

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	CIVIL ACTION FILE
Plaintiff,)	NO. 1:06-CV01171-CC
)	
v.)	
)	
GEOFFREY A. GISH; WESTON)	
RUTLEDGE FINANCIAL SERVICES,)	
INC.; ZAMINDARI CAPITAL, LLC;)	
LEXINGTON INTERNATIONAL FUND,)	
LLC, a/k/a LEXINGTON)	
INTERNATIONAL FUND, INC.; AND)	
OXFORD ADAMS CAPITAL, LLC,)	
)	
Defendants.)	

RECEIVER’S CROSS-CLAIM AGAINST GEOFFREY A. GISH

Thomas S. Richey, as Receiver (the “Receiver”) for Weston Rutledge Financial Services, Inc.; Zamindari Capital, LLC; Lexington International Fund, LLC, a/k/a Lexington International Fund, Inc.; and Oxford Adams Capital, LLC (the “Receivership Companies”), through his undersigned counsel, hereby files this cross-claim Against Geoffrey A. Gish, for the benefit of the Receivership Companies, showing the Court as follows:

PROCEDURAL BACKGROUND

1. On May 17, 2006, the Securities and Exchange Commission (“SEC”) filed a complaint in this action seeking injunctive and monetary relief against Geoffrey A. Gish and the Receivership Companies and also seeking the appointment of a receiver for the Receivership Companies.
2. Also on May 17, 2006, the Court entered an order granting a temporary restraining order and asset freeze against the Defendants and appointing Thomas S. Richey as Receiver of the Receivership Companies.
3. On June 30, 2006, the Court entered an Order Granting Preliminary Injunction and Ordering Other Ancillary Relief, which preliminarily enjoined the Defendants from violations of the federal securities laws, continued the asset freeze, and confirmed the receivership appointment.
4. The Receiver now files this cross-claim against Defendant Gish to recover damages and other relief for the Receivership Companies for the losses he has caused and liabilities to which he has subjected the Receivership Companies through the wrongful acts and omissions set forth below.

JURISDICTION AND VENUE

5. On information and belief, Geoffrey A. Gish resides at 1821 Bromley Way in Roswell, Georgia.

6. At all times relevant to this action, Geoffrey A. Gish was an owner, sole shareholder or member, an officer, director and/or managing member of each of the Receivership Companies or he assumed and exercised control and authority over the Receivership Companies and their assets, business and affairs.
7. At all times relevant to this action, the Receivership Companies transacted business in Roswell and Marietta, Georgia, maintaining and transacting business at the following addresses: (a) 1792 Woodstock Road, Suite 450, Roswell, Georgia 30075 and (b) 2876 Johnson Ferry Road, Suite 150, Marietta, Georgia 30062.
8. The Receiver was appointed, maintains an office and conducts his activities as Receiver in this district.
9. Personal jurisdiction and venue are accordingly proper in this Court as to Defendant Geoffrey A. Gish.

STATEMENT OF FACTS

- A. Geoffrey A. Gish's role in, control over and duties to the Receivership Companies.
10. Defendant Gish caused Weston Rutledge Financial Services, Inc. ("Weston Rutledge") to be incorporated as a Nevada corporation on December 22, 2004.

11. Defendant Gish caused Zamindari Capital, LLC (“Zamindari”) to be formed as a Nevada limited liability company on August 27, 2004.
12. Defendant Gish caused Lexington International Fund, LLC (“Lexington”) to be formed as a Nevada limited liability company on December 22, 2004.
13. Defendant Gish caused the incorporation of Oxford Adams Corporation (“Oxford Adams”) as a Georgia corporation on June 16, 2004.
14. Defendant Gish held himself out to be the “Managing Member” of Weston Rutledge at all times relevant to this action. He acted as the de facto chief executive officer of Weston Rutledge and exercised control over its assets, business and affairs.
15. Defendant Gish was the Managing Member of Zamindari at all times relevant to this action.
16. Defendant Gish was the Managing Member of Lexington at all times relevant to this action.
17. Defendant Gish was the chief executive officer, chief financial officer and Secretary of Oxford Adams at all times relevant to this action.
18. Defendant Gish held himself out to the public and acted as the chief executive officer, managing member and principal of each of the Receivership Companies and owed the duties of those positions to the

respective Receivership Companies.

