

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY**

<p><b>Ardak Akishev, et al.</b></p> <p style="text-align: center;"><b>Plaintiffs,</b></p> <p style="text-align: center;"><b>v.</b></p> <p><b>Sergey Kapustin, et al,</b></p> <p style="text-align: center;"><b>Defendants.</b></p>	<p><b>Civil Action No. 13-cv-07152(NLH)(AMD)</b></p>
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**ORDER GRANTING PLAINTIFFS’ MOTION FOR FINAL DEFAULT JUDGMENT**

For the reasons stated below, Plaintiffs are awarded monetary damages in the total amount of **\$2,228,069.29**, post-judgment equitable relief and post-judgment interest.

**THIS ACTION** having been commenced by Plaintiffs **REDACTED**

**REDACTED**

(collectively, “Plaintiffs”) represented by counsel Anna V. Brown, Esq. and Maria Temkin, Esq., on November 25, 2013 by the filing of the Summons and the Complaint asserting claims against Defendants, Sergey Kapustin, G Auto Sales, Inc., Global Auto Sales, Inc., Effect Auto Sales, Inc., and SK Imports, Inc. a/k/a Global Cars, Inc. ( “Global Defendants”) and Global Cargo Oy and Igor Zadorozhniy (“Finland Global Defendants), (collectively “Defendants”) alleging an ongoing “bait-and-switch” fraudulent scheme masterminded and operated by Defendants through deceptive advertising aimed at luring Eastern European customers to wire funds for automobile purchases and then switching to higher prices, misrepresenting mileage, condition and location and ownership of these vehicles, extorting more funds and failing to

deliver the paid-for-vehicles, for legal and equitable relief for violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(a-c) (Counts I-III); civil conspiracy to commit RICO violations, 18 U.S.C. § 1962(d) (Count IV); violations of New Jersey Consumer Fraud Act 56:8-1, et seq.; violations of the Motor Vehicle Information and Cost Savings Act (the “Odometer Act”), 49 U.S.C. § 32701, et seq., violations of Pennsylvania Unfair Trade Practices Act and Consumer Protection Law 73 P.S. § 201-1, et seq. (“UTPCPL”) (Count XVII), imposition of constructive trust (Count XVIII) and other common law claims.

**WHEREAS**, on December 2, 2013, Global Defendants were served with Summons and Complaint.

**WHEREAS**, on April 4, 2014, Plaintiffs filed an Amended Complaint.

**WHEREAS**, on April 27, 2014, Finland Global Defendants were served with Summons and Amended Complaint via international registered mail with return receipts sent by the Clerk of Court at their place of business in Finland pursuant to Fed.R.Civ.P. 4(f)(1) and (2)(C)(ii). Finland Global Defendants have not answered or otherwise responded to the Amended Complaint. On June 5, 2015, Plaintiffs have moved for entrance of a default pursuant to Fed.R.Civ.P. 55(a) for failure to plead or otherwise respond. On June 8, 2015, the Clerk entered a default.

**FAILURE TO COMPLY WITH THE CONSENT ORDER**

**WHEREAS**, on June 3, 2014, Plaintiffs filed their Motion for an Order to Freeze the Assets of Defendants and Expedited Discovery Related to Assets pursuant to Federal Rule of Civil Procedure 65 (“Asset Freeze Motion”) representing the funds Plaintiffs wired to the bank accounts of Global Auto, G Auto, Effect Auto, and Global Cars to purchase the motor vehicles advertised for sale by Global Defendants and received neither the vehicles nor the refunds (collectively, “Wired Funds”). If the funds remaining in those accounts were insufficient, Plaintiffs requested the Court to direct Defendants to place the funds in an escrow account and

to permit expedited discovery related to the disposition of the funds and Defendants' assets, including their ownership of hotel "Motel Road 66" in Finland.

**WHEREAS**, having received the Global Defendants' opposition, in which they did not dispute receiving the Wired Funds, on September 5, 2014, the Court held an evidentiary hearing on the Asset Freeze Motion.

