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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CIV-KING

SECURITIES AND EXCHANGE COMMISSION,)
))
Plaintiff,))
))
v.))
))
DANIEL LAMBERT, JOHN PAPE,))
JAMES VERRILLO, AND GERARD VERRILLO,))
))
Defendants.))

MAGISTRATE JUDGE
Case No. **FURNOTE**

**COMPLAINT FOR
PERMANENT
INJUNCTION
AND OTHER
EQUITABLE RELIEF**

Plaintiff Securities and Exchange Commission ("Commission") alleges as follows:

INTRODUCTION

1. The Commission brings this action in connection with Defendants' illegal insider trading in the stock of Vacation Break U.S.A., Inc. ("Vacation Break"). As described below, each of the Defendants violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder by either trading while in the possession of material non-public information or by wrongfully providing material non-public information to a Defendant who traded while in possession of that information. As set forth in detail below, pursuant to their illegal trading in the stock of Vacation Break, (a) using funds provided by Defendant Daniel Lambert ("Lambert"), Defendant John Pape ("Pape") illegally profited approximately \$110,000; and (b) Defendant James Verrillo ("J. Verrillo") illegally profited approximately \$275,920 and Defendant Gerard Verrillo ("G. Verrillo") illegally

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CLERK OF U.S. DISTRICT COURT
S.D. OF FLORIDA - MIAMI

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profited approximately \$17,000. The Commission seeks disgorgement by Defendants of their ill-gotten gains, with prejudgment interest thereon; civil penalties of three times the amounts Defendants wrongly profited; and declaratory relief and a permanent injunction to restrain and enjoin Defendants from further violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

THE DEFENDANTS

2. Defendant Lambert, age 29, is an attorney and resides in or near Fort Lauderdale, Florida. Defendant Lambert is the son of the Chief Executive Officer of the Berkley Group and Defendant Lambert was, at the time of the transactions and events alleged in this complaint, active in Berkley Group corporate affairs.

3. Defendant Pape, age 30, is an attorney and resides in or near Aventura, Florida. At the time of the transactions and events alleged in this complaint, Defendant Pape was Defendant Lambert's law partner.

4. Defendant J. Verrillo, age 31, resides in or near Lighthouse Point, Florida. At the time of the transactions and events alleged in this complaint, Defendant J. Verrillo was the exclusive marketing agent for a wholly-owned subsidiary of the Berkley Group and had been a paid consultant assisting Vacation Break's telemarketing efforts.

5. Defendant G. Verrillo, age 47, is a retired police officer. He resides in or near Syracuse, New York, and is Defendant J. Verrillo's father.

JURISDICTION AND VENUE

6. The Commission brings this action pursuant to Sections 20A and 21(d) of the Exchange Act for permanent injunctive relief against the Defendants; for disgorgement of the profits gained or potentially gained from their trading, plus prejudgment interest thereon; for civil penalties; and for such other and further relief as the Court may deem appropriate.

7. This Court has jurisdiction over this action pursuant Sections 21, 21A, and 27 of the Exchange Act.

8. A substantial part of the acts, practices and courses of business constituting violations herein have occurred within the jurisdiction of the United States District Court for the Southern District of Florida and elsewhere.

9. The Defendants, directly and indirectly, have made use of the means and instrumentalities of transportation or communication in interstate commerce, the means or instrumentalities of interstate commerce, the facilities of a national securities exchange, or the mails in connection with the acts, practices and courses of business alleged herein within the jurisdiction of the Southern District of Florida and elsewhere.

RELEVANT NON-DEFENDANT ENTITIES

10. At the time of the events alleged in this complaint, Vacation Break was a Florida corporation with its headquarters in Fort Lauderdale, Florida. Vacation Break's securities had been registered with the Commission since 1995 and, at the time of the transactions and events alleged in this complaint, were traded on the National Association of Securities Dealers, Inc.'s Automated Quotation System. Vacation Break

developed, marketed and operated vacation time-share units. Vacation Break was merged into another company in 1997 after the failure of the proposed merger that was the subject of Defendants' non-public information.

11. Berkley Group is a privately-held company with offices in Fort Lauderdale, Florida which also develops, markets and operates time-share units.

FACTUAL ALLEGATIONS

Background

12. On October 8, 1996, Defendant Lambert, his father, and principals of Vacation Break began discussing a possible merger of Vacation Break and various entities controlled by the Lambert family. The initial contact progressed over the next several weeks and expanded to include an agreement to merge Vacation Break with other time-share companies controlled by Defendant Lambert's family, including the entire Berkley Group.

