

1 Elaine M. Cacheris  
Sandra J. Harris  
2 Karen Matteson  
Ronald E. Wood  
3 Michele Wein Layne  
Mark D. Lytle  
4 Patricia A. Gomez  
  
5 Attorneys for Plaintiff  
Securities and Exchange Commission  
6 5670 Wilshire Boulevard, 11th Floor  
Los Angeles, California 90036-3648  
7 (213) 965-3998

FILED

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CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIF.  
LOS ANGELES

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10 UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
11 WESTERN DIVISION

12 SECURITIES AND EXCHANGE COMMISSION,

13 Plaintiff,

14 v.

15 DAVID A. COLVIN; INTELLINET  
16 PUBLISHING, INC.; INTELLINET  
HOLDING GROUP, INC.; MEDICAL  
17 ADVANTAGE, INC.; LAMELLI, INC.,  
a/k/a LAMELLI MEDICAL TECHNOLOGY,  
18 INC.; WALL STREET RESEARCH  
COMPANY, INC.; JOB KJELL HOVIK;  
19 LAMAR ELLIS; and JOHN LARSON,  
a/k/a JOHN ST. JOHN,

20 Defendants.  
21

Civil Action No.

SACV 98-135 AHS(EEx)

COMPLAINT FOR TEMPORARY  
RESTRAINING ORDER,  
PRELIMINARY AND PERMANENT  
INJUNCTIONS AND OTHER  
LEGAL AND EQUITABLE RELIEF

22 Plaintiff Securities and Exchange Commission (the  
23 "Commission") for its Complaint alleges:

24 JURISDICTION

25 1. This Court has jurisdiction over this action pursuant  
26 to Sections 20(b), 20(d) and 22(a) of the Securities Act of  
27 1933 ("Securities Act") [15 U.S.C. §§ 77t(b), 77t(d) & 77v(a)]

28 \*

1 and Sections 21(d), 21(e) and 27 of the Securities Exchange Act  
2 of 1934 ("Exchange Act") [15 U.S.C. §§ 78u(d), 78u(e) & 78aa].

3 SUMMARY

4 2. This action involves an ongoing fraudulent investment  
5 scheme by four individuals, Defendants David A. Colvin  
6 ("Colvin"), Job Kjell Hovik ("Hovik"), Lamar Ellis ("Ellis"),  
7 and John Larson a/k/a John St. John ("Larson"); and five  
8 affiliated entities, Defendants Wall Street Research Company,  
9 Inc. ("WSRCI") (owned by Colvin), Intellinet Holding Group,  
10 Inc. ("IHGI") and its subsidiary, Intellinet Publishing, Inc.  
11 ("Intellinet") (both controlled by Colvin), Medical Advantage,  
12 Inc. ("Medical Advantage") (controlled by Colvin and Hovik),  
13 and Lamelli, Inc. a/k/a Lamelli Medical Technology, Inc.  
14 ("Lamelli") (controlled by Colvin and Ellis). From at least  
15 January 1997 through the present, the Defendants have raised at  
16 least \$5.2 million from several hundred investors nationwide in  
17 at least three securities offerings.

18 3. Colvin, individually and through his company,  
19 Intellinet, owns and operates a telephone boiler room, whose  
20 salespeople are supervised by Colvin and Larson, in Canoga  
21 Park, California. Colvin, Intellinet, and Larson operate the  
22 boiler room for the purpose of offering and selling the  
23 unregistered securities of Intellinet, Medical Advantage, and  
24 Lamelli (sometimes collectively referred to as the "three  
25 companies"). Defendants represent to investors that their  
26 investment will be placed in a trust and be used to fund a  
27 bridge loan to one of the three companies pending an initial  
28 public offering ("IPO") of that company's stock, to occur



1 within a specified period, generally 120 days. Contrary to  
2 these representations, although solicitations and sales have  
3 been occurring continuously since at least January 1997, no  
4 IPOs for any of the three companies have yet occurred and  
5 investors have not received either the return of their  
6 principal or the interest owed to them.

