

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

00-9028

SECURITIES AND EXCHANGE COMMISSION, **CIV. HURLEY**

Plaintiff,
v.

MAGISTRATE JUDGE
LYNCH

INTERNET CAPITAL HOLDINGS, INC.;
INTERNET CAPITAL HOLDINGS II, INC.;
PETER J. BUZANIS AND WILLIAM E.
GRIFFIS,

Defendants,

INTERNET CAPITAL CONSULTANTS, INC.,

Relief Defendant.

CLERK OF COURT
U.S. DISTRICT COURT
S.D. OF FLA. - MIA
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JERRY
HAYE
D.C.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission (the "SEC" or "Commission")
alleges and states as follows:

I. INTRODUCTION

1. The Commission brings this action to enjoin Defendants from continuing to violate the federal securities laws in connection with their ongoing fraudulent offering of unregistered securities issued by Defendant Internet Capital Holdings, Inc. and Internet Capital Holdings II, Inc.

II. DEFENDANTS

2. Internet Capital Holdings, Inc., ("ICH") is a Florida corporation with its principal place of business located at Trump Plaza Office Center, 525 S. Flagler Drive, 4th

11/16/00

Floor, West Palm Beach, Florida. ICH has not applied to the Commission for registration as an investment company.

3. Internet Capital Holdings, II Inc., ("ICH II") is a Florida corporation with its principal place of business located at Trump Plaza Office Center, 525 S. Flagler Drive, 4th Floor, West Palm Beach, Florida. ICH II has not applied to the Commission for registration as an investment company.

4. Peter Buzanis ("Buzanis"), age 34, resides in Palm Beach County, Florida. Buzanis is Chief Executive Officer, Secretary, and a Director of ICH and ICH II. Buzanis is also Chief Executive Officer of Internet Capital Consultants, Inc., the consulting arm of ICH and ICH II.

5. William Griffis ("Griffis"), age 61, is a resident of Palm Beach County, Florida. Griffis is President of ICH and ICH II. Griffis is also President of Internet Capital Consultants, Inc., the consulting arm of ICH and ICH II.

III. RELIEF DEFENDANT

6. Internet Capital Consultants, Inc. ("ICC") is a Florida corporation with its principal place of business located at Trump Plaza Office Center, 525 S. Flagler Drive, 4th Floor, West Palm Beach, Florida. ICC's sole officers are Buzanis, who serves as Chief Executive Officer, and Griffis, who serves as President.

IV. JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d) and 77v(a); Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d), 78u(e) and 78aa; Section 44 of the Investment Company Act of 1940 ("Investment Company Act"), 15 U.S.C. §80a-43.

8. The Southern District of Florida is the proper venue for this action. Certain actions and transactions alleged and stated herein constitute violations of the Securities Act and the Exchange Act and have occurred, and are occurring, within the Southern District of Florida. Defendants ICH and ICH II maintain an office in West Palm Beach, Florida from which shares were, and are being, offered and sold to U.S. investors. In addition, ICH's and ICC's primary bank accounts into which investor funds were, and are being, deposited are located in Palm Beach County, Florida. Defendants Buzanis and Griffis also maintain residences within the Southern District of Florida.

9. Defendants, directly and indirectly, have made, and continue to make use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails, in connection with the acts, practices, and courses of business complained of herein.

V. THE FRAUDULENT SCHEME

A. THE OFFERING

10. ICH and ICH II offer investors an opportunity to buy shares in a holding company that purportedly has substantial interests in pre-initial public offering internet

companies, and which is planning on acquiring additional interests in up-and-coming internet start-up companies.

11. ICH touts its stock on the basis that ICH and the companies within the ICH and ICH II portfolios will go public in the near future and ICH's stock price will skyrocket.

12. ICH and ICH II have raised, and are raising, funds for the purported purpose of investing in additional internet-related companies.

13. From December, 1999 through approximately June, 2000, ICH conducted an offering consisting of at least 1,000,000 shares at \$1.00 per share.

14. From approximately June, 2000 through November, 2000, ICH conducted a second offering titled "ICH II." That offering was for at least 500,000 shares at \$2.00 per share.

15. Currently, ICH is conducting a purported third offering at \$1.00 per share that combines the portfolios from its initial offering and ICH II.

