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MAY 04 2017

CLERK, U.S. DISTRICT COURT
MINNEAPOLIS, MINNESOTA

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**MOHAMUD ABDI AHMED and
2WAYTRADING, LLC,**

Defendants.

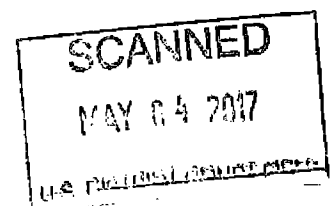
Case No. 17sc1478 JNE/KMM
COMPLAINT

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

SUMMARY

1. Defendant Mohamud Abdi Ahmed ("Ahmed") and his company 2waytrading, LLC ("2waytrading") are defrauding their clients by promising excessive investment returns and principal security, in order to entice the clients to give Ahmed access to trade in their brokerage accounts. Before 2waytrading, Ahmed controlled a stock trading and financial services business named Shidaal Express, Inc. ("Shidaal") that engaged in an investment fraud targeting Somali-Americans. In connection with his activities with Shidaal, the SEC obtained an injunction against Ahmed's company, and Ahmed also pleaded guilty to one count of wire fraud (18 U.S.C. §1343) and was sentenced to 21 months in prison and three years of supervised release until May 7, 2017. Ahmed's current conduct with 2waytrading is not only a fraud on his clients, it also violates his supervised release terms, which, among other things, require him to avoid engaging in any profession that includes fiduciary responsibility.

COMPLAINT



2. Defendant 2waytrading is an entity controlled by Ahmed that Ahmed's relative formed in December 2014, shortly after Ahmed's release from prison. 2waytrading offers clients stock tips for a monthly fee or discretionary portfolio management for a \$2,500 lifetime "commitment" fee plus 20% of profits. The firm attracts clients through postings on the social media platform StockTwits and its own website, falsely promising safety of principal and double-digit percentage profits. In direct correspondence with clients, Ahmed repeats these lies, such as telling one former client that she would receive \$10,000 to \$20,000 monthly on her \$50,000 investment account. Ahmed also conceals his prior misconduct from 2waytrading's clients, instead touting himself as an "expert" with 15 years' of investing experience at a firm that only operated for less than three years. Ahmed requires that his clients provide access to their online brokerage accounts – by turning over their user IDs and passwords to him – and fund those accounts with at least \$30,000 that he then "trades" on their behalf. His trading decisions thereafter are not safe at all—he invested one client's entire account balance in risky options that lost 80% of their value in less than one week.

3. By engaging in this conduct, Defendants are violating, and unless enjoined, will continue to violate the antifraud provisions of the federal securities laws. Therefore, with this action, the SEC seeks emergency relief against Defendants, including a temporary restraining order, an asset freeze, accountings and schedules, expedited discovery, and an order prohibiting the destruction of documents. The SEC also seeks preliminary and permanent injunctions, disgorgement with prejudgment interest and civil penalties against Defendants, and an injunction prohibiting them from taking any action with respect to any securities

brokerage accounts in which Defendants are not the named owner, including accessing, exercising investment discretion in, or withdrawing any funds or assets from such accounts.

JURISDICTION AND VENUE

4. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa(a), and Sections 209(d), 209(e)(1) and 214 of the Investment Advisers Act of 1940 (“Advisers Act”), 15 U.S.C. §§ 80b-9(d), 80b-9(e)(1) & 80b-14.

5. Defendants have, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices and courses of business alleged in this complaint.

6. Venue is proper in this district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a), and Section 214 of the Advisers Act, 15 U.S.C. § 80b-14, because certain of the transactions, acts, practices and courses of conduct constituting violations of the federal securities laws occurred within this district. In addition, venue is proper in this district because Defendants Ahmed and 2waytrading reside in this district.

THE DEFENDANTS

6. **Mohamud Abdi Ahmed**, age 53, is a resident of Shakopee, Minnesota, and describes himself to clients as 2waytrading’s “lead trader,” although in practice he appears

to have complete control over the 2waytrading's operations including its online and social media content and all correspondence with clients. Ahmed has never held any securities licenses or been registered with the SEC.

