

1 SANDRA J. HARRIS, Cal. Bar # 134153
GREGORY GLYNN, Cal. Bar # 039999
2 LISA A. GOK, Cal. Bar # 147660
DAVID J. VAN HAVERMAAT, Cal. Bar #175761

3 Attorneys for Plaintiff
4 Securities and Exchange Commission
Valerie Caproni, Regional Director
5 5670 Wilshire Boulevard, 11th Floor
Los Angeles, California 90036-3648
6 Phone: (323) 965-3998
Fax: (323) 965-3908

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8 UNITED STATES DISTRICT COURT
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA
10 SOUTHERN DIVISION

11 SECURITIES AND EXCHANGE COMMISSION,	Case No. <i>SACV 00-12 AHS (AJX)</i>
12 Plaintiff,	COMPLAINT FOR VIOLATIONS OF THE
13 vs.	FEDERAL SECURITIES LAWS
14 CURRENCY TRADING INTERNATIONAL INC.,	
15 BRIAN R. MOORE, CRAIG A. CUNNINGHAM,	
16 CRAIG WIGINTON, JAMES R. KELSALL,	
CHRISTIAN J. WEBER and ROBERT SHANE	
JONES,	
17 Defendants.	

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19
20 Plaintiff Securities and Exchange Commission (the
21 "Commission") alleges:

22 JURISDICTION AND VENUE

23 1. This Court has jurisdiction over this action pursuant
24 to Sections 20(b), 20(d)(1), and 22(a) of the Securities Act of 1933
25 ("Securities Act") [15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a)] and
26 Sections 21(d)(1), 21(d)(3)(A), 21(e), and 27 of the Securities
27 Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78u(d)(1),
28 78u(d)(3)(A), 78u(e), and 78aa]. Venue is proper in the Central

1 District of California because a substantial part of the events or
2 omissions giving rise to the claim occurred in this District.

3 2. The Commission has jurisdiction over this action
4 pursuant to Section 2(1) of the Securities Act and Section 3(a)(10)
5 of the Exchange Act. The foreign currency options offered and sold
6 by Currency Trading International, Inc. are securities because they
7 were traded on the Philadelphia Stock Exchange.

8 SUMMARY

9 3. Beginning in 1994, Currency Trading International,
10 Inc. ("CTI"), a registered broker-dealer, engaged in fraudulent
11 sales practices in connection with the offer and sale of foreign
12 currency options. From 1994 through late 1998, CTI's registered
13 representatives placed aggressive cold calls, mostly to small
14 business owners in several states, soliciting them to invest in
15 foreign currency options through CTI. The registered
16 representatives orally misrepresented to clients the potential
17 profits associated with foreign currency options trading, often
18 telling clients they were likely to double or triple their
19 investment within a short time. Such high returns were extremely
20 unlikely due to the speculative nature of foreign currency options
21 and to the high commissions charged by CTI on both the purchase and
22 sale of each option. Additionally, at the times these statements
23 were made, it was CTI's usual practice to refuse client instructions
24 to sell positions and to refuse to return funds to clients.

25 4. Defendants Brian R. Moore ("Moore"), Craig A.
26 Cunningham ("Cunningham"), Craig Wiginton ("Wiginton"), James R.
27 Kelsall ("Kelsall"), and Robert Shane Jones ("Jones") directed the
28 registered representatives they trained and supervised to make these

1 fraudulent misrepresentations. In addition, Cunningham, Wiginton,
2 Kelsall, Jones and defendant Christian J. Weber ("Weber") each
3 directly made fraudulent misrepresentations to CTI investors. CTI,
4 Moore, Cunningham, Wiginton, Kelsall, Weber and Jones are sometimes
5 referred to collectively herein as "Defendants."

6 5. The Commission seeks permanent injunctions,
7 disgorgement and civil penalties against the Defendants.

