

**MANNING CURTIS BRADSHAW
& BEDNAR LLC**

David C. Castleberry [11531]

dcastleberry@mc2b.com

Aaron C. Garrett [12519]

agarrett@mc2b.com

170 South Main Street, Suite 900

Salt Lake City, UT 84101-1655

Telephone (801) 363-5678

Facsimile (801) 364-5678

*Attorneys for Plaintiff R. Wayne Klein, the
Court-Appointed Receiver of U.S. Ventures, LC,
Winsome Investment Trust, and the assets of Robert
J. Andres and Robert L. Holloway*

UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

R. WAYNE KLEIN, the Court-Appointed
Receiver of U.S. Ventures LC, Winsome
Investment Trust, and the assets of Robert J.
Andres and Robert L. Holloway,

Plaintiff,

vs.

WRIGHT, LINDSEY & JENNINGS, LLP,

Defendant.

COMPLAINT

Case No. 2:12-cv-01012 BCW

Magistrate Judge Brooke C. Wells

Plaintiff R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of U.S. Ventures LC ("US Ventures"), Winsome Investment Trust ("Winsome"), and all of the assets of Robert J. Andres ("Andres") and Robert L. Holloway ("Holloway") (collectively, the "Receivership Defendants"), by and through his undersigned counsel, states and alleges as follows:

NATURE OF THE PROCEEDING

1. The Receivership Defendants had been operating a classic Ponzi scheme since at least 2005 by obtaining funds from investors through violation of the federal commodities laws and using the funds from investors to pay false returns to earlier investors. In the course of the Ponzi scheme, the Receivership Defendants made material misrepresentations and omissions, misappropriated funds, and committed fraud as a commodity pool operator, all in violation of the Commodity Exchange Act ("CEA").

2. On January 24, 2011, the Commodity Futures Trading Commission (the "CFTC") filed a Complaint against US Ventures, Winsome, Andres, and Holloway in United States District Court for the District of Utah, Case No. 2:11CV00099 BSJ ("CFTC Action"). This suit alleges, among other things, that the Receivership Defendants operated an investment program in violation of the registration, licensing, and anti-fraud requirements of the federal commodities laws. In essence, the CFTC alleges that the Receivership Defendants engaged in a Ponzi scheme whereby over \$50 million was fraudulently taken from investors.

3. On January 25, 2011, the Receiver was appointed by the District Court to act as receiver in connection with the CFTC Action, on September 28, 2011 the District Court entered an Order Reappointing Receiver, and on January 4, 2012 the District Court entered a Second Order Reappointing Receiver.

4. On October 6, 2011, the Receiver filed a Notice of Receivership with the Eastern District of Arkansas pursuant to 28 U.S.C. § 754.

THE DEFENDANT

5. Defendant Wright, Lindsey & Jennings, LLP ("WLJ") is a law firm based in Little Rock, Arkansas. WLJ provided legal services to Winsome. Both WLJ and Elgin Clemons, Jr. ("Clemons"), an attorney and employee of WLJ when WLJ represented Winsome in legal matters, hoped to benefit from what turned out to be a fraudulent scheme run by Nigerians based in London. Clemons would supposedly secure \$550 million from this scheme that could be used for investments and other projects. Clemons promised some of this money to Winsome to use for its own investments. During their legal representation of Winsome, WLJ and its employees breached their duties and obligations to Winsome and placed their own pecuniary interests above those of Winsome when, among other things, they caused Winsome to send millions of dollars to the operators of this fraudulent scheme.

JURISDICTION AND VENUE

6. This Court has jurisdiction over the subject matter of this lawsuit because this lawsuit is ancillary to the CFTC Action and the appointment of the Receiver by this Court.

7. This Court has personal jurisdiction over the defendant in this matter pursuant to 28 U.S.C. § 754 and 28 U.S.C. § 1692.

8. Venue is proper in this Court under 28 U.S.C. § 754.

THE RECEIVER, STANDING, AND STATUS OF THE CFTC ACTION

9. On January 25, 2011, in the CFTC Action, the Court entered an order granting the CFTC's *Ex Parte* Motion for Statutory Restraining Order, which included the appointment of a receiver (the "Order"). The Receiver was appointed as receiver of US Ventures and Winsome, together with any business entities owned by any Receivership Defendant. Pursuant to that Order, the Receiver was to

take control of the funds, assets, and property of the Receivership Defendants wherever situated, and is fully authorized to pursue this action against Defendant.

