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U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
SANTA ANA

9
10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12
13 **SECURITIES AND EXCHANGE**
COMMISSION,

14 Plaintiff,

15 vs.

16 **HIGH PARK INVESTMENT GROUP,**
17 **INC., a Nevada corporation, HARBOR**
FINANCIAL INVESTMENT GROUP,
18 **INC., a Nevada corporation, and EDWARD**
R. SHOWALTER,

19 Defendants.
20

SACV05-1090 CJC (MLGx)
Case No.

COMPLAINT FOR
VIOLATIONS OF THE
FEDERAL SECURITIES
LAWS

21 Plaintiff Securities and Exchange Commission ("Commission") alleges as
22 follows:

23 **JURISDICTION AND VENUE**

24 1. This Court has jurisdiction over this action pursuant to Sections 20(b),
25 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§
26 77t(b), 77t(d)(1) & 77v(a) and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the
27 Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78(u)(d)(1),
28

1 78u(d)(3)(A), 78u(e) & 78aa. Defendants have, directly or indirectly, made use of
2 the means or instrumentalities of interstate commerce, of the mails, or of the
3 facilities of a national securities exchange in connection with the transactions, acts,
4 practices and courses of business alleged in this complaint.

5 2. Venue is proper in this district pursuant to Section 22(a) of the
6 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.
7 § 78aa, because certain of the transactions, acts, practices and courses of conduct
8 constituting violations of the federal securities laws occurred within this district.

9 SUMMARY

10 3. This case involves the ongoing fraudulent offer and sale of
11 unregistered securities by High Park Investment Group, Inc., a Nevada corporation
12 (“High Park”), Harbor Financial Investment Group, Inc., a Nevada corporation
13 (“Harbor Financial”), and Edward R. Showalter (“Showalter,” and collectively,
14 “Defendants”). Defendants have been engaged in the fraudulent offering since at
15 least December 2003. Defendants have raised at least \$10 million from more than
16 117 investors.

17 4. From approximately December 2003 to the present, Defendants have
18 offered and sold, and continue to offer and sell, securities in the form of investment
19 contracts for real estate in Southern California and Arizona. Defendants solicited
20 investors to invest a minimum of \$50,000 with High Park, on the promise that they
21 would use that money solely for the purchase and refurbishment of a particular
22 piece of real property. Instead, Defendants have commingled investor funds, failed
23 to use those funds as promised, and made the following material
24 misrepresentations in connection with the offerings: (1) that investors would
25 receive guaranteed monthly returns, even though these payments stopped by July
26 2005 (and in many instances earlier), (2) that the investments would be secured by
27 trust deeds second in priority only to the first mortgage lender, when in fact, the
28 properties are over-encumbered with as many as twenty or thirty investors in the

1 second position, and (3) that each investor's money would be used for purchasing,
2 refurbishing, or developing the property named in the investment contract, when in
3 reality the money was not used to improve the properties as promised. Defendants
4 also failed to inform investors of a final judgment against Showalter finding that he
5 previously violated the federal securities laws in connection with another
6 fraudulent investment scheme.

7 5. From February 2004 through October 2004, High Park commingled
8 investor money in a single escrow account. More than \$6 million in investor funds
9 passed through this account in an eight month period, all of which Defendants
10 improperly used to pay to High Park, its employees, or its agents prior to October
11 2004. In or around June 2004, High Park began wiring funds from this escrow
12 account to its corporate bank accounts at Washington Mutual (the "High Park
13 Bank Accounts"). From the High Park Bank Accounts, High Park and Showalter
14 paid a variety of expenses unrelated to any alleged investment properties, including
15 \$1.8 million paid directly to Showalter.

16 DEFENDANTS

17 6. High Park Investment Group, Inc. is a Nevada corporation with a
18 registered business address in Gardena, California.

19 7. Harbor Financial Investment Group, Inc. is a Nevada corporation
20 and a wholly-owned subsidiary of High Park. Harbor Financial is located in
21 Huntington Beach, California.