**WHEREAS**, on September 23, 2014, to avoid the immediate freeze of the corporate Global Defendants' bank accounts, Plaintiffs and Global Defendants agreed to and the Court entered the Consent Order, Docket No. 80, to deposit into the registry of the Court \$400,000.00 (four hundred thousand dollars) in monthly installments within 90 days of the Consent Order and to provide expedited discovery related to the disposition of Plaintiffs' funds and Defendants' assets.

**WHEREAS**, Global Defendants failed to comply with the Consent Order and dissipated assets and depleted their bank accounts in order to avoid compliance with the Consent Order.

**WHEREAS**, on October 7, 2014, in order to evade his obligations under the Consent Order, Defendant Sergey Kapustin filed his Chapter 13 Bankruptcy Petition (Case No. 14-30488).

#### **ADMISSION OF CONTINUING MASS INTERNET FRAUD**

**WHEREAS**, on October 23, 2014, Plaintiffs moved for contempt against Global Defendants and their counsel.

**WHEREAS**, on October 24, 27, 28, 29 and November 3, 2014, the Court held evidentiary hearings during which it was established that while Global Defendants websites [www.globalautousa.com](http://www.globalautousa.com), [www.effectauto.com](http://www.effectauto.com), [www.effectauto.ru](http://www.effectauto.ru) ("Websites") advertised over 4,000 vehicles as "in stock", Defendant Kapustin testified only about 14 vehicles were actually owned by the corporate Global Defendants, and some vehicles were sold twice through

the Websites to foreign customers using electronic mail communications and international bank wire payments.

**WHEREAS**, the Court having made preliminary findings that there is probable cause to believe that Global Defendants have committed at least two predicate acts of mail and wire fraud in the furtherance of a RICO enterprise through a pattern of racketeering activity conducted operating through the Internet; on October 27 and October 29, 2014, this Court ordered, pursuant to 18 U.S.C. § 1964 and, *e.g.*, *Sedima, S.P.R.L. v. Imrex Co., Inc.*, 473 U.S. 479, 498 (1985) (explaining that RICO is to be read broadly and liberally construed to effectuate its remedial purposes), that the Defendants' corporate bank accounts to be frozen and the Websites to be shut down immediately (Docket Nos. 106; 110).

#### **BAD FAITH FILING OF CORPORATE BANKRUPTCIES**

**WHEREAS**, on November 4, 2014, corporate Global Defendants filed their Chapter 7 bankruptcy petitions (Global Auto Sales (Case No. 14-32520), Effect Auto Sales, Inc. (Case No. 14-32521), G Auto Sales, Inc. (Case No. 14-32522) and SK Imports, Inc. (Case No. 14-32523).

**WHEREAS**, on November 12, 2014, Plaintiffs moved for the Court's determination that the Bankruptcy automatic stay under 11 U.S.C. § 362(a) does not apply to this case pursuant to 11 U.S.C. §362(b)(1) and (4) to prevent Global Defendants from continuing to dissipate assets; and concealing information about the assets and potential fraudulent transfers "to prevent the bankruptcy court from becoming a haven for wrongdoers." *In re Nortel Networks, Inc.*, 669 F.3d 128, 137-138 (3d Cir. 2011) (citations omitted).

**WHEREAS**, having considered the opposition from Jeffrey Lester, Esq., the Chapter 7 Trustee for corporate Global Defendants in the form of a response and a sur-reply, having heard argument of counsel, the Court withdrew the reference to the Bankruptcy Court pursuant to the standing order of reference of this Court dated September 19, 2012, of the bankruptcy cases: Global Auto Sales, Inc. (Case No. 14-32520), Effect Auto Sales, Inc. (Case No. 14-

32521), G Auto Sales, Inc. (Case No. 14-32522), SK Imports, Inc.. (Case No. 14-32523) and Sergey Kapustin (Case No. 14-30488) pursuant to 28 U.S.C. § 157(d).

