

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 24-80980-CV-MIDDLEBROOKS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

WELLS REAL ESTATE INVESTMENT, LLC,
JANALIE C. JOSEPH
A/K/A JANALIE C. BINGHAM, and
JEAN JOSEPH,

Defendants,

CAMBRIDGE REAL ESTATE MANAGEMENT, LLC,
60 YACHT CLUB, LLC, 112 SOUTH OLIVE, LLC,
791 PARKSIDE HOME, LLC, 910 PARKSIDE, LLC,
930 PARKSIDE, LLC, 976 PALM BEACH SQUARE, LLC,
1070 BOCA RATON SQUARE, LLC,
2082 PARADISE PALM, LLC,
2295 CORPORATE BLVD LLC, 4050 NW, LLC,
4100 HOSPITAL OFFICE, LLC, 4800 FEDERAL, LLC,
7352 VALENCIA, LLC, 7483 VALENCIA, LLC,
BOCA DEERFIELD PROPERTIES, LLC,
DAYBREAK HOME, LLC,
GLOBE OFFICES, LLC,
GLOBE PROPERTY OFFICES, LLC,
LW SQUARE OFFICE, LLC,
MARTINIQUEÂ INVESTMENTS LLC
a/k/a MARTINIQUE'S INVESTMENTS LLC,
OAKLAND LAND PROPERTY, LLC, and
SOUTH OLIVE OFFICE, LLC,

Relief Defendants.

ORDER GRANTING PRELIMINARY INJUNCTION

THIS CAUSE comes before the Court upon Plaintiff Securities and Exchange Commission's ("Commission") Emergency *Ex Parte* Motion and Memorandum of Law for Asset

Freeze and Other Relief (the “Emergency Motion”), filed on August 12, 2024 (DE 6), which sought the following:

1. an order freezing the assets of Defendants Wells Real Estate Investment, LLC (“Wells”), Janalie C. Joseph a/k/a Janalie C. Bingham (“Bingham”), Jean Joseph (“Joseph”) (collectively, the “Defendants”), and the Relief Defendants;¹
2. an order requiring sworn accountings by Defendants Wells, Bingham, and Joseph;² and
3. an order prohibiting the destruction of records by Defendants Wells, Bingham, and Joseph, and by the Relief Defendants.

Although the Commission’s Emergency Motion cited the standard for obtaining a preliminary injunction, relying on *SEC v. Chappell*, 107 F.4th 114, 129-39 (3d Cir. 2024), the federal rules state that a preliminary injunction may only be issued after notice to the adverse party. Fed. R. Civ. P. 65(a). Only a temporary restraining order may be issued without written or oral notice. Fed. R. Civ. P. 65(a)-(b). Therefore, on August 14, 2024, I issued a Temporary Restraining Order on account of the *ex parte* nature of the relief sought in the Commission’s Emergency Motion. (DE 12). At that time, I scheduled a hearing for August 27, 2024, wherein the Defendants

¹ The Relief Defendants are: Cambridge Real Estate Management, LLC, 60 Yacht Club, LLC, 112 South Olive, LLC, 791 Parkside Home, LLC, 910 Parkside, LLC, 930 Parkside, LLC, 976 Palm Beach Square, LLC, 1070 Boca Raton Square, LLC, 2082 Paradise Palm, LLC, 2295 Corporate Blvd LLC, 4050 NW, LLC, 4100 Hospital Office, LLC, 4800 Federal, LLC, 7352 Valencia, LLC, 7483 Valencia, LLC, Boca Deerfield Properties, LLC, Daybreak Home, LLC, Globe Offices, LLC, Globe Property Offices, LLC, LW Square Office, LLC, Martiniqueâ Investments LLC a/k/a Martinique’s Investments LLC, Oakland Land Property, LLC, and South Olive Office, LLC.

² As of the show cause hearing held this morning, September 16, 2024, Defendant Joseph has complied with the Temporary Restraining Order and filed his sworn accounting. (DE 62). Counsel for the Commission also noted that Defendant Bingham was in talks to file a corrected sworn accounting with their office.

were to show cause, if any, why a preliminary injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure should not be granted against them, as requested by the Commission. Following that hearing, and upon the Parties' agreement to a continuation of the show cause hearing until September 16, 2024, I extended the Temporary Restraining Order through September 16, 2024, pursuant to Rule 65(b)(2) of the Federal Rules of Civil Procedure. (DE 58). At the second show cause hearing, which took place this morning, September 16, 2024, Defendant Joseph stated he would not oppose rendering the Temporary Restraining Order permanent via preliminary injunction. Likewise today, Defendant Bingham, appearing *pro se*, confirmed she does not oppose the imposition of a preliminary injunction. This is consistent with her statements of non-opposition made at the first show cause hearing on August 27, 2028. No other defendant has filed opposition to the Commission's requested preliminary injunction.

