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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. JOSEPH A. BREMONT, JIMMY B. SANCHEZ, COMCAR INTERNATIONAL, LTD., COMMERCIAL CAPITAL RESOURCES, INC., Defendants, and LOOMIS LTD., MICHAEL R. SPECTOR AND R.P.S. FINANCIAL GROUP, INC., Relief Defendants.	:	96 Civ. ( ) COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against defendants Joseph A. Bremont ("Bremont"), Jimmy B. Sanchez ("Sanchez"), Comcar International, Ltd. ("Comcar"), and Commercial Capital Resources, Inc. ("Commercial Capital") (collectively, the "Defendants"), and against relief defendants Loomis Ltd. ("Loomis"), Michael R. Spector ("Spector") and R.P.S. Financial Group, Inc. ("R.P.S.")

(collectively, the "Relief Defendants"), alleges as follows:

1. Since 1993, the Defendants have bilked investors of at least $2.1 million dollars by engaging in a fraudulent "prime bank" securities scheme. The victims of this fraud include investor groups in New Hampshire, Colorado and Indiana, as well as approximately twenty cadets at the United States Military Academy at West Point, New York ("West Point"). The Defendants, instead of delivering the promised returns of up to 2,000 percent, misappropriated the sums invested, and justified their misappropriation by forging documents purporting to show that Defendants had met their obligations and/or by falsely claiming that the investors had defaulted on their obligations.

2. Defendants Bremont, Sanchez, Comcar and Commercial Capital, directly or indirectly, singly or in concert, have engaged, and, unless enjoined and restrained, will again engage, in transactions, acts, practices and courses of business that constitute violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, promulgated thereunder.

JURISDICTION AND VENUE

3. 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. § 78u(d), permanently to enjoin Bremont, Sanchez, Comcar and Commercial Capital from future violations of the federal securities laws. The Commission also seeks from the Defendants disgorgement of ill-gotten gains plus prejudgment interest, an

asset freeze *pendente lite*, an accounting, and such other equitable relief that may be deemed appropriate. In addition, the Commission seeks civil 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. § 78u(d).

4. The Commission also seeks an order requiring the Relief Defendants to disgorge the funds that they received which the Defendants had fraudulently obtained from investors, and to pay prejudgment interest.

5. This Court has jurisdiction over this action, and venue is proper, pursuant to Sections 20(d) and 22(a) of the Securities Act, 15 U.S.C. § 77t(d) and § 77v(a), and Sections 21(d), 21(e) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 77u(e) and 78aa.

6. The Commission, pursuant to authority conferred upon it by Sections 10(b) and 23(a) of the Exchange Act, 15 U.S.C. §§ 78j(b), 78w(a), has promulgated Rule 10b-5, 17 C.F.R. § 240.10b-5. Rule 10b-5 was in effect at the time of the transactions and events alleged in this Complaint and it remains in effect.

7. The Defendants, directly or indirectly, singly or in concert, made use of the means or instruments of transportation and communication in, and the means or instrumentalities of, interstate commerce, or of the mails, in connection with the transactions, acts, practices and courses of business alleged herein. Certain of the transactions, acts, practices and courses of business alleged herein took place in the Southern District of New York, including, but not limited to, use of the mails and of telephones to communicate with investors and the deposit of investor funds into escrow accounts in connection with

Defendants' fraudulent scheme.

DEFENDANTS

8. **Joseph A. Bremont**, 57, is a resident of Ocala, Florida. He is the sole shareholder, officer, director and employee of Commercial Capital, and is a director and the only employee of Comcar.

9. **Comcar International, Ltd.** is an entity based in Nassau, Bahamas.

10. **Commercial Capital Resources, Inc.** is a Florida corporation, with offices in Ocala, Florida.

11. **Jimmy B. Sanchez** is a resident of San Antonio, Texas.

RELIEF DEFENDANTS

12. **Loomis Ltd.** is an entity through which Bremont paid Sanchez proceeds of the Defendants' fraud.