**WHEREAS**, on May 20, 2015, the Court dismissed the bankruptcies pursuant to Section 105(a), 305(a), 349 and 707(a) of the Bankruptcy Court, having considered the pleadings and having heard oral argument and having made findings of good cause including having found that Debtors failed to satisfy their burden that the bankruptcy petitions were filed in good faith based on the fact that:

a. The petitions were filed for purposes of avoiding defending multiple actions for fraud and enforcement of judgments in different venues;

b. The petitions were not truthful, accurate or complete. The statements in the petition and schedules were categorically wrong and sought to defy creditors' claims;

c. The Debtors failed to amend schedules to provide full and complete information with regard to all assets and liabilities as ordered by the January 28, 2015 Court Order, nor did the Debtors seek extension of the deadline to comply with the Order;

d. A substantial number of creditors might be victims of fraud;

e. The corporate Debtors failed to fully comply with the Trustee's subpoena;

f. The Debtor Sergey Kapustin selectively invoked his Fifth Amendment privilege against self-incrimination with regard to every question related to the bankruptcy petitions, schedules, or any information that could potentially be included in the bankruptcy petitions and schedules. Debtor, Sergey Kapustin's reliance on the Fifth Amendment privilege created an adverse civil inference against him because the admission would subject him to criminal liability; and

g. The invocation of the Fifth Amendment rights is inconsistent with the orderly administration of the estates as the Debtor Sergey Kapustin shifted the expense of defending himself from the fraud claims to the Trustees.

### CONCEALMENT OF FOREIGN BANK ACCOUNTS

**WHEREAS**, on June 19, 2015, Plaintiffs moved for Temporary Restraining Order and Preliminary Injunction establishing that after entering into the Consent Order Global Defendants diverted their monetary operations to the foreign bank accounts and concealed assets in foreign countries during the pendency of the bankruptcy proceedings; and that Plaintiffs' funds and assets unlawfully obtained by the Global Defendants as described in the Amended Complaint have been misapplied and will be misappropriated, hidden, wasted, or otherwise used to the detriment of Plaintiffs; and that the Defendants will engage in hiding funds or assets, including concealing the funds or assets in foreign countries, to frustrate the relief ordered in this action.

**WHEREAS**, having held an evidentiary hearing on the relief sought in the Motion on June 29, 2015; and having received a notice of the Motion *pro se* Defendants Sergey Kapustin, Irina Kapustina and Michael Goloverya appeared and testified at the evidentiary hearing; and having considered the Motion for Preliminary Injunction, the Court found that Plaintiffs have satisfied the four pronged test for preliminary injunctive relief set forth in *McNeil Nutritionals, LLC v. Heartland Sweeteners, LLC*, 511 F.3d 350, 356 (3d Cir. 2007) because (1) there is a reasonable likelihood that it will prevail on the merits of the claims as Plaintiffs have established grounds for entering default judgement in their Motion for Sanctions (Docket No. 169), during the evidentiary hearing on the motion on April 27, 2015, and during the evidentiary hearing on the assessment of damages on June 29, 2015; (2) Plaintiffs have demonstrated that they will suffer an irreparable harm in the absence of a preliminary injunction order and based on Global Defendants' previous concealment and diversion of corporate funds, and that Global Defendants will continue to dissipate assets leaving Plaintiffs with no recovery; (3) Global Defendants will suffer no appreciable harm because there is a reasonable cause to believe that the funds in their accounts and other assets have been obtained and concealed by engaging in the unlawful activities as described in the Amended Complaint; (4) the public interest is served by deterring Defendants' fraudulent schemes to avoid compliance

with the Court's orders; this Court granted Plaintiffs' Preliminary Injunction Motion and enjoined Global Defendants from disposing of any interest in any assets located in the United States and in foreign countries.

**ENTERING DEFAULT AS A SANCTION IS WARRANTED**

**WHEREAS**, on February 17, 2015, Plaintiffs moved for sanctions against Global Defendants and their counsel ("Sanctions' Motion") including entering a default judgment as a sanction for their continuing litigation misconduct including numerous fraudulent representations to the Court, dissipation of assets in order to avoid compliance with the Consent Order, concealment of assets in foreign jurisdictions, filing bankruptcy petitions in bad faith for the purpose of invoking the automatic stay and frustrating this Court's jurisdiction, continuing delay resulting in significant prejudice to Plaintiffs.

