

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

10 CA 10360 MLW

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

KATHLEEN S. DOBENS,
CHARLES S. DOBENS,
JOSEPH A. ROCHE,
SILEX GROUP, LLC,
PREAKNESS APARTMENTS I & II, LLC,
CHERRY HILLS APARTMENTS OF
FORT WORTH, LLC, and
CLEAR RIVER PARTNERS, LLC,

Defendants

and

EAST COAST INVESTMENT SOLUTIONS, LLC,
THE DOBENS COMPANY, LLC,
CROSSCREEKS APARTMENTS I, and
CROSSCREEKS APARTMENTS II, LLC

Relief Defendants.

Case No.

FILED
IN CLERKS OFFICE
2010 MAR -1 A 11:43
U.S. DISTRICT COURT
DISTRICT OF MASS.

JURY TRIAL DEMANDED

MAGISTRATE JUDGE Bowler

COMPLAINT

Plaintiff Securities and Exchange Commission (“the Commission” or “SEC”) alleges the following against defendants, Kathleen S. Dobens, Charles S. Dobens, and Joseph A. Roche, acting through defendants Silex Group, LLC, Preakness Apartments I & II, LLC, Cherry Hills Apartments of Fort Worth, LLC, and Clear River Partners, LLC (collectively, “the defendants”), and relief defendants East Coast Investment Solutions, LLC, The Dobens Company, LLC,

Crosscreeks Apartments I, LLC, and Crosscreeks Apartments II, LLC (the “Relief Defendants”) and hereby demands a jury trial.

PRELIMINARY STATEMENT

1. Through companies created and controlled by them, Kathleen Dobens (“Ms. Dobens”), Charles Dobens (“Mr. Dobens”) and Joseph Roche (“Roche”) (collectively, “Individual Defendants”) solicited investors’ money with false promises of secured investments and guaranteed return. The money was diverted to purposes of their own, including paying back an earlier investor, personal expenses, and expenses for other companies they owned and controlled. Acting through Silex Group, LLC (“Silex”), Preakness Apartments I & II, LLC (“Preakness”), Cherry Hills Apartments of Forth Worth, LLC (“Cherry Hills”), and Clear River Partners, LLC (“Clear River”) (collectively, “Company Defendants”), the Individual Defendants have defrauded approximately 60 investors of approximately \$3.5 million.

2. In February 2009, Roche created Silex with Mr. and Ms. Dobens. At the time, the Individual Defendants were already the principals of the remaining Company Defendants.

3. Silex solicited investments by claiming that investors’ money would be pooled to invest in “multi-family housing assets.” It claimed already to own “over \$20 Million of assets with another \$27 Million of properties under contract.” Silex’s website showed images of three commercial properties, including prices, which totaled just over \$20 million. None of this was true. Silex did not own the three pictured properties or any others, and did not have \$27 million in property under contract. Instead, Silex used at least some investor funds to make payments to other investors. In addition, significant Silex funds were transferred to and from other Company Defendants and Relief Defendants and used for personal expenses.

4. Five Silex investors have not been repaid for investments in Silex that the investors made through convertible notes or a promissory note that guaranteed an annual interest rate of 9% or 12%.

5. Silex promised at least one of these investors that his investment would be held in escrow, with a financial institution specified. In direct contradiction to that representation, his check was deposited in an account opened, with that money, in Silex's name, at another financial institution. Within two weeks, most of that money was paid out to an earlier Silex note holder.

6. Silex investors were variously told that the investment was safe, was secured by ownership of real property, would be placed in an escrow account, and was not at risk. None of these representations was true. Instead, a review of Silex's bank account records shows that money was withdrawn from the Silex account to pay for personal expenses.

7. The Individual Defendants made similar misrepresentations to Preakness investors of guaranteed income of investments in Preakness. Clear River's offering documents for both Preakness and Cherry Hills also misrepresented that investors should conservatively expect consistent investment returns of more than 9% per year.

