

JUDGE PRESKA

EDWIN H. NORDLINGER (EN-6258)  
Deputy Regional Director

DOC # 1  
00 CIV. 4835

Attorney for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
Northeast Regional Office  
7 World Trade Center  
New York, New York 10048  
(212) 748-8038

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,  
  
Plaintiff,  
  
v.  
  
MICHAEL BATTERMAN,  
RANDALL B. BATTERMAN III, and  
DYNASTY FUND, LTD.  
  
Defendants

00 CIV. \_\_\_\_ ( )  
  
COMPLAINT

FILED  
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U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

Plaintiff Securities and Exchange Commission (the "Commission"), for its Complaint against defendants Michael Batterman ("Batterman"), Randall B. Batterman III ("R. Batterman"), and Dynasty Fund, Ltd. ("Dynasty") (collectively, the "Defendants"), alleges as follows:

PRELIMINARY STATEMENT

1. From as early as November 1993 through at least August 1995, Batterman, R. Batterman, and Dynasty used fraudulent misrepresentations and omissions of material facts to defraud at least five United States citizens into purchasing at least \$925,000 of the securities of

Dynasty, an investment management company that Batterman controls. Specifically, Defendants defrauded the purchasers of Dynasty's securities by promoting Batterman as a successful investment adviser and affirmatively misrepresenting that neither Dynasty, nor its officers, directors, or investment adviser had ever been involved in any criminal, civil, administrative, or investigative proceedings when in fact Batterman is a convicted felon with a history of administrative and regulatory sanctions. Following the investors' purchase of Dynasty's securities, Defendants misrepresented Dynasty's performance in order to lull the investors and conceal the fraud, and to solicit additional investments. Batterman misappropriated the \$925,000 that Defendants obtained from Dynasty's investors.

2. Defendants, directly or indirectly, have engaged, are engaging, and are about to engage, in transactions, acts, practices, and courses of business that constitute or would constitute violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5.

3. In addition, Batterman has acted and is acting as an unregistered investment adviser. Batterman, directly or indirectly, has engaged, is engaging, and is about to engage in transactions, practices, and courses of business that constitute or would constitute violations of Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

4. R. Batterman, directly or indirectly, has aided, abetted, counseled, commanded, induced, or procured, is aiding, abetting, counseling, commanding, inducing, or procuring, or is about to aid, abet, counsel, command, induce, or procure Batterman's violations of Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

5. Unless they are permanently restrained and enjoined by this Court, Batterman, R. Batterman, and Dynasty will continue to engage, or again engage, in the transactions, acts, practices, and courses of business alleged in this Complaint, and in transactions, acts, practices, and courses of business of a similar type and object. By this action, the Commission seeks permanent injunctive relief; an accounting; disgorgement of ill-gotten gains plus prejudgment interest; the imposition of civil money penalties under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d); Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3); and Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e); and such other relief as the Court shall deem just and proper.

#### JURISDICTION AND VENUE

6. The Commission brings this action against Batterman, R. Batterman, and Dynasty pursuant to the authority conferred upon it by Section 20(b) of the Securities Act, 15 U.S.C. § 77t(b), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), and with respect to Batterman and R. Batterman, pursuant to the authority of Section 209(d) of the Advisers Act, 15 U.S.C. § 80b-9(d).

7. Batterman, R. Batterman, and Dynasty, directly and indirectly, made use of the means or instruments of transportation or communication in, and the means or instrumentalities of, interstate commerce, or of the mails, or of the facilities of a national securities exchange, in connection with the transactions, acts, practices and courses of business alleged herein.

8. Certain of the transactions, acts, practices, and courses of business alleged herein occurred within the Southern District of New York, including (a) the offer and sale of Dynasty securities by Defendants; and (b) the making of misrepresentations and omissions of material facts by Defendants in connection with the offer and sale of Dynasty securities.

