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**FILED ORIGINAL**  
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 RICHARD W. WIEKING  
 CLERK, U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
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8 UNITED STATES DISTRICT COURT

9 FOR THE NORTHERN DISTRICT OF CALIFORNIA

10 SAN JOSE DIVISION

11 SECURITIES AND EXCHANGE COMMISSION

12 Plaintiff,

13 vs.

14 HAHN TRUONG, HIEU TRUONG, HEN  
 TRUONG, NINA VINH, MIKE PIRBAZARI,  
 15 and CHRISTOPHER NGUYEN,

16 Defendants.

Case No. **98-21137**

COMPLAINT FOR INSIDER TRADING  
IN VIOLATION OF THE FEDERAL  
SECURITIES LAWS

18  
19 Plaintiff Securities and Exchange Commission

20 ("Commission") alleges:

21 JURISDICTION

22 1. This Court has jurisdiction over this action pursuant to  
 23 Section 22(a) of the Securities Act of 1933 ("Securities Act") [15  
 24 U.S.C. § 77v(a)] and Sections 21(d), 21(e), 21A(a)(1) and 27 of the  
 25 Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C.  
 26 §§ 78u(d), 78u(e), 78u-1(a)(1) and 78aa]. Defendants Hahn Truong  
 27 ("Hahn"), Hieu Truong ("Hieu"), Hen Truong ("Hen"), Nina Vinh  
 28 ("Nina"), Mike Pirbazari ("Pirbazari") and Christopher Nguyen

1 ("Nguyen") (collectively the "Defendants"), directly or indirectly,  
2 made use of the means or instrumentalities of interstate commerce,  
3 of the mails, and/or of the facilities of a national securities  
4 exchange in connection with the securities transactions described in  
5 this Complaint.

6 INTRADISTRICT ASSIGNMENT

7 2. The San Jose Division is the appropriate division for this  
8 action because a substantial part of the acts giving rise to the  
9 claim occurred in Santa Clara County.

10 SUMMARY

11 3. This matter involves insider trading by Defendants Hahn,  
12 Hieu, Hen, Nina, Pirbazari and Nguyen in the securities of Molecular  
13 Dynamics, Inc. ("Molecular" or the "company") before Molecular's  
14 April 6, 1994 public announcement (the "Press Release") that  
15 financial results would be lower than expected for the first quarter  
16 of 1994 (the "Negative Financial Information").

17 4. Hahn worked at Molecular where he had access to the  
18 Negative Financial Information. Three weeks before Molecular issued  
19 the Press Release, Hahn came into possession of the Negative  
20 Financial Information. Thereafter, he breached his fiduciary duty  
21 to Molecular and its shareholders by selling all of his 33,729  
22 Molecular shares for a total ill-gotten gain of \$160,323 and by  
23 tipping his brothers, Hieu and Hen, and his friend, Nguyen, each of  
24 whom sold all of his Molecular stock and sold short additional  
25 stock. Hahn also funded Hen's short sales and received half of  
26 Hen's short selling profits, and Hahn lent Nguyen \$15,000 to short  
27 sell Molecular stock. In addition to trading on his own behalf  
28 using the insider information, Hieu tipped his sister-in-law Nina,

1 who sold all of her Molecular stock and sold short additional stock.  
2 Nina, in turn, tipped her sister Lily Vinh ("Lily") and her friend  
3 Pirbazari, each of whom sold all of her/his Molecular stock.

4 5. By using the Negative Financial Information to trade  
5 Molecular stock, the Defendants and Lily avoided losses totaling  
6 \$294,151 and made short selling profits of \$134,985.

7 THE DEFENDANTS

8 6. Hahn Truong ("Hahn"), age 36, resides in San Jose,  
9 California. Hahn joined Molecular as a software engineer in 1988,  
10 just a few months after the company's inception. Hahn later became,  
11 and during the first quarter of fiscal 1994 was, the manager of  
12 Molecular's software engineering group and reported to the vice  
13 president of engineering. In April 1997, Hahn left Molecular to  
14 start his own company with Nguyen. Hahn is Hieu and Hen's brother.

