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8  
9 **UNITED STATES DISTRICT COURT**  
10 **DISTRICT OF ARIZONA**

11 SECURITIES AND EXCHANGE  
12 COMMISSION,

13 Plaintiff,

14 vs.

15 RADICAL BUNNY, LLC; TOM  
HIRSCH; BERTA WALDER;  
16 HOWARD WALDER; and HARISH P.  
SHAH;

17 Defendants.  
18

Case No.

**COMPLAINT FOR VIOLATIONS  
OF THE FEDERAL SECURITIES  
LAWS**

19  
20 Plaintiff Securities and Exchange Commission (the “Commission”)

21 alleges:

22 **JURISDICTION AND VENUE**

23 1. This Court has jurisdiction over this action pursuant to  
24 Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities  
25 Act”), 15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a), and Sections 21(d)(1),  
26 21(d)(3)(A), 21(e), and 27 of the Securities Exchange Act of 1934  
27 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e), and 78aa.  
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1 The Defendants have, directly or indirectly, made use of the means or  
2 instrumentalities of interstate commerce, of the mails, or of the facilities of a  
3 national securities exchange in connection with the transactions, acts,  
4 practices and courses of business alleged in this Complaint.

5 2. Venue is proper in this district pursuant to Section 22(a) of the  
6 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15  
7 U.S.C. § 78aa, because certain of the transactions, acts, practices, and  
8 courses of conduct constituting violations of the federal securities laws  
9 occurred within this district, and all Defendants reside or are located in this  
10 district.

11 **SUMMARY**

12 3. This matter concerns a securities fraud orchestrated by  
13 defendants Radical Bunny, LLC (“Radical Bunny”), and its principals, Tom  
14 Hirsch, Berta “Bunny” Walder, Howard Walder, and Harish Shah  
15 (collectively, the “Defendants”). From at least late 2005 through June 2008,  
16 the Defendants raised over \$197 million from at least 900 investors  
17 nationwide through an unregistered offer and sale of securities in the form of  
18 promissory notes or investment contracts.

19 4. The Defendants pooled investor funds, which they then used to  
20 make loans to Mortgages Ltd., a Phoenix-based private commercial lender.  
21 Mortgages Ltd., in turn, used the money to make high-interest, short-term  
22 loans to real estate developers in Arizona.

23 5. The Defendants made material misrepresentations to investors  
24 in connection with Radical Bunny’s securities offering, including: (a) falsely  
25 representing that Radical Bunny held a secured interest in Mortgages Ltd.’s  
26 assets, when, in fact, the Defendants’ attorneys repeatedly advised them that  
27 the documentation underlying that interest was either non-existent or  
28 defective in numerous respects; (b) misrepresenting how Mortgages Ltd.

1 would use the loan proceeds by falsely telling investors that their money  
2 would only be used for commercial development, when, in fact, there were  
3 no restrictions on how Mortgages Ltd. could use the money and several of  
4 the projects Mortgages Ltd. funded were residential in nature; (c) falsely  
5 representing that an investment in Radical Bunny was not subject to the  
6 securities laws when, in fact, the Defendants received legal advice to the  
7 contrary; and (d) falsely representing that the Defendants had access to  
8 monitor the performance of Mortgages Ltd., and, consequently, the safety of  
9 the Radical Bunny investment when, in fact, the Defendants were mostly  
10 unaware of Mortgages Ltd.'s deteriorating financial condition and they did  
11 not understand that most of Radical Bunny's funds were being shifted into  
12 Mortgage Ltd.'s riskier projects, to the detriment of the Radical Bunny  
13 investors.

14 6. The Defendants, by engaging in the conduct described in this  
15 Complaint, have violated, and unless permanently enjoined will continue to  
16 violate, the securities registration and antifraud provisions of the federal  
17 securities laws, and additionally, to each of the individual defendants, they  
18 violated, and unless permanently enjoined will continue to violate, the  
19 broker-dealer registration provisions of the federal securities laws.

20 **DEFENDANTS**

21 6. Defendant Radical Bunny is an Arizona limited liability  
22 company with its principal place of business in Phoenix, Arizona. Radical  
23 Bunny is the subject of a Chapter 11 bankruptcy proceeding before the  
24 United States Bankruptcy Court for the District of Arizona (Case Number  
25 2:08-bk-13884-CGC). On December 29, 2008, the Bankruptcy Court  
26 entered a stipulated order directing the appointment of a Chapter 11 trustee  
27 to administer the bankruptcy estate.

