

ORIGINAL

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN**

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION
Plaintiff,

vs.

DONALD F. CHAMBERLIN and
DAVID N. CHAMBERLIN,

Defendants.

03-74983

Civil Action No.

Judge **NANCY G. EDMUNDS**

MAGISTRATE JUDGE PEPE

COMPLAINT

Plaintiff, U.S. Securities and Exchange Commission ("SEC") alleges as follows:

NATURE OF THE COMPLAINT

1. From approximately July 1997 through approximately August 2000, Defendant Donald Chamberlin and his now defunct investment advisory firm, with substantial assistance from Defendant David Chamberlin, offered and sold investments in two fraudulent prime bank schemes in violation of the registration and antifraud provisions of the federal securities laws. Investors were told that their funds would be used to purchase bank treasuries issued by foreign banks, that their principal would be safe and that they would receive annual and/or weekly rates of return ranging from 40% to 100%. In total, approximately \$7.6 million was raised from at least 50 investors nationwide. These so-called securities, however, do not exist. In fact, prime bank schemes have been commonly used to defraud the investing public. Contrary to their representations to the public, Defendant Donald Chamberlin and his now defunct advisory firm, with assistance from Defendant David Chamberlin, misappropriated part of the investor funds for personal and business expenses. They also used investor funds to make

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interest and principal payments to previous investors, effectively operating a Ponzi scheme.

2. In connection with the offer and sale of these fictitious securities, Defendant Donald Chamberlin and his now defunct advisory firm, with assistance from Defendant David Chamberlin, made several misrepresentations and omitted to state material facts to advisory clients and others, concerning, among other things: (a) the existence of prime bank securities; (b) the rate of return on the two prime bank programs; (c) the risks of the two prime bank programs; and (d) the use of investment proceeds. Although variations exist regarding what advisory clients and others were told, the essence of the promises made to investors were the same: all were promised that their money was being invested in a guaranteed, risk-free, high-yield prime bank debenture trading program.

3. The Defendants, unless enjoined, will continue to engage, directly or indirectly, in transactions, acts, practices and courses of business alleged in the Complaint, and in transactions, acts, practices and courses of business of similar purport and object. The SEC is bringing this action to enjoin the Defendants from conduct that violates the federal securities laws, to require disgorgement of all ill-gotten gains, plus prejudgment interest, and to impose civil penalties against the Defendants for their unlawful conduct, and for such other relief as the Court may deem appropriate.

JURISDICTION

4. The Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §77v(a)], Section 27 of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78aa], Section 214 of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §80b-14] and 28 U.S.C. §1331.

5. The transactions, acts, practices and courses of business alleged herein occurred within

the jurisdiction of the U.S. District Court for the Eastern District of Michigan and elsewhere.

6. The Defendants, unless enjoined, will continue to engage, directly or indirectly, in transactions, acts, practices and courses of business alleged in the Complaint, and in transactions, acts, practices and courses of business of similar purport and object.

7. The Defendants, directly and indirectly, have made use of the means and instrumentalities of interstate commerce and of the mails in connection with the transactions, acts, practices and courses of business alleged herein the Eastern District of Michigan and elsewhere.

RELATED ENTITY

8. Asset Timing Corp. d/b/a Shore Harbour Capital Management was a Michigan corporation located in Gross Pointe, Michigan. Asset Timing Corp. was registered with the SEC as an investment adviser from January 30, 1978 through January 1, 2002. While registered with the SEC, Asset Timing Corp. conducted business under the name Shore Harbour Capital Management ("Shore Harbour"). On January 1, 2002, Shore Harbour ceased operations and became defunct. At this time, Shore Harbour's registration lapsed and its assets under management fell below the statutory amount required for registration with the SEC.

