

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
_____ DIVISION

Case No. _____ -- CIV --

CIV-RYSKAMP

MAGISTRATE JUDGE
VITUNAG

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

SCOTT K. GINSBURG,
MARK J. GINSBURG, and
JORDAN E. GINSBURG,

Defendants.

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OFFICE OF THE CLERK
U.S. DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
TALLAHASSEE, FLORIDA

COMPLAINT

The plaintiff, Securities and Exchange Commission (the "Commission"), for its
Complaint alleges as follows:

SUMMARY OF ALLEGATIONS

1. This insider trading case involves Mark J. Ginsburg's ("M. Ginsburg") and
Jordan E. Ginsburg's ("J. Ginsburg") unlawful trading in the securities of EZ
Communications, Inc. ("EZ"), and M. Ginsburg's unlawful trading in the securities of Katz
Media Group, Inc. ("Katz Media"). Defendants M. Ginsburg and J. Ginsburg traded while in
possession of material nonpublic information that Scott K. Ginsburg ("S. Ginsburg") had
tipped to them in breach of a duty that S. Ginsburg owed to Evergreen and in breach of a

confidentiality agreement that S. Ginsburg had with EZ. S. Ginsburg and M. Ginsburg are brothers and are the sons of J. Ginsburg.

2. By their conduct, described herein, the defendants, directly and indirectly, engaged in acts, practices, and courses of business that violated the antifraud provisions of the federal securities laws, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Defendants S. Ginsburg and M. Ginsburg also, directly and indirectly, engaged in acts, practices, and courses of business that violated the tender offer provisions of the federal securities laws, Exchange Act Section 14(e) [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 U.S.C. § 240.14e-3].

3. The Commission brings this action pursuant to Sections 21(d), 21(e), and 21A of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78u-1] for an order permanently restraining and enjoining the defendants, ordering them to account for and disgorge all profits from the unlawful trading, granting other equitable relief, and imposing civil monetary penalties.

4. The defendants, unless restrained and enjoined, will continue to engage in transactions, acts, practices, and courses of business as set forth in this Complaint, or in transactions, acts, practices, and courses of business of similar purport and object.

JURISDICTION

5. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa]. Venue lies in this Court pursuant to Section 27 of the Exchange Act.

6. 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, and/or of the means and instruments of transportation or communication in interstate commerce.

DEFENDANTS

7. Scott K. Ginsburg, age 46, resides in Dallas, Texas. S. Ginsburg founded Evergreen with his father, J. Ginsburg, other Ginsburg family members, and others in 1988. During the period from November 1995 through at least August 1997, S. Ginsburg was the chairman of the board of directors and chief executive officer of Evergreen.

8. Mark J. Ginsburg, age 48, resides in Boca Raton, Florida. He is a physician.

9. Jordan E. Ginsburg, age 74, resides in Boca Raton, Florida. J. Ginsburg was an original investor in, and, until 1991, was the chairman of the board of directors of, Evergreen. J. Ginsburg pleaded guilty in 1997 to a federal felony of making a false statement in connection with an application for a loan from First Commercial Bank of Florida in 1990, when he served as chairman of the bank's board of directors.

CORPORATIONS INVOLVED

10. Evergreen Media Corporation was a Delaware corporation with its corporate headquarters in Irving, Texas that owned and operated AM and FM stations nationwide. The common stock of Evergreen was registered with the Commission pursuant to Section 12(g) of the Exchange Act and was traded on the NASDAQ market system. On February 18, 1997, a merger agreement between Evergreen and Chancellor Broadcasting Corporation ("Chancellor Broadcasting") was announced. Chancellor Broadcasting also was a public company with its

securities registered with the Commission pursuant to Section 12(g) of the Exchange Act. On September 5, 1997, the merger was completed. The resulting entity, Chancellor Media Corporation ("Chancellor Media"), is a Delaware corporation with its headquarters in Irving, Texas.

11. EZ Communications, Inc. was a Virginia corporation with its headquarters in Fairfax, Virginia that owned and operated AM and FM radio stations in several markets across the United States. At all relevant times through July 1996, EZ stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and was traded on the NASDAQ market system.

12. Katz Media Group, Inc. was a Delaware corporation with its headquarters in New York, New York. Katz Media was a media representation company that sold advertising time on electronic media, such as radio, television, and the internet, to advertising agencies and other media buyers. At all relevant times through July 1997, Katz Media common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and was traded on the American Stock Exchange.

