

JULY 02 2012

STEVEN M. LARIMORE
CLERK U.S. DIST. CT.
S. D. OF FLA. - MIAMI

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
(WEST PALM BEACH DIVISION)

CASE NO. 11-80331-CIV-HURLEY/HOPKINS

JONATHAN E. PERLMAN, Esq., as court
appointed Receiver of Creative Capital
Consortium, LLC, et al.,

Plaintiff,

v.

BANK OF AMERICA, N.A.,

Defendant.

NOTICE OF APPEAL

Notice is hereby given that Plaintiff Jonathan E. Perlman, Esq., the court-appointed Receiver (the "Receiver") of Creative Capital Consortium, LLC, A Creative Capital Concept\$, LLC, United Investment Club, LLC, Reverse Auto Loan, LLC, Wealth Builders Circle, LLC, The Dream Makers Capital Investment, LLC, G\$ Trade Financial, Inc. and Unity Entertainment Group, Inc., (collectively, the "Receivership Entities"), hereby appeals to the United States Court of Appeals for the Eleventh Circuit from the Order Granting Defendant's Motion to Dismiss and Final Judgment entered by this Court on May 23, 2012. [ECF Nos. 82, 83].¹

¹ The Receiver attempted to file a Motion for Reconsideration under Rule 59(e), 60(b) on June 20, 2012 (28 days after the subject order and judgment). In an abundance of caution, the Receiver files this Notice of Appeal prior to the resolution of the foregoing motion, because the electronic receipt from the Clerk of the Court indicated a time entry for filing of 12:15 a.m. the next day.

Dated: June 22, 2012

By: /s/ Carmen Contreras-Martinez

David C. Cimo (FBN 775400)

dcimo@gjb-law.com

Carmen Contreras-Martinez (FBN 093475)

ccontreras@gjb-law.com

GENOVESE JOBLOVE & BATTISTA, P.A.

100 Southeast 2nd Street, 44th Floor

Miami, FL 33131

Tel: (305) 349-2300

Fax: (305) 349-2310

-and-

Michael R. Josephs (FBN 119242)

Florida Bar No.: 119242

mrj@josephsjack.com

JOSEPHS JACK P.A.

2950 SW 27th Avenue, Suite 100

Miami, FL 33133

Tel: (305) 445-3800

Fax: (305) 448-5800

Attorneys for Jonathan E. Perlman

SEC Receiver

CERTIFICATE OF SERVICE

I hereby certify that on June 22, 2012, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

By: s/Carmen Contreras-Martinez
Attorney

SERVICE LIST

**JONATHAN E. PERLMAN, ESQ., as court appointed Receiver of Creative Capital Consortium, LLC, et al. v. BANK OF AMERICA, N.A.
CASE NO. 11-80331-CIV-HURLEY/HOPKINS
United States District Court, Southern District of Florida**

David C. Cimo

dcimo@gjb-law.com

David P. Lemoie

dlemoie@gjb-law.com

Carmen Contreras-Martinez

ccontreras@gjb-law.com

Genovese Joblove & Battista, P.A.

Miami Tower, 44th Floor

100 Southeast 2nd Street

Miami, FL 33131

Telephone: (305) 349-2300

Facsimile: (305) 349-2310

Attorneys for Plaintiff Jonathan E. Perlman, Esq., as Court Appointed Receiver of Creative Capital Consortium, LLC, et al.

Served via CM/ECF

Michael R. Josephs

mrj@josephsjack.com

Josephs Jack P.A.

2699 South Bayshore Drive, 7th Floor

Miami, FL 33133

Telephone: (305) 445-3800

Facsimile: (305) 448-5800

Co-Counsel for Plaintiff Jonathan E. Perlman, Esq. as Court Appointed Receiver of Creative Capital Consortium, LLC, et al.

Served via CM/ECF

Joseph E. Culleiton

JCulleiton@ReedSmith.com

Mary J. Hackett

mhackett@reedsmith.com

Dustin Pickens

dpickens@reedsmith.com

Reed Smith LLP

225 Fifth Avenue

Pittsburgh, PA 15222

Telephone: (412) 288-3131

Facsimile: (412) 288-3063

Attorneys for Defendant Bank of America

Served via CM/ECF

Dora Faye Kaufman

dfk@lgplaw.com

J. Randolph Liebler

jrl@lgplaw.com

Juan A. Gonzalez

jag@lgplaw.com

Liebler, Gonzalez & Portuondo, P.A.

