

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ERIC E. RESTEINER,
VOLDEMAR A. VONSTRASDAS,
MILES M. HARBUR,
CHARLES G. DYER,
RESOURCE F, LLC, and
BUNKER HILL AVIATION, LLC,

Defendants.

Civil Action No.
01-10637-PBS

COMPLAINT

Plaintiff SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"), for its
Complaint, alleges that:

PRELIMINARY STATEMENT

1. This is an emergency enforcement action brought by the COMMISSION concerning a fraudulent offering of securities involving a fictitious financial instrument trading program by Defendants Eric E. Resteiner ("Resteiner"), Miles M. Harbur ("Harbur"), Voldemar A. VonStrasdas ("VonStrasdas"), Charles G. Dyer ("Dyer"), Resource F, LLC ("Resource F"), and Bunker Hill Aviation, LLC ("Bunker Hill Aviation"). From at least August 1997 through at least May 2000, Defendants raised approximately \$22 million from at least 50 investors, many of whom were members of the Church of Christ, Scientist ("Christian Science Church").

2. Defendants used various corporate entities, bank accounts, investment vehicles,

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offering materials and misrepresentations to perpetuate their fraud. Specifically, from at least August 1997 through at least May 2000, Defendants raised money for investments in a trading program under the names of Swiss Asset Management, Wall Street South, and Resource F (hereafter referred to as "the trading program"), and transferred the money to bank accounts in the Bahamas controlled by one or more of the Defendants.

3. Throughout the scheme, Defendants made misrepresentations to investors that are typical of "Prime Bank"-type investment frauds, including that the investment involved high-quality debt instruments of very large international banks, that the investors' principal was never at risk and could be returned after one year, and that investors would receive profits of approximately 4-5% every month (or 48-60% annually). Through at least May 2000, Defendants received investor funds and made monthly payments to investors. In or about May 2000, monthly payments to Resource F investors ceased. To date, although requested, no investors are known to have received their investment back.

4. Defendants' representations to investors were false, as the trading program and investment opportunity they described does not exist and is entirely bogus.

5. In connection with this scheme, Defendants, directly and indirectly, have engaged, and, unless enjoined, will continue to engage in transactions, acts, practices and courses of business that constitute violations of, variously, the antifraud, securities registration, and broker registration provisions of the federal securities laws -- i.e., Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), as amended, [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)] and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 ("Exchange Act"), as amended, [15 U.S.C. §§ 78j(b) and 78o(a)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

6. The COMMISSION seeks a temporary restraining order against Defendants VonStrasdas, Dyer, Resource F, and Bunker Hill Aviation, and preliminary injunctions against all Defendants, to prohibit Defendants from engaging in further fraudulent activity or continuing to accept or deposit additional investor funds, freeze assets, including attachment of real property, obtain accountings, repatriate all assets abroad that were obtained or derived from the fraudulent securities transactions, and otherwise maintain the *status quo* pending final resolution of this action. In addition, the COMMISSION seeks against all Defendants permanent injunctions, disgorgement of Defendants' ill-gotten gains plus prejudgment interest and other equitable relief. Finally, the COMMISSION seeks the imposition of civil monetary penalties against all Defendants pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

JURISDICTION

7. The COMMISSION brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. §§ 78u(d)]. The Commission seeks the imposition of civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

8. This Court has jurisdiction over this action pursuant to Sections 20 and 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Sections 21 and 27 of the Exchange Act [15 U.S.C. §§ 78u and 78aa]. Dyer resides in Massachusetts, Resource F and Bunker Hill Aviation each have their principal place of business in Massachusetts, at least six of the defrauded investors reside in Massachusetts, and Defendants Resteiner, Harbur, and VonStrasdas, each solicited

potential investors who reside in Massachusetts.

THE DEFENDANTS

9. Resteiner, age 41, purportedly acted as a Christian Science practitioner from approximately 1990 until 2000, and resided in Nassau, the Bahamas from the mid-1990s until late 2000. In early 1998, Resteiner renounced his U.S. citizenship. His current citizenship and whereabouts are unknown.

10. Harbur, age 51, formerly a resident of Weston, Massachusetts, currently resides in Jupiter, Florida, and is self-employed as a Christian Science practitioner. Prior to 1992, Harbur was employed for approximately 15 years as a business consultant for several companies. From 1992 until 1997, Harbur was employed as the assistant manager of the Christian Science Publishing Society in Boston, Massachusetts. In early 1998, Harbur renounced his U.S. citizenship and became a citizen of the Seychelles. Harbur is a graduate of Dartmouth College and has a masters degree in business administration from the Massachusetts Institute of Technology Sloan School of Management.

11. VonStrasdas, age 58, currently resides in Nassau, the Bahamas, and is a former resident of Palm Beach, Florida. VonStrasdas was employed by various U.S. brokerage firms from 1988 until July 1995. His securities licenses with the National Association of Securities Dealers lapsed in 1999. VonStrasdas renounced his U.S. citizenship in early 2000. His present citizenship is unknown.

12. Dyer, age 63, of Manchester, Massachusetts, is a graduate of Harvard Business School. During the relevant period, Dyer was president and sole trustee of Hawthorne Investment Trust, an investment company registered with the COMMISSION from 1989 to

present; sole owner and principal of Hawthorne Associates, Inc., an investment adviser registered with the COMMISSION from 1986 until 2000; and sole owner and principal of Mustang Capital, LLC, an investment adviser registered with the COMMISSION from 1996 until 1999. In an unrelated matter, on August 8, 2000, the COMMISSION instituted an administrative action against Dyer, Hawthorne Investment Trust, and Hawthorne Associates, Inc., for repeated failures to comply with various filing, books and records, and corporate governance provisions of the Investment Advisers Act of 1940 and the Investment Company Act of 1940. That action is pending.

