

COPY

UNITED STATES DISTRICT COURT
for the
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

CIVIL ACTION
NO.: 15803

ROBERT D. GERSH, BOSTON MUNICIPAL
SECURITIES, INC. AND DEVONSHIRE ESCROW
AND TRANSFER CORP., :

Defendants, :

and MA'AYAN BOOK COMPANY, INC.,
CHARLES RIVER LANDING, LTD.,
CRL GROUP, INC.,
CULINARY CLASSICS OF
CHESTNUT HILL, INC.,
CULINARY CLASSICS OF
BURLINGTON, INC.,
THE KITCHEN SHELF, INC., AND
THE COMPU-BILL CO., INC.,

Relief Defendants. :

COMPLAINT FOR
A TEMPORARY RESTRAINING ORDER,
PRELIMINARY AND PERMANENT INJUNCTIONS
OTHER EQUITABLE RELIEF AND CIVIL MONETARY PENALTIES

For its Complaint, Plaintiff Securities and Exchange
Commission (the "Commission") alleges that:

NATURE OF THE ACTION

1. This is an emergency enforcement action to stop the Defendants from continuing fraudulent acts in connection with the offer and sale of \$14 million in securities to investors in at least six states. At present, at least \$7,000,000 in investor funds has been misappropriated by the Defendants and remain

unaccounted for. When subpoenaed to testify before the Commission staff, Defendant Robert D. Gersh ("Gersh") asserted his Fifth Amendment right against self-incrimination. The Commission brings this action to shut-down the Defendants' fraudulent operation, and thereby prevent further investor losses, and to preserve any remaining funds to repay investors.

2. From in or about early 1990 and continuing through to the present, Defendant Gersh and two of his wholly-owned corporate entities, Defendants Boston Municipal Securities, Inc. ("BMS") and Devonshire Escrow and Transfer Corp. ("Devonshire"), offered and sold securities in the form of Certificates of Participation ("COPs") in 34 securities offerings. A list of those offerings is attached hereto as Attachment A. As offered to investors, Gersh's COPs securities represented undivided interests in pools of equipment leases or other obligations entered into by state and local governments. Gersh would purchase these lease obligations and purportedly place them in trust for investors, with biannual interest and principal payments to be distributed, by the trustee, to investors on a pro rata basis. To induce public investors to invest in these COPs, the Defendants made multiple false statements and omissions of material fact. These included falsely promising that investments were fully-secured by state and municipal obligations, that Gersh would merely pass-through the state payments to investors and that a trustee would protect the interests of investors. In fact, Gersh only used a portion of the proceeds to invest in

state and local government leases or other obligations. Gersh commingled the proceeds of the investments and misappropriated the monies to invest in a variety of personal business ventures. On July 1 and September 1, 1995, Gersh defaulted on two COPs issues, the State of Washington Series 1990A (\$3,020,000) and the State of Wisconsin Series 1990A (\$380,000), respectively, and those funds have not been repaid to investors.

3. Approximately \$2,220,000 of the COPs securities, consisting of the State of Florida Series 1990A (\$1,250,000), the State of Wisconsin Series 1990B (\$270,000) and the City of Providence, Rhode Island Series 1990B (\$700,000), mature on December 1, 1995. In addition, three other Gersh COPs issues, consisting of the Westchester County, NY 1981 G Lane (\$415,000), Livingston County, NY (\$400,000) and Onondaga County, NY (\$805,000), mature on December 31, 1995, January 31, 1996 and December 15, 1996, respectively. Gersh-controlled bank accounts currently contain only \$319,000 and nearly all of the leases securing the outstanding COPs have been prepaid. Gersh has no other apparent source of funds available to repay COPs investors. As a result, additional COPs defaults are imminent. Accordingly, expedited action is necessary to preserve remaining assets and assure an equitable distribution of any remaining funds to all investors.

