

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street, N.W.
Washington, D.C. 20549,

Plaintiff,

v.

NATIONAL INSTITUTE COMPANIES OF
AMERICA, INC.,
RAYMOND P. SOBIERALSKI,
JOHN A. D'ONOFRIO,
ROBERT C. WALTERS,
DENNIS J. OSLOSKY and
JASON J. RILEY,

Defendants.

CIVIL ACTION NO.

00 1216

CERTIFIED FROM THE RECORD

Date JUN 10 2004

ROBERT V. BARTH JR. CLERK

By *Michael M. Ruck*
Deputy Clerk

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission")
alleges for its Complaint the following:

SUMMARY

1. This case involves a scheme by the defendants to defraud investors through the offer and sale of unregistered securities. From approximately August 1996 to August 1998, defendants National Institute Companies of America, Inc. ("NICA"), Raymond P. Sobieralski ("Sobieralski"), John A. D'Onofrio ("D'Onofrio"), Robert C. Walters ("Walters"), Dennis J. Oslosky ("Oslosky"), and Jason J. Riley ("Riley") (collectively, "defendants") participated in a fraudulent scheme in which they raised more

than \$2.3 million from investors by offering and selling unregistered securities of NICA's predecessor, Mortgage Bankers Holding Corp. ("Mortgage Bankers") and a Mortgage Bankers subsidiary. As part of the scheme, defendants made material misrepresentations and omissions to investors concerning, among other things, the risk of the investment, the financial condition of the issuers, and the use of proceeds. The defendants used the money raised to benefit themselves, pay salaries and other business and personal expenses, and pay existing investors.

2. As a result of the conduct described above, defendants have engaged and, unless restrained and enjoined by this Court, will continue to engage in acts, transactions, practices, and courses of business which violate Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. 77e(a), 77e(c) and 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. 240.10b-5, thereunder.

3. Defendants Sobieralski, D'Onofrio, Walters and Oslosky sold securities of Mortgage Bankers and its subsidiary without registering with the Commission as a broker or dealer, and thereby have engaged and, unless restrained and enjoined by this Court, will continue to engage in acts, transactions, practices, and courses of business which violate Section 15(a) of the Exchange Act, 15 U.S.C. 78o(a).

JURISDICTION AND VENUE

4. The Commission brings this action pursuant to Sections 20(b), 20(d) and 20(e) of the Securities Act, 15 U.S.C. 77t(b), 77t(d) and 77t(e), and Section 21(d) of the Exchange Act, 15 U.S.C. 78u(d), to enjoin such acts, transactions, practices, and courses of business, and for other relief.

5. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act, 15 U.S.C. 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. 78aa.

6. Certain of the acts and practices constituting the violations alleged herein occurred within the Western District of Pennsylvania and elsewhere, and were effected, directly and indirectly, by making use of the means and instruments of transportation or communication in interstate commerce, or the means and instrumentalities of interstate commerce, or the mails.

DEFENDANTS

7. National Institute Companies of America, Inc. is located in Washington, Pennsylvania. On March 3, 1999, NICA was acquired by Mortgage Bankers Holding Corp., a New York corporation with headquarters in Pittsburgh, Pennsylvania. On March 3, 2000, Mortgage Bankers changed its name to National Institute Companies of America, Inc. In April 1997, the common stock of Mortgage Bankers commenced trading on the National Association of Securities Dealers, Inc.'s Electronic Display Service ("OTC Bulletin Board"), under the symbol MBHC. The stock currently

trades under the corporation's new name, using the symbol NICME. Mortgage Bankers, as predecessor of NICA, never filed a registration statement with the Commission.

8. Raymond P. Sobieralski, age 38, resides in Clairton, Pennsylvania. He was a major shareholder of Mortgage Bankers and, from 1996 until November 1998, served as its Chief Executive Officer. Sobieralski has never been licensed to sell securities.

9. John A. D'Onofrio, age 45, resides in Crafton, Pennsylvania and is an attorney licensed to practice in Pennsylvania and Texas. From August 1996 through April 1999, he was employed in various capacities at Mortgage Bankers, including vice-president, member of the board of directors and president of Commonwealth Capital Investment Corp. ("Commonwealth Capital"), a wholly-owned subsidiary that Mortgage Bankers acquired from D'Onofrio in February 1997. Until December 31, 1998, D'Onofrio was associated with a broker-dealer registered with the Commission.

