

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	Civil Action No.
vs.)	FILED: SEP 16, 2008
)	08CV5259
JAMES D. ZEGLIS, GAUTAM GUPTA,)	JUDGE MORAN
LANCE D. McKEE and JIM W. DIXON,)	MAGISTRATE JUDGE ASHMAN
)	RCC
Defendants.)	
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COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

JURISDICTION AND VENUE

1. The Securities and Exchange Commission (“Commission” or “SEC”) brings this action pursuant to Sections 21(d) and 21(e) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d) and 78u(e)] to enjoin the defendants from engaging in transactions, acts, practices and courses of business alleged in this complaint, and transactions, acts, practices, and courses of business of similar purport and object, for disgorgement of illegally obtained funds and other equitable relief, and for civil money penalties. This Court has jurisdiction of this action pursuant to Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

2. The defendants, directly and indirectly, have made use of the mails, the means and instruments of transportation and communication in interstate commerce, and the means and instrumentalities of interstate commerce, in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

3. Venue lies in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa] because the defendants reside within this district, and certain of the actions set forth herein occurred within the Northern District of Illinois. Furthermore, defendant Zeglis is an attorney licensed to practice law in the State of Illinois, and by virtue of that professional license, maintains a law office within the Northern District of Illinois.

SUMMARY

4. This matter involves insider trading in the securities of Georgia-Pacific Corporation by three individuals who received tips directly or indirectly from defendant Zeglis, who, in turn, had misappropriated material nonpublic information from his brother, a member of Georgia-Pacific's board of directors. On November 10, 2005, three days before a public announcement that Georgia-Pacific had agreed to be acquired by Koch Industries, Inc., defendant Zeglis tipped defendant Gupta and defendant Dixon, both of whom purchased Georgia-Pacific securities. Gupta, in turn, tipped defendant McKee, who also purchased Georgia-Pacific securities.

5. Further, after Zeglis tipped Dixon, Dixon purchased Georgia-Pacific options on Zeglis's recommendation, and paid Zeglis a kickback from his ill-gotten gains.

6. Within moments after meeting with Zeglis, Gupta transferred \$400,000 from a commodities brokerage account to his bank account and placed a 40 second phone call to McKee. After the phone call from Gupta, McKee almost immediately purchased 500 shares of Georgia-Pacific stock, a stock he had never previously purchased. Within a few hours, Gupta had opened a brokerage account, transferred the \$400,000 into his new brokerage account, and made his first stock purchase in ten years by purchasing 20,000 shares of Georgia-Pacific. The following day, Gupta purchased an additional 10,000

shares and then purchased 241 short term call options in Georgia-Pacific, increasing his investment in Georgia-Pacific securities to more than \$1 million.

7. On Sunday, November 13, 2005, Koch Industries, Inc. ("Koch") publicly announced a definitive agreement for a Koch subsidiary to make a cash tender offer for all shares of Georgia-Pacific. The following day, Georgia-Pacific's stock price increased 36% in response to the announcement. Gupta and McKee then sold their Georgia-Pacific securities, realizing profits of \$689,401 and \$7,157.60, respectively. Dixon also realized a profit of \$116,000 from the sale of Georgia-Pacific options. Thereafter, over the course of several months, Dixon paid Zeglis approximately \$25,000 of his profits.

VIOLATIONS

8. Defendants Zeglis, Gupta, McKee and Dixon have engaged, and unless restrained and enjoined by this Court, will continue to engage in acts and practices which constitute and will constitute violations of Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. 78j(b) and 78n(e)] and Rules 10b-5 and 14e-3 thereunder [17 C.F.R. 240.10b-5 and 240.14e-3].

THE DEFENDANTS

9. James D. Zeglis, 52, is a solo practitioner attorney who resides in and operates an office located within the Northern District of Illinois. His practice includes representing small businesses. He is licensed to practice law in Illinois and Indiana.

10. Gautam Gupta, 53, is a physician who owns and operates five weight-loss clinics in Illinois. He resides within the Northern District of Illinois.

11. Jim W. Dixon, 61, is a real estate developer and agent. He resides within the Northern District of Illinois.

12. Lance D. McKee, 44, is a self described "self-employed investor." From December 17, 2001 through July 23, 2004, McKee was a registered representative with a broker-dealer in the securities industry, and held Series 7 and 63 securities licenses. He resides within the Northern District of Illinois.