4. In connection with their participation in the offer and sale of COPs securities, Defendants Gersh, BMS and Devonshire have engaged, are engaging or are about to engage in

transactions, acts, practices and courses of business which constitute violations of Section 17(a) of the Securities Act of 1933, as amended [15 U.S.C. § 77q(a)] ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934, as amended [15 U.S.C. §§ 78j(b)] ("Exchange Act") and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

5. In this action, the Commission seeks a temporary restraining order immediately prohibiting the Defendants from continuing to violate the antifraud provisions of the Securities Act and Exchange Act and rules thereunder. Attendant to this emergency relief, the Commission seeks other equitable relief to minimize investor losses, preserve the Commission's ability to satisfy any monetary judgment it may obtain as a result of this action and enable the Commission to prosecute this action effectively. That other equitable relief includes a freeze and accountings of the Defendants' and Relief Defendants' assets, provisions for the taking of expedited discovery, appointment of a receiver and a prohibition from the alteration or destruction of documentary evidence. The Commission also seeks a preliminary injunction, a permanent injunction and disgorgement of the Defendants' and Relief Defendants' ill-gotten gains. Finally, the Commission seeks the imposition of 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)], in an amount to be determined by the Court.

JURISDICTION AND VENUE

6. The Commission brings this action 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. § 78(u)d)].

7. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Sections 21 and 27 of the Exchange Act [15 U.S.C. §§ 78u and 78aa].

8. Many, if not most, of the acts and transactions on which this action is based, including offers and sales of securities, occurred and took place in the District of Massachusetts, and thus venue lies in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. §77u(a)] and Section 27 of the Exchange Act [15 U.S.C. §77aa].

9. The Defendants have made use of the means and instrumentalities of interstate commerce, of the mails, and/or of the means and instruments of transportation or communication in interstate commerce in connection with the acts, omissions, practices and courses of business alleged herein.

10. The investments marketed by the Defendants constitute securities within the meaning of Section 2(1) of the Securities Act [15 U.S.C. § 77b(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78(a)(10)].

11. The Defendants, unless restrained and enjoined by this Court will continue to engage in the acts, omissions, practices and courses of business alleged herein.

THE DEFENDANTS

12. Gersh, age 45 and a resident of Burlington, Massachusetts, was an officer and control person of BMS and Devonshire at all relevant times. Gersh, the issuer of the securities, was responsible for all aspects of the COPs offerings, including identifying leases to be acquired, packaging leases in COPs offerings, preparing offering literature, receiving monies in bank accounts which he controlled and directing the uses of investor monies and repayments to investors.

13. BMS, incorporated in Massachusetts on January 19, 1990, provided offering literature to broker-dealers which sold Gersh's COPs to retail customers, and accepted investor funds from those broker-dealers on behalf of Gersh. BMS became a registered investment adviser with the Commission on April 19, 1990 and filed a withdrawal notice on November 20, 1991.

14. Devonshire, since in or about 1990, has served as the trustee for at least thirty different COPs offerings that were packaged, offered and sold by Gersh. Gersh is Devonshire's President, Treasurer and Clerk.

RELIEF DEFENDANTS

15. Each of the relief defendants, Ma'Ayan Book Company ("Ma'Ayan"), Charles River Landing ("CRL"), CRL Group, Inc. ("CRL

Group"), Culinary Classics of Chestnut Hill, Inc. (Culinary Classics-CH"), Culinary Classics of Burlington, Inc. (Culinary Classics-B"), The Kitchen Shelf, Inc. ("Kitchen Shelf") and The Compu-Bill Co., Inc. ("Compu-Bill"), is a corporation controlled by Gersh, which, directly or indirectly, has received monies belonging to COPs investors. Gersh has transferred more than \$2.7 million of COPs investor monies to relief defendants Ma'Ayan, CRL and Compu-Bill.

FRAUDULENT COURSE OF CONDUCT

General Structure of Gersh's COPs Offerings

16. In anticipation of a COPs offering, Gersh, acting through BMS, acquired interests in state or municipal lease or other obligations. Gersh typically acquired these interests from a commercial leasing company (the "Servicing Agent"), which continued to collect lease payments and pass them on to Gersh. Through BMS, Gersh would then securitize the lease payments by issuing certificates, in \$5,000 amounts or multiples thereof, representing undivided interests (i.e., participations) in the lease obligations, with biannual interest and principal payments to be distributed, by a trustee, to investors on a pro rata basis. Gersh then offered the COPs, through BMS, to broker-dealers and banks on a wholesale basis as a product that could be marketed to the public. Gersh marketed the offerings as tax-exempt municipal securities, collateralized by equipment leases entered into by state and local governments. BMS would assign the lease payments to Gersh's wholly-owned corporation,

Devonshire, which, acting as trustee for investors, would hold the lease interests and collect and distribute payments to investors. During 1990, to assist in making payments to investors, Devonshire retained a bank to disburse principal and interest payments to COPs investors (the "Paying Agent").