19. Defendant Gish was a de jure or de facto director or manager and assumed and owed all the duties of directors and managers to the respective Receivership Companies.
20. On information and belief, Defendant Gish was the sole and controlling owner of the Receivership Companies and, in any event, exercised the rights and powers and owed the duties of the sole and controlling owner to the Receivership Companies.
21. Defendant Gish made financial, employment, and other operational decisions for each of the Receivership Companies and acted on their behalf in financial transactions and operational matters and caused others to take actions at his request in those transactions and matters.
22. Defendant Gish signed contracts on behalf of the Receivership Companies and, on information and belief, based on the records available to the Receiver, was the only person to do so on behalf of the Receivership Companies.
23. Defendant Gish had signatory power for the bank accounts of each of the Receivership Companies and exercised control over the accounts, making withdrawals and transfers of funds obtained from investors or instructing

Weston Rutledge employees to withdraw and transfer funds out of the Receivership Companies' accounts.

24. Defendant Gish had complete control of the finances of each of the Receivership Companies. He authorized all expenditures and supposed investments for each of the Receivership Companies.
25. In his capacity as officer, director, manager, principal and owner of the Receivership Companies, Defendant Gish owed fiduciary duties of care, loyalty and good faith to each of the Receivership Companies. Defendant Gish had the duty to conduct the affairs of the Receivership Companies in good faith and with a view to their best interests and with the care that an ordinarily prudent person in a like position would exercise under the similar circumstances.
26. Defendant Gish had a duty to conduct the affairs of the Receivership Companies in compliance with all federal and state laws and not to knowingly violate the law.
27. Defendant Gish had a duty to transact business on behalf of the Receivership Companies prudently, competently and in a manner that would protect the Companies and their assets from dissipation, misappropriation, theft, and loss.

28. Defendant Gish had a duty to manage the financial affairs of the Receivership Companies such that the Companies would be able to pay their debts as they became due and not become insolvent.
29. Though he caused the Receivership Companies to be created as separate, independent legal entities, Defendant Gish repeatedly disregarded their separate existence and corporate structures and the formalities required in conducting their business and affairs and abused the corporate and limited liability company form by failing to document transactions and keep accurate records and books of account, failing to ensure that the Receivership Companies had boards of directors or boards of managers to oversee their business, finances and affairs and provide supervision of their officers and managing members, failing to comply with legal obligations by selling unregistered securities in deliberate disregard of requirements to register the securities under the Securities Act of 1933, 15 U.S.C. § 77a et seq., and applicable state securities laws, commingling the funds received from investors by numerous transfers and withdrawals of cash, without consideration or legitimate business purposes or proper documentation, between and among the Receivership Companies, as well as to other companies under his control, improperly using the Receivership Companies'

assets for his personal benefit, dissipating their funds by, among other things, entrusting large sums of money to third parties for little or no consideration and without clear and enforceable agreements, security or provisions to ensure the funds' safety or return, making imprudent loans of company funds to personal friends and business associates, and treating the Receivership Companies' property as his own by paying himself over \$1,000,000 either in compensation or in payment or reimbursement of personal expenses, all while the Receivership Companies were insolvent and incapable of paying their obligations to creditors and investors.

B. Offerings on Behalf of the Receivership Companies.

30. Defendant Gish, acting on behalf of the Receivership Companies, offered and sold at least \$29 million of securities to more than 300 individuals who thought they were putting money into actual and legitimate investments (hereinafter referred to as the "investors").
31. Defendant Gish falsely represented to investors that his investment offerings were risk-free, secured and guaranteed and that investors' funds would remain in blocked accounts in a federally-insured commercial bank in the United States.
32. Defendant Gish also falsely promised that the investment offerings would

produce outrageous that were not available from any legitimate source or investment. For example, with respect to Lexington International Fund, Inc. Gish represented to investors that the investments had been returning 12-24% per quarter and 50-90% per year for the last five years. See, e.g., Letter from Defendant Gish regarding Oxford Adams investment attached hereto as Exhibit A. Defendant Gish made no provision or actual investment with the funds that would earn any such returns.

