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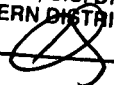
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FILED
SEP 21 2010
CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
BY 

10 **UNITED STATES DISTRICT COURT**
SOUTHERN DISTRICT OF CALIFORNIA

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 vs.

15 GUSTAV GEORGE BUJKOVSKY,

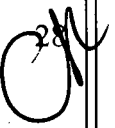
16 Defendant,

17 and

18 BETTY D. HANSEN aka BETTY
19 BUJKOVSKY,

20 Relief Defendant.

Case No. **10 CV 1965 BEN** **JMA**
COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAWS

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1 Plaintiff Securities and Exchange Commission (“Commission”) alleges as follows:

2 **JURISDICTION AND VENUE**

3 1. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1)
4 and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77t(b), 77t(d)(1) &
5 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the Securities Exchange Act of 1934
6 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e), and 78aa.

7 2. Venue is proper in this district pursuant to Section 22(a) of the Securities Act, 15
8 U.S.C. § 77v(a) and Section 27 of the Exchange Act, 15 U.S.C. § 78aa because certain of the
9 transactions, acts, practices, and courses of conduct constituting the violations alleged herein
10 occurred within the Southern District of California and the defendant and relief defendant reside
11 in this district.

12 3. The defendant, directly and indirectly, made use of the means and
13 instrumentalities of interstate commerce and of the mails or of the facilities of a national
14 exchange in connection with the acts, practices, and courses of business alleged herein in the
15 Southern District of California and elsewhere.

16 **SUMMARY**

17 4. Gustav George Bujkovsky (“Bujkovsky”), a lawyer admitted to the State Bar of
18 California in 1971, violated the antifraud provisions of the federal securities laws, and aided and
19 abetted violations of the antifraud provisions of the federal securities laws, while representing as
20 clients Mohit A. Khanna (“M. Khanna”), Sharanjit K. Khanna aka Sharanjit K. Grewal (“S.
21 Khanna”) (collectively the “Khannas”), and MAK 1 Enterprises Group, LLC (“MAK 1”), an
22 entity controlled by the Khannas. Bujkovsky represented MAK 1 and M. Khanna from April 11,
23 2010 to at least August 2009 and represented S. Khanna during the same period in a divorce
24 action filed against M. Khanna. From at least July 2007 to July 2009, MAK 1 raised over \$35
25 million from at least 210 investors nationwide through an unregistered securities offering. MAK
26 1 and the Khannas represented to investors they would receive exorbitantly high returns through
27 guaranteed investments such as foreign currency trading. MAK 1 was, in fact, a Ponzi scheme
28 which continued unabated during Bujkovsky’s representation of MAK 1 and the Khannas.

FACTUAL BACKGROUND

THE MAK 1 FRAUD

9. In 2002, M. Khanna formed the predecessor of MAK 1. He and MAK 1 initially represented to investors that their money would be pooled and used for various investments, including foreign currency trading, commercial paper, and other guaranteed investments, and that investors would receive high rates of return.

10. Over time, MAK 1 and M. Khanna changed the strategy by claiming to invest the pooled funds in a series of “individual currency CD units” issued by MAK 1 that purported to trade currency in the U.S. and on foreign currency markets. In exchange for their investment, investors signed an “asset management agreement,” which, regardless of its name, was akin to a promissory note obligating MAK 1 to pay the investor the amount invested and interest at the guaranteed rate of return. These notes specified the dates for such interest and principal payments. Some notes had terms ranging from 14 to 30 days with non-automatic rollover options. If rolled-over, MAK 1 issued a new Note in its place. Other notes were essentially demand notes, requiring a 30-day notice. MAK 1 and M. Khanna also touted the safety of the investment and represented that investor returns were guaranteed, insured, tax-free, and backed by substantial cash reserves. MAK 1 and M. Khanna offered returns from 17% to 27% per year or from 40% to 55% in as little 14 to 30 days. The investments offered and sold by MAK 1 and M. Khanna were securities.

