TO: _____

CC: SEC Comments on File Number S7-09-13, FINRA, FraudAid, VictimsofFraud, Senate Banking Committee, House Judicial Committee, Various Universities debating Crowd Funding, and legal scholars reviewing Summary Judgment's impact on the Seventh Amendment

PROFITABLE DINING, LLC

A CASE STUDY REGARDING INVESTOR PROTECTION

On CROWDFUNDING and REG D OFFERINGS,

Drafted with emphasis towards the SEC Request for Comment on Crowdfunding and House Judicial Subcommittees

With Application, Impact, and Review of

Existing Applicable Laws

SARBANES-OXLEY,

THE SECURITIES ACT of 1933,

SUMMARY JUDGEMENT FRP RULE 56

SQUEEZE-OUT MERGERS – FIDUCIARY RESPONSIBILITIES

FRAUD BEFORE THE COURT RULE 60

ASSET TRANSFERS TO AVOID CREDITORS

RICO

CONVERTING CIVIL INJURY TO CRIMINAL UNDER 18USC4

February 2014

Abstract

From the very beginning the Unites States has witnessed numerous Frauds and Scams which lead Congress to adopt laws to protect citizens. Currently the Jobs Act is under review for Crowd Funding and possible frauds, the US House of Representatives has created a Task Force to review Title 18, and numerous law students are writing papers on Crowdfunding.

Until recently the author was unaware of the call for comments by the SEC regarding Section 4(a) (6). The 550 plus page report frequently asks questions and makes a Call for Comment. Pages 343-340 refer to the Relationship of Crowdfunding to Reg D offerings. This Report will focus on Reg D and relate to Crowdfunding. The author sees this as an opportunity to improve investor protection regarding Reg D.

One of the first Scams of the Unites States involved Supreme Court Justice James Wilson in 1798. Mr. Wilson was an attorney, a professor of law at the University of Pennsylvania, and a real estate developer. He was one of only five men to have signed both the Declaration of Independence and the Constitution. But still was involved in a scam. Some believe Mr. Wilson was an active participant in the scam, others believe he was a victim. All agree that he would have benefited from better protections.

During the period of 1837-1863, a period known as the "Wildcat Era", over 16,000 banks existed in the country with at least 5,000 being totally fraudulent. The solution was the National Banking Act of 1863.

The Stock Market Crash in 1929, resulted in the Securities Act of 1933 with Blue-sky Laws and Rule 10b-5. The Savings and Loan Collapse in 1985, the Dot-Com Bubble of 2001, and the Sub-Prime Loan Scams of 2008 resulted in legislation to protect citizens with the Truth in Lending Act and Sarbanes-Oxley.

As Congress debates Crowd-Funding as a way to stimulate jobs, careful attention should be paid to increased activity of Ponzi Schemes, the possibility of more frauds, and the impact of those frauds on Baby Boomers' retirement nest eggs and their families.

The belief that increasing Civil Liabilities will deter Fraud, is likely too optimistic and could likely lead to a Retirement Crisis for millions of people. This Case History is written to show the difficulty between theory and application with civil remedies.

In the last few years numerous states and other organizations have created awareness programs to inform investors, but still reports show that convicted Securities Fraud of cases over $1,000,000 dollars were over $30,000,000,000.00 from 2008-2013 excluding Bernie Maddoff's case.