Accordingly, this Court has jurisdiction over this action, and venue is proper in this district, pursuant to Sections 20(d) and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(d), 77v(a), Sections 21(d) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78aa, and Sections 209(d) and 214 of the Advisers Act, 15 U.S.C. §§ 80b-9(d), 80b-14.

### **DEFENDANTS**

9. **Batterman** is 67 years old and was last known to have resided in Hackensack, New Jersey. Batterman, individually and acting under the name Windsor Group, Ltd. (“Windsor”), engaged, for compensation, in the business of advising clients on investing in securities. Batterman controls Dynasty and all of its operations.

10. **R. Batterman** is 37 years old and was last known to have resided in New York, New York. He is Batterman’s son.

11. **Dynasty** is a British Virgin Islands (“BVI”) corporation that purports to be an open-end investment management company. Dynasty was stricken from BVI’s Registry of Companies on or about September 23, 1996 for non-payment of license fees.

### **FRAUDULENT CONDUCT BY BATTERMAN, R. BATTERMAN, AND DYNASTY**

#### **Batterman’s Establishment and Control of Dynasty**

12. Batterman created, controlled, and continues to control Dynasty. From at least as early as November 1993 through at least January 1996, Batterman conducted much of the business relating to Dynasty out of his home, first at 55 Liberty Street in New York City, and later in Alpine, New Jersey. This included soliciting Dynasty’s investors, establishing an account in Dynasty’s name at Spear Leeds & Kellogg, a securities brokerage firm in New York, directing the funds of Dynasty’s investors into that account, and trading in that account

on behalf of Dynasty. In fact, Batterman used Dynasty as a vehicle fraudulently to obtain and to misappropriate investors' funds.

### **Batterman's Disciplinary and Criminal History**

13. In 1976, Batterman (a) was barred by the Commission from association with any registered broker, dealer, investment company, or investment adviser; and (b) was barred by the New York Stock Exchange ("NYSE") for ten years from employment in any capacity with any member or member organization and barred permanently from employment in any supervisory capacity with any member or member organization.

14. In 1993, Batterman was convicted, based on his guilty plea, of two felony counts of income tax evasion in the United States District Court for the Southern District of New York. Batterman's criminal tax evasion conviction arose from Batterman's failure to report income received from an offshore investment advisory client.

15. During the course of those criminal tax evasion proceedings, the court revoked Batterman's bail after finding that Batterman had converted funds entrusted to him by investment advisory clients and used those funds to satisfy the cash portion of his bail.

16. On December 22, 1993, Batterman was sentenced to probation for a five-year period and ordered to pay a fine of \$10,000.

### **Dynasty's Explanatory Memorandum**

17. Dynasty's Memorandum, which Batterman and R. Batterman provided to investors, states that Dynasty's "Investment Manager employs a team of highly experienced, prudent and sophisticated individuals" who bring to Dynasty "decades of vital portfolio management experience." Dynasty's Memorandum further declares, "There have been no

criminal, civil, administrative or investigative proceedings involving [Dynasty], its directors or officers, the Investment Manager or the Administrator.”

18. Dynasty’s Memorandum does not identify Batterman or R. Batterman. Nor does Dynasty’s Memorandum disclose Batterman’s criminal conviction and administrative and regulatory sanctions.

19. In fact, however, Batterman controlled Dynasty. Batterman and R. Batterman told Dynasty’s investors that Batterman would be managing the funds invested in Dynasty and portrayed Batterman to Dynasty’s investors as Dynasty’s investment manager.

20. Moreover, Batterman and R. Batterman held themselves out to investors as authorized to act on behalf of Dynasty and conduct business in the name of Dynasty. Batterman and R. Batterman signed and sent written correspondence by telefacsimile and other means to Dynasty’s investors on Windsor and/or Dynasty letterhead soliciting investments in Dynasty securities, confirming the sale of Dynasty securities, instructing investors how to pay for their Dynasty securities, and providing information to investors regarding Dynasty’s purported performance.

