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**UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF PENNSYLVANIA**

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

ALFRED CLAY LUDLUM III,)
PRINTZ CAPITAL MANAGEMENT, LLC,)
PRINTZ FINANCIAL GROUP, INC., and)
PCM GLOBAL HOLDINGS, LLC)

Defendants)

Civil Action No:

10 7379

COMPLAINT

Plaintiff Securities and Exchange Commission (the "Commission") alleges:

SUMMARY

1. This matter involves a fraudulent scheme by Alfred Clay Ludlum III ("Ludlum") to raise capital for Printz Capital Management, LLC ("Printz Capital"), an investment adviser registered with the Commission, Printz Financial Group, Inc. ("Printz Financial"), and PCM Global Holdings, LLC ("PCM Global") (collectively, the "Printz Entities"). Ludlum is the founder, president, and sole control person of the Printz Entities.

2. From approximately June 2006 through at least June 2009, Ludlum defrauded investors out of approximately \$852,000, ostensibly to fund the Printz Entities. Of that amount, Ludlum raised approximately \$700,000 from at least twenty-seven investors through unregistered offerings of equity and debt securities in the Printz Entities. At least twenty-one of these investors were advisory clients of Printz Capital, and some of them were among Ludlum's most trusting and financially unsophisticated

clients. Ludlum also fraudulently obtained approximately \$80,000 in loans from one advisory client and misappropriated approximately \$72,000 more from three advisory clients' accounts.

3. Ludlum told investors and his advisory client lender that their funds would be used for working capital and to grow and operate the businesses of the Printz Entities. In fact, however, Ludlum used most of the funds to support his lavish lifestyle, pay his personal expenses, and repay other investors. Ludlum induced investors, including his advisory clients to whom he owed a fiduciary duty, to buy the securities by promising superior rates of return, but failed to disclose that the Printz Entities generated very little revenue and were unable to cover their expenses out of earnings. The Printz Entities failed to register their securities offerings with the Commission, even though no exemption from registration applied, and Printz Capital failed to comply with multiple provisions governing registered investment advisers.

4. As a result of conduct described in this Complaint, Ludlum and the Printz Entities violated the registration and antifraud provisions of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], 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].

5. Ludlum and Printz Capital also violated the antifraud provisions of Sections 206(1) and (2) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§ 80b-6(1) and 80b-6(2)]. In the alternative, Ludlum aided and abetted Printz Capital's violations of Sections 206(1) and (2) of the Advisers Act.

6. Printz Capital also violated, and Ludlum aided and abetted violations of, Sections 203A, 204, and 207 of the Advisers Act [15 U.S.C. §§ 80b-3a(a), 80b-4, and 80b-7] governing investment advisers.

7. Printz Financial also violated Securities Act Rule 503(a) of Regulation D [17 C.F.R. § 230.503(a)] requiring notice to the Commission of sales of securities.

JURISDICTION AND VENUE

8. The Commission brings this action pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], and Sections 209(d) and (e) of the Advisers Act [15 U.S.C. §§ 80b-9(d) and 80b-9(e)], to enjoin such acts, transactions, practices, and courses of business; obtain disgorgement and civil penalties; and for other appropriate relief.

9. The Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14].

10. Venue lies in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27 of the Exchange Act [15 U.S.C. § 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14] because certain acts and transactions constituting the violations occurred in this district. In addition, during the relevant period, Defendant Ludlum was a resident of the district and Defendants Ludlum, Printz Capital, Printz Financial, and PCM Global transacted business within this district.

11. In connection with the conduct alleged in this Complaint, Defendants have directly or indirectly made use of the means, instrumentalities, instruments of transportation, or communication in, of, or through, interstate commerce and/or the mails.

Moreover, Defendants have carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, securities for the purpose of sale or for delivery after sale.

