

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.:

08-80959-CIV-HURLEY/HOPKINS

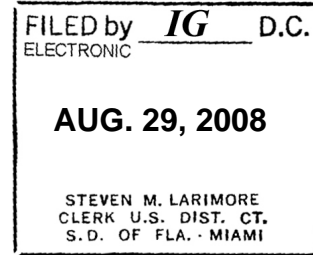
SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

DONALD D. LABARRE,)

Defendant.)



COMPLAINT

Plaintiff Securities and Exchange Commission alleges:

I. INTRODUCTION

1. In March 2002, the District Court for the Southern District of Florida entered an Order permanently enjoining Defendant Donald D. LaBarre from violating the registration and antifraud provisions of the federal securities laws. However, from at least May 2005 through September 2007, LaBarre orchestrated another securities fraud. This time, he raised at least \$3.8 million from approximately 250 investors by offering and selling unregistered securities related to Homeland Communications Corporation, a company he controlled as its self-proclaimed CEO and Chairman of the Board.

2. In connection with the offer and sale of Homeland's securities, LaBarre and Homeland made numerous material misrepresentations and omissions to investors through the Homeland website, telemarketers, and a private placement memorandum ("PPM"), including bogus promises of an initial public offering ("IPO").

3. LaBarre and Homeland also falsely represented that Homeland would spend investor proceeds on marketing, obtaining additional Federal Communications Commission (“FCC”) licenses, and acquiring Highland Communications LLC, a privately held New Hampshire telecommunications company.

4. All of these claims were patently false. Homeland never filed a registration statement with the Commission or made any other attempt to go public. Homeland had no FCC licenses or pending FCC license applications, and did not acquire Highland. Additionally, LaBarre and Homeland failed to disclose that, contemporaneously with Homeland’s securities offering, Pennsylvania and Texas ordered Homeland to cease and desist selling its unregistered securities in those states.

5. Furthermore, LaBarre misappropriated investors’ funds by diverting nearly \$3.2 million to himself, his associates and family members, and corporate entities he and his family controlled.

6. Through his conduct, LaBarre 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 Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5. Given LaBarre’s history as a repeat offender, the length and seriousness of the violations alleged here, the degree of scienter, and the willful and wanton disregard for the federal securities laws that he displayed, LaBarre has shown that he will continue to violate the federal securities laws unless the Court grants the injunctive and other relief the Commission seeks.

II. THE DEFENDANT AND RELEVANT ENTITIES

A. The Defendant

8. LaBarre, 67, resides in Boca Raton, Florida, and held himself out to the public as the CEO and Chairman of the Board of Homeland. In August 2004, the Court permanently enjoined LaBarre from violating the registration and antifraud provisions of the federal securities laws. *SEC v. Larry Grabarnick, Marc David Shiner, Donald LaBarre, and Sara Jane Peck*, Case No. 02-Civ-20875-LENARD (S.D. Fla., Mar. 21, 2002). LaBarre has never been registered with the Commission in any capacity.

9. In addition, numerous states have sanctioned LaBarre for selling unregistered securities:

- a) On September 8, 1998, the Pennsylvania Securities Commission issued a cease-and-desist order to prohibit LaBarre from offering and selling securities in Pennsylvania.
- b) On November 23, 1998, the Indiana Securities Commission issued a cease-and-desist order to prohibit LaBarre from offering and selling securities in Indiana.
- c) On September 16, 1999, the Wyoming Secretary of State issued a cease-and-desist order to prohibit LaBarre from representing himself as a securities agent in Wyoming unless he is registered.
- d) On December 9, 1999, the Wisconsin Division of Securities issued a cease-and-desist order to prohibit LaBarre from selling securities in Wisconsin.

e) On August 30, 2000, the Florida Department of Banking and Finance issued a consent order prohibiting LaBarre from violating the state security statutes and requiring him to pay an administrative fine.

f) On October 4, 2001, the Illinois Securities Commission issued a cease-and-desist order to prohibit LaBarre from offering or selling any securities in the state.

g) In June 2002, the Oregon Department of Consumer and Business Services issued an order entering a civil penalty against LaBarre and prohibiting him from applying for an Oregon securities license for a period of seven years.

h) On October 12, 2004, the Kansas Securities Commission issued a cease-and-desist order to bar LaBarre from association with any broker-dealer or investment adviser in Kansas.

