

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

RICARDO H. GOLDMAN,

Defendant.

08-22666

CIV - LENARD

FILED ON
08 SEP 25 PM 2:07
STEREN H. DIST. CT.
CLERK OF THE COURT
D.C.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges:

I. INTRODUCTION

1. The Commission brings this action to enjoin Ricardo H. Goldman from violating the antifraud, securities registration, and broker-dealer registration provisions of the federal securities laws.

2. From May 2004 through February 2006 (the "Relevant Period"), Goldman was the sole managing member of E Trade Fund LLC ("E Trade Fund" or the "Company"), a Florida limited liability corporation that operated as an unregistered day-trading firm. Goldman and E Trade Fund made material misrepresentations and omissions to investors in connection with E Trade Fund's day-trading operation concerning the risks associated with day trading, compensation Goldman received, and the insurance that protected investors.

3. In addition, Goldman and E Trade Fund made material misstatements and omissions about the safety and security of purported certificates of deposit they offered and sold to investors nationwide through websites Goldman and E Trade Fund directed or controlled.

These certificates of deposit were never registered with the Commission. Additionally, neither Goldman nor E Trade Fund was registered with the Commission as a broker or dealer.

4. Through his conduct, Goldman violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a), 77e(c), and 77q(a); and Sections 10(b), 15(a)(1) and Rule 10b-5 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), 78o(a)(1) and 17 C.F.R. § 240.10b-5.

II. THE DEFENDANT

5. Goldman, 56, resides in Miami, Florida, and held himself out to the public as the principal of E Trade Fund, a Florida limited liability company that maintained its operations in Miami, Florida. Although the State of Florida administratively dissolved the Company in September 2006, Goldman organized another Florida limited liability company using the same name in March 2008.

III. JURISDICTION AND VENUE

6. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b), 77t(d), and 77v(a); and Sections 21(d), 21(e), and Section 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u(e), and 78aa.

7. This Court has personal jurisdiction over Goldman, and venue is proper in the Southern District of Florida, because Goldman's acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Southern District of Florida. In addition, Goldman resides in the Southern District of Florida and E Trade Fund's principal place of business during the Relevant Period was in the Southern District of Florida.

8. In connection with the conduct alleged in this Complaint, Goldman, directly and indirectly, singly or in concert with others, made use of the means or instrumentalities of

interstate commerce, the means or instruments of transportation and communication in interstate commerce, and the mails.

IV. E TRADE FUND'S DAY-TRADING OPERATION

9. Goldman formed E Trade Fund in May 2004. During the Relevant Period, E Trade Fund also did business under the name "A Trade Fund." E Trade Fund is not affiliated with E*TRADE FINANCIAL Corp., a broker-dealer registered with the Commission, and E Trade Fund was never registered with the Commission.

10. During the Relevant Period, Goldman and E Trade Fund offered and provided day-trading services to the investing public. E Trade Fund allowed traders to actively day trade securities with very little investment capital.

11. E Trade Fund traders did not trade through individual broker-dealer accounts. Rather, Goldman opened a master securities trading account for E Trade Fund at Integrity Trading, Inc., d/b/a RML Trading ("Integrity"), a Washington-based broker-dealer that cleared its securities transactions through Penson Financial Services, Inc. ("Penson"). E Trade Fund's master trading account was approved for options and margin trading.

12. Goldman then set up sub-accounts at Integrity that were linked to E Trade Fund's master trading account, through which investors who participated in the Company's trading program could buy and sell stock online.

A. Solicitation of Investors

13. Goldman targeted potential investors for E Trade Fund's day-trading program primarily through seminars he gave on day-trading strategies. Goldman advertised these seminars in at least one Spanish-language, Miami-based newspaper and on the Internet.

14. Goldman held the seminars in Miami, New York, and throughout South America, and usually conducted them in Spanish.

15. Goldman told potential traders that under the E Trade Fund program they would be day trading with a group of traders, and would therefore be better protected against certain losses or risks. For instance, he told investors they would never have margin calls or trading restrictions.

16. Goldman also explained to potential traders in the seminars that they could sign up for E Trade Fund's program with only a minimal investment, and immediately have buying power of up to four times their initial deposit with no restrictions.