7. **2waytrading, LLC** was formed as a Minnesota limited liability company in December 2014 with a principal place of business in Oakdale, Minnesota. Ahmed controls 2waytrading's operations, holding himself out as the firm's "lead trader" and serving as the exclusive interface with clients, including recommending trades, accessing the clients' accounts, and making trades on their behalf. The company's status was terminated by the State of Minnesota in March 2016, but the company has continued to offer stock tips and portfolio advising, which it advertises through online and social media sites. The company has never been registered with the SEC.

THE ALLEGATIONS

A. Ahmed, His Criminal Past and His Current Firm, 2waytrading

7. In 2010, the SEC brought an enforcement action against Ahmed and his former firm, Shidaal, in connection with an investment fraud.

8. Shortly thereafter, Ahmed pleaded guilty to related criminal charges. He was sentenced to 21 months' imprisonment and three years of supervised release. Ahmed's supervised release began on May 8, 2014 when he was released from prison, and ends on May 7, 2017.

9. Ahmed's supervised release terms require him: not to engage in a profession that includes fiduciary responsibility; to provide complete disclosure of personal and business financial records to the probation officer as requested; and not to open checking

accounts or lines of credit without approval of the probation officer.

10. Ahmed formed 2waytrading just seven months after his release from prison for his role in the Shidaal fraud.

11. Neither Ahmed nor 2waytrading is registered with the SEC or any state authority as an investment adviser. Ahmed is also not associated with a registered investment adviser.

B. Defendants' Unregistered Investment Advice to Clients

12. Despite not being registered as an investment adviser, from December 2014 to the present, Ahmed, through 2waytrading, has acted as an investment adviser to individual clients who rely on him to make stock recommendations, evaluate their portfolio, or engage in trading in their accounts.

13. Ahmed offers clients two types of advisory services focusing on options trading through 2waytrading.

14. First, for a monthly fee of \$99, Ahmed offers to provide alerts regarding options trading ideas. According to one client's testimony, this first service essentially consists of email blasts to enrolled clients with suggestions regarding options trades.

15. Second, Ahmed offers to control the trading in the clients' accounts as part of 2waytrading's "Managed Small Account" or "MSA" program.

16. To enroll in the MSA program, Ahmed sends agreements by email to his clients requiring that they: (1) pay a \$2,500 nonrefundable "commitment" fee to 2waytrading's PayPal account, (2) give Ahmed their user name and password to their online brokerage account, (3) have an account balance of greater than \$30,000 in their brokerage

account, with no other open positions, and (4) pay 2waytrading 20% of profits from trading in the account. Clients are told that they will be able to review trades before they were made, but that Ahmed will have exclusive control over trading in the account.

17. Ahmed pressures clients to choose the MSA service. He tells clients that the MSA program will take the complexity out of options trading, stating “if u are new to option trading u can sign up Managed Small Account where we execute on your behalf so u learn by doing.”

18. He also exerts high pressure tactics by making claims that there are limited spots available for the MSA program. Ahmed told one client “We are adding one MSA before end of this month, and demand is high.” Ahmed addresses client worries about the high upfront fee of \$2,500 by claiming “U will make it in ur first month.”

19. At least 32 clients have either paid fees to 2waytrading’s PayPal account for MSA services (the \$2,500 “commitment” fee) and/or provided Ahmed with access to their online brokerage accounts.

20. 2waytrading’s PayPal account has received over \$125,000 in fees since its inception. Moreover, 2waytrading maintains its own brokerage account in which it has conducted over \$7 million notional value in securities trades since 2015.

21. Ahmed holds himself and 2waytrading out as investment advisers, and Ahmed’s clients in the MSA program believe he is serving as their investment adviser.

