

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

EDWARD M. LABORIO,
JONATHAN FRAIMAN,
MATTHEW K. LAZAR,
ENVIT CAPITAL, LLC,
ENVIT CAPITAL GROUP, INC.,
ENVIT CAPITAL HOLDINGS, INC.,
ENVIT CAPITAL PRIVATE WEALTH
MANAGEMENT, LLC,
ENVIT CAPITAL MULTI STRATEGY MIXED
INVESTMENT FUND I LP,
AETIUS GROUP, PLC, and
AETIUS GROUP, LLC,

Defendants.

C.A. No. ____

TRIAL BY JURY
DEMANDED

COMPLAINT

Plaintiff Securities and Exchange Commission (“SEC” or “Commission”) alleges that:

SUMMARY

1. From at least December 2006 through August 2009, Edward M. Laborio (“Laborio”), acting through his related companies Envit Capital, LLC (“Envit LLC”), Envit Capital Group, Inc. (“Envit Group”), Envit Capital Holdings, Inc. (“Envit Holdings”), Envit Capital Private Wealth Management, LLC (“Envit Wealth”), Envit Capital Multi Strategy Mixed Investment Fund I LP (“Envit Fund”), Aetius Group, PLC (“Aetius PLC”), and Aetius Group, LLC (“Aetius LLC”) (collectively, the “Envit Companies”), raised up to \$5.7 million from

approximately 150 investors nationwide and overseas through five fraudulent and unregistered securities offerings.

2. In January 2008, Laborio hired Jonathan Fraiman (“Fraiman”) as a “Marketing and Investment Relations Executive” at Envit Fund and Envit LLC, as well as the Director and Chief Compliance Officer of Envit Wealth. In the course of the offerings and through the use of various fraudulent offering documents, Laborio, Fraiman, and the Envit Companies made multiple misrepresentations and misleading statements about the Envit Companies’ businesses, revenues, financial projections, uses of investor funds, and historical returns generated by a purported hedge fund that in reality never conducted any business. Laborio, Fraiman, and the Envit Companies’ strategy was to roll investors from prior offerings into subsequent offerings, swapping shares already purchased for shares in the new offering, as well as to convince investors to invest money in the new offering.

3. In September 2008, Laborio recruited Matthew Lazar (“Lazar”) to open a Columbus, Ohio office for Envit Wealth, the investment advisory subsidiary of the Envit Companies. From October through December 2008, Lazar raised \$585,000 from approximately 10 investors through the sale of a PIPE (private investment in a public equity) in Envit Group (one of the five unregistered offerings). Lazar misrepresented that the PIPE guaranteed an annual 8.5% dividend, and that it was safe, like a fixed annuity or a CD.

4. Laborio commingled the proceeds from the offerings in Envit LLC’s bank accounts. He used investor proceeds in part to cover gambling losses, to make direct payments to himself, and to cover personal expenses.

5. No investor has ever been able to sell any Envit Company-related shares, nor has

any investor ever received a dividend from any investment in the Envit Companies.

6. By engaging in the transactions and practices alleged in this Complaint,
 - a. Laborio and the Envit Companies violated Sections 17(a)(1), (2), and (3) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77q(a)(1), 77q(a)(2), and 77q(a)(3)] and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5(a), (b), and (c) thereunder [15 U.S.C. §78j(b) and 17 C.F.R. §§ 240.10b-5(a), 240.10b-5(b), and 240.10b-5(c)];
 - b. Fraiman and Lazar violated Securities Act Section 17(a)(2) [15 U.S.C. §77q(a)(2)] and Exchange Act Section 10(b) and Rule 10b-5(b) thereunder [15 U.S.C. §78j(b) and 17 C.F.R. § 240.10b-5(b)];
 - c. Laborio, Fraiman and Lazar violated Exchange Act Section 15(a)(1) [15 U.S.C. §§ 78o(a)(1)]
 - d. Laborio, Fraiman, Lazar and Envit Wealth violated Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1) and 80b-6(2)];
 - e. Laborio, Fraiman, and Envit Wealth violated Advisers Act Section 206(4) and Rule 206(4)-8 thereunder [15 U.S.C. §§ 80b-6(4) and 17 C.F.R. §275.206(4)-8];
 - f. Laborio, Envit LLC, Envit Group, Envit Holdings, and Aetius PLC violated Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)];
 - g. Laborio violated Section 16 of the Exchange Act and Rule 16a-3 thereunder [15 U.S.C. § 78p and 17 C.F.R. § 240.16a-3]; and
 - h. Envit Fund and Aetius LLC violated Section 7(a) of the Investment Company Act of 1940 (“Investment Company Act”) [15 U.S.C. § 80a-7(a)].

7. The conduct of the Defendants involved fraud, deceit, or deliberate or reckless disregard of regulatory requirements, and resulted in substantial loss, or significant risk of substantial loss, to other persons.

8. Unless enjoined, the Defendants will continue to engage in acts, practices, and courses of business as set forth in this Complaint or in acts, practices, and courses of business of similar object and purpose. Accordingly, the Commission seeks the following against each

Defendant: (i) entry of a permanent injunction prohibiting further violations of the relevant provisions of the federal securities laws; (ii) disgorgement of all ill-gotten gains, plus prejudgment interest thereon; (iii) imposition of civil monetary penalties; (iv) as to Laborio, Fraiman, and Lazar, a bar from participating in the offering of a penny stock; (v) as to Laborio only, a bar from serving as an officer or director of publicly-traded company; and (vi) such other equitable relief as the Court deems just and appropriate.

JURISDICTION

9. The Commission brings this action pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], Section 209 of the Advisers Act [15 U.S.C. § 80b-9], and Section 42(d) of the Investment Company Act [15 U.S.C. § 80a-42(d)]. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Sections 21(d)(3), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(3), 78u(e), and 78aa], Section 214 of the Advisers Act [15 U.S.C. § 80b-14], and Section 44 of the Investment Company Act [15 U.S.C. § 80a-44]. Defendants, directly or indirectly, have made use of the means and instrumentalities of interstate commerce or of the mails in connection with the acts, transactions, practices, and courses of business alleged in this Complaint.