DEFENDANTS

12. **Alfred Clay Ludlum, III**, age 42, was a resident of Philadelphia, Pennsylvania during the relevant period, and is the founder, president, and sole control person of Printz Capital, Printz Financial, and PCM Global. Prior to starting Printz Capital, Ludlum worked from 1991 to 2006 as a registered representative at three broker-dealers, and held Series 7 and Series 24 securities licenses.

13. **Printz Capital Management, LLC**, located in Philadelphia, Pennsylvania, is a Delaware limited liability company formed in May 2006 and has been registered with the Commission as an investment adviser since September 6, 2006. On March 30, 2009 and March 4, 2010 Printz Capital filed annual updates to its Form ADV stating that it was no longer eligible to register with the Commission. However, Printz Capital has never filed the Form ADV-W to withdraw its registration with the Commission as required by Rule 203A-2(d)(3) [17 C.F.R. § 279.2] under the Advisers Act. Printz Capital is wholly controlled by Ludlum.

14. **Printz Financial Group, Inc.**, located in the same office as Printz Capital in Philadelphia, Pennsylvania, was incorporated in Delaware in July 2008 and is wholly controlled by Ludlum. Printz Financial is a holding company for Printz Capital and the other entities controlled by Ludlum.

15. **PCM Global Holdings, LLC**, located in the same office as Printz Capital and Printz Financial in Philadelphia, Pennsylvania, is a Delaware limited liability

company formed in May 2007 and is wholly controlled by Ludlum. PCM Global was formed by Ludlum purportedly for the purpose of raising money to invest in a real estate venture in Costa Rica.

FACTS

A. Printz Capital's Investment Advisory Business

16. Since beginning operations in September 2006, Printz Capital has provided non-discretionary investment advice relating to securities and insurance products, primarily to individual advisory clients. Pursuant to Printz Capital's standard "Investment Management Agreement," each client was charged an advisory fee based on the value of the customer's assets under management, which ranged from 0.50 percent to 2.0 percent per year. In addition, Printz Capital provided certain clients with financial and estate planning services under a separate "Financial Planning Agreement," pursuant to which the client was charged a flat fee, which typically ranged from \$100 to \$500, as well as an hourly based fee, which typically ranged from \$50 to \$200 per hour.

17. Until August 2009, Printz Capital's client assets were held at Pershing Advisor Solutions LLC ("Pershing"), a registered broker-dealer. Pursuant to its agreement with Pershing, Printz Capital was authorized to execute trades for advisory clients and deduct fees directly from client accounts, which then were transferred to a Pershing account in Printz Capital's name. These deductions were reflected as "Management Fees" on the account statements sent by Pershing to Printz Capital's clients. From its inception through June 2009, Printz Capital earned a total of approximately \$100,000 in advisory fees through these "Management Fee" deductions.

18. At all times, Ludlum was the sole individual responsible for providing investment advice to Printz Capital's clients and directing and controlling the process of collecting advisory fees from those clients.

B. The Unregistered Offerings of Securities in the Printz Entities

19. From June 2006 through at least June 2009, Ludlum solicited approximately \$700,000 from at least twenty-seven investors located in at least eleven states across the United States for investments in the Printz Entities. These investors included friends, family, and at least twenty-one advisory clients of Printz Capital. Many of these individuals invested funds on more than one occasion and in more than one Printz entity.

20. Ludlum raised funds for the Printz Entities primarily through client-authorized, large, round-dollar deductions from Printz Capital's client accounts at Pershing, which, like the legitimate advisory fees, were reflected as "Management Fees" on the Pershing account statements. In some instances, Ludlum also received investor funds in the form of direct wires and checks.

21. Nearly all of the funds raised by Ludlum through January 2009 were deposited into a single Printz Capital bank account. On January 1, 2009, Ludlum unilaterally converted all membership interests in Printz Capital to shares of Printz Financial without providing an explanation to Printz entity investors. From January 2009 through June 2009, the majority of the funds raised were deposited into one of two accounts held in the name of Printz Financial. Ludlum had sole control over those accounts and frequently moved money between them without regard to which entity the funds belonged.

