

**UNITED STATES DISTRICT COURT
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.

**RICHARD C. RENSHAW, individually
and d/b/a Innovative Financial Solutions,
a/k/a IFS Advisor, and INVESTORS
UNLIMITED, LLC, a Missouri limited
liability company,**

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 files suit against Richard C. Renshaw, d/b/a Innovative Financial Solutions, a/k/a IFS Advisor (“Richard Renshaw”), and Investors Unlimited, LLC (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 (“Paul 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. 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.

3. On December 15, 2014, the Court reappointed Mr. Sallah as Receiver for the Receivership Entities (the “Reappointment Order”). In accordance with 28 U.S.C. §754, on December 23, 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 Eastern District of Missouri within ten (10) days of the Reappointment Order.

4. 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 the Receivership Entities, including 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 the Receivership Entities; 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.

5. 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.

B. THE RECEIVERSHIP ENTITIES

6. 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 was its Vice Chairperson and Vice President.

7. TBTI is a Florida corporation, incorporated in 2001, with its former principal place of business in Coconut Creek, Florida. Paul Schumack was Vice President of TBTI, and Christine Schumack (“Christine Schumack”) was its President.

8. Gee Bo is a Florida corporation, incorporated in 2013, with its former principal place of business in Jupiter, Florida. Joseph Signore was Gee Bo’s President and Laura Signore was its Treasurer and Secretary.

9. JOLA was a Florida corporation, incorporated in 2013, with its former principal place of business in Jupiter, Florida. Joseph Signore was Gee Bo’s President and Laura Signore was its Treasurer and Secretary.

10. PSCS was 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. Paul and Christine Schumack were PSCS’s member-managers.

C. DEFENDANTS RICHARD RENSHAW AND INVESTORS UNLIMITED LLC

11. Upon information and belief, Defendant Richard Renshaw resides in Lake Saint Louis, Missouri. Until November 2010, Richard Renshaw was a financial advisor registered with the Securities and Exchange Commission as an agent. Richard Renshaw is an insurance agent licensed with the Missouri Department of Insurance. Richard Renshaw operates, or has operated, an unincorporated business called Innovative Financial Solutions, a/k/a IFS Advisor.

12. Upon information and belief, Defendant Investors Unlimited, LLC, is a limited liability company organized under the laws of the State of Missouri in May 2013 by Richard Renshaw. Investors Unlimited's principal place of business is in Lake Saint Louis, Missouri, and its member-manager is Richard Renshaw.

II. JURISDICTION AND VENUE

13. 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 Reappointment Order, and thus this matter is ancillary to the Court's exclusive jurisdiction over the Receivership Estate.

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

15. Alternatively, the Court has personal jurisdiction over Defendants pursuant to Florida's long-arm statute, Fla. Stat. §48.193, as Defendants personally, or through agents, operated, conducted, engaged in, or carried on, a business or business venture in this state or had an office or agency in this state.

16. 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

17. 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.

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

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

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

21. Joseph Signore and Paul Schumack, through JCS and TBTI, respectively, offered and sold investments in JCS's virtual concierge machines ("VCMs"), which would purportedly pay income to investors from advertising revenues generated by the VCMs.

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

23. 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.

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

25. 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.

26. 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. 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.

27. 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 or any other creditors.

28. 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.

29. While Joseph Signore operated JCS and Paul Schumack operated TBTI, they caused JCS and TBTI to transfer monies, among other things: (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.

30. 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.

31. All transfers that Joseph Signore wrongfully caused JCS to make as returns and/or redemptions to investors and as commissions paid to agents were made in furtherance of his scheme.

32. All transfers that Paul Schumack wrongfully caused TBTI to make as returns and/or redemptions to investors and as commissions paid to agents were made in furtherance of his scheme.

33. Thus, all of the money transferred or paid to Defendants, which is the subject of this Complaint, was improperly diverted assets of one or more of the Receivership Entities.