22 8. Edward R. Showalter, age 53, resides in San Clemente, California.
23 Showalter acts as the president and secretary of High Park. Showalter is a repeat
24 securities law violator. In 2001, a judgment was entered against him in an
25 enforcement action brought by the Commission for orchestrating two fraudulent
26 schemes. See SEC v. Hollywood Trenz, Inc., Showalter, et al., Civil Action No.
27 98-1106 (D.D.C. 1998). In that proceeding, Showalter was ordered to repay his ill-
28 gotten gains of \$538,400 and to pay \$213,560 in prejudgment interest and a civil

1 penalty of \$150,000. Showalter was also permanently barred from serving as a
2 director or an officer of a public company. In June 2002, Showalter was found in
3 civil contempt of the court's 2001 order for failing to disgorge his ill-gotten gains
4 and pay prejudgment interest. In July and August 2004, Showalter finally paid the
5 ordered disgorgement, prejudgment interest, and civil penalties.

6 **THE FRAUDULENT SCHEME**

7 **The Investment As Represented To Investors**

8 9. Since at least December 2003, Defendants have been offering and
9 selling investments in High Park. From December 2003 to the present, Defendants
10 have raised at least \$10 million (and more likely more than \$16 million) from over
11 100 investors, and their conduct continues today. Until August 2005, High Park
12 advertised in major newspapers, including the Los Angeles Times and the Orange
13 County Register. High Park has solicited and continues to solicit investments
14 through a website that details the scheme and invites investors to email or call the
15 company for additional information about the offering. Currently, High Park's
16 website is located at www.highparkproperty.com.

17 10. Defendants' offering of the real estate investment contracts is not
18 registered with the Commission.

19 11. Potential investors who called the number listed in the High Park
20 newspaper advertisements or on the website reached Showalter or a High Park
21 employee. When potential investors responded to High Park's solicitations,
22 Showalter met with them in person or by telephone and detailed the investment
23 opportunity offered by High Park.

24 12. Showalter told potential High Park investors that (1) they would
25 receive guaranteed monthly returns in the form of interest payments at a rate of
26 10% to 26% per year; (2) the investment was secured by real estate because each
27 investor would receive a trust deed recorded second in priority to only the first
28 mortgage holder of the property; and (3) the invested money would be used only to

1 purchase, refurbish, or develop the particular property that was the subject of the
2 trust deed.

3 13. Defendants also mailed or personally delivered written offering
4 materials to investors. Although these materials have changed over time, they
5 typically consisted of offering memoranda, investment contracts called “trust deed
6 participants agreement,” trust deeds, promissory notes, and miscellaneous
7 promotional materials, such as descriptions of properties or proposed plans for
8 development of certain properties (collectively, the “Investment Materials”).
9 Many of these same types of documents have appeared on High Park’s website.

10 14. In the Investment Materials, High Park represented itself to be an
11 expert in refurbishing distressed residential real estate and selling it for significant
12 profit. Harbor Financial represented itself to be a real estate investment company
13 with a business plan to raise capital for the projects that High Park controlled.
14 Harbor Financial is a wholly-owned subsidiary of High Park. Both entities are
15 controlled by Showalter.

16 15. The Investment Materials provided key highlights of the investment.
17 For example, one of the offering brochures made the following claims to potential
18 investors:

- 19 ● “Harbor Financial Investment Group, Inc. Trust Deeds provide monthly
20 income to you.”
- 21 ● “Harbor Financial Investment Group, Inc. Trust Deeds generate a higher per
22 annum yields [sic] 10% to 26%.”
- 23 ● “Your investment is secured by real estate that High Park Investment
24 Group, Inc. controls. High Park Investment Group, Inc. is the parent
25 company of Harbor Financial Investment Group, Inc.”
- 26 ● “Harbor Financial Investment Group, Inc. Trust Deeds offer flexibility and
27 Diversification [sic] of investment programs with multiple terms available
28 to fit your investment needs.”

- 1 • “Not one of High Park Investment Groups investors has ever lost money.”
- 2 • “Harbor Financial Investment Group, Inc. has no service fees.”

3 16. In the Investment Materials, Defendants described a tiered program
4 for investment that allowed a minimum investment of either \$25,000 or \$50,000.
5 The newspaper advertisements, however, stated that the minimum investment was
6 \$50,000 and Showalter orally told investors that the minimum investment was
7 \$50,000. Most investors invested at least \$50,000 with Defendants.