10. Since the filing of the CFTC Action, defaults have been entered against Holloway and US Ventures; preliminary injunctions have been entered against all defendants. Both Holloway and Andres have been charged criminally in connection with their fraudulent activities in the United States District Court, District of Utah.

WINSOME INVESTMENT TRUST

11. Winsome described itself as a private trust, headquartered in Houston, Texas. Winsome was run by Andres, who had complete and sole authority over the trust.

12. Andres and Winsome solicited individuals and entities to send funds for participation in a commodity futures pool that Winsome said it managed or controlled. Some of the participants (investors) were told that US Ventures was doing the trading; others were led to understand that Winsome would be conducting the commodities trading.

13. Much of the money gathered by Winsome was received from third-party marketers – individuals who solicited others and were paid commissions for bringing in investors or were paid a percentage of the profits the investors were reported to have earned.

14. Between October 2005 and April 2007, Andres and Winsome collected over \$42 million from investors – either directly or through third-party marketers.

15. In mid-2006, Andres and Holloway reached an agreement that as Andres raised additional funds from investors, Andres would no longer send those funds to US Ventures. Under this arrangement, US Ventures agreed to change its accounting records to reflect the receipt of investments

in the amounts reported by Andres to Holloway – even though Andres was no longer sending money to US Ventures or Holloway.

16. Out of the more than \$42 million Winsome received from investors before April 2007, Winsome sent \$24.7 million to US Ventures. The remainder was retained by Andres and Winsome. This money was used to make distribution payments to other investors, for other investment programs being pursued by Andres and Winsome, and for the personal uses of Andres.

17. On April 11, 2007, the SEC filed a lawsuit in the United States District Court for the District of Utah against Novus Technologies and other defendants. The SEC lawsuit named US Ventures and Holloway as relief defendants. At the request of the SEC, the court entered orders freezing the assets of Holloway and US Ventures. *SEC v. Novus Techs., LLC*, No. 2:07-CV-00235 (D. Utah, filed Apr. 11, 2007).

18. The freeze of the assets of US Ventures applied to its bank accounts and FCM brokerage accounts. At that time, the bank accounts had aggregate balances of less than \$500.00 and the brokerage accounts had aggregate negative balances – meaning all the money had been lost in trading, paid out to investors, or used to pay personal expenses.

19. After the assets of US Ventures were frozen by the court in April 2007, US Ventures ceased conducting any commodities trading. Winsome, however, continued to solicit and accept funds from investors (directly and through third-party marketers). Investors were told a variety of stories, including representations that commodities trading was still taking place and that Winsome had other investment projects it was pursuing.

20. Since his appointment over Winsome, the Receiver has engaged in extensive forensic accounting analysis concerning the many activities and investments of Winsome. The Receiver also

deposed Andres about Winsome's activities on March 22, 2011, March 29, 2011, and March 30, 2011.

The Receiver deposed Clemons for the first time on May 17, 2011.

**WLJ IS ENGAGED TO PROVIDE
LEGAL SERVICES TO WINSOME**

21. On November 14, 2007, Winsome and WLJ entered into a formal agreement wherein WLJ agreed to provide legal services to Winsome. WLJ was hired to advise Winsome in connection with negotiating and closing financings related to Winsome's projects, including preparing documentation customarily used in project financing, and providing legal opinions about financing for those projects.

22. One of the attorneys at WLJ that provided many of the legal services for Winsome was Clemons. Clemons acted as an authorized agent of WLJ when providing services to Winsome, and was an employee of WLJ while WLJ provided legal services to Winsome. Clemons had been an attorney with WLJ since August 1, 2006.

23. On July 31, 2008, a second engagement agreement was signed, pursuant to which Winsome hired WLJ to represent Winsome in preparing documents for a loan Winsome was seeking from Magna Pinpoint, LLC. WLJ would receive a payment of \$800,000 when the loan was funded. Magna Pinpoint was also a current client of WLJ.

