

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
FORT LAUDERDALE DIVISION**

Civil Action No. \_\_\_\_\_

GARRY BATES, an individual; and  
RENAE BATES, an individual,

Plaintiffs,

v.

AMERIFIRST MANAGEMENT, LLC, a Florida corporation;  
SCOTT PICCININNI, an individual;  
LISA PICCININNI, an individual; and  
JOHN D'ONOFRIO, an individual,

Defendants.

**COMPLAINT FOR DAMAGES**

Plaintiffs, GARRY BATES, an individual; and RENAE BATES, an individual (hereinafter "Plaintiffs"), by and through undersigned counsel, hereby sue Defendants, AMERIFIRST MANAGEMENT, LLC, a Florida corporation ("AMERIFIRST MANAGEMENT"); SCOTT PICCININNI, an individual; LISA PICCININNI, an individual; and JOHN D'ONOFRIO, an individual (collectively the "AMERIFIRST MANAGEMENT DEFENDANTS"); pursuant to the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), Chapter 501, Fla. Stat., and other violations of Florida state law to recover damages for unlawful, deceptive, and misleading business practices in the State of Florida. In support thereof, Plaintiffs state as follows:

**PRELIMINARY STATEMENT**

1. From at least November 2011 through February 2013 (the "relevant period"), AMERIFIRST MANAGEMENT, by and through its officers, employees, and agents, including SCOTT PICCININNI, LISA PICCININNI, and JOHN D'ONOFRIO (collectively, "Defendants"),

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operated an unlawful precious metals scheme in which Defendants cheated and defrauded retail customers in connection with the offer, sale, and confirmation of the execution of illegal, off-exchange, financed transactions in gold, silver, and platinum. SCOTT PICCININNI, LISA PICCININNI, and JOHN D'ONOFRIO each owned, operated, and controlled AMERIFIRST MANAGEMENT.

2. AMERIFIRST MANAGEMENT held itself out as a precious metals wholesaler and clearing firm, using a network of more than thirty precious metals dealers. These dealers solicited retail customers to invest in financed precious metals transactions, where: (1) the retail customer was led to believe that he only needed to make a deposit with the dealer, typically 20% of the total metal value; (2) the dealer would loan the remaining 80% to the customer and the dealer would sell, and the customer would purchase, the total quantity of metal, and (3) the dealer would allocate the total quantity of metal at a depository to be held for the customer. In reality, AMERIFIRST MANAGEMENT was the counterparty to and controlled all aspects of these transactions. The dealers were merely pass-through entities to which AMERIFIRST MANAGEMENT paid commissions for successful solicitations. AMERIFIRST MANAGEMENT used its share of the funds to purchase precious metal, but only in the name of AMERIFIRST MANAGEMENT. Neither AMERIFIRST MANAGEMENT nor the dealer ever actually transferred, allocated, or sold any of this metal to the customer or his account. The customer did not actually own, possess, or have title to any of this metal. Likewise, neither AMERIFIRST MANAGEMENT nor the dealer loaned any funds to the customer to purchase metals, and neither AMERIFIRST MANAGEMENT nor the dealer provided the customer with the balance of the metal. AMERIFIRST MANAGEMENT purported to cover its remaining exposure of the 80% balance of metal with a physical position of gold, purportedly warehoused in Africa, which also was held in the name of AMERIFIRST MANAGEMENT. Upon information and belief, this was a sham physical position that did not exist.

3. Within the past year, the U.S. Commodity Futures Trading Commission (CFTC) has sought to sanction AMERIFIRST MANAGEMENT's activities and filed a civil injunctive enforcement action against AMERIFIRST MANAGEMENT, SCOTT PICCININNI, and JOHN D'ONOFRIO for enacting the fraudulent precious metals scheme upon unsuspecting investors.

4. According to the CFTC's Complaint, filed on July 29, 2013 in the matter styled *CFTC v. AmeriFirst Management LLC, et al.*, U.S. District Court, S.D. Fla. - Case No. 13-cv-61637 (WPD):

- AMERIFIRST MANAGEMENT held itself out as a precious metals wholesaler and clearing firm, operating through a network of more than 30 precious metals dealers;
- A typical customer would give a 20% deposit on the total value of the metal purportedly purchased, and the dealer would make a loan to the customer for the remaining 80%, supposedly sold the customer the total metal amount and supposedly allocated the total metal amount at a depository to be held for the customer.