10. Venue lies in this Court 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 Section 44 of the Investment Company Act [15 U.S.C. § 80a-44] because, during the relevant period of time, Defendants Laborio and Fraiman resided in the Boston, Massachusetts area; many of the Envit Companies maintained their principal places of

business in Boston, Massachusetts; and a substantial portion of the conduct alleged in this Complaint occurred within the District of Massachusetts.

DEFENDANTS

11. **Edward M. Laborio**, age 33, is currently a resident of Boca Raton, Florida, though he resided in the Boston, Massachusetts area during the relevant period. Laborio was the founder of the Envit Companies. He served in various capacities at the related entities, including as Chairman, Chief Executive Officer, and sole Director of Envit Group, the publicly traded company. From November 2005 through December 2006, Laborio was a registered representative with the Chicago Investment Group, LLC, (“CIG”) a registered broker-dealer at the time. Laborio has previously held Series 6, Series 7 and Series 63 securities licenses.

12. **Jonathan Fraiman**, age 32, is currently a resident of Lantana, Florida, though he resided in the Boston, Massachusetts area during part of the relevant period. During the relevant period, Fraiman served as a “Marketing and Investment Relations Executive” at Envit Fund and Envit LLC, as well as the Director and Chief Compliance Officer of Envit Wealth. Fraiman currently works as an investment adviser representative/registered representative at Merrill Lynch, Pierce, Fenner & Smith, Inc. in Boca Raton, Florida. Fraiman holds Series 7 and Series 66 securities licenses.

13. **Matthew K. Lazar**, age 32, is a resident of Westerville, Ohio. Lazar worked for Envit Wealth between September 2008 and January 2009. Before joining Envit Wealth, Lazar worked for approximately eight years as a financial adviser at Ameriprise Financial Services, Inc. (“Ameriprise”), a registered investment adviser/broker-dealer. Lazar is currently an investment adviser and the founder/managing member of Trafalgar Wealth Management, LLC, a

Dublin, Ohio state-registered financial advisory firm. Lazar holds Series 7 and Series 66 securities licenses.

14. **Envit Capital, LLC** (“Envit LLC”) is a Delaware limited liability company founded by Laborio in approximately fall 2006 with a principal place of business in Boston, Massachusetts. Envit LLC purported to invest in, and manage, private equity funds, hedge funds and alternative investment vehicles. On approximately August 25, 2008, Envit LLC became a wholly owned subsidiary of Envit Group. During the relevant period, Laborio served as the Manager of Envit LLC. Envit LLC is not, and has never been, registered with the Commission. Envit LLC has not registered any securities with the Commission. During the relevant period, Laborio and Fraiman offered and sold shares of Envit LLC.

15. **Envit Capital Group, Inc.** (“Envit Group”) is a Delaware corporation founded by Laborio on September 12, 2007 with a principal place of business in Boston, Massachusetts. On approximately June 10, 2008, Envit LLC acquired Fortel, Inc. (“Fortel”), a shell corporation formerly located in Fremont, California whose securities were formerly registered with the Commission pursuant to Exchange Act Section 12(g). On July 19, 2008, Laborio changed Fortel’s name to Envit Capital Group, Inc. On approximately August 25, 2008, Envit Group became a publicly traded entity through a reverse merger with Envit LLC. During the relevant period, Laborio served as Envit Group’s Chairman, CEO and President, and the company served as a holding company for several other entities created by Laborio. On May 12, 2009, the Commission suspended trading in the securities of Envit Group and on September 14, 2009, the Commission revoked the registration of the registered securities of Envit Group for failure to file required periodic reports. During the relevant period, Laborio, Fraiman, and Lazar offered and

sold private shares of Envit Group.

16. **Envit Capital Holdings, Inc.** (“Envit Holdings”) is a Delaware corporation formed by Laborio on December 4, 2007 with a principal place of business in Boston, Massachusetts. On approximately August 25, 2008, Envit Holdings became a subsidiary of Envit Group. Envit Holdings is not, and has never been, registered with the Commission. Envit Holdings has not registered any securities with the Commission. During the relevant period, Laborio and Fraiman offered and sold shares of Envit Holdings. Envit Holdings never conducted any operations.

17. **Envit Capital Private Wealth Management, LLC** (“Envit Wealth”), formerly Clary Asset Management, LLC (“Clary”), was a wholly-owned investment adviser subsidiary of Envit Group with offices in Lubbock, Texas; Columbus, Ohio; and Boca Raton, Florida. Envit Group purchased Clary and renamed it Envit Wealth, a Delaware limited liability company, on approximately September 25, 2008. Fraiman was the Director and Chief Compliance Officer of Envit Wealth. Lazar was an employee/investment adviser representative of Envit Wealth. Envit Wealth, through Fraiman and Lazar, advised clients about investing in securities and received compensation in the form of a percentage of the assets managed. Clary was previously registered with the Commission, and the registration was terminated on September 22, 2004. Envit Wealth was never registered with the Commission.

18. **Envit Capital Multi Strategy Mixed Investment Fund I LP** (“Envit Fund”) was a Boston, Massachusetts limited partnership founded by Laborio on March 19, 2007 purportedly to function as a hedge fund. On approximately August 25, 2008, Envit Fund became a wholly owned subsidiary of Envit Group. Laborio was Envit Fund’s investment adviser.

During the relevant period, Laborio and Fraiman offered investments in Envit Fund. Envit Fund, however, never conducted any operations. Envit Fund is not, and has never been, registered with the Commission.

