

3. Contrary to Defendants' representations, only a small amount of the investors' money was ever used to purchase securities. Instead, Defendant Campbell diverted the money for personal uses, including paying for vacations, cars, jewelry, sporting goods, and furniture. Defendants also used some investor money to pay other investors as purported returns on their investments, in an apparent effort to keep the Ponzi scheme from collapsing. To prevent investors from finding out the truth, Defendants sent investors fabricated monthly statements.

4. More recently, when investors began requesting withdrawals, Defendants falsely told them that their money could not be refunded because the Commission had frozen Defendant CJF's bank accounts and other assets, as part of an ongoing investigation "to ensure that CJsFinancial [sic] is conducting business legally while adhering to all government rules and regulations for day traders." In truth, the Commission had not frozen Defendants' or their investors' assets. This bogus story was fabricated to keep investors from realizing their money had been misappropriated by Defendants.

5. Defendants, directly and indirectly, have engaged in transactions, acts, practices and courses of business that constitute violations of Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §77(q)(a)], Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §78j(b)], and Rule 10b-5 [17 C.F.R. §240.10b-5] promulgated thereunder. Defendants, directly and indirectly, have also engaged, and unless enjoined, will continue to engage, in acts, transactions, practices and courses of business that violate 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)].

6. The Commission brings this action pursuant to Section 20(b) of the Securities Act [15 U.S.C. §77t(b)], Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§78u(d) and

78u(e)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)], to put an immediate stop to Defendants' misconduct, to prevent further harm to investors, and to hold Defendants accountable for their flagrant and repeated violations of the federal securities laws.

JURISDICTION AND VENUE

7. This Court has jurisdiction over the subject matter of this action 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], Section 214 of the Advisers Act [15 U.S.C. § 80b-14], and 28 U.S.C. § 1331. Venue is proper in this district pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa].

8. Defendant Campbell resides in Canton, Michigan, which is located in this district. Campbell operates CJF out of her Canton residence. Many, if not all, of the transactions, acts, practices, and courses of business constituting the violations alleged herein have occurred within the jurisdiction of the United States District Court for the Eastern District of Michigan.

9. Defendants, directly and indirectly, have made use of the means and instrumentalities of interstate commerce (including, without limitation, the Internet, e-mail, banking system, and telephone) and of the mails in connection with the transactions, acts, practices, and courses of business alleged herein in the Eastern District of Michigan and elsewhere.

10. There is a reasonable likelihood that Defendants will, unless enjoined, continue to engage in the transactions, acts, practices and courses of business set forth in this complaint, and transactions, acts, practices and courses of business of similar purport and object.

THE DEFENDANTS

11. Defendant CJF is an unincorporated business located in Canton, Michigan, which is being operated as a so-called "investment firm." CJF is not registered with the Commission.

12. Defendant Campbell is a resident of Canton, Michigan. Campbell has held herself out to the public as the CFO of CJF and has told potential investors that she is a licensed financial planner. In fact, Campbell is not registered with the Commission, and she is not associated with a registered entity. Nor is she registered as an investment adviser with the Michigan Office of Financial and Insurance Regulation.

FACTS

Defendants Guarantee Double-Digit Returns and Payment of Taxes.

13. In or before April 2009, Campbell and Jessie A. Wozniak began operating an alleged “independent investment firm” called CJ Financial. According to CJF’s website, www.cjsfinancial.com, Wozniak was its “CEO” and “Founder,” while Campbell was its “CFO.”

14. Prior to starting CJF, Campbell and Wozniak worked in the automobile industry.

15. CJF and Campbell lured individuals into investing money with them by, among other things, assuring potential investors that their money was safe, by promising them double-digit investment returns, and by telling them that Defendants would pay the capital gains taxes on their investment profits. Defendants, through their website and Campbell personally, made the following representations to potential investors:

- CJF “makes daily stock trades on your behalf”;
- your “initial investment will NEVER go down in value”;
- CJF guarantees “[a]t least a 10% return monthly on your investment”;
- there will be “NO PENALTIES OR TAXES to pay when you withdraw your money, because CJ’s Financial pays your Capital Gains taxes!”
- you “may withdraw money from the account whenever you want with no penalties”; and
- “Our fee will never change, it will always be only 20% of your profits”.

16. According to Campbell, stock purchase and trades conducted on behalf of investors were made through a TD Ameritrade (“Ameritrade”) account.

