

ORIGINAL

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

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

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

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

Stephen J. Korotash
U.S. Securities & Exchange Commission
801 Cherry Street, Suite 1900, Unit 18
Fort Worth, TX 76102
(817) 978-6490

Defendants- **3-03 CV 2675P**

JAMES M. ADULT, KEITH A. CYR, JOHN R. GENTRY III, THOMAS M. LAKER, AND MICHAEL W. MORRIS

County of Residence of First Listed Defendant: Tarrant
(IN U.S. PLAINTIFF CASES ONLY)

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

ATTORNEYS (IF KNOWN)

Wayne M. Secore, Esq., Secore & Waller, LLP, 12221 Merit Drive, Suite 1100, Dallas, Texas 75251, (972) 776-0200
Lane Odom, Esq., 4150 International Plaza, Suite 900, Fort Worth, Texas 76109, (817) 298-5853
Kelley B. Hill, Esq., Law, Snakard & Gambill, P.C., 1600 West Seventh Street, Suite 500, Fort Worth, Texas 76102, (817) 410-4774

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

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

III. CITIZENSHIP OF PRINCIPAL PARTIES (For Diversity Cases Only)

(PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- | | PTF | PTF | | PTF | PTF |
|---|---------------------------------------|---------------------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input checked="" type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. 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 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	<input type="checkbox"/> 422 Appeal 28 USC 156 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copy rights <input type="checkbox"/> 830 Patient <input type="checkbox"/> 840 Trademark 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	<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		

V. ORIGIN

(PLACE AN "X" IN ONE BOX ONLY)

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

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.)

Section 17(a) of the Securities Act of 1933, 15 U.S.C. §77q(a); Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. §78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5

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

VIII. RELATED CASE(S) (See Instructions):

IF ANY

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

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

July

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

U.S. DISTRICT COURT NORTHERN DISTRICT OF TEXAS FILED NOV - 3 2003 CLERK, U.S. DISTRICT COURT By _____ Deputy

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JAMES M. ADELT, KEITH A. CYR, JOHN R.
GENTRY III, THOMAS M. LAKER, AND
MICHAEL W. MORRIS,

Defendants.

CIVIL ACTION NO.:

3-03 CV 2675P

COMPLAINT

Plaintiff, Securities and Exchange Commission ("Commission"), for its Complaint against defendants James M. Adelt, Keith A. Cyr, John R. Gentry III, Thomas M. Laker, and Michael W. Morris ("Defendants") alleges and states that:

SUMMARY

1. Between January 2, 2002 and January 10, 2002, Defendants, all of whom were AmeriCredit Corp. ("AmeriCredit") employees, engaged in unlawful insider trading by selling AmeriCredit stock while in possession of material nonpublic information, in breach of a fiduciary duty owed to AmeriCredit's shareholders. In the course of their duties, Defendants obtained material nonpublic information about AmeriCredit's financial performance for the quarter ending December 31, 2001. Based on the information, Defendants sold AmeriCredit stock between January 2, 2002 and January 10, 2002, prior to public release of the information in a January 10, 2002 AmeriCredit earnings announcement. The price of the company's stock declined sharply following the announcement, and four of the Defendants avoided losses, totaling \$106,772, by selling AmeriCredit shares in advance of the announcement. The fifth

Defendant, Laker, earned profits of approximately \$82,650 by selling the stock “short” just hours before the announcement.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act of 1933 (“Securities Act”), Section 21A of the Securities Exchange Act of 1934 (“Exchange Act”), and 28 U.S.C. § 1331. Each Defendant, directly and indirectly, made use of the mails and of the means and instrumentalities of interstate commerce in connection with the acts, practices and courses of business described in this Complaint. Venue is proper in this Court, under Section 27 of the Exchange Act, because many of the transactions, acts, practices and courses of business described below occurred within the jurisdiction of the Northern District of Texas.

PARTIES

3. The Commission is the United States governmental agency responsible for enforcing the federal securities laws for the protection of investors.

4. Defendant James M. Adelt, age 49 and a resident of Grapevine, Texas, is a senior vice president of information technology at AmeriCredit’s Fort Worth headquarters.