33. In reality, the investments were not risk-free or secured and the funds were not kept in blocked accounts. The supposed guarantees given to investors were not from credit-worthy or collectible sources and did not represent a viable alternative source of repayment.
34. Despite the promises for high monthly returns, the “investments” made by Gish with funds that the Receivership Companies received from investors returned almost no money to the Receivership Companies or to investors either as earnings or as a return of principal. Defendant Gish, however, caused the Receivership Companies to render statements of account to investors falsely showing earnings and growth in their investments. See, e.g., a sample investor statement attached hereto as Exhibit B.

35. Defendant Gish, acting on behalf of the Receivership Companies, returned only approximately \$11.6 million to the investors out of the nearly \$30 million invested by the investor victims.
36. The \$11.6 million returned to investors did not come from return on their investments, but instead came from the commingled funds that the Receivership Companies obtained from investors, so that the payments made to investors consisted largely of funds received from other investors.
37. Defendant Gish conducted a Ponzi or pyramid scheme, in which the Receivership Companies were insolvent from inception, were never able to repay all investors' funds as promised, were not earning anything on the investment activity that Defendant Gish supposedly conducted, but were instead dissipated in improvident transactions, used to fund Defendant Gish's own compensation, pay commissions and the Receivership Companies' operating expenses, and pay the withdrawal demands of other investors, so that Defendant Gish had to constantly raise more funds from new investors to pay earlier investors who were requesting to withdraw their supposed profits and their principal funds.
38. When the Receiver took over the Receivership Companies, the Receivership Companies' twenty-seven bank accounts contained only \$1,039,144.43.

None of these accounts had been blocked accounts, nor were they safely secured or meaningfully guaranteed as promised by Gish.

39. At least \$18 million of investor funds are missing as a result of Defendant Gish's wrongdoing.

C. Geoffrey A. Gish's grossly negligent transfers and misappropriations from and co-mingling of funds of the Receivership Companies.

40. Contrary to his promises to keep investor funds in blocked, secured and guaranteed accounts, Gish ordered the transfer of nearly all of the funds out of the Receivership accounts.

i. Transfer to Zahra Ghods and Rusa Cap.

41. In complete disregard for his responsibilities as an officer, manager, director, principal and owner and his fiduciary duties to the Receivership Companies, Defendant Gish directed the transfer of approximately \$9 million from the Receivership Companies to Rusa Cap, Inc. ("Rusa Cap"), Zahra Ghods, also known as "Zahra Ghrabeti" and "Zahra Ghrabeti," on information and belief Rusa Cap's owner, principal and chief executive officer and to other companies controlled by her. Defendant Gish transferred these funds to Ghods and Rusa Cap for supposed investments in supposed trading in intermediate term bank notes on non-existent foreign markets, and as commission payments to Zahra Ghods for arranging the supposed

investments. To raise additional funds from existing investors and to induce investors to continue their investments with the Receivership Companies, Defendant Gish represented to investors that Zamindari and Rusa Cap were entering into a joint venture (“Zamindari-Rusa Cap Joint Venture”) to “fund projects for International companies who have a proven track record of financial responsibility.” See Zamindari-Rusa Cap Joint Venture offering document attached hereto as Exhibit C.

42. Defendant Gish represented to investors that the project term for these investments in the Zamindari-Rusa Cap Joint Venture was ninety (90) days or less and that the investments would bring returns as high as thirty percent (30%) per quarter. See id.
43. Defendant Gish and Zahra Ghods also organized other so called “special short term investment programs,” promising extraordinarily high returns with no risk, which they portrayed as limited opportunities in which investors were required to make quick decisions to participate. For example, Gish told investors that the short-term programs would return as much as 30% per quarter and that investors could withdraw their funds after ninety (90) days. See, e.g., High Ridge Capital, LLC and Rusa Cap Joint Venture offering document attached hereto as Exhibit D.

