

45 FAPT Cases Gone Wrong

1. Contempt of Court / Jail for Refusal to Repatriate Assets

- FTC v. Affordable Media LLC (Anderson Case) – Cook Islands trust; settlors jailed for refusing to repatriate assets
 - In re Lawrence – Debtor jailed over 6 years for refusing to repatriate assets from offshore trust
 - SEC v. Bilzerian – Debtor jailed for refusal to repatriate assets
 - BankFirst v. Legendre – Debtor jailed until assets were repatriated
 - Barbee v. Goldstein – Cook Islands trust; debtor jailed for contempt
 - Chadwick v. Green – Debtor jailed 14 years for refusing to repatriate \$2.5M
 - SEC v. Jamie Solow – Debtor jailed for contempt
 - Morris v. Morris / Morris v. Wroble – Debtor jailed for contempt
 - Eulich v. U.S. – Threatened with jail until assets repatriated
 - FTC v. AmeriDebt – Contempt for failure to repatriate
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2. Fraudulent Conveyance / Transfers to Defeat Creditors

- Brown v. Higashi – Belize trust; court found intent to hinder creditors
 - Fortney v. Kuipers – Assets moved offshore after injury lawsuit; transfer was voided
 - Advanced Telecommunication Network v. Allen – Cook Islands trust invalidated; debtor held in contempt
 - Rush University v. Sessions – Debtor's transfer to an offshore trust was a fraudulent conveyance and was set aside
 - BB&T v. Hamilton Greens – Transfers to a Cook Islands trust were voided as fraudulent against a known creditor
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3. Bankruptcy Fraud / Denial of Discharge

- In re Portnoy – Offshore money led to denial of discharge
- SEC v. Brennan – Bankruptcy fraud conviction
- In re Colburn – Offshore trust undisclosed; discharge denied for debtor fraud
- In re Brooks – Court disregarded offshore trust; assets seized by U.S. trustee
- In re Rensin – Bankruptcy court found settlor control; trust protections limited; turnover issues pursued
- In re Cyr – Court scrutinized offshore trust transfers; homestead exemption challenged
- Sattin v. Brooks – Bankruptcy court denied discharge; trust was a fraudulent conveyance and debtor had control

- In re Schmitt – Debtor’s transfer to a Cook Islands trust was an avoidable fraudulent conveyance under bankruptcy law
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4. Divorce / Marital Asset Division

- Riechers v. Riechers – Offshore trust assets included in marital estate
 - Westrate v. Westrate – Assets included in divorce; fraud alleged
 - Breitenstine v. Breitenstine – Trust assets divided in divorce
 - Marriage of Harnack – Sitting in jail for many years and still in jail hiding behind Belize trust after divorce award
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5. Tax Evasion / Hiding Assets Offshore

- U.S. v. Thompson – Treasure hunter jailed for hiding gold in Belize trust
 - U.S. v. Butselaar – Tax attorney jailed for hiding \$28M offshore
 - Jerome Schneider Case – Promoted fake offshore banks; convicted
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6. Regulatory Enforcement / Pyramid Schemes

- FTC v. Fortuna Alliance – Pyramid scheme; assets repatriated from Antigua
 - SEC v. Greenberg – Lavish lifestyle via offshore trust; held in contempt
 - SEC v. Cook – Settlor lost control of his offshore trust assets due to the court’s contempt power
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7. Piercing Offshore Trusts / Court Orders

- U.S. v. Grant (Arlene Grant Case) – Nevis trust; court issued injunction after funds were received
 - U.S. v. Plath – Held in contempt for refusing to disclose offshore accounts
 - U.S. v. Rogan – Bahamas trust pierced; Illinois law applied
 - Indiana Investors v. Victor Fink – Cook Islands trust frozen by TRO
 - Gilmore v. AsiaTrust – California court asserted jurisdiction over offshore trustee
 - Bank of America v. Weese – Massive transfers to Cook Islands trust; settlement and repatriation negotiated
 - Netsphere v. Baron – Court compelled debtor to repatriate assets; found the trust was a sham
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8. Other Notable Outcomes

- In re Omegas Group – Constructive trust theory used to reach allegedly diverted funds
- FDIC v. Lewis – Trust assets were subject to judgment; settlor's transfer to offshore trust lacked adequate consideration
- In re Steering Committee – Offshore trust set up to hide assets from a \$101 million malpractice judgment failed
- In re Tinsley – Funds in a Belize trust were reachable by the creditor due to debtor's retained interest

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