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UNITED STATES DISTRICT COURT  
for the  
DISTRICT OF NEW JERSEY

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SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No.
	:	
DONALD MATTHEW GRETH,	:	
	:	
and	:	VERIFIED
	:	COMPLAINT
BRENDA B. MELTON,	:	
	:	
Defendants.	:	
	:	

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Plaintiff Securities and Exchange Commission (the "Commission"), 701 Market Street, Philadelphia, Pennsylvania, 19106, brings this action to halt ongoing fraud by defendant Donald Matthew Greth ("Greth"), who lives in Lindenwold, New Jersey, and defendant Brenda B. Melton ("Melton"), who lives in Upperville, Virginia.

In support of this action, the Commission alleges as follows:

SUMMARY

1. This matter involves an ongoing fraud being committed by defendants Greth and Melton. Greth, who was criminally convicted in 1991 in connection with a Ponzi scheme involving more than 200 investors and which caused almost \$1.5 million in losses to a subset of those investors, has resumed his illegal activity, conducting an almost identical fraud.

2. On information and belief, since at least June 2003, Greth and Melton have been engaged in a fraudulent scheme to deceive investors in at least two states, using misrepresentations and omissions of material fact in connection with the offer and sale of shares in a fictitious "Christian" investment fund run by Greth. Aside from the religious affinity, this scheme essentially duplicates the scheme for which Greth was convicted in 1991.

3. By knowingly or recklessly engaging in the conduct described in this Complaint, defendants Greth and Melton violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b5], thereunder.

4. By knowingly or recklessly engaging in the conduct described in this Complaint, defendant Greth violated, and unless restrained and enjoined will continue to violate, Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-6(1) and 80b-6(2)].

5. The Commission brings this action seeking to preliminarily and permanently enjoin the defendants from engaging in the wrongful conduct alleged herein. The Commission also seeks a final judgment ordering the defendants to disgorge any ill-gotten gains and to pay prejudgment interest thereon, and ordering defendants Greth and Melton to pay civil money penalties.

**JURISDICTION AND VENUE**

6. The Commission brings this action pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Sections 21(d) and (e) of the Exchange Act [15 U.S.C. §§ 78u(d) and (e)], and Sections 209(d) and (e) of the Advisers Act [15 U.S.C. §§ 80b-9(d) and (e)], to enjoin such acts, transactions, practices, and courses of business; obtain disgorgement and civil penalties; and for other appropriate relief.

7. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14].

8. Venue is proper because the defendants are found, inhabit or transact business in the District of New Jersey, and/or acts or transactions constituting the violations alleged herein occurred within the District of New Jersey.

9. In connection with the conduct alleged in this Complaint, the defendants directly or indirectly made use of the means or instruments of transportation or communication in interstate commerce, or the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange.

THE DEFENDANTS

10. **Donald Matthew Greth**, age 50, resides in Lindenwold, New Jersey. His business card describes him as a "free lance investor/advisor" and a "high yield mutual fund specialist." He is not licensed to sell securities or provide investment advice. Greth currently operates under the names "DMG Funds" and "DMG Investments." (Greth, DMG Funds, and DMG Investments are referenced herein, collectively, as "Greth.") As further set forth below, Greth pled guilty to federal securities fraud and related charges in 1991, and, in a related civil action filed by the Commission in 1992, consented to an injunction against violating registration and antifraud provisions of the federal securities laws.

11. Brenda B. Melton, age 51, resides on a working farm in Upperville, Virginia (the "Farm"), where her husband is employed. Melton represents Greth at the Farm and in Virginia. Among other things, she solicits investments for Greth from individuals, collects investment checks for Greth, informs investors monthly of what the following month's rate of return will be, delivers checks to investors who have requested withdrawals, and distributes "account statements" to investors each month.

#### FACTS

##### Background: Greth's First Ponzi Scheme

12. In September 1991, in U.S. v. Greth, Crim. No. 91-00205 (E.D. Pa.) (the "Criminal Action"), Greth pled guilty to an Information charging him with securities fraud [15 U.S.C. §§ 77q(a), 77x] and interstate transportation of money taken by fraud [18 U.S.C. § 2314]. The Court, among other things, sentenced him to 21 months in prison and ordered him to pay \$1,493,538 in restitution.

13. On September 30, 1992, in a related civil proceeding brought by the Commission, Greth consented to a final judgment which, among other things, enjoined him from violations of Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C §§ 77e(a), 77e(c), and 77q(a)], and 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]. SEC v. Donald M. Greth, 92-CV-550 (E.D. Pa.) (the "Civil Action").