RELATED PERSONS AND ENTITIES

13. Georgia-Pacific Corporation is a leading manufacturer of tissue, pulp, paper, packaging and building products. Prior to the company's acquisition by Koch, Georgia-Pacific shares were listed on the New York Stock Exchange. Koch's acquisition of Georgia-Pacific was completed in late December 2005.

14. Defendant Zeglis has an older brother, who is also an attorney. The defendant's brother served as a member of the Georgia-Pacific board of directors from 2000 until the sale of the company to Koch closed at the end of 2005. Previously, from 1986 through 1997, Zeglis's brother was general counsel for AT&T. The defendant's brother became president of AT&T in 1998. Later, defendant Zeglis's brother became chief executive officer of AT&T Wireless and served in that capacity until it was acquired by Cingular Wireless Corporation in 2004. The defendant's brother had previously served on the board of directors of several public companies.

BACKGROUND

15. In early October 2005, Koch first proposed to acquire Georgia-Pacific. On October 5, 2005, senior representatives of Koch and Georgia-Pacific, including the Chairman and CEO of Koch, and the Chairman and CEO of Georgia-Pacific, met at the Georgia-Pacific headquarters in Atlanta, Georgia. During that meeting, Koch proposed a

transaction that, if accepted, would have resulted in Georgia-Pacific spinning off certain businesses and Koch Industries acquiring the outstanding shares of Georgia-Pacific.

16. After some preliminary negotiations, on October 7, 2005 Koch indicated that it would commence due diligence and prepare a specific proposal for an acquisition of Georgia-Pacific. On October 12, 2005, Koch and Georgia-Pacific entered into a confidentiality agreement. The following day, the Chairman and CEO of Georgia Pacific began calling each of the members of the board of directors, including defendant Zeglis's brother, to inform each that Koch was interested in acquiring Georgia-Pacific. Defendant Zeglis's brother first learned of Koch's interest in acquiring Georgia-Pacific when Georgia-Pacific's Chairman/CEO called him in mid-October 2005.

17. A week later, on October 20, 2005, Koch submitted a proposal to acquire by tender offer all of the outstanding shares of Georgia-Pacific's common stock for \$45 per share, roughly \$14 more than the price at which Georgia-Pacific was trading.

18. On October 23, 2005, the Georgia-Pacific board, including defendant Zeglis's brother, met by telephone conference and discussed Koch's proposal and the possibility of asking Koch to increase its offer. The board decided to consider Koch's proposal further at its annual board of directors meeting on November 3-5, 2005. On November 2, 2005, the day before the annual board meeting, Koch submitted a revised proposal to purchase all outstanding shares of Georgia-Pacific common stock at \$48 per share.

19. On Saturday, November 5, 2005, the final day of the annual meeting and with defendant Zeglis's brother in attendance, the board authorized senior management of Georgia-Pacific to continue negotiations with Koch and tentatively scheduled a special meeting of the board on November 13, 2005 to consider the tender offer.

20. During the following week, Georgia-Pacific made arrangements to fly defendant Zeglis's brother to Atlanta, Georgia via a corporate jet for the special board meeting. Defendant Zeglis's brother attended the special board meeting on November 13, 2005, at which Georgia-Pacific's board accepted Koch's proposal.

DEFENDANT ZEGLIS OBTAINED NONPUBLIC INFORMATION
CONCERNING GEORGIA-PACIFIC

21. Zeglis acquired material nonpublic information concerning the proposed merger prior to November 10, 2005 from his brother.

22. After Zeglis acquired the material nonpublic information concerning the proposed merger, he shared with defendant Dixon that Zeglis's brother "got permission or the board gave permission . . . [to] sell Georgia-Pacific."

23. Defendant Zeglis and his brother spoke by phone almost every day throughout the time that Georgia-Pacific was negotiating with Koch. Their telephone records indicate that they called one another approximately 69 times from October 13, 2005, the day that the brother first learned about the negotiations with Koch, through November 9, 2005, the day before Gupta, McKee and Dixon bought Georgia-Pacific securities.

24. In addition, during the last weekend in October 2005, one week before the Georgia-Pacific annual board meeting, defendant Zeglis also visited in the home of his brother and sister-in-law.