16. ICH and ICH II are integrated issuers for the purpose of the offerings.

17. All three offerings are integrated and are in reality a single offering.

18. ICH is planning on conducting future offerings at higher per share prices.

19. Neither ICH nor ICH II have filed any registration statements with the Commission.

20. Buzanis, Griffis, and the sales agents are not registered with the Commission.

B. THE BOILER ROOM OPERATION

21. From at least December, 1999, ICH has been utilizing boiler-room sales techniques in its solicitation of investors.

22. The sales agents pose as officers of ICH and hold titles such as “vice-president of marketing” and “vice-president of investor relations.” The sales agents are in reality telemarketers hired through newspaper “help-wanted” advertisements whose responsibilities are solely limited to soliciting investments in ICH.

23. The sales agents “cold call” prospective investors throughout the United States of America from ICH’s office in Florida.

24. The lists of prospective investors are gleaned from entry forms obtained in connection with drawings that ICH holds at Money Shows throughout the United States and from commercial lead cards.

25. The sales agents’ solicitations are based on detailed scripts containing material misrepresentations provided by and/or authored by Buzanis and Griffis.

26. The sales agents, in accordance with Buzanis’ and Griffis’ instructions, use hard-sell high pressure techniques to create a sense of urgency in the prospective investor.

27. The sales agents send interested prospects a package of ICH offering materials by overnight delivery.

28. The sales agents are taught, by Buzanis and Griffis, to prevent investors from reading the private placement memorandum.

29. If investors ask about the private placement memorandum, the sales agents, in accordance with Buzanis' and Griffis' instructions, tell investors that they were supposed to have already read it or that it is changing soon so they should not bother to read it.

30. The sales agents, in accordance with Buzanis' and Griffis' instructions, tell investors that they are required to return the private placement memorandum or their investment will not go through.

31. The sales agents, pursuant to Buzanis' and Griffis' instructions, pressure investors to return the offering materials and payment for the shares immediately.

32. The sales agent, pursuant to Buzanis' and Griffis' instructions, do not screen investors in order to determine whether they are "accredited."

33. The sales agents, pursuant to Buzanis' and Griffis' instructions, have sold stock to "non-accredited" investors.

34. Buzanis and Griffis pay sales agents commissions on a sliding scale.

35. Buzanis and Griffis offer other incentives to sales agents such as Rolex watches, Armani suits, and cash bonuses.

36. Buzanis threatens and harasses any sales agents who question or object to the sales tactics or any of the representations they are required to make. One such sales agent was physically assaulted and his life was threatened.

C. ORAL MATERIAL MISREPRESENTATIONS AND OMISSIONS

37. The sales agents, at the direction of Buzanis and Griffis, falsely represent to potential investors that they are officers of ICH.

38. The sales agents misrepresent the compensation that they are receiving for selling ICH stock.

39. The sales agents, in accordance with Buzanis' and Griffis' instructions, falsely tell investors that their compensation consists of a small salary and shares of ICH stock.

40. The sales agents fail to disclose to potential investors that they are receiving commissions up to 20% and other incentives such as cash bonuses, Rolex watches, and Armani suits.

41. Sales agents falsely tell prospects, based on the scripts provided to them by Buzanis and Griffis, that ICH has substantial interests in various internet-related companies and that it owns, among others, 52% of Workfire.com, 68% of Autotradecenter.com, and 57% of E*Offering.

42. Neither ICH, Buzanis, nor Griffis, however, are shareholders of record for Workfire.com, Autotradecenter.com or E*Offering.

43. None of Workfire.com's or E*Offering's majority shareholders are acting, or acted during the relevant time period, as nominees for ICH, ICH II, Buzanis or Griffis.

44. Sales agents, in accordance with Buzanis' and Griffis' instructions, misrepresent ICH's and ICH II's ownership interests in Muzic Depot, Inc. and Travel Ops Group. Sales agents represent that ICH owns 68% of Muzic Depot, Inc. and 48% of Travel Ops Group. Sales agents also represent that ICH II's portfolio is comprised of a 35% interest in Muzic Depot, Inc. and a 55% interest in Travel Ops Groups. These representations are false because they result in ICH and ICH II having a combined ownership of over 100% of Muzic Depot, Inc. and Travel Ops Group.

45. Sales agents, in accordance with Buzanis' and Griffis' instructions, falsely tell potential investors that World Net Sports, Inc., a company in the ICH II equity portfolio, is affiliated with the National Basketball Association ("NBA") and the National Football Association ("NFL") and receives proceeds from the sales of their licensed merchandise.