14. According to documents filed in these two prior actions, from January 1985 through September 1988, Greth conducted a scheme to defraud whereby he took money from more than 200 investors under the pretense that he would invest the money and provide to the investors high returns on their investment.

15. Greth made the following misrepresentations, which strongly resemble those currently at issue, to investors in his prior scheme to defraud:

- a. The money they were investing was going to be pooled with other money into a mutual fund which would make profitable investments;
- b. They would receive between 25% and 56% in interest on investments made with two fictitious entities: D.M.G. Investment Systems and Common Unity Fund Investment Systems;
- c. They would never lose their principal and they could withdraw their money at any time without penalty;
- d. He had partners who assisted him in investing investor funds; and
- e. Investors did not have to pay taxes on their investments because Greth had "taken care of everything with the IRS."

16. Greth structured the scheme so that certain investors received monthly payments of interest and principal throughout their investment, and he used his success in making payments to investors to lure new investors.

17. In fact, Greth made no investments with investor funds. Rather, he conducted a "Ponzi scheme," using money obtained from new investors to pay prior investors and to enrich himself.

18. By the Summer of 1988, the number of new investors began to decline and, as a result, Greth no longer had a source to fund payments to investors.

19. When the scheme collapsed, Greth left town and lived under an assumed name. In March 1989, an agent of the Federal Bureau of Investigation found Greth living in Fort Myers, Florida. By that time, Greth had spent all of the investor funds.

20. Consistent with the nature of a Ponzi scheme, although some early investors recouped their principal and realized extremely high returns on their money, investors who invested or reinvested closer in time to the collapse of the scheme lost approximately \$1.5 million.

#### Greth's Current Ponzi Scheme

##### Overview

21. On information and belief, Greth and Melton are now conducting a scheme remarkably consistent with that which Greth ran in the late 1980s.

22. Specifically, since at least June 2003, Greth and Melton have been soliciting investments in at least two states through a sales pitch that is strikingly similar to that made by Greth more than ten years ago, including, among other things, promises and

representations of exorbitant returns, and assurances that investors can withdraw their money at any time without penalty.

23. New to this scheme, the defendants are marketing their purported investment as one with a religious affinity. Among other things, the defendants are representing to investors that the investors are investing in a "Christian based mutual fund."

24. In connection with this new scheme, Greth is soliciting investors in or around New Jersey, while defendant Melton is soliciting investors for Greth in Virginia.

25. Based on representations made by defendant Melton to one investor, as of September 2005 at least 140 investors had invested with the defendants.

26. On information and belief, instead of investing the funds provided to them by investors, the defendants are using the funds from new investors to pay prior investors and to enrich themselves.

27. The defendants are further supplementing their cash flow by charging investors a fee for each withdrawal from their account, to cover Greth's "expenses."

28. As with Greth's prior scheme, when the defendants are unable to solicit new investments, the scheme will collapse and any investors who invested late in the scheme will lose their money. In fact, based on documents provided by Greth and Melton to one investor, Greth recently imposed limitations on investor

withdrawals, indicating that the scheme may already have begun to collapse.

29. In support of these allegations, the Commission sets forth the details of one investor's experience in connection with her investment with defendant Greth through defendant Melton.

**The Solicitation**

30. Joan Mikelatis ("Mikelatis") is an adult resident of the Commonwealth of Virginia. She works at the Farm as a payroll administrator.

31. Mikelatis first became aware of an investment opportunity with defendant Greth through defendant Melton's husband, James, who also works on the Farm.

32. Specifically, in the Fall of 2004, James Melton told Mikelatis that he had invested with defendant Greth, that his investment earned a high rate of return and permitted him to make monthly withdrawals of the interest earned, and that these interest withdrawals had generated enough money to pay for a cruise.

33. James Melton also mentioned to Mikelatis, without further detail, that Greth had been the subject of a *Wall Street Journal* article.

34. Following that initial conversation, defendant Melton met once with Mikelatis to discuss the investment. Melton told Mikelatis about the high rate of return that she could earn on the

investment; confirmed that she could make monthly withdrawals of interest earned; and told Mikelatis that she would receive a "safety check" in the amount of her invested principal that would permit her, in the event of an emergency, to withdraw her investment principal immediately after notifying Greth of her intent to do so.

35. At this meeting, defendant Melton gave Mikelatis: (a) three "account statements," in the form of spreadsheets, that purportedly evidenced the investments of the Meltons, as well as two other investors with Greth; (b) a "sample" of a letter purportedly sent each month to investors by Greth; and (c) a blank investment "agreement."

