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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY _____

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8
9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **WESTERN DIVISION**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 LIFE WEALTH MANAGEMENT,
17 INC., and JEFFERY S. PRESTON,

18 Defendants.

Case No.: **CV10 4769 RSWL (MANx)**
**COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

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1 Plaintiff Securities and Exchange Commission (“Commission”) alleges as
2 follows:

3 **JURISDICTION AND VENUE**

4 1. This Court has jurisdiction over this action pursuant to Sections
5 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the Securities Exchange Act of 1934
6 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e), and 78aa and
7 Sections 209(d), 209(e)(1) and 214 of the Investment Advisers Act of 1940
8 (“Advisers Act”), 15 U.S.C. §§ 80b-9(d), 80b-9(e)(1) & 80b-14. Defendants have,
9 directly or indirectly, made use of the means or instrumentalities of interstate
10 commerce, of the mails, or of the facilities of a national securities exchange, in
11 connection with the transactions, acts, practices, and courses of business alleged in
12 this Complaint.

13 2. Venue is proper in this district pursuant to Section 27 of the Exchange
14 Act, 15 U.S.C. § 78aa, and Section 214 of the Investment Advisers Act, 15 U.S.C.
15 § 80b-14, because certain of the transactions, acts, practices, and courses of
16 conduct constituting violations of the federal securities laws occurred within this
17 district and Defendants reside in this district.

18 **SUMMARY**

19 3. This matter involves fraud and breach of fiduciary duty by Life
20 Wealth Management, Inc. (“Life Wealth”), an investment adviser, and its owner
21 and principal, Jeffery S. Preston (“Preston”), for placing clients in unsuitable
22 investments and misrepresenting and failing to disclose the serious risks of these
23 investments.

24 4. From October 2005 to October 2007, Preston recommended that more
25 than 30 Life Wealth clients invest \$6.9 million in unsecured promissory notes (the
26 “Notes”) issued by Atherton-Newport Investments, LLC (“Atherton-Newport”), a
27 “scratch-and-dent” real estate company. In July 2005, Life Wealth’s attorney
28 cautioned Preston about recommending the Notes to his clients due to their

1 “enormous risk.” Nevertheless, not only did Preston recommend the Notes to his
2 clients, but he represented the Notes to be a “solid” and lucrative investment and
3 falsely reassured clients that their principal would be safe while minimizing, and in
4 many instances failing to disclose, the significant risks inherent in an unsecured
5 loan. Additionally, by recommending the Notes, Preston failed to invest Life
6 Wealth client assets in a manner suitable to the clients’ risk tolerance, including
7 their age, financial condition, and concerns about preserving assets. Atherton-
8 Newport defaulted on all of the outstanding Notes in September 2007, causing
9 almost \$6.7 million of losses for Life Wealth clients, and filed for Chapter 11
10 bankruptcy on January 16, 2008.

11 5. By engaging in the conduct described in this complaint,
12 Life Wealth and Preston, directly and indirectly, engaged in acts, practices, and
13 courses of business in violation of Section 10(b) of the Exchange Act, 15 U.S.C. §
14 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5, and Sections 206(1) and
15 206(2) of the Investment Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

16 6. The Commission brings this action for a judgment permanently
17 restraining and enjoining Life Wealth and Preston against future violations of the
18 federal securities laws, ordering disgorgement of unlawful profits and prejudgment
19 interest thereon, and imposing civil penalties against each defendant.

20 THE DEFENDANTS

21 7. Life Wealth Management, Inc. is a California limited liability
22 company and investment adviser based in Valencia, California. Life Wealth
23 registered with the Commission as an investment adviser on June 18, 2007. As of
24 March 31, 2008, Life Wealth had 250 clients and \$36.9 million in assets under
25 management, of which about 18% was invested in the Notes. On September 29,
26 2009, Life Wealth withdrew its registration with the Commission. Life Wealth has
27 been registered as an investment adviser with the state of California since
28 September 21, 2009.

1 8. Jeffery S. Preston, age 41, resides in Valencia, California. Preston is
2 the owner, president, and chief compliance officer of Life Wealth. Preston co-
3 owned Life Wealth with another individual from January 2004 to June 2008, and
4 has been providing investment advice to clients since January 2004. Preston had
5 discretionary authority over Life Wealth clients' accounts.