5. Keith A. Cyr, age 38 and a resident of Mansfield, Texas, was an assistant vice president of collections in the Arlington, Texas collections center at the time of the acts alleged in this Complaint.

6. Defendant John R. Gentry, III, age 47 and a resident of Stanley, North Carolina, is an executive vice president of collections in the company’s Charlotte, North Carolina collections center.

7. Defendant Thomas M. Laker, age 42 and a resident of Fort Worth, was the assistant vice president in AmeriCredit’s accounting department at the company’s Fort Worth headquarters at the time of the acts alleged in this Complaint.

8. Defendant Michael W. Morris, age 39 and a resident of Fort Worth, was a vice president of marketing at the company's Fort Worth headquarters at the time of the acts alleged in this Complaint.

STATEMENT OF FACTS

AmeriCredit's Collection Activities

9. AmeriCredit provides financing to borrowers who are unable to obtain car loans from traditional sources because of bad credit or low income. These non-prime borrowers, as a group, are associated with above average delinquency and default rates.

10. The finance contracts AmeriCredit purchases, and the loans AmeriCredit extends to consumers, at least initially, constitute receivables on AmeriCredit's books. According to AmeriCredit, its results of operations, financial condition and liquidity depend on the performance of these contracts and loans, which generate all of AmeriCredit's revenue.

11. AmeriCredit also securitizes a portion of its receivables, in order to diversify funding, improve liquidity, and obtain funds to buy more consumer contracts. Securitization is the process of distributing risk by aggregating debt instruments in a pool, and then issuing new securities backed by the pool ("asset-backed securities"). AmeriCredit transfers its automobile receivables to a securitization trust, which issues asset-backed securities for sale to investors. AmeriCredit earns a "spread," which is the difference between the interest rate AmeriCredit pays the investors, and the rate it receives from its borrowers. AmeriCredit retains responsibility for collecting payments from the borrowers on the underlying receivables.

12. AmeriCredit has five collection centers across the United States and Canada to service and manage all of its receivables, including securitized receivables. From these centers, AmeriCredit employees contact borrowers who are delinquent in making payments on their loans.

13. AmeriCredit also maintains an internal data system report that contains and reflects delinquency rates, charge-off rates, numbers of borrowers in bankruptcy, repossession rates, and number of accounts deferred in its loan portfolio. AmeriCredit produces reports from the system daily, which show AmeriCredit's loan portfolio's performance on each day, along with historical data comparing that day's collection statistics with prior months and quarters, and the prior year, for each individual collection center, and collectively for the entire company.

14. On January 2, 2002, AmeriCredit generated an internal report ("the Report") that revealed, in the second quarter of 2002 (AmeriCredit's fiscal year 2002 was from July 1, 2001 through June 30, 2002), that 3.8% of the company's total managed auto receivables were more than 60 days delinquent, compared to 2.7% in the same quarter of 2001 (a 41% difference), and 3.1% in the first quarter of 2002 (an increase of 23%). The Report also showed that AmeriCredit charged off 4.3% of its average managed auto receivables, compared to 3.6% in the same quarter of 2001 (a 19% increase).

15. Defendants Gentry, Cyr, and Morris had access to the Report and thereby obtained the information alleged in the preceding paragraph 14 of this Complaint.

16. Each page of the Report bears the following warning: "PROPRIETARY INFORMATION: The information presented is proprietary in nature and must not be communicated outside the company."

17. Defendant Adelt had access to the information in the Report through AmeriCredit's computer network and thereby obtained the information alleged in paragraph 14 of this Complaint.

18. The information in the Report was nonpublic.

19. Defendant Laker was an assistant vice president in AmeriCredit's accounting department with primary responsibility over AmeriCredit's general ledger. As part of his duties, Defendant Laker made accounting entries, and supervised and directed other AmeriCredit

employees to make accounting entries in AmeriCredit's general ledger. Defendant Laker had access to non-public information regarding delinquencies and charge-offs.

