

IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

COMPLAINT

1. This case involves the fraudulent sale of at least \$10,000,000 in investment contract securities to investors in

several states. The defendants sold interests in fictitious prime bank "private investment enhancement programs", purporting to invest money in the trading of bank securities, debentures and letters of credit. These programs are completely bogus, the "prime bank instruments" offered by the defendants simply do not exist. They are designed generally, and were designed by the defendants in this instance for fraudulent purposes. The defendants have engaged in a fraud upon investors, because they either knew, or were reckless in not knowing, that these "prime bank instruments" do not exist, the promised rates of return were never earned or paid, and that there was no guarantee issued by Lloyds of London insuring against risk of loss.

2. Beginning in at least January 1998, Anthony J. Marino ("Marino"), Gregory C. Johnson ("Johnson") and Richard Ames Higgins ("Higgins"), using Mousa International ("Mousa"), AJM Global ("AJM") and Consortio Intranacional, have, upon information and belief, raised over \$15 million from the sale of interests in a prime bank scheme; there have been at least 80 investors in the program from all areas of the United States and a number of foreign countries.

3. Defendants, directly and indirectly, are now and have been engaged in, and unless restrained and enjoined by this Court will continue to engage in, transactions, acts, practices, and

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

4. Defendants, directly and indirectly, are now and have been engaged in, and unless restrained and enjoined by this Court will continue to engage in, transactions, acts, practices, and courses of business that violate Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)].

5. Defendants, directly and indirectly, are now and have been engaged in, and unless restrained and enjoined by this Court will continue to engage in, transactions, acts, practices, and courses of business that violate Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77e(a) and (c)].

6. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) and (e) of the Exchange Act [15 U.S.C. § 78u(d) and (e)] for an order permanently restraining and enjoining Defendants and granting other equitable relief.

#### **JURISDICTION AND VENUE**

7. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77u(a)] and

Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa]. Venue lies in this Court pursuant to Section 22(a) of the Securities Act and Section 27 of the Exchange Act [15 U.S.C. §§ 77u(a) and 78aa].

8. In connection with the transactions, acts, practices, and courses of business described in this Complaint, each of the defendants, directly and indirectly, has made use of the means or instrumentalities of interstate commerce, of the mails, or of the means and instruments of transportation or communication in interstate commerce.

9. Defendant Higgins lives in Salt Lake County, Utah. In addition, certain of the transactions, acts, practices, and courses of business constituting the violations of law alleged herein occurred within this judicial district, including, but not limited to, the soliciting customers to purchase securities, the transfer of funds from investors to one or more of the defendants, and the payment of commission or other sums to salespersons.

#### **DEFENDANTS**

10. **Anthony J. Marino**, age 60, of Las Vegas, Nevada and San Juan, Costa Rica, is a promoter and a self-styled international banking expert.

11. **Gregory C. Johnson**, approximately age 50, of Las Vegas, Nevada, holds an MBA from Brigham Young University. He claims to be involved in structuring capital finance strategies for humanitarian and infrastructure projects.

12. **Richard Ames Higgins**, age 51, is a Salt Lake City, Utah attorney. Higgins was enjoined by the Commission from future violations of various provisions of the federal securities laws in 1987, and was convicted of three felony counts of securities fraud by the State of Utah in 1988.

13. **Mousa International** is an entity controlled by Marino. The corporate nature of Mousa is unknown and the plaintiff does not know if it has been formed or registered under the laws of any state or foreign jurisdiction. However, there are bank accounts in the name of Mousa.

14. **AJM Global** is an entity controlled by Marino and Johnson. The corporate nature of AJM is unknown and the plaintiff does not know if it has been formed or registered under the laws of any state or foreign jurisdiction. However, there are bank accounts in the name of AJM.

15. **Consortio Intranacional** is an entity controlled by Marino and Johnson. The corporate nature of Consortio Intranacional is unknown and the plaintiff does not know if it has been formed or registered under the laws of any state or foreign

jurisdiction. However, the Commission alleges, upon information and belief, that there are bank accounts in the name of Consortio Intranacional.

