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8  
9 **UNITED STATE  
DISTRICT**

CV-S-03-1514-KJD-LRL

10  
11 **SECURITIES AND EXCHANGE  
COMMISSION,**

12  
13 Plaintiff,

14 v.

15 **GLOBAL EXPRESS CAPITAL  
REAL ESTATE INVESTMENT  
FUND I, LLC; GLOBAL EXPRESS  
16 CAPITAL MORTGAGE CORP.;  
17 GLOBAL EXPRESS SECURITIES,  
INC.; CONNIE S. FARRIS; and  
18 DAWN M. REESE,**

19 Defendants.

**COMPLAINT FOR  
VIOLATIONS OF THE  
FEDERAL SECURITIES LAWS**

20  
21 Plaintiff Securities and Exchange Commission ("Commission") alleges as  
22 follows:

23 **JURISDICTION AND VENUE**

24 1. This Court has jurisdiction over this action pursuant to Sections  
25 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15  
26 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e)

1

1 and 27 of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C.  
2 §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa. Defendants have, directly or  
3 indirectly, made use of the means or instrumentalities of interstate commerce, of  
4 the mails, or of the facilities of a national securities exchange, in connection with  
5 the transactions, acts, practices and courses of business alleged in this  
6 complaint.

7 2. Venue is proper in this district pursuant to Section 22(a) of the  
8 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15  
9 U.S.C. § 78aa, because certain of the transactions, acts, practices and courses  
10 of conduct constituting violations of the federal securities laws occurred within  
11 this district.

### 12 SUMMARY

13 3. This matter involves the ongoing fraudulent offer and sale of more  
14 than \$48 million of securities by Defendant Connie S. Farris (“Farris”); two  
15 entities that she controls, Defendants Global Express Capital Real Estate  
16 Investment Fund I, LLC (the “GE Investment Fund” or the “Fund”) and Global  
17 Express Capital Mortgage Corp. (“GECM” or the “Fund Manager”); the  
18 broker-dealer that sells the securities, Defendant Global Express Securities, Inc.  
19 (“GE Securities”); and GE Securities’ president, Defendant Dawn M. Reese  
20 (“Reese”) (collectively the “defendants”).

21 4. From late 2001 through the present, the defendants have offered  
22 and sold interests in the Fund, which purports to pool investor funds to  
23 purchase interests in mortgage loans and deeds of trust and to pay regular  
24 monthly returns to investors from the interest and fee income earned from the  
25 Fund’s investments. From the Fund’s inception, the defendants have promised,  
26 and have actually paid, investors a return on their investments equal to at least

1 12% annually.

2 5. Contrary to the defendants' representations to investors, the Fund  
3 is not generating sufficient interest income to pay the monthly distributions it is  
4 making to investors and, in fact, is operating as a Ponzi-like investment scheme.  
5 From March 1, 2003, through September 30, 2003, alone, defendants have paid  
6 distributions to investors totaling approximately \$2.3 million, when in fact the  
7 fund has only received approximately \$154,000 in interest income from its  
8 investments and other assets. The defendants are funding the monthly investor  
9 distributions with cash from new investors as well as with capital contributions  
10 from Farris and the Fund Manager and proceeds from the sale of non-cash  
11 assets held by the Fund. None of this has been disclosed to prospective or  
12 current investors. In addition, the Fund, aided and abetted by Farris, has filed  
13 with the Commission quarterly Form 10-Q reports which overstate the amount  
14 of interest income generated by the Fund and misrepresent the financial  
15 condition of the Fund.

16 6. The defendants, by engaging in the conduct described in this  
17 complaint, have violated the antifraud provisions of Section 17(a) of the  
18 Securities Act, 15 U.S.C. § 77q(a), and Section 10(b) of the Exchange Act, 15  
19 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5. In  
20 addition, GE Securities has violated the broker-dealer antifraud provisions of  
21 Section 15(c) of the Exchange Act, 15 U.S.C. § 78o(c). The Fund has also  
22 violated, and Farris has aided and abetted the Fund's violations of, the reporting  
23 requirements of Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), and  
24 Rules 12b-20 and 15d-13 thereunder, 17 C.F.R. §§ 240.12b-20 & 240.15d-13.  
25 Finally, Farris violated the certification provisions of Rule 15d-14 under the  
26 Exchange Act, 17 C.F.R. § 240.15d-14.



1 registered with the Commission as a broker-dealer since 1996. GE Securities'  
2 expenses are paid by the Fund Manager.