**WLJ HAD KNOWLEDGE OF WINSOME'S ASSETS AND
INVOLVEMENT IN SUSPECT TRANSACTIONS**

24. Between July 2007 and January 2010, WLJ acted as counsel for Winsome in connection with many of the significant fraudulent investment projects pursued by Winsome. These included efforts to obtain funds supposedly on deposit at the Federal Reserve Board, loans to be obtained from Magna Pinpoint, funds in London supposedly owned by Mohammed bin Ali Al Abbar, licensing of a

chemical waste neutralizer known as the "Vulcan," a \$20 million loan supposedly being obtained from a businessman in Dubai, \$7 billion worth of gold on deposit at a Swiss bank, and a Guatemala oil refinery project.

25. In connection with WLJ's due diligence relating to its representation of Winsome, WLJ knew that Winsome had significant assets listed on its balance sheets, that Winsome was facing regulatory actions and investigations by several states, and that Bank of America and Chase Bank had closed previous Winsome bank accounts because of suspicious activity.

26. Andres gave to WLJ a 71-page document from Euroclear that lists 631 bank accounts around the world that supposedly were holding funds related to Alfredo Saurin and monies he had deposited with the Federal Reserve. This undated Euroclear document asserts that the Federal Reserve maintained an account in the name of "Spiritual Wonder Boy" that had a "standing balance" of \$3.3 septendecillion (3.3×10^{54}). This document also claims that Bank of America maintained a bank account (No. 58453-02221-1) "with account name of White Spiritual Boy and with standing balances of" \$2.1 octillion.

27. Even before WLJ was formally engaged to provide services to Winsome, Clemons and Andres already were communicating regarding Andres' claim of an interest in 10,000 metric tons of gold supposedly deposited at the Federal Reserve Bank of New York ("FRB") by Wilfredo Saurin. In June 2007, Andres was sending information to Clemons regarding cash to be obtained based on gold supposedly on deposit at the FRB.

28. The first project that WLJ worked on for Winsome involved seeking \$500 million in credit based on the gold supposedly on deposit with the FRB. The claim was that the FRB issued US Treasury checks based on the gold bars on deposit. These funds were made available through financial

instruments called custodial safekeeping receipts ("CSKRs"). Even before Winsome signed the first engagement letter with WLJ, WLJ was performing services relating to CSKRs.

29. Andres had previously written to the FRB in September 2007 (before WLJ was engaged), asking for the CSKRs. Two months later, in November 2007, the FRB issued a fraud warning relating to CSKRs and Wilfredo Saurin, which was published on the FRB website.

30. On February 13, 2008, WLJ sent a letter to FRB relating to the CSKRs. In the letter, WLJ asserts that its attorneys had discussed this matter on several occasions with officials from the FRB. None of the officials are identified in this letter.

31. Around this time, WLJ was given the biography of Saurin, which asserts that Saurin held over \$70 billion in assets in London and the US.

32. On March 26, 2008, WLJ provided to Winsome an affidavit signed by Clemons stating that the \$500 million in CSKRs were "presently in the custody of the FRB." This affidavit facilitated Winsome's efforts to raise additional funds from investors.

33. WLJ obtained from Winsome various documents purporting to prove the veracity of the CSKRs. These documents purport to be on letterhead of the FRB and to contain signatures of the chairman and vice chairman of the FRB. The letterhead in these documents is not the real letterhead of the FRB and the signatures of the FRB officials are all identical, indicating they were copied from other documents or Internet sources, rather than being signed. WLJ either failed to detect the indications of forgery or failed to act on their suspicions.

34. Winsome sent money directly to Clemons and his wife as gifts from a trading account Winsome had supposedly set up for Clemons. In total, Winsome paid \$1,260,050.00 to Clemons and his wife.

35. Clemons and perhaps other attorneys at WLJ communicated directly with actual and potential investors in Winsome in support of Winsome's fraudulent schemes. This included calls with investors to reassure them that funds due to Winsome were coming from various sources. These calls were designed to encourage, or had the effect of encouraging, these investor to send additional monies to Winsome and for these investors to continue soliciting others to send money to Winsome.

**WLJ CAUSED WINSOME TO SPEND MILLIONS
ON A LONDON FRAUD SCHEME**

36. Mohammed bin Ali Al Abbar was reportedly a very wealthy Dubai businessman. Clemons said he (Clemons) was in the United States when he received an unexpected call from a person he had never met before (a representative of Al Abbar) asking him to come to London. Clemons has testified that he made a special trip to London for the meeting on June 22, 2008, and that he called Pat Winans, his former employer from Magna Securities Corporation, to see if she was in London and if she could join him at the meeting with Al Abbar.

