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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **SOUTHERN DIVISION**

17 SECURITIES AND EXCHANGE
18 COMMISSION,

19 Plaintiff,

20 vs.

21 RENAISSANCE ASSET FUND, INC.,
22 RONALD J. NADEL, and JOSEPH M.
MALONE,

23 Defendants.

Case No.

COMPLAINT

25
26 Plaintiff Securities and Exchange Commission (“Commission”) for its
27 Complaint alleges as follows:
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JURISDICTION AND VENUE

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2 1. This Court has jurisdiction over this action pursuant to Sections
3 20(d)(1) and 22(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§
4 77t(d)(1) and 77v(a)] and Sections 21(d)(3), 21(e) and 27 of the Securities Exchange
5 Act of 1934 (the “Exchange Act”) [15 U.S.C. §§ 78u(d)(3), 78u(e) and 78aa].
6 Defendants, directly or indirectly, have made use of the means and instrumentalities
7 of interstate commerce or of the mails in connection with the acts, transactions,
8 practices and courses of business alleged in this Complaint.
9

10
11 2. Venue in this District is proper pursuant to Section 22(a) of the
12 Securities Act [15 U.S.C. §77v(a)] and Section 27 of the Exchange Act [15 U.S.C.
13 §78aa] because multiple defendants are located in the Central District of California
14 and acts or transactions constituting federal securities law violations occurred within
15 the Central District of California.
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SUMMARY

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19 3. Defendants perpetrated a massive affinity fraud and Ponzi scheme,
20 which resulted in millions of dollars of losses by over 190 victims. Using contacts
21 within Jehovah’s Witnesses congregations, Defendants recruited many elderly
22 victims and fellow Jehovah’s Witnesses. Claims were made that the investments
23 would be used to provide loans or other financing to promising businesses.
24 Defendants promised their victims huge returns on their investments of 17% – 25%
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1 on investments maturing in one year, and a 25% return on other investments
2 maturing in four months. They also touted the safety of the investments.

3 4. From at least March 1999 through April 2004, Defendant Ronald J.
4 Nadel (“Nadel”), through Renaissance Asset Fund, Inc. (“Renaissance”), operated
5 various investment programs as a Ponzi scheme. Nadel and Joseph M. Malone
6 (“Malone”), Renaissance’s “investor relations” representative, individually and
7 through a network of other solicitors raised at least \$16 million by selling promissory
8 notes. As investors began requesting the return of their money, Nadel engaged in a
9 series of stalling tactics, including soliciting “rollovers” of investors’ purported
10 returns into other investment programs and making partial repayments from funds
11 contributed by other investors.
12

13 15 5. Renaissance invested approximately \$1 million of the funds it raised in
16 business projects, but Nadel spent most of the investors’ money operating his Ponzi
17 scheme. He also diverted at least \$2.3 million to himself and entities he controlled,
18 and paid Malone at least \$230,000.
19

20 21 6. The majority of investors in Renaissance never received the promised
22 interest or the return of their principal and the promised returns offered investors
23 were fraudulent. Indeed, contrary to express representations, the evidence indicates
24 that the investment proceeds obtained from investors were primarily used for
25 improper and undisclosed purposes.
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1 7. In fact, Nadel, through Renaissance, was operating a Ponzi scheme.
2 During the relevant time period, approximately \$1.5 million to \$2 million was paid
3 out to investors using funds deposited by other investors. Thus, in typical Ponzi
4 scheme fashion, payments to existing investors were funded almost completely by
5 money received from new investors to the scheme. Moreover, Defendant Nadel
6 diverted a significant portion of investor funds – approximately \$2.3 million – to
7 himself directly and through nominee accounts. He used the funds in part for
8 personal expenses such as the funding of unrelated businesses, as well as extravagant
9 business expenses such as leases on cars, country club memberships, and other retail
10 purchases and services. As with all Ponzi schemes, once the ever-increasing flow of
11 new investors stopped, the house of cards built by Nadel and Renaissance collapsed
12 and most investors were left empty-handed.

13 8. Defendants’ blatant fraud violated the registration and antifraud
14 provisions of the federal securities laws. Indeed, unless enjoined by this Court,
15 Defendants will continue to engage in conduct that violates the securities laws.
16 Accordingly, the Commission seeks an order enjoining Defendants, requiring
17 disgorgement of ill-gotten gains, civil money penalties, and granting other equitable
18 relief.

