

preserve investor assets under the control of Defendant Healy and Relief Defendants Shalese Raina Healy and Sand Dollar Investing Partners, LLC (collectively “Relief Defendants”).

2. Since at least 2005, Defendant has obtained as much as \$20 million from approximately fifty investors by promising that he would use the money to trade in securities and commodities on their behalf. Most recently, between May 2008 and February 2009, Healy obtained approximately \$15 million from Alfred Madeira, a Chambersburg, Pennsylvania resident who invested his own money and money provided by his attorney and more than forty of his friends, acquaintances and business associates. At Defendant’s direction, Madeira caused these funds to be deposited into a bank account held in the name of Defendant’s wife, Relief Defendant Shalese Rania Healy (the “Bank of America Account”).

3. Defendant repeatedly made assurances that he was investing the money he received from Madeira and others and that his trading was earning excellent returns. In fact, Defendant did not invest the monies he received in securities, futures and/or options, but rather used the money for daily living expenses and to purchase, among other things: numerous luxury vehicles (including Porsches, Lamborghinis, Ferraris, a Bentley, and a Lincoln limousine); a \$3,500 per month lease for 2500 square feet of garage space to store the vehicles; approximately \$1.4 million worth of jewelry; \$50,000 in gold bullion; a

\$2.4 million home; and approximately \$2.3 million in home furnishings and home improvements, including a \$500,000 home movie theater. Many of these assets are held in the name of his wife, Relief Defendant Shalese Healy, or his company, Relief Defendant Sand Dollar Investing Partners, LLC. Healy also used the money to pay approximately \$1 million to previous investors.

4. When questioned about his trading, Defendant provided falsified bank and trading records to Madeira and to the United States Attorney's Office for the Middle District of Pennsylvania.

5. By misappropriating investor funds and making false statements, either directly or indirectly, to the investors regarding, among other things, trading activity and profits supposedly generated from that trading, Defendant violated and, unless restrained and enjoined, will continue to violate, 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 ("Exchange Act") and Rule 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5].

6. In addition, Relief Defendants Shalese Healy and Sand Dollar Investing Partners, LLC each received ill-gotten gains or property as a result of Defendant's fraudulent conduct and to which they do not have a legitimate claim.

7. Accordingly, the Commission brings this action to enjoin Defendant's unlawful acts and to seek disgorgement, prejudgment interest, and civil monetary

penalties against Defendant, and to obtain a temporary restraining order and asset freeze against Defendant and Relief Defendants, as well as an order requiring them to account for the ill-gotten investor funds they received, expediting discovery, and preventing the destruction or alteration of documents. The Commission also seeks the appointment of a receiver over Defendant's assets and the assets of the Relief Defendants which are attributable to the fraud.

DEFENDANT

8. **Sean Nathan Healy**, age 38, is a resident of Weston, Florida who claims to be a self-employed day trader of futures, options, and securities. Between 1999 and 2001, Defendant was a registered representative associated with a series of broker-dealers registered with the Commission, including Stratton Oakmont Inc. and Barron Chase Securities, Inc. Defendant has not been associated with an entity registered with the Commission since 2001.

RELIEF DEFENDANTS

9. **Relief Defendant Shalese Healy**, age 36, is a resident of Weston, Florida. She is the wife of Defendant Sean Healy. Shalese Healy is the sole signatory on the bank accounts that Defendant used to accept investor funds from Madeira and others. She is also the sole owner of a \$2.4 million home in Weston, Florida that was purchased with misappropriated investor funds. Between October 2008 and January 2009, more than ten luxury vehicles were titled in her name,

including two Porsches, four Lamborghinis, three Ferraris, and a Bentley. Upon information and belief, Shalese Healy is not employed and has no known sources of income other than the funds she receives from and on behalf of her husband.