10. Robert C. Walters, age 52, resides in Jeanette, Pennsylvania. He has never been licensed to sell securities.

11. Dennis J. Oslosky resides in Delmont, Pennsylvania. He has never been licensed to sell securities.

12. Jason J. Riley, age 30, resides in Pittsburgh, Pennsylvania. Until May 1999, he was associated with a broker-dealer registered with the Commission.

BACKGROUND

13. In July 1996, Mortgage Bankers Service Corp. ("MBSC"), a small mortgage broker owned by Sobieralski, entered into a reverse merger with Regatta Group, Ltd. ("Regatta"), an inactive New York shell corporation with offices in Denver, Colorado. The new company was renamed Mortgage Bankers Holding Corp. MBSC remained as a subsidiary of Mortgage Bankers. Following the merger, Sobieralski owned convertible preferred and common stock of Mortgage Bankers equal to more than half of the total of potential shares of Mortgage Bankers common stock, and therefore was the single largest shareholder of Mortgage Bankers. Senior officers of MBSC, including Sobieralski, owned 80% of Mortgage Bankers' stock; the remaining 20% was owned by former Regatta shareholders.

THE FRAUDULENT OFFERINGS

14. At all times relevant to the conduct described in this Complaint, Mortgage Bankers acted by and through its officers, Sobieralski and D'Onofrio.

Mortgage Bankers Common Stock

15. In August 1996, Sobieralski persuaded certain former Regatta shareholders, who then owned large blocks of Mortgage Bankers common stock as a result of the merger, to donate back to Mortgage Bankers a total of approximately 1.1 million shares of that stock. He proposed to sell the donated stock to new

investors and use the proceeds to capitalize Mortgage Bankers.

16. Beginning in September 1996, and continuing through June 1997, Mortgage Bankers, through D'Onofrio and Sobieralski, began to sell Mortgage Bankers common stock to investors (the "common stock offering"). D'Onofrio and Sobieralski sold the stock both directly to investors and through Walters and Oslosky. During this time period, Mortgage Bankers generated little revenue and operated at a loss.

17. D'Onofrio, Sobieralski, Walters and Oslosky sold Mortgage Bankers common stock primarily to investors residing in Western Pennsylvania, but also to investors in other states. In many cases, these investors were relatively unsophisticated, had little education, had little or no investment experience, and were elderly, retired, and of limited means. Some investors borrowed money from relatives in order to purchase the stock. As a result of the common stock offering, Mortgage Bankers, through Sobieralski, D'Onofrio, Walters and Oslosky, ultimately raised more than \$762,000 from approximately 170 investors.

18. During the course of the common stock offering, Sobieralski, D'Onofrio, Walters and Oslosky discussed and agreed upon what they would tell investors regarding the investments. D'Onofrio, Walters and Oslosky directly solicited investors and made numerous material misrepresentations and omissions to prospective investors regarding, among other things, the value of the common stock, the risk of investment, the financial condition of Mortgage Bankers, and the use of proceeds. For example, they

told investors that: the company would triple in value in a year; it was a "very sound company, only going forward"; it was "safer than the average investment"; it would shortly be trading on NASDAQ at prices of \$4.00 to \$5.00 per share; it would use a new computer system to make loans over the Internet; it had an exclusive arrangement with a 300-store home remodeling and lumber sales chain; and investor money would be used to make loans to homeowners.

19. Sobieralski, D'Onofrio, Walters and Oslosky knew, or were reckless in not knowing, that there was no basis for making any of the statements described in paragraph 18 above. Moreover, they told investors nothing of the poor state of Mortgage Bankers' finances, even though they knew, or were reckless in not knowing that, when they began selling its stock, Mortgage Bankers had a negative net worth and was losing increasingly larger amounts of money.

20. The only document provided to investors in the common stock offering was an agreement drafted by D'Onofrio, titled "Attorney's Escrow Instructions," which, although it attempted to shield D'Onofrio from any liability for the common stock offering, contained no information about Mortgage Bankers, its financial condition or how the offering proceeds would be used.