The State of Washington COPs, Series 1990A ("Washington A COPs") Offering

17. According to the private placement memorandum ("PPM") that Gersh distributed through BMS, the Washington A COPs, in the aggregate amount of \$2,550,000, were issued on January 1, 1990, with a scheduled maturity date of July 1, 1995. These COPs were offered in denominations of \$5,000 or multiples thereof, and investors were promised seven and one-half percent annual interest, payable biannually, on their investment. The entire principal, and a final interest payment, was to be paid to investors at maturity.

18. The PPM stated that the Washington A COPs evidenced a proportionate interest of the holder in lease payments to be made by the State of Washington for the lease or purchase of computer equipment. According to the PPM, Gersh acquired the interests for \$2,295,000. The equipment lease payments were assigned to Devonshire for the exclusive benefit of the COPs holders and were purported to provide the source of investor principal and interest distributions. The remainder of the offering proceeds, totaling \$255,000, was to be applied to debt service reserve and cost of issuance accounts.

19. With respect to the Washington A COPs, the lease payments were supposed to flow from the government entity (the lessee) to the Servicing Agent. The Servicing Agent would then pay BMS, which would transfer funds to Devonshire as trustee for investors. Devonshire would then provide the monies to the Paying Agent, which would calculate principal and interest payments for individual investors and prepare and send checks in the appropriate amounts to the COPs investors.

20. Devonshire could, under strict conditions designed to assure the safety of the COPs securities, retain lease payments in excess of the mandated investor disbursements. Accordingly, the PPM represented that excess funds would be invested solely in eligible investments, as defined by the governing Declaration of Trust.

Misappropriation of Investor Monies to Fund Gersh's Personal Business Ventures

21. Gersh misappropriated investor funds by funneling them to his personal business ventures. Gersh accomplished his misappropriation in the following manner. Gersh maintained two pooled accounts, one at the Paying Agent and another at a mutual fund complex (the "Pooled Accounts"), in which he deposited funds received on behalf of COPs holders. Gersh inappropriately commingled funds from many different COPs offerings by depositing them in the Pooled Accounts. Gersh failed to maintain a ledger or any other document to track funds in the Pooled Accounts belonging to holders of each COPs issue. Gersh used these funds, as needed, for transfers to Gersh's other businesses.

22. From 1990 until the present, Gersh has misappropriated at least \$4 million of investor monies from the mutual fund Pooled Account through transfers for his other business and personal interests. For example, from 1991 to the present, Gersh transferred more than \$900,000 from this Pooled Account to relief defendant Compu-Bill. From 1992 through 1994, Gersh also misappropriated more than \$1.3 million by transfers from this Pooled Account to relief defendant Ma'Ayan, and at least \$522,000 by transfers to relief defendant CRL. Gersh transferred the remaining amounts to his other business or personal ventures. These transfers included checks payable to Gersh totalling at least \$138,000.

Misappropriation of Monies to Pay
Investors in Other COPs Offerings

23. Gersh also inappropriately commingled investor funds in the Pooled Accounts and used proceeds from the lease payments that secured specific COPs issues to make interest and principal payments due on other COPs issues.

24. For example, on December 31, 1991, the Servicing Agent wired BMS funds totalling \$2,062,693.98, of which \$1,221,434 represented prepayment of principal on 11 equipment lease agreements securing the Washington A COPs.

25. As set forth in the PPM and in related documents, the \$1,221,434 prepayment for the Washington A COPs leases should then have either been invested in eligible investments or transferred to the Paying Agent for immediate distribution to the Washington A COPs investors.

26. On January 17, 1992, Gersh deposited \$1,221,434, which sum belonged exclusively to investors in the Washington A COPs, together with additional monies, in one of the Pooled Accounts, which he maintained at the Paying Agent. Gersh used only \$113,250 to make scheduled payments to holders of the Washington A COPs. Pursuant to Gersh's instructions, the remaining monies were used to make interest and principal payments to the holders of several other COPs issues.

