

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CHEMICAL TRUST,
U.S. GUARANTEE CORP.,
UNITED MARKETING TRUST,
VIRGIL W. WOMACK,
CLIFTON WILKINSON,
LEWEY L. CATO, III, and
ALVIN A. TANG,

Defendants,

THREE RIVERS TRUST,
PRESTIGE ACCOUNTING SERVICES, INC.,
ACC CAPITAL CONSULTANTS, INC.,
THE FALCON TRUST CO., LTD.,
AMERICA'S FIDELITY
ASSURANCE CO. LTD.,
MERRIT PIERCE TRUST, and
U.C.B.M. (BAHAMAS) LTD.,

Relief Defendants.

CASE NO.

00-8015
CIV - RYSKAMP

MAGISTRATE JUDGE

COMPLAINT FOR VITUNAC
EMERGENCY
INJUNCTIVE RELIEF,
RELATED EQUITABLE
RELIEF, AND CIVIL
PENALTIES

Plaintiff, Securities and Exchange Commission (the "SEC") alleges and states as follows:

INTRODUCTION

1. The SEC brings this action to enjoin Defendants from continuing to violate the federal securities laws in connection with their ongoing, fraudulent offer and sale of unregistered securities. Since at least April 1999, Defendants Chemical Trust ("Chemical"), U.S. Guarantee Corp. ("U.S. Guarantee"), United Marketing Trust ("United Marketing") and their principals, Defendants Clifton Wilkinson, ("Wilkinson"), Virgil W. Womack ("Womack"), Lewey L. Cato, III ("Cato"), and Alvin A. Tang ("Tang") have raised approximately \$17 million by selling "guaranteed contracts", securities in the form of investment contracts or promissory notes (the

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“contracts”) to investors nationwide. In contrast to representations to investors that their investment funds are 100% guaranteed and will be used to purchase U.S. Government treasury notes and distressed properties, in reality, Chemical and its principals misappropriate and expatriate the funds to offshore bank accounts or to support their lifestyles. In addition, Chemical and its principals use investors’ funds, in Ponzi scheme fashion, to pay interest on the contracts. The defendants have ignored cease-and-desist orders entered in nine states and boldly continue their fraudulent activities. Unless immediately restrained and enjoined, and unless their assets are frozen and other ancillary relief is ordered, the defendants will continue to defraud the investing public and to place investor funds at serious risk of diversion and theft.

DEFENDANTS

2. **Chemical Trust**, a purported “business trust,” is the issuer of the fraudulent, unregistered contracts. Chemical claims to have principal offices located in West Palm Beach, Florida; Birmingham, Alabama; and Seneca, South Carolina. In fact, those locations are merely mail drop-boxes. Between April 1999 and July 1999, Alliance Trust (“Alliance”) issued the fraudulent contracts. In July 1999, Alliance purportedly merged with Chemical, making Chemical the issuer of the bogus contracts. Neither Chemical nor its securities have been registered with the SEC in any capacity.

3. **U.S. Guarantee Corp.** is a Nevada corporation with principal offices in Scottsdale, Arizona. U.S. Guarantee participates in the fraudulent scheme by guaranteeing it has bonded the investors’ funds 100% and by providing its bogus balance sheet to prospective Chemical investors. Upon information and belief, U.S. Guarantee is not licensed as a surety in Arizona or anywhere else.

4. **United Marketing Trust** claims to be a trust organization having its principal office in Atlanta, Georgia. United participates in the fraudulent scheme by disseminating Chemical’s and U.S. Guarantee’s false claims to prospective investors and by recruiting a network of sales agents to promote and sell Chemicals’ bogus securities.

5. **Clifton Wilkinson**, age 43, resides in Toccoa, Georgia. Defendant Wilkinson was the Trustee of Alliance and is currently a Trustee of Defendant Chemical.

6. **Virgil W. Womack**, age 58, resides in Seneca, South Carolina. Defendant Womack was the Chief Trustee of Alliance and is currently a Trustee of Chemical.

7. **Lewey L. Cato, III**, age 34, resides in Dublin, Georgia. Defendant Cato is a Trustee of Defendant Chemical.

