

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

JL7

Case No.

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

01-3269

v.

CIV - LENARD

FAMILIES ON LINE CORPORATION,  
MARK C. THURMAN, and  
ROBERT D. FIENE,

Defendants.

MAGISTRATE JUDGE  
TURNOFF

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 and restrain Defendants from violating the federal securities laws in connection with a fraudulent, unregistered offering of securities issued by Families On Line Corporation ("FOL" or the "Company"), and to prevent FOL's chief executive officer, Mark C. Thurman ("Thurman"), and its chief operating officer, Robert D. Fiene ("Fiene"), from further misappropriating and dissipating investor funds. Commencing in July 1999 through December 2000, Defendants raised \$3.9 million from approximately 410 investors nationwide – primarily fundamentalist Christians – through two private placement offerings. FOL purports to offer "filtered" access to the Internet, i.e., Internet access free of sexual content, violence, gambling, and other similar content. Defendants provided investors and potential investors with false and misleading offering documents and

*[Handwritten signature]*

placed those materials on FOL's Internet web site. Defendants made material misrepresentations and omissions to investors concerning, among other things, the use of investor funds, the existence of a marketing agreement with a Christian-based television network, the amount of actual and projected subscribers to the FOL Internet service, and a purported agreement with a registered broker-dealer to underwrite an FOL initial public offering ("IPO"). Moreover, not only did FOL's offering materials misrepresent Thurman's and Fiene's backgrounds, they failed to disclose that both are convicted felons. Thurman and Fiene have diverted at least \$1.8 million of investor funds for their own use, including using investor funds to purchase luxury vehicles, vacations, and merchandise from stores that specialize in drug paraphernalia and adult novelty items.

## **II. DEFENDANTS**

2. **FOL** is the issuer of the securities offered and sold to investors in the fraudulent scheme. FOL has been registered as a Florida corporation since August 1999. FOL is located at 2400 East Commercial Boulevard, Suite 423, Fort Lauderdale, Florida 33308. No registration statement has been filed or is in effect with the Commission in connection with any of the securities being offered and sold by FOL. The FOL offerings are not exempt from registration with the Commission.

3. **Mark C. Thurman**, age 42, resides in Fort Lauderdale, Florida. Thurman is FOL's chairman and chief executive officer ("CEO"). Thurman's extensive criminal history includes felony convictions for grand theft, wire fraud, and criminal possession of a forged instrument. Thurman is not registered with the Commission in any capacity.

4. **Robert D. Fiene**, age 30, resides in Fort Lauderdale, Florida. Fiene is FOL's chief operating officer. Fiene was convicted of burglary, armed robbery and grand theft. Fiene is not registered with the Commission in any capacity.

### **III. JURISDICTION AND VENUE**

5. 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. These provisions authorize the Commission to seek the imposition of civil money penalties for violations of the federal securities laws.

6. Venue is appropriate in the Southern District of Florida. Certain of the acts and transactions constituting violations of the Securities Act and the Exchange Act have occurred within the Southern District of Florida. The principal offices of Defendant FOL are located in the Southern District of Florida, and the individual Defendants, Thurman and Fiene, both reside in the Southern District of Florida. Defendants have engaged in the acts, transactions, and practices complained of herein within the Southern District of Florida.

7. Defendants, 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.

**IV. DEFENDANTS' FRAUDULENT OFFERING AND MISAPPROPRIATION**

**A. FOL's Business And Thurman's And Fiene's Roles**

8. FOL purports to provide "safe, moral, and family oriented" filtered Internet access to subscribers for a monthly fee of \$19.95. FOL claims that it will be able to attract thousands of subscribers through its affinity group marketing program, whereby religious or non-profit organizations agree to recommend FOL's filtered Internet service to their members and, in exchange, FOL will pay the referring organization \$5 per month per subscriber.

9. Thurman manages FOL's day-to-day affairs, communicates with investors and prospective investors, and negotiates the Company's contracts. During the relevant period, Thurman provided copies of FOL's fraudulent offering materials and other information to sales agents who sold FOL's securities in two private placement offerings. Thurman also directly made offers and sales of FOL securities to prospective investors and investors. Thurman has signature authority over all of FOL's bank accounts.

10. Fiene serves as FOL's chief operating officer and also has signature authority over all of FOL's bank accounts. Fiene participated in FOL's marketing activities, having written at least one letter to shareholders describing FOL's purported marketing strategies and efforts.

**B. FOL's Two Securities Offerings**

11. Between July 1999 and December 2000, FOL raised \$3.9 million from approximately 410 investors nationwide through two nearly identical private placement offerings. FOL offered and sold its securities primarily to self-identified fundamentalist Christians. FOL told investors in each offering that the minimum investment was \$5,000, but some investors purchased fractional units. Although the prospectus for each offering indicates

that the investment is “strictly limited to accredited investors,” many investors are not accredited investors and had so indicated on their subscription agreements.