7 4. In addition to misrepresenting that each of the three  
8 companies will go public by the end of the specified period,  
9 Colvin, Intellinet, Medical Advantage, Hovik, and Larson  
10 misrepresented and omitted to state that Colvin controls the  
11 trusts holding investor funds, as well as Intellinet and  
12 Medical Advantage.

13 5. Additionally, contrary to the Defendants'  
14 representations that investor proceeds will be used to fund  
15 bridge loans to the three companies, Colvin has used the  
16 majority of investor monies to operate his boiler room and to  
17 make payments to the entities he controls, including WSRCI.

18 6. Furthermore, in addition to above-referenced  
19 misrepresentations and omissions, Defendants make, and cause  
20 salespeople to make, numerous additional misrepresentations and  
21 omissions regarding the three companies, both through written  
22 materials including sales brochures, purported stock  
23 recommendations, internet Web sites, and correspondence to  
24 investors, and through telephone communications with investors.

25 7. The Commission seeks to enjoin Defendants from  
26 engaging in the transactions, acts, practices and courses of  
27 business alleged in this Complaint, and transactions, acts,  
28 practices, and courses of business of similar purport and

1 object, for other equitable relief, including disgorgement, for  
2 payment of civil penalties, and for such further relief as the  
3 Court may deem appropriate.

4 THE DEFENDANTS

5 8. Colvin lives in Chatsworth, California. Colvin is  
6 the President and Chief Executive Officer of Intellinet and  
7 IHGI, and, from approximately August 1, 1997 to October 1,  
8 1997, was President of Medical Advantage. He has also held  
9 himself out as an officer of Lamelli. Colvin owns Intellinet,  
10 the company through which he and the other defendants sell the  
11 securities of Intellinet, Medical Advantage, and Lamelli.  
12 Colvin also owns WSRCI, and is the trustee for all of the  
13 trusts that hold funds received from investors, and controls  
14 all bank accounts in the names of those trusts.

15 9. Intellinet, a Delaware corporation located in Canoga  
16 Park, California, purports to be an international multi-media,  
17 publishing, copyright, and marketing company. In fact,  
18 Intellinet's offices are used as a telephone boiler room, run  
19 by Colvin and Larson, through which the securities of Medical  
20 Advantage and Lamelli, as well as Intellinet's own securities,  
21 are being sold. Intellinet purports to be a wholly-owned  
22 subsidiary of IHGI.

23 10. IHGI, a Delaware corporation located in Canoga Park,  
24 California, purports to be Intellinet's holding company and  
25 claims to own 500,000 and 900,000 shares, respectively, of two  
26 other companies, Tricontinental Productions (a New Zealand-  
27 based movie production company) and Lamelli. Colvin is the  
28 President and Chief Executive Officer of IHGI.



1        11. Medical Advantage, a Delaware corporation located in  
2 Las Vegas, Nevada and Canoga Park, California, purports to be  
3 an obesity research institute that operates independent clinics  
4 nationwide. Hovik is the Chairman of the Board of Medical  
5 Advantage.

6        12. Lamelli a/k/a Lamelli Medical Technology, Inc., a  
7 Delaware corporation purportedly located in San Francisco,  
8 California, claims to be a medical technology company that has  
9 developed a "detoxification system" that can detoxify a person  
10 of drugs or alcohol in as little as fifteen minutes. Ellis is  
11 the Chairman of the Board of Directors of Lamelli.

12        13. WSRCI, a Delaware corporation purportedly located in  
13 New York City, claims to be a market research organization that  
14 prepares analyst reports and brochures, and makes stock  
15 recommendations. WSRCI has issued "buy" recommendations for  
16 IHGI and Medical Advantage. Undisclosed to investors, WSRCI is  
17 wholly owned and controlled by Colvin.

18        14. Hovik resides in Carlsbad, California. Hovik is  
19 Chairman of the Board of Medical Advantage. Hovik provides  
20 updates to investors and makes frequent visits to Intellinet's  
21 offices to instruct salespeople about Medical Advantage's  
22 operations and to collect investor funds.