25. Two longer calls between the Zeglis brothers occurred at significant points in time. Defendant Zeglis called his brother's cell phone for a 23 minute call on November 2, 2005, the day Koch sent its revised proposal to Georgia-Pacific and the day before defendant Zeglis's brother, went to the annual board meeting. Defendant Zeglis also called his brother's cell phone for a 26 minute call, on November 6, 2005, the day after

the Georgia-Pacific annual board meeting at which the board had decided to continue negotiations with Koch.

26. Further, during the week prior to November 10, 2005, defendant Zeglis spoke with his sister-in-law (the brother's wife), and defendant Zeglis learned that his brother "was on his way to an important meeting . . . at Georgia-Pacific."

27. Any information concerning a corporate acquisition provided to Zeglis by his brother, would have been accompanied by a warning that the information was proprietary, sensitive and not to be repeated.

28. Defendant Zeglis, in at least one non-private conversation with his brother about the brother's business, admonished his brother as follows: "don't tell me, I might do something about it, I might act on it."

29. In at least one other conversation between the brothers, defendant Zeglis told his brother "what's going on, and then say no, don't tell me, I don't want to know, . . . otherwise, you'd have to shoot me."

30. Defendant Zeglis, who is a practicing attorney, knew or should have known that information he received regarding Georgia-Pacific's consolidation into Koch was proprietary, sensitive and not information that should be repeated or acted on. Defendant Zeglis fully understood the importance of keeping business information confidential.

DEFENDANT ZEGLIS TIPPED GUPTA, GUPTA TIPPED McKEE,
AND BOTH BOUGHT GEORGIA-PACIFIC

31. Defendant Zeglis separately met with both Gupta and Dixon on November 10, 2005.

32. On that day, shortly before 8:00 a.m., Gupta and Zeglis met for coffee. Zeglis told Gupta, among other things, that Georgia-Pacific was up for sale.

33. In that meeting, Defendant Zeglis also told Gupta that his brother (who Gupta knew was on the board of directors of Georgia-Pacific) had to attend a “special, very important board meeting scheduled on short notice” and that Georgia-Pacific was sending a private plane to pick up defendant Zeglis’s brother.

34. Immediately after the meeting with defendant Zeglis, Gupta launched a series of events that resulted in his purchasing more than one million dollars worth of Georgia-Pacific securities. Gupta’s purchases of Georgia-Pacific securities were based upon his receipt of material nonpublic information.

35. Specifically, about ten minutes after the meeting, Gupta instructed his commodities broker to wire \$400,000 out of his commodities account into his checking account.

36. For more than ten years, Gupta’s trading investment experience had focused on commodities trading. For example, in 2003 and 2004, Gupta had made profits of \$3,109,826 and \$2,064,755 respectively, on commodities trading. However, during 2005, Gupta lost \$4,819,484 trading commodities from January through October 31, 2005 and an additional \$1,226,432 during the first five days of November 2005—only a few days before the securities trading giving rise to this proceeding.

37. At 8:41 a.m., that same day, Gupta called McKee, whom he had known for seven or eight years, to discuss the purchase of Georgia-Pacific stock.

38. Gupta’s cell phone records indicate that the phone conversation lasted 40 seconds.

39. Less than thirty minutes after speaking with Gupta and before speaking with him again, McKee, based on information obtained from Gupta, purchased 500 shares of

Georgia-Pacific stock for \$16,569.45. McKee had never previously purchased Georgia-Pacific stock and on only one other occasion had purchased a stock at Gupta's suggestion.

40. Most of McKee's previous stock purchases had consisted of repeated purchases of several technology and retail company stocks.

41. Gupta subsequently purchased Georgia-Pacific securities, based on the information he had obtained from Zeglis. Gupta did not wait to hear back from McKee before opening a brokerage account and purchasing Georgia-Pacific securities.

42. Gupta called several brokers to inquire about opening a brokerage account. At 9:35 a.m., Gupta called a registered representative for Raymond James Financial Services, Inc. and left a message. The registered representative spoke with Gupta at approximately 1:00 p.m., at which time Gupta said he wanted to purchase 20,000 shares of an unnamed stock and would come to his office later that day in order to open an account.