6 **RELATED NON-PARTY**

7 9. Atherton-Newport Investments, LLC was a California limited liability
8 company headquartered in Irvine, California that primarily purchased, renovated,
9 and resold residential properties. Atherton-Newport sold equity investments in
10 these properties, and in late 2004 began issuing the Notes. It filed for Chapter 11
11 bankruptcy on January 16, 2008.

12 **THE FACTUAL ALLEGATIONS**

13 **A. ATHERTON-NEWPORT AND THE NOTES**

14 10. Atherton-Newport was formed in 2001. Based in Irvine, California,
15 Atherton-Newport's primary business was to purchase, renovate, and re-sell
16 apartment complexes. Atherton-Newport managed approximately seventeen
17 complexes over the life of the company, each of which was purchased by an
18 individual limited liability company, or Atherton-Newport Fund, that held only
19 that single property. The purpose of each Atherton-Newport Fund was to provide
20 financing for the acquisition of a "fee interest" in a property, complete capital
21 improvements, maximize net cash flow during the one-to-three year holding
22 period, and sell the property for a profit.

23 11. Atherton-Newport began selling investments in the Notes sometime in
24 December 2004 and ultimately sold a total of \$40 million in the Notes to
25 approximately 250 investors. Atherton-Newport represented that the Notes made
26 monthly interest payments at rates ranging from 9.5% to 18.0% annually, had
27 short-term maturities that were typically 90 days, and were backed by the personal
28 guarantees of Atherton-Newport's two principals. Atherton-Newport further

1 represented that the Notes were earmarked for real estate investments related to the
2 Atherton-Newport Funds, and that the loan proceeds would be used to purchase
3 equity interests in, or loan money to, the Atherton-Newport Funds. However, the
4 Notes do not contain language restricting Atherton-Newport's use of the loan
5 proceeds to the referenced properties but instead state that the proceeds "may" be
6 used either in connection with the referenced properties, or for "general corporate
7 purposes."

8 12. On September 30, 2007, all of the outstanding Notes went into default
9 when Atherton-Newport failed to make its interest payments.

10 **B. LIFE WEALTH AND PRESTON'S INVOLVEMENT IN ATHERTON-NEWPORT**

11 13. Preston invested \$6.9 million of Life Wealth clients' assets in the
12 Notes, which amounted to approximately 18% of Life Wealth's total assets under
13 management. Thirty-seven Life Wealth clients held outstanding Notes totaling
14 almost \$6.7 million when Atherton-Newport defaulted on them. Several of those
15 clients had invested between 25% and 100% of their portfolios and/or life's
16 savings in the Notes.

17 14. Preston, who selects all of the investments Life Wealth recommends
18 to its clients, first learned about Atherton-Newport in December 2004. At that
19 time, Atherton-Newport was only selling interests in the Atherton-Newport Funds.
20 Preston began recommending the Atherton-Newport Funds to Life Wealth clients
21 in May 2005, and \$1.5 million of Life Wealth clients' assets were ultimately
22 invested.

23 15. Sometime in May or early June 2005, Atherton-Newport's CFO
24 pitched the Notes to Preston as another potential investment for Life Wealth
25 clients. Life Wealth retained counsel shortly thereafter to review Atherton-
26 Newport's written promissory note and provide advice about potential investments
27 in the Notes. On July 11, 2005, Life Wealth's counsel wrote a letter to the firm
28 stating: "I would strongly suggest that any lender consider the enormous risk in

1 making an unsecured loan,” and “I would be very wary of advising clients to loan
2 any substantial sums under these conditions.” Preston read the letter. Despite
3 counsel’s advice and without disclosing it to Life Wealth clients, Preston began
4 recommending the Notes to Life Wealth clients in October 2005.

5 16. Life Wealth, which charged a management fee ranging from 1.25% to
6 1.50% of its clients’ assets, earned a total of \$119,491.82 in management fees in
7 connection with the Notes.

8 17. Preston recommended the Notes to Life Wealth clients in a variety of
9 ways, including email and one-on-one discussions about the Notes during routine
10 client reviews. Preston was the primary source of information about the Notes for
11 Life Wealth clients, and as such he fielded the majority of Life Wealth clients’
12 questions and concerns about the Notes.