B. Relevant Entities

10. Homeland is a Delaware corporation incorporated in March 2005 with its principal places of business in Deerfield Beach, Florida. Frances LaBarre, who is LaBarre's wife, is reported in Delaware corporate filings as the sole officer and director. Homeland purported to be in the business of building and operating local wireless communication facilities. Homeland never registered with the Commission any offering of securities under the Securities Act or any class of securities under the Exchange Act. On September 7, 2005, the Pennsylvania Securities Commission issued a cease-and-desist order to halt the unregistered offer and sale of Homeland securities in Pennsylvania. On October 12, 2006, the Texas State Securities Board issued a cease-and-desist order to halt the unregistered offer and sale of Homeland securities in Texas.

11. On September 5, 2007, the Commission filed an emergency civil injunctive action against Homeland, Frances LaBarre, and Joseph Yurkin, Homeland's vice president of Investor

Relations, based on their violations of the registration and antifraud provisions in connection with Homeland's offering of securities to the public. *SEC v. Homeland Communications Corporation, et al.*, Case No. 07-80802-CIV-MARRA/JOHNSON (S.D. Fla.) (the "Homeland Action"). The emergency civil injunctive action also named several corporate entities that received ill-gotten gains as relief defendants. The court appointed a Receiver over Homeland and the relief defendants, and the Commission froze nearly \$1.1 million in investor funds. In late 2007, the court entered consent injunctions permanently enjoining Homeland, Frances LaBarre, and Yurkin from violating the federal securities laws.

12. Oak Tree Escrow Corporation is a relief defendant in the Homeland Action. Oak Tree is a privately held Florida company incorporated in January 2004, with its principal place of business in Boca Raton, Florida. LaBarre was an officer and director of Oak Tree. Oak Tree's bank account at Bank of America served as Homeland's purported escrow account. The Defendants instructed prospective Homeland investors to send a check or wire transfer to the Oak Tree account. From May 2005 to September 2007, approximately \$3.8 million of investor funds was deposited into this account. LaBarre and his daughter had signature authority over the company's bank account, and diverted approximately \$3.2 million from the Oak Tree account to themselves, their associates and family members, and companies they controlled.

13. Luna Pazza, Inc. is a relief defendant in the Homeland Action and a privately held Florida corporation. The company operated as a restaurant and is located in Boca Raton, Florida. LaBarre's daughter is the only reported officer and director of Luna Pazza. LaBarre is listed on the Luna Pazza bank account signature card as CEO. Luna Pazza received approximately \$940,000 from Oak Tree's bank account.

14. SMRDevelopment.com, Inc. is a relief defendant in the Homeland Action and a privately held Delaware corporation. LaBarre and his daughter are the company's sole officers and directors, and own 100% of its stock. SMR Development received approximately \$1,215,000 from Oak Tree's bank account.

15. SMR Acquisitions, Inc is a relief defendant in the Homeland Action and a privately held Florida corporation. Frances LaBarre is the company's sole officer and director. SMR Acquisitions received approximately \$445,000 from Oak Tree's bank account.

16. Global Survey Corporation is a relief defendant in the Homeland Action and a privately held Florida corporation. LaBarre was the president and sole officer of Global Survey. Global Survey received approximately \$160,000 from Oak Tree's bank account.

III. JURISDICTION AND VENUE

17. 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.

18. This Court has personal jurisdiction over LaBarre, and venue is proper in the Southern District of Florida, because LaBarre's acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Southern District of Florida. In addition, LaBarre resides in the Southern District of Florida.

