

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

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JAMES BONINI
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U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
EAST. DIV. COLUMBUS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JULIE M. JARVIS and
CROSSROADS FINANCIAL PLANNING, INC.,

Defendants.

JUDGE MARBLEY

MAGISTRATE JUDGE ADEL

Civil Action No.

2:09 cv 269

COMPLAINT

The plaintiff, the U.S. Securities and Exchange Commission, avers:

NATURE OF THE ACTION

1. The Commission brings this action against investment adviser Julie M. Jarvis and her investment advisory firm, Crossroads Financial Planning, Inc. (CFP), because of their fraudulent conduct in misappropriating client funds. Jarvis, through CFP, has since approximately 1995 served as an investment adviser. As of January 2009, she had approximately 250 clients, with more than \$22 million under management. Between May 2000 and March 2009, Jarvis misappropriated at least \$2.3 million in client funds, converting them to her own use to pay personal expenses or otherwise use for her benefit, in some instances liquidating client securities to effect the transfers. Jarvis misappropriated these funds from the accounts of two elderly clients, misrepresenting and concealing the nature of the withdrawals.
2. To effect her scheme, Jarvis forged client signatures that purported to authorize transfers from the client accounts to accounts Jarvis controlled. Jarvis also provided the two clients with

false information about their accounts and altered records in order to conceal her theft. Jarvis misled one client by persuading her to write checks payable to a company Jarvis owned, under the guise that the money would be used to purchase securities for the client's portfolio. Jarvis used the ill-gotten gains for her personal benefit.

3. As alleged in this Complaint, defendant Jarvis has engaged in transactions, acts, practices, and courses of business which violate the Securities Exchange Act of 1934 ("Exchange Act"), Section 10(b) and Rule 10b-5 thereunder, and Investment Advisers Act of 1940 ("Advisers Act"), Section 204 and Rule 204-2 thereunder, and Section 206(1) and Section 206(2).

4. Similarly, defendant CFP has engaged in transactions, acts, practices, and courses of business which violate Exchange Act Section 10(b) and Rule 10b-5 thereunder, and Advisers Act Section 204 and Rule 204-2 thereunder, Section 206(1) and Section 206(2).

5. Unless enjoined, defendants will continue to violate these laws and regulations.

JURISDICTION

6. This Court has jurisdiction under Exchange Act Sections 21(d) and 27, and under Advisers Act Sections 209(d), 209(e) and 214.

7. In effecting the transactions, acts, practices, and courses of business alleged in this Complaint, defendants made use of the mails and instrumentalities of interstate commerce.

8. There is a reasonable likelihood that defendants will, unless enjoined, continue to engage in the kinds of transactions, acts, practices, and courses of business alleged in this Complaint.

DEFENDANTS

9. Julie Jarvis resides in Columbus, Ohio. Jarvis is an investment adviser at Crossroads Financial Planning (CFP). Since approximately 1995, Jarvis has been CFP's president, chief

operating officer and principal owner.

10. CFP, an Ohio corporation, has been a registered investment adviser with the Commission since 2005. Following the uncovering of the scheme detailed in this Complaint, CFP has been allegedly winding up its operations in preparation for its closure.

RELATED ENTITY

11. EMCW, LLC (EMCW) is an Ohio limited liability company owned and controlled by Jarvis. Certain of the misappropriated funds detailed in this Complaint were transferred to EMCW accounts which Jarvis controlled.

CFP'S BUSINESS

12. CFP, at least until the past few weeks, has been a Columbus-based investment adviser that specializes in providing investment advisory services to individuals. CFP has approximately \$22 million under management.

13. An investment adviser is any person, including both natural persons and companies, who, for compensation, engages in, among other things, the business of advising others as to the value of securities or as to the advisability of investing in, purchasing or selling securities.

14. Unless an exception applies, any investment adviser who makes use of the mails or any means of interstate commerce in connection with its business must be registered with the Commission.

15. Investment advisers and their representatives owe a fiduciary duty to clients and to prospective clients.

16. CFP has been registered with the Commission as an investment adviser since 2005.

17. Jarvis owns and controls CFP, and has served as president and COO since 1995.

18. CFP's client funds are largely invested in securities through accounts at TD Ameritrade, a brokerage firm. Prior to mid- or late-2005, CFP's client funds were held in accounts at Charles Schwab & Co., Inc. (Schwab), another brokerage firm. These accounts were maintained in individual clients' names, or, in some cases, in entities such as trusts which were maintained for the clients' benefit.

