

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JESSE HOGAN,

Defendant.

00C

5637

U.S. DISTRICT COURT
00 SEP 14 AM 9:25
FILED-ED4

DOCKETED

SEP 15 2000

CIVIL ACTION
FILE NO.

JUDGE LEINENWEBER

**MAGISTRATE JUDGE
GERALDINE SOAT BROWN**

**COMPLAINT FOR TEMPORARY RESTRAINING ORDER,
PRELIMINARY AND PERMANENT INJUNCTION, AND
OTHER EQUITABLE RELIEF**

Now comes the Plaintiff, United States Securities and Exchange Commission ("Commission"), and alleges as follows:

NATURE OF THE COMPLAINT

1. Defendant Jesse Hogan ("Hogan") used spam Internet message board postings and e-mails to conduct at least five "pump and dump" stock price manipulations from at least July 21 through August 22, 2000. In a pump and dump manipulation, the manipulator acquires publicly traded stock then puts out false information to pump up the perceived value of the stock and, finally, dumps his stock into the artificially inflated market that he created. For each pump and dump manipulation, Hogan has used the same technique. He targeted a company with common stock quoted on the Nasdaq OTC Bulletin Board ("the targeted company"). Prior to the pump of the targeted company, Hogan accumulated a position in the company's stock. Hogan then, after the close of the

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market and through the opening of the market the following trading day, used a variety of alias screen names to post hundreds of messages about the targeted company on Internet message boards and sent numerous e-mails with the identical message. The postings and e-mails falsely claimed that a well-known "blue chip" company would soon acquire the outstanding stock of the targeted company at a substantial premium over its current market price. Predictably, the postings and e-mails prompted a surge in the price and volume of the targeted company's stock. Hogan then liquidated his position, selling into the buying surge he created. Hogan has realized at least \$42,750 in illicit profits from his scheme. Hogan's scheme has also caused investors to suffer potential losses of approximately \$931,000.

2. Hogan, by manipulating the price of at least five publicly traded stocks, has violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5]. Given that Hogan has already engaged in at least five such pump and dump manipulations since late July, there is a reasonable likelihood that, unless enjoined, he will continue to engage in transactions, acts, practices and courses of business the same as or similar to those set forth above.

JURISDICTION AND VENUE

3. The Court has jurisdiction of this action pursuant to Section 27 of the Exchange Act [15 U.S.C. §78aa].

4. The Commission brings this action pursuant to Section 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§78u(d) and 78u(e)]. Investors harmed by Hogan's

fraudulent conduct are located throughout the United States, including in the Northern District of Illinois.

5. Hogan, directly and indirectly, has made, and is making, use of the mails, and of the means and instrumentalities of interstate commerce, in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

THE DEFENDANT

6. Jesse Hogan is 24 years old and resides at 4665 Grafton Street, Burnaby, British Columbia, V5H 1M3, Canada. Hogan has identified himself, in securities trading account opening documents, as a sorter for a delivery service and a salesperson for a tool store in Burnaby, British Columbia.

THE FACTS

A. Overview of Hogan's Scheme

7. From at least July 21, 2000 through August 22, 2000, Hogan has orchestrated at least five pump and dump manipulations using the Internet. For each pump and dump, Hogan utilized the same technique. Prior to the pump, he used a brokerage account at TD Waterhouse Investor Services (Canada) Inc. ("TD Waterhouse (Canada)") to accumulate a position in the stock of the targeted company. Then, during the period from the close of the market through the opening of the market the following trading day, Hogan sent out spam Internet message board postings and e-mails claiming that a well-known company would soon acquire the outstanding stock of the targeted company at a substantial premium over its current market price. A message board is an Internet forum where Internet users have discussions and exchange information by

posting messages to the message board. "Spam" refers to a single message that is sent, at or about the same time, to either: (1) multiple Internet message boards or news groups; or (2) multiple e-mail addresses. For the spam postings, Hogan has used between four and eight screen names and posted hundreds of messages on hundreds of Yahoo! Finance, Raging Bull, Inc. ("Raging Bull") and Silicon Investor message boards. At the same time that he posted these messages, Hogan sent spam e-mails containing the same false message, designating the e-mails "From: 'Jesse Hogan' <jhogan007@home.com>."

After the market opened, Hogan posted additional messages on Internet message boards meant to create the appearance of an ongoing conversation among investors about the targeted company's stock. Hogan's spam Internet postings and e-mails caused the targeted company's stock price and volume to increase significantly on the trading day after the spams. Once the price of the stock began to increase, Hogan sold off his shares for a profit. Altogether, Hogan made at least \$42,750 in illegal profits from his scheme.