12. FOL’s first private placement offering took place primarily between July 1999 and August 2000. Defendants offered to the general public 1000 “units” consisting of 2000 shares of FOL common stock and warrants at a price of \$5,000 per unit, for a total offering of \$5 million (“Series A Offering”). The Series A offering was not fully subscribed, and FOL raised only approximately \$3,525,000 dollars through the Series A offering.

13. In September 2000, FOL began offering and selling an additional 400 units at a price of \$5,000 per unit, for a total offering of \$2 million (“Series B Offering”). The Series B units consisted of 20,000 shares of FOL common stock and no warrants. FOL raised only approximately \$375,000 through the Series B offering. FOL appears to have ceased raising investor funds around December 2000.

**C. Material Misrepresentations And Omissions**

14. Defendants provided prospective and existing investors with fraudulent offering materials that included a business plan, a prospectus, and a two-page subscription agreement. In addition, many investors received a copy of a purported letter to Thurman from the President of Trinity Broadcasting Network (“TBN”), a television network aimed at fundamentalist Christians, describing TBN’s commitment to help build FOL’s subscriber base. Finally, approximately once a month, FOL sent letters (authored by Thurman) to existing shareholders that contained information about the Company and encouraged shareholders to buy additional FOL securities. These documents were replete with material misrepresentations and omissions and, in the case of the TBN commitment, the letter was a complete fabrication.

***(i) Projected Revenues and Anticipated Returns***

15. The prospectus and business plan distributed to prospective investors in connection with FOL's Series A offering projected that an "ultra conservative proforma indicates a first year customer base in excess of 2.5 million subscribers which will realize in excess of \$330 million dollars in revenue." FOL claimed that it would earn in excess of \$120 million in net profits in its first year of operation, and that its "accumulated five year earnings" would exceed \$1 billion. FOL's Series B offering materials, prepared and disseminated a year later, contain identical projections.

16. FOL had no basis for its claimed projected subscriber base, revenues and anticipated returns. FOL's records demonstrate that its subscriber base never exceeded 150 users. Moreover, as explained below, it never had any commitment from TBN to supply it with subscribers. Certainly by the time the Series B offering materials were disseminated, Defendants knew or recklessly disregarded that FOL had not met – or even remotely approached – the projections outlined in the Series A offering materials.

***(ii) The Forged TBN Letter Used to Solicit Investors***

17. Defendants solicited investments by sending investors and prospective investors a copy of a letter dated August 27, 1999, purportedly written to FOL and Thurman by Paul F. Crouch ("Crouch"), the head of TBN. The TBN letter stressed TBN's commitment to help FOL build its subscriber base. According to the letter, TBN had over 322,000 "signed requests with credit card numbers [of individuals] who are willing to make the switch [to FOL] as soon as the [FOL] service is available." The TBN letter further stated that "[w]e have no doubt of fulfilling our commitment of three million subscribers by year end."

18. Thurman encouraged FOL's sales agents to show the TBN letter to prospective investors. Accordingly, when soliciting prospective investors, FOL's sales agents emphasized the Company's purported affiliation with TBN and TBN's commitment to help FOL build its subscriber base. Thurman also periodically mentioned FOL's affiliation with TBN in his monthly letters to FOL investors and in conversations with them.

19. The TBN letter was a complete fabrication distributed by Defendants to fraudulently induce prospective and existing investors into purchasing shares of FOL. Crouch's signature on the TBN letter was a complete forgery and the representations therein were false.

***(iii) FOL Falsely Claimed to Be Preparing for an IPO***

20. From the very beginning of FOL's securities offerings, Thurman repeatedly told investors that the Company would eventually engage in an IPO. Starting in mid-February 2000, Thurman began to represent in his monthly letter to investors that FOL had selected Dean Witter as the lead underwriter for its IPO. Thurman also told investors they could sell up to 50% of their FOL shares at the purported \$158.50 per share offering price, and encouraged them to buy additional FOL securities in the Company's private placement offerings. Many new and existing investors purchased FOL's securities so that they could participate in the purportedly imminent IPO.

21. In late February 2000, Thurman and Fiene held a shareholders' meeting to discuss FOL's IPO. At the meeting, they explained Dean Witter's role in the offering, and gave shareholders copies of a draft prospectus purportedly prepared by Dean Witter. Fiene told shareholders that his uncle was a Dean Witter vice president who had agreed to assist FOL in its offering. Later, in a March 2000 letter to shareholders, Thurman said that FOL had filed applications with the Commission for an IPO, and was awaiting Commission approval. In a June

21, 2000 update, Thurman told investors that "[w]e received word this morning that our application with the SEC for our IPO has been conditionally approved.... We will have final approval within 10 days."