37. After three days in London, Clemons returned to the U.S. and travelled to Houston. There, he told Winsome of an opportunity for Winsome to become custodian for a large sum, up to \$550 million. Clemons explained to Winsome that WLJ was assisting a Dubai businessman named Mohammed Ali bin Al Abbar in releasing \$550 million in cash that had been seized by United Kingdom officials based on suspicions of money laundering.

38. Two days before Clemons went to London, WLJ had Winsome wire £14,500 (\$29,412.56) to Mostly Limited, a company in the United Kingdom. This company is located in an apartment above a pizza and kebab restaurant in a residential area. This company is owned by Ali Silfikir, a Turkish national living in London. The company is in the restaurant business. This money

was supposedly required as a good faith deposit so Clemons and Winans could see the money that was located in London.

39. WLJ told Winsome that Al Abbar needed funding to pay fees being imposed by government agencies in the U.K. and the European Commission as conditions of releasing the funds. On July 5, 2008, WLJ provided a certification, supposedly signed by Al Abbar and his associates, that funds were available to be deposited in the account of Magna Pinpoint at Chase Bank.

40. On July 9, 2008, WLJ sent a letter to the putative representatives of Al Abbar expressing an understanding that if Magna Pinpoint funded £180,000 to "pay for unforeseen additional tax and/or processing fees," that \$50 million in funding would be delivered within 48 hours.

41. Winsome, rather than Magna Pinpoint, paid the £180,000. The money was paid over the next several weeks: £60,000 was wired by Winsome to Fortran Investment, Ltd.¹ on July 28, 2008; £60,000 was wired by Winsome to Mantis F.M., Ltd. on August 5, 2008; and £60,000 was wired by Winsome on August 5, 2008 to an unknown recipient via Lloyds TSB bank in the U.K.

42. On July 9, 2008, Winsome did not have sufficient funds to make the £180,000 payment. At this point, Winsome had a balance in its bank account of \$13,102.96. Winsome solicited funds from investors in order to make these payments. On July 25, 2008, Winsome received \$225,000.00 from an investor group in Canada. This was used to make the July 28, 2008 payment. On August 4, 2008, Winsome received \$1.081 million from another investor. \$239,073.91 of this was used to make the remaining payments identified in the July 9 letter.

43. The payment of the £180,000 did not result in the release of funds to WLJ, Magna Pinpoint, or Winsome. Instead, the Al Abbar schemers told WLJ that still additional funds were needed.

¹ Information on this company is provided below.

44. Winsome eventually sent millions of dollars to bank accounts in London, supposedly to pay fees and penalties required for the release of the Al Abbar funds. Some of these transactions are identified in the following subparagraphs.

a. On September 30, 2008, WLJ instructed Winsome to send \$375,000.00 to Fortran Investments, Ltd. and Mantis F.M., Ltd. in London relating to the Al Abbar funds. Upon information and belief, Fortran Investments, Ltd. is owned and controlled by a group of Nigerians living in London.

b. An additional \$1,643,500.00 paid by Winsome to Mantis F.M., Ltd. in London, between September 30, 2008 and March 30, 2009. Upon information and belief, Mantis F.M., Ltd. is owned and controlled by a group of Nigerians living in London.

c. \$410,000.00 wired to National Westminster Bank in London on November 4, 2008.

d. \$562,000.00 wired to SHELTA, Ltd., in London, between March 30, 2009 and June 16, 2009. Upon information and belief, SHELTA, Ltd. is owned and controlled by a group of Nigerians living in London.

e. \$116,000.00 wired to Hunt Consulting, Ltd. in London, on April 8, 2009. Upon information and belief, Hunt Consulting, Ltd. is owned and controlled by a group of Nigerians living in London.

f. \$20,000.00 paid to Clemons on June 29, 2009, which Clemons said was reimbursement for penalties imposed by the U.K. Financial Services Authority ("FSA").

45. According to WLJ's records, as of July 13, 2009, Winsome was due reimbursements for payments towards securing the release of the Al Abbar funds in the amount of \$5,187,550.30.

