

Resources, Inc. ("CC Resources"). Unless immediately restrained and enjoined, the Defendants will continue to defraud the investing public and place investor funds at serious risk of diversion and theft.

DEFENDANTS

2. Defendant Meridian was incorporated pursuant to Florida law on September 6, 1991, and maintains its principal office in Tallahassee, Florida. Meridian is a broker-dealer registered with the Commission, and is an investment adviser registered with the State of Florida.

3. Defendant McEachin is a resident of the Tallahassee, Florida area and has been the sole owner and president of Meridian from its inception to the present.

RELIEF DEFENDANTS

4. Relief Defendant BP Consultants is a Florida corporation owned and controlled by McEachin. BP Consultants received funds, which had been misappropriated from Meridian's customers by Meridian and McEachin.

5. Relief Defendant CC Resources is a Florida corporation owned and controlled by McEachin. CC Resources also received funds, which had been misappropriated from Meridian's customers by Meridian and McEachin.

JURISDICTION AND VENUE

6. 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), and 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, and Section 214 of the Investment Advisers Act of 1940 ("Investment Advisers Act"), 15 U.S.C. § 80b-14.

7. Certain of the acts and transactions constituting violations of the Securities Act, the Exchange Act and the Investment Advisers Act have occurred within the Northern District of Florida. The principal office of Meridian, and Defendant McEachin's principal residence, are located within the Northern District of Florida. Defendants Meridian and McEachin have engaged in many of the acts and practices complained of herein within the Northern District of Florida.

8. Defendants Meridian and McEachin, directly and indirectly, have made 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.

THE FRAUDULENT SCHEME

9. During the period from at least 1991 through the present, Meridian and McEachin misappropriated at least \$1 million from seven Meridian customers, including elderly investors, and the retirement funds of at least one company and one association.

10. The Meridian customers provided the funds to McEachin and Meridian intending that they be invested in securities. Upon receiving the funds, McEachin typically opened a bank account in Meridian's name "for the benefit of" ("FBO") each customer.

11. McEachin told his customers that he was buying certain investments with the money they provided when, in fact, he misappropriated the money. McEachin and Meridian

misappropriated their customers' funds by drafting checks drawn on the customers' FBO bank accounts, made payable to McEachin or entities he controlled. In particular, Relief Defendants BP Consultants and CC Resources received into their bank accounts Meridian customer funds totaling at least \$128,500. Upon information and belief, McEachin diverted the remainder of the customers' \$1 million to himself in the form of cash.

12. In order to conceal their fraud, McEachin and Meridian lied to several customers about the existence and value of investments in their accounts. McEachin created fictitious Meridian account statements entitled "Portfolio Appraisals" and furnished those statements to customers they bilked.

13. The Portfolio Appraisals purported to show the current contents of the customers' Meridian portfolios and the current market value of those portfolios. In fact, for those customers from whom McEachin and Meridian had misappropriated money, the Portfolio Appraisals falsely represented: (i) that securities had been purchased on behalf of the customer when none had been purchased; and/or (ii) materially overstated the value of securities held for the benefit of the customer.

14. McEachin created the Portfolio Appraisals and furnished them to his customers with the specific intent of falsely assuring them that their purported investments were safe and profitable, and to conceal his defalcations, and thereby continue his fraud undetected.

MERIDIAN'S NET CAPITAL VIOLATIONS

15. By taking control of customer funds, Meridian was required to maintain a minimum net capital of \$250,000. In a Focus Report Meridian filed with the National

Association of Securities Dealers, Meridian represented that it had a net capital, as of March 31, 2000, of \$20,034. Upon information and belief, since March 31, 2000, Meridian's net capital has not exceeded \$20,034.

16. McEachin, who was aware of Meridian's net capital deficiency, caused Meridian, between at least March 31, 2000 and the present, to effect securities transactions on behalf of Meridian's customers.

17. Upon information and belief, Meridian has failed or is in danger of failing to meet its obligations to its customers.

COUNT I

FRAUD IN VIOLATION OF SECTION 17(a)(1) OF THE SECURITIES ACT

18. The Commission repeats and realleges paragraphs 1 through 17 of its Complaint.

19. Since a date unknown, but since at least 1991 through the present, Defendants Meridian and McEachin, 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 willfully, knowingly or recklessly employing devices, schemes or artifices to defraud.

20. By reason of the foregoing, Defendants Meridian and McEachin, directly and indirectly, 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 II

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

21. The Commission repeats and realleges paragraphs 1 through 17 of its Complaint.

22. Since a date unknown, but since at least 1991 through the present, Defendants Meridian and McEachin, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, as described herein, have been:

(a) obtaining money or property by means of untrue statements of material fact or omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and

(b) 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.

23. By reason of the foregoing, Defendants Meridian and McEachin, 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. §§ 77q(a)(2) and 77q(a)(3).

COUNT III

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

24. The Commission repeats and realleges paragraphs 1 through 17 of its Complaint.

25. Since a date unknown, but since at least 1991 through the present, Defendants Meridian and McEachin, 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 securities, as described herein, have been willfully, knowingly or recklessly:

(a) employing devices, schemes or artifices to defraud;

(b) 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/or

(c) 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.

26. By reason of the foregoing, Defendants Meridian and McEachin, directly or indirectly, 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 IV

MERIDIAN VIOLATED SECTIONS 206(1) and 206(2) OF THE INVESTMENT ADVISERS ACT

27. The Commission repeats and realleges paragraphs 1 through 17 of its Complaint.

28. Since a date unknown, but since at least 1991 through the present, Defendant Meridian, by use of the mails or the means or instrumentalities of interstate commerce, directly or indirectly, as described herein, has been knowingly, willfully, or recklessly:

(a) employing devices, schemes or artifices to defraud its clients or prospective clients; and

(b) engaging in transactions, practices and courses of business which are now operating and will operate as a fraud or deceit upon its clients or prospective clients.