44. Pursuant to these supposed investments and contrary to assurances made to investors that their funds would remain in blocked accounts, Defendant Gish, from 2004 through 2006, caused the Receivership Companies to transfer over \$9 million to bank accounts controlled by Zahra Ghods, thereby losing control over the funds and permitting them to be misappropriated.
45. The supposed investments with Zahra Ghods produced none of the promised investment returns for the Receivership Companies or investors and little, if any, of the principal funds were ever returned.
 - ii. Additional Transfers Out of the Receivership Companies.
46. In complete disregard for his responsibilities as an officer, director, manager, principal and owner of the Receivership Companies and in violation of his fiduciary duties to the Receivership Companies, Defendant Gish also transferred over \$3 million dollars from the Receivership Companies to other persons and entities for other supposed investments that, in reality, were sham investments and did not pay any investment returns, including the following:
 - a. Defendant Gish directed the transfer of approximately \$1,050,000 from the Receivership Companies to Karl Johnson and Majestic

Capital Management for a supposed investment in reserved high yield income working capital, and failed to obtain a fully executed agreement that ensured that the funds would be readily returned. The supposed investments in Majestic Capital Management produced no investment returns for the Receivership Companies and less than five percent of the invested principal funds were returned. When \$476,000 of Zamindari funds held by Majestic Capital Management were frozen and forfeited by the State of Arizona, Defendant Gish took no action to obtain the funds, and completely ignored and failed to respond to written offers by the State of Arizona in January of 2006 to return the funds to Zamindari if he would ensure the safe return to investors.

- b. Defendant Gish directed the transfer of over \$1.6 million from the Receivership Companies to Waterways Management for a supposed investment in the development of banking, humanitarian, and infrastructure projects. The supposed investments in Waterways Management produced no investment returns for the Receivership Companies or the investors. Gish made no efforts to have the funds returned to the Receivership Companies.

- c. Defendant Gish directed the transfer of over \$450,000 from the Receivership Companies to Derek Telling, purportedly a trader in foreign markets, and obtained no written documentation of their supposed arrangement, and failed to maintain even an address for Mr. Telling in the Receivership Company files. The Receivership Companies received no investment returns from the various supposed investments made with Derek Telling.
- d. Defendant Gish directed the transfer of over \$200,000 from the Receivership Companies to No Guilt Chocolate, Inc., with no written documentation of the supposed investment, which produced no investment returns for the Receivership Companies.
- e. Defendant Gish directed the transfer of over \$100,000 from the Receivership Companies to Seven Star Wines of Moldova, Inc., which produced no investment returns for the Receivership Companies.
- f. Defendant Gish directed the transfer of over \$200,000 to Steven P. Arena and Champion Partners for supposed investments with respect to foreign currency trading.

47. In complete disregard for his responsibilities as an officer and his fiduciary duties to the Receivership Companies, Defendant Gish conducted no due diligence regarding any of these supposed investments.
48. On many occasions, Defendant Gish never even met the person or company to whom he was transferring Receivership Company funds.
49. Gish recklessly failed to obtain signed written agreements for most of the supposed investments and for some of the supposed investments failed to obtain any documentation at all.
50. In failing to exercise the slightest bit of care when making these supposed investments, Gish subjected the Receivership Companies to an excessive risk of loss.
51. As result of Defendant's Gish recklessness and complete lack of care in transferring money from the Receivership Companies to the supposed investments, the Receivership Companies currently owe investors \$18 million for the return of the principal funds they invested and the Receivership Companies do not have sufficient funds to repay the investors.
 - iii. Commission Payments Out of the Receivership Companies.
52. In complete disregard for his responsibilities as an officer, director, manager, principal and owner of the Receivership Companies and in violation of his

fiduciary duties to the Receivership Companies, Defendant Gish engaged Donovan E. Davidson, and others and paid them in excess of \$500,000 as commissions for securing investors.

53. Defendant Gish transferred over \$500,000 from the Receivership Companies to Donovan E. Davidson as commission payments and paid additional sums to Donovan E. Davidson as commission advances.
54. The supposed services for which Donovan E. Davidson and other individuals were compensated involved the illegal and fraudulent sales of unregistered securities or wrongful transfers of Receivership Companies' assets.
55. Defendant Gish caused the Receivership Companies to make these commission payments while the Receivership Companies were insolvent and without ensuring that the Receivership Companies received services or other consideration of reasonably equivalent value. The commission payments were fraudulent transfers and Defendant Gish violated his fiduciary duties of care, loyalty and good faith to the Receivership Companies in making them.

iv. Loans Out of the Receivership Companies.