FIRST CLAIM FOR RELIEF

**Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)]
and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by all defendants**

Scott Ginsburg acquires material nonpublic information concerning EZ

13. Between May and mid-June, 1996, S. Ginsburg approached the chief executive officer of EZ and inquired whether EZ would consider some form of business combination with Evergreen. At that time, EZ's CEO told S. Ginsburg that EZ was not for sale.

14. Subsequently, between June 23 and July 1, 1996, S. Ginsburg sent EZ's CEO a written offer for Evergreen to acquire EZ. EZ's CEO responded to the offer, again advising S. Ginsburg that EZ was not for sale and noting that, in any event, the price that S. Ginsburg had proposed was too low. However, he also told S. Ginsburg that he would relay S. Ginsburg's offer to the chairman of EZ's board of directors.

15. EZ's CEO later met with S. Ginsburg on July 12, 1996. EZ's CEO asked that the conversation be kept confidential, and S. Ginsburg agreed. EZ's CEO then told S. Ginsburg that EZ was considering strategic alternatives that included a possible sale of the company and had hired Credit Suisse First Boston ("CSFB") to assist it. During the meeting, EZ's CEO and S. Ginsburg discussed a per share value for EZ. S. Ginsburg told EZ's CEO that he was interested in pursuing a transaction, and they agreed that CSFB would contact S. Ginsburg early in the following week to provide more detailed information, provided that Evergreen would execute a written confidentiality agreement.

16. On July 15, 1996, a representative of CSFB contacted S. Ginsburg and told him that, if Evergreen would execute a written confidentiality agreement, it would be provided with updated financial information concerning EZ. In order to obtain confidential updated financial information concerning EZ, S. Ginsburg told the CSFB representative to send a confidentiality agreement to Evergreen. On July 16, 1996, EZ sent a confidentiality agreement to Evergreen. On July 18, 1996, CSFB sent to Evergreen, by facsimile, updated financial information concerning EZ. Thereafter, S. Ginsburg directed the chief financial officer of Evergreen to analyze the financial information that he had obtained from EZ in order to determine what amount Evergreen should bid for EZ.

17. On July 24, 1996, CSFB contacted Evergreen and requested that it submit its bid for EZ by the close of business on July 26, 1996. On July 26, 1996, S. Ginsburg submitted a bid for Evergreen to purchase EZ for \$650 million. On July 29, 1996, a representative of CSFB contacted S. Ginsburg and told him that EZ was reviewing Evergreen's bid, along with other bids, and that he would be contacted after a final decision had been made.

18. At all relevant times, S. Ginsburg knew that he was subject to Evergreen's corporate policies that prohibited: (a) the use of confidential information for personal advantage; (b) buying stock or giving advice to buy stock, based on inside information; and, (c) discussing confidential information with family and relatives.

Scott Ginsburg tips Mark Ginsburg who purchases EZ stock

19. On Sunday, July 14, 1996, two days after he had met with EZ's CEO, S. Ginsburg spoke by telephone with M. Ginsburg and conveyed to M. Ginsburg material nonpublic information concerning EZ's plan to pursue strategic alternatives that included the possible sale of the company.

20. On July 15, 1996, the first trading day after the telephone conversation during which S. Ginsburg conveyed to M. Ginsburg material nonpublic information concerning EZ, M. Ginsburg purchased 3,800 shares of EZ stock in his individual retirement account at Dean Witter Reynolds, Inc.

21. On July 25, 1996, the day before Evergreen submitted its bid for EZ, S. Ginsburg again spoke with M. Ginsburg by telephone. During that call, S. Ginsburg conveyed to M. Ginsburg material nonpublic information concerning Evergreen's intention to

make an offer to purchase EZ.

22. Also on July 25, 1996, after his telephone conversation with S. Ginsburg, M. Ginsburg purchased 3,200 shares of EZ stock in an account that he held jointly with his wife at Alex. Brown & Sons, Inc (the "joint account").

23. On July 26, 1996, the day that Evergreen submitted its bid for EZ, M. Ginsburg purchased 11,800 shares of EZ stock in the joint account and in a trust account for his son, also at Alex. Brown (the "trust account").