19. In connection with the conduct alleged in this Complaint, LaBarre, 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. THE FRAUDULENT OFFERING

A. Homeland's Purported Business

20. Homeland's website touted the Company as "a pioneer in wireless communications" with "millions of potential customers nationwide."

21. Homeland told prospective investors that its objective was to acquire appreciable FCC-licensed assets and build a recurring revenue stream on new and existing FCC holdings, as well as purchase additional specialized mobile radio ("SMR") licenses in strategic areas with a view towards reselling the licenses for a profit.

22. The Homeland PPM represented to potential investors that the Company had more than 6,000 radios in stock, a large supply of GPS receivers, and 220 MHz licenses in at least seven markets. The PPM also stated Homeland intended to use existing two-way radio businesses and Nextel dealers to market its products, and give away existing radio equipment to entice customers to sign a two-year service contract at \$20 to \$30 a month. The PPM represented to potential investors that Homeland had the capacity to place 8,000 subscriber units at \$25 per unit per month to generate an annual revenue stream of \$2.4 million.

B. Solicitation of Investors

23. Homeland offered and sold stock in the company to the general public from at least May 2005 until September 2007 through Homeland's website, the PPM and other written materials, and telemarketers.

24. The terms of Homeland's offering were usually memorialized in the PPM, pursuant to which each unit consisted of at least one Homeland common stock and one warrant, priced at \$1.00 each. According to the PPM, Homeland sought to raise \$5 million. The website listed the minimum investment as \$10,000.

25. The Homeland website invited viewers to submit contact information to “learn how you can be part of a ground floor opportunity to invest in Wireless Technology.” The website had a “contact us” feature and a “free investor package” link inviting interested viewers to provide their contact information.

26. Additionally, telemarketers representing Homeland placed telephone calls to prospective investors to tell them about Homeland’s securities offering and offer to mail written materials. These telemarketers led potential investors to believe they had passed a preliminary screening and were qualified.

27. Homeland then disseminated to these prospective investors written materials that generally included a PPM, an informational brochure, a subscription agreement, an investor questionnaire, and wire transfer instructions.

28. Once Homeland’s telemarketers persuaded a prospective investor to purchase units of Homeland, they then instructed the investor to send a wire transfer payable to a bank account held in the name of Oak Tree, Homeland’s purported escrow agent.

29. After investors sent funds to the Oak Tree account, they received a stock certificate representing their ownership interest in Homeland. Investors also received stockholder letters that touted Homeland’s acquisition of certain companies, the Company’s goal of going public, and its active pursuit of additional licenses in major markets such as Miami, Dallas, and Las Vegas.

C. LaBarre’s Role in the Scheme

30. LaBarre was the founder of Homeland and directly or indirectly controlled the company. LaBarre executed the document ordering the creation of Homeland and paid the Delaware corporation filing fees and registered agent fees through SMR Development.

31. LaBarre sent Homeland investors at least one newsletter representing he was Homeland's Chairman and CEO. In that newsletter, LaBarre represented:

- a) "Homeland Communications now owns 100% of the stock of Highland Communications LLC."
- b) Homeland had an inventory of over 6,000 radios.
- c) Homeland was purchasing new licenses in strategic areas of the country.
- d) Homeland had twelve "site locations" with a market value of \$20,000,000.00 and four site locations were operating.

All of these representations were false, and LaBarre knew, or was severely reckless in not knowing, they were false when he made them, for the reasons discussed in the next two paragraphs.

32. LaBarre negotiated with Highland on behalf of Homeland. On August 8, 2007, LaBarre signed an acquisition agreement as Homeland's CEO to acquire Highland. In August 2008, LaBarre also signed a promissory note to Highland as CEO of Homeland. Because LaBarre negotiated with Highland and executed the acquisition agreement, he knew Homeland's acquisition of Highland never came to fruition.