8. **Alvin A. Tang**, age 39, resides in Scottsdale, Arizona. Defendant Tang is the president of Defendant U.S. Guarantee; however, Tang represents that he is the "chief operating officer" of Defendant U.S. Guarantee when he signs a "payment surety bond" issued to Defendant Chemical's investors, in furtherance of the fraudulent scheme.

RELIEF DEFENDANTS

9. **Three Rivers Trust** ("Three Rivers") is a Trust organization with principal offices purportedly in Seneca, South Carolina. Defendant Chemical transferred at least \$800,000 in investor funds to a bank account in Three Rivers' name at Admiralty Bank in Palm Beach Gardens, Florida. Defendant Womack is the signatory on the Three Rivers bank account at Admiralty Bank.

10. **Prestige Accounting Services, Inc.** ("Prestige") is a Georgia corporation purportedly located in Toccoa, Georgia. Defendant Chemical transferred at least \$1.575 million in investor funds to a bank account in Prestige's name at Admiralty Bank in Palm Beach Garden's, Florida. Defendants Wilkinson and Womack are co-signatories on the Prestige bank account at Admiralty Bank. Defendant Wilkinson is the chief executive officer of Prestige, and Defendant Womack is Prestige's chief financial officer.

11. **ACC Capital Consultants, Inc.** ("ACC Capital") is a Florida corporation purportedly located in Stuart, Florida. Defendant Chemical and Alliance and Relief Defendants Three Rivers, Prestige, and Merrit Pierce Trust transferred a total of at least \$1.65 million in investor funds to a bank account in ACC's name at Bank of America in Jacksonville, Florida.

12. **The Falcon Trust Co. Ltd.** ("Falcon") is a foreign corporation. Defendant Chemical transferred least \$6.25 million in investor funds to a bank account in Falcon's name at Barclays Bank, PLC, in London, England.

13. **America's Fidelity Assurance Co. Ltd.** ("America's Fidelity") is a foreign corporation. Alliance transferred at least \$2.8 million in investor funds to a bank account in America's Fidelity's name at Barclays Bank, PLC, in Nassau, Bahamas.

14. **Merrit Pierce Trust** ("Merrit") is a Trust organization with principal offices purportedly in Seneca, South Carolina. An investor paid \$50,000 to Merrit directly, which was deposited in an account in Merrit's name at Admiralty Bank in Palm Beach Gardens, Florida. Alliance transferred at least \$10,000 to an account at Paine Webber. Defendant Womack is the Chief Trustee of Merrit.

15. **U.C.B.M. (Bahamas) Ltd.** ("UCBM") is a foreign corporation. Alliance transferred at least \$2,500 in investor funds to a bank account in UCBM's name at Bank of America in New York and then to CIBC Bahamas, Ltd. in Nassau, Bahamas.

JURISDICTION AND VENUE

16. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d) and 77v(a); and, Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d), 78u(e) and 78aa.

17. The Southern District of Florida is the proper venue for this action. Certain actions and transactions alleged and stated herein constitute violations of the Securities Act and the Exchange Act and have occurred, and are occurring, within the Southern District of Florida. In addition, Defendant Chemical purports to be located within the Southern District of Florida.

18. Defendants, directly and indirectly, have made, and continue to make, use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails, in connection with the acts, practices, and courses of business complained of herein.

OVERVIEW OF THE FRAUDULENT SCHEME

19. The fraudulent scheme has been ongoing since approximately April 1999 under Alliance's and now Chemical's name. Chemical has raised at least \$17 million from approximately 350 investors nationwide through its offering of securities in the form of investment contracts or promissory notes, which Chemical refers to as "guaranteed contracts." These securities are offered and sold to the general public through newspaper advertisements and sales seminars sponsored by its network of independent sales agents. Chemical promises investors "substantially higher interest rates than can be obtained through CD's and Fixed Annuities," ranging between 9.25% and 15% annually for investments of less than \$1 million. Potential investors with more than \$1 million to invest are urged to phone Chemical for a rate quotation. Chemical purportedly pays monthly interest on investment funds, but investors are told that they can "earn an extra bonus at year end" if their interest is left to accrue. The stated minimum investment is \$10,000 and the minimum investment term is 12 months. In fact, the securities offering is nothing more than a Ponzi scheme and misappropriation of investment funds operated jointly by the defendants. No registration statement has been filed or is in effect with the SEC in connection with the securities offered by Chemical.