22. Printz Capital – From June 2006 to July 2008, Ludlum conducted an offering of up to \$500,000 in Printz Capital membership interests, which sold for \$1,000 per unit. In addition, Ludlum sold Printz Capital promissory notes bearing annual rates of return ranging from 8% to 10%. In the course of this offering, Ludlum raised approximately \$315,000 from twenty investors, of whom at least seventeen were Printz Capital advisory clients, and at least five of whom were not accredited investors within the meaning of Rule 501(a) of Regulation D [17 C.F.R. § 230.501(a)].

23. PCM Global – From March 2007 through July 2007, Ludlum conducted an offering of up to \$800,000 in PCM Global promissory notes, which carried an annual interest rate of 15% for three years. Pursuant to this offering, Ludlum raised approximately \$150,000 from four investors, including one married couple. One of these investors was a Printz Capital advisory client.

24. Printz Financial – From July 2008 through June 2009, Ludlum conducted an offering of up to \$4 million in Printz Financial common and preferred stock, with the preferred stock paying an annual 8% cumulative preferred dividend. In addition, Ludlum sold Printz Financial promissory notes bearing annual rates of return of 8%. In the course of this offering, Ludlum raised approximately \$235,000 from fourteen investors, of whom at least fourteen were Printz Capital advisory clients, and at least five of whom were not accredited investors.

25. The Printz Entities' promissory notes, membership interests, and common and preferred stock were securities within the meaning of Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)]. The total amount of these offerings together was at least \$5.3 million.

However, these securities offerings were not registered with the Commission or in any state, and no exemption from registration was applicable to them. Moreover, a Form D notice was not filed with the Commission in connection with the Printz Financial stock sales, even though the offering documents expressly stated that the offering was being made in reliance on Regulation D under the Securities Act.

C. Ludlum's Fraudulent Misrepresentations and Material Omissions to Investors, including Printz Capital Advisory Clients

26. Ludlum knowingly or recklessly misrepresented to investors in Printz Capital and Printz Financial, including Printz Capital advisory clients, that their funds would be used as working capital to support and build the businesses of those two companies, when, in fact, he used those funds primarily to cover his own personal expenses and to repay other investors. Similarly, Ludlum knowingly or recklessly misrepresented to PCM Global investors, including at least one Printz Capital advisory client, that their funds would be used for a Costa Rican real estate investment. Instead, Ludlum immediately transferred the investments into a Printz Capital account, and, as he did with the Printz Capital investor funds, spent the money primarily on himself or to repay other investors. These misrepresentations were made in offering documents that Ludlum distributed, and in oral statements and email communications from Ludlum to investors.

27. Ludlum promised investors superior rates of return when he knew or was reckless in not knowing that the Printz Entities did not have the revenues to pay such returns. Specifically, Ludlum continued to solicit new promissory note-holders by

promising an 8% annual return when he knew that many of the interest payments that were owed to existing note-holders in the Printz Entities had not been paid.

28. Ludlum induced investors to invest by creating the illusion of a legitimate business. For example, the Printz Entities purportedly had, at times, a “chief financial officer” (“CFO”) and a “chief operations officer” (“COO”). In fact, however, the supposed “COO” did little beyond answering phones and organizing files and the supposed “CFO” was actually a consultant who primarily created financial models based solely on the hypothetical numbers and assumptions provided to him by Ludlum. Similarly, Ludlum discussed with potential investors his efforts toward expanding his business from Philadelphia into Miami, Florida and directed at least some investors toward a professionally designed webpage for the new office. However, Ludlum failed to disclose that he never opened an office in Miami and that the Miami address listed on Printz Capital’s promotional materials was the residence of one of his advisory clients.