15 7. Hieu Truong ("Hieu"), age 43, resides in San Jose,  
16 California. He is Hahn and Hen's brother and Nina's brother-in-law  
17 (Hieu is married to Nina's sister). Hieu is an insurance agent and  
18 owns a real estate and mortgage financing company.

19 8. Hen Truong ("Hen"), age 38, is Hahn and Hieu's brother.  
20 Hen's last known residence address is in San Jose, California. Hen  
21 is a self-employed land developer. From 1992 to 1995, Hen worked  
22 for Hieu's mortgage financing company. In October 1989, Hen pled  
23 guilty to a federal felony for structuring cash transactions in a  
24 money laundering scheme. In exchange for his cooperation, Hen was  
25 fined \$6,000 and placed on 60 months probation.

26 9. Nina Vinh ("Nina"), age 35, is a dentist and resides in  
27 Milpitas, California. She is Hieu's sister-in-law. In 1993 and  
28 1994, Nina lived with Hieu.

1 10. Mike Pirbazari ("Pirbazari"), age 52, is a dentist and  
2 resides in Los Angeles, California. He is Nina's friend and former  
3 dental professor.

4 11. Christopher Nguyen ("Nguyen"), age 35, resides in  
5 Cupertino, California. He is Hahn's friend and business partner.

6 **THE NON-DEFENDANT/TRADER**

7 12. Lily Vinh ("Lily"), age 40, resides in Ballwin, Missouri.  
8 She is Nina's sister. Lily is married to Henry Truong, Hahn, Hieu  
9 and Hen's brother.

10 **THE COMPANY**

11 13. Molecular is a Delaware corporation, with its principal  
12 place of business in Sunnyvale, California. Molecular's common  
13 stock is registered with the Commission pursuant to Section 12(g) of  
14 the Exchange Act and is traded on the over-the-counter-market  
15 through the National Association of Securities Dealers' Automated  
16 Quotation System ("NASDAQ"). Molecular develops and manufactures  
17 instruments that create digital DNA images for universities,  
18 hospitals and pharmaceutical companies.

19 **THE NEGATIVE FINANCIAL INFORMATION**

20 14. By early March 1994, Molecular's senior management  
21 expected that the company would have a poor first quarter, and the  
22 chief financial officer (the "CFO") and the controller discussed  
23 this information with Molecular's auditors at that time. On March  
24 14, 1994, Molecular's senior management discussed issuing a press  
25 release that announced certain positive news with "news of the bad  
26 [quarter]." Also on March 14, 1994, the CFO expressed his concern  
27 to the president and the vice president of sales of Molecular's  
28 making its "quarterly numbers." On March 16, 1994, Molecular's

1 scheduling personnel informed its senior management that orders for  
2 two of Molecular's products were substantially below forecasted  
3 levels. On March 21, 1994, Molecular's senior management discussed  
4 Molecular's financial statements and low sales.

5 THE PRESS RELEASE

6 15. After the close of trading on April 6, 1994, Molecular  
7 issued the Press Release disclosing, among other things, the  
8 Negative Financial Information. Molecular also announced in the  
9 Press Release that it believed that results for the second quarter  
10 and for the fiscal year would be substantially below previous  
11 expectations. During the three weeks preceding the Press Release,  
12 Molecular's stock price ranged from \$12.50 to \$9, with an average  
13 daily trading volume of 63,287 shares. On April 6, 1994,  
14 Molecular's stock closed at \$10. On April 7, 1994, the day  
15 following the Press Release, Molecular's stock closed at \$6.125, a  
16 38.8% decline over the preceding day's closing price, on volume of  
17 2,445,187 shares.

18 MOLECULAR'S POLICIES

19 16. Hahn signed a confidentiality agreement in 1988, in which  
20 he agreed not to improperly use or disclose any confidential  
21 information. Molecular also had a written policy, dated January 10,  
22 1994, that specifically prohibited employees from: (1) trading  
23 Molecular stock if the employee had nonpublic information regarding  
24 the company; (2) short selling Molecular stock; and (3) trading  
25 Molecular stock from March 20, 1994 until two days after Molecular  
26 publicly released its quarterly results.

