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FILED
U.S. DISTRICT COURT
2008 MAR 28 A 8:51
DISTRICT OF UTAH
BY: _____
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE COMMISSION,

COMPLAINT

PLAINTIFF,

v.

MADISON REAL ESTATE GROUP, LLC, a Wyoming
limited liability company, RICHARD AMES HIGGINS,
BRANDON S. HIGGINS, and ALLAN D.
CHRISTENSEN,

DEFENDANTS.

Case: 2:08cv00243
Assigned To : Kimball, Dale A.
Assign. Date : 3/28/2008
Description: Securities and Exchange
Commission v. Madison Real Estate
Group et al

Plaintiff, Securities and Exchange Commission (the "Commission"), for its
Complaint against Defendants alleges as follows:

INTRODUCTION

1. This matter involves an ongoing offer and sale of unregistered securities by Madison Real Estate Group, LLC ("Madison") and its principals Richard Higgins ("Higgins"), Brandon Higgins ("Brandon") and Allan Christensen ("Christensen") which has raised at least \$15 million from over 40 investors.
2. Madison markets itself as a family owned limited liability company with over 30 years of experience in successful real estate investments.

3. According to its representatives, Madison focuses on purchasing C grade apartment buildings at below fair market value, upgrading those buildings, and then selling the buildings for a profit. Madison claims to generate revenues from its real estate investments that exceed \$100 million each quarter.
4. Higgins and Christensen solicited investors to invest with Madison, guaranteeing a 1% per month return on the investment and quarterly bonuses based on the performance of the apartment buildings Madison purchased.
5. Contrary to the representations made to investors, Madison does not have 30 years of real estate investment experience and does not generate millions of dollars in revenue.
6. Madison sold the apartment buildings to the investors at prices above fair market value and in excess of the price paid by Madison.
7. Instead of paying investors with the operating profits from the apartment buildings, Higgins, Christensen, and Brandon allowed the apartment buildings to fall into disrepair, neglected to pay mortgages, owed hundreds of thousands of dollars to vendors who provided goods and services to the buildings and simply used rental revenue or funds received from subsequent investors to pay the guaranteed 1% per month to investors.
8. All the buildings Madison purchased are on the verge of foreclosure, in dire need of maintenance, and have substantial trade debt associated with them.
9. Higgins, Brandon, and Christensen also failed to inform investors that Higgins had previously been enjoined by the Commission, had been disbarred by the Utah State Bar and is a convicted felon.

JURISDICTION AND VENUE

10. This Court has subject matter jurisdiction by authority of Sections 20 and 22 of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77t and

77v] and Sections 21 and Section 27 of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §§ 78u and 78aa].

11. Defendants, directly and indirectly, singly and in concert, have made use of the means and instrumentalities of interstate commerce and the mails in connection with the transactions, acts and courses of business alleged herein, certain of which have occurred within the District of Utah.
12. Venue for this action is proper in the District of Utah under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and under Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the transactions, acts, practices, and courses of business alleged in this Complaint took place in this district and because certain of the defendants reside in and transact business in this district.
13. Defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and course of business alleged herein and in transactions, acts, practices, and courses of business of similar purport and object.
14. Defendants conduct took place in connection with the offer, purchase and/or sale of Madison securities in the form of limited partnership interests or tenant in common interests (“TIC investments”). The interests sold by Madison, Higgins and Christensen are securities, and no registration statement has been filed with respect to the offering of these interests.

DEFENDANTS

15. **Madison Real Estate Group, LLC** (“Madison”) is a Wyoming limited liability company with its principal place of business in Midvale, Utah. Madison claims to be a family owned limited liability company with over 30 years experience in commercial real estate. Brandon controls Madison’s bank

accounts and executes most documents on Madison's behalf; however, Higgins and Christensen actually control the company.