DEFENDANTS

19 9. Renaissance Asset Fund, Inc. (“Renaissance”), a Delaware corporation
20 with corporate offices located in San Clemente, California, represents that it is in the
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1 business of making bridge loans and providing financing to businesses.
2 Renaissance's principal and employees solicited investors and made the
3 misrepresentations at issue in this case. Investor victims sent their money to
4 Renaissance.
5

6 10. Ronald J. Nadel, a resident of San Clemente, California, is the
7 president, owner, and manager of Renaissance. Nadel offered and sold the
8 Renaissance investments.
9

10 11. Joseph M. Malone, a resident of Newport Coast, California, offered and
11 sold the Renaissance investments. From the summer of 2000 through at least the
12 summer of 2002, Malone served as the "investor relations" representative of
13 Renaissance.
14

15 **THE NATURE OF THE FRAUDULENT OFFERINGS**

16 **A. The Securities Offered By Defendants**

17 18. Beginning no later than March 1999, Nadel, through Renaissance,
18 offered and sold promissory notes, which it called "participating debt instruments"
19 ("PDIs"), as investments in four businesses: (1) a general fund to be invested by
20 Renaissance; (2) an outlet mall in Dacono, Colorado; (3) the International Currency
21 Exchange; and (4) the Zurich American Trust Company, an alleged Swiss bank.
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25 13. At least \$16 million was raised from at least 190 investors in California
26 and other states.
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1 14. Renaissance's offering documents, created or approved by Nadel,
2 promised that investors would receive interest of 17% - 25% on their principal, and
3 that Renaissance would return their principal and pay all accrued interest at the end
4 of the investment period.
5

6 15. Through at least May 31, 2003, Renaissance sent most investors
7 quarterly account statements confirming their investments. These statements set
8 forth the annual interest rate to be paid, the investment amount, the amount of
9 interest "accrued" in the investor's account, the maturity date of the investment, and
10 the current balance of the account including the accrued interest.
11
12

13 16. Following the supposed success of the investments as reflected in the
14 account statements, Nadel and others, through Renaissance, successfully convinced
15 satisfied investors to "roll over" their investments into the same or other investment
16 programs and to make additional investments.
17

18 17. No registration statement was filed with the Commission or was in
19 effect with respect to the securities that the Defendants offered and sold.
20

21 18. In fact, investor-victims in Nadel and Renaissance's scheme did not
22 receive promised rates of returns on their investments nor did Nadel and Renaissance
23 use investor funds as represented. The account statements Nadel and Renaissance
24 provided to investors were false.
25

26 19. In fact, Nadel converted at least \$2.3 million of these funds for his own
27 use rather than using them as represented to investors.
28

1 **B. The Renaissance General Fund**

2 20. From at least March 1999 through May 2002, Nadel and others, through
3 Renaissance, began soliciting investors to purchase PDIs for a general fund to be
4 invested by Renaissance.
5

6 21. Nadel and Renaissance represented that Renaissance would use the
7 invested monies to provide bridge financing for companies, fine art, patents,
8 intellectual properties, licenses, rights and debt instruments.
9

10 22. Nadel and Renaissance represented that Renaissance provided investors
11 with safe, high yield returns on projects.
12

13 23. Nadel and Renaissance represented in prospectuses and other offering
14 materials that investors would receive between 17% and 20% annual returns on their
15 investments.
16

17 24. Renaissance attached charts to its offering brochures which represented
18 the growth potential of an investment with Renaissance over time. Nadel and
19 Renaissance represented that a typical investment with Renaissance would double in
20 five years compared to traditional investments that require ten years to produce the
21 same results.
22

23 25. Nadel and Renaissance raised at least \$2.3 million from 29 investors for
24 the general fund. The majority of investors in the general fund never received the
25 promised interest or the return of their principal.
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1 26. In fact, although the Renaissance general fund invested some money in
2 the investments described in the following allegations, these investments were
3 fraudulent. They were not the safe, high yield investments Nadel and Renaissance
4 promised investors.
5