23        15. Ellis resides in Pomona, California. Ellis is the  
24 Chairman of the Board of Directors of Lamelli. Ellis has  
25 visited Intellinet's offices to instruct salespeople about  
26 Lamelli's operations and has collected investor funds on behalf  
27 of Lamelli.

28 \*

1        16. Larson a/k/a John St. John lives in the greater Los  
2 Angeles area. Larson is the sales manager of Intellinet and  
3 hires and trains salespeople. Larson also prepares and  
4 distributes sales scripts to salespeople and conducts daily  
5 sales meetings in which he and Colvin instruct salespeople what  
6 to tell investors about the investment and the companies.

7                                THE FRAUDULENT SCHEME

8        A. The Defendants Have Misrepresented How They Use Investor  
9                Funds

10        17. Since at least January 1997, the Defendants have  
11 raised at least \$5.2 million from hundreds of investors  
12 nationwide. The Defendants offered interests in Intellinet to  
13 investors from approximately January to May 1997, and raised at  
14 least \$940,000. In about April 1997, the Defendants began  
15 offering interests in Medical Advantage, and have raised at  
16 least \$3.3 million from investors. The Defendants began  
17 offering interests in Lamelli in approximately October 1997,  
18 and, to date, have raised approximately \$960,000.

19        18. The structure of the investment is the same for  
20 Intellinet, Medical Advantage, and Lamelli. Defendants  
21 represent to investors that their funds will be pooled in a  
22 trust and that the trust will use investor funds to make a  
23 bridge loan to the particular company being promoted. In  
24 exchange for their investment, Defendants send investors a  
25 note, called a "Demand Note," and promise investors that they  
26 will return to them their principal within the period specified  
27 in the Demand Note, generally 120 days, plus interest at a 12%  
28 annualized rate and shares of restricted stock in the company.



1 Defendants further represent to investors that the relevant  
2 company will be the subject of an IPO by the time the Demand  
3 Notes mature. Defendants also represent to investors that they  
4 will have the option to roll over their principal into common  
5 stock of the company after the IPO.

6 19. Colvin has opened at least fifteen different bank  
7 accounts for different trusts, each of which contains monies  
8 from approximately 35 investors. Colvin, through his sole  
9 control of investor funds in at least 15 different trust  
10 accounts, has used the majority of investor proceeds to fund  
11 the Defendants' sales operation and pay the other entities that  
12 Colvin controls, including WSRCI, rather than using the  
13 investor funds to fund the bridge loans, as represented.

14 20. Colvin, Intellinet and Larson misrepresent to  
15 investors that the trust companies that receive investor funds  
16 are located in Washington, D.C. Contrary to those  
17 representations, all trust accounts are held in California and  
18 controlled by Colvin, who conducts all business for the trusts  
19 out of Intellinet's Canoga Park boiler room offices.

20 **B. The Defendants Have Made Additional Fraudulent**  
21 **Misrepresentations About Each Company Promoted**

22 **1. The Defendants Have Fraudulently Offered and Sold**  
23 **Intellinet Securities**

24 21. Colvin, Intellinet, IHGI, WSRCI, and Larson, directly  
25 and through sales representatives, offering materials drafted,  
26 selected, and reviewed by Colvin, as well as an Intellinet  
27 and/or IHGI internet Web site managed and operated by Colvin,  
28 have represented to investors that Intellinet would be the

1 subject of an IPO within the period specified in Demand Notes  
2 issued to investors, usually 120 days. Colvin, Intellinet,  
3 IHGI, WSRCI, and Larson also represented to investors, directly  
4 and through sales representatives and offering materials, that,  
5 when investor Demand Notes matured at the end of the specified  
6 period, they would receive interest at a 12% annualized rate  
7 and shares of restricted stock in the company. Defendants also  
8 represented to investors that they have the option to receive  
9 either the return of their principal or common shares of stock  
10 in the company, which was to have become public by the maturity  
11 date of the Demand Notes. Contrary to Defendants'  
12 representations, Intellinet has not been the subject of an IPO.  
13 Moreover, Intellinet investors have not received the interest  
14 owed them or the return of their principal.

15 22. Defendants Colvin, Intellinet, IHGI, WSRCI, and  
16 Larson, directly and through sales representatives, offering  
17 materials, including an "IPO Special Report" distributed by  
18 WSRCI, which included a "buy" recommendation for Intellinet,  
19 and the internet Web site, falsely represented to Intellinet  
20 investors that WSRCI was an independent company, located in New  
21 York City, in the business of preparing stock recommendations  
22 and analyst reports. Contrary to those representations, WSRCI  
23 is owned and controlled by Colvin out of the Canoga Park  
24 Intellinet offices.

25 23. Defendants Colvin, Intellinet, IHGI, WSRCI, and  
26 Larson, directly and through sales representatives, offering  
27 materials, and the internet Web site, represented to investors  
28 that Intellinet had over twelve products and that profits were



1 being generated through the marketing of the company's  
2 products. Contrary to those representations, Intellinet did  
3 not produce any products during the offering period, has never  
4 sold any products, and has never produced a profit. In fact,  
5 Intellinet's only source of income is investor funds.

6       2.    The Defendants Have Fraudulently Offered and Sold  
7            Medical Advantage Securities

8       24. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
9 and Larson, directly and through sales representatives,  
10 offering materials drafted, selected, and reviewed by Colvin  
11 and Hovik, as well as an Intellinet, IHGI and/or Medical  
12 Advantage internet Web site managed and operated by Colvin,  
13 have represented to investors that Medical Advantage would be  
14 the subject of an IPO within the period specified in Demand  
15 Notes issued to investors, usually 120 days. Colvin,  
16 Intellinet, WSRCI, Medical Advantage, Hovik, and Larson also  
17 represented, directly and through sales representatives and  
18 offering materials, that, at the end of the specified period,  
19 the investors would receive interest at a 12% annualized rate  
20 and shares of restricted stock in the company, plus the option  
21 to receive either the return of their principal or common  
22 shares of stock in the company, which was to have become public  
23 by then. Contrary to Defendants' representations, Medical  
24 Advantage has not been the subject of an IPO. Moreover,  
25 Medical Advantage investors have not received the return of  
26 their principal.

27       25. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
28 and Larson, directly and through sales representatives and

1 offering materials, including an "IPO Special Report"  
2 distributed by WSRCI which included a "buy" recommendation for  
3 Medical Advantage, falsely represented to Medical Advantage  
4 investors that WSRCI, controlled by Colvin, was an independent  
5 company, located in New York City, in the business of preparing  
6 stock recommendations and analyst reports.

7       26. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
8 and Larson, directly and through sales representatives,  
9 offering materials, including a company sales brochure, and the  
10 internet Web site, represented to investors that the company,  
11 which purportedly has a medically monitored weight loss program  
12 available in clinics throughout the United States, had opened a  
13 clinic on Park Avenue in New York City. Contrary to those  
14 representations, Medical Advantage never operated a clinic on  
15 Park Avenue in New York City.

16       27. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
17 and Larson, directly and through sales representatives and  
18 offering materials, including a company sales brochure,  
19 represented to investors that the company's "flagship" clinic  
20 in Las Vegas, Nevada, which opened in January 1997, had met all  
21 of its expenses and was profitable by April 1997. Contrary to  
22 those representations, the Las Vegas clinic was not profitable,  
23 and in fact, was not able to meet expenses or pay clinic  
24 employees in a timely fashion beginning as early as February  
25 1997 and continuing through at least June 1997.

26       28. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
27 and Larson, directly and through sales representatives and  
28 offering materials, represented that former United States



1 Surgeon General C. Everett Koop was a member of Medical  
2 Advantage's board of directors. Contrary to that  
3 representation, Dr. Koop is not on the board of directors, nor  
4 is he affiliated with Medical Advantage in any way.

5 29. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
6 and Larson, directly and through sales representatives,  
7 represented to investors that television journalist Tom Brokaw  
8 was a spokesperson for Medical Advantage. Contrary to that  
9 representation, Mr. Brokaw is not a spokesperson, nor is he  
10 affiliated with, Medical Advantage in any way.

11 30. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
12 and Larson, directly and through sales representatives,  
13 represented to investors that Dr. Gordon Reynolds, the former  
14 Medical Director at La Costa Resort and Spa in Carlsbad,  
15 California, was the Chairman of the Medical Advisory Committee  
16 for Medical Advantage. Contrary to that representation, Dr.  
17 Reynolds is not the Chairman of the Advisory Committee, nor is  
18 he affiliated with Medical Advantage.

19 31. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
20 and Larson omitted to tell investors that Colvin, along with  
21 Hovik, controls Medical Advantage and that, in or about August  
22 1997, Norman Peterson, the former President of Medical  
23 Advantage, died and that Colvin served as Medical Advantage's  
24 president from August 1, 1997 to October 1, 1997.

25 3. The Defendants Have Fraudulently Offered and Sold  
26 Lamelli Securities

27 32. Colvin, Intellinet, WSRCI, Medical Advantage, Hovik,  
28 and Larson, directly and through sales representatives,

1 offering materials drafted, selected, and reviewed by Colvin  
2 and Ellis, as well as an Intellinet, IHGI and/or Lamelli  
3 internet Web site managed and operated by Colvin, have  
4 represented to investors that Lamelli would be the subject of  
5 an IPO within the period specified in Demand Notes issued to  
6 investors. Unlike the 120-day period of the Intellinet and  
7 Medical Advantage Demand Notes, the Lamelli Demand Notes are  
8 for a term of 180 days. Colvin, Intellinet, WSRCI, Medical  
9 Advantage, Hovik, and Larson also represented, directly and  
10 through sales representatives and offering materials, that, at  
11 the end of the specified period, investors would receive  
12 interest at a 12% annualized rate and shares of restricted  
13 stock in the company, plus the option to receive either the  
14 return of their principal or common shares of stock in the  
15 company, which was to be a public company by then. Contrary to  
16 the Defendants' representations that Lamelli was to be the  
17 subject of an IPO by the time the Demand Notes matured, Lamelli  
18 has not been the subject of an IPO.

19 33. Colvin, Intellinet, WSRCI, Lamelli, Ellis, and  
20 Larson, directly and through sales representatives and offering  
21 materials, represented that Lamelli's detoxification system was  
22 approved as an "alternative medical practice" by the National  
23 Institute of Health's ("NIH") Office of Alternative medicine.  
24 Further, Defendants, directly and through sales representatives  
25 and offering materials, represented that Lamelli's "affiliate,"  
26 the Institute For Psychoanalysis, was approved by the NIH for  
27 "training in alternative medicine." Contrary to these  
28 representations, the NIH has never received any applications



1 for approval, nor has it approved, any device or alternative  
2 medical practice of Lamelli or any training process used by any  
3 Lamelli affiliate, including the Institute for Psychoanalysis.

4 34. Colvin, Intellinet, WSRCI, Lamelli, Ellis, and  
5 Larson, directly and through sales representatives and offering  
6 materials, represented that Lamelli received a \$100,000 Orphan  
7 Drug Grant from the U.S. Food and Drug Administration for a  
8 drug it describes as "Busulfanex," and that Lamelli had applied  
9 for nine additional grants. Contrary to those representations,  
10 Lamelli never applied for, nor was it awarded, any grant.

11 35. Defendants Colvin, Intellinet, WSRCI, Lamelli, Ellis,  
12 and Larson, directly and through sales representatives and  
13 offering materials, represented that Lamelli had already built  
14 250 detoxification units and that the units were, at the time  
15 of the offering, leased to hospitals for \$50,000 each and were  
16 expected to generate revenues of \$37.5 million for Lamelli in  
17 the first quarter of 1998. Contrary to those representations,  
18 Lamelli has manufactured no working detoxification units, and  
19 has not procured any lease agreements.