19. In her position as president at CFP, Jarvis met with and communicated regularly with clients to advise them concerning their investments.

20. In one recent instance, Jarvis represented to clients through a newsletter that:

"Trust is the fundamental component of my client relationships. There's never a conflict of interest."

DEFENDANTS' MISAPPROPRIATIONS OF CLIENT FUNDS

21. Beginning no later than 2000, Jarvis, through CFP, began misappropriating client funds and converting them to her personal use.

22. On or about May 8, 2000, Jarvis effected a \$30,000 transfer from a Schwab brokerage account of an elderly CFP client (Client No. 1) to Jarvis's personal brokerage account at Schwab. Jarvis had no authorization for this transfer. The funds were never returned to the client's account.

23. Just over a week later, Jarvis caused another unauthorized transfer of \$20,000 from Client No. 1's Schwab account to Jarvis's personal account on or about May 16, 2000.

24. Jarvis effected yet another unauthorized transfer from Client No. 1's Schwab account, again to Jarvis's personal account at Schwab, this time for \$10,000 on or about July 18, 2002.

25. In 2004, Jarvis, again through CFP, began misappropriating funds from CFP Client No. 2.

Specifically, from April 2004 through January 2009, Jarvis, through CFP, misappropriated at least \$2.3 million from Client No. 2's accounts.

26. Client No. 2, like Client No. 1, was also elderly.

27. The fraud against Client No. 2 began on or about April 28, 2004, when Jarvis effected a \$29,000 transfer from one of Client No. 2's brokerage accounts at Schwab to a Schwab account in the name of one of Jarvis's close family members, who was also a CFP client. The \$29,000 was transferred out of the family member's account the following day.

28. Jarvis continued to misappropriate funds from Client No. 2's accounts, effecting at least 22 more unauthorized transfers from Client No. 2's accounts to accounts in Jarvis' name or controlled by her.

29. Jarvis grew more brazen as time progressed. For example, on or about June 8, 2007, she forged Client No. 2's signature to authorization papers, induced a CFP employee using false pretenses to notarize the signature, and then submitted the false and fraudulent authorization to TD Ameritrade. Jarvis thereby obtained an unauthorized transfer of \$110,000 from Client No. 2's brokerage account at TD Ameritrade to another TD Ameritrade account in the name of EMCW, which Jarvis controlled.

30. Less than one month later, on July 5, 2007, Jarvis effected another unauthorized transfer in the same amount involving the same accounts. Again, Jarvis forged Client No. 2's signature to the authorization papers, submitted the papers to TD Ameritrade, and wrongly obtained the funds.

31. In some instances, Jarvis had to liquidate securities in Client No. 2's TD Ameritrade brokerage account to effect the fraudulent transfers. Client No. 2 had given Jarvis discretionary

trading authority over Client No. 2's brokerage accounts to buy and sell securities on her behalf. This authority did not include, however, the authority to transfer funds from the client accounts to Jarvis's personal accounts and those of her company, EMCW.

32. In other instances, Jarvis fraudulently induced Client No. 2 to sign checks payable to Jarvis's company, EMCW. To induce the client to part with her funds, Jarvis falsely represented that she and CFP would use the check proceeds to purchase securities for Client No. 2's investment portfolio. The proceeds, instead, went to Jarvis.

33. The scheme reached its high-water mark in 2008 and early 2009, when Jarvis misappropriated another \$1.14 million, including a misappropriation of \$480,000 on December 19, 2008.

34. The tables below detail each of the fraudulent transactions known to date, including the account identities, dates of transfer, amounts, and accounts from which Jarvis, using CFP, misappropriated funds:

Client No. 1

Date	From Account	Amount	Transfer Type	To Account
05/08/00	Client No. 1's Schwab Account	\$30,000.00	Transfer between accounts.	Jarvis's personal Schwab Account
05/16/00	Client No. 1's Schwab Account	\$20,000.00	Transfer between accounts.	Jarvis's personal Schwab Account
07/18/02	Client No. 1's Schwab Account	\$10,000.00	Transfer between accounts.	Jarvis's personal Schwab Account