33. LaBarre was a signatory on the Homeland bank account, controlled the movement of money in that account, and executed Homeland checks. He therefore knew, or was severely reckless in not knowing, what money Homeland was spending for inventory, site locations, and otherwise. LaBarre opened Homeland's corporate bank account and signed the bank documents as Homeland's "Sec." or "Secretary/Assistant Secretary."

34. LaBarre also personally solicited several investors to buy units and distributed Homeland's PPM and offering materials to at least one investor. He also knew about

Homeland's solicitation efforts. In a newsletter to Homeland investors, LaBarre represented "the [Homeland] Call Center is in operation We are also doing surveys looking for investors for our pre IPT shares."

35. LaBarre also paid the Homeland telemarketers their commissions, using SMR Development's bank account.

36. In addition, LaBarre was a signatory on the Oak Tree bank account, where all the investors deposited their funds. Oak Tree diverted about \$3.2 million of investor funds from the Oak Tree account to LaBarre, his associates and family members, and companies he and his family members controlled.

37. LaBarre also held himself out as president of the corporation that was Homeland's sole shareholder.

D. Fraudulent Misrepresentations and Omissions in the Homeland Offering

38. Directly, or by virtue of controlling Homeland, LaBarre made material misrepresentations and omissions in connection with Homeland's unregistered offering, including: (1) promises of an upcoming IPO; (2) the involvement of well-known investment banks; (3) the use of investor funds; (4) Homeland's assets and acquisitions; (5) the existence of FCC licenses; and (6) Homeland's regulatory history.

1. False Promises of an Initial Public Offering and the Involvement of Well-Known Investment Banks

39. Homeland's website advertised it was "making available a pre IPO offer" and "investors can look back at what others have made by investing in Microsoft and Google before they went public."

40. The Homeland website created a sense of urgency to entice investors by representing Homeland would sell pre-IPO shares "for a limited time." Additionally, the PPM

stated Homeland intended to file a registration statement with the Commission, leading investors to believe a public offering was imminent.

41. LaBarre solicited investors and led them to believe Homeland was going public. For example, LaBarre solicited at least one investor in his condominium unit to invest approximately \$500,000 in Homeland. In addition, on May 11, 2005, LaBarre represented Homeland had a profit level of more than \$1 million and would go public within a set period of time at more than \$4 per share. Similarly, in or about May 2005, LaBarre represented to another investor that Homeland would go public within a set period of time at more than \$4 per share. LaBarre controlled Homeland and its bank accounts and knew or was reckless in not knowing the representations concerning Homeland's profits were false.

42. Homeland's telemarketers led investors to believe Homeland's IPO was imminent. For example, in an effort to persuade an investor to purchase an additional 5,000 shares, a Homeland telemarketer told the investor in July 2007 that Homeland was going into a "quiet period" because the Company's IPO would take place in a matter of weeks.

43. Additionally, Homeland represented to prospective investors that well-known brokerage firms such as JP Morgan Chase would handle underwriting for the IPO.

44. These representations were utterly false. Homeland never filed or attempted to file a registration statement with the Commission necessary for an IPO, and an IPO was not imminent. JP Morgan Chase never had any investment banking relationship with Homeland and did not agree to underwrite an IPO for Homeland. LaBarre knew or was reckless in not knowing these representations were false because he controlled Homeland.

2. Misuse of Investor Proceeds

45. LaBarre and Homeland also misused and misappropriated Homeland investor funds deposited in the Oak Tree bank account.

46. Homeland's offering materials represented to prospective investors that Homeland would spend \$1.25 million of the \$5 million raised on marketing, approximately \$1.97 million to acquire additional licenses, and \$1.4 million to acquire Highland.

47. Instead, LaBarre and Homeland diverted about \$3.2 million of the approximately \$3.8 million in Homeland investor funds deposited in the Oak Tree bank account to LaBarre and his family members, and companies LaBarre and his family owned or controlled. LaBarre and his daughter had signature authority over the Oak Tree bank account.

48. Oak Tree diverted approximately \$1.2 million to SMR Development, in which LaBarre and his daughter served as the sole officers and directors.

