

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

PHILIP E. RIEHL,

Defendant.

Civil Action No. _____

Jury Trial Demanded

COMPLAINT

Plaintiff Securities and Exchange Commission (the “SEC”) files this Complaint against defendant Philip E. Riehl (“Riehl”) and alleges as follows:

NATURE OF THE ACTION

1. This matter involves fraudulent securities offerings conducted by defendant Riehl.
2. From at least 2010 through late 2018, Riehl offered promissory notes to members of a close-knit religious community with which he was affiliated. Riehl sold the promissory notes to hundreds of investors throughout the country and abroad, taking in approximately \$60 million.
3. Riehl promised investors that he would repay their principal investment with interest, usually at a rate higher than that offered by traditional banks. Riehl told investors that he personally guaranteed repayment of their notes.
4. Riehl told investors that he would use their money to make loans to other members of the religious community who wanted to borrow money, typically to finance the

borrowers' businesses or real estate purchases. Riehl maintained that he would be able to make these payments of principal and interest by charging his borrowers a higher interest rate than he paid his investors.

5. Riehl told investors that, to mitigate risk associated with borrowers' inability to repay their loans, he required two co-signers for each loan. This statement was false. Riehl has now admitted that he made loans without requiring any co-signers.

6. Riehl also offered and sold many of his investors new notes issued by a struggling dairy business called Trickling Springs Creamery, LLC ("TSC"). Riehl was the majority owner of TSC when he offered and sold the TSC notes.

7. Riehl promised to pay 4.5-5% returns on TSC notes, while failing to disclose to investors that TSC was suffering financial difficulties, which he exacerbated by increasing TSC's debt load without a corresponding infusion of money into TSC.

8. Riehl also failed to disclose to TSC investors that their notes would be subordinate to existing bank debt, and that he did not personally guarantee repayment of the TSC notes.

9. In later years, as TSC was in dire financial straits, Riehl misappropriated certain investor funds to finance TSC despite instructions not to use investor money in that manner.

10. TSC ultimately failed, and Riehl was unable to pay back investors, who are owed millions of dollars in unpaid principal.

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

JURISDICTION AND VENUE

12. The Commission brings this action pursuant to Sections 20(b) and 20(d) of the Securities Act [15 U.S.C. § 77t(b) and 77t(d)] and Sections 21(d) and (e) of the Exchange Act [15 U.S.C. § 78u(d) and 78u(e)], to enjoin acts, transactions, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil penalties, and such other and further relief as the Court may deem just and appropriate.

13. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and Sections 21(d), 21(e), and 27(a) of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa(a)]. Riehl has, directly or indirectly, made use of the means and 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.

14. Venue lies in this judicial district pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)]. Among other things, certain of the acts, practices, and courses of business constituting the violations of the federal securities laws alleged herein occurred within the Eastern District of Pennsylvania, including that Riehl made misrepresentations to investors residing within this district.

DEFENDANT

15. Philip E. Riehl, age 68, is a resident of Myerstown, Pennsylvania. Since approximately 1992, Riehl provided accounting services to members of his religious community through his sole proprietorship, Riehl Accounting. Riehl is not a licensed CPA.

OTHER ENTITIES

16. Riehl Accounting is an accounting business solely owned and operated by Riehl.

17. Trickling Springs Creamery, LLC (“TSC”) is a defunct private business. TSC was formerly engaged in the business of processing and selling dairy products, with its principal place of business in Chambersburg, Pennsylvania. Riehl initially loaned money to TSC. In 2007, his loan was converted to equity, making Riehl the majority owner of TSC. TSC operated from approximately 2001 to September 2019. TSC filed for bankruptcy in December 2019.

FACTS

I. Riehl’s Background and Creation of Riehl’s Investment Program

18. Starting in about 1992, Riehl began working primarily as an accountant through his solely owned business, Riehl Accounting. Riehl chiefly provided tax accounting services to other members of a close-knit religious community to which he belonged.

19. In or around 1995, Riehl sought to purchase a farm in Berks County, Pennsylvania. After reviewing possible financing options with traditional banks, Riehl instead asked several of his accounting clients to loan him the money to finance his purchase, promising them repayment at an interest rate greater than that offered on deposits by local banks.

20. Riehl’s accounting clients agreed to lend Riehl the money at the promised interest rate, and thereafter word spread within Riehl’s religious community that Riehl was accepting investments and promising higher rates of return than those typically offered by banks.

21. From this beginning, Riehl developed his own investment program, in which he raised money by issuing promissory notes to investors (“Riehl Notes”). He then pooled investor money and used it to make loans to other members of his religious community.