8 17. With a minimum investment of \$50,000, Defendants promised
9 investors guaranteed returns of 10% to 26% per year, paid monthly, a secured
10 investment with a trust deed promptly recorded in the second position (after only
11 the first mortgage holder), the return of investor principal when the real estate was
12 sold, and that the investor funds would be used for the specific property identified
13 in the trust deed.

14 18. Defendants also provided potential investors with an investment
15 contract referencing a particular real estate property, and a trust deed purporting to
16 secure the investment with the underlying property referenced in the contract. In
17 many cases, Defendants also gave investors a promissory note made in an amount
18 greater than the principal investment – purportedly to secure the investor’s
19 promised returns from the anticipated sale of the improved property.

20 19. Showalter often personally collected the investor money, typically
21 provided by cashier’s check, money order, or personal check. From February 2004
22 through October 2004, Defendants commingled this money into a single escrow
23 account.

24 20. Through the Investment Materials, newspaper advertisements, internet
25 postings, and direct solicitations, Defendants misled investors. Defendants
26 defaulted on the guaranteed monthly returns and failed to provide the promised
27 security for the investments. Defendants commingled investor money without
28 segregating funds for use on particular properties and failed to develop the

1 properties as promised. Defendants also failed to inform investors that Showalter
2 had previously violated the federal securities laws, had a judgment entered against
3 him, and had not paid the court-ordered disgorgement and penalty until August
4 2004.

5 **Defendants Defaulted On The Guaranteed Monthly Returns**

6 21. In the Investment Materials and in oral representations, Defendants
7 promised that investors would receive guaranteed monthly returns in the form of
8 interest payments at a rate of 10% to 26% per year. Indeed, the Investment
9 Materials state "HPIG [High Park] has never missed a payment to any of its'
10 investors or contractors." The Investment Materials affirmatively state that "Every
11 Trust Deed investor with High Park Investment Group, Inc. has been paid monthly
12 and has made a profit on all of the projects that have closed." Showalter reiterated
13 these representations during his sales pitch to investors.

14 22. Despite these assurances, High Park defaulted on the promised returns
15 to investors. Many investors have not received the monthly returns since at least
16 July 2005, and in some cases, since January 2005.

17 23. In February 2005, one investor invested \$200,000 with High Park.
18 After receiving two monthly return payments (March and April), the checks for the
19 next two monthly return payments (May and June) failed to clear because of
20 insufficient funds. High Park later made those payments by cashier's check. After
21 June 10, 2005, High Park made no further monthly return payments. In August
22 2005, the investor spoke to Showalter about the missed monthly return payments.
23 Showalter told that person not to worry because he was working on securing a \$31
24 million line of credit to pay the returns owed to investors. When the monthly
25 payments still did not arrive, the investor spoke with Showalter again. Showalter
26 then stated that High Park would have to sell some of its properties to make the
27 monthly payments. The investor was surprised, and told Showalter that he thought
28 High Park had sufficient funds to pay investors their monthly interest payments.

1 Showalter claimed he did not have the money. Finally, on September 10, 2005, the
2 investor sent a written request to Showalter to terminate the investment contract
3 and demand the return of his principal investment. To date, neither the overdue
4 monthly payments nor the principal investment have been paid to this investor.

5 24. In November 2004, another investor invested \$50,000 based upon
6 Showalter's representation that High Park would use the funds to renovate and sell
7 (in 120 days) a particular property in Southern California. This investor did not
8 receive any of the promised returns until May 2005, when he received one
9 payment in the amount of \$661.50. He has received no further monthly payments
10 to date. Moreover, the property has not been sold and the renovation remains
11 incomplete.

12 25. A partnership of individual investors made a total investment of
13 \$875,000 into High Park to be used in connection with the renovation of an
14 Arizona property, as well as three properties in California. In return for this
15 investment, the partnership only received the promised monthly returns for one of
16 the properties, and those payments eventually defaulted after four months. The
17 partnership has not received a monthly payment since June 2005.

18 26. Beginning in July 2004 and continuing until January 2005, another
19 investor invested \$300,000 in High Park properties. For the six investments made
20 by this investor, he received only one monthly payment in January 2005. To date,
21 he has received no additional monthly returns.