3 11. Connie S. Farris, age 59, resides in Henderson, Nevada. Farris,  
4 through a holding company, is the sole shareholder of the Fund Manager and  
5 GE Securities. She also is the sole officer and director of the Fund Manager  
6 and was the sole officer and owner of Conrex. Farris, through the Fund  
7 Manager, makes all of the investment decisions and manages all of the activities  
8 of the Fund. She collects a salary of \$20,000 per month from the Fund. Farris  
9 is licensed as a mortgage broker in five states, and she holds NASD Series 22  
10 and 63 licenses.

11 12. Dawn M. Reese, age 45, resides in Las Vegas, Nevada. Reese has  
12 been the president of GE Securities since March 2002. She is responsible for  
13 the day-to-day operations of GE Securities, including finding investors for the  
14 Fund. She collects a salary of \$10,000 per month from GE Securities, and also  
15 receives a 1% commission on investments that she brings into the Fund. Reese  
16 holds NASD Series 22, 39 and 63 licenses.

### 17 **THE FRAUDULENT SCHEME**

#### 18 **A. Background**

19 13. From at least 1999 through March 2002, Farris owned and  
20 operated Global Financial Inc. ("Global Financial"), which brokered and  
21 originated mortgage loans and solicited investors to fund individual loans.  
22 During this same time period, Reese worked for Global Financial as a sales  
23 representative helping Farris find investors and borrowers. By 2002, many of  
24 the borrowers had become delinquent in their payments and/or had defaulted on  
25 the loans funded by Global Financial investors. As a result, Farris formed the  
26 GE Investment Fund to, among other purposes, permit Global Financial trust

1 deed investors to diversify their investment over a pool of mortgage loans,  
2 rather than in one particular loan.

3 **B. Defendants' Offer and Sale of Investments in the Fund**

4 14. The Fund registered its offering of Fund units with the Commission  
5 in October 2001. Defendants began the offering of units in late 2001. Since its  
6 inception, as of August 30, 2003, the Fund purportedly has raised  
7 approximately \$48.64 million in cash and other assets from the sale of Fund  
8 units to approximately 600 investors.

9 15. Units of the Fund are sold through GE Securities. Reese heads the  
10 sales efforts, and has been GE Securities' only employee since early 2003.  
11 Reese has promised some prospective investors returns of above 12% for their  
12 investments in the Fund.

13 16. The Fund has two types of investors. The first are "cash"  
14 investors, who purchase units of the Fund by paying for their units with cash in  
15 the form of checks or wire transfers. The second type of investors are called  
16 "rollover" investors. The rollover investors are persons who had previously  
17 invested through Farris and Reese in Global Financial's or Conrex's trust deed  
18 programs.

19 17. Each month, investors who have elected to receive their returns on  
20 a monthly basis receive a check, accompanied by an account statement,  
21 reflecting their monthly distributions from the Fund. The account statements  
22 report the account activity and annualized distribution rate for each month.

23 18. The Fund also offers a "distribution reinvestment" program.  
24 Approximately 15% of the Fund's investors participate in the program through  
25 which their monthly distributions are not paid out in cash but rather reinvested in  
26 the Fund for the purchase of additional units. These investors also receive

1 monthly account statements showing the rate of return on their investment and  
2 the amount of units they have received for that month.

3 19. The defendants continue to solicit new investors in the Fund. As  
4 recently as Sunday, November 23, 2003, the defendants placed an advertisement  
5 promoting the Fund in the Las Vegas Review-Journal. The advertisement states  
6 that the Fund is offering a “\$100,000,000 real estate backed offering” and  
7 advises readers to contact Reese for a prospectus. GE Securities’ website,  
8 www.gesecurities.com, identifies the Fund as an investment opportunity and  
9 contains a link to the Fund’s prospectus.

10 20. As a securities professional offering and selling securities, Reese  
11 had an affirmative duty, and was required, to conduct an independent  
12 investigation relating to the Fund securities she has offered and sold, and is  
13 continuing to offer and sell. Reese, however, has relied exclusively upon  
14 information contained in the Fund’s offering materials and provided by Farris  
15 and employees of the Fund Manager, and has not conducted any independent  
16 investigation regarding her and other defendants’ representations about the Fund  
17 to investors.

18 **C. The Fund’s Offering Materials**

19 21. Before investing in the Fund, investors received a prospectus and  
20 relevant amendments and/or supplements to the prospectus that were filed with  
21 the Commission (the “offering materials”).