17. The website Goldman used to solicit traders in the seminars for his day-trading program contained a biography that touted his professional background and experience. The biography stated Goldman had "over 15 years of experience corporate training [sic], infrastructure and development of financial business." It also described Goldman as a "professional trader," who "has built an excellent reputation due to his abilities of forecast [sic] market movements." Goldman omitted to disclose on the website, however, that in 1994 he was criminally convicted for grand theft and forgery in Miami, Florida.

B. Opening a Trading Account

18. Goldman required investors who joined E Trade Fund's day-trading program to fill out and execute certain account opening documents, including a "Trader Agreement" between the individual and E Trade Fund. The day traders could fund their accounts with an initial deposit of as little as \$1,000.

19. The Trader Agreement and the Company's website stated the trader's account would be protected by the Securities Investor Protection Corporation ("SIPC") for up to

\$500,000, and further protected by insurance that Penson carried for up to \$24.5 million. This statement appeared directly under the signature line of the Trader Agreement.

20. Under the terms of the Trader Agreement, E Trade Fund's day traders received 100 percent of the net profits and were responsible for 100 percent of the losses generated from the trading in their respective sub-accounts. The agreement also provided that E Trade Fund had "absolute discretion" to limit a trader's activity and liquidate any trading positions at any time.

21. According to the Trader Agreement, day traders agreed to trade securities on behalf of E Trade Fund, and the company agreed to maintain a capital deposit account on their behalf. The agreement referred to the traders as "independent contractors" of E Trade Fund.

22. In reality, traders did not trade securities on behalf of E Trade Fund or provide the Company with any other service. Once a trader signed the Trader Agreement and paid an initial deposit, Goldman created a sub-account at Integrity.

23. Goldman did not provide Integrity with these Trader Agreements and Integrity treated E Trade Fund as a single customer with numerous sub-accounts.

24. Accordingly, the investors' sub-accounts were ultimately linked to E Trade Fund's master securities trading account and to other investor sub-accounts, including Goldman's own personal trading account.

25. Over approximately two years, E Trade Fund and Goldman opened about 105 sub-accounts on behalf of day traders, and traders deposited approximately \$2.15 million.

C. Structure of the Trading Program Fees

26. Goldman provided each trader with independent access to his or her sub-account via a login name and password.

27. The traders were also able to use Goldman's Miami office to conduct their trading. This location had about 10 computer stations set up, with roughly 10 to 20 traders using the facility on a weekly basis.

28. Day traders paid E Trade Fund a fixed commission rate on all trades executed in their sub-account, typically \$12.95 per trade, which was reflected in each trader's Trader Agreement.

29. Integrity charged and collected these commissions; however, at the end of the month, Integrity rebated part of those commissions to the master trading account based on the total trading volume in the E Trade Fund accounts.

30. For example, Integrity only charged \$2.95 per trade when combined trading of all E Trade Fund accounts exceeded 2000 for the month. Integrity then credited the difference between the initial charge (e.g. \$12.95 per trade) and final reduced charge based on the trade volume (\$2.95 per trade) to the master trading account (\$10 per trade).

31. During the Relevant Period, these commission rebates generated revenue for Goldman and E Trade Fund of approximately \$260,000.

32. During the Relevant Period, Goldman transferred funds, including more than \$280,000 for his compensation, from the master trading account to a bank account over which he had exclusive control.

D. Operation of the Trading Program

33. In a little more than a year after E Trade Fund began operating, sub-account holders generated more than \$266 million in securities transactions.

34. Goldman often transferred funds among the various sub-accounts and master trading account in order to avoid margin calls in other sub-accounts. This allowed traders to circumvent certain regulatory requirements and continue trading.

35. Ultimately, traders who participated in E Trade Fund's day-trading program incurred significant trading losses amounting to approximately \$1.06 million of the \$2.15 million they originally invested.

36. Integrity forced Goldman to close the sub-accounts in or about February 2006. For more than 65 traders who had positive balances in their sub-accounts, Goldman returned their money.

37. However, nine traders had incurred substantial trading losses and had negative account balances. These nine sub-accounts combined for an approximate \$417,000 shortfall.