6 27. The Renaissance general fund was part of Nadel and Renaissance's
7 Ponzi scheme. Nadel knew, or was reckless in not knowing, that Renaissance was a
8 Ponzi scheme.
9

10 **C. The Dacono Factory Stores**

11 28. From at least May 1999 through April 2002, Nadel and others, through
12 Renaissance, offered investors PDIs to fund a loan for the Dacono Factory Stores
13 (the "Dacono project"). This project involved a proposed outlet store development
14 located near Dacono, Colorado.
15
16

17 29. Nadel and Renaissance falsely promised investors they would receive a
18 25% return upon maturity of their notes.
19

20 30. In a "Brief Investment Overview" given to prospective investors, Nadel
21 and Renaissance represented that investment proceeds would be used for design,
22 engineering, and initial infrastructure work on the outlet store development.
23

24 31. Nadel and Renaissance failed to disclose that Renaissance might use
25 invested funds from the Dacono project for other purposes, such as Renaissance's
26 general or administrative expenses.
27
28

1 32. The Overview represented that the Dacono project was extensively
2 collateralized, implying that the investments earmarked for the Dacono project were
3 completely safe. Renaissance claimed to hold a first deed of trust on property
4 appraised at \$11.2 million and a second deed of trust on property appraised at \$5.5
5 million.
6

7 33. In fact, any investment Renaissance made in Dacono was not fully
8 collateralized and another creditor received these properties in later foreclosure
9 proceedings.
10

11 34. In 2001, Nadel solicited extensions of maturity dates and additions to
12 the existing investments for the Dacono project. In the course of these solicitations,
13 Nadel sent letters to investors misrepresenting that the Dacono project was being
14 expanded and that development was proceeding. Nadel's letters also misrepresented
15 that the Dacono investment had been accruing interest at the promised rate of return
16 and gave investors the "total value" of their individual investments to show the
17 marked growth. Many Dacono investors extended the term of their investments for
18 an additional twelve months or made additional contributions to their Renaissance
19 investment accounts.
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23 35. In fact, the Dacono Factory Stores outlet mall was never built. Nadel
24 knew by at least June 2001 that the Dacono property had been foreclosed upon and
25 was quoted in a newspaper article commenting on Renaissance's losses.
26
27
28

1 36. However, Nadel and Renaissance continued to solicit investors for the
2 Dacono project without disclosing the foreclosure or other problems through the fall
3 and winter of 2001.

4
5 37. Nadel and Renaissance raised at least \$7.5 million from 126 investors
6 for the Dacono project. The majority of investors in the Dacono project never
7 received the promised interest or the return of their principal.

8
9 38. In fact, the Dacono project investment was a part of the Ponzi scheme
10 operated by Nadel and Renaissance. Nadel knew, or was reckless in not knowing,
11 that the Dacono project investment was a Ponzi scheme.

12 **D. The International Currency Exchange**

13
14 39. From at least December 1999 through February 2001, Nadel and others,
15 through Renaissance, solicited investors to fund a loan to the International Currency
16 Exchange (“ICE”), a purported developer of an Internet-based trading system. Upon
17 investing, investors received PDIs with a maturity date that was usually 120 days,
18 and which guaranteed an interest rate of 25% (an annualized rate of 75%).

19
20 Renaissance also promised to give investors an equity share in its interest in a “pre-
21 initial public offering” of ICE common stock.

22
23 40. Documents disseminated by Nadel through Renaissance promised
24 prospective investors that ICE, in exchange for loans from Renaissance, would repay
25 Renaissance enough money so that investors would receive a significant return. As
26 investments in ICE matured and became overdue, Nadel sent investors a letter which
27
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1 purported to provide an update on their investments. Nadel's letter represented that
2 the ICE investments had been accruing interest at the promised rate of 25% and
3 represented the "total value" of their individual investments to investors showing the
4 claimed growth.