22 22. The Fund represents in its offering materials that all proceeds of the  
23 offering have been, and will continue to be, used to make mortgage loans or to  
24 purchase interests in mortgage loans that are made for the acquisition,  
25 development or construction of commercial or residential properties. The  
26 offering materials further represent that any repayment of principal from

1 mortgage loan investments will be used to acquire or invest in new mortgage  
2 loans. The prospectus does not disclose the use of investor funds for any other  
3 purpose.

4 23. The Fund's offering materials also represent that the Fund will pay  
5 to investors distributions from interest and certain other fees earned by the  
6 Fund. For example, the Fund's prospectus dated July 15, 2003, states: "When  
7 we are paid interest on mortgage loans, you will receive a return on your 'pro  
8 rata share' at the time such interest is earned on the principal amount or  
9 acquisition cost of the mortgage loan." In addition, the prospectus states that  
10 "you will receive your pro rata share of interest earned on cash and cash  
11 equivalents held by [the Fund] and all late fees and extension fees received by  
12 [the Fund]." The prospectus does not disclose that any other funding sources  
13 would be used to pay investors' monthly returns.

14 24. The July 15, 2003 prospectus specifically warns investors that "[i]f  
15 any borrowers do not make the payments required under their mortgage loans,  
16 the return to investors will be lowered accordingly." The prospectus further  
17 states that "[a]ny defaults on the [Fund's] loans may decrease [the Fund's]  
18 revenues and distributions to [investors]." Other than these warnings, however,  
19 the offering materials have never disclosed that any loans or trust deeds funded,  
20 purchased, or contemplated to be funded or purchased by the Fund are actually  
21 delinquent, in default, or otherwise non-performing (generally referred to here as  
22 "non-performing").

23 25. The prospectus further makes clear that investors have no control  
24 over the operation of the Fund: "[GECM] shall have the full, exclusive and  
25 absolute right, power and authority to manage and control [the Fund] and the  
26 property, assets, affairs and business thereof." GECM "has the responsibility



1 and final authority in almost all matters concerning [the Fund's] business,"  
2 specifically including accounting and tax matters, evaluating mortgage loans in  
3 which the Fund invests and managing the mortgage loan investments. The  
4 prospectus further states that the investors "must rely entirely on the judgment  
5 of [the Fund] Manager in investing the proceeds of this offering."

6 26. The prospectus further represents that Conrex, the Fund's manager  
7 through March 2003, has had an extremely successful track record in paying  
8 consistent returns to investors on various mortgage investments. According to  
9 the Fund's prospectus dated July 15, 2003, between September 1, 2000, and  
10 July 31, 2002, Conrex funded 126 loans for a total of approximately \$44 million,  
11 and all of the loans earned rates of return for its investors ranging between 12%  
12 and 18% per year. Nowhere, however, does the prospectus disclose that  
13 Conrex and Global Financial had funded many loans that, as of July 15, 2003,  
14 were delinquent, in default, or otherwise nonperforming.

15 **D. Defendants' Illegal Ponzi-like Scheme**

16 27. Since approximately May 2002, the Fund has consistently reported  
17 and paid monthly returns to investors equaling more than 12% per year. The  
18 Fund has paid distributions totaling more than \$2.6 million in 2003.

19 28. Contrary to the defendants' representations regarding the Fund's  
20 monthly rates of return and source of investor payments, the interest revenue  
21 generated by the Fund's investments has been inadequate to cover the Fund's  
22 monthly returns to investors. Instead, the Fund has relied on capital  
23 contributions from Farris and the Fund Manager as well as cash proceeds from  
24 the sale of Fund assets and the ongoing offer and sale of Fund investments to  
25 new investors to fund investors' monthly returns, without disclosing any of this  
26 to prospective or current investors, or to the Commission.

1           29. For example, from March 1 through September 30, 2003, the Fund  
2 paid out a total of approximately \$2.3 million in monthly returns to investors.  
3 The fund, however, only earned approximately \$154,000 in interest income from  
4 its investments and other assets during this six month period. To cover the over  
5 \$2.1 million shortfall needed to fund investors' returns for this period, the Fund  
6 relied on a combination of capital contributions from Farris and the Fund  
7 Manager; proceeds from the sale of the Fund's assets; loan repayments of  
8 principal to the Fund; and proceeds from new investors. Based on the Fund's  
9 offering materials, however, none of these funds should have been used to pay  
10 investors' monthly returns.