29. Ludlum failed to disclose to investors, including his own advisory clients, the material facts that none of his businesses had ever made a profit and that the Printz Entity expenses (as well as his personal expenses) were largely paid out of newly-raised investor funds. Printz Entity investors were not provided with financial statements (audited or otherwise) or other documentation concerning the performance of the Printz Entities.

30. Ludlum took advantage of the trust placed in him and violated his fiduciary obligations as an investment adviser by soliciting investments in the Printz Entities from his advisory clients, including many who did not have significant investing

experience and, instead, relied almost exclusively on the investment advice they received from Ludlum.

D. Ludlum's Misuse of Printz Entity Investor Funds

31. The foregoing representations and omissions were materially false and misleading, and Ludlum knew or recklessly disregarded that they were false and misleading when he solicited funds from investors. Instead of using the offering proceeds in the manner represented to investors, Ludlum deposited those funds into Printz entity bank and securities accounts that were under his exclusive control and then used those accounts primarily to enrich himself and pay personal expenses, as well as, in some instances, to repay prior investors.

32. Between May 2006 and August 2009, Ludlum funneled the approximately \$852,000 in funds he fraudulently obtained from investors and Printz Capital advisory clients primarily through three primary business bank and securities accounts, where they were comingled with the approximately \$100,000 in revenues earned from Printz Capital's advisory business and funds transferred from his personal bank accounts.

33. During this time, Ludlum directly withdrew more than \$445,000 from these three business accounts in the form of wire transfers to his personal bank and securities accounts, cash withdrawals, and checks written out to himself and his family trusts. Ludlum also transferred approximately \$40,000 to himself through at least five other business and personal banking and securities accounts under his sole control.

34. For example, Ludlum received a \$50,000 wire transfer into a PCM Global bank account from an investor who was told her funds would be used for an investment in Costa Rican real estate. However, five days after the funds were received, Ludlum

transferred the \$50,000 to Printz Capital's primary account, and three days after that, he transferred the entire amount directly into his personal bank account. Similarly, one day after receiving \$10,000 from an advisory client who was led to believe that he was investing in Printz Financial, Ludlum wrote \$10,000 worth of checks to himself and his family trust.

35. In addition to these direct withdrawals, Ludlum also spent approximately \$251,000 out of the three business accounts to support a lavish lifestyle for himself and his friends, including, but not limited to:

- approximately \$44,000 in rent for his luxury riverside condominium;
- almost \$56,000 on bars and restaurants, including approximately \$6,600 spent at a Philadelphia "gentleman's club";
- over \$23,000 on various shopping expenses, such as art gallery purchases, home furnishings, and dry cleaning bills;
- approximately \$25,000 on various entertainment expenses, such as trips to casinos, athletic events, and spas;
- over \$8,000 on groceries;
- approximately \$32,000 on hotels and travel expenses;
- over \$26,000 on car-related expenses, including the lease for his car and numerous parking tickets; and
- over \$37,000 on insurance, medical, and dental bills for Ludlum and his children.

36. During this time period, Ludlum also paid approximately \$105,000 out of the three business accounts and another approximately \$50,000 out of three other Printz Entity business accounts to existing investors without disclosing that he was using investor funds to repay existing investors.

37. As of July 2009, Ludlum had a combined total of less than \$2,500 in the approximately seventeen banking and securities accounts under his control at the time.

E. Ludlum's Solicitation of Loans from an Advisory Client

38. Ludlum also violated his fiduciary obligations as an investment adviser by convincing a Printz Capital advisory client to provide him with two short-term no-interest business loans totaling approximately \$80,000 in 2007. This client had already purchased a \$10,000 promissory note in October 2006 which, along with the \$80,000 loans, represented more than half of her total liquid assets of less than \$140,000.

39. In soliciting the loans, Ludlum misrepresented to his client that he intended to use the money to fund investments in a Miami real estate deal and a bra company called Candy Straps LLC. In addition, Ludlum told this client that, at least with respect to the first loan of \$43,500, she could also receive a "bonus" of \$10,000, or 30% of her investment if one or both of the business deals were successful.