13. **Michael R. Spector**, 52, is a self-employed certified public accountant who lives in Manchester, New Hampshire.

14. **R.P.S. Financial Group, Inc.** is a New Hampshire corporation through which Spector does business.

FACTS

Overview

15. Since 1993, Bremont and Sanchez, through Comcar and Commercial Capital, have fraudulently obtained more than $2.1 million from investors by engaging in a prime bank securities scheme. Specifically, Bremont and Sanchez, directly or indirectly, falsely

represented to investors that they and Comcar and Commercial Capital would use the investors' money to arrange the purchase and sale of so-called "prime bank securities" which would yield enormous profits for the investor. The prime bank securities described by the Defendants do not exist. Nevertheless, Bremont, using language that had been provided to him by Sanchez, prepared and signed contracts representing that he, Comcar, and Commercial Capital would use investors money to obtain the issuance of "purchase orders" for prime bank securities. These purchase orders purportedly would permit the investors, or "collateral providers" -- sellers of prime bank securities -- located by the investors, to sell prime bank securities to buyers who would be located by Bremont and Sanchez. Bremont promised investors that upon completion of the transaction they would be paid a percentage of the face value of the prime bank securities sold, thereby earning returns of up to 2000 percent on their initial investment. Bremont further represented to the investors that they would also share in additional profits from subsequent resales of the prime bank security in a secondary market. No such secondary market for prime bank securities exists.

16. In each instance, Bremont, Sanchez, Comcar and Commercial Capital fraudulently withdrew the investors' money from an escrow account by either fabricating a default by the investors or arranging for the issuance of a counterfeit purchase order. Bremont subsequently transferred to Sanchez, directly and through Loomis, a portion of these improperly obtained investor funds. In addition, at least $97,000 obtained from investors was paid to R.P.S., Spector's company, as compensation for Spector's services as a finder of participants in the program. To date, none of the investors' funds have been returned.

The Defendants Defraud Pegasus Enterprises, Inc. ("Pegasus") of $150,000

17. In 1993, Bremont explained to Spector how investors could make money by investing with Bremont in a prime bank securities transaction. At that time, Bremont told Spector that he could obtain bank issued "funding commitments" or "purchase orders" for letters of credit.

18. Later, at Spector's suggestion, Spector's brother and an associate decided to invest with Bremont in a prime bank securities transaction. To facilitate the investment, the associate formed Pegasus and he and Spector's brother raised $150,000 from friends and family to finance the investment.

19. Pegasus and Spector agreed that Spector would be Pegasus' representative in dealing with the Defendants.

20. In July 1993, Commercial Capital and Pegasus entered into an agency contract ("Pegasus Agency Contract"). In the Pegasus Agency Contract, which Bremont signed on behalf of Commercial Capital, Commercial Capital promised to cause First Federal Banking Corp. ("First Federal") to issue a purchase order for the purchase of a $10 million stand-by letter of credit from a collateral provider to be located by Pegasus. The Pegasus Agency Contract further provided that Pegasus would receive "one and one half percent (1.5%) of the face value" of the letter of credit upon completion of the transaction and upon each successive resale of the instrument. Bremont told Spector that Sanchez would arrange for First Federal to issue the purchase order.

21. The oral and written representations described in paragraphs 17 and 20 above were materially false and misleading. First Federal, the bank that Bremont claimed would issue the purchase order, is a fiction. At the time of these representations, Bremont and Sanchez knew that no purchase orders would be issued by First Federal, that they had no intention of paying Pegasus any of the promised returns, and that they had no intention of returning Pegasus' $150,000 investment.

22. At or about the same time, Commercial Capital entered into an escrow agreement with Pegasus pursuant to which Pegasus deposited $150,000 into an escrow account managed by a New York City attorney. Bremont signed the escrow agreement on behalf of Commercial Capital.