8 THE DEFENDANTS

9 6. Currency Trading International, Inc. is a Florida
10 corporation, formed in 1993 and wholly owned by Moore and
11 Cunningham. Its principal office was in Newport Beach, California.
12 At various times from late 1994 to late 1998, CTI had other
13 operating offices in San Diego, California, Irvine, California,
14 Cleveland, Ohio, and Akron, Ohio.

15 7. CTI became registered with the Commission as a
16 broker-dealer in December 1993 and was a foreign currency options
17 participant on the Philadelphia Stock Exchange ("PHLX") from late
18 1994 through at least late 1998. CTI's business consisted of
19 soliciting clients, mostly through cold calling, to purchase foreign
20 currency options traded on the PHLX.

21 8. CTI closed its last office and ceased conducting
22 business in late 1998, after Bear Stearns, its clearing firm,
23 canceled its clearing arrangement with CTI. CTI has not withdrawn
24 its registration with the Commission.

25 9. Brian R. Moore resides in Bath, Ohio. Moore owns 50%
26 of CTI, is CTI's president, and was CTI's chief compliance officer.
27 Moore also trained and supervised CTI's registered representatives
28 and managed CTI's operations.

1 10. **Craig A. Cunningham** resides in Irvine, California.
2 Cunningham owns 50% of CTI and is CTI's vice-president. From the
3 summer of 1994 through October 1996, Cunningham directly solicited
4 CTI's clients, trained and supervised CTI's registered
5 representatives and managed CTI's operations. From October 1996
6 until at least late 1998, Cunningham ceased direct solicitations and
7 undertook compliance responsibilities in addition to his supervisory
8 and management roles.

9 11. **Craig Wiginton** resides in Anaheim, California.
10 Wiginton worked at CTI as a registered representative from January
11 1995 until the fall of 1997, when he became the sales manager of
12 CTI's Newport Beach office. Wiginton held his sales manager
13 position until CTI closed in late 1998.

14 12. **James R. Kelsall** resides in Barberton, Ohio. Kelsall
15 worked as a sales manager in CTI's Akron, Ohio office from the fall
16 of 1996 until May 1997 and then as a sales manager of its Cleveland,
17 Ohio office until January 1998.

18 13. **Christian J. Weber** resides in Huntington Beach,
19 California. Weber worked as a registered representative at CTI from
20 June 1997 until December 1997 and then as a regional manager of CTI
21 until January 1998. As CTI's regional manager, Weber traveled among
22 CTI's operating offices. He contacted existing clients, including
23 clients whom other registered representatives could not convince to
24 trade, and convinced some of them to deposit substantial additional
25 sums of money with CTI.

26 14. **Robert Shane Jones** resides in Fairlawn, Ohio. Jones
27 worked as a registered representative at CTI from 1996 until mid-

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1 1997. From mid-1997 until January 1998, he worked as a sales
2 manager at CTI's Akron, Ohio office.

3 ALLEGATIONS COMMON TO ALL CLAIMS FOR RELIEF

4 CTI's High Pressure Sales Environment

5 15. CTI solicited mostly small business owners in Ohio,
6 Georgia, California and Colorado. Many of CTI's clients were
7 unsophisticated investors. Most clients were unfamiliar with
8 foreign currency options when they were solicited by CTI, and some
9 had no prior investment experience.

10 16. Most of CTI's registered representatives had little
11 or no experience with investments, knew nothing about foreign
12 currency options, and were not licensed to solicit clients when CTI
13 hired them. Most were trained exclusively at CTI. Registered
14 representatives in each office worked in one large room, directly
15 supervised by Moore or Cunningham or a sales manager.

16 17. In 1996, when CTI opened branch offices in San Diego,
17 Cleveland and Akron, Moore and Cunningham hired sales managers,
18 including Wiginton, Kelsall and Jones, to supervise CTI's registered
19 representatives directly. Moore and Cunningham continued to have
20 direct contact with CTI's registered representatives even while
21 sales managers were supervising the registered representatives.
22 While working as sales managers, Wiginton, Kelsall and Jones
23 continued to solicit clients directly. Moore, Cunningham and their
24 sales managers, including Wiginton, Kelsall and Jones, hired, fired,
25 trained and disciplined CTI's employees.