17. Defendants sent to at least some investors a financial services agreement (“FSA”) to sign. The FSA, which Defendants prepared, repeated many of these same representations set forth in paragraph 15 above. In the FSA, Defendants state, among other things, that:

- The Financial Agent (identified as Campbell) would use the client’s investment money “to buy and sell stocks in an online trading environment for the purpose of making a profit.” (Ex. 2 § 1.2.);
- The Financial Agent would “Ensur[e] the initial investment never loses its’ [sic] present value...” (*Id.*)
- The Financial Agent would “Guarantee at least a 10% return monthly.” (*Id.*)
- “The Agreement may be terminated by the Client immediately, at will, and in the sole discretion of the Client.” (*Id.* § 4.1.)
- The consideration paid by Client for “all services to be rendered by Financial Agent to the Client” shall be “20% of monthly return.” (*Id.* § 3.1.)

18. The FSA also contains a representation by Defendants that Campbell “is licensed by the appropriate licensing agency for the financial planner/investment banker profession and that he/she is in good standing with such agency.” (*Id.* § 6.2.)

19. From on or about May 20, 2009 through on or about June 17 2010, Defendants received more than \$1 million from more than 60 potential investors.

Campbell Misappropriates Investor Funds For Personal Uses

20. Unfortunately for investors, many of Defendants’ representations were false. Most of the investors’ money was deposited by Campbell into her personal checking account, was never deposited or transferred to an Ameritrade account, and was never used to purchase or trade stocks. Rather, Campbell used much of the money for her own personal benefit.

21. Out of approximately \$1,057,400 received from investors and deposited by Campbell into her personal bank account during this time period, only \$58,000 was transferred into Campbell's Ameritrade account. Campbell diverted at least \$540,000 of the funds for personal use, and withdrew an additional \$138,000 in cash.

22. For example, Campbell used more than \$127,000 to fund travel expenses, including buying airplane tickets from United Airlines, Delta Airlines, US Airways, and Continental Airlines, and paying for resorts in Florida and Arizona.

23. Campbell used other investor funds to make purchases from several jewelry retailers (\$33,046), sporting goods retailers (\$28,350), furniture stores (\$29,124), and laser surgery centers (\$20,650). Additionally, Campbell spent at least \$100,000 at automobile dealerships. Defendants did not disclose to investors that their money was being used for any of these reasons.

Campbell Paid Money to Other Investors

24. In an apparent effort to keep the Ponzi scheme from collapsing, Campbell used more than \$350,000 of investor money to pay other investors.

25. For example, from September 2009 to April 2010, Campbell made at least 12 transfers totaling \$62,000 to one investor.

26. In another example, Campbell transferred \$150,000 in six installments of \$25,000 to the same investor between February 26, 2010 and March 25, 2010. Again, Defendants did not tell investors their money was being used to pay other investors.

*Defendants Create A Phony SEC Asset Freeze
As A Ruse To Prevent Investors From Withdrawing Their Money.*

27. In 2010, as investors began requesting the return of their money, Defendants concocted a scheme to convince investors that, notwithstanding Defendants' prior

representations that investors would be able to withdraw their money “whenever they want,” Defendants could not return investor funds. Defendants told investors that CJF’s bank accounts and other assets had been frozen by the Commission.

28. For example, on May 26, 2010, Ramona Mangan, who is Campbell’s assistant, sent an e-mail to CJF’s clients updating them about the ongoing “government” investigation of CJF. Mangan acknowledged that CJF “knows and understands” that “[m]any individuals are in need of money,” and assured investors CJF was “doing everything we can do to get this issue corrected.” Nevertheless, Mangan claimed that “CJ’s Financial hands are tied in this matter.” According to Mangan, “Since the Ponzi Scheme in 2009 government officials do not investigate lightly and perform detailed investigations to ensure the public is safe from fraudulent activity and trading.” (A copy of Mangan’s May 26, 2010 e-mail is attached hereto as Exhibit A.)

29. On June 3, 2010, Mangan sent another e-mail to investors with more details about the investigation and telling them that CJF’s assets had been frozen. According to Mangan, “CJ’s Financial and attorneys [sic] went to the SEC (Security Exchange [sic] Commission) office on Tuesday June 1, 2010. The intentions of the meeting were to obtain a time frame as to when all assets, including CJ’s Financial accounts will be un-frozen and to find out what issues have been defined by the SEC as civil infractions.” Later in the e-mail Mangan reiterated that “All assets, bank accounts and TD accounts are frozen UNTIL the SEC, which is a branch of the government is finished with their investigation.” Mangan quoted the “SEC lead investigator” as stating that ““bank accounts, assets and trading accounts will become available when the investigation is over.”” Mangan assured investors that “Our main concern at CJ’s Financial is to complete the investigation as quickly as possible, so we can transfer all requested withdrawals

and continue trading once again.” (A copy of Mangan’s June 3, 2010 e-mail is attached hereto as Exhibit B.)