16. **Richard Ames Higgins**, age 60, is a Utah resident currently incarcerated at the Utah State Prison in Draper, Utah. While on parole, Higgins controlled Madison and solicited investors on its behalf. In August 2006, Higgins was enjoined from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by the United States District Court for the District of Utah in SEC v. Marino, et al, 2:99 CV 258G, a prime bank Ponzi scheme.
17. **Brandon S. Higgins**, age 30, is a resident of Salt Lake City, Utah. Brandon is Higgins' son. Brandon controls Madison's bank accounts from which he disperses the monthly profits from the apartment buildings to investors. Brandon also provides quarterly reports on each building to investors and executes all documents on Madison's behalf. Brandon is also a licensed real estate agent with the state of Utah.
18. **Allan D. Christensen**, age 39, is a resident of Salem, Utah. Christensen is a co-owner of Madison with Higgins and a co-owner of Qwest Management, LLC. Christensen has solicited investors on behalf of Madison and has also received management fees from the various Madison properties through Qwest Management, LLC.

BACKGROUND

19. Beginning in early 2006 and continuing through the present, Madison, through Higgins and Christensen, sold securities primarily in the form of limited liability partnerships to approximately 42 investors in unregistered transactions, raising at least \$15 million.
20. A few investors were tenants in common ("TIC investors") with Madison in certain properties. These investors entered into a Section 1031 exchange

whereby they sold other investment properties and used the profits from those sales to invest in a particular building with Madison. In substance these investments functioned in the same manner as the limited partnerships.

21. Madison markets itself as a family owned limited liability company with over 30 years of experience in the commercial real estate business.
22. Madison ostensibly focuses on purchasing C grade apartment buildings for below fair market value, upgrading the units, and selling the buildings at a profit.
23. According to Higgins and Christensen, the buildings generate sufficient profits to pay a guaranteed return of 1% per month to investors.
24. Higgins and Christensen told investors Madison purchased the buildings at below fair market value and, as a result, after the improvements it made, the buildings could be sold one to two years later generating an over 30% return for investors.

RECRUITING INVESTORS

25. Higgins and Christensen located investors by acting as mentors for National Real Estate Investors, LC (“NRI”), a company that offers real estate investing seminars throughout the United States. NRI advertised its educational seminars on its website.
26. Most of Madison’s investors attended a one day NRI real estate investing seminar. During the one day NRI seminars, NRI offered attendees the opportunity to purchase additional real estate investment education that included one-on-one mentoring sessions by experienced real estate investing experts.
27. Madison investors paid NRI between \$3,000 and \$25,000 for additional real estate investing seminars and twelve one-on-one mentoring sessions. Higgins

or Christensen was the NRI mentor assigned to the individuals who eventually became Madison investors.

28. Higgins or Christensen held weekly telephonic mentoring sessions with each Madison investor. During the calls, Higgins and Christensen discussed various aspects of real estate investing.
29. Toward the end of the mentoring sessions, Higgins and Christensen offered investors the opportunity to invest with Madison.
30. Higgins and Christensen told investors that Madison is a family-run business and that they are providing a limited number of opportunities to invest with the company. Higgins and Christensen claimed this was a “friends and family” only opportunity.
31. Higgins and Christensen explained to investors that Madison purchases apartment buildings at below fair market value, renovates the buildings, then sells the buildings in one to two years realizing profits of 30% or more.
32. Higgins and Christensen told investors that they would receive a guaranteed 1% per month return on their investment to be paid from the operating profits of the buildings they purchase. Investors were told they would also receive a quarterly bonus based on the performance of the buildings.
33. Higgins and Christensen claim that Madison performs thorough due diligence on the apartment buildings it purchases. Because Madison exercised such care in researching the buildings it purchases, it is able to buy buildings at below fair market value and generate high returns for investors.
34. Higgins and Christensen provided investors with a fact sheet for each building. The fact sheets set forth the due diligence allegedly performed by Madison, the occupancy rates of each building, the amounts each investor was to contribute to each building, and the purported purchase price of each building.