AMERIFIRST MANAGEMENT created customer documents that represented that the dealer had in fact made a loan to the customer and sold and allocated the total metal amount to the customer. However, the documents created were false because the dealer never made a loan to the customer, nor did the dealer sell or allocate any metal to the customer.

5. Despite the fact that there was no loan and no metal was allocated to the customer, AMERIFIRST MANAGEMENT charged the customer finance and storage fees for the non-existent transaction(s).

6. The size of AMERIFIRST MANAGEMENT's scheme was significant. Upon information and belief, AMERIFIRST MANAGEMENT took in at least \$9,700,000 in customer funds during the relevant period -- approximately \$1,000,000 of which was from Plaintiffs alone. AMERIFIRST MANAGEMENT profited from the scheme in two ways: through an initial mark-up on the total metal value; and through various recurring fees that AMERIFIRST MANAGEMENT charged, such as storage and finance charges.

7. In a related lawsuit Plaintiffs are currently prosecuting in this Court<sup>1</sup>, Plaintiffs have learned that AMERIFIRST MANAGEMENT served as one of the wholesalers and clearing firms for WorldPMX, Inc., a retail precious metals broker-dealer, in a fraudulent investment scheme wherein Plaintiffs invested \$1,500,000 and had approximately \$1,000,000 of their funds depleted by excessive administrative fees, interest payments, undisclosed mark-ups, and mark-downs.

### **GENERAL ALLEGATIONS**

#### **THE PARTIES**

##### **Plaintiffs**

8. Plaintiff GARRY BATES is an individual domiciled in Dickinson, North Dakota; is a citizen of the State of North Dakota; and is *sui juris*. At all times material hereto, GARRY BATES was married to Plaintiff RENAE BATES.

9. Plaintiff RENAE BATES is an individual domiciled in Dickinson, North Dakota; is a citizen of the State of North Dakota; and is *sui juris*. At all times material hereto, RENAE BATES was married to Plaintiff GARRY BATES.

##### **Defendants**

10. Defendant AMERIFIRST MANAGEMENT is a dissolved Florida corporation whose principal place of business was located in Fort Lauderdale, Florida. At all times material hereto, AMERIFIRST MANAGEMENT maintained an office in, and conducted business from, Fort Lauderdale, Florida; and for purposes of diversity jurisdiction, is a citizen of the State of Florida.

11. Defendant SCOTT PICCININNI is an individual domiciled in Broward County, Florida, is a citizen of the State of Florida; and is *sui juris*. At all times material hereto, Mr. Piccininni was a principal of AMERIFIRST MANAGEMENT who headed the company's sales department and

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<sup>1</sup> *Garry Bates and Renae Bates v. WorldPMX, Inc.; Investment Quality Diamonds, Inc.; Sean McCabe; AmeriFirst Trading, Inc.; C. Leo Smith; and Worth Group, Inc.*, U.S. District Ct. - S.D. Fla. - Case No: 13-cv-61138-ZLOCH/HUNT.

who was primarily responsible for recruiting and maintaining relationships with precious metals dealers. In addition, at all times material hereto, Mr. Piccininni was married to Defendant LISA PICCININNI.

12. Defendant LISA PICCININNI is an individual domiciled in Broward County, Florida, is a citizen of the State of Florida; and is *sui juris*. At all times material hereto, Ms. Piccininni was listed on corporate filings, bank accounts, and trading accounts as a principal of AMERIFIRST MANAGEMENT. In addition, at all times material hereto, Ms. Piccininni was married to Defendant SCOTT PICCININNI.

13. Defendant JOHN D'ONOFRIO is an individual domiciled in Palm Beach County, Florida, is a citizen of the State of Florida; and is *sui juris*. At all times material hereto, Mr. D'Onofrio was an owner and operator of AMERIFIRST MANAGEMENT. He served the company as a Manager and Compliance Consultant whose primary responsibility was executing purported physical metals transactions with physical metals suppliers.

14. The AMERIFIRST MANAGEMENT DEFENDANTS never possessed any precious metal, never held title to any precious metal, and never had any enforceable commitment to receive or direct delivery of precious metal on behalf of Plaintiffs. The AMERIFIRST MANAGEMENT DEFENDANTS charged Plaintiffs a finance charge on a loan balance but never disbursed any loan funds to, for, or on behalf of Plaintiffs. The AMERIFIRST MANAGEMENT DEFENDANTS charged Plaintiffs a storage fee based on the total metal value of each transaction, even though the AMERIFIRST MANAGEMENT DEFENDANTS never transferred, allocated, stored, or sold any physical metal to, for, or on behalf of Plaintiffs.