**WHEREAS**, on April 27, 2015, having considered the Sanctions' Motion, the opposition from Global Defendants and their counsel, the evidentiary materials presented by the parties, having heard argument of counsel, having considered the factors enumerated in *Hoxworth v. Blinder, Robinson & Co.*, 980 F.2d 912, 919 (3d Cir. 1992) (internal citations omitted), "(1) the extent of the party's personal responsibility; (2) the prejudice to the adversary caused by the failure to meet scheduling orders and respond to discovery; (3) a history of dilatoriness; (4) whether the conduct of the party or the attorney was willful or in bad faith; (5) the effectiveness of sanctions other than dismissal, which entails an analysis of alternative sanctions; and (6) the meritoriousness of the claim or defense", the Court made its finding that Global Defendants' bad faith litigation misconduct caused unreasonable delay and prejudice to Plaintiffs, Global Defendants admitted obtaining funds from Plaintiffs and presented no meritorious defenses, and having considered alternative sanctions, no sanction other than entering a default would remedy the continuing delay and disruption of the judicial process in this case.

**WHEREAS**, on May 27, 2015, Plaintiffs submitted their Application to Assess Damages for Default Judgment (“Application to Assess Damages”).

**WHEREAS**, on August 31, 2015 and September 4, 2015, having considered Plaintiffs’ Application to Assess Damages, opposition from Global Defendants, having considered both parties’ evidentiary materials and argument, the Court held evidentiary hearings and made the foregoing findings of fact and conclusions of law.

**WHEREAS**, during the hearing the Court found that Global Defendants were responsible for executing and masterminding the “bait and switch” fraud scheme targeting online unsophisticated foreigners from the former Soviet Union and other countries by advertising vehicles for sale below the market value. Plaintiffs presented evidence that the advertised and “sold” cars were not in Global Defendants’ possession and often already owned by unrelated third parties at the time of the “sale.” Once the customer wired the money, Global Defendants failed to deliver the vehicles that customer paid for and refused to issue any refunds. Global Defendants then offered customers different cars, for a higher price, thus extorting more money from the customers. Eventually, even on the “switch” vehicles that were ultimately, sometime after 6-8 months of first wire, shipped to Global Defendants’ warehouse in Finland, Global Entities refused to “release” vehicles and charged hidden fees, misrepresented odometer readings, withheld the information that the vehicle had been declared “total loss” after an accident or flooded by hurricane Sandy with “salvage” title issued.

**WHEREAS**, the Court finds that Plaintiffs have stated a course of action under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(a-c) (Counts I-III); civil conspiracy to commit RICO violations, 18 U.S.C. § 1962(d) (Count IV) by virtue of committing multiple acts of racketeering by defrauding customers in violation of, inter alia, the wire and mail fraud statutes, 18 U.S.C. §1343 and 1341; violations of New Jersey Consumer Fraud Act 56:8-1, et seq.; violations of the Motor Vehicle Information and Cost Savings Act

(the “Odometer Act”), 49 U.S.C. § 32701, et seq., violations of Pennsylvania Unfair Trade Practices Act and Consumer Protection Law 73 P.S. § 201-1, et seq. (“UTPCPL”) (Count XVII), imposition of constructive trust (Count XVIII) and other common law claims.

**WHEREAS**, the Court finds that Defendant Kapustin, as owner of corporate Global Defendants exercised complete dominion and control over the corporations and used the corporations as his alter egos for his own purposes, making all the decisions including the decisions to defraud Plaintiffs.