In 2013 the National Center for Victims of Crime Foundation and FINRA released: "Taking Action: An Advocate's Guide to Assisting Victims of Financial Fraud"

The Report highlights:

- **"A 2005 Federal Trade Commission survey found that nearly 30 million consumers are victims of financial fraud each year.**
- **According to the Federal Bureau of Investigation's (FBI) Financial Crimes Report (FY2010-2011), investigations of securities and commodities fraud—also known as investment fraud—have increased by 52 percent since 2008.**

These numbers are likely the tip of the iceberg. Experts in the field are well aware that financial fraud goes largely underreported. Reporting one's victimization is complicated by feelings of shame and guilt, as well as other complex factors, such as:

- **not knowing where to turn;**
- **feeling that reporting wouldn't make a difference;**
- **loss of esteem or prestige in a victim's social group;**
- **lack of confidence in the ability of authorities to respond and assist.**

While the actual fraud varies, a similar set of tactics is used to separate victims from their money,
including:

- **gaining victims' trust and confidence;**
- **using false information to induce victims to invest in or purchase products that don't exist; "**

Also noted in the FINRA Report Page 3---- "there exists a belief currently among victims that feel:

1. **reporting wouldn't make a difference;**
2. **lack of confidence in the ability of authorities to respond and assist; and**
3. **fear that reporting will lead to a loss of legal or financial control. "**

One by one successful people are coming forward to tell their story and creating organizations to prevent financial future fraud. VictimsofCrime was started by the Sunny Van Bulow Family, Fraud Aid was started in 1998 by Annie McGuire. Municipalities are also creating programs.

FRAUDAID.Com lists its purpose as "Fraud victim guidance, fraud recognition, and fraud prevention"

The PonziTracker web site, The Ponzi book, and the numerous Linkedin Groups on Securities Fraud highlight the pandemic taking place.

The 580 page SEC report asked for comment on more than 250 questions. Rather than match to a specific question, This Comment will focus on existing Rule 10b-5 and the difficulty in proving scienter and establishing liability by its standards regarding Omissions and Misrepresentations. One debate has been to require investors to prove scienter to reduce the cost of Crowdfunding. This Report thinks that to be a mistake.

A REVIEW OF REG D OFFERING and PROBLEMS, WHICH COULD TRANSFER TO CROWDFUNDING: Using Copeland's New Orleans Style Restaurants Franchises as a case history.

This Report will use Profitable Dining, LLC as a case history with suggestions on improving laws to reduce financial losses on risky investments due to misunderstandings or Financial Frauds. It will expose the reader as to why those in an Affinity Type Relationship are more venerable, the expense of discovery while pursuing legal remedies, and flaws in the Summary Judgment Order process.

The Author is a former mayor who worked with Police to educate citizens regarding Identify Theft, has securities 7 & 66 licenses since 2011, and worked with Governor's office in California to change taxation issues regarding distribution to cities. He worked with the San Mateo Civil Grand Jury regarding policy issues. He was also an investor in Profitable Dining, LLC.

At the time of purchase (1998) and during legal proceedings (2007), he was unaware of the terms Affinity Fraud, Reg D Requirements, Rule 10b-5; Sarbanes-Oxley, the meaning of "Squeeze-out Merger", Fraudulent Transfer to Avoid Creditors, Buy/Sell Agreements purposes, Summary Judgment, and how explanations or stipulations in Motions to Dismiss without Prejudice could result in one year limitations to re-open under Rule 60B.

The Author believes Education and Disclosure of remedies is required in both Reg D and Section 4A offerings.

Of interest to this author are questions 169-179 and p182; "Under Section 4A, proceeds are to be transmitted to the issuer only if the target offering amount is met or exceeded." And page 185: "Prohibit purchases by an issuer or its officers…without this prohibition, issuers that are unable to attract sufficient interest from unaffiliated investors could "game" the system…" Agreed and needed. In Profitable Dining, LLC shares were sold for $16,000.00 per percent. With

on 12.5% of the shares sold, the General Partners "loaned" capital to start the operation and then came back to the limited partners to make Personal Guarantees or lose their investment.

Personal Guarantees of Limited Partners were previously required in a sister company, Garden District Investments, LLC resulting in two doctors to filing bankruptcy after losing $900,000.00 each.

Profitable Dining is an Excellent Case History for Reviewing and Adopting Guidelines to reduce Loopholes or weak spots in the law.