#### **The AmeriFirst Trading Connection**

15. On or about January 4, 2012, AMERIFIRST MANAGEMENT and AmeriFirst Trading, Inc. ("AmeriFirst Trading") -- a fellow South Florida-based firm engaged in the precious

metals investment business -- entered into a Management and Services Agreement by which AMERIFIRST MANAGEMENT agreed to “*manage, operate, and supervise the operations of*” AmeriFirst Trading’s business for their mutual financial benefit.

16. Upon information and belief, AMERIFIRST MANAGEMENT and AmeriFirst Trading, on or about March 13, 2012, terminated their Management and Services Agreement. However, subsequent to that purported contractual termination, AMERIFIRST MANAGEMENT -- according to C. Leo Smith, President of AmeriFirst Trading -- continued to interchangeably conduct all of its business under both its own name and the name of AmeriFirst Trading.

17. Following the purported termination of the Management and Services Agreement, AMERIFIRST MANAGEMENT conducted business using its own name and, with the knowledge and either the express or implied permission of AmeriFirst Trading, conducted business using AmeriFirst Trading’s name and personal property, including AmeriFirst Trading’s web domain and e-mail servers.

18. For example, according to the documentation provided to Plaintiffs that purports to memorialize precious metals purchases made on behalf of Plaintiffs, several of the order confirmations were channeled through e-mail accounts with the domain name “[@amerifirstmgmt.com](mailto:@amerifirstmgmt.com)” such as “[info@amerifirstmgmt.com](mailto:info@amerifirstmgmt.com)” and “[trades@amerifirstmgmt.com](mailto:trades@amerifirstmgmt.com).” At other times, the order confirmations were channeled through e-mail accounts with the domain name “[@amerifirsttrading.com](mailto:@amerifirsttrading.com)” such as “[info@amerifirsttrading.com](mailto:info@amerifirsttrading.com)” and “[trades@amerifirsttrading.com](mailto:trades@amerifirsttrading.com).”

19. Though AMERIFIRST MANAGEMENT and AmeriFirst Trading appear on the surface to be distinct South Florida-based legal entities, the fact that they share a similar name and a similar fraudulent business model should come as no surprise, as the CFTC has alleged in its lawsuit (*see*, Paragraph 4 above) that AMERIFIRST MANAGEMENT is a purported successor entity to

AmeriFirst Trading, with AMERIFIRST MANAGEMENT operating in a much broader space (relationships with over thirty dealers) than AmeriFirst Trading (relationships with only a small handful of dealers). In fact, the CFTC alleged in its lawsuit that AMERIFIRST MANAGEMENT was specifically formed to take over and expand AmeriFirst Trading's operations. In an odd twist for which they apparently have no logical explanation, though, AmeriFirst Trading (the purported predecessor entity) continues to exist today, while AMERIFIRST MANAGEMENT (the purported successor entity) was voluntarily dissolved as a legal entity in early 2013.

20. Regardless of the name under which the business activities were conducted during the time period relevant to this lawsuit, the two companies' financial interests are so inextricably intertwined that, with relation to Plaintiffs and the fraudulent business scheme set forth herein, AMERIFIRST MANAGEMENT and AmeriFirst Trading are virtually one-and-the-same.

21. In addition to those persons and entities set forth as Defendants herein and those identified in Plaintiffs' parallel lawsuit, there are likely other parties who may well be liable to Plaintiffs, but respecting whom Plaintiffs currently lack specific facts to permit them to name such persons as parties defendant. By not naming such persons or entities at this time, Plaintiffs are not waiving their right to amend this pleading to add such parties, should the facts warrant adding such parties.

#### JURISDICTION AND VENUE

22. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332 because the amount in controversy exceeds Seventy Five Thousand Dollars (\$75,000.00), exclusive of interest, costs and attorneys' fees, and is an action between citizens of different states.

23. This Court has personal jurisdiction over the defendants because: (a) the corporate defendants are business entities operating, present, and/or doing business within this jurisdiction, (b) the individual defendants are individuals residing and working within this jurisdiction, and (c) the defendants' breaches and tortious activity occurred within this jurisdiction.

24. Venue of this action is proper in this Court pursuant to 28 U.S.C. § 1391, as the causes of action alleged herein arose in Broward County, Florida.