43. Shortly thereafter, Gupta, who had not had a securities brokerage account and had not traded securities for approximately 10 years, went to the registered representative's office and opened a brokerage account, obtained approval to trade on margin, and told the registered representative that he wanted to purchase 20,000 shares of Georgia-Pacific.

44. In their first face to face meeting before the account was even opened, Gupta told the registered representative that he wanted to purchase 20,000 shares of Georgia-Pacific, *before* the registered representative had even checked the price of Georgia-Pacific shares.

45. Gupta specifically asked whether the trade could be processed that day and stayed in the registered representative's offices until the trade was executed. The 20,000 shares of Georgia-Pacific common stock were purchased at 2:52 p.m. for \$33.8972 per share, for a total price of \$678,548.

46. After giving the registered representative a check for \$400,000, Gupta told him that he wanted to be able to trade options in the account as well. The registered representative told Gupta that he expected to receive approval for option trading no later than the next day.

47. At 3:41 p.m., 50 minutes after Gupta had already purchased Georgia-Pacific stock, he called McKee back. The second phone call was very brief, and Gupta told McKee that he had already purchased Georgia-Pacific stock.

48. The following day, November 11, 2005, Gupta increased his investment in Georgia-Pacific. Gupta called the registered representative at 8:30 a.m. to place a limit order for 10,000 additional shares of Georgia-Pacific at \$34.29 per share. After placing the order, Gupta called the registered representative repeatedly to inquire about whether the order had been executed.

49. At approximately 12:00 p.m., upon learning that only 1,500 of the 10,000 shares of Georgia-Pacific had been purchased, Gupta instructed the registered representative to change the order from a limit order to a market order. The entire 10,000 share order was subsequently executed at an average price of \$34.715.

50. After Gupta's option application was approved at 2:22 p.m., he placed a purchase order for 100 Georgia-Pacific call options. After learning the order was executed, Gupta placed an order to purchase another 100 call options. Finally, Gupta

placed a third order to purchase another 100 call options, but the registered representative was only able to purchase 41 options approximately 10 minutes before the close of the market. All of the options were to expire eight days later, on November 19, 2005.

SUBSEQUENT STATEMENTS BY GUPTA OR MCKEE

51. During Gupta and McKee's November 10, 2005 phone call, Gupta told McKee that he was considering purchasing Georgia-Pacific stock and that it was "a land rich company." Gupta got "the impression ... that [McKee] thought it was a good stock."

52. After the phone conversation between Gupta and McKee, McKee ostensibly researched the company on the Internet and ostensibly discovered that Georgia-Pacific "seemed to have a lot of land, ... their balance sheet was strong" and the stock was "coming off a bottom."

53. When the SEC staff subsequently interviewed Gupta concerning his Georgia-Pacific trades, Gupta initially told the SEC staff that he had not received any information from anyone concerning Georgia-Pacific prior to his purchase of the company's securities on November 10, 2005. He claimed that his purchases of Georgia-Pacific securities were prompted by his own analysis after reading several articles in Barron's, the Wall Street Journal, and the Economist. During the interview, Gupta initially failed to disclose his meeting with defendant Zeglis prior to his purchase of Georgia-Pacific, however Gupta thereafter acknowledged that he met with defendant Zeglis on November 10, 2005 shortly before he bought Georgia-Pacific securities.

54. Similarly, McKee, in an initial phone interview with the SEC staff, responded to questions regarding his phone conversation with Gupta on November 10, 2005, but he did not disclose that he had purchased Georgia-Pacific stock after speaking with Gupta.

55. Gupta has subsequently claimed to the SEC staff that he had recently read an article in the Wall Street Journal that discussed the value of timberland from which he concluded that Georgia-Pacific would be a good investment because it owned a tremendous amount of timberland.

56. Similarly, McKee later claimed to the SEC staff that he had considered Georgia-Pacific's land holdings and explained they were a factor in his decision to purchase the stock. McKee purports himself to be a sophisticated investor who thoroughly researched stocks he was interested in purchasing. However, with respect to Georgia-Pacific, his review of the company's financial statement and balance sheet supposedly revealed that the company owned "lots of land."

57. In fact, Georgia-Pacific had spun off its timber holdings in 2001 and was not a significant landowner in 2005.

58. From July 2004 through 2005 McKee ostensibly earned his living by trading stocks and flipping real estate. However, he was not a successful trader, and in fact lost money in his trading account in 2004 and 2005.