44 West Flagler Street

25th Floor

Miami, FL 33130

Telephone: (305) 379-0400

Facsimile: (305) 379-9626

Attorneys for Defendant Bank of America

Served via CM/ECF

10501-002/854

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

CASE NO. 11-80331-CV-HURLEY/HOPKINS

JONATHAN E. PERLMAN,

Plaintiff,

vs.

BANK OF AMERICA, N.A.,

Defendant.


FINAL JUDGMENT AND CLOSE OUT

THIS CAUSE comes before the Court following the Court's Order Granting Defendant's Motion to Dismiss with prejudice. Pursuant to Rule 58(a), Fed. R. Civ. P., the Court now enters final judgment in favor of Defendant.

It is hereby **ORDERED** and **ADJUDGED** that:

1. **FINAL JUDGMENT** is entered against Plaintiff, Jonathan E. Perlman, who shall take nothing by this action, and in favor of Defendant, Bank of America, N.A., who shall go hence without day.
2. All pending motions not otherwise ruled upon are **DENIED AS MOOT**.
3. The Clerk is directed to mark this case as **CLOSED**.

DONE and **SIGNED** in Chambers in West Palm Beach, Florida, this 23rd day of May, 2012.


Daniel T. K. Hurley
United States District Judge

Copies provided to counsel of record

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

CASE NO. 11-80331-CV-HURLEY/HOPKINS

JONATHAN E. PERLMAN,

Plaintiff,

vs.

BANK OF AMERICA, N.A.,

Defendant.

ORDER GRANTING DEFENDANT'S MOTION TO DISMISS

THIS CAUSE is before the Court upon Defendant Bank of America, N.A.'s motion to dismiss the Amended Complaint [DE # 67]. The motion is fully briefed and ripe for adjudication. For the reasons to follow, the Court will grant Defendant's motion and dismiss the Amended Complaint with prejudice.

BACKGROUND

In a previous Order dated December 22, 2011 (the "Dismissal Order"),¹ the Court dismissed with prejudice the Receiver's claims for negligence, wire transfer violations, and aiding and abetting fraudulent transfers. The Court also dismissed without prejudice the Receiver's fraudulent transfer claims. Finally, the Court denied the motion to dismiss as to the Receiver's claims for aiding and abetting breach of fiduciary duty and aiding and abetting conversion.

In the instant motion, the Bank restates its earlier argument supporting its motion to dismiss

¹The Court set forth the factual background of this case in the Dismissal Order [DE # 51]. Rather than repeat the summary here, the Court incorporates the Dismissal Order's background section by reference.

the aiding and abetting claims in light of an intervening unpublished Eleventh Circuit opinion. *See Lawrence v. Bank of Am.*, 455 Fed. Appx. 904 (11th Cir. 2012) (“*Lawrence I*”). The motion also argues that the Court must dismiss the re-pleaded fraudulent transfer claims based on the reasoning in *Lawrence II*. In each case, the Court agrees.

DISCUSSION

A. *The Aiding and Abetting Claims*

In the Dismissal Order, the Court considered whether a plaintiff could properly plead the actual knowledge element of an aiding and abetting claim by alleging atypical business transactions. Dismissal Order 10-16 [DE # 51]. In concluding that such allegations could be sufficient, the Court attempted to reconcile a variety of cases with conflicting outcomes. *See, e.g., Woodward v. Metro Bank of Dallas*, 522 F.2d 84, 97 (5th Cir. 1975) (“[I]f the method or transaction is atypical or lacks business justification, it may be possible to infer the knowledge necessary for aiding and abetting liability.”); *Lawrence v. Bank of America, N.A.*, No. 8:09-cv-2162-T-33TGW, 2010 WL 3467501, *4 (M.D. Fla. Aug. 30, 2010) (“*Lawrence I*”). The Court was troubled by but disagreed with the district court opinion in *Lawrence I* because it expressly considered atypical business transactions and found them insufficient to allege actual knowledge of an underlying violation. 2010 WL 3467501 at *4.

