IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
v.	§	
	§	
CHIRSTOPHER LOVE BLACKWELL,	§	
AV BAR REG, INC., AND	§	Case No.:
MILLERS A GAME, LLC,	§	
	§	
Defendants,	§	
	§	

COMPLAINT

Plaintiff Securities and Exchange Commission files this Complaint and seeks emergency relief to halt an ongoing offering fraud conducted by Christopher Love Blackwell ("Blackwell") through two entities he controls, AV Bar Reg, Inc., ("AV Bar"), and Millers A Game, LLC ("MAG") (collectively, "Defendants"), and alleges:

SUMMARY

1. Since 2007, Defendants have illegally raised more than $4 million from at least thirteen investors, including a former Dallas Cowboy, by offering and selling several fraudulent investments. These fraudulent investments include fixed income (or mid-term note) trading programs, hedge funds, movie distribution investment contracts, and related advisory services. The fixed income trading program was Blackwell's most popular offering. It was also a fiction.

2. Blackwell pitched his trading program by telling potential investors that he would pool their funds with his own funds and those of other investors. He claimed that he would then

use the combined funds to trade or as collateral for "lines of credit" or "letters of credit," which he would then use to trade fixed income securities, including mid-term notes issued by reputable international banks and other financial institutions.

3. Investor funds were not used as promised. Blackwell did not purchase or trade any securities. Instead, he used investor money to pay more than $720,000 in personal and business expenses, including child support, travel, entertainment (including gentlemen's clubs), utilities, food, office equipment and supplies, office rent, and purchases of Audi, Hummer and other vehicles. He also funneled more than $900,000 in cash directly to himself, his family members, friends and other associates. And he diverted investor funds to support his other questionable business activities, including roughly $249,000 purportedly used to fund a personal entertainment investment, and roughly $1.1 million to purchase interests in sham letters of credit. Finally, Blackwell used more than $500,000 to make Ponzi payments – *i.e.*, he used new investors' funds to pay old investors.

4. Blackwell enticed investors by telling them that his trading program would generate highly impressive, guaranteed returns. In a taped sales pitch to an undercover law enforcement agent, Blackwell even promised risk-free returns of "25 to 30 percent *per month* with regularity." And he falsely claimed that these profits were possible because of: his academic pedigree, including Master's and Ph.D. degrees acquired at a prestigious university in Spain (Blackwell held no such degrees); his extensive experience as a trader (he had little, if any, such experience); and the know-how and connections he acquired while employed by Goldman Sachs and The Bank of Madrid (he never worked at either firm).

5. Blackwell also claimed that his trading program was risk-free. He told investors that their funds would remain on deposit in attorney escrow accounts and would not be removed without authorization. And he told investors that their funds would be used solely as collateral to obtain "leverage" in the form of a line of credit.

6. Blackwell's conduct appears to be ongoing, placing investor funds at risk. To protect investors from Blackwell's fraudulent practices, the Commission brings this action seeking emergency relief, preliminary and permanent injunctive relief, disgorgement of all illicit profits and benefits, plus accrued prejudgment interest and civil monetary penalties.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action under Section 22(a) of the Securities Act of 1933 [15 U.S.C. § 77v(a)], (the "Securities Act"), Section 27 of the Securities Exchange Act of 1934 [15 U.S.C. §§ 78u(e) and 78aa] ("Exchange Act") and Section 214 of the Investment Advisers Act of 1940 [15 U.S.C. § 80b] ("Advisers Act"). Defendants have, directly or indirectly, made use of the mails and of the means and instrumentalities of interstate commerce in connection with the acts, transactions, practices, and courses of business described in this Complaint.

8. Venue is proper in this district because certain of the acts, transactions, practices, and courses of business constituting the violations alleged in this Complaint occurred in the Northern District of Texas and certain of the victims are located in this district.

PARTIES

9. Christopher Love Blackwell, age 31, was, until recently, a resident of Euless, Texas. His last known residence is believed to be his father's home at 1229 E. Mescalero Road,

Roswell, New Mexico 88201. Blackwell has represented that he is the co-owner (with his father), director, fund manager, and "sole decision-maker" of AV Bar.

10. AV Bar Reg, Inc. is a Texas corporation located at 4214 Gateway Drive, Suite 150, Colleyville, Texas 76304. Blackwell is listed with the Texas Secretary of State as AV Bar's president, secretary, and director.