46. Sales agents falsely represent, in accordance with Buzanis' and Griffis' instructions, that Tommy Gunn, Inc., an internet clothing company in which ICH claims to have a substantial interest, is run by a designer named Thomas Strada who worked for the fashion mogul Tommy Hilfiger.

47. Sales agents, in accordance with Buzanis' and Griffis' instructions, purposefully omit to tell prospects that a majority of the proceeds designated for "acquisitions" are allotted to pay Buzanis and Griffis over \$400,000 to acquire their

holdings in Muzic Depot, Inc., Travel Ops Group, and the Town Dock.com, Inc. In fact, Buzanis directs sales agents not to disclose his ownership of or relationship to Muzic Depot, Inc. and Travel Ops Group.

48. Sales agents, in accordance with Buzanis' and Griffis' directions, lie about the number of shares that are left in the offering in an effort to motivate prospects to invest.

49. Investors who purchased shares in ICH's purported initial offering, when solicited in connection with ICH II, are told, by sales agents acting in accordance with Buzanis' and Griffis' instructions, that they doubled their money when in reality their investment has not increased in value.

50. Investors are told, by sales agents acting pursuant to Buzanis' and Griffis' instructions, that they will double or triple their money each time that ICH conducts another offering at a higher per share price when in reality their investment will not increase in value.

51. Some investors are falsely told, by sales agents acting pursuant to Buzanis' and Griffis' instructions, that their initial investment increased by 130% when in reality their investment has not increased in value.

52. Sales agents, in accordance with Buzanis' and Griffis' directions, falsely represent to potential investors that they will earn 10 or 50 times their original investment because ICH has substantial holdings in reputable and up-standing internet companies such as E*Offering, Workfire.com, and Autotradecenter.

53. Sales agents, in accordance with Buzanis' and Griffis' instructions, falsely represent the timeframe within which ICH will be conducting an initial public offering and the value of the stock at the time of such an offering.

D. WRITTEN MATERIAL MISREPRESENTATIONS AND OMISSIONS

54. Defendants' offering materials, website pages, and shareholder's report contain false and misleading material information, concerning, among other things, ICH's equity positions in established internet high-tech entities, including E*Offering, Workfire.com, and Autotradecenter; the sales representatives receipt of commissions, and ICH's "close working relationship" with an established banking and advisory firm.

55. ICH falsely states in its private placement memorandum that it has equity holdings in Workfire.com, Autotradecenter.com, and E*Offering.

56. The private placement memoranda falsely states that the officers and/or directors of the Company will conduct the offer and sale of ICH's stock.

57. The private placement memoranda falsely state that ICH's officers will not be paid commissions for selling the stock.

58. The private placement memoranda fails to disclose that Muzic Depot, Inc. is currently being sued in Florida state court for securities fraud and misappropriation of investors funds during the time period that Buzanis and Griffis were officers of the company.

59. ICH's internet website falsely states that E*Offering, Workfire, and Autotradecenter are "presently included among the growing roster of firms within Internet Capital Holdings' equity portfolio."

60. ICH's internet website also falsely states that ICH "works closely with other established suppliers of capital to internet and information technology companies"

61. ICH's internet website also falsely states that ICH has "established a close working relationship" with Red Rock Capital, Inc. and "expects to participate in several of their future offerings involving pre-IPO companies."

VI. ROLE OF THE RELIEF DEFENDANTS

62. The Relief Defendant received investor funds which were, and are continuing to be, received by it for no or inadequate consideration.

COUNT I

**SALE OF UNREGISTERED SECURITIES IN
VIOLATION OF SECTIONS 5(a) AND 5(c) OF THE SECURITIES ACT**

(As Against All Defendants)

63. The Commission realleges and repeats its allegations set forth at paragraphs 1-62 of this Complaint as if fully restated herein.

64. No registration statement was filed or in effect with the Commission pursuant to the Securities Act with respect to the securities and transactions described herein.

65. Since December, 1999 through to the present, Defendants ICH, ICH II, Buzanis, and Griffis, directly or indirectly, have:

(a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities as described herein, through the use or medium of a Private Placement Memorandum, prospectus or otherwise;

(b) carried securities or caused such securities, as described herein, 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; and/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, as described herein,

without a registration statement having been filed or being in effect with the Commission as to such securities.