56. In complete disregard for his responsibilities as an officer, director, manager, principal and owner of the Receivership Companies and in violation of his fiduciary duties to the Receivership Companies, Defendant Gish also used more than \$400,000 to make unsecured loans to personal friends and various other individuals, including Lewis Abbott, Drew Abbott, and James M. Matthiessen.
57. Defendant Gish made no effort to ascertain the creditworthiness or ability to pay of any of these individuals, instead continuing to make additional loans to borrowers to whom the Receivership Companies already had loans outstanding.
58. In the case of Drew Abbott, individually, from November 3, 2005 through May 16, 2006, Defendant Gish made five unsecured loans in amounts ranging from \$13,500 to \$27,000 for a total of \$115,500.
59. Defendant Gish also made five unsecured loans to Drew Abbott and Lewis Abbott, jointly, from March 16, 2004 through January 10, 2006, in amounts ranging from \$10,000 to \$55,000 for a total of \$122,000.

60. During the period from September 2005 through May 2006, Defendant Gish made loans to Drew and/or Lewis Abbott on almost a monthly basis. In some months Defendant Gish made more than one loan to the Abbotts.
61. Upon information and belief, another of the borrowers, James M. Matthiessen, is currently serving a prison sentence for theft by taking.
62. In further disregard of his responsibilities and fiduciary duties to the Receivership Companies, Defendant Gish made no effort to collect any principal or interest payments or late fees on any of these loans even though many of them had already become due and several of the loans were in default due prior to the Receiver's appointment on May 17, 2006.
63. Defendant Gish did not disclose to investors and the investors did not agree that their funds would be used to make unsecured loans to individuals.
64. By making these loans without proper due diligence, assurance of repayment or security and by failing to collect the loans, Defendant Gish damaged the Receivership Companies and contributed to their insolvency.
- v. Gish's Personal Use and Commingling of Receivership Assets.
65. Defendant Gish also commingled the funds of the Receivership Companies and transferred funds between and among the Receivership Companies, withdrew money from the Receivership Companies for his own use,

transferred Receivership Companies funds to other entities with which he was associated, completely disregarded their separate corporate identities and property, failed to document the nature and purpose of the transaction, and failed to protect their rights and property.

66. Among other things, without consideration, Defendant Gish transferred funds that Zamindari received from investors to Lexington in order to make distributions of interest to Lexington investors when Lexington did not have the cash or the earnings with which to make the payments. He also transferred Zamindari money to other of the Receivership Companies to make up for the shortfall in their efforts to raise new funds, to fund their expenses and to refund the investments of withdrawing investors.
67. Defendant Gish also used over \$1 million to pay himself compensation or to pay his personal expenses. Defendant Gish regularly charged completely personal expenses to the Receivership Companies' credit card accounts. He also used money from the Receivership Companies to pay for renovations to his personal residence, to pay expenses for a land development business that he was personally pursuing, and to pay for numerous automobiles that he collected or used for personal purposes, among other things.
68. To operate his Ponzi scheme, Defendant Gish used over \$1.3 million of the

Receivership Companies' money from investors to equip, furnish and decorate the Weston Rutledge office, to pay the salaries of employees and to pay other operating expenses of the Receivership Companies. The Receivership Companies were not conducting any legitimate business activities that required such unnecessary expenditures for office equipment, furniture, furnishings and employees, and these funds were thus imprudently spent and wasted.

69. Defendant Gish recklessly, lavishly and improperly spent Receivership Companies' funds on himself and the operational expenses of the Receivership Companies causing losses to investors and contributing to the insolvency of the Receivership Companies.
70. Because Defendant Gish abused the corporate and limited liability company forms and directly caused the insolvency of the Receivership Companies, he is now liable to the Receivership Companies for all their debts and obligations to creditors and investors.

COUNT I – BREACH OF FIDUCIARY DUTY

71. The Receiver incorporates and re-alleges the preceding paragraphs as if set forth fully herein.

72. Defendant Gish was, and in any case held himself out to be, an officer and manager for each of the Receivership Companies. He signed contracts and otherwise made decisions and directed activity on behalf of the Receivership Companies and exercised control over their assets.
73. Defendant Gish owed fiduciary duties of care, loyalty and good faith to each of the Receivership Companies.
74. Defendant Gish breached his fiduciary duties of care, loyalty and good faith that he owed to each of the Receivership Companies by using them to conduct an illegal Ponzi scheme that caused investors over \$18,000,000 in loss, resulted in liabilities of the Receivership Companies to investors of over \$18,000,000 and caused the Receivership Companies to become insolvent.
75. In violation of his fiduciary duties of care, loyalty and good faith, Defendant Gish committed waste by imprudently and recklessly transferring over \$12,000,000 from the Receivership Companies for supposed “investments” as to which he conducted little or no care or due diligence, without legal documentation to protect the Receivership Companies’ rights and making no provisions to protect the funds, from which the Receivership Companies received negligible, if any, returns, exposed the funds to an excessively high

risk of loss, and proximately caused losses in excess of \$12 million to the Receivership Companies.