22 27. In December 2003, a married couple invested in one property with
23 High Park for which the guaranteed monthly returns ceased after December 2004.
24 From January 2005 to the present, they have not received any monthly returns
25 from High Park.

26 Defendants Failed To Secure The Investments

27 28. In the Investment Materials, Defendants cited as an incentive to invest
28 with them that "[y]our investment capital is SECURED by real estate (emphasis in

1 original). The Investment Materials reiterate “YOUR INVESTMENT IS
 2 SECURED BY FIRST POSITIONS IN REAL ESTATE” (capitalization in
 3 original).

4 29. To convince potential investors that their investment would be
 5 secured, Defendants also provided them with a trust deed on the underlying
 6 property, accompanied by a promissory note in the same amount. Defendants
 7 promised that the trust deed would be recorded promptly in the second position on
 8 the title of the underlying property. Investors were led to believe that in the event
 9 of a foreclosure or default, the investor’s interest was second in line behind only
 10 the institutional or bank lenders for the mortgage loans on the properties.

11 30. However, Defendants either failed to record the trust deed or, if they
 12 did record the deed, it was recorded with a group of many investors, all of whom
 13 were promised the “second position” on that property. Each additional trust deed
 14 created an encumbrance on the property in addition to the mortgage taken out to
 15 purchase the property. As a result, the properties became heavily encumbered, or
 16 in many cases, over-encumbered, leaving investors with trust deeds of questionable
 17 value and little or no actual security for the investors’ investments.

18 31. Six representative High Park properties demonstrate this point:

Property Address	# of High Park Trust Deeds On Property	Value of Trust Deeds + Principal Mortgage Amount = Total Encumbrance	Actual Property Value According To Defendants
424 Avenida Salvador San Clemente, CA	21	Trust Deeds: \$1,883,000 + Mortgage: \$910,000 = Total: \$2,793,000	\$1,999,000

Property Address	# of High Park Trust Deeds On Property	Value of Trust Deeds + Principal Mortgage Amount = Total Encumbrance	Actual Property Value According To Defendants
933 Avenida Presidio San Clemente, CA	24	Trust Deeds:\$2,298,000 + Mortgage: \$623,000 = Total: \$2,921,000	\$2,000,000
3 Marbella San Clemente, CA	37	Trust Deeds:\$3,075,000 + Mortgage: \$623,000 = Total: \$3,698,000	\$2,449,000
34562 Via Verde Dana Point, CA	11	Trust Deeds:\$1,220,000 + Mortgage: \$498,000 = Total: \$1,718,000	\$1,700,000
259 Via Ballena San Clemente, CA	6	Trust Deeds:\$855,000 + Mortgage: \$297,500 = Total: \$1,152,500	\$1,500,000
33333 Mulholland Hwy Malibu, CA	10	Trust Deeds:\$2,300,000 + Mortgage: \$1,312,500 = Total: \$3,612,500	\$11,000,000

32. In sum, over \$11 million of encumbrances from the trust deeds have been added to the existing \$4.6 million of mortgage debts for each of the above

1 properties. As a result, four of the six properties are “upside down” because their
2 total encumbrances exceed the actual value placed upon them by Defendants.

3 33. The only two properties where the Defendants’ value exceeds the
4 encumbrances are the Via Ballena and Malibu properties. However, the
5 Defendants’ valuation for each of these properties is premised on the demolition
6 and removal of the property’s original structure and the addition of a new, higher-
7 end luxury home. In both cases, only the demolition has begun. Thus,
8 Defendants’ valuation (i.e., the current potential price) is unsupported. None of the
9 properties identified above provide the security promised by the Defendants to
10 investors.

11 34. High Park often did not record the investor’s trust deed for months or
12 even years after the investment contract was consummated. This left the investor’s
13 investment entirely unsecured in his or her investment for that time period. For
14 example, one investor was told that his investment would be secured by trust deeds
15 on five of the six properties listed above in July, August, and September 2004.
16 However, that investor’s trust deeds for two properties (Marbella and Via Ballena)
17 have never been recorded, while the trust deeds for two of the other properties
18 (Avenida Salvador and Avenida Presidio) were not recorded for over a year
19 (October 2005).