22. Riehl typically made loans to farmers and other types of commercial businesses, such as barn builders, trucking companies, and construction companies, who were unable to, or chose not to, obtain loans from traditional banks. These loans were documented by simple promissory notes to Riehl, signed by the borrowers.

23. Riehl knew that members of his religious community had a high level of trust and respect for one another, and he relied on this trust to secure investments.

24. Riehl provided each investor with a promissory note, signed by him, and personally promised to repay the investors with interest.

25. Around 2015, the SEC began an investigation of Riehl and his investment program.

26. Riehl told the SEC staff he was not accepting new investments, was in the process of winding down his investment program, and always required two co-signers for loans made from his investment program. These statements were not true.

II. Riehl Acquires Majority Ownership of TSC and Offers and Sells TSC Notes

27. TSC opened in 2001 and was in the business of processing and selling dairy products.

28. Riehl initially loaned money to TSC, and in 2007, his loan was converted to equity, making Riehl a majority owner of TSC.

29. TSC struggled financially. To address these financial issues, Riehl decided to raise money for TSC by offering and selling notes issued by TSC (“TSC Notes”), which were structured almost identically to the Riehl Notes, but with TSC as the sole obligor.

30. The TSC Notes reflected the amount of the investment, the rate of interest, which varied between 4.5% and 5%, the investors’ names and addresses, and the redemption provisions.

III. Riehl Sells TSC Notes Without Disclosing TSC’s Deteriorating Financial Condition and Eliminates His Personal Guarantee to Repay Many Investors

31. Riehl actively solicited investments in TSC from his existing Riehl Note investors.

32. For many of the TSC Notes that Riehl sold, rather than raising additional capital for TSC, Riehl merely issued new TSC Notes to his existing investors, replacing himself with TSC as the note's payor and effectively eliminating his personal guarantee to repay the investors.

33. In so doing, Riehl burdened TSC with millions of dollars of additional debt without any corresponding infusion of capital, and TSC was insolvent for all or most of the time that Riehl sold TSC Notes.

34. Riehl did not disclose to the TSC Note investors that he was imposing this debt burden on TSC while eliminating his personal guarantee to previous Riehl Note investors.

35. Riehl also did not disclose to TSC Note investors that TSC had existing bank debt to which the TSC Notes were subordinate, failing to tell investors that if TSC defaulted they would not be repaid until TSC's bank lenders were repaid first.

36. Riehl did not require that TSC have two co-signers to repay its debts, contrary to his promise that he would require two co-signers for any loan issued using investor money.

37. From at least 2015 to December 2018, Riehl offered and sold to approximately 110 investors at least 175 TSC Notes worth approximately \$7.8 million.

38. In late 2018, Riehl received his last investment of \$150,000. Riehl told this investor that Riehl would repay him in a few days. Riehl knew that this investor did not want to invest in TSC, however, TSC was struggling financially and needed an immediate infusion of cash for operations. Against the investor's instruction, Riehl transferred the \$150,000 to TSC. TSC continued to struggle financially, and Riehl never repaid the investor.

IV. Collapse of Riehl's Investment Program and TSC

39. On September 10, 2018, Riehl sent a letter to his investors stating that he was going to wind down his investment program, he was no longer accepting new investment funds,

and that his religious community was assisting with the closing of his business and the repayment of his outstanding loans.

40. On January 18, 2019, Riehl sent another letter to his investors, apologizing for his misconduct, and stating: “I am sorry for any form of dishonesty I am guilty of, and for my part in any false impressions. This includes stating repeatedly that I require two signatures for each loan. This gave a false sense of security, in that such a considerable percentage of funds invested were channeled into my personal projects.”

41. TSC ultimately closed its operations on September 27, 2019, and its remaining assets are subject to liquidation.

42. Investors in Riehl and TSC Notes are currently owed millions of dollars, with little chance of full repayment.

V. Riehl Violated the Securities Laws

43. The promissory notes that Riehl offered and sold to investors are securities within the meaning of the Securities Act and Exchange Act.

44. Riehl sold the Riehl Notes and TSC Notes as investments, and the purchasers of these instruments invested with the expectation of profit.

45. Riehl sold the Riehl Notes and TSC Notes to individual members of the general public, not to commercial investors, and these instruments are not subject to a regulatory scheme that significantly reduced the risks inherent in their purchase.

46. Riehl engaged in the conduct described herein, including the sales and offers to sell the promissory notes, by use of the means or instruments of transportation or communication in interstate commerce, the instrumentalities of interstate commerce, and/or by use of the mails.

47. Riehl made material untrue statements and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

48. A reasonable investor would consider the misrepresented facts and omitted information—among other things, misrepresentations and omissions regarding Riehl’s requirement of two co-signers to each loan, Riehl’s personal guarantee, and the use of investor money—important in deciding whether to purchase the promissory notes.