6 41. Nadel's letter further represented that ICE would continue expansion
7 into several world markets, had acquired the marketing rights for an internationally
8 chartered bank known as the Zurich American Bank, and also had acquired a 1%
9 equity ownership in the common stock of the Zurich American Bank. The letter also
10 represented that "[t]his 1% stock position provides assets sufficient to fully securitize
11 the debt position of its investors."
12

14 42. In response to this letter, many ICE investors extended the term of their
15 investments for an additional 120 days or longer and made additional contributions
16 to the Renaissance investment accounts.
17

18 43. In fact, Nadel caused ICE to be established, ICE never conducted any
19 business, and Nadel controlled all the funds that Renaissance "loaned" to ICE.
20 Nadel and Renaissance never disclosed these facts to investors.
21

22 44. Further, Nadel and Renaissance's representations that ICE had acquired
23 an ownership interest in the Zurich American Bank were false.
24

25 45. Finally, there was never any public offering of ICE stock, and ICE's
26 corporate status was suspended in 2002 because Nadel failed to pay to renew the
27 company's registration.
28

1 46. Nadel and Renaissance raised at least \$1.4 million from 44 investors for
2 ICE. The majority of investors in ICE never received the promised interest or the
3 return of their principal.

4 47. In fact, the ICE investment was part of the Ponzi scheme operated by
5 Nadel and Renaissance. Nadel knew, or was reckless in not knowing, that the ICE
6 investment was a Ponzi scheme.
7

8
9 **E. Zurich American Trust Company**

10 48. From mid-2001 through at least November 2002, Nadel and
11 Renaissance solicited various investors to fund loans to the Zurich American Trust
12 Company (“ZATCO”), an alleged Swiss bank.

13 49. Nadel and Renaissance represented that the ZATCO investments would
14 pay 12% - 15% interest and that investors would also receive an equity interest in
15 ZATCO.
16
17

18 50. ZATCO was the same company as the Zurich American Bank referred
19 to in the previous allegations. Nadel controlled an entity called Asset Lenders
20 Group, which was purportedly financing ZATCO.
21

22 51. In fact, the money Nadel and Renaissance raised for investment in
23 ZATCO was not used for that purpose. The investment funds designated for
24 ZATCO were instead deposited into the Renaissance general fund or other Nadel-
25 controlled bank accounts and used for the same purposes as the rest of the
26 Renaissance funds.
27
28

1 52. The client account statements Nadel and Renaissance sent out showing
2 amounts earned from the purported ZATCO investments were false.

3 53. Investors in the purported ZATCO investment never received the
4 promised interest or the return of their principal.
5

6 54. In fact, the ZATCO investment was part of the Ponzi scheme
7 orchestrated by Nadel and Renaissance. Nadel knew, or was reckless in not
8 knowing, that the ZATCO investment was a Ponzi scheme.
9

10 **F. Defendant Malone’s Participation In The Scheme To Defraud**

11 55. For at least two years beginning in July 2000, Malone served as
12 Renaissance’s “investor relations” representative, and supervised solicitations of
13 investors by Renaissance. Malone knew Nadel from their Jehovah’s Witness
14 congregation and, before he became employed at Renaissance, had managed Senior
15 Resources, which provided financial advice to senior citizens.
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18 56. Malone received at least \$230,000 in salary or other compensation from
19 entities Nadel controlled, including Renaissance.
20

21 57. Malone’s responsibilities included, among other things, accepting
22 investment agreements, overseeing salesmen who solicited investors, and arranging
23 commission payments to them for their sales. Malone also helped determine when
24 investors would be paid. Further, he sent letters to investors which purported to
25 resolve issues with account statements and correct errors.
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1 58. In January 2001, Malone sent letters to investors which falsely
2 represented that their Renaissance account statements and purported accrued interest
3 balances were correct, and that Renaissance had an ever-growing portfolio of high
4 yielding projects on which Renaissance had done due diligence to warrant investors'
5 confidence.
6

7 59. In 2002, Malone sent letters to investors which falsely represented that
8 their Renaissance accounts were "fine," and that Renaissance was engaged in
9 international banking with the Zurich American Trust.
10

11 60. In fact, investor monies were never invested in the Zurich American
12 Trust.
13

14 61. Malone induced clients of his former firm, Senior Resources, to invest
15 in the Renaissance general fund, Dacono or ZATCO investments, raising at least
16 \$880,000. He knew from his prior experience with Senior Resources that those
17 clients expected safe investments.
18

19 62. Malone knew that the Dacono project had been foreclosed upon by at
20 least early 2002 but failed to disclose this development to investors.
21