27 \*

28 \*

HAHN OBTAINS AND USES THE NEGATIVE FINANCIAL INFORMATION TO TRADE

17. On or about March 16, 1994, Hahn, as a result of his employment at Molecular, came into possession of the Negative Financial Information. Hahn knew, or was reckless in not knowing, that the Negative Financial Information was nonpublic. Accordingly, Hahn owed a fiduciary duty to Molecular and its shareholders not to use the Negative Financial Information to trade Molecular's securities, convey it to others, or both.

18. Between March 17 and March 21, 1994, Hahn, in breach of his fiduciary duty to Molecular and its shareholders to not use the Negative Financial Information for his personal benefit, sold 33,729 Molecular shares at Hambrecht & Quist, Incorporated ("Hambrecht") and McLaughlin Capital Management, Incorporated ("McLaughlin") as follows:

<u>Date Sold</u>	<u>Quantity</u>	<u>Price</u>	<u>Broker/Dealer</u>
March 17	5,000 shares	\$11.50	Hambrecht
March 17	2,000 shares	\$11.75	Hambrecht
March 17	3,500 shares	\$11.40	Hambrecht
March 18	5,000 shares	\$10.50	Hambrecht
March 18	4,000 shares	\$10.70	Hambrecht
March 18	5,000 shares	\$11.20	Hambrecht
March 18	5,500 shares	\$10.69	Hambrecht
March 18	729 shares	\$10.69	Hambrecht
March 21	3,000 shares	\$9.375	McLaughlin

At the time he sold his Molecular shares, Hahn knew, or was reckless in not knowing, that he used inside information to make the sales.

\*  
\*

\*  
\*

1 19. Hahn sold 3,000 Molecular shares on March 21, 1994, after  
 2 Molecular's trading window had closed on March 20, 1994, in  
 3 violation of Molecular's employee stock trading policy.

4 20. As a result of Hahn's trading, he avoided losses of  
 5 \$160,323.

6 **HAHN TIPS HIEU AND HIEU SELLS HIS MOLECULAR STOCK**

7 21. Hahn also breached his fiduciary duty to Molecular and its  
 8 shareholders by improperly using the Negative Financial Information  
 9 for his direct or indirect personal benefit on the evening of March  
 10 16, 1994. Hahn conveyed the Negative Financial Information to his  
 11 brother Hieu under circumstances in which he knew, or acted in  
 12 reckless disregard of the fact, that Hieu, upon receiving the  
 13 Negative Financial Information, was likely to effect and/or cause  
 14 others to effect transactions in Molecular's securities.

15 22. Between March 17 and March 23, 1994, following Hieu's  
 16 receipt of the Negative Financial Information, which information  
 17 Hieu knew, or was reckless in not knowing, had been conveyed by Hahn  
 18 in breach of Hahn's fiduciary duty to Molecular and its  
 19 shareholders, Hieu sold 17,300 Molecular shares and sold short  
 20 10,500 shares at Fidelity Brokerage Services Incorporated  
 21 ("Fidelity"), Hambrecht and Merrill Lynch, Pierce, Fenner & Smith,  
 22 Incorporated ("Merrill Lynch") as follows:

23 <u>Date Sold</u>	<u>Quantity</u>	<u>Price</u>	<u>Broker/Dealer</u>
24 March 17	5,000 shares	\$11.25	Fidelity
25 March 21	4,000 shares	\$9.75	Fidelity
26 March 21	1,500 shares sold short	\$9.25	Fidelity
27 March 21	1,500 shares sold short	\$9.50	Fidelity
28 March 21	4,000 shares sold short	\$9.00	Fidelity



1	March 21	7,500 shares	\$9.50	Hambrecht
2	March 21	2,000 shares sold short	\$9.50	Hambrecht
3	March 22	800 shares	\$10.75	Merrill Lynch
4	March 23	1,500 shares sold short	\$10.19	Hambrecht

5       23. On April 7, 1994, Hieu bought 10,500 Molecular shares  
6 (7,000 shares at \$6.25 at Fidelity; 3,500 shares at \$5.80 at  
7 Hambrecht) to cover his short positions. As a result of Hieu's  
8 trading, he avoided losses of \$69,137 and made short selling profits  
9 of \$34,360.

