

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
GEORGE ELIA,)
INTERNATIONAL CONSULTANTS &)
INVESTMENT GROUP LTD. CORP.,)
)
Defendants,)
)
212 ENTERTAINMENT CLUB, INC.,)
ELIA REALTY, INC.,)
)
Relief Defendants.)
_____)

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. From March 2005 to January 2012, Defendants George Elia and his company, International Consultants & Investment Group Ltd. Corp. (“International Consultants”), orchestrated a Ponzi scheme in which Elia raised approximately \$11 million from approximately 25 investors. Elia’s scheme was, in part, an affinity fraud: a number of the investors were members of the gay community in Wilton Manors, Florida. Elia falsely told investors he had a long track record of day trading stocks and exchange traded funds to yield annual returns as high as 26 percent, and that his trading on behalf of investors was paying quarterly returns of up to 20 percent.

2. However, in fact, Elia's trading resulted in losses or only marginal gains in limited time periods. Further, he misappropriated millions of dollars of investor funds, so any percentage returns he claimed could not have provided enough profits to pay all investors the returns he claimed. Elia transferred the funds to entities he controlled, including Relief Defendants 212 Entertainment Club, Inc., and Elia Realty, Inc. He also used some of the funds to pay personal expenses such as mortgage and car payments, and to pay an associate to introduce him to potential investors to sustain his Ponzi scheme.

3. Through their conduct, the Defendants violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5; Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a); and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4), and Advisers Act Rule 206-4(8), 17 C.F.R. § 275.206-4(8). Alternatively, Elia also aided and abetted violations of each of the Exchange Act and Advisers Act sections and rules listed in this paragraph. Unless the Court enjoins the Defendants, they are reasonably likely to continue to violate these laws.

II. DEFENDANTS AND RELIEF DEFENDANTS

A. Defendants

4. **Elia**, age 67, until recently resided in Oakland Park, Florida, but is believed to now reside in Cyprus. Elia has never been registered with the Commission in any capacity.

5. **International Consultants** is a Florida corporation with its principal place of business in Fort Lauderdale. Elia was the corporation's president. Subscription documents for investment funds Vision Equities Funds II and IV described International Consultants as the

Funds' investment adviser or manager. International Consultants has never been registered with the Commission as an investment adviser.

B. Relief Defendants

6. **Elia Realty, Inc.** is a Florida corporation with its principal place of business in Fort Lauderdale. Elia is its president and a director. Elia Realty received transfers of approximately \$645,000 from International Consultants and Vision Equities Funds' bank and brokerage accounts. The fund transfers to Elia Realty occurred from the same accounts that received millions of dollars of investor funds. Elia transferred the funds to Elia Realty in dozens of separate transfers by check and internal bank transfers in amounts of several hundred or several thousand dollars, sometimes more than once a day, indicating that the transfers were not in exchange for goods or services Elia Realty provided to International Consultants or the Vision Equities Funds.

7. **212 Entertainment Club, Inc.** is a Florida corporation with its principal place of business in Fort Lauderdale. Elia is its president. 212 Entertainment Club received transfers of approximately \$1.9 million from International Consultants and Vision Equities Funds' bank and brokerage accounts. The fund transfers to 212 Entertainment Club occurred from the same accounts that received millions of dollars of investor funds. Elia transferred the funds to 212 Entertainment Club in dozens of separate transfers by check and internal bank transfers in amounts of several hundred or several thousand dollars, sometimes more than once a day, indicating that the transfers were not in exchange for goods or services 212 Entertainment Club provided to International Consultants or the Vision Equities Funds.

C. Other Relevant Entities

8. **Vision Equities Fund II, LLC** is a Florida limited liability company with its principal place of business in Fort Lauderdale. Elia and the Fund offered and sold membership interests in the Fund. ICIG is the manager of the Fund. Elia signed the Fund's articles of organization in 2007 and its annual reports for 2008 through 2011.

9. **Vision Equities Fund IV, LLC** is a Florida limited liability company with its principal place of business in Fort Lauderdale. Elia and the Fund offered and sold membership interests in the fund. ICIG is the manager of the Fund. Elia signed the Fund's articles of organization and its 2010 annual report as its manager.

10. **International Consultants and Enterprises** is a Wyoming corporation with its principal place of business in Fort Lauderdale, Florida. Elia is president of the corporation. Elia formed International Consultants and Enterprises in 2010 and issued a number of false quarterly account statements to investors from this entity.