11           30. In addition, since March 2003, the distribution rates reported and  
12 paid by the Fund to investors have been remarkably consistent, averaging  
13 between 12.2% and 13.1% per year. Farris has established the monthly rates of  
14 return for the Fund, not based on the actual amount of interest payments and  
15 other investment income received by the Fund, but rather on a projected rate of  
16 interest that Farris believed the Fund would earn on loans funded in the future.  
17 Relying on projected interest rates to establish the Fund's current rate of return  
18 for investors is not only unreasonable but is also contrary to the representations  
19 made in the Fund's offering materials.

20           31. By making regular monthly distributions to investors, and by failing  
21 to disclose the source of those distributions or the way the monthly rates of  
22 return were calculated, defendants have transformed the Fund into a Ponzi-like  
23 investment scheme, giving investors the false and misleading impression that  
24 their investments are safe, guaranteed, and profitable, when in fact the Fund is in  
25 a precarious financial condition and losing value, is saddled with non-performing  
26 assets, and is relying on improper funding sources to make its monthly returns

1 to investors.

2 **E. The Rollover Investor Fraud**

3 32. The Fund has performed poorly both because the vast majority of  
4 loans transferred by rollover investors were and still are non-performing, and  
5 because the rollover investments were overvalued by the Fund. None of this  
6 has been disclosed to prospective or existing investors.

7 33. As of August 30, 2003, rollover investors accounted for more than  
8 \$35 million of the \$48 million raised by the Fund.

9 34. Rollover investors transferred their interests in their notes and trust  
10 deeds to the Fund in exchange for units of the Fund. These investors received  
11 units equal in value to the principal of their outstanding notes representing their  
12 original investment, plus any unpaid and overdue interest owed by the  
13 borrowers. For example, if an investor had a \$50,000 interest in a mortgage  
14 note paying 15% per year, but the investor had not received interest payments  
15 on the mortgage for 12 months, the rollover investor was given \$57,500  
16 (\$50,000 plus 12 late interest payments of \$625 each) worth of units in the Fund.  
17 The investor then received monthly returns on the purported \$57,500 original  
18 investment. Defendants did not distinguish between rollover investments and  
19 cash investments in making monthly distributions to investors.

20 35. Virtually all of the notes and trust deeds transferred into the Fund  
21 by rollover investors (the "rollover investments"), however, were, and continue  
22 to be, non-performing. The rollover investments constitute two-thirds of the  
23 Fund's current assets.

24 36. Farris and Reese actively solicited, and continue to solicit, rollover  
25 investors to join the Fund. For example, in 2002, Reese sent a Fund prospectus  
26 to every investor who had purchased mortgage loan instruments through Global

1 Financial. In addition, Reese and Farris specifically have told rollover investors  
2 that by rolling over their non-performing individual trust deeds into the Fund  
3 they will be able to get out of the non-performing investment and into an  
4 investment that is performing and paying regular monthly returns.

5 37. Both Farris and Reese knew at the time of the rollover investments  
6 that they were non-performing but failed to disclose this fact to prospective  
7 cash investors. Nor have any of the defendants disclosed in writing or verbally  
8 that the Fund will give, and has given, full credit to rollover investors for the face  
9 value of the note plus overdue interest, without regard to the true market value or  
10 any potential losses that may be suffered by the Fund as a result of the non-  
11 performing rollover investments.

12 38. For example, a large number of investors had funded notes through  
13 trust deed investments for a residential project referred to as Willowdale. The  
14 trust deed investments became delinquent in 2002. As a result, trust deed  
15 investors received no monthly payments during 2002 and into 2003. Most of  
16 the Willowdale investors, however, rolled their delinquent investments into the  
17 Fund between January and April 2003. The Fund credited these Willowdale  
18 investors with the face value of their notes, plus unpaid interest, for a total of  
19 \$5.5 million. Those Willowdale investors who did not join the Fund were paid  
20 approximately \$450,000 for their non-performing notes. As a result of these  
21 rollovers and buyouts, the Fund became the beneficial owner of all the  
22 Willowdale notes by early June 2003. Immediately thereafter, the Fund sold the  
23 Willowdale property at a loss for approximately \$3.1 million. This sale price  
24 was approximately \$2.9 million less than the total amount credited for the  
25 rollover investments and paid for the buyouts.