11. Millers A Game, LLC (MAG) is an Arizona limited liability company located at 1900 W. Chandler Blvd, Suite 15-315, Chandler, Arizona 85224. Blackwell has acted with the apparent authority of an officer or member of MAG, and has signatory authority over a bank account in the company's name. And Blackwell has offered and sold securities using MAG's name and letterhead.

ALLEGATIONS

Blackwell's Investment Advisory Business

12. Blackwell, AV Bar, and MAG acted as investment advisers to Blackwell's clients, including those described in this Complaint. While providing advisory services, Blackwell offered and sold several fraudulent investments, including fixed income (or mid-term note) trading programs, hedge funds, and movie distribution investment contracts.

13. In connection with Blackwell's trading program and other securities offerings, Defendants Blackwell, AV Bar, and MAG entered into written and oral advisory agreements with clients. The clients and Blackwell agreed that Blackwell, through the entity Defendants, would manage the clients' investments for a fee. Some of the advisory agreements also provided for a sharing of trading profits.

14. When he entered into advisory agreements, Blackwell knew or was severely reckless in not knowing that the representations he made about his investment offerings were false. He also knew or was severely reckless in not knowing that he had previously misapplied client funds. And he knew that he had no intention of trading for his clients or otherwise performing as he represented orally and in advisory agreements.

15. As outlined below, Blackwell (through AV Bar and MAG) misappropriated investor assets to pay Blackwell's personal expenses, fund AV Bar operating costs, and make Ponzi payments to investors. Defendants' misrepresentations and misappropriation of investor assets violated their fiduciary duties to clients.

Blackwell's Fixed Income Trading Program

16. Blackwell pitched his fixed income trading program by telling potential investors that he would pool their funds with his own funds and those of other investors. He claimed that he would then use the combined funds as collateral for "lines of credit" or "letters of credit," which he would then use to trade fixed income securities, including mid-term notes issued by reputable international banks and other financial institutions.

17. As a component of his trading program, Blackwell also sold interests in non-existent mid-term notes supposedly issued by prominent banks, like HSBC, one of the largest banking institutions in the world.

18. Blackwell enticed investors with numerous false representations. For example, during a meeting with an undercover law enforcement agent he claimed that his trading program would generate returns of "25 to 30 percent per month with regularity," with no risk. And he falsely claimed that these profits were possible because of: his academic pedigree, including

Master's and Ph.D. degrees acquired at a prestigious university in Spain (Blackwell held no such degrees); his extensive experience as a trader (he had little, if any, such experience), and his know-how and connections acquired as an employee of Goldman Sachs and The Bank of Madrid (he was never employed by either institution).

19. Blackwell claimed that his trading was, and always would be, risk-free and profitable because he prearranged for buyers to purchase the fixed income securities at prices higher than the discounted price that he paid. These buyers supposedly included a network of pension funds and insurance companies run by his "buddies that I went to school with," who were also Blackwell's former co-workers at Goldman Sachs and The Bank of Madrid. These representations were false.

20. Blackwell also promised some prospective investors that his trading program was risk-free because investor funds would remain on deposit in segregated attorney escrow accounts and would not be removed without authorization. And he told investors that their funds, together with those of other investors, would be used solely as collateral to obtain "leverage" in the form of a line of credit, which Blackwell would then use to trade fixed income securities. He went so far as to tell an undercover agent posing as a prospective investor that his funds were not at risk because "within the first seven days I replace your collateral with my collateral . . . you basically just kick start the program."

21. Blackwell's trading program displays many of the hallmarks of a prime bank or high yield investment scheme. "Prime bank" and "high yield" investment schemes are offering frauds typically characterized by, among other things, the promise that they will generate spectacular returns for investors (*e.g.*, Blackwell's claim that his trading program regularly

generated returns of 25 to 30 percent per month), with little or no risk. Other characteristics associated with such scams are: (a) trading in credible sounding financial instruments like medium-term bank notes or debentures, standby letters of credit, bank guarantees, debt obligations of the top world banks, high yield investment programs, or some variation of these; (b) claims that the investments are secretive or exclusive; and (c) use of vague or complex terms and structures to obscure the commercial basis and source of the phenomenal returns promised to investors. In reality, no legitimate investments exist that are capable of guaranteeing the returns promised in such schemes, while, at the same time, exposing investors to no risk. See SEC, "Investor Alert: How Prime Bank Frauds Work,", www.sec.gov/divisions/enforce/primebank/howtheywork.shtml (last visited February 7, 2011).