24. S. Ginsburg spoke with M. Ginsburg by telephone on July 28, 1996, and again on the morning of July 29, 1996. During those calls, S. Ginsburg conveyed to M. Ginsburg material nonpublic information concerning EZ, including that Evergreen and others had submitted offers for EZ.

25. On July 29, 1996, after speaking by telephone with S. Ginsburg, M. Ginsburg purchased a total of 30,000 shares of EZ stock in the joint account and the trust account.

26. During the two-week period from July 15 to July 29, 1996, M. Ginsburg, while in possession of the material nonpublic information concerning EZ that had been divulged to him by S. Ginsburg, purchased a total of 48,800 shares of EZ stock for \$1,393,676.

Mark Ginsburg tips Jordan Ginsburg who purchases EZ stock

27. M. Ginsburg and his father, J. Ginsburg, are next door neighbors and were in regular contact with each other throughout the period from July 14, 1996 to August 5, 1996. Between July 14 and July 16, 1996, M. Ginsburg spoke to J. Ginsburg and divulged to him the material nonpublic information concerning EZ that S. Ginsburg had conveyed to M.

Ginsburg during their telephone conversation on July 14.

28. On July 16, 1996, J. Ginsburg called the branch manager of the broker-dealer where a trust account was maintained for the benefit of J. Ginsburg's wife's and ordered the purchase, on margin, of 20,000 shares of EZ stock. The order, however, was not executed until the following day, July 17, 1996, because the branch manager had to obtain confirmation that J. Ginsburg was authorized to trade in that account.

29. On July 29, 1996, J. Ginsburg purchased, on margin, 5,000 shares of EZ stock in the trust account in his wife's name.

30. During the period from July 17 to July 29, 1996, J. Ginsburg, while in possession of the material nonpublic information concerning EZ that S. Ginsburg had divulged to M. Ginsburg and that M. Ginsburg had, in turn, conveyed to him, purchased a total of 25,000 shares of EZ stock for \$640,250.

**M. Ginsburg and J. Ginsburg make \$1,076,899
in trading profits on their purchases of EZ stock**

31. On August 5, 1996, prior to the opening of the market, EZ and American Radio Systems, Inc. ("ARS") announced that EZ would merge with ARS. Under the terms of the merger agreement, EZ shareholders would receive .9 share of ARS stock and \$11.75 in cash for each share of EZ common stock. After the announcement, the price of EZ common stock rose by 30% or \$9.625 per share and closed at \$42.125 on August 5, 1996.

32. Based upon the closing price of EZ common stock on August 5, 1996, the day that the merger between EZ and ARS was publicly announced, M. Ginsburg realized profits of \$664,024 from his trading in EZ common stock while in possession of material nonpublic

information that had been misappropriated by S. Ginsburg.

33. Based upon the closing price of EZ common stock on August 5, 1996, the day that the merger between EZ and ARS was publicly announced, J. Ginsburg realized profits of \$412,875 from his trading in EZ common stock while in possession of material nonpublic information that had been misappropriated by S. Ginsburg and tipped to him by M. Ginsburg.

Violations

34. S. Ginsburg, in knowing or reckless breach of the duties that he owed to Evergreen and EZ and for his personal benefit, misappropriated the material nonpublic information described above by communicating such information directly or indirectly to M. Ginsburg who then traded and tipped.

35. M. Ginsburg knew or should have known that the material nonpublic information concerning EZ that S. Ginsburg conveyed to him was divulged in breach of duties that S. Ginsburg owed to Evergreen and EZ.

36. J. Ginsburg knew or should have known that the material nonpublic information concerning EZ that M. Ginsburg had divulged to him had been conveyed to M. Ginsburg by S. Ginsburg in breach of duties that S. Ginsburg owed to Evergreen and EZ.

37. By their conduct, described above, defendants S. Ginsburg, M. Ginsburg, and J. Ginsburg, 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 as a fraud or deceit upon other persons.

38. By reason of the foregoing, defendants S. Ginsburg, M. Ginsburg, and J. Ginsburg violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SECOND CLAIM FOR RELIEF

**Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)]
and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]
by defendants S. Ginsburg and M. Ginsburg**

Scott Ginsburg acquires material nonpublic information concerning Katz Media

39. On February 18, 1997, Evergreen announced that it would merge with Chancellor Broadcasting. The merger was not completed, however, until September 5, 1997. The resulting entity was named Chancellor Media. Hicks, Muse, Furst & Tate ("Hicks Muse"), an investment firm that owned a majority interest in Chancellor Broadcasting, became the largest shareholder of Chancellor Media. S. Ginsburg became the chief executive officer of Chancellor Media.