13 18. Over half of the Life Wealth clients who invested in the Notes
14 informed Preston in their initial client interviews and in ongoing investor
15 questionnaires that protecting principal was their primary investment objective.

16 19. Because Life Wealth clients previously authorized Life Wealth to
17 wire funds from their custodial account to companies such as Atherton-Newport,
18 they did not sign the actual Note or even receive a copy of it until after they
19 invested.

20 **C. PRESTON MISREPRESENTED AND FAILED TO DISCLOSE THE NOTES’**
21 **SUBSTANTIAL RISKS**

22 20. In communications with Life Wealth clients, Preston highlighted the
23 Notes’ substantial returns, while downplaying their significant risks. When
24 Preston presented the Notes to Life Wealth clients as a potential investment, he did
25 not disclose that he had only conducted a cursory review of the co-guarantors’ key
26 documents, including their personal financial statements, and that it was unclear
27 how Atherton-Newport would use the investment proceeds. In addition, Preston
28 did not disclose to at least one Life Wealth client that the Notes were unsecured.

1 To the contrary, Preston told them the Notes were a “solid investment” and/or a
2 “strong investment” that achieved high returns due to the booming real estate
3 market. Preston also assured Life Wealth clients that their principal would be safe
4 and informed one client that “we have no concerns as to the risk of our principal.”

5 21. None of the written materials Life Wealth and Preston provided to
6 clients discussed the significant risks associated with the Notes. In fact, the only
7 written materials Preston provided to Life Wealth clients before they invested in
8 the Notes were copies of a sample promissory note and the private placement
9 memorandum for the Atherton-Newport Fund that was referenced in the particular
10 Note, if applicable. None of the private placement memoranda for the Atherton-
11 Newport Funds discussed the Notes, much less disclosed any of their risks.

12 22. Preston rolled the majority of Life Wealth clients’ initial investments
13 into successive ninety-day Notes and continued to do so until Atherton-Newport
14 defaulted on them in September 2007. Preston kept his clients invested in the
15 Notes even though several repeatedly questioned the Notes’ safety.

16 23. Preston persisted in using client assets to purchase the Notes even
17 despite his own growing concerns about Atherton-Newport. Although Preston
18 began to doubt the viability of Atherton-Newport in April 2007, when Atherton-
19 Newport’s CFO left the company, he did not so inform Life Wealth clients or
20 reduce their investments in the Notes, or make any additional inquiries into
21 whether Atherton-Newport’s principals would be able to honor their guarantees.

22 24. In August 2007, Atherton-Newport extended the maturity dates on all
23 of the outstanding Notes to September 30, 2007. This extension concerned
24 Preston, but he did not communicate his misgivings to any Life Wealth clients.

25 25. Also in August 2007, Atherton-Newport approved Preston’s request
26 to change the payment schedule on Notes held by most Life Wealth clients from
27 monthly to quarterly, if the client consented, to reduce the time Life Wealth spent
28 verifying that interest payments had been timely made. Preston personally had an

1 outstanding \$100,000 Note at the time, but he did not agree to change the payment
2 schedule on his Note. Preston then redeemed his personal Note on August 15,
3 2007.

4 26. On September 5, 2007, Atherton-Newport made final interest
5 payments to investors who held Notes that still required monthly interest
6 payments, which excluded those Life Wealth clients who had agreed – on
7 Preston’s recommendation – to switch to quarterly interest payments. All of the
8 outstanding Notes went into default on September 30, 2007.

9 27. Even after Atherton-Newport defaulted on the Notes, Preston
10 persuaded three Life Wealth clients to invest an additional \$235,000 in unsecured
11 promissory notes issued by Atherton-Newport.

12 **D. PRESTON INVESTED LIFE WEALTH CLIENTS IN THE NOTES REGARDLESS**
13 **OF THEIR RISK TOLERANCES, AGES, AND FINANCIAL CONDITION**

14 28. In addition to making misrepresentations and omissions regarding the
15 significant risks of investing in the Notes, Preston recommended the Notes to Life
16 Wealth clients even though the investment was highly unsuitable for them. For
17 example, Preston recommended that one Life Wealth client purchase a \$50,000
18 Note, which represented 33.5% of that client’s net worth. The client had an annual
19 income of \$36,000 and five dependents when he invested in the Note in June 2006.