8. Through the activities alleged in this Complaint, the defendants engaged in: (1) fraud in the offer or sale of securities, in violation of Section 17(a) of the Securities Act of 1933 ("Securities Act"); (2) fraudulent or deceptive conduct in connection with the purchase or sale of securities, in violation of Section 10(b) of the Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder; and (3) the offer and sale of unregistered securities, in violation of Sections 5(a) and (c) of the Securities Act.

9. Accordingly, the Commission seeks: (1) entry of a permanent injunction prohibiting the defendants from further violations of the relevant provisions of the federal securities laws; (2) disgorgement of the defendants' ill-gotten gains, plus pre-judgment interest; (3) disgorgement by the Relief Defendants of all unjust enrichment and/or ill-gotten gain received from defendants, plus prejudgment interest; and (4) the imposition of a civil monetary penalty due to the egregious nature of the defendants' violations. In addition, because of the risk that the defendants will continue violating the federal securities laws and the danger that any remaining investor funds will be dissipated or concealed before entry of a final judgment, the Commission seeks preliminary equitable relief to: (1) prohibit the defendants from continuing to violate the relevant provisions of the federal securities laws; (2) freeze the defendants' and Relief Defendants' assets and otherwise maintain the status quo; (3) require the defendants and Relief Defendants to submit an accounting of investor funds and other assets in their possession; (4) prevent the defendants and Relief Defendants from destroying relevant documents; and (5) authorize the Commission to undertake expedited discovery.

JURISDICTION

10. The Commission seeks a permanent injunction and disgorgement pursuant to Section 20(b) of the Securities Act [15 U.S.C. §77t(b)] and Section 21(d)(1) of the Exchange Act [15 U.S.C. §78u(d)(1)]. The Commission seeks the imposition of a civil monetary penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)].

11. This Court has jurisdiction over this action pursuant to Sections 20(d) and 22(a) of the Securities Act [15 U.S.C. §§77t(d), 77v(a)] and Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. §§78u(d), 78u(e), 78aa]. Venue is proper in this District because the Company

Defendants and Relief Defendants are headquartered in Massachusetts and the Individual Defendants live in Massachusetts.

12. In connection with the conduct described in this Complaint, the defendants directly or indirectly made use of the mails or the means or instruments of transportation or communication in interstate commerce.

13. The defendants' conduct involved fraud, deceit, or deliberate or reckless disregard of regulatory requirements, and resulted in substantial loss, or significant risk of substantial loss, to other persons.

DEFENDANTS

14. Kathleen S. Dobens, age 44, is a resident of Duxbury, Massachusetts. She is a principal of Silex and of Clear River (the company that managed Preakness and Cherry Hills), and Dobens Company, and Mr. Dobens's business partner.

15. Charles T. Dobens, age 45, is a resident of Duxbury, Massachusetts. He is a principal of Silex, and of Clear River, the company that managed Preakness and Cherry Hills. He is also a principal of Dobens Company, and of Crosscreeks Apartments I, LLC ("Crosscreeks I"), and Crosscreeks Apartments II, LLC ("Crosscreeks II").

16. Joseph A. Roche, age 44, is a resident of Braintree, Massachusetts. He is a principal of Silex and of Clear River, the company that managed Preakness and Cherry Hills. He is also a principal of ECIS.

17. Silex Group, LLC, is a Massachusetts limited liability company with its principal place of business in Duxbury, Massachusetts. The Silex Company Agreement lists Mr. Dobens, Ms.

Dobens, and Roche as owning, collectively, a 99.99% interest in the company. The address for Silex is the Dobenses' home.

18. Preakness Apartments I & II, LLC, is a Massachusetts limited liability company and Kentucky Domestic Limited Partnership. Clear River is the manager of Preakness and controls the entity. The address for Preakness is the Dobenses' home.

19. Cherry Hills Apartments of Forth Worth, LLC is a Massachusetts limited liability company and Texas limited liability company. Clear River is the manager of Cherry Hills and controls the entity. The address for Cherry Hills is the Dobenses' home.

