

2. Defendants' illegal actions have resulted in substantial losses to investors. Injunctive relief is required to prevent Defendants from continuing to violate the securities laws and from defrauding the investing public.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this action pursuant to Sections 20(d) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 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.

4. Certain of the acts and transactions constituting violations of the Securities Act and the Exchange Act have occurred within the Southern District of Florida and elsewhere.

THE DEFENDANTS

5. Burns, 48 years of age, was the president, chief executive officer, majority shareholder and a director of VDS from approximately June 1994 to early February 1995. At all times material hereto, Burns, directly or indirectly, controlled VDS and All American and was a "control person" of VDS and All American pursuant to Section 20(a) of the Exchange Act.

6. Burns incorporated All American in November 1993 as a privately-held corporation in the environmental clean-up business. In June 1994, All American engaged in a "reverse merger" with VDS whereby all of All American's assets were supposedly transferred to VDS in exchange for VDS's outstanding stock. Although the terms of the merger provided that All American should have ceased to exist and be succeeded by VDS, Diversified continued its contacts with

prospective investors by referring to All American, offering materials provided to prospective investors and investors referred only to All American, and Burns continued to conduct business in the earlier All American name. Nevertheless, investors received stock bearing the legend "VDS Enterprises, Inc." Thus, the corporate issuer is referred to herein as "the Company" or "VDS/All American."

7. VDS was incorporated in Delaware in 1985. In 1987, VDS's securities were registered with the Commission pursuant to Section 12 of the Exchange Act. Prior to its merger with All American, VDS was a shell corporation that had conducted no business and had assets of under \$1,000.

8. Diversified was incorporated in Florida in October 1993 and was headquartered in Miami, Florida. Diversified was purportedly in the investment banking business and, among other things, solicited overseas investors to invest in Regulation S offerings. Diversified has never been registered as a broker-dealer with the Commission.

9. Lorie, 54 years of age, resides in Key Biscayne, Florida, and was Diversified's president and sole stockholder since its inception.

OVERVIEW OF THE FRAUDULENT SCHEME

10. Between July and November 1994, VDS/All American, with the active participation of Burns, Diversified and Lorie, solicited investments in the Company from citizens of Spain. During that period of time, Defendants VDS, All American, and Burns fraudulently offered and sold, and Defendants Diversified and Lorie

recklessly offered and sold, approximately \$2.7 million worth of VDS stock to Spanish citizens.

11. The centerpiece of the sales effort was a Business Profile prepared and drafted by Burns pertaining to VDS/All American's operations.

12. Burns gave the Business Profile to Diversified and Lorie for them to provide to investors and potential investors in VDS. Diversified and Lorie also utilized the information contained in the Business Profile as a basis for making verbal misrepresentations and omissions of material fact.

13. The Business Profile provided to most investors was the primary source of information about VDS/All American. The purported assets and shareholder equity discussed in the Business Profile were overvalued by at least 300% and 150%, respectively, and service contracts were overvalued by at least 800%.

14. The Business Profile also misrepresented the use of proceeds from the stock sales, Burns' background and experience, and failed to disclose his criminal past.

15. During fiscal year 1994, Defendants VDS and Burns knowingly, willfully and/or recklessly prepared, caused and/or allowed to be filed a Form 8-K with the Commission that contained false and misleading information concerning VDS, its financial condition, and Burns' background.

FRAUDULENT PRACTICES

16. All of the Defendants distributed or effected the distribution of offering materials to prospective investors and

investors that contained material misrepresentations and omissions of material facts, including the following:

- a. misrepresenting that VDS/All American owned Cotecnica, Inc. ("Cotecnica"), a solid waste collection and disposal business in Venezuela, when, in fact, Cotecnica was never acquired by VDS/All American;
- b. misrepresenting that VDS/All American's environmental clean-up business, combined with Cotecnica's solid waste collection and disposal business, had "anticipated" annual combined revenues of \$45 - \$50 million, when, in fact, such "anticipated revenues" were baseless;
- c. misrepresenting that as of August 30, 1994, VDS/All American had assets of \$16,343,371, thereby overstating VDS/All American's assets by at least 300%;
- d. misrepresenting that as of August 30, 1994, VDS/All American had shareholder equity of \$14,751,412, thereby overstating VDS/All American's shareholder equity by at least 150%;
- e. misrepresenting that VDS/All American had service contracts for \$100 million worth of environmental clean-up work, thereby overstating the total amount of such contracts by at least 800%;
- f. misrepresenting that VDS/All American became a publicly traded company in June 1994 when, in fact, VDS/All American had never been approved for trading on the bulletin board, pink sheets, or any other comparable trading medium;

- g. misrepresenting Burns' background and experience as follows: (1) representing that he was a graduate of Pace University, when, in fact, he never graduated from Pace; (2) representing that he was the president of Clean America Corporation ("Clean America"), when, in fact, he was only president of Clean America Financial Corporation, a subsidiary of Clean America; (3) failing to disclose that in 1994, a final default judgment in the amount of \$1.5 million was recorded against Burns and Clean America Financial Corporation; and (4) failing to disclose that in 1987, Burns was criminally convicted for fraud in connection with the sale of unregistered securities (State of Arizona vs. Leonard Martin Thouburon a/k/a Gerard Michael Burns, (DR87-07088MSCO, 87-30415 DPS));
- h. representing to investors that they could at any time sell their shares of VDS common stock back to VDS for \$8 per share, when, in fact, VDS never had the financial ability to buy back such shares;
- i. failing to disclose that Diversified received commissions from the sale of VDS stock; and
- j. failing to disclose that approximately \$635,000 from the proceeds of the sale of VDS stock would be used for Burns' personal expenses.

**MATERIAL MISREPRESENTATIONS AND OMISSIONS IN VDS'S
FORM 8-K FILING FOR THE PERIOD ENDING JUNE 30, 1994**

17. Defendant Burns, acting as an officer and/or director of VDS, and Defendant VDS knowingly, willfully and/or recklessly

prepared, caused and/or allowed to be filed with the Commission on behalf of VDS a materially false and misleading Form 8-K for the period ending June 30, 1994.

18. Defendant Burns, acting as an officer and/or director of VDS, had the duty to make certain that all statements of material fact in VDS's filings with the Commission were accurate and that the filings contained no omissions of material fact necessary to make the statements made not misleading.

19. Defendant Burns, as VDS's president, prepared narrative portions of the filing and failed to make certain that all statements of material fact were accurate and that there were no omissions of material fact.

20. Defendant Burns had daily responsibility for VDS's operations and knew and/or was reckless in not knowing the Company's true financial condition and other material information.

21. Defendant Burns had knowledge of and/or recklessly disregarded the misrepresentations and omissions contained in VDS's Form 8-K for the period ending June 30, 1994.

22. VDS failed to make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflected its transactions and dispositions of its assets, and failed to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance that transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principals ("GAAP").

23. Defendant Burns knowingly, willfully and/or recklessly caused VDS to file and/or disseminate its Form 8-K containing false

and misleading material information and omissions of material facts concerning VDS's financial condition and Burns' background, including the following:

- a. misrepresenting that VDS owned property valued at \$6,000,000, when, in fact, VDS never owned any such property; and
- b. misrepresenting Burns' background and experience as follows: (1) representing that he was a graduate of Pace University, when, in fact, he never graduated from Pace; (2) failing to disclose that in 1994, a final default judgment in the amount of \$1.5 million was recorded against Burns and Clean America Financial Corporation; and (3) failing to disclose that in 1987, Burns was convicted for fraud in connection with the sale of unregistered securities. State of Arizona vs. Leonard Martin Thouburon a/k/a Gerard Michael Burns, (DR87-07088MSCO, 87-30415 DPS).