22 63. Malone was also aware of investors' complaints about Renaissance at
23 least by August 2002 from his involvement at the company. Malone also knew of
24 Renaissance's dire financial condition by November 2002. He also knew that the
25 money raised for the Zurich American Trust was not invested there but was used for
26 other purposes.
27
28

1 64. Malone's letters referenced in paragraphs 58 and 59 above
2 mischaracterized the success of the Renaissance investment programs,
3 misrepresented the use of investors' funds, and misrepresented the investors' returns.
4
5 Malone knew, or was reckless in not knowing, that the representations he made in
6 his letters to investors were misleading and false.

7 65. Malone knew, or was reckless in not knowing, that the investments
8 offered by Renaissance were not safe.
9

10 **G. The Ponzi Scheme Unravels**

11 66. Nadel commingled investor funds in various bank accounts that he
12 controlled. Some individuals received interest and/or principal payments from
13 Renaissance through April 2003, totaling approximately \$1.5 million to \$2 million.
14 These investor victims were paid with money from new investor victims recruited
15 into the Ponzi scheme. Other investors received their principal but no interest or
16 return on their investment.
17
18

19 67. After April 2003, Renaissance defaulted on all remaining promissory
20 notes, the last of which matured in April 2004. Of the \$16 million invested in the
21 Renaissance programs, less than \$300 remained by August 2003.
22

23 68. When investors pressed for payment, Nadel and Renaissance began
24 delaying tactics. While telling some investors that their funds were safe, Nadel
25 began holding out various supposed third-party deals and/or loan agreements from
26 which he would purportedly obtain millions of dollars to repay investors.
27
28

1 69. Defendants misrepresented the return promised to investors and, in fact,
2 did not produce those returns to investors. The Defendants never told investors of
3 the dire financial condition of Renaissance or its inability to make promised
4 payments.
5

6 **FIRST CLAIM FOR RELIEF**
7 **(Violations of Section 17(a)(1) of the Securities Act)**
8 **(Against All Defendants)**

9 70. The Commission hereby incorporates paragraphs 1 through 69 by
10 reference.

11 71. Defendants, with scienter, in the offer or sale of securities, by the use of
12 means or instruments of transportation or communication in interstate commerce, or
13 by the use of the mails, directly or indirectly employed devices, schemes or artifices
14 to defraud.
15

16 72. By reason of the foregoing, Defendants have violated Section 17(a)(1)
17 of the Securities Act [15 U.S.C. § 77q(a)(1)] and unless enjoined will continue to
18 violate Section 17(a)(1) of the Securities Act.
19

20 **SECOND CLAIM FOR RELIEF**
21 **(Violations of Sections 17(a)(2) and (3) of the Securities Act)**
22 **(Against All Defendants)**

23 73. The Commission hereby incorporates paragraphs 1 through 69 by
24 reference.
25

26 74. Defendants have knowingly, recklessly or negligently, by engaging in
27 the conduct set forth above, directly or indirectly, in the offer or sale of securities, by
28

1 the use of means or instruments of transportation or communication in interstate
2 commerce, or of the mails: (a) obtained money or property by means of untrue
3 statements of material fact or by omitting to state material facts necessary in order to
4 make the statements made, in the light of the circumstances under which they were
5 made, not misleading; or (b) engaged in transactions, practices or courses of business
6 which operated or would operate as a fraud or deceit upon the purchasers of such
7 securities.
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10 75. By reason of the foregoing, Defendants have violated Sections 17(a)(2)
11 and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and (3)] and unless enjoined
12 will continue to violate Sections 17(a)(2) and (3) of the Securities Act.
13

14 **THIRD CLAIM FOR RELIEF**
15 **(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder)**
16 **(Against All Defendants)**

17 76. The Commission hereby incorporates Paragraphs 1 through 69 by
18 reference.
19

20 77. Defendants have, by engaging in the conduct set forth above, directly or
21 indirectly, by use of means or instrumentalities of interstate commerce, or of the
22 mails, or of a facility of a national security exchange, with scienter: (a) employed
23 devices, schemes or artifices to defraud; (b) made untrue statements of material fact
24 or omitted to state material facts necessary in order to make the statements made, in
25 light of the circumstances under which they were made, not misleading; or
26 (c) engaged in acts, practices or courses of business which operated or would operate
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1 as a fraud or deceit upon other persons, in connection with the purchase or sale of
2 securities.