10       HAHN AND/OR HIEU TIPS HEN AND HEN SELLS HIS MOLECULAR STOCK

11       24. During 1994, Hahn, Hieu and Hen discussed stocks weekly,  
12 including over the telephone, at lunch and at family gatherings. In  
13 addition, in 1994, Hen worked for Hieu, and they worked in adjoining  
14 suites. Hen and Hieu also discussed the securities markets on a  
15 daily basis and placed similar securities trades. Between March 16  
16 and 17, 1994, Hahn breached his fiduciary duty to Molecular and its  
17 shareholders by improperly using the Negative Financial Information  
18 for his direct or indirect personal benefit. Hahn, directly and/or  
19 indirectly through Hieu, conveyed the Negative Financial Information  
20 to Hen, under circumstances in which they knew, or acted in reckless  
21 disregard of the fact, that Hen, upon receiving the information, was  
22 likely to effect transactions in Molecular's securities.

23       25. Between March 17 and March 24, 1994, following Hen's  
24 receipt of the Negative Financial Information, which information Hen  
25 knew, or was reckless in not knowing, had been conveyed by Hahn in  
26 breach of Hahn's fiduciary duty to Molecular and its shareholders,

27 \*

28 \*



1 Hen sold 8,000 Molecular shares and sold short 19,000 Molecular  
2 shares at Fidelity, Hambrecht and McLaughlin as follows:

3 <u>Date Sold</u>	<u>Quantity</u>	<u>Price</u>	<u>Broker/Dealer</u>
4 March 17	3,000 shares	\$11.25	Fidelity
5 March 21	3,000 shares	\$9.50	Hambrecht
6 March 21	2,000 shares	\$9.25	Hambrecht
7 March 21	2,000 shares sold short	\$9.50	Hambrecht
8 March 21	2,000 shares sold short	\$9.25	Fidelity
9 March 23	10,000 shares sold short	\$10.125	McLaughlin
10 March 24	5,000 shares sold short	\$10.25	McLaughlin

11 26. On March 31, 1994, Hen bought 600 Molecular shares at  
12 \$10.25 in his short account at Fidelity.

13 27. On April 7, 1994, Hen bought 18,400 Molecular shares  
14 (2,000 shares at \$5.80 at Fidelity; 15,000 shares at \$5.75 at  
15 McLaughlin; 1,400 shares at \$5.75 at Fidelity) to close out his  
16 short positions. As a result of Hen's trading, he avoided losses of  
17 \$31,750 and made short selling profits of \$78,550.

18 28. Hen placed his short sales on March 23 and 24, 1994,  
19 through an account he opened on March 23, 1994 at McLaughlin (the  
20 "Short Selling Account"). Hahn introduced Hen to the broker with  
21 whom Hen opened the Short Selling Account. Hahn funded Hen's short  
22 sales in the Short Selling Account by providing Hen with \$80,000.  
23 On or about April 9, 1994, and April 15, 1994, from the proceeds of  
24 his short sales, Hen gave Hahn \$110,000, which equaled the original  
25 \$80,000 that Hahn had given Hen plus one-half the approximately  
26 \$60,000 in profits that Hen made from these short sales.

27 \*

28 \*

HIEU TIPS NINA AND NINA SELLS HER MOLECULAR STOCK

1  
2 29. Following Hieu's receipt from Hahn of the Negative  
3 Financial Information, Hieu, in breach of a duty arising from Hahn's  
4 fiduciary duty to Molecular and its shareholders, improperly used  
5 the information for his direct or indirect personal benefit on the  
6 evening of March 16, 1994. Hieu conveyed the Negative Financial  
7 Information to his sister-in-law Nina under circumstances in which  
8 Hieu knew, or acted in reckless disregard of the fact, that Nina,  
9 upon receiving the information, was likely to effect and/or cause  
10 others to effect transactions in Molecular's securities.