59. Gupta also claimed to the SEC staff that he decided to purchase Georgia-Pacific stock because it was trading at or near its 52 week low, and was "coming off a bottom." In fact, Georgia-Pacific was not trading at its 52 week low at this time. During the previous year, Georgia-Pacific traded between a high of \$37.85 per share and a low of \$30.73 per share. The day before Gupta's initial purchase Georgia-Pacific closed at \$32.84 per share, more than two dollars above its 52 week low. The stock had closed at a lower price many times during the previous 52 weeks, including stretches of time in the months of January, April, June, July, August, September and October.

60. Gupta's total out of pocket investment in Georgia-Pacific stock and options during the two-day period was \$525,000 on margined securities of approximately \$1,050,000. On Tuesday, November 15, 2005, Gupta sold his options realizing a profit of \$286,495. On December 2, 2005, Gupta sold all 30,000 shares of Georgia-Pacific at \$47.60 realizing an additional profit of \$402,906.

61. McKee sold his Georgia-Pacific shares on Monday, November 14, 2005, earning a profit of \$7,157.60, his largest stock profit of the year.

DEFENDANT ZEGLIS TIPPED DIXON

62. By 2005, Dixon and Defendant Zeglis had been friends for at least ten years, spoke on the phone a few times each week, and often lunched together.

63. Sometime before November 10, 2005, defendant Zeglis told Dixon that his brother or the board of directors had given "permission" to sell Georgia-Pacific. On November 10, 2005, Zeglis called Dixon and suggested that they meet for lunch.

64. Dixon and defendant Zeglis met for lunch on November 10, 2005 in a restaurant. Defendant Zeglis told Dixon that he had spoken to his brother's wife, who had advised Zeglis that his brother "had gone to a very important meeting with Georgia-Pacific."

65. Zeglis then told Dixon "we should look into buying some options." Zeglis then gave Dixon a fax that he had received on Tuesday, November 8, 2005, from his broker that listed Georgia-Pacific option prices.

66. The two men further discussed how many Georgia-Pacific options to purchase and the strike price. While still at the lunch meeting and based on the information obtained from Zeglis previously, and in Zeglis's presence and based on

information received from Zeglis, Dixon placed several phone calls on his cell phone to his broker beginning at 12:11 p.m. and placed the order to purchase 100 call options of Georgia-Pacific.

67. The order ticket from Dixon's broker confirms that his option purchases occurred at 12:30 p.m. and 12:31 p.m. Dixon sold half of the options on Monday, November 14, 2005 and the remaining half in early December 2005, earning a profit of \$116,324.84.

68. Dixon understood that he would split the profits on the Georgia-Pacific trades with Zeglis. This understanding was based, in part, on prior conduct of the two defendants.

69. In February 2004, Dixon had purchased 100 call options of AT&T Wireless Services, Inc. ("AT&T Wireless") at Zeglis's suggestion. At that time, Zeglis's brother was the CEO of AT&T Wireless.

70. Zeglis told Dixon at that time that his brother "was having a meeting at AT&T over the weekend and that he thought something was going to happen." Dixon purchased the options approximately one week prior to the announcement by Cingular that it had entered into an agreement to acquire AT&T Wireless. Dixon made a profit of approximately \$6,000 on the transaction, after which Zeglis suggested they should split the profit. Dixon paid Zeglis a kickback of \$2,875 by check. Zeglis told Dixon that he would account for the check, as legal fees.

71. Based on this prior experience, Dixon understood that Zeglis expected to receive a split of the profits from the Georgia-Pacific trade.

72. In fact, Zeglis called Dixon the day after the November 13, 2005 merger

announcement and remarked that Dixon had earned a “nice profit.”

73. Dixon responded he understood that Zeglis “wasn’t doing this for the hell of it” and that he expected something in return. As a result, Dixon paid Zeglis approximately \$25,000, in approximately ten payments stretched over a period from mid-December 2005 through September 2006.

74. All of the payments from Dixon to Zeglis, except one, were paid in cash. Typically, Dixon wrote a check for several thousand dollars to cash and gave most of the money to Zeglis. In several instances, Dixon gave Zeglis approximately two thousand dollars in cash in connection with excursions they made to gambling boats. Significantly, however, one of the payments by Dixon to Zeglis – \$2,500 in March 2006 – was by a check from Dixon’s business account.