30. Campbell made similar representations to investors.

31. Contrary to the information Mangan and Campbell provided to investors, there was no meeting on June 1, 2010 between the Commission and CJF and its attorneys, and the Commission had not frozen Defendants’ bank accounts, trading accounts, or other assets. Defendants fabricated this story to keep investors from realizing Defendants had stolen their money.

Campbell Is Not Registered With The Commission Or The State Of Michigan.

32. As part of their scheme to induce people to invest with them, Defendants sought to give potential investors a false sense of security that their investments were being handled by people with investment industry experience and qualifications. For example, Defendants represented in the FSA they sent to investors that Campbell “is licensed by the appropriate licensing agency for the financial planner/investment banker profession and that he/she is in good standing with such agency.” Campbell also told potential investors she was a licensed financial planner.

33. In fact, Campbell is not registered with the Commission in any capacity or as an investment adviser with the Michigan Office of Financial and Insurance Regulation.

COUNT I
Violations of Section 17(a)(1) of the Securities Act

34. Paragraphs 1 through 33 are realleged and incorporated by reference as if set forth fully herein.

35. From in or about 2009 through the present, Defendants, in the offer and sale of securities, 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, have employed devices, schemes and artifices to defraud.

36. With respect to the representations Defendants made to investors described in paragraphs 15 through 18 and 27 through 30, Defendants either knew that those representations were false or were reckless in disregarding a substantial risk that they were false.

37. By reason of the activities described in paragraphs 1 through 36 above, Defendants have violated Section 17(a)(1) of the Securities Act [15 U.S.C. §77q(a)(1)].

COUNT II
Violations of Section 17(a)(2) and 17(a)(3) of the Securities Act

38. Paragraphs 1 through 37 are realleged and incorporated by reference as if set forth fully herein.

39. From in or about 2009 through the present, Defendants, in the offer and sale of securities, 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, have obtained money and property by means of untrue statements of material fact or omissions 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 have engaged in transactions, practices or courses of business which have operated as a fraud and deceit upon purchasers of securities.

40. By reason of the activities described in paragraphs 1 through 39 above, Defendants have violated Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §77q(a)(2) and §77q(a)(3)].

COUNT III

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

41. Paragraphs 1 through 40 are realleged and incorporated by reference as if set forth fully herein.

42. From in or about 2009 through the present, Defendants, in connection with the purchase and sale of securities, directly and indirectly, by the use of the means and instrumentalities of interstate commerce and of the mails, have employed devices, schemes and artifices to defraud; have made untrue statements of material fact and have 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 have engaged in acts, practices and courses of business which operated as a fraud and deceit upon purchasers of securities.

43. With respect to the representations Defendants made to investors described in paragraphs 15 through 18 and 27 through 30, Defendants either knew that those representations were false or were reckless in disregarding a substantial risk that they were false.

44. By reason of the activities described in paragraphs 1 through 43 above, Defendants have 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] promulgated thereunder.

COUNT IV

**Violations of Sections 206(1) and 206(2)
[15 U.S.C. §§ 80b-6(1), 80b-6(2)] of the Advisers Act**

45. Paragraphs 1 through 44 above are re-alleged and incorporated herein by reference.

46. By reason of the foregoing, Defendants, directly and indirectly, by the use of the means and instrumentalities of interstate commerce and by the use of the mails, while acting as

an investment adviser: (a) with scienter, employed devices, schemes, and artifices to defraud advisory clients or prospective advisory clients; and (b) engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon clients or prospective clients.

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

PRAYER FOR RELIEF

WHEREFORE, the SEC requests that the Court:

I.

Find that Defendants committed the violations charged and alleged herein.

II.

Grant Orders of Preliminary and Permanent Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, preliminarily and permanently restraining and enjoining Defendants, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§77q(a)(1), 77q(a)(2), and 77q(a)(3)], Sections 10(b) of the Exchange Act [15 U.S.C. §§78j(b)] and Rules 10b-5 [17 C.F.R. §§240.10b-5] promulgated thereunder, and Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §80b-6(1) and (2)].

III.

Issue an Order requiring Defendants to disgorge the ill-gotten gains that they received as a result of their wrongful conduct, including prejudgment interest.