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1 to investors, including approximately 240 investors who invested through  
2 self-directed IRAs. The minimum for the Radical Bunny investment began  
3 at \$25,000, but was raised to \$50,000 as the number of investors grew over  
4 time.

5 12. The Defendants pooled investor funds, which they used to  
6 make a series of loans to Mortgages Ltd., which, in turn, used the money to  
7 make high-interest, short-term loans to real estate developers in Arizona.

8 13. For most of the loans made by Radical Bunny to Mortgages  
9 Ltd., Mortgages Ltd. paid Radical Bunny 13% interest for a one-year term,  
10 although a small percentage of the loans were for 14%. Radical Bunny, in  
11 turn, paid its investors 11%, subject to a 2% early redemption fee. As loans  
12 to Mortgages Ltd. matured, the Defendants permitted investors to rollover  
13 their funds into Radical Bunny's newest loan to Mortgages Ltd.

14 14. The remaining 2% paid by Mortgages Ltd. was retained by  
15 Radical Bunny and allocated among the individual Defendants. As their  
16 share of the 2%, Hirsch received at least \$3 million, Berta and Howard  
17 Walder received at least \$2 million, and Shah received at least \$700,000.  
18 That 2% represented a "vendor fee" that the individual Defendants claimed  
19 to have earned for maintaining accounts for the Radical Bunny investors and  
20 facilitating loans to Mortgages Ltd.

21 15. Despite the large sums of money Radical Bunny loaned to  
22 Mortgages Ltd., the documentation between Radical Bunny and Mortgages  
23 Ltd. consisted of form documents that placed no restrictions on how  
24 Mortgages Ltd. could use the funds. The only parties to the loans were  
25 Radical Bunny and Mortgages Ltd. Radical Bunny investors' names do not  
26 appear on any of these documents, but the Defendants provided the Radical  
27 Bunny investors with account statements and other documents that  
28 referenced a specific loan to Mortgages Ltd. into which their money had

1 been advanced.

2 16. A UCC-1 financing statement was executed by Mortgages Ltd.  
3 in favor of Radical Bunny and the CEO of Mortgages Ltd. provided Radical  
4 Bunny with a personal guaranty. Radical Bunny otherwise entered into no  
5 contracts or agreements with Mortgages Ltd. evidencing or perfecting  
6 Radical Bunny's purported security interest in Mortgages Ltd.'s assets.

7 17. Radical Bunny was not registered with the Commission in any  
8 capacity and did not register any offering of its securities under the  
9 Securities Act or a class of securities under the Exchange Act.

10 **The Defendants' Sales Effort**

11 18. Radical Bunny securities were offered and sold primarily by the  
12 individual Defendants to clients, or friends of clients, of Hirsch and Shah's  
13 Phoenix-based accounting firm, or through word of mouth of friends and/or  
14 relatives who were investors.

15 19. Each of the individual Defendants was a signatory to Radical  
16 Bunny's primary bank account into which investor funds were deposited and  
17 from which interest payments were made.

18 20. Each of the individual Defendants was involved in the offer and  
19 sale of Radical Bunny securities. Hirsch and Berta Walder solicited  
20 prospective investors who intended to use non-IRA funds to invest in  
21 Radical Bunny. Berta Walder solicited investors who intended to invest in  
22 Radical Bunny through self-directed IRAs. Howard Walder set up investor  
23 accounts, tracked investor funds that were used towards particular loans  
24 made to Mortgages Ltd., and ensured that interest payments were posted to  
25 investor accounts. Shah solicited the majority of Radical Bunny investors of  
26 South Asian descent and raised approximately \$40 million from about 150  
27 families of such background.

28 21. The Defendants gave Radical Bunny updates on the status of

1 their investment primarily through semi-annual meetings held at a luxury  
2 golf resort in Scottsdale, Arizona, where investors were provided with  
3 presentations on Radical Bunny's loans to Mortgages Ltd. as well as the  
4 status of Mortgages Ltd.'s loans to real estate developers. Hirsch, Berta  
5 Walder and Howard Walder, and Shah made presentations at the investor  
6 meetings. Investors were permitted to invite their friends, family, and others  
7 to the meetings even if they were not already investors.