DEFENDANTS

9. Defendant Donald F. Chamberlin, age 65, resides in Gross Pointe, Michigan. From in or about 1978 to in or about December 1999, Defendant Donald Chamberlin was the Chairman and sole shareholder of Shore Harbour. During this time period, Defendant Donald Chamberlin provided advisory services to clients. In or about December 1999, Defendant Donald Chamberlin transferred an approximate 15% interest in Shore Harbour to his son, Defendant David Chamberlin. In or about

January 2000, Defendant Donald Chamberlin transferred an additional approximate 15% interest in Shore Harbour to Defendant David Chamberlin. In or about July 2000, Defendant Donald Chamberlin resigned as Chairman and transferred the remaining approximate 70% interest in Shore Harbour to his wife. After this transfer, Defendant Donald Chamberlin continued to provide "consulting services" to Shore Harbour. Defendant Donald Chamberlin is licensed in the state of Michigan to sell accident and health insurance, variable contract and life insurance.

10. Defendant David Chamberlin, age 37, resides in Gross Pointe, Michigan. Defendant David Chamberlin is the son of Defendant Donald Chamberlin and was the president of Shore Harbour from in or about August 2000 through January 1, 2002. During the relevant time period, Defendant David Chamberlin was the director of operations for Shore Harbour. Defendant David Chamberlin was previously licensed as a Series 6 broker and sold variable life insurance. Defendant David Chamberlin is licensed in the state of Michigan to sell life insurance.

RELATED INDIVIDUALS

11. Eric Resteiner ("Resteiner") purportedly ran the first prime bank program in which Defendant Donald Chamberlin and Shore Harbour, with assistance from Defendant David Chamberlin, placed at least \$6.9 million in investor funds. The SEC brought a civil enforcement action and obtained a default judgment against Resteiner for similar conduct involving another prime bank scheme.

12. Richard Vasquez ("Vasquez") received and placed approximately \$730,000 in investor funds for the second prime bank program that Defendant Donald Chamberlin and Shore Harbour, with assistance from Defendant David Chamberlin, offered to advisory clients and others.

THE RESTEINER SCHEME

13. Beginning around March 1997, Defendant Donald Chamberlin and Shore Harbour, with assistance from Defendant David Chamberlin, solicited advisory clients and others to invest in prime bank schemes run by Resteiner.

14. From at least March 1997 through approximately August 2000, Defendant Donald Chamberlin and Shore Harbour, with assistance from Defendant David Chamberlin, raised at least \$6.9 million from more than 50 investors in the United States from the sale of approximately 60 "shares" of "prime bank stock" to be placed in the Resteiner Programs.

15. Defendant Donald Chamberlin first became familiar with Resteiner in or about 1994 to 1995. Defendant Donald Chamberlin and Resteiner both sat on the Board of Directors of a non-profit organization. As late as 1996, Defendant Donald Chamberlin placed \$50,000 with Resteiner for investment in a prime bank program managed by Resteiner.

16. As a result of his investment with Resteiner, Defendant Donald Chamberlin and Resteiner agreed to undertake additional investment activity with Resteiner using funds to be raised by Defendant Donald Chamberlin from advisory clients and others.

17. In or about the summer of 1998, Defendant Donald Chamberlin learned that Resteiner had embezzled funds from the non-profit entity. Defendant Donald Chamberlin did not disclose this fact to his advisory clients and others but instead he continued to solicit and place investor funds in Resteiner's programs.

18. Between in or about March 1997 through in or about August 2000, Defendant Donald Chamberlin and Shore Harbour, with assistance from Defendant David Chamberlin, set up and placed

advisory client and others' funds in four (4) different investment programs, which differed in name only.

19. For each investment program, Defendant Donald Chamberlin and Shore Harbour, with assistance from David Chamberlin, created an offshore entity, set up two bank accounts in the name of each program, in Michigan and in the Bahamas, and solicited advisory clients and others. Defendant David Chamberlin served as an officer of the offshore entities and was a signatory on many of the offshore bank accounts that were established.

20. Defendant Donald Chamberlin transferred approximately \$2.4 million in investor funds to one offshore bank account that was purportedly controlled by Resteiner. In addition, at Defendant Donald Chamberlin's direction, some investors directly wired and sent their funds to offshore bank accounts.