23. On August 6, 1993, the escrow agent received by facsimile transmission a document that purportedly was a notice of the issuance of a purchase order by First Federal. To obtain the investors' funds from the escrow account, Bremont and Sanchez, directly or indirectly, forged and sent this notice to the escrow agent.

24. Following the receipt of the alleged purchase order, and pursuant to Bremont's instructions, the escrow agent distributed the $150,000 from the escrow account as follows: $100,000 to Sanchez personally; $10,000 to R.P.S., Spector's company; $36,000 to Commercial Capital; and retained $2,420 in payment for his services, after deducting various expenses.

Defendants Defraud Investors of an Additional $1.375 Million

25. From March to September 1994, Bremont and Sanchez, through Comcar,

defrauded investors of $1.375 million in four additional purported prime bank securities transactions.

26. For each of these four transactions, agency and escrow contracts were entered into between Comcar and Call Indiana of Delaware, Inc. ("Call Indiana"), an Indiana corporation, which was acting on behalf of each of the four investor groups. Bremont signed each of these escrow and agency contracts on behalf of Comcar.

27. In the first agency contract, dated March 29, 1994 ("March 29th Agreement"), Comcar, for a fee of $175,000, promised to arrange for First Federal to issue a purchase order for a $44 million "stand-by letter of credit" issued by one of the "top 100 banks, rated A or better."

28. The March 29th Agency Contract was materially false and misleading because, at the time the contract was signed, Bremont and Sanchez knew that First Federal did not exist and that no purchase orders would be issued, that they had no intention of paying investors any of the promised returns, and that they had no intention of returning the investors' money.

29. In connection with this transaction, on April 1, 1994, Call Indiana wired $175,000 into the escrow agent's account in New York City.

30. On April 14, 1994, the escrow agent received by facsimile transmission a document that purportedly was a copy of the purchase order issued by First Federal in connection with the March 29th Agency Contract. To obtain the investors' funds from the escrow account, Bremont and Sanchez, directly or indirectly, forged and sent this purchase

order to the escrow agent.

31. Pursuant to Bremont's instructions, an April 29, 1994, the escrow agent released the $175,000 placed in escrow pursuant to the March 29 Agency Contract as follows: $139,000 to Comcar's bank account in the Bahamas; $22,000 to Commercial Capital; $12,000 to R.P.S.; and $2,000 retained by the escrow agent in payment for his services.

32. In each of the other three agency contracts, which were executed in or about July and August 1994, Comcar promised "to arrange for the issuance, at a cost of $400,000 (USD), of a bank purchase order for acceptable bank guarantees in the amount of $85 million (USD) with rolls and extensions" by "Barclays Bank or equivalent," for the purpose of "facilitat[ing] the purchase and resale of prime bank debenture instruments." The contracts further provided that for "no additional compensation or additional issue fee," Comcar would arrange for three additional transactions of $100 million each.

33. At the time they made the written misrepresentations described in paragraph 32 above, Defendants knew that no purchase orders would be issued, that they had no intention of paying investors any of the promised returns, and that they had no intention of returning the investors' $1.375 million investment.

34. Pursuant to the contracts referred to in paragraph 32, between August 15 and August 17, 1994, Call Indiana wired a total of $1.2 million of investor funds to the escrow agent's account.

35. On or about September 1, 1994, the escrow agent received by facsimile

transmission documents which were purportedly copies of the notices of the future issuance of purchase orders by National Westminster Bank.

36. National Westminster Bank never issued such notices, nor had it ever undertaken to do so. To obtain the investors' funds from the escrow account, Bremont and Sanchez, directly or indirectly, forged and sent these notices to the escrow agent.

37. Pursuant to Bremont's instructions and after receiving these purported notices, the escrow agent distributed the $1.2 million from the escrow accounts, less wire transfer fees, as follows: $1 million to Comcar's off-shore bank account in the Bahamas, a portion of which Bremont later transferred to Loomis; $187,000 to another escrow account at Chase Manhattan Bank; and $12,000 to the escrow agent as payment for his services to Bremont. The $187,000 transferred to the Chase Manhattan Bank escrow account was ultimately distributed as follows: $104,324 to Commercial Capital; $75,000 to R.P.S.; $7,500 to a personal friend of Bremont's; and the balance toward the payment of miscellaneous bank expenses.