40. In fact, however, the vast majority of the loan proceeds were not spent in furtherance of any Miami real estate deal or the Candy Straps business. Instead, these funds were deposited into Printz Capital's primary operating account where they were commingled with other investor funds and used by Ludlum in the same manner that he used other investor funds; to enrich himself and pay his personal expenses.

F. Ludlum's Misappropriation of Advisory Client Assets

41. In addition, Ludlum violated his fiduciary obligations as an investment adviser by stealing approximately \$72,000 from the accounts of three Printz Capital advisory clients and transferring those funds to accounts controlled by him without the clients' authorization. As with the authorized Printz Entity investments, these deductions

were reflected as “Management Fees” on the Pershing account statements sent to the three clients. However, none of these three clients noticed the unauthorized transfers when they were made because each trusted that Ludlum, as their investment adviser, would safeguard the assets they had placed under management with Printz Capital.

42. As with the authorized Printz Entity investments and the fraudulently obtained loan proceeds, Ludlum used the stolen client funds primarily to enrich himself and support his lifestyle. For example, in December 2008, Ludlum made a \$25,000 unauthorized “Management Fee” deduction from one of his advisory client’s accounts. On the same day, he transferred the funds to a Printz Capital bank account, funneled the funds through a Printz Financial bank account, and then transferred the \$25,000 to his own personal bank account.

G. Ludlum’s Attempts to Conceal his Fraud

43. Ludlum has taken steps to conceal his fraudulent scheme by knowingly or recklessly making false statements to investors. For example, Ludlum received a request for a return of capital from the PCM Global investor whose \$50,000 investment was funneled through Printz Capital’s account and ended up in Ludlum’s personal bank account eight days later. Rather than informing this investor that her funds had been transferred to his personal bank account and spent, Ludlum falsely informed her that the funds had been used to towards the Costa Rican real estate deal.

44. Similarly, Ludlum attempted to mislead the Commission staff during its investigation. For example, Ludlum testified under oath that he had disclosed on his background questionnaire all the bank and securities accounts over which he had exercised control during the last three years. The staff subsequently discovered that

Ludlum had at least thirty-six additional personal and business accounts during this three-year period, including two new bank accounts that he had opened just six days prior to his testimony.

45. Furthermore, Ludlum attempted to placate the concerns of at least two investors and the son of a retired couple who also invested by telling them that the Commission's investigation of his fraud was nothing more than a routine audit.

H. Failure by Printz Capital to Produce Required Books and Records

46. Printz Capital failed to make available to the Commission complete and accurate records concerning its business in response to subpoenas and requests issued by the Commission staff. In particular, Printz Capital failed to produce all required accounting records and other documentation relating to the business of Printz Capital. Similarly, Printz Capital failed to produce complete documents relating to all of the Printz Entity investments by its advisory clients.

47. As founder, president, sole control person, and chief compliance officer for Printz Capital, Ludlum alone was responsible for the operations of the company, and directly caused Printz Capital's failure to produce the requisite books and records.

I. Failure by Printz Capital to Submit Accurate Form-ADVs

48. Printz Capital failed to file accurate Forms ADV with the Commission. On July 23, 2007 and February 27, 2008, Printz Capital filed Forms ADV falsely claiming that the firm had more than \$25 million under management when, in fact, Printz Capital never had more than \$10 million under management.

49. In addition, Printz Capital's Forms ADV filed on July 23, 2007, February 27, 2008, and March 30, 2009, falsely stated that neither Printz Capital nor any related

person recommended securities to advisory clients in which Printz Capital or any related person had an ownership interest. However, throughout this period, Ludlum was recommending that his clients purchase securities offered by the Printz Entities.

50. As founder, president, sole control person, and chief compliance officer for Printz Capital, Ludlum alone was responsible for the operations of the company, and directly caused Printz Capital's failure to file accurate Forms ADV.