19. **Aetius Group, PLC** (“Aetius PLC”) was a United Kingdom public limited company located in Boca Raton, Florida and formed by Laborio. Aetius purported to generate income from its “managed funds” and from subsidiaries that specialized in “corporate equity, real-estate specialization and financial services.” Aetius PLC is not, and has never been, registered with the Commission. Aetius PLC has not registered any securities with the Commission. During the relevant period, Laborio and Fraiman offered and sold shares of Aetius PLC. Aetius PLC never conducted any operations.

20. **Aetius Group, LLC** (“Aetius LLC”) was a Delaware limited liability company formed on July 8, 2009 by Laborio in Boca Raton, Florida to be a subsidiary of Aetius PLC. According to the terms of the Aetius PLC offering, investor funds were directed into a bank account in the name of Aetius LLC. Aetius LLC is not, and has never been, registered with the Commission. Aetius LLC never conducted any operations.

FACTS

Laborio Used a Boiler Room to Solicit Investors in Five Fraudulent and Unregistered Securities Offerings

21. Laborio formed the private entity Envit LLC in late 2006 and operated it out of his apartment in Boston, Massachusetts, with the purported goals of: (i) purchasing interests in financial companies; and (ii) managing hedge funds and broker-dealer subsidiaries.

22. Laborio raised initial funding for Envit LLC from former overseas clients at CIG. Between approximately December 2006 and mid-2007, Laborio used these initial investor funds

and suffered significant losses at Envit LLC.

23. In order to raise additional capital as a result of his losses, Laborio hired approximately 20 salespeople to solicit investors via a boiler-room operation. Laborio began operating the boiler room in Boston, Massachusetts in early 2008, and transitioned it to Boca Raton, Florida in late 2008/early 2009.

24. Laborio purchased lead sheets and provided his salespersons with scripts he created containing sales pitches for a series of private placements in the Envit Companies. Laborio admitted to the SEC staff that that he fabricated or inflated portions of the sales pitches. For example, one of Laborio's scripts claimed that shares were "Free Trading," included a "Dividend Paying out Quarterly," and that investors would receive "2-3x return on money."

25. By August 2009, Laborio and his sales force had raised up to \$5.7 million dollars from approximately 150 investors nationwide and overseas through five different offerings of private stock in certain of the Envit Companies. Laborio's strategy was generally to roll investors from prior offerings into subsequent offerings, swapping investor shares already purchased for shares in the new offering, as well as convincing investors to invest additional money in the new offering.

26. Laborio created the various offering documents by cutting and pasting from different private placement documents he had obtained from the internet and elsewhere. The offerings were as follows:

- a. Envit LLC private common "Class B shares" at \$1.60 per share;
- b. Envit LLC "Series A Cumulative Redeemable Preferred" stock at \$1.00 per share—this offering included a 10% dividend "expected to be paid quarterly;"

- c. Envit Group “units” at \$1.20 per unit—this offering was structured as a PIPE, and included an 8.5% dividend;
- d. Envit Holdings “Class A Common Stock” at \$10 per share; and
- e. Aetius PLC Common Stock at \$0.50 per share.

27. None of the offerings was registered with the Commission, and none of the offering materials contained audited financial statements.

Laborio and the Envit Companies Made Fraudulent Statements in Offering Documents

28. Laborio and the Envit Companies intentionally or recklessly made numerous misrepresentations and omissions in the offering documents Laborio created, regarding, among other things, the status and success of business operations and financial projections. For example:

a. The Envit LLC private common stock offering memorandum states that Envit LLC “raise[s], invests[s] and manage[s] private equity funds, hedge funds and alternate investment vehicles.” This document projects that “[w]e plan to grow our assets under management significantly, to an estimated 1 billion dollars or a 96.8% compounded annual growth rate.” It also contains financial information projecting \$20 million under management and revenues of \$1.7 million in 2008, \$50 million under management and revenues of \$4.225 million in 2009, and \$100 million under management and revenues of \$8.45 million in 2010.

b. The Envit Group PIPE and Envit Holdings offering memoranda also state that they manage hedge funds. The PIPE memorandum projects \$1 billion under management with \$10 million in revenues in 2009, and \$2 billion under management with \$21 million in revenues in 2010. The Envit Holdings offering memorandum also projects “1 billion dollars

under management by the end of 2011.”

c. The Aetius PLC offering memorandum states that it and its subsidiaries manage hedge funds, private equity funds, and real estate funds. The document projects \$1 billion under management. It also projects \$100 million under management and \$6.325 million in revenues in 2009, \$300 million under management and \$18.975 million in revenues in 2010, and \$600 million under management and \$37.950 million in revenues in 2011.

29. The statements in paragraph 28 by Laborio and (through Laborio) Envit LLC, Envit Group, Envit Holdings, and Aetius PLC were false and misleading, at a minimum, for the following reasons:

a. None of the Envit Companies ever operated a private equity fund, hedge fund, real estate fund, or other alternate investment vehicle. In fact, the only purported hedge fund affiliated with the Envit Companies, Envit Fund, never conducted any operations.

b. Contrary to the representations and projections that the Envit Companies were financially healthy and growing, the Envit Companies were actually losing money.

30. Laborio, and (through Laborio) Envit LLC, Envit Group, Envit Holdings, and Aetius PLC knew that the statements in paragraph 28 were false and misleading because Laborio admitted to the SEC staff that:

a. None of the Envit Companies ever operated a private equity fund, hedge fund, real estate fund, or other alternate investment vehicle;

b. The financial projections in the offering memoranda lacked any reasonable basis; and

c. The Envit Companies were losing money.

Fraiman Made False and Misleading Statements to Investors

31. Laborio hired Fraiman in January 2008 as a “Marketing and Investment Relations Executive” at Envit Fund and Envit LLC. Fraiman’s duties included marketing the purported hedge fund and the other Envit Companies’ investments to potential investors. Laborio also appointed Fraiman to be the Director and Chief Compliance Officer of Envit Wealth, the investment adviser arm of the Envit Companies.