8 **Documentation of the Radical Bunny Investment**

9 22. Radical Bunny investors were not provided with any offering  
10 materials or audited financial statements before they invested.

11 23. The document establishing the relationship between Radical  
12 Bunny and its investors was the "Direction to Purchase" form, which  
13 purported to confirm the investor's instruction and authorization to purchase  
14 an interest in one of Radical Bunny's loans to Mortgages Ltd. The  
15 "Direction to Purchase" represented that an investor's Radical Bunny  
16 investment was "collateralized by the beneficial interest under various deeds  
17 of trusts held by Mortgages Ltd."

18 24. The "Direction to Purchase" was originally drafted by Hirsch,  
19 prepared for each investor by Howard Walder, and was signed by Berta  
20 Walder before being sent to the investor. This document was used by the  
21 Defendants from at least January 2007 through June 2008.

22 25. Investors obtained account statements through Radical Bunny's  
23 website. The statements showed the loans to Mortgages Ltd. in which the  
24 investor purportedly had an ownership interest, the amount of interest  
25 generated from the loan, and any interest payments that had been made to  
26 the investor. IRA investors received account statements from an IRA  
27 custodian, which set forth a CUSIP number associated with the Radical  
28 Bunny investment, based on information provided by the Defendants.

1 26. Starting in early 2007, the Defendants asked investors to  
2 complete an "Investor Record" and a short questionnaire indicating whether  
3 the investors were accredited. Prior to that point, Radical Bunny did not  
4 conduct a suitability or accreditation screening for new investors.

5 27. Beginning in the fall of 2007, new investors were asked to  
6 complete a "Participant Record" that included a more detailed investor  
7 questionnaire prepared by Radical Bunny's counsel, and a certification  
8 indicating that the investor was accredited. However, even if investors  
9 certified that they were not accredited, Radical Bunny did not automatically  
10 exclude them from investing.

11 28. Beginning in the fall of 2007, new Radical Bunny investors  
12 were also asked to initial a form called "Loan Participant Disclosure  
13 Statement and Acknowledgements" which referred to a number of other  
14 undefined terms such as a "Security Agreement," a "Participant's Note,"  
15 "Term Notes," and a "Participant Agreement" -- none of which existed at the  
16 time. This document falsely represented that the Radical Bunny investment  
17 was "secured."

18 **The Defendants' Representations to Investors**

19 29. The Defendants made a series of verbal representations to  
20 investors in connection with the offer and sale of Radical Bunny securities.

21 30. The Defendants represented to Radical Bunny investors that  
22 investing with Radical Bunny was safe because it held a "secured" or "first  
23 position" in the assets of Mortgages Ltd. including, specifically, first deeds  
24 of trust recorded on real property securing the loans made by Mortgages Ltd.  
25 to developers.

26 31. Hirsch and Berta Walder distinguished investing in Radical  
27 Bunny from investing in the stock market, which they claimed was volatile  
28 and could cause investors to lose money. Berta Walder told investors that

1 Radical Bunny was a “reliable” investment because real property always  
2 retained value and the interest payments made to investors functioned “like  
3 clockwork.”

4 32. With at least one prospective investor, Berta Walder  
5 represented that, except in the event of contamination from “a dirty bomb  
6 directed at Phoenix,” Radical Bunny’s investments through Mortgages Ltd.  
7 would retain their value.

8 33. Berta Walder represented that because Hirsch and Shah  
9 prepared the personal tax returns for Mortgages Ltd.’s CEO, and the  
10 corporate tax returns for affiliates of Mortgages Ltd., they had access to  
11 financial information which made Hirsch and Shah “closer to where the  
12 money goes.”

13 34. The Defendants represented to investors that there were four  
14 conditions, so-called “non-negotiables,” that governed Radical Bunny’s  
15 loans to Mortgages Ltd.: first, the real estate projects that Mortgages Ltd.  
16 provided financing for had to be located in Arizona; second, the loan-to-  
17 value on real estate developments for which Mortgages Ltd. provided  
18 financing had to be 60% to 65%; third, Mortgages Ltd.’s loans were for only  
19 “commercial real estate development” and not for residential development;  
20 and fourth, Mortgages Ltd. had to secure its loan to its borrower through  
21 deeds of trust and be in first position. Berta Walder characterized the four  
22 conditions as evidence of Radical Bunny having taken “every single security  
23 measure” of which one could conceive.