35. Investors receive instruction from Higgins and Christensen to transfer their funds to the Madison account at Zions First National Bank in Salt Lake City. Higgins, Christensen and Brandon are the signatories on that account.
36. After the buildings are purchased, Madison creates a limited partnership for each building in which it allocates a limited partnership interest to each investor based on the amount invested. Madison acts as the general partner in each of the limited partnerships.
37. Madison sets up bank accounts at various financial institutions for each building to collect rental income and pay expenses associated with each building. However, when necessary, Madison pays expenses for one building from the account of another building.
38. Investors are not offered a choice of which building to invest in. Madison locates the buildings, performs all the due diligence, and manages the buildings. Investors are not provided copies of any due diligence materials or closing documents. Madison claims that this information is a trade secret or too voluminous to provide to investors.
39. Investors understood from Higgins and Christensen that Madison would perform certain upgrades to the buildings which would result in substantial increases in the properties' values. The buildings would then be sold within one to two years generating additional profits for investors.
40. Investors receive monthly reports from Madison for each building along with their monthly 1% guaranteed return. The monthly reports detail putative upgrades Madison claims it is making on each property. Madison also provides quarterly reports which describe putative work being performed on the buildings and include the quarterly bonus payments that Higgins and Christensen claim came from the operating profits of the building. The

monthly and quarterly reports are signed by Brandon. These timely payments have induced investors to make additional investments with Madison.

41. According to Higgins, Madison generates revenues of \$100,000,000 per quarter and has had income of \$250,000 per month.

MATERIAL MISREPRESENTATIONS AND OMISSIONS

42. Higgins explained to investors that Madison has become so successful that he left his practice as an international attorney to focus on managing Madison's investments. Higgins has failed to inform investors that he had lost his license to practice law resulting from a state criminal conviction for securities fraud. Higgins served five years for the three felony counts of state securities laws violations and was released from prison on March 5, 2005.
43. During the time Higgins was soliciting investments for Madison, Higgins was on parole. The terms of Higgins parole forbade him from handling others' money for any purpose or from operating his own business. As a result of his parole violations, Higgins parole has been revoked and he is currently incarcerated at the Utah State Prison.
44. Higgins has neglected to tell investors that he had been convicted of securities fraud. Higgins also did not inform investors that he had previously been enjoined by the Securities and Exchange Commission from violations of the federal securities laws.
45. Although Christensen knew of Higgins criminal background, he has not informed investors of his partner's past securities laws violations, criminal conviction, or that Higgins had lost his license to practice law.
46. The omissions regarding Higgins' background were material to investors.
47. Investors received quarterly and monthly reports along with the guaranteed 1% per month return and quarterly bonuses through October 2007.

48. Less than one week after receiving their last bonus payments in October 2007, investors began receiving calls from the lenders on the buildings indicating that Madison had failed to pay the mortgages and the buildings were several months in arrears.
49. Upon learning that Madison had not made the mortgage payments, investors contacted the on site building managers and learned that Madison had also failed to pay vendors who provided goods and/or services to the buildings and that hundreds of thousands of dollars was due to various vendors. Some vendors had filed mechanics liens on the properties.
50. The investors confronted Higgins and Christensen regarding the past due mortgage payments and the failure to pay vendors. Higgins and Christensen admitted they had “goofed” and were in over their heads.
51. Higgins prepared a spreadsheet for investors detailing how far behind each building was in its mortgage payments and the monthly shortfall each building experienced. Based on the information provided by Higgins it became clear to the investors that the returns and bonuses they received had not come from operating profits of the buildings, since most if not all of the buildings were actually operating at a loss.
52. The misrepresentations and omissions regarding the profitability of the buildings were material to investors.
53. Contrary to Higgins’ and Christensen’s representations, investors paid more than fair market value for the buildings.
54. Higgins provided a handwritten document to investors that revealed for the first time that Madison had paid less for the properties than represented to investors in the documents provided to investors at the time they made their investment.

55. Higgins' notes and closing documents later obtained by investors demonstrate that Madison purchased the properties from third parties, and marked up the purchase price substantially before selling the properties to investors.
56. Closing documents further disclosed that Christensen received previously undisclosed commissions or referral fees from those transactions.
57. Higgins', Christensen's and Brandon's failure to disclose Madison's markups in the purchase prices of the buildings and the commissions or referral fees received by Christensen was material to investors.
58. After learning the details of the unpaid mortgages and trade debt associated with the buildings, investors made on-site visits to many of Madison's buildings. During the visits, the investors discovered that occupancy rates at the buildings were far less than represented by Madison. In fact, one building had only one or two tenants.
59. The buildings were in a state of disrepair, roofs and foundations leaked, apartments were uninhabitable, littered and in at least one case contained dead animals.
60. Madison's misrepresentations and omissions regarding the condition of the buildings were material.
61. Investors also reviewed the bank accounts of each of the buildings and discovered that Madison had been transferring funds from one building's account to another using rental deposits from one building to pay expenses associated with another building.
62. Although they had access to the bank accounts, Higgins, Christensen and Brandon failed to disclose this commingling of funds.
63. The commingling of fund was material to investors.
64. The bank records further revealed that Christensen withdrew substantial amounts from the accounts as Qwest's management fees for each of the