49. Riehl made the untrue statements and omissions to state a material fact described herein in the offer of, and in connection with the purchase or sale of, securities.

50. In connection with the conduct described herein, Riehl acted knowingly and recklessly. Riehl knew or was reckless in not knowing that he was making material misrepresentations and omitting to state material facts necessary to make certain statements not misleading under the circumstances.

51. Riehl was the maker of the false and misleading statements because he made the misstatements directly to investors.

52. Riehl obtained money or property from investors through his material untrue statements and omissions 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. Riehl obtained approximately \$60 million in principal investments from investors.

53. Riehl used devices, schemes, and artifices to defraud investors, and engaged in acts, transactions, practices, or courses of business that operated as a fraud or deceit upon investors.

FIRST CLAIM FOR RELIEF
Violations of Section 17(a) of the Securities Act

54. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 53, inclusive, as if they were fully set forth herein.

55. As a result of the conduct alleged herein, Defendant Riehl in the offer or sale of securities, directly or indirectly, by the use of the means or instruments of transportation or communication in interstate commerce, or the mails:

- a. knowingly or recklessly employed devices, schemes, or artifices to defraud;
- b. knowingly, recklessly, or negligently obtained money or property by means of any untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or
- c. knowingly, recklessly, or negligently engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchasers of securities.

56. By engaging in the foregoing conduct, Riehl violated, and unless enjoined will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

57. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 53, inclusive, as if they were fully set forth herein.

58. As a result of the conduct alleged herein, Defendant Riehl knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by use of

the means or instrumentality of interstate commerce or of the mails, or of a facility of a national securities exchange:

- a. employed devices, schemes, or artifices to defraud;
- b. made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or
- c. engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon any person in connection with the purchase or sale of any security.

59. By engaging in the foregoing conduct, Riehl 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 thereunder [17 C.F.R. § 240.10b-5].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a final judgment:

- A. Permanently restraining and enjoining Riehl from violating Section 17(a) of the Securities Act [15 U.S.C § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R § 240.10b-5];
- B. Ordering Riehl to disgorge any and all ill-gotten gains derived from his unlawful conduct, together with prejudgment interest thereon;
- C. Ordering Riehl to pay a civil penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u-1] and Section 20(d) of the Securities Act [15 U.S.C. § 77t];
- D. Retaining jurisdiction of this action for purposes of enforcing any final judgment and orders; and

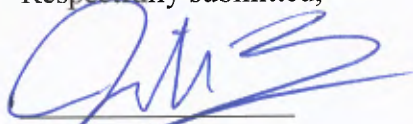
E. Granting such other and further relief as this Court may deem just and appropriate.

JURY DEMAND

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, the Commission hereby requests a trial by jury.

Dated: January 29, 2020

Respectfully submitted,



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JS 44 (Rev. 02/19)

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 NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Securities and Exchange Commission

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

(c) Attorneys (Firm Name, Address, and Telephone Number) Jennifer C. Barry, U.S. Securities and Exchange Commission, 1617 JFK Blvd, Suite 520, Philadelphia, Pennsylvania 19103

DEFENDANTS

Philip E. Riehl, 1830 Camp Swatara Road, Myerstown, PA 17067, County of Residence of First Listed Defendant Lebanon (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known) Christopher A. Sarno, Esq., Clymer Musser & Sarno, PC, 408 West Chestnut St., Lancaster, PA 17603

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 (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

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

Click here for: Nature of Suit Code Descriptions.

Table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Personal Injury, Property Rights, and Labor.

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 - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. § 77q(a), 15 U.S.C. § 78j(b), 17 C.F.R § 240.10b-5. Brief description of cause: Securities Fraud

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE Hon. Edward G. Smith DOCKET NUMBER Cr. No. 20-048

DATE 01/29/2020

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket. **PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

DESIGNATION FORM

(to be used by counsel or pro se plaintiff to indicate the category of the case for the purpose of assignment to the appropriate calendar)

Address of Plaintiff: 1617 JFK Blvd, Suite 520, Philadelphia, Pennsylvania 19103
 Address of Defendant: 1830 Camp Swatara Road, Myerstown, PA 17067
 Place of Accident, Incident or Transaction: Eastern District of Pennsylvania

RELATED CASE, IF ANY:

Case Number: Cr. No. 20-048 Judge: Hon. Edward G. Smith Date Terminated: _____

Civil cases are deemed related when **Yes** is answered to any of the following questions:

- | | | |
|--|---|-----------------------------|
| 1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action of this court? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights case filed by the same individual? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

I certify that, to my knowledge, the within case is / is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: 01/29/2020  BAR ID: 72961
 Attorney I.D. # (if applicable)