24 35. The Defendants represented to investors that Radical Bunny did  
25 not need a license to sell the interests in its promissory notes. In making that  
26 representation to at least one investor, Berta Walder conflated an investment  
27 in Radical Bunny with being an investment directly with Mortgages Ltd. and  
28 she also represented that Radical Bunny was the beneficiary of the rigorous

1 inspections, audits, and examinations that Mortgages Ltd. Securities, LLC, a  
2 registered securities firm, routinely received.

3 **The Defendants' Misrepresentations and Omissions**

4 36. In connection with the Radical Bunny securities offering, the  
5 Defendants made material misrepresentations, verbally and in writing, to  
6 investors.

7 **Radical Bunny's "Secured" Position Was Uncertain**

8 37. The Defendants represented to investors that the Radical Bunny  
9 investment was safe because Radical Bunny's loans to Mortgages Ltd. were  
10 "secured" or "collateralized" by the assets of Mortgages Ltd., and Radical  
11 Bunny was in a "first position" with respect to the underlying properties.  
12 These representations were false. The Defendants made these  
13 misrepresentations to investors in the "Direction to Purchase" form from at  
14 least January 2007 to June 2008 and in the so-called "risk disclosure"  
15 document Radical Bunny asked its new investors to sign from at least the  
16 fall of 2007 to June 2008. The Defendants also made these  
17 misrepresentations to investors verbally in the course of soliciting new  
18 investments and as existing investors rolled over their funds into new loans  
19 to Mortgages Ltd.

20 38. The Defendants failed to disclose to investors that, as of at least  
21 May 2007, their counsel had concluded that the documentation evidencing  
22 Radical Bunny's security interest in Mortgages Ltd.'s assets was "either  
23 nonexistent or defective in numerous respects."

24 39. The Defendants knew, based on their own prior experience as  
25 investors with Mortgages, Ltd. through Mortgages Ltd. Securities LLC, that  
26 a first deed of trust would be issued for properties Mortgages Ltd. purchased  
27 with the Defendants' funds. From that experience, the Defendants knew or  
28 should have known there needed to be documents evidencing Radical

1 Bunny's interest in the underlying assets and/or property.

2 40. Despite receiving legal advice from their counsel, and based on  
3 their own experience receiving documents evidencing a secured position, the  
4 Defendants continually misrepresented the secured nature of Radical  
5 Bunny's loans to Mortgages Ltd. to Radical Bunny investors. While the  
6 Defendants continued to enter into loans with Mortgages Ltd., even after  
7 they were told that it was uncertain whether Radical Bunny was a secured  
8 creditor of Mortgages Ltd., one of the Defendants' attorneys told the  
9 Defendants that Radical Bunny's representations to investors that the  
10 Radical Bunny investment was "secured" was likely fraudulent.

11 Radical Bunny Misrepresented How Mortgages Ltd. Would Use  
12 Radical Bunny's Investor Funds

13 41. The Defendants represented to investors that there were  
14 "conditions" on Mortgages Ltd.'s use of the funds Radical Bunny loaned to  
15 Mortgages Ltd. This representation was false. The documentation between  
16 Radical Bunny and Mortgages Ltd. consisted of no more than form  
17 documents that placed no restrictions on how Mortgages Ltd. could use the  
18 loan proceeds received from Radical Bunny.

19 42. The Defendants falsely told investors that their money would be  
20 used only for "commercial real estate development." The Defendants failed  
21 to disclose to investors that Mortgages Ltd. had loaned money to developers  
22 to construct residential property. Mortgages Ltd. provided documents to  
23 Radical Bunny which indicated that Mortgages Ltd. had loaned money to  
24 developers that were constructing residential properties, including at least  
25 \$95 million loaned to develop twin, multi-story, mixed-use condominium  
26 towers with 357 residential units.

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1           Radical Bunny Misrepresented To Investors That They Were Not  
2           Subject To The Securities Laws

3           43. The Defendants represented to investors from at least late 2006  
4 to June 2008 that their pooling of investor funds to be loaned to Mortgages  
5 Ltd. was not subject to the securities laws because they were not engaged in  
6 the offer and sale of securities. This representation was false. The  
7 Defendants failed to disclose that they were repeatedly told by counsel that  
8 the securities laws applied to Radical Bunny's offering.