32. Fraiman was compensated by a salary of approximately \$35,000 per year plus approximately 10% of all funds he raised.

33. Fraiman drafted a marketing summary for Envit Fund, which he provided to at least one investor on February 12, 2008. This document falsely stated that Envit Fund’s total return for 2007 was 43.7% and itemized false monthly returns in Envit Fund for the period January 2007 through December 2007. These purported returns were false and misleading because Envit Fund had never conducted any operations. Fraiman and Envit Fund (through Fraiman) knew, or were reckless in not knowing, that these purported returns were false and misleading, at a minimum, for the following reasons:

- a. Laborio told Fraiman that Envit Fund had never conducted any operations;
- b. Fraiman admitted that he used a PowerPoint presentation created by Laborio and dated October 1, 2007 as the basis for creating the marketing summary. The PowerPoint presentation: (i) touted Laborio’s purported stock trading profits of 43.7% in 2007; (ii) stated that the purported trading profits occurred “prior to the launch and commencement of Envit Capital Multi-Strategy Mixed Investment Fund I [i.e., Envit Fund];” and (iii) cited monthly performance results from January through December 2007, even though the purported results for

the period October through December 2007 would not have been known on October 1, 2007, the date of the PowerPoint. Fraiman pasted the false purported monthly results for all of 2007 from Laborio's PowerPoint presentation into his marketing summary. Moreover, even though Fraiman knew, or should have known based on the language in the PowerPoint presentation, that Envit Fund did not exist in 2007 (and therefore could not have returned 43.7%), and that the purported monthly returns for October through December 2007 were prospective, he altered the language when he created the marketing summary to falsely represent that Envit Fund was an operating entity in 2007 and returned 43.7%; and

c. The Envit Fund offering memorandum purportedly launching Envit Fund was dated April 1, 2007, so there could not have been performance results for at least the first three months of 2007 even if the Envit Fund had actually been an operating hedge fund.

34. Fraiman and, through Fraiman, Envit Wealth and Envit LLC, also intentionally or recklessly made numerous false and misleading oral and written statements to investors, including the following to an Ohio investor (a retired pipe fitter):

a. On approximately February 12, 2008, Fraiman telephoned the Ohio investor to solicit an investment in the Envit LLC common stock offering. During this telephone call, Fraiman stated that Envit LLC's hedge funds were doing better than other hedge funds in the market. This statement was false and misleading because Envit LLC was not operating any hedge funds. Fraiman and, through Fraiman, Envit Wealth and Envit LLC knew, or were reckless in not knowing, that this statement was false and misleading based on, at a minimum, conversations during which Laborio told Fraiman that Envit Fund never had any operations.

b. Subsequent to this telephone call, Fraiman and, through Fraiman, Envit

Wealth and Envit LLC made the following statements to the Ohio investor in an email dated February 12, 2008:

- Envit LLC is engaged in the management of hedge funds, private equity funds, and real estate funds.
- Envit LLC's maiden hedge fund returned 42.9% in 2006 and 43.7% in 2007.
- Shares in Envit LLC are paying a 5% to 10% dividend. Envit LLC's projected revenue for 2008 is \$8.3 million; the company has no debt and is cash flow positive.

c. The statements in subparagraph 34b were false and misleading, and lacked a reasonable basis, for the following reasons:

- 1) Envit LLC was not operating or managing any hedge funds, private equity funds, or real estate funds;
- 2) Envit LLC was not paying any dividends; and
- 3) Contrary to the assertion that Envit LLC was financially healthy and growing, the company was actually losing money.

d. Fraiman and, through Fraiman, Envit Wealth and Envit LLC knew, or were reckless in not knowing, that the statements set forth in subparagraph 34b were false and misleading, and lacked a reasonable basis, based on, at a minimum, conversations during which Laborio told Fraiman that: (i) Envit LLC never operated any hedge funds, private equity funds, or real estate funds; (ii) no investors had received any dividends; and (iii) Envit LLC was losing money.

e. On or about August 26, 2008, Fraiman again telephoned the Ohio investor to solicit an investment in the Envit LLC preferred stock offering. During this telephone call,

Fraiman and, through Fraiman, Envit Wealth and Envit LLC stated that the preferred shares included a guaranteed annual fixed return of 10% to be paid quarterly. This statement was false and misleading because Envit LLC was not paying (and never had paid) any dividends or returns to investors. Fraiman and, through Fraiman, Envit Wealth and Envit LLC, knew, or were reckless in not knowing, that this statement was false and misleading based on, at a minimum, conversations during which Laborio told Fraiman that no investors had received any dividends and that Fraiman should not tell investors that any dividends were “guaranteed.”

f. In the same telephone conversation, Fraiman advised the Ohio investor to liquidate all his holdings in an IRA account and use those funds to invest in the Envit LLC preferred shares. Based on Fraiman’s advice and representations, the Ohio investor invested \$114,000 in Envit LLC in 2008, representing approximately 75% to 80% of his total retirement funds available for investment at that time. In late August 2008, Fraiman telephoned the Ohio investor to inform him that the Envit LLC preferred shares would be converted to preferred shares in Envit Group, a publicly-traded company.

g. In approximately mid-July 2009, Fraiman and Envit Wealth (through Fraiman) made the following representations to the Ohio investor during at least two telephone calls:

- By 2011, Envit Group will be generating approximately \$30 million to \$40 million in revenue.
- Envit Group is still in business, is growing, and is in far better condition than when the investor first invested.
- The investor’s stock will be freely trading with no restrictions and he can sell it.
- The investor has not lost any money.

- There is no reason to worry. The investment is safe and not at any risk.