46. Even after July 2009, Winsome continued to make payments related to Al Abbar. For example, On November 13, 2009, Winsome sent \$300,000.00 to a bank in Dubai for a company called Khuyool Investments. This money was obtained from investor Ray Robbins based on an affidavit by Clemons saying that a \$500,000.00 processing fee from Robbins would secure an \$8 million bridge loan, which would be used to "finalize the release of US\$550 Million" of Al Abbar's money. In the end, Robbins sent \$300,000.00 to Bear & Bull Strategies, an entity under the control of Winsome, which then sent the money to Khuyool.

47. Upon information and belief, Winsome transferred at least \$5,487,550.30 as a result of the Al Abbar fraud.

48. During this time, WLJ continually assured Winsome that the funds in London actually existed and that they would be transferred to Winsome. For example:

a. In a July 9, 2008 letter, WLJ expresses its understanding that upon payment of an additional \$180,000.00 fee, \$50 million of the Al Abbar funds would be released.

b. WLJ provided to Winsome a "Certificate of Authorization" dated October 29, 2008 that purports to be from Al Abbar stating that Clemons and WLJ were appointed as his authorized representatives.

c. On May 20, 2009, WLJ provided Winsome with a document supposedly signed by Al Abbar in which Al Abbar appointed Clemons as his trustee. The authorization stated that Clemons was authorized "to take all corporate actions necessary to secure" release of funds seized in London. This letter also contained language reassuring Winsome that Winsome would be reimbursed for fees and expenses it had paid.

d. On July 1, 2009, WLJ sent Winsome a letter on the letterhead of Al Abbar Group, asking that Andres certify his compliance with anti-terrorism financing procedures adopted by Al Abbar. The letter to Winsome was signed by Clemons as Trustee for Al Abbar.

e. On July 13, 2009, WLJ sent a letter to Winsome saying that Winsome would receive an initial payment of \$5 million from Al Abbar that week.

f. In late July 2009, WLJ sent Winsome a copy of a letter supposedly from an official of the European Commission stating that the Al Abbar funds would soon be released. The letter asserted that the European Commission had held a recent conference call with one of the WLJ attorneys.

g. In August 2009, WLJ gave Winsome a letter supposedly from the European Commission saying that Clemons had been approved to reimburse Winsome for the funds it had paid towards securing the release of the Al Abbar cash.

h. On September 4, 2009, WLJ delivered to Winsome a letter supposedly signed by Al Abbar himself saying that Clemons' role was indispensable and that he was the only one through whom a deal would be made for bringing Al Abbar monies into the U.S. The letter represents a "commitment" and "guarantee" that funds will be repaid.

i. On November 9, 2009, WLJ delivered an affidavit to Winsome stating that the payments made by Winsome have completed the final requirements for release of the \$550 million to Winsome.

j. On December 27, 2009, WLJ sent a letter (supposedly from Al Abbar) to one of the large Winsome investors, providing assurances that funds provided to Winsome to secure the release of monies seized in the U.K. would be refunded. The letter to the investor seeks to allay

the investor's concerns about Al Abbar. In the letter, Al Abbar says he would assist the investor in selling his products in Dubai.

k. WLJ communicated directly with other Winsome investors who had invested large sums with Winsome and who were third-party marketers soliciting funds from other investors. WLJ provided assurances to these investors that funds would be arriving from London soon.

49. WLJ's instructions that Winsome should send millions of dollars to U.K. entities pursuant to this scheme were not reasonable and were at odds with multiple warning signs that WLJ had received regarding the Al Abbar scheme:

a. Clemons testified that he was hired by Al Abbar's representatives to resolve regulatory and law enforcement issues that arose from the supposed movement of Al Abbar's cash to London. Despite the representation of Al Abbar being extremely wealthy, Al Abbar paid no fees to WLJ and Al Abbar required that WLJ obtain independent sources of funds to pay the supposed taxes and fees required to secure the release of these funds. This arrangement should have identified the Al Abbar project as a fraud from the beginning.

b. None of the payments that Winsome made at the direction of WLJ were sent to government agencies of the U.K. or the European Commission; all payments went to private companies.