13. The first public announcement regarding the discussions came on November 26, 1996, when Vacation Break announced that it was in discussions regarding a potential merger. The next day, November 27, 1996, Vacation Break announced that it had reached a definitive merger agreement with the Berkley Group and other related entities ("Vacation Break merger").

14. At the end of the day on November 27, 1996, the day of Vacation Break's public announcement regarding the Berkley Group agreement, Vacation Break securities closed at \$16.75 per share, an increase of \$6, or approximately 56%, from

the previous day's trading price. Knowledge of Vacation Break's proposed merger with the Berkley Group constituted material, non-public information.

Defendant Lambert and Defendant Pape

15. Shortly after graduating from law school in 1994, Defendant Lambert and Defendant Pape formed "Lambert & Pape", a two-person law practice, and set up offices in office space in the same corridor of a Ft. Lauderdale building as the Berkley Group's offices. Defendant Lambert continued to share his Lambert & Pape office with Defendant Pape during October and November 1996.

16. Additionally, at the time of the transactions and events alleged in this complaint, Defendant Lambert regularly attended Berkley Group board meetings and was involved in Berkley Group operations and decisions. At all relevant times herein, Defendant Pape knew that Defendant Lambert was devoting almost all of his time, and receiving most of his income, from work he did for the Berkley Group and other entities controlled by the Lambert family.

17. On or about October 8, 1996, pursuant to Defendant Lambert's relationship of trust and confidence with the Berkley Group and other entities controlled by his family, Defendant Lambert became aware of discussions regarding a possible merger of Vacation Break and entities controlled by the Lambert family.

18. During the period from on or about October 16, 1996 to November 21, 1996, while Defendant Lambert was negotiating the possible Vacation Break merger, Defendant Lambert, who knew that he could not legally purchase Vacation Break stock, transferred approximately \$74,000 to Defendant Pape.

19. Although he had opened his first brokerage account only two months earlier with another firm, several weeks after Defendant Lambert began negotiating the Vacation Break merger, Defendant Pape opened a second brokerage account with a different firm and began using the money Defendant Lambert transferred to him to purchase Vacation Break stock.

20. Over approximately the next month, Defendant Pape made a series of purchases of Vacation Break stock in his new brokerage account. By the time the merger was announced, Defendant Pape had amassed a position of approximately 9,700 shares of Vacation Break stock, for which he paid more than \$87,493.

21. The magnitude of Defendant Pape's Vacation Break purchases was inconsistent with both his finances and his investment history. Defendant Pape invested more money into Vacation Break stock in approximately one month than he had claimed as income in any year. Additionally, prior to his Vacation Break purchases, Defendant Pape's prior securities transactions involved stock in only two companies, and a total investment of approximately \$12,000.

22. In October of 1996, Defendant Lambert communicated material, non-public information regarding the possible Vacation Break merger to Defendant Pape in breach of Defendant Lambert's fiduciary or similar duty of trust and confidence to the Berkley Group.

23. Defendant Pape knew or recklessly disregarded Defendant Lambert's misappropriation of material, non-public information and traded in Vacation Break stock while in possession of such material, non-public information.

24. After the public announcement of the Vacation Break merger described in Paragraph 13, Defendant Pape sold his shares of Vacation Break and profited approximately \$110,000.

Defendant J. Verrillo and Defendant G. Verrillo

25. Since approximately 1994, Defendant J. Verrillo has been the exclusive marketing agent for a wholly-owned subsidiary of the Berkley Group pursuant to a five year non-compete agreement. In addition, during the time of the Vacation Break merger negotiations, Defendant J. Verrillo was also working for Vacation Break pursuant to a contract that the Berkley Group had approved.

26. During the period when the Vacation Break merger was being negotiated, Defendant J. Verrillo was in close and frequent contact with various principals of the Berkley Group and Vacation Break who were involved in the merger negotiations.

27. Defendant J. Verrillo is the son of Defendant G. Verrillo, with whom he has a close relationship. Among other things, Defendants J. Verrillo and G. Verrillo visited each other several times a year.

28. Defendant G. Verrillo knew that his son Defendant J. Verrillo worked in the time-share industry and was familiar with Vacation Break.

Defendant J. Verrillo and Defendant G. Verrillo
Traded While In Possession of Material Non-Public Information

29. On the evening of Monday, November 25, 1996, Defendant J. Verrillo, various principals involved in the merger negotiations, and other guests attended the

Miami Dolphins football game in a corporate suite at Pro Player Stadium in Miami-Dade County, Florida.