35. The statements set forth in paragraph 34g were false and misleading, and lacked a reasonable basis, for the following reasons:

a. Contrary to Fraiman's representations that Envit Group was financially healthy and growing, the company was actually losing money; and

b. Contrary to Fraiman's representations that the investor had not lost any money and that his shares would be freely tradable, the Ohio investor has never been able to sell any shares, nor has he ever received a dividend from any investment in any of the Envit Companies.

36. Fraiman and Envit Wealth (through Fraiman) knew, or were reckless in not knowing, that the statements set forth in paragraph 34g were false and misleading, and lacked a reasonable basis, based on, at a minimum, conversations during which Laborio told Fraiman that Envit Group was losing money and no investor had ever received any returns on any investments.

37. Fraiman and, through Fraiman, Envit Wealth and Envit LLC, intentionally or recklessly made the following false and misleading oral statements to a Texas investor (an employee of a trucking transportation center):

a. During a July 31, 2008 in person meeting with the Texas investor to solicit an investment in the Envit LLC preferred stock offering, Fraiman said that the Envit LLC preferred shares pay a fixed 10% dividend, payable quarterly, through 2011.

b. During an August 22, 2008 in person meeting with the Texas investor to solicit an investment in the Envit Group PIPE, Fraiman stated that the PIPE shares pay a quarterly

fixed 10% dividend, and that funds were set aside to assure that the dividend would be paid.

38. The statements set forth in paragraph 37 were false and misleading, and lacked a reasonable basis, because: (i) Envit LLC and Envit Group were not paying (and never had paid) any dividends or returns to investors; and (ii) no money had ever been set aside to assure that any dividend would be paid.

39. Fraiman and, through Fraiman, Envit Wealth and Envit LLC, knew, or were reckless in not knowing, that the statements set forth in paragraph 37 were false and misleading, and lacked a reasonable basis, based on, at a minimum, conversations during which Laborio told Fraiman that no investor had ever received any returns on any investments. Moreover, Laborio never told Fraiman that any funds were set aside to assure that any dividend would be paid.

40. Based on Fraiman's representations, the Texas investor agreed to invest \$200,000 in Envit Group preferred stock in August 2008. In addition, the Texas investor's wife, as trustee for her 94 year old mother, agreed to invest an additional \$145,000 of her mother's funds in Envit group preferred stock.

41. Fraiman and Envit Wealth (through Fraiman) intentionally or recklessly also made the following false and misleading statements to the Texas investor:

a. On August 23, 2008, Fraiman emailed the Texas investor, stating that once payment was made for the shares, "they will be issuing your 10% dividend on a quarterly basis."

b. On November 21, 2008, Fraiman emailed the Texas investor, stating that Envit Group "is still growing and we plan on issuing a dividend very shortly according to the board of directors and Ed."

c. On February 3, 2009, Fraiman emailed the Texas investor, stating that

“[w]e have zero debt and plenty of cash, the company is in no danger of failing right now or in the [sic] future. We will be updating all of the shareholders with current earnings as soon as our auditor has completed them. . . . This is a growth stock as we are rapidly expanding and purchasing other advisory businesses to bring in more revenue for the company.”

d. On March 31, 2009, Fraiman emailed the Texas investor, stating that “[E]nvit is in better shape than when you invested originally and we are buying up defunct assets at an alarming rate.”

e. At the end of June 2009, Fraiman told the Texas investor during a telephone call that within six to eight weeks, Envit Group stock would pay a dividend, and the investor would have the option to sell half of his Envit Group stock.

42. The statements set forth in paragraph 41 were false and misleading, at a minimum, for the following reasons:

a. Contrary to Fraiman’s representations that Envit Group was financially healthy and growing, the company was actually losing money;

b. Envit Group was not purchasing any “defunct assets;”

c. Contrary to Fraiman’s representations, the Texas investor--and all other investors--has never been able to sell any shares, nor has any investor ever received a dividend from any investment in the Envit Companies;

d. Envit Group had no “board of directors”--Laborio was the sole director; and

e. Envit Group had never retained any auditor to provide audit or review services.

43. Fraiman and Envit Wealth (through Fraiman) knew, or were reckless in not knowing, that the statements set forth in paragraph 41 were false and misleading, based on, at a minimum, conversations during which Laborio told Fraiman that: (i) Envit Group was losing money; (ii) no investor had ever received any dividends on any investment or was ever able to sell any Envit Group private stock; and (iii) Envit Group had no board of directors other than Laborio. Moreover, Fraiman had no basis for claiming that Envit Group was purchasing “defunct assets at an alarming rate” or that Envit Group ever retained any auditor to provide audit or review services.

Lazar Made False and Misleading Statements and Material Omissions to Investors in the Envit Group PIPE

44. In September 2008, Laborio hired Lazar as an investment adviser representative to open a Columbus, Ohio branch office of Envit Wealth. Lazar was the only employee in the Ohio office. Approximately 50 or 60 of Lazar’s former Ameriprise client families transferred their managed accounts to Envit Wealth. Of those client families, approximately two families had more than \$1 million in assets to invest; most had liquid assets in the \$100,000 to \$300,000 range.

45. Lazar admitted the following in testimony under oath with the SEC staff:

- a. Prior to joining Envit Wealth, he had no experience or education with private offerings.
- b. He only understood preferred stock “vaguely.”
- c. In September 2008, his only attempt to educate himself about PIPEs was through basic internet searches.

46. Fraiman emailed the Envit Group PIPE offering materials to Lazar on October 13,

2008. During his SEC testimony under oath, Lazar admitted that he did not read the PIPE offering documents when he received them, but instead he “put them in a drawer.”

47. Despite Lazar’s lack of understanding preferred stocks or PIPEs, and despite not having read the Envit Group PIPE offering materials, Lazar began soliciting approximately 20 of his clients to invest in the Envit Group PIPE in October 2008. Lazar and Envit Wealth (through Lazar) repeatedly stated to clients that they should invest in the PIPE primarily because it came with a “guaranteed” annual 8.5% dividend for five years. Lazar compared the PIPE to “safe” investments, such as fixed annuities or CDs. Lazar also informed his clients that they could sell their Envit Group investment after the expiration of a six-month holding period.