21. Initially, D'Onofrio, Walters and Oslosky sold the common stock for \$0.50 per share. However, during the course of the offering, Sobieralski, D'Onofrio, Walters and Oslosky discussed offering the stock at up to \$2.00 a share. At the

beginning of the common stock offering, Sobieralski and D'Onofrio entered into a written agreement that permitted D'Onofrio to sell Mortgage Bankers stock to investors at prices higher than \$0.50 and to keep the difference between the sale price and the \$0.50 as payment for his sales efforts. Thereafter, D'Onofrio, Walters and Oslosky raised the offering price to \$1.00 and then to \$2.00 per share.

22. D'Onofrio deposited all investor funds into a bank account that he controlled, titled "John D'Onofrio, Esq. Escrow Account". Periodically, D'Onofrio sent Sobieralski letters listing recent investors and the number of shares purchased, and directing Sobieralski to have stock certificates issued. D'Onofrio also enclosed checks, drawn by him on the escrow account, payable to Mortgage Bankers for a dollar amount equal to a purchase price of \$0.50 per share.

23. Contrary to the verbal representations made to investors that their funds would be used to make loans to homeowners, nearly all of the money raised in the common stock offering was used for other purposes. Of the more than \$762,000 in investor funds deposited into the escrow account, D'Onofrio transferred \$473,268 to Mortgage Bankers; paid sales commissions of \$90,615 and \$25,375 to Walters and Oslosky, respectively; and paid himself \$166,989, including \$115,000 for the purchase of a lakefront vacation home. Sobieralski received \$6,000 directly from the escrow account.

24. Of the \$473,268 transferred by D'Onofrio to Mortgage Bankers, approximately \$340,000 went to MBSC, with the remainder used for legal fees, office expenses, the purchase of a headquarters for Mortgage Bankers, and salaries and other payments to insiders, including \$5,000 to D'Onofrio and approximately \$20,000 to Sobieralski.

25. On April 4, 1997, Mortgage Bankers' common stock was first quoted on the OTC Bulletin Board. On that date it closed at \$0.375 bid, significantly less than the price Mortgage Bankers had represented to investors. Thereafter, investors who had purchased the stock at \$2.00 began to complain to the company. However, Mortgage Bankers was unable to return investor funds because the money raised in the common stock offering had already been spent by D'Onofrio and Mortgage Bankers, and Mortgage Bankers was losing money at an increasing rate.

26. Mortgage Bankers refused to pay cash to the complaining investors. However, in an attempt to appease investors, Mortgage Bankers, through Sobieralski and D'Onofrio, offered investors additional shares of Mortgage Bankers common stock sufficient to reduce their per share basis to \$0.50. In return, Mortgage Bankers required investors to sign a document, prepared by Sobieralski and D'Onofrio, in which they agreed to accept the additional shares and acknowledged that they "had the opportunity to investigate the operations of the company and review the books and records of the company...and...accept the market risks

attendant with owning common stock of Mortgage Bankers..." In fact, many, if not all, of the investors who signed that document were not given any opportunity to review Mortgage Bankers' books and records or investigate its operations. Investors signed the document because they believed it was the only way to recoup their losses.

Commonwealth Capital Subordinated Notes

27. In September 1996, shortly after he became associated with Mortgage Bankers, and at the same time that the common stock offering commenced, D'Onofrio incorporated Commonwealth Capital. At that time, before any securities of Commonwealth Capital had been sold, D'Onofrio, in his capacity as owner of Commonwealth Capital, and Sobieralski, acting as CEO of Mortgage Bankers, executed an agreement whereby Mortgage Bankers would purchase Commonwealth Capital from D'Onofrio in exchange for shares of Mortgage Bankers stock.

28. Between December 1996 and May 1998, Sobieralski and D'Onofrio conducted the offer and sale ("note offering") of Commonwealth Capital subordinated notes ("notes"). D'Onofrio, Oslosky and Riley actually sold the notes, and raised approximately \$1.5 million from approximately 75 investors in the Pittsburgh area.

29. The note offering targeted unsophisticated investors for whom the investment would have been unsuitable, even if it were not fraudulent. Many investors were over the age of 70, lacked investment sophistication and invested sizable portions of

their retirement accounts, which previously had been invested in certificates of deposit and conservative mutual funds.