9           44. In late 2006, the Defendants were also told by officers of  
10 Mortgages Ltd. that Radical Bunny might be operating in violation of the  
11 securities laws, and they encouraged the Defendants to seek the advice of  
12 legal counsel. In January 2007, the Defendants met with prospective  
13 attorneys to advise them as to the legality of Radical Bunny's securities  
14 offering. One of these attorneys told the Defendants that, in his opinion,  
15 Radical Bunny was offering and selling securities and they could not legally  
16 operate without compliance with the securities laws.

17           45. In May 2007, counsel retained by Radical Bunny advised the  
18 Defendants that their offer and sale of securities was in violation of the  
19 securities laws and that they should immediately stop the offering. Radical  
20 Bunny's counsel further advised the Defendants that they had potential civil  
21 and criminal liability for their prior conduct in connection with their offer  
22 and sale of securities. The Defendants waived the attorney-client privilege  
23 as to communications with such counsel.

24           46. In mid to late 2007, one of Mortgages Ltd.'s attorneys told  
25 Hirsch that Radical Bunny's ongoing offer and sale of securities violated the  
26 securities laws and, if Radical Bunny's solicitations did not stop, Hirsch  
27 could "go to jail."

28           47. Despite all of the warnings the Defendants received, starting in

1 2006 and continuing into 2007, the Defendants continued their unregistered  
2 offering of securities up until June 2008.

3 48. The Defendants were not unfamiliar with the securities laws.  
4 Both Berta Walder and Howard Walder previously held securities licenses.  
5 Berta Walder was an associated person with a broker-dealer registered with  
6 the Commission. Further, Radical Bunny itself was a customer of  
7 Mortgages Ltd.'s registered broker-dealer, Mortgages Ltd. Securities LLC,  
8 from 2004 to 2008, through which the Defendants purchased Mortgages  
9 Ltd.'s private placement securities.

10 Radical Bunny Misrepresented Its Knowledge Of Mortgages Ltd.'s  
11 Financial Condition

12 49. The Defendants represented to investors that because Radical  
13 Bunny's management had access to Mortgage Ltd.'s books and records, it  
14 was knowledgeable about the company's financial condition. This  
15 representation was false. In making this misrepresentation, the Defendants  
16 highlighted that Hirsch and Shah's accounting firm was the tax accountant  
17 for Mortgages Ltd.'s CEO and certain affiliates of Mortgage Ltd. and that  
18 Hirsch and Berta Walder attended weekly management meetings at  
19 Mortgage Ltd.'s offices. Thus, Radical Bunny investors were told that  
20 Radical Bunny had unfettered access to Mortgages Ltd.'s books and records,  
21 and were well informed of the financial condition of the company, as well as  
22 the safety of the loans made to developers by Mortgages Ltd.

23 50. Yet, despite this purported access, the Defendants were caught  
24 completely unaware in early to mid-2008 of Mortgages Ltd.'s deteriorating  
25 financial condition that ultimately led to its bankruptcy. Mortgages Ltd. sent  
26 Hirsch and the Walders spreadsheets detailing what was left of the loans  
27 Mortgages Ltd. had made to developers after they were securitized and sold  
28 off to Mortgages Ltd.'s investors, and this remaining loan inventory

1 supposedly constituted the majority of the collateral to Radical Bunny's  
2 loans to Mortgages Ltd. Had the Defendants closely examined these  
3 spreadsheets, they would have noticed that more and more of their money  
4 was being shifted into fewer, and riskier, loans. For example, an April 2008  
5 spreadsheet sent to Hirsch and Berta Walder reflects that, by that point, one  
6 of these large loans represented over 39% of Mortgages Ltd.'s loan  
7 inventory (and this project is incomplete and its developer is in bankruptcy).  
8 As late as May 2008, Hirsh assured Radical Bunny's investors during its last  
9 investor meeting that all was well with Mortgages Ltd., and that they had  
10 nothing to worry about in terms of the financial stability of Mortgages Ltd.

11 **FIRST CLAIM FOR RELIEF**

12 **UNREGISTERED OFFER AND SALE OF SECURITIES**

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

14 **(Against All Defendants)**

15 51. The Commission realleges and incorporates by reference  
16 paragraphs 1 through 50 above.