**FACTUAL ALLEGATIONS APPLICABLE TO ALL COUNTS**

25. In or about March 2012, Plaintiffs received an unsolicited telephone call from an agent of WorldPMX, Inc. ("WorldPMX"), a South Florida-based retail brokerage firm which generally, through telephone solicitations, pitches a potential customer on the prospect of investments in physical bullion (*i.e.*, gold, silver, and platinum). Through its initial solicitation, WorldPMX represents that the customer is purchasing, and that WorldPMX is selling, physical precious metals. However, WorldPMX neither sells nor controls any physical precious metals. WorldPMX merely is a pass-through entity working in collaboration with others such as AMERIFIRST MANAGEMENT who were paid exorbitant commissions for successful solicitations.

26. WorldPMX markets to the customer a financing program, wherein the customer only needs to pay a percentage equity deposit of the total metal value, generally 20%. WorldPMX represents that it will loan the customer the remaining percentage of the funds for a finance charge. WorldPMX represents that the customer then purchases, and WORLDPMX sells to that customer, the total quantity of physical metal. WorldPMX represents that it would then transfer, in the customer's name, the total quantity of physical metal to a depository to be segregated from all other purchased metals and held there in the customer's name.

27. In reality, WorldPMX never possesses any precious metals, never holds title to any precious metals, and never has any enforceable commitment to receive or direct delivery of precious metals. WorldPMX has no precious metals to sell to investors such as Plaintiffs and never actually consummates an actual sale of any physical product to its customers.

28. WorldPMX is essentially operating the "front end" of the precious metals fraud transaction as a commissioned sales broker for AMERIFIRST MANAGEMENT and other

wholesalers/clearing firms ("The Wholesalers"). WorldPMX's role is to solicit customers to invest in retail financed transactions and to relay customer orders and funds to The Wholesalers, who are the true counterparties on the "back end" of the transaction. Upon information and belief, The Wholesalers provided back office administrative support to WorldPMX, including providing WorldPMX with sales scripts to foster client solicitations, contracts for clients, and preparing individual statements for clients to be placed on WorldPMX letterhead.

29. Based on the representations cited above in Paragraphs 25-26 -- which were, in fact, made to Plaintiffs by the WorldPMX solicitor -- Plaintiffs elected to establish an account with WorldPMX and send funds by wire transfer. Plaintiffs were told they would be paying a 15% commission.

30. Notwithstanding the representations made to Plaintiffs relating to investment risk, fees, and expenses, there still remained many undisclosed facts that were withheld from Plaintiffs that essentially render the WorldPMX disclosures utterly hollow, as the undisclosed facts are those that render the investment in precious metals a colossal disaster for investors such as Plaintiffs.

31. Over the ensuing several months, Plaintiffs invested **\$1,500,000** in precious metals through WorldPMX, and AMERIFIRST MANAGEMENT and/or AmeriFirst Trading served as the Wholesalers for many of those investments.

32. According to the trade confirmation paperwork provided to Plaintiffs, AMERIFIRST MANAGEMENT and AmeriFirst Trading interchangeably served as wholesalers -- and took from Plaintiffs excessively large, undisclosed commission payments -- for precious metals transactions on or about the following dates:

March 16, 2012 [two separate transactions]

March 30, 2012 [two separate transactions]

May 7, 2012 [one transaction]

May 10, 2012 [one transaction]

May 15, 2012 [three separate transactions]

May 17, 2012 [five separate transactions]

June 6, 2012 [one transaction]

August 8, 2012 [one transaction]

August 23, 2012 [one transaction]

September 4, 2012 [one transaction]

September 6, 2012 [one transaction]

September 7, 2012 [one transaction]

September 13, 2012 [one transaction]

October 31, 2012 [one transaction]

33. AmeriFirst Trading is shown on the trade confirmation paperwork as having been the clearing firm for the transactions that took place between March 16, 2012 and September 6, 2012. AMERIFIRST MANAGEMENT is shown on the papers as having served as the clearing firm for the transactions between September 7, 2012 and October 31, 2012.

34. Notwithstanding the foregoing, and despite AmeriFirst Trading's name appearing on the confirmations for several of the above-referenced transactions, AmeriFirst Trading claims that AMERIFIRST MANAGEMENT was the responsible wholesaler for some if not all of the transactions on which AmeriFirst Trading's name appears.

35. In the face of the contradictory, incongruent information that exists and the finger-pointing between AmeriFirst Trading and AMERIFIRST MANAGEMENT, Plaintiffs -- through both this lawsuit and the parallel lawsuit Plaintiffs are currently pursuing against AmeriFirst Trading in this Court -- Plaintiffs seek to hold all parties responsible for the harm for which they are liable, regardless of the shells behind which that harm was caused.