38. Since the only actual customer account was the master trading account, for which Goldman was responsible, Integrity required Goldman to cover the shortfall. In order to offset those losses, Goldman fraudulently diverted funds belonging to two investors.

39. Specifically, Goldman diverted approximately \$285,000 from one trader's sub-account to cover part of the shortfall, and also used \$117,000 in funds belonging to another investor that had been in Goldman's own sub-account to cover most of the remaining portion of the shortfall.

V. E TRADE FUND'S OFFERING OF CERTIFICATES OF DEPOSIT

40. At the same time Goldman ran the day-trading operation, he offered and sold other investments in E Trade Fund, which he characterized as certificates of deposit.

41. Goldman offered these investments to the public via an affiliated website, www.atradefund.com, which emphasized these investments offered secured capital and guaranteed returns.

42. The certificate of deposit application form ("Application") bore E Trade Fund's name and logo, and offered a guaranteed rate of return for a minimum investment of \$10,000.

43. Over the time period E Trade Fund offered these certificates, the offered rate of return ranged from a 5% to 10% annual return on a 6-month certificate to a 7% to 12% annual return on a 12-month certificate.

44. The Application falsely stated the Federal Deposit Insurance Corporation ("FDIC") insured the certificates for up to \$100,000. These investments, however, were not issued by nor were the investor funds deposited with a federally insured bank.

45. Rather, Goldman used the funds raised from the sale of the purported certificates to maintain additional reserves for the E Trade Fund day-trading operation.

46. At least two investors invested about \$317,000 in E Trade Fund's certificates of deposit. The investors were existing traders in the E Trade Fund's day-trading program.

47. Although bank records indicate Goldman eventually repaid those investors their principal along with interest using funds generated through the trading program, the investors' funds were not secure and rates of return were not guaranteed because payment depended on E Trade Fund generating revenue.

VI. MATERIAL MISREPRESENTATIONS AND OMISSIONS

48. Goldman signed the documents opening the E Trade Fund master securities trading account. This documentation expressly stated E Trade Fund could open sub-accounts for viewing purposes only, but for all other purposes, they would be treated as a single customer account.

49. Thus, Goldman knew, or was severely reckless in not knowing, that E Trade Fund was the only actual customer of Integrity and Penson.

50. Despite this knowledge, Goldman represented to each trader that SIPC protected their individual accounts for up to \$500,000 each. In reality, SIPC protected only one account – the E Trade Fund master securities trading account - for up to \$500,000.

51. Additionally, Goldman's statement to investors that they would be better protected by trading with a group was not true. In fact, investors who participated in E Trade Fund's trading program were exposed to, and incurred, much greater risks than if they had traded alone through a registered broker-dealer because they were exposed to the trading losses of the other participants in E Trade Fund's trading program.

52. Furthermore, Goldman charged investors a fixed commission per trade, which he disclosed in the Trader Agreement. However, he omitted to disclose that E Trade Fund received commission rebates from Integrity based on the group's monthly trading volume and those rebates were E Trade Fund's only source of revenue.

53. Additionally, Goldman omitted to disclose to traders that he was criminally convicted for grand theft and forgery in 1994 even though E Trade Fund's website touted Goldman's professional experience and reputation.

54. Furthermore, Goldman represented the certificates of deposit were FDIC insured. Goldman knew, or was severely reckless in not knowing, this statement was false because these instruments were never issued by, or affiliated with, any federally regulated bank or financial institution.

55. Additionally, Goldman's representations on the www.atradefund.com website that the certificates offered "Secured Capital, Guarantee Return" were false because Goldman used

the funds he received from the sales of the certificates to fund E Trade Fund's high-risk day-trading operation. Thus, investor capital was not secure and returns were not guaranteed.

VII. GOLDMAN ACTED AS AN UNREGISTERED BROKED-DEALER

56. During the Relevant Period, Goldman operated E Trade Fund as an unregistered broker-dealer, without an exemption from registration.

57. Goldman was E Trade Fund's sole managing member. Goldman and E Trade Fund solicited securities transactions by seeking investors for the day-trading program through Goldman's seminars, affiliated websites, and Spanish-language media.