10. **Relief Defendant Sand Dollar Investing Partners, LLC**, (“Sand Dollar”), is a Nevada limited liability company formed on or about July 21, 2008. Defendant and Madeira are the sole members of Sand Dollar. Defendant used the Sand Dollar entity to title at least one of the vehicles he purchased with investor funds, and caused Sand Dollar to lease warehouse space in which to store the luxury vehicles he purchased using investor funds.

JURISDICTION AND VENUE

11. This Court has jurisdiction over this action pursuant to Sections 20 and 22(a) of the Securities Act [15 U.S.C. §§ 77t and 77v(a)], and Sections 21(d) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and 78aa].

12. Defendant, directly and indirectly, made use of the means and instrumentalities of interstate commerce, the means or instruments of transportation or communication in interstate commerce, and/or the mails, in connection with the acts, practices and courses of business set forth in this Complaint.

13. Venue is proper in the Middle District of Pennsylvania because at least forty of Defendant’s victims reside in this district and many of the acts and

transactions constituting violations of the Securities Act and Exchange Act occurred within this district.

FACTUAL ALLEGATIONS

I. Defendant Defrauded Investors

14. Since at least 2005, Defendant has obtained millions of dollars from individuals by promising to invest the money in securities and/or commodities, including initial public offerings of securities. However, Defendant failed to invest the funds that he received from investors, instead using the majority of the funds to purchase luxury items and other personal expenditures for himself and his wife.

15. Most recently, Healy obtained approximately \$15 million from at least forty people located in and around Chambersburg and other parts of Pennsylvania, who provided money through Alfred Madeira. Defendant and Madeira have known each other since approximately 2000, when Defendant was working as a registered representative for a securities brokerage firm in New York.

16. After losing touch for several years, Defendant called Madeira in April 2008. Defendant claimed that he was successfully day trading securities, options and futures in Florida and proposed that Madeira enter into a trading partnership with him. Shortly thereafter, Madeira began sending funds to Defendant based on Defendant's assurances that he would invest those funds and

Defendant's own funds in securities, futures and/or options and would split the proceeds with Madeira.

17. Between June and August 2008, Madeira provided Defendant with approximately \$1.2 million of his own funds, to purchase various stocks and commodities. At Defendant's direction, Madeira caused these funds to be deposited into the Bank of America Account held in Shalese Healy's name.

18. Between June and August 2008, Defendant repeatedly assured Madeira that he had invested the funds and that those investments were doing well and had resulted in profits far exceeding Madeira's initial investment. Defendant did not provide any account statements or other documentation, however.

19. With the prospect of receiving additional funds, including funds from third parties, Defendant and Madeira formed Relief Defendant Sand Dollar, which they intended to use to receive the investment money and conduct the actual trading. Upon information and belief, Sand Dollar did no securities or other trading.

20. Enticed by Defendant's supposed extraordinary trading success since May 2008 and promises that he could make them even more money trading gold futures, Madeira and his Pennsylvania attorney raised at least \$13 million in additional funds from more than forty friends, acquaintances, and business associates. They gave that money to Defendant to invest, sending the funds at

Defendant's direction to the Bank of America Account held in Shalese Healy's name.

21. Between September 2008 and January 2009, Defendant repeatedly made assurances that he was using the money provided by Madeira and others to profitably trade in gold futures and that distribution of the trading profits would be made in early February 2009. When the date for the supposed distribution had passed, Defendant continued to assure Madeira that the accounts would be available for distribution in early March 2009. On or about March 5, 2009, Defendant informed Madeira that he would not be distributing any profits.

22. To date, Defendant has made no distributions and returned less than ten percent of the principal provided by investors. Madeira filed suit against Defendant in Federal District Court for the Southern District of Florida in March 2009 and contacted the U.S. Attorney's Office for the Middle District of Pennsylvania.

23. In response to the civil litigation and inquiries from the U.S. Attorney's Office, Defendant furnished falsified bank and brokerage records. The bank records purport to show transfers of investors' money from the Bank of America Account held in Shalese Healy's name to various brokerage and commodities brokerage firms. The brokerage records purport to show the purchase and sale of securities and various other investments.