III. JURISDICTION AND VENUE

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

12. The Court has jurisdiction over this action pursuant to Sections 20(d) and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(d) and 77v(a); Sections 21(d) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78aa; and Sections 209(d) and 214 of the Advisers Act, 15 U.S.C. §§80b-9(d) and 80b-14.

13. The Court has personal jurisdiction over the Defendants, and venue is proper in the Southern District of Florida, because many of the Defendants' acts and transactions constituting violations of the Securities Act, Exchange Act, and Advisers Act occurred in the Southern District of Florida, as described throughout this complaint. In addition, Elia resided in the Southern District of Florida during the period when the alleged conduct occurred. International Consultants is a Florida corporation with its primary place of business in the Southern District of Florida.

THE DEFENDANTS' FRAUDULENT INVESTMENT SCHEME

A. The Defendants' Offer And Sale of Securities

14. Beginning no later than 2005, Elia operated his scheme from several different residential addresses and a small shared storefront in the Fort Lauderdale area. He typically met and pitched prospective investors at expensive restaurants in the Fort Lauderdale area. Elia was introduced to most of his clients through word-of-mouth referrals, and many of his investors were related to each other or friends. An associate introduced Elia to numerous gay investors who lived in the same Wilton Manors condominium development.

15. Elia solicited investments using several different investment vehicles, including an unincorporated "Investor Funding Club," and by selling membership interests in a series of purported private equity funds, the Vision Equities Funds.

16. From no later than 2005, Elia solicited investments in the Investor Funding Club, which pooled investor funds purportedly to purchase and sell common stock of selected public companies. Single-page investment agreements Elia and investors signed provided that investors elected International Consultants as their investment adviser. The Investor Funding Club

investment agreements provided investors could elect to receive returns on a quarterly basis, or have their returns applied to the principal balance in their club account.

17. Later, beginning in 2007, Elia raised millions of dollars offering and selling membership interests in the Vision Equities Funds. Private placement memoranda for Vision Equities Funds II and IV stated the membership interests were securities and identified International Consultants as the manager of each Fund. They also identified Elia as the owner of International Consultants and the Funds' trader.

18. The purported trading strategy of the Vision Equities Funds was the same as the Investors Funding Club. Both Vision Equities PPMs stated that ICIG "shall be purchasing and selling common stock from selected public companies that are trading on NSDAQ [sic], NYSE, S&P 500 [sic] & OTCBB." The PPMs also stated that International Consultants was entitled to a one-time, \$50,000 fee from each fund for services and any annual investment returns in excess of 14% and 10.5% for Vision Equities Fund II and Vision Equities Fund IV, respectively.

19. Elia provided prospective investors with instructions to wire funds to a bank account in the name of International Consultants or one of the Vision Equities Funds, or with a mailing address to send a check. Elia had sole authority over International Consultants and the Vision Equities Funds' bank and brokerage accounts until September 2010. Then, at the insistence of an investor who had invested millions of dollars with Elia, Elia's attorney was added as a signatory to the accounts.

20. Investors invested in the Vision Equities Funds and the Investor Funding Club so their money could be pooled with other investors' funds and invested by Elia and International Consultants. Investors were not active in selecting portfolio companies in which to invest or the day-to-day operations of the club or the funds.

B. Misrepresentations and Omissions to Investors

21. To carry out his scheme, Elia brazenly lied to investors over the course of several years about how he was using their money and about having a successful track record trading securities.

i. Elia Misrepresented He Would Invest Investors' Money But Misappropriated It And Paid Phony Returns With It Instead

22. Investors gave Elia at least \$11 million to invest for them during the relevant period. However, instead of pooling the funds and investing them in common stock of publicly traded companies (or in some cases in exchange traded funds), as he represented he would, he paid phony returns using additional investor funds, and misappropriated more than \$2.5 million in investor funds for himself, including approximately \$645,000 transferred to Elia Realty and approximately \$1.9 million transferred to 212 Entertainment Club. Elia used these millions to, among other things, pay his and his wife's personal expenses. He also paid more than \$2 million to an associate who referred investors to him.

23. Elia commingled the funds he raised through the various entities in several bank and brokerage accounts. Although Elia raised approximately \$11 million from 2005 to 2011, because of his misappropriation and payment of phony returns, the approximate year-end combined balance in International Consultants and the Vision Equities Funds' bank and brokerage accounts was only \$369,937 in 2005, \$1,039,632 in 2006, \$112,781 in 2007, \$1,979,957 in 2008, \$125,532 in 2009, \$479,585 in 2010, and \$341 in 2011.