20 FIRST CLAIM FOR RELIEF

21 OFFER AND SALE OF UNREGISTERED SECURITIES

22 Violations of Sections 5(a) and 5(c)  
23 of the Securities Act [15 U.S.C. §§ 77e(a) & 77e(c)]  
24 (Against Defendants Colvin, Intellinet,  
25 Medical Advantage, Hovik and Larson)

26 36. Paragraphs 1 through 35 are realleged and  
27 incorporated herein by reference.

28 \*

1 37. Defendants Colvin, Intellinet, Medical Advantage,  
2 Hovik, and Larson, and each of them, by engaging in the conduct  
3 described above, directly or indirectly, made use of means or  
4 instruments of transportation or communication in interstate  
5 commerce or of the mails, to offer to sell or to sell  
6 securities, or to carry or cause such securities to be carried  
7 through the mails or in interstate commerce, for the purpose of  
8 sale or delivery after sale.

9 38. No registration statement has been filed with the  
10 Commission or has been in effect with respect to these  
11 securities.

12 39. By reason of the foregoing, defendants Colvin,  
13 Intellinet, Medical Advantage, Hovik, and Larson violated, and  
14 unless restrained and enjoined, will continue to violate,  
15 Sections 5(a) and 5(c) of the Securities Act.

16 SECOND CLAIM FOR RELIEF

17 FRAUD IN THE OFFER OR SALE OF SECURITIES

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

20 (Against All Defendants)

21 40. Paragraphs 1 through 35 are realleged and  
22 incorporated herein by reference.

23 41. Defendants Colvin, Intellinet, IHGI, Medical  
24 Advantage, Lamelli, WSRCI, Hovik, Ellis and Larson, and each of  
25 them, by engaging in the conduct described above, directly or  
26 indirectly, in the offer or sale of securities, by the use of  
27 the means or instruments of transportation or communication in  
28 interstate commerce or by the use of the mails:



- 1 (a) with scienter, employed devices, schemes or  
2 artifices to defraud;
- 3 (b) obtained money or property by means of untrue  
4 statements of material fact or by omitting to  
5 state material facts necessary in order to make  
6 the statements made, in the light of the  
7 circumstances under which they were made, not  
8 misleading; or
- 9 (c) engaged in transactions, practices or courses of  
10 business which operated or would operate as a  
11 fraud or deceit upon the purchasers of such  
12 securities;

13 in violation of Section 17(a) of the Securities Act.

14 42. By reason of the foregoing, defendants Colvin,  
15 Intellinet, IHGI, Medical Advantage, Lamelli, WSRCI, Hovik,  
16 Ellis and Larson, violated, and unless restrained and enjoined  
17 will continue to violate, Section 17(a) of the Securities Act.

18 THIRD CLAIM FOR RELIEF

19 FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

20 Violations of Section 10(b)

21 of the Exchange Act [15 U.S.C. § 78j(b)]

22 and Rule 10b-5 promulgated thereunder

23 [17 C.F.R. § 240.10b-5]

24 (Against All Defendants)

25 43. Paragraphs 1 through 35 are realleged and  
26 incorporated herein by reference.

27 44. Defendants Colvin, Intellinet, IHGI, Medical  
28 Advantage, Lamelli, WSRCI, Hovik, Ellis and Larson, and each of

1 | them, with scienter, by engaging in the conduct described  
2 | above, directly or indirectly, in connection with the purchase  
3 | or sale of securities, by the use of the means or  
4 | instrumentalities of interstate commerce, or of the mails:

5 |       (a) employed devices, schemes or artifices to  
6 |       defraud;

7 |       (b) made untrue statements of material fact or  
8 |       omitted to state a material fact necessary in  
9 |       order to make the statements made, in the light  
10 |       of the circumstances under which they were made,  
11 |       not misleading; or

12 |       (c) engaged in acts, practices or courses of  
13 |       business which operated or would operate as a  
14 |       fraud or deceit upon other persons;

15 | in violation of Section 10(b) of the Exchange Act and Rule  
16 | 10b-5 thereunder.