20. In typical Ponzi fashion, the success of the defendants' fraudulent scheme involves the inducement of potential investors to invest in the Chemical securities and then to take a back seat while the defendants earn them their promised returns. The fraudulent inducement involves materially false claims and material omissions of facts about the businesses operated by Chemical, materially false claims that the investments are secured by a financially sound guarantor, defendant U.S. Guarantee, and materially false claims and material omissions of facts about the backgrounds of the principals.

21. This fraudulent scheme is furthered by the activities of defendant United, which recruits a sales force primarily through its advertisements on the Internet. United provides the agent with marketing materials and a training manual and responds to investor and agent questioning. Chemical pays the sales agents a commission. Neither Chemical nor United

requires the sales agents to obtain securities licenses as a prerequisite to selling Chemical's securities.

SPECIFICS OF THE FRAUDULENT SCHEME

Chemical's Securities Offering Materials

22. Prospective investors receive a package of offering materials describing the issuer and the investment. Chemical's offering materials include an introductory letter to the prospective investor, a one-page "Explanation of the Trust", a document entitled "Questions and Answers for the Client," and background and financial information about U.S. Guarantee. Some prospective investors are also provided with a tri-fold brochure that falsely boasts the financial strengths of Chemical and U.S. Guarantee and discusses the terms and safety of the investment.

Misrepresentations and Omissions of Material Facts

23. The offering materials misrepresent that Chemical is in the business of buying and reselling large blocks of deeply discounted U.S. Government treasury notes and buying and reselling distressed real estate. Chemical misrepresents that "100% of your money goes to work for you" to purchase the treasury notes and distressed real estate. In fact, the defendants misappropriate most of the investors' funds for themselves and to keep the scheme running.

24. Introductory letters signed by either defendants Wilkinson or Cato falsely claim that Chemical has been in business for 14 years and has assets ranging from \$450 million to \$750 million. Chemical falsely states that it has "been providing clients steady streams of interest and the return of their principal [sic] since its inception." These representations are blatantly false. Chemical's own trust formation documents show that it was formed in March 1999, and, in fact, the real source of interest and returns on investment is new investors' funds. The letters also falsely claim that Chemical's investment program "provides security that the market does not because of the guarantee principle" and provides "substantially higher interest rates than obtained through CD's and Fixed Annuities." The letters conclude by claiming that Chemical is "proud to offer one of the finest investment programs available today."

25. Chemical also represents to investors that it has satellite offices throughout the country. In fact, it does not. Chemical's purported offices in Florida, Alabama and South Carolina are merely mail drop-boxes.

26. Chemical's offering materials falsely claim that each investor's funds are fully secured by a "surety payment bond" issued by U.S. Guarantee, which falsely claims to have between \$2.4 billion to \$6 billion in assets. Investors are told that U.S. Guarantee approves all of Chemical's investments, which "insures the integrity of each investment and its guarantee." Investors are told they will receive an actual bond after their "investment is processed" and their "money clears."

27. Chemical's offering materials include bogus corporate letters of reference in favor of U.S. Guarantee and provide a copy of U.S. Guarantee's bogus balance sheet. Two versions of U.S. Guarantee's bogus balance sheet have been circulated to investors. One version, dated February 15, 1999, reflects the company's purported ownership of total assets of \$6 billion, while a second version, dated July 13, 1999, reflects ownership of \$2.4 billion in total assets. Both balance sheets of the investors' surety company make materially false statements that U.S. Guarantee owns:

- 24 historical railroad gold bearer bonds worth more than \$4 billion. In fact, any such bond, if it exists and is owned by U.S. Guarantee, is worth no more than \$250 as a collectible.
- Tennessee real estate worth more than \$100 million. In fact, three 5,000 acre tracts do not exist, and a 31,310 acre parcel, if it exists, is not owned by U.S. Guarantee.
- Certificates of deposit ("CD's") worth more than \$167 million. Of that amount, two CD's, held in escrow by a firm in Arizona and purportedly issued by a bank in Indonesia, are claimed to be worth \$25 million a piece. In fact, those two CD's matured in 1997 and were issued to individuals with addresses in Indonesia. Even if U.S. Guarantee owned those CD's today, the issuing bank is believed by U.S. Guarantee's chief financial officer to be defunct. The remaining \$117 million is comprised of five CD's issued by

the Bank of China. However, U.S. Guarantee does not own those five CD's, according to U.S. Guarantee's chief financial officer.

Accordingly, any representation that U.S. Guarantee has the financial wherewithal to safeguard investors' funds is materially false.

28. The purported safety and security of the investment is verbally reinforced to investors by Chemical's sales agents. As in the offering materials, Chemical's sales agents verbally tell investors that their investment is 100% secured because of the surety bond issued by U.S. Guarantee.

29. Chemical's offering materials claim that U.S. Guarantee will issue to investors a "surety payment bond" for 100% of their principal amount invested. However, U.S. Guarantee lacks a license to engage in the surety business in Arizona and other states. It would be a material fact to a reasonable investor to know that the purported surety of the investment is not licensed to conduct business.

30. Concerning the backgrounds of U.S. Guarantee's key employees, the Chemical offering materials falsely disclose that:

- Tang, U.S. Guarantee's chief operating officer, received his M.B.A. from Century University in California. In fact, Tang never received an M.B.A. or any other degree from Century University.
- Stephen M. Hammer, U.S. Guarantee's chief financial officer, received his degree from the University of Oregon. In fact, Hammer never received a degree or even attended the University of Oregon.
- Kenneth Turner ("Turner"), U.S. Guarantee's comptroller, received a degree from the University of Michigan. Although Turner attended that university, he never graduated.
- Russell G. Miller ("Miller"), U.S. Guarantee's senior vice-president graduated from the University of Texas. Miller attended that university, but never graduated.

- former U.S. Senator Barry M. Goldwater, Jr. (“Goldwater”) is a vice-president and director of U.S. Guarantee and that Goldwater is “responsible for the management of assets and investments for [U.S. Guarantee] as well reviewing [sic] investment decisions before they are implemented.” Goldwater denies those statements.

31. Investors are not told that Womack has a history of securities laws violations. In fact, a Georgia court permanently enjoined Womack from violating Georgia’s Blue Sky laws in connection with his participation in the unregistered and fraudulent offering of the securities of GFI Financial, Inc., in Georgia v. GFI Financial, Inc. and Virgil Womack, Civil Action No. 97-CV-438 (Sup. Ct. Ga. Oct. 1997). Pennsylvania ordered Womack to cease-and-desist based on the same misconduct in In the Matter of Global Financial, Inc., d/b/a GFI Financial, Inc., et al., Docket No. 9705–10 (Pa. Sec. Comm’n June 4, 1997).

32. Likewise, investors are not told of any of the state securities actions resulting in the entry of cease-and-desist orders against Wilkinson. See, In the Matter of Alliance Trust, et al. (N.D. Sec. Comm’n June 28, 1999); In the Matter of Alliance Trust, et al., (Iowa Sec. Comm’n July 16, 1999); In the Matter of Alliance Trust, et al., (Kan. Sec. Comm’n Aug. 25, 1999); In the Matter of Alliance Trust, et al., (Ark. Sec. Comm’n Aug. 30, 1999); In the Matter of Alliance Trust, et al., (Ill. Sec. Dept. Sept. 13, 1999); In the Matter of Alliance Trust et al., (Pa. Sec. Comm’n Oct. 19, 1999); In the Matter of Alliance Trust et al., (Ariz. Corp. Comm’n Nov. 3, 1999).

33. Likewise, investors are not told of any of the state securities actions resulting in the entry of cease-and-desist orders against Cato. See, In the Matter of Alliance Trust et al., (Ariz. Corp. Comm’n Nov. 3, 1999); In the Matter of Chemical Trust et al., (Wis. Div. Sec. Nov. 8, 1999).

34. Likewise, investors are not told of any of the state securities actions resulting in the entry of cease-and-desist orders against Chemical and Alliance for the sale of unregistered securities. See, In the Matter of Alliance Trust, et al. (N.D. Sec. Comm’n June 28, 1999); In the Matter of Alliance Trust, et al., (Iowa Sec. Comm’n July 16, 1999); In the Matter of Alliance

Trust, et al., (Kan. Sec. Comm'n Aug. 25, 1999); In the Matter of Alliance Trust, et al., (Ark. Sec. Comm'n Aug. 30, 1999); In the Matter of Alliance Trust, et al., (Ill. Sec. Dept. Sept. 13, 1999); In the Matter of Alliance Trust et al., (Ohio Div. Sec. Sept. 24, 1999); In the Matter of Alliance Trust et al., (Pa. Sec. Comm'n Oct. 19, 1999); In the Matter of Alliance Trust et al., (Ariz. Corp. Comm'n Nov. 3, 1999); In the Matter of Chemical Trust et al., (Wis. Div. Sec. Nov. 8, 1999).

35. Likewise, investors are not told of any of the state securities actions resulting in the entry of cease-and-desist orders against U.S. Guarantee. See, In the Matter of Alliance Trust, et al., (Ark. Sec. Comm'n Aug. 30, 1999); In the Matter of Chemical Trust et al., (Wis. Div. Sec. Nov. 8, 1999).

36. In addition, the offering materials failed to disclose that Tang filed a personal bankruptcy in Arizona in July 1998 and was discharged in November 1998. Also, no disclosure is made to investors that Tang has been ordered to cease-and-desist by the State of Arkansas. See, In the Matter of Alliance Trust, et al., (Ark. Sec. Comm'n Aug. 30, 1999).

37. Despite the injunctive and cease-and-desist orders of state courts and state securities commissions, the defendants continue to make fraudulent and unregistered offers and sales of Chemical's securities – even to investors in those states. In addition, despite continuing to offer the Chemical securities after the entry of these orders, the defendants never revised or supplemented Chemical's offering materials to inform prospective investors about the injunctive and cease-and-desist orders.

Misappropriation of Investor Funds

38. The defendants are engaging in a Ponzi scheme. Existing investors are unaware that the source of any interest payments they receive from Chemical is not the result of Chemical's claimed profitable business activities. In reality, the source of payments to existing investors is funds from new investors. Also, existing and new investors are equally deceived by Chemical's material misrepresentations to investors that their funds will be used to purchase U.S. treasury notes and distressed real estate. Instead, while some portion of investor funds are used

to pay existing investors, Chemical and its co-defendants are also outright misappropriating and diverting investor funds for the defendants' personal benefit. At least \$9 million of investor funds have been wire transmitted to bank accounts in the United Kingdom and the Bahamas. Likewise, Chemical and its co-defendants diverted approximately \$3.29 million in investor funds to U.S. Guarantee.

39. The principals of the fraudulent scheme, defendants Wilkinson, Womack, Cato, and Tang, singly and in concert, are intentionally or recklessly defrauding investors and prospective investors by distributing offering materials to them that contain the materially false and misleading information described in the paragraphs above. Further, upon information and belief, defendants Chemical, U.S. Guarantee, and United have no legitimate business operations apart from their participation in the fraudulent scheme.

Roles of Individual Defendants

40. Defendant Wilkinson, as a trustee of Chemical, is co-managing Chemical's affairs and communicating with sales agents, investors, and securities regulators. The materials distributed to investors include the introductory letter from Wilkinson, as Trustee of Chemical, which touts the company's [purported] 14 years of experience and describes the investment as "an opportunity that is too good to be missed." In addition, Wilkinson responds directly to state securities regulators investigating Chemical. In letters to state regulators Wilkinson claims that the contracts being offered by Chemical "are exempt from regulation ... as a pure contract trust" and that any statutes or regulations that "purport to regulate a pure contractual trust [is] in violation of the Article One, Section Ten of the Constitution of the United States." Wilkinson communicates verbally and in writing with sales agents and answers any their questions concerning the investment. For example, the training manual provided to agents includes written instructions from Wilkinson. In addition, Wilkinson signed a letter addressed to Chemical's sales agents claiming that communications received by some of the agents from various state securities agencies were "negative and misplaced." In this letter, Wilkinson emphasized that the contracts

issued by Chemical are exempt from state securities laws under article one, section ten of the Constitution. Wilkinson also is a signatory on some of Chemical's bank accounts.

41. Defendant Womack set up both Alliance and Chemical and is the sole signatory on both trust agreements. Womack is one of the Trustees of Chemical, the Chief Trustee of Merrit, and the chief financial officer of Prestige. Womack has exclusive signature authority over all of Chemical's bank accounts and controls the movement of funds in those accounts. Also, Womack is a signatory on Three Rivers' and Merrit's bank accounts. Womack is also responsible for opening the various mail drop-boxes for Chemical, which purport to be its offices in Florida, Alabama and South Carolina.

42. Defendant Cato, as a Trustee of Chemical, is also responsible for co-managing its affairs and communicating with sales agents. Cato signs the so-called payment surety bond issued to investors. The Chemical offering materials provided to some investors include an introductory letter from Cato identical to one signed by defendant Wilkinson. In addition, Cato communicates with agents in writing. For example, the training manual provided to agents includes written instructions, bank deposit information and other information regarding current events affecting the Trust from Cato.

43. Defendant Tang is the president of U.S. Guarantee and is responsible the company's general operations, although he is identified as the chief operating officer of U.S. Guarantee in Chemical's offering materials and corporate filings. Tang also signs the "payment surety bond" issued to investors as the chief operating officer of U.S. Guarantee. Tang also responds directly to state securities regulators investigating Chemical. For example, on August 13, 1999, Tang responded in writing to an inquiry from the Arkansas Securities Department, stating, "U.S. Guarantee Corp. does not have a formal bond relationship with Alliance Trust." In the letter, Tang claims that U.S. Guarantee has "formally demanded that the 'brochure' which implies that U.S. Guarantee Corp. is their 'surety', not be sent out anymore." One week later, on August 20, 1999, Tang wrote the *Arkansas Democrat-Gazette* and stated,

“We have verified through reliable sources the sophistication and financial capability of Alliance Trust. Alliance Trust has paid accordingly as agreed in all representations that it has made to shareholders, investors, and clients.”

Notwithstanding Tang’s representations to the state regulator, on October 6, 1999, and his false statement to the *Arkansas Democrat-Gazette*, Tang signed and issued at least one “payment surety bond” to a Chemical investor. When questioned during testimony before Arizona securities regulators about his role and U.S. Guarantee’s role in the Chemical offering, Tang asserted his Fifth Amendment privilege against self-incrimination.

Ongoing Fraud

44. Emergency relief is necessary because Chemical is presently conducting a fraudulent, unregistered offering of investment contracts to the general public -- a classic Ponzi scheme. The defendants are continuing to engage in this fraudulent scheme despite the entry against them of numerous state court and state securities commission injunctive orders. Chemical continues using new investor monies to pay interest to its existing investors. Chemical has raised in excess of \$17 million from 350 investors thus far and is continuing to raise funds from investors. Little or no investors’ funds are being used to purchase treasury notes and distressed real estate. Instead, investor proceeds are being misappropriated by the principals of Chemical and U.S. Guarantee. At least \$9 million of investors’ funds have been diverted to offshore bank accounts in the United Kingdom and the Bahamas. In addition, approximately \$3.29 million of investors’ funds have been diverted to U.S. Guarantee. Further, the relief defendants have received over \$4.75 million in investor funds. Accordingly, emergency injunctive relief is necessary to enjoin the proposed defendants’ ongoing violations and to assure that Chemical’s assets are not diverted to the further detriment of investors.

ROLE OF THE RELIEF DEFENDANTS

45. Each of the Relief Defendants has received investor funds which were, and are continuing to be, received by them for no or inadequate consideration.

COUNT I

**SALE OF UNREGISTERED SECURITIES IN
VIOLATION OF SECTIONS 5(a) AND 5(c) OF THE SECURITIES ACT**

46. The Commission realleges and repeats its allegations set forth at paragraphs 1 - 45 of this Complaint as if fully restated herein.

47. No registration statement was filed or in effect with the Commission pursuant to the Securities Act with respect to the securities and transactions described herein. Since at least April 1999 through the present, Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, directly or indirectly, have:

(a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities as described herein, through the use or medium of a prospectus or otherwise;

(b) carried securities or caused such securities, as described herein, to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale; and/or

(c) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise, as described herein, without a registration statement having been filed or being in effect with the Commission as to such securities.

48. By reason of the foregoing, Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang 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).

COUNT II

**FRAUD IN VIOLATION OF
SECTION 17(a)(1) OF THE SECURITIES ACT**

49. The Commission realleges and repeats its allegations set forth at paragraphs 1 - 45 of this Complaint as if fully restated herein.

50. Since at least April 1999 through the present, Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described herein, have been, knowingly, intentionally or recklessly employing devices, schemes or artifices to defraud.

51. By reason of the foregoing, Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT III

**FRAUD IN VIOLATION OF
SECTIONS 17(a)(2) AND 17(a)(3) OF THE SECURITIES ACT**

52. The Commission realleges and repeats its allegations set forth at paragraphs 1 - 45 of this Complaint as if fully restated herein.

53. Since at least April 1999 through the present, Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, in the offer or sale of securities, as described herein, have been: (i) obtaining money or property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; and (ii) engaging in transactions, practices and courses of

business which are now operating and will operate as a fraud or deceit upon purchasers and prospective purchasers of such securities.

54. By reason of the foregoing, Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77(q)(a)(2) and 77(q)(a)(3).

COUNT IV

FRAUD IN VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5

55. The Commission realleges and repeats its allegations set forth at paragraphs 1 - 45 of this Complaint as if fully restated herein.

56. Since at least April 1999 through the present, Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, directly and indirectly, by use of the means and instrumentality of interstate commerce, and of the mails, and of any facility of any national securities exchange, in connection with the purchase or sale of the securities, as described herein, have been, knowingly, intentionally or recklessly: (i) employing devices, schemes or artifices to defraud; (ii) making untrue statements of material facts and omitting 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 (iii) engaging in acts, practices and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

57. By reason of the foregoing, Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, directly or indirectly, have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

A. Declaratory Relief

Declare, determine and find that Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang committed the violations of the federal securities laws alleged herein.

B. Temporary Restraining Order, Preliminary and Permanent Injunctive Relief

Issue a Temporary Restraining Order, a Preliminary Injunction and a Permanent Injunction, restraining and enjoining Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating: (i) Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c); (ii) Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a); (iii) Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77(q)(a)(2) and 77(q)(a)(3); and (iv) 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.

C. Disgorgement

Issue an Order requiring Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang and Relief Defendants Three Rivers, Prestige, ACC Capital, Falcon, America's Fidelity, Merrit and UCBM to disgorge all profits or proceeds that they have received as a result of the acts and/or courses of conduct complained of herein, with prejudgment interest.

D. Penalties

Issue an Order directing Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang to pay civil fines and/or 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. § 78(d)(3).

E. Asset Freeze and Accounting

Issue an Order freezing the assets of Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang, and freezing the assets of Relief Defendants insofar as those assets contain, or are derived from, funds raised from investors in the “guaranteed contracts” issued by Chemical, until further Order of the Court, and requiring accountings by each of these persons and entities.

F. Appointment of Receiver

Issue an order appointing a Receiver of the assets of Defendants Chemical, U.S. Guarantee, and United to marshal and safeguard all of said assets, and any other duties the Court deems appropriate, and to prepare a report to the Court and the Commission detailing the activities of all Defendants and Relief Defendants with respect to the conduct alleged herein and the whereabouts of investor funds.

G. Records Preservation and Expedited Discovery

Issue an Order requiring all Defendants and Relief Defendants to preserve any records related to the subject matter of this lawsuit that are in their custody, possession or subject to their control, and to respond to discovery on an expedited basis.

H. Temporary Surrender of Passports and Travel Restriction

Issue an Order:

1. Requiring Defendants Wilkinson, Womack, Cato, and Tang immediately to surrender all passports they hold to the Clerk of this Court, and providing that the Court will retain those passports until five business days after all Defendants and Relief

Defendants provide the Commission with a sworn identification of assets and accounts as set forth in Section H.3., below;

2. Prohibiting Defendants Wilkinson, Womack, Cato, and Tang from traveling outside of the United States until five business days after all Defendants and Relief Defendants provide the Commission with a sworn identification of assets and accounts as set forth in Section H.3., below; and

3. Requiring Defendants Wilkinson, Womack, Cato, and Tang to provide the Commission with a document sworn to before a notary public setting forth all assets (whether real or personal) and accounts (including, but not limited to, bank accounts, savings accounts, securities or brokerage accounts, and deposits of any kind) in which they (whether solely or jointly), directly or indirectly (including through a corporation, trust or partnership), either have an interest or over which they have the power or right to exercise control.

