

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

Commodity Futures Trading Commission,

Plaintiff,

vs.

Case No. 3:17-cv-774-J-32MCR

Jason B. Scharf (d/b/a Citrades.com and AutoTradingBinary.com); CIT Investments LLC; Brevspand EOOD; CIT Investments Ltd.; A&J Media Partners, Inc.; Michael Shah; and Zilmil, Inc.

Defendants.

JOINT MOTION OF RECEIVER AND DEFENDANT MICHAEL SHAH FOR APPROVAL OF SETTLEMENT AGREEMENT AND FOR RELATED RELIEF

The Receiver and Defendant Michael Shah, by and through their respective undersigned counsel, hereby notify the Court of their settlement and jointly move the Court for entry of an order approving the Settlement Agreement and for related relief.

1. On April 25, 2019, the Court entered the Consent Order for Permanent Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendants Michael Shah and Zilmil, Inc. (“Permanent Injunction”). Doc. 223.

2. The Permanent Injunction provides for payment by Defendant Shah of a Restitution Obligation in the amount of \$9.3 million and a Civil Monetary Penalty (“CMP”) in the amount of \$1 million. Doc. 223 ¶¶ 59, 67.

3. At the Court’s direction, the Receiver and Defendant Shah, among other parties, participated in a mediation which resulted in their execution of a Settlement Agreement resolving, subject to Court approval, Defendant Shah’s financial obligations except as provided therein.

4. The Settlement Agreement also stipulates to other relief that essentially terminates the Receivership and this litigation as to Defendant Shah and provides him a release from all claims relating to Zilmil and the Receivership except as specified in the Settlement Agreement. Specifically, the Receiver and Defendant Shah have stipulated that upon entry of an Order approving the Settlement Agreement, the Receiver's Motion for Imposition of Constructive Trust on Funds, Assets, and Real Property Traceable to Zilmil, Inc. (Doc. 268) shall be deemed withdrawn with prejudice as to Defendant Shah only; and that Defendant Shah's Motion for Partial Relief from Consent Order for Permanent Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendants Michael Shah and Zilmil, Inc. (Doc. 265) shall be granted. A copy of the Settlement Agreement is attached hereto as **Exhibit A**.

WHEREFORE, the Receiver and Defendant Shah jointly move for entry of an Order in substantially the form attached hereto as **Exhibit B**:

1. approving the Settlement Agreement in the form attached hereto as Exhibit A;
2. deeming the Receiver's Motion for Imposition of Constructive Trust on Funds, Assets, and Real Property Traceable to Zilmil, Inc. (Doc. 268) withdrawn with prejudice as to only Defendant Michael Shah;
3. granting Defendant Shah's Motion for Partial Relief from Consent Order for Permanent Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendants Michael Shah and Zilmil, Inc. (Doc. 265); and
4. for such further relief as the Court deems just and proper.

LOCAL RULE 3.01(g) CERTIFICATION

Undersigned counsel have conferred and agree to the relief requested herein. Further counsel for the Receiver has conferred with counsel for the CFTC and the CFTC does not oppose the relief sought in this motion.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on August 27, 2020, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

/s/ Peter B. King
Attorney