Blackwell's Misuse of Investor Funds

22. Investor funds were not used as promised. Blackwell did not purchase or trade any mid-term notes or other fixed income securities. Instead, he used the vast majority of the investors' funds to pay for personal and business expenses, and to make Ponzi payments to prior investors.

23. He diverted more than $720,000 to pay personal and business expenses, including child support, travel, entertainment (including gentlemen's clubs), utilities, food, office equipment and supplies, office rent, and purchases of Audi, Hummer and other vehicles. He also funneled more than $900,000 in cash directly to himself, his family members, friends and other associates for little or no apparent consideration.

24. Blackwell also diverted investor funds to support his other questionable business

activities, including roughly $249,000 purportedly used to fund a personal entertainment investment, and approximately $1.1 million to purchase interests in sham letters of credit. Finally, Blackwell used more than $500,000 to make Ponzi payments – *i.e.*, he used new investors' funds to pay old investors.

Blackwell's Victims

25. The experiences described below illustrate how Blackwell conned his investors, and how he misappropriated their funds.

Investor A

26. Investor A, a resident of Las Vegas, Nevada, invested a total of $750,000 with Blackwell. Blackwell's pitch to Investor A included substantially the same falsehoods Blackwell told other investors. Blackwell claimed that he was a "licensed trader" who bought and sold bank notes both domestically and abroad. Blackwell told Investor A that he would pool his funds with other investors, and leverage those funds to trade bank notes. He guaranteed returns of at least four percent per month.

27. Blackwell further explained to Investor A that because of the size of Blackwell's trades ($10 million and up), even a small percentage point difference in the purchase and sale prices would result in large returns for the investor.

28. Blackwell later told Investor A that another one of his clients, who was going through a divorce, owned a $500,000, eight percent face value HSBC note maturing in 18 months that Blackwell could purchase for Investor A for $250,000. Blackwell stated that he would then leverage the note to trade securities in order to pay Investor A a four percent monthly

return until the note matured. Blackwell convinced Investor A that there was no risk because, at a minimum, the investor could double his money when the HSBC note matured.

29. On October 31, 2007, Investor A signed a Private Asset Management Agreement, stating that Investor A was "an investor wishing to enter into private trading transactions involving [mid-term notes] and Bank Guarantees for profit," and sent $250,000 to an escrow account identified by Blackwell.

30. Blackwell provided Investor A with a document on AV Bar letterhead that set forth the terms of the HSBC note he purchased. And, on December 28, 2007, Blackwell sent an e-mail to Investor A confirming that he had in fact purchased an HSBC note for Investor A.

31. Investor A and Blackwell later discussed Investor A's desire to secure financing for a real estate project. Blackwell told Investor A that he could provide financing by obtaining a $10 million dollar line of credit that Blackwell would then use to trade fixed income securities. So, on December 6, 2007, Investor A signed a second agreement, titled "Private Co-Venture Agreement," and subsequently sent an additional $500,000 to Blackwell's escrow account.

32. Blackwell told Investor A that he would make disbursements to Investor A as needed to fund the real estate project, and that Blackwell would trade the remaining funds. The agreement provided that AV Bar will "organiz[e] the issuance of acceptable bank instruments into the facilitating bank account and organiz[e] their exit selling so as to provide for the available cash flow to the total budgetary needs." Blackwell told Investor A that he would generate enough on the trading to finance the real estate project and pay the principal and interest on the line of credit.

33. None of Investor A's money was used to purchase an HSBC note or to trade any securities. Instead, Blackwell used nearly all of the Investor A's investment for his own purposes. In November 2007, Blackwell initially misappropriated approximately $50,000 of Investor A's money by using $27,233 for office equipment, restaurant and entertainment, office rent, groceries, and auto/fuel expenses, $5,000 to pay to a Blackwell associate, $5,639 to pay for various unknown disbursements, and $15,500 to transfer out to other AV Bar bank accounts. On December 11, 2007, Blackwell misappropriated the rest of Investor A's investment by transferring $700,000 to the escrow account of an attorney in Florida, purportedly to purchase a letter of credit.

34. To date, Investor A has not received any money from Blackwell or his companies.

Investor B

35. In the spring of 2008, Investor B met Blackwell through an intermediary who claimed to run a faith-based business and investment development firm. The intermediary invited Investor B to participate in a conference call with Blackwell. During the call, Blackwell stated that he was a successful trader of foreign bank instruments, and explained how his trading program worked. Investor B did not invest with Blackwell after this initial contact.