26 18. Under the direction of Moore, Cunningham or the sales
27 managers, some registered representatives made 200 to 300 cold calls
28 each day. Registered representatives who were designated as

1 "openers" dialed the call and spoke until the prospective client
2 either hung up or indicated an interest in what the registered
3 representative said. Registered representatives who were skilled at
4 generating commissions were designated as "closers." They took the
5 call when a prospective client indicated interest and pushed the
6 prospective client to open an account. Some registered
7 representatives also handled accounts for existing clients.

8 19. In morning meetings and while supervising registered
9 representatives on the sales floor, Moore, Cunningham, Wiginton,
10 Kelsall and Jones directed the sales pitches. At various times,
11 Moore, Cunningham, Wiginton, Kelsall and Jones stood over registered
12 representatives who were on the telephone and told them what to tell
13 clients and prospective clients. Registered representatives who did
14 not relay their statements word for word were reprimanded or fired.

15 20. Registered representatives worked in an environment
16 of intimidation and under a constant threat of being fired. Moore
17 put extreme pressure on the registered representatives to generate
18 high commissions. Moore and Cunningham and their sales managers,
19 including Wiginton, Kelsall and Jones, frequently took client
20 accounts away from registered representatives who did not generate
21 high commissions and gave them to other registered representatives.
22 Registered representatives who did not generate high commissions
23 were insulted, screamed at and sworn at in front of the other
24 employees, while registered representatives who generated high
25 commissions were well paid and publicly praised as good examples.
26 Moore and Cunningham determined compensation for all employees,
27 including commissions and bonuses for the registered
28 representatives.

1 21. On several occasions when Moore was dissatisfied with
2 the commissions that an office was generating, he forced its
3 registered representatives to stand while they worked. On one
4 occasion, unhappy with an office's performance, Moore made its
5 registered representatives kneel on the floor while he screamed
6 obscenities at them.

7 22. Moore determined all of CTI's daily trading
8 recommendations. Moore, Cunningham or their sales managers relayed
9 CTI's daily trading recommendations to the registered
10 representatives at a meeting that took place in the morning of each
11 business day. No registered representative was allowed to recommend
12 anything other than Moore's recommendations, and no client was
13 allowed to make a trade that was not recommended by Moore. Moore or
14 Cunningham approved all trade tickets before trades were executed.

15 The Account Opening Process and Misrepresentations and
16 Omissions of Material Fact Made to Prospective Investors

17 23. Although many potential clients declined to invest
18 during the initial cold call from CTI's openers, some potential
19 clients were contacted repeatedly and insistently until they agreed
20 to open an account with and invest through CTI.

21 24. To incite impulse buying, CTI sent account opening
22 documents, and required prospective investors to transmit the
23 completed documents, via facsimile. Moore, Cunningham, Wiginton,
24 Kelsall and Jones placed great pressure on the registered
25 representatives to insure that anyone who had received account
26 opening documents proceeded to trade immediately. Registered
27 representatives repeatedly and insistently telephoned each
28 prospective client who had received account opening documents until

1 the prospective client returned a signed form. After a signed form
2 was returned, an initial trade was placed for the client.

3 25. Registered representatives hurried potential clients
4 into opening accounts, sometimes telling them they had to "act now"
5 or lose a "great opportunity." They did not disclose to the
6 prospective investors that the "great opportunity" being touted was
7 simply Moore's daily recommendation.

8 26. In a further effort to incite potential investors to
9 begin trading as soon as possible, CTI either directed its new
10 clients to wire funds through their banks or sent Federal Express
11 couriers to collect checks from clients.

12 27. When soliciting potential clients, CTI's registered
13 representatives exaggerated the likelihood of potential profits to
14 clients, often telling them that they could double and triple their
15 money within a month or less, or even within a few days. CTI's
16 registered representatives often focused on one specific options
17 transaction and emphasized the short term nature of that particular
18 investment. They also made baseless price predictions for each
19 transaction. For example, the registered representatives would
20 predict that if the Japanese yen made a "three cent move" the
21 prospective client could earn \$15,000 to \$18,000 by investing \$7500
22 CTI's registered representatives did not disclose to potential
23 investors that the foreign currency options market is highly
24 speculative and the likelihood of realizing the described profits
25 was remote.