36. The spreadsheets, two spanning a period during 2004 and the third including periods during 2003 and 2004, reflect monthly interest earned at rates ranging from 18% to 20%. These monthly rates of return, if all principal and interest compound, translate into an annual rate of return of 629% or more. They also reflect withdrawals by the investors of significant portions of their monthly returns.

37. For instance, one of the spreadsheets showed an investment with Greth of \$10,000 over a fourteen month period beginning in July 2003. During this period, the investor purportedly withdrew \$31,750 through eight month-end withdrawals. According to the spreadsheet, and despite these withdrawals, at

the end of the fourteen months the investor's balance was \$39,506.40, a gain of almost 300% over the initial investment of \$10,000.

38. The sample letter, signed by Greth, describes the investment as a "Christian based mutual fund," and states that fund investments are "channeled into areas where opportunities for growth are focused and profitable." Greth further informs the investor that the current rate of return on the investment is just over 19%.

39. In connection with the safety of the investment, Greth states in the letter that the investor can withdraw his or her principal at any time by processing a refund check provided to the investor by Greth in the amount of that principal.

40. The blank investment "agreement" that Melton gave to Mikelatis was captioned "DMG Investments, Dividends through Mutual Growth, A Christian based mutual fund." The "agreement" reflects an investment with "DMG Funds," describes Melton's "safety check" arrangement for immediate withdrawals of principal, and states, among other things, that:

- a. The investment will be "systematically invested on a 30-45 day banking cycle with the obligation of the fund to secure dividends based on a given rate of return to be reviewed each month"; and that
- b. The rate will not fall below .1499 or exceed .2600 during a 365 day term.

41. Further amplifying the investment's "Christian" affinity, the "agreement" recites:

The fund is privileged to handle your investment with the highest integrity. Our performance and results will be based on careful concise investment decisions that will benefit the fund as well as every Christian Member. We are a private entity yet we reach out around the globe linking Christians together. We welcome our Christian Brothers and Sisters into a union of cooperation and financial power, guided by the Holy Spirit and held steadfast by our Lord and Savior, Jesus Christ.

42. At this meeting, Melton also told Mikelatis that investors had to invest a minimum of \$500 with Greth; that "taxes" would be paid by Greth "off the top," as opposed to by the investor; and that investors were required to pay a \$50 fee each time they withdrew interest from their account, to cover Greth's "expenses."

43. This \$50 fee was later described in a document signed by defendant Greth, and provided to Mikelatis by defendant Melton, as, among other things, helping to "maintain the fund."

44. Melton also told Mikelatis that 70 people in Virginia had already invested with Greth, and that defendant Greth had solicited 70 additional, "bigger," investors in New Jersey.

**Mikelatis's First Investment with Greth**

45. Soon after discussing the investment with defendant Melton, Mikelatis decided to invest with Greth.

46. Mikelatis made this decision based on, among other things, the high rate of return that investors were receiving and the ability to make regular withdrawals of interest. Mikelatis also considered that, in the event of an emergency, she could withdraw her investment quickly; and that a number of people had invested with Greth with apparent success.

47. The religious affiliation also appealed to Mikelatis insofar as she believed it ensured the integrity and good faith of the persons running the investment.

48. In November 2004, Mikelatis gave Melton a check for \$1000 to be invested with Greth, making the check payable to "Matt Greth" at Melton's instruction.

49. On occasion, Mikelatis observed defendant Melton send Federal Express packages from the Farm to Greth at a New Jersey address. On information and belief, Melton sent Mikelatis's check to Greth in New Jersey. Greth endorsed Mikelatis's check and deposited it into his personal account at a bank in Philadelphia.

50. In December of 2004, Melton gave to Mikelatis a completed investment "agreement" which included her name as the investor, and reflected her \$1000 investment, and represented that the current rate of return was 18%. It was signed by Greth on December 1, 2004.

51. At this same time, Melton provided to Mikelatis a "safety" check, signed by Greth, reflecting her \$1000 investment; and defendant Greth's business card.

52. Greth's business card identified an entity named "DMG Investments," described Greth as a "free lance investor/advisor" and "mutual fund specialist," and listed an e-mail address and a street address and phone number in Lindenwold, New Jersey.

Mikelatis's Second Investment with Greth

53. An account statement provided to Mikelatis by Melton in the beginning of December 2004 indicated that Mikelatis had earned 18% on her account in one month and that her balance had increased from \$1000 to \$1180.