20. The information in AmeriCredit's general ledger was nonpublic.

Second Quarter of 2002 Earnings Release and Market Reaction

21. On January 10, 2002 at 4:18 p.m. CST, after trading on the New York Stock Exchange closed for the day, AmeriCredit publicly announced its second quarter 2002 earnings ("the Release") via Business Wire. The Release stated that AmeriCredit achieved "record net income of \$80.6 million, or \$.091 per share, for its second fiscal quarter ended December 31, 2001, versus earnings of \$48.4 million, or \$0.57 per share, for the same period a year earlier." AmeriCredit also stated in the Release that "on a comparative basis, net income increased 66% and earnings per share rose 60%." The Release also reported, in comparison to the second quarter of the previous year, a 76% increase in net income, a 47% increase in loan purchases, and a 51% increase in managed auto receivables. In addition, the Release included the increase in delinquency and charge-off rates that appeared in the Report.

22. On January 10, 2002, AmeriCredit stock closed at \$28.01, on volume of 2,403,600 shares. After AmeriCredit disseminated the Release, AmeriCredit's stock price dropped. It closed at \$25.04 on January 11, 2002, on volume of 10,539,000 shares. On the next trading day, January 14, 2002, it closed at \$22.60 on volume of 5,494,200 shares.

23. On January 11, 2002, analysts began publishing research reports discussing the Release. The analysts acknowledged in these research reports that AmeriCredit's fiscal second-quarter earnings were in line with, or above, analysts' estimates, and that AmeriCredit forecasted better-than-average earnings through December 2002. The research reports also stated that AmeriCredit expected its per share earnings for fiscal year 2002, and the first half of 2003, to exceed analysts' projections. But the analysts' reports also uniformly cited the rise in delinquencies as cause for doubt about the quality of AmeriCredit's loan portfolio, and loan

recovery rates. Other research reports also included charge-off and deferment rates as contributing to these concerns. One analyst at Bear Stearns downgraded AmeriCredit stock “primarily [because] delinquencies and losses are rising faster than we had originally anticipated and the margin isn’t providing enough of an offset.”

AmeriCredit’s Employee Stock Option Plan and Employee Stock Purchase Plan

24. Pursuant to their employment agreement with AmeriCredit, Defendants Adelt, Cyr, and Gentry received from AmeriCredit, through an employee stock option plan (“ESOP”), options to purchase shares of AmeriCredit stock from the company at a pre-determined price. When Defendants Adelt, Cyr, and Gentry exercised stock options, they could simultaneously sell the shares on the open market.

25. Under the employee stock purchase plan (“ESPP”), employees authorized the company to withhold a portion of their earnings, and AmeriCredit used that money to purchase AmeriCredit shares on their behalf, at a discounted price. Once the shares were purchased, employees had discretion to sell them.

26. AmeriCredit contracted with E*trade to administer its ESOP and ESPP. AmeriCredit created brokerage accounts for its employees with E*trade, and provided E*trade with all pertinent information necessary to administer the ESOP and ESPP.

27. Defendants Adelt, Cyr, and Gentry could access their E*trade accounts — to exercise AmeriCredit stock options and sell AmeriCredit shares — via the Internet. They could also access their E*trade accounts to sell shares in their ESPP accounts via the Internet.

Improper Trades

28. On January 3, 2002, Defendant Adelt accessed the nonpublic delinquency and charge-off information in the Report via his computer at AmeriCredit corporate headquarters. Less than two hours later, Defendant Adelt accessed his E*trade account. He placed an order to exercise options to purchase 4960 shares of AmeriCredit stock, and simultaneously sold them at

\$31.02 per share. As a result, Defendant Adelt avoided approximately \$41,763 in losses that he would have incurred by selling his AmeriCredit shares on January 14, 2002, after the market had reacted to the information in the Release.