Profitable Dining is a valuable case history because the General Partner (GP) drafted notes as to what his business plans and motives were with the formation and dissolving of Profitable Dining. Those notes, along with depositions, are now in the Docket Record for the case in Federal Court in the Eastern District of Louisiana 06-03846.

After reading This Report, it is suggested the reader watch two Paul Newman movies: "The Sting" and "The Hudsucker Proxy" for a better understanding of what actions and motivations a General Partner can take to increase his profits from investors.

In the "Hudsucker Proxy" Paul Newman plays the Chairman of the Board of a Profitable Company, his objective is to install an incompetent President to drive down profits so that Newman can buy more shares low and then restore the company to profitability.

In "The Sting" one objective of the scam is for "The Mark" to never to conclude he was a victim. Things just did not work out.

General Partners are seeking to make as much profit as possible for themselves; yet have a Fiduciary Responsibility to their investors or limited partners. These two objectives are in conflict with each other. The General Partner's profits will increase at the expense of the limited partners' profits. Disclosure and information are heavily required.

Complicating the matter is that different states have different standards regarding Fiduciary Responsibility and its time frame. Delaware, where most companies incorporate, has three year statute of limitations and required more assertion by the investor to award damages. Georgia has a ten year statute of limitations with more disclosure required by the General Partner. A Federal Standard of 10 to 15 years should be established, with annual disclosure responsibilities.

Profitable Dining, LLC was one of six companies involved with opening Copeland's Restaurant Franchises set up by an entrepreneur during 1995-2000. The entrepreneur (TE) had various partners in these partnerships(mostly fraternity brothers). Fraternity brother A was in five of those partnerships, operating as the General Partner(GP) in Profitable Dining. This team also partnered in Marketshare Telcom which was sued by Ericsson Telcom for failure to pay $1,000,000 in debt in 2006. [1]

Copelands was started in New Orleans under the Popeye's Fried Chicken brand in 1983 and expanded to Washington DC before selling Franchises in the mid 1990s. A Typical Copeland's Restaurant will seat 250 people.

The entrepreneur had:

*** Three original companies started to buy Copelands Franchises: Garden District Investments (GDI), SCIBMATT, and Profitable Dining.**[2]

***Three companies were started to build the facilities: DTD, Lanners-Dining-In, and Sure Thing. These companies leased the buildings to GDI and SCIBMATT.**

*** One company did leasing: A&S Recovery leased FF&E to GDI, C'est Si Bon, and Profitable Dining at 31% interest.**

*** One company acquired The entrepreneur's GDI Franchises after failure: C'est Si Bon acquired three restaurants from GDI in 2001. Jacksonville Dining Concepts acquired one restaurant from Profitable Dining in 2004. That restaurant was reported to have made an average of over $500,000.00 during 2002-2003** [3]

The position of This Report is show weaknesses in current laws and make suggestions moving forward for CrowdFunding and revisions to existing laws. To start: "a Truth in Limited Liability Companies Act" is needed with

*** longer Statute of limitations for Rule 10b-5 - Part of 15USC78, -- ten years**

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[1] This lawsuit took place in Plano Texas, depositions are findings are in the Profitable Dining Court Dockets.

[2] GDI was a partnership of the Profitable Dining CIO, and two doctors. After losing more than $900,000.00 each the doctors filed bankruptcy. Their creditors included A&S Recovery and DTD although Limited Partners had signed personal guarantees for the leases and Furniture, Fixture, and Equiptment (FF&E) to A&S Recovery at 31% Interest for $250,000.00.

[3] Jacksonville Dining Concepts is listed as being owned by the former COO of Profitable Dining.