36. In late summer 2008, the intermediary approached Investor B again, and assured Investor B that investing in Blackwell's trading program was "totally safe" because he had at least eight to ten people who had invested close to a million dollars in Blackwell's trading program, all of whom had received their promised return.

37. The intermediary explained to Investor B that Blackwell was raising investor funds that he planned to pool in order to obtain a line of credit. The intermediary further

explained that any funds that Investor B invested would not be subject to any risk because they would be deposited into an attorney escrow account and used only to obtain a line of credit. According to the intermediary, the funds would never leave the escrow account.

38. The intermediary guaranteed that Blackwell's trading would generate at least 4.5 percent per month. The intermediary further explained that Investor B's investment would be completely safe because, before purchasing the foreign bank instruments, Blackwell would pre-arrange for a buyer (such as insurance company) to purchase the foreign bank instruments from him at a profit.

39. Investor B subsequently invested $200,000 in Blackwell's fixed income trading program. Investor B's written agreement is substantially similar to Investor A's agreement with AV Bar, except that the intermediary's company was listed as the counter-party to Investor B's contract. Investor B was told that his agreement was structured this way so that one percent of any profits (above and beyond the guaranteed 4.5 percent) could be used to support worthwhile charities. Although the agreement was through another entity, Investor B understood that his money would be managed by Blackwell.

40. As directed by Blackwell, Investor B wired $200,000 to an escrow agent on August 15, 2008. That same day, the entire $200,000 was transferred from the escrow account to an AV Bar operating account. $75,000 was then transferred to three other AV Bar accounts; $30,000 was paid to Blackwell's former business partner and to a company that sued Blackwell for more than $23 million; $25,000 was paid to a prior Blackwell investor; $15,000 was transferred to Blackwell, and $30,000 was transferred to Blackwell's father and two Blackwell associates.

41. On December 31, 2008, the intermediary and Investor B met with Blackwell to discuss the status of Investor B's money. During that meeting, Blackwell claimed that he had traded profitably on behalf of Investor B, that Investor B's investment was totally secure, and that Blackwell would pay the promised returns soon.

42. Investor B received a September 2008 payment of $9,226 in "profits," but has not received any other principal or interest on his $200,000 investment.

Investor C

43. In late 2008, Investor C, a former Dallas Cowboy, met Blackwell through one of his former teammates. Blackwell pitched Investor C on a deal involving the purchase and sale of jet fuel, and an investment involving trading in mid-term notes.

44. Blackwell told Investor C that he had extensive experience trading domestic and foreign bank notes, and that Blackwell's family had extensive personal wealth, which Blackwell used to buy and sell notes on a daily basis. Blackwell also claimed that because of his connections at HSBC, one of the largest banking institutions in the world, he could purchase mid-term notes at a discounted rate. As a result, Blackwell claimed he could generate a guaranteed return of at least four percent per month. And, he assured Investor C that there was no risk on this transaction. All of these representations were false.

45. On January 21, 2009, Investor C wired $250,000 to an attorney escrow account, as directed by Blackwell, to purchase an HSBC note from Blackwell.

46. But Blackwell never purchased an HSBC note or any other security for Investor C. Rather, on February 3, 2009, Blackwell directed the escrow attorney to transfer $249,000

from the escrow account to HGI Entertainment, Ltd., a Phoenix-based company controlled by a friend of Blackwell.

47. During a telephone interview, Blackwell told SEC enforcement staff that he sent the $249,000 to his friend to purchase a music and movie catalog. Blackwell claimed not to know the source of the $249,000, and stated that the money he sent to the friend was money that he had "earned."

48. According to HGI's bank records, all of the funds it received were disbursed to Blackwell, the friend, their respective family members and associates, and to pay various bills that appear personal in nature.

49. In September 2009, after not receiving his promised return, Investor C confronted Blackwell. In an attempt to address Investor C's concerns, Blackwell provided him with a letter on HSBC letterhead that was apparently intended to demonstrate that Blackwell had in fact purchased an HSBC note for Investor C. The letter included information regarding an expected wire transfer. HSBC's Security and Fraud Risk group has confirmed that the letter was fraudulent. In other words, it was a forgery.

50. In late 2010, Blackwell informed Investor C that he had sold Investor C's HSBC note at a profit, and would soon send his principal and interest.

51. To date, Investor C has not received any funds from Blackwell.

Undercover Law Enforcement Investigation

52. Blackwell came to the attention of the United States Department of Homeland Security ("DHS") because of large wire transfers and cash transactions that raised suspicions of

terrorism. After DHS conducted a preliminary investigation, it became clear to the DHS agents that Blackwell was not a terrorist -- just a thief.