**THE NATURE OF THE FRAUDULENT OFFERING**

16. The defendants have been offering and selling securities in the form of investment contracts to the general public. The defendants have offered and sold, and are continuing to offer and sell these securities through the use of the telephone, the mails and other means and instruments of interstate commerce.

17. Each investment contract offered and sold by the defendants constitutes a "security" pursuant to Section 2(1) of the Securities Act [15 U.S.C. §77b(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)]. The money provided to the defendants is consideration for a contract, transaction or scheme whereby the investors make an investment of money in a common enterprise offered, sold and/or promoted by the defendants with the expectation of profits through the efforts of others.

18. From at least 1997, the defendants have been marketing an "investment enhancement program" in which investors would invest funds with the defendants. These funds were to be pooled and invested by the defendants and others in "prime bank instruments" through a "prime bank" or a "major world bank in

Europe." Investors have been promised various rates of return, including 20% percent per month.

19. Investors have been falsely told, orally and through written offering documents that their investments with the defendants in these discounted bank instruments were risk-free in that an insurance policy would be issued on the programs though Lloyds of London.

20. Investors have been told, orally and through written offering documents that they will receive large returns, as high as 800% per year, or that they will receive returns of 20% per month.

21. The defendants told the investors to execute a Letter of Intent, a Joint Venture Investment Agreement evidencing their agreement to invest in the program.

22. Investors are told that the minimum investment in the scheme is \$100,000, and individual investors have invested up to \$1 million dollars in the scheme with one or more of the defendants.

23. In fact, no investment program actually exists, and there is no evidence that the funds have been invested in any bank instrument which were represented to investors.

24. Fraudulent schemes that purport to offer investments in fictitious securities and financial instruments, sometimes

referred to as "prime bank instruments," that are allegedly sold by the world's leading banks or "prime banks" have proliferated during the past eight years. Such prime bank investment schemes are fraudulent and such prime bank instruments do not exist.

**MISREPRESENTATIONS AND OMISSIONS MADE TO INVESTORS  
AND POTENTIAL INVESTORS**

25. As part of and in furtherance of their fraudulent scheme, the defendants and their agents, in the offer and sale of the securities, have misrepresented and omitted to state the following material facts:

a. misrepresented that investors' money would be invested in the "investment roll program," or to purchase prime bank instruments;

b. misrepresented the rate of return that investors could reasonably expect to receive from their investments;

c. misrepresented that the investment in the program was protected against risk by an insurance policy issued by Lloyds of London;

d. misrepresented that the bank trading program has been approved by the Federal Reserve Board of the United States;

e. omitted to disclose that Marino has been convicted of securities fraud in the State of Nevada in 1998 for a related scheme involving prime bank securities;



f. omitted to disclose that Marino has been ordered to cease and desist from soliciting investments in securities by the State of New Mexico;

g. omitted to disclose that Higgins has been permanently enjoined from future violations of the federal securities laws by a federal court;

h. omitted to disclose that Higgins has been convicted of felony securities charges.

**FIRST CAUSE OF ACTION**  
**(Violations of Exchange Act Section 10(b) and Rule 10b-5)**

26. Plaintiff repeats and realleges Paragraphs 1 through 25 above.

27. Defendants, with scienter, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce or of the mails, directly or indirectly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts or 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; or (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities in violation of Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 [17 C.F.R. §240.10b-5].

28. By reason of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 and unless restrained and enjoined will continue to do so.

**SECOND CAUSE OF ACTION  
(Violations of Securities Act Section 17(a) (1))**

29. Plaintiff repeats and realleges Paragraphs 1 through 25 above.

30. Defendants, with scienter, in the offer or sale of securities, by the use of means or instruments of transportation or communication in interstate commerce, or by the use of the mails, directly or indirectly employed devices, schemes or artifices to defraud in violation of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)].

31. By reason of the foregoing, Defendants violated Sections 17(a)(1) of the Securities Act and unless restrained and enjoined will continue to do so.

**THIRD CAUSE OF ACTION**

**(Violations of Securities Act Section 17(a) (2) and (3))**

32. Plaintiff repeats and realleges Paragraphs 1 through 25 above.

33. Defendants, in the offer or sale of securities, by the use of 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 the light of the circumstances under which they were made, not misleading; or (b) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities in violation of Section 17(a)(2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(2) and (3)].