21. Defendant Donald Chamberlin provided promotional brochures to advisory clients and others that described the existence and safety of "Bank Debenture Forfeiting (Roll) Programs." The representations contained in these promotional brochures, included, among other things, that investor funds would be invested in a bank debenture trading program and that investor funds would be secured by a bank guarantee. Investors in the program were passive and were to derive profits solely on the efforts of others.

22. Defendant Donald Chamberlin and Shore Harbour mailed, faxed and personally provided investors with monthly statements on Bahamian letterhead, which showed that investors were earning monthly profits.

23. Defendant Donald Chamberlin and Shore Harbour made material misrepresentations and omitted to state material facts in the offer and sale of the Resteiner programs. These included,

among other things: (a) the existence of prime bank securities; (b) the rate of return on the Resteiner programs; (c) the risks of the Resteiner programs; and (d) the use of proceeds.

24. Defendant Donald Chamberlin provided some investors with an "Agreement" that outlined how the program would operate and a "Subscription Agreement" that outlined the rights and obligations of the investor. These documents stated that the investor would receive a guaranteed return of 40% per annum, with 10% to be distributed quarterly. These documents also stated that Defendant Donald Chamberlin would receive a 10% commission on invested and reinvested funds and that the combined minimum investments must total \$1.5 million for the program to work.

25. In reality, the Resteiner programs and other similar investments do not exist and investor funds would not be used to purchase the fictitious prime bank instruments. In fact, during the relevant time period, the SEC, the Federal Reserve Board, the International Chamber of Commerce, the World Bank and the International Monetary Funds issued releases warning the investing public that prime bank trading programs do not exist. See, e.g., <http://www.sec.gov/divisions/enforce/primebank.shtml>. Thus, there was no reasonable basis for the expectation of profits and certainly not for any guarantee on the safety of investors' principal investments because these prime bank securities simply do not exist and are inherently fraudulent.

26. Contrary to written and oral representations, investor funds were not used to buy and sell prime bank securities. Instead, Defendant Donald Chamberlin used at least \$1.3 million in investor funds to, among other things, pay personal expenses, including a home equity line of credit, mortgage payments and country club fees. In addition, Defendant Donald Chamberlin used at least \$527,000 to pay Shore Harbour's business and operating expenses, at a time when Defendant David Chamberlin

was a senior officer of Shore Harbour. Furthermore, Defendant Donald Chamberlin used at least \$2.6 million in investor funds to replay earlier investors in the Resteiner program, effectively operating a Ponzi scheme.

27. During this time period, Defendant David Chamberlin was the director of operations for Shore Harbour and helped establish and was a signatory on several of the domestic and offshore bank accounts that received investor funds raised for placement in the Resteiner program.

Defendant Donald Chamberlin and Shore Harbour Acted As Unregistered Broker-Dealers

28. Defendant Donald Chamberlin offered and sold investments in the Resteiner program to investors as described above.

29. At the time that Defendant Donald Chamberlin offered and sold investments in the Resteiner program, neither he nor Shore Harbour was registered with the SEC as a broker or dealer and neither had obtained the necessary, regulatory approval to sell securities as a properly licensed associated person of registered broker-dealers.

THE LONDON SCHEME

30. In or about early 1998, Defendant Donald Chamberlin was introduced to Vasquez, who purportedly had been successful with high-yield investment programs.

31. In or about January 1999, Defendant Donald Chamberlin contacted Vasquez to pool funds and seek out a high-yield investment program. Defendant Donald Chamberlin and Vasquez agreed that Vasquez would seek out an investment program. They also agreed that all funds raised would be deposited in a Bahamian bank account until an appropriate investment program was identified and that neither of them would receive a commission on the funds raised.

32. In or about June 1999, Vasquez was referred to a group in London for a potential investment. The investment purportedly involved a high-yield, bank debenture-trading program, which promised a rate of return ranging from 50% to 100% per week.

33. After discussing the potential London investment program with Defendant Donald Chamberlin, Vasquez traveled to London to inquire about the opportunity. However, Vasquez undertook no due diligence regarding the London program or the principals involved with the program.