27. As another example of Gersh's misappropriation, in January 1992, Gersh directed the Paying Agent to "call in full" the State of Washington Series 1990B Certificates of Participation (the "Washington B COPs"). Pursuant to Gersh's instructions, on February 14, 1992, the Paying Agent debited \$1,350,637.27 from the Paying Agent Pooled Account for final principal and interest disbursements to the holders of the Washington B COPs. In fact, however, no more than \$800,000 of this amount was funded by the prepayment of leases belonging to Washington B COPs investors. Gersh misappropriated the remainder from the proceeds belonging to other COPs issues.

The July 1, 1995 Default
on the Washington A COPs

28. Prior to July 1, 1995, Gersh had always deposited sufficient funds in the Paying Agent Pooled Account for the Paying Agent to make the required interest and principal payments to COPs holders.

29. As of June 30, 1995, however, only \$226.87 was on deposit in the Paying Agent Pooled Account. On July 1, 1995, the

scheduled Washington A COPS' maturity date, Gersh failed to deposit funds to repay any of the principal. Consequently, there was a one-hundred percent default on the aggregate \$3,020,000 principal amount due to investors.

30. Gersh has yet to provide investors with the requisite funds.

The September 1, 1995 Default on
the Wisconsin State COPS,
Series 1990A (the "Wisconsin A COPS")

31. The Wisconsin A COPS, in the aggregate amount of \$380,000, were issued on August 10, 1990 with a scheduled maturity date of September 1, 1995 and, except for a different interest rate, were structured like the Washington A COPS. During 1992, Gersh received the state's prepayment of the equipment leases securing the Wisconsin A COPS.

32. Gersh, however, did not prepay investors, and failed to hold these funds in trust or to invest the funds in eligible investments.

33. The Wisconsin A COPS defaulted on September 1, 1995. To date, investors have not received any of the principal or the last interest payment.

Further Defaults are Inevitable

34. Six other COPS issues remain outstanding. The maturity dates of these six issues, with an aggregate principal amount of \$3,840,000, will occur in the next 14 months. Three of these issues, consisting of the State of Florida Series 1990A (\$1,250,000), the State of Wisconsin Series 1990B (\$270,000) and

the City of Providence, Rhode Island Series 1990B (\$700,000) COPs, with principal amounts totalling \$2,220,000, mature on December 1, 1995. In addition, three other Gersh COPs issues, consisting of the Westchester County, NY 1981 G Lane (\$415,000), Livingston County, NY (\$400,000) and Onondaga County, NY (\$805,000) mature on December 31, 1995, January 31, 1996 and December 15, 1996, respectively. The interest payments remaining on the six outstanding COPs issues total \$198,635. Thus, Gersh will need a total of \$7,451,935 to repay all principal and interest due to holders of the eight defaulted and outstanding COPs issues.

35. All known Gersh-controlled bank accounts, however, contain only \$319,000. Because nearly all of the underlying leases have been prepaid, and those funds have already been transferred to Gersh, no more than \$180,000 can be expected from lease payments due in the coming year. Therefore, at present, there is an approximately \$7 million shortfall in funds owed to investors in the two previously defaulted and six outstanding COPs issues. Gersh has not disclosed this fact to investors.

Other Misrepresentations and
Omissions of Material Facts

False and Misleading Offering Materials

36. Gersh's offering materials, including the PPM, contained several material misrepresentations. The Washington A COPs PPM falsely stated that \$255,000 would be set aside for a debt service reserve fund and cost of issuance account. Other PPMs also falsely represented that Devonshire would create and

administer a debt-service reserve fund and cost of issuance account with investor monies. In fact, Gersh failed to create any such accounts.

37. The Washington A COPs PPM also falsely stated that, except for the debt service reserve fund and cost of issuance account, COPs investor proceeds would be used to purchase equipment leases. In fact, the Washington A COPs offering was oversubscribed and underfunded. Investors committed a total of \$3,020,000 to the Washington A COPs issue, which was approximately \$500,000 more than the offering amount stated in the PPM. BMS, however, spent only \$1,706,106, or approximately \$600,000 less than disclosed on the PPM, to acquire the leases securing the Washington A COPs. Gersh therefore not only obtained \$500,000 in excess funds through oversubscription, but also failed to commit approximately \$1.1 million of investor monies towards the acquisition of municipal equipment leases. The failure to use investor proceeds as represented was material from a risk standpoint and because it deprived investors of information material to an assessment of the tax-exempt status of the COPs.