Shortly after the Court issued the Dismissal Order, the Eleventh Circuit affirmed the district court’s order in *Lawrence*, stating that “[a]lthough Plaintiffs alleged the transactions were atypical and therefore [the Bank] should have known of the Ponzi scheme, such allegations are insufficient under Florida law to trigger liability.” *Lawrence II*, 455 Fed. Appx. at 907. Although *Lawrence II* is an unpublished opinion and therefore does not constitute binding precedent, *see* U.S.C.A. 11th Cir.

Rule 36-2, its reasoning sheds substantial light on the exact issue presented by the instant motion. With the benefit of the Eleventh Circuit's reasoning on this issue, the Court now concludes that the Receiver's allegations are insufficient as a matter of law to state a claim for aiding and abetting liability. Because banks have no duty to investigate even suspicious transactions, allegations of such transactions do not demonstrate the actual knowledge required for aiding and abetting claims. *Lawrence II*, 455 Fed. Appx. at 907. Under this analysis of its allegations of atypical transactions, the Amended Complaint does not sufficiently allege that the Bank knowingly abetted the underlying scheme. Thus, the Court must dismiss Counts I and II of the Amended Complaint.²

B. The Fraudulent Transfer Claims

The Receiver has also asserted claims for avoidance and recovery of fraudulent transfers pursuant to the Florida Uniform Fraudulent Transfer Act ("FUFTA"), Fla. Stat. § 726.101. The Bank argues that *Lawrence II* also dictates dismissal of the Receiver's fraudulent transfer claims because, just as allegations of atypical transactions are insufficient to plead actual knowledge, so too are they insufficient to allege bad faith under the bad-faith exception to the mere conduit defense of a fraudulent transfer claim.

The mere conduit rule is an equitable exception to fraudulent transfer liability that requires a defendant to "establish (1) that [it] did not have control over the assets received, i.e., that [it] merely served as a conduit for the assets that were under the actual control of the [transferor] and (2) that [it] acted in good faith and as an innocent participant in the fraudulent transfer." *In re*

²In reaching this conclusion, the Court rejects the Receiver's contention that the portion of the motion addressing the aiding and abetting claims is really an untimely motion for reconsideration. The Bank is not seeking to undo the Court's ruling on the original complaint; rather, it seeks to dismiss the Amended Complaint based on law that emerged subsequent to the Court's prior ruling.

Harwell, 628 F.3d 1312, 1323 (11th Cir. 2010). Thus, the mere conduit rule is an affirmative defense to fraudulent transfer liability. Under Florida law, a Court may consider an affirmative defense in resolving a motion to dismiss when the complaint “affirmatively and clearly shows the conclusive applicability of the defense to bar the action.” *Jackson v. BellSouth Telecomms.*, 372 F.3d 1250, 1277 (11th Cir. 2004) (internal citations omitted).

In the instant case, the face of the Amended Complaint makes clear that the Bank acted as a mere conduit of Theodule’s fraudulent transfers—that is, that the Bank never exercised dominion or control over the funds and that the Bank acted with good faith. In evaluating the Bank’s good faith, “[t]he relevant question is whether [it] had actual knowledge of the debtor’s fraudulent purpose or ‘had knowledge of such facts or circumstances as would have induced an ordinarily prudent person to make inquiry, and which inquiry, if made with reasonable diligence, would have led to the discovery of the [transferor’s] fraudulent purpose.’” *Wiand v. Waxenberg*, 611 F. Supp. 2d 1299, 1319 (S.D. Fla. 2009) (quoting *United States v. Romano*, 757 F. Supp. 1331, 1338 (M.D. Fla. 1989)). The Court has already concluded that the Receiver has not properly alleged the Bank’s actual knowledge of the underlying violations. The Court further concludes that because banks have the “right to assume that individuals who have the legal authority to handle [an] entity’s accounts do not misuse the entity’s funds,” *O’Halloran v. First Union Nat’l Bank of Fla.*, 350 F.3d 1197, 1205 (11th Cir. 2003), the alleged atypical transactions and other red flags do not comprise “facts or circumstances [that] would have induced an ordinarily prudent [bank] to make inquiry” *Waxenberg*, 611 F. Supp. 2d at 1319 (internal citation omitted).