24. In at least one instance, Elia showed an investor falsified trading account statements including grossly overstated account balances. This investor had flown to Florida in August 2010 to meet with Elia and review the status of more than \$2.2 million he had invested with Elia. The investor met Elia at a restaurant in Fort Lauderdale where Elia showed the

investor what appeared to be statements for Elia's trading accounts at a major brokerage firm. The forged statements, for the month of July 2010, purported to show a combined balance of \$8.2 million in six different trading accounts at the firm.

25. The account statements Elia showed the investor were bogus. The brokerage firm did not generate account statements for any of the accounts for July because there was no account activity that month. In addition, the six- and seven-figure cash balances in the statements Elia showed the investor were false. One account had only \$528.45 in it during that period, a second account had \$110,789.91 on July 1, and \$186.54 on August 31, 2010, and the third had only \$113.91.

ii. Elia Misrepresented His Track Record As a Trader

26. Elia lured prospective investors by touting his stock-trading acumen, which he claimed had yielded returns as high as 26% annually. For example, in about March 2005, Elia solicited an investor to invest through the Investors Funding Club by telling him he had an extremely successful track record trading stocks and that he had generated returns of about five to seven percent per quarter.

27. Elia's representation about his track record was false. In the fourth quarter of 2004, Elia's trading resulted in a loss of \$56. In the first quarter of 2005, he did not make any trades.

28. In addition, the private placement memorandum for Vision Equities Fund II, dated October 1, 2007, touted Elia's successful trading the previous year on behalf of other investors, which allegedly generated an annual return in excess of 14% on \$2.5 million in investor capital. The PPM further claimed that, based on prior success, "the Fund believes it can pay its Members a cash return of 14% per annum."

29. Similarly, a private placement memorandum for Vision Equities Fund IV, dated July 1, 2010, claimed the previous three Vision Equities Fund investor groups had each deposited \$2.5 million and had each achieved first-year investment returns in excess of 10.5%, “based on Mr. Elia’s trading in the markets.”

30. However, the returns claimed in the two Vision Equities Funds PPMs were false. In 2006, Elia’s trading activity resulted in a small loss, not the 14% gain the Vision Equities Fund II PPM claimed. In addition, Elia’s trading resulted in losses or nominal gains during the time periods referenced in the Vision Equities Fund IV PPM. Moreover, Elia’s claimed returns were false because he failed to disclose he was misappropriating significant amounts of investors’ money, so that any percentage returns he earned on the investment portfolio could not amount to profits sufficient to pay all investors the claimed percentage return.

31. Elia also made false and misleading statements about his historical trading success in personal meetings and emails. For example, when an investor queried him about his investment track record, Elia replied by email on March 2, 2010: “To respond to your question, for the last ten years the lowest [return] was 16% and the highest was 26%. This year I believe will be in the range of 18-20%.” This statement was patently false. Elia’s annual returns in each year from 2005 - 2009 were significantly less than 16%. In 2005, Elia’s trading yielded a return of only approximately 2.7%. In 2006, his trading yielded a small loss. In 2007, Elia’s traded for a 5.5% loss. In 2008, his losses were 9%. In 2009, Elia had a substantial percentage gain, but on less than \$100,000 worth of trades, which would not have generated a 16% return on the millions of dollars investors had given him to invest. Similarly, in 2010, Elia had a 12% return, but on only \$144,000 worth of trades. Finally, in 2011, Elia had a 42% profit but only made \$1,300 worth of trades.

iii. Each Quarter, Elia Misrepresented Investors' Quarterly Returns

32. Starting no later than 2005, Elia mailed investors quarterly account statements that misrepresented the returns on their investments. For example, Elia sent a Vision Equities Fund II investor a statement for the first three quarters of 2009, showing returns of 3.48%, 3.48%, and 3.52% respectively. These claimed returns were false. Elia's trading profits in all his brokerage accounts for the first three quarters of 2009, which would have had to be allocated among all his investors, were less than the fictitious profits shown for that time period on this one investor's statement.

33. Elia sent another investor a statement showing returns of 4.25% and 3.5% for the first and second quarters of 2011, respectively, as well as a return of more than 14% in 2010. In fact, during 2011, Elia's only trading activity in all the brokerage accounts consisted of selling a small number of shares purchased in 2010 for a total profit of \$576. In 2010, Elia recognized a total gain for the year of only \$17,262. That small profit would have had to be divided among all investors, rendering false Elia's claims to this investor of having obtained a return of more than 14%.