29. On January 2, 2002, Defendant Cyr obtained the Report from a company printer. As part of his regular duties, Defendant Cyr prepared a one-page summary of the Report, and e-mailed the summary to Defendant Gentry and several other employees in AmeriCredit's collections centers. Defendant Cyr's e-mail message showed delinquency rates for each collection center, and collectively for the company, that ultimately appeared in the Release. After sending the e-mail message on January 2, 2002, Defendant Cyr placed several trades through E*trade. Defendant Cyr exercised options to purchase 540 shares of AmeriCredit stock on January 2, and simultaneously sold them at \$29.75 per share. Also on January 2, Defendant Cyr sold 232.8113 of his ESPP shares for \$29.90 per share. On January 4, Defendant Cyr exercised options to purchase another 540 shares of AmeriCredit stock, and sold them at \$31.55 per share. By selling at those prices, Defendant Cyr avoided approximately \$10,393 in losses that he would have incurred by selling his AmeriCredit shares on January 14, 2002, after the market reacted to the information in the Release.

30. On the morning of January 2, 2002, Defendant Gentry received from Defendant Cyr the e-mail message containing a summary of the information in the Report, and reviewed it, according to his usual practice. Later that same day, Defendant Gentry sold 452.86601 of his ESPP shares at \$30.03 per share. On January 4, 2002, Defendant Gentry exercised options to purchase 3020 shares of AmeriCredit stock, and simultaneously sold them at \$31.70 per share. Also on January 4, Defendant Gentry exercised options to purchase an additional 1400 shares of AmeriCredit stock, and simultaneously sold them at \$31.71 per share. As a result, Defendant Gentry avoided approximately \$43,600 in losses that he would have incurred by selling his

AmeriCredit shares on January 14, 2002, after the market reacted to the information in the Release.

31. The delinquency and charge-off information in the Report and e-mail upon which Defendants Adelt, Cyr, and Gentry based their trades was not publicly disclosed until it appeared in the Release on January 10, 2002.

32. With the knowledge of AmeriCredit's increased delinquency and charge-offs for the quarter ending December 31, 2001, Defendant Laker, on January 10, 2002, at 1:56 p.m. EST, sold 15,000 shares of AmeriCredit "short" at \$27.26, and at 3:54 p.m. EST, he sold an additional 1,000 shares "short" at \$27.85 per share. Defendant Laker covered his "short" position on January 22, 2002 at \$22 per share, resulting in total actual profits from the January 10, 2002 "short" sales of \$84,750.

33. The delinquency and charge-off information upon which Defendant Laker based his trades was not publicly disclosed until it appeared in the Release on January 10, 2002.

34. Defendant Laker also "shorted" AmeriCredit stock ahead of the company's earnings announcement for the quarter ending September 30, 2001. On October 10, 2001, AmeriCredit stock closed at \$36.25, on volume of 1,900,000 shares. The October 10, 2001 earnings announcement also contained unfavorable delinquency and charge-off data, and the closing price of AmeriCredit stock dropped to \$27.75 on October 11, 2001, on volume of 8,000,000 shares.

35. With knowledge of AmeriCredit's increased delinquency and charge-offs for the quarter ending September 30, 2001, Defendant Laker, on October 10, 2001, at 2:37 p.m. EST, sold "short" 4950 shares of AmeriCredit stock at \$35.91 per share. Defendant Laker covered his "short" position at \$30.35 per share on October 11, 2001, realizing a \$27,522 profit.

36. The delinquency and charge-off information upon which Defendant Laker based his trades was not publicly disclosed until AmeriCredit's October 10, 2001 earnings announcement.

37. On January 9, 2002, Defendant Morris sold 1700 shares of AmeriCredit stock at \$29.08 per share. On January 9, Defendant Morris had access to the Report, because he needed the information to carry out his duties as vice president of marketing. As a result of his trades, Defendant Morris avoided approximately \$11,016 in losses that he would have incurred by selling his AmeriCredit shares on January 14, 2002, after the market reacted to the information in the Release.

38. Because AmeriCredit employed each of the Defendants, each of them owed a fiduciary duty to AmeriCredit's shareholders.

AmeriCredit's Insider Trading Policy

39. As part of his employment agreement with AmeriCredit, each Defendant signed an insider trading policy ("Policy") that prohibited him from trading "while having information about AmeriCredit that is not known to the investing public that is considered 'material.'" The Policy defines "material" as "any information, positive or negative, that might be of significance to an investor in determining to buy, sell or hold AmeriCredit stock... Information may be significant for this purpose even if it would not alone determine the investor's decision. [For] example, ... favorable or unfavorable business developments... and, most frequently, financial results."

