

1-11-11

IN THE CIRCUIT COURT OF THE 15TH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA

OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS,
STATE OF FLORIDA,

Plaintiff,

CASE NO. CL 00-00067 AB

vs.

PROFESSIONAL RESOURCES SYSTEMS
INTERNATIONAL, INC., a/k/a PRSI, INC.;
WILLIAM CAUDELL a/k/a BILL CAUDELL
and BILLY CAUDELL; LESTER "GIL"
GILLESPIE; SALVATORE ARGENTO;
JOSEPH ROTUNNO, and BEN TOBIN a/k/a
BEN TABINI

Defendants.

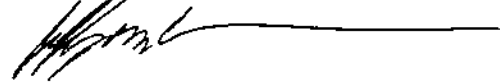
**PLAINTIFF'S NOTICE OF FILING RECEIVER'S *AMENDED* AFFIDAVIT
IN SUPPORT OF PLAINTIFF'S MOTIONS FOR SUMMARY JUDGMENT
AND TO DISMISS DEFENDANT ROTUNNO (NOT ARGENTO)**

Plaintiff, Office of the Attorney General, Department of Legal Affairs, State of Florida,
(hereinafter, "Attorney General"), through its undersigned counsel, and pursuant to Fla. R. Civ. P.
1.260(a) and 1.510 (2006), files the Amended Affidavit of the Receiver, attached hereto, which
correctly recites, in ¶5C that the Defendant Rotunno has passed away. The original affidavit had
erroneously asserted that Defendant Argento had passed away, and the amended affidavit corrects

this error.

Respectfully submitted,

CHARLES J. CRIST, JR.
ATTORNEY GENERAL

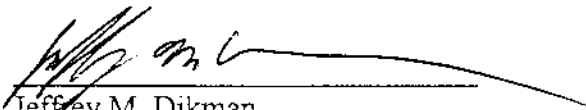


Jeffrey M. Dikman
Florida Bar #274224
Senior Assistant Attorney General

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(561) 837-5025 (120)
(561) 837-5109 (FAX)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been provided by regular U.S. mail, first class postage prepaid, this 21st day of February, 2006, to the persons named below:



Jeffrey M. Dikman
Senior Asst. Atty. General

SERVICE LIST

1. H. Dohn Williams, Esq.,
990 NW 5th St., Boca Raton,
FL 33486-3432
2. Lewis B. Freeman, Receiver
Lewis B. Freeman & Partners, Inc.
2601 South Bayshore Drive,
19th Floor,
Coconut Grove, Florida 33133
3. Eliot R. Weitzman, Esq.,
Presidential Circle,
4000 Hollywood Boulevard,
Suite 435 South,
Hollywood, FL 33021
4. Joseph I. Davis Jr., Esq.,
Two Datan Center, Suite 1225
9130 S. Dadeland Boulevard,
Miami, FL 33156-7849
5. William Caudell,
c/o Steven Jay Golombe, Esq.,
2601 S. Bayshore Drive, Suite 1400,
Miami, FL 33133.
6. Mark D. Cohen, P.A.
4000 Hollywood Blvd.
Suite 435
Hollywood, FL 33021-6791
7. Frey Petrakis, Deeb, Blum Briggs & Mitts, P.C.
c/o Joseph H. Blum, Esq.
1601 Market St.
Suite 2600
Philadelphia, PA 19103

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BEN TABINI

Defendants.

AMENDED AFFIDAVIT

I, LEWIS B. FREEMAN, C.P.A., J.D., 3225 Aviation Avenue, Suite 501, Coconut Grove,
Florida 33133, based upon personal knowledge, swear and attest that the following facts are true:

1. I am the Court-appointed receiver in the above-styled action.
2. After diligent search and inquiry, I have identified all discoverable assets formerly owned or controlled by PRSI, and have marshaled and liquidated the same to the extent feasible.
3. The balance of liquid funds presently held by me pursuant to my appointment in this action which is currently available for distribution by court order, is approximately \$2,146,747 (the "Available Funds").
4. In addition, the Court, by its prior orders, has frozen certain trust account funds held

by attorney H. Dohn Williams, totaling approximately \$500,000, and certain trust funds held by attorney Mark D. Cohen, totaling \$21,000 (the "Frozen Trust Funds"). However, the Frozen Trust Funds have been identified as subject to forfeiture by the United States Attorney pursuant to its Indictment in those proceedings styled *United States of America v. Bernard Roemmele, Salvatore Argento, Lester Gillespie, Steve Hein and Ben Tobin*, Case No. 04-60206-CR-COHN currently pending in the United States District Court, Southern District of Florida. As such, there is no guarantee that the Frozen Trust Funds will ultimately become available for distribution.