36. According to calculations performed by WorldPMX, **Plaintiffs were assessed a total of \$951,699.56 in commissions and fees for the above-identified transactions** -- a large portion

of which AMERIFIRST MANAGEMENT took as its payment for being the Wholesaler on the transactions.

37. Each time Plaintiffs sent sufficient funds to WorldPMX for investment purposes, WorldPMX provided Plaintiffs a written trade confirmation. The trade confirmation contained WorldPMX's name and/or logo. The trade confirmation showed that Plaintiffs had purchased the "Total Ounces" of metal at a given price.

38. WorldPMX also gave Plaintiffs access on WorldPMX's website to a portal from which Plaintiffs had access to a variety of documents, including trade lists, position lists, account statements, and notices of allocation.

39. In reality, AMERIFIRST MANAGEMENT created some or all the customer documents related to the above-cited transactions: the trade confirmations, the trade lists, the position lists, the account statements, and the notices of allocation. AMERIFIRST MANAGEMENT provided some or all of the trade confirmations to WorldPMX, and AMERIFIRST MANAGEMENT knew that WorldPMX then provided those trade confirmations to Plaintiffs.

40. AMERIFIRST MANAGEMENT also had control over the website portal (the "Portal") that provided Plaintiffs direct access to the remaining transaction documents by creating an access portal on WorldPMX's website, where the transaction documents resided. Although the Portal bore AmeriFirst Trading's domain name ([www.amerifirsttrading.com](http://www.amerifirsttrading.com)), AmeriFirst Trading now denies it had control over the Portal during the relevant time period and claims that all such control rested in the hands of AMERIFIRST MANAGEMENT, which freely used AmeriFirst Trading's name and domain with AmeriFirst Trading's knowledge and permission.

41. Through false reports, statements, and other documents, the AMERIFIRST MANAGEMENT DEFENDANTS misrepresented to Plaintiffs that Plaintiffs had purchased, and

WorldPMX sold them, precious metal, and that WorldPMX held the precious metal underlying the purchases.

42. Through false reports, statements, and other documents, the AMERIFIRST MANAGEMENT DEFENDANTS misrepresented to Plaintiffs that WorldPMX made a loan to Plaintiffs to enable Plaintiffs to purchase the 80% balance of metal.

43. These reports, statements, and other documents, are false and deceptive. WorldPMX never has possession of, title to, or any enforceable commitment of precious metal. WorldPMX could not and does not actually transfer, allocate, or sell any precious metal to the customer. Likewise, the AMERIFIRST MANAGEMENT DEFENDANTS do not actually transfer, allocate, or sell any precious metal to the customers. The AMERIFIRST MANAGEMENT DEFENDANTS charged Plaintiffs a storage fee, even though no metal was ever transferred, allocated, or sold to Plaintiffs.

44. Plaintiffs never received, and WorldPMX never made, any loan. WorldPMX never disbursed any loan funds to Plaintiffs. Likewise, the AMERIFIRST MANAGEMENT DEFENDANTS never disbursed any loan funds to Plaintiffs. The AMERIFIRST MANAGEMENT DEFENDANTS charged Plaintiffs a finance fee, even though no loan was ever made to Plaintiffs.

45. Lastly, the AMERIFIRST MANAGEMENT DEFENDANTS falsely represented and/or failed to disclose to Plaintiffs the true amount of fees, charges, commissions, and the like that were assessed upon Plaintiffs. While the AMERIFIRST MANAGEMENT DEFENDANTS' revenues went up, Plaintiffs' invested funds disappeared to the point that it is almost inconceivable that anyone would invest in such a program if the truth were revealed.

46. WorldPMX did not fully and properly disclose to Plaintiffs the actual amounts of the exorbitant, deceptive, and misleading fees and commissions it and AMERIFIRST MANAGEMENT had charged Plaintiffs for purportedly purchasing metal through WorldPMX. Similarly, WorldPMX did not explain what value Plaintiffs would be receiving for the fees and commissions.

47. WorldPMX and the AMERIFIRST MANAGEMENT DEFENDANTS entered into a conspiracy to defraud Plaintiffs and customers like them. The conspiracy was created and agreed-to by WorldPMX, AMERIFIRST MANAGEMENT, and the individuals who created, owned, and operated each business, including Sean McCabe (the owner and operator of WorldPMX) and SCOTT PICCININNI, LISA PICCININNI, and JOHN D'ONOFRIO.