**WHEREAS**, the Court finds that individual Defendant Sergey Kapustin and corporate Global Defendants are a group of RICO persons, Global Companies Enterprise, associated in fact for the common purpose of engaging in fraudulent conduct constituting a RICO enterprise defined in 18 U.S.C. § 1961(4) functioning together as a continuing unit, each of them necessary to accomplish each step or aspect of the fraudulent scheme. Defendant Sergey Kapustin and corporate Global Defendants acted in concert for the shared goal of defrauding overseas car buyers receiving profits from the fraudulent scheme. This enterprise affected interstate and foreign commerce because it exported vehicles to foreign countries and both sent and received funds through banks in the United States and abroad.

**WHEREAS**, the Court finds that Defendant Sergey Kapustin, who is a person within the meaning of RICO, managed and participated in conduct of the Global Companies Enterprise through a pattern of racketeering activity in violation of 18 U.S.C. §1962(c), including multiple acts of wire fraud, mail fraud, and/or financial fraud.

**WHEREAS**, the Court finds that Global Defendants engaged in the pattern of racketeering activity, which included related violations of 18 U.S.C. § 1343 (wire fraud); 18 U.S.C. § 1341 (mail fraud); 18 U.S.C. § 1956 (money laundering); 18 U.S.C. § 1957 (engaging in monetary transactions in property derived from unlawful activity); 18 U.S.C. § 1952 (Travel Act), 18 U.S.C. § 1912 (witness intimidation), as included in 18 U.S.C. 1961(1).

**WHEREAS**, the Court finds that the pattern of the racketeering activity began no later than some time in 2008 resulting in investigation by Attorney General for the State of New Jersey Division of Consumer Affairs of deceptive conduct of Global Auto Enterprise, resulting on November 19, 2010, in the consent judgment for injunctive relief, civil penalties, legal fees and restitution to victims. The scheme continued in 2012 when Global Defendants committed predicate acts of racketeering towards Plaintiffs Yamkoviys, and continued through February 2014, when Defendants committed acts of 18 U.S.C. § 1343 wire fraud towards Plaintiff Pukir. Global Defendants continued the pattern by filing fraudulent bankruptcies. Global Defendants' acts were arranged and ordered so as to exhibit both a relation between the predicate acts and the threat of continuing unlawful activity. Defendants' acts of mail fraud, wire fraud, and financial fraud were open-ended and occurring on an ongoing and daily basis targeting overseas car buyers from GlobalAutoUSA.com and other websites registered by Global Defendants with the intent to defraud foreign buyers.

**WHEREAS**, the Court finds that Plaintiffs were directly and proximately harmed by Global Defendants' predicate acts of racketeering, including wire fraud, mail fraud, and Travel Act violations, which resulted in ascertainable financial losses to the Plaintiffs.

**IT IS HEREBY ORDERED** on this 21st day of September, 2015, that the Judgment of Default shall be entered against Global Defendants and Plaintiffs shall be awarded damages as follows:

**TREBLING OF LOST FUNDS UNDER RICO**

1. The Court finds that Global Defendants are jointly and severally liable to Plaintiffs for the treble amount of the funds lost by Plaintiffs pursuant to RICO, 18 U.S.C. § 1964(c) ("Any person injured in his business or property by reason of a violation of section 1962 of this chapter . . . shall recover threefold the damages he sustains . . ."); *H.J. Inc. v. Nw. Bell Tel. Co.*, 492 U.S. 229, 233 (1989) ("[A] person found in a private action to have violated

RICO is liable for treble damages”). The Third Circuit instructed that where a plaintiff successfully obtains a judgment of civil liability under RICO, an award of treble damages is mandatory. *See, e.g. Genty v. RTC*, 937 F.2d 899, 914 (3d Cir. 1991) (“It is clear that trial courts and juries are at no liberty under RICO to award any amount less than treble damages.”); *La Suisse, Societe D'Assurances Sur La Vie v. Kraus*, 2014 U.S. Dist. LEXIS 99847 (S.D.N.Y. July 21, 2014) (awarding default judgment and treble damages under RICO).

