place of business in Lutz, Florida. Upon information and belief, Christopher Dedyo (“Dedyo”) is the manager-member of Cash Express Services.

15. Upon information and belief, Defendant Alfred Tracy resides in Delray Beach, Florida.

**II. JURISDICTION AND VENUE**

16. 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.

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

18. 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**

19. 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.

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

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

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

23. 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.

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

25. 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.

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

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

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

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

36. Thus, the monies JCS and/or TBTI transferred or paid to Defendants in excess of their investments with JCS and/or TBTI were improperly diverted assets of one or more of the Receivership Entities.

**B. TRANSFERS TO DEFENDANT DAVIS FOR HIS PURPORTED INVESTMENTS**

37. Defendant Davis invested a total of \$90,000 in VCMs: \$30,000 each on January 10, 2012, August 24, 2012, and December 5, 2012, as detailed in **Exhibit C**, attached hereto.

38. Joseph Signore also caused JCS to transfer purported income and/or purported return of principal payments to Defendant Davis in the amount of \$324,000, as detailed in Exhibit C. These payments are itemized in Exhibit C, which details the date and amount of each such payment to Defendant Davis.

39. Joseph Signore caused JCS to make these payments of purported income and/or purported return of principal payments with actual intent to hinder, delay, or defraud JCS.

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

41. This conduct dissipated JCS's assets.

42. 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 and entitled to the recovery of all purported income and/or purported return of principal payments made to Defendant Davis in excess of his \$90,000 investment, or \$234,000.

**C. TRANSFERS TO DEFENDANT TRACY FOR HIS PURPORTED INVESTMENTS**

43. Defendant Tracy invested a total of \$135,000 in VCMs, as detailed in **Exhibit D**, attached hereto.

44. Joseph Signore also caused JCS to transfer purported income and/or purported return of principal payments to Defendant in the amount of \$268,500, as detailed in Exhibit D. These payments are itemized in Exhibit D, which details the date and amount of each such payment to Defendant.

45. Joseph Signore caused JCS to make these payments of purported income and/or purported return of principal payments with actual intent to hinder, delay, or defraud JCS.

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

47. This conduct dissipated JCS's assets.

48. 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 and entitled to the recovery of all purported income and/or purported return of principal payments made to Defendant Tracy in excess of his \$135,000 investment, or \$133,500.

**D. TRANSFERS TO DEFENDANT CASH EXPRESS SERVICES FOR ITS PURPORTED INVESTMENTS**

49. Dedyo caused Defendant CES to invest a total of \$347,400 with TBTI, as detailed in **Exhibit E**, attached hereto.

50. Paul Schumack also caused TBTI to transfer purported income and/or purported return of principal payments to Defendant CES in the amount of \$608,975, as detailed in Exhibit E. These payments are itemized in Exhibit E, which details the date and amount of each such payment to Defendant CES.

51. Paul Schumack caused TBTI to make these payments of purported income and/or purported return of principal payments with actual intent to hinder, delay, or defraud TBTI.

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

53. This conduct dissipated TBTI's assets.

54. 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 and entitled to the recovery of all purported income and/or purported return of principal payments made to Defendant CES in excess of its \$347,400 investment, or \$216,575.

**E. DEFENDANTS' RETENTION OF THE BENEFITS CONFERRED BY  
THE RECEIVERSHIP ESTATE**

55. JCS conferred benefits on Defendant Davis and Tracy, respectively, including the transfer to Defendants Davis and Tracy of funds in excess of the amounts they respectively contributed to JCS.

56. TBTI conferred benefits on CES, including the transfer to CES of funds in excess of the amounts CES contributed to TBTI.

57. Defendants accepted these benefits willfully and voluntarily.

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

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

**CONDITIONS PRECEDENT**

60. 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 DAVIS AND TRACY)**

61. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 60.

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

63. The Receiver is entitled to avoid the fraudulent transfers from JCS to Defendants Davis and Tracy, measured as the amount in excess of Defendants Davis' and Tracy's respective investments, pursuant to Section 726.105(1)(a), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Lascelles Davis and Alfred Tracy, avoiding all transfers of purported income from JCS to Defendants Davis and Tracy, respectively, as set forth in Exhibits C and D, 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)(a), FLA. STAT.:**  
**UNIFORM FRAUDULENT TRANSFER ACT**  
**(AGAINST DEFENDANT CASH EXPRESS SERVICES)**

64. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 60.

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

66. The Receiver is entitled to avoid the fraudulent transfers from TBTI to Defendant CES, measured as the amount in excess of Defendant CES's principal investments, pursuant to Section 726.105(1)(a), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendant Cash Express Services, avoiding all transfers of purported income from JCS to Defendant Cash Express Services, as set forth in Exhibit E, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

**COUNT III**  
**SECTION 726.105(1)(b), FLA. STAT.:**  
**UNIFORM FRAUDULENT TRANSFER ACT**  
**(AGAINST DEFENDANTS DAVIS AND TRACY)**

67. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 60.