20 29. Preston recommended that another Life Wealth client invest \$100,000
21 in the Notes, which represented 86.2% of her total net worth. That client’s investor
22 questionnaire reflected that her primary investment objective was to assure the
23 safety of her principal.

24 30. Preston also put substantial portions of elderly Life Wealth clients’
25 total assets under management into the Notes despite their advanced age and low
26 risk tolerance.

27 31. Preston similarly failed to follow Life Wealth clients’ clear
28 instructions to invest their assets under management in cash. For example, a Life

1 Wealth client asked Preston to invest \$100,000 of his Life Wealth portfolio in cash
2 for purposes of funding his daughter's college education. This client, who had
3 already invested \$180,000 in the Notes, discovered only after Atherton-Newport
4 defaulted on them that Preston had disobeyed his directive by investing the
5 \$100,000 earmarked for his daughter's tuition in another Note.

6 **FIRST CLAIM FOR RELIEF**

7 **Fraud in Connection with the Purchase or Sale of Securities**

8 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**
9 **(Against All Defendants)**

10 32. The Commission realleges and incorporates by reference paragraphs 1
11 through 31 above.

12 33. Defendants Life Wealth and Preston, and each of them, by engaging
13 in the conduct described above, directly or indirectly, in connection with the
14 purchase or sale of a security, by the use of means or instrumentalities of interstate
15 commerce, of the mails, or of the facilities of a national securities exchange, with
16 scienter:

- 17 a. employed devices, schemes, or artifices to defraud;
- 18 b. made untrue statements of a material fact or omitted to state a
19 material fact necessary in order to make the statements made,
20 in light of the circumstances under which they were made, not
21 misleading; or
- 22 c. engaged in acts, practices, or courses of business which
23 operated or would operate as a fraud or deceit upon other
24 persons.

25 34. By engaging in the conduct described above, Defendants Life Wealth
26 and Preston violated, and unless restrained and enjoined will continue to violate,
27 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder,
28 17 C.F.R. § 240.10b-5.

SECOND CLAIM FOR RELIEF

Fraud by an Investment Adviser

Violations of Sections 206(1) and 206(2) of the

Investment Advisers Act

(Against All Defendants)

35. The Commission realleges and incorporates by reference paragraphs 1 through 31 above.

36. Defendants Life Wealth and Preston, and each of them, by engaging in the conduct described above, directly or indirectly, by use of the mails or other means or instrumentalities of interstate commerce:

- a. with scienter, employed devices, schemes, or artifices to defraud clients or prospective clients; or
- b. engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon clients or prospective clients.

37. By engaging in the conduct described above, Defendants Life Wealth and Preston violated, and unless restrained and enjoined will continue to violate, Sections 206(1) and 206(2) of the Investment Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that Defendants Life Wealth and Preston committed the alleged violations.

II.

Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently enjoining Defendants Life Wealth and Preston, and their agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by

1 personal service or otherwise, and each of them, from violating Section 10(b) of
2 the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R.
3 § 240.10b-5, and Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§
4 80b-6(1) & 80b-6(2).

5 **III.**

6 Order Defendants Life Wealth and Preston to disgorge all ill-gotten gains
7 from their illegal conduct, together with prejudgment interest thereon.

8 **IV.**

9 Order Defendants Life Wealth and Preston to pay civil penalties pursuant to
10 Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section
11 209(e)(1) of the Investment Advisers Act, 15 U.S.C. § 80b-9(e)(1).


12 **V.**

13 Retain jurisdiction of this action in accordance with the principles of equity
14 and the Federal Rules of Civil Procedure in order to implement and carry out the
15 terms of all orders and decrees that may be entered, or to entertain any suitable
16 application or motion for additional relief within the jurisdiction of this Court.