22. One former client testified that she entrusted and believed Ahmed would represent her interests in that capacity. However, although she explained to Ahmed her financial situation and her goals—that she was a single mother of four who was looking to invest a small inheritance that comprised 20% of her net worth and that as a result she could not

sustain a high degree of risk—within a week of entrusting Ahmed, he had squandered almost the entirety of her account value by using all available funds to purchase risky put options.

23. Ahmed conceals his connection to 2waytrading, perhaps to avoid detection by his probation officer. The limited liability company formation documents for 2waytrading filed with the State of Minnesota, and bank and brokerage account opening documents for 2waytrading, list Ahmed's then 19-year-old relative as the firm's sole manager and partner.

24. Despite this, Ahmed was the one who controlled 2waytrading's operations.

25. Numerous business records list Ahmed's name as a controlling person: Ahmed's name and address are on the 2waytrading PayPal account used to collect client fees; Ahmed used his name for a StockTwits profile associated with 2waytrading; Ahmed identifies himself as the firm's lead trader on his personal LinkedIn profile; Ahmed uses a cellular phone number held in his name as the firm contact number on 2waytrading's website as well as for the 2waytrading's WhatsApp instant messaging account used to communicate with clients; and Ahmed purchased the subscription to StockCharts, a service that generates the technical analysis charts used on 2waytrading's website and StockTwits postings.

26. In addition, clients deal exclusively with Ahmed, with the limited exception of correspondence about clerical matters with Ahmed's teenage relative, whose email signature block identifies her as an "Admin."

C. Defendants' Fraud

27. Ahmed and 2waytrading make numerous material misrepresentations and omissions to 2waytrading's clients and potential clients.

28. First, the Defendants misrepresent Ahmed's background and experience by

failing to disclose his criminal conviction, and inflating his years of trading experience.

29. On 2waytrading's online and social media platforms, as well as in Ahmed's direct correspondence with clients, Ahmed touts himself as an "expert" with 15 years' investing experience.

30. Nowhere, however, does Ahmed disclose that he has been convicted of wire fraud, or that the SEC obtained an injunction against his former firm, Shidaal, in connection with their perpetration of an investment fraud. Indeed, Ahmed does not disclose his affiliation with Shidaal at all in his online or one-to-one correspondence.

31. For example, Ahmed's LinkedIn profile claims that he:

Has been trading last 15 years and have been writing financial comments last ten years. If one wants to trade along with an expert you find one here, and you can ask portfolio review for free, and any other financial products you are interested in.

32. Ahmed's LinkedIn profile and other statements to investors all suggest that he has operated 2waytrading for the past 15 years, despite the fact that company was not formed until 2014 and despite the fact that Ahmed spent a portion of that time in prison for investment fraud.

33. Second, Ahmed and 2waytrading have misrepresented and continue to misrepresent the safety of Ahmed's investing strategy.

34. Both online and in direct correspondence, Ahmed represents that his options trading strategies are designed to preserve client capital. The 2waytrading website described diversified trading portfolios in which Ahmed only purchased small lots of varied

options. Ahmed tells clients their principal will be safe.

35. Ahmed's options trading strategy are not safe investment strategies. Instead, his investing strategy exposes client principal to extreme risk.

36. In fact, one client's account lost up to 80% of its balance as a result of Ahmed's trading strategy.

37. For that client's account, Ahmed purchased 600 out-of-the money put options. The options were set to expire in mere days. This was effectively a wager that the price of the stock would decrease in value before the expiration date. Rather than decrease, the price of the stock increased during this time.

38. Moreover, although Defendants promised on their 2waytrading website and in direct correspondence that they would vet any trades with the clients in advance, one victim testified that she did not know Ahmed had purchased risky options until after the trade had been executed and significant losses had accrued.

39. Third, Ahmed and 2waytrading have misled and continue to mislead potential clients on 2waytrading's website and in direct correspondence with promises of unrealistic investment returns.

40. The 2waytrading website touts various standard portfolios with average returns of 10-20% per month for a \$50,000 portfolio.

