

BEFORE THE FIRST HALL OF THE CIVIL COURTS

He who receives this application filed against him should file a reply with twenty (20) days from the date of notification, that is from date of receipt, in default the Court will proceed to deliver its judgement in terms of law.

Consequently it is in the interest of he who receives this application to speak to a lawyer without delay in order to enable the Court to hear what he has to say about the case.

Dr. Joseph A Schembri in his capacity of mandatory for Pat Huddleston II who was nominated as Receiver by the Courts in Atlanta, Georgia United States of America in order to represent the companies Coadum Advisors Inc, Mansell Capital Partners III LLC, Coadum Capital Fund I LLC, Coadum Capital Fund II LP, Coadum Capital Fund III LP and Mansell Acquisition Company LP

vs

**[1] Soleil Group Holdings Limited (C38699),
[2] Exodus Equities Limited (C38702) u
[3] Exodus Capital Limited (C38697)**

Application filed by Dr Joseph A Schembri (ID 196646 M) in the capacity mentioned above.

Respectfully states and confirms under oath:

On the 3 of Janaury 2008 the Securities and Exchange Commission of the United States of America, filed a request before the Courts in Atlanta, Georgia in order to issue a *Temporary Restraining Order* against the companies Coadum Advisors Inc, Mansell Capital Partners III LLC, Coadum Capital Fund I LLC, Coadum Capital Fund II LP, Coadum Capital Fund III LP and Mansell Acquisition Company LP, as well as against two individuals James A. Jeffrey and Thomas E. Repke, who were the persons behind the mentioned companies.

The reason behind the said request was that the Securities and Exchange Commission was alleging that the said Thomas E. Repke and James A. Jeffrey through the companies Coadum Advisors Inc and Mansell Capital Partners III LLC, had defrauded investors in the amount of thirty million US Dollars (\$30,000,000),

who had acquired interests in the funds Coadum Capital Fund I LLC, Coadum Capital Fund II LP, Coadum Capital Fund III LP, and Mansell Acquisition Company LP.

The said Courts in Atlanta, Georgia, upheld the request of the Securities and Exchange Commission of the 3rd January 2008 and ordered the freeze of all assets of the said Coadum Advisors Inc, Mansell Capital Partners III LLC, Coadum Capital Fund I LLC, Coadum Capital Fund II LP, Coadum Capital Fund III LP and Mansell Acquisition Company LP, as well as those of James A. Jeffrey u Thomas E. Repke. A copy of the relative decree is being attached hereto and marked as document JAS1.

In the same decree of the 3rd January 2008 (Doc. JAS1), the American Courts appointed Pat Huddleston II as *Receiver* empowering him to take control of the assets of the companies Coadum Advisors Inc, Mansell Capital Partners III LLC, Coadum Capital Fund I LLC, Coadum Capital Fund II LP, Coadum Capital Fund III LP and Mansell Acquisition Company LP.

On the 7th July 2008, the American Courts approved the request made by the Receiver Pat Huddleston II to authorize him to recover the assets of the companies represented by him and which are found outside of the United States of America – A copy of the said decree is being attached hereto and marked as Document JAS2.

In terms of its judgement of the 27th January 2009 [copy hereto attached and marked as document JAS3) the American Courts declared, that since the beginning of the year 2006 until January 2008, the companies Coadum Advisors Inc and Mansell Capital Partners III LLC, through fraudulent means had collected the sum of thirty million US Dollars (\$30,000,000) from investors who had purchased interests in Coadum Capital Fund I LLC, as well as in three *limited partnerships* namely Coadum Capital Fund II LP, Coadum Capital Fund III LP and Mansell Acquisition Company LP. The Court held as well that the companies Coadum Advisors Inc and Mansell Capital Partners III LLC were controlled by James A. Jeffrey and Thomas E. Repke. The Court stated further that the companies Coadum Advisors Inc and Mansell Capital Partners III LLC and the said James A. Jeffrey and Thomas E. Repke made false representations to the investors when they claimed that the funds invested were protected, that the funds never left the escrow account, as well as that the investment was *secured b'collateral*.

The American Courts in its judgement of the 27th January 2009, stated further that from July 2006 the investors had deposited circa thirty million US Dollars in the escrow account of the companies Coadum Advisors Inc and Mansell Capital Partners III LLC, who had appointed a number of *escrow agents*, who in turn on the instructions of Coadum Advisors Inc and Mansell Capital Partners III LLC, transferred the majority of the funds to foreign bank accounts controlled the Maltese company Exodus Equities Limited, which funds had to be invested in a

fund by the name of Exodus Platinum Fund and through another Maltese registered company Soleil Group Holdings Limited, which bank accounts were opened in local banks and others in Switzerland.