66. By reason of the foregoing, Defendants ICH, ICH II, Buzanis, and Griffis, have 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**

(As Against All Defendants)

67. The Commission realleges and repeats its allegations set forth at paragraphs 1-62 of this Complaint as if fully restated herein.

68. Since December, 1999 through the present, Defendants ICH, ICH II, Buzanis, and Griffis, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, as described herein, have been, knowingly, willfully or recklessly employing devices, schemes or artifices to defraud.

69. By reason of the foregoing, Defendants ICH, ICH II, Buzanis, and Griffis, have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT III

**FRAUD IN VIOLATION OF
SECTIONS 17(a)(2) AND 17(a)(3) OF THE SECURITIES ACT**

(As Against All Defendants)

70. The Commission realleges and repeats its allegations set forth at paragraphs 1-62 of this Complaint as if fully restated herein.

71. Since at least December, 1999 through the present, Defendants ICH, ICH II, Buzanis, and Griffis,, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, as described herein, have been: (i) obtaining 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; and (ii) engaging in transactions, practices and courses of business which are now operating and will operate as a fraud or deceit upon purchasers and prospective purchasers of such securities.

72. By reason of the foregoing, ICH, ICH II, Buzanis, and Griffis, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77(q)(a)(2) and 77(q)(a)(3).

COUNT IV

**FRAUD IN VIOLATION OF
SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5**

(As Against All Defendants)

73. The Commission realleges and repeats its allegations set forth at paragraphs 1-61 of this Complaint as if fully restated herein.

74. Since December, 1999 through the present, Defendants ICH, ICH II, Buzanis, and Griffis,, directly or indirectly, by use of the means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of the securities, as described herein, have been, knowingly, willfully or recklessly: (i) employing devices, schemes or artifices to defraud; (ii) making untrue statements of material facts and omitting 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; and (iii) engaging in acts, practices and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

75. By reason of the foregoing, Defendants ICH, ICH II, Buzanis, and Griffis, have 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. 10b-5, thereunder.

COUNT V

**UNREGISTERED BROKER-DEALER IN VIOLATION OF
SECTION 15(a)(1) OF THE EXCHANGE ACT**

(As Against Defendants Buzanis and Griffis)

76. The Commission repeats and realleges paragraphs 1 through 62 of its Complaint.

77. From approximately December, 1999 through the present, Defendants Buzanis and Griffis, by use of the mails or any means or instrumentality of interstate commerce, are willfully effecting transactions in, or inducing or attempting to induce the purchase or sale of ICH common stock as brokers without having been registered with the Commission as such in accordance with Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o.

78. By reason of the foregoing, Defendants Buzanis and Griffis, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

COUNT VI

**SALE OF SECURITIES BY UNREGISTERED INVESTMENT COMPANY
IN VIOLATION OF SECTION 7(a) OF THE INVESTMENT COMPANY ACT**

(As Against Defendants ICH and ICH II)

79. The Commission realleges and repeats its allegations set forth at paragraphs 1-62 of this Complaint as if fully restated herein.

80. No application for registration, or registration statement, was filed with the Commission by ICH or ICH II permitting them to make offerings with respect to the securities described herein.

81. Since a date unknown but since December, 1999 through to the present, Defendants ICH and ICH II have made use of the mails or means or instrumentalities of interstate commerce, directly or indirectly, to offer or sell, or deliver for sale, securities issued by ICH and/or ICH II.

82. By reason of the foregoing, Defendants ICH and ICH II have violated, and unless enjoined, will continue to violate Section 7(a) of the Investment Company Act, 15 U.S.C. §80a-7(a).

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

A. Declaratory Relief

Declare, determine, and find that Defendants ICH, ICH II, Buzanis, and Griffis committed the violations of federal securities laws alleged herein.

**B. Temporary Restraining Order,
Preliminary and Permanent Injunctive Relief**

Issue a Temporary Restraining Order, a Preliminary Injunction and a Permanent Injunction, restraining and enjoining Defendants ICH, ICH II, Buzanis, and Griffis, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating: (i) Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c); (ii) Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a); (iii) Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77(q)(a)(2) and 77(q)(a)(3); (iv) Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder; (v) Section 5(a)(1) of the Exchange Act, 15 U.S.C. § 78o; and (vi) Section 7(a) of the Investment Company Act, 15 U.S.C. §80a-7(a).

C. Disgorgement

Issue an Order requiring Defendants ICH, ICH II, Buzanis, Griffis, and Relief Defendant ICC to disgorge all profits or proceeds that they have received as a result of the acts and/or courses of conduct complained of herein, with prejudgment interest.