24. The falsified brokerage records reflect accounts that do not exist. In fact, one set of the falsified records purports to reflect an account with a brokerage firm that does not exist. Although the Bank of America Account exists, and reflects the receipt of approximately \$15 million in investor funds transferred by Madeira and others, the actual bank records for that account do not show any purchase of securities, futures and/or options or the transfer of funds to any brokerage or commodities trading firms. Instead, they show that Defendant and his wife used the money provided by investors for daily living expenses and to purchase, among other things:

- a \$2.4 million house in Weston, Florida;
- \$2.3 million in home renovations for the same new house, including \$1.2 million to an interior decorating firm, \$500,000 for the installation of a home movie theater, \$100,000 for landscaping, and \$144,000 for a swimming pool;
- \$1.9 million for the purchase of almost a dozen luxury vehicles;
- twenty pieces of jewelry worth at least \$1.4 million, including five diamond watches, multiple diamond bracelets, and an 8.09 carat yellow diamond engagement ring;
- \$51,000 to rent a private jet for a trip to the Bahamas;
- \$50,000 in gold bullion; and

- \$67,700 to rent a suite at the Bank Atlantic Center in Miami, the home of the Miami Heat and the Florida Panthers.

25. Many of these assets were put in Shalese Healy's name, including two Porsches, four Lamborghinis, three Ferraris, and a Bentley, and the house. At least one of the vehicles was put in the name of Sand Dollar, and Defendant also caused Sand Dollar to enter into a lease for garage space to house the vehicles.

26. The bank records also show that Defendant and/or Relief Defendant Shalese Healy used some of the money in the Bank of America Account to make payments to other individuals whom, upon information and belief, had previously been defrauded by Defendant into giving him money to invest. For example, two of the individuals who received money from the Bank of America Account had previously filed suit against Defendant in Florida state court, alleging that Defendant defrauded them of \$600,000 they gave him to invest on their behalf in securities.

27. Upon information and belief, Defendant and his wife have sold at least two of the vehicles since Madeira filed his lawsuit. Defendant and his wife also have taken out a \$900,000 line of credit against the house they purchased with investor funds.

28. By virtue of his actions, Defendant has violated, or is violating, Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and

Rule 10b-5 thereunder. Relief Defendants Shalese Healy and Sand Dollar have received ill-gotten funds or property to which they have no legitimate claim.

COUNT I

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

29. Paragraphs 1 through 28 are hereby realleged and incorporated by reference.

30. Defendant, by engaging in the conduct described above, directly or indirectly, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, in the offer or sale of securities:

- (a) employed devices, schemes or artifices to defraud;
- (b) obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) engaged in transactions, practices, or courses of business which operated or would have operated as a fraud or deceit upon the purchasers.

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

COUNT II

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

32. Paragraphs 1 through 31 are hereby realleged and incorporated by reference.

33. Defendant, by engaging in the conduct described above, directly or indirectly, by use of the means or instruments of transportation or communication in interstate commerce, or by use of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities:

- (a) employed devices, schemes or artifices to defraud;
- (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) engaged in acts, practices, or courses of business which operated or would have operated as a fraud or deceit upon the purchasers.

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

RELIEF REQUESTED

WHEREFORE, Plaintiff Securities and Exchange Commission respectfully requests that the Court:

- i. Enter a final judgment:
 - a. Permanently restraining and enjoining the Defendant, his agents, servants, employees, attorneys, and representatives, and all persons in active concert or participation with him, and each of them, 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 and Rule 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5];
 - b. Directing Defendant and Relief Defendants to disgorge ill-gotten gains obtained through the violative conduct alleged in this complaint and directing Defendant to pay prejudgment interest thereon;
 - c. Directing Defendant to pay civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)];
- ii. Grant the temporary and preliminary relief sought by the Commission in the motion filed herewith; and

iii. Grant such other relief as the Court deems appropriate.

Dated: July 12, 2009

Respectfully submitted,

/s/ Fred L. Block /

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