38. Through at least July 1995, Bremont continued falsely to represent to Call Indiana that he would complete the transactions. During one of these conversations, Bremont also falsely assured Call Indiana that the Commission had told him that his prime bank securities program may be legally operated overseas but not in the United States.

Defendants Defraud West Point Cadets of $250,000

39. In April 1994, the Defendants defrauded a group of approximately twenty cadets from West Point of an aggregate of $250,000. Defendants communicated their

misrepresentations to the cadets through Betty J. Smith ("Smith"), a relative of one of the cadets.

40. In telephone conversations during late 1993 or early 1994, Bremont falsely told Smith that, through Bremont, investors could, in a number of weeks, earn from $3 million to $5 million on an initial investment of $100,000 to $250,000. Bremont falsely represented that the initial investment would be used to obtain a purchase order to buy prime bank securities. The investor, who was responsible for providing the prime bank security for sale to Bremont's buyers, or finding a collateral provider to do so, would receive three to five percent of the face value of the prime bank security sold upon conclusion of the transaction. Bremont further misrepresented that the prime bank securities could be resold after the initial transaction, producing additional profits for the investor.

41. Bremont sent Smith by facsimile transmission various documents, which Sanchez had provided him, explaining the prime bank securities investment and representing that Comcar could arrange transactions involving the purchase and sale of prime bank securities.

42. In April 1994, Smith described Bremont's prime banks securities investment to a group of cadets who were visiting her for the weekend. The cadets asked Smith to come to West Point to discuss the investment with a larger group of their classmates.

43. Smith called Bremont in preparation for her meeting with the cadets and informed him that a group of cadets was interested in investing in a prime bank securities transaction through him. Bremont then went over certain aspects of the investment with

Smith. Shortly thereafter, Smith met with a group of twenty cadets and repeated to them the information that she had learned from Bremont in her various conversations with Bremont.

44. Following the meeting with Smith, twenty of the cadets decided to invest in the Defendants' program. They opened a bank account under the name "UUPA," and wired a total of $265,000 into this account.

45. The cadets designated cadet Chad Bilbrey ("Bilbrey") to represent UUPA in the transaction with Defendants, and asked Smith to continue to act as an intermediary between them and Bremont.

46. On or around April 14, 1994, Bilbrey, as the representative of UUPA, and Bremont, on behalf of Comcar, signed an agency contract ("UUPA Agency Contract"). The UUPA Agency Contract provided that, for an investment of $250,000, Comcar would cause Citibank, N.A. Philippines to issue a $100 million "bank responsible commitment of funds (Purchase Order)" for the purchase of "bank debenture instruments" from a collateral provider to be designated by UUPA. The UUPA Agency Contract further provided that, upon completion of the transaction, Comcar would pay UUPA five percent of the face value of the security transferred, *i.e.*, $5 million. Comcar also agreed to arrange, for no additional "fee," three additional $100 million transactions yielding the same return to UUPA.

47. On or around April 13, 1996, Bilbrey, on behalf of UUPA, and Bremont, on behalf of Comcar, signed an escrow agreement ("UUPA Escrow Agreement"). The UUPA Escrow Agreement provided for the transfer of UUPA's funds to an escrow account with a New York City lawyer hired by Bremont to act as escrow agent. The UUPA Escrow

Agreement provided that the escrow agent could release the funds to Comcar upon his receipt via facsimile of a copy of a purchase order or a letter confirming that a purchase order had been issued.

48. The oral and written representations described in paragraphs 40 through 43, 46 and 47 above were materially false and misleading. At the time of these representations, Bremont and Sanchez knew that no purchase orders would be issued, that they had no intention of paying UUPA any of the promised returns, that there is no market in which such non-existent securities could be resold thereby resulting in investor profits upon a resale, and that they had no intention of returning UUPA's $250,000 investment.