***filings with the SEC by Reg D sellers are made public for ease of searches,**

*** Judges will have to write Summary Judgments that prove they have read and evaluated both sides of a case before dismissing items, this could involve the creation of a form under FRP Rule 56. [4]**

***Blue Sky laws setting standards for Fiduciary Responsibility with a minimum of 15 years for statute of limitations,**

***Registrations on Buy/Sell agreements involving unequal equity partners,**

***Registration improvements specifying Capital Contributions and disbursements are needed for Regulation D offerings,**

***Regulation D forms should be modified, and required to be signed by General Partners, a certified intermediary, and the Limited Partners,**

***after which Crowdfunding laws under Section 4(a) (6) can be added requiring third parties to evaluate.**

The Crowdfund Act in 2012, which put a new liability provision in Section 12(a) (2) of the Securities Act of 1933 imposes liability on the issuer and its officers and directors for false or misleading statements or omissions in any written or oral communication.

Using Profitable Dining, LLC as a Case history when a Company dissolves consuming investor money.

In 2006, the General Partner (GP), of Profitable Dining, LLC hired Aimee Quirk, the current Economic Developer Officer of the City of New Orleans to defend against lawsuit 06-3846 in the Eastern District of Louisiana regarding omissions and misrepresentations in the sale of Profitable Dining stock, Fraudulent Transfers to Avoid Creditors, and Breach of Fiduciary Responsibility. At

[4] In Profitable Dining, an investor sued claiming fraud by omissions under Rule 10b-5 as TE and GP moved $70,000.00 of the investor's funds from Profitable Dining to SCIBMATT the day the funds cleared. The Judge ruled this transfer was actually a loan to A&S Recovery and benefitted Profitable Dining, although it appears the "loan" and its interest were never fully repaid and anticipated profits were distributed to TE and GP. The investor also claimed that Profitable Dining was misrepresented as an "Limited Liability Company" since the GP's business plan showed that investors would have to make Personal Guarantees, which was not disclosed prior to sale.

The GP drafted a spreadsheet that showed 100% annual returns starting in year six. One year after the 5 year protection of Rule 10b-5 expires to investors. The spreadsheet noted: "Investor Expectations MUST be met" . The Judge did not see this as crossing the line of prohibiting the making of "Guarantees" when selling a stock.
The five year statue of limitations for Rule 10b-5 can be overcome too easily, it should be increased to at least ten years.

the time Ms. Quirk worked for Jones- Walker in New Orleans. Ms. Quirk had previously clerked for Judge Feldman, who was presiding over the case.

Ironically, as more and more cities adopt teaching Affinity Fraud, such classes might fall under the direction of the Economic Development Director.

Ms. Quirk successfully argued that that Omissions and Misrepresentations can be cancelled by a State's Merger Clause in a contract. It is suggested a stronger national law be created to protect against Omissions and Misrepresentations.

Ms. Quirk successfully argued for Delaware's three year statute of limitations on fiduciary responsibility over Georgia's ten year statute of limitations. Although the contract stated Georgia Law applied, The Court agreed that Georgia law defers to the state of incorporation. Investors should have better protections than three years. It should also be required for companies to state why they have opted to incorporate in Delaware.

Ms. Quirk successfully argued that there was nothing wrong with a sales statement that "Investor expectations must be met" under a chart showing annual returns of 100% starting in year six. According to the Series 7 & 66 tests, a sales person cannot "Guarantee" a return. The Court concluded that the phase "Investor expectations must be met" was acceptable and of no harm.

Deleted from the Operating Agreement was the Capitalization of Profitable Dining. However it was stated that TE and GP would each receive 43.75% of the stock. No contribution was required. A cover letter did state that the Operating Agreement of Profitable Dining was the same as SCIBMATT, but it was not. SCIBMATT had a Capitalization of $800,000.00 or $8,000.00 per percent.

Only one annual report was issued in 1998, which the account noted that General accounting practices were not being followed. On Dec 30, 1998 the GP put in$395,000 into Profitable Dining and removed $394,000.00 on January 1, 1999. The 1998 report showed the $395,000.00 on the books and did not disclose the transfer to SCIBMATT of $170,000.00.