30. On or about November 25, 1996, Defendant J. Verrillo was told material, non-public information regarding Vacation Break by an insider of Vacation Break or by a person owing a duty of trust and confidence to the Berkley Group.

31. On or about November 26, 1996, the morning after the Monday Night Football game, Defendant J. Verrillo began making unprecedented purchases of Vacation Break stock in two securities brokerage accounts in his name. By the time trading in Vacation Break was halted at approximately 12:30 p.m. on November 26, 1996, Defendant J. Verrillo had purchased approximately 20,000 shares of Vacation Break for approximately \$216,200 in one of his brokerage accounts. In addition to these purchases, on the same morning Defendant J. Verrillo also purchased approximately 7,000 shares of Vacation Break stock in another brokerage account for approximately \$77,867. In making these purchases, Defendant J. Verrillo did not disclose to the seller(s) of the Vacation Break securities any information regarding the possible merger with the Berkley Group.

32. On the same morning he purchased Vacation Break stock in two brokerage accounts in his own name, Defendant J. Verrillo called his father, Defendant G. Verrillo, in Syracuse, New York. Within approximately one hour on the morning of November 26, 1996, Defendant J. Verrillo and Defendant G. Verrillo placed several calls to each other.

33. During the telephone calls with his father on or about November 26, 1996, Defendant J. Verrillo communicated the material, non-public information he had learned about Vacation Break to his father, Defendant G. Verrillo, in violation of a duty to publicly disclose the information or abstain from trading or tipping.

34. While in possession of the material, non-public information communicated by Defendant J. Verrillo, Defendant G. Verrillo placed an order to buy \$130,000 worth of Vacation Break stock in his brokerage account. Defendant G. Verrillo purchased approximately 2,698 of those shares of Vacation Break stock for himself, at a cost of approximately \$30,000. Defendant G. Verrillo also purchased approximately 9,300 of those shares of Vacation Break stock, on behalf of his son, Defendant J. Verrillo, at a cost of approximately \$100,000. In making these purchases, Defendant G. Verrillo did not disclose to the seller(s) of the Vacation Break securities any information regarding the possible merger with the Berkley Group.

*Defendant J. Verrillo's and Defendant G. Verrillo's
Purchases Were Unprecedented*

35. Defendant J. Verrillo's purchases of Vacation Break securities on or about November 26, 1996 were unprecedented in comparison to his prior securities transactions. For example, Defendant J. Verrillo's purchases of Vacation Break stock the morning after the football game were several times larger than his previous largest investment in a single company in any one day. Additionally, Defendant J. Verrillo had never before purchased stock in a company in more than one account at a time before and had never asked anyone to buy stock on his behalf in their account.

36. Defendant G. Verrillo's purchases of Vacation Break securities on or about November 26, 1996 were also unprecedented. Prior to that morning, Defendant G. Verrillo had only purchased stock approximately four times, placing an average order of approximately \$3,500. Moreover, the size of the investment was inconsistent with his financial means and income, and represented the majority of his income for 1996.

37. Defendant J. Verrillo purchased the Vacation Break securities while he knew or recklessly disregarded that the material, non-public information regarding the Vacation Break merger was obtained as a result of a breach of a fiduciary or similar duty of trust and confidence owed to Vacation Break and its shareholders, or alternatively, while he knew or recklessly disregarded that the information had been obtained through misappropriation or a breach of fiduciary or similar duty of trust and confidence to the Berkley Group. In making these purchases, Defendant J. Verrillo did not disclose to the seller(s) of the Vacation Break securities any information regarding the possible merger with the Berkley Group.

38. Defendant G. Verrillo purchased the Vacation Break securities while he knew or recklessly disregarded that the material, non-public information regarding the Vacation Break merger was obtained as a result of a breach of a fiduciary duty or similar duty of trust and confidence. In making these purchases, Defendant G. Verrillo did not disclose to the seller(s) of the Vacation Break securities any information regarding the possible merger with the Berkley Group.

39. After the Vacation Break merger was announced, Defendant J. Verrillo sold the Vacation Break stock that he had purchased on or about November 26, 1996 and profited approximately \$275,920.

40. After the Vacation Break merger was announced, Defendant G. Verrillo sold the Vacation Break stock that he had purchased on or about November 26, 1996 and profited approximately \$17,000.