FIRST CLAIM FOR RELIEF
Violations of Section 17(a) of the Securities Act by Ludlum, Printz Capital, PCM Global, and Printz Financial

51. The Commission realleges and incorporates paragraphs 1 through 50 by reference as if fully set forth herein.

52. Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial, have, directly or indirectly, singly or in concert, by the use of the means or instruments of transportation or communication in interstate commerce, or by use of the mails, in the offer or sale of securities: (a) knowingly or recklessly employed devices, schemes, or artifices to defraud; (b) knowingly, recklessly, or negligently obtained money or property by means of any untrue statements of material fact, or have omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and/or (c) knowingly, recklessly, or negligently engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon the purchasers of securities.

53. By reason of foregoing, Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by Ludlum, Printz Capital, PCM Global, and Printz Financial

54. The Commission realleges and incorporates paragraphs 1 through 53 by reference as if fully set forth herein.

55. Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial have, in connection with the purchase and sale of securities, directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange, knowingly or recklessly: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material fact, 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; and/or (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

56. By reason of the foregoing, Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

THIRD CLAIM FOR RELIEF

Violations of Sections 206(1) and (2) of the Advisers Act by Ludlum and Printz Capital and, in the alternative, Aiding and Abetting of Printz Capital's Violations by Ludlum

57. The Commission realleges and incorporates paragraphs 1 through 56 by reference as if fully set forth herein.

58. Defendants Ludlum and Printz Capital have, while acting as investment advisers, directly or indirectly, by the use of the mails or the means or instrumentalities of interstate commerce: (a) knowingly or recklessly employed devices, schemes, or artifices

to defraud their clients or prospective clients; and/or (b) knowingly, recklessly, or negligently engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon their clients or prospective clients.

59. By reason of the foregoing, Defendants Ludlum and Printz Capital violated Sections 206(1) and (2) of the Advisers Act [15 U.S.C. § 80b-6(1) and (2)].

60. Alternatively, Defendant Printz Capital violated Sections 206(1) and (2) of the Advisers Act [15 U.S.C. § 80b-6(1) and (2)], and Defendant Ludlum, as the founder, president, sole control person, and chief compliance officer for Printz Capital, aided and abetted Printz Capital's violations by knowingly and substantially assisting those violations.

FOURTH CLAIM FOR RELIEF

Violations of Sections 5(a) and 5(c) of the Securities Act by Ludlum, Printz Capital, PCM Global, and Printz Financial

61. The Commission realleges and incorporates paragraphs 1 through 60 by reference as if fully set forth herein.

62. Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial have, directly or indirectly, singly or in concert with others: (a) without a registration statement in effect as to the securities transactions, (i) made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, to sell securities through the use or medium of a prospectus or otherwise, or (ii) carried or caused to be carried through the mails or in interstate commerce, by the means or instruments of transportation, such securities for the purpose of sale or for delivery after sale; and (b) made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, to offer to sell or offer to buy, through the use or

medium of a prospectus or otherwise, securities as to which a registration statement had not been filed as to such securities.

63. By reason of the foregoing, Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

FIFTH CLAIM FOR RELIEF

Violations of Securities Act Rule 503(a) of Regulation D by Printz Financial

64. The Commission realleges and incorporates paragraphs 1 through 63 by reference as if fully set forth herein.

65. Defendant Printz Financial, as an issuer purporting to offer or sell securities in reliance on Securities Act Rule 504, 505, or 506 [17 C.F.R. §§ 230.504, 230.505 or 230.506], failed to file with the Commission a notice of sales containing the information required by Form D [17 C.F.R. § 239.500] for each new offering of securities within fifteen calendar days after the first sale of securities in the offering.

66. By reason of the foregoing, Defendant Printz Financial violated Securities Act Rule 503(a) of Regulation D [17 C.F.R. § 230.503(a)].