c. A search of the corporations records maintained by the U.K. government would have revealed that the companies to which WLJ had Winsome send monies were: i) private companies, ii) controlled by Nigerians, iii) interrelated, and iv) small companies that reported annual revenues of only a fraction of the amounts being requested.

d. The person identified to WLJ as the representative of the European Commission was not listed on the Website of the European Commission as an employee.

e. The letters supposedly from officials of the European Commission did not list street addresses or telephone numbers, only e-mail addresses.

f. The Website address listed on letters supposedly from the European Commission to WLJ did not belong to the European Commission.

g. On July 9, 2008, WLJ wrote to its Al Abbar contacts in London regarding additional funds being requested. The WLJ letter notes that the additional £180,000 being requested was for "unforeseen additional tax and/or processing fees." Because WLJ supposedly was assisting Al Abbar in getting funds released, WLJ should have identified all fees in advance and there should not have been any "unforeseen" taxes or fees. In addition, WLJ should have recognized the tactic of requesting a series of additional payments as indicative of fraudulent schemes.

h. On October 22, 2008, WLJ created a document called "Acknowledgement of Receipt of Funds" for signature by Jerry Goldman, who was reputed to be a manager for Al Abbar Group. This acknowledgement contained numerous red flags regarding the Al Abbar scheme:

i. Payments supposedly to be made to the "UK Tax Authority for Inland Revenue Tax" was listed as \$470,000.00 – in US dollars. This was not a fee paid in pounds sterling.

ii. Payments supposedly to be made to "Customs" for "Stamp Duty Free Payment" was listed as \$375,000.00 – also in US dollars. A fee to the customs office

would not have been calculated in US dollars and if converted from pounds to dollars would not have been these rounded numbers.

i. On October 31, 2008, Andres told WLJ that Chase Bank had closed Winsome's bank account at Chase based on the pattern of overseas wire transfers.

j. Documents supposedly from Al Abbar were sent to WLJ relating to release of the Al Abbar funds. These documents show evidence of fraud on their face. A letter purporting to designate Clemons as the trustee of Al Abbar's funds has three different spellings of Al Abbar in the document (the logo, the letterhead, and the signature line).

k. An August 28, 2009 letter supposedly from the European Commission conditioned the release of Al Abbar's funds on their payment to a specific company created and controlled by Clemons. WLJ knew or should have known that the European Commission would not impose conditions such as this.

WLJ PLACED ITS OWN INTERESTS OVER THOSE OF WINSOME

50. Clemons has testified that he created entities in the United States to receive the fund from Al Abbar, and that he hoped to benefit personally when the funds were received. Based on this belief, Clemons made many financial pledges to the Arkansas Arts Center and others.

51. A December 9, 2008 "Joint Venture Sharing Agreement" related to funds that Al Abbar was supposed to deliver to Winsome and Bear & Bull Strategies. This document provides that 20% of the trading profit on Al Abbar's money was to be divided among Andres, Holloway, and Clemons – with Clemons receiving 6.667% of the trading profits on Al Abbar's funds.

52. On July 1, 2009, WLJ sent to Winsome a letter on letterhead of "Al Abbar Group." This letter demonstrates significant conflicts of interest between WLJ and its client, Winsome.

a. Despite the letterhead stating that Al Abbar Group's corporate offices were in Dubai and U.S. offices were in New York City, the letter was signed by a WLJ attorney (Padilla) for Clemons and was mailed from WLJ offices;

b. Despite Clemons and WLJ being counsel for Winsome, Clemons signed the letter in his role as trustee for Al Abbar, and Al Abbar Group was also a client of WLJ;

c. The Al Abbar Group was a client of WLJ at the same time that WLJ was instructing Winsome to make payments to secure the release of funds owned by Al Abbar supposedly held in London. WLJ created a document whereby Al Abbar designated Clemons as his "authorized representative, special advisor, and Trustee" at the same time that WLJ was instructing Winsome to send millions to the U.K. as part of the Al Abbar scheme.

53. Other evidence of a conflict of interest includes that WLJ sent letters to the fictitious European Commission representatives on March 12, 2009 on behalf of Al Abbar at the same time WLJ was persuading Winsome to send money to the European Commission representatives for Al Abbar.