B. The Astrocom Pump and Dump

8. Hogan began his scheme by acquiring a substantial position in Astrocom Corporation ("Astrocom") stock. Hogan started accumulating shares of Astrocom on July 18, 2000. Prior to the pump, he bought 25,000 shares of Astrocom. He purchased the shares between \$0.437 and \$0.468 per share, paying a total of \$11,260.16.

9. After the market closed on Thursday, July 20, Hogan unleashed an Internet message board and e-mail campaign to pump up Astrocom's stock price. Using previously created alias screen names, Hogan posted 438 identical messages on hundreds of Yahoo! Finance message boards. The message header stated, "**JDSU to acquire**

ATCC (NASDAQ:OTCBB)”(bold in original). JDSU is the ticker symbol for JDS Uniphase Corporation (“JDS Uniphase”) and ATCC is the ticker symbol for Astrocom. Hogan made the following statements in the content of the message that were designed to attract investor interest:

- JDS Uniphase “is reportedly acquiring” all of Astrocom’s outstanding shares for \$7.00 cash per share;
- Astrocom “is highly likely to be acquired due to consolidation in the broadband, wireless, and fibre optic networking industry;” and
- “Sources close to the deal were not available for comment.”

10. In addition, after the market closed on Thursday, July 20, Hogan posted virtually the same message under an alias screen name on the Silicon Investor “THE GOLDEN LISTS” message board.

11. Hogan then continued his effort to pump up the value of Astrocom stock. He sent out e-mails containing the same message as the spam postings at around the same time as he made the postings. After the market opened on Friday, July 21, he also posted a message on at least one Silicon Investor message board. This post had a positive tone, reported the price increase for Astrocom stock, and was meant to create the appearance of an ongoing conversation among investors about Astrocom stock.

12. Hogan’s numerous Internet postings and e-mails contained false and misleading information about Astrocom. JDS Uniphase had no imminent plans to acquire Astrocom, or even to enter into any type of strategic relationship with Astrocom.

13. Hogan knew or was reckless in not knowing that his Internet postings and e-mails were false. He had no reason to believe that the statements contained in his

postings had any factual support. Further, Hogan was strategically positioned to profit from the false postings and e-mails, and did so. Hogan also was careful to conceal his identity through the use of multiple Internet aliases.

14. Hogan cashed in on the demand for Astrocom stock created by his Internet campaign. The false Internet postings and spam e-mails precipitated a buying surge in Astrocom. By 10:10 a.m. EDT on Friday, July 21, the price for Astrocom stock rose from a closing price of \$0.4925 on Thursday to \$1.53125 per share, an increase of 211 percent. Further, more than 1,624,700 shares of Astrocom traded on July 21, which was approximately 2,556 percent greater than the previous day's volume. Other than the false and misleading postings, there was no other significant news item, press release or other publicly disseminated corporate information relating to Astrocom that could explain the spike in trading. Hogan sold all of his Astrocom position on Friday, July 21, at prices ranging between \$0.718 and \$1.495 per share, and realized \$12,158.85 in profits. By Monday, July 24, Astrocom's stock price returned to a \$0.50 to \$0.60 per share price range.

C. The MicroTel Pump and Dump

15. Hogan began to accumulate shares of MicroTel International, Inc. ("MicroTel") (ticker symbol MCTL) on July 24, 2000. Prior to the pump, he bought 20,000 shares of MicroTel. He purchased the shares between \$0.529 and \$0.550 per share, at a total cost of \$10,861.52

16. After the market closed on Wednesday, July 26, Hogan began his full-scale Internet message board and e-mail campaign to pump up MicroTel's stock price.

Using previously created alias screen names, Hogan posted 468 copies of the identical message on numerous Yahoo! Finance message boards. The message header stated, “**MCTL** to be acquired very soon” (bold in original). In the body of the message, Hogan made the following statements :

- MicroTel was likely to be acquired for a minimum of \$5 per share “according to our sources close to the company;” and
- The companies likely to acquire MicroTel were Lucent Technologies, Inc. (“Lucent”) or F5 Networks, Inc. (“F5 Networks”).

17. Hogan, after the market closed on Wednesday, July 26, posted virtually the same message under an alias screen name on at least two Silicon Investor message boards.