48. WorldPMX, AMERIFIRST MANAGEMENT, and their principals coordinated the fraudulent scheme by working in concert with one another. They each had a measure of control over the course of the scheme and the actors through whom the scheme was enacted. Moreover, any one of them could have put a stop to, or withdrawn from, the scheme at any point.

49. WorldPMX and the AMERIFIRST MANAGEMENT DEFENDANTS knew or acted with reckless disregard for the fact that the vast majority of their customers lose and have lost money in connection with precious metals investments. The reason the vast majority of customers lose money is because of the false and deceptive advertising and lack of full disclosure to the customers.

50. Furthermore, WorldPMX and the AMERIFIRST MANAGEMENT DEFENDANTS failed to disclose to Plaintiffs that their investment transactions were subject to exorbitant rates of interest and fees that, in essence, precluded them from garnering any profit on their investments.

51. WorldPMX and the AMERIFIRST MANAGEMENT DEFENDANTS falsely represented each investment as a good investment despite the fact that they knew that Plaintiffs were losing over 40% of their investment on the very first day in inflated prices and commissions.

52. Out of the nearly \$1,500,000 Plaintiffs invested with the WorldPMX and AMERIFIRST MANAGEMENT, Plaintiffs lost almost all of it, which loss was predominantly attributable to excessive administrative fees, interest payments, undisclosed mark-ups, and mark-downs.

53. Attached hereto as **Exhibit "A"** is an exemplar of the documents the AMERIFIRST MANAGEMENT DEFENDANTS created containing the false and misleading information purporting to represent Plaintiffs' positions, costs, and the overall summary of Plaintiffs' supposed transactions. Consistent with the fraudulent scheme described above, the AMERIFIRST MANAGEMENT document, for example:

- (a) Is maintained on the Portal;
- (b) Is accessible through the web domain maintained by AMERIFIRST MANAGEMENT on its own behalf or on behalf of AmeriFirst Trading ([www.amerifirsttrading.com](http://www.amerifirsttrading.com)); and
- (c) Contains information in its web address clearly showing that AMERIFIRST MANAGEMENT and/or AmeriFirst Trading provided "back office," "admin[istrative]" support purporting to reflect Plaintiffs' "acc[ount] summary."

54. WorldPMX and the AMERIFIRST MANAGEMENT DEFENDANTS intended Plaintiffs to rely upon the representations that they made or caused to be made to Plaintiffs, and WorldPMX and the AMERIFIRST MANAGEMENT DEFENDANTS purposely omitted from those representations certain material facts -- all of which were representations upon which Plaintiffs relied to their detriment.

**Plaintiffs Have Been Harmed and Have Now Brought This Lawsuit**

55. Plaintiffs did not know, and through the exercise of reasonable diligence could not have discovered, the fraud that was being perpetrated upon them by WorldPMX and the AMERIFIRST MANAGEMENT DEFENDANTS.

56. WorldPMX's and the AMERIFIRST MANAGEMENT DEFENDANTS' actions, omissions, and misrepresentations constituted a fraud and deceit on Plaintiffs.

57. As a result of the above-cited actions, omissions and misrepresentations, Plaintiffs have been damaged in that they have lost all or a portion of their invested capital.

58. Plaintiffs have duly performed all of their duties and obligations, and any conditions precedent to Plaintiffs bringing this action have occurred, have been performed, or else have been excused or waived.

59. To enforce their rights, Plaintiffs have retained undersigned counsel and is obligated to pay counsel a reasonable fee for its services, for which the AMERIFIRST MANAGEMENT DEFENDANTS are liable as a result of their bad faith and otherwise.

**COUNT I – VIOLATION OF FLORIDA’S  
DECEPTIVE AND UNFAIR TRADE PRACTICES ACT,  
CHAPTER 501, § 211(1), FLA. STAT. (“FDUTPA”)**  
**[AGAINST AMERIFIRST MANAGEMENT, SCOTT PICCINNI,  
LISA PICCINNI, AND JOHN D’ONOFRIO]**

Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 59 above, and further allege:

60. Chapter 501, Fla. Stat., Florida’s Deceptive and Unfair Trade Practices Act is to be liberally construed to protect the consuming public, such as Plaintiffs in this case, from those who engage in unfair methods of competition, or unconscionable, deceptive or unfair acts or practices in the conduct of any trade or commerce.