41. In addition, the website home page claims that such a portfolio will reach "\$62,000 in one month."

42. Likewise, in WhatsApp instant messages from the 2waytrading WhatsApp account, Defendants promised one former client the following:

7/16/16, 6:58:24 PM: [Former client]: What has been your average return on managed accounts?

7/16/16, 6:58:27 PM: 2 Way Trading: U pay us

7/16/16, 6:58:56 PM: 2 Way Trading: Depends on ur risk/reward tolerance

7/16/16, 6:59:34 PM: 2 Way Trading: 50k u expect 10-20k.

43. A former client testified that these representations were central to her decision to entrust Ahmed with access to her account, and were ultimately unfulfilled.

44. Ahmed and 2waytrading have not obtained the excessive returns they had promised.

45. Each of these misrepresentations and omissions were material to the Defendants' clients.

46. Any reasonable client would have wanted to know about Ahmed's criminal past. In fact, at least one client testified that she would not have signed up with Ahmed or 2waytrading had that client known the truth about Ahmed's criminal history.

47. Similarly, any reasonable client would have wanted to know that the Defendants were not investing their money in the way they had promised or that the promised returns were not achievable and, in fact, had not been obtained.

48. Defendants obtained money, in the form of the investment advisory fees described above, by means of the misstatements and omissions alleged above.

49. Defendants knew, or were reckless or negligent in not knowing, that they made untrue statements of 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.

FIRST CLAIM FOR RELIEF

Fraud in the Connection with the Purchase and Sale of Securities

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

(against All Defendants)

50. The SEC realleges and incorporates by reference paragraphs 1 through 49 above.

51. As alleged above in paragraphs 27 through 49, among other allegations, Defendants Ahmed and 2waytrading made untrue statements of material fact regarding Ahmed's trading strategy and experience and concealed Ahmed's criminal history and his prior association with a fraudulent investment in order to, among other things, convince clients to entrust their money and brokerage accounts to Ahmed and 2waytrading.

52. By engaging in the conduct described above, Defendants, and each of them, 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, 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.

53. Defendants knew, or were reckless or negligent in not knowing, that they 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.

54. By engaging in the conduct described above, 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(b) thereunder, 17 C.F.R. § 240.10b-5(b).

SECOND CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities

Violations of Section 17(a)(2) of the Securities Act

(against All Defendants)

55. The SEC realleges and incorporates by reference paragraphs 1 through 49 above.

56. As alleged above in paragraphs 27 through 49, among other allegations, Defendants Ahmed and 2waytrading obtained money in the form of advisory fees by means of untrue statements of material fact regarding Ahmed's trading strategy and experience and concealed Ahmed's criminal history and his prior association with a fraudulent investment in order to, among other things, convince clients to entrust their money and brokerage accounts to Ahmed and 2waytrading.

57. By engaging in the conduct described above, Defendants and each of them, directly or indirectly, in the offer or sale of securities, and by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly obtained money or property by means of untrue statements of a material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Defendants knew, or were reckless or negligent in not knowing, that they obtained money or property by means of untrue statements of a material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

58. By engaging in the conduct described above, Defendants violated, and unless restrained and enjoined will continue to violate, Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

THIRD CLAIM FOR RELIEF

Fraud by an Investment Adviser

Violations of Sections 206(1) and 206(2) of the Advisers Act

(against All Defendants)

59. The SEC realleges and incorporates by reference paragraphs 1 through 49 above.

60. As alleged above in paragraphs 12 through 26 and 27 through 49, among other allegations, Defendants Ahmed and 2waytrading held themselves out as investment advisers and made untrue statements of material fact regarding Ahmed's trading strategy and experience and concealed Ahmed's criminal history and his prior association with a fraudulent investment in order to, among other things, convince clients to entrust their money and brokerage accounts to Ahmed and 2waytrading.

61. By engaging in the conduct described above, Defendants, and each of them, directly or indirectly, by use of the mails or means and instrumentalities of interstate commerce: (a) with scienter employed or are employing devices, schemes or artifices to defraud clients or prospective clients; or (b) engaged in or are engaging in transactions, practices, or courses of business which operated as a fraud or deceit upon clients or prospective clients.