11 30. Between March 17 and March 25, 1994, following Nina's  
12 receipt of the Negative Financial Information, which information  
13 Nina knew, or was reckless in not knowing, had been obtained by Hieu  
14 as a result of a breach of duty arising from a fiduciary  
15 relationship, Nina sold 3,000 Molecular shares and sold short 1,500  
16 Molecular shares at Charles Schwab & Company, Incorporated  
17 ("Schwab") as follows:

18 <u>Date Sold</u>	<u>Quantity</u>	<u>Price</u>	<u>Broker/Dealer</u>
19 March 17	500 shares	\$11.25	Schwab
20 March 21	1,500 shares	\$9.25	Schwab
21 March 21	1,000 shares	\$9.25	Schwab
22 March 21	1,000 shares sold short	\$9.25	Schwab
23 March 25	500 shares sold short	\$10.00	Schwab

24 31. On April 7, 1994, Nina bought 1,500 Molecular shares at  
25 \$6.25 at Schwab to cover her short position. As a result of her  
26 trades, Nina avoided losses of \$10,375 and made short selling  
27 profits of \$4,875.

28 \*

NINA TIPS LILY AND LILY SELLS HER MOLECULAR STOCK

1  
2 32. Following Nina's receipt from Hieu of the Negative  
3 Financial Information, Nina, in breach of a duty arising from Hahn's  
4 fiduciary duty to Molecular and its shareholders, improperly used  
5 the information for her direct or indirect personal benefit on March  
6 17 and March 20, 1994. Nina conveyed the Negative Financial  
7 Information to her sister Lily under circumstances in which Nina  
8 knew, or acted in reckless disregard of the fact, that Lily, upon  
9 receiving the information, was likely to effect transactions in  
10 Molecular's securities.

11 33. On March 20, 1994, following Lily's receipt of the  
12 Negative Financial Information, Lily sold 815 Molecular shares at  
13 Schwab as follows:

<u>Date Sold</u>	<u>Quantity</u>	<u>Price</u>	<u>Broker/Dealer</u>
March 20	815 shares	\$11.25	Schwab

16 34. As a result of Lily's trades, she avoided losses of  
17 \$3,566.

NINA TIPS PIRBAZARI AND PIRBAZARI SELLS HIS MOLECULAR STOCK

19 35. Following Nina's receipt from Hieu of the Negative  
20 Financial Information, Nina, in breach of a duty arising from Hahn's  
21 fiduciary duty to Molecular and its shareholders, improperly used  
22 the information for her direct or indirect personal benefit on the  
23 evening of March 16, 1994 (just a few hours after Hahn and Hieu  
24 exchanged telephone calls) and again the following morning. Nina  
25 conveyed the Negative Financial Information to her friend Pirbazari  
26 under circumstances in which Nina knew, or acted in reckless  
27 disregard of the fact, that Pirbazari, upon receiving the

28 \*

1 information, was likely to effect transactions in Molecular's  
2 securities.

3 36. On March 17, 1994, following Pirbazari's receipt of the  
4 Negative Financial Information, which information Pirbazari knew, or  
5 was reckless in not knowing, had been obtained by Nina as a result  
6 of a breach of duty arising from a fiduciary relationship, Pirbazari  
7 sold 1,000 Molecular shares at Schwab as follows:

8 <u>Date Sold</u>	<u>Quantity</u>	<u>Price</u>	<u>Broker/Dealer</u>
9 March 17	1,000 shares	\$11.25	Schwab

10 37. As a result of Pirbazari's trades, he avoided losses of  
11 \$5,125.