30. D'Onofrio, Oslosky and Riley, both verbally and in writing, made material factual misrepresentations and omissions in connection with the note offering. The misleading statements concerned, among other things, the safety of the investment and the use of proceeds. For example, D'Onofrio, Oslosky and Riley told investors that the notes were "safe," "insured, like a bank," "like CD's" and "a good investment." They also told investors that their funds would be used to make loans to small businesses.

31. Sobieralski, D'Onofrio, Oslosky and Riley knew, or were reckless in not knowing, that the representations made to investors were false and misleading. In addition, they failed to tell investors that both Sobieralski and D'Onofrio always intended to have Mortgage Bankers purchase Commonwealth Capital and divert nearly all investor funds to Mortgage Bankers' own use; that Mortgage Bankers was in poor financial condition; that Commonwealth Capital was a new company with no revenues; or that there was substantial risk of loss of their investment.

32. In November 1996, D'Onofrio filed a prospectus, which he had drafted for the notes, with the Pennsylvania Securities Commission. The prospectus, which D'Onofrio, Oslosky and Riley gave to investors, contained numerous misrepresentations which these defendants knew, or were reckless in not knowing, were false or misleading. For example, in the prospectus, dated

November 4, 1996, D'Onofrio described Commonwealth Capital as an independent company "affiliated" with Mortgage Bankers, with an actual history of operation as an investment management company. The prospectus stated that the proceeds of the note offering would be used for a variety of small business loans. In fact, virtually all of the proceeds raised in the note offering were diverted to Mortgage Bankers, which had no financial means to pay the interest on the notes.

33. The prospectus also contained an "Independent Auditor's Report," dated October 24, 1996, purportedly prepared by an "independent certified public accountant." Notwithstanding that representation, D'Onofrio knew, or was reckless in not knowing, that this individual, a tax preparer living in the Pittsburgh area, was not and never had been a certified public accountant, and had never performed and did not know how to perform an audit.

34. Included with the prospectus was a balance sheet indicating that Commonwealth Capital had assets worth \$505,000. However, Sobieralski, D'Onofrio, Oslosky and Riley knew, or were reckless in not knowing, that most of the assets listed on the balance sheet were fictitious. The listed assets consisted of \$5,000 in cash and a purported 25,000 shares of Mortgage Bankers convertible, preferred stock, valued in the prospectus at \$500,000. In fact, D'Onofrio supplied the \$5,000 using investor funds from the common stock offering. More importantly, at the time of the "audit," Commonwealth Capital did not own any shares

of Mortgage Bankers preferred stock, and there was no basis for the \$500,000 valuation.

35. D'Onofrio deposited the proceeds from the note offering into a Commonwealth Capital bank account which he controlled. Contrary to representations made to investors, only about \$80,000 of the \$1,500,000 million raised was used to make any kind of loans, and these were made not to small businesses as had been represented, but to individuals who had already purchased Mortgage Bankers shares or who were otherwise affiliated with the company. To date, these loans have not been repaid.

36. From the proceeds of the note offering, D'Onofrio wrote checks to himself totaling approximately \$53,000, paid \$23,000 in commissions to Riley, \$13,500 to Oslosky, and \$14,630 to Walters. He also transferred more than \$1,000,000 to Mortgage Bankers, which used the funds to pay salaries, business expenses and personal expenses of its employees, including approximately \$2,600 for payment of D'Onofrio's golf club dues and fees. The remaining funds were used to make interest payments on some of the notes.

37. Using funds obtained from new investors, Commonwealth Capital initially made interest payments on the notes totaling \$28,000. However, its funds were soon exhausted and, by the second quarter of 1998, payments had virtually ceased.

Mortgage Bankers Convertible Preferred Stock

38. During the summer of 1998, in an attempt to raise more funds, Sobieralski and D'Onofrio sold at least \$145,000 of

Mortgage Bankers convertible preferred stock to several investors in Pennsylvania, Nevada and other states. Sobieralski and D'Onofrio told investors that Mortgage Bankers was using an innovative computer system to sell mortgages over the Internet, and that the proceeds of the offering would be used to further develop the business. They also gave investors an offering memorandum, drafted by D'Onofrio and Sobieralski, which they knew or were reckless in not knowing contained numerous material misrepresentations concerning the financial stability, business activities and commercial strength of the company.