11. From in or about July 2007 through August 2009, MAK 1 and M. Khanna issued prospectuses and account statements which identified securities or foreign currency instruments which, in fact, did not exist. They told investors that MAK 1’s returns were “insured” despite MAK 1’s insurance agent telling M. Khanna to stop making that representation. Using a phony bank statement, M. Khanna obtained and sent to investors an accountant’s letter that stated MAK 1 had over \$50 million in cash reserves. Beginning in at least late 2008, S. Khanna helped perpetrate MAK 1’s fraud by handling the accounting for MAK 1, controlling a bank account as a co-signatory along with M. Khanna, making interest distributions to investors, and soliciting investors for MAK 1. MAK 1 and the Khannas also failed to disclose that M. Khanna was

1 barred from the securities industry in 2004 by FINRA. In early 2009, MAK 1 stopped making
2 payments to investors, but it continued to accept investments through at least July 2009.

3 12. Between July 2007 and at least July 2009, MAK 1 raised over \$35 million from
4 about 210 investors nationwide. Of that amount, approximately \$27 million was distributed to
5 investors as illusory gains, interest, or return of principal; approximately \$3.8 million was paid to
6 referral sources, some of whom were investors; approximately \$3.1 million was paid to or for the
7 benefit of the Khannas; and approximately \$1 million was spent to cover MAK 1's so-called
8 operating expenses. Overall net losses to investors are in excess of \$15 million.

9 13. On August 17, 2009, the Commission brought an emergency enforcement action
10 in this District against MAK 1 and M. Khanna charging them with violations of the federal
11 securities laws, *SEC v. Mohit A. Khanna, et al.*, Case No. 09CV1784BEN. The Commission
12 obtained emergency relief against MAK 1 and M. Khanna, including an asset freeze, on August
13 18, 2009. Bujkovsky was on notice of the Commission's action and the emergency relief
14 obtained on August 19, 2009. In September 2009, the Commission charged S. Khanna with
15 violations of the federal securities laws.

16 **BUJKOVSKY'S ROLE IN THE MAK 1 FRAUD**

17 **Bujkovsky's Notice of The MAK 1 Fraud**

18 14. Bujkovsky represented MAK 1 and M. Khanna from April 11, 2009 to at least
19 August 20, 2009. Bujkovsky also represented S. Khanna during the same period in a purported
20 divorce action filed against M. Khanna.

21 15. At the outset of his representation, Bujkovsky had suspicions about the business
22 M. Khanna was conducting through MAK 1. One day prior to being retained, Bujkovsky wrote
23 an email to M. Khanna's father which stated M. Khanna was involved in activity that was
24 "possibly illegal" and expressed doubt that M. Khanna's relatives, who were helping M. Khanna
25 retain counsel, had sufficient "real world experience" to "spot... a thief." Bujkovsky also opined
26 that there was something "very suspicious" M. Khanna's activities at the time. The next day,
27 Bujkovsky was retained to represent M. Khanna and MAK 1. Bujkovsky insisted upon a
28 \$300,000 non-refundable retainer and a billing rate of \$400 per hour.

1 16. After he was retained, Bujkovsky quickly learned facts supporting his suspicions
2 and putting him on notice that MAK 1 and M. Khanna were, or may have been, perpetrating a
3 fraud on investors. Bujkovsky concluded that MAK 1 and M. Khanna were conducting an
4 unregistered securities offering which may have violated applicable exemptions and therefore
5 may have been fraudulent. Bujkovsky repeatedly asked M. Khanna for basic information about
6 MAK 1's purported business operations, including an accounting of investor funds and a list of
7 the investors, but Bujkovsky never received any such information. Bujkovsky was aware that
8 several investors made repeated inquiries to M. Khanna regarding the status of their funds or
9 demanding the return of their funds or had complained to criminal authorities about MAK 1 and
10 M. Khanna. Bujkovsky defended MAK 1 and M. Khanna in several lawsuits filed by investors
11 in April, May, and June 2009 which sought the return of their funds. Bujkovsky was aware that
12 at least two of the investor complaints alleged fraud and conversion against MAK 1 and M.
13 Khanna, and Bujkovsky prepared and filed an answer to at least one of these complaints on
14 behalf of MAK 1 and M. Khanna. Bujkovsky was on notice that there was no basis for MAK 1
15 and M. Khanna's claims that MAK 1 generated sufficient profits to pay investor returns, that
16 MAK 1 returns were guaranteed or that MAK 1 would honor investor redemption requests
17 within 30 days as the MAK 1 prospectus promised investors.