40. The delinquency and charge-off rates reflected in the Report were "material" under the Policy.

41. The charge-off information, which was in AmeriCredit's general ledger, was "material" under the Policy.

42. In addition, the Policy required employees who were “vice presidents and above” to “obtain approval from the company’s president, chief financial officer, or general counsel prior to engaging in any transactions in AmeriCredit’s stock or options to purchase the stock.”

43. AmeriCredit’s Policy required Defendants Adelt, Gentry and Morris, by virtue of their positions, to obtain prior approval before trading in the AmeriCredit’s stock. Defendants Adelt, Gentry and Morris, however, neither sought nor received approval specifically for their respective January 2002 stock transactions.

44. The Policy also prohibited Defendant Morris from selling AmeriCredit stock within three days of the public release of quarterly financial information. Defendant Morris violated the Policy by trading on January 9, 2002, which was within three days of the Release.

FIRST CLAIM

Violations of Section 17(a) of the Securities Act

45. Paragraphs 1 through 44 above are hereby re-alleged, and incorporated herein by reference.

46. Each Defendant, directly or indirectly, singly or in concert with others, in the offer and sale of securities, by use of the means and instruments of transportation and communication in interstate commerce and by use of the mails, has: (a) employed devices, schemes or artifices to defraud; (b) obtained 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 light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

47. Defendants were AmeriCredit employees when they traded in AmeriCredit securities based on material nonpublic information. Each Defendant owed AmeriCredit’s shareholders a duty of trust and confidence, which required him to disclose the material

nonpublic information before selling AmeriCredit stock, or to abstain from trading. Each Defendant signed a confidentiality agreement that required him to keep accounting, delinquency, and charge-off information confidential. Each Defendant also signed the Policy, which prohibited trading on the basis of – and defined, and provided examples of – material nonpublic information. Thus, each Defendant knew (or at a minimum was reckless in not knowing) that he was trading on the basis of material nonpublic information.

48. By reason of the foregoing, each Defendant violated Section 17(a) of the Securities Act, and is likely to commit such violations in the future unless enjoined from doing so.

SECOND CLAIM

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

49. Paragraphs 1 through 44 above are hereby re-alleged, and incorporated herein by reference.

50. Each Defendant, directly or indirectly, singly or in concert with others, in connection with the purchase and sale of securities, by use of the means and instrumentalities of interstate commerce and by use of the mails has: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operate as a fraud and deceit upon purchasers, prospective purchasers and other persons.

51. Each Defendant was an AmeriCredit employee when he traded in AmeriCredit securities based on material nonpublic information. Each Defendant owed AmeriCredit's shareholders a duty of trust and confidence, which required him to disclose the material nonpublic information before selling AmeriCredit stock, or to abstain from trading. Each Defendant signed a confidentiality agreement that required him to keep accounting, delinquency,

and charge-off information confidential. Each Defendant also signed the Policy, which prohibited trading on the basis of – and defined, and provided examples of – material nonpublic information. Thus, each Defendant knew (or at a minimum was reckless in not knowing) that he was trading on the basis of material nonpublic information.

52. By reason of the foregoing, each Defendant violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and is likely to commit such violations in the future unless enjoined from doing so.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court:

I.

Permanently enjoin Defendants Adelt, Cyr, Gentry, Laker and Morris from violating Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;

II.

Order each Defendant to disgorge all losses avoided or profits obtained by the unlawful trading alleged herein, plus prejudgment interest;

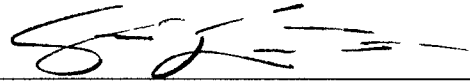
III.

Order each Defendant to pay civil penalties under Section 21A of the Exchange Act; and

IV.

Grant such other relief, as this Court may deem just and appropriate.

Respectfully submitted,



Stephen J. Korotash
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Commission
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Dated: November 3, 2003