SIXTH CLAIM FOR RELIEF

Violations of Section 203A of the Advisers Act by Printz Capital and Aiding and Abetting by Ludlum

67. The Commission realleges and incorporates paragraphs 1 through 66 by reference as if fully set forth herein.

68. Defendant Printz Capital, while acting as an investment adviser regulated or required to be regulated in Pennsylvania, where it maintained its principal office and place of business, registered and remained registered under Advisers Act Section 203 [15 U.S.C. § 80b-3] when it had assets under management of less than \$25,000,000 and was

not an adviser to a registered investment company.

69. By reason of the foregoing, Defendant Printz Capital violated Section 203A of the Advisers Act [15 U.S.C. § 80b-3a]. Defendant Ludlum, as the founder, president, chief compliance officer, and sole control person for Printz Capital aided and abetted Printz Capital's violations by knowingly and substantially assisting those violations.

SEVENTH CLAIM FOR RELIEF

Violations of Section 207 of the Advisers Act by Printz Capital and Aiding and Abetting by Ludlum

70. The Commission realleges and incorporates paragraphs 1 through 69 by reference as if fully set forth herein.

71. Defendant Printz Capital willfully made untrue statements of material fact in its Forms ADV, and willfully omitted to state in such Forms ADV material facts required to be stated therein.

72. By reason of the foregoing, Defendant Printz Capital violated Section 207 of the Advisers Act [15 U.S.C. § 80b-7]. Defendant Ludlum, as the founder, president, chief compliance officer, and sole control person for Printz Capital, aided and abetted Printz Capital's violations by knowingly and substantially assisting those violations.

EIGHTH CLAIM FOR RELIEF

Violations of Section 204 of the Advisers Act by Printz Capital and Aiding and Abetting by Ludlum

73. The Commission realleges and incorporates paragraphs 1 through 72 by reference as if fully set forth herein.

74. Defendant Printz Capital, while acting as an investment adviser that made use of the mails or the means or instrumentalities of interstate commerce in connection

with its business as an investment adviser, failed to furnish to the Commission staff copies of all records required to be kept pursuant to Advisers Act Rules 204-2(a)(1), 204-2(a)(2), 204-2(a)(6), and 204-2(a)(7) [17 C.F.R. §§ 275.204-2(a)(1), 2(a)(2), 2(a)(6), and 2(a)(7)]. Specifically, Printz Capital failed to furnish to the Commission staff complete, true, accurate, and current copies of the following records: (1) a journal or journals, including cash receipts and disbursements, records, and any other records of original entry forming the basis of entries in any ledger; (2) general and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts; (3) all trial balances, financial statements, and internal audit working papers relating to the business of the investment adviser; and (4) written communications received and sent by Printz Capital relating to (i) any recommendation made or proposed to be made and any advice given or proposed to be given, (ii) any receipt, disbursement or delivery of funds or securities, or (iii) the placing or execution of any order to purchase or sell any security.

75. By reason of the foregoing, Defendant Printz Capital violated Section 204 of the Advisers Act [15 U.S.C. § 80b-4]. Defendant Ludlum, as the founder, president, chief compliance officer, and sole control person for Printz Capital, aided and abetted Printz Capital's violations by knowingly and substantially assisting those violations.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment:

(i) permanently restraining and enjoining Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial from violating, directly or indirectly, or aiding and abetting violations of the laws and rules alleged in this Complaint;

(ii) ordering Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial to disgorge any and all ill-gotten gains, together with prejudgment interest;

(iii) ordering Defendants Ludlum, Printz Capital, PCM Global, and Printz Financial to pay civil penalties, including post-judgment interest, pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Sections 209(e) and 209(f) of the Advisers Act [15 U.S.C. § 80b-9(e) and (f)] for their violations of the federal securities laws; and

(iv) grant such other relief as this Court deems just and proper.

Dated: December 17, 2010

Respectfully submitted:

Of Counsel:
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