The Court also finds fraudulent transfer liability of a bank under these circumstances at odds with the reasoning in *Freeman v. First Union Nat’l Bank*, 865 So. 2d 1272 (Fla. 2004). In *Freeman*,

Order Granting Defendant's Motion to Dismiss
Perlman v. Bank of America, N.A.
Case No. 11-80331-CV-HURLEY/HOPKINS

the Florida Supreme Court rejected a cause of action for aiding and abetting fraudulent transfers against a bank that was the primary banker for a Ponzi schemer after it effectuated wire transfers on the schemer's behalf even after the schemer was sued and a court issued an injunction freezing the accounts at the bank. *Id.* at 1274 n.3. To allow Plaintiff in the instant case to circumvent the outcome in *Freeman* by holding a bank liable for its customer's deposits into its own accounts would undermine the Florida Supreme Court's demonstration of "the narrow focus of the FUFTA and its limitations." *Id.* at 1277.

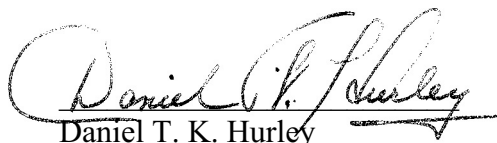
CONCLUSION

For the foregoing reasons, the Court will dismiss the Amended Complaint in its entirety. Moreover, the Court finds that granting leave to amend the Amended Complaint would be futile in light of the legal conclusions stated in this Order. The Court will therefore dismiss the Amended Complaint with prejudice.

Accordingly, it is hereby **ORDERED** and **ADJUDGED** that:

1. Bank of America's Motion to Dismiss [DE # 67] is **GRANTED**.
2. The Amended Complaint is **DISMISSED WITH PREJUDICE**.

DONE and **SIGNED** in Chambers at West Palm Beach, Florida this 23rd day of May, 2012.


Daniel T. K. Hurley
United States District Judge

Copies provided to counsel of record

**UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT**

ELBERT PARR TUTTLE COURT OF APPEALS BUILDING
56 Forsyth Street, N.W.
Atlanta, Georgia 30303

John Ley
Clerk of Court

For rules and forms visit
www.ca11.uscourts.gov

July 02, 2012

David C. Cimo
Genovese Joblove & Battista, PA
100 SE 2ND ST FL 44
MIAMI, FL 33131-2100

Carmen D. Contreras-Martinez
Genovese Joblove & Battista, PA
100 SE 2ND ST FL 44
MIAMI, FL 33131-2100

Michael R. Josephs
Josephs Jack
2699 S BAYSHORE DR 7TH FL
MIAMI, FL 33133

David Paul Lemoie
Genovese Joblove & Battista, PA
100 SE 2ND ST FL 44
MIAMI, FL 33131-2100

Appeal Number: 12-13436-EE
Case Style: Jonathan Perlman v. Bank of America, NA
District Court Docket No: 9:11-cv-80331-DTKH

CIVIL APPEALS ARE GOVERNED BY STRINGENT PROCEDURES FOR REQUESTING EXTENSIONS OF TIME TO FILE BRIEFS AND RECORD EXCERPTS. RULES PROVIDE FOR DISMISSAL WITHOUT FURTHER NOTICE WHEN A BRIEF OR RECORD EXCERPTS IS NOT FILED OR CORRECTED WITHIN THE TIME PERMITTED. PLEASE SEE THE CIRCUIT RULES AT WWW.CA11.USCOURTS.GOV

The referenced case has been docketed in this court. Please use the appellate docket number noted above when making inquiries. Motions for extensions of time to file a brief are frowned upon by the court.

Pursuant to 11th Cir. R. 12-1, the record in this appeal was deemed completed and filed on the date the appeal was docketed in this court.

Eleventh Circuit Rule 31-1 requires that APPELLANT'S BRIEF AND RECORD EXCERPTS BE SERVED AND FILED ON OR BEFORE **August 7, 2012**.

This is the only notice you will receive concerning the due date for filing briefs and record excerpts. (In cross-appeals pursuant to Fed.R.App.P. 28(h), the party who first files a notice of appeal is the appellant unless the parties otherwise agree.) See Fed.R.App.P. 28, 30, 31 and 32, and the corresponding circuit rules, for further information on preparing briefs and record excerpts.

