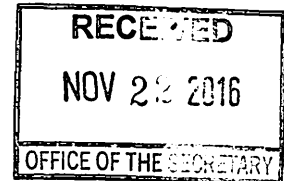


**HARD COPY**

**UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING  
File No. 3-17393**



**In the Matter of**

**CURTIS A. PETERSON**

**Respondent.**

**AFFIDAVIT OF RESPONDENT CURTIS A. PETERSON**

BEFORE ME, the undersigned authority, personally appeared. CURTIS PETERSON, who, after being duly sworn, deposes and says:

1. I, CURTIS PETERSON, am the respondent in this action and have personal knowledge of the statements contained herein.
2. I have examined the file in connection with this matter, and I am familiar with the facts surrounding this matter.
3. For approximately fourteen (14) years I had done business with Paul L. Schumack ("Mr. Schumack") in connection with the purchasing of ATM machines or the servicing of ATM machines.
4. While I did not have a personal relationship with Mr. Schumack, in our business dealings I found him to be credible and a trust worthy individual. Throughout the entirety of our business relationship I had no reason to suspect that he was involved in anything but legitimate business ventures.

5. In November 2011, Mr. Schumack approached me in investing in Virtual Concierge Machines (“VCM’s”). The VCM’s seemed like an exciting and legitimate product and after consultation with my mother and sister we decided to purchase nine (9) machines from Mr. Schumack in January 2012. I work full time as a sales representative for a supplies corporation and the VCM’s were simply a way of supplementing my income.

6. The VCM’s seemed like a legitimate investment opportunity and in my discussions with Mr. Schumack and having known him for such an extended period of time I had no reason to suspect that he was engaged in a Ponzi scheme. I would receive detailed promotion materials and was invited to their enormous warehouse with other investors in Jupiter, Florida to review and learn about the product. I would also frequently see television commercials for the VCM’s. At one point Mr. Schumack invited one hundred and twenty five (125) investors to his house for a detailed sales presentation.

7. In early 2013, I was approached by Mr. Schumack about soliciting other potential investors by having them enter into the Virtual Concierge Placement Contract and License Agreement (the “VCM Agreement”). I was initially skeptical and had previously turned down an employment offer from T.B.T.I., Inc. but became encouraged by the success, the consistency of my returns, and the quality of the VCM’s.

8. In March 2013, I agreed to assist Mr. Schumack in signing up potential investors with the VCM Contracts. I would inform the potential investors that I had known Mr. Schumack from other business relationships and was always impressed by his professionalism. I was not granted any access to the books, accounting, or operations of T.B.T.I., Inc. or JCS Enterprises, Inc. and had no personal knowledge of the details of how they calculated their payment to investors.

9. My duties were primarily administrative. After the investor executed the VCM Contracts I would forward them emails, newsletters, or promotional materials from Mr. Schumack. I would forward any of the VMC Contracts to any potential investors and then forward any executed VCM Contracts back to T.B.T.I., Inc. I never paid any of the investors directly or handled wiring commissions or remitting payment to the investors. Because of the success of the product and the positive word of mouth I did not have to rely upon soliciting but would receive phone calls and emails from individuals eager to invest.

10. On August 22, 2013, Mr. Schumack invited one hundred and twenty five (125) investors to his residence for a sales presentation and to update the investors about the future of the VCM business. At no time did I have any indication that I was being used to assist Mr. Schumack in a fraudulent scheme. Throughout this period of time I and my family continued to invest my own money in the VCM machines with the belief that I was investing in a legitimate enterprise. We purchased a collective total of three hundred and ten (310) VCM's.

11. In January and February 2014, Mr. Schumack began sending emails to investors informing them of a change in the payment of investment returns. This began to make investors nervous and I could not receive any answers. Finally, all communication between Mr. Schumack and the investors ceased and we were unable to get any information.

12. Upon learning that Mr. Schumack and his partners were engaged in a Ponzi scheme I was absolutely shocked. I had to inform the investors, many of whom were family and friends, that they had lost their investments as a result of criminal fraud. The emotional and psychological toll this took on me was enormous and I lost close relationships as a result. Additionally, I felt guilty and humiliated for having been an unwitting participant in this elaborate scheme.

13. Since this process started in 2014, I have attempted to cooperate with all agencies and attorneys involved in order to obtain a resolution. Initially, I had intended to resolve this matter with the Receivership counsel but then received a subpoena from the SEC. This was the first time I had been informed that the VCM Contracts were securities and that I may have violated securities law by receiving commissions from the sale to potential investors. I have no background or education in securities and had I been aware that I may have been required to possess a broker's license I would have never agreed to work with Mr. Schumack. I had intended to settle this matter with the receivership counsel or the SEC as quickly as possible to put this ordeal to rest.

14. Based upon the financial information I provided as composite Exhibit "A" I would incur a financial hardship if I had to pay as disgorgement the entire gross amount of the commissions I received. As noted in the accounting provided, the majority of the commissions were paid in taxes, in assisting [REDACTED], and in doing home repairs. There was never any expectation that it would be revealed that the commissions were obtained because of the fraudulent conduct of Mr. Schumack and his business partners. I did not engage in any extravagant or irresponsible purchases and the money was used primarily to better my family's life. The majority of my assets as listed on the Financial Affidavit are as a result of an inheritance and life insurance payment resulting from the sudden death of my mother in 2015. This money is held in an account jointly with my wife. Any real estate holdings outside of my primary residence were a result of the inheritance and are held jointly with my siblings.

[SIGNATURE ON NEXT PAGE]

FURTHER AFFIANT SAYETH NAUGHT

  
Curtis Peterson

STATE OF Florida )  
 ) SS:  
COUNTY OF DeSoto

The foregoing affidavit was sworn to and acknowledged before me this 18 day of November 2016 by Curtis Peterson, who is personally known to me or has produced \_\_\_\_\_ as identification and who did take an oath.

Printed Name: PATRICIA ANN M SHERRY  
Notary Public, State of Florida  
Commission Number: \_\_\_\_\_