34. Defendant Donald Chamberlin and Shore Harbour solicited advisory clients and others and raised approximately \$730,000 in investor funds for placement in the London program. These funds were subsequently deposited into a Bahamian bank account.

35. Investors received little information concerning the London program. Defendant Donald Chamberlin told investors, who had previously invested in the Resteiner programs, that the London program was different and that they could expect rates of return ranging from 50% to 100% per week.

36. On or about June 28, 1999, investor funds in the Bahamian account were transferred to an account for placement in the London program.

37. As discussed above in Paragraph 25, the London program and other similar investments do not exist and investor funds would not be used to purchase the fictitious prime bank instruments. During the relevant time period, there were several releases from the SEC and various other financial regulators and entities warning the investing public that prime bank trading programs do not exist. Thus, there was no reasonable basis for the expectation of profits and certainly not for any guarantee on the safety of investors' principal investments because these prime bank securities simply

do not exist and are inherently fraudulent.

38. Again, contrary to Defendant Donald Chamberlin's representations, the investment funds were not used to purchase prime bank securities. The principals in the London program subsequently were arrested in London in connection with their fraudulent activities.

Defendant David Chamberlin Provided Substantial Assistance to Defendant Donald Chamberlin and Shore Harbour.

39. Defendant David Chamberlin, in his position as the director of operations for Shore Harbour and in other capacities, substantially assisted Defendant Donald Chamberlin and Shore Harbour in setting up and continuing the perpetration of the two, fraudulent prime bank schemes. For example, Defendant David Chamberlin helped establish and was a signatory on several of the domestic and offshore bank accounts that received investor funds raised for placement in the Resteiner program.

40. Defendant David Chamberlin was identified as a contact person for the Resteiner and London programs on correspondence sent to investors and he spoke with investors regarding the status of the various investment programs offered and sold by Defendant Donald Chamberlin and Shore Harbour.

41. Defendant David Chamberlin lulled investors by offering assurances to them that the Resteiner and London programs were performing well. However, Defendant David Chamberlin did not have any reasonable basis for making such assurances to investors because prime bank trading programs simply do not exist.

42. On at least one occasion, Defendant David Chamberlin was present at an information session with a prospective investor, which was hosted at Defendant David Chamberlin's personal

residence.

43. As a result of the above described activities, Shore Harbour breached its duty and obligations as an investment adviser to its clients. For example, Shore Harbour failed to, among other things, provide full disclosure to advisory clients of material facts regarding the existence, risks and use of investor proceeds associated with the prime bank programs.

COUNT I

**Violations of Sections 5(a) and 5(c) of the Securities Act by Defendant Donald Chamberlin
[15 U.S.C. §§77(e)(a) and 77(e)(c)]**

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

45. The investment contracts described herein constitute “securities” within the meaning of Section 2(1) of the Securities Act [15 U.S.C. §77b(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. §78c(a)(10)].

46. The securities offered and sold by the Defendants were not registered in accordance with the provisions of the Securities Act.

47. At all times alleged in the Complaint, Defendant Donald Chamberlin, directly and indirectly, made use of the means and instruments of transportation and communication in interstate commerce and of the mails, to sell and offer to sell securities in the form of investment contracts through the use and medium of a prospectus or otherwise, and carried and caused to be carried such securities through the mails and in interstate commerce by the means and instruments of transportation for the purpose of sale and delivery after the sale.

48. No registration statement has been filed or is in effect with the SEC and no exemption from registration is available, as to the securities more fully described in Paragraphs 1 through 43

above.

49. As a result of the activities described in Paragraphs 44 through 48, Defendant Donald Chamberlin violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§77(c)(a) and 77(c)(c)].

COUNT II

**Violation of Section 17(a)(1) of the Securities Act by Defendant Donald Chamberlin
[15 U.S.C. §77q(a)(1)]**

50. Paragraphs 1 through 43 are realleged and reincorporated by reference.

51. At all times alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour, in the offer and sale of securities in the form of investment contracts, by the use and means and instruments of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly, employed devices, schemes and artifices to defraud.