### **THE ODOMETER FRAUD ACT DAMAGES**

2. The Court further finds that Global Defendants are jointly and severally liable to Plaintiff **REDACTED** for damages pursuant to the Odometer Fraud Act, 49 USCS § 32710, for the treble the amount of the Jeep Compass transaction of \$15,900 and the statutory damages in the amount of \$ 10,000 for the Mazda transaction, the vehicles that he received. The Court further finds that Plaintiffs **REDACTED** are entitled to the statutory damages in the amount of \$ 10,000 per each transaction for the three vehicles that they received. *Mon Cheri Bridals, Inc. v. Wen Wu*, 383 Fed. Appx. 228, 240 (3d Cir. 2010) (“permitting the calculation of damages based on separate transactions because of the “harm suffered under separate statutory schemes for separate facts”).

### **PREJUDGMENT INTEREST**

3. The Court finds that Global Defendants are jointly and severally liable to Plaintiffs for the prejudgment interest award on the full amount of actual damages trebled under RICO from the date of filing of the Amended Complaint, April 4, 2014. The Court remains mindful of the fact that the purpose of awarding prejudgment interest is compensatory, “because RICO is essentially compensatory and contains no provision barring prejudgment interest, any such award is within the district court's sound discretion.” *West Hills Farms, LLC v. ClassicStar Farms, Inc. (In re ClassicStar Mare Lease, Litig.)*, 727 F.3d 473, 495 (6th Cir. 2013) (applying the award of prejudgment interest to the entire RICO treble damages amount).

*Aetna Casualty Sur. Co. v. P & B Autobody*, 43 F.3d 1546, 1571 (1st Cir. 1994) (upholding the award of prejudgment interest on the entire treble damages amount under the RICO claims).

4. The Court finds that with respect to the federal RICO claims, Odometer Fraud Act, and NJ and PA consumer fraud statutes, it is appropriate to incorporate an award of prejudgment interest as an element of Plaintiffs' recovery in light of the circumstances of this case given Global Defendants' fraud perpetrated on numerous consumers as well as repeated bad faith conduct during this litigation.

5. Having reviewed voluminous and well-documented evidence presented by Plaintiffs of damages caused by Global Defendants' conduct, the Court finds that Global Defendants are jointly and severally liable to each Plaintiff as follows:

<i>Plaintiff(s)</i>	<i>Compensatory Damages</i>	<i>Trebled Compensatory Damages</i>	<i>Odometer Fraud Damages</i>	<i>Prejudgment Interest at 5% Per Annum</i>	<b>TOTAL FINAL JUDGMENT AWARD</b>
REDACTED	\$ 3,900	\$11,700		\$841.43	<b>\$12,541.43</b>
REDACTED	\$ 9,920	\$29,760		\$2,142.72	<b>\$31,902.72</b>
REDACTED	\$ 25,920	\$77,760		\$5,598.72	<b>\$83,358.72</b>
REDACTED	\$ 18,342	\$55,026	\$57,700	\$8,116.27	<b>\$120,842.27</b>
REDACTED	\$36,920	\$110,760		\$7,974.72	<b>\$118,734.72</b>
REDACTED	\$ 25,273.94	\$75,821.82		\$5,459.17	<b>\$81,280.99</b>
REDACTED	\$16,640	\$49,920		\$3,594.24	<b>\$53,514.24</b>
REDACTED	\$46,960	\$140,880		\$10,143.36	<b>\$151,023.36</b>
REDACTED	\$ 64,960	\$194,880		\$35,896 loan interest	<b>\$230,776.00</b>
REDACTED	\$ 5,940	\$17,820		\$1,283.04	<b>\$19,103.04</b>
REDACTED	\$ 22,940	\$68,820		\$ 9,297 loan interest	<b>\$78,117.00</b>
REDACTED	\$14,920	\$44,760		\$3,222.72	<b>\$47,982.72</b>

REDACTED	\$ 51,390	\$154,170		\$25,872 Loan interest	<b>\$180,042.00</b>
REDACTED	\$ 9,920	\$29,760		\$2,142,72	<b>\$31,902.72</b>
REDACTED	\$49,960	\$149,880	\$30,000	\$12,951.36	<b>\$192,831.36</b>
REDACTED	\$12,920	\$38,760		\$2,790.72	<b>\$41,550.72</b>
REDACTED	\$9,920	\$29,760		\$3,661 Loan interest	<b>\$33,421.00</b>