76. Defendant Gish made fraudulent transfers of over \$500,000 to pay commissions from the Receivership Companies to individuals who made no profitable contribution to the Receivership Companies, in violation of his fiduciary duties of care, loyalty and good faith.
77. Defendant Gish violated his fiduciary duties of care, loyalty and good faith by lending over \$400,000 from the Receivership Companies to various individuals, without security, without obtaining assurances of their ability to repay and without attempting to collect a single payment on any of the loans.
78. Defendant Gish engaged in self-dealing and violated his fiduciary duties of loyalty and good faith by using over \$1 million in Receivership Companies' funds to pay himself compensation for his wrongful conduct and to finance his personal expenses.
79. Defendant Gish committed waste and violated his fiduciary duties of care, loyalty and good faith by spending over \$1.3 million in Receivership Companies' funds on office expenses and operations in conducting his Ponzi scheme.

80. The Receivership Companies were damaged in the amount of at least \$18 million due to Defendant Gish's breach of his fiduciary duties.
81. Defendant Gish is liable to the Receivership Companies for all losses that it has suffered.

COUNT II – MISAPPROPRIATION, CONVERSION AND FRAUDULENT
TRANSFERS OF ASSETS

82. The Receiver incorporates and re-alleges the preceding paragraphs as if set forth fully herein.
83. Defendant Gish misappropriated, converted and fraudulently transferred over \$12 million dollars from the Receivership Companies for supposed "investments" as to which he conducted no due diligence of any consequence, failed to obtain legal documentation to protect the Receivership Companies' rights and made no provisions to protect the funds. The Receivership Companies received negligible, if any, returns on the supposed "investments," which exposed the funds to an excessively high risk of loss, and which resulted in proximately caused loss of over \$12,000,000. The Defendant's conduct in transferring these funds out of the Receivership Companies under these circumstances amounts to misappropriation, conversion and a fraudulent transfer.

84. Defendant Gish misappropriated, converted and fraudulently transferred over \$500,000 from the Receivership Companies to pay commissions to individuals whose services consisted of selling unregistered securities in violation of the law and facilitating Defendant Gish's Ponzi scheme and who provided no reasonably equivalent value to the Receivership Companies.
85. Defendant Gish misappropriated, converted and fraudulently transferred over \$400,000 from the Receivership Companies to make loans to friends and other persons and entities without conducting any research regarding their ability to repay and without attempting to collect a single payment on any of the loans.
86. Defendant Gish misappropriated and converted over \$1 million in Receivership Companies' funds to pay himself compensation for his wrongful conduct and to finance his personal expenses.
87. Defendant Gish misappropriated and converted over \$1.3 million in Receivership Companies' funds on office expenses and operations in conducting his Ponzi scheme.
88. Defendant Gish's misappropriation, conversion and fraudulent actions proximately caused the Receivership Companies loss and damages in the

amount of at least \$18 million, for which Defendant Gish is liable to the Receivership Companies.

COUNT III – GROSS NEGLIGENCE

89. The Receiver incorporates and re-alleges the preceding paragraphs as if set forth fully herein.
90. In his position as a de jure or de facto officer, manager and director of the Receivership Companies, Defendant Gish owed each of the Receivership Companies duties of care.
91. Defendant Gish acted recklessly and exercised a complete lack of care and diligence in his management and operation of the Receivership Companies and dealings on their behalf.
92. Defendant Gish acted with gross negligence when he transferred \$12 million dollars from the Receivership Companies for supposed investments for which he conducted little or no care or diligence, failed to make reasonable efforts to inform himself, failed to make any effort to protect the interests of the Receivership Companies, subjected the funds to a risk of almost certain loss, and for which the Receivership Companies received little or no return of the principal invested and made no earnings thereon.