20 **Defendants Commingled Investor Money And Failed To Develop The**
21 **Properties**

22 35. High Park entered into written investment contracts with each investor
23 for a particular property. Defendants represented that the invested money would
24 be used only to purchase, refurbish, or develop that particular property. Showalter
25 personally affirmed such representations to investors. These representations were
26 false.

27 36. From at least February 2004 through October 2004, Defendants
28 commingled over \$6 million in investor funds in a single escrow account, without

1 regard to the specific properties invested in by each investor. From July 2, 2004
2 through October 18, 2004, investor funds totaling approximately \$3.2 million were
3 transferred from this escrow account to the High Park Bank Accounts. From June
4 2004 through the present, \$16 million flowed through the High Park Bank
5 Accounts without being segregated by property.

6 37. Defendants paid a variety of expenses unrelated to the properties out
7 of the High Park Bank Accounts. Showalter personally received over \$1.8 million
8 in disbursements from the High Park Bank Accounts. In addition, Showalter wired
9 \$22,000 to China, with notes referencing a cement business.

10 38. Showalter may have used money from the High Park Bank Accounts
11 to pay a portion of his court-ordered disgorgement from the Hollywood Trenz case.
12 On July 23, July 29, July 30, August 2, and August 3, 2004, Showalter transferred
13 a total of \$400,000 from the investor escrow account to the High Park Bank
14 Accounts. Also on August 3, 2004, Showalter then wrote himself a check for
15 \$400,000 from the High Park Bank Accounts (one of the many checks to himself
16 that were written from these accounts). Two days later, on August 5, 2004,
17 Showalter provided a cashier's check to the district court for \$400,000 in partial
18 payment of his court-ordered disgorgement.

19 39. Further, the properties have not been improved as represented, even
20 though the High Park Bank Accounts have been depleted. The promised
21 refurbishment and renovation of the properties has either not occurred at all or, if it
22 began, is far from completion. None of the six properties listed above were
23 renovated as represented. The original house on the Via Ballena property was
24 demolished and removed in the summer of 2004, with assurances by Defendants
25 that it would be replaced by a luxury home. Currently, the Via Ballena property
26 remains an empty lot. Similarly, for the Malibu property, Defendants promised to
27 replace the original structure with an 11,000 square foot luxury mansion. Today,
28 the existing structure has been only partially demolished and no other work has

1 been performed on the property. It appears that no work has been performed on
2 the Via Verde property whatsoever. Finally, the Avenida Salvador and Avenida
3 Presidio properties have been gutted but not renovated.

4 40. As a result, it appears that investor funds have not been used for the
5 promised purpose of improving the properties.

6 **Defendants Failed To Tell Certain Investors That Showalter Had A Judgment**
7 **Against Him For Violating The Securities Laws**

8 41. As described above, in 1998, the Commission brought an enforcement
9 action against Showalter for orchestrating two fraudulent schemes. See SEC v.
10 Hollywood Trezn, Inc, Showalter, et. al., Civil Action No. 98-1106 (D.D.C. 1998).
11 After three years of litigation, Showalter was permanently enjoined, ordered to
12 disgorge \$538,400 plus \$213,560 in prejudgment interest, ordered to pay a penalty
13 of \$150,000, and permanently barred from serving as an officer or director of a
14 public company. In June 2002, Showalter was found in civil contempt of the
15 court's 2001 order for failing to pay disgorgement and prejudgment interest. Two
16 years later, in July and August 2004, Showalter finally paid the court-ordered
17 disgorgement, prejudgment interest, and penalties.

18 42. Defendants concealed Showalter's prior Commission judgment from
19 some investors.

20 **Defendants Knew Or Were Reckless In Not Knowing The Falsity Of Their**
21 **Representations**

22 43. As High Park's president, Showalter was responsible for High Park's
23 operations and representations to investors. Showalter explained High Park's
24 business to investors. Showalter knew or was reckless in not knowing that
25 investors are being misled by this fraudulent scheme, investor funds were being
26 commingled, and that the promises of guaranteed returns, secured investments, and
27 developed properties were baseless.

28 44. High Park and Harbor Financial are corporations controlled by

1 Showalter. Showalter's knowledge, or recklessness, is imputed to them.

2 **FIRST CLAIM FOR RELIEF**

3 **UNREGISTERED OFFER AND SALE OF SECURITIES**

4 **Violations of Sections 5(a) and 5(c) of the Securities Act**

5 45. The Commission realleges and incorporates by reference paragraphs 1
6 through 44, above.