20. Clear River Partners, LLC is a Massachusetts limited liability company. Three of its five principals are Mr. Dobens, Ms. Dobens, and Roche. The address for Clear River is the Dobenses' home.

RELIEF DEFENDANTS

21. East Coast Investment Solutions, LLC is a Massachusetts limited liability company. Corporate filings identify Roche as the Manager. The address for ECIS is Roche's home.

22. The Dobens Company, LLC, is a Massachusetts limited liability company. It is owed equally by Mr. Dobens and Ms. Dobens. The address for The Dobens Company is the Dobenses' home.

23. Crosscreeks I and Crosscreeks II are Massachusetts limited liability companies. The address for Crosscreeks I and Crosscreeks II is the Dobenses' home.

STATEMENT OF FACTS

A. The Silex Offering

24. Roche, Mr. Dobens, and Ms. Dobens formed Silex in February 2009. In oral solicitations and through a Silex webpage, the Individual Defendants represented that Silex “seeks to generate for its investors, attractive ‘above market’ financial returns through investments in multi-family housing assets nationally while providing its residents a home of exceptional value.”

25. Through a variety of communications to investors and potential investors, Silex obfuscated and confused what secured investments in Silex. In oral and written representations to potential investors, the Individual Defendants, and at least one contractor acting on behalf of Silex, represented that Silex owned five or six apartment buildings totaling over \$20 million in assets and that Silex had “another \$27 Million of properties under contract and intends to own and operate over \$100 Million of multi-family assets over the next three years.”

26. Silex did not own the properties it claimed to own nor have \$27 million in properties under contract.

27. The five promissory notes and convertible notes signed by Silex that Silex has not repaid guaranteed an annual interest rate of 9% or 12%. The five notes, which have principal amounts totaling approximately \$300,000, ranged from a period of 180 days to 3 years and represented that the investments were guaranteed by Silex’s interest in real property. Oral representations made by the Individual Defendants were consistent with this promise.

28. At least some of the five investors may have received a guarantee agreement signed on behalf of Silex, ECIS, and Dobens Company. The guarantee agreements represented that

investments in Silex were guaranteed by the equity interest in Preakness held by Silex, ECIS, and Dobens Company.

29. For some of the five notes, Silex was required to make semi-annual interest payments, with each payment equal to one-quarter of the 9% annual interest due on the note. The remainder of the interest and the principal was due on maturity.

30. The five notes have not been repaid. One of the notes was a promissory note due on February 9, 2010. Roche told the investor Silex was unable to perform on the note because Silex had property in Texas that went bad and had sunk extra money into the property in an effort to prevent a foreclosure of the property. Roche then told the investor that things would get better and that there were deals in the works. Silex sent the investor a new promissory note to extend the due date by 12 months.

31. Roche assured at least one investor that she should have no concerns about the fact that all of her family's trust assets (for the future care of her disabled sister) were invested in Silex because the investment was adequately secured by Silex's properties.

32. In February 2009, one of the five Silex investors invested \$60,000 at 12% annual interest. The note stated: "This Promissory Note is unsecured and funds will be held in escrow with Adair, Morris and Osborne, P.C., or Stewart Title Company during the term of this Note. At no time shall the funds be held by any other party." In fact, Silex opened a Silex bank account with the \$60,000.

33. The first payment from the Silex bank account, which occurred four days after this deposit and before any other funds were deposited into the account, was a \$52,000 payment to an earlier investor who had made a \$50,000 investment in Silex. After the repayment, Silex's website included a testimonial from the earlier investor, saying that he made money on his

investment, his principal was paid back ahead of schedule, and he looked forward to his next investment with Silex.

34. Silex and the Individual Defendants represented to several investors that their investments would be pooled and used to acquire apartment buildings. Some investors were also told that Silex would set aside enough money in an account to repay their notes.

35. Four of the Silex notes represented that the proceeds of the note would be used by Silex only for working capital and general corporate purposes.

36. Silex did not use the investors' funds to acquire real estate or any other assets. Instead, the investors' money was used pay ECIS and Dobens Company. Silex funds also paid for restaurant visits and other personal expenses.