49. Oak Tree diverted approximately \$940,000 to Luna Pazza, in which LaBarre's daughter was the sole reported officer and director.

50. Oak Tree diverted approximately \$455,000 to SMR Acquisitions, in which Frances LaBarre served as the sole reported officer and director.

51. Oak Tree diverted approximately \$160,000 to Global Survey, in which LaBarre was the sole officer and director.

52. Oak Tree diverted approximately \$251,000 to a joint account belonging to LaBarre and his wife and daughter, and about \$135,000 to an account belonging to LaBarre's daughter.

53. Oak Tree also diverted funds offshore to a bank account LaBarre controlled and to lease or buy real property for LaBarre in the Federation of Saint Kitts and Nevis.

3. False Statements Regarding Homeland's Assets And Acquisitions

54. LaBarre and Homeland also made misrepresentations concerning Homeland's assets and purported acquisition of Highland.

55. Homeland's PPM represented Homeland had acquired Highland and would operate the business as a wholly-owned subsidiary. The PPM also stated Homeland had 6,000 radios and had obtained licenses in seven strategic markets as part of the acquisition.

56. LaBarre represented to at least one investor that Homeland owned radio equipment and was in the process of acquiring FCC licenses. He also represented to investors that Homeland owned all of Highland's stock. LaBarre knew or was reckless in not knowing these representations were false because he controlled Homeland and its bank accounts, and he negotiated the Highland acquisition agreement and knew Homeland never acquired Highland.

57. Homeland's telemarketers told potential investors that Homeland had acquired Highland and was consolidating Highland's FCC licenses.

58. In letters to stockholders dated September 2006, Homeland claimed it had begun acquiring Highland, which would serve as Homeland's operating company.

59. The offering materials disseminated to investors contained "Profit & Loss" statements for Highland, as well as an accounts receivable transactions list and Highland's income tax return statement.

60. Homeland's representations about its assets and acquisition of Highland were patently false. There was no signed contract for Homeland to acquire Highland and no change of ownership took place.

4. False Statements Regarding FCC Licenses

61. Homeland and LaBarre also misrepresented Homeland's ownership of FCC licenses. Homeland led prospective investors to believe it owned FCC licenses in at least Kentucky and New York City. One telemarketer told a prospective investor Homeland operated in 21 markets. LaBarre represented to investors that Homeland was acquiring FCC licenses.

62. However, Homeland had no FCC licenses.

63. LaBarre knew or was reckless in not knowing Homeland had no FCC licenses because he controlled Homeland and its bank accounts and knew the Company never paid for licenses.

5. Homeland's Regulatory History

64. LaBarre and Homeland failed to disclose to prospective investors the September 7, 2005 Pennsylvania C&D Order against Homeland and Frances LaBarre, and the October 2006 Texas C&D Order against Homeland, Frances LaBarre, and Yurkin halting the sale of Homeland's unregistered securities in those states. Nor did LaBarre and Homeland disclose the Florida, Oregon, Kansas, Wyoming, Wisconsin, Oregon, Indiana, or Illinois orders concerning his securities violations in those states.

65. Neither LaBarre nor the Homeland telemarketers told potential investors about the C&D Orders against Homeland. Homeland's website made no reference to these orders.

COUNT I

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

66. The Commission repeats and realleges paragraphs 1, 8, 10-12, 17-19, 22-29, 34, 41 of its Complaint.

67. 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.

