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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

AVELLINO & BIENES, :

FRANK J. AVELLINO, and :

MICHAEL S. BIENES, :

Defendants. :

-----X

92 Civ. 8314 (JES)

DEFENDANTS' FIRST REQUEST FOR
THE PRODUCTION OF DOCUMENTS

PLEASE TAKE NOTICE, that pursuant to Rule 34 of the Federal Rules of Civil Procedure and Civil Rule 47 of the United States District Court for the Southern District of New York, plaintiff, the Securities and Exchange Commission, is required to produce the following documents at the offices of Squadron, Ellenoff, Plesent & Lehrer, 551 Fifth Avenue, New York, New York on or before April 19, 1993.

DEFINITIONS

A. As used herein, the term "SEC" shall refer to plaintiff herein, its employees, agents, representatives or persons acting or purporting to act on its behalf.

B. As used herein, the term "Avellino & Bienes" shall refer to defendant Avellino & Bienes, its predecessors and successors, its present or former partners, employees, agents, representatives or persons acting or purporting to act on its behalf.

C. As used herein, the terms "communication," "document," "identify," "person," "concerning," "all," "each," "and" and "or" shall have the meaning and

be construed in the manner set forth in Civil Rule 47 of the United States District Court for the Southern District of New York.

D. As used herein the term "Interrogatories" shall mean Defendants' First Set of Interrogatories in this action, which has been served herewith.

E. If any of the documents requested herein is withheld under a claim of privilege, identify each such document and state the date of the document, identify its author and addressee, each person to whom copies of the document were furnished or to whom the contents thereof were communicated, a summary of the subject matter of the document, its present location and custodian, the basis upon which the asserted privilege is claimed, and the requests to which the document is responsive.

F. If any of the documents requested herein has been destroyed, furnish a list identifying each such document, its author and addressee, each person to whom copies of the document were furnished or to whom the contents thereof were communicated, a summary of the substance of the document, the date upon which it was destroyed, the reason it was destroyed, and by whom.

G. This request is deemed to be continuing in nature, and in the event you become aware of or come into the possession, custody, or control of any additional responsive documents, plaintiff is requested promptly to produce such additional documents for inspection and copying.

H. The relevant time period to which the document requests set forth herein apply is from January 1, 1980 to the date upon which the documents requested herein are produced.

I. Documents shall be organized and labelled so as to correspond to the categories in this request.

DOCUMENTS TO BE PRODUCED

1. All documents used or referred to in preparing the SEC's Answer to Interrogatory No. 1 of the Interrogatories.
2. All documents used or referred to in preparing the SEC's Answer to Interrogatory No. 2 of the Interrogatories.
3. All documents used or referred to in preparing the SEC's Answer to Interrogatory No. 3 of the Interrogatories.

Dated: New York, New York
March 15, 1993



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TO: UNITED STATES SECURITIES
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New York Regional Office
7 World Trade Center
New York, New York 10048
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Attention: Kathryn A. Ashbaugh

Attorneys for Plaintiff

that it seeks to impose upon the SEC the burden of compiling data or information that is equally available to the defendants, and is an attempt to shift the burden of preparing the defendants' case to the SEC. In addition, the SEC objects to this interrogatory on the basis that the term "enforcement proceeding" is vague and ambiguous.

Interrogatory No. 2

Identify the names, addresses and telephone numbers of all Avellino & Bienes lenders or noteholders whom the SEC has contacted with respect to any matter referred to in the Complaint for Preliminary and Permanent Injunctive and Other Equitable Relief (the "Complaint") in this action.

Answer to Interrogatory No. 2

The SEC objects to this interrogatory on the basis that it seeks information which is privileged under the work product doctrine. Notwithstanding the foregoing objection, the SEC has contacted the following investors with respect to matters referred to in the Complaint:

Personal Privacy

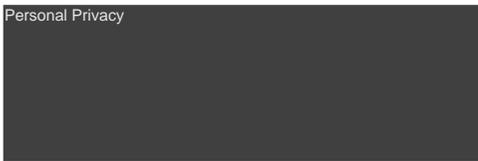


Virginia Atherton

Personal Privacy



Personal Privacy



Answer to Interrogatory No. 2
contd.

Sandra Bozarth

Personal Privacy [Redacted]

Earl McClain
Personal Privacy [Redacted]

Personal Privacy [Redacted]

Answer to Interrogatory 2
contd.

Personal Privacy
[Redacted]

Answer to Interrogatory 2
contd.

Personal Privacy
[Redacted]

Interrogatory No. 3

(a) Set forth the amount of disgorgement that the SEC is seeking from defendants herein.

(b) Set forth in detail the calculation by which the SEC arrived at its answer to Interrogatory 3(a), including each number used in such calculation.

(c) Identify each document used to calculate the answer to Interrogatory 3(a) and set forth the location of each such document.

(d) Identify the person(s) who participated in calculating the amount of disgorgement that the SEC is seeking from defendants herein.

Answer to Interrogatory No. 3

The SEC has not yet calculated the amount of disgorgement that it is seeking from the defendants. The SEC will provide the defendants with a response once sufficient discovery has been conducted. The SEC recognizes its continuing obligation to respond to this interrogatory.

Dated: New York, New York
April 19, 1993

RICHARD H. WALKER
Regional Administrator

By:


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