58. Goldman and E Trade Fund also provided day-trading services, including creating and maintaining sub-accounts for the traders and providing traders with access to software to place securities orders.

59. Furthermore, Goldman handled the traders' funds, which were used for securities transactions, and allowed the traders to leverage their trades against the master trading account.

60. Finally, Goldman benefited from operating E Trade Fund, retaining more than \$280,000 he transferred from the master trading account into a bank account over which he had exclusive control.

COUNT I

Sales of Unregistered Securities in Violation of Sections 5(a) and 5(c) of the Securities Act

61. The Commission repeats and realleges paragraphs 1 through 60 of its Complaint.

62. No registration statement was filed or in effect with the Commission pursuant to the Securities Act with respect to the securities and transactions described in this Complaint, and no exemption from registration exists with respect to the securities and transactions described in this Complaint.

63. From at least May 2004 through about February 2006, Goldman, directly and indirectly: (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise; (b) carried securities or caused such securities to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale; or (c) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise, without a registration statement having been filed or being in effect with the Commission as to such securities.

64. By reason of the foregoing, Goldman violated, and, unless enjoined, is reasonably likely to continue to violate Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

COUNT II

Fraud in Violation of Section 17(a)(1) of the Securities Act

65. The Commission repeats and realleges paragraphs 1 through 60 of its Complaint.

66. From at least May 2004 through about February 2006, Goldman directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described in this Complaint, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

67. By reason of the foregoing, Goldman, directly and indirectly, violated and, unless enjoined, is reasonably likely to continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a).

COUNT III

Fraud in Violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act

68. The Commission repeats and realleges paragraphs 1 through 60 of its Complaint.

69. From at least May 2004 through about February 2006, Goldman, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, in the offer or sale of securities: (a) obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; or (b) engaged in transactions, practices and courses of business which operated as a fraud or deceit upon purchasers and prospective purchasers of such securities.

70. By reason of the foregoing, Goldman, directly and indirectly, violated and, unless enjoined, is reasonably likely to continue to violate 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

Fraud in Violation of Section 10(b) and Rule 10b-5 of the Exchange Act

71. The Commission repeats and realleges paragraphs 1 through 60 of its Complaint.

72. From at least May 2004 through about February 2006, Goldman, directly and indirectly, by use of the means and instrumentality of interstate commerce, and of the mails in connection with the purchase or sale of securities, knowingly, willfully or recklessly: (a) employed devices, schemes or 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 the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices and courses of business which operated as a fraud upon the purchasers of such securities.

73. By reason of the foregoing, Goldman directly or indirectly violated and, unless enjoined, is reasonably likely to continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.

COUNT V

**Failure to Register as a Broker-dealer in Violation of
Section 15(a)(1) of the Exchange Act**

74. The Commission repeats and realleges paragraphs 1 through 60 of this Complaint.

75. From at least May 2005 through about February 2006, Goldman by engaging in the conduct described above, made use of the mails or means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, securities.

76. During the relevant period, Goldman was neither registered with the Commission as a broker-dealer in accordance with Exchange Act Section 15(b), 15 U.S.C. § 78o(b), nor associated with a Commission registered broker-dealer.

77. By reason of the foregoing, Goldman directly or indirectly violated and, unless enjoined, is reasonably likely to continue to violate Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

Declare, determine and find that Goldman committed the violations of the federal securities laws alleged herein.

II.

Permanent Injunctive Relief

Enter a Final Judgment of Permanent Injunction, restraining and enjoining Goldman from violating Sections 5(a), 5(c), and 17(a) of the Securities Act, and Sections 10(b), 15(a)(1) and Rule 10b-5 of the Exchange Act, as indicated above.

III.

A Sworn Accounting

Issue an Order requiring Goldman to file with this Court sworn written accountings identifying:

(1) All assets, liabilities and property currently held, directly or indirectly, by or for the benefit of Goldman, including, without limitation, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount;

(2) All money, funds, securities, property (real and personal), assets and income received by Goldman, or for his direct or indirect benefit, at any time from May 1, 2004 through the date of such accounting, describing the source, amount, disposition and current location of each of the items listed; and

(3) The names and last known addresses of all bailees, debtors, and other persons and entities that currently are holding the assets, funds or property of Goldman.