18. Hogan then continued his effort to pump up the value of MicroTel stock. He sent out e-mails containing the same message as the spam postings at around the same time as he made the postings.

19. Hogan’s numerous Internet postings and e-mails contained false and misleading information about MicroTel. MicroTel, at the time of the spam e-mails and postings, was not aware of any plans by Lucent or F5 Networks to acquire MicroTel.

20. Hogan knew or was reckless in not knowing that his Internet postings and e-mails were false. He had no reason to believe that the statements contained in his postings had any factual support. Further, Hogan was strategically positioned to profit from the false postings and e-mails, and he did so. Hogan also was careful to conceal his identity through the use of multiple Internet aliases.

21. Hogan cashed in on the surge in demand created by his Internet campaign. The false Internet postings and spam e-mails precipitated a buying surge in MicroTel. By 10:55 a.m. EDT on Thursday, July 27, the price for MicroTel stock rose from a closing price of \$0.515625 on Wednesday to \$.875 per share, an increase of 70 percent. Moreover, 925,100 shares of MicroTel stock traded that day, which was more than a 2,265 percent increase from the previous day's volume. Other than the false and misleading postings, there was no other significant news item, press release or other publicly disseminated corporate information relating to MicroTel that could explain the spike in trading. Hogan sold his entire position in MicroTel stock on Thursday, July 27, at prices ranging between \$0.718 and \$0.812 per share, and realized \$3,674.68 in profits. By the end of that Thursday, MicroTel's stock price closed at \$0.625.

D. The AM Communications Pump and Dump

22. Hogan started accumulating shares of AM Communications, Inc. ("AM Communications") (ticker symbol AMCM) on July 27, 2000. Prior to the pump, he bought 27,000 shares of AM Communications. He purchased the shares between \$0.562 and \$0.625 per share, for a total cost of \$16,097.28.

23. Hogan began his full-scale Internet message board and e-mail campaign to pump up AM Communications' stock price on Sunday, July 30. Using previously created alias screen names, Hogan posted 468 copies of the identical message on numerous Yahoo! Finance message boards. The message header stated, "MOT, HLIT likely to buyout AMCM." MOT is the ticker symbol for Motorola, Inc. ("Motorola") and HLIT is the ticker symbol for Harmonic, Inc. ("Harmonic"). In the body of the message,

Hogan said that Motorola or Harmonic was likely to acquire AM Communications for approximately \$8 per share.

24. Hogan, also on July 30, posted virtually the same message under an alias screen name on at least two Silicon Investor message boards.

25. Hogan then continued his effort to pump up the value of AM Communications stock. He sent out e-mails containing the same message as the spam postings at around the same time as he made the postings. After the market opened on Monday, July 31, he also posted a number of messages under an alias screen name on at least one Silicon Investor message board. These posts had a positive tone, predicted price increases for AM Communications stock, and were meant to create the appearance of an ongoing conversation among investors about AM Communications stock.

26. Hogan's numerous Internet postings and e-mails contained false and misleading information about AM Communications. AM Communications was not aware of any plans by Motorola or Harmonic to acquire AM Communications.

27. Hogan knew or was reckless in not knowing that his Internet postings and e-mails were false. He had no reason to believe that the statements contained in his postings had any factual support. Further, Hogan was strategically positioned to profit from the false postings and e-mails, and he did so. Hogan also was careful to conceal his identity through the use of multiple Internet aliases.

28. Hogan cashed in on the buying surge created by his Internet campaign. The false Internet postings and spam e-mails precipitated strong demand for AM Communications stock. By 1:12 p.m. EDT on Monday, July 31, the price for AM

Communications stock rose from a closing price of \$0.625 on Friday, July 28, 2000 to \$1.15625 per share, an increase of 85 percent. Moreover, AM Communications' volume for the day was 619,200 shares, an increase of more than 725 percent from the previous Friday's volume. Other than the false and misleading postings, there is no other significant news item, press release or other publicly disseminated corporate information relating to AM Communications that could explain the spike in trading. Hogan sold most of his AM Communications shares on Monday, July 31, at prices ranging between \$0.69 and \$1.062 per share. Hogan sold his remaining AM Communications shares on August 1, at prices ranging from \$0.875 and \$0.95. Hogan realized \$5,524.75 in profits. By the end of that Thursday, AM Communications' stock price closed at \$0.625. Thereafter, the price of AM Communications stock increased to around \$1.00 on the news of increased revenues.