34. As a result, Joseph Signore and Paul Schumack operated JCS and TBTI, respectively, as part of a single, continuous Ponzi scheme.

B. DEFENDANTS' RECEIVED COMMISSION PAYMENTS TO SELL PURPORTED INVESTMENTS IN THE JCS-TBTI PONZI SCHEME

35. Starting in or around May 2013, Defendants entered into an agreement with TBTI whereby Defendants, either themselves or through other agents, would solicit investors to invest in VCMs in exchange for the payment of commissions to Defendants.

36. This relationship was formalized on July 10, 2013, when Paul Schumack caused TBTI to execute a Virtual Concierge Commission Agreement with Defendant Investors Unlimited, LLC, through its managing-member, Defendant Richard Renshaw.

37. Specifically, as detailed in Exhibit A, attached hereto and incorporated herein, based on the records reviewed by the Receiver as of the filing of this Complaint, between 2011 and April 7, 2014, Schumack caused TBTI to pay Renshaw \$430,275 in commissions. These payments are itemized in Exhibit A which details the date and amount of each such commission payment.

38. Specifically, as detailed in Exhibit B, attached hereto and incorporated herein, based on the records reviewed by the Receiver as of the filing of this Complaint, between 2011 and April 7, 2014, Schumack caused TBTI to pay Investors Unlimited \$1,447,575 in commissions. These payments are itemized in Exhibit B which details the date and amount of each such commission payment.

39. Schumack caused TBTI to make these commission payments with actual intent to hinder, delay, or defraud TBTI.

40. TBTI did not receive a reasonably equivalent value in exchange for these transfers of purported commission payments made to Defendants.

41. At the time of these transfers, Paul Schumack was engaged, or was about to engage, in a business or a transaction for which his remaining assets were unreasonably small in relation to the business or transaction.

42. At the time of these transfers, Paul Schumack intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as they became due.

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

44. This conduct dissipated TBTI's assets.

45. 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 for the recovery of wrongful transfers he made to third parties, including Defendants.

C. TRANSFERS TO DEFENDANTS FOR THEIR PURPORTED INVESTMENTS

46. Besides paying commissions for the sale of VCMs to investors, Schumack also caused TBTI to transfer purported income and/or purported return of principal payments to Richard Renshaw and Investors Unlimited.

47. Specifically, as detailed in Exhibit C, attached hereto and incorporated herein, based on the records reviewed by the Receiver as of the filing of this Complaint, between 2011 and April 7, 2014, Schumack caused TBTI to pay Richard Renshaw \$57,600 in purported income and/or purported return of principal payments. These payments are itemized in Exhibit C which details the date and amount of each such purported income and/or purported return of principal payment.

48. Specifically, as detailed in Exhibit D, attached hereto and incorporated herein, based on the records reviewed by the Receiver as of the filing of this Complaint, between 2011 and April 7, 2014, Schumack caused TBTI to pay Richard Renshaw \$36,000 in purported income and/or purported return of principal payments. These payments are itemized in Exhibit D which details the date and amount of each such such purported income and/or purported return of principal payment.

49. 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.

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

51. This conduct dissipated TBTI's assets.

52. 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 Defendants.

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

53. TBTI conferred benefits on Defendants, including the transfer to Defendants of more than \$1.9 million.

54. Defendants accepted these benefits willfully and voluntarily.

55. Defendants continue to retain the benefits conferred on them by TBTI.

56. To allow the Defendants to retain TBTI's funds would be inequitable and unjust, including to investors in, and creditors of, the Receivership Entities.

CONDITIONS PRECEDENT

57. 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 BOTH DEFENDANTS FOR COMMISSION PAYMENTS)**

58. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 52 and 57.

59. Paul Schumack, a debtor, caused TBTI to transfer commission payments to Defendants, or either of them, directly or indirectly, with actual intent to hinder, delay or defraud the Receiver, a creditor.