26 28. The vast majority of CTI's clients lost much or all
27 of their investments. In fact, of 897 known CTI client accounts,
28 830 accounts, or 92.5%, lost money on trades before commission

1 payments were calculated. CTI's registered representatives did not
2 disclose to potential or existing clients that most of its clients
3 lost all or most of their investments.

4 29. Moreover, CTI normally charged an eight percent
5 commission for the purchase of an option position, and another eight
6 percent commission for its sale. Through the 897 known accounts,
7 CTI charged a total of \$16,471,095.58 in commissions, an average of
8 over \$18,362 per client. After the commission payments are factored
9 into the calculation, 881 of the 897 known accounts, or 98.2%, lost
10 much or all of their investments. CTI's registered representatives
11 did not disclose to any clients or potential clients that CTI's
12 commissions consumed virtually all gains over time.

13 30. CTI's registered representatives also did not
14 disclose to potential investors that it was CTI's practice to refuse
15 to allow clients to direct activity in their accounts and to refuse
16 to return client funds, as set forth below.

17 31. The statements and omissions made by CTI's registered
18 representatives, at the direction of Moore, Cunningham, Wiginton,
19 Kelsall and Jones, were false and misleading. As described above,
20 the false and misleading statements and omissions include, but are
21 not limited to, the statements regarding exaggerated profits and
22 Moore's daily recommendation as a "great opportunity," and omissions
23 regarding the highly speculative nature of foreign options trading,
24 the percentage of CTI's clients who had lost money and CTI's
25 practices of refusing to allow clients to direct activity in their
26 accounts and refusing to return client funds.

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1 32. When they directed CTI's registered representatives
2 to make these representations, Moore, Cunningham, Wiginton, Kelsall
3 and Jones knew, or were reckless in not knowing, that:

4 a. foreign currency options are speculative securities
5 and the likelihood of the described potential profits was
6 remote;

7 b. CTI's "great opportunities" were simply Moore's daily
8 recommendations;

9 c. nearly all of CTI's clients lost money and CTI's
10 commissions consumed virtually all gains over time;

11 d. CTI's practice was to refuse to allow clients to
12 direct the activity in their accounts; and

13 e. CTI's practice was to refuse to return client funds.

14 Misrepresentations and Omissions of Material Fact Made to
15 Existing Clients

16 33. Once an investor had made an initial investment, a
17 registered representative quickly urged the client to send
18 additional funds. Some registered representatives orally
19 misrepresented position values. Initial reports of profitable
20 positions convinced some clients -- temporarily -- that foreign
21 currency options trading was an easy way to make money.

22 34. When positions lost value, registered representatives
23 repeatedly pressured clients to send funds for new trades that were
24 represented to be sure ways to recover their losses and to earn
25 large profits.

26 35. Clients who refused to send additional funds were
27 pressured to continue trading by a series of different registered
28 representatives. Some clients who refused to trade after losses

1 were contacted by a registered representative who described himself
2 as a senior broker who was called upon to "fix" the account. The
3 senior broker often derided the abilities of the previous registered
4 representative even though all registered representatives used only
5 Moore's daily trade recommendations and, consequently, a registered
6 representative could not legitimately purport to recoup losses by
7 virtue of abilities or information superior to that of another
8 registered representative. Through high pressure pitches and
9 baseless promises of profit, the "senior broker" induced many
10 clients to continue trading. Attempting to recover losses, some
11 clients embarked on frantic trading binges, for which CTI continued
12 to charge its high commissions.

13 36. Moore and Cunningham did not allow the registered
14 representatives to spend time updating clients who did not send new
15 funds. Registered representatives were required by Moore and
16 Cunningham to focus on opening new accounts and getting new funds
17 from existing clients.