40. On March 20, 1997, while the Evergreen / Chancellor Broadcasting merger was pending, S. Ginsburg was invited by the chairman of Hicks Muse to join a meeting with representatives of Hicks Muse and Katz Media. After S. Ginsburg joined that meeting, a discussion took place concerning the possible acquisition of Katz Media by the merged Evergreen / Chancellor Broadcasting entity. During the meeting, it was agreed that Katz Media would provide additional financial information to Hicks Muse after a confidentiality agreement was executed. On or about April 10, 1997, Hicks Muse executed a confidentiality agreement and Katz Media sent financial information to Hicks Muse.

41. On June 16, 1997, the president of Katz Media's Radio Division met with S. Ginsburg and encouraged S. Ginsburg to have Evergreen / Chancellor Broadcasting acquire Katz Media for a price of \$12 to \$14 per share. He asked S. Ginsburg to contact the chairman of Katz Media to discuss the matter further and told S. Ginsburg that Katz Media had held discussions with other potential acquirers and wanted to complete a transaction as soon as possible.

42. At all relevant times, S. Ginsburg knew that he was subject to Evergreen's corporate policies that prohibited (a) the use of confidential information for personal advantage; (b) buying stock or giving advice to buy stock, based on inside information; and (c) discussing confidential information with family and relatives.

Scott Ginsburg tips Mark Ginsburg who purchases Katz Media stock

43. On the evening of June 16, 1997, the day when S. Ginsburg met with the president of Katz Media's Radio Division and discussed Katz Media's ongoing and active efforts to be acquired by Evergreen / Chancellor Broadcasting or some other company, S. Ginsburg called M. Ginsburg. During this call, S. Ginsburg conveyed to M. Ginsburg material nonpublic information concerning Katz Media's ongoing efforts to be acquired.

44. On the following day, June 17, 1997, M. Ginsburg, while in possession of material nonpublic information concerning Katz Media that S. Ginsburg had conveyed to him, placed an order to purchase 150,000 shares of Katz Media stock for the joint account and the trust account. However, the order could not be filled in one day. Consequently, on June 17, the trust account purchased only 31,100 shares of Katz Media stock. On June 18, 1997, the joint account purchased 100,000 shares of Katz Media stock, and the trust account purchased

an additional 18,900 shares, filling the 150,000 share order. The total purchase price of the 150,000 shares was \$713,400.

M. Ginsburg makes \$729,200 in trading profits on his trading in Katz Media stock

45. After the close of trading on July 14, 1997, Katz Media, Evergreen, and Chancellor Broadcasting jointly announced that Evergreen and Chancellor Broadcasting would acquire Katz Media through a tender offer for all outstanding shares of Katz Media stock at \$11.00 per share.

46. Within three days after the public announcement of the tender offer, M. Ginsburg sold 132,500 shares of Katz Media stock and, subsequently, tendered the remaining 17,500 shares. M. Ginsburg realized total profits of \$729,200 from his trading in Katz Media stock while in possession of material nonpublic information that had been misappropriated by S. Ginsburg.

Violations

47. S. Ginsburg, in knowing or reckless breach of the duty that he owed to Evergreen and for his personal benefit, misappropriated the material nonpublic information described above by communicating such information directly or indirectly to M. Ginsburg who then traded.

48. M. Ginsburg knew or should have known that the material nonpublic information concerning Katz Media was divulged to him by S. Ginsburg in breach of a duty that S. Ginsburg owed to Evergreen.

49. By their conduct, described above, defendants S. Ginsburg and M. Ginsburg, 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 as a fraud or deceit upon other persons.

50. By reason of the foregoing, defendants S. Ginsburg and M. Ginsburg violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

THIRD CLAIM FOR RELIEF

Violations of Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3] by defendants S. Ginsburg and M. Ginsburg

51. Paragraphs 39 through 46 above are hereby re-alleged and incorporated herein by reference.

52. By June 16, 1997, substantial steps had been taken towards a tender offer for the securities of Katz Media, including, among others, the confidential meeting of Katz Media, Hicks Muse, and Evergreen representatives, as well as meetings between Katz Media and other potential acquirers, the execution of a confidentiality agreement by Hicks Muse, the transmittal of confidential business information to Hicks Muse, Evergreen, and Chancellor Broadcasting for the purpose of facilitating an offer for Katz Media, and the meeting between S. Ginsburg and the president of Katz Media's Radio Division where the potential acquisition of Katz Media by Evergreen / Chancellor Broadcasting was discussed.