17 **VI.**

18 Grant such other and further relief as this Court may determine to be just and
19 necessary.

20 DATED: June 28, 2010

21 
22 _____
23 CATHERINE W. BRILLIANT
24 Attorney for Plaintiff
25 Securities and Exchange Commission
26
27
28

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE COMMISSION

CASE NUMBER

PLAINTIFF(S)

CV10 4769 RSWL (MANx)

v.

LIFE WEALTH MANAGEMENT, INC., and
JEFFERY S. PRESTON

SUMMONS

DEFENDANT(S).

TO: DEFENDANT(S): _____

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached complaint _____ amended complaint counterclaim cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, John M. McCoy III/Catherine W. Brilliant, whose address is _____ . If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

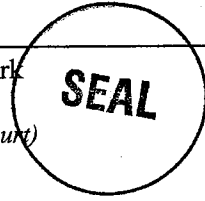
CHRISTOPHER POWERS

Dated: JUN 28 2010

By: _____

Deputy Clerk

(Seal of the Court)



[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/> SECURITIES AND EXCHANGE COMMISSION	DEFENDANTS LIFE WEALTH MANAGEMENT, INC., and JEFFERY S. PRESTON Los Angeles County
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) John M. McCoy III and/or Catherine W. Brilliant (323) 965-3998 Securities and Exchange Commission 5670 Wilshire Boulevard, 11th Floor, Los Angeles, CA 90036	Attorneys (If Known) Connie M. Anderson (213) 607-2115 Klinedinst PC 777 S. Figueroa Street, Suite 4700 Los Angeles, CA 90017

II. BASIS OF JURISDICTION (Place an X in one box only.) <input checked="" type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:40%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td align="center"><input type="checkbox"/> 1</td> <td align="center"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td align="center"><input type="checkbox"/> 4</td> <td align="center"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td align="center"><input type="checkbox"/> 2</td> <td align="center"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td align="center"><input type="checkbox"/> 5</td> <td align="center"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td align="center"><input type="checkbox"/> 3</td> <td align="center"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td align="center"><input type="checkbox"/> 6</td> <td align="center"><input type="checkbox"/> 6</td> </tr> </table>		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
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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. 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 Multi-District Litigation
 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: Yes No (Check "Yes" only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: Yes No
 MONEY DEMANDED IN COMPLAINT: \$ _____

VI. 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.)
 The Complaint alleges violations of the federal securities laws. 15 U.S.C. § 78j(b) & 17 C.F.R. § 240.10b-5 thereunder; and 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES	CONTRACT	TORTS PERSONAL INJURY	TORTS PERSONAL PROPERTY	PRISONER PETITIONS	LABOR								
<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 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 Act <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 Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 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 Loan (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 <th style="background-color: #cccccc;">REAL PROPERTY</th> <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	REAL PROPERTY	<input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. 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 <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 <th style="background-color: #cccccc;">IMMIGRATION</th> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	IMMIGRATION	<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 <th style="background-color: #cccccc;">BANKRUPTCY</th> <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <th style="background-color: #cccccc;">CIVIL RIGHTS</th> <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 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	BANKRUPTCY	CIVIL RIGHTS	<input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <th style="background-color: #cccccc;">FORFEITURE / PENALTY</th> <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	FORFEITURE / PENALTY	<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 <th style="background-color: #cccccc;">PROPERTY RIGHTS</th> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <th style="background-color: #cccccc;">SOCIAL SECURITY</th> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) (405(g)) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <th style="background-color: #cccccc;">FEDERAL TAX SUITS</th> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609	PROPERTY RIGHTS	SOCIAL SECURITY	FEDERAL TAX SUITS

CV10 4769

FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? No Yes

If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? No Yes

If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) A. Arise from the same or closely related transactions, happenings, or events; or
 B. Call for determination of the same or substantially related or similar questions of law and fact; or
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.

Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.

Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Life Wealth Management, Inc. - Los Angeles County; and Jeffery S. Preston - Los Angeles County	

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.

Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles County	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): *Gabriele W. Brillante* Date June 28, 2010

Notice to Counsel/Parties: The CV-71 (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. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Ronald S. W. Lew and the assigned discovery Magistrate Judge is Margaret A. Nagle.

The case number on all documents filed with the Court should read as follows:

CV10 - 4769 RSWL (MANx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

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NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

Western Division
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

Southern Division
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

Eastern Division
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.