Client No. 2

Date	From Account	Amount	Transfer Type	To Account
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04/28/04	Client No. 2 Schwab Account	\$29,000.00	Transfer between accounts	Schwab account of Jarvis's close relative.
10/22/04	Client No. 2 Schwab Account	\$66,000.00	Transfer between accounts	Jarvis's personal Schwab account.
02/02/05	Client No. 2 Schwab Account	\$48,000.00	Transfer between accounts	EMCW's Schwab Account.
02/23/05	Client No. 2 Schwab Account	\$28,000.00	Transfer between accounts	EMCW's Schwab Account.
03/24/05	Client No. 2 Schwab Account	\$200,000.00	Transfer between accounts	Jarvis's personal Schwab account.
04/27/05	Client No. 2 Schwab Account	\$210,000.00	Transfer between accounts	Jarvis's personal Schwab account.
05/17/06	506-55960-1-6	\$350,000.00	Check written to EMCW, LLC	Deposited into EMCW's Fifth Third Bank account.
08/24/06	506-55960-1-6	\$198,000.00	Check written to EMCW, LLC	Deposited into EMCW's Fifth Third Bank account.
01/10/07	506-55960-1-6	\$60,000.00	Check written to EMCW, LLC	Deposited into EMCW's Fifth Third Bank account.
06/08/07	906-559600	\$110,000.00	Transfer between accounts	EMCW's TD Ameritrade account.
07/05/07	906-559600	\$110,000.00	Transfer between accounts	EMCW's TD Ameritrade account.
11/23/07	906-559600	\$73,000.00	Check written to EMCW, LLC	Deposited into EMCW's Fifth Third Bank account.

06/10/08	906-559600	\$61,994.00	Check written to EMCW, LLC	Deposited into EMCW's Fifth Third Bank account.
09/15/08	906-559600	\$114,905.00	Check written to EMCW, LLC	Deposited into EMCW's Fifth Third Bank account.
12/03/08	906-559600	\$19,182.62	ACH	To an account believed to be under Jarvis's control.
12/19/08	906-559600	\$480,000.00	Check written to EMCW, LLC	Deposited into EMCW's Fifth Third Bank account.
01/15/09	906-559600	\$90,000.00	ACH	Funds paid to Jarvis's personal home mortgage account.
01/20/09	906-559600	\$64,885.47	ACH	Funds paid to Jarvis's personal home mortgage account.
02/26/09	906-559600	\$6,024.88	ACH	To an account believed to be under Jarvis's control.
03/06/09	906-559600	\$8,118.39	ACH	To an account believed to be under Jarvis's control.

35. On information and belief, the SEC asserts that Jarvis used the ill-gotten proceeds from Client No. 1 and Client No. 2 to purchase property in the Caribbean, to pay down her mortgage on her residence, and to purchase other real property in Ohio.

COUNT I

Jarvis's Violations of Exchange Act Section 10(b) and Rule 10b-5 thereunder

36. The Commission incorporates paragraphs 1-35 as though fully set forth herein.

37. Defendant Jarvis, from no later than May 2000 through at least January 2009, with scienter, directly or indirectly, by use of the means or instrumentalities of interstate commerce or of the mails, in connection with the purchase or sale of securities, as described in this Complaint, has: (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 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 operate as a fraud or deceit upon any person.

38. By reason of the allegations set forth in this Complaint, Jarvis has violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

COUNT II

CFP's Violations of Exchange Act Section 10(b) and Rule 10b-5 thereunder

39. The Commission incorporates paragraphs 1-35 as though fully set forth herein.

40. Defendant CFP, from no later than May 2000 through at least January 2009, with scienter, directly or indirectly, by use of the means or instrumentalities of interstate commerce or of the mails, in connection with the purchase or sale of securities, as described in this Complaint, has: (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 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 operate as a fraud or deceit upon any person.

41. By reason of the allegations set forth in this Complaint, CFP has violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

COUNT III

Jarvis's Violations of Investment Adviser Act Section 206(1)

42. The Commission incorporates paragraphs 1-35 as though fully set forth herein.

43. Defendant Jarvis, an investment adviser, from no later than May 2000 through at least January 2009, by use of the mails or means or instrumentalities of interstate commerce, directly or indirectly, employed a device, scheme, or artifice to defraud a client or prospective client.

44. Jarvis acted knowingly or recklessly with regard to the above-described conduct.

45. By reason of the allegations set forth in this Complaint, Jarvis violated Section 206(1) of the Advisers Act [15 U.S.C. §§80b-6(1)].