7 46. Defendants, and each of them, by engaging in the conduct described
8 above, directly or indirectly, made use of means or instruments of transportation or
9 communication in interstate commerce or of the mails, to offer to sell or to sell
10 securities, or to carry or cause such securities to be carried through the mails or in
11 interstate commerce for the purpose of sale or for delivery after sale.

12 47. No registration statement has been filed with the Commission or has
13 been in effect with respect to the offerings alleged herein.

14 48. By engaging in the conduct described above, each of the Defendants
15 violated, and unless restrained and enjoined will continue to violate, Sections 5(a)
16 and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

17 **SECOND CLAIM FOR RELIEF**

18 **FRAUD IN THE OFFER OR SALE OF SECURITIES**

19 **Violations of Section 17(a) of the Securities Act**

20 49. The Commission realleges and incorporates by reference paragraphs 1
21 through 44, above.

22 50. Defendants, and each of them, by engaging in the conduct described
23 above, directly or indirectly, in the offer or sale of securities by the use of means or
24 instruments of transportation or communication in interstate commerce or by use
25 of the mails:

- 26 a. with scienter, employed devices, schemes, or artifices to
27 defraud;
28 b. obtained money or property by means of untrue statements of a

1 material fact or by omitting to state a material fact necessary in
2 order to make the statements made, in light of the
3 circumstances under which they were made, not misleading; or
4 c. engaged in transactions, practices, or courses of business which
5 operated or would operate as a fraud or deceit upon the
6 purchaser.

7 51. By engaging in the conduct described above, each of Defendants
8 violated, and unless restrained and enjoined will continue to violate, Section 17(a)
9 of the Securities Act, 15 U.S.C. § 77q(a).

10 **THIRD CLAIM FOR RELIEF**

11 **FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF**
12 **SECURITIES**

13 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder**

14 52. The Commission realleges and incorporates by reference paragraphs 1
15 through 44, above.

16 53. Defendants, and each of them, by engaging in the conduct described
17 above, directly or indirectly, in connection with the purchase or sale of a security,
18 by the use of means or instrumentalities of interstate commerce, of the mails, or of
19 the facilities of a national securities exchange, with scienter:

- 20 a. employed devices, schemes, or artifices to defraud;
- 21 b. made untrue statements of a material fact or omitted to state a
22 material fact necessary in order to make the statements made,
23 in the light of the circumstances under which they were made,
24 not misleading; or
- 25 c. engaged in acts, practices, or courses of business which
26 operated or would operate as a fraud or deceit upon other
27 persons.

28 54. By engaging in the conduct described above, each of the Defendants

1 violated, and unless restrained and enjoined will continue to violate, Section 10(b)
2 of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R.
3 § 240.10b-5.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, the Commission respectfully requests that the Court:

6 **I.**

7 Issue findings of fact and conclusions of law that Defendants committed the
8 alleged violations.

9 **II.**

10 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d),
11 temporarily, preliminarily and permanently enjoining Defendants and their
12 officers, agents, servants, employees, and attorneys, and those persons in active
13 concert or participation with any of them, who receive actual notice of the
14 judgment by personal service or otherwise, and each of them, from violating
15 Sections 5(a), 5(c), and 17(a) of the Securities Act, 15 U.S.C. §§ 77e(a), 77e(c) &
16 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5
17 thereunder, 17 C.F.R. § 240.10b-5.

18 **III.**

19 Issue, in a form consistent with Fed. R. Civ. P. 65, a temporary restraining
20 order and a preliminary injunction freezing the assets of each of the Defendants,
21 appointing a receiver over High Park and Harbor Financial, requiring the
22 Defendants to repatriate their assets to the United States, requiring accountings
23 from each of the Defendants, prohibiting each of the Defendants from destroying
24 documents, and ordering expedited discovery.

25 **IV.**

26 Order each of the Defendants to disgorge all ill-gotten gains from their
27 illegal conduct, together with prejudgment interest thereon.

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V.

Order each of the Defendants to pay civil penalties under 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).

VI.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VII.

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: November 8, 2005



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