18 17. Bujkovsky was aware in mid-April 2009 that another attorney, who was
19 representing MAK 1 and M. Khanna in connection with investor demands for the return of their
20 funds, had urged M. Khanna to retain criminal defense counsel because of M. Khanna's conduct
21 at MAK 1. Bujkovsky agreed with that attorney's advice. This attorney informed Bujkovsky
22 that, given that MAK 1 investors were complaining to federal criminal authorities, an asset
23 freeze of MAK 1 bank accounts was a possibility. This attorney also informed Bujkovsky of his
24 concerns that MAK 1 had no apparent ability to repay investors and that M. Khanna was
25 compounding MAK 1's problems with investors by making additional unfounded promises of
26 repayment. This attorney even told Bujkovsky that M. Khanna and MAK 1 were in "a world of
27 hurt" and asked Bujkovsky "where's the money?" Bujkovsky replied he would help get investor
28 money back.

1 18. On or about July 9, 2009, M. Khanna confessed to Bujkovsky that MAK 1 never
2 had engaged in foreign currency trading and was a fraud.

3 **Bujkovsky's Misrepresentations to MAK 1 Investors and Omissions Before July 9,**
4 **2009**

5 19. Despite being on notice from at least mid-April 2009 through at least July 9, 2009
6 that MAK 1 and M. Khanna were committing an investment fraud, made material
7 misrepresentations and/or omissions to investors and Bujkovsky helped MAK 1 and M. Khanna
8 continue to defraud investors and misappropriate investor funds.

9 20. Within days of his retention as a lawyer, Bujkovsky revised and edited an email
10 M. Khanna sent to MAK 1 investors in mid-April 2009 which represented that investor payments
11 were delayed due to "banking regulations" and "nationalization of many of our European
12 corresponding banks," but investor funds were "secure." Those statements were false.

13 21. Bujkovsky revised and edited the MAK 1 prospectus. In one instance, Bujkovsky
14 suggested to M. Khanna in mid-April 2009 that he revise the risk disclosure language so that the
15 prospectus no longer stated the MAK 1 investment was risk-free. He also recommended revising
16 the taxation language so that the prospectus would state that investors were responsible for
17 paying their own taxes on profits generated by MAK 1. The revisions to the prospectus
18 proposed by Bujkovsky were misleading to investors since they suggested MAK 1 was actually
19 involved in trading foreign currencies which generated taxable profits to investors.

20 22. Bujkovsky made affirmative representations about MAK 1 and M. Khanna to
21 certain investors. From late April through mid-May 2009, Bujkovsky met several times with one
22 group of existing MAK 1 investors who were planning on making additional multi-million dollar
23 investments. To these investors, Bujkovsky:

- 24 a. professed to be an expert in international law and finance with contacts
25 in Europe;
- 26 b. represented that M. Khanna had engaged in foreign currency trading for
27 the past six years;
- 28 c. represented that M. Khanna was managing several of his own clients'

1 money and said these clients had received the returns promised by MAK
2 1 and, in some cases, received substantial returns;

3 d. represented that M. Khanna yielded significant returns for investors
4 including the return of principal;

5 e. specifically noted that this group of investors had prior success with
6 MAK 1;

7 f. represented that the MAK 1 investment was insured and had other
8 downside risk protection; and

9 g. gave his "word" as an attorney and vouched for M. Khanna by telling
10 this group of investors that he had known M. Khanna's family for over
11 30 years and M. Khanna was "100% legit."

12 23. Bujkovsky's representations to investors were false and misleading. Bujkovsky
13 knew at the time he made those representations, but failed to disclose, that he had his own
14 concerns that what M. Khanna was doing was "very suspicious" if not "possibly illegal" and that
15 M. Khanna might have been a "thief." Bujkovsky knew, but failed to disclose, that MAK 1 had
16 stopped paying investors in early 2009 and that certain investors had sued MAK 1 and M.
17 Khanna to obtain the return of their funds and/or or had complained to criminal authorities about
18 them. Bujkovsky knew, but failed to disclose, that another lawyer representing MAK 1 and M.
19 Khanna had urged M. Khanna to retain criminal defense counsel because of his conduct at MAK
20 1 and that Bujkovsky had agreed with that advice. Bujkovsky knew, but failed to disclose, that
21 this other lawyer had informed Bujkovsky of his concerns that MAK 1 had no apparent ability to
22 repay investors and that M. Khanna was compounding MAK 1's problems with investors by
23 making additional unfounded promises of repayment.

24 24. Bujkovsky participated in the offer or sale of MAK 1 securities by MAK 1 and/or
25 M. Khanna and thereby directly or indirectly offered or sold MAK 1 securities to these investors.