37. Silex paid at least \$100,000 (net) to Cherry Hills. Transfers between Silex and Preakness totaled almost \$100,000.

B. Clear River, Preakness and Cherry Hills

38. By December 31, 2007, the Individual Defendants (acting through the Relief Defendants), with two other entities, formed Clear River. The Individual Defendants used Clear River to solicit investors in Cherry Hills and Preakness.

39. In late 2007 and 2008, the Individual Defendants formed Cherry Hills and Preakness. These two entities were formed for the same reason: to raise funds to purchase apartment buildings. Cherry Hills used investor funds to purchase an apartment complex in Fort Worth, Texas and Preakness used investor funds to purchase an apartment complex in Lexington, Kentucky. Cherry Hills and Preakness (the LLCs) owned the equity interest in the apartment buildings and investors, through their notes, owned interests in the LLCs.

40. Investors were told that they would receive a share of annual profits from Cherry Hills and Preakness and stood to gain a substantial net profit on their investment within approximately five years (Cherry Hills) or three years (Preakness) when Cherry Hills and Preakness sold the apartment buildings.

41. Cherry Hills and Preakness promised investors additional substantial profits. For example, the Preakness private placement memorandum stated, without qualification, that investors “shall receive a yearly return of 9% per year pro rata based on their investment.” Similarly, Preakness’s offering memoranda contained investor profit projections, including a “conservative scenario” of 9% annual returns. The “conservative scenario” for Cherry Hills was even bolder – a net 123% total investor return over five years.

42. Cherry Hills and Preakness were not profitable. Cherry Hills was foreclosed upon and auctioned off in January 2010. In a January 2010 letter to investors, Roche admitted that the Cherry Hills investment “has been a tough situation from the beginning.”

43. Investors’ Preakness investments have declined in value since 2008, and, in mid-January 2010, Roche sent an email to at least some investors requesting additional capital to keep Preakness afloat for the year. That e-mail promised investors a premium if they sank more money into Preakness.

C. The Relief Defendants.

44. The Relief Defendants are controlled by one or more of the Individual Defendants. Based on the offering documents, the transfers of money from Silex to the Relief Defendants were not for a legitimate business purpose. The relationship between the defendants and the Relief Defendants and the transfers indicate diversion and misuse of the investor funds.

45. Silex bank records show transfers of over \$60,000 from Silex to Crosscreeks II, and of over \$40,000 from Crosscreeks II to Silex, as well as transfers of more than \$27,000 from Crosscreeks I to Silex

46. Silex bank records show transfers of over \$39,000 from Silex to ECIS and over \$42,000 from Silex to Dobens Company.

FIRST CLAIM FOR RELIEF
(Violation of Section 17(a) of the Securities Act)

(All Defendants)

47. The Commission repeats and incorporates by reference the allegations in paragraphs 1-46 above as if set forth fully herein.

48. The defendants, directly and indirectly, acting intentionally, knowingly or recklessly, in the offer or sale of securities by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails: (a) have employed or are employing devices, schemes or artifices to defraud; (b) have obtained or are obtaining money or property by means of untrue statements of material fact or omissions to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) have engaged or are engaging in transactions, practices or courses of business which operate as a fraud or deceit upon purchasers of the securities.

49. As a result, the defendants have violated and, unless enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. §77q(a)].

SECOND CLAIM FOR RELIEF
(Violation of Section 10(b) of the Exchange Act and Rule 10b-5)

(All Defendants)

50. The Commission repeats and incorporates by reference the allegations in paragraphs 1-46 above as if set forth fully herein.

51. The defendants, directly or indirectly, acting intentionally, knowingly or recklessly, by the use of means or instrumentalities of interstate commerce or of the mails, in connection with the purchase or sale of securities: (a) have employed or are employing devices, schemes or artifices to defraud; (b) have made or are making untrue statements of material fact or have omitted or are omitting to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) have engaged or are engaging in acts, practices or courses of business which operate as a fraud or deceit upon certain persons.