34. By reason of the foregoing, Defendants violated Sections 17(a)(2) and (3) of the Securities Act and unless restrained and enjoined will continue to do so.

**FOURTH CAUSE OF ACTION**

**Violations of Sections 5(a) and 5(c) of the Securities Act**

35. The allegations contained in paragraphs 1 through 25 are realleged and incorporated by reference.

36. Defendants, and each of them, by engaging in the conduct described in paragraphs 1 through 25 above, directly or indirectly, through use of the means or instruments of transportation or communication in interstate commerce or the mails, offered to sell or sold securities in the form of investment contracts or, directly or indirectly, or carried such securities to be carried through the mails or in interstate commerce, for the purpose of sale or delivery after sale.

37. No registration statement has been filed with the Commission or has been in effect with respect to these securities.

38. By reason of the foregoing, the defendants, directly or indirectly violated, and unless enjoined will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

WHEREFORE, the Commission respectfully requests that this Court:

**PRAYER FOR RELIEF**

WHEREFORE, The Commission respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that the defendants committed the violations charged and alleged herein.

II.

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, orders temporarily restraining and preliminarily and permanently enjoining defendants Anthony J. Marino, Gregory C. Johnson, Richard Ames Higgins, Mousa International, AJM Global and Consortio Intranacional, 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 engaging in the transactions, acts, practices and courses of business described herein, and from engaging in conduct of similar purport and object in violation of

Sections 5(a), 5(c) and 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

III.

Issue in a form consistent with Rule 65(e) of the Federal Rules of Civil Procedure, orders temporarily restraining and preliminarily and permanently enjoining defendants Anthony J. Marino, Gregory C. Johnson, Richard Ames Higgins, Mousa International, AJM Global, Consortio Intranacional, 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 orders by personal service or otherwise, and each of them, from:

A. transferring, changing, wasting, dissipating, converting, concealing or otherwise disposing of, in any manner, any funds, assets, claims, or other property or assets owned or controlled by, or in the possession or custody of defendants;

B. destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any books, records, computer programs, computer files, computer printouts, correspondence, memoranda, brochures, or any other documents of any kind, pertaining in any manner to the business of Anthony J. Marino, Gregory C. Johnson, Richard Ames Higgins, Mousa

International, AJM Global, and Consortio Intranacional, including, without limitation, the sale of securities;

C. transferring, assigning, selling, hypothecating, or otherwise disposing of any notes, investment contracts, partnership agreements, or other securities of the defendants; and

D. transferring, assigning, selling, hypothecating, or otherwise disposing of any assets of Anthony J. Marino, Gregory C. Johnson, Richard Ames Higgins, Mousa International, AJM Global, and Consortio Intranacional, existing and in the custody or control of Anthony J. Marino, Gregory C. Johnson, Richard Ames Higgins, Mousa International, AJM Global, Consortio Intranacional as of the date of the Order.

V.

Issue an Order directing all of the defendants, jointly and severally, to prepare and present to the Court and the Commission, within thirty (30) days from the entry of said order, a sworn accounting of all of the proceeds collected by the defendants from the activities described in the Commission's Complaint.

VI.

Enter an Order directing defendants Anthony J. Marino, Gregory C. Johnson, Richard Ames Higgins, Mousa International, AJM Global and Consortio Intranacional to pay civil fines and/or

penalties under the Securities Enforcement Remedies and Penny Stock Reform Act of 1990.

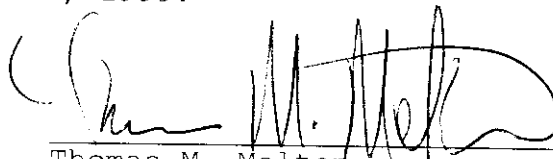
VII.

Grant such other and further relief as this Court may determine to be just, equitable and necessary, including, but not limited to, a freeze of assets, and the acceleration of discovery, including the forthwith production of books and records, and an order requiring the defendants to repatriate all funds derived from the activities described in the Commission's Complaint to an account determined by the Court in the United States.

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 this 20<sup>th</sup> day of April, 1999.



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