**DIVERSIFIED AND LORIE ACTED AS
UNREGISTERED BROKER-DEALERS**

24. Defendants Diversified and Lorie have never been registered as broker-dealers, though they induced and effected all of the sales of VDS's stock to the Spanish citizens. Diversified and Lorie solicited and offered for sale the VDS stock to prospective investors. Diversified and Lorie effected the issuance of VDS stock certificates by and from VDS's stock transfer agent and transmitted the issued stock certificates to the investors. Upon Burns' instructions, Diversified and Lorie wired investor funds to

VDS/All American representing the purchase of VDS stock by the Spanish citizens.

COUNT I
AGAINST DEFENDANTS BURNS, VDS, AND ALL AMERICAN
FRAUD -- VIOLATIONS OF SECTION 17(a) OF THE SECURITIES ACT

25. Paragraphs 1 through 24 are incorporated by reference.

26. Defendants Burns, VDS, and All American, 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) employed devices, schemes, or artifices to defraud;
- (b) obtained money or property by means of untrue statements of material facts or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) engaged in transactions, practices and a course of business which operated as a fraud and deceit upon purchasers of such securities, all as more particularly described in paragraphs 1 through 24, above.

27. By reason of the foregoing, Defendants Burns, VDS, and All American violated and, unless enjoined, will continue to violate Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2), and 77q(a)(3).

COUNT II
AGAINST DEFENDANTS BURNS, VDS, AND ALL AMERICAN
FRAUD -- VIOLATIONS OF SECTION 10(b)
OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER

28. Paragraphs 1 through 27 are incorporated by reference.

29. Defendants Burns, VDS, and All American, directly or indirectly, by the use of the means or instrumentalities of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities:

- (a) employed devices, schemes, and 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 light of the circumstances under which they were made, not misleading; or
- (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon persons, all as more particularly described in paragraphs 1 through 24 above.

30. By reason of the foregoing, Defendants Burns, VDS, and All American 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 thereunder, 17 C.F.R. § 240.10b-5.

COUNT III
AGAINST DEFENDANTS VDS AND ALL AMERICAN
RECORDKEEPING -- VIOLATIONS OF SECTION 13(b)(2)(A)
OF THE EXCHANGE ACT AND RULE 13b2-1 THEREUNDER

31. Paragraphs 1 through 30 are incorporated by reference.

32. VDS and All American failed to make and keep books, records, and accounts which, in reasonable detail, accurately and

fairly reflected VDS and All American's transactions and their assets.

33. By reason of the foregoing, Defendants VDS and All American violated and, unless enjoined, will continue to violate Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A) and Rule 13b2-1, thereunder, 17 C.F.R. § 240.13b2-1.

**COUNT IV
AGAINST DEFENDANT VDS AND ALL AMERICAN
FAILURE TO INCLUDE IN FORM 8-K
MATERIAL INFORMATION IN VIOLATION OF
SECTION 13(a) OF THE EXCHANGE ACT AND
RULES 12b-20, 13a-1, 13a-11, AND 13a-13, THEREUNDER**

34. Paragraphs 1 through 33 are incorporated by reference.

35. VDS and All American filed false and misleading Forms 8-K.

36. VDS and All American failed to include such further material information in the Forms 8-K necessary to make the required statements, in light of the circumstances under which they were made, not misleading.

37. By reason of the foregoing, Defendants VDS and All American violated and, unless enjoined, will continue to violate Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13.

**COUNT V
AGAINST DEFENDANT BURNS
CONTROL PERSON LIABILITY FOR VDS AND
ALL AMERICAN'S VIOLATIONS OF
SECTION 13(b)(2)(A) OF THE EXCHANGE ACT**

38. Paragraphs 1 through 37 are incorporated by reference.

39. Burns controlled, directly or indirectly, VDS and All American and caused them to fail to make and keep books, records,

and accounts which, in reasonable detail, accurately and fairly reflected VDS and All American's transactions and their assets.

40. By reason of the foregoing, pursuant to Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a), as a control person of VDS and All American, Defendant Burns has violated and, unless enjoined, will continue to violate Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A).