13. Resource F Delaware is a limited liability company formed March 1998. Dyer directed Resource F's activities. Resource F had a corporate office in Danvers, Massachusetts.

14. Bunker Hill Aviation is a Delaware limited liability company formed in January 1997. Dyer directed Bunker Hill Aviation's activities. Bunker Hill Aviation had a corporate office in Danvers, Massachusetts.

FACTS

15. Defendants have promoted and directed the offer and sale of investment contracts under various names, including Swiss Asset Management, Wall Street South, and Resource F. The investment contracts offered and sold by Defendants are "securities" as that term is defined in Section 2(1) of the Securities Act [15 U.S.C. § 77b(a)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78(a)(10)].

16. Like the fraudulent "Prime Bank" investment schemes that this investment resembled, the trading program the Defendants promoted does not exist and is entirely bogus.

17. At least 50 investors in the United States and abroad have invested approximately

\$22 million in the trading program since August 1997.

18. Defendants' violations involved fraud, deceit or deliberate or reckless disregard of regulatory requirements, and resulted in substantial losses or significant risk of substantial losses to other persons.

**Resteiner and Harbur Promoted the Fraudulent
Trading Program Under the Name Swiss Asset Management**

19. Harbur and Resteiner got together in or about the Spring of 1997, while Harbur was on vacation in the Bahamas. Resteiner suggested that Harbur move his family to the Bahamas and invest with him in an international bank trading program.

20. In or about the Spring of 1997, Resteiner described to Harbur, during an in-person meeting in the Bahamas, his purported role in trading commercial paper issued by AA quality banks, such as Citibank, Bank of America, Bankers Trust, Chase Manhattan, Barclays Bank, and Deutsche Bank. Resteiner stated that he received profits for purchasing the commercial paper from one institution and selling it at a higher price to a second institution. Resteiner stated that, over the course of a year, he could double or triple the money invested, with a minimum of 50% return, and that the principal was never at risk because the banks backed the instruments.

21. In or about the Spring of 1997, during an in-person meeting in the Bahamas, Resteiner told Harbur the U.S. Federal Reserve Board and other central banks regulate this market, and he was one of less than 100 traders licensed by the central banks to conduct such trading. According to Harbur, Resteiner encouraged him to leave the U.S. in order to become involved in the trading program, because the central banks discouraged U.S. residents from participating in such programs.

22. In or about mid-1997, Harbur moved from Weston, Massachusetts, to the Bahamas and invested approximately \$600,000 with Resteiner. In or about mid-1997, Resteiner set up a company called Swiss Asset Management to act as a vehicle that would allow Harbur's friends and family to invest in the trading program. Resteiner told Harbur that he was only licensed to accept investors with over \$100 million, but that Harbur's friends and family could invest smaller amounts if they wired their money directly to Resteiner. According to Harbur, Resteiner promised to pay him referral fees of 5-10% for soliciting investors in Swiss Asset Management.

23. During the COMMISSION investigation, Harbur testified that he accompanied Resteiner on a trip to London sometime in 1998, and that Resteiner introduced Harbur to three traders of international bank commercial paper. Harbur claimed that one of the purported traders told him he was a former agent of the Central Intelligence Agency ("CIA"), and he obtained his trading license as compensation from the CIA, after it poisoned him, leaving him brain-damaged. Harbur testified that Resteiner had told him that the CIA obtained much of its funding from this type of trading activity.

24. By the end of 1999, Harbur had solicited the investment of Rusty and Pam Jones; Court and Pam Kleindler; Powell Crown Foundation; Mary Reed; Marilyn Rinker; and Andrew Teich, who collectively invested approximately \$3 million in the trading program under the name Swiss Asset Management. Harbur instructed potential investors to transfer funds for investment in Swiss Asset Management to an account in the Bahamas. Harbur provided at least two of the investors, Mary Reed in or about September 1997 and February 1998, and Court Kleindler sometime in 1998, with "bearer shares" in Swiss Asset Management. Harbur misrepresented to

investors Reed and Kleindler that these “bearer shares” were just like cash.

**The Defendants Promoted the Fraudulent Trading Program
Under the Names Resource F and Wall Street South**

25. Resteiner and VonStrasdas met in or about 1995, and VonStrasdas began soliciting investors for the trading program sometime thereafter.

26. VonStrasdas and Dyer met in or about 1996, and in or about late 1998 or early 1999, VonStrasdas and Dyer began soliciting investors for the trading program using Resource F.

27. In or about October 1998, Dyer told VonStrasdas that he was preparing a private placement memorandum (“PPM”) for an offering of securities in a “hedge fund” called Resource F. Beginning in or about late 1998, VonStrasdas altered a version of the PPM that the law firm of Dechert, formerly known as Dechert, Price & Rhoads (“Dechert”), had drafted for Resource F, and thereafter used it to solicit investors for the trading program. The PPM Dechert drafted indicated that money raised by Resource F would be invested in businesses related to the airline industry. VonStrasdas altered the draft PPM by inserting additional pages that described the trading program. To explain the inconsistency between the trading program and the airline investments described in the the PPM, the altered PPM described investments in the trading program as Resource F “A shares,” and investments in the airline industry were called Resource F “B shares.”