26 \*

1 **F. The Fund's False Quarterly Reports**

2 39. Farris filed with the Commission quarterly Form 10-Q reports for  
3 the Fund, which included false statements regarding the Fund's operations and  
4 interest income. For example, the Fund's Form 10-Q filed on August 19, 2003,  
5 falsely stated that, for the three months ended June 30, 2003, the Fund had  
6 revenues of \$562,547 derived from interest income generated from loans. The  
7 Fund's assets actually only generated interest income of \$3,138 for the quarter.  
8 More recently, the Fund's Form 10-Q filed on November 24, 2003, falsely  
9 stated that the Fund had received interest income of \$1,016,106 for the three  
10 months ended September 30, 2003. In fact, the Fund only received interest  
11 income of \$150,661 during that period.

12 40. In its most recent Form 10-Q filed with the Commission on  
13 November 24, 2003, the Fund for the first time makes certain disclosures  
14 regarding its operations. These disclosures, however, continue to be insufficient  
15 to alert investors to the Fund's precarious financial position and do not disclose  
16 that the Fund is operating as a Ponzi-like investment scheme.

17 41. The November 24, 2003 Form 10-Q discloses for the first time that  
18 some of its assets are non-performing, but it continues to conceal the magnitude  
19 of the problem. For example, the Form 10-Q acknowledges that a certain  
20 category of assets, which the Fund describes as "discounted notes receivable,"  
21 are non-performing. But the purported disclosure falsely minimizes the  
22 seriousness of the problem by stating that these non-performing assets comprise  
23 less than \$3 million of the Fund's assets. In reality, at least two-thirds of the  
24 Fund's assets are non-performing, making it impossible for the Fund to make  
25 distributions in the range of 12% to investors from interest payments received.

26 \*



- 1 a. with scienter, employed devices, schemes, or artifices to
- 2 defraud;
- 3 b. obtained money or property by means of untrue statements
- 4 of a material fact or by omitting to state a material fact
- 5 necessary in order to make the statements made, in light of
- 6 the circumstances under which they were made, not
- 7 misleading; or
- 8 c. engaged in transactions, practices, or courses of business
- 9 which operated or would operate as a fraud or deceit upon
- 10 the purchaser.

11 46. By engaging in the conduct described above, each of the  
12 defendants violated, and unless restrained and enjoined will continue to violate,  
13 Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

14 **SECOND CLAIM FOR RELIEF**  
15 **FRAUD IN CONNECTION WITH THE**  
16 **PURCHASE OR SALE OF SECURITIES**  
17 **Violations of Section 10(b) of the Exchange Act**  
18 **and Rule 10b-5 thereunder**  
19 **(Against All Defendants)**

20 47. The Commission realleges and incorporates by reference ¶¶ 1  
21 through 43 above.

22 48. The defendants, and each of them, by engaging in the conduct  
23 described above, directly or indirectly, in connection with the purchase or sale  
24 of a security, by the use of means or instrumentalities of interstate commerce, of  
25 the mails, or of the facilities of a national securities exchange, with scienter:

26 \*

- 1 a. employed devices, schemes, or artifices to defraud;
- 2 b. made untrue statements of a material fact or omitted to state
- 3 a material fact necessary in order to make the statements
- 4 made, in the light of the circumstances under which they
- 5 were made, not misleading; or
- 6 c. engaged in acts, practices, or courses of business which
- 7 operated or would operate as a fraud or deceit upon other
- 8 persons.

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

13 **THIRD CLAIM FOR RELIEF**

14 **FRAUD BY A BROKER OR DEALER**

15 **IN THE PURCHASE OR SALE OF SECURITIES**

16 **Violations of Section 15(c) of the Exchange Act**

17 **(Against Defendant GE Securities)**

18 50. The Commission realleges and incorporates by reference ¶¶ 1  
19 through 43 above.

20 51. Defendant GE Securities, while acting as a broker or dealer, by  
21 engaging in the conduct described above, directly or indirectly, in the purchase  
22 or sale of a security, by the use of means or instrumentalities of interstate  
23 commerce, of the mails, or of the facilities of a national securities exchange, with  
24 scienter:

- 25 a. employed manipulative, deceptive, or other fraudulent
- 26 devices or contrivances;





1 20 and 15d-13 thereunder, 17 C.F.R. §§ 240.12b-20 and 240.15d-13.

2 56. Defendant Farris knowingly provided substantial assistance to  
3 defendant GE Investment Fund's violation of Section 15(d) of the Exchange  
4 Act and Rules 12b-20 and 15d-13 thereunder.

5 57. By engaging in the conduct described above and pursuant to  
6 Section 20(e) of the Exchange Act, 15 U.S.C. § 78t(e), defendant Farris aided  
7 and abetted defendant GE Investment Fund's violations, and unless restrained  
8 and enjoined will continue to aid and abet violations, of Section 15(d) of the  
9 Exchange Act and Rules 12b-20 and 15d-13 thereunder.