The Buy/Sell clause allowed the GP to name a price at which the Limited Partner (LP) would have to buy the GP out or would be forced to sell to the GP. Just past the five year mark the GP pulled the plug on this clause and removed the LP.

In 2004 the GP defaulted on debt to GE Finance and had his assets certified as having gone from $6,000,000 to zero; leaving the LP to pay on a Personal Guarantee. The GP at the same time sold the company to the landlord (Jacksonville Dining Concepts), who hired the COO and a 32% partner to run the company before selling (Jacksonville Dining Concepts) to the COO in 2006.

The Court accepted Ms. Quirk's argument that Profitable Dining "Failed" even though the Jacksonville Copelands has never closed.

Even though the landlord refused to be deposed and the LP's attorney documented that the GP had withheld forty-one boxes of discovery until after deposition and the filing of the Motion for Summary Judgment, the court refused to grant an extension.

Five years later the LP moved to re-open the case after realizing Rule 10b-5, and Sarbanes-Oxley applied, and claim Unjust Enrichment and Constructive Trust.

The significance of This Report is to document the difficulties for investors to succeed in civil liability cases regarding securities due to the strong opposition of General Partners and to reinforce the need for strong protections to investors to Deter Fraud and Unethical Non-Disclosure Acts.

As documented in the case filings by Ms. Quirk and The Court, there was nothing wrong with the Defendants selling stock in Profitable Dining, LLC and immediately transferring those funds to their other business, SCIBMATT, LLC without disclosing to investors during the sale that such an activity was going to happen or that SCIBMATT was over budget for development costs. Profitable Dining's valuation had been based on SCIBMATT's profitability. A 2013, Supreme Court review in Bullock v. Bankchampaign reviewed that the transfer of an investor's funds to another entity would require the transferee to pay the profits of the other entity to the investor.

There was no ruling or discussion regarding Sarbanes-Oxley rules for annual reporting or Rule 10b-5 of 15USC 78 regarding omissions and misrepresentations or if such an act was Larceny or Theft by Conversion.

When the LP became aware of Rule 10b-5, etc …; he sought to reopen the case under Rule 60B(6), The Court awarded attorney fees to the defendants.

Debate is now focused on Section 4A(c) of the Crowdfund Act. Section 4A(c) does not require the Plaintiff to prove scienter by the defendant. As stated the Plaintiff needs to prove the issuer made a verbal or written misstatement. Some believe the plaintiff should have to prove scienter.

As shown in the Profitable Dining case, it was expensive and difficult for the plaintiff to obtain documents to show the omissions and misrepresentations and even with those documents in hand The Court ruled there was no misrepresentation or omissions, that a Georgia Merger Clause overruled any verbal representations, and awarded legal fees to the defendant. Thus a need to clarify what is an omission and what is a misrepresentation.

It is hoped that actions will be taken by sub-committees to strengthen "The Capital Raising Online While Deterring Fraud and Unethical Non-Disclosure Act" rather than accept that Section 4A(c) is too onerous.

The plaintiff argued the following Omissions and Misrepresentations:

1. **Profitable Dining, LLC was started in 1998 to open Copeland's of New Orleans Restaurant Franchises in Florida.**

2. **Profitable Dining, LLC General, "Business Plan" in which the Chief Investment Officer, CIO, would receive 43.75% of the stock for recruiting his friends or those in his Affinity circle to invest in Profitable Dining at a rate of $16,000.00 per percent. This plan was not disclosed to investors.**

3. **At this point consider the Wikipedia definition of Affinity Fraud: " Affinity fraud includes investment frauds that prey upon members of identifiable groups, such as religious or ethnic communities, language minorities, the elderly, or professional groups. The fraudsters who promote affinity scams frequently are – or pretend to be – members of the group. They often enlist respected community or religious leaders from within the group to spread the word about the scheme, by convincing those people that a fraudulent investment is legitimate and worthwhile. These scams exploit the trust and friendship that exist in groups of people who have something in common**

