

UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF CONNECTICUT

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JOSEPH F. APUZZO,

Defendant.

FILED

2007 DEC 27 P 3 43

U.S. DISTRICT COURT
NEW HAVEN, CT

Civil Action No.:

307CV01910CFD

COMPLAINT

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

NATURE OF THE ACTION

1. The Commission brings this action against Joseph F. Apuzzo, former Chief Financial Officer ("CFO") of Terex Corporation ("Terex"), for aiding and abetting a fraudulent accounting scheme, involving two sale-leaseback transactions, carried out between 2000 and 2002 by United Rentals, Inc. ("URI") and its former CFO, Michael J. Nolan ("Nolan") and others. The transactions were structured to improve URI's 2000 and 2001 financial results by allowing URI to recognize revenue prematurely and to inflate the profit generated from the sales.

2. Apuzzo substantially assisted URI and Nolan in implementing the fraudulent scheme by, among other things, signing agreements with URI that he knew or was reckless in not knowing were designed to hide URI's continuing risks and financial obligations relating to the sale-leaseback transactions, directing or approving the issuance of inflated invoices that he knew or was reckless in not knowing URI, through Nolan and

others, would use to inflate URI's gain on the transactions, and facilitating URI's concealment of fee payments to a third-party through undisclosed financial arrangements between Terex and the third-party.

3. Apuzzo's participation in URI's fraudulent scheme was motivated by his desire to make large year-end sales of new equipment to URI, which Apuzzo used to improve Terex's financial results by prematurely recognizing the revenue from the sales.

4. By engaging in the conduct described in this Complaint, Apuzzo aided and abetted URI's violations of Sections 10(b), 13(a) and 13(b)(2)(A) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§78j(b), 78m(a) and 78m(b)(2)(A)], and Rules 10b-5 and 13a-1 [17 C.F.R. §§240.10b-5 and 13a-1] thereunder, and Nolan's violations of Section 13(b)(5) of the Exchange Act [15 U.S.C. §78m(b)(5) and Exchange Act Rule 13b2-1 [17 C.F.R. §240.13b2-1].

5. The Commission brings this action pursuant to Sections 21(d) and (e) of the Exchange Act [15 U.S.C. §§78u(d) and (e)] for an order permanently restraining and enjoining Apuzzo, seeking disgorgement and prejudgment interest, imposing civil penalties, prohibiting him from acting as an officer or director of any issuer whose securities are registered pursuant to Section 12 of the Exchange Act [15 U.S.C. §78l], and granting other equitable relief.

JURISDICTION AND VENUE

6. The Court has jurisdiction over this action pursuant to Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§78u(e) and 78aa]. Apuzzo has, directly or indirectly, made use of the means or instrumentalities of interstate commerce and/or of the mails in connection with the transactions in this Complaint. Certain of the acts,

practices and courses of business constituting the violations alleged herein occurred within this judicial district.

DEFENDANT

7. Joseph F. Apuzzo, age 52, a resident of Connecticut, served as CFO of Terex from October 1998 to September 2002. From September 2002 to August 2005, when he resigned, Apuzzo served as President of Terex Financial Services, a division of Terex. Prior to joining Terex, Apuzzo worked at a public accounting firm. In 1982, Apuzzo obtained an MBA degree in Public Accounting. Apuzzo was licensed as a CPA in the state of New York until sometime after he joined Terex.

RELATED PARTIES

8. Terex Corporation is a Delaware corporation based in Westport, Connecticut. Terex is a manufacturer of equipment primarily for the construction, infrastructure, and surface to mining industries. Terex's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on the New York Stock Exchange ("NYSE"). Terex's fiscal year corresponds to the calendar year.

9. United Rentals, Inc. is a Delaware corporation with headquarter offices located in Greenwich, Connecticut. URI is one of the largest equipment rental companies in the world. URI's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on the NYSE. URI files periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act. URI's fiscal year corresponds to the calendar year.

10. Michael J. Nolan, age 47, a resident of North Carolina, served as URI's CFO from the Company's formation in September 1997 until December 2002.

FACTS

11. In late December 2000, and again in late December 2001, as the fiscal year was ending for both URI and Terex, Apuzzo substantially assisted URI, Nolan and others in carrying out two fraudulent sale-leaseback transactions designed to allow URI to recognize revenue prematurely and to inflate the profit generated from URI's sales.