Violations

53. By his conduct described above, S. Ginsburg, after a substantial step or steps had been taken to commence a tender offer for the securities of Katz Media, engaged in fraudulent, deceptive, or manipulative acts or practices in connection with said tender offer, by communicating material nonpublic information relating to a tender offer for Katz Media to M. Ginsburg under circumstances in which it was reasonably foreseeable that M. Ginsburg would purchase Katz Media securities.

54. By his conduct described above, M. Ginsburg, after a substantial step or steps had been taken to commence a tender offer for the securities of Katz Media, engaged in fraudulent, deceptive, or manipulative acts or practices in connection with said tender offer, by purchasing Katz Media securities, while in possession of material nonpublic information relating to said tender offer, which information he knew or had reason to know was nonpublic and had been obtained, directly or indirectly, from the offering person, the issuer, or a person acting on behalf of the offering person or said issuer.

55. By reason of the foregoing, defendants S. Ginsburg and M. Ginsburg violated Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3].

PRAYER FOR RELIEF

Wherefore, the Commission respectfully requests that this Court:

I.

Enter a Final Judgment of Permanent Injunction and Other Relief that:

A. Permanently enjoins Scott K. Ginsburg, Mark J. Ginsburg, and Jordan E. Ginsburg, and their respective agents, servants, employees, and attorneys, and those persons in active concert or participation with each of them, from violating, directly or indirectly, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;

B. Permanently enjoins Scott K. Ginsburg and Mark J. Ginsburg, and their respective agents, servants, employees, and attorneys, and those persons in active concert or participation with each of them, from violating, directly or indirectly, Section 14(e) of the Exchange Act and Rule 14e-3 thereunder;

C. Orders the defendants to account for and disgorge all profits, and prejudgment interest thereon, that they obtained or caused others to obtain as a result of the conduct described above; and

D. Orders each of the defendants to pay a civil penalty pursuant to Section 21A of the Exchange Act.

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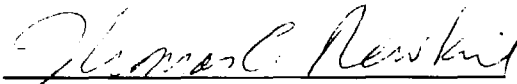
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II.

Grant such other and additional relief as this Court may deem just and proper.

Dated: September 9, 1999

Respectfully submitted,



**Thomas C. Newkirk
Yuri B. Zelinsky (Lead Trial Attorney)
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JS 44
(Rev. 12/96)

CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM)

I. (a) PLAINTIFFS UNITED STATES SECURITIES AND EXCHANGE COMMISSION

DEFENDANTS SCOTT K. GINSBURG, MARK J. GINSBURG, and JORDAN E. GINSBURG

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

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

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

A West Palm Beach 99CV 8694 / KLR/REV

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

ATTORNEYS (IF KNOWN)

PLEASE SEE ATTACHMENT.

PLEASE SEE ATTACHMENT.

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

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 4 Diversity (Indicate Citizenship of Parties in item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- | | | | | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. 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)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault Libel & Slander <input type="checkbox"/> 330 Federal Employers Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	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 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	<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"/> 990 Other Statutory Actions
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence 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	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt Relations <input type="checkbox"/> 730 Labor/Mgmt Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS - Third Party 26 USC 7809	

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. §§ 78u(d), 78u(e), and 78aa. The plaintiff alleges that the defendants violated the antifraud provisions of the federal securities laws by purchasing and/or causing others to purchase certain securities while in possession of and using material nonpublic information concerning the issuers of those securities.

VII. REQUESTED IN COMPLAINT CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 **DEMAND \$** CHECK YES only if demanded in complaint **JURY DEMAND:** YES NO

VIII. This case is not a refiling of a previously dismissed action. is a refiling of case number _____, previously dismissed by Judge _____

DATE

SIGNATURE OF ATTORNEY OF RECORD

SEPTEMBER 9, 1999 *[Signature]*

UNITED STATES DISTRICT COURT

ATTACHMENT TO CIVIL COVER SHEET

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