34. Elia also conveyed false quarterly investment returns to investors in emails. For example, on April 2, 2009, Elia emailed an investor that "We came in at 3.5% for the first quarter '09. We are off to a very good start for Quarter 2 with two straight days in the positive." However, this statement was false and misleading, Elia's trading during the first quarter of 2009 yielded only slightly more than \$15,000 in profits, which would not have paid this investor the claimed 3.5% return once the \$15,000 profit was allocated among all investors.

iv. Elia Dodged Investors Trying To Redeem Their Investments And Then Fled to Cyprus

35. Elia's scheme began to collapse in mid-2011, when he was not able to meet redemption requests by a growing number of investors. Beginning in May 2011, Elia began sending monthly profit checks to several investors late.

36. One investor, who had invested \$250,000 with Elia, requested a complete redemption in late July 2011. Elia did not redeem the \$250,000. The investor's son, who had invested more than \$2.2 million with Elia, became concerned for his investment because his monthly payments were arriving late and he knew Elia was not redeeming his father's \$250,000 investment.

37. In October 2011, the investor and his son, and other investors who were relatives or friends, made another, more formal demand to Elia to close their investment accounts and redeem their funds. Elia did not return any of their investments, which totaled more than \$4 million.

38. Another investor, who had invested approximately \$2 million with Elia, requested a \$100,000 redemption in March 2011 to pay for renovations of his home. Over the next several months, Elia paid out partial redemptions to the investor, and did not return numerous emails and phone calls. When the investor – a North Carolina resident – became concerned about his investments and tried to set up a meeting with Elia in Florida to review his account in early 2012, Elia emailed the investor he was at the airport about to get on a plane and would contact him when he returned.

39. As word that Elia was not honoring investment requests circulated among the close-knit group of investors, more demanded refunds, leading to the collapse of the Ponzi scheme. In early 2012, Elia sold his house and fled to Cyprus.

V. CLAIMS FOR RELIEF

COUNT I

**Fraud In Violation of Section 10(b) and Rule 10b-5 of the Exchange Act
(Against Both Defendants)**

40. The Commission repeats and realleges paragraphs 1 through 39 of its Complaint.

41. Starting no later than 2005, the Defendants, directly or indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails in connection with the purchase or sale of securities, knowingly, willfully or recklessly: (a) employed devices, schemes or 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 the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

42. By reason of the foregoing, the Defendants directly or indirectly violated, and, unless enjoined, are reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5.

COUNT II

**Aiding and Abetting Violations
Of Section 10(B) and Rule 10b-5(B) of the Exchange Act
(Against Elia)**

43. The Commission repeats and realleges paragraphs 1 through 39 of its Complaint.

44. Starting no later than 2005, International Consultants, Vision Equities Fund II, Vision Equities Fund IV, and International Consultants and Enterprises directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails in connection with the purchase or sale of securities, knowingly, willfully or recklessly made untrue statements

of material facts and 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.

45. Elia, starting no later than 2005, knowingly or recklessly substantially assisted International Consultants, International Consultants and Enterprises, Vision Equities Fund II, and Vision Equities Fund IV'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.

46. By reason of the foregoing, Elia aided and abetted International Consultants, International Consultants and Enterprises, Vision Equities Fund II, and Vision Equities Fund IV's violations of, and, unless enjoined, is reasonably likely to again aid and abet violations of, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(b), 17 C.F.R. § 240.10b-5(b).

COUNT III

Fraud In Violation of Section 17(a)(1) of the Securities Act **(Against Both Defendants)**

47. The Commission repeats and realleges paragraphs 1 through 39 of its Complaint.

48. Starting no later than 2005, directly or indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described in this Complaint, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

49. By reason of the foregoing, Elia and International Consultants directly or indirectly violated, and, unless enjoined, are reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT IV

Fraud In Violation of Section 17(a)(2) and (3) of the Securities Act
(Against Both Defendants)

50. The Commission repeats and realleges paragraphs 1 through 39 of its Complaint.

51. Starting no later than 2005, Elia and International Consultants directly or indirectly, in the offer or sale of securities, by the use of means or instruments of transportation or communication in interstate commerce, or of the mails: (a) obtained money or property by means of untrue statements of material fact or by omitting 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; or (b) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon the purchasers of such securities.

52. By reason of the foregoing, Elia and International Consultants directly or indirectly violated, and, unless enjoined, are reasonably likely to continue to violate, Sections 17(a)(2) and (3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and (3).