IV.

Disgorgement

Issue an Order directing Goldman to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

V.

Penalties

Issue an Order directing Goldman to pay a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

VI.

Further Relief

Grant such other and further relief as may be necessary and appropriate.

VII.

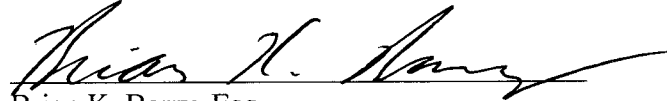
Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

September 25, 2008

Respectfully submitted,

By:



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JS 44 (Rev. 2/08)

CIVIL COVER SHEET

CIV - LENARD

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.) **NOTICE: Attorneys MUST Indicate All Re-filed Cases Below.**

I. (a) PLAINTIFFS

SECURITIES AND EXCHANGE COMMISSION

DEFENDANTS

RICARDO H. GOLDMAN

08-22666

(b) County of Residence of First Listed Plaintiff

(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant MIAMI-DADE

(IN U.S. PLAINTIFF CASES ONLY)

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

Brian K. Barry, Esq., (305) 982-6382
Securities and Exchange Commission
801 Brickell Avenue, Suite 1800, Miami, Florida 33131

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

Attorneys (If Known)

Kevin W. Brown, Esq., Whidden Brown P.L.
401 Miracle Mile, Suite 202, Coral Gables, Florida 33134

(d) Check County Where Action Arose: ☒ MIAMI-DADE ☐ MONROE ☐ BROWARD ☐ PALM BEACH ☐ MARTIN ☐ ST. LUCIE ☐ INDIAN RIVER ☐ OKLAHOMA

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

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

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One 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	PERSONAL INJURY	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	PROPERTY RIGHTS	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 630 Liquor Laws	<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 450 Commerce
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 330 Federal Employers' Liability	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 650 Airline Regs.	<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 660 Occupational Safety/Health	SOCIAL SECURITY	<input type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	LABOR	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 810 Selective Service
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 710 Fair Labor Standards Act	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange
<input type="checkbox"/> 195 Contract Product Liability	PERSONAL PROPERTY	<input type="checkbox"/> 720 Labor/Mgmt. Relations	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 875 Customer Challenge 12 USC 3410
<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 890 Other Statutory Actions
REAL PROPERTY	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 740 Railway Labor Act	FEDERAL TAX SUITS	<input type="checkbox"/> 891 Agricultural Acts
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 790 Other Labor Litigation	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 892 Economic Stabilization Act
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 893 Environmental Matters
<input type="checkbox"/> 230 Rent Lease & Ejectment	CIVIL RIGHTS	IMMIGRATION		<input type="checkbox"/> 894 Energy Allocation Act
<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 462 Naturalization Application		<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 463 Habeas Corpus-Alien Detainee		<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
<input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 465 Other Immigration Actions		
	<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			
	PRISONER PETITIONS			
	<input type="checkbox"/> 510 Motions to Vacate Sentence			
	<input type="checkbox"/> 530 General			
	<input type="checkbox"/> 535 Death Penalty			
	<input type="checkbox"/> 540 Mandamus & Other			
	<input type="checkbox"/> 550 Civil Rights			
	<input type="checkbox"/> 555 Prison Condition			

V. ORIGIN

(Place an "X" in One Box Only)

☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Re-filed (see VI below) ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. RELATED/RE-FILED CASE(S).

(See instructions second page):

a) Re-filed Case ☐ YES ☒ NOb) Related Cases ☐ YES ☒ NO

JUDGE

DOCKET NUMBER

VII. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity):

15 U.S.C. §§ 77e(a) and 77e(c); 15 U.S.C. § 77q(a); 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3); 15 U.S.C. § 78o(a)(1); 17 C.F.R. § 240. Violations of the federal securities laws.

LENGTH OF TRIAL via _____ days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT:

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

DEMANDS

Disgorgement & Civil Penalty

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE

SIGNATURE OF ATTORNEY OF RECORD

DATE

FOR OFFICE USE ONLY

AMOUNT

RECEIPT #

IFP