

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

CASE NO.: 6:07-cv-1920-Orl-22-DAB

Plaintiff,

vs.

ROBERT E. LANE, WEALTH POOLS
INTERNATIONAL, INC., and
RECRUIT FOR WEALTH, INC.,

Defendants,

T-N-T EDUCATION COMPANY, INC.,
RICHARD LANE, MUNDO TRADE, INC.,
RENEE BECKER, JULIA LANE, and
FIRST FIDUCIARY BUSINESS TRUST,

Relief Defendants.

RECEIVER'S MOTION TO APPROVE SETTLEMENT
WITH RICHARD LANE REGARDING TAX REFUND
AND INCORPORATED MEMORANDUM OF LAW

Michael I. Goldberg, as Receiver ("Receiver") for Wealth Pools International, Inc. and Recruit for Wealth, Inc., (collectively, "Wealth Pools"), moves this Court for the entry of an Order approving settlement with Relief Defendant Richard Lane regarding tax refund, and in support, states as follows:

1. Pursuant to the Order Substituting Receiver, Michael I. Goldberg is the Receiver over Wealth Pools. [DE 185]. The Receiver has the same duties and responsibilities as enumerated in the initial order appointing receiver (the "Receivership Order"). [DE 12].
2. In the Complaint for Injunctive and Other Relief, the Securities and Exchange Commission alleged that between April 2006 and August 2007, defendant Robert Lane

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transferred investors' proceeds to his brother, Richard Lane ("Lane") and to T-N-T Education Company, Inc. ("TNT," and jointly with Lane, the "Relief Defendants"). [DE 1]. Lane was the President and Director of TNT. [DE 1].

3. Without admitting any wrongdoing, the Relief Defendants consented to the entry of judgments against them. *See* DE 186 and DE 187. The judgments included provisions for the transfer of real property to the Receiver and the disgorgement of certain funds, including any tax refund relating to their federal and/or state taxes for the years 2007, 2008 and 2009 (collectively, the "Tax Returns").

4. Accountants for the Relief Defendants recently prepared the Tax Returns and presented the Tax Returns to the SEC and Receiver for review. The Receiver and the SEC approved the Tax Returns and on or about January 31, 2011, the Relief Defendants mailed the Tax Returns to the appropriate taxing authorities. Based on the Tax Returns, the Receiver estimates that receivership estate will receive refunds in approximate sum of \$1.2 million (the "Refund").

5. The Receiver and the Relief Defendants (collectively, the "Parties") have agreed to escrow the Refund until the risk of an audit has passed. (Contemporaneous with filing this motion, the Receiver has filed a separate Motion for Prompt Determination of Tax Refund wherein the Receiver requests the Court direct the IRS to shorten the three year statutory deadline to assess tax liability.) Accordingly, as part of the settlement, the Parties have agreed to execute and file the appropriate documents with the IRS, so the IRS will deliver the Refund to the Receiver, to be placed in an escrow account until the risk of an audit has passed.

6. Lane's accountant has estimated that the sum of \$66,000 included in the Refund is a result of Lane's use of a net operating loss carry forward stemming from business losses un-

related to this case. Based on the foregoing, Lane has requested an equal division of that portion of the tax savings.

7. The SEC and Receiver have both agreed in principal to the terms of Lane's offer, as the Parties are aware that the Refund would not include the \$66,000 without the unused tax carry forward. Accordingly, the Receiver seeks authority from this Court to split that portion of the Refund with Lane, and provide Lane with the sum of \$33,000 from the proceeds of the Refund. The settlement is conditioned on a determination that the Refund includes the \$66,000 and that the Refund can be distributed to investors. A proposed Order is attached hereto as Exhibit 1.

INCORPORATED MEMORANDUM OF LAW

The district court has broad powers and wide discretion to determine relief in an equity receivership. *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992). The power of courts over receivers, including their authority to control them in the settlement of all demands against the property held by them in their capacity as receivers, is well established..." *Bancroft v. Allen*, 138 Fla. 841, 190 So. 885 (Fla. 1939). It is equally the duty of the court appointing a receiver to compel the settlement of claims against the property in his possession in the most expeditious manner, so as to avoid litigation and expense to the fund in charge of the court. *Id.* 138 Fla. 854, 190 So. at 890; *Fugazy Travel Bureau, Inc. v. State*, 188 So.2d 842, 843 (Fla. 4th DCA 1966).

The right of a receiver to settle claims and compromise actions with the approval and sanction of the court is well recognized. *Id.*; *O'Neal v. General Motors Corporation*, 841 F. Supp. 391, 398 (M.D. Fla. 1993). The Receivership Order entered in this case, specifically authorizes the Receiver to, among other things: "[D]efend, compromise or settle legal actions...in which the Defendants or the receiver is a party, commenced either prior to or

subsequent to this Order, with authorization of this Court..." See ¶ 6 of the Receivership Order. Accordingly, the Receiver seeks approval of the terms of this settlement. The Receiver believes the settlement is in the best interest of the parties and the Receivership Estate. Lane's use of a net operating loss carry forward stemming from business losses un-related to this case will provide the receivership estate with an additional \$33,000, that it would not otherwise recover.

WHEREFORE, the Receiver respectfully requests this Court enter an order approving the settlement; reserve jurisdiction to enforce the terms of the settlement; and grant such other relief as is just and proper.

LOCAL RULE 3.01(g) CERTIFICATION

Pursuant to Local Rule 3.01(g), counsel for the Receiver has conferred with both counsel for the SEC and counsel for the Defendants and Relief Defendants in a good faith effort to resolve this matter. Counsel for the SEC, counsel for the Defendant, and counsel for the Relief Defendants have no objection to the relief requested herein.

Respectfully submitted,

\s\ Kathryn B. Hoeck, Esq.

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**COUNSEL FOR RECEIVER FOR
WEALTH POOLS INTERNATIONAL, INC. and
RECRUIT FOR WEALTH, INC.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this ____ day of April, 2011, I electronically filed the foregoing document with the Clerk of Court using the CM/ECF System, which will send a notice of electronic filing to the following: -

Christopher E. Martin, Esq. (martinc@sec.gov)
Counsel for Securities & Exchange Commission

Trisha Dee Sindler, Esq. (Fuchst@sec.gov)
Counsel for Securities & Exchange Commission

Michael Howard LaFay, Esq. (lafaym@nejamelaw.com)
Counsel for Robert E. Lane

Jonathan R. Williams, Esq. (jrwilliams@gmail.com)
Counsel for Julia Lane and Renee Becker

and that on this ____ day of April, 2011, I served the foregoing document and the notice of electronic filing by U.S. Mail to the following non-CM/ECF participants:

Arthur J. Madden, III, Esq.
465 Dauphin St.
Mobile, AL 36602
Counsel for Richard H. Lane and T-N-T Education Company, Inc.

Mundo Trade, Inc.
First Fiduciary Business Trust
c/o Robert E. Lane
12711 Broleman Road
Orlando, FL 32832

\s\ Kathryn B. Hoeck, Esquire

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