53. DHS continued to investigate possible violations of federal law involving large, unreported cash transactions and other potentially fraudulent transactions by AV BAR and Blackwell. In connection with this investigation, DHS agents obtained documents, conducted interviews, and made video and audio recordings of meetings during which Blackwell offered investments to undercover agents.

54. While pitching his trading program to an undercover DHS agent, whom Blackwell believed to be a wealthy potential investor, Blackwell made numerous false and misleading representations. For example, during a February 11, 2010 face-to-face conversation at a Hooters restaurant:

- Blackwell stated that he will get ten or eleven guys like the undercover agent and use their funds to make money in long term investing.
- Blackwell told the undercover agent that he would not lose his money and he would make two to three times return in 30 to 60 days. Blackwell stated that he has never seen his program not pay.
- Blackwell stated that there is not any risk because the agent's money will stay in his account and that Blackwell would obtain a line of credit using the agent's account as collateral. Blackwell stated that he would replace the agent's collateral with his collateral within a seven day period.
- Blackwell stated that he buys and sells fixed income assets for a one-year period, and made a comparison of fixed income assets to mid term notes.
- Blackwell stated that he buys banking instruments and then sells to pension funds.
- Blackwell stated that he buys low and sells high; that he buys at 50 percent of face value and sells at 52 percent. Blackwell stated that he may do that ten times a day for twenty percent. Blackwell stated that he gets twenty percent of leverage, not twenty percent of the investment.

- Blackwell stated that if he gets three times the leverage, it amounts to three million dollars in purchasing power. Blackwell stated that Blackwell and the undercover agent would go into a contract with the bank for "X" amount of paper.

- Blackwell stated that he worked for Bank of Madrid and Goldman Sachs, where several of Blackwell's buddies that he went to school with, still work. Blackwell stated that he will call them up and tell them that he has eleven million dollars in assets and asks for two points and sells to them.

- Blackwell stated that fixed income assets pay weekly and that the agent would make 20 to 30 points a month for a year, guaranteed money.

- Blackwell stated that "no matter what you never lose your principal." Blackwell told the agent that he may make 17 points one month and 51 the next.

- Blackwell reiterated that the agent would never lose his principal and that he will always make a return.

- Blackwell claimed that Blackwell earned his income on a residual basis and that he only gets paid 30 days after the agent gets paid. Blackwell stated that he continues to get a portion of what the investor makes in the long run.

55. During another recorded conversation on April 27, 2010 at a Hooter's restaurant, Blackwell offered the undercover agent the option to invest in a "massive management" program in which the agent's money would go into a fund Blackwell managed, and be combined with the fund's money. Blackwell stated that this investment would make 25 to 30 percent per month with regularity. Blackwell claimed that the prior month the fund did a 33 1/4 percent return.

56. During the April 27, 2010 meeting, Blackwell also told the agent that he had studied at the University of Madrid, Spain and had received master's and Ph.D. degrees. Blackwell again claimed that he had worked for Bank of Madrid and Goldman Sachs.

57. On April 28, 2010, Blackwell sent the undercover agent an email attaching a "contract for the 500K fund investment." The attached contract was between the agent and

MAG, and provided that $500,000 from the undercover agent would be used by Blackwell (through MAG) to contract with a banking institution to buy and sell medium term notes.

58. On August 4, 2010, the undercover agent electronically returned to Blackwell a scanned copy of an investment contract previously received via email from Christopher Blackwell. Shortly thereafter, the undercover agent wired $1,000 to an account provided by Blackwell as a test payment.

59. Blackwell's fraudulent scheme appears to be ongoing. Blackwell has continued to contact the undercover agent via electronic mail and telephone about funding the $499,000 balance of the undercover agent's $500,000 investment. Most recently, on January 19, 2011, Blackwell attempted to contact the undercover agent via telephone, leaving a voicemail asking that the undercover agent return his call.

Blackwell's Bankruptcy

60. On December 24, 2008, Blackwell, AV Bar and another Blackwell-controlled entity filed voluntary petitions under Chapter 7 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. *See, In re Christopher L. Blackwell*, Case No. 08-46093-DML-7 (Bankr. N.D. Tex.); *In re AV Bar Reg, Inc.*, Case No. 08-46089-rfn-7 (Bankr. N.D. Tex.). Blackwell sought bankruptcy protection after another company, Hanover Packard Group, LLC, obtained a $24 million default judgment in a state court action against AV Bar and Blackwell. Hanover Packard had filed suit against AV Bar on July 28, 2008 (Cause No. 141-231573-08, in the 141st Judicial District Court of Tarrant County, Texas) on grounds of breach of contract and common-law fraud.