52. At all times alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour made false and misleading statements of material fact or omitted to state material facts to investors and prospective investors concerning, among other things, the use of investor proceeds, the source of payments made to investors, and the very existence of the trading programs being offered.

53. At all times alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour knew, or were reckless in not knowing, that the statements or omissions described in Paragraphs 50 through 52 above were materially false or misleading.

54. As a result of the activities described in paragraphs 50 through 53 above, Defendant Donald Chamberlin and Shore Harbour violated Section 17(a)(1) of the Securities Act [15 U.S.C. §77q(a)(1)].

COUNT III

**Violations of Section 17(a)(2) and Section 17(a)(3) of the Securities Act
by Defendant Donald Chamberlin
[15 U.S.C. §§77q(a)(2) and 77q(a)(3)]**

55. Paragraphs 1 through 43 are realleged and reincorporated by reference.

56. At all times alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour in the offer and sale of securities in the form of investment contracts, by the use of the means and instruments of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly, obtained 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 circumstances under which they were made, not misleading and engaged in transactions, practices or courses of business which operated as a fraud and deceit upon purchases of securities.

57. As a result of the activities described in Paragraphs 55 and 56 above, Defendant Donald Chamberlin and Shore Harbour violated Sections 17(a)(2) and 17(a)(3) of the Securities Act. [15 U.S.C. §§77q(a)(2) and 77q(a)(3)].

COUNT IV

**Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder
by Defendant Donald Chamberlin
[15 U.S.C. §78j(b) and 17 C.F.R. §240.10b-5]**

58. Paragraphs 1 through 43 are realleged and reincorporated by reference.

59. At all times alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour, in connection with the purchase and sale of securities in the form of investment contracts, directly and indirectly, by the use of the means and instrumentalities of interstate commerce or of the mails, employed schemes and artifices to defraud; made untrue statements of material fact and omitted

to state material facts necessary in order to make the statements made, in light of circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated as a fraud and deceit upon investors, as discussed in Paragraphs 1 through 43 above.

60. At all times alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour knew, or were reckless in not knowing, the activities in Paragraphs 58 and 59 above.

61. As a result of the activities described in Paragraphs 58 through 60, Defendant Donald Chamberlin and Shore Harbour violated 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].

COUNT V

Violation of Section 15(a)(1) of the Exchange Act by Defendant Donald Chamberlin [15 U.S.C. §78o(a)(1)]

62. Paragraphs 1 through 43 are realleged and reincorporated by reference.

63. At all relevant times as alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour were in the business of effecting transactions in securities for the accounts of others, as more fully described in Paragraphs 1 through 43 above.

64. At all relevant times as alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour made use of the mails and of the means and instrumentalities of interstate commerce to effect transactions and to induce or attempt to induce the purchase of securities, as more fully described in Paragraphs 62 through 64 above.

65. At the times alleged in the Complaint, Defendant Donald Chamberlin and Shore Harbour were not registered as brokers or dealers, as required by Section 15(b) of the Exchange Act [15 U.S.C. §78o(b)].

66. As a result of the activities described in Paragraphs 62 through 65 above, Defendant Donald Chamberlin and Shore Harbour violated Section 15(a)(1) of the Exchange Act [15 U.S.C. §78o(a)(1)].

COUNT VI

**Aiding and Abetting Violations of Sections 10(b), 15(a)(1) of the Exchange Act and Rule 10b-5
Thereunder by Defendant David Chamberlin
[15 U.S.C. §§78j(b), 78o(a)(1) and 17 C.F.R. §240.10b-5]**

67. Paragraphs 1 through 43 are realleged and reincorporated by reference.

68. As a result of the activities described in Paragraphs 1 through 43, Defendant Donald Chamberlin and Shore Harbour violated Sections 10(b), 15(a)(1) of the Exchange Act [15 U.S.C. §§78j(b) and 78o(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].