E. The Egan Pump and Dump

29. Hogan began accumulating shares of Egan Systems, Inc. ("Egan") (ticker symbol EGNS) on August 16, 2000. Prior to the pump, he bought 150,000 shares of Egan. He purchased the shares between \$0.110 and \$0.120 per share, for a total cost of \$17,026.62.

30. After the market closed on Wednesday, August 16, Hogan unleashed a full-scale Internet message board and e-mail campaign to pump up Egan's stock price. Employing previously created alias screen names, Hogan posted numerous copies of the identical message on numerous Yahoo! Finance message boards. The message header stated, "CORL to acquire EGNS." CORL is the ticker symbol for Corel Corporation

(“Corel”), a major software developer. In the message, Hogan stated that Corel was “reportedly acquiring” Egan for \$1.50 per share.

31. After the market closed on August 16, Hogan also posted the message under an alias screen name on at least two Silicon Investor message boards.

32. Hogan then continued his effort to pump up the value of Egan stock. He sent out e-mails containing the same message as the spam postings at around the same time as he made the postings.

33. Hogan’s numerous Internet postings and e-mails contained false and misleading information about Egan. Egan, at the time of the spam e-mails and postings, was not aware of any plans by Corel to acquire Egan.

34. Hogan knew or was reckless in not knowing that his Internet postings and e-mails were false. He had no reason to believe that the statements contained in his postings had any factual support. Further, Hogan was strategically positioned to profit from the false postings and e-mails, and he did so. Hogan also was careful to conceal his identity through the use of multiple Internet aliases.

35. Hogan cashed in on the increased demand for Egan stock caused by his Internet campaign. The false Internet postings and spam e-mails precipitated a buying surge in Egan. By 10:05 a.m. EDT on Thursday, August 17, the price for Egan stock rose from a closing price of \$0.12 on Wednesday to \$.30 per share, an increase of 150 percent. Moreover, 2,354,800 shares of Egan stock traded on August 17, which represented a volume increase of more than 296 percent from the previous day. Other than the false and misleading postings, there was no other significant news item, press release or other

publicly disseminated corporate information relating to Egan that could explain the spike in trading. Hogan sold his entire position in Egan stock on Thursday, August 17, at prices ranging between \$0.17 and \$0.29 per share, and realized \$18,741.13 in profits. By the end of that Thursday, Egan's stock price closed at \$0.19.

F. The RSI Systems Pump and Dump

36. Hogan began accumulating shares of RSI Systems, Inc. ("RSI Systems") (ticker symbol RSIS) on August 18, 2000. Prior to the pump, he bought 25,000 shares of RSI Systems. He purchased the shares between \$0.313 and \$0.375 per share, for a total cost of \$8,617.21.

37. After the market closed on Monday, August 21, Hogan orchestrated a full-scale Internet message board and e-mail campaign designed to pump up RSI Systems' stock price. Using previously created alias screen names, Hogan posted many copies of the same message on numerous Yahoo! Finance message boards. The message header stated, "RSIS likely takeover candidate." Hogan made the following statements in the body of the message:

- RSI Systems rumored to be acquired by two "potential bidders listed on the NASDAQ;" and
- RSI Systems was likely to be acquired for approximately \$4 per share.

38. After the market closed on August 21, Hogan also posted the same message under an alias screen name on at least two Silicon Investor message boards.

39. Hogan then continued his effort to pump up the value of RSI Systems stock. He sent out e-mails containing the same message as the spam postings at around the same time as he made the postings. After the market opened on Tuesday, August 22,

he also posted at least one message under an alias screen names on a Silicon Investor message board. This post had a positive tone, predicted price increases for RSI Systems stock, and was meant to create the appearance of an ongoing conversation among investors about RSI Systems stock.

40. Hogan's numerous Internet postings and e-mails contained false and misleading information about RSI Systems. RSI Systems, at the time of the spam e-mails and postings, was not aware of any plans by any company to acquire RSI Systems.

41. Hogan knew or was reckless in not knowing that his Internet postings and e-mails were false. He had no reason to believe that the statements contained in his postings had any factual support. Further, Hogan was strategically positioned to profit from the false postings and e-mails, and he did so. Hogan also was careful to conceal his identity through the use of multiple Internet aliases.