#### **The Offer and Sale of Dynasty Securities**

21. Beginning at least as early as November 1993 and continuing through at least August 1995, Batterman and R. Batterman offered and sold at least \$925,000 in Dynasty securities to at least five U.S. investors.

22. Batterman, while residing in New York and New Jersey, met with potential Dynasty investors in New York and offered and sold Dynasty securities to these investors.

23. Batterman, orally and/or in writing, represented to investors and prospective investors that he was a successful money manager and Dynasty was a successful fund that he

managed. On the basis of these oral and written misrepresentations, Batterman offered and sold \$925,000 in Dynasty securities to at least the following five U.S. investors:

- a. Investor A, a New York resident, purchased \$75,000 of Dynasty securities in or about May 1994, \$25,000 of Dynasty securities in or about September 1994, and \$25,000 of Dynasty securities in or about July 1995, for a total investment in Dynasty of at least \$125,000 between approximately May 1994 and July 1995;
- b. Investor B, a New York resident, purchased at least \$250,000 of Dynasty securities in or about July 1994;
- c. Investor C, a New York resident, purchased at least \$50,000 of Dynasty securities during 1995;
- d. Investor D, a U.S. citizen residing in Hong Kong, purchased at least \$50,000 of Dynasty securities in or about August 1995 after meeting with Batterman in New York; and
- e. Investor E purchased at least \$450,000 of Dynasty securities in or about November 1993.

24. Batterman and R. Batterman instructed Dynasty's investors to pay for their Dynasty securities by depositing the purchase price for these securities into Dynasty's account at Barclays Private Bank and Trust (BVI), Ltd. ("Barclays") in the British Virgin Islands. Pursuant to these instructions, Investors A, B, C, and E deposited at least \$875,000 in Dynasty's account at Barclays to purchase Dynasty securities.

25. R. Batterman, orally and/or in writing, also represented to investors and prospective investors that Batterman was a successful money manager and Dynasty was a

successful fund that Batterman managed. On the basis of these oral and written misrepresentations, R. Batterman offered and sold Dynasty securities to at least two Dynasty investors identified above, Investors A and D.

26. Specifically, in or about April 1994, R. Batterman provided a Dynasty Memorandum to Investor A and solicited Investor A to purchase Dynasty securities. After being solicited by R. Batterman, Investor A purchased \$75,000 of Dynasty securities in or about May 1994 and \$25,000 of Dynasty securities in or about September 1994. After Investor A made these purchases, R. Batterman continued to solicit Investor A to purchase additional Dynasty securities. Investor A purchased an additional \$25,000 of Dynasty securities in or about July 1995.

27. Additionally, in 1994 and 1995, R. Batterman, while in Hong Kong, met with Investor D and solicited him to purchase Dynasty securities. In 1995, Investor D met with Batterman and R. Batterman in New York and agreed to purchase Dynasty securities they offered to sell him. In August 1995, Investor D wired \$50,000 into Dynasty's Spear Leeds account to purchase his Dynasty securities.

28. Neither Batterman nor R. Batterman told any of the foregoing investors about Batterman's criminal conviction and regulatory and administrative sanctions.

29. When several of Dynasty's investors learned about Batterman's history they sought a refund of their Dynasty investment, but Batterman refused to refund these investors' funds.

**Batterman, Doing Business as Windsor, Acts as an Investment Adviser**

30. Beginning at least as early as November 1993 and continuing through at least January 1996, Batterman, individually and acting under the name of Windsor, engaged, for compensation, in the business of advising clients on investing in securities. In fact, Windsor



was nothing more than the name under which Batterman did business in his capacity as investment adviser to Dynasty. Batterman and R. Batterman told Dynasty's investors that it was Batterman who would be managing the funds invested in Dynasty, and Batterman held himself out to investors as the manager of Dynasty. Accordingly, Batterman acted as an investment adviser within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

**Misrepresentations and Omissions of Material Fact Regarding  
Batterman's Criminal Conviction and Administrative and Regulatory Sanctions**

31. While offering and selling Dynasty securities, Batterman and R. Batterman knowingly or recklessly made materially false statements and omitted to state material facts necessary to make the statements made not misleading, concerning Batterman's criminal conviction and administrative and regulatory sanctions.

