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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

EDYTHE L. BRONSTON,)
RECEIVER,)
)
Plaintiff(s),)
)
vs.)
)
ELHAM ELLIE HOOSHIARNEJAD,)
)
Defendant(s).)
_____)

8:07-cv-00964-FMC-RNBx

FINDINGS OF FACT AND
CONCLUSIONS OF LAW

The matter came on for trial before the Court, sitting without a jury, on October 28, 2008. At the conclusion of evidence and argument, the Court made certain factual findings and took the matter under submission. The Court now renders the following decision:

Findings of Fact

1. Plaintiff, Edyth L. Bronston, is the duly appointed and acting Receiver for J.W. James & Associates, J.S. James Borrowing Entity, J.W. James Investment Group Fund, The James Borrowing Entity, Virtual Cash Flow Corporation, the Cloaking Device, and James W. James Acquisitions (The Receivership Entities).
2. The Receivership Entities offered and sold promissory notes.
3. The Receivership Entities were controlled by Jon W. James; James and the entities were operating a Ponzi scheme.

1 Ponzi scheme perpetrator, are not avoidable within the meaning of UFTA. *See* CAL.
2 CIV. CODE §3439.04(a)(2) (holding that only payments made ‘[w]ithout receiving
3 a reasonably equivalent value’ are avoidable as fraudulent transfers); *United Energy*,
4 944 F.2d at 597 (holding there has been no fraudulent transfer to a good faith
5 investor where a Ponzi scheme makes payments that total less than that investor’s
6 initial investment.)” *Donell v. Kowell*, 533 F.3d at 771,772.

7 7. Defendant having received from the Ponzi scheme perpetrators less than
8 she invested, she is not liable to plaintiff.

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10 The Court will enter Judgment in favor of defendant and against plaintiff.
11 Counsel for plaintiff is directed to provide a Judgment for the Court’s signature.

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13 Dated this 4th day of November 2008.

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FLORENCE-MARIE COOPER
18 United States District Court Judge
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