49. On April 25, 1994, Bilbrey wired $250,000 from UUPA's bank account to the escrow agent's account in New York City.

50. After the UUPA Agency Contract and UUPA Escrow Agreement had been signed, Bremont told Smith that Citibank, N.A. Philippines had been replaced by the Bank of Ireland as the issuer of the purchase order pursuant to the UUPA Agency Contract.

51. In or around May of 1994, Bremont falsely represented to Smith that the Bank of Ireland had attempted to issue a purchase order for a prime bank security, but was unsuccessful because the banking coordinates he had been provided by Smith were incorrect. Bremont and Sanchez told Smith that, as a result, they had paid $250,000 to the Bank of Ireland in connection with this attempt.

52. In fact, the Bank of Ireland had never attempted to issue such a purchase order, nor had it ever agreed to do so. Moreover, contrary to their representations to Smith,

the Defendants had paid no bank fees for the issuance of such a purchase order.

53. Bremont also misrepresented to Smith that he would try to get the Bank of Ireland to "reissue" a purchase order immediately at no additional cost, knowing that no purchase order would be issued. As a condition of his promised further efforts, Bremont required that the funds in escrow be released to Comcar to reimburse it for the $250,000 that it had allegedly paid to the Bank of Ireland. Bremont threatened to abandon any efforts to complete the transaction if UUPA did not agree to release the money from the escrow account.

54. On May 7, 1994, Bilbrey signed a letter on behalf of UUPA authorizing the escrow agent to disburse the funds in escrow in accordance with Comcar's instructions. Pursuant to Bremont's instructions, the escrow agent subsequently wired over $163,000 to a bank account located in Guernsey, Channel Islands and $83,000 to accounts in Bremont's name or that he controlled, including $70,000 to Comcar's bank account in the Bahamas. A portion of these funds subsequently was transferred by Bremont to Loomis. After deducting various expenses, the escrow agent retained the remaining UUPA funds, or $3,300, as compensation for his services.

55. For months following the cadets' investment, Bremont and Sanchez continued to misrepresent to Smith that they would arrange another transaction for no additional investment. Bremont and Sanchez made these promises knowing that no purchase orders would be issued, that they had no intention of paying UUPA any of the promised returns, and that they had no intention of returning UUPA's $250,000 investment.

Defendants Defraud
Pro Vantage One International, LLC
("Pro Vantage") of $360,000

56. During 1995, Defendants defrauded investors in an entity called Pro Vantage One International, LLC ("Pro Vantage"). In early 1995, Bremont told Thomas G. Kiser ("Kiser"), who represented Pro Vantage in its dealings with Defendants, that Bremont and Sanchez, for a fee, would locate a purchaser for prime bank securities and arrange to have the purchaser's bank issue a purchase order for the securities. Bremont told Kiser that upon completion of the transaction, Pro Vantage's investors would receive three percent of the face value of the prime bank security purchased.

57. In or about February 1995, Bremont, on behalf of Comcar, and Kiser, on behalf of Pro Vantage, signed an agency contract ("Pro Vantage Agency Contract") and an escrow agreement ("Pro Vantage Escrow Agreement") substantially similar to those executed in connection with the UUPA transaction. These agreements provided that in exchange for a $350,000 investment by Pro Vantage, Comcar would obtain a purchase order for prime bank securities with a "face value amount" of $100 million to be issued by "a bank acceptable to" Pro Vantage. Thereafter, Pro Vantage, using money it had obtained from its investors, deposited $350,000 into an escrow account designated by Bremont.

58. In February or March 1995, Pro Vantage paid an additional $10,000 into the escrow account because Bremont represented to Kiser that the escrow agent had charged him an additional $10,000 because Pro Vantage had not transferred the $350,000 to the escrow account within the one-day period called for by the escrow agreement. This representation

was false, however, because the escrow agent had requested no such payment from Bremont.