- buildings. Christensen took those fees despite the fact that he had failed to make the mortgage payments, had not performed repairs on maintenance, and allowed significant trade debt to accumulate on each of the buildings.
65. Higgins and Christensen had not disclosed to investors that they would pay themselves management fees.
66. Christensen's and Higgins' omission regarding the management fees received by Qwest was material to investors.
67. Madison's bank statements further reflect that Higgins used the account into which investors had transferred funds as a personal piggy bank, withdrawing money to pay for family vacations, four wheelers and other personal expenses.
68. Investors would not have made subsequent investments with Madison if the actual profits or losses made by each building had been reported to them by Madison. Instead, investors received glowing reports regarding the operations of the buildings from Higgins and Christensen and received monthly profit statements from Brandon.
69. Despite Higgins claim that Madison generated \$100,000,000 per quarter and had a monthly income of \$250,000, Higgins and Christensen admitted to investors that they have no funds to contribute to the back mortgage payments, outstanding bills from vendors or the needed repairs to the buildings.

DEFENDANTS ACTED WITH SCIENTER

70. Higgins, Christensen and Brandon acted with scienter.
71. Higgins knew about his criminal conviction, prior Commission injunction, and disciplinary history with the Utah State Bar. Christensen and Brandon admitted to investors that they also knew about Higgins background but did not disclose that information to investors.

72. Higgins and Christensen located the buildings and were responsible for the buildings' management. Both knew that the purchase prices of the buildings were marked up before the sales to investors because they received cash from the closings. Christensen and Brandon executed closing documents on behalf of Madison.
73. Higgins prepared a handwritten document for investors detailing the undisclosed markups in the purchase prices for the buildings demonstrating that he knew the prices had been inflated.
74. Higgins, Christensen and Brandon were signatories on the Madison bank accounts. A review of that account discloses the personal expenditures from that account.
75. Brandon signed the monthly and quarterly reports provided to investors that induced investors to make additional investment with Madison. Brandon either knew that the mortgages had not been paid and that vendors were owed substantial sums or he was reckless in not knowing. A review of the bank records would have revealed the fact that payments had not been made.
76. Christensen controlled the bank accounts for the various buildings. As a result, he knew that the mortgages had not been paid and that vendors' bills were piling up. He also knew that Madison used funds from one building to pay expenses associated with another.

**FIRST CAUSE OF ACTION
EMPLOYMENT OF A DEVICE, SCHEME OR ARTIFICE TO DEFRAUD
Violation of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]**

77. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 76, above.
78. Defendants Madison, Higgins, Brandon, and Christensen, and each of them, by engaging in conduct described in Paragraphs 1 through 76, above, directly

or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, with scienter, employed devices, schemes, or artifices to defraud.

79. By reason of the foregoing, Defendants, and each of them, directly or indirectly, violated, and unless restrained and enjoined by this Court, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

**SECOND CAUSE OF ACTION
FRAUD IN THE OFFER AND SALE OF SECURITIES
Violations of Section 17(a)(2) and (3) of the Securities Act
[15 U.S.C. § 77q(a)(2) and (3)]**

80. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 76, above.
81. Defendants Madison, Higgins, Brandon, and Christensen, and each of them, by engaging in the conduct described in Paragraphs 1 through 76, above, directly and indirectly, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and engaged in transactions, practices, or courses of business which operate or would operate as a fraud or deceit upon the purchaser.
82. By reason of the foregoing, Defendants, and each of them, directly or indirectly, violated, and unless restrained and enjoined will continue to

violate, Section 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

**THIRD CAUSE OF ACTION
FRAUD IN CONNECTION WITH THE PURCHASE AND
SALE OF SECURITIES**

**Violations of 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]**

83. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 76, above.
84. Defendants Madison, Higgins, Brandon, and Christensen, and each of them, by engaging in the conduct described in Paragraphs 1 through 76, above, directly or indirectly, by the use of means or instrumentalities of interstate commerce or use of the mails, in connection with the purchase or sale of securities, with scienter, (1) employed devices, schemes, or artifices to defraud; (2) made untrue statements of material fact or omitted to state a material fact necessary in order to make statements made, in light of the circumstances under which they were made not misleading; or (3) engaged in acts, practices, or courses of business that operated or would operate as a fraud and deceit upon other persons.
85. By reason of the foregoing, Defendants, and each of them, violated, and unless restrained and enjoined will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I

Issue findings of fact and conclusions of law that the Defendants committed the violations charged herein.

II

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily restrain, and preliminarily and permanently enjoin, Defendants Madison, Higgins, Christensen and Brandon, and their officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Sections 17(a) of the Securities Act and Sections 10(b) of the Exchange Act and Rule 10b-5 thereunder.

III

Issue, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, orders that temporarily, preliminarily and permanently enjoin Defendants, and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from: (A) transferring, changing, wasting, dissipating, converting, concealing, or otherwise disposing of, in any manner, any funds, assets, claims, or other property or assets owned or controlled by, or in the possession or custody of these Defendants; (B) transferring, assigning, selling, hypothecating, or otherwise disposing of any assets of Madison; and (C) appointing a receiver over Defendant Madison, as well as all other entities directly or indirectly controlled by Higgins, Christensen or Brandon which have received investor funds.

IV

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily, preliminary and permanently restrain and enjoin Defendants, and each of them, and their officers agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, books, records, computer programs, computer files, computer printouts, correspondence, including e-mail, whether stored electronically or in hard-copy, memoranda, brochures, or any other documents of any kind that pertain in any manner to the business of the Defendants.

V

Enter an order directing Defendants, and each of them, to pay civil money penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

VI

Enter an order directing Defendants to disgorge all ill-gotten gains received during the period of violative conduct and pay prejudgment interest on such ill-gotten gains.

VII

Grant such further equitable relief as this Court deems just, appropriate, and necessary, including, but not limited to, a freeze of assets and the acceleration of discovery, including the forthwith production of documents.

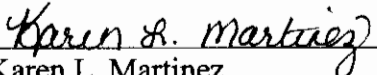
VIII

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.

Dated this 27th day of March 2008.

Respectfully submitted,



Karen L. Martinez
Thomas M. Melton
Attorneys for Plaintiff
Securities and Exchange Commission

JS 44 (Rev. 12/07)

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

Securities and Exchange Commission

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Karen Martinez, 15 W So Temple, #1800, SLC 84101 (524-5796)

DEFENDANTS

FILED
U.S. DISTRICT COURT
The Madison Real Estate Group, LLC, Richard Ames Higgins,
Brandon S. Higgins and Allan D. Christensen
County of Residence of First Listed Defendant **8550 Lake**

(IN U.S. PLAINTIFF CASES ONLY)

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

Attorneys (If Known)

DEPUTY CLERK

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 (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input 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 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 <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <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"/> 890 Other Statutory Actions <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
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"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISON PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General Habeas Corpus: <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc Security Act	SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	
		IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609		

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 Judgment

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

15 U.S.C. §§ 77q(a)(1), (2), and (3); 15 U.S.C. § 78j(b); and 17 C.F.R. § 240.10b-5

VI. CAUSE OF ACTION

Brief description of cause:
Violations of the anti-fraud provisions of the federal securities laws

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ _____

CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____

DOCKET NUMBER _____

DATE

3/27/08

SIGNATURE OF ATTORNEY OF RECORD

Karen d. Martinez

Case: 2:08cv00243

Assigned To : Kimball, Dale A.

Assign. Date : 3/28/2008

Description: Securities and Exchange Commission v. Madison Real Estate Group et al

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