68. JCS did not receive a reasonably equivalent value in exchange for the transfer of purported income payments to Defendants Davis and Tracy in excess of the amount of their respective principal investments.

69. 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.

70. 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.

71. The Receiver is entitled to avoid these transfers from JCS to Defendants Davis and Tracy, measured as the amount in excess of Defendants Davis' and Tracy's respective principal investments, pursuant to Section 726.105(1)(b), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Lascelles Davis and Alfred Tracy, respectively, avoiding all transfers of purported income from JCS to Defendants Davis and Tracy, as set forth in Exhibits C and D, 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)(b), FLA. STAT.:**  
**UNIFORM FRAUDULENT TRANSFER ACT**  
**(AGAINST DEFENDANT CASH EXPRESS SERVICES)**

72. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 60.

73. TBTI did not receive a reasonably equivalent value in exchange for the transfer of purported income payments to Defendant CES in excess of the amount of its principal investments.

74. 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.

75. 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.

76. The Receiver is entitled to avoid these transfers from TBTI to Defendant CES, measured as the amount in excess of Defendant CES's principal investments, pursuant to Section 726.105(1)(b), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendant Cash Express Services, LLC, avoiding all transfers of purported income from TBTI to CES, as set forth in Exhibit E, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

**COUNT V**  
**SECTION 726.106(1), FLA. STAT.:**  
**UNIFORM FRAUDULENT TRANSFER ACT**  
**(AGAINST DEFENDANTS DAVIS AND TRACY)**

77. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 60.

78. JCS's claims arose before Joseph Signore caused JCS to transfer the purported income payments to Defendants Davis and Tracy, respectively.

79. JCS did not receive a reasonably equivalent value in exchange for the transfer to Defendants Davis and Tracy.

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

81. The Receiver is entitled to void these transfers from JCS to Defendants Davis and Tracy, measured as the amount in excess of Defendants Davis' and Tracy's respective principal investments, pursuant to Section 726.106(1) FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Lascelles Davis and Alfred Tracy, avoiding all transfers of purported income from JCS to Defendants Davis and Tracy, as set forth in Exhibits C and D, 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 DEFENDANT CASH EXPRESS SERVICES)**

82. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 60.

83. TBTI's claim arose before Paul Schumack caused TBTI to transfer the purported income payments to CES.

84. JCS did not receive a reasonably equivalent value in exchange for the transfer to CES.

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

86. The Receiver is entitled to void these transfers from TBTI to Defendant CES, measured as the amount in excess of Defendant CES's principal investments, pursuant to Section 726.106(1) FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendant Cash Express Services avoiding all transfers of purported income from TBTI to Cash Express Services, as set forth in Exhibit E, 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 DEFENDANTS DAVIS AND TRACY)**

87. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 60.

88. This unjust enrichment claim is asserted in the alternative, in the event the remaining claims pleaded provide an inadequate remedy at law.

89. Defendants Davis and Tracy received benefits from JCS.

90. Defendants Davis and Tracy knowingly and voluntarily accepted and retained these benefits.

91. The circumstances alleged in this complaint render Davis' and Tracy's retention of those respective benefits inequitable and unjust, including to the investors of JCS and the Receivership as a whole, so Defendant must pay the Receiver, acting on behalf of JCS, the value of the benefit received.

92. Defendants Davis and Tracy have been unjustly enriched at the expense of JCS (and, ultimately, its investors) in the amount of the transfers to Defendants Davis and Tracy in excess of their respective, principal investments, and JCS, through the Receiver, is entitled to judgment in that amount.

93. The Receiver, on behalf of 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 Defendant Lascelles Davis and Alfred Tracy for the value of the benefits conferred on Defendants Davis and Tracy, respectively, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

**COUNT VIII**  
**UNJUST ENRICHMENT**  
**(AGAINST DEFENDANT CASH EXPRESS SERVICES)**

94. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 60.

95. This unjust enrichment claim is asserted in the alternative, in the event the remaining claims pleaded provide an inadequate remedy at law.

96. Defendant CES received benefits from JCS.

97. CES knowingly and voluntarily accepted and retained these benefits.

98. The circumstances alleged in this complaint render CES's retention of those respective benefits inequitable and unjust, including to the investors of JCS and the Receivership as a whole, so CES must pay the Receiver, acting on behalf of JCS, the value of the benefit received.

99. CES has been unjustly enriched at the expense of JCS (and, ultimately, its investors) in the amount of the transfers to CES in excess of its principal investments, and JCS, through the Receiver, is entitled to judgment in that amount.

100. The Receiver, on behalf of 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 Defendant Cash Express Services, LLC, for the value of the benefits conferred on Defendant Cash Express Services, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

Respectfully submitted,

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