26 **Bujkovsky's Lulling of MAK 1 Investors After July 9, 2009**

27 25. Despite his actual notice on or about July 9, 2009 that MAK 1 was engaged in a
28 fraud, Bujkovsky misled some investors after that date about the return of their money. These

1 investors were directed to Bujkovsky by M. Khanna after they vigorously complained about not
2 getting the returns promised them by MAK 1 and M. Khanna. Bujkovsky lulled these investors
3 by affirmatively representing that their money would be returned and by failing to disclose that
4 because MAK 1 was a fraud their funds would not be returned. To these investors, Bujkovsky
5 represented:

- 6 a. MAK 1 funds were being held overseas by “trading intermediaries and
7 banks” in Zurich and London that M. Khanna worked with and funds
8 were being held due to “discrepancies” with the intermediaries and the
9 intermediaries had been “playing games”;
- 10 b. he had been to Zurich where he met with an intermediary trading firm
11 and a bank, and that he had been able to get the intermediary to release
12 \$2-3 million in principal that was wired by M. Khanna to the
13 intermediary;
- 14 c. monies had been “trickling in” and investors had been paid;
- 15 d. he would be taking an additional trip to London to obtain the release of
16 the balance of the “principal” which M. Khanna had wired, between \$2-
17 3 million;
- 18 e. that although they might not see their interest payments, which totaled
19 about \$15 million, Bujkovsky was focused on obtaining the investors’
20 principal;
- 21 f. he and M. Khanna were in the process of having all the “trades” made
22 by M. Khanna reviewed overseas so that Bujkovsky could provide
23 audited trade printouts in person when he met with bankers and trading
24 intermediaries overseas;
- 25 g. he personally was handling an “accounting” of all MAK 1 investors to
26 determine how much money was owed each investor; and
- 27 h. he had contacted an investigator, whom he said may be a former
28 employee of Scotland Yard, to help him deal with the banks (Bank of

1 Scotland, Barclays, and HSBC) that were purportedly holding back
2 money from M. Khanna.

3 26. Bujkovsky's representations to investors after July 9, 2009 were false. Bujkovsky
4 knew, but failed to disclose, that MAK 1 engaged in no foreign currency trading and was a fraud.
5 Bujkovsky failed to disclose that his trip to Zurich was not to meet with MAK 1's trading
6 intermediaries or any bank, but instead was a meeting M. Khanna arranged to solicit new
7 investments from existing MAK 1 investors. Bujkovsky knew, but failed to disclose, that MAK
8 1 had no trading intermediaries and it had no funds on deposit at any European bank. Bujkovsky
9 knew, but failed to disclose, that existing investors had not been paid since early 2009 and
10 several had sued for the return of their funds. Bujkovsky knew, but failed to disclose, that he
11 was not handling any accounting of investor funds because he knew that although he requested
12 information from M. Khanna in mid-April 2009 about the investors and the amounts of their
13 investments, he was never provided with any investor information. Bujkovsky also knew, but
14 failed to disclose, that he was using his client trust account and the account of a sham corporation
15 to hide MAK 1 funds from mounting investor lawsuits and complaints to criminal authorities,
16 and to help the Khannas misappropriate investor funds.

17 **Bujkovsky Helped the Khannas Misappropriate Investor Funds**

18 27. While Bujkovsky knew investor lawsuits were mounting and he had been
19 informed by MAK 1's other counsel that an asset freeze of MAK 1 bank accounts by criminal
20 authorities was a possibility, he allowed his client trust account to be used as a captive bank for
21 MAK 1 and the Khannas. This not only allowed the Khannas to continue to misappropriate
22 investor funds, but also allowed Bujkovsky to directly profit from the MAK 1 fraud.

23 28. Between April and July 2009, at least \$1.5 million in funds from MAK 1 and/or
24 M. Khanna and S. Khanna was transferred into Bujkovsky's client trust account. Some of those
25 funds flowed out of Bujkovsky's client trust account back to MAK 1 and to M. Khanna and S.
26 Khanna.

27 29. In early May 2009, Bujkovsky formed a California corporation, Universal
28 Advisory Group, Inc. Bujkovsky formed this corporation during the same period of time that

1 MAK 1 and M. Khanna were soliciting new investments from existing investors – the ones who
2 Bujkovsky made misrepresentations to as alleged herein. Funds also flowed out of Bujkovsky’s
3 client trust account to the account held in the name of Universal Advisory Group, Inc.