BACKGROUND

Defendants Bingham and Joseph operate Wells, a limited liability company incorporated in Wyoming with its principal place of business located in West Palm Beach, which "acquires, sells, borrows against, and manages commercial and residential real estate." (DE 6 at 1). The Commission claims Defendant Bingham serves as Wells' founder and CEO, controlling 100% of its equity membership interest, while her husband, Defendant Joseph, is alleged to have assisted Bingham in an undisclosed capacity "control[ling] Wells' day-to-day operations." (DE 6 at 13).

On August 13, 2024, the Commission brought this action, first alleging that Defendants Bingham and Joseph, through their management of Wells and the Relief Defendants named herein, raised approximately \$56 million from 660 investors nationwide by "fraudulent[ly] offering . . . promissory notes to investors, issued by Wells, promising annual returns of 12% to 33%." (DE 6 at 1). This offering, dubbed the "Assets-to-Income Program," had three options for obtaining promissory notes: an 18-month Note "paying 1% interest per month, paid monthly" with a return

of principal at the end of the term; a 28-month Note also paid 1% monthly, with an additional “1% bonus paid at maturity along with the return of principal”; and a 36-month Note, which does not pay monthly interest but pays “99% interest at the end of the term, along with principal repayment.” (DE 6 at 11).

The Commission alleges that Wells’ Assets-to-Income Program was fraudulently pushed on investors by Defendants Bingham and Joseph, by and through sales agents hired to solicit investors, all while Defendants Bingham and Joseph artificially inflated both the personal value of Bingham, the so-called “face” of Wells, and the value of Wells itself. (DE 6 at 10). In particular, the Commission states that Wells postured itself in marketing materials as a “growing real estate portfolio with an estimated valuation of \$450,000,000 in commercial and residential properties,” and touted Defendant Bingham’s personal success in developing a “current portfolio totaling over \$100,000,000.” (DE 6 at 10). In reality, from 2020 to 2024 Wells and Relief Defendants allegedly “acquired approximately 34 properties valued at about \$46 million at the time of their acquisition,” many of which were financed by mortgages. (DE at 14).

To keep Wells’ operations afloat, Defendants Bingham and Joseph allegedly reallocated “approximately \$10 million of investor funds to make Ponzi-like interest payments to investors and to satisfy Note redemptions.” (DE at 17). Further, the Commission claims that Defendants Bingham and Joseph misused and misallocated investor funds for a series of other ill-considered purposes, including: “at least \$28,938,542 of investor funds to engage in speculative trading” (DE at 15); approximately “\$6.8 million to outside sales agents” as compensation for soliciting investments in the Assets-to-Income Program (DE at 17); and several million dollars for personal use, including \$1.8 million for “cash withdrawals, luxury cars, living expenses such as groceries, and even settlement of a private lawsuit for \$293,000,” as well as \$1.95 million to purchase a

residential house in West Palm Beach for Relief Defendant 930 Parkside LLC, which then sold the house to Defendant Bingham for \$10 eight months later. (DE at 19-20).

Finally, the Commission alleges several other non-monetary violations of the Securities Act (15 U.S.C. § 77a et seq.) and the Securities Exchange Act (15 U.S.C. § 78a et seq.). For instance, the Commission alleges that at no point did Defendants Bingham or Joseph disclose to Wells' investors the prominent role that Defendant Joseph played in Wells' operations, despite the fact that Defendant Joseph had previously been convicted of one count of wire fraud. (DE at 18). Moreover, the Commission states that Defendants Bingham and Joseph "offered and sold securities issued by Wells" through the Assets-to-Income Program without appropriate securities licenses, while neither were registered with the Commission as broker-dealers. (DE 6 at 20-21).

ANALYSIS

A court may grant a preliminary injunction when the moving party demonstrates: (i) a substantial likelihood that plaintiff will succeed on the merits; (ii) a substantial threat that plaintiff will suffer irreparable injury if a preliminary injunction is not granted; (iii) the threatened injury outweighs the harm a preliminary injunction may cause the defendant; and (iv) the grant of a preliminary injunction will not disserve the public interest. *Siegel v. LePore*, 234 F.3d 1163, 1176 (11th Cir. 2000) (en banc). On review of the Commission's supplied exhibits and pleadings, and without opposition from Defendants, I find that the Commission has made a sufficient and proper showing in support of the preliminary injunction granted herein by establishing: (i) that it is likely to succeed on the merits of its claims pled in the Complaint; (ii) that Wells' investors are likely to suffer irreparable harm in the absence of an order freezing assets, requiring a sworn accounting, and prohibiting the destruction of records; (iii) that the balance of the equities favor granting the foregoing relief; and (iv) that the foregoing relief is in the public interest. Moreover, as the

Commission's requested relief is no longer *ex parte*, and with the agreement of the Parties, I will construe its Emergency Motion as requesting a preliminary injunction.

