

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

CASE NO. 08-81565-CIV-HURLEY/HOPKINS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CREATIVE CAPITAL CONSORTIUM, LLC, et al.,

Defendants.

ORDER GRANTING RECEIVER'S MOTION TO EXPAND RECEIVERSHIP

THIS CAUSE is before the court upon receiver Jonathan E. Perlman's second verified motion to expand receivership to include certain investment clubs, namely, Wealth Builders Circle, LLC ("Wealth Builders"), The Dream Makers Capital Investment, LLC ("Dream Makers"), G\$ Trade Financial, Inc. ("Trade"), and Unity Entertainment Group, Inc. ("Unity") [DE # 32].¹ The receiver argues that these companies do not have an independent corporate existence, but are merely the alter egos of defendants Creative Capital Consortium, LLC ("Creative Capital") and George L. Theodule ("Theodule"). The receiver thus moves the court to disregard these alter egos and bring them within the receivership. In opposition, Wealth Builders and Dream Makers argue that they are separate and distinct entities. Trade and Unity filed no response.

District courts have "broad powers and wide discretion to determine relief in an equity receivership." *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir.1992). "This discretion derives from the inherent powers of an equity court to fashion relief." *Id.*

¹ The receiver's motion initially included Dolce Regency Suites, LLC. Subsequently, however, the receiver filed notice withdrawing, without prejudice, the portion of the motion relating to Dolce Regency Suits, LLC [DE # 154].

The alter-ego liability doctrine allows the court to “disregard the corporate entity and treat the acts of the corporation as if they were done by the controlling corporation lying behind the corporate shell or the individuals.” *SEC v. Elmas Trading Corp.*, 620 F.Supp., 231, 233 (D.Nev. 1985). Given the government’s interest in preventing violations of federal securities laws, under which this action arises, it is appropriate for the court to apply a “more flexible approach in determining whether the corporate entity should be disregarded.” *Id.* In *Elmas Trading Corp.*, the court found several facts pertinent in assessing whether an entity was an alter ego, including the presence of overlapping control persons and the transference of money between various entities. *Id.* at 234-35.

In this case, the record evidence shows that the defendants controlled Trade and Unity and had authority to transfer money from them. Trade’s registered agent is Creative Capital, its president and sole officer is Theodule, and, according to its corporate records, its principal place of business is that of Creative Capital. Further, Trade’s bank account statement reflects \$110,000 of cash withdrawals by Theodule in November, 2008. Likewise, according to Unity’s corporate records, its principal place of business is the same as Creative Capital’s, and Theodule is its registered agent and president. Additionally, Theodule’s accounting and identification of accounts states that Unity retains \$750,000 of Creative Capital assets. As a result, the receiver has established that Trade and Unity are the alter egos of the defendants.

So, too, does the record evidence show that the defendants controlled Dream Makers and Wealth Builders. Dream Makers transferred over \$1.1 to Creative Capital and over \$150,000 to Theodule personally. Dream Maker’s president was Theodule’s sister, Yolette Williams, who also received health insurance under Creative Capital’s insurance plan. And Dream Makers and Creative

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SEC v. Creative Capital Consortium, LLC, et al.
Case No. 08-81565-CIV-HURLEY/HOPKINS

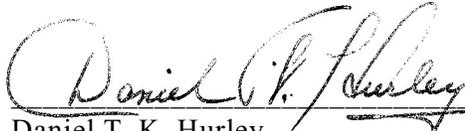
Capital shared the same address and accountant.

As to Wealth Builders, the record evidence shows that it transferred approximately \$2 million to Creative Capital and that Creative Capital transferred over \$1 million to Wealth Builders. Creative Capital and Wealth Builders shared a common address. Dorothy Delisfort, an officer and director of Wealth Builders who married Theodule in September, 2008, was listed as an employee under Creative Capital's insurance plan, and, according to bank records, was a signatory on two Creative Capital bank accounts. Therefore, the receiver has established that Dream Makers and Wealth Builders are the alter ego of the defendants.

Having reviewed the motions and being fully advised in the premises, it is hereby **ORDERED** and **ADJUDGED** that:

1. Jonathan E. Perlman's second verified motion to expand receivership [DE # 32] is **GRANTED**.
2. The order appointing receiver [DE # 8] and the temporary restraining order and other emergency relief [DE # 7] are amended to include Wealth Builders Circle, LLC, The Dream Makers Capital Investment, LLC, G\$ Trade Financial, Inc., and Unity Entertainment Group, Inc.

DONE and **SIGNED** in Chambers in West Palm Beach, Florida, this 21st day of September, 2009.


Daniel T. K. Hurley
Senior United States District Judge

Copies provided to counsel of record