4 30. Through Bujkovsky’s client trust account and the account for Universal Advisory
5 Group, Inc., Bujkovsky funneled at least \$1.3 million to pay the Khannas’ living expenses. For
6 example, at the same time that S. Khanna was handling MAK 1’s accounting and was a co-
7 signatory on a MAK 1 bank account with M. Khanna, Bujkovsky accepted \$800,000 in funds
8 from MAK 1 and then transferred \$300,000 to S. Khanna personally. Thereafter, Bujkovsky
9 accepted \$692,000 from S. Khanna, even though he knew at the time he received those funds
10 that a portion may have belonged to MAK 1. Bujkovsky then transferred a portion of that
11 amount to Universal Advisory Group, Inc., which paid the personal expenses of M. Khanna and
12 S. Khanna, and Bujkovsky and gave M. Khanna an ATM card for the account held in the name
13 of Universal Advisory Group.

14 31. Between April and August 2009, Bujkovsky transferred at least \$368,000 in
15 MAK 1 investor funds from his client trust account to his personal account and other nominee
16 accounts. Hansen received at least \$73,000 in such transfers during that period. As of August
17 19, 2009, the date of the asset freeze the Commission obtained against MAK 1 and M. Khanna,
18 Bujkovsky retained over \$459,000 of MAK 1 funds in his client trust account. Bujkovsky was
19 on notice of the asset freeze order. Almost all of those funds, except \$200,000 that was
20 surrendered to the court-appointed receiver over MAK 1, were expended by Bujkovsky and
21 Hansen to pay their living expenses even after Bujkovsky was on notice of the asset freeze.
22 Hansen received an additional \$80,000 of MAK 1 investor funds from Bujkovsky’s client trust
23 account after the asset freeze order.

24 **FIRST CLAIM FOR RELIEF**

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

26 **Violations of Section 17(a) Of the Securities Act**

27 **(Against Defendant Bujkovsky)**

28 32. The Commission realleges and incorporates by reference paragraphs 1 through 31

1 above.

2 33. Defendant Bujkovsky, by engaging in the conduct described above, directly or
3 indirectly, in the offer or sale of securities by the use of means or instruments of transportation or
4 communication in interstate commerce or by use of the mails:

- 5 a. with scienter, employed devices, schemes, or artifices to defraud;
- 6 b. obtained money or property by means of untrue statements of a material
7 fact or by omitting to state a material fact necessary in order to make the
8 statements made, in light of the circumstances under which they were
9 made, not misleading; or
- 10 c. engaged in transactions, practices, or courses of business which operated
11 or would operate as a fraud or deceit upon the purchaser.

12 34. By engaging in the conduct described above, Defendant Bujkovsky, violated, and
13 unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act, 15
14 U.S.C. § 77q(a).

15 **SECOND CLAIM FOR RELIEF**

16 **FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES**

17 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**

18 **(Against Defendant Bujkovsky)**

19 35. The Commission realleges and incorporates by reference paragraphs 1 through 31
20 above.

21 36. Defendant Bujkovsky, by engaging in the conduct described above, directly or
22 indirectly, in connection with the purchase or sale of a security, by the use of means or
23 instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities
24 exchange, with scienter:

- 25 a. employed devices, schemes, or artifices to defraud;
- 26 b. made untrue statements of a material fact or omitted to state a material
27 fact necessary in order to make the statements made, in light of the
28 circumstances under which they were made, not misleading; or

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

3 37. By engaging in the conduct described above, Defendant Bujkovsky, violated, and
4 unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act, 15
5 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

6 **THIRD CLAIM FOR RELIEF**

7 **AIDING AND ABETTING FRAUD IN CONNECTION WITH**

8 **THE PURCHASE OR SALE OF SECURITIES**

9 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**

10 **(Against Defendant Bujkovsky)**

11 38. The Commission realleges and incorporates by reference paragraphs 1 through 31
12 above.

13 39. Bujkovsky had actual knowledge of the securities fraud perpetrated by MAK 1
14 and/or the Khannas. Bujkovsky knew, on or before July 9, 2009, that MAK 1 and M. Khanna
15 did not trade foreign currencies as was represented to investors and that MAK 1 was being
16 operated as a fraud on investors. Nevertheless, Bujkovsky substantially assisted MAK 1 and/or
17 the Khannas by lulling investors with false assurances and continuing to use his client trust
18 account as their vehicle for misappropriating investor funds.