59. The oral statements made by Bremont to Kiser, and the written representations contained in the Pro Vantage Agency Contract and Pro Vantage Escrow Agreements, were materially false and misleading. At the time of these representations, Bremont and Sanchez knew that no purchase orders would be issued in connection with the transaction, that they had no intention of paying Pro Vantage any of the promised returns, and that they had no intention of returning Pro Vantage's investment.

60. On March 29, 1995, the escrow agent received by facsimile transmission a document which was purportedly a copy of a purchase order issued by a Turkish bank, Turkiye Halk Bankasi, with respect to the Pro Vantage transaction. In order to obtain the investors' funds from the escrow account, Bremont and Sanchez, directly or indirectly, forged and sent this document to the escrow agent.

61. In March or April 1995, Bremont misrepresented to Kiser that Turkiye Halk Bankasi had issued and transmitted a purchase order to the Bangkok-based bank of the collateral provider that Pro Vantage had located. Bremont claimed to Kiser that Comcar therefore had performed its obligations and earned its fee under the contract. Bremont's representations were false. Neither the Turkiye Halk Bankasi nor the Central Bank of Turkey had issued a purchase order, nor had they ever undertaken to do so.

62. On April 5, 1995, after receipt of the forged document, the escrow agent, pursuant to Bremont's instructions, wired approximately $345,000 of the money invested by Pro Vantage out of the escrow account to Comcar's account at Barclays Bank in the

Bahamas. After deducting various expenses, the escrow agent retained the remaining Pro Vantage funds as compensation for his services.

Further Lulling of UUPA and Pro Vantage Investors

63. In addition to the Defendants' lulling activities referred to in paragraphs 38 and 55 above, in or about May 1995, to appease Pro Vantage and the cadets who were threatening to take action against the Defendants, Bremont misrepresented that he would arrange for the issuance of an additional purchase order for the mutual benefit of UUPA and Pro Vantage at no additional cost to them.

64. In May 1995, at Bremont's suggestion, UUPA and Pro Vantage entered into a joint venture agreement ("Joint Venture Agreement") to share the proceeds of this promised transaction. The Joint Venture Agreement specified that UUPA and Pro Vantage would each receive three percent of the face value of the prime bank security sold.

65. On numerous occasions thereafter, Bremont and/or Sanchez falsely represented that they were continuing their efforts to obtain a purchase order for UUPA and Pro Vantage. To date, no such purchase order has been issued.

66. At the time they made the misrepresentations described in paragraphs 63 through 65 above, Bremont and Sanchez knew that no purchase order would be issued, that they had no intention of paying Pro Vantage or UUPA any of the promised returns, and that they had no intention of returning the investments made by Pro Vantage and UUPA.

CLAIM FOR RELIEF

VIOLATIONS OF SECTION 17(a) OF THE SECURITIES ACT AND SECTION 10(b) OF THE EXCHANGE ACT, AND RULE 10b-5 – FRAUD

67. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 66 above.

68. The prime bank securities described by the Defendants and purchase orders to obtain such prime bank securities are "securities" under Section 2(1) of the Securities Act, 15 U.S.C. § 77b, and Section 3(a)(10) of the Exchange Act, 15 U.S.C. § 78c.

69. Bremont, Sanchez, Comcar and Commercial Capital, directly or indirectly, singly or in concert, in the offer or sale, or in connection with the purchase or sale, of securities by use of the means or instruments of transportation or communication in, or the means or instrumentalities of, interstate commerce, or of the mails: (a) employed devices, schemes and artifices to defraud; (b) obtained money or property by means of, or otherwise made, untrue statements of material fact or 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 (c) engaged in transactions, acts, practices and courses of business which operated as a fraud or deceit upon purchasers of securities and other persons.

