

**IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF COLUMBIA**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION**
100 F Street NE
Washington, DC 20549

Plaintiff,

v.

**SUNRISE SENIOR LIVING, INC.,
LARRY E. HULSE, and KENNETH J. ABOD,**

Defendants.

Case: 1:10-cv-01247
Assigned To : Kollar-Kotelly, Colleen
Assign. Date : 7/23/2010
Description: General Civil

COMPLAINT

Plaintiff United States Securities and Exchange Commission (“SEC” or “Commission”), for its Complaint against defendants Sunrise Senior Living, Inc. (“Sunrise” or the “Company”), Larry E. Hulse (“Hulse”), and Kenneth J. Abod (“Abod”) (collectively the “Defendants”) seeks an order: 1) enjoining Sunrise from violating the reporting, books and records, and internal controls provisions of the Securities Exchange Act of 1934 (“Exchange Act”); 2) enjoining Hulse from violating the antifraud provisions of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”) and the reporting, recordkeeping, internal controls, and Sarbanes-Oxley certification provisions of the Exchange Act; 3) ordering Hulse to pay a civil penalty of \$50,000 and to disgorge his 2003 bonus of \$83,333 with prejudgment interest of \$31,660; and 4) ordering Abod to pay

a civil penalty of \$25,000. The Commission alleges as follows:

SUMMARY OF ALLEGATIONS

1. This matter concerns financial reporting fraud at Sunrise, a Virginia-based owner and manager of assisted living facilities whose stock is listed on the New York Stock Exchange. During the period beginning in the fourth quarter of 2003 and continuing through the third quarter of 2005, Sunrise filed eight periodic reports with the Commission (two annual reports and six quarterly reports). Sunrise misstated its earnings in four of the reports. The misstatements enabled Sunrise to achieve its publicly announced earnings per share (“EPS”) forecasts. In 2004, Sunrise offered and sold securities pursuant to a Form S-8 registration statement filed with the Commission under the Securities Act. The registration statement incorporated by reference Sunrise’s fiscal 2003 Form 10-K, which included misstated financial statements.

2. During the relevant period from 2003 through 2005, Sunrise used inappropriate accounting to meet earnings forecasts, by making improper adjustments to its accrual for corporate bonuses and its reserve for self-insured health and dental benefits (“health and dental reserve”). Sunrise also portrayed bonus expenses improperly in its financial statements. In 2008, Sunrise restated its financial statements to correct, among other things, the improper accounting in its accrual for corporate bonuses and its health and dental reserve.

3. Hulse, who was Sunrise’s Chief Financial