38. The PPMs and related documents also contained omissions of material facts. For example, the offering materials also failed to disclose that Gersh retained control over Devonshire by virtue of the fact that he was President and Treasurer. Gersh also omitted material transactional information, such as a detailed description of the terms and conditions of the lease transactions securing the COPs.

2. Misrepresentations to Brokers and Investors in the Secondary Market

39. Gersh did not sell interests to investors directly, but, rather, offered them through BMS on a wholesale basis to broker-dealers, who then sold interests to their retail customers. In describing the COPs to selling brokers, Gersh falsely led brokers and investors into believing that the COPs were issued pursuant to the authority of state or local government agencies. For example, with the Washington A COPs issue, Gersh falsely represented that the COPs were issued by the State of Washington and that they were equivalent to other double-A rated Washington issues.

40. In furtherance of this misrepresentation, Gersh obtained CUSIP numbers for several of the COPs offerings which made them appear to be authorized government issues. 1/ For example, without the knowledge or consent of the state authorities, Gersh obtained the same prefixed CUSIP number for the Washington A COPs that is used by several actual State of Washington issues. Only one or two letters appended to the CUSIP number distinguish the Gersh issues from genuine State of Washington obligations. Brokers and investors thus could reasonably conclude, for example, that the Washington A COPs CUSIP number indicated that it was a state-authorized issue.

1/ A CUSIP number is an identification number, provided by a securities industries information clearing house, which must be obtained before a security can be publicly traded.

41. From 1990 to the present, at a time when these false statements and omissions had been made and repeated in the marketplace, Gersh's COPs issues have been traded on the secondary bond market.

NEED FOR EMERGENCY RELIEF

42. This is an on-going fraud. The six outstanding COPs issues are traded on the secondary market and current and prospective investors have no knowledge of the impending defaults. Gersh also continues to receive monthly payments on leases securing the outstanding COPs issues. Without an ex parte freeze on his assets, Gersh can continue to divert incoming funds, and monies presently held in investor accounts, to his businesses. Without a freeze order, Gersh could further secrete assets. Finally, prior to asserting his Fifth-Amendment rights in this investigation, Gersh offered various fictitious explanations for the defaults. These statements included claims that Gersh had nothing to do with the issuance of the COPs, that the Servicing Agent was to blame for the default of the Washington A COPs, and that Gersh was only \$500,000 short of being able to pay the \$3.1 million principal on the defaulted Washington A COPs. In sum, the Defendant has shown a total disregard for the illegality of his conduct and is a continued threat to investors.

FIRST CAUSE OF ACTION

FRAUD IN CONNECTION WITH THE PURCHASE AND SALE OF SECURITIES

Violations of 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]

43. The allegations set forth in Paragraphs 1 through 42 above are hereby realleged and incorporated by reference herein.

44. At various times since at least January 1990, Defendants Gersh, BMS and Devonshire, directly or indirectly, singly or in concert, by the use of the means or instrumentalities of interstate commerce or of the mails: (a) have employed, are employing or are about to employ devices, schemes, or artifices to defraud; (b) have made, are making or are about to make untrue statements of material facts or have omitted, are omitting or are about to omit to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) have engaged, are engaging or are about to engage in acts, practices, or courses of business which have operated, are operating or are about to operate as a fraud or deceit upon persons, in connection with the purchase or sale of COPs² securities as set forth above.

45. By reason of the transactions, acts, omissions, practices and courses of business set forth herein, into which the Defendant entered intentionally, knowingly or recklessly, Defendants Gersh, BMS and Devonshire have violated, are violating

or are about to violate 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 CAUSE OF ACTION

FRAUD IN THE OFFER AND SALE OF SECURITIES

Violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]

46. The allegations set forth in Paragraphs 1 through 42 and 44 through 45 above are hereby realleged and incorporated by reference herein.

47. At various times since at least January 1990 through the present, Defendants Gersh, BMS and Devonshire, singly or in concert, in the offer or sale of securities by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly: (a) have employed, are employing or are about to employ devices, schemes, or artifices to defraud; (b) have obtained, are obtaining or are about to obtain money or property by means of untrue statements of material fact or omissions 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 (c) have engaged, are engaging or are about to engage in transactions, acts, practices, or courses of business which operate, are operating or are about to operate as a fraud upon purchasers of COPs securities offered and sold by Defendant Gersh as set forth above.