COUNT V

Fraud In Violation of Sections 206(1) and 206(2) of the Advisers Act
(Against Both Defendants)

53. The Commission repeats and realleges paragraphs 1 through 39 of its Complaint.

54. Starting no later than 2005, the Defendants, by engaging in the acts and conduct alleged above, while they each were acting as investment advisers, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly, knowingly, willfully or recklessly: (a) employed devices, schemes, or artifices to defraud its clients or prospective clients; (b) engaged in transactions, practices, and courses of business which operated or would have operated as a fraud or deceit upon clients or prospective clients.

55. By reason of the foregoing, the Defendants directly or indirectly violated, and unless enjoined are reasonably likely to continue to violate, Sections 206(1) and (2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1), 80b-6(2).

COUNT VI

**Aiding and Abetting Violations of
Sections 206(1) and 206(2) of the Advisers Act
(Against Elia)**

56. The Commission realleges and incorporates Paragraphs 1 through 39 of its Complaint.

57. During the relevant time period, International Consultants was an investment adviser within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

58. Starting no later than 2005, International Consultants, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly, while acting as an investment advisers, knowingly, willfully, or recklessly: (a) employed devices, schemes, or artifices to defraud clients or prospective clients; (b) engaged in transactions, practices, and courses of business that operated as a fraud or deceit upon clients or prospective clients; and (c) engaged in acts, practices, and courses of business which were fraudulent, deceptive, or manipulative.

59. Elia, starting no later than 2005, knowingly or recklessly substantially assisted International Consultants' violations of Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

60. By reason of the foregoing, Elia aided and abetted International Consultants' violations of, and, unless enjoined, is reasonably likely to continue to again aid and abet

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

COUNT VII

Fraud In Violation of Section 206(4) and Rule 206(4)-8 of the Advisers Act **(Against Both Defendants)**

61. The Commission repeats and realleges paragraphs 1 through 39 of its Complaint.

62. Starting no later than 2005, the Defendants, by engaging in the acts and conduct alleged above, while the Defendants were acting as investment advisers, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly: (a) engaged in acts, practices or courses of business which are fraudulent, deceptive, or manipulative; (b) made untrue statements of a material fact or omitted to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to any investor or prospective investor in a pooled investment vehicle.

63. By reason of the foregoing, the Defendants directly or indirectly, violated and unless enjoined are reasonably likely to continue to violate, Section 206(4) of the Advisers Act, 15 U.S.C. §§ 80b-6(4), and Advisers Act Rule 206(4)-8, 17 C.F.R. § 275.206(4)-8.

COUNT VIII

Aiding and Abetting Violations of Section 206(4) **and Rule 206(4)-8 of the Advisers Act** **(Against Elia)**

64. The Commission realleges and incorporates Paragraphs 1 through 39 of its Complaint.

65. Starting no later than 2005, International Consultants, while acting as an investment adviser, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly engaged in acts, practices or courses of business which are

fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in a pooled investment vehicle.

66. Elia, by engaging in the conduct described above, knowingly or recklessly substantially assisted International Consultants' violations of Section 206(4) and Rule 206(4)-8 of the Advisers Act, 15 U.S.C. 80b-6(4) and 17 C.F.R. § 275.206(4)-8.

67. By reason of the foregoing, Elia aided and abetted International Consultants' violations of, and, unless enjoined, is reasonably likely to again aid and abet violations of, Section 206(4) and Rule 206(4)-8 of the Advisers Act, 15 U.S.C. 80b-6(4) and 17 C.F.R. § 275.206(4)-8.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

Declare, determine, and find that the Defendants have committed the violations of the federal securities laws alleged in this Complaint.

II.

Permanent Injunctive Relief

Issue permanent injunctions pursuant to Rule 65(d) of the Federal Rules of Civil Procedure enjoining: the Defendants, their agents, servants, employees, attorneys, representatives, and all persons in active concert or participation with them, and each of them, from directly or indirectly violating, and aiding abetting violations of, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5; Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a); and Sections 206(1), 206(2), and 206(4)

of the Advisers Act, 15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4), and Advisers Act Rule 206-4(8), 17 C.F.R. § 275.206-4(8).

III.

Disgorgement

Issue an Order directing the Defendants and Relief Defendants to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

IV.

Penalties

Issue an Order directing the Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d); Section 21(d) of the Exchange Act, 15 U.S.C. § 78(d)(3), and Section 209 of the Advisers Act, 15 U.S.C. §80b-9.

V.

Further Relief

Grant such other and further relief as may be necessary and appropriate.


VI.

Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

April 6, 2012

Respectfully submitted,

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