29. By reason of the foregoing, Defendant Meridian, has violated and, unless enjoined, will continue to violate Sections 206(1) and 206(2) of the Investment Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

COUNT V

McEACHIN AIDED AND ABETTED MERIDIAN'S VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE INVESTMENT ADVISERS ACT

30. The Commission repeats and realleges paragraphs 1 through 17 of its Complaint.

31. Since a date unknown, but since at least 1991 through the present, Defendant McEachin, through the conduct described herein, knowingly, willfully, or recklessly aided and abetted Meridian in, directly or indirectly, by use of the mails or the means or instrumentalities of interstate commerce:

(a) employing devices, schemes or artifices to defraud its clients or prospective clients; and

(b) engaging in transactions, practices and courses of business which are now operating and will operate as a fraud or deceit upon its clients or prospective clients.

32. By reason of the foregoing, Defendant McEachin has aided and abetted, and unless enjoined, will continue to aid and abet Meridian's violations of Sections 206(1) and 206(2) of the Investment Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

COUNT VI

**MERIDIAN VIOLATED SECTION 15(c)(3) OF
THE EXCHANGE ACT AND RULE 15c3-1 THEREUNDER**

33. The Commission repeats and realleges paragraphs 1 through 17 of its Complaint.

34. By carrying customer funds, Defendant Meridian was required to maintain a minimum net capital of \$250,000.

35. Since at least March 31, 2000, Defendant Meridian, as described herein, directly or indirectly, by use of the means and instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange, has been effecting transactions in securities, or inducing or attempting to induce the purchase of securities, when, at the time of the transactions, Defendant Meridian has had a net capital deficiency.

36. By reason of the foregoing, Defendant Meridian has violated and, unless enjoined, will continue to violate Section 15(c)(3) of the Exchange Act, 15 U.S.C. § 78o(c)(3), and Rule 15c3-1, 17 C.F.R. § 240.15c3-1, thereunder.

COUNT VII

**McEACHIN AIDED AND ABETTED MERIDIAN'S VIOLATION OF
SECTION 15(c)(3) OF THE EXCHANGE ACT AND RULE 15c3-1 THEREUNDER**

37. The Commission repeats and realleges paragraphs 1 through 17 of its Complaint.

38. By carrying customer funds, Defendant Meridian was required to maintain a minimum net capital of \$250,000.

39. Since at least March 31, 2000, Defendant Meridian, as described herein, directly or indirectly, by use of the means and instrumentalities of interstate commerce or of the mails, or

of any facility of any national securities exchange, has been effecting transactions in securities, or inducing or attempting to induce the purchase of securities, when, at the time of the transactions, Defendant Meridian has had a net capital deficiency.

40. As described herein, Defendant McEachin caused Defendant Meridian to effect securities transactions on behalf of its customers, or induce or attempted to induce the purchase of securities, even though Defendant McEachin knew or should have known that, at the time of the transactions, Defendant Meridian had a net capital deficiency.

41. By reason of the foregoing, Defendant McEachin aided and abetted, and unless enjoined, will continue to aid and abet Defendant Meridian's violations of Section 15(c)(3) of the Exchange Act, 15 U.S.C. § 78o(c)(3), and Rule 15c3-1, 17 C.F.R. § 240.15c3-1, thereunder.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

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

II.

Permanent Injunctive Relief

Issue a Permanent Injunction, restraining and enjoining:

A. Defendants Meridian and McEachin, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from

violating: (i) Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3); (ii) 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;

B. Defendant Meridian, its officers, agents, servants, employees, attorneys, and all persons in active concert or participation with it, from violating (i) Section 15(c)(3) of the Exchange Act, 15 U.S.C. § 78o(c)(3), and Rule 15c-3, 17 C.F.R. § 240.15c3-1 thereunder; (ii) Sections 206(1) and 206(2) of the Investment Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2);

C. Defendant McEachin, his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with him, and each of them, from aiding and abetting violations of (i) Section 15(c)(3) of the Exchange Act, 15 U.S.C. § 78o(c)(3), and Rule 15c-3, 17 C.F.R. § 240.15c3-1, thereunder; (ii) Sections 206(1) and 206(2) of the Investment Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

III.

Disgorgement

Issue an Order requiring Defendants and Relief Defendants to disgorge, jointly and severally, all ill-gotten profits or proceeds that they have received, directly or indirectly, as a result of the acts and/or courses of conduct complained of herein, with prejudgment interest.

IV.

Penalties

Issue an Order directing Defendants Meridian and McEachin to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d) of the Exchange Act, 15 U.S.C. § 78(d)(3), and Section 209(e) of the Investment Advisers Act, 15 U.S.C. § 80b-9(e).

V.

Asset Freeze and Accountings

Issue an Order temporarily freezing the assets of Defendants and Relief Defendants until further Order of the Court, and requiring accountings by Defendant McEachin.

VI.

Records Preservation

Issue an Order requiring Defendants and Relief Defendants to preserve any records related to the subject matter of this lawsuit that are in their custody, possession or subject to their control.

VII.

Further Relief

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

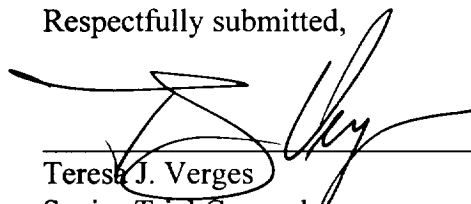
VIII.

Retention of Jurisdiction

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

July 26, 2000

Respectfully submitted,



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