

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

COMMODITY FUTURES)	
TRADING COMMISSION,)	
Plaintiff)	
)	
v.)	C.A. No. 81-01070-MLW
)	
U.S. INVESTMENT CO. LTD., et al.,)	
Defendants,)	
)	
and)	
)	
EDMUND EUGENE FLEMING and)	
NANCY GREEN FLEMING,)	
Relief Defendants.)	

ORDER

WOLF, D.J.

June 27, 2003

The court has considered the parties' proposed Consent Order to Resolve All Outstanding Proceedings and plaintiff Commodity Future Trading Commission's ("CFTC") Motion to Approve Proposed Distribution Plan of Receivership Funds. After conducting many hearings, the court is persuaded that the proposed Consent Order is a reasonable and appropriate basis on which to resolve this matter in the unfortunate circumstances that have developed.

More specifically, while the court ordered the original Receiver for U.S. Investment Co. Ltd., Edmund Fleming, to repay the Estate more than \$912,000, thorough discovery by the CFTC and several days of hearings demonstrate that he has paid to the Estate essentially everything that he owns. While there is an issue of whether he fraudulently conveyed his home to his wife several years

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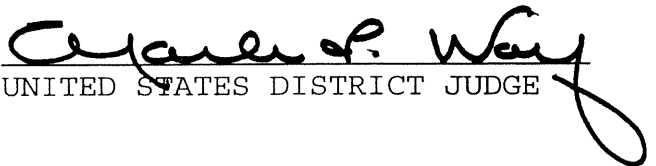
before this court's Order freezing his assets, there are formidable legal impediments to the CFTC setting aside that transfer and, particularly, to obtaining any funds for the Estate if it succeeds in doing so. Therefore, the recent hearings have established that the \$130,418 contributed by Fleming's wife to resolve this issue is reasonable.

Fleming has previously been prosecuted, convicted, and served six months in community confinement for a violation of this court's Order freezing his assets. The pending motion to hold him in civil contempt cannot be utilized to punish him for his demonstrated inability to obey the Order to repay \$912,000 to the Estate. In re Power Recovery Sys., Inc., 950 F.2d 798, 802 (1st Cir. 1991) ("Sanctions in a civil contempt proceeding are employed to coerce the defendant into compliance with the court's order or, where appropriate, to compensate the harmed party for losses sustained. These sanctions are not punitive, but purely remedial.").

Therefore, it is hereby ORDERED that:

1. The attached Consent Order to Resolve All Outstanding Proceedings is ENTERED.
2. The CFTC's Motion to Approve Proposed Distribution Plan (Docket No. 347) is ALLOWED.

3. The Proposed Distribution Plan Order and Order Setting Objection Date is ENTERED. However, the CFTC's proposed cover letter to investors shall be revised to inform investors that Fleming was convicted and served six months in community confinement for violating the Order freezing his assets.


UNITED STATES DISTRICT JUDGE