54. Encouraged by this result, Mikelatis decided to increase her investment and gave to defendant Melton a second check for \$1000 to be invested with Greth.

55. At Melton's direction, Mikelatis again made the check payable to "Matt Greth."

56. On information and belief, Melton sent the check to Greth in New Jersey. Greth endorsed the check and again deposited it at a bank in Philadelphia.

57. Mikelatis did not invest any additional money with Greth.

Mikelatis's Request for Additional  
Information on the Investment

58. In January 2005, Mikelatis sent an e-mail to defendant Greth, expressing her interest in investing more money but also requesting further information "on the way these funds are invested." She also asked for a copy of the *Wall Street Journal* article that James Melton had mentioned to her in the Fall of 2004.

59. Greth responded to Mikelatis by e-mail dated January 30, 2005, stating that he would send additional information about "what we do and why we do it" at a later date.

60. With respect to the *Wall Street Journal* article, he described to her an August 13, 2004 article, which was not about Greth or his fund, but concerned a well respected investment management company. The content of the article purportedly caused him to withdraw all investments from that company. He further stated that he anticipated a follow-up interview with the reporter that "will elaborate on our investment techniques."

61. Greth also stated in his e-mail that his investment fund focused on "closed-end funds," most of which yield anywhere from 26-47% over a 12 month period; and that Greth paid taxes and brokerage commissions prior to providing to investors their monthly returns.

62. In his e-mail, Greth encourages Mikelatis to interact with Melton, telling her: "Brenda does an outstanding job for us and please continue to place your confidence in her abilities to help realize your financial goals."

63. Mikelatis did not receive any further information from Greth, or from anyone, with respect to her request.

**Additional Representations Relating to Investor Returns**

64. Once Mikelatis invested, the defendants continued to provide to her material suggesting that she was, in fact, receiving monthly the "current" rate of return of 18%, or more, on her investment with Greth.

65. At the end of each month, Melton informed her, prospectively, of the next month's rate of return. As reflected on an "account statement" delivered to her each month by either defendant Melton or by James Melton, this monthly rate was never less than 18%. Compounded, this rate of return translates into an annual rate of return of 629%.

66. Moreover, in July 2005, Greth and his purported "partners" established guidelines which limited monthly withdrawals by investors, based on the amount of their invested principal. However, in order for Greth's investments to accommodate the withdrawals permitted under the guidelines and to continue to yield, at least, an 18% monthly investment rate, the

investment had to be yielding a compounded annual interest rate ranging from 354% to 555% annually.

Mikelatis Made Three Withdrawals,  
Paying a \$50 Fee for Each Withdrawal

67. Over the course of her investment with Greth, Mikelatis made three withdrawals and, in connection with each withdrawal, gave Melton a check for \$50 to pay for Greth's "expenses."

68. At Melton's instruction, Mikelatis made these checks payable to Greth.

69. On information and belief, Melton sent these checks to Greth in New Jersey. Greth endorsed the checks and deposited them into his personal accounts at a bank in Philadelphia.

70. With respect to Mikelatis's first withdrawal in the amount of \$500, made in April 2005, Melton gave Mikelatis a check signed by Greth and drawn on an account at the same bank in which he had deposited her investments.

71. With respect to the remaining two withdrawals, each in the amount of \$550, made in May and June 2005, respectively, Melton gave Mikelatis the money in cash. Melton explained to Mikelatis that, because "too many" people were cashing withdrawal checks, Greth decided to give Melton one check for her to cash and use the proceeds to deliver cash payments to investors.

Mikelatis Closed her Account in September 2005  
but Other Investors Remain Invested.

72. In or around early September 2005, Mikelatis decided to terminate her account with Greth. Based on her "account statement," which reflected invested principal of \$2000 and withdrawals totaling \$1,600, Mikelatis understood her account balance to be \$6,662.78.

73. A factor in Mikelatis's decision to close her account was the defendants' failure to provide to Mikelatis more information concerning how Greth was investing investor money.

74. On the two occasions that Mikelatis discussed her decision to close her account with Melton, Melton seemed concerned and asked Mikelatis whether she had spoken to anyone concerning the investment.

75. Melton, in an apparent effort to change Mikelatis's mind, told Mikelatis that she was the first investor to terminate an account in fourteen years and that Greth would be upset; that Mikelatis was the only investor out of more than 140 investors to terminate an account; and that another investor had given the investment materials to a lawyer, who had reviewed and approved the investment.