48. Lazar emailed at least one Ohio investor, on November 6, 2008, that “the best deal out there is ours right now . . . the worst case scenario means you make 8.5% each year for five years . . . After the required six month holding time, you can sell at anytime over those five years and the 8.5% annual rate pays out each quarter at 2.125%. Essentially you have a CD growing at 8.5% for the next five years . . .”

49. Lazar and, through Lazar, Envit Wealth’s statements in paragraphs 47 and 48 were false and misleading because: (i) Envit Group did not pay (and had never paid) any dividends; and (ii) the PIPE offering memoranda--which Lazar did not read prior to soliciting his clients--did not guarantee a dividend or promise that the investment was “safe” like a fixed annuity or CD. In fact, the offering memoranda even stated that “no assurance can be made that [the dividend] will take place.”

50. Lazar and Envit Wealth (through Lazar), knew, or were reckless in not knowing, that Lazar’s statements set forth in paragraphs 47 and 48 were false and misleading because

Lazar admitted in testimony under oath with SEC staff that: (i) he had no experience with private offerings; and (ii) he never read the PIPE offering memoranda prior to making claims that the PIPE dividend was “guaranteed” and that the investment was “safe” like a fixed annuity or CD. Lazar further admitted under oath that the first time he read the PIPE offering memoranda was in approximately January 2009, after one of his investors pointed out that the PIPE offering memoranda did not guarantee a dividend.

51. Based on Lazar’s representations, ten of his client families invested in the PIPE between October and December 2008, in amounts ranging from \$20,000 to \$125,000, for a total of \$585,000. These clients lived in Ohio and Illinois, ranged in age from early 20s to mid-60s, and were employed, among other jobs, as an office manager, teacher, shoe salesperson, information technology developer, and a secretary at a middle school who described herself as “not a sophisticated investor.”

52. Lazar’s employment agreement provided a commission structure for introducing investors into the PIPE: \$25,000 cash plus 4% of Envit Group stock for introducing \$1 million into the PIPE; and \$50,000 cash plus 4% of Envit Group stock for introducing \$2 million into the PIPE.

53. Lazar did not disclose to any of his clients that he had not read the PIPE offering memoranda or subscription documents prior to recommending the investment, nor did he disclose that when he first received the PIPE offering documents in October 2008, he “put them in a drawer.”

Laborio Used Offering Proceeds for Gambling and Other Personal Purposes

54. The Envit Companies offering materials falsely represented that new investor

proceeds raised through its offerings would primarily be used to pay for various business acquisitions. For example:

a. The Envit LLC offering memoranda stated that the company was raising capital to (i) “grow our businesses and create new investment products;” and (ii) “provide us with equity security that we can use to finance future strategic acquisitions.”

b. The Envit Group and Aetius PLC offering memoranda stated that the company “intend[s] to use the net proceeds of this offering as follows for acquisition purposes of existing financial firms.”

c. The Envit Holdings offering memoranda stated that the company would use the proceeds to acquire three different “Rib Companies” in Ireland and Denmark, investment companies, and other revenue generating companies.

55. Laborio and, through Laborio, Envit LLC, Envit Group, Envit Holdings, Envit Wealth, Aetius PLC and Aetius LLC directly or indirectly obtained up to \$5.7 million from approximately 150 investors in more than 20 states and several foreign countries during the course of the offerings. Investors were located in Alabama, Alaska, California, Florida, Illinois, Iowa, Louisiana, Maine, Massachusetts, Minnesota, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Washington, Wisconsin, and Europe. Laborio deposited and commingled the funds in Envit LLC’s bank accounts.

56. Even though the offering materials represented that investor funds would primarily be used to fund various business acquisitions, Laborio used investor funds for personal and other purposes, including the following:

a. He withdrew approximately \$63,000 in cash between December 2006 and

December 2008;

- b. He wrote approximately \$340,000 in checks payable to himself between December 2006 and July 2009;
- c. He wired over \$100,000 to various casinos between April 2007 and November 2007 for gambling purposes; and
- d. He used investor proceeds to fund routine personal expenses such as trips to video stores, restaurants, and pharmacies.

The Offerings Were Not Registered or Exempt From Registration

57. During the relevant period, Laborio, Envit LLC, Envit Group, Envit Holdings, and Aetius PLC offered and sold securities to investors using the means or instruments of interstate commerce including, but not limited to, telephones, the Internet, commercial couriers, and the mails.

58. During the relevant period, no registration statements were in effect and no registration statements were filed with the Commission for the securities sold by Laborio, Envit LLC, Envit Group, Envit Holdings, or Aetius PLC. Moreover, the securities transactions at issue were not exempt from registration requirements.

Defendants Laborio, Fraiman, and Lazar Acted As Unregistered Brokers

59. During the relevant time, Laborio, Fraiman, and Lazar sold securities while acting as unregistered brokers. Among other things, Laborio, Fraiman, and Lazar used the telephone and the mails to effect purchases and sales of securities in the offerings described herein. Laborio, Fraiman, and Lazar were not affiliated with a broker-dealer registered with the Commission during the time in which they sold securities to investors. None of the Envit

Companies was a broker-dealer registered with the Commission during the relevant time.

60. Laborio, Fraiman, and Lazar actively solicited investors to purchase securities, and acted as the link between the issuer and the investors. Laborio, Fraiman and Lazar also advised investors about the merits of investing in the offerings. Fraiman and Lazar also received transaction-based compensation in the form of commissions based on a percentage of monies raised.