61. Plaintiffs are “consumers” within the meaning of Fla. Stat. § 501.203(7).

62. The AMERIFIRST MANAGEMENT DEFENDANTS engaged in “trade and commerce” within the meaning of Fla. Stat. § 501.203(3).

63. While FDUTPA does not define “deceptive” and “unfair,” it incorporates by reference the Federal Trade Commission’s interpretations of these terms. The FTC has found that a “deceptive act or practice” encompasses “a representation, omission or practice that is likely to mislead the consumer acting reasonably in the circumstances, to the consumer’s detriment.”

64. The federal courts have defined a “deceptive trade practice” as any act or practice that has the tendency or capacity to deceive consumers and have defined an “unfair trade practice” as any

act or practice that offends public policy and is immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers.

65. The AMERIFIRST MANAGEMENT DEFENDANTS' acts and omissions of representing to Plaintiffs that, among other things, that each and every report and statement prepared by WorldPMX and AMERIFIRST MANAGEMENT -- specifically the trade confirmations, the trade lists, the position lists, the account statements, and the notices of allocation -- accurately and truthfully represented to Plaintiffs the positions, costs, and the overall summary of Plaintiffs' supposed transactions through the AMERIFIRST MANAGEMENT DEFENDANTS constitute both deceptive and unfair trade practices because the false representations and omissions made by the AMERIFIRST MANAGEMENT DEFENDANTS have a tendency or capacity to deceive consumers, such as Plaintiffs, into investing in the AMERIFIRST MANAGEMENT DEFENDANTS' fraudulent precious metals scheme and are immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers.

66. As a result of the AMERIFIRST MANAGEMENT DEFENDANTS' deceptive trade practices, Plaintiffs were deceived into placing their money into a terrible investment which makes little economic sense and the way the AMERIFIRST MANAGEMENT DEFENDANTS had their scheme rigged, most likely will never pay off for Plaintiffs -- thus causing significant economic damage to Plaintiffs.

67. The materially false statements and omissions as described above, and the fact that this was a sham investment, were unfair, unconscionable, and deceptive practices perpetrated on Plaintiffs which would have likely deceived a reasonable person under the circumstances.

68. The AMERIFIRST MANAGEMENT DEFENDANTS were on notice at all relevant times that the false representations of material facts described above were being communicated to

prospective customers (such as Plaintiffs) by their authorized agents to increase the revenue garnered by the AMERIFIRST MANAGEMENT DEFENDANTS.

69. As a result of the false representations described above, Plaintiffs have been damaged by, among other things losing all or a portion of their invested capital and being assessed an inordinate amount of fees, price spreads, commissions, and interest to an extent that essentially precluded Plaintiffs from receiving a positive return on their investments.

70. Plaintiffs have also been damaged in other and further ways subject to proof at trial.

71. Therefore, the AMERIFIRST MANAGEMENT DEFENDANTS engaged in unfair and deceptive trade practices in violation of Section 501.201 *et seq.*, Fla. Stat.

72. At all times material hereto, AMERIFIRST MANAGEMENT was an “alter ego” of SCOTT PICCININNI, LISA PICCININNI, and JOHN D’ONOFRIO and served as a corporate entity they dominated and controlled to further their interest and participation in the fraudulent scheme.

73. Additionally, AMERIFIRST MANAGEMENT, at times material hereto, operated behind the façade of AmeriFirst Trading; and the two businesses used each other’s names when they found it convenient and, now that they find it equally convenient, are assessing blame upon each other for the harm that was caused to Plaintiffs.

74. Pursuant to Sections 501.211(1) and 501.2105, Fla. Stat., Plaintiffs are entitled to recover from the AMERIFIRST MANAGEMENT DEFENDANTS the reasonable amount of attorneys’ fees Plaintiffs have had to incur in representing their interests in this matter.

WHEREFORE, Plaintiffs demand entry of a judgment against AMERIFIRST MANAGEMENT, LLC, a Florida corporation; SCOTT PICCININNI, an individual; LISA PICCININNI, an individual; and JOHN D’ONOFRIO, an individual; jointly and severally, for an amount within the jurisdictional limits of this court, including an award of interest and an award of

attorneys' fees and costs pursuant to Fla. Stat. §§ 501.211(1) and 501.2105. Plaintiffs reserve the right to seek leave of court to assess punitive damages against AMERIFIRST MANAGEMENT, SCOTT PICCININNI, LISA PICCININNI, and JOHN D'ONOFRIO, jointly and severally.

**COUNT II – FRAUDULENT INDUCEMENT**  
**[AGAINST AMERIFIRST MANAGEMENT]**

Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 59 above, and further allege:

75. AMERIFIRST MANAGEMENT, by acts of both omission and commission, made false statements to Plaintiffs concerning material facts about their investments.