18 37. Among the registered representatives, Weber was
19 particularly known for his wild, high pressure pitches. Weber often
20 contacted existing clients, including clients whom other registered
21 representatives could not convince to trade, and obtained
22 substantial sums from some of them. Weber falsely promised huge
23 gains within three to five days and promised to cover client
24 positions personally if trades lost money. Weber also
25 misrepresented the value of open positions to incite clients to make
26 additional trades.

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Refusal to Permit Clients to Direct Activity in Their
Accounts and Refusal to Return Client Funds

38. Cunningham and Moore required the registered representatives to obtain one of their approvals before any trades were placed. Cunningham and Moore usually prohibited sales without corresponding buys. Moore also required the registered representatives to refuse or disregard client instructions with respect to activity in client accounts if it did not comport with his daily recommendation.

39. CTI did not comply with client instructions to sell open positions. When clients directed registered representatives to sell their positions, the registered representatives refused or disregarded them, even though options become worthless if they are not sold before their expiration date. Some options expired worthless after client directions to sell them were refused or disregarded.

40. Client instructions to return their funds also were refused or disregarded. Clients known to be calling for their money were hung up on, switched back and forth between branch offices, or put on hold until they hung up the telephone. Registered representatives believed they would be fired if they agreed to return client funds. It was CTI's usual practice not to return any funds to clients unless legal action appeared imminent or a client had been financially depleted.

41. Moore, Cunningham, Wiginton, Kelsall and Jones directed registered representatives to implement CTI's policies of refusing and disregarding client instructions with respect to account activity and refusing and disregarding client instructions

1 to return funds. When soliciting clients directly, Cunningham,
2 Wiginton, Kelsall, Weber and Jones implemented the same policies.
3 CTI's policies of refusing and disregarding client instructions with
4 respect to account activity and refusing and disregarding client
5 instructions to return funds were never disclosed to potential
6 investors or existing investors.

7 Direct Misrepresentations and Omissions of Material

8 Facts by Cunningham

9 42. Cunningham directly made material misrepresentations
10 and omissions to potential and existing investors in CTI.
11 Cunningham's misrepresentations and omissions include, but are not
12 limited to:

13 a. telling clients they would double or triple their
14 money within extremely short time frames (from less than a week
15 to 30 days);

16 b. failing to inform clients and potential clients that
17 foreign currency options are highly speculative and the
18 likelihood of the described potential profits was remote;

19 c. failing to inform clients and potential clients that
20 nearly all of CTI's clients lost money and that CTI's
21 commissions consumed virtually all gains over time; and

22 d. failing to inform clients and potential clients that
23 CTI's policy was to refuse to allow clients to direct the
24 activity in their accounts and that CTI's practice was to
25 refuse to return client funds.

26 43. Cunningham made these misrepresentations and
27 omissions while knowing, or while reckless in not knowing, that:
28

1 a. foreign currency options are speculative securities
2 and the likelihood of the described potential profits was
3 remote;

4 b. nearly all of CTI's clients lost money and CTI's
5 commissions consumed virtually all gains over time;

6 c. CTI's practice was to refuse to allow clients to
7 direct the activity in their accounts; and

8 d. CTI's practice was to refuse to return client funds.

9 Direct Misrepresentations and Omissions of Material Facts
10 by Wiginton

11 44. Wiginton directly made material misrepresentations
12 and omissions to potential and existing investors in CTI.

13 Wiginton's direct misrepresentations and omissions include, but are
14 not limited to:

15 a. telling clients he would definitely recoup their
16 investment losses if they sent him more money;

17 b. telling clients he would double or triple their
18 money;

19 c. telling clients who lost money that he was a "senior
20 broker" who could "fix" their account losses, and deriding the
21 purported abilities of the clients' previous registered
22 representatives;

23 d. failing to inform clients and potential clients that
24 foreign currency options are highly speculative and the
25 likelihood of the described potential profits was remote;

26 e. failing to inform clients and potential clients that
27 nearly all of CTI's clients lost money and that CTI's
28 commissions consumed virtually all gains over time; and

1 f. failing to inform clients and potential clients that
2 CTI's policy was to refuse to allow clients to direct the
3 activity in their accounts and that CTI's practice was to
4 refuse to return client funds.