I. Repatriation of Investor Funds

Issue an Order requiring Defendants Chemical, U.S. Guarantee, United, Wilkinson, Womack, Cato, and Tang and Relief Defendants Three Rivers, Prestige, ACC Capital, Falcon, America's Fidelity, Merrit and UCBM to repatriate from abroad all investor funds that they have received as a result of the acts and/or courses of conduct complained of herein that violate Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act, with prejudgment interest.

J. Further Relief

Grant such other and further relief as may be necessary and appropriate.

K. Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may hereby be entered, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Respectfully submitted,

January 7, 2000

By: 

Mitchell E. Herr
Regional Trial Counsel
S.D. Fla. Bar No. A-5500-259
Direct Dial: (305) 982-6336

Russell C. Weigel III
Special Counsel
S.D. Fla. Trial Bar
Florida Bar No. 822159
Direct Dial: (305) 982-6355

Chedly C. Dumornay
Chief, Branch of Enforcement #3
Florida Bar No. 957666
Direct Dial: (305) 982-6377

Margarete E. Bronhard
Staff Attorney
New York Bar No. 2474419
Direct Dial: (305) 982-6338

Attorneys for Plaintiff
**SECURITIES AND EXCHANGE
COMMISSION**
1401 Brickell Avenue, Suite 200
Miami, Florida 33131
Telephone: (305) 536-4700
Facsimile: (305) 536-7465

f S 44
(Rev. 3/99)

CIVIL COVER SHEET

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

I. (a) PLAINTIFFS

Securities and Exchange Commission

DEFENDANTS

Chemical Trust, **CIV. RYSKAMP**
United Marketing Trust, Virgil W. Womack,
Clifton Wilkinson, Lewey L. Cato, JUDGE
Alvin A. Tang, Defendants, MAGISTRATE JUDGE (cont'd)
COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT **VITUNAG**
Palm Beach

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF
(EXCEPT IN U.S. PLAINTIFF CASES)

(IN U.S. PLAINTIFF CASES ONLY)
NOTE IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

Mitchell E. Herr (305) 982-6336
Russell C. Weigel III (305) 982-6355
SEC, 1401 Brickell Ave., Suite 200, Miami, FL

ATTORNEYS (IF KNOWN)

II. BASIS OF JURISDICTION

(PLACE AN "X" IN ONE BOX ONLY)

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

III. CITIZENSHIP OF PRINCIPAL PARTIES

(For Diversity Cases Only)

(PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

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

IV. NATURE OF SUIT (PLACE AN "X" IN ONE BOX ONLY)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury — Med. Malpractice <input type="checkbox"/> 365 Personal Injury — Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl Ret Inc. Security Act	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS — Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input checked="" type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 990 Other Statutory Actions
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence HABEAS CORPUS: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

V. ORIGIN

(PLACE AN "X" IN ONE BOX ONLY)

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

VI. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE BRIEF STATEMENT OF CAUSE DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY)

15 U.S.C. §§ 77e(a) and 77e(c); 15 U.S.C. § 77q(a)(1); 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3);
 15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5. Violations of the registration, anti-fraud provisions of the federal securities laws.

VII. REQUESTED IN COMPLAINT:

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

DEMAND \$
 TRO, Prel. and Perm.
 Inj., Disgorgement.

CHECK YES only if demanded in complaint:
 JURY DEMAND: ☐ YES ☒ NO

VIII. RELATED CASE(S) (See instructions): IF ANY

JUDGE

DOCKET NUMBER

DATE SIGNATURE OF ATTORNEY OF RECORD

January 7, 2000

Mitchell E. Herr

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG JUDGE

1.(a) DEFENDANTS

**Three Rivers Trust, Prestige Accounting Services, Inc.,
ACC Capital Consultants, Inc., The Falcon Trust Company, Ltd.,
America's Fidelity Assurance Company, Ltd., Merrit Pierce Trust, and
U.C.B.M. (Bahamas), Ltd., Relief Defendants.**