70. As part of and in furtherance of this violative conduct, Bremont, Sanchez, Comcar and Commercial Capital offered and sold securities as part of a scheme to obtain and misappropriate large sums of money from investors, made material misrepresentations and omissions about the Defendants' ability and intention to deliver purchase orders for prime

bank securities, the existence of such purchase orders, the existence of prime bank securities, the risks of investing in such purchase orders through the Defendants, and the likelihood of completing a successful transaction as set forth in paragraphs 1 through 66 above.

71. Bremont, Sanchez, Comcar and Commercial Capital made the above-described misrepresentations and omissions knowingly or recklessly disregarding the truth.

72. The above-described misrepresentations and omissions by Bremont, Sanchez, Comcar and Commercial Capital were material.

73. By reason of the foregoing, Bremont, Sanchez, Comcar and Commercial Capital violated 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. § 240.10-5, and unless enjoined and restrained, will continue to engage in such acts, practices and courses of business.

CLAIM AGAINST THE RELIEF DEFENDANTS AS CUSTODIANS OF INVESTOR FUNDS

74. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 66 and 68 through 73 above.

75. Relief Defendants Spector and R.P.S. have received at least $97,000 from one or more of the Defendants during the period August 1993 through June 1995, which funds are the proceeds of the unlawful activities of the Defendants, as alleged in paragraphs 1 through 73, above.

76. Relief Defendant Loomis has received at least $300,000 of the funds fraudulently obtained by Defendants from investors during the period August 1993 through

June 1995, as alleged in paragraphs 1 through 73, above.

77. Relief Defendants Loomis, Spector and R.P.S. have obtained the funds alleged above as part of and in furtherance of the securities violation alleged in paragraphs 1 through 73 and under circumstances in which it is not just, equitable or conscionable for them to retain the funds. As a consequence of the foregoing, Relief Defendants Loomis, Spector and R.P.S. have been unjustly enriched.

RELIEF REQUESTED

WHEREFORE, Plaintiff respectfully requests that this Court:

I.

Grant a Final Judgment permanently enjoining the Defendants, their 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 future 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.

II.

Grant a Final Judgment requiring the Defendants to disgorge an amount equal to the funds and benefits they obtained illegally as a result of the violations alleged herein, plus prejudgment interest on that amount.

III.

Grant a Final Judgment assessing penalties against the Defendants 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. § 78u(d), for the violations alleged herein.

IV.

Grant an Order directing the Defendants to file with this Court and serve upon the Commission verified accountings, signed by the Defendants under penalty of perjury, of:

(1) All assets, liabilities and property currently held directly or indirectly by or for the benefit of the Defendants, 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, its location and amount;

(2) All money, property, assets, and other income received by the Defendants, or for their direct or indirect benefit, in or at any time from January 1, 1993 to the date of the accounting, describing the source, amount, disposition and location of each of the items listed;

(3) All assets, funds, securities, real or personal property of investors in Defendants' prime bank securities program, transferred to or for the benefit of the Defendants in or at any time from January 1, 1993 to the date of the accounting, and the disposition by the Defendants of such assets, funds, securities, real or personal property; and

(4) The names and last known addresses of all bailees, debtors, and other persons and entities which are holding the assets, funds or property of the Defendants.

V.

Grant a temporary restraining order and preliminary injunction freezing *pendente lite* the Defendants' assets, except for ordinary and reasonable living expenses for Bremont and Sanchez, to which the Commission agrees by stipulation or which the Court may later order.

VI.

Grant a Final Judgment requiring the Relief Defendants to disgorge an amount equal to the illegally obtained investors funds they received from the Defendants, plus prejudgment interest on that amount.

VII.

Grant such other and further relief as this Court shall deem just and proper.

Dated: New York, New York
November 20, 1996

Respectfully submitted,

CARMEN J. LAWRENCE (CL-9154)
Regional Director

Carmen J. Lawrence

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A CERTIFIED COPY
J. MICHAEL McMAHON, CLERK

BY _____
DEPUTY CLERK