Attorneys registered to use ECF must file briefs electronically using the ECF system. Use of ECF does not modify the requirements of the circuit rules that counsel must also provide seven (7) paper copies of a brief to the court, nor does it modify the requirements of the circuit rules for the filing of record excerpts or expanded record excerpts in a particular case.

Attorneys not registered to use ECF must, in addition to providing seven (7) paper copies of a brief, upload the brief electronically using the EDF system. (Pro se parties may not use the EDF system, but must provide the required number of paper copies.) The EDF system is described in 11th Cir. R. 31-5, and instructions are available on the court's Web site. An EDF ID number is needed to upload your brief. If you do not remember your EDF ID number, you may look it up on the court's Web site. When uploading a brief for the first time, you will be prompted to register and create a password known only by you for all future uploads.

Attorneys and pro se parties in districts not participating in the Electronic Records on Appeal Program must file record excerpts in conformance with 11th Cir. R. 30-1 and 30-2. Attorneys and pro se parties in districts that are participating in the Electronic Records on Appeal Program, and whose cases are included in the program, must file expanded record excerpts in conformance with the Electronic Records on Appeal Program Components and Instructions for Preparing Expanded Record Excerpts, available on the court's Web site. Pro se parties who are incarcerated are not required to file record excerpts.

We have not yet received the [Certificate of Interested Persons and Corporate Disclosure Statement](#) (CIP) required by FRAP 26.1 and the accompanying circuit rules. The rules provide that the certificate must be filed by every appellant [and cross-appellant] with this court within 14 days after the date the appeal is docketed in this court, or along with the filing in this court by any party of any motion, petition, or pleading, whichever occurs first. The rules further provide that on the same day a paper certificate is served, the party filing it must also complete the court's web-based certificate at the "Electronic Filing" link of the court's website, www.ca11.uscourts.gov, by electronically providing the information required for that form. Only the ticker symbols for publicly traded corporations that are listed on the paper CIP must be entered in the web-based system. If your CIP does not include any publicly traded corporations, you are required to go to the website and simply click the button indicating that you have no publicly traded corporations to report. Pro se parties are **not required or**

authorized to complete the web-based certificate.

You are hereby notified that the clerk is not authorized to submit to the court any brief (except for the reply brief of an appellant or cross-appellant), petition, answer, motion or response that does not contain the certificate, but may receive and retain the papers pending supplementation of the papers with the required certificate. You are also hereby notified that failure to submit the required certificate will result in your document(s) being returned unfiled which may ultimately result in dismissal of your appeal.

Attorneys who wish to participate in this appeal must be properly admitted either to the bar of this court or for this particular proceeding pursuant to 11th Cir. R. 46-1. An attorney not yet properly admitted must file an appropriate application for admission within fourteen (14) days from this date. In addition, all attorneys (except court-appointed counsel) who wish to participate in this appeal must complete and return an appearance form within fourteen (14) days. [Application for Admission to the Bar](#) and [Appearance of Counsel Form](#) are available on the Internet at www.ca11.uscourts.gov. The clerk may not accept motions or other filings from an attorney until that attorney files an appearance form. See 11th Cir. R. 46-5.

11th Cir. R. 33-1(a) requires appellant to file a Civil Appeal Statement in most civil appeals. You must file an original and one copy of a completed Civil Appeal Statement, with service on all other parties, within 14 days from the date of this letter. Civil Appeal Statement forms are available on the Internet at www.ca11.uscourts.gov, and as provided by 11th Cir. R. 33-1(a).

MEDIATION. If a Civil Appeal Statement is required to be filed, your appeal and all related matters will be considered for mediation by the Kinnard Mediation Center. The mediation services are free and the mediation process is confidential. You may confidentially request mediation by calling the Kinnard Mediation Center at 404-335-6260 (Atlanta) or 813-301-5530 (Tampa) or 305-714-1900 (Miami). See 11th Cir. R. 33-1.

Sincerely,

JOHN LEY, Clerk of Court

Reply to: Lois Tunstall, EE
Phone #: (404) 335-6224

DKT-7CIV Civil-ND Crim Early Briefing