12 **HAHN TIPS NGUYEN AND NGUYEN SELLS HIS MOLECULAR STOCK**

13 38. Hahn and Nguyen have been good friends since 1988, and  
14 Nguyen knew that Hahn worked at Molecular. Hahn and Nguyen met at  
15 least once or twice a week during the first quarter of 1994.  
16 Between March 16 and March 22, 1994, Hahn, in breach of his  
17 fiduciary duty to Molecular and its shareholders, improperly used  
18 the Negative Financial Information for his direct or indirect  
19 personal benefit, by conveying it to his friend Nguyen under  
20 circumstances in which he knew, or acted in reckless disregard of  
21 the fact, that Nguyen, upon receiving the information, was likely to  
22 effect transactions in Molecular's securities.

23 39. Between March 22 and March 24, 1994, following Nguyen's  
24 receipt of the Negative Financial Information, which information  
25 Nguyen knew, or was reckless in not knowing, had been conveyed by  
26 Hahn in breach of Hahn's fiduciary duty to Molecular and its

27 \*

28 \*

1 shareholders, Nguyen sold 3,000 Molecular shares and sold short  
 2 4,300 shares at Schwab as follows:

3 <u>Date Sold</u>	<u>Quantity</u>	<u>Price</u>	<u>Broker/Dealer</u>
4 March 22	3,000 shares	\$10.75	Schwab
5 March 23	2,300 shares sold short	\$10.25	Schwab
6 March 24	2,000 shares sold short	\$10.25	Schwab

7 40. On or about March 24, 1994, Nguyen borrowed \$15,000 from  
 8 Hahn to short sell Molecular stock. On April 28, 1994, Nguyen  
 9 bought 2,150 Molecular shares at \$6.00 at Schwab to cover half of  
 10 his short sales. On June 24, 1994, Nguyen bought 2,150 Molecular  
 11 shares at \$6.50 at Schwab to close out his short position. As a  
 12 result of Nguyen's trades, he avoided losses of \$13,875 and made  
 13 short selling profits of \$17,200.

14 FIRST CLAIM

15 FRAUD IN THE OFFER OR SALE OF SECURITIES

16 Section 17(a) of the Securities Act

17 of 1933 [15 U.S.C. § 77q(a)]

18 (Against All Defendants)

19 41. Paragraphs 1 through 40 are realleged and incorporated  
 20 herein by reference.

21 42. Defendants, by engaging in the conduct described in  
 22 paragraphs 3 through 40 above, directly or indirectly, in the offer  
 23 or sale of securities, by the use of means or instruments of  
 24 transportation or communication in interstate commerce or by the use  
 25 of the mails:

26 a. with scienter, employed devices, schemes or artifices  
 27 to defraud;

28 \*

1 b. obtained money or property by means of untrue  
2 statements of material fact or by omitting to state  
3 material facts necessary in order to make the  
4 statements made, in the light of the circumstances  
5 under which they were made, not misleading; or

6 c. engaged in transactions, practices or courses of  
7 business which operated or would operate as a fraud  
8 or deceit upon the purchasers of such securities.

9 43. By reason of the foregoing, each of the Defendants  
10 violated, and unless enjoined will continue to violate, Section  
11 17(a) of the Securities Act.

12 SECOND CLAIM

13 FRAUD IN CONNECTION WITH THE  
14 PURCHASE OR SALE OF SECURITIES

15 Section 10(b) of the Securities Exchange Act of 1934  
16 [15 U.S.C. § 78j(b)] and Rule 10b-5  
17 thereunder [17 C.F.R. § 240.10b-5]

18 (Against All Defendants)

19 44. Paragraphs 1 through 40 are realleged and incorporated  
20 herein by reference.

21 45. Defendants, by engaging in the conduct described in  
22 paragraphs 3 through 40 above, directly or indirectly, in connection  
23 with the purchase or sale of securities, by the use of means or  
24 instrumentalities of interstate commerce, or of the mails, or of a  
25 facility of a national securities exchange, with scienter:

26 a. employed devices, schemes or artifices to  
27 defraud;

28 \*

1 b. made untrue statements of material fact or  
2 omitted to state material facts necessary in  
3 order to make the statements made, in light of  
4 the circumstances under which they were made,  
5 not misleading; or

6 c. engaged in acts, practices or courses of business  
7 which operated or would operate as a fraud or deceit  
8 upon other persons.