76. Melton told Mikelatis that she would receive her money back in two separate payments, purportedly for tax reasons.

77. The defendants have since closed Mikelatis's account and paid Mikelatis the full amount reflected on her account statement, through two checks signed by Greth and dated one week apart. Although these checks state "DMG Account" in the address lines, they were drawn on Greth's personal, as opposed to a business, account, at the same bank in which he had deposited Mikelatis's investment checks.

78. The fact that Mikelatis has been paid in full by the defendants is consistent with a Ponzi scheme: investors that withdraw their funds early in the scheme realize huge profits, while those invested at the end of the scheme suffer huge losses.

79. Significantly, the "guidelines" established by Greth and his purported "partners" in July 2005, limiting investor monthly withdrawals, strongly suggest that the defendants' inflow of money may be decreasing, causing them to limit the outflow. In the context of a Ponzi scheme, this likely is an indication that the defendants are having difficulty obtaining new investments and that the scheme may soon collapse.

80. The defendants did not inform Mikelatis that Greth had a criminal record and that he had been the subject of a civil enforcement action brought by the Commission for investment fraud. Mikelatis learned this information from a third party after she decided to terminate her investment and had requested payment of her account balance.

81. Based on, among other things, conversations with others, Mikelatis believes that at least five additional Farm employees have invested with Greth through Melton, and that one of these employees is currently considering increasing his investment.

**Material Misrepresentations and Omissions**

82. In connection with Mikelatis's investment and, on information and belief, investments by others, the defendants are knowingly or recklessly making material misrepresentations and omitting material information.

83. For instance, the defendants are knowingly or recklessly failing to inform investors of Greth's conviction in the Criminal Action and/or of the judgment entered against him in the Civil Action when they provide to investors information about the investment.

84. Mikelatis has informed the Commission that she would not have invested with Greth had she known of these judgments at the time of her investments.

85. A reasonable investor would consider information about Greth's investment fraud conviction and injunction important in making a decision about investing with him.

86. In addition, the defendants are knowingly or recklessly misrepresenting to prospective and/or existing investors:

- a. The rate of return of Greth's purported investments or, in particular, a return of more than 18% monthly, or 629% annually, when in fact, such returns are improbable, at best;
- b. A market rate of return, prospectively, for each month when, in fact, they cannot, in fact, guarantee any return in advance;
- c. That Greth is paying taxes on investor income from the investment, because Mikelatis never provided to Greth or Melton her tax identification number, and neither Greth nor Melton requested or otherwise had access to that information; and
- d. That Greth is an "advisor," a "mutual fund" specialist, and that he has been investing money for investors for, at least, fourteen years when, in fact, Greth does not appear to have any significant mutual fund investment experience; he is not registered with the Commission or any state authority as an investment adviser; and he was incarcerated during some portion of the past fourteen years.

87. The misrepresented or omitted information set forth above, alone or in combination, would have been considered important by a reasonable investor making an investment decision.

88. Greth also knowingly or recklessly misrepresented to Mikelatis in his January 30, 2005 e-mail to her:

- a. His intent to send to her additional information concerning his investments, thereby lulling her into a false sense of security despite his failure to immediately answer the question; and
- b. To this same end, that until, approximately, August 2004, Greth had invested in the identified well respected investment management company when, in fact, that company has no record of any such account at that time or for, at least, one year prior to that time.

89. Further, on information and belief, the defendants also are knowingly and recklessly misrepresenting that:

- a. The defendants are investing the money of the current investors when, in fact, they are using investor money to fund monthly dividend withdrawals, to pay departing investors, and to enrich themselves;
- b. Investor money is safe when, in fact, the money is not safe because repayment of principal and/or interest is completely dependent upon the influx of new money into the fund;
- c. Greth has "partners" assisting him in making investment decisions when, in fact, Greth is not investing any money and, accordingly, no one is assisting him in investing the money; and that
- d. Greth is somehow affiliated with Christianity when, in fact, Greth is not acting in a manner consistent with Christianity.

90. These misrepresentations and omissions, alone or in combination, are material. A reasonable investor would consider the misrepresented or omitted information important in making an investment decision.

**FIRST CLAIM FOR RELIEF**

**Violations of Section 17(a) of the Securities Act,  
Section 10(b) of the Exchange Act and Rule 10b-5 thereunder**

**Against Defendants Greth and Melton**

91. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 90, inclusive, as if the same were fully set forth herein.

