

**IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
PLAINTIFF,)	
)	
v.)	Civil Action No. 3:17CV-420- L
)	
)	
PATRICK O. HOWARD;)	
HOWARD CAPITAL HOLDINGS, LLC;)	
AND OPTIMAL ECONOMICS CAPITAL)	
PARTNERS, LLC,)	
)	
DEFENDANTS.)	

RECEIVER’S MOTION TO SHOW CAUSE

Receiver W. Craig Stokley (“Receiver”) respectfully moves this Court to order Patrick O. Howard (“Howard”), Dovile Soblinskas (“Soblinskas”), Ron Scherer (“Scherer”), and Christine Horne (“Horne”) (collectively “Respondents”) to show cause as to why Respondents should not be held in contempt for violating the Court’s February 14, 2017 Order Appointing Receiver (Dkt. No. 10) and, submits the accompanying Brief in support thereof, and incorporates its contents as if fully set forth herein.

This is a securities fraud case where judgment has been entered against Defendants. Respondents are former employees of Defendants who carried out the securities fraud by making false and misleading statements to investors in connection with seeking their investment. The Court placed Defendants into receivership on February 14, 2017 by entering its Order (Dkt. No. 10). An agreed judgment was entered shortly thereafter.

On April 8, 2017, Respondents began engaging, and continue to engage, in a new series of egregious acts to defraud the same victims Respondents perpetrated their fraud

against in the underlying case. In summary, Respondents sent emails, text messages, set up conference calls, and sent voicemails pretending to be fellow legitimate investors (and not perpetrators of the fraud against these victims) in an effort to raise money from these victims to pay for a legal team who would advance Respondents' personal interests under the guise of a legitimate investor group. The amount of fraudulent content dispensed by Respondents since April 8, 2017 is incredible, has interfered with the Receivership, was sent against the direct instructions of the Receiver, and demonstrates a conscious disregard for the Court's Order. By way of illustration, Respondents communicated to these victims (representing that they were similarly situated legitimate investors and not the perpetrators of the fraud) that the Ponzi Scheme was just a "clerical error" that "can easily be remedied", that the Receiver "is happy with getting 5% of our money back", and legal documents show the SEC "cleared OE Capital Partners of all fraud charges and any accusations that OE Capital Partners was a Ponzi scheme" – all outright false statements. What is most egregious is that these communications purport to come from fellow investors when they were organized by the perpetrators of the fraud.

After getting many of these legitimate investors upset with the United States Securities and Exchange Commission (the "SEC"), the Receiver, and even the Court, Respondents asked each legitimate investor "for a pledge of \$500 to cover legal fees" and explained that "the attorneys will meet with 2-3 investors to ease communication in order to keep legal costs as low as possible." These 2-3 "investors" were really the perpetrators of the fraud who, by their own admissions, intended to use this group to advance their own personal objectives.

The damage Respondents have caused to the Receivership since April 8, 2017, cannot

be undone. However, the relief sought by this Motion will hold Respondents accountable for their actions, is aimed at making Respondents pay for the harm these actions have caused the Receivership Estate, will communicate to the investors the truth about this fake “investor group,” and, hopefully, will deter future conduct of this nature.

The Receiver respectfully requests that the Court order Soblinskas, Howard, Scherer and Horne to show cause why they should not be held in contempt of Court, and when they fail to do so, find them in contempt of Court as follows:

1. Enter an Order holding Soblinskas, Howard, Scherer, and Horne jointly and severally liable for all expenses incurred by the Receivership in addressing the aforementioned conduct and, accordingly, order Soblinskas, Howard, Scherer, and Horne to jointly and severally pay directly to the Receivership the amount equal to the amount of expense the Receivership has incurred addressing the conduct described herein.
2. Order Soblinskas, after notice and hearing, to be placed in custody of the United States Marshal Service until such time as, in the determination of the Court, she has purged her contempt, or alternatively, instruct Soblinskas that should she violate the orders in the future, she will be placed in custody until she has purged her contempt.
3. Order Howard, after notice and hearing, to be placed in custody of the United States Marshal Service until such time as, in the determination of the Court, he has purged his contempt, or alternatively, instruct Howard that should he violate the orders in the future, he will be placed in custody until he has purged his contempt.
4. In addition or the alternative, order Soblinskas, Howard, Scherer, and Horne to forfeit any investment they may have in the Receivership Entities in favor of their victims.
5. Modify the Order to restrain and enjoin Soblinskas, Howard, Scherer, and Horne from communicating in any manner written, oral or otherwise, with any investor or third party, directly or indirectly, about the Receivership Entities and/or the Receivership.
6. Order that any lawyer, law firm, or other person, who received money from investors in connection with Respondents fraudulent scheme to raise money, shall return said funds within 7 days of entry of the order.

WHEREFORE, PREMISES CONSIDERED, the Receiver respectfully requests that the Court grant this Motion to Show Cause requiring Patrick O. Howard and Dovile Soblinskas, Ron Scherer, and Christine Horne to show cause, if any, why they should not be held in civil

contempt for the violation of this Court's February 14, 2017, Orders. Receiver further requests this Court to grant such other and further relief as this Court deems just and proper.

Respectfully submitted,



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ATTORNEY FOR RECEIVER

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CERTIFICATE OF CONFERENCE

On April 19, 2017, I conferred with Timothy S. McCole, counsel for the United States Securities and Exchange Commission, about the content of this Motion. The United States Securities and Exchange Commission does not oppose the relief sought by this Motion. I also conferred with counsel for Patrick Howard, Phil Bezanson, on April 19, 2017, who advised me that he is opposed to the Motion. I attempted to contact counsel for Dovile Soblinskas, Robert Castle, on April 19, 2017, and left him a message as to the relief requested. I also spoke personally to Ron Scherer and Christine Horne on April 19, 2017 and they are opposed to the relief requested by this Motion.



KIMBERLY M.J. SIMS

CERTIFICATE OF SERVICE

On April 19, 2017, I electronically filed the Receiver's Motion to Show Cause, Brief in Support, and Appendix via the Court's CM/ECF filing system, which will send a notice of electronic filing to all CM/ECF participants. I further certify that I served a true and correct copy of the foregoing document and the notice of electronic filing via UPS and electronic mail on all non-CM/ECF parties and/or their counsel. I further certify that this Receiver's Motion to Show Cause, Brief in Support, and Appendix will be served on Dovile Soblinskas (through counsel), Christine Horne, and Ron Scherer, and once service is complete, a notice containing proof of service will be filed with the Court.

A handwritten signature in black ink, appearing to read "Kimberly Sims", written in a cursive style.

KIMBERLY M.J. SIMS