28. The attorneys at Dechert who drafted the Resource F PPM never reviewed or approved the additional pages concerning the trading program. In addition, in or about March 1999, Ernst & Young, LLP (“E&Y”) learned that VonStrasdas had provided a summary of the trading program to a potential investor, Peter J. Sonnabend, which falsely stated that E&Y

audited Resource F, and touted the safety of Resource F, in part, based on E&Y's association. On or about March 29, 1999, E&Y sent a letter to VonStrasdas, with a copy sent to Dyer, notifying them that they should cease and desist from the unauthorized use of E&Y's name for solicitation purposes concerning Resource F. The E&Y letter included enclosures that VonStrasdas had provided to Sonnabend that were nearly identical to the additional pages that VonStrasdas had inserted into the draft Resource F PPM. Even after this E&Y letter was sent, on or about April 6, 1999, VonStrasdas sent the altered PPM to potential investors, a married Ohio couple (hereafter referred to as the "Ohio investors"), that included false references to E&Y as the auditor for the trading program.

29. In or about late 1998 or early 1999, Dyer and VonStrasdas agreed to become "co-managing members" of Resource F, and to split a 20% "performance fee" on investor "returns." They also agreed that Dyer's firm, Bunker Hill Aviation, would receive a monthly fee of 0.125% (or 1.5% annually) of "profits" in return for performing record-keeping and administrative functions for the investment program. The PPM stated that Bunker Hill Aviation would be the "Managing Member" of Resource F, and that Bunker Hill Aviation had selected Dyer as the fund's "portfolio manager."

30. On or about the following dates, VonStrasdas disseminated the altered PPM to at least the following potential investors: Nathan Harbur in or about May 1999; and the Ohio investors in or about the Spring of 1999. The altered PPM made misrepresentations concerning the trading program, including that it was a one-year investment with profits paid out monthly, and that profits had historically been more than 4.5% monthly. The PPM also misrepresented that investor funds were to be combined with funds of an underwriter, held in custody at Barclays

Bank, and maintained there as collateral for the purchase of medium term "AA" investment grade obligations. The PPM further misrepresented that these obligations were then traded at a profitable spread, confirmed in advance of the trade by the custodial bank. The PPM also misrepresented that Resource F "A shares" did not fluctuate in value, and that the custodial bank would hold the investor funds in a cash account in U.S. dollars, and would issue a "safe-keeping receipt" for the return of the invested funds after one year. The PPM failed to disclose that the trading program was fictional, and therefore could not be used to pay the monthly "profits" to investors.

Defendants' Solicitations and Misrepresentations

31. Beginning in or about late 1998 or early 1999, Resteiner, Harbur, VonStrasdas, and Dyer solicited at least 44 investors, who invested approximately \$12 million in Resource F. During approximately the same time period, Resteiner, Harbur, and VonStrasdas promoted the same trading program under the name Wall Street South, and raised approximately an additional \$7 million from at least nine investors under that name.

VonStrasdas' Solicitations and Misrepresentations

32. VonStrasdas made verbal misrepresentations to investors concerning Resource F and/or Wall Street South. From in or about December 1998 until in or about early 2000, VonStrasdas spoke to at least 12 investors who eventually invested with Resource F or Wall Street South. On or about the dates indicated below, VonStrasdas made at least the following misrepresentations to the following investors:

- The investment would not be at risk because the "double A" debt instruments would be bought at a discount and sold to institutions at a higher price, and the

investor could redeem his investment after one year. [George Bathurst, during an in-person meeting in London, Great Britain, in or about early 1999].

- The principal would never be touched, and the investor could have his money back after one year. [Norman Bleichman, during a telephone conversation in or about late May or early June 1999].
- The investment was a “hedge fund” that conducted buy/sell programs in medium term bank notes. The fund bought and resold the bank notes and made a small percentage on the “spread” between the purchase and the sale price. The investment was safe because even if the sale fell through, the fund would have the underlying bank note. VonStrasdas had been in this business for 12 years and received a steady return of 2-3% per month from trading in these notes for many years. The investor would be able to get his principal back after one year (among other things, VonStrasdas provided to Ellison a document indicating it was a Wall Street South “share agreement,” which stated that the investor would automatically receive the return of his principal at the end of the twelve month participation period). [Richard P. Ellison, during 8-10 contacts, either through conversations or during in-person meetings in Washington, DC, from in or about the Fall of 1998 until the summer of 1999].
- The investment involved brokering the buying and selling of financial obligation notes. The investment was not risky. The worst case scenario was that the sale of the notes would fall through, but the underlying notes had value, so they would just hold the notes until there was another buyer. [Nathan Harbur, during a

telephone conversation in or about early 1999].

- The investment involved investing large amounts of dollars in commercial paper. This was a very safe investment, with returns guaranteed at a rate of 4.5% per month. [Charles C. Howland, during a telephone conversation in or about late March 1999].
- There is no risk in the investment. The worst case scenario was that no deals would materialize and that he would get his money back. The investor would be able to get his principal back at the end of 13 months. [Chet Manchester, during an in-person meeting in Boston, Massachusetts, in or about June 1999].
- The investment involved buying and selling short term commercial paper with historic rates of return of 30-40% per year, which was paid out monthly. It is a very secure investment involving very liquid underlying financial instruments. The investor could get his principal back after 12 months. [Stephen Schaubert, during a telephone conversation in or about the first half of 1999].
- There was 0% risk because their money was only used as collateral and would not be used to actually buy any bonds. They could redeem their investment in one year. [the Ohio investors, during a telephone conversation in or about March or April 1999].
- The rate of return, based on past history, was around 50%, and investors could get their money back after 12 months. [Mark Swinney, during one or more telephone conversations sometime before June 1999].
- The investment was risk-free, and the investment return was promised to be better

than 4%. [Jay Teich, during a telephone conversation sometime before January 4, 2000].

- The rate of return was 4-5% per month, or 48% per year. [Wesley Teich, during a telephone conversation sometime before February 11, 1999].
- The investment was absolutely safe and as safe as a CD. It was like a hedge fund, but does not have the usual risk. The investment paid 4.5% monthly dividends, the investor could have his money back in one year. [Marc Thompson, during a telephone conversation in or about June 1999].

