

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.

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**RECEIVER'S MOTION FOR CLARIFICATION  
OF FINAL JUDGMENTS RELATING TO TAX REFUNDS**

Michael I. Goldberg, as receiver ("Receiver") for Wealth Pools International, Inc. and Recruit for Wealth, Inc., (collectively, "Receivership Entities"), moves this Court for the entry of an order clarifying the language in its Final Judgment and Other Relief as to Relief Defendant Richard Lane (DE 186) and Final Judgment and Other Relief as to Relief Defendant T-N-T Education Company, Inc. (DE 187) (collectively, the "Final Judgments") as it relates to Richard Lane's and T-N-T Education Company, Inc.'s ("TNT") 2007, 2008 and 2009 federal and state tax refunds. In support of this Motion, the Receiver states as follows:

1. The Receiver was appointed as the receiver over the Receivership Entities on October 4, 2009.

{22445039;2}

2. On or about October 9, 2009, the Court entered the Final Judgments. Pursuant to the Final Judgments, Richard Lane and TNT assigned one hundred percent of their federal and state tax refunds for the years 2007, 2008 and 2009 (collectively, the "Tax Refunds") to the Receiver in order to be used to repay the innocent victims of the underlying fraud.

3. Earlier this year, the United States and the State of Alabama issued refunds to the Lanes in the amount of \$1,232,275 and \$127,376.76, respectively, in connection with their 2007, 2008 and 2009 tax returns.

4. The Tax Refunds are currently being held in trust by the Lanes' counsel, who has recently agreed to forward the Tax Refunds to the Receiver. However, the Lanes' counsel asserts that the Receiver must hold the Tax Refunds in trust for approximately three (3) years until the time period for the United States and the State of Alabama to audit the returns expires. In support of this assertion, the Lanes' counsel points to paragraph F of the Final Judgments which states, in relevant part, as follows:

"These funds shall remain in the Trust Account of the Court-Appointed Receiver until the Tax Obligations, Fees and Reimbursement of Expenses have been fully paid or satisfied. After the Tax Obligations, Fees and Reimbursement of Expenses have been fully paid or satisfied, any unused portion shall become the property of the Court-Appointed Receiver."

Essentially, the Lanes assert that their Tax Obligations are not fully paid or satisfied until the applicable audit periods have expired.

5. The Receiver disagrees with the Lanes' counsel's position. The Receiver does not believe that the foregoing language requires the Receiver to wait three years to see if the Lanes will be audited, and moreover, in the event that they are audited that they will be required to return all or a portion of the Tax Refunds. First, the language relied upon by the Lanes deals

with funds that are to be derived from the specific bank accounts described in paragraph F, not from the Tax Refunds. This is clear where paragraph F states "Within forty-five (45) days from the date of this Order, Richard Lane and T-N-T shall turn over all unused funds *from the Bank Accounts to Satisfy Tax Obligations, Fees and Reimbursement of Expenses* to the Court-Appointed Receiver." (emphasis added).<sup>1</sup> Thus, because the money the Lanes' counsel currently holds is derived from the Tax Refunds and not the Bank Accounts to Satisfy Tax Obligations, Fees and Reimbursement of Expenses, this language is inapplicable. Second, assuming *arguendo*, that this language applied to the Tax Refunds, nothing in the language requires the Receiver to wait to the potential audit period expires to distribute the Tax Refunds. If such were the intent, the Lanes should have specifically insisted that the language state that the Tax Refunds be held in trust pending expiration of all applicable audit periods. To the contrary, the language of the Final Judgments indicate that the Lanes relinquished full control over the Tax Refunds. This is clear from paragraph G of the Final Judgments which provides:

"Richard Lane and T-N-T Education shall assign 100% of their interest in any tax refund for their federal and/or state tax returns for tax years 2007, 2008 and 2009 to the Court-Appointed Receiver."

