

2. From at least December 2002 through April 2003, Gibson solicited monies from investment advisory clients to invest in a limited partnership controlled by IPM. The purpose of the limited partnership was purportedly to purchase car wash businesses. Beginning in December 2002 and continuing until the present, Gibson has been misappropriating funds from the limited partnership and has misappropriated to date at least \$450,000 from the fund which he converted to his own use.

VIOLATIONS

3. Defendants Gibson and IPM have engaged, and unless restrained and enjoined by this Court, will continue to engage in acts and practices that constitute and will constitute violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5], and defendant Gibson has engaged, and unless restrained and enjoined by this Court, will continue to engage in acts and practices that constitute and will constitute violations of Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”)[15 U.S.C. 80b-6(1) and(2)].

JURISDICTION AND VENUE

4. The Commission brings this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. 77t and 77v], Sections 21(d), 21(e) and 21A of the Exchange Act [15 U.S.C. 78u(d), 78u(e) and 78u-1], and Sections 209 and 214 of the Advisers Act [15 U.S.C. 80b-9, 80b-14], to enjoin the defendants from engaging in the 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 civil penalties and for other equitable relief.

5. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d) and 77v(a)], Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa] and Section 214 of the Advisers Act [15 U.S.C. 80b-14].

6. Defendants Gibson and IPM, directly and indirectly, 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 that constituted violations of the Securities Act, the Exchange Act and the Advisers Act.

7. Certain of the transactions, acts, practices, and courses of business constituting violations of the Securities Act, Exchange Act and Advisers Act occurred in the Northern District of Georgia. In addition, defendants Gibson and IPM maintain offices in the Northern District of Georgia.

8. Defendants Gibson and IPM, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and courses of business alleged in this complaint, and in transactions, acts, practices, and courses of business of similar purport and object.

THE DEFENDANTS

9. **Jeffrey L. Gibson**, approximately 46 years of age, is a resident of Chattanooga, Tennessee and is a part owner and associated person of a registered investment adviser located in Rossville, Georgia. He is also a registered representative of a broker-dealer and is a certified financial planner.

10. **Investment Property Management, LLC** is a Georgia limited liability company formed in November 2002. It serves as the general partner of American Car Wash Fund, LP (“ACW”). ACW is a Georgia limited partnership

formed in November 2002, for the purpose of buying and managing car wash operations.

FACTS

11. In November 2002, Gibson formed ACW, a Georgia limited partnership, for the purpose of buying and managing coin operated car wash operations in the North Georgia area. IPM has served as the general partner for ACW since ACW's creation in November 2002. IPM is a limited liability company wholly-owned and controlled by Gibson.

12. During the period from December 2002 through April 2003, defendant Gibson, an associate of an investment adviser, solicited funds from his investment advisory clients to invest in ACW. Gibson, through IPM, sold securities, in the form of approximately 43 ACW limited partnership interests, raising approximately \$875,000. Approximately 38 of the limited partners were also clients of Gibson's advisory business.

13. Through IPM, his wholly-owned entity and the general partner of ACW, Gibson managed the car wash operations and has had total control over ACW's bank accounts.

14. Almost as soon as he began selling interests in ACW, Gibson began misappropriating investor funds for his own use. During the period from approximately December 2002 through the present, Gibson has written checks, payable to cash, on ACW bank accounts. He then misappropriated the funds for his own personal use. The checks ranged in denomination from a few thousand dollars to up to \$55,000. Gibson has misappropriated a total of approximately \$450,000.

15. The private placement memorandum which Gibson provided to prospective investors stated that after organizational expenses, investors' funds would be invested in money market funds or government securities until the funds could be invested in projects. The misuse of ACW funds for his personal purposes began while the sale of interests in ACW was ongoing, exceeded any payments to which the defendants may have been entitled under the private placement memorandum, and was contrary to representations being made to investors by Gibson concerning the intended use of investors' funds.

16. Subsequent to the sales of securities, defendants have engaged in behavior designed to lull the investors into believing that their investments have been profitable and to conceal the misappropriation of funds. Among other things,

between April 17, 2003 and July 19, 2005, defendants have regularly sent letters to ACW investors describing annualized rates of return, dividends and purchases of various properties. None of those letters disclosed the ongoing misuse of proceeds by the defendants.