3 78. By reason of the foregoing, Defendants have violated Section 10(b) of
4 the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. §§ 240.10b-5] and
5 unless enjoined will continue to violate Section 10(b) of the Exchange Act and Rule
6 10b-5.
7

8
9 **FOURTH CLAIM FOR RELIEF**
10 **(Violations of Sections 5(a) and 5(c) of the Securities Act)**
11 **(Against All Defendants)**

12 79. The Commission hereby incorporates Paragraphs 1 through 69 by
13 reference.
14

15 80. Defendants have, by engaging in the conduct set forth above, directly or
16 indirectly, through use of the means or instruments of transportation or
17 communication in interstate commerce or of the mails, offered to sell or sold
18 securities or carried or caused such securities to be carried through the mails or in
19 interstate commerce, for the purpose of sale or delivery after sale.

20 81. No registration statement was filed with the Commission or was in
21 effect with respect to the securities offered by Defendants prior to the offer or sale of
22 these securities.
23

24 82. By reason of the foregoing, Defendants have violated Sections 5(a) and
25 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)], and unless enjoined will
26 continue to violate these provisions.
27
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1 **FIFTH CLAIM FOR RELIEF**
2 **(Violations of Section 15(a) of the Exchange Act)**
3 **(Against Nadel and Malone)**

4 83. The Commission hereby incorporates Paragraphs 1 through 69 by
5 reference.

6 84. Defendants Nadel and Malone, while engaged in the business of
7 effecting transactions in securities for the account of others or for their own
8 accounts, have made use of the mails or the means or instrumentalities of interstate
9 commerce to effect transactions in, or to induce the purchase of, securities, without
10 being registered as brokers or dealers with the Commission.
11

12 85. By reason of the foregoing, Defendants Nadel and Malone have
13 violated Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)], and unless enjoined
14 will continue to violate these provisions.
15

16 **PRAYER FOR RELIEF**

17 WHEREFORE, the Commission respectfully requests that the Court:

18 I.

19 Issue findings of fact and conclusions of law that the Defendants committed the
20 violations charged and alleged herein and issue orders as follows:
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22

23 II.

24 Enter an Injunction, in a form consistent with Rule 65(d) of the Federal Rules
25 of Civil Procedure, permanently restraining and enjoining Defendants Renaissance,
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1 Nadel and Malone from violating, Sections 5(a), 5(c), 17(a)(1), 17(a)(2), and 17(a)(3)
2 of the Securities Act, Section 10 (b) of the Exchange Act, and Rule 10b-5 thereunder,
3 and permanently restraining and enjoining Nadel and Malone from violating Section
4 15(a) of the Exchange Act.
5

6 III.

7 Issue an Order directing all of the Defendants jointly and severally, to prepare
8 and present to the Court and the Commission within three (3) days from the entry of
9 said order, or within such extension of time as the Commission staff agrees, a written
10 accounting signed under penalty of perjury, setting forth all funds, assets and
11 liabilities including: all real and personal property exceeding \$5,000 in value,
12 located both within and outside of the United States, which are held by such
13 Defendant, on their behalf, or under their direct or indirect control, whether jointly or
14 singly, or in which they have an interest; all funds and assets that each Defendant
15 received from investors and the ultimate use or current location of those funds or
16 assets. The accountings shall include a description of the source(s) of all such assets;
17 and all bank, securities, futures and other accounts controlled by Defendant, directly
18 or indirectly, identified by institution, branch address and account number.
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24 IV.

25 Order Defendants to disgorge all ill-gotten gains in the form of any benefits of
26 any kind derived from the illegal conduct alleged in this Complaint, plus pre-
27 judgment interest;
28

V.

Order Defendants to pay civil penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Sections 21(d)(3); and

VI.

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

Dated: July 17, 2006

Respectfully submitted:

By:

/s/

Thomas D. Carter

Polly A. Atkinson

Attorneys for Plaintiff

SECURITIES AND EXCHANGE
COMMISSION

LOCAL COUNSEL:

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