4. **It is suggested that Portal Sites be required to display terms and definations such as "Affinity Fraud and Rule 10b-5".**

5. **Profitable Dining, LLC stock was sold as a Limited Liability Company under Georgia Law. -However the "Business Plan" noted that Personal Guarantees would be required of limited partners. The plan was not disclosed to investors. An omission and misrepresentation and contradiction of Securities Law.**

6. **Prior to the sale of Profitable Dining, LLC stock to investors – The GP and CIO discussed transferring the investments to another company they owned named SCIBMATT, LLC which was opening four Copelands in Atlanta. Not disclosed to investors.**

7. **A cover letter to the Operating Agreement stated that Profitable Dining's agreement was the same as SCIBMATT's. However numerous changes had been made- most important was deleting the Capitalization Clause in Section 4.**

8. **Regulation D requires disclosure of Capitalization, commissions, and use of funds. All Portals should be required to post Regulation D.**

9. **The day investor funds were received, those funds were transferred to SCIBMATT,LLC; which was badly needing cash as developmental expenses were running over projections.**

10. **None of these facts were disclosed to investors or prospects.**

11. **Ms. Quirk and The Court wrote that this transfer to SCIBMATT was not really a Transfer to SCBMATT as the partners claimed the funds were repaid by a company called A&S Recovery. Records do not support that Profitable Dining benefitted or was fully repaid.**

12. **This concept is difficult to comprehend. The Limited Partner though this to be Theft by Conversion under Georgia Law 16-8-4. Apparently laws need to be clarified, so that investors to waste funds with attorney fees suing when they realize their investment has been transferred to another Company owned by the General Partners.**

13. **A few months after recruiting investors, The GP and CIO advised that Personal Guarantees would be required or the company would fold and investors would lose their investment.**

14. **Ms. Quirk argued that this act was actually a responsible fiduciary act by the GP to prevent investors from losing their investment. Even though it made the investors personally liable for millions of dollars when the GP Lanners stopped paying GE Finance.**

15. **The Court agreed with this viewpoint.**

16. **From 1998-2000; the GP reported his ($6,000,000) and the CIO ($14,000,000) financials as worth over $20,000,000.00 to obtain loans from GE Finance for Furniture, Fixture, and Equipment (FF&E) and construction. LPs were required to co-signed these loans with 100% liability.**

17. **In 2000, the GP drafted a document to "Remove assets from the CIO prior to bankruptcy."**

18. **In March 2003, The CIO filed bankruptcy, just past the 24 month preference period.**

19. **In July 2003, the GP brought in a 32% new partner as COO to Profitable Dining.**

20. In September 2003, the GP forced the LPs out through the Buy/Sell clause.

21. This has been determined by some courts as a Shotgun Buy/Sell or "Squeeze-Out Merger."

22. There is a term "Tontini" meaning: This system is attributed to Lorenzo de Tonti, a 17th century Italian banker. Tontines paid dividends while investors are alive, but after death the last investor keeps all the capital. Tontines were used in the United States as a way of increasing the sale of life insurance in the 19th century, but are illegal in many parts of the country.

23. The Jacksonville, FL Copeland's was a big success and received awards from Copeland's corporate. As Profitable Dining was nearing the Cross-Over point to Profitability Lanners removed Marsala to increase his profits.

24. All these are concepts which should be described to investors as potential results from Crowdfunding.

25. In 2004, the GP had his assets valued at approximately $0.00 and informed GE Finance that Profitable Dining was defaulting on the debt to GE Finance of $1,100,000.00.

26. At which time the GP sold Profitable Dining's assets to a new company now owned by the COO and named Profitable Dining of Jacksonville.[5]

27. In 2006, an investor brought a lawsuit claiming fraud, failure to repay fully a loan, and breach of fiduciary responsibility.