92. From at least July 2003 and continuing through the present time, Greth and Melton, knowingly or recklessly, in

connection with the offer, purchase, or sale of securities, directly or indirectly, by use of the means or instruments of transportation or communication in interstate commerce, or the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

(a) employed devices, schemes or artifices to defraud;

(b) obtained money or property by means of, or made, untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(c) engaged in acts, transactions, practices, or courses of business that operated as a fraud or deceit upon offerees, purchasers, and prospective purchasers of securities.

93. By engaging in the foregoing conduct, Greth and Melton have violated, and continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder.

SECOND CLAIM FOR RELIEF

**Violations of Sections 206(1) and 206(2)  
of the Advisers Act**

Against Defendant Greth

94. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 93, inclusive, as if the same were fully set forth herein.

95. Defendant Greth is acting as an investment adviser in that, for compensation, he is managing the funds of others for compensation.

96. From at least July 2003 and continuing through the present time, defendant Greth made use of the means and instrumentalities of interstate commerce and of the mails while acting as an investment adviser.

97. From at least June 2003 and continuing through the present time, defendant Greth, directly or indirectly, by use of the mails and means and instrumentalities of interstate commerce, employed devices, schemes, and artifices to defraud investment advisory clients, and engaged in transactions, practices and courses of business which operated as a fraud and deceit upon such clients.

98. By reason of the foregoing, defendant Greth has violated, and continues to violate, Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

**WHEREFORE**, the Commission respectfully requests that this Court:

**I.**

Permanently restrain and enjoin defendant Greth and Melton, and their agents, officers, servants, employees, attorneys, and those persons in active concert or participation with them, directly or indirectly, singly or in concert, from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b5], thereunder.

**II.**

Permanently restrain and enjoin defendant Greth, and his agents, officers, servants, employees, attorneys, and those persons in active concert or participation with him, directly or indirectly, singly or in concert, from violating Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

**III.**

Order defendants Greth and Melton to account for and to disgorge any and all ill-gotten gains, together with prejudgment interest, derived from the activities set forth in this Complaint, in accordance with a plan of disgorgement acceptable to the Court and to the Commission.

IV.

Order defendants Greth and Melton to pay civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)], in an amount to be determined by the Court.

V.

Grant such other and further relief as the Court may deem just and appropriate.

Respectfully submitted,



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Catherine E. Pappas  
Daniel M. Hawke  
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Dated: October 21, 2005

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UNITED STATES DISTRICT COURT  
for the  
DISTRICT OF NEW JERSEY

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SECURITIES AND EXCHANGE	:
COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	Civil Action No.
DONALD MATTHEW GRETH,	:
	:
and	:
BRENDA B. MELTON,	:
	:
Defendants.	:
	:

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VERIFICATION

I, James Paul Rihn, pursuant to 28 U.S.C. § 1746, declare  
as follows:

1. I am employed by the Securities and Exchange  
Commission ("Commission"), the plaintiff in this action, as a

senior staff accountant in its Philadelphia District Office.

2. I have read the foregoing Complaint and know the contents thereof, and the same is true to the best of my knowledge except as to matters therein stated to be alleged upon information and belief and, as to those matters, I believe them to be true. The grounds for my belief as to such matters include the interviews that other Commission staff and I conducted of Joan M. Mikelatis; the Declaration of Joan M. Mikelatis and the Exhibits attached thereto; the information contained in my Declaration and the Exhibits attached to that Declaration; and additional information provided in connection with the investigation of this matter to me and to other members of the Commission staff.

I declare under penalty of perjury that the foregoing is true and correct.

Date:

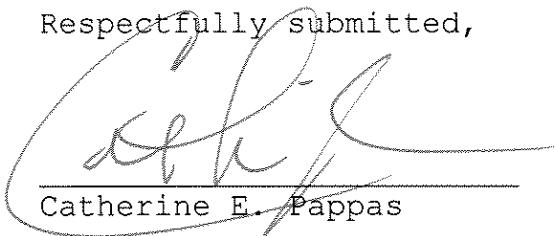


James Paul Rihn  
James Paul Rihn

CERTIFICATION

Pursuant to Local Rule 11.2, the Securities and Exchange Commission ("Commission") certifies that the matter in controversy alleged in the foregoing Verified Complaint is not the subject of any other action pending in any other court, or of any pending arbitration or administrative proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C.E.P.", is enclosed within a hand-drawn oval. Below the oval, the name "Catherine E. Pappas" is printed in a standard font.

Catherine E. Pappas

Attorney for Plaintiff:

SECURITIES AND EXCHANGE  
COMMISSION  
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Dated: 10/21/2005