42. Hogan cashed in on the buying surge created by his Internet spam campaign. The false Internet postings and spam e-mails prompted strong demand for RSI Systems stock. By 12:40 a.m. EDT on Tuesday, August 22, the price for RSI Systems stock rose from a closing price of \$0.375 on Monday to \$.59375 per share, an increase of 58 percent. Moreover, 289,600 shares of RSI Systems traded on August 22, an increase of more than 479 percent from the previous day's volume. Other than the false and misleading postings, no other significant news item, press release or other publicly disseminated corporate information relating to RSI Systems that could explain the spike in trading. Hogan sold his entire position in RSI Systems stock on Tuesday, August 22, at prices ranging between \$0.376 and \$0.531 per share, and realized approximately

\$2,653.52 in profits. By the end of that Tuesday, RSI Systems' stock price closed at \$0.50.

G. Linking Hogan to the Scheme

43. A number of facts link Hogan to the scheme. First, Internet tracing information for the postings and e-mails points to Hogan. The individual who sent the false e-mails described above did so by designating the e-mails "From: 'Jesse Hogan' <jhogan007@home.com>." According to the provider of this e-mail address, the address was created through an account of its subscriber, who resides at the same address as Jesse Hogan. Additionally, as described in the affidavit of Daryl E. Hartman, the postings on internet message boards have been traced to a computer address associated with Hogan's place of residence. Further, Hogan used the above e-mail address to create many of the alias screen names used for the spam postings in each of the manipulations described above. Other alias screen names used for the spams were created using a Hotmail e-mail address that, in turn, Hogan created using his real name and place of residence. Second, Hogan's TD Waterhouse trading records show that Hogan has traded at strategic times in the targeted companies, profited from his trading and directed proceeds from the trading to his checking account with a Canadian bank. All of these factors strongly link Hogan to the scheme.

COUNT I

**Violations of 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**

44. Paragraphs 1 through 43 are realleged and incorporated by reference.

45. From at least July 2000 through the present, Defendant Hogan, in connection with the purchase and sale of securities in the form of common stock, by the use of the means and instrumentalities of interstate commerce and of the mails, directly and indirectly, has employed and is employing devices, schemes and artifices to defraud; has made and is making untrue statements of material fact and has omitted and is 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 has engaged and is engaging in acts, practices and courses of business which have operated and will operate as a fraud and deceit upon investors and prospective investors, all as more fully described in Paragraphs 1 through 43.

46. Defendant Hogan knew or was reckless in not knowing of the facts and circumstances described in Paragraphs 1 through 43.

47. By reason of the activities described in Paragraphs 1 through 46, Defendant Hogan has violated and is violating 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.

WHEREFORE, the Plaintiff respectfully requests that this Court:

I.

Find that Defendant Hogan committed the violations alleged above.

II.

Grant a Temporary Restraining Order and Orders of Preliminary and Permanent Injunction, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining Defendant Hogan, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of the Temporary Restraining Order and Orders of Preliminary and Permanent Injunction by personal service or otherwise, and each of them, from directly or indirectly engaging in the acts, practices or courses of business that 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], and from engaging in acts, practices, and courses of business of similar purport and object in connection with transactions in any securities.

III.

Enter an Order restraining and enjoining:

A. Defendant Hogan, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of the Temporary Restraining Order, the Order of Preliminary Injunction and the Order of Permanent Injunction by personal service or otherwise, and each of them, from directly or indirectly destroying, mutilating, concealing, altering or disposing of in any manner, any

of the books, records, documents, computer data, correspondence, brochures, manuals, obligations or other property of or pertaining to the Defendant, wherever located.

B. Defendant Hogan, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of the Temporary Restraining Order, the Order of Preliminary Injunction and the Order of Permanent Injunction by personal service or otherwise, and each of them, from directly or indirectly transferring, selling, assigning, pledging, dissipating, concealing or otherwise disposing of in any manner, any funds, assets, or other property belonging to, or in the possession, custody or control of Hogan, wherever located.

IV.

Grant an Order requiring the Defendant Hogan, to:

A. produce to the Plaintiff, within four days of the issuance of the Temporary Restraining Order, all books, records and other documents (including any computer files) in the Defendant's actual or constructive possession relating to the information that he disseminated using the Internet and any other means concerning Astrocom, Microtel, AM Communications, Egan and RSI Systems.

B. provide an accounting of all proceeds Hogan has received from the trading activities described in this Complaint, the uses to which such funds were put and the amounts of any remaining such funds and their location; provided, however, that nothing in the Order shall be construed to require Defendant to abandon any constitutional or other legal privilege that he may have available to him.

V.

Grant an Order requiring Defendant Hogan, to disgorge any and all ill-gotten gains (including prejudgment interest).

VI.