32. More particularly, Batterman and R. Batterman, orally and through Dynasty's Memorandum, portrayed Batterman to Dynasty's investors as a successful investment manager with an unblemished record, while knowingly or recklessly failing to disclose to Dynasty's investors that Batterman was a convicted felon who had been sanctioned by the Commission and NYSE.

33. Batterman's criminal conviction and administrative and regulatory sanctions were material facts required to be disclosed to investors and prospective investors.

34. Therefore, the statements made by Batterman and R. Batterman to investors as set forth in paragraphs 1, 7, 8, and 17 through 33 above were either materially false and misleading, or were rendered materially false and misleading by Batterman's and R. Batterman's failure to disclose Batterman's criminal conviction and administrative and regulatory sanctions.

### **Misrepresentations Regarding Dynasty's Performance**

35. Batterman and R. Batterman knowingly or recklessly made materially false statements to investors, and omitted to state material facts necessary to make the statements made not misleading, concerning Dynasty's performance.

36. Batterman and R. Batterman misrepresented Dynasty's performance to investors in order to conceal their fraud after the investors had purchased Dynasty securities. Batterman and R. Batterman told investors that Dynasty was profitable during 1994 and 1995 when in fact Dynasty suffered losses during this period. Batterman and R. Batterman attempted to conceal these losses from investors by knowingly or recklessly misrepresenting Dynasty's performance to investors. Batterman's and R. Batterman's misrepresentations and omissions regarding Dynasty's performance include, but are not limited to, the following:

- a. In a letter dated February 8, 1995, R. Batterman wrote to Investor A that Dynasty had increased in value 16% during 1994 when in fact Dynasty's Spear Leeds account reflects trading losses of approximately \$177,000 for 1994. The 1994 trading losses represent an approximate 37% reduction in the value of Dynasty's Spear Leeds account from its value at the end of 1993.
- b. In a letter dated April 1, 1995, R. Batterman wrote to Investor A again, stating that Dynasty's "future appears very promising," providing Investor A with Dynasty's purported net asset value for April 1, 1995, and soliciting an additional investment. Dynasty's Spear Leeds account suffered losses of approximately \$43,000 during the period from January

1, 1995, through April 1, 1995, and had cumulative losses through April 1, 1995 of approximately \$209,000.

- c. In a letter to Dynasty's investors dated April 5, 1995, Batterman stated that Dynasty's net asset value increased 18.62% during the first five months of 1995. In a letter to Dynasty's investors dated June 4, 1995, Batterman stated that Dynasty's net asset value had increased 22% during this same period. In fact, Dynasty's Spear Leeds account suffered trading losses of approximately \$47,000 for that period. The trading losses during this period represent an approximate 36% decrease in the value of the account from its value at the close of 1994.
- d. In a letter dated December 13, 1995, Batterman wrote to Investor A and stated, "We're having a great December and we'll leave everybody in the dust in 1996." In fact, by December 1995, Dynasty's Spear Leeds account had suffered cumulative losses totaling approximately \$286,000, including losses of approximately \$15,000 for the month of December 1995.

37. The misrepresentations and omissions regarding Dynasty's performance set forth in paragraphs 1, 7, 8, 20 through 27, and 35 through 36 above were material.

#### **Misappropriation of Investors' Funds**

38. Batterman and R. Batterman fraudulently raised at least \$925,000 from Dynasty's investors. Batterman misappropriated these funds.