Accordingly, it is hereby **ORDERED AND ADJUDGED** that

(1) The Commission's Motion and Memorandum of Law for Asset Freeze and Other Relief (DE 6) is **GRANTED**.

(2) Defendants and Relief Defendants, their agents, servants, employees, attorneys, depositories, banks, insurance companies, and those persons in active concert or participation with any one or more of them, and each of them, who receive notice of this order by personal service, mail, facsimile transmission or otherwise, be and hereby are, **RESTRAINED** from, directly or indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of, or withdrawing any assets or property, including but not limited to cash, free credit balances, fully paid for securities, crypto assets, and/or property pledged or hypothecated as collateral for loans, or charging upon or drawing from any lines of credit, owned by, controlled by, or in the possession of Defendants and Relief Defendants.

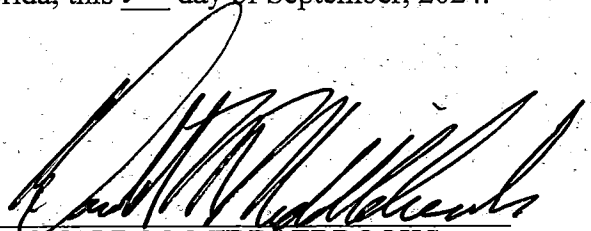
(3) Any financial or brokerage institution, or other person or entity holding any such funds or other assets, in the name, for the benefit or under the control of Defendants and Relief Defendants, directly or indirectly, held jointly or singly, and wherever located, and which receives actual notice of this order by personal service, facsimile, or otherwise, shall **HOLD AND RETAIN** within its control and prohibit the withdrawal, removal, transfer, disposition, pledge, encumbrance, assignment, set off, sale, liquidation, dissipation, concealment, or other disposal of any such funds or other assets, including, but not limited to, the following accounts:

Institution	Account Number	Account Holder Name
Bank of America, N.A. ("Bank of America")	XXXXXX6730	1070 Boca Raton Square LLC
Bank of America	XXXXXX0231	2082 Paradise Palm LLC
Bank of America	XXXXXX3391	2295 Corporate Blvd LLC
Bank of America	XXXXXX3740	4100 Hospital Office LLC
Bank of America	XXXXXX6660	4100 Hospital Office LLC
Bank of America	XXXXXX6725	4100 Hospital Office LLC
Bank of America	XXXXXX3128	4800 Federal, LLC
Bank of America	XXXXXX2983	60 Yacht Club LLC
Bank of America	XXXXXX5840	60 Yacht Club LLC
Bank of America	XXXXXX0082	7352 Valencia LLC
Bank of America	XXXXXX3115	791 Parkside Home LLC
Bank of America	XXXXXX7879	910 Parkside, LLC
Bank of America	XXXXXX8791	930 Parkside, LLC
Bank of America	XXXXXX2745	976 Palm Beach Square LLC
Bank of America	XXXXXX0387	Boca Square One, LLC
Bank of America	XXXXXX1982	Cambridge Real Estate Management LLC
Bank of America	XXXXXX2004	Cambridge Real Estate Management LLC
Bank of America	XXXXXX6108	Daybreak Home LLC
Bank of America	XXXXXX6159	Globe Offices, LLC
Bank of America	XXXXXX9970	Globe Offices, LLC
Bank of America	XXXXXX7318	Globe Property Offices, LLC
Bank of America	XXXXXX7321	Globe Property Offices, LLC
Bank of America	XXXXXX9640	Globe Property Offices, LLC
Bank of America	XXXXXX0449	LW Square Office, LLC
Bank of America	XXXXXX0481	LW Square Office, LLC
Bank of America	XXXXXX8169	LW Square Office, LLC
Bank of America	XXXXXX2899	Martiniquea Investments LLC
Bank of America	XXXXXX7932	Oakland Land Property LLC
Bank of America	XXXXXX3018	South Olive Office LLC
Bank of America	XXXXXX6386	South Olive Office LLC
Bank of America	XXXXXX0021	Wells Real Estate Investment LLC
Bank of America	XXXXXX1600	Wells Real Estate Investment LLC
Bank of America	XXXXXX3550	Wells Real Estate Investment LLC
Bank of America	XXXXXX4188	Wells Real Estate Investment LLC
Bank of America	XXXXXX5029	Wells Real Estate Investment LLC

(4) Defendants and Relief Defendants, including any of their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or

participation with any one or more of them, and each of them, be and they hereby are **RESTRAINED AND ENJOINED** from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts, statements, obligations, files and other property of or pertaining to any of the Defendants and Relief Defendants, wherever located and in whatever form, electronic or otherwise, until further order of this Court.

SIGNED in Chambers at West Palm Beach, Florida, this 16 day of September, 2024.



DONALD M. MIDDLEBROOKS
UNITED STATES DISTRICT COURT

Copies to: Counsel of Record