68. Beginning in May 2005, LaBarre, 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.

69. By reason of the foregoing, LaBarre violated, and, unless enjoined, will 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

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

71. Beginning in May 2005, LaBarre 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.

72. By reason of the foregoing, LaBarre, directly and indirectly, violated and, unless enjoined, will 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

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

74. Beginning in May 2005, LaBarre, 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.

75. By reason of the foregoing, LaBarre, directly and indirectly, violated and, unless enjoined, will 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

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

77. Beginning in May 2005, LaBarre, 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.

78. By reason of the foregoing, LaBarre directly or indirectly violated and, unless enjoined, will 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

Control Person Liability for Homeland's Violation of Section 10(b) and Rule 10b-5 of the Exchange Act

79. The Commission repeats and realleges paragraphs 1 through 65 of this Complaint.

80. From at least May 2005 through in or about September 5, 2007, LaBarre was, directly or indirectly, a control person of Homeland for purposes of Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

81. From at least May 2005 through in or about September 5, 2007, Homeland violated Sections 5(a), 5(c), and 17(a) of the Securities Act, and Section 10(b) and Rule 10b-5 of the Exchange Act.

82. As a control person of Homeland, Defendant LaBarre is jointly and severally liable with, and to the same extent as, Homeland for its violations of Sections 5(a), 5(c), and 17(a) of the Securities Act, and Section 10(b) and Rule 10b-5 of the Exchange Act.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

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

II.

Permanent Injunctive Relief

Enter a Final Judgment of Permanent Injunction, restraining and enjoining LaBarre, his agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating Sections 5(a), 5(c), and 17(a) of the Securities Act, and Section 10(b) and Rule 10b-5 of the Exchange Act, as indicated above.

III.

A Sworn Accounting

Issue an Order requiring LaBarre to file with this Court a sworn written accounting identifying:

(1) All assets, liabilities and property currently held, directly or indirectly, by or for the benefit of LaBarre, 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 LaBarre, or for his direct or indirect benefit, at any time from May 1, 2005 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 LaBarre.

IV.

Repatriation of Funds

Issue an Order directing LaBarre to repatriate assets held outside the United States, if any.

V.

Disgorgement

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

VI.

Penalties

Issue an Order directing LaBarre to pay civil money penalties 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).

VII.

Further Relief

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

VIII.

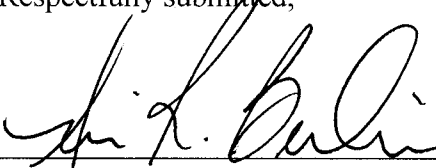
Retention of Jurisdiction

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.

August 29, 2008

Respectfully submitted,

By:



Amie Riggle Berlin

Senior Trial Counsel

Florida Bar No. 630020

Direct Dial: (305) 982-6322

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Attorney for Plaintiff

**SECURITIES AND EXCHANGE
COMMISSION**

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JS 44 (Rev. 2/08)

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 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 the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.) NOTICE: Attorneys MUST Indicate All Re-filed

AUG. 29, 2008

STEVEN M. LARIMORE CLERK U.S. DIST. CT. S.D. OF FLA. - MIAMI

I. (a) PLAINTIFFS

SECURITIES AND EXCHANGE COMMISSION

DEFENDANTS

DONALD D. LABARRE

(b) County of Residence of First Listed Plaintiff

(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant PALM BEACH

(IN U.S. PLAINTIFF CASES ONLY)

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

Attorneys (If Known)

Amie Riggle Berlin, Esq., (305) 982-6322 Securities and Exchange Commission 801 Brickell Avenue, Suite 1800, Miami, Florida 33131

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

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)

- Citizen of This State
Citizen of Another State
Incorporated or Principal Place of Business In This State
Incorporated and Principal Place of Business In Another State
Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, LABOR, SOCIAL SECURITY, FEDERAL TAX SUITS, BANKRUPTCY, PROPERTY RIGHTS, OTHER STATUTES.

V. ORIGIN

- 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 NO b) Related Cases YES NO JUDGE Kenneth A. Marra Joan A. Lenard DOCKET NUMBER 07-CIV-80802 02-CIV-20875

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)(2) and 77q(a)(3), 15 U.S.C. § 78j(b) and 17 C.F.R. § 240: 15 U.S.C. § 78f(a). 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 Civil Penalties, Disgorgement 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 8/29/08 FOR OFFICE USE ONLY AMOUNT RECEIPT # IFP