17 52. Defendants Radical Bunny, Hirsch, Berta Walder, Howard  
18 Walder, and Shah, and each of them, by engaging in the conduct described  
19 above, directly or indirectly, made use of means or instruments of  
20 transportation or communication in interstate commerce or of the mails, to  
21 offer to sell or to sell securities, or to carry or cause such securities to be  
22 carried through the mails or in interstate commerce for the purpose of sale or  
23 for delivery after sale.

24 53. No registration statement has been filed with the Commission  
25 or has been in effect with respect to the offerings alleged herein.

26 54. By engaging in the conduct described above, the Defendants,  
27 and each of them, violated, and unless restrained and enjoined will continue  
28 to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a)

1 and 77e(c).

2 **SECOND CLAIM FOR RELIEF**

3 **FRAUD IN THE OFFER OR SALE OF SECURITIES**

4 **Violations of Section 17(a) of the Securities Act**

5 **(Against All Defendants)**

6 55. The Commission realleges and incorporates by reference  
7 paragraphs 1 through 50 above.

8 56. Defendants Radical Bunny, Hirsch, Berta Walder, Howard  
9 Walder, and Shah, and each of them, by engaging in the conduct described  
10 above, in the offer or sale of securities by the use of means or instruments of  
11 transportation or communication in interstate commerce or by use of the  
12 mails directly or indirectly:

- 13 a. with scienter, employed devices, schemes, or artifices to  
14 defraud;
- 15 b. obtained money or property by means of untrue statements  
16 of a material fact or by omitting to state a material fact  
17 necessary in order to make the statements made, in light  
18 of the circumstances under which they were made, not  
19 misleading; or
- 20 c. engaged in transactions, practices, or courses of business  
21 which operated or would operate as a fraud or deceit  
22 upon the purchaser.

23 57. By engaging in the conduct described above, the Defendants  
24 violated, and unless restrained and enjoined will continue to violate,  
25 Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

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**THIRD CLAIM FOR RELIEF**  
**FRAUD IN CONNECTION WITH THE**  
**PURCHASE OR SALE OF SECURITIES**

**Violations of Section 10(b) of the Exchange Act and Rule 10b-5**  
**(Against All Defendants)**

58. The Commission realleges and incorporates by reference paragraphs 1 through 50 above.

59. Defendants Radical Bunny, Hirsch, Berta Walder, Howard Walder, and Shah, and each of them, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:

- a. employed devices, schemes, or artifices to defraud;
- b. made untrue statements of a material fact or omitted to state a material fact 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 other persons.

60. By engaging in the conduct described above, the Defendants violated, and unless restrained and enjoined will continue to violate, 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.

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**FOURTH CLAIM FOR RELIEF**

**FAILURE TO REGISTER AS A BROKER-DEALER**

**Violation of Section 15(a) of the Exchange Act**

**(Against Defendants Hirsch, Berta Walder, Howard Walder, and Shah)**

61. The Commission realleges and incorporates by reference paragraphs 1 through 50 above.

62. Defendants Hirsch, Berta Walder, Howard Walder, and Shah, and each of them, by engaging in the conduct described above, made use of the mails or means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of securities, without being registered as brokers or dealers in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

63. By engaging in the conduct described above, Defendants Hirsch, Berta Walder, Howard Walder, and Shah violated, and unless restrained and enjoined will continue to violate, Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

**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 alleged violations.

**II.**

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining the Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a)

1 and 77e(c), Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a),  
2 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5  
3 thereunder, 17 C.F.R. § 240.10b-5, and Section 15(a) of the Exchange Act,  
4 15 U.S.C. § 78o(a).

5 **III.**

6 Order Defendants Radical Bunny, Hirsch, Berta Walder, Howard  
7 Walder, and Shah, to disgorge all ill-gotten gains from their illegal conduct,  
8 together with prejudgment interest thereon.

9 **IV.**

10 Order Defendants Radical Bunny, Hirsch, Berta Walder, Howard  
11 Walder, and Shah, to pay civil penalties under Section 20(d) of the  
12 Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange  
13 Act, 15 U.S.C. § 78u(d)(3).

14 **V.**

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

20 **VI.**

21 Grant such other and further relief as this Court may determine to be  
22 just and necessary.

23  
24  
25 DATED: July 28, 2009

s/ David S. Brown  
\_\_\_\_\_  
David S. Brown  
Attorneys for Plaintiff  
Securities and Exchange Commission