12. The two sale-leaseback transactions were similarly structured. First, URI sold used equipment to a financing company ("Financing Company") and then leased it back for an 8-month period. To induce the Financing Company to participate in these transactions, URI paid the Financing Company a fee and arranged, through Apuzzo, for Terex to remarket (re-sell) the equipment at the end of the lease period and to guarantee that the Financing Company would receive not less than 96% of the purchase price that it had paid URI for the used equipment (the "residual value guarantee"). At the same time, URI agreed to Apuzzo's conditions that URI indemnify Terex against losses it might incur under its guarantee to the Financing Company, and make substantial purchases of new equipment from Terex.

13. Nolan and others purported to structure the transactions on behalf of URI as "minor sale-leasebacks," which under Generally Accepted Accounting Principles ("GAAP") would allow URI to recognize immediately the profit generated by the sale of the equipment only if, among other criteria, the risks and rewards of ownership were transferred to the Financing Company. GAAP also requires that before revenue from the sale of equipment can be recognized, the sale price must be fixed and determinable. If any commitments related to the sales remain unsettled, the sales price is not deemed to be

fixed and determinable, and any gain from the sales must be deferred until the commitments are settled.

14. Because URI, through Nolan and others, had agreed with Apuzzo to guarantee Terex that URI would indemnify Terex for losses it would incur under its remarketing agreements with the Financing Company, URI's obligations relating to the sale-leaseback agreements were not complete in the reporting period in which the agreements were executed. As a result, GAAP prohibited URI from recording revenue from the sales in each of those reporting periods. Nolan and others were able to prevent discovery of URI's continuing obligations under the three-party agreements because they engaged in a concerted effort to hide the interlocking agreements from URI's independent auditor. In addition, Nolan and others were also able to inflate the gains that URI recorded because they were able to hide the indemnification payments URI made to Terex.

15. Apuzzo substantially assisted URI, Nolan and others in their efforts to disguise the interlocking agreements and to conceal the indemnification payments URI made to Terex. In both 2000 and 2001, Apuzzo signed agreements with URI and/or the Financing Company that disguised URI's continuing risks and financial obligations under the three-party transactions. In addition, with Apuzzo's knowledge and/or approval, Terex issued inflated invoices on URI's purchase of new equipment from Terex that concealed URI's indemnification payments to Terex and thus allowed URI to inflate its gains on the sale-leaseback transactions.

The December 2000 Sale-Leaseback Transaction ("Terex I")

16. In an attempt to meet URI's announced earnings expectations for the fourth quarter and full fiscal year-ending 2000, Nolan contacted the Financing Company and expressed interest in doing a short-term leasing that would allow URI to record an immediate gain. The Financing Company advised Nolan that to agree to do a sale-leaseback transaction with URI, it would require a third party to agree to remarket the equipment at the end of the lease period and to guarantee the Financing Company the residual value of the equipment. In addition, Nolan was advised that the Financing Company would charge URI a fee to participate in the sale-leaseback transaction.

17. Nolan and others initiated discussions with Terex, an equipment manufacturer and one of URI's vendors. Nolan explained the terms of the proposed transaction to Apuzzo, Terex's CFO, who expressed a willingness to participate as long as URI agreed to provide Terex with protection against any losses Terex might incur in providing guarantees to the Financing Company. In addition, Apuzzo insisted on URI's agreement to make additional new equipment purchases from Terex in the current fiscal year in order to boost Terex's year-end financial results.

18. On December 29, 2000, URI executed a Master Lease Agreement ("MLA") with the Financing Company pursuant to which URI sold a fleet of used equipment to the Financing Company for \$25.3 million and leased the equipment back for a period of 8 months. Simultaneously, the Financing Company and Terex entered into a Remarketing Agreement, signed by Apuzzo, pursuant to which Terex agreed to remarket the equipment at the end of the lease period and to pay the Financing Company for any shortfall between the residual value guarantee (no less than 96% of the price paid

by the Financing Company) and the proceeds that were generated by the re-sale of the equipment. Terex also agreed that, at the Financing Company's option, Terex would be required to buy, at the guaranteed residual values, any equipment that remained unsold at the end of the remarketing period. Lastly, as a result of negotiations between Apuzzo, Nolan and others, URI agreed to purchase from Terex approximately \$20 million of new equipment before the end of the 2000 calendar year, and to pay Terex approximately \$5 million immediately to cover Terex's anticipated losses from its residual value guarantee to the Financing Company. In accordance with the agreement between Apuzzo, Nolan and others, URI and Terex also executed a "backup" remarketing agreement, which Apuzzo also signed, under which URI effectively assumed Terex's remarketing obligations and guarantees to the Financing Company and agreed to cover any losses to Terex over the \$5 million advance payment through guaranteed future purchases.