IV.

With regard to Defendants' violative acts, practices, and courses of business set forth herein issue an Order imposing upon them appropriate civil penalties 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 Section 209(e) of the Advisors Act [15 U.S.C. § 80b-9(e)].

V.

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

VI.

Grant appropriate emergency relief to prevent further secretion or dissipation of assets purchased with investor funds.

VII.

Grant an Order for any other relief this Court deems appropriate.

Respectfully Submitted,

s/Daniel J. Hayes

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Dated: August 4, 2010

COMPLAINT EXHIBIT LIST

- A. RAMONA MANGAN E-MAIL DATED MAY 26, 2010**
- B. RAMONA MANGAN E-MAIL DATED JUNE 3, 2010**

EXHIBIT A

Hayes, Daniel J.

From:
Sent:
To:
Subject:

Redacted

Redacted

On Wed, May 26, 2010 at 3:37 PM, Mona Mangan <monamangan@yahoo.com> wrote:
Hi,

I just want to send a quick email and keep everyone informed as to the investigation/process with CJ's Financial. There really isn't much more to update everyone on except that if the officials do not get back to CJ's Financial by Friday May 28th then the lawyers involved with the case and CJ's Financial are going to show up to the officials office on Tuesday to find out what actions need to be corrected to move on. No one within CJ's Financial is sure of how long this investigation will take however, we are doing everything we can do to get this issue corrected. Many individuals are in need of money and CJ's Financial knows and understands this however, CJ's Financial hands are tied in this matter. Investigations that are performed by the government are thorough and involved. Since the Ponzi Scheme in 2009 government officials do not investigate lightly and perform detailed investigations to ensure the public is safe from fraudulent activity and trading. As a reminder the officials stated that the issues that CJ's Financial is involved in are civil matters not criminal. We are hoping that we are close to the end of all this and I will continue to send updates as I receive more information. I am sorry that CJ's Financial does not have much to update.

As always if you have any questions please feel free to contact me.
I will be unavailable from Thursday afternoon until Tuesday June 1st.

Thank you for your cooperation in this matter,

Mona
CJ's Financial

EXHIBIT B

Hayes, Daniel J.

From:
Sent:
To:
Subject:

Redacted

Redacted

On Thu, Jun 3, 2010 at 9:17 PM, Mona Mangan <monamangan@yahoo.com> wrote:
Hello,

I would like to take a moment to keep everyone informed with the current status of CJ's Financial. First I want to inform everyone that CJ's Financial and attorneys went to the SEC (Security Exchange Commission) office on Tuesday June 1st, 2010. The intentions of the meeting were to obtain a time frame as to when all assets, including CJ's Financial accounts will be un-frozen and to find out what issues have been defined by the SEC as civil infractions. As each investor is aware the current issues we already know include the word "guarantee" stated in the contracts and the phrase "We will pay your capitol gains tax" on the website. As a reminder the SEC investigation of CJ's Financial is a Civil matter not Criminal matter.

All assets, bank accounts and TD accounts are frozen UNTIL the SEC, which is a branch of the government is finished with their investigation. A time frame of the investigation duration has not been provided to CJ's Financial; when the question was asked to the SEC lead investigator his response was, "the bank accounts, assets and trading accounts will become available when the investigation is over". I have attached a link that explains why we at CJ's Financial have not received any new information as to the status of the investigation.

<http://www.sec.gov/answers/investg.htm>

There is another meeting scheduled with different SEC officials that will hopefully help expedite this investigation. Our main concern at CJ's Financial is to complete the investigation as quickly as possible, so we can transfer all requested withdrawals and continue trading once again. As new information comes about I will keep everyone posted, but until then there will be little new information to communicate to our clients.

I would like to remind everyone that I'am the main client contact interface at CJ's Financial. This means that any new information will be distributed from me to all of our clients and any questions or concerns should only be directed to me as I previously stated upon my arrival at CJ's Financial. Candy is currently working with her lawyers and the SEC to keep the investigation moving forward. As things progress I will keep emailing updates to keep all our clients informed. I want to ensure everyone we are doing everything humanly possible to reconcile this untimely and unfortunate issue.

As a final note I feel I must express to each client the SEC is 100 percent completely in control of all aspects of this investigation. As a company CJ's Financial has zero effect on the expedition of this investigation, in other words "it will be over when it's over". Hopefully the provided link will help validate the lack of information CJ's Financial has been able to provide to our clients.

Thank you,
Mona
CJ's Financial