60. The Receiver is entitled to avoid these fraudulent transfers, pursuant to Section 726.105(1)(a), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Richard C. Renshaw and Investors Unlimited, LLC, collectively and individually, directly or indirectly, avoiding all commission transfers from TBTI to Defendants, or either of them, directly or indirectly, as set forth in Exhibits A and B, 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 BOTH DEFENDANTS FOR PURPORTED INCOME AND/OR
PURPORTED RETURN OF PRINCIPAL PAYMENTS)

61. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 52 and 57.

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

63. The Receiver is entitled to avoid these fraudulent transfers, pursuant to Section 726.105(1)(a), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Richard C. Renshaw and Investors Unlimited, LLC, collectively and individually, directly or indirectly, avoiding all purported income and/or purported return of principal payments from TBTI to Defendants, or either of them, directly or indirectly, 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 III
SECTION 726.105(1)(b), FLA. STAT.:
UNIFORM FRAUDULENT TRANSFER ACT
(AGAINST BOTH DEFENDANTS FOR COMMISSION PAYMENTS)

64. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 52 and 57.

65. TBTI did not receive a reasonably equivalent value in exchange for the transfer of commission payments that Paul Schumack caused TBTI to make to Defendants or either of them, directly or indirectly.

66. 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.

67. 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.

68. The Receiver is entitled to avoid these transfers, pursuant to Section 726.105(1)(b), FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Richard C. Renshaw and Investors Unlimited, LLC, collectively and individually, avoiding all commission transfers from TBTI to Defendants, or either of them, directly or indirectly, as set forth in Exhibits A and B, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

COUNT IV
SECTION 726.106(1), FLA. STAT.:
UNIFORM FRAUDULENT TRANSFER ACT
(AGAINST BOTH DEFENDANTS FOR COMMISSION PAYMENTS)

69. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 52 and 57.

70. TBTI's claim arose before Paul Schumack caused TBTI to transfer any of the commission payments to Defendants, or either of them.

71. TBTI did not receive a reasonably equivalent value in exchange for the transfer to the Defendants, or either of them.

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

73. The Receiver is entitled to void these transfers, pursuant to Section 726.106(1) FLA. STAT.

WHEREFORE, the Receiver asks this Court to enter judgment against Defendants Richard C. Renshaw and Investors Unlimited, LLC, collectively and individually, avoiding all transfers of commission payments from TBTI to Defendants, or either of them, directly or indirectly, as set forth in Exhibits A and B, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

COUNT V
UNJUST ENRICHMENT
(AGAINST BOTH DEFENDANTS)

74. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 33 and 53 through 57.

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

76. Defendants received benefits from TBTI.

77. Defendants knowingly and voluntarily accepted and retained these benefits.

78. The circumstances alleged in this Complaint render Defendants' retention of those benefits inequitable and unjust, including to the investors and creditors of TBTI and the Receivership as a whole, so Defendants must pay the Receiver, acting on behalf of TBTI, the value of the benefit received.

79. Defendants have been unjustly enriched at the expense of TBTI (and, ultimately, its investors and creditors) in the amount of the transfers to the Defendants, and TBTI, through the Receiver, is entitled to judgment in that amount.

80. The Receiver, on behalf of TBTI, 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 Defendants Richard C. Renshaw and Investors Unlimited, LLC, collectively and individually, for the value of the benefits conferred on Defendants, or either of them, directly or indirectly, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

Respectfully submitted,

SALLAH ASTARITA & COX, LLC
*Counsel for James D. Sallah, Esq., not
individually, but solely in his capacity as
Receiver*

One Boca Place
2255 Glades Road, Ste. 300E
Boca Raton, FL 33431
Tel.: (561) 989-9080
Fax: (561) 989-9020

/s/Joshua A. Katz, Esq.

Jeffrey L. Cox, Esq.

Fla. Bar No. 0173479

Email: jlc@sallahlaw.com

Joshua A. Katz, Esq.

Fla. Bar No. 0848301

Email: jak@sallahlaw.com