52. As a result, the defendants have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].

THIRD CLAIM FOR RELIEF
(Violations of Section 5(a) and 5(c) of the Securities Act)

(All Defendants)

53. The Commission repeats and incorporates by reference the allegations in paragraphs 1-46 above as if set forth fully herein.

54. The notes and equity interests issued by the defendants are “securities” within the meaning of Section 2(1) of the Securities Act [15 U.S.C. §77b(a)(1) and Section 3(a)(10) of the Exchange Act [15 U.S.C. §78c(a)(10)]. No registration statement was filed with respect to these securities, and no exemption from registration was available.

55. The defendants, directly or indirectly: (a) have made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement has been in effect and for which no exemption from registration has been available; and/or (b) have made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement has been filed and for which no exemption from registration has been available.

56. As a result, the defendants have violated and, unless enjoined, will continue to violate Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§77e(a), (c)].

FOURTH CLAIM FOR RELIEF
(Unjust Enrichment)

(Relief Defendants)

57. The Commission repeats and incorporates by reference the allegations in paragraphs 1-46 of the Complaint as if set forth fully herein.

58. The Relief Defendants have received investor funds under circumstances dictating that, in equity and good conscience, they should not be allowed to retain such funds.

59. As a result, the Relief Defendants are liable for unjust enrichment and should be required to return their ill-gotten gains, in an amount to be determined by the Court.

PRAYER FOR RELIEF

WHEREFORE, the Commission requests that this Court:

A. Enter a preliminary injunction, order freezing assets, and order for other equitable relief against the defendants and the Relief Defendants in the form submitted with the Commission's motion for such relief, and, upon further motion, enter a comparable preliminary injunction, order freezing assets, and order for other equitable relief;

B. Enter a permanent injunction restraining the defendants and each of their agents, servants, employees and attorneys and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, including facsimile transmission or overnight delivery service, from directly or indirectly engaging in the conduct described above, or in conduct of similar purport and effect, in violation of:

1. Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§77e(a), (c)];
2. Section 17(a) of the Securities Act [15 U.S.C. §77q(a)]; and
3. Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5];

C. Require the defendants to disgorge their ill-gotten gains and losses avoided, plus pre-judgment interest, with said monies to be distributed in accordance with a plan of distribution to be ordered by the Court;

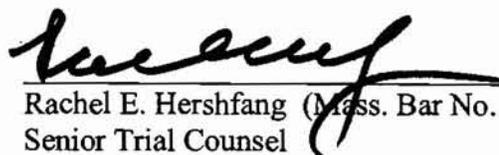
D. Order the defendants to pay an appropriate civil monetary penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)];

E. Require the Relief Defendants to disgorge all unjust enrichment and/or ill-gotten gain received from defendants, plus prejudgment interest, with said moneys to be distributed in accordance with a plan of distribution to be ordered by the Court;

F. Retain jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

G. Award such other and further relief as the Court deems just and proper.

Plaintiff hereby requests that this matter be tried before a jury.



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Senior Trial Counsel

Ellen Bober Moynihan (Mass Bar No. 567598)
Branch Chief

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hershfangr@sec.gov (Hershfang email)

Dated: March 1, 2010

JS 44 (Rev. 12/07)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM)

I. (a) PLAINTIFFS

Securities and Exchange Commission

FILED IN CLERKS OFFICE

(b) County of Residence of First Listed Plaintiff

(EXCEPT IN U.S. PLAINTIFF CASES)

2010 MAR -1 A 11:43

U.S. DISTRICT COURT DISTRICT OF MASS

(c) Attorney's (Firm Name, Address, and Telephone Number)

Rachel E. Hershfang, SEC, 33 Arch St. #2300 Boston 02110
617-573-8987

DEFENDANTS

Kathleen Dobens, Charles Dobens, Joseph Roche, Silex Group, Preakness Apts, Cherry Hill Apts of Fort Worth, Clear River Partners, East Coast Investment Solutions, The Dobens Company, Crosscreeks Apts
County of Residence of First Listed Defendant Plymouth