39. In order to conceal the misappropriation of these funds by Batterman, Batterman and R. Batterman knowingly or recklessly made the misrepresentations and omissions of material

facts to investors regarding Dynasty's performance referred to in paragraphs 1, 7, 8, 20 through 27, and 35 through 37 above.

**FIRST CLAIM FOR RELIEF**

**Violations of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5**

**(Fraud in the Offer and Sale of Securities)**

40. The Commission realleges and incorporates paragraphs 1 through 39 above by reference as if fully set forth herein.

41. Batterman, R. Batterman, and Dynasty, directly and indirectly, in the offer or sale, and in connection with the purchase or sale, of securities, by use of the means or instruments of transportation or communication in interstate commerce, the means or instrumentalities of interstate commerce, the mails, or the facilities of a national securities exchange: (a) employed devices, schemes, and artifices to defraud; (b) obtained money or property by means of, or otherwise made, untrue statements of material facts or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, acts, practices, and courses of business that operated as a fraud or deceit upon purchasers of securities and other persons, including Dynasty's investors.

42. As part of and in furtherance of the aforementioned conduct, and as more fully described in paragraphs 1 through 39 above, Batterman, R. Batterman, and Dynasty, knowingly or recklessly, made the misrepresentations and omissions alleged in paragraphs 1, 7, 8, and 17 through 39 above, and fraudulently obtained at least \$925,000 in investors' funds.

43. These misstatements and omissions were material.

44. By reason of the foregoing, Batterman, R. Batterman, and Dynasty violated, and unless enjoined, will again violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

**SECOND CLAIM FOR RELIEF**

**Violations of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5**

**(Misappropriation of Investors' Funds)**

45. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 44 above.

46. Batterman, directly and indirectly, in the offer or sale, and in connection with the purchase or sale, of securities, by use of the means or instruments of transportation or communication in interstate commerce, the means or instrumentalities of interstate commerce, the mails, or the facilities of a national securities exchange: (a) employed devices, schemes, and artifices to defraud; (b) obtained money or property by means of, or otherwise made, untrue statements of material facts or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, acts, practices, and courses of business that operated as a fraud or deceit upon purchasers of securities and other persons, including Dynasty's investors.

47. As described more particularly in paragraphs 1 through 44 above, Batterman knowingly or recklessly misappropriated to his own use at least \$925,000 of funds from Dynasty's investors.

48. As part of and in furtherance of this scheme, as well as to conceal his misappropriation, Batterman knowingly or recklessly made false and misleading statements and omissions to Dynasty's investors regarding Dynasty's performance, as described more particularly in paragraphs 1, 7, 8, and 17 through 39 above.

49. These misstatements and omissions were material.

50. By reason of the foregoing, Batterman violated, and unless enjoined, will again violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

### **THIRD CLAIM FOR RELIEF**

#### **Violations of Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. § 80b-6(1) and (2)**

#### **(Fraud Upon Advisory Clients and Prospective Advisory Clients)**

51. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 50 above.

52. Batterman, while acting as an investment adviser, by use of the mails or means or instrumentalities of interstate commerce, directly and indirectly, employed devices, schemes, or artifices to defraud clients or prospective clients, and engaged in transactions, practices or courses of business which operated as a fraud or deceit upon clients or prospective clients.

53. As part of and in furtherance of the aforementioned conduct, and as more fully described in paragraphs 1 through 50 above, Batterman, knowingly or recklessly, and in disregard of his fiduciary duty to his advisory clients:

- a. made the misrepresentations and omissions alleged in paragraphs 1, 7, 8, and 17 through 39 above; and
- b. misappropriated to his own use at least \$925,000 of funds from Dynasty's investors.

54. As part of and in furtherance of this scheme, as well as to conceal his misappropriation, Batterman knowingly or recklessly made false and misleading statements and omissions to Dynasty's investors, as described more particularly in paragraphs 1, 7, 8, and 17 through 39 above.