33. VonStrasdas failed to disclose to each of these investors that the trading program described in the PPM and in verbal communications was fictional, and therefore could not be used to pay the monthly "profits" to investors.

34. During 2000 and early 2001, VonStrasdas regularly contacted investors through letters which informed them of the status of their investments. VonStrasdas also received "performance fees" in the form of 10% of the purported monthly "returns" on investments.

35. VonStrasdas' knowing and intentional conduct is demonstrated by his alteration and use of the draft Resource F PPM to promote a trading program that he knew, or was reckless in not knowing, did not exist, and his fraudulent claims about the trading program that he knew, or was reckless in not knowing, were false. In addition, as discussed further below, after monthly payments to investors ceased in early 2000, VonStrasdas regularly sent lulling letters to investors making excuses for the cessation of payments, and making baseless statements that he expected trading and monthly payments to investors to resume soon. Further, VonStrasdas, a former registered representative at U.S. brokerage firms, solicited millions of dollars from investors for

the trading program, without conducting adequate due diligence to confirm the legitimacy of the trading program and the accuracy of his representations to investors.

Dyer's Solicitations and Misrepresentations and Misappropriation of Investor Funds

36. Dyer made verbal misrepresentations to investors concerning Resource F. From in or about December 1998 until in or about early 2000, Dyer spoke to at least two investors who eventually invested with Resource F. On or about the dates indicated below, Dyer made at least the following misrepresentations to the following investors:

- Resource F derived its income from buying "double A" debt instruments at a discount and selling the debt instruments to an institution at a higher price. The investment in Resource F was risk-free. Resource F funds were kept in a segregated account under Dyer's control. The investor would need to keep his investment in Resource F for one year, after which he could redeem it. [George Bathurst, during a telephone conversation sometime prior to June 1999].
- Resource F had a safe, high return from the buying and selling of financial obligation notes. [Nathan Harbur, during a telephone conversation in or about May 1999].

37. Dyer failed to disclose to each of these investors that the trading program was fictional, and therefore could not be used to pay the monthly "profits" to investors.

38. Acting through the two entities he controlled (Resource F and Bunker Hill Aviation), Dyer performed certain administrative duties for Resource F, including sending quarterly statements to investors showing the amount and date of their investment, and the amount and percent return of the investors' monthly payments. Dyer also provided investors with

“performance” charts comparing Resource F to the Standard & Poor’s 500 and other indexes, and distributed monthly payments to investors. Dyer received “performance fees” in the form of 10% of the purported monthly “returns” on investments, and Bunker Hill Aviation received management fees from investors in the form of .125% of the purported monthly “returns” on investments.

39. Dyer knew that VonStrasdas provided the altered Resource F PPM to investors. He received a copy of the letter from E&Y referred to in Paragraph 28, above, concerning the unauthorized use of E&Y’s name to solicit Resource F investors for the trading program. He also knew that the altered PPM distributed to potential investors included a “selection page” that asked investors to choose whether to invest in Resource F “A shares” or “B shares,” and that “A shares” referred to investments in the trading program. Dyer failed to conduct adequate due diligence to confirm the legitimacy of the trading program and the accuracy of his representations to investors. According to Dyer, he wondered whether the trading program was a prime bank scheme and asked VonStrasdas whether it was, but was satisfied when VonStrasdas assured him it was not. During the Commission investigation, Dyer admitted in testimony that VonStrasdas never provided him with any materials concerning Wall Street South, and Dyer never learned where Wall Street South was formed, who were its officers, or any financial information regarding the company. Despite Dyer’s admitted lack of knowledge concerning Wall Street South, he transferred all of the Resource F investor funds he received (at least \$12 million) to a Wall Street South account in the Bahamas. Dyer’s knowing or extreme reckless conduct can be imputed to Resource F and Bunker Hill Aviation because Dyer controlled these entities.

40. In addition to his other fraudulent activity related to the trading program, Dyer

misappropriated at least \$795,000 of investor funds intended for Resource F, and failed to disclose to investors the use to which he put their investment funds. In or about September 1999, an investor, the Principle Foundation, transferred \$100,000 to Dyer for an investment in Resource F "A shares." Without his client's prior knowledge or consent, on or about September 23, 1999, Dyer transferred \$95,000 of this money to an entity he controlled, Northeast Aviation, Inc. The funds were then loaned to a creditor to purchase an airplane. Dyer never discussed the airplane purchase with the Principle Foundation or its representative, Marilyn Rinker. In or about October 1999, Dyer took \$550,000 from another investor, George Bathurst, for a short-term investment with Resource F (the "Bathurst Funds"). The Bathurst Funds were deposited into two Resource F bank accounts that Dyer controlled: Boston Private Bank Account Number 307-4352 and Barclays Bank Account Number 103-4272. Dyer caused approximately \$300,000 of the Bathurst Funds to be transferred to a third bank account held by Bunker Hill Aviation, Boston Private Bank Account Number 402-6620. Without Bathurst's prior knowledge or consent, Dyer and Bunker Hill Aviation used this \$300,000 of the Bathurst Funds to purchase the Falcon Run Golf Course in Cordele, Georgia. Without Bathurst's prior knowledge or consent, Dyer and Bunker Hill Aviation used the remaining \$250,000 of the Bathurst Funds for legal fees and expenses related to the golf course. Despite repeated requests from this investor to return his money, Dyer has returned only \$100,000. In or about October 1999, Dyer took \$100,000 from another investor, Brian West, for an investment in Resource F, and, without this client's prior knowledge or consent, Dyer retained the funds for his own use. Finally, on or about January 14, 2000, without the prior knowledge or consent of Resource F investors, Dyer paid \$50,000 from a Resource F bank account to purchase an interest in a restaurant in Boston, Massachusetts.