54. Additionally, in mid-October 2009, Clemons promised Pat Winans, who is, upon information and belief a part owner with Clemons of Magna Pinpoint, that funds would be coming to Magna Pinpoint by October 20, 2009. Magna Pinpoint was a client of WLJ. On October 26, Winans wrote to Clemons that she had made commitments to others based on the expected receipt of \$100,000.00, but the funds had not been received. She told Clemons she was in need of immediate funds. The same day, Clemons wrote to Andres asking him to send monies to Winans. The next day, October 27, 2009, Andres wired \$100,000.00 to Winans from the bank account of C2G Strategies, an entity affiliated with Winsome. In essence, WLJ had one client (Winsome) send funds to another client (Magna Pinpoint) based on promises WLJ had made to Magna Pinpoint.

55. At the same time that WLJ was representing both Winsome and Al Abbar Group, Clemons was acting as the personal advisor to Mohammed bin Ali Al Abbar and trustee of funds of Mr. Al Abbar. He was given discretion on behalf of WLJ's client, Al Abbar, to disburse Al Abbar's funds to Winsome, further demonstrating a conflict of interest.

56. On September 4, 2009, Al Abbar stated that Clemons was his "long time trusted advisor, a loyal friend, and now soon to be business partner" Al Abbar said Clemons would "take full responsibility for the direction and control of all my investment activities in the North America." Clemons' business partnership with Al Abbar existed at the same time that WLJ was serving as counsel to Al Abbar Group and to Winsome and while WLJ was instructing Winsome to send money to the U.K. for the benefit of Al Abbar.

57. During the time that WLJ represented Winsome, WLJ also represented NAEG. Pursuant to its representation of NAEG, WLJ drafted a 60-day promissory note and bridge loan agreement relating to \$500,000 in loans from Howard Patron to NAEG. The \$500,000 in funds from Patron was, in turn, to be sent by NAEG to Magna Pinpoint, another WLJ client. When the note 60-day period expired, Patron demanded payment on his note. NAEG lacked the funds, so WLJ had Winsome pay \$500,000 to Patron – for the debt owed by WLJ client NAEG, which debt was incurred so NAEG could send funds to a third WLJ client – Magna Pinpoint. In the process, WLJ instructed Winsome to tell Patron that the payment was on behalf of Al Abbar, a fourth WLJ client. This single transaction involved interrelations among four different WLJ clients.

**WLJ DIRECTED WINSOME TO PAY AN
ADVANCE LOAN FEE FOR A FRAUDULENT LOAN SCHEME**

58. By the fall of 2009, the supposed Al Abbar funds had still not been released from the U.K. even though Winsome had spent millions of dollars attempting to secure the release of these promised funds, as advised by WLJ.

59. In October 2009, WLJ told Winsome that WLJ had arranged for a \$20 million loan for Winsome from a Dubai company named Unitrade Group and its owner Mamdouh M. Abu Talib. WLJ told Winsome that this loan required payment of an advance fee of \$250,000.00. On October 20, 2009, Winsome wired \$250,000.00 to a bank in Dubai in the name of Talib.

60. The following week (October 26, 2009), Clemons sent e-mails to Andres saying that he (Clemons) was in Dubai meeting with Talib.

61. No loan was ever made by Unitrade or Talib to Winsome and none of the advance fee was ever recovered from Talib.

AL ABBAR FRAUD UNRAVELS

62. Upon information and belief, in late January 2010, an attorney representing a Texas company contacted WLJ, and reported that Clemons, as an agent of Al Abbar, had negotiated a deal to purchase the company. The company had loaned Clemons over \$200,000 to cover transaction costs; however, when the deal failed, Clemons refused to return the money.

63. Upon information and belief, WLJ began an investigation into Clemons' conduct after it was notified of the failed transaction between the Texas company and Al Abbar. Clemons' employment was terminated on January 28, 2010. Clemons has testified that he did not believe that the Al Abbar scheme was a fraud at the time of his termination.

64. Upon information and belief, the results of WLJ's investigation regarding Clemons and his involvement with Al Abbar were submitted to the Arkansas Supreme Court's Committee on Professional Conduct on April 7, 2010.

FIRST CLAIM FOR RELIEF
Legal Malpractice

65. By this reference, the Receiver incorporates the allegations previously set forth above as though fully set forth herein.

66. The November 2007 engagement agreement reduced to writing the attorney-client relationship between WLJ and Winsome. As counsel for Winsome, WLJ had a duty to act on Winsome's behalf in accordance with an accepted standard of care for legal professionals.