48. By reason of the transactions, acts, omissions, practices and courses of business set forth herein, into which

Defendants entered intentionally, knowingly or recklessly, Defendants Gersh, BMS and Devonshire have violated, are violating and are about to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

THIRD CAUSE OF ACTION

CIVIL MONETARY PENALTIES

Statutory Penalties for Violations of 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 [17 C.F.R. § 240.10b-5] Thereunder

49. The allegations set forth in Paragraphs 1 through 42, 44 through 45 and 47 through 48 above are hereby realleged and incorporated by reference herein.

50. The violations of Defendants Gersh, BMS and Devonshire, of 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], involved fraud, deceit or deliberate or reckless disregard of regulatory requirements, and resulted in substantial losses or significant risk of substantial losses to other persons.

51. By reason of the foregoing, Defendants Gersh, BMS and Devonshire are liable for civil 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)] in an amount to be determined by the Court.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Securities and Exchange Commission respectfully requests that this Court issue a Temporary

Restraining Order and Order for Other Equitable Relief and other Orders:

I.

Temporarily restraining and preliminarily and permanently enjoining Defendants Gersh, BMS and Devonshire from:

- a. violating, directly or indirectly, singly or in concert:
 1. 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]; and
 2. Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)];
- b. accepting or depositing in any accounts, any monies obtained from actual or prospective investors for investment in COPs securities or any other securities;
- c. accepting or depositing in any accounts, any monies obtained, directly or indirectly, from lessees, any Servicing Agent, or others representing payments on leases or other obligations securing Gersh's COPs securities or any other securities; and
- d. destroying, mutilating, concealing, altering or disposing of any and all items, including but not limited to any books, records, documents, correspondence, contracts, agreements, assignments, obligations, tape recordings, computer media or other

property of the Defendants, relating to the Defendants' securities, financial or business dealings.

II.

Pending further order of this Court, immediately freezing any and all assets in the name of, in the custody of, held for the benefit of, or subject to the control of the Defendants and Relief Defendants Ma'Ayan, CRL, CRL Group, Culinary Classics-C, Culinary Classics-B, Kitchen Shelf and Compu-Bill (the "Relief Defendants"), and otherwise preventing any disposition, transfer, dissipation or diminution in value whatsoever of any and all such funds.

III.

Requiring written accountings by the Defendants and the Relief Defendants:

- a. identifying the name, address and amount of funds received from each investor in any COPs or other securities issued by Gersh, BMS or Devonshire, or any other securities;
- b. identifying the date, location and amount of investment or transfer of funds made by the Defendants or the Relief Defendants on behalf of any and all investors;
- c. identifying all sources and amount of income received by the Defendants or the Relief Defendants since January 1, 1990 and identifying and indicating the location of all assets;

- d. identifying the present location of all assets of one thousand dollars (\$1,000) or more presently held by the Defendants or Relief Defendants, or under their direct or indirect control, or in which they have a direct or indirect beneficial interest, or over which they exercise direct or indirect authority, in whatever form such assets may exist (including but not limited to retainers and prepaid attorneys fees); and
- e. identifying the transfer of all assets of one thousand dollars (\$1,000) or more by the Defendants or the Relief Defendants since January 1, 1990.

IV.

Requiring the Defendants and the Relief Defendants to hold and retain within their direct or indirect control all assets and prevent the sale, transfer, alienation, encumbrance or diminution in value of such assets, which assets are frozen pending further order of the Court.

V.

Requiring the Defendants and the Relief Defendants to submit in writing all of their business and residential addresses, postal box numbers, safety deposit boxes, telephone and facsimile numbers wheresoever located.

VI.

Immediately establishing a schedule of expedited discovery in this action.

VII.

Requiring the Defendants and the Relief Defendants to disgorge any ill-gotten gains, including prejudgment interest, with said monies and interest to be disbursed in accordance with a plan of distribution to be ordered by the Court.

VIII.

Requiring the Defendants 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)] in an amount to be determined by the Court.

IX.