Grant an Order imposing appropriate civil penalties against Defendant Hogan in accordance with Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)].

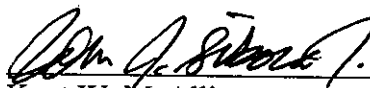
VII.

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.

VIII.

Grant Orders for such further relief as the Court may deem appropriate.

Respectfully Submitted,



Kent W. McAllister

John J. Sikora, Jr.

Jane E. Jarcho

Attorneys for Plaintiff

United States Securities and Exchange Commission

500 West Madison Street, Suite 1400

Chicago, Illinois 60661

(312) 353-7390

Dated: September 12, 2000.

JS 44
[Rev. 12/95]

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

U.S. Securities and Exchange Commission

DEFENDANTS

Jesse Ho...

00C 5637

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

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT _____
(IN U.S. PLAINTIFF CASES ONLY)

JUDGE LEINER
IN CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

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

U.S. Securities And Exchange Commission
500 West Madison, Suite 1400
Chicago, Illinois 60661

ATTORNEYS (IF KNOWN)

**MAGISTRATE JUDGE
GERALDINE SOAT BROWN**

FILED-00
SEP 14 2000
U.S. DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

II. BASIS OF JURISDICTION (PLACE AN "X" IN ONE BOX)

- 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)

**DOCKETED
SEP 15 2000**

III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

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

IV. 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

V. 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	<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	<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 type="checkbox"/> 810 Selective Service <input checked="" 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"/> 890 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	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	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	

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. §78j (b)] and [17 C.F.R. §240.10b-5] thereunder.

See enforcement action for violations of federal securities laws.

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. This case is not a refiling of a previously dismissed action.

is a refiling of case number _____, previously dismissed by Judge _____

DATE

9/14/00

SIGNATURE OF ATTORNEY OF RECORD

[Signature]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

In the Matter of

S.E.C. V. HESSE HOGAN

00C 5637

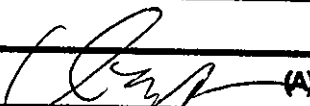
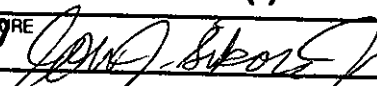
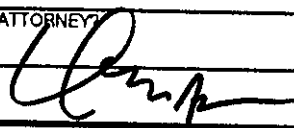
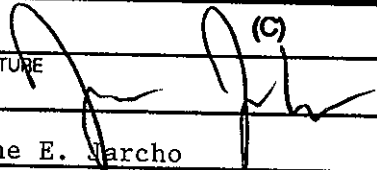
Case Number:

FILED-ED4
00 SEP 14 AM 9:26
U.S. DISTRICT COURT

APPEARANCES ARE HEREBY FILED BY THE UNDERSIGNED AS ATTORNEY(S) FOR:

Plaintiff, Securities And Exchange Commission

JUDGE LEINENWEBER

 SIGNATURE		DOCKETED SEP 15 2000	MAGISTRATE JUDGE GERALDINE SOAT BROWN	
			 SIGNATURE	
NAME Kent W. McAllister		NAME John J. Sikora		
FIRM Securities & Exchange Commission		FIRM Securities & Exchange Commission		
STREET ADDRESS 500 West Madison, Suite 1400		STREET ADDRESS 500 West Madison, Suite 1400		
CITY/STATE/ZIP Chicago, Illinois 60661		CITY/STATE/ZIP Chicago, Illinois 60661		
TELEPHONE NUMBER (312)886-8259		TELEPHONE NUMBER (312)353-7418		
IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE)		IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) 6217330		
MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		MEMBER OF TRIAL BAR? YES <input checked="" type="checkbox"/> NO <input checked="" type="checkbox"/>		
TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>		TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>		
		DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>		
 SIGNATURE		SIGNATURE		
NAME Jane E. Jarcho		NAME		
FIRM Securities & Exchange Commission		FIRM		
STREET ADDRESS 500 West Madison, Suite 1400		STREET ADDRESS		
CITY/STATE/ZIP Chicago, Illinois 60661		CITY/STATE/ZIP		
TELEPHONE NUMBER (312) 353-5479		TELEPHONE NUMBER		
IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) 06193642		IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE)		
MEMBER OF TRIAL BAR? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input type="checkbox"/>		
TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>		TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>		
DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>		DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>		

PLEASE COMPLETE IN ACCORDANCE WITH INSTRUCTIONS ON REVERSE.

1-3