**COUNT VI
AGAINST DEFENDANT BURNS
CONTROL PERSON LIABILITY FOR VDS AND
ALL AMERICAN'S VIOLATIONS OF SECTION 13(a) OF THE EXCHANGE
ACT AND RULES 12B-20, 13A-1, 13A-11 AND 13A-13 THEREUNDER**

41. Paragraphs 1 through 40 are incorporated by reference.

42. Burns controlled, directly or indirectly, VDS and All American and caused them to file false and misleading Forms 8-K, and to fail to include such material information in the Forms 8-K necessary to make the required statements, in light of the circumstances under which they were made, not misleading.

43. By reason of the foregoing, pursuant to Section 20(a) of the Exchange Act, 15 U.S.C. § 78m(a), Defendant Burns, as a control person of VDS and All American, has violated and, unless enjoined, will continue to violate Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13.

COUNT VII
AGAINST DEFENDANT BURNS
CIRCUMVENTING OR FAILING TO IMPLEMENT A SYSTEM OF
INTERNAL ACCOUNTING CONTROLS AND FALSIFYING REQUIRED
BOOKS, RECORDS, AND ACCOUNTS AND MAKING FALSE STATE-
MENTS TO AN AUDITOR IN VIOLATION OF SECTION 13 (b) (5)
OF THE EXCHANGE ACT AND RULES 13b2-1 AND 13b2-2 THEREUNDER

44. Paragraphs 1 through 43 are incorporated by reference.

45. Burns knowingly circumvented or knowingly failed to implement a system of internal accounting controls or knowingly falsified books, records or accounts described in Section 13(b)(2) of the Exchange Act, 15 U.S.C. § 78m(b)(2).

46. Burns, directly or indirectly, made or caused to be made materially false or misleading statements, or omitted to state, or caused another person to omit to state, material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading to an accountant in connection with (a) audits or examinations of VDS and/or All American's financial statements required to be made, or (b) the preparation of documents or reports required to be filed with the Commission.

47. By reason of the foregoing, Defendant Burns violated and, unless enjoined, will continue to violate Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5), and Rules 13b2-1 and 13b2-2 thereunder, 17 C.F.R. § 240.13b2-1 and 240.13b2-2.

COUNT VIII
AGAINST DEFENDANTS DIVERSIFIED AND LORIE
FRAUD -- VIOLATIONS OF SECTIONS
17(a)(2) AND 17(a)(3) OF THE SECURITIES ACT

48. Paragraphs 1 through 47 are incorporated by reference.

49. Defendants Diversified and Lorie, 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) obtained money or property by means of untrue statements of material facts or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (b) engaged in transactions, practices and a course of business which operated as a fraud and deceit upon purchasers of such securities, all as more particularly described in paragraphs 1 through 24, above.

50. By reason of the foregoing, Diversified and Lorie, directly or indirectly, violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

COUNT IX
AGAINST DEFENDANTS DIVERSIFIED AND LORIE
FAILURE TO REGISTER AS A BROKER-DEALER
IN VIOLATION OF SECTION 15(a)(1) OF THE EXCHANGE ACT

51. Paragraphs 1 through 50 are incorporated by reference.

52. Diversified and Lorie induced or effected the purchase or sale of securities without being registered as broker-dealers.

53. By reason of the foregoing, Defendants Diversified and Lorie violated and, unless enjoined, will continue to violate Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

RELIEF REQUESTED

WHEREFORE, plaintiff Commission respectfully requests that the Court:

I.

Declare, determine and find that each of the Defendants committed the violations alleged herein.

II.

Issue a Permanent Injunction restraining and enjoining Defendants Burns, VDS, and All American, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, directly or indirectly, from violating 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.

III.

Issue a Permanent Injunction restraining and enjoining Defendants Diversified and Lorie, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, directly or indirectly, from violating Section 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 78q(a)(2) and 78q(a)(3).

IV.

Issue a Permanent Injunction restraining and enjoining Defendant VDS and All American, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, directly or indirectly, from violating Sections 13(a) and 13(b)(2)(A) of the Exchange Act, 15 U.S.C. §§ 78m(a) and 78m(b)(2)(A), and Rules 12b-20, 13a-1, 13a-11, 13a-13, and 13b2-1, 17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, 240.13a-13, and 240.13b2-1, thereunder.

V.