Moreover, the language of paragraph H in the Final Judgment as to Richard Lane (DE 186) also supports this conclusion where it states:

"...by making the payments due under this Final Judgment, Richard Lane relinquishes all legal and equitable right, title, and interest in such funds and assets, and no part of the funds or assets shall be returned to him."

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<sup>1</sup> "Bank Accounts to Satisfy Tax Obligations, Fees, and Reimbursement of Expenses" is a defined term which means the Lanes' bank accounts at 1<sup>st</sup> Community Bank, account numbers JCD6M156116 and JCD6M1600040 and Regions Bank account numbers 0074941488 and 0437978877.

Accordingly, the language in the Final Judgments clearly indicates that the Lanes fully assigned all of their interest in the Tax Refunds to the Receiver without retaining any future interest.

6. Furthermore, from a practical point of view, the Lanes' interpretation makes little sense because if accepted, the Receiver will have to wait an additional three years to make a final distribution and close the estate. Such an interpretation would be a stretch which the Receiver submits is well beyond what the Court would have approved. Rather, the Receiver submits that this language was simply intended to allow the Lanes to pay any potential tax obligations they owed for 2007, 2008 and 2009 as indicated on their initial tax returns. As the Lanes were actually owed a tax refund rather than owed taxes, this language is inapplicable and does not require the Receiver to hold the Tax Refunds in trust pending some potential audit.

7. The Receiver believes there are three potential options for the Court:

- i) enter an Order clarifying the Final Judgments to provide that the language in paragraph F does not apply to the Refunds and that the Receiver does not have to hold the Tax Refunds in trust pending the expiration of applicable audit periods;
- ii) enter an Order clarifying the Final Judgments to provide that the language in paragraph F does apply to the Refunds and that the Receiver does have to hold the Tax Refunds in trust pending the expiration of applicable audit periods, or a finding by the IRS that they will not audit the returns, whichever occurs first; or
- iii) enter an Order requiring the United States and the State of Alabama to issue a prompt determination of the Lanes' 2007, 2008 and 2009 tax returns.

The Receiver notes that the Court has already declined the third option. See Order Denying Receiver's Motion to Direct IRS to Determine Tax Liability and for Related Relief

(Doc.No.217) dated June 14, 2011 (DE 224).<sup>2</sup> Accordingly, to the extent the Court is unwilling to instruct the IRS to issue a "prompt determination letter," the Receiver respectfully requests the Court to select the first option.

**WHEREFORE**, the Receiver respectfully requests the Court to enter an Order clarifying the Final Judgments to provide that the Receiver is free to utilize the Tax Refunds and distribute them in accordance with future orders of the Court 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 Relief Defendants in a good faith effort to resolve this matter. Counsel for the SEC does not object to the relief requested herein, however, counsel for Relief Defendants has raised an objection to the relief sought as more fully described above.

Respectfully submitted,

\s\ Kathryn B. Hoeck, Esq.  
Kathryn B. Hoeck, Esq.  
Florida Bar Number: 813060  
**AKERMAN SENTERFITT**  
420 South Orange Avenue, Suite 1200  
Orlando, Florida 32801  
Phone: (407) 423-4000  
Fax: (407) 843-6610  
Email: kathy.hoeck@akerman.com

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<sup>2</sup> Although the Court agreed with the United States and entered an order denying the Receiver's Motion, it urged the United States to continue to work with the Receiver in bringing this matter to a final conclusion. The Receiver recognizes that the IRS was extremely cooperative in promptly issuing the tax refund, however, as of this date, the IRS has not issued a prompt determination of tax liability, nor have they notified any of the parties that they do not intend on auditing the Lanes' 2007, 2008 and 2009 Federal tax returns.

Michael I. Goldberg, Esq.  
Florida Bar No.: 886602  
**AKERMAN SENTERFITT**  
350 East Las Olas Blvd., Suite 1600  
Fort Lauderdale, FL 33301  
Phone: (954) 463-2700  
Fax: (954) 463-2700

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

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 26<sup>th</sup> day of October, 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 26<sup>th</sup> day of October, 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