5 45. Wiginton made these misrepresentations and omissions
6 while knowing, or while reckless in not knowing, that:

7 a. foreign currency options are speculative securities
8 and the likelihood of the described potential profits was
9 remote;

10 b. nearly all of CTI's clients lost money and CTI's
11 commissions consumed virtually all gains over time;

12 c. CTI's practice was to refuse to allow clients to
13 direct the activity in their accounts;

14 d. CTI's practice was to refuse to return client funds;
15 and

16 e. all registered representatives imparted only Moore's
17 daily trading recommendations.

18 Direct Misrepresentations and Omissions of Material Facts
19 by Kelsall

20 46. Kelsall directly made material misrepresentations and
21 omissions to potential and existing investors in CTI. Kelsall's
22 direct misrepresentations and omissions include, but are not limited
23 to:

24 a. telling a client he would earn \$6250 each time the
25 yen moved one cent and that these profits would clear in three
26 or four days;

1 b. failing to inform clients and potential clients that
2 foreign currency options are highly speculative and the
3 likelihood of the described potential profits was remote;

4 c. failing to inform clients and potential clients that
5 nearly all of CTI's clients lost money and that CTI's
6 commissions consumed virtually all gains over time; and

7 d. failing to inform clients and potential clients that
8 CTI's policy was to refuse to allow clients to direct the
9 activity in their accounts and that CTI's practice was to
10 refuse to return client funds.

11 47. Kelsall made these misrepresentations and omissions
12 while knowing, or while reckless in not knowing, that:

13 a. foreign currency options are speculative securities
14 and the likelihood of the described potential profits was
15 remote;

16 b. nearly all of CTI's clients lost money and CTI's
17 commissions consumed virtually all gains over time;

18 c. CTI's practice was to refuse to allow clients to
19 direct the activity in their accounts; and

20 d. CTI's practice was to refuse to return client funds.

21 Direct Misrepresentations and Omissions of Material Facts

22 by Weber

23 48. Weber directly made material misrepresentations and
24 omissions to potential and existing investors in CTI. Weber's
25 direct misrepresentations and omissions include, but are not limited
26 to:

27 a. promising huge gains within three to five days;
28

1 b. promising to cover client positions personally if
2 trades lost money;

3 c. promising to double client funds within a week;

4 d. misrepresenting the value of open positions;

5 e. failing to inform clients and potential clients that
6 foreign currency options are highly speculative and the
7 likelihood of the described potential profits was remote;

8 f. failing to inform clients and potential clients that
9 nearly all of CTI's clients lost money and that CTI's
10 commissions consumed virtually all gains over time; and

11 g. failing to inform clients and potential clients that
12 CTI's policy was to refuse to allow clients to direct the
13 activity in their accounts and that CTI's practice was to
14 refuse to return client funds.

15 49. Weber made these misrepresentations and omissions
16 while knowing, or while reckless in not knowing, that:

17 a. he did not intend to, and never did, cover client
18 positions when trades lost money;

19 b. open positions values were being misrepresented;

20 c. foreign currency options are speculative securities
21 and the likelihood of the described potential profits was
22 remote;

23 d. nearly all of CTI's clients lost money and CTI's
24 commissions consumed virtually all gains over time;

25 e. CTI's practice was to refuse to allow clients to
26 direct the activity in their accounts; and

27 f. CTI's practice was to refuse to return client funds.
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1 Misrepresentations and Omissions of Material Facts by
2 Jones

3 50. Jones directly made material misrepresentations and
4 omissions to potential and existing investors in CTI. Jones' direct
5 misrepresentations and omissions include, but are not limited to:

- 6 a. promising to triple client investments within one
7 week;
8 b. assuring clients who had incurred losses that sending
9 more money would make up their losses;
10 c. failing to inform clients and potential clients that
11 foreign currency options are highly speculative and the
12 likelihood of the described potential profits was remote;
13 d. failing to inform clients and potential clients that
14 nearly all of CTI's clients lost money and that CTI's
15 commissions consumed virtually all gains over time; and
16 e. failing to inform clients and potential clients that
17 CTI's policy was to refuse to allow clients to direct the
18 activity in their accounts and that CTI's practice was to
19 refuse to return client funds.

