

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO. 14-CV-80468-MIDDLEBROOKS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JCS ENTERPRISES, INC. d/b/a JCS
ENTERPRISES SERVICES INC., T.B.T.I., INC.,
JOSEPH SIGNORE, and PAUL L. SCHUMACK, II,

Defendants.

**ORDER GRANTING RECEIVER'S MOTION TO POOL RECEIVERSHIP ENTITIES'
ASSETS INTO ONE ESTATE**

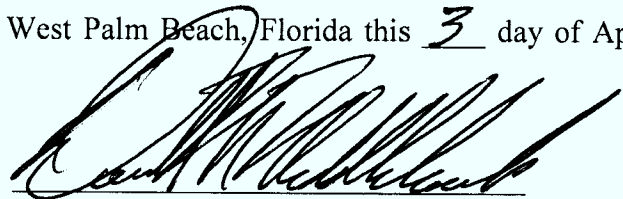
THIS CAUSE comes before the Court on the Receiver's Motion to Pool Receivership Entities' Assets Into One Estate for a Future, Approved Claims and Distribution Process with Supporting Memorandum of Law ("Motion"), filed on March 31, 2017 by James D. Sallah, Esq., the court-appointed receiver ("Receiver") of JCS Enterprises Inc. d/b/a JCS Enterprises Services, Inc. ("JCS"), T.B.T.I, Inc. ("TBTI"), My Gee Bo, Inc. ("Gee Bo"), JOLA Enterprises Inc. ("JOLA"), and PSCS Holdings, LLC ("PSCS") (collectively, the "Receivership Entities"). (DE 372). Counsel for Paul L. Schumack, II, counsel for the United States Securities and Exchange Commission, and counsel for the United States do not oppose this Motion. Defendant Joseph Signore filed a response, which was docketed on April 25, 2017, in *Sallah v. Signore, et al.*, 15-cv-80946-Middlebrooks as entry number 147. The Receiver filed a reply on May 1, 2017. (DE 381).

The Receiver requests that the Court pool all of the assets, and any future assets, of JCS, TBTI, Gee Bo, JOLA, and PSCS into one receivership estate. Because receiverships are governed by equitable principles, courts may authorize a receiver, upon good cause shown, to treat various receivership entities as one substantively pooled estate for the purpose of distribution to allowed claimants. *See SEC v. One Equity Corp.*, 2011 WL 1002702, *1 (S.D. Ohio March 16, 2011)

(permitting pooling of multiple receivership entities upon good cause shown for purposes of distributing assets to approved claimants). In determining whether “good cause” exists to warrant pooling various receivership entities for distribution purposes, federal courts have examined a number of different factors, including whether: (1) a unified scheme to defraud existed among the receivership entities; (2) the investors across the various receivership entities are similarly situated; and (3) funds were commingled among the receivership entities. *See SEC v. Elliot*, 953 F.2d 1560, 1565, n.1 (11th Cir. 1992) (treating various receivership entities as a single entity in light of commingling of funds among them and defendant’s failure to maintain strict separation); *SEC v. Founding Partners Capital Mgmt.*, 2014 WL 2993780, at *6 (M.D. Fla. July 3, 2014); *SEC v. Amerifirst Funding, Inc.*, 2008 WL 919546, *4 (N.D. Tex. Mar. 13, 2008) (pooling receivership entities because they were all involved in a unified scheme to defraud investors, even where there was no commingling of funds). Because I find that the Receivership Entities’ investment and business offerings were all part of the same fraudulent scheme, investors were similarly situated, and funds were commingled among the Receivership Entities, it is hereby

ORDERED AND ADJUDGED that the Motion (DE 372) is **GRANTED**. The Receiver is **ORDERED** to pool, or consolidate, all of the assets, and any future assets, of JCS, TBTI, Gee Bo, JOLA, and PSCS into one receivership estate.

DONE AND ORDERED in Chambers at West Palm Beach, Florida this 3 day of April, 2017.



DONALD M. MIDDLEBROOKS
UNITED STATES DISTRICT JUDGE

Cc: Counsel for Parties;
Joseph Signore, *pro se*
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United States