COUNT I—FRAUD

Violations of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]

17. Paragraphs 1 through 16 are hereby realleged and are incorporated herein by reference.

18. From in or about December 2002 through the present, defendants Gibson and IPM, in the offer and sale of the securities described herein, by the use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly, employed devices, schemes and artifices to defraud purchasers of such securities, all as more particularly described above.

19. Gibson and IPM knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud.

20. While engaging in the course of conduct described above, the defendants acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

21. By reason of the foregoing, the defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT II—FRAUD

Violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)]

22. Paragraphs 1 through 16 are hereby realleged and are incorporated herein by reference.

23. From in or about December 2002 through the present, defendants Gibson and IPM, in the offer and sale of the securities described herein, by use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly:

a. obtained money and property by means of untrue statements of material fact and omissions 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

b. engaged in transactions, 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.

24. By reason of the foregoing, the defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT III—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]

25. Paragraphs 1 through 16 are hereby realleged and are incorporated herein by reference.

26. From in or about December 2002 through the present, defendants Gibson and IPM, 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.

27. 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.

28. 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 IV—FRAUD

**Violations of Section 206(1) of the Advisers Act
[15 U.S.C. § 80b-6(1)]**

29. Paragraphs 1 through 16 are hereby realleged and are incorporated herein by reference.

30. From in or about December 2002 through the present, defendant Gibson, acting as an investment adviser, by the use of the mails and the means and instrumentalities of interstate commerce, directly and indirectly, employed devices, schemes and artifices to defraud one or more advisory clients and/or prospective clients.

31. Defendant Gibson knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud. In engaging in such conduct, defendant Gibson acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

32. By reason of the foregoing, defendant Gibson, directly and indirectly, has violated, and, unless enjoined, Gibson will continue to violate and aid and abet violations of Section 206(1) of the Advisers Act [15 U.S.C. § 80b-6(1)].

COUNT V—FRAUD

**Violations of Section 206(2) of the Advisers Act
[15 U.S.C. § 80b-6(2)]**

33. Paragraphs 1 through 15 are hereby realleged and are incorporated herein by reference.

34. From in or about December 2002 through the present, defendant Gibson, acting as an investment adviser, by the use of the mails and the means and instrumentalities of interstate commerce, directly and indirectly, engaged in transactions, practices, and courses of business which would and did operate as a fraud and deceit on one or more advisory clients and/or prospective clients.

35. By reason of the foregoing, defendant Gibson, directly and indirectly, has violated and, unless enjoined, Gibson will continue to violate Section 206(2) of the Advisers Act [15 U.S.C. § 80b-6(2)].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Commission respectfully prays for:

I.

Findings of Fact and Conclusions of Law pursuant to Rule 52 of the Federal Rules of Civil Procedure, finding that the defendants named herein committed the violations alleged herein.

II.

Preliminary and permanent injunctions enjoining the defendants, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the order of injunction, by personal service or otherwise, and each of them, whether as principals or as aiders and abettors, from violating, directly or indirectly, Section 17(a) of the Securities Act [15 U.S.C. 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. 240.10b-5] promulgated thereunder, and enjoining defendant Gibson from violating Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. 80b-6(1) and 80b-6(2)].

III.

An order requiring an accounting by defendants of the use of the \$850,000 invested in ACW described in this Complaint and the disgorgement of all ill-gotten gains or unjust enrichment with prejudgment interest, to effect the remedial purposes of the federal securities laws, and an order freezing the assets of the defendants, to preserve the status quo pending final resolution of this case.

IV.

An order pursuant to Section 20(d) of the Securities Act [15 U.S.C. 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. 78u(d)(3)] imposing civil penalties against defendants Gibson and IPM, and an order pursuant to Section 209(e) of the Advisers Act [15 U.S.C. 80b-9(e)] imposing civil penalties against defendant Gibson.

V.

Such other and further relief as this Court may deem just, equitable, and

appropriate in connection with the enforcement of the federal securities laws and for the protection of investors.

Dated this 5th day of August, 2005.¹

Respectfully submitted,

/s/ William P. Hicks

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¹ Pursuant to Local Rule 7.1D, undersigned counsel for the Commission certifies that this complaint has been prepared with one of the font and point selections approved by the Court in LR 5.1B (14 point Times New Roman).