Laborio Failed to File Required Forms

61. During the relevant time, Laborio served as the Chief Executive Officer and sole Director of Envit Group. During the time period in which Envit Group was an issuer required to file periodic reports with the Commission, Laborio failed to file with the Commission any Forms 3, 4 or 5 (forms that certain insiders must file with the Commission concerning their holdings in and purchases and sales of their company's securities) despite holding and trading registered securities of the issuer.

FIRST CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities

Violations of Securities Act Section 17(a)(1), (2), and (3) [15 U.S.C. § 77q(a)]
(Against Laborio, Envit LLC, Envit Group, Envit Holdings,
Envit Wealth, Envit Fund, Aetius PLC, and Aetius LLC)

62. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

63. By engaging in the conduct described above, Defendants Laborio, Envit LLC, Envit Group, Envit Holdings, Envit Wealth, Envit Fund, Aetius PLC, and Aetius LLC have, directly or indirectly, with scienter, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails,

employed a device, scheme or artifice to defraud, in violation of Section 17(a)(1) of the Securities Act.

64. Defendants Laborio, Envit LLC, Envit Group, Envit Holdings, Envit Wealth, Envit Fund, Aetius PLC, and Aetius LLC, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of Section 17(a)(2) of the Securities Act.

65. Defendants Laborio, Envit LLC, Envit Group, Envit Holdings, Envit Wealth, Envit Fund, Aetius PLC, and Aetius LLC, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which have been or are operating as a fraud or deceit upon the purchasers of securities, in violation of Section 17(a)(3) of the Securities Act.

66. By reason of the foregoing, Defendants Laborio, Envit LLC, Envit Group, Envit Holdings, Envit Wealth, Envit Fund, Aetius PLC, and Aetius LLC violated, and unless restrained and enjoined, will continue to violate, Sections 17(a)(1), (2), and (3) of the Securities Act [15 U.S.C. §77q(a)].

SECOND CLAIM FOR RELIEF

**Fraud in the Offer or Sale of Securities
Violations of Securities Act Section 17(a)(2) [15 U.S.C. § 77q(a)(2)]
(Against Fraiman and Lazar)**

67. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

68. By engaging in the conduct described above, Defendants Fraiman and Lazar directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of Section 17(a)(2) of the Securities Act.

69. By reason of the foregoing, Defendants Fraiman and Lazar violated, and unless restrained and enjoined, will continue to violate, Section 17(a)(2) of the Securities Act [15 U.S.C. §77q(a)(2)].

THIRD CLAIM FOR RELIEF

**Fraud in the Purchase or Sale of Securities
Violations of Exchange Act Section 10(b) and Rules 10b-5(a), (b), and (c)
[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]**
(Against Laborio, Envit LLC, Envit Group, Envit Holdings,
Envit Wealth, Envit Fund, Aetius PLC, and Aetius LLC)

70. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

71. By engaging in the conduct described above, Defendants Laborio, Envit LLC, Envit Group, Envit Holdings, Envit Wealth, Envit Fund, Aetius PLC, and Aetius LLC have, directly or indirectly, with scienter, by use of the means or instruments of interstate commerce or by use of the mails, employed devices, schemes or artifices to defraud; made untrue statements of material fact or 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; or engaged in acts, practices or courses of business which operated or would have operated as a fraud or deceit upon any person, in connection with the purchase or sale of a security.

72. By reason of the foregoing, Defendants Laborio, Envit LLC, Envit Group, Envit Holdings, Envit Wealth, Envit Fund, Aetius PLC, and Aetius LLC violated, and unless enjoined, will continue to violate, Exchange Act Section 10(b) and Rules 10b-5(a), (b), and (c) [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5].

FOURTH CLAIM FOR RELIEF

**Fraud in the Offer or Sale of Securities
Violations of Exchange Act Section 10(b) and Rule 10b-5(b)
[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b)]
(Against Fraiman and Lazar)**

73. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

74. By engaging in the conduct described above, Defendants Fraiman and Lazar have, directly or indirectly, with scienter, by use of the means or instruments of interstate commerce or by use of the mails, made untrue statements of material fact or 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, in connection with the purchase or sale of a security.

75. By reason of the foregoing, Defendants Fraiman and Lazar violated, and unless enjoined, will continue to violate, Exchange Act Section 10(b) and Rule 10b-5(b) [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b)].

FIFTH CLAIM FOR RELIEF

Fraud by Investment Advisers

Violations of Advisers Act Sections 206(1) and 206(2) [15 U.S.C. §80b-6(1) and 80b-6(2)]
(Against Laborio, Fraiman, Lazar, and Envit Wealth)

76. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

77. During the relevant time period, Defendants Laborio, Fraiman, Lazar, and Envit Wealth were investment advisers within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)].

78. During the relevant period, Defendants Laborio, Fraiman, Lazar, and Envit Wealth, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly, while acting as investment advisers, knowingly, willfully, or recklessly:

- a. Employed devices, schemes, or artifices to defraud clients or prospective clients; and
- b. Engaged in transactions, practices, and courses of business that operated as a fraud or deceit upon clients or prospective clients.

79. By reason of the foregoing, Defendants Laborio, Fraiman, Lazar, and Envit Wealth violated, and, unless enjoined, will continue to violate Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §80b-6(1) and 80b-6(2)].

SIXTH CLAIM FOR RELIEF

Fraud by Investment Advisers to a Pooled Investment Vehicle
Violations of Advisers Act Section 206(4) and Rule 206(4)-8
[15 U.S.C. §80b-6(4) and 17 C.F.R. §275.206(4)-8]
(Against Laborio, Fraiman, and Envit Wealth)

80. The Commission realleges and incorporates by reference paragraphs 1 through 61

as if fully set forth herein.

81. During the relevant time period, Defendants Laborio, Fraiman, and Envit Wealth were investment advisers within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)].