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorney (If Known)

Kenneth Gordon, 63 Chatham St Boston 02109

Vincent Amoroso, 351 Liberty Sq Rd, Boxboro, 01719

10 CA 10360 MLW

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

- | | | | | | |
|---|--|---|--|--|--|
| <input type="checkbox"/> 110 Insurance | <input type="checkbox"/> 310 Airplane | <input type="checkbox"/> 362 Personal Injury - Med. Malpractice | <input type="checkbox"/> 610 Agriculture | <input type="checkbox"/> 422 Appeal 28 USC 158 | <input type="checkbox"/> 400 State Reapportionment |
| <input type="checkbox"/> 120 Marine | <input type="checkbox"/> 315 Airplane Product Liability | <input type="checkbox"/> 365 Personal Injury - Product Liability | <input type="checkbox"/> 620 Other Food & Drug | <input type="checkbox"/> 423 Withdrawal 28 USC 157 | <input type="checkbox"/> 410 Antitrust |
| <input type="checkbox"/> 130 Miller Act | <input type="checkbox"/> 320 Assault, Libel & Slander | <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability | <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 | <input type="checkbox"/> 820 Copyrights | <input type="checkbox"/> 430 Banks and Banking |
| <input type="checkbox"/> 140 Negotiable Instrument | <input type="checkbox"/> 330 Federal Employers' Liability | PERSONAL PROPERTY | <input type="checkbox"/> 630 Liquor Laws | <input type="checkbox"/> 830 Patent | <input type="checkbox"/> 450 Commerce |
| <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment | <input type="checkbox"/> 340 Marine | <input type="checkbox"/> 370 Other Fraud | <input type="checkbox"/> 640 R.R. & Truck | <input type="checkbox"/> 840 Trademark | <input type="checkbox"/> 460 Deportation |
| <input type="checkbox"/> 151 Medicare Act | <input type="checkbox"/> 345 Marine Product Liability | <input type="checkbox"/> 371 Truth in Lending | <input type="checkbox"/> 650 Airline Regs. | | <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations |
| <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) | <input type="checkbox"/> 350 Motor Vehicle | <input type="checkbox"/> 380 Other Personal Property Damage | <input type="checkbox"/> 660 Occupational Safety/Health | | <input type="checkbox"/> 480 Consumer Credit |
| <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits | <input type="checkbox"/> 355 Motor Vehicle Product Liability | <input type="checkbox"/> 385 Property Damage Product Liability | <input type="checkbox"/> 690 Other | <input type="checkbox"/> 861 HIA (1395ff) | <input type="checkbox"/> 490 Cable/Sat TV |
| <input type="checkbox"/> 160 Stockholders' Suits | <input type="checkbox"/> 360 Other Personal Injury | | <input type="checkbox"/> 710 Fair Labor Standards Act | <input type="checkbox"/> 862 Black Lung (923) | <input type="checkbox"/> 810 Selective Service |
| <input type="checkbox"/> 190 Other Contract | | | <input type="checkbox"/> 720 Labor/Mgmt. Relations | <input type="checkbox"/> 863 DIWC/DIWW (405(g)) | <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange |
| <input type="checkbox"/> 195 Contract Product Liability | | | <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act | <input type="checkbox"/> 864 SSID Title XVI | <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 |
| <input type="checkbox"/> 196 Franchise | | | <input type="checkbox"/> 740 Railway Labor Act | <input type="checkbox"/> 865 RSI (405(g)) | <input type="checkbox"/> 890 Other Statutory Actions |
| <input type="checkbox"/> 210 Land Condemnation | <input type="checkbox"/> 441 Voting | <input type="checkbox"/> 510 Motions to Vacate Sentence | <input type="checkbox"/> 790 Other Labor Litigation | <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) | <input type="checkbox"/> 891 Agricultural Acts |
| <input type="checkbox"/> 220 Foreclosure | <input type="checkbox"/> 442 Employment | Habeas Corpus: | <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act | <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609 | <input type="checkbox"/> 892 Economic Stabilization Act |
| <input type="checkbox"/> 230 Rent Lease & Ejectment | <input type="checkbox"/> 443 Housing/ Accommodations | <input type="checkbox"/> 530 General | <input type="checkbox"/> 462 Naturalization Application | | <input type="checkbox"/> 893 Environmental Matters |
| <input type="checkbox"/> 240 Torts to Land | <input type="checkbox"/> 444 Welfare | <input type="checkbox"/> 535 Death Penalty | <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee | | <input type="checkbox"/> 894 Energy Allocation Act |
| <input type="checkbox"/> 245 Tort Product Liability | <input type="checkbox"/> 445 Amer. w/Disabilities - Employment | <input type="checkbox"/> 540 Mandamus & Other | <input type="checkbox"/> 465 Other Immigration Actions | | <input type="checkbox"/> 895 Freedom of Information Act |
| <input type="checkbox"/> 290 All Other Real Property | <input type="checkbox"/> 446 Amer. w/Disabilities - Other | <input type="checkbox"/> 550 Civil Rights | | | <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice |
| | <input type="checkbox"/> 440 Other Civil Rights | <input type="checkbox"/> 555 Prison Condition | | | <input type="checkbox"/> 950 Constitutionality of State Statutes |