Harbur's Solicitations and Misrepresentations

41. Harbur made written or verbal misrepresentations to investors concerning Swiss Asset Management, Resource F, and/or Wall Street South. Beginning as early as August 1997 and continuing through 1998, Harbur successfully solicited at least six investors in the trading program under the name Swiss Asset Management. From in or about December 1998 until in or about early 2000, Harbur spoke to at least eight investors who eventually invested with Resource F or Wall Street South. On or about the dates below, Harbur made at least the following misrepresentations to the following investors:

- The investment involved lending money to big offshore banks, it paid large returns, and it was not subject to the kind of risk found in the stock market. [Mary Reed, during a telephone conversation in or about August 1997].
- The investment was a one year note from A or AA rated banks, and there was an average return of 4% per month. [Marilyn Rinker, in a letter from Miles Harbur dated August 7, 1997, and during a telephone conversation in or about January or February 1998].
- The investment involved foreign banks, and the investor would get \$15,000 to \$20,000 per month on a \$500,000 investment. [Norman Hayes, during a telephone conversation in or about January 2000].
- The investment was backed by AAA bonds, so there was no way you could lose money. The rate of return was between 4-8% per month. [Marla LaVoice, during an in-person meeting in the Bahamas in or about April 1999].
- This was an elite investment in a private bond market. It involved only AA

institutions, and was a risk-free investment. Harbur had doubled his money in the time he was invested. [Chet Manchester, during an in-person meeting in the Bahamas in or about May 1999].

- This is a secret insider trading program limited to a small group of people, involving large sums of money. Returns came from frequent trades, which generated large returns over time. [Andrew Teich, during an in-person meeting in the Bahamas sometime in 1998].
- The investment was too complicated to understand, but people had been doing it for hundreds of years, and it was as safe as the institution in which they were investing, which was Barclays Bank. The investment was basically like an offshore CD with returns of 3% per month. [Rusty Jones, during a telephone call sometime prior to his investment in June 1998].
- The investment was in high grade paper and the returns were like those of a CD. [the Ohio investors, during several telephone calls in or around March 1999].

42. Harbur failed to disclose to each of these investors that the trading program was fictional, and therefore could not be used to pay the monthly "profits" to investors.

43. Harbur performed certain administrative duties for Swiss Asset Management investors, including maintaining records of the dates and amounts of each investment and the distribution due to investors each month. He also distributed monthly payments to Swiss Asset Management investors. Harbur received referral fees from Resteiner for successfully soliciting new investors.

44. Harbur's knowing or extreme reckless conduct is demonstrated by his solicitation

of investors, in return for referral fees, even after hearing absurd and patently ridiculous claims about the trading program (such as that one of Resteiner's purported fellow traders in international bank commercial paper was a former CIA agent who obtained his trading license as compensation from the CIA, after it poisoned him, and that the CIA obtained much of its funding from this type of trading activity), and without obtaining evidence of the legitimacy of the trading program and the accuracy of his representations to investors. Further, in or about January or February 1998, during a telephone conversation, Harbur falsely told an investor, Marilyn Rinker, that, during a trip to London, he personally witnessed trading activity concerning the trading program at Barclays Bank (Harbur admitted during investigative testimony that he did not witness such trading activity), and that he had been receiving monthly payments on his own investment in Swiss Asset Management (in fact, he did not begin receiving monthly payments from Resteiner until at least several months after he made this representation). In or about May 1999, during an in-person meeting in the Bahamas, Harbur also falsely told another investor, Chet Manchester, that he accompanied Resteiner to London and saw actual trading taking place concerning the trading program.

Resteiner's Solicitations and Misrepresentations

45. Resteiner made verbal misrepresentations to investors concerning Swiss Asset Management, Resource F and/or Wall Street South. From in or about early 1997 until in or about early 2000, Resteiner spoke to at least three investors who eventually invested with Resource F or Wall Street South and at least one potential investor who ultimately did not invest. Resteiner made at least the following misrepresentations to these investors or potential investors on or about the dates indicated:

- The investment was in off balance sheet financial notes. Resteiner was working with Barclays Bank and other large corporations, and making large returns by buying high interest notes at a discount and selling them at par or above to companies like Merrill Lynch. Resteiner arranged the sale of the notes prior to buying them. By buying at a discount and selling at par or above, Resteiner was turning over a profit quickly, and the transactions involved sums between \$1 million and \$100 million. This investment had a monthly return of 4-5%. [Nathan Harbur, during an in-person meeting in the Bahamas in or about November 1998].
- Resteiner spent \$1 million learning about this very complicated trading program. Barclays Bank was involved in the trading program. This is a risk-free investment that pays 4% per month and was compounded annually. [Jay Teich, during an in-person meeting in the Bahamas in or about early- to mid-1998].
- Returns on the investment were 4% per month, compounded annually. It was a secure investment, and the only way you would lose money is if Barclays Bank went under. [Andrew Teich, during an in-person meeting in the Bahamas sometime in 1998].
- The minimum investment is \$10 million. The concept depended on complete confidentiality because most people did not know the system he used existed. The program is based offshore because U.S. bank officials might not approve of it. The investment did not bear any market risk because the buys and sells were simultaneous. The trading program involves "Mid Term Notes" which mature in six to twelve months, for "off-balance-sheet" financing by major banks. The

transactions are reported to the Federal Reserve, which itself issues "Mid Term Notes" at times. Investing in these instruments saved Chrysler and Donald Trump from financial difficulty, and Lloyd Bentsen engaged in this type of investing after leaving the U.S. Senate. The total volume of transactions entered by the banks is constantly increasing. [officials of the Christian Science Church headquarters in Boston, Massachusetts, on several occasions during in-person meetings in Boston, Massachusetts and elsewhere and during telephone conversations, from in or about early 1997 until at least in or about mid-1999, including to the Church's in-house counsel in or about February 1997 during an in-person meeting in Nassau, the Bahamas; the Church did not invest].

46. Resteiner failed to disclose to each of these investors that the trading program was fictional, and therefore could not be used to pay the monthly "profits" to investors.

47. The knowing nature of Resteiner's conduct is demonstrated by his outrageous fraudulent claims about his own involvement in a trading program that does not exist.

Use of the Funds Raised Through the Fraudulent Trading Program

48. Most of the investors in the trading program began receiving monthly payments from Defendants shortly after they invested. In periodic letters that VonStrasdas addressed to all investors in Resource F, and in quarterly statements that Dyer sent to investors in Resource F, VonStrasdas and Dyer misrepresented to investors that these monthly payments were "profits," "interest," or "returns" on their investment with the trading program. Because the trading program was fictional, "profits" from the trading program could not be the source of the monthly payments to investors. VonStrasdas acknowledged to at least one investor, Richard P. Ellison, in

or about May 2000, that Resteiner had told him that the monthly returns he had been receiving were, in actuality, repayment of his principal.

49. Approximately \$12 million of investor funds raised through Resource F during 1999 and 2000 were wired or deposited by investors into bank accounts under Dyer's control. Dyer then transferred all these funds to a bank account in the Bahamas in the name of Wall Street South under the control of one or more of the Defendants.

50. On a monthly basis, VonStrasdas telephoned Dyer and informed him that he was making a deposit into a Bahamian bank account controlled by Dyer for distribution to investors. VonStrasdas also faxed to Dyer a list of the investors, their contribution, and the amount to be distributed to each. The list also calculated the amount of the return due to Dyer and VonStrasdas as "performance fees," and the management fee due to Bunker Hill Aviation and Dyer. Dyer then made monthly payments to Resource F investors.

51. Approximately \$7 million of investor funds raised under the name Wall Street South during 1999 and 2000 were wired or deposited by investors into one or more bank accounts in the Bahamas controlled by one or more of the Defendants.

52. Approximately \$3 million in funds raised under the name Swiss Asset Management from 1997 through 1999 were transferred by investors to one or more bank accounts in the Bahamas controlled by one or more of the Defendants. According to Harbur, he maintained records of the dates and amounts of each Swiss Asset Management investment, and the distribution due to investors each month, and provided the list to Resteiner. Resteiner then transferred funds to a Bahamian bank account controlled by Harbur for distribution to investors. Harbur distributed monthly payments to investors according to instructions from Resteiner,

including paying himself monthly distributions and referral fees. Harbur personally received payments from Resteiner of between \$500,000 and \$1 million in connection with his investment and/or referral fees.

53. Payments to Swiss Asset Management investors stopped in or about March or April 2000. Payments to Resource F and Wall Street South investors stopped in or about May 2000. Although many investors have requested the return of their investment since the payments have stopped, no known investors have received the return of their investment.

VonStrasdas and Dyer Engaged in Lulling of Investors

54. In or about June 2000, VonStrasdas began sending out a series of lulling letters addressed to all investors in response to investors' complaints about the cessation of monthly payments. In these letters, VonStrasdas concocted a variety of changing excuses purporting to explain the lack of monthly returns. By in or about July 2000, several investors, including at least Richard Ellison, Stephen J. Schaubert and Nathan Harbur, requested to VonStrasdas that their investment principal be returned, pursuant to their original investment agreement. In or about this same time period, several other investors wrote to either VonStrasdas or Dyer inquiring about the status of their investments and asking for a return of their principal. In response, VonStrasdas wrote to some investors personally, including at least Stephen J. Schaubert and Nathan Harbur, and then wrote letters addressed to all investors, saying that the "managing members" were suspending all redemptions. On several occasions throughout the rest of 2000, VonStrasdas sent letters addressed to all investors providing explanations for the lack of monthly payments and indicating that he expected Resteiner's trading activity and monthly payments to investors to resume soon.

55. In response to investor phone calls during the latter half of 2000, Dyer repeated to investors the information provided in VonStrasdas' lulling letters to investors. In or about late 2000 and early 2001, Dyer asked several investors, including at least Derek Green, the Millers, and Richard Ellison, to provide him funds for legal expenses related to locating their funds, and at least three investors have provided approximately \$25,000 to Dyer in response to his requests [Derek Green (\$5,000); the Millers (a combined \$15,000); and Richard Ellison (\$5,000)].

56. In a letter addressed to investors dated January 8, 2001, VonStrasdas wrote that Resteiner had confirmed that "the ability to engage in trading is imminent, perhaps even in the next few days." The letter stated that Resteiner also forecasted returns to match those paid out to investors in 1999. The letter further contained a form asking investors whether they wished to: (i) redeem a certain percentage of their investment, (ii) keep a certain percentage of their investment in Resource F, or (iii) add money to their existing investment.

57. In a February 7, 2001 letter addressed to investors, VonStrasdas told investors that Resource F's "money manager," Resteiner, had not responded to his demands for an accounting of the investors' principal and accumulated profits. VonStrasdas also represented that Resteiner's assets, approaching \$90 million, were frozen at the Central Bank of the Bahamas. VonStrasdas asked investors to wire 1.5% of their investment amount to a legal fund he had established in order to get Resource F and Wall Street South clients at the top of Resteiner's creditor list concerning this frozen bank account. On March 19, 2001, VonStrasdas sent a "monthly update" addressed to investors assuring that he was attempting to obtain restitution of funds from Resteiner. The letter requested that investors provide at least 0.5% of their investment amount to his legal fund. VonStrasdas stated in the letter that those who contributed to the fund would

receive "twice their contribution" before the remaining money is distributed to other investors. As recently as March 28, 2001, VonStrasdas distributed another letter addressed to investors indicating that several investors had expressed interest in contributing to his legal fund, and providing wiring instructions for investors to contribute.

FIRST CLAIM
AGAINST ALL DEFENDANTS

FRAUD IN THE OFFER AND SALE OF SECURITIES
(Violations of Section 17(a) of the Securities Act)

58. Plaintiff repeats and realleges Paragraphs 1 through 57 above.

59. Defendants Resteiner, Harbur, VonStrasdas, Dyer, Resource F, and Bunker Hill Aviation, directly and indirectly, intentionally, knowingly or recklessly, in the offer or sale of securities by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly: (a) have employed, or are employing devices, schemes, or artifices to defraud; (b) have obtained, or are obtaining money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) have engaged, or are engaging in transactions, acts, practices, or courses of business which operate, are operating or are about to operate as a fraud upon purchasers of securities as set forth above, in violation of Section 17(a) of the Securities Act [15 U.S.C. §77q(a)].

SECOND CLAIM
AGAINST ALL DEFENDANTS

FRAUD IN CONNECTION WITH THE PURCHASE AND SALE OF SECURITIES
(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder)

60. Plaintiff repeats and realleges paragraphs 1 through 59 above.

61. Defendants Resteiner, Harbur, VonStrasdas, Dyer, Resource F, and Bunker Hill Aviation, directly or indirectly, intentionally, knowingly or recklessly, by the use of means or instrumentalities of interstate commerce or of the mails: (a) have employed, or are employing devices, schemes, or artifices to defraud; (b) have made, or are making untrue statements of material facts or have omitted, or are omitting to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) have engaged, or are engaging, in acts, practices, or courses of business which have operated, or are operating as a fraud or deceit upon persons, in connection with the purchase or sale of securities as set forth above, in violation 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.

THIRD CLAIM
AGAINST DEFENDANTS RESTEINER, HARBUR,
VONSTRASDAS, DYER, AND RESOURCE F

OFFER AND SALE OF UNREGISTERED SECURITIES
(Violations of Sections 5(a) and (c) of the Securities Act)

62. Plaintiff repeats and realleges Paragraphs 1 through 61 above.

63. The investment contracts offered and sold by Defendants are "securities" as that term is defined in Section 2(1) of the Securities Act [15 U.S.C. § 77b(a)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78(a)(10)]. No registration statement has been filed with the

COMMISSION, or been made effective, with respect to the offering.

64. Defendants Resteiner, Harbur, VonStrasdas, Dyer, and Resource F, directly and indirectly: (a) have made, are making or are about to make use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise as to which no registration statement has been filed with the COMMISSION and for which no exemption from registration has been available; (b) for purposes of sale or delivery after sale, have carried and/or caused, are carrying and/or causing or are about to carry and/or cause to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities as to which no registration statement has been in effect and for which no exemption from registration has been available; and (c) have made, are making or are about to make use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell through the use or medium of a prospectus or otherwise, securities as to which no registration statement has been filed and for which no exemption from registration has been available.

65. By reason of the transactions, acts, practices and courses of business set forth herein, Defendants violated, are violating or are about to violate Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)].

FOURTH CLAIM
AGAINST DEFENDANTS HARBUR, VONSTRASDAS, AND DYER

**EFFECTING SECURITIES TRANSACTIONS FOR THE ACCOUNT OF OTHERS
WITHOUT BEING REGISTERED WITH THE COMMISSION AS A BROKER
DEALER**

(Violation of Section 15(a) of the Exchange Act)

66. Plaintiff repeats and realleges Paragraphs 1 through 65 above.

67. Defendants Harbur, VonStrasdas, and Dyer, directly or indirectly: (a) are each a natural person not associated with a broker or dealer which is a person other than a natural person (other than a broker or dealer whose business is exclusively intrastate and who does not make use of any facility of a national securities exchange); (b) have made or are making use of the mails or of the means or instrumentalities of interstate commerce to effect transactions in, or to induce the purchase of, securities (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills); and (c) were not or are not registered as a broker-dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §78o(b)].

68. As a result, Defendants have violated, are violating and, unless enjoined, will continue to violate Section 15(a) of the Exchange Act [15 U.S.C. §78o(a)].

FIFTH CLAIM
AGAINST DEFENDANTS DYER AND BUNKER HILL AVIATION

CONSTRUCTIVE TRUST ON GOLF COURSE

69. Plaintiff repeats and realleges Paragraphs 1 through 68 above.

70. Defendants Dyer and Bunker Hill Aviation misappropriated, converted and diverted investor funds and paid ill-gotten gains from the violation of the anti-fraud provisions of the federal securities laws to and for the benefit of Dyer and Bunker Hill Aviation, and more

particularly for the purchase of the Falcon Run Golf Course in Cordele, Georgia.

71. By reason of the foregoing, the Falcon Run Golf Course is subject to a constructive trust, superior to the interests of the owners of the golf course, for the benefit of persons harmed by the conduct alleged in this Complaint, and to provide a fund for the payment of disgorgement of ill-gotten gains.

SIXTH CLAIM FOR RELIEF
AGAINST ALL DEFENDANTS

DISGORGEMENT OF ILL-GOTTEN GAINS AND CONSTRUCTIVE
TRUST ON ALL ILL-GOTTEN GAINS IN POSSESSION OF THE DEFENDANTS

72. Plaintiff repeats and realleges Paragraphs 1 through 71 above.

73. Each of the Defendants have received, directly or indirectly, funds obtained through violations of the federal securities laws (the "Ill-Gotten Gains").

74. The Defendants have no legitimate claim to the Ill-Gotten Gains or the property or assets to which the Ill-Gotten Gains may be traced.

75. The Defendants should be ordered to disgorge the Ill-Gotten Gains, or the property or assets to which the Ill-Gotten Gains may be traced.

76. A constructive trust should be imposed upon the Ill-Gotten Gains and on such property or assets to which the Ill-Gotten Gains may be traced.

THE NEED FOR EMERGENCY RELIEF

77. Emergency relief in the form of asset freezes against all Defendants is necessary because investors have not been paid back millions of dollars in principal, the return of which was promised after one year. Without this Court's action, there is no assurance that assets of Defendants will be preserved to pay investors their lost principal. In addition, emergency relief in

the form of a temporary restraining order against Defendants VonStrasdas, Dyer, and the two Dyer-controlled entities (Resource F and Bunker Hill Aviation) is necessary, because VonStrasdas and Dyer continue to lull investors to believe that they may get their principal back if they contribute to so-called "legal funds" maintained separately by VonStrasdas and Dyer -- two of the very Defendants who have defrauded investors. Without this Court's action, it is likely that VonStrasdas and Dyer (acting through Resource F or Bunker Hill Aviation) will continue to solicit and obtain money from investors in this manner.

78. An immediate asset freeze against all Defendants is necessary to minimize the risk of dissipation of assets. A temporary restraining order against VonStrasdas, Dyer, Resource F, and Bunker Hill Aviation is necessary to prevent further harm and violations of the law.

PRAYER FOR RELIEF

WHEREFORE, the COMMISSION respectfully requests that this Court issue orders and judgments:

I.

Temporarily restraining Defendants VonStrasdas, Dyer, Resource F, and Bunker Hill Aviation, and preliminarily and permanently enjoining all Defendants, from violating, directly or indirectly:

- a. For all Defendants, Section 17(a) of the Securities Act [15 U.S.C. §77q(a)];
- b. For all Defendants, 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];
- c. For Defendants Resteiner, Harbur, VonStrasdas, Dyer, and Resource F, Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e]; and

- d. For Defendants Harbur, VonStrasdas, and Dyer, Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

II.

Immediately freezing, and otherwise preventing any withdrawal, sale, payment, transfer, dissipation, pledge, alienation, encumbrance or diminution in value whatsoever of, the following:

- a. all funds or other assets held for the direct or indirect benefit, or subject to the direct or indirect control, of Defendants; and
- b. all funds obtained from investors or any assets derived therefrom.

III.

Immediately ordering a constructive trust upon the Falcon Run Golf Course in Cordele, Georgia, and upon all other Ill-Gotten Gains and on such property or assets to which the Ill-Gotten Gains may be traced.

IV.

Immediately prohibiting Defendants from accepting or depositing any monies obtained from actual or prospective investors pending the resolution of this action.

V.

Requiring Defendants to repatriate to the United States all proceeds of their securities offering that Defendants received from investor funds, in order that those assets be deposited into the Court registry and remain frozen pending final adjudication of the COMMISSION's claims.

VI.

Requiring Defendants Resteiner, Harbur, VonStrasdas, Dyer, Resource F, and Bunker Hill Aviation to provide written accountings to the COMMISSION within three (3) business days of service of the Order, identifying the following:

1. by name, address, amount and date of investment and present location of the proceeds of the investment, as to each and every investor who made an investment in the fraudulent trading program described herein;
2. by name and address each an every person who received commissions or remuneration for soliciting investments in securities issued by Resteiner, Harbur, VonStrasdas, Dyer, Resource F, or Bunker Hill Aviation, including the name of the person or entity making each payment and the date and the amount of each payment;
3. assets of every type and description with a value of at least one thousand dollars (\$1000) presently held for the direct or indirect benefit, or subject to the direct or indirect control, of Defendants, whether in the United States or elsewhere;
4. all transfers of funds or other assets received or obtained through the conduct alleged herein, including the names and locations of all persons, entities and accounts to and from which the transfers were made, the dates, amounts and purposes of the transfers and the identity and location of any assets derived from such funds;
5. all transfers of assets of \$1000 or more by Defendants since August 1, 1997, including the names and locations of all persons, entities and accounts to and from which the transfers were made, the dates, amounts and purposes of the transfers and the identity and location of any assets derived from such funds; and

6. all accounts held at any bank, brokerage or any other financial institution in the United States or elsewhere in the name of Defendants or otherwise under their control, or in which Defendants have or had any direct or indirect beneficial interest, at any time during the period August 1, 1997, to the present.

VII.

Requiring Defendants Resteiner, Harbur, VonStrasdas, Dyer, Resource F, and Bunker Hill Aviation, within three (3) business days of service of the Order, to submit to the COMMISSION in writing certain identifying information including residential, business and mailing addresses, telephone numbers, postal boxes, safe deposit boxes and storage facilities used by any of them or under any's control, at any time from August 1, 1997 through the present.

VIII.

Immediately prohibiting Defendants from destroying, mutilating, altering, concealing, or disposing of any documents relating to the Defendants or to any of their securities, financial or other business dealings.

IX.

Requiring Defendants to disgorge their ill-gotten gain, including prejudgment interest, with said monies and interest to be disbursed in accordance with a plan of distribution to be ordered by the Court.

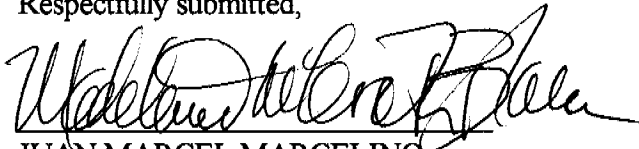
X.

Requiring Defendants to pay a civil money penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] in an amount to be determined by the Court.

XI.

Ordering such other and further relief as this case may require and the Court deems appropriate.

Respectfully submitted,



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