COUNT IV

Jarvis's Violations of Investment Adviser Act Section 206(2)

46. The Commission incorporates paragraphs 1-35 as though fully set forth herein.

47. Defendant Jarvis, an investment adviser, by use of the mails or means or instrumentalities of interstate commerce, directly or indirectly, engaged in a transaction, practice or course of business which operated as a fraud or deceit upon a client or prospective client.

48. By reason of the allegations set forth in this Complaint, Jarvis violated Section 206(2) of the Advisers Act [15 U.S.C. §§80b-6(2)].

COUNT V

CFP's Violations of Advisers Act Section 206(1)

49. The Commission incorporates paragraphs 1-35 as though fully set forth herein.

50. Defendant CFP, an investment adviser, from no later than May 2000 through at least January 2009, by use of the mails or means or instrumentalities of interstate commerce, directly or indirectly, employed a device, scheme, or artifice to defraud a client or prospective client.

51. CFP acted knowingly or recklessly with regard to the above-described conduct.

52. By reason of the allegations set forth in this Complaint, CFP violated Section 206(1) of

the Advisers Act [15 U.S.C. §§80b-6(1)].

COUNT VI

CFP's Violations of Investment Adviser Act 206(2)

53. The Commission incorporates paragraphs 1-35 as though fully set forth herein.

54. Defendant CFP, an investment adviser, by use of the mails or means or instrumentalities of interstate commerce, directly or indirectly, engaged in a transaction, practice or course of business which operated as a fraud or deceit upon a client or prospective client.

55. By reason of the allegations set forth in this Complaint, CFP violated Section 206(2) of the Advisers Act [15 U.S.C. §§80b-6(2)].

COUNT VII

CFP's Violations of Advisers Act Section 204 and Rule 204-2 thereunder

56. The Commission incorporates paragraphs 1-35 as though fully set forth herein.

57. Defendant CFP, a registered investment adviser, from no later than May 2000 through at least January 2009, failed to keep true, accurate and current records relating to its investment advisory business as required under Section 204 of the Advisers Act [15 U.S.C. §§80b-4] and Rule 204-2 thereunder [17 CFR 275.204-2].

COUNT VIII

Jarvis's Aiding and Abetting of CFP's Section 204 Violations

58. The Commission incorporates paragraphs 1-35 as though fully set forth herein.

59. Defendant Jarvis, from no later than May 2000 through at least January 2009, aided and abetted CFP's violations of Section 204 of the Advisers Act [15 U.S.C. §§80b-4] and Rule 204-2 thereunder [17 CFR 275.204-2] by rendering knowing and substantial assistance to CFP with

knowledge of CFP's violative conduct.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a judgment that:

(i) Permanently enjoins Defendant Jarvis from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5];

(ii) Permanently enjoins Defendant CFP from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5];

(iii) Permanently enjoins Defendant Jarvis from violating, directly or indirectly, Sections Section 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§80b-6(1), (2)];

(iv) Permanently enjoins Defendant CFP from violating, directly or indirectly, Section 204 of the Advisers Act [15 U.S.C. §§80b-6(1), (2)] and Rule 204-2 thereunder [17 CFR 275.204-2];

(v) Permanently enjoins Defendant Jarvis from aiding and abetting violations of Section 204 of the Advisers Act [15 U.S.C. §80b-4] and Rule 204-2 thereunder [17 CFR 275.204-2];

(vi) Orders defendant Jarvis and CFP to each prepare a sworn accounting of all of the assets each presently owns (directly or indirectly), controls (directly or indirectly) or has an interest in (directly or indirectly), including, for each asset, the value, the nature of the interest, the location, and a description (including where appropriate account names and numbers, and

descriptions of real property), and liabilities each owes;

(vii) Orders each of the defendants to disgorge all profits or proceeds received as a result of the conduct described in this Complaint, plus prejudgment interest from the date of the misappropriation to the date of entry of judgment;

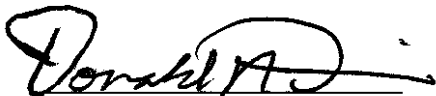
(viii) Orders the defendants to each pay an appropriate civil money penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)];

(ix) Grants such other relief as this Court may deem just and appropriate; and

(x) Retains jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement, enforce and carry out the terms of all orders, judgment and decrees which the Court may enter in this action, and to entertain any application or motion for additional relief within the jurisdiction of this Court which the Court deems appropriate.

Respectfully submitted,

SECURITIES AND EXCHANGE COMMISSION



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