82. During the relevant time period, Defendants Envit Fund and Aetius LLC were pooled investment vehicles within the meaning of Advisers Act Rule 206(4)-8(b) and Investment Company Act Section 3(a) [17 C.F.R. §275.206(4)-8(b) and 15 U.S.C. §80a-3(a)].

83. During the relevant period, Defendants Laborio, Fraiman, and Envit Wealth, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly, while acting as investment advisers, knowingly, willfully, or recklessly engaged in acts, practices, or courses of business that are fraudulent, deceptive, or manipulative.

84. Among other things, Defendants Laborio, Fraiman, and Envit Wealth made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to investors or prospective investors in pooled investment vehicles; and otherwise engaged in acts, practices, or courses of business that were fraudulent, deceptive, or manipulative with respect to investors or prospective investors in pooled investment vehicles.

85. By reason of the foregoing, Defendants Laborio, Fraiman, and Envit Wealth violated, and, unless enjoined, will continue to violate Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder [15 U.S.C. §80b-6(4) and 17 C.F.R. §275.206(4)-8].

SEVENTH CLAIM FOR RELIEF

**Acting as Unregistered Broker-Dealers
Violations of Exchange Act Section 15(a)(1) [15 U.S.C. § 78o(a)(1)]
(Against Laborio, Fraiman, and Lazar)**

86. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

87. Defendants Laborio, Fraiman, and Lazar made use of the mails or means or instrumentalities of interstate commerce to effect transactions in or to induce or attempt to induce the purchase or sale of a security without being registered in accordance with Section 15 of the Exchange Act.

88. By engaging in the conduct described above, Defendants Laborio, Fraiman, and Lazar violated Section 15(a)(1) of the Exchange Act by acting as unregistered broker-dealers in connection with their offer and sale of securities as described in this Complaint.

89. By reason of the foregoing, Defendants Laborio, Fraiman, and Lazar violated, and unless enjoined will continue to violate, Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

EIGHTH CLAIM FOR RELIEF

**Sale of Unregistered Securities
Violations of Exchange Act Sections 5(a) and (c) [15 U.S.C. §§ 77e(a), 77e(c)]
(Against Laborio, Envit LLC, Envit Group, Envit Holdings, and Aetius PLC)**

90. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

91. By engaging in the conduct described above, Defendants Laborio, Envit LLC, Envit Group, Envit Holdings, and Aetius PLC have directly or indirectly, by use of the means or

instruments of transportation or communication in interstate commerce or by use of the mails, offered and sold securities or carried or caused such securities to be carried through the mails or in interstate commerce, for the purpose of sale or delivery after sale.

92. No valid registration statement was filed or in effect with the Commission and no exemption from registration existed with respect to the securities and transactions described in this Complaint.

93. By reason of the foregoing, Defendants Laborio, Envit LLC, Envit Group, Envit Holdings, and Aetius PLC violated and, unless enjoined, will continue to violate, Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c)].

NINTH CLAIM FOR RELIEF

**Failure to File Required Forms
Violations of Exchange Act Section 16(a) and Rule 16a-3
[15 U.S.C. § 78p(a) and 17 C.F.R. 240.16a-3]
(Against Laborio)**

94. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

95. Pursuant to Exchange Act Section 16(a) and Rule 16a-3 thereunder, persons who are directors or officers of an issuer of securities registered under the Exchange Act are required timely and accurately to file Forms 3, 4, and 5 with the Commission disclosing information about their holdings and trading in the corresponding issuer's securities.

96. As set forth more fully above, Defendant Laborio owned and traded Envit Group securities with respect to which he failed to file the required forms with the Commission.

97. By reason of the foregoing, Defendant Laborio has violated and, unless enjoined, will continue to violate, Section 16(a) of the Exchange Act and Rule 16a-3 thereunder [15 U.S.C.

§ 78p(a) and 17 C.F.R. 240.16a-3].

TENTH CLAIM FOR RELIEF

**Transactions by Unregistered Investment Companies
Violations of Investment Company Act Section 7(a) [15 U.S.C. § 80a-7(a)]
(Against Envit Fund and Aetius LLC)**

98. The Commission realleges and incorporates by reference paragraphs 1 through 61 as if fully set forth herein.

99. As set forth more fully above, Defendants Envit Fund and Aetius LLC, while not registered as investment companies, made use of the means or instruments of interstate commerce to induce or attempt to induce the purchase or sale of a security in violation of Section 7(a) of the Investment Company Act.

100. By reason of the foregoing, Defendants Envit Fund and Aetius LLC violated and, unless enjoined, will continue to violate, Section 7(a) of the Investment Company Act [15 U.S.C. § 80a-7(a)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Find that each of the Defendants committed the violations alleged in this Complaint;

II.

Enter an Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently restraining and enjoining each of the Defendants from violating the laws and rules alleged against them in this Complaint;

III.

Order that each of the Defendants disgorge any and all ill-gotten gains, together with pre-judgment interest, derived from the activities set forth in this Complaint;

IV.

Order that each of the Defendants pay civil money 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)], Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)], and Section 42(e) of the Investment Company Act [15 U.S.C. § 80a-42(e)];

V.

Order that Defendant Laborio be prohibited from acting as an officer or director of any public company pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)];

VI.

Order that Defendants Laborio, Fraiman, and Lazar be prohibited from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)];

VII.

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

relief within the jurisdiction of this Court; and

VIII.

Grant such other relief as this Court may deem just or appropriate.

DEMAND FOR JURY TRIAL

Under Rule 38 of the Federal Rules of Civil Procedure, the Commission demands trial by jury in this action of all issues so triable.

DATED: August 10, 2012

Respectfully submitted,



David H. London (BBO # 638289)
Eric A. Forni (BBO # 669685)
UNITED STATES SECURITIES AND
EXCHANGE COMMISSION
33 Arch Street, 23rd Floor
Boston, Massachusetts 02110
Email: londond@sec.gov
Tel: (617) 573-8997 (London)
Fax: (617) 573-4590