CIVIL: (Place a ✓ in one category only)

A. Federal Question Cases:

- 1. Indemnity Contract, Marine Contract, and All Other Contracts
- 2. FELA
- 3. Jones Act-Personal Injury
- 4. Antitrust
- 5. Patent
- 6. Labor-Management Relations
- 7. Civil Rights
- 8. Habeas Corpus
- 9. Securities Act(s) Cases
- 10. Social Security Review Cases
- 11. All other Federal Question Cases
(Please specify): _____

B. Diversity Jurisdiction Cases:

- 1. Insurance Contract and Other Contracts
- 2. Airplane Personal Injury
- 3. Assault, Defamation
- 4. Marine Personal Injury
- 5. Motor Vehicle Personal Injury
- 6. Other Personal Injury (Please specify): _____
- 7. Products Liability
- 8. Products Liability – Asbestos
- 9. All other Diversity Cases
(Please specify): _____

ARBITRATION CERTIFICATION

(The effect of this certification is to remove the case from eligibility for arbitration.)

I, Jennifer Chun Barry, counsel of record or pro se plaintiff, do hereby certify:

- Pursuant to Local Civil Rule 53.2, § 3(c) (2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs:
- Relief other than monetary damages is sought.

DATE: 01/29/2020  BAR ID: 72961
 Attorney I.D. # (if applicable)

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

CASE MANAGEMENT TRACK DESIGNATION FORM

Securities and Exchange Commission	:	CIVIL ACTION
	:	
v.	:	
	:	
Philip E. Riehl	:	NO.

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a Case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a Case Management Track Designation Form specifying the track to which that defendant believes the case should be assigned.

SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

- (a) Habeas Corpus – Cases brought under 28 U.S.C. § 2241 through § 2255. ()
- (b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits. ()
- (c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ()
- (d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ()
- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) ()
- (f) Standard Management – Cases that do not fall into any one of the other tracks. (X)

1/29/2020	Jennifer C. Barry	Plaintiff
Date	Attorney-at-law	Attorney for
215-597-3192	215-597-2740	BarryJ@sec.gov
Telephone	FAX Number	E-Mail Address

**Civil Justice Expense and Delay Reduction Plan
Section 1:03 - Assignment to a Management Track**

- (a) The clerk of court will assign cases to tracks (a) through (d) based on the initial pleading.
- (b) In all cases not appropriate for assignment by the clerk of court to tracks (a) through (d), the plaintiff shall submit to the clerk of court and serve with the complaint on all defendants a case management track designation form specifying that the plaintiff believes the case requires Standard Management or Special Management. In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a case management track designation form specifying the track to which that defendant believes the case should be assigned.
- (c) The court may, on its own initiative or upon the request of any party, change the track assignment of any case at any time.
- (d) Nothing in this Plan is intended to abrogate or limit a judicial officer's authority in any case pending before that judicial officer, to direct pretrial and trial proceedings that are more stringent than those of the Plan and that are designed to accomplish cost and delay reduction.
- (e) Nothing in this Plan is intended to supersede Local Civil Rules 40.1 and 72.1, or the procedure for random assignment of Habeas Corpus and Social Security cases referred to magistrate judges of the court.

**SPECIAL MANAGEMENT CASE ASSIGNMENTS
(See §1.02 (e) Management Track Definitions of the
Civil Justice Expense and Delay Reduction Plan)**

Special Management cases will usually include that class of cases commonly referred to as "complex litigation" as that term has been used in the Manuals for Complex Litigation. The first manual was prepared in 1969 and the Manual for Complex Litigation Second, MCL 2d was prepared in 1985. This term is intended to include cases that present unusual problems and require extraordinary treatment. See §0.1 of the first manual. Cases may require special or intense management by the court due to one or more of the following factors: (1) large number of parties; (2) large number of claims or defenses; (3) complex factual issues; (4) large volume of evidence; (5) problems locating or preserving evidence; (6) extensive discovery; (7) exceptionally long time needed to prepare for disposition; (8) decision needed within an exceptionally short time; and (9) need to decide preliminary issues before final disposition. It may include two or more related cases. Complex litigation typically includes such cases as antitrust cases; cases involving a large number of parties or an unincorporated association of large membership; cases involving requests for injunctive relief affecting the operation of large business entities; patent cases; copyright and trademark cases; common disaster cases such as those arising from aircraft crashes or marine disasters; actions brought by individual stockholders; stockholder's derivative and stockholder's representative actions; class actions or potential class actions; and other civil (and criminal) cases involving unusual multiplicity or complexity of factual issues. See §0.22 of the first Manual for Complex Litigation and Manual for Complex Litigation Second, Chapter 33.