20 51. Jones made these misrepresentations and omissions
21 while knowing, or while reckless in not knowing, that:

- 22 a. foreign currency options are speculative securities
23 and the likelihood of the described potential profits was
24 remote;
25 b. nearly all of CTI's clients lost money and CTI's
26 commissions consumed virtually all gains over time;
27 c. CTI's practice was to refuse to allow clients to
28 direct the activity in their accounts; and

1 d. CTI's practice was to refuse to return client funds.

2
3 FIRST CLAIM FOR RELIEF

4 FRAUD IN THE OFFER OR SALE OF SECURITIES

5 Section 17(a) of the Securities Act

6 (Against All Defendants)

7 52. Paragraphs 1 through 51 are realleged and fully
8 incorporated herein by this reference.

9 53. Defendants, by engaging in the conduct described
10 above, directly or indirectly, in the offer or sale of securities,
11 by the use of means or instruments of transportation or
12 communication in interstate commerce or by use of the mails:

13 (a) with scienter, employed devices, schemes or artifices
14 to defraud;

15 (b) obtained money or property by means of untrue
16 statements of material fact or by omitting to state
17 material facts necessary in order to make the
18 statements made, in light of the circumstances under
19 which they were made, not misleading; or

20 (c) engaged in transactions, practices or courses of
21 business which operated or would operate as a fraud
22 or deceit upon the purchasers of such securities.

23 54. By reason of the facts and circumstances described
24 above, Defendants violated, and unless restrained and enjoined will
25 continue to violate, Section 17(a) of the Securities Act [15 U.S.C.
26 § 77q(a)].

FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

(Against All Defendants)

58. Moore possessed, directly or indirectly, the power to direct or control, or cause the direction or control of CTI's management and policies. Moore was therefore a controlling person of CTI pursuant to Section 20(a) of the Exchange Act.

1 59. In the alternative to Moore's liability for his
2 direct violations of Section 10(b) of the Exchange Act and Rule 10b-
3 5 thereunder, Moore, by engaging in the conduct described above, is
4 liable as a controlling person pursuant to Section 20(a) of the
5 Exchange Act [15 U.S.C. §78t(a)] for CTI's violations of Section
6 10(b) of the Exchange Act and Rule 10b-5 thereunder.

7
8 PRAYER FOR RELIEF

9 Wherefore, the Commission respectfully requests that the
10 Court:

11 I.

12 Issue orders permanently enjoining Defendants and their
13 officers, agents, servants, employees, and attorneys, and those
14 persons in active concert or participation with any of them, who
15 receive actual notice of the order by personal service or otherwise,
16 from violating Section 17(a) of the Securities Act, Section 10(b) of
17 the Exchange Act and Rule 10b-5 thereunder.

18 II.

19 Order Defendants to disgorge all benefits gained as a
20 result of their illegal conduct, plus prejudgment interest.

21 III.

22 Impose a civil penalty against Defendants.

23 IV.

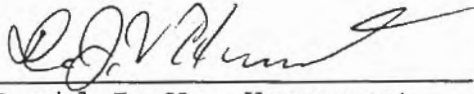
24 Retain jurisdiction of this action in accordance with the
25 principles of equity and the Federal Rules of Civil Procedure in
26 order to implement and carry out the terms of all orders and decrees
27 that may be entered, or to entertain any suitable application or
28 motion for additional relief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

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V.

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

DATED: January 6, 2000



David J. Van Havermaat
Attorney for Plaintiff
Securities and Exchange Commission