10 **FIFTH CLAIM FOR RELIEF**

11 **VIOLATIONS OF CERTIFICATION REQUIREMENTS**

12 **Violation of Rule 15d-14 under the Exchange Act**

13 **(Against Defendant Farris)**

14 58. The Commission realleges and incorporates by reference ¶¶ 1  
15 through 43 above.

16 59. Defendant Farris certified the Fund's quarterly reports for the  
17 quarters ended June 3, 2003 and September 20, 2003, on Forms 10-Q filed with  
18 the Commission, which contained untrue statements of material fact or omitted  
19 to state facts necessary to make the statements made, in light of the  
20 circumstances under which such statements were made, not misleading with  
21 respect to the periods covered by the reports.

22 60. By engaging in the conduct described above, defendant Farris  
23 violated, and unless restrained and enjoined will continue to violate, Rule 15d-14  
24 under the Exchange Act, 17 C.F.R. § 240.15d-14.

25 \*

26 \*

1 **PRAYER FOR RELIEF**

2 WHEREFORE, the Commission respectfully requests that the Court:

3 **I.**

4 Issue findings of fact and conclusions of law that the defendants  
5 committed the alleged violations.

6 **II.**

7 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d),  
8 temporarily, preliminarily, and permanently enjoining each defendant and their  
9 officers, agents, servants, employees and attorneys, and those persons in active  
10 concert or participation with any of them, who receive actual notice of the order  
11 by personal service or otherwise, and each of them, from violating Section 17(a)  
12 of the Securities Act, 15 U.S.C. § 77q(a), and Section 10(b) of the Exchange  
13 Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

14 **III.**

15 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d),  
16 temporarily, preliminarily, and permanently enjoining defendant GE Securities  
17 and its officers, agents, servants, employees and attorneys, and those persons in  
18 active concert or participation with any of them, who receive actual notice of the  
19 order by personal service or otherwise, and each of them, from violating Section  
20 15(c) of the Exchange Act, 15 U.S.C. § 78o(c).

21 **IV.**

22 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d),  
23 temporarily, preliminarily, and permanently enjoining defendant GE Investment  
24 Fund and its officers, agents, servants, employees and attorneys, and those  
25 persons in active concert or participation with any of them, who receive actual  
26 notice of the order by personal service or otherwise, and each of them, from

1 violating Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), and Rules  
2 12b-20 and 15d-13 thereunder, 17 C.F.R. §§ 240.12b-20 and 240.15d-13.

3 **V.**

4 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d),  
5 temporarily, preliminarily, and permanently enjoining defendant Farris and her  
6 officers, agents, servants, employees and attorneys, and those persons in active  
7 concert or participation with any of them, who receive actual notice of the order  
8 by personal service or otherwise, and each of them, from aiding and abetting  
9 violations of Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), and Rules  
10 12b-20 and 15d-13 thereunder, 17 C.F.R. §§ 240.12b-20 and 240.15d-13, and  
11 from violating Rule 15d-14 under the Exchange Act, 17 C.F.R. § 240.15d-14.

12 **VI.**

13 Issue in a form consistent with Fed. R. Civ. P. 65, a temporary restraining  
14 order and a preliminary injunction freezing the assets of defendants GE  
15 Investment Fund, GECM and GE Securities; appointing a receiver over  
16 defendants GE Investment Fund, GECM and GE Securities; prohibiting each of  
17 the defendants from destroying documents; and ordering expedited discovery  
18 and accountings from defendants.

19 **VII.**

20 Order each defendant to disgorge all ill-gotten gains from their illegal  
21 conduct, together with prejudgment interest thereon.

22 **VIII.**

23 Order each defendant to pay civil penalties under Section 20(d) of the  
24 Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act,  
25 15 U.S.C. § 78u(d)(3).

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**IX.**

Enter an order, pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), prohibiting defendant Farris from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 781, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

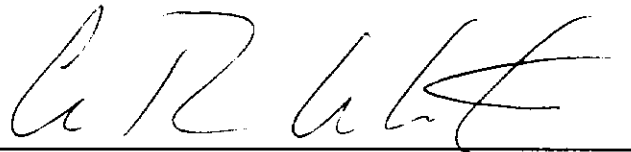
**X.**

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.

**XI.**

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

DATED: December 3, 2003

  
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CATHERINE D. WHITING  
Attorney for Plaintiff  
Securities and Exchange Commission