**RICO TREBLING OF ATTORNEY FEES AND COSTS  
INCURRED IN FRAUDULENT BANKRUPTCY CASES**

6. The Court finds that Global Defendants are jointly and severally liable to Plaintiffs for the trebled amount of attorney fees and costs incurred in having to litigate fraudulent bankruptcies filed by Global Defendants as a part of their racketeering scheme. *See Stochastic Decisions, Inc. v. DiDomenico*, 995 F.2d 1158, 1167 (2d Cir. N.Y. 1993) (“we explicitly ruled in *Bankers Trust* that legal fees may constitute RICO damages when they are proximately caused by a RICO violation”) (relying on *Bankers Trust Co. v. Rhoades*, 859 F.2d 1096 (2d Cir. N.Y. 1988), finding that expenses in fraudulent bankruptcy proceedings can constitute RICO injury); *La Suisse, Societe D'Assurances Sur La Vie v. Kraus*, 2014 U.S. Dist. LEXIS 99847, 22-23 (S.D.N.Y. July 21, 2014).

7. Global Defendants’ failure to disclose assets in bankruptcy schedules, concealment of information related to the administration of the estates and making false statements under penalty of perjury to defraud creditors in violation of 18 USCS § 152 constitute predicate acts under 18 USCS § 1961, (“racketeering activity” means... (D) any offense involving fraud connected with a case under title 11”; *see Cadle Co. v. Flanagan*, 271 F. Supp. 2d 379 (D. Conn. 2003) (finding that filing of false schedules and concealing assets to defraud creditors in a bankruptcy case are RICO predicate acts)). This unlawful conduct

caused Plaintiffs to incur substantial legal expenses in these bankruptcy matters that are subject to trebling under RICO, 18 U.S.C. § 1964(c).

8. The Court finds that Global Defendants are jointly and severally liable to Plaintiffs for the treble attorney fees incurred for the fraudulent bankruptcies in the total amount \$222,675.00 and trebled bankruptcy cases costs of \$15,022.14.

**POSTJUDGMENT INJUNCTION AND EQUITABLE RELIEF**

9. In accordance with Rule 65 and Rule 69 of the Federal Rules of Civil Procedure, remedial statutory provisions and this Court's inherent equitable power to provide relief ancillary to its authority to redress remedy litigation misconduct, the Preliminary Injunction Order (Docket 229) shall continue to be in effect until the final judgement in this case is paid in full or until further Order of the Court.

10. Global Defendants shall transfer registration of the domain names of the Websites to Plaintiffs to display information to assist other potential victims of fraud to obtain remedies.

**AWARD OF ATTORNEY FEES AND COSTS IN THIS CASE**

11. The Court finds that pursuant to 18 U.S.C. § 1964(c) Global Defendants are jointly and severally liable to Plaintiffs for attorney fees of \$470,810.00 and costs of \$10,637.14, which are reasonable and appropriate in light of the nature of the case.

**POSTJUDGMENT INTEREST**

12. The Court finds that Global Defendants are jointly and severally liable to Plaintiffs for postjudgment interest on the entire amount of judgment from the date of judgment at the statutory rate calculated pursuant to 28 U.S.C. § 1961(a).

**FINAL JUDGMENT AWARD**

Plaintiffs are awarded post-judgment injunctive relief, post-judgment interest and monetary damages in the total amount of **\$2,228,069.29**, representing: (a) compensatory treble

damages, statutory damages and prejudgment interest as of April 2, 2014 of \$1,508, 925.01; (b) trebled attorney fees incurred for the fraudulent bankruptcies of \$222,675.00 and trebled bankruptcy costs of \$ 15,022.14; (c) reasonable attorney fees of \$470,810.00 and costs of \$10,637.14.

FOR THE COURT:

At Camden, New Jersey

s/ Noel L. Hillman  
Honorable Noel L. Hillman  
UNITED STATES DISTRICT COURT JUDGE