39. The offering memorandum contained unaudited financial statements prepared by Mortgage Bankers which stated that Mortgage Bankers had assets in excess of \$17 million, when in fact the company had a negative net worth and was consistently losing money. The offering memorandum also falsely described Mortgage Bankers' development and use of a proprietary computerized loan origination system and its alliance with a 300-store home remodeling chain as making significant contributions to Mortgage Bankers' growth. D'Onofrio and Sobieralski knew, or were reckless in not knowing, that the offering memorandum materially misstated Mortgage Bankers' financial condition, and that Mortgage Bankers had already ceased to use the loan origination system as described and was realizing no income from its arrangement with the home remodeling chain. In fact, D'Onofrio and Sobieralski knew that Mortgage Bankers used the

money obtained from investors in preferred stock to pay salaries and miscellaneous expenses.

Funds Received by the Defendants

40. In addition to the funds he obtained through the common stock and Commonwealth Capital offerings, Sobieralski received approximately \$165,000 from Mortgage Bankers. In addition to the funds he obtained through the common stock and Commonwealth Capital offerings, D'Onofrio received approximately \$59,000 from Mortgage Bankers.

41. As a result of the conduct described herein, Mortgage Bankers obtained approximately \$1.6 million in ill-gotten gains from the operation of the fraudulent scheme, Sobieralski obtained approximately \$198,000, D'Onofrio obtained approximately \$287,000, Walters obtained approximately \$105,000, Oslosky obtained \$38,875 and Riley obtained \$23,000.

FALSE AND MISLEADING PRESS RELEASES

42. Shortly after its common stock began publicly trading in April 1997, Mortgage Bankers began to issue press releases which contained numerous material factual misrepresentations and omissions, as described below. D'Onofrio and Sobieralski wrote these press releases in an attempt to influence the stock price and knew, or were reckless in not knowing, that they contained such material misrepresentations and omissions.

43. In August 1997, Mortgage Bankers issued a press release announcing that it had acquired "\$18,000,000 in assets of Growth Fund Partners, Inc. ("GFPI"), and that the acquisition had

enabled Mortgage Bankers to increase its lending lines of credit, thereby enabling it to continue its "explosive growth and progress...in its transition from a regional company to a national player." In the same release, Mortgage Bankers stated that the asset purchase would allow Commonwealth Capital to "continue to provide investment alternatives...as well as continue its efforts to raise capital for small to mid-size companies." In reality, D'Onofrio and Sobieralski knew, or were reckless in not knowing, that the asset valuation was a sham and that the assets exchanged by the two parties were virtually worthless.

44. In a December 1997 press release, Mortgage Bankers announced its appointment as escrow agent for a "\$2.6 billion development project." Sobieralski and D'Onofrio prepared the release and either knew, or were reckless in not knowing, that none of the contemplated transactions, for which Mortgage Bankers was to be paid a fee, would ever be completed. In fact, none ever were.

45. In another release, dated May 1, 1998, and drafted at least in part by Sobieralski, Mortgage Bankers reported that it had acquired National Settlements, Inc. ("NSI"), a company which allegedly handled property settlements. Mortgage Bankers claimed that NSI would handle the closings on all mortgages originated by Mortgage Bankers. The release quoted the president of NSI as stating that NSI anticipated "annual volume to approach \$100 Million by the 4th quarter of 1998." Mortgage Bankers claimed

the acquisition would give it an additional \$750,000 in fee income annually. However, NSI did not exist until days before it was purchased. In fact Sobieralski and D'Onofrio created NSI to buy it and pay off a debt owed to its president by Mortgage Bankers, facts never publicly disclosed by Mortgage Bankers.