93. Defendant Gish acted with gross negligence when he paid over \$500,000 in commissions from the Receivership Companies to individuals who provided no benefit to the Receivership Companies, but rather who (1) sold securities in violation of federal and state securities laws, or (2) introduced him to those persons with whom he placed the funds for the purported investment opportunities in which he squandered most of the Receivership Companies' assets, and (3) assisted Defendant Gish in operating his Ponzi scheme.
94. Defendant Gish acted with gross negligence when he loaned over \$400,000 from the Receivership Companies to various individuals on without ascertaining the borrowers' ability to repay, without obtaining any collateral, without attempting to collect a single payment on any of the loans and by making additional loans to the same borrowers who already had multiple unpaid loans outstanding.
95. Defendant Gish acted with gross negligence when he used over \$1 million in Receivership Companies' funds to pay himself compensation for his wrongful conduct and to finance his personal expenses at a time when the Receivership Companies had no income and no source of cash except the funds that investors were told would be deposited and kept intact in secure, blocked accounts.

96. Defendant Gish acted with gross negligence when he used over \$1.3 million in Receivership Companies' funds on office expenses and operations in conducting his Ponzi scheme at a time when the Receivership Companies had no income and no source of cash except the funds that investors were told would be deposited and kept intact in secure, blocked accounts.
97. Defendant Gish's negligent acts damaged and proximately caused losses to the Receivership Companies in the amount of at least \$18 million.
98. Defendant Gish is liable to the Receivership Companies for all losses that they have suffered because of his gross negligence.

COUNT IV – NEGLIGENCE

99. The Receiver incorporates and re-alleges the preceding paragraphs as if set forth fully herein.
100. In his position as a de jure or de facto officer, manager and director of the Receivership Companies, Defendant Gish owed each of the Receivership Companies duties of care.
101. Defendant Gish violated his duties of care to the Receivership Companies in all of the imprudent and negligent acts he carried out with funds of the Receivership Companies.

102. Defendant Gish negligently transferred \$12 million dollars from the Receivership Companies for investments for which he conducted no due diligence, failed to document adequately, failed to make any effort to protect the interests of the Receivership Companies, subjected the funds to a risk of almost certain loss, and for which the Receivership Companies received little or no return of either the principal invested or any earnings thereon.
103. Defendant Gish negligently paid over \$500,000 in commissions from the Receivership Companies to individuals who provided no benefit to the Receivership Companies, but rather who (1) sold securities in violation of federal and state securities laws, or (2) introduced him to, those persons with whom he placed the funds for the purported investment opportunities in which he squandered most of the Receivership Companies' assets, and (3) assisted Defendant Gish in operating his Ponzi scheme.
104. Defendant Gish negligently loaned over \$400,000 from the Receivership Companies to various individuals without ascertaining the borrowers' ability to repay, without obtaining any collateral, without attempting to collect a single payment on any of the loans and by making additional loans to the same borrowers who already had multiple unpaid loans outstanding.

105. Defendant Gish negligently used over \$1 million in Receivership Companies' funds to pay himself compensation for his wrongful conduct and to finance his personal expenses at a time when the Receivership Companies had no income and no source of cash except the funds that investors were told would be deposited and kept intact in secure, blocked accounts.
106. Defendant Gish negligently used over \$1.3 million in Receivership Companies' funds on office expenses and operations in conducting his Ponzi scheme at a time when the Receivership Companies had no income and no source of cash except the funds that investors were told would be deposited and kept intact in secure, blocked accounts.
107. Defendant Gish's negligent acts damaged and proximately caused losses to the Receivership Companies in the amount of at least \$18 million.
108. Defendant Gish is liable to the Receivership Companies for all losses that they have suffered because of his negligence.

COUNT V – PIERCING THE VEILS OF LIMITED LIABILITY

109. The Receiver incorporates and re-alleges the preceding paragraphs as if set forth fully herein.

110. Through his commingling and transfers of funds among the Receivership Companies and with other entities he controlled, his disregard of corporate formalities, his improper use of corporate funds and assets for his personal benefit, his failures to document transactions and to ensure that the Receivership Companies maintained adequate records of their finances, his failure to operate the Receivership Companies in compliance with the federal and state securities laws, his failure to ensure that the Receivership Companies were provided supervision and oversight by boards of directors or boards of managers, his fraudulent transfers, his solicitation of investors through illegal means, his causing the Receivership Companies to become and operate while insolvent, and his operation of the Receivership Companies as instrumentalities through which he perpetrated a Ponzi scheme, Defendant Gish disregarded the separate existence of the Receivership Companies, abused the corporate and limited liability company forms and treated the Receivership Companies as his alter egos.
111. The Receivership Companies were damaged in the amount of at least \$18 million in losses and have incurred corresponding liabilities to creditors because of Defendant Gish's abuses of their corporate forms.