V. ORIGIN

(Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from another district (specify)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Securities Act, Exchange Act

Brief description of cause:

Fraudulent Offering and Sale of Securities; Sale of Unregistered Securities

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

3.1.10

[Signature]

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

1. Title of case (name of first party on each side only)
Securities and Exchange Commission v. Kathleen S. Dobens

2. Category in which the case belongs based upon the numbered nature of suit code listed on the civil cover sheet. (See local rule 40.1(a)(1)).

- I. 160, 410, 470, 535, R.23, REGARDLESS OF NATURE OF SUIT.
- II. 195, 196, 368, 400, 440, 441-446, 540, 550, 555, 625, 710, 720, 730, 740, 790, 791, 820*, 830*, 840*, 850, 890, 892-894, 895, 950. *Also complete AO 120 or AO 121 for patent, trademark or copyright cases
- III. 110, 120, 130, 140, 151, 190, 210, 230, 240, 245, 290, 310, 315, 320, 330, 340, 345, 350, 355, 360, 362, 365, 370, 371, 380, 385, 450, 891.
- IV. 220, 422, 423, 430, 460, 462, 463, 465, 480, 490, 530, 610, 620, 630, 640, 650, 660, 690, 810, 861-863, 870, 871, 875, 900.
- V. 150, 152, 153.

10 CA 10360 MLW

U.S. DISTRICT COURT
DISTRICT OF MASSACHUSETTS
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3. Title and number, if any, of related cases. (See local rule 40.1(g)). If more than one prior related case has been filed in the district please indicate the title and number of the first filed case in this court.

4. Has a prior action between the same parties and based on the same claim ever been filed in this court?
YES NO

5. Does the complaint in this case question the constitutionality of an act of congress affecting the public interest? (See 28 USC §2403)
YES NO
If so, is the U.S.A. or an officer, agent or employee of the U.S. a party?
YES NO

6. Is this case required to be heard and determined by a district court of three judges pursuant to title 28 USC §2284?
YES NO

7. Do all of the parties in this action, excluding governmental agencies of the united states and the Commonwealth of Massachusetts ("governmental agencies"), residing in Massachusetts reside in the same division? - (See Local Rule 40.1(d)).
YES NO

- A. If yes, in which division do all of the non-governmental parties reside?
Eastern Division Central Division Western Division
- B. If no, in which division do the majority of the plaintiffs or the only parties, excluding governmental agencies, residing in Massachusetts reside?
Eastern Division Central Division Western Division

8. If filing a Notice of Removal - are there any motions pending in the state court requiring the attention of this Court? (If yes, submit a separate sheet identifying the motions)
YES NO

(PLEASE TYPE OR PRINT)
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