75. On this occasion, prior to making a trip out-of-state, Dixon instructed his secretary to prepare a check for Zeglis to pick up. Zeglis endorsed the check, and received the benefit of it.

ZEGLIS ATTEMPTS TO INFLUENCE DIXON’S TESTIMONY BEFORE
THE SEC STAFF

76. Zeglis attempted to influence Dixon’s testimony before the SEC staff. After Dixon was subpoenaed on September 27, 2006, he called Zeglis and asked him to meet for lunch later that day.

77. In that meeting, Dixon confronted Zeglis and showed him the subpoena he had received. Zeglis initially told Dixon that he knew nothing about an investigation but eventually admitted that he, in fact, was aware of the SEC’s investigation.

78. Dixon told Zeglis that he was going to contact an attorney to which Zeglis responded they had not engaged in insider trading.

79. Zeglis told Dixon “[t]here is no way they can ever prove that you gave me cash and they can’t prove I ever took cash from you.”

80. Zeglis also advised Dixon to “tell them that you didn’t give me any cash and I’ll tell them that you didn’t give me any cash either.” Dixon rebuffed Zeglis telling him that he was going to get an attorney and “I’m going to do exactly what the attorney tells me to do.”

CLAIMS FOR RELIEF

COUNT I—FRAUD

Violations of Section 10(b) of the Exchange Act [15. U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]

81. Paragraphs 1 through 80 are hereby realleged and are incorporated herein by reference.

82. Defendants Zeglis, Gupta, McKee and Dixon, in the latter half of 2005, singly or in concert, in connection with the purchase and sale of securities described herein, by the use of the means and instrumentalities of interstate commerce and by use of the mails, directly and indirectly:

- a) employed devices, schemes, and artifices to defraud;
- b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c) engaged in acts, practices, and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities, all as more particularly described above.

83. The Defendants knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud, made untrue statements of material facts and omitted to state material facts, and engaged in fraudulent acts, practices and courses of business. In engaging in such conduct, the Defendants acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

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

COUNT II-FRAUD IN CONNECTION WITH A TENDER OFFER
Violations of Section 14(e) of the Exchange Act [15. U.S.C.
§ 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3]

85. Paragraphs 1 through 80 are hereby realleged and are incorporated herein by reference.

86. Defendants Zeglis, Gupta, McKee and Dixon, in the latter half of 2005, singly or in concert, in connection with the purchase and sale of securities described herein, by the use of the means and instrumentalities of interstate commerce and by use of the mails, directly and indirectly: made untrue statements of material fact or omitted to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or engaged in any fraudulent, deceptive, or manipulative acts or practices, in connection with a tender offer or request or invitation for tenders, or a solicitation of security holders in opposition to or in favor of any such offer, request, or invitation.

87. By reason of the foregoing, Zeglis, Gupta, McKee and Dixon violated, and unless enjoined will continue to violate and cause violations of, Section 14(e) of the Exchange Act [15 U.S.C. 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. 240.14e-3].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Commission, respectfully prays that the Court:

I.

Make findings of fact and conclusions of law in accordance with Rule 52 of the Federal Rules of Civil Procedure.

II.

Issue a permanent injunction enjoining defendants Zeglis, Gupta, McKee, Dixon, and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, and each of them:

a. from violating Section 10(b) of the Exchange Act [15 U.S.C. 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5]; and

b. from violating Section 14(e) of the Exchange Act [15 U.S.C. 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. 240.14e-3].

III.

Issue an Order requiring defendants Zeglis, Gupta, McKee and Dixon to disgorge all ill-gotten gains as alleged in the Commission's Complaint, plus pay prejudgment interest thereon.

IV.

Issue an Order requiring defendants Zeglis, Gupta, McKee and Dixon, pursuant to Sections 21(d)(3) and 21A of the Exchange Act [15 U.S.C. 78u(d)(3) and 78u-1], to pay civil monetary penalties.

V.

Issue an Order that retains jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may have been entered or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

VI.

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

RESPECTFULLY SUBMITTED,

/s/Edward G. Sullivan
Edward G. Sullivan
Senior Trial Counsel

/s/Edward H. Saunders
Edward H. Saunders
Staff Attorney

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