67. The quality of services and counsel that WLJ provided to Winsome fell significantly below the applicable standard of care. Examples of substandard legal services provided by WLJ include, but are in no way limited to, WLJ's instruction to Winsome regarding the disbursement of \$5,487,550.30 in connection with the Al Abbar fraudulent investment scheme, WLJ's failure to recognize that Al Abbar's scheme was a fraud, WLJ's express instruction to Winsome to pay an advance loan fee of \$250,000 for a fraudulent loan scheme related to Unitrade, and additional negligent counsel and services as otherwise described above and as discovery may reveal.

68. WLJ is vicariously liable for the legal malpractice of its employee, Clemons, who, while acting within the scope of his employment with WLJ, directly caused Winsome damages in an amount to be shown at trial.

69. But for WLJ's malpractice, Winsome would not have suffered the type or quantity of damages sustained.

SECOND CLAIM FOR RELIEF
Breach of Fiduciary Duty

70. By this reference, the Receiver incorporates the allegations previously set forth above as though fully set forth herein.

71. As legal counsel for Winsome, WLJ owed Winsome a fiduciary duty of utmost loyalty.

72. Clemons, who was an employee and attorney at WLJ, maintained his fiduciary relationship with Winsome primarily to gain significant financial benefit from the Al Abbar investment scheme he presented to Winsome. WLJ also stood to gain from the Al Abbar investment scheme in the form of future work and legal fees that would supposedly occur once the \$550 million was received from Al Abbar. WLJ and Clemons planned to obtain access to an immense source of capital from Al Abbar to advance their own pecuniary interests and personal status.

73. Clemons believed that to gain full access to the enormous stores of capital referenced above, he needed an entity to pay for the numerous fees required to "release" the funds. Clemons, as an attorney at WLJ and without apparently raising any conflict of interest concerns with Winsome, used his position of trust with Winsome to persuade Winsome to pay these fees.

74. Clemons, while acting in the course and scope of his employment with WLJ, also sought to advance his own pecuniary interests by repeatedly making representations to Winsome from Al Abbar entities he had formed about the status of the release of the funds. These assurances caused Winsome to continue placing trust in the legitimacy of the fees it was paying to release larger sums of money. These claims advanced Clemons' personal interests, as he believed that payments of the fees would eventually yield access to the funds he hoped to personally benefit from.

75. Clemons, as an attorney of WLJ and without apparently raising any potential conflict of interest concerns with Winsome, caused Winsome to pay funds to Pat Winans, even though this amount was owed to Winans by Clemons and not Winsome.

76. WLJ is vicariously liable for the breaches of fiduciary duty of its employee, Clemons, who, while acting within the scope of his employment with WLJ, directly caused Winsome damages in an amount to be shown at trial.

PRAYER FOR RELIEF

WHEREFORE, the Receiver prays for judgment against WLJ as follows:

1. For judgment against WLJ in the amount of \$5,487,550.30 paid by Winsome in connection with the Al Abbar fraud;
2. For judgment against WLJ in the amount of \$100,000.00 paid by Winsome to Pat Winans for a debt owed by attorney at WLJ;
3. For judgment against WLJ in the amount of \$250,000.00 paid by Winsome in connection with the Mamdouh Talib/Unitrade fraud;
4. For judgment against WLJ relating to any other additional damages suffered by Winsome as a result of WLJ's legal malpractice and breaches of fiduciary duty;
5. For judgment against WLJ for punitive damages;
6. For post-judgment interest as allowed by law;
7. For costs of suit, including reasonable attorney fees; and
8. For such other and further relief as the Court may deem just and proper.

DATED this 30th day of October, 2012.

MANNING CURTIS BRADSHAW & BEDNAR LLC

/s/ David C. Castleberry

David C. Castleberry

Aaron C. Garrett

Attorneys for Receiver for US Ventures, LC, Winsome Investment
Trust, and the assets of Robert J. Andres and Robert L. Holloway

Plaintiff: Wayne Klein, Court-Appointed
Receiver of US Ventures, LC, Winsome Trust,
and the assets of Robert J. Andres and Robert L. Holloway
299 South Main, Suite 1300
Salt Lake City, UT 84111