61. This civil action brought by the SEC continues during the pending bankruptcy cases as an action by a governmental unit to enforce the SEC's police or regulatory power, under the exception to the automatic bankruptcy stay provided in Section 362(b)(4) of the Bankruptcy Code. Any monetary judgment entered against Blackwell in this civil action will be a non-dischargeable debt pursuant to Section 523(a)(19) of the Bankruptcy Code. While the SEC will seek to establish the amount of disgorgement, plus prejudgment and post-judgment interest, and the amount of civil money penalty in this action, the SEC will only pursue enforcement of a money judgment against Blackwell as allowed under the Bankruptcy Code and applicable Rules.

CLAIMS

FIRST CLAIM
Violations of Section 17(a) of the Securities Act

62. Plaintiff Commission repeats and incorporates paragraphs 1 through 61 of this Complaint by reference.

63. Defendants, directly or indirectly, singly, in concert with others, in the offer and sale of securities, by use of the means and instruments of transportation and communication in interstate commerce and by use of the mails, have: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

64. As part of and in furtherance of this scheme, Defendants, directly and indirectly, prepared, disseminated or used contracts, promotional materials, investor and other correspondence, and oral presentations, which contained untrue statements of material fact and which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those statements and omissions set forth in paragraph 1 through 61 above.

65. Defendants made the above-referenced misrepresentations and omissions intentionally, knowingly or with severe recklessness. Defendants were also negligent in their actions regarding the representations and omissions alleged herein.

66. For these reasons, Defendants violated, and unless enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM
Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder

67. Plaintiff Commission repeats and incorporates paragraphs 1 through 61 of this Complaint by reference.

68. Defendants, directly or indirectly, singly or in concert with others, in connection with the purchase and sale of securities, by use of the means and instrumentalities of interstate commerce and by use of the mails have: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operate as a fraud and deceit upon purchasers, prospective purchasers and other persons.

69. As a part of and in furtherance of their scheme, Defendants, directly and indirectly, prepared, disseminated or used contracts, promotional materials, investor and other correspondence, and oral presentations, which contained untrue statements of material facts and misrepresentations of material facts, and which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those set forth in Paragraphs 1 through 61 above.

70. Defendants made the referenced misrepresentations and omissions intentionally, knowingly or with severe recklessness regarding the truth.

71. For these reasons, Defendants violated and, unless enjoined, will continue to violate 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].

THIRD CLAIM

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

72. Plaintiff Commission repeats and incorporates paragraphs 1 through 61 of this Complaint by reference.

73. Defendants, as investment advisers, used the mails and means or instrumentalities of interstate commerce, directly and indirectly: (i) to employ devices, schemes or artifices to defraud clients or prospective clients; or (ii) to engage in transactions, practices and courses of business which operated as a fraud or deceit upon clients and prospective clients.

74. For these reasons, each of the Defendants violated and, unless enjoined, will continue to violate Sections 206(1) and 206(2) of the Investment Advisers Act [15 U.S.C. § 80b – 6(1), (2)].

RELIEF REQUESTED

The Commission seeks the following relief:

1) Orders of the Court that temporarily restrain and preliminarily enjoin Blackwell and MAG, and permanently enjoin all the Defendants, as appropriate, their agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 17(a) of the Securities Act, [15 U.S.C. §§ 77q(a)], Section 10(b) the Exchange Act, [15 U.S.C. § 78j(b)], and of Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder and Sections 206(1) and (2) of the Advisers Act.

2) An order of the Court directing Defendants to disgorge an amount equal to the funds and benefits they obtained illegally as a result of the violations alleged, plus prejudgment interest on that amount.

3) An order of the Court directing Defendants to pay civil monetary penalties under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] and Section 209(e)(2) of the Investment Advisers Act [15 U.S.C. § 80b–9] for their violations of the federal securities laws.

4) Such further relief as this Court may deem just and proper.

Dated: February 7, 2011

Respectfully Submitted,

s/ D. Thomas Keltner

D. Thomas Keltner
Texas Bar No. 24007474
Toby M. Galloway
Texas Bar No. 00790733
U.S. Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882
E-mail: KeltnerD@sec.gov
Phone: (817) 978-6438 (Keltner)
Fax: (817) 978-2700