COUNT I

**FRAUD IN VIOLATION OF
SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5**

41. The Commission incorporates and realleges paragraphs 1 through 40.

42. Defendants Lambert, Pape, J. Verrillo, and G. Verrillo, in connection with the purchase and sale of securities, namely the securities of Vacation Break, directly and indirectly, by 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 the securities, as described herein, knowingly or recklessly: (i) employed devices, schemes or artifices to defraud; (ii) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and/or (iii) engaged in acts, practices and courses of business which operated and would operate as a fraud and deceit upon purchasers and prospective purchasers of the securities.

43. By reason of the foregoing, Defendants, directly and indirectly, have 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, 17 C.F.R. § 240, 10b-5, thereunder.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

Declare, determine and find that the Defendants Lambert, Pape, J. Verrillo, and G. Verrillo committed the violations of the federal securities laws alleged herein.

II.

Permanent Injunctive Relief

Permanently enjoin the Defendants, their officers, agents, servants, employees, assigns, attorneys and those persons in active concert or participation with them, from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

III.

Disgorgement

Issue an Order requiring Defendants Lambert, Pape, J. Verrillo, and G. Verrillo to disgorge all profits received received (i) by them; or (ii) by a Defendant who obtained material, non-public information regarding the Vacation Break merger from them; plus prejudgment interest.

IV.

Penalties

Issue an Order directing Defendants Lambert, Pape, J. Verrillo, and G. Verrillo to each pay a civil penalty equal to three times the profits received (i) by them; or (ii) by a Defendant who obtained material, non-public information regarding the Vacation Break merger from them; pursuant to Section 21A of the Exchange Act [15 U.S.C. §78u-1].

V.

Further Relief

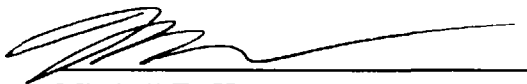
Grant such other and further relief as may be necessary and appropriate.

VI.

Retention of Jurisdiction

The Commission respectfully requests that the Court retain jurisdiction of this action 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.

Respectfully submitted,



Mitchell E. Herr
Regional Trial Counsel
SD Fla. A-5500-259

Glenn S. Gordon
Chief, Branch of Enforcement No. 1
Florida Bar No. 0052744

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CIVIL COVER SHEET 98 2280

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 SIDE OF THIS COVER SHEET).

CIV-KING

MAGISTRATE JUDGE
TURNOFF

98 SEP 29 4:01 PM '98
CLERK OF DISTRICT COURT
MIAAMI

I. (a) PLAINTIFFS

SECURITIES AND EXCHANGE COMMISSION

DEFENDANTS

DANIEL LAMBERT, JOHN PAPE,
JAMES VERRILLO, AND GERARD VERRILLO.

(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

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

ADAOE 98CV2280/JLK/WET
Mitchell E. Herr, Esq. (305) 982-6336
SEC, 1401 Brickell Avenue, Ste. 200
Miami, Florida 33131

ATTORNEYS (IF KNOWN)

Mark C. Perry, Esq.
Ronald Shindler, Esq.
Jeff Crockett, Esq.

(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

(For Diversity Cases Only)

(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. ORIGIN

(PLACE AN "X" IN ONE BOX ONLY)

- 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)

A CONTRACT	A TORTS	FORFEITURE/PENALTY	A BANKRUPTCY	A OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Motor 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 Veterans Benefits <input type="checkbox"/> 160 Receiverships, Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Other Real Property	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"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<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 A PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark B SOCIAL SECURITY <input type="checkbox"/> 861 HIA 1395ff <input type="checkbox"/> 862 Black Lung 1922 <input type="checkbox"/> 863 DIWC DIWW 40591g <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI 40591g	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <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 A OR B
A REAL PROPERTY	A CIVIL RIGHTS	PRISONER PETITIONS	A LABOR	FEDERAL TAX SUITS	
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Toxic Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<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	<input type="checkbox"/> 510 Motions to vacate Sentence HABEAS CORPUS: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<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	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS Third Party 26 USC 7609	

VI. CAUSE OF ACTION

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

15 U.S.C. § 78J(b) and 17 C.F.R. § 240, 10b-5

Violations of the antifraud provisions of the federal securities laws

LENGTH OF TRIAL via ___ days estimated (for both sides to try entire case)

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ Perm. Inj.

CHECK YES only if demanded in complaint

JURY DEMAND: YES NO

Disgorgement and Civil Penalties

VIII. RELATED CASE(S) IF ANY

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

9/29/98

Mitchell E. Herr

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____