FIRST CLAIM

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

46. Paragraphs 1 through 45 are realleged and incorporated herein by reference.

47. From at least August 1996 through August 1998, defendants NICA (through its predecessor Mortgage Bankers), Sobieralski, D'Onofrio, Walters, Oslosky and Riley, in connection with the offer, purchase and sale of securities, directly and indirectly, by use of the means and instruments of transportation and communication in interstate commerce, or the means and instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

- (a) employed devices, schemes and artifices to defraud;
- (b) obtained money and property by means of, and made, untrue statements of material fact, and omitted to state material facts necessary in order to make the statements made, in the light of the

circumstances under which they were made, not misleading; and

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

48. By reason of the foregoing, defendants NICA, Sobieralski, D'Onofrio, Walters, Oslosky and Riley have violated and, unless enjoined, will 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

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

49. Paragraphs 1 through 48 are realleged and incorporated herein by reference.

50. From at least August 1996 through August 1998, defendants NICA (through its predecessor Mortgage Bankers), Sobieralski, D'Onofrio, Walters, Oslosky and Riley offered for sale and sold securities, namely Mortgage Bankers common and preferred stock and Commonwealth Capital notes, and made use of the means and instruments of transportation and communication in interstate commerce, and of the mails, to sell and offer to sell such securities. Defendants NICA, Sobieralski, D'Onofrio, Walters, Oslosky and Riley caused such securities to be carried through the mails and in interstate commerce, by the means and

instruments of transportation, for the purpose of sale and delivery after sale.

51. With respect to such securities, no registration statements have been filed or are in effect with the Commission.

52. By reason of the foregoing, defendants NICA, Sobieralski, D'Onofrio, Walters, Oslosky and Riley have violated and, unless enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. 77e(a) and 77e(c).

THIRD CLAIM

Violations of Section 15(a) of the Exchange Act

53. Paragraphs 1 through 52 are realleged and incorporated herein by reference.

54. From at least August 1996 through August 1998, defendants Sobieralski, D'Onofrio, Walters and Oslosky made use of the means and instrumentalities of interstate commerce and of the mails to effect transactions in, and to induce and attempt to induce the purchase and sale of, the securities as described above, without being registered as a broker or dealer, in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. 78o(b).

55. By reason of the foregoing, defendants Sobieralski, D'Onofrio, Walters and Oslosky have violated and, unless enjoined, will continue to violate Section 15(a) of the Exchange Act, 15 U.S.C. 78o(a).

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue an injunction permanently restraining and enjoining defendants NICA, Sobieralski, D'Onofrio, Walters, Oslosky and Riley, their agents, officers, servants, employees, attorneys, and those persons in active concert or participation with them, directly or indirectly, singly or in concert, 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), 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.

II.

Issue an injunction permanently restraining and enjoining defendants Sobieralski, D'Onofrio, Walters and Oslosky, their agents, officers, servants, employees, attorneys, and those persons in active concert or participation with them, directly or indirectly, singly or in concert, from violations of Section 15(a) of the Exchange Act, 15 U.S.C. 78o(a).

III.

Issue an order directing defendants NICA, Sobieralski, D'Onofrio, Walters, Oslosky and Riley to disgorge all unlawfully obtained proceeds, 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.

Issue an order requiring defendants NICA, Sobieralski, D'Onofrio, Walters, Oslosky and Riley to pay civil penalties, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. 78u(d), as a result of the violations set forth herein.

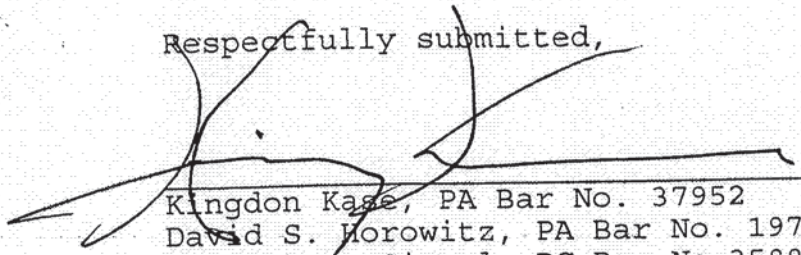
V.

Issue an order pursuant to Section 20(e) of the Securities Act, 15 U.S.C. 77t(e), and Section 21(d)(2) of the Exchange Act, 15 U.S.C. 78u(d)(2), barring defendants Sobieralski and D'Onofrio from serving as officers or directors of any issuer that has a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act, 15 U.S.C. 78l, or that is required to file reports with the Commission pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. 78o(d).

VI.

Order such other and further relief as this Court may deem just and appropriate.

Respectfully submitted,



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