22. These representations were outright lies. Dean Witter never offered to underwrite FOL's offering, and never prepared a draft prospectus. Similarly, FOL had never made any filings with the Commission.

***(iv) Failure to Disclose the Criminal Histories of Thurman and Fiene***

23. The FOL offering materials misleadingly tout the background and experience of FOL's "co-founders," Thurman and Fiene. The offering materials describe Thurman as having a professional background in "banking, accounting, and finance related matters" combined with "proven marketing and management abilities." Thurman's resume, included in FOL's business plan, also touted Thurman as a religious leader and author. With respect to Fiene, the offering materials describe Fiene's professional background as including "construction, management, and mortgage brokering" and claim that Fiene has "extensive marketing skills."

24. The offering materials fail to disclose, however, that Thurman and Fiene are convicted felons. Thurman's numerous criminal convictions include wire fraud, possession of a forged instrument, theft of services, grand theft, and a recent conviction for grand theft in July 2000. Fiene was convicted of burglary in 1991 and armed robbery and grand theft in 1995. None of these convictions were disclosed in the offering materials or other information provided to prospective and existing investors.

**D. Misappropriation of Investor Funds by the Individual Defendants**

25. Thurman and Fiene have misappropriated at least \$1.8 million in investor funds for their own use. In addition to generous checks written to themselves and other withdrawals



made on FOL's account, they have used investor funds to pay their household and living expenses, purchase expensive toys, extravagant vacations and other luxury items. For example, Thurman and Fiene purchased a BMW automobile, a custom motorcycle, jewelry, and merchandise from adult novelty and drug paraphernalia stores.

**COUNT I**

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

26. The Commission repeats and realleges its allegations set forth at paragraphs 1 through 25 of this Complaint as if fully restated herein.

27. 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.

28. Since at least July 1999 through December 2000, Defendants FOL, Thurman, and Fiene, 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 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.

29. By reason of the foregoing, Defendants FOL, Thurman, and Fiene 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 THE OFFER OR SALE OF SECURITIES IN VIOLATION OF SECTION 17(a)(1) OF THE SECURITIES ACT**

30. The Commission repeats and realleges its allegations set forth at paragraphs 1 through 25 of this Complaint as if fully restated herein.

31. Since at least July 1999 through December 2000, Defendants FOL, Thurman, and Fiene, directly or indirectly, 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, as described herein, have knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

32. By reason of the foregoing, Defendants FOL, Thurman, and Fiene 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 CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES IN VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5**

33. The Commission repeats and realleges its allegations set forth at paragraphs 1 through 25 of this Complaint as if fully restated herein.

34. Since at least July 1999 through December 2000, Defendants FOL, Thurman, and Fiene, directly or indirectly, by use of the means or instrumentalities of interstate commerce or of the mails, or of any facility of any national exchange, in connection with the purchase or sale of securities, as described herein, have knowingly, willfully or recklessly:

- (a) employed devices, schemes or artifices to defraud;
- (b) made untrue statements of material facts and omitted 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) engaged 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.

35. By reason of the foregoing, Defendants FOL, Thurman, and Fiene 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**

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

36. The Commission repeats and realleges its allegations set forth at paragraphs 1 through 25 of this Complaint as if fully restated herein.

37. Since at least July 1999 through December 2000, Defendants FOL, Thurman, and Fiene, directly or indirectly, 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, as described herein, have:

- (a) obtained 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/or
- (b) engaged 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.

38. By reason of the foregoing, Defendants FOL, Thurman, and Fiene 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).

**RELIEF REQUESTED**

WHEREFORE, the Commission respectfully requests that the Court:

**I.**

**Declaratory Relief**

Declare, determine and find that Defendants FOL, Thurman, and Fiene committed the violations of the federal securities laws alleged herein.

**II.**

**Permanent Injunctive Relief**

Issue a Permanent Injunction, restraining and enjoining:

Defendants FOL, Thurman, and Fiene, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating: (a) Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c); (b) Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a); (c) 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; and (d) 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).

**III.**

**Disgorgement**

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

**IV.**

**Penalties**

Issue an Order directing Defendants FOL, Thurman, and Fiene to pay civil money 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).

**V.**

**Asset Freeze**

Issue an Order temporarily freezing the assets of Defendants FOL, Thurman and Fiene until further Order of the Court.

**VI.**

**Accounting**

Issue an Order requiring accountings from Defendants FOL, Thurman and Fiene.