Requiring the Defendants and Relief Defendants to serve the statements and accountings required herein on counsel for the Commission by messenger, overnight delivery service or telefacsimile to John M. D'Amico, Senior Enforcement Counsel, U.S. Securities and Exchange Commission, 73 Tremont Street, sixth floor, Boston, Massachusetts 02108, or at telefacsimile number (617) 424-5940.

X.

Ordering such other further relief, including appointment of

a receiver to ensure preservation of assets, as may be appropriate.

Respectfully submitted,



David E. Butler BBO # 549721
John M. D'Amico

ATTORNEYS FOR PLAINTIFF
SECURITIES AND EXCHANGE COMMISSION
73 Tremont Street, Suite 600
Boston, Massachusetts 02108-3912
Telephone: (617) 424-5900

November 29, 1995

COMPLAINT -- ATTACHMENT A

GERSH COPs ISSUES PRINCIPAL AMOUNTS AND MATURITY DATES

	SHORT ISSUE/TITLE	CUSIP NUMBER	PRINCIPAL AMOUNT	MATURITY DATE
1	TRENTON SCHOOL DISTRICT, NJ	895177AA1	1,150,000	12/16/91
2	CITY OF PITTSBURGH, PA	725213AA0	615,000	01/01/92
3	STATE OF WASHINGTON 1990 B	93975MBD8	1,330,000	02/17/92
4	JOHNSON COUNTY, IN 1990 A	478414AA3	75,000	07/01/92
5	UNIV OF MASSACHUSETTS 1990 C	914442BP2	205,000	08/15/92
6	UNIV OF MASSACHUSETTS 1990 F	914442BS6	80,000	12/01/92
7	UNIV OF MASSACHUSETTS 1990 A	914442BM9	85,000	12/01/92
8	BRISTOL COUNTY, MA 1990 A	109894AA3	85,000	05/01/93
9	STATE OF MISSISSIPPI 1990 A	605628AA4	140,000	06/01/93
10	CITY OF PROVIDENCE, RI 1990 A	743789AA7	415,000	07/01/93
11	STATE OF OREGON 1990 A	68607CAA5	35,000	08/01/93
12	UNIV OF MASSACHUSETTS 1990 D	914442BQ0	220,000	08/15/93
13	CITY OF TORRINGTON, CT 1990 A	891419AA1	55,000	09/01/93
14	GRTR LOWELL REG VOC TECH, MA 1990 A	392126AA6	155,000	11/01/93
15	LOWER COLORADO RIV AUTH, TX 1990 A	548091AA5	50,000	12/01/93
16	HOLLISTON MA SCH COMMITTEE 1990A	435690AA0	55,000	12/01/93
17	STATE OF MISSISSIPPI 1990 A	605628AB2	65,000	12/01/93
18	UNIV OF MASSACHUSETTS 1990 G	914442BT4	100,000	12/01/93
19	PIMA COUNTY COLLEGE DISTRICT 1990A	72166HAA9	830,000	12/01/93
20	STATE OF COLORADO 1990 A	196711DR3	190,000	03/01/94
21	BERKSHIRE COMMUNITY COLLEGE 1990 A	084696AA1	100,000	08/01/94
22	NEW YORK CITY IDA (1979 TRINE) 1990	64971EAA8	230,000	11/15/94
23	UNIV OF MASSACHUSETTS 1990 B	914442BN7	575,000	12/01/94
24	CITY OF SPRINGFIELD, MA 1990 A	850756AK3	595,000	01/01/95
25	TOWN OF WARREN, RI 1990 A	935651AA7	60,000	06/01/95
26	STATE OF WASHINGTON 1990 A	93975MAA5	3,020,000	07/01/95
27	UNIV OF MASSACHUSETTS 1990 E	914442BR8	100,000	09/01/95
28	STATE OF WISCONSIN 1990 A	977087AA3	380,000	09/01/95
29	STATE OF WISCONSIN 1990 B	977087AB1	270,000	12/01/95
30	CITY OF PROVIDENCE, RI 1990 B	743789AB5	700,000	12/01/95
31	STATE OF FLORIDA 1990 A	341598PK0	1,250,000	12/01/95
32	WESTCHESTER COUNTY, NY 1981 G LANE	957373AA1	415,000	12/31/95
33	LIVINGSTON COUNTY, NY	538654AA2	400,000	01/15/96
34	ONONDAGA COUNTY, NY	682751AA0	805,000	12/15/96
			14,835,000	