112. To observe the corporate and limited liability company forms of the Receivership Companies and their limitations of liability would work an injustice on the Receivership Companies and their creditors, including the investors whose funds Defendant Gish is responsible for losing.
113. Under the doctrine of Baillie Lumber Company v. Thompson, 279 Ga. 288, 612 S.E.2d 296 (2005), Defendant Gish is accordingly personally and individually liable to the Receiver for all the Receivership Companies' debts, obligations and liabilities to investors and creditors.

COUNT VI - INDEMNIFICATION

114. The Receiver incorporates and re-alleges the preceding paragraphs as if set forth fully herein.
115. As a direct and proximately caused result of Defendant Gish's violations of law, breaches of fiduciary duty, intentional and reckless misconduct, gross negligence, and other actions and omissions, the Receivership Companies have incurred at least \$18 million in losses, have incurred corresponding liabilities that they now owe to investors, and are insolvent.
116. Defendant Gish is individually and personally liable to indemnify the Receivership Companies for all their losses and liabilities they have incurred as a result of his wrongdoing.

COUNT VII – PUNITIVE DAMAGES PURSUANT TO O.C.G.A. § 51-12-5.1

117. The Receiver incorporates and re-alleges the preceding paragraphs as if set forth fully herein.
118. In committing the wrongful acts described above, Defendant Gish has engaged in willful misconduct, malice, and an entire want of care giving rise to an inference of conscious indifference to the consequences of his actions.
119. Defendant Gish's conduct with respect to the Receivership Companies is part of a pattern and prior history of breaching fiduciary duties, acting recklessly and with utter disregard for the rights and interests of investors whose funds he solicits and obtains.
120. The Receiver, on behalf of the Receivership Companies, is accordingly entitled to an award of punitive damages against Defendant Gish.

COUNT VIII – ATTORNEYS' FEES AND EXPENSES
PURSUANT TO O.C.G.A. § 13-6-11

121. The Receiver incorporates and re-alleges the preceding paragraphs as if set forth fully herein.
122. Defendant Gish has acted in bad faith, has been stubbornly litigious, and has caused the Receiver unnecessary trouble and expense.
123. The Receiver, on behalf of the Receivership Companies, is accordingly entitled to recover his attorneys' fees and expenses incurred in this action.

WHEREFORE, the Receiver respectfully demands that this cross claim be tried by a jury and prays that the Court:

- a) Award the Receiver, on behalf of the Receivership Companies, damages in an amount in excess of \$18,000,000;
- b) Award the Receiver, on behalf of the Receivership Companies, prejudgment interest on all damages at the highest rate allowed by law;
- c) Award the Receiver, on behalf of the Receivership Companies, punitive damages;
- d) Impose all costs of this action, including reasonable attorneys' fees, on Defendant Gish; and
- e) Award the Receiver, on behalf of the Receivership Companies, such other and further relief as the Court deems just and proper.

This 5th day of February 2007.

/s/ Jennifer D. Odom
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and Oxford Adams Capital, LLC

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	CIVIL ACTION FILE
Plaintiff,)	NO. 1:06-CV01171-CC
)	
v.)	
)	
GEOFFREY A. GISH; WESTON)	
RUTLEDGE FINANCIAL SERVICES,)	
INC.; ZAMINDARI CAPITAL, LLC;)	
LEXINGTON INTERNATIONAL FUND,)	
LLC, a/k/a LEXINGTON)	
INTERNATIONAL FUND, INC.; AND)	
OXFORD ADAMS CAPITAL, LLC,)	
)	
Defendants.)	

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing **Receiver’s Cross-Claim Against Geoffrey A. Gish** with the Clerk of Court using the CM/ECF system which will automatically send email notification of such filing to the attorneys of record.

This 5th day of February 2007.

/s/ Stacey Godfrey Evans
Stacey Godfrey Evans