5. Furthermore, the estate has the following potential sources of future income (the "Contingent Future Receivables"), although the collectability of these monies remains highly uncertain:

- A. A general unsecured claim in the joint and several amount of \$812,987.34 filed in the Chapter 7 bankruptcy proceedings currently pending in the Eastern District of Pennsylvania styled *In re CitX Corporation*, Case No. 01-19604 and *In re Bernard A. Roemmele*, Case No. 01-30226 (the "CitX Claim"). Based on my diligent investigation and inquiry I anticipate recovery of only *de minimus* funds, if any, on this claim;
- B. The joint and several restitution awards entered against the individual defendants in the pending criminal proceedings styled *United States of America v. Bernard Roemmele, Salvatore Argento, Lester Gillespie, Steve Hein and Ben Tobin*, Case No. 04-60206-CR-COHN and with the defendants in Docket Nos. 02-80035-CR-Middlebrooks¹, 01-8076-CR-Middlebrooks² and 01-8135-CR-Middlebrooks³, all pending in the Southern District of Florida in the amount of \$13,570,885.50 (the "Criminal Restitution Award"). Pursuant to the Criminal Restitution Award, during the period of each individual defendant's incarceration, if the defendant earns wages in a Federal Prison Industries (UNICOR) job, then that defendant must pay 50% of wages earned towards the award, otherwise the defendant must pay \$25.00

¹*United States of America v. Michael Gray.*

²*United States of America vs. William Caudell.*

³*United States of America v. Larry Barrow.*

per quarter. Upon release from incarceration, the individual defendant must pay restitution at the rate of 10% of monthly gross earnings, unless otherwise ordered by the court. Any restitution made pursuant to the Criminal Restitution Award will be forwarded to the Clerk of the Court to be disbursed by me pursuant to the procedure established by the United States Attorney's Office. To date, I have not received any restitution from these individuals. Moreover, defendant Rotunno has since passed away and after diligent search and inquiry, I have determined that he has left no estate nor does there exist any prospect of recovery of funds.

6. I am presently prepared to administer the Available Funds for payment of consumer restitution or such other purpose as directed by the Court.

7. To the extent (a) the Frozen Trust Funds become available or are otherwise released to the estate by the United States Attorney; and/or (b) any Contingent Future Receivables come into the estate during the pendency of this case, I would request authorization to administer them together with the Available Funds.

8. I do not believe it would be cost effective to keep the receivership estate open for the sole purpose of administering the Contingent Future Receivables. Therefore at such time as the Available Funds and any other portion of the Frozen Trust Funds and/or Contingent Future Receivables have been administered by me (as proposed at Paragraph 13 herein), I would recommend that the receivership be closed and any and all other future funds be directed to the Florida Attorney General or any such other entity as the Court may designate.

9. A portion of the Available Funds will be subject to my own claim for unpaid administrative expenses, and for certain administrative expense claims of my attorneys and outside professionals, including those fees and expenses related to the administration of the claims procedure and document retention and destruction.

10. Although the total amount of administrative expenses to be incurred cannot be known

with certainty until this case is concluded and until all funds are collected and disbursed. I estimate that *approximately* \$1,600,000 will be available for payment of restitution, after payment of all allowed administrative expenses incurred to date including those incident to any claims process (the "Restitution Funds"). This estimated amount assumes that the Frozen Trust Funds will be made available for consumer restitution.

11. The PRSI customer database records maintained by me reflect that there were approximately 45,000 consumers who made payments to PRSI for the purchase of their memberships (the "Affected Consumers"). Each of the Affected Consumers paid approximately \$290, so that total consumer payments to PRSI, in the aggregate, was approximately \$13,570,000.

12. It would not be economically feasible for me to make a *pro-rata* distribution of restitution to each of the Affected Consumers because we do not have current and/or complete contact information for all Affected Consumers. Specifically, although I have a database of consumer addresses, many of these addresses are likely out of date, with no forwarding addresses. Even assuming the Restitution Funds could be mailed to each of the Affected Consumers on a pro-rata basis, without further incursion or payment of administrative expenses, the payout per Affected Consumers would be no more than \$40.00. The actual amount distributable would be even less, due to administrative expenses. Furthermore, it would be impractical to locate each of the Affected Consumers, since the investigative expenses alone could easily exceed \$40.00 per person.


13. Based on the forgoing, it is in my business judgment that the following procedure be implemented to identify all Affected Consumers eligible for a *pro rata* distribution of the Restitution Funds: (i) conduct a mail-out to each of the Affected Consumers contained in the existing database enclosing a simple claim form, request for an updated address, with a deadline to respond, so that

a pro-rata distribution can be made, upon court order, to those Affected Consumers who complete the forms and timely respond; (ii) posting a notice and claim form on the website maintained by me to provide information regarding PRSI at www.prsiinc.com; and (iii) placing an advertisement in a major nationwide news publications such as USA Today.

14. Distribution to Affected Consumers will be made to those individuals who timely complete and return claim forms.

15. This may result in a smaller subclass of Affected Consumers receiving restitution, but this would also mean that the Affected Consumers who come forward would receive a higher percentage reimbursement of their total losses (with no Affected Consumers receiving more than paid to PRSI).

FURTHER AFFIANT SAYETH NAUGHT.

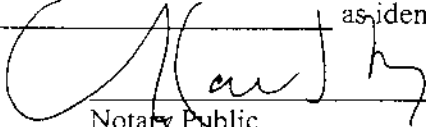


Lewis B. Freeman,
Receiver


STATE OF FLORIDA)
) ss.
COUNTY OF MIAMI-DADE)

SWORN TO AND SUBSCRIBED before me this 14th day of February ~~January~~ 2006, by Lewis B. Freeman, who:

- is personally known to me;
- produced a current driver's license as identification; or
- produced _____ as identification.



Notary Public
State of Florida
My commission expires:

 **Karen T. Guy**
Commission #DD258845
Expires: Oct 15, 2007
Bonded Thru
Atlantic Bonding Co., Inc.