D. Penalties

Issue an Order directing Defendants ICH, ICH II, Buzanis, and Griffis to pay civil fines and/or 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. § 78(d)(3).

E. Asset Freeze and Accounting

Issue an Order temporarily freezing the assets of Defendants ICH, ICH II, Buzanis, Griffis, and Relief Defendant ICC, until further Order of the Court, and requiring accountings by each of these persons and entities.

F. Appointment of Receiver

Issue an Order appointing a Receiver of the assets of Defendants ICH and ICH II to marshal and safeguard all of their assets, and to perform other duties the Court deems appropriate, and to prepare a report to the Court and the Commission detailing the activities of all Defendants and Relief Defendant with respect to the conduct alleged herein and the whereabouts of investor funds.

G. Records Preservation and Expedited Discovery

Issue an Order requiring all Defendants and Relief Defendant ICC to preserve any records related to the subject matter of this lawsuit that are in their custody, possession or subject to their control, and to respond to discovery on an expedited basis.

J. Further Relief

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

K. 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 may hereby be entered, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Dated this 15th day of November, 2000.

Attorneys for Plaintiff
SECURITIES AND EXCHANGE
COMMISSION
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Respectfully submitted,


John Teakell
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Assistant Regional Director
Florida Bar No. 039641

Kerry A. Finegan
Staff Attorney
Florida Bar No. 0118559

CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

SECURITIES AND EXCHANGE COMMISSION

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF

(EXCEPT IN U.S. PLAINTIFF CASES)

Palm Beach 9028/DTKH/FJL

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

John R. Teakell (305) 982-6322 Kerry Finegan
305/982-6379, SEC, 1401 Brickell Ave., Suite 200
Miami, FL 33131

DEFENDANTS

INTERNET CAPITAL HOLDINGS, INC.; INTERNET CAPITAL
HOLDINGS II, INC.; PETER J. BUZANIS AND WILLIAM E.
GRIFFIS, Defendants
INTERNET CAPITAL CONSULTANTS, INC., Relief Def.

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 OF LAND INVOLVED.

(d) CIRCLE COUNTY WHERE ACTION AROSE: 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

(For Diversity Cases Only)

(PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. ORIGIN

(PLACE AN "X" IN ONE BOX ONLY)

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

V. NATURE OF SUIT

(PLACE AN "X" IN ONE BOX ONLY)

A CONTRACT	A TORTS	FORFEITURE/PENALTY	A BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veterans Benefits <input type="checkbox"/> 160 Stockholders Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> B 610 Agriculture <input type="checkbox"/> B 620 Other Food & Drug <input type="checkbox"/> B 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> B 630 Liquor Laws <input type="checkbox"/> B 640 R.R. & Truck <input type="checkbox"/> B 650 Airline Regs. <input type="checkbox"/> B 660 Occupational Safety/Health <input type="checkbox"/> B 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 A PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark B SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> A 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> A 871 IRS - Third Party 26 USC 7609	<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"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions A OR B
A REAL PROPERTY <input type="checkbox"/> B 210 Land Condemnation <input type="checkbox"/> B 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	A CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights PRISONER PETITIONS <input type="checkbox"/> B 510 Motions to Vacate Sentence HABEAS CORPUS: <input type="checkbox"/> B 530 General <input type="checkbox"/> A 535 Death Penalty <input type="checkbox"/> B 540 Mandamus & Other <input type="checkbox"/> B 550 Civil Rights <input type="checkbox"/> B 555 Prison Condition	<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"/> A 791 Empl. Ret. Inc. Security Act		

VI. CAUSE OF ACTION

(CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE 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)(1), 77q(a)(2) and 77q(a)(3); 15 U.S.C. § 78j(b)
17 C.F.R. § 250.10b-5; 15 U.S.C. § 78o(a)(1). Violation of the anti-fraud and registration provisions of the federal securities laws.

VII. REQUESTED IN COMPLAINT:

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

DEMAND \$

CHECK YES only if demanded in complaint:

TRO, Prel. & Perm. InjURY DEMAND: ☐ YES ☒ NO

Disg., Penalties, Asset Freeze

VIII. RELATED CASE(S) IF ANY

JUDGE

DOCKET NUMBER

DATE

11-14-00

SIGNATURE OF ATTORNEY OF RECORD

John R. Teakell, Attorney for Plaintiff

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE