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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. CHARLES R. NORTON and CHAD R. NORTON, Defendants.	Case No. **COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS**

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to Sections 21(d)(1)-21(d)(2), 21(e), 21A(a)(1), and 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1)-(d)(2), 78u(e), 78u-1(a)(1) & 78aa. Defendants have, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the acts, practices, and courses of business alleged in this complaint.

2. Venue is proper in this district pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, because certain of the acts, practices, and courses of business constituting violations of the federal securities laws occurred within this district, and both defendants reside in this district.

SUMMARY

3. This matter involves unlawful insider trading in the securities of Valley Bancorp ("Valley") by defendants Charles R. Norton and Chad R. Norton before the announcement of Valley's acquisition by Community Bancorp ("Community") on June 28, 2006. On or about May 16, 2006, Charles Norton, who at the time sat on Community's board of directors, learned through his work as a director that the acquisition was imminent. After the announcement of the acquisition, the price of Valley's common stock rose to $43.50 from the previous day's close of $38.24, a 13.6 % increase. Charles and Chad Norton realized a profit of $35,064.71 by trading 7,000 Valley shares in advance of the announcement based upon Charles Norton's material, nonpublic information.

4. By engaging in the conduct described in this complaint, Charles and Chad Norton, directly and indirectly, engaged in acts, practices, and courses of business in violation of 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.

5. The Securities and Exchange Commission ("Commission") brings this action for an order permanently restraining and enjoining Charles and Chad Norton against future violations of the federal securities laws, ordering disgorgement of ill-gotten gains and prejudgment interest thereon, imposing civil penalties against each defendant, and imposing an officer and director bar against Charles Norton.

THE DEFENDANTS

6. Charles R. Norton, age 58, resides in Las Vegas, Nevada. He served on Community's board of directors from 1998 to September 2006.

7. Chad R. Norton, age 33, resides in Las Vegas, Nevada. Chad Norton is Charles Norton's son.

RELATED ENTITIES

8. Community Bancorp is a Nevada corporation with its principal offices in Las Vegas, Nevada. Community is the holding company for Community

Bancorp Bank of Nevada, which provides banking and other financial services to small and medium-sized businesses. Community's common stock trades on the NASDAQ Global Market System under the symbol "CBON."

9. Valley Bancorp was a Nevada corporation with its principal offices in Las Vegas, Nevada. Valley was the holding company of Nevada Bank, a Nevada state-chartered bank. Valley's common stock traded on the NASDAQ Global Market System under the symbol "VLLY" until Community's acquisition of Valley closed in October 2006.

FACTS

10. Charles Norton joined Community in 1998 as a member of its board of directors, and was an active board member until he resigned in September 2006. His duties included attending monthly board of director meetings, as well as monthly meetings of various committees. Except for a brief hiatus of approximately one month between April and May 2006, Charles Norton attended Community's monthly board of directors meetings. Charles Norton also received and reviewed all draft minutes of prior board meetings and agendas for upcoming board meetings approximately two days before the next scheduled board meeting.

11. Charles Norton first learned at a Community board of directors meeting held in February 2006 that Community was interested in acquiring Valley.

12. Various Norton family members, including Charles and Chad Norton, have brokerage accounts at Wells Fargo Investments, LLC (the "Norton Accounts"). Before April 1, 2006, Charles Norton made the trading decisions for the Norton Accounts and received brokerage statements for the Norton Accounts at his home.

13. On April 1, 2006, Charles Norton had a heart attack while competing in a triathlon near Lake Mead, Nevada, which required a two-and-a-half week hospitalization. On April 8, 2006, Chad Norton assumed temporary trading authority over all of the Norton Accounts.

14. None of the Norton Accounts had ever traded in Valley stock before May 2006.

15. Charles Norton resumed fully participating as a member of the Community board of directors in early May 2006. Through his position as a Community board member, on or about May 16, 2006, Charles Norton learned that the public announcement of Community's acquisition of Valley was imminent. Charles Norton knew that he should maintain the confidentiality of this material, nonpublic information in his role as a Community board member.

16. Chad Norton visited or telephoned Charles Norton every day in May and June 2006. After Chad Norton assumed temporary trading authority over the Norton Accounts, Chad Norton frequently called the Wells Fargo registered representative for the Norton Accounts from Charles Norton's cell phone or home phone. Some of these telephone calls were placed with a speaker phone with both Charles and Chad Norton on the line.

17. When Chad Norton exercised his temporary trading authority in May and June 2006, he purchased varying amounts of Valley shares throughout the Norton Accounts and allocated them among the accounts in a pattern similar to how his father had apportioned trades across those accounts. Charles Norton's pattern was to spread trades over several family accounts.

18. Charles Norton obtained material, nonpublic information about Community's imminent acquisition of Valley and breached his duty to Community and its shareholders by passing that information to his son, Chad Norton, for an improper purpose.

19. Chad Norton knew, or was reckless in not knowing, that Charles Norton breached his duty to Community by disclosing to Chad Norton sensitive and confidential information about the Valley acquisition that Charles Norton had learned as a Community board member.

20. On May 16, 2006, Chad Norton placed a telephone order to Wells Fargo to buy 1,000 Valley shares in his individual trust account at a limit of $38 per share. On May 22, Chad Norton placed another telephone order to purchase a total of 4,000 Valley shares to be held in seven of the Norton Accounts. On May 24, Chad Norton placed an order to purchase a total of 2,000 additional Valley shares to be held in four of the Norton Accounts. Altogether, Chad Norton bought 7,000 shares of common stock in Valley between May 16 and May 24, 2006.

21. Chad Norton bought the 7,000 shares of Valley stock based on material, nonpublic information from Charles Norton. By purchasing Valley stock for their personal benefit while aware that positive information about Valley was forthcoming, Charles and Chad Norton violated 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.

22. On June 28, 2006, Community issued a press release announcing the signing of a definitive agreement with Valley to acquire all of Valley's common stock and stock equivalents for approximately $137 million in stock and cash. The next day, Valley shares rose to $43.50 from the previous day's close of $38.24, a 13.6% increase, and the stock's trading volume rose to 135,741 shares, a 2,885% increase from the previous day's volume of 4,547 shares.

23. On July 7, 2006, approximately one week after the announcement of the acquisition, Chad Norton sold 6,000 of the 7,000 Valley shares he had purchased in the Norton Accounts for $44.50 per share. On July 28, 2006, Chad Norton sold the remaining 1,000 Valley shares for $44.77 to $44.78 per share. The combined profit from all of these sales was $35,064.71.

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CLAIM FOR RELIEF

FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

24. The Commission realleges and incorporates by reference paragraphs 1 through 24 above.

25. Defendants Charles and Chad Norton, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:

a. employed devices, schemes, or artifices to defraud;

b. made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

c. engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon other persons.

26. By engaging in the conduct described above, defendants Charles and Chad Norton violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Issue a final judgment, in a form consistent with Fed. R. Civ. P. 65(d), permanently enjoining defendants Charles and Chad Norton and their officers,

agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the final judgment by personal service or otherwise, and each of them, from violating 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.

II.

Order Charles and Chad Norton to disgorge all ill-gotten gains from their illegal conduct, together with prejudgment interest thereon.

III.

Order Charles and Chad Norton to pay a civil penalty under Section 21A(a) of the Exchange Act, 15 U.S.C. § 78u-1(a).

IV.

Order an officer and director bar against Charles Norton pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2).

V.

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

VI.

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

DATED: April 29, 2008

Catherine W. Brilliant

Catherine W. Brilliant
Attorney for Plaintiff
Securities and Exchange Commission

JS 44 (Rev. 12/07)

CIVIL COVER SHEET

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

I. (a) PLAINTIFFS

SECURITIES AND EXCHANGE COMMISSION

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

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

Catherine W. Brilliant, Securities and Exchange Commission, 5670 Wilshire Blvd., 11th Fl., Los Angeles, CA 90036 (323) 965-3858

DEFENDANTS

CHARLES R. NORTON and CHAD R. NORTON

County of Residence of First Listed Defendant Clark County, NV
(IN U.S. PLAINTIFF CASES ONLY)
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

(See Attachment to Civil Cover Sheet)

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

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

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

	PTF	DEF		PTF	DEF
Citizen of This State	☐ 1	☐ 1	Incorporated *or* Principal Place of Business In This State	☐ 4	☐ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated *and* Principal Place of Business In Another State	☐ 5	☐ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

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

CONTRACT
- ☐ 110 Insurance
- ☐ 120 Marine
- ☐ 130 Miller Act
- ☐ 140 Negotiable Instrument
- ☐ 150 Recovery of Overpayment & Enforcement of Judgment
- ☐ 151 Medicare Act
- ☐ 152 Recovery of Defaulted Student Loans (Excl. Veterans)
- ☐ 153 Recovery of Overpayment of Veteran's Benefits
- ☐ 160 Stockholders' Suits
- ☐ 190 Other Contract
- ☐ 195 Contract Product Liability
- ☐ 196 Franchise

REAL PROPERTY
- ☐ 210 Land Condemnation
- ☐ 220 Foreclosure
- ☐ 230 Rent Lease & Ejectment
- ☐ 240 Torts to Land
- ☐ 245 Tort Product Liability
- ☐ 290 All Other Real Property

TORTS

PERSONAL INJURY
- ☐ 310 Airplane
- ☐ 315 Airplane Product Liability
- ☐ 320 Assault, Libel & Slander
- ☐ 330 Federal Employers' Liability
- ☐ 340 Marine
- ☐ 345 Marine Product Liability
- ☐ 350 Motor Vehicle
- ☐ 355 Motor Vehicle Product Liability
- ☐ 360 Other Personal Injury

PERSONAL INJURY
- ☐ 362 Personal Injury - Med. Malpractice
- ☐ 365 Personal Injury - Product Liability
- ☐ 368 Asbestos Personal Injury Product Liability

PERSONAL PROPERTY
- ☐ 370 Other Fraud
- ☐ 371 Truth in Lending
- ☐ 380 Other Personal Property Damage
- ☐ 385 Property Damage Product Liability

CIVIL RIGHTS
- ☐ 441 Voting
- ☐ 442 Employment
- ☐ 443 Housing/ Accommodations
- ☐ 444 Welfare
- ☐ 445 Amer. w/Disabilities - Employment
- ☐ 446 Amer. w/Disabilities - Other
- ☐ 440 Other Civil Rights

PRISONER PETITIONS
- ☐ 510 Motions to Vacate Sentence

Habeas Corpus:
- ☐ 530 General
- ☐ 535 Death Penalty
- ☐ 540 Mandamus & Other
- ☐ 550 Civil Rights
- ☐ 555 Prison Condition

FORFEITURE/PENALTY
- ☐ 610 Agriculture
- ☐ 620 Other Food & Drug
- ☐ 625 Drug Related Seizure of Property 21 USC 881
- ☐ 630 Liquor Laws
- ☐ 640 R.R. & Truck
- ☐ 650 Airline Regs.
- ☐ 660 Occupational Safety/Health
- ☐ 690 Other

LABOR
- ☐ 710 Fair Labor Standards Act
- ☐ 720 Labor/Mgmt. Relations
- ☐ 730 Labor/Mgmt.Reporting & Disclosure Act
- ☐ 740 Railway Labor Act
- ☐ 790 Other Labor Litigation
- ☐ 791 Empl. Ret. Inc. Security Act

IMMIGRATION
- ☐ 462 Naturalization Application
- ☐ 463 Habeas Corpus - Alien Detainee
- ☐ 465 Other Immigration Actions

BANKRUPTCY
- ☐ 422 Appeal 28 USC 158
- ☐ 423 Withdrawal 28 USC 157

PROPERTY RIGHTS
- ☐ 820 Copyrights
- ☐ 830 Patent
- ☐ 840 Trademark

SOCIAL SECURITY
- ☐ 861 HIA (1395ff)
- ☐ 862 Black Lung (923)
- ☐ 863 DIWC/DIWW (405(g))
- ☐ 864 SSID Title XVI
- ☐ 865 RSI (405(g))

FEDERAL TAX SUITS
- ☐ 870 Taxes (U.S. Plaintiff or Defendant)
- ☐ 871 IRS—Third Party 26 USC 7609

OTHER STATUTES
- ☐ 400 State Reapportionment
- ☐ 410 Antitrust
- ☐ 430 Banks and Banking
- ☐ 450 Commerce
- ☐ 460 Deportation
- ☐ 470 Racketeer Influenced and Corrupt Organizations
- ☐ 480 Consumer Credit
- ☐ 490 Cable/Sat TV
- ☐ 810 Selective Service
- ☒ 850 Securities/Commodities/ Exchange
- ☐ 875 Customer Challenge 12 USC 3410
- ☐ 890 Other Statutory Actions
- ☐ 891 Agricultural Acts
- ☐ 892 Economic Stabilization Act
- ☐ 893 Environmental Matters
- ☐ 894 Energy Allocation Act
- ☐ 895 Freedom of Information Act
- ☐ 900Appeal of Fee Determination Under Equal Access to Justice
- ☐ 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)

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

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing **(Do not cite jurisdictional statutes unless diversity)**:
15 USC 78j(b) & 17 CFR 240.10b-5

Brief description of cause:
Securities fraud.

VII. REQUESTED IN COMPLAINT: ☐ CHECK IF THIS IS A **CLASS ACTION** UNDER F.R.C.P. 23 **DEMAND $** CHECK YES only if demanded in complaint: **JURY DEMAND:** ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE _____ DOCKET NUMBER _____

DATE 04/29/2008

SIGNATURE OF ATTORNEY OF RECORD Catherine W. Brilliant

Catherine W. Brilliant

FOR OFFICE USE ONLY

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

ATTACHMENT TO CIVIL COVER SHEET

Securities and Exchange Commission vs. Charles R. Norton and Chad R. Norton

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Chad R. Norton
Michael J. Proctor, Esq.
Caldwell, Leslie & Proctor, PC
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Tel.: (213) 629-9040
Fax: (213) 629-9022
proctor@caldwell-leslie.com

UNITED STATES DISTRICT COURT

for the

District of Nevada

Securities and Exchange Commission	)	
Plaintiff	)	
v.	)	Civil Action No.
Charles R. Norton and Chad R. Norton	)	
Defendants	)	

Summons in a Civil Action

To: *(Defendant's name and address)*

Chad R. Norton
8055 Palm Cove Court
Las Vegas, NV 89129

A lawsuit has been filed against you.

Within 20 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, whose name and address are:

Catherine W. Brilliant
Securities and Exchange Commission
5670 Wilshire Blvd., 11th Fl.
Los Angeles, CA 90036

If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

_____
Name of clerk of court

Date: _____

_____
Deputy clerk's signature

(*Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States allowed 60 days by Rule 12(a)(3).)*

Proof of Service

I declare under penalty of perjury that I served the summons and complaint in this case on _____, by:

(1) personally delivering a copy of each to the individual at this place, _____ _____; or

(2) leaving a copy of each at the individual's dwelling or usual place of abode with _____ who resides there and is of suitable age and discretion; or

(3) delivering a copy of each to an agent authorized by appointment or by law to receive it whose name is _____; or

(4) returning the summons unexecuted to the court clerk on _____.

My fees are $ _____ for travel and $ _____ for services, for a total of $ 0.00 .

Date: _____

_____
Server's signature

_____
Printed name and title

_____
Server's address

Print Save As... Export Import Reset

UNITED STATES DISTRICT COURT

for the

District of Nevada

Securities and Exchange Commission	)	
Plaintiff	)	
v.	)	Civil Action No.
Charles R. Norton and Chad R. Norton	)	
Defendants	)	

Summons in a Civil Action

To: *(Defendant's name and address)*

Charles R. Norton
308 North Royal Ascot Drive
Las Vegas, NV 89144

A lawsuit has been filed against you.

Within 20 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, whose name and address are:

Catherine W. Brilliant
Securities and Exchange Commission
5670 Wilshire Blvd., 11th Fl.
Los Angeles, CA 90036

If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

_____
Name of clerk of court

Date: _____

_____
Deputy clerk's signature

(*Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States allowed 60 days by Rule 12(a)(3).)*

Proof of Service

I declare under penalty of perjury that I served the summons and complaint in this case on _____, by:

(1) personally delivering a copy of each to the individual at this place, _____ _____; or

(2) leaving a copy of each at the individual's dwelling or usual place of abode with _____ who resides there and is of suitable age and discretion; or

(3) delivering a copy of each to an agent authorized by appointment or by law to receive it whose name is _____; or

(4) returning the summons unexecuted to the court clerk on _____.

My fees are $ _____ for travel and $ _____ for services, for a total of $ 0.00 .

Date: _____

_____
Server's signature

_____
Printed name and title

_____
Server's address

Print Save As... Export Import Reset