69. Defendant David Chamberlin knew, or was reckless in not knowing, that he provided substantial assistance to Defendant Donald Chamberlin and Shore Harbour in violation of Sections 10(b) and 15(a)(1) of the Exchange Act [15 U.S.C. §§78j(b) and 78o(a)(1)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].

70. As a result of the activities described in Paragraphs 67 through 69, Defendant David Chamberlin aided and abetted Defendant Donald Chamberlin and Shore Harbour's violations of Sections 10(b), 15(a)(1) of the Exchange Act [15 U.S.C. §§78j(b) and 78o(a)(1)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5] within the meaning of Section 20(c) of the Exchange Act [15 U.S.C. §78t(c)].

COUNT VII

**Aiding and Abetting Violations of Sections 206(1) and 206(2) of the Advisers Act
by Defendants Donald and David Chamberlin
[15 U.S.C. §§80b-6(1) and 80b-6(2)]**

71. Paragraphs 1 through 43 are realleged and reincorporated by reference.

72. As a result of the activities described in Paragraphs 1 through 43, Shore Harbour breached its fiduciary duty to advisory clients and violated Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§80b-6(1) and 80b-6(2)].

73. Defendants Donald and David Chamberlin knew, or were reckless in not knowing, that they provided substantial assistance to Shore Harbour in violation of Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§80b-6(1) and 80b-6(2)].

74. As a result of the activities described in Paragraphs 71 through 73, Defendants Donald and David Chamberlin aided and abetted Shore Harbour's violations of Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§80b-6(1) and 80b-6(2)].

RELIEF REQUESTED

WHEREFORE, the SEC respectfully requests that the Court:

I.

Find that Defendants Donald and David Chamberlin committed the violations alleged above.

II.

Grant an Order of Permanent Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining Defendant Donald Chamberlin, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who

receive actual notice of this Order by personal service or otherwise, and each of them, from, directly or indirectly, or in conduct of similar purport or object, in violation of, or that aid and abet violations of Section 5(a), 5(c), 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§77(c)(a), 77(c)(c), 77q(a)(1), 77q(a)(2), 77q(a)(3)], Sections 10(b), 15(a)(1) of the Exchange Act [15 U.S.C. §§78j(b) and 78o(a)(1)], Rule 10b-5 thereunder [17 C.F.R. §240.10b-5], and Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§80b-6(1) and 80b-6(2)].

III.

Grant an Order of Permanent Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining Defendant David Chamberlin, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, from, directly or indirectly, or in conduct of similar purport or object, in violation of, or that aid and abet violations of Sections 10(b), 15(a)(1) of the Exchange Act [15 U.S.C. §§78j(b) and 78o(a)(1)], Rule 10b-5 thereunder [17 C.F.R. §240.10b-5], and Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§80b-6(1) and 80b-6(2)].

IV.

Grant an Order requiring Defendants Donald and David Chamberlin to each disgorge all ill-gotten gains that they each received as a result of their wrongful conduct, including prejudgment interest.

V.

Grant an Order imposing upon Defendant Donald Chamberlin appropriate civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)], Section 21(d)(3) of the Exchange

Act [15 U.S.C. §78u(d)(3)] and Section 209(c) of the Advisers Act [15 U.S.C. §80b-9(c)].

VI.

Grant an Order imposing upon Defendant David Chamberlin appropriate civil penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)] and Section 209(c) of the Advisers Act [15 U.S.C. §80b-9(c)].

VII.

Retain jurisdiction of this action in accordance with the principals 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 the Court.

VIII.

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

Respectfully submitted,



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DESIGNATION OF ASSISTANT U.S. ATTORNEY

Pursuant to Rule 83.20(g) of the Local Rules for the U.S. District Court for the Eastern District of Michigan, Plaintiff, U.S. Securities and Exchange Commission hereby designates Ellen Christensen, Esq. (MI Bar Number 29574), Assistant U.S. Attorney, 211 W. Fort Street, Suite 201, Detroit, Michigan, 48226, (313) 226-9112, to receive service of all notices and papers.