In fact the funds were never invested, so much so that the Exodus Platinum Fund, which is a mutual fund company, registered in Bermuda, never operated and never made any profits, whilst the company Soleil Group Holdings Limited not only never made any profit but never even had an investment program.

Notwithstanding the above, the companies Coadum Advisors Inc and Mansell Capital Partners III LLC issued monthly *statements* showing that the invested funds were being kept in *escrow* and that they were making a profit of around 4% monthly, when this was false. In view of this false scenario which was being misrepresented to the investors, the latter generally ended up investing further.

The Courts in the United States of America, in their judgement declared that as a result of this fraud James A Jeffrey had made a personal gain in the amount of \$1,228,739.29 whilst Thomas E Repke made a personal gain in the amount of \$2,739,862.33, and it ordered the said persons to refund these amounts together with interest.

From the investigations carried out by the Securities and Exchange Commission in the United States of America, which were carried out also in collaboration with the Malta Financial Services Authority, it transpired that the person who was managing a number of local companies and that were being used to circulate the funds, was a certain Keith Robert Sampson, and the defendant companies are amongst the local companies that he use to manage.

From the said investigations that were carried out by the Malta Financial Services Authority it transpired that a large part of the funds that had been transferred to Malta, in part were spent and in part were transferred overseas.

On the 2nd May 2010, the defendant company Exodus Equities Limited had a bank account number 40015247326 held with Bank of Valletta plc which still had the amount of €3,929.86, the company Exodus Capital Limited had €2,583.28 held in the account number 40015247290, also with Bank of Valletta plc, whilst the company Soleil Group Holdings Limited had the sum of €52,993.27 held in account number 40015247426 with Bank of Valletta plc.

Notwithstanding that representatives of the defendant companies had met with representatives of the Malta Financial Services Authority and notwithstanding that they had pledged their absolute co-operation, including handing over to the Receiver Pat Huddleston II the funds held in their name, they failed to fulfill their promise.

As stated above Pat Huddleston II in his capacity of *Receiver* of the companies Coadum Advisors Inc, Mansell Capital Partners III LLC, Coadum Capital Fund I LLC,

Coadum Capital Fund II LP, Coadum Capital Fund III LP and Mansell Acquisition Company LP was given the brief to recover funds which the investors had invested in the said companies.

In order for the Receiver (Pat Huddleston II) to fulfill his mandate given to him by the American Courts, he in turn appointed Dr. Joseph Schembri to act as his mandatory in order to represent him in these proceedings.

For the said reasons the defendant companies are debtors of the plaintiff in the above mentioned capacity, and this in the said amounts: three thousand nine hundred twenty nine Euros and eighty six cents [€3,929.86] in so far as the defendant company Exodus Equities Limited is concerned, two thousand five hundred eighty three Euros and twenty eight cents [€2,583.28] in so far as the defendant company Exodus Capital Limited is concerned and fifty two thousand nine hundred ninety three Euros and twenty seven cents [€52,993.27] in so far as the defendant company Soleil Group Holdings Limited is concerned.

This debt is certain, liquid and due and in the opinion of the plaintiff the defendant companies have no pleas to oppose this request and consequently the case may be decided in terms of article 167 of Chapter 12 of the Laws of Malta.

Say now the defendant companies why this Court should not: [1] decide the case in terms of article 167 of Chapter 12, that is without the need to listen to the case; [2] declare the defendant companies to be debtors of the plaintiff nomine in the amount of three thousand nine hundred and twenty nine Euros and eighty six cents [€3,929.86] in so far as the defendant company Exodus Equities Limited is concerned, two thousand five hundred eighty three Euros and twenty eight cents [€2,583.28] in so far as the defendant company Exodus Capital Limited is concerned and fifty two thousand nine hundred ninety three Euros and twenty seven cents [€52,993.27] in so far as the defendant company Soleil Group Holdings Limited is concerned; [3] order the defendant companies to pay the plaintiff nomine the said amounts so liquidated. All in terms of that stated above and for the stated reasons.

With interest and costs including those of the garnishee orders filed together with this writ of summons against the defendant companies.

Plaintiff nomine reserves the right to any other action he might have at law.

Lista tax-Xhieda:

1. Dr. Joseph A Schembri;
2. Pat Huddleston II;
3. Dr. David Fabri
4. Representatives of Bank of Valletta plc;
5. Representatives of the Malta Financial Services Authority;
6. Jamie Carroll;

7. Representative of Mayer & Associates;
8. Representative of Emerald Title;
9. Representative of Hartsfield Capital Group;
10. Thomas E Repke;
11. James A Jeffrey;
12. Representatives of the defendant companies;