28. In August 2007, the managing member of SCIBMATT, LLC argued that there was no need to supply a copy of the SCIBMATT Operating Agreement to validate the statement that both operating agreements were the same and that no financial transactions took place between Profitable Dining and SCIBMATT. No mention of the $170,000.00 transferred to SCIBMATT.

29. In September 2007, Lanners and Mayo did not disclose in their depositions any transfer of funds to SCIBMATT and claimed there had been a loan to A&S Recovery.

30. A&S Recovery was a company formed by the CIO with another Fraternity Brother.

[5] Detailed notes were drafted by the GP on how this transfer would take place.

31. With only one Profitable Dining Annual report ever produced, it is likely Sarbanes-Oxley was violated. Consideration is being made to reduced Sarbanes-Oxley for Crowdfunding. This Report believes that would be a mistake.

32. In October 2007, the motion for Summary Judgment, drafted by Ms. Quirk, resulted in the fraud claims being dismissed, and the Fiduciary Standards being changed from Georgia Law which is ten years to Florida law which is three years. Georgia Law also required the production of reports by the General Partner whereas Delaware requires more assertion from the Limited Partner.

33. Federal Standards on Fiduciary Responsibility should be established.

34. The Court also concluded Profitable Dining "Failed" after effort by the GP to save it; despite twenty-seven denials by the LP in his response to the Motion for Summary Judgment.

35. Summary Judgment is not to be awarded when there are items in material dispute and it is to be looked on more favorably to the non-moving party.

36. The CIO was sued for "Contribution" after the LP paid GE Finance on Personal Guarantees. While living in Dubai from 2002-2003, the CIO filed bankruptcy not naming the LP in the bankruptcy.

37. The CIO's motion for Summary Judgment asked for the Contribution claim to be dismissed. The Order and Reason did not address the Contribution claim against the CIO.

38. For his effort the CIO did not invest any funds in Profitable Dining, yet received dividends and 43.75% of the stock. The Court ruled "All lost money."

39. Ms. Quirk argued that there was no harm that Profitable Dining had been marketed as a Limited Liability Company, when it was known in advance that it was in fact a General Liability Company. The Court did not see this as Misrepresentation.

40. By 2011, an investor realized that Profitable Dining was a Security by the Howey Test of the Supreme Court. Something which should be required on every Portal's web page and every Reg D offering.

41. **The LP sought to inform the court of Securities Fraud under 15USC 78 in 2013, and re-open the case against the GP and CIO; however the court awarded attorney fees to the defendants. Stating Rule 60B (3) applied and a one year statute of limitations applied.**

42. **The Appeals Court upheld that decision and did not discuss the request of the LP to review under Rule 60B(6).**

43. **The LP sent the file to the Atlanta SEC office, which declined to take the matter any further.**

CONCLUSION

Profitable Dining can be applied to Crowdfunding and current issues in front of the Senate Banking Committee, and House subcommittees on Ethics in Government, Federal Rules of Procedure, bankruptcy, interstate compacts, and Federal criminal statutes.

The fact that terms have been developed to describe the happenings related to Profitable Dining such as "Squeeze-Out Merger", Affinity Fraud, and Fraudulent Transfer to avoid creditors The District Court in New Orleans was comfortable in awarding dismissal under Summary Judgment.

The finding of the FINRA and National Center for Victims of Crime 2013 report page 3;

"there exists a belief currently among victims that feel:

1. **reporting wouldn't make a difference;**
2. **lack of confidence in the ability of authorities to respond and assist; and**
3. **fear that reporting will lead to a loss of legal or financial control. "**

"You were very brave to report this crime. You're helping yourself and a lot of other people by speaking up. Thanks to you, the authorities can put out the word about this crime and potentially keep other people from being victimized. "

It is clear with the numerous laws passed, there is a desire to protect investors, yet the reality is are the funds there to provide investigations, and will the courts interpret the laws the same as an investor who believes he material facts were omitted or misrepresented.

Regards,

Charles Marsala
[redacted]