62. By engaging in the conduct described above, Defendants have violated, and unless restrained and enjoined, will continue to violate, Sections 206(1) and (2) of the

Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that Defendants committed the alleged violations.

II.

Issue orders and judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, temporarily, preliminarily, and permanently enjoining Defendants, and their 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 Section 17(a) of the Securities Act [15 U.S.C. §77q(a)], 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], and Sections 206(1) and (2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

III.

Issue orders and judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, temporarily, preliminarily, and permanently enjoining Defendants, and their 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, directly or indirectly, taking any action with respect to any securities brokerage or similar account in which Defendants are not the named

owner, including but not limited to, directly or indirectly, accessing any such accounts, exercising investment discretion, as defined by Sections 3(a)(35)(A) and 3(a)(35)(B) of the Exchange Act, 15 U.S.C. §§ 78c(a)(35)(A) & (B), with respect to such accounts, and withdrawing, removing, transferring, or otherwise disposing of any funds, securities, or other assets from any such accounts.

IV.

Issue, in a form consistent with Fed. R. Civ. P. 65, a temporary restraining order and a preliminary injunction freezing the assets of the Defendants, requiring accountings and schedules from each of the Defendants, prohibiting each of the Defendants from destroying documents, and granting expedited discovery.

V.

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

VI.

Order Defendants to disgorge all funds received from their illegal conduct, together with prejudgment interest thereon.

VII.

Order Defendants to pay civil penalties under 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 Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e).

VIII.

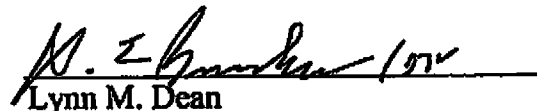
Retain jurisdiction of this action in accordance with the principles of equity and the

Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

IX.

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

Dated: May 4, 2017



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Local Counsel**

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JS 44 (Rev. 08/16)

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 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 NEXT PAGE OF THIS FORM.)

COURT
MINNEAPOLIS, MINNESOTA

I. (a) PLAINTIFFS
SECURITIES AND EXCHANGE COMMISSION

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

(c) Attorneys (Firm Name, Address, and Telephone Number)
Lynn Dean/David Van Havermaat/Brent Wilner/John Birkenheiser
Securities and Exchange Commission (323) 985-3998
444 S. Flower Street, Suite 900, Los Angeles, CA 90071

DEFENDANTS
MOHAMUD ABDI AHMED and 2WAYTRADING, LLC

County of Residence of First Listed Defendant Scott County
(IN U.S. PLAINTIFF CASES ONLY)

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

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

1 U.S. Government Plaintiff

2 U.S. Government Defendant

3 Federal Question (U.S. Government Not a Party)

4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

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

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

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 (Excludes 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 <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical 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"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157
			PROPERTY RIGHTS	
			<input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <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 checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
			LABOR	SOCIAL SECURITY
			<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act	<input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DWC/DJWW (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	
			IMMIGRATION	
			<input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	
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"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<input type="checkbox"/> Habes Corpus <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement		

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 - Transfer

8 Multidistrict Litigation - Direct File

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. § 78j(b) and 17 C.F.R. § 240.10b-5; 15 U.S.C. § 77q(a); 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

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 RULE 23, F.R.Cv.P.

DEMAND \$ _____

CHECK YES only if demanded in complaint:
 JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions)

RUDGE _____ DOCKET NUMBER _____

DATE: 05/04/2017

SIGNATURE OF ATTORNEY OF RECORD: *JNE/KMM*

FOR OFFICE USE ONLY

RECEIPT #	AMOUNT	APPLYING I/P	JUDGE

SCANNED

MAY 04 2017

U.S. DISTRICT COURT MPLS

JS 44 Reverse (Rev. 03/16)

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44**Authority For Civil Cover Sheet**

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; NOTE: federal question actions take precedence over diversity cases.)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation - Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation - Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes unless diversity. Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint. Class Action.** Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.