76. AMERIFIRST MANAGEMENT knew at the time the statements were made that the statements were false.

77. AMERIFIRST MANAGEMENT intended that Plaintiffs would be induced into action by relying upon the statements of fact made to them by AMERIFIRST MANAGEMENT.

78. In the course of investing their money through AMERIFIRST MANAGEMENT and entrusting AMERIFIRST MANAGEMENT to properly handle their investment funds, Plaintiff reasonably and justifiably relied on the statements of fact made to them by AMERIFIRST MANAGEMENT.

79. As a direct and proximate result of Plaintiffs' reliance on the statements made to them by AMERIFIRST MANAGEMENT, Plaintiffs have suffered damage.

WHEREFORE, Plaintiffs demand entry of a judgment against AMERIFIRST MANAGEMENT, LLC, a Florida corporation, for an amount within the jurisdictional limits of this court, including an award of interest and costs. Plaintiffs reserve the right to seek leave of court to assess punitive damages against AMERIFIRST MANAGEMENT.

**COUNT III – CIVIL CONSPIRACY**  
**[AGAINST AMERIFIRST MANAGEMENT, SCOTT PICCININNI,  
LISA PICCININNI, AND JOHN D’ONOFRIO]**

Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 59 above, and further allege:

80. The AMERIFIRST MANAGEMENT DEFENDANTS conspired with WorldPMX, Inc., its principal member Sean McCabe, and the other Wholesalers to perpetrate an unlawful act upon Plaintiffs or to perpetrate a lawful act by unlawful means, *to wit*: they made multiple misrepresentations of fact to Plaintiffs in an effort to extract from Plaintiffs unnecessary fees, undisclosed charges, and improperly protected investment capital to boost the total amount of assets they had under their management – all of which put the AMERIFIRST MANAGEMENT DEFENDANTS’ own pecuniary interest ahead of Plaintiffs’ welfare and economic safety.

81. In furtherance of their conspiracy, the AMERIFIRST MANAGEMENT DEFENDANTS made to Plaintiffs, or agreed to have someone make on their behalf, the false statements of fact detailed above.

82. The AMERIFIRST MANAGEMENT DEFENDANTS were each aware of, and consented to, the misrepresentations detailed above.

83. As a direct and proximate result of the AMERIFIRST MANAGEMENT DEFENDANTS’ conspiracy, Plaintiffs have suffered damage.

WHEREFORE, Plaintiffs demand entry of a judgment against AMERIFIRST MANAGEMENT, LLC, a Florida corporation; SCOTT PICCININNI, an individual; LISA PICCININNI, an individual; and JOHN D’ONOFRIO, an individual; jointly and severally, for an amount within the jurisdictional limits of this court, including an award of interest and costs. Plaintiffs reserve the right to seek leave of court to assess punitive damages against the AMERIFIRST MANAGEMENT DEFENDANTS, jointly and severally.

**PLAINTIFFS' DEMAND FOR JURY TRIAL**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiffs demand trial by jury in this action of all issues so triable.

**RESERVATION OF RIGHTS**

Plaintiffs reserve their right to further amend this Complaint, upon completion of their investigation and discovery, to assert any additional claims for relief against Defendants or other parties as may be warranted under the circumstances and as allowed by law.

Respectfully submitted,

**SILVER LAW GROUP**

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Dated: June 25, 2014



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Summary	Positions	Trades / Transactions	Notices of Allocation					
Buy Gold								
Transaction	Commodity	Fill Price	Current Price	Quantity	Market Value	Comm / Fees	Break Even	Profit
34336	Gold	\$1730.00	\$1839.05	377	\$617,921.85	\$123,919.90	\$1,989.50	\$-132,119.65
Buy Silver								
Transaction	Commodity	Fill Price	Current Price	Quantity	Market Value	Comm / Fees	Break Even	Profit
34337	Silver	\$34.13	\$30.19	28744	\$867,781.36	\$186,396.22	\$39.25	\$-260,406.27
34420	Silver	\$33.74	\$30.19	5194	\$156,806.86	\$33,296.65	\$38.80	\$-44,725.53
Buy Platinum								
Transaction	Commodity	Fill Price	Current Price	Quantity	Market Value	Comm / Fees	Break Even	Profit
34419	Platinum	\$1715.00	\$1524.50	411	\$626,569.50	\$140,973.00	\$1,972.25	\$-184,025.25

EXHIBIT "A"