Concealing URI's Risks and Continuing Obligations

19. Apuzzo knew or was reckless in not knowing that disclosure of URI's commitment under the backup remarketing agreement to assume Terex's risks and obligations to the Financing Company would jeopardize URI's accounting for the transactions. Apuzzo substantially assisted Nolan and others' efforts to conceal URI's assumption of those risks and obligations from URI's auditor.

20. Apuzzo sent to Nolan an initial draft of the proposed backup agreement, explicitly describing Terex's residual value guarantee to the Financing Company on the fleet of equipment being leased by URI. The draft laid out URI's agreement to remarket that fleet of equipment and to indemnify Terex for any shortfalls (i.e. the difference

between the resale price and the residual value guarantee) incurred in reselling the equipment.

21. However, in response to Apuzzo's initial draft, Nolan and others provided to Apuzzo a draft agreement that deleted all explicit references to the Financing Company and URI's agreement to remarket the fleet. In their place, the new draft referred to URI's obligation to remarket a fleet of equipment "which is typically in United Rentals rental fleet and is then owned by a leasing company which is not less than investment grade, and is required to be remarketed by Terex from such leasing company for a period commencing in August, 2001." Nowhere in the URI draft was any language identifying the name of the leasing company or the fact the fleet to be remarketed was the same fleet URI had sold to the Financing Company. In place of the residual value that Terex had agreed to pay the Financing Company, URI's revised draft referred to URI's guarantee to pay Terex "the total cost incurred or that would be incurred by Terex to purchase such equipment...."

22. Apuzzo signed the revised backup remarketing agreement knowing, or with reckless disregard for the truth, that Nolan and others were attempting to hide URI's risks and obligations under the three-party transaction.

Concealing the Inflated Valuations

23. Apuzzo knew or was reckless in not knowing that the prices at which URI had sold the used equipment to the Financing Company were inflated above fair market values. Apuzzo assisted URI in concealing the inflated valuations.

24. Before committing Terex to the residual value guarantees that the Financing Company required, Apuzzo sought an internal appraisal of the equipment URI

was selling to the Financing Company. Based on that appraisal, Apuzzo knew that Terex's agreement to guarantee the Financing Company at least 96% of the valuations URI had placed on the equipment would likely cause Terex to incur substantial losses when the equipment was resold. As a result, Apuzzo insisted that URI agree to indemnify Terex against any such loss.

25. Apuzzo signed the Remarketing Agreement that guaranteed the Financing Company residual values that both he and URI understood would likely result in millions of dollars in losses to Terex. He did so, however, knowing that URI's commitment to indemnify Terex for such losses was confirmed in a separate document.

26. Apuzzo was later asked to provide a valuation letter to URI's auditor representing that URI had assigned fair market valuations to the equipment sold to the Financing Company. Instead, Apuzzo offered to provide an appraisal letter that not only failed to disclose the appraisal values that Terex had determined, but affirmatively and misleadingly asserted that "nothing has come to [his] attention" to cause Apuzzo to believe that the overall equipment valuations regarding the equipment "could not be achieved in a transaction between a willing buyer and willing seller."

Concealing URI's Indemnification Payments to Terex

27. URI made two lump-sum indemnification payments to Terex in connection with the three-party transaction. The initial payment, for \$5 million, was made simultaneously with the execution of the transaction documents. The second payment was made on January 2, 2003, pursuant to a final reconciliation among the Financing Company, Terex and URI.

28. Apuzzo and Nolan agreed that URI's indemnification payments to Terex would be made as undisclosed "premiums" to be paid on URI's purchase of new equipment from Terex. Apuzzo knew or was reckless in not knowing that any indemnification payment URI made, if disclosed, would reduce the gain that URI could record on the sale-leaseback transaction.

The Initial Payment of \$5 Million

29. In accordance with the agreement between Apuzzo and Nolan and others, the initial \$5 million indemnification payment was included as part of URI's purchase of approximately \$20 million of new equipment from Terex before the end of the calendar year. Thus, on December 29, 2000, with Apuzzo's knowledge and approval, Terex issued two invoices that reflected an aggregate price of \$25 million for new equipment that Terex internally valued as \$20 million.