19 40. By reason of the foregoing, Defendant Bujkovsky aided and abetted violations
20 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R.
21 § 240.10b-5.

22 **FOURTH CLAIM FOR RELIEF**

23 **UNREGISTERED OFFER AND SALE OF SECURITIES**

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

25 **(Against Defendant Bujkovsky)**

26 41. The Commission realleges and incorporates by reference paragraphs 1 through 31
27 above.

28 42. Bujkovsky, by engaging in the conduct described above, directly or indirectly,

1 made use of means or instruments of transportation or communication in interstate commerce or
2 of the mails, to offer to sell or to sell securities, or to carry or cause such securities to be carried
3 through the mails or in interstate commerce for the purpose of sale or for delivery after sale.

4 43. No registration statement has been filed with the Commission or has been in
5 effect with respect to the offering alleged herein.

6 44. By engaging in the conduct described above, Bujkovsky, violated, and unless
7 restrained and enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15
8 U.S.C. §§ 77e(a) and 77e(c).

9 **PRAYER FOR RELIEF**

10 WHEREFORE, the Commission respectfully requests that the Court:

11 **I.**

12 Issue findings of fact and conclusions of law that the Defendant Bujkovsky committed
13 the alleged violations.

14 **II.**

15 Issue a judgment, in a form consistent with Rule 65(d) of the Federal Rules of Civil
16 Procedure, permanently enjoining Defendant Bujkovsky, and those in active concert or
17 participation with him, who receive actual notice of the order by personal service or otherwise,
18 and each of them, from violating Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§
19 77e(a) and 77e(c), Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a) and Section 10(b) of
20 the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

21 **III.**

22 Order Defendant Bujkovsky and Relief Defendant Hansen to disgorge all ill-gotten gains
23 from the illegal conduct alleged herein, together with prejudgment interest thereon.

24 **IV.**

25 Order Defendant Bujkovsky to pay civil penalties pursuant to Section 20(d) of the
26 Securities Act, 15 U.S.C. §77t(d) and Section 21(d)(3) of the Exchange Act, 15 U.S.C.
27 §78u(d)(3).

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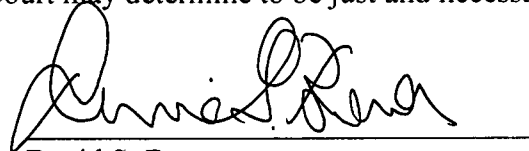
V.

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.

VI.

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

DATED: September 20, 2010



David S. Brown
Attorney for Plaintiff
Securities and Exchange Commission

JS 44 (Rev. 12/07)

CIVIL COVER SHEET

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 OF THE FORM.)

I. (a) PLAINTIFFS
SECURITIES AND EXCHANGE COMMISSION

(b) County of Residence of First Listed Plaintiff _____
 (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)
 David S. Brown, Esq. (323) 965-3998
 SEC, 5670 Wilshire Blvd., 11th Floor, Los Angeles, CA 90036

DEFENDANTS
GUSTAV GEORGE BUJKOVSKY defendant and BETTY D. HANSEN aka BETTY BUJKOVSKY

County of Residence of First Listed Defendant: **San Diego County**
 (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED. BY _____ DEPUTY

Attorneys (If Known):
 John D. Kirby, Esq. (619) 557-0100
 1010 2nd Avenue, Suite 1850, San Diego, CA 92101

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)

Citizen of This State:	PTF <input type="checkbox"/> 1	DEF <input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	PTF <input type="checkbox"/> 4	DEF <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. 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 <input type="checkbox"/> 196 Franchise	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 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 IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<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 SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395f) <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 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <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"/> 890 Other Statutory Actions <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
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS		
<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	<input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <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		

V. 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

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
15 U.S.C. §§ 77e(a), 77e(c) & 77a(a); 15 U.S.C. § 78j(b) & 17 C.F.R. § 240.10b-5.

Brief description of cause:
The Complaint alleges violations of the federal securities laws.

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. RELATED CASE(S) IF ANY (See instructions): JUDGE **The Honorable Roger T. Benitez** DOCKET NUMBER **3:09-cv-01784-BEN-WVG**

DATE **9/20/10** SIGNATURE OF ATTORNEY OF RECORD _____

FOR OFFICE USE ONLY

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

NO Fee required

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