9 46. By reason of the foregoing, each of the Defendants  
10 violated, and unless enjoined will continue to violate, Section  
11 10(b) of the Exchange Act and Rule 10b-5 thereunder.

12 **PRAYER FOR RELIEF**

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

15 **I.**

16 Issue findings of fact and conclusions of law that the  
17 Defendants committed the violations charged and alleged herein.

18 **II.**

19 Permanently enjoin each of the Defendants from violating  
20 Section 17(a) of the Securities Act and Section 10(b) of the  
21 Exchange Act and Rule 10b-5 thereunder.

22 **III.**

23 Order each of the Defendants to disgorge all ill-gotten gains  
24 from their illegal conduct, gained directly or indirectly from the  
25 transactions complained of herein, together with prejudgment  
26 interest thereon.

27 \*

28 \*



IV.

1  
2 Order each of the Defendants to pay a civil money penalty  
3 pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1].


V.

4  
5 Retain jurisdiction of this action in accordance with the  
6 principles of equity and the Federal Rules of Civil Procedure in  
7 order to implement and carry out the terms of all orders and decrees  
8 that may be entered or to entertain any suitable application or  
9 motion for additional relief within the jurisdiction of this Court.

VI.

10  
11 Grant such other and further relief as this Court may determine  
12 to be just and necessary.

13  
14 DATED: 11/12/98

  
\_\_\_\_\_  
Finola G. Halloran  
Attorney for Plaintiff  
Securities and Exchange Commission

98-21137-SW

JS 44 - NO. CALIF. (Rev. 4/97)

CIVIL COVER SHEET

99

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...

I. (a) PLAINTIFFS

Securities and Exchange Commission

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

DEFENDANTS

Hahn Truong, Hieu Truong, Hen Truong, Nina Vinh, Mike Pirbazari, and Christopher Nguyen

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

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

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER) William E. White (Bar No. 155617), Finola G. Halloran (Bar No. 180681), Securities and Exchange Commission, 5670 Wilshire Blvd. Los Angeles, CA. 90036 Tel: (323)965-3998

ATTORNEYS (IF KNOWN) See Attachment

II. BASIS OF JURISDICTION (PLACE AN "X" IN ONE BOX ONLY)

- X 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)

- Citizen of This State PTF DEF 1 1
Citizen of Another State 2 2
Citizen or Subject of a Foreign Country 3 3
Incorporated or Principal Place of Business in This State 4 4
Incorporated and Principal Place of Business in Another State 5 5
Foreign Nation 6 6

IV. ORIGIN (PLACE AN "X" IN ONE BOX ONLY)

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

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

Table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, SOCIAL SECURITY, FEDERAL TAX SUITS, BANKRUPTCY, OTHER STATUTES.

VI. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE BRIEF STATEMENT OF CAUSE)

Section 17(a) of the Securities Act of 1933 (15 U.S.C. Section 77q(a)) and Section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78j(b)) and Rule 10b-5 thereunder (17 C.F.R. Section 240.10b-5) Fraud in purchase/sale of securities

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 plus prejudgment interest and permanent injunctions DEMAND \$429,136.00 CHECK YES only if demanded in complaint: UNDER F.R.C.P. 23: YES X NO

VIII. RELATED CASE(S) IF ANY PLEASE REFER TO CIVIL L.R. 3-12 CONCERNING REQUIREMENT TO FILE NOTICE OF RELATED CASE

IX. DIVISIONAL ASSIGNMENT (CIVIL L.R. 3-2) (PLACE AN "X" IN ONE BOX ONLY) SAN FRANCISCO/OAKLAND SAN JOSE

DATE 11/12/98 SIGNATURE OF ATTORNEY OF RECORD F. Halloran

**ATTORNEY LIST**

**Defendant**

**Attorney**

Hahn Truong

Jared Kopel, Esq.  
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