**VII.**

**Further Relief**

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

**VIII.**

**Retention of Jurisdiction**

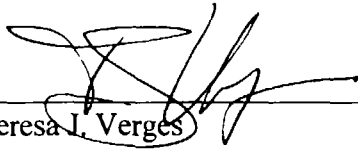
Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may hereby be

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

Dated: March 9, 2001

Respectfully submitted,

By:

  
\_\_\_\_\_  
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# CIVIL COVER SHEET

# 01-6369

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)

**(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)**  
**Teresa J. Verges, Esq. (305) 982-6384**  
**Gary M. Miller, Esq. (305) 982-6314**  
**SEC, 1401 Brickell Avenue, Suite 200**  
**Miami, Florida 33131**

**DEFENDANTS**  
**Families On Line Corporation**  
**Mark C. Thurman, and Robert D. Fiene.**

**CIVIL JUDGE**  
**MAGISTRATE JUDGE**  
**TURNOFF**

**DEFENDANT'S COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT** Broward  
 (IN U.S. PLAINTIFF CASES)

**NOTE:** IN LAND CONDEMNATION CASES, USE THE LOCATION OF TRACT OF LAND INVOLVED

**ATTORNEYS (IF KNOWN)**

*A-Broward/Oct 13 2001/ Leonard/ Turner*

**(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** (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 Magistrate Judgment

**V. NATURE OF SUIT** (PLACE AN "X" IN ONE BOX ONLY)

A CONTRACT	A TORTS	FORFEITURE/PENALTY	A BANKRUPTCY	A 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 Veteran's Benefits <input type="checkbox"/> 160 Stockholders Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability	<b>PERSONAL INJURY</b> <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 <b>PERSONAL INJURY</b> <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 <b>PERSONAL PROPERTY</b> <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"/> A 422 Appeal 28 USC 158 <input type="checkbox"/> A 423 Withdrawal 28 USC 157 <b>A PROPERTY RIGHTS</b> <input type="checkbox"/> A 820 Copyrights <input type="checkbox"/> A 830 Patent <input type="checkbox"/> A 840 Trademark <b>B SOCIAL SECURITY</b> <input type="checkbox"/> B 861 HIA (1395ff) <input type="checkbox"/> B 862 Black Lung (923) <input type="checkbox"/> B 863 DIWC/DIWW (405(g)) <input type="checkbox"/> B 864 SSID Title XVI <input type="checkbox"/> B 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <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"/> A 400 State Reapportionment <input type="checkbox"/> A 410 Antitrust <input type="checkbox"/> A 430 Banks and Banking <input type="checkbox"/> B 450 Commerce/ICC Rates/etc <input type="checkbox"/> A 460 Deportation <input type="checkbox"/> A 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> A 810 Selective Service <input checked="" type="checkbox"/> A 850 Securities/Commodities/Exchange <input type="checkbox"/> A 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> A 881 Agricultural Acts <input type="checkbox"/> A 892 Economic Stabilization Act <input type="checkbox"/> A 893 Environmental Matters <input type="checkbox"/> A 894 Energy Allocation Act <input type="checkbox"/> A 895 Freedom of Information Act <input type="checkbox"/> A 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> A 950 Constitutionality of State Statutes <input type="checkbox"/> A 990 Other Statutory Actions A OR B
A REAL PROPERTY	A CIVIL RIGHTS	PRISONER PETITIONS		
<input type="checkbox"/> B 210 Land Condemnation <input type="checkbox"/> B 220 Foreclosure <input type="checkbox"/> B 230 Rent Lease & Ejectment <input type="checkbox"/> B 240 Torts to Land <input type="checkbox"/> B 245 Tort Product Liability <input type="checkbox"/> B 290 All Other Real Property	<input type="checkbox"/> A 441 Voting <input type="checkbox"/> A 442 Employment <input type="checkbox"/> A 443 Housing/Accommodations <input type="checkbox"/> A 444 Welfare <input type="checkbox"/> A 440 Other Civil Rights	<input type="checkbox"/> B 510 Motions to Vacate Sentence <b>HABEAS CORPUS:</b> <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		

**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)

77q(a)(1); 15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5; 15 U.S.C. §§ 77e(a) and 77e(c); 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

**Violations of the federal securities laws.**

LENGTH OF TRIAL  
 via 5 days estimated (for both sides to try entire case)

**VII. REQUESTED IN COMPLAINT:**

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

**DEMAND \$** Perm. Inj., Disgorgement & Penalties

CHECK YES only if demanded in complaint:  
**JURY DEMAND:**  YES  NO

**VIII. RELATED CASE(S) IF ANY** (See instructions): JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE 3/9/2001 SIGNATURE OF ATTORNEY OF RECORD  
**Teresa J. Verges, Senior Trial Counsel**

**FOR OFFICE USE ONLY**

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_