17 |       45. By reason of the foregoing, defendants Colvin,  
18 | Intellinet, IHGI, Medical Advantage, Lamelli, WSRCI, Hovik,  
19 | Ellis and Larson, violated, and unless restrained and enjoined  
20 | will continue to violate, Section 10(b) of the Exchange Act and  
21 | Rule 10b-5 thereunder.

22 |                   FOURTH CLAIM FOR RELIEF

23 |           VIOLATIONS OF THE BROKER-DEALER REGISTRATION PROVISIONS

24 |                   Section 15(a) of the Exchange Act

25 |                               [15 U.S.C. § 78o(a)]

26 |           (Against Defendants Colvin, Intellinet, and Larson)

27 |       46. Paragraphs 1 through 35 are realleged and  
28 | incorporated herein by reference.



1 47. Defendants Colvin, Intellinet and Larson, and each of  
2 them, by engaging in the conduct described above, made use of  
3 the mails or means or instrumentalities of interstate commerce  
4 to effect transactions in or induce or attempt to induce the  
5 purchase or sale of securities, without being registered as  
6 brokers or dealers in accordance with Section 15(b) of the  
7 Exchange Act.

8 48. By reason of the foregoing, defendants Colvin,  
9 Intellinet and Larson violated, and unless restrained and  
10 enjoined will continue to violate, Section 15(a)(1) of the  
11 Exchange Act.

12 PRAYER FOR RELIEF

13 WHEREFORE, the Commission respectfully requests that the  
14 Court:

15 I.

16 Issue findings of fact and conclusions of law that the  
17 defendants committed the alleged violations.

18 II.

19 Issue in a form consistent with Fed. R. Civ. P. 65, orders  
20 temporarily, preliminarily and permanently enjoining Defendants  
21 Colvin, Intellinet, Medical Advantage, Hovik and Larson, and  
22 their officers, agents, servants, employees, and attorneys, and  
23 those persons in active concert or participation with any of  
24 them, who receive actual notice of the order by personal  
25 service or otherwise, and each of them from violating Sections  
26 5(a) and 5(c) of the Securities Act;

27 \*

28 \*

1

III.

2

Issue in a form consistent with Fed. R. Civ. P. 65, orders temporarily, preliminarily and permanently enjoining each of the Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them from violating Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;

10

IV.

11

Issue in a form consistent with Fed. R. Civ. P. 65, orders temporarily, preliminarily and permanently enjoining Defendants Colvin, Intellinet and Larson, and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from violating Section 15(a)(1) of the Exchange Act;

18

V.

19

Issue in a form consistent with Fed. R. Civ. P. 65, a temporary restraining order and a preliminary injunction freezing the assets of Colvin, Intellinet, IHGI, WSRCI, Medical Advantage, Lamelli and Hovik, and prohibiting each of the Defendants from destroying documents, appointing a receiver over Defendants Intellinet, IHGI, WSRCI, Medical Advantage and Lamelli, and for accountings from Colvin, Intellinet, IHGI, WSRCI, Medical Advantage, Lamelli, and Hovik;

27 \*

28 \*



VI.

Grant such other and further relief as this Court may determine to be just, equitable and necessary, including, but not limited to, disgorgement;

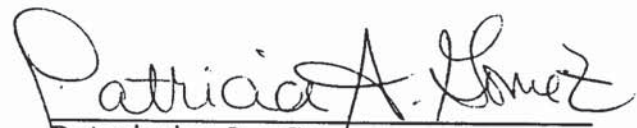
VII.

Enter an Order directing all Defendants to pay civil penalties under the Securities Enforcement Remedies and Penny Stock Reform Act of 1990; and

VIII.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

DATED: February 19, 1998

  
Patricia A. Gomez  
Attorney for Plaintiff  
Securities and Exchange  
Commission