Issue a Permanent Injunction restraining and enjoining Defendant Burns, his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with him, and each of them, directly or indirectly, from violating Section 13(b)(5) of the Exchange Act, and Rules 13b2-1 and 13b2-2, 17 C.F.R. §§ 240.13b2-1 and 240.13b2-2, thereunder.

VI.

Issue a Permanent Injunction restraining and enjoining Defendant Burns, his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with him, and each of them, directly or indirectly, from violating, as a control person, Sections 13(a) and 13(b)(2)(A) of the Exchange Act, 15 U.S.C. §§ 78m(a) and 78m(b)(2)(A), and Rules 12b-20, 13a-1, 13a-11, and 13a-13, 17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13, thereunder.

VII.

Issue a Permanent Injunction restraining and enjoining Defendants Diversified and Lorie, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, directly or indirectly, from violating Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

VIII.

Issue an Order requiring an accounting by Defendants Burns and VDS of all proceeds received by them, directly or indirectly, pursuant to the scheme described in this complaint, and requiring that Defendants Burns, VDS, Lorie, and Diversified disgorge all such proceeds, with prejudgment interest, to affect the remedial purposes of the federal securities laws.

IX.

Issue an Order fixing the amount of disgorgement as to All American.

X.

Issue an Order directing Defendants Burns, Diversified, and Lorie to pay civil fines and/or 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), for their violations of the federal securities laws as described herein.

XI.

Grant an Order permanently barring Defendant Burns from acting as an officer or director of any issuer that has a class of securities registered with the Commission pursuant to Section 12 of

the Exchange Act, 15 U.S.C. § 781, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d), pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2).

XII.

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

XIII.

Further, the Commission respectfully requests that this Court retain jurisdiction to 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.

Respectfully submitted,

By: Charles V. Senatore by CRL
CHARLES V. SENATORE
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1401 Brickell Avenue, Suite 200
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Telephone: (305) 982-6336
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Dated September 29, 1997

97-3111
CIV-NOORE

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

DEFENDANTS

**MAGISTRATE JUDGE
 BANDSTRA**

GERARD BURNS,
 VDS ENTERPRISES, INC.,
 ALL AMERICAN FUNDING CORP.,
 DIVERSIFIED CAPITAL RESOURCES, INC.,
 and ANGEL LORIE

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF (EXCEPT IN U.S. PLAINTIFF CASES)

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT (IN U.S. PLAINTIFF CASES ONLY)

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

ADADE 97CUB3111/KMM/TEB

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

Securities and Exchange Commission
 Christian R. Bartholomew, Esq. (305)982-6344
 1401 Brickell Ave, Miami, FL 33131

ATTORNEYS (IF KNOWN)

(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. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE. DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY)

15 U.S.C. § 78j(b), 17 C.F.R. § 240.10b-5, 15 U.S.C. § 78m(a)&(b) and 15 U.S.C. 78o(a)(1). Violations of the antifraud, financial recordkeeping, and reporting provisions of the federal securities laws.
 IVa. 5 days estimated (for both sides) to try entire case.

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

A CONTRACT	A TORTS	B 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	PERSONAL INJURY <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	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Arbitration <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	PERSONAL INJURY <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	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	PROPERTY RIGHTS <input type="checkbox"/> 440 State Reapportionment <input type="checkbox"/> 410 Arbitration <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions
	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights	SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS--Third Party 26 USC 7609

VI. ORIGIN (PLACE AN X IN ONE BOX ONLY)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Refiled
- 5 Transferred from another district (specify)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judgment

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 **DEMAND \$** Perm. Inj. Bar, **JURY DEMAND:** YES NO

VIII. RELATED CASE(S) IF ANY (See instructions):

JUDGE _____ DOCKET NUMBER _____

DATE: 9/29/97 SIGNATURE OF ATTORNEY OF RECORD: Christian R. Bartholomew *[Signature]*

UNITED STATES DISTRICT COURT S/F I-2 DPV 6/90 FOR OFFICE USE ONLY: Receipt No. _____ Amount: _____ Date Paid: _____ N/ifp: _____