55. These misstatements and omissions described in paragraphs 1, 7, 8, and 17 through 39 above were material.

56. By reason of the foregoing, Batterman violated, and unless enjoined will again violate, Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. § 80b-6(1) and (2).

#### **FOURTH CLAIM FOR RELIEF**

##### **Aiding and Abetting Violations of Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. § 80b-6(1) and (2)**

##### **(Aiding and Abetting Fraud Upon Advisory Clients and Prospective Advisory Clients)**

57. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 56 above.

58. R. Batterman, by use of the mails or means or instrumentalities of interstate commerce, directly and indirectly, aided, abetted, counseled, commanded, induced, or procured Batterman's violations of Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

59. As part of and in furtherance of the aforementioned conduct, and as more fully described in paragraphs 1 through 56 above, R. Batterman, while knowing of Batterman's fraudulent conduct set forth in paragraphs 1 through 56 above, knowingly or recklessly made false and misleading statements and omissions to Dynasty's investors, as described more particularly in paragraphs 1, 7, 8, and 17 through 39 above, to assist Batterman in concealing Batterman's misappropriation of investors' funds.

60. These misstatements and omissions described in paragraphs 1, 7, 8, and 17 through 39 above were material.

61. By reason of the foregoing, R. Batterman aided, abetted, counseled, commanded, induced, or procured, and unless enjoined will again aid, abet, counsel, command, induce, or procure, Batterman's violations of Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

### **RELIEF REQUESTED**

**WHEREFORE**, Plaintiff Commission respectfully requests that this Court order the entry of a Final Judgment:

#### **I.**

Permanently restraining and enjoining Batterman, R. Batterman, and Dynasty, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from, directly or indirectly, singly or in concert, violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.



## II.

Permanently restraining and enjoining Batterman, his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from, directly or indirectly, singly or in concert, violating Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. § 80b-6(1) and (2).

## III.

Permanently restraining and enjoining R. Batterman, his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from, directly or indirectly, singly or in concert, aiding, abetting, counseling, commanding, inducing, or procuring violations of Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. § 80b-6(1) and (2).

## IV.

Ordering Batterman, R. Batterman, and Dynasty each to file with this Court and serve upon the Commission verified written accountings, signed by each under penalty of perjury, of:

(1) All assets, liabilities, and property of each currently held, directly or indirectly, by, or for the benefit of, Batterman, R. Batterman, and/or Dynasty, including, but not limited to, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, and its current location and amount;

(2) All money, property, assets, and other income of each received by, or for the direct or indirect benefit of, Batterman, R. Batterman, and/or Dynasty, in or at any time since the inception of Dynasty to the date of the accounting, describing the source, amount, disposition and current location of each of the items listed;

(3) The names and last known addresses of all bailees, debtors, and other persons and entities which are currently holding the assets, funds or property of Batterman, R. Batterman, and/or Dynasty; and

(4) All assets, funds, securities, real or personal property of each received by Batterman, R. Batterman, and/or Dynasty, or any other person or entity controlled by them, from parties who provided money to Batterman, R. Batterman, and/or Dynasty in connection with the purchase or sale of securities from the inception of Dynasty to the date of the accounting, and the disposition of such assets, funds, securities, and real or personal property.

## V.

Ordering Batterman, R. Batterman, and Dynasty to disgorge their ill-gotten gains from the violations alleged herein, plus prejudgment interest thereon.

## VI.

Ordering Batterman and R. Batterman to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e); and ordering Dynasty to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

**VII.**

Granting such other relief as the Court shall deem just and proper.

Dated: New York, New York  
June 29, 2000

Respectfully submitted,

*Edwin H. Nordlinger*  
By: EDWIN H. NORDLINGER (EN-6258)  
Deputy Regional Director

Attorney for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
7 World Trade Center - 13th Floor  
New York, New York 10048  
(212) 748-8038

Of Counsel:

Wayne M. Carlin  
Stephen E. Donahue  
James E. Burt IV