30. Notwithstanding the prices shown on the invoices, with Apuzzo's knowledge and approval Terex recorded only \$20 million of the \$25 million as revenue for the year-ending 2000 and recorded the remaining \$5 million overpayment as a reserve to be used to cover Terex's anticipated losses under its residual value guarantee. Contemporaneously, Nolan forwarded the inflated invoices to URI's accounting department, knowing that the accounting department would enter the incorrect prices in URI's books and records.

The Final Reconciliation Payment

31. During 2001 and 2002, as an industry recession continued, URI and Terex were unable to resell the equipment at or near the residual values that had been guaranteed to the Financing Company. The recession also generated losses even greater

than the initial estimated \$5 million shortfall. Towards the end of 2002, following extensions to the remarketing period contained in the original agreement between Terex and the Financing Company, the Financing Company prepared a final reconciliation of the remaining financial obligation owed by Terex under the residual value guarantee. Simultaneously, Terex and URI prepared a final reconciliation of URI's financial obligation under the backup remarketing agreement.

32. On December 31, 2002, Apuzzo signed a "Contract" between URI and Terex which purported to extend the remarketing and purchase agreements between the two companies that would otherwise expire. Further, the contract provided that URI "agrees" to make an \$8 million "prepayment," to be applied as a "surcharge" on the purchase of additional equipment from Terex in the following 6 months. The contract specified that Terex could keep the prepayment even if URI failed to make those additional purchases.

33. Apuzzo knew or was reckless in not knowing that the contract purporting to characterize URI's \$8 million payment as a "prepayment" and "a surcharge" on the purchase of new additional equipment was intended to disguise the real purpose of the payment, which was to cover Terex's losses under its Remarketing Agreement with the Financing Company.

34. On January 2, 2003, the Financing Company sent an email to both Apuzzo and URI notifying them that a reimbursement for approximately \$8.3 million was to be paid the same day to the Financing Company. Terex made the payment to the Financing Company and the next day URI made a final indemnification payment to Terex of

approximately \$8.7 million. URI improperly recorded the \$8.7 million as expenses unrelated to the sale-leaseback transaction.

Concealment of Terex's Inducements to URI

35. Apuzzo knew or was reckless in not knowing that certain terms of his agreement with URI, if fully disclosed to Terex's auditor, would prevent Terex from recording immediately the revenue generated from URI's purchase of new equipment.

36. URI agreed to purchase \$20 million of new equipment from Terex and to pay Terex before year-end 2000 if the equipment could be delivered in 2001 rather than immediately. Apuzzo agreed to this and, in addition, provided assurances to Nolan and others that URI could substitute different equipment if needed, or otherwise return equipment for full credit if URI subsequently determined that it did not need the equipment.

37. Under GAAP, since Terex was unable to deliver the new equipment to URI before December 31, 2000, Terex could immediately recognize the revenue from the sale to URI if the transaction complied with "bill and hold" accounting guidance. Among other things, Apuzzo's agreement to allow URI to substitute or return equipment to Terex did not comply with those "bill and hold" requirements.

38. Apuzzo was able to avoid disclosing fully the terms of his agreement with Nolan and others. No purchase agreement was prepared between Terex and URI and URI did not issue any purchase orders. In addition, while Nolan and others reduced to writing URI's "right of return" on the new equipment it was purchasing, and sent it to Apuzzo along with the backup remarketing agreement, the document was described as a

“Separate Agreement” and was not part of the backup remarketing agreement that URI and Terex executed and which Apuzzo signed.

39. Following URI’s payment of \$25 million to Terex on December 29, 2000, Apuzzo improperly recorded \$20 million of the payment as revenue for the fiscal year-ending December 31, 2000. Apuzzo was able to do so by not revealing fully the terms of the sales agreement with URI.

The December 2001 Sale-Leaseback Transaction (“Terex II”)

40. In December 2001, as the fiscal year for both URI and Terex was coming to an end, Apuzzo participated in a second fraudulent three-party sale-leaseback transaction, engineered to allow URI to meet its fourth quarter and year-end earnings guidance and to permit Terex to make a large, year-end sale of new equipment to URI. Terex II was structured similarly to the Terex I transaction: (1) URI sold used equipment to the Financing Company and leased it back for a short period; (2) Terex agreed to remarket (re-sell) the equipment and provide the Financing Company with the same residual value guarantee as it had previously made; and (3) URI agreed to indemnify Terex for the losses it was expected to incur under the residual value guarantee. Apuzzo substantially assisted URI, Nolan and others in their efforts to conceal URI’s continuing risks and obligations from URI’s auditor and to hide the indemnification payments URI agreed to make to Terex.

41. As before, the Terex II agreements were structured to conceal the interlocking nature of the three-party transaction. In particular, the documents failed to disclose the effective *quid pro quo* between Terex’s agreement to remarket the equipment

and provide residual value guarantees to the Financing Company as well as URI's agreement both to indemnify Terex and to purchase new equipment from Terex..

42. Just as with Terex I, in which the transaction documents were edited to remove references to the interlocking agreements, Apuzzo signed the Terex II Remarketing Agreement knowing that it contained no disclosures regarding URI's commitment to reimburse or indemnify Terex. Moreover, Apuzzo understood that URI continued to want the agreements to be kept separate. On December 19, 2001, Apuzzo received an email from the Terex sales manager engaged in the negotiations with URI, specifically noting that the URI sales manager wanted the transactions "on two separate documents." Consistent with this goal, URI's commitment to indemnify Terex was not disclosed in the "bill and hold" letter, dated December 21, 2001, URI sent in connection with its agreement to purchase new equipment from Terex.

43. Apuzzo also knew or was reckless in not knowing that the Remarketing Agreement between Terex and the Financing Company, dated December 28, 2001, which he signed on behalf of Terex contained valuations attached to the used equipment that were likely to result in millions of dollars in losses for Terex, and consequently for URI, once the equipment was resold. Prior to entering into the three-party transaction, Terex had determined that the valuations of the equipment being sold to the Financing Company by URI were above fair market values and would likely cause Terex losses in excess of \$4 million as a result of Terex's promise to pay the Financing Company at least 96% of the price the Financing Company was paying to URI. Before agreeing to provide the Financing Company with the guarantee, Terex insisted that URI agree to indemnify Terex for this anticipated loss. Apuzzo received internal email communications

disclosing the materially lower appraisals of the used equipment and the imposition of a \$4 million "premium" on the sale of \$24 million of new equipment to URI (covering the corresponding shortfall expected from Terex providing the Financing Company with the residual value guarantee).

44. Further, on December 27, 2001, the day before the sale-leaseback and remarketing agreements were executed, Apuzzo received an email from a Terex employee notifying the Financing Company and others that the equipment list submitted by URI to the Financing Company, for which Terex was providing the residual value guarantee, contained "correct values." Notwithstanding this communication to the Financing Company, Apuzzo signed the Remarketing Agreement between Terex and the Financing Company knowing that it did not disclose the materially lower appraisals that Terex had obtained, the likelihood of substantial losses being generated and URI's commitment to indemnify Terex for those losses.

45. Moreover, Apuzzo knew or was reckless in not knowing that the three-party transaction was designed to inflate the gain that URI would recognize from the sale-leaseback transaction by disguising the indemnification payment to Terex as an undisclosed "premium" on the purchase of new equipment. Apuzzo received internal Terex communications discussing the payment of a \$4 million "premium" on the purchase of \$24 million in new equipment. As in the Terex I transaction, Terex issued inflated invoices showing the aggregate purchase price of the new equipment to be \$28 million, without disclosure of the purported "premium" being charged. As before, the disguising of the indemnification payment was done with Apuzzo knowledge.

46. While Terex sales managers negotiated directly with their URI counterparts concerning many of the details of the transaction, Apuzzo was involved throughout the process, in discussions with Nolan, monitoring email communications, and maintaining control over the final terms of the agreement. On December 29, 2001, the day after the agreements were executed, in an email to one of Terex's senior officers, Apuzzo reported on the successful conclusion of the negotiations, noting in particular that Terex had generated cash from the sale to URI that "will be credited to cash at year end." As with the Terex I transaction, Apuzzo improperly recorded revenue from the sale to URI to improve Terex's reported year-end financial results.

Concealing URI's Fee Payments To The Financing Company

47. During the same period in which the Terex I transaction was negotiated, URI was simultaneously negotiating with the Financing Company the purchase of an unrelated equipment rental company in which the Financing Company had an ownership interest. In connection with that negotiation, URI made an advance payment to the Financing Company of a \$3.5 million fee, which was contingent upon URI's successful completion of the acquisition. Nolan and others and the Financing Company agreed that if URI did not successfully complete the acquisition, the Financing Company would pay the \$3.5 million to Terex instead of returning it to URI.

48. Although Terex had no involvement with the proposed acquisition being negotiated between URI and the Financing Company, Apuzzo agreed to include in the Terex I Remarketing Agreement a provision requiring the contingent fee that URI was paying to the Financing Company be repaid to Terex (if the URI acquisition was not completed).

49. Having signed the Remarketing Agreement in December 2000 requiring the \$3.5 million to be paid to Terex, in June 2001, Apuzzo agreed to amend the agreement to reduce the amount that the Financing Company was to pay Terex by approximately \$1.25 million. The amendment served no purpose other than to allow URI and the Financing Company to conceal the \$1.25 million in fees URI was being charged by the Financing Company in connection with new sale-leaseback transactions in which Terex had no financial or other involvement. In December 2001, Apuzzo agreed to again amend the Terex I Remarketing Agreement, lowering the amount that the Financing Company was to pay Terex by an additional \$277,000. As before, the amendment served no purpose other than to allow URI and the Financing Company to use the \$277,000 to cover fees URI was being charged with in connection with the Terex II transaction.

Materiality of Sale-Leaseback Transactions

50. As a result of the fraudulent accounting, the financial statements and results that URI incorporated into its periodic filings and other materials disseminated to the investing public were materially false and misleading.

51. By fraudulently characterizing the Terex I and Terex II transactions as minor sale-leasebacks and inflating the gains on the transactions, Nolan and others materially overstated URI's profits and allowed the company to meet its earnings guidance and analyst expectations for the fourth quarter and full year 2000 and for the fourth quarter and full year 2001.

FIRST CLAIM FOR RELIEF
Aiding and Abetting URI's Violations
of the Antifraud Provisions of the Exchange Act
(Section 10(b) and Rule 10b-5 thereunder)

52. Paragraphs 1 through 51 are re-alleged and incorporated by reference as if set forth fully herein.

53. As alleged more fully above, URI, by the use of the means and instruments of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which there were made, not misleading; or (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities.

54. URI engaged in the conduct alleged herein knowingly or with reckless disregard for the truth.

55. By reason of the conduct described above, URI 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.

56. Apuzzo knew or was reckless in his failure to know, that his activity, as described more fully above, was part of an overall activity by URI that was improper.

57. Apuzzo knowingly provided substantial assistance to URI in the commission of some or all of the violations by URI of 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.

58. By reason of the conduct described above, Apuzzo, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. §78t(e)], aided and abetted URI's violations of 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.

SECOND CLAIM FOR RELIEF
Aiding and Abetting URI's Violations
of the Reporting Provisions of the Exchange Act
(Section 13(a) and Rule 13a-1 thereunder)

59. Paragraphs 1 through 51 are realleged and incorporated by reference as if set forth fully herein.

60. At the times alleged in this Complaint, URI, whose securities were registered pursuant to Section 12 of the Exchange Act, failed to file annual reports with the Commission that were true and correct.

61. By reason of the conduct described above, URI violated Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and Rule 13a-1 [17 C.F.R. §240.13a-1] thereunder.

62. Apuzzo knew, or was reckless in his failure to know, that his activity, as described more fully above, was part of an overall activity by URI that was improper.

63. Apuzzo knowingly provided substantial assistance to URI in the commission of some or all of the violations by URI of Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and Rule 13a-1 [17 C.F.R. §240.13a-1] thereunder, as described more fully above.

64. By reason of the conduct described above, Apuzzo, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. §78t(e)], aided and abetted URI's violations of

Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and Rule 13a-1 [17 C.F.R. §240.13a-1] thereunder.

THIRD CLAIM FOR RELIEF
Aiding and Abetting URI's Violations
of the Books and Records Provisions of the Exchange Act
(Section 13(b)(2)(A))

65. Paragraphs 1 through 51 are realleged and incorporated by reference as if set forth fully herein.

66. From at least 2000 to 2002, URI, whose securities were registered pursuant to Section 12 of the Exchange Act, failed to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected the transactions and dispositions of its assets.

67. By reason of the conduct described above, URI violated Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. §78m(b)(2)(A)].

68. Apuzzo knew or was reckless in his failure to know, that his activity, as described more fully above, was part of an overall activity by URI that was improper.

69. Apuzzo knowingly provided substantial assistance to URI in the commission of some or all of the violations by URI of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. §78m(b)(2)(A)].

70. By reason of the conduct described above, Apuzzo, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. §78t(e)], aided and abetted URI's violations of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. §78m(b)(2)(A)].

FOURTH CLAIM FOR RELIEF
**Aiding and Abetting Nolan's Violation
of Section 13(b)(5) of the Exchange Act**

71. Paragraphs 1 through 51 are realleged and incorporated by reference as if set forth fully herein.

72. At the times alleged in this Complaint, Nolan knowingly circumvented or failed to implement a system of internal accounting controls or knowingly falsified any book, record or account required to be filed with the Commission.

73. By reason of the conduct described above, Nolan violated Section 13(b)(5) of the Exchange Act [15 U.S.C. §78m(b)(5)].

74. Apuzzo knew or was reckless in his failure to know, that his activity, as described more fully above, was part of an overall activity by Nolan that was improper.

75. Apuzzo knowingly provided substantial assistance to Nolan in the commission of some or all of the violations by Nolan of Section 13(b)(5) of the Exchange Act [15 U.S.C. §78m(b)(5)].

76. By reason of the conduct described above, Apuzzo, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], aided and abetted Nolan's violations of Section 13(b)(5) of the Exchange Act [15 U.S.C. §78m(b)(5)].

FIFTH CLAIM FOR RELIEF
**Aiding and Abetting Nolan's Violation
of Exchange Act Rule 13b2-1**

77. Paragraphs 1 through 51 are realleged and incorporated by reference as if set forth fully herein.

78. At the times alleged in this Complaint, Nolan, directly or indirectly, falsified or caused to be falsified, books record or accounts subject to Section 13(b)(2)(A) of the Exchange Act.

79. By reason of the conduct described above, Nolan violated Exchange Act Rule 13b2-1 [17 C.F.R. §240.13b2-1].

80. Apuzzo knew or was reckless in his failure to know, that his activity, as described more fully above, was part of an overall activity by Nolan that was improper.

81. Apuzzo knowingly provided substantial assistance to Nolan in the commission of some or all of the violations by Nolan of Exchange Act Rule 13b2-1 [17 C.F.R. §240.13b2-1].

82. By reason of the conduct described above, Apuzzo, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. §78t(e)], aided and abetted Nolan's violations of Exchange Act Rule 13b2-1 [17 C.F.R. §240.13b2-1].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue a judgment permanently restraining and enjoining Apuzzo, his agents, officers, servants, employees, attorneys, assigns and all those persons in active concert or participations with them, who receive actual notice of the Judgment by personal service or otherwise, and each of them from aiding and abetting violations of Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(5) of the Exchange Act [15 U.S.C. §§78j(b), 78m(a), 78m(b)(2)(A), and 78m(b)(5)] and Exchange Act Rules 10b-5, 13a-1 and 13b2-1 [17 C.F.R. §§240.10b-5, 13a-1 and 13b2-1];

II.

Order Apuzzo to disgorge ill-gotten gains from the conduct alleged herein and to pay prejudgment interest thereon;

III.

Order Apuzzo to pay a civil penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)] in an amount to be determined by the Court;

IV.

Order Apuzzo to be barred from serving as an officer or director of any publicly held Company pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. §78u(d)(2)]; and

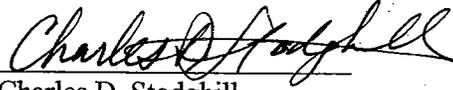
V.

Grant such other relief as this Court may deem just and appropriate

Dated: December 27, 2007



Victoria S. Shin
Assistant United States Attorney
United States Attorney's Office
157 Church Street
New Haven, CT 06510
Telephone: (203) 821-3799
Telefax: (203) 773-5373
Federal Bar No. ct26806
Victoria.Shin@usdoj.gov



Charles D. Stodghill
Fredric D. Firestone
Kenneth R. Lench
David A. Kagan-Kans
Lesley B. Atkins
Richard E. Johnston
Attorneys for Plaintiff
SECURITIES AND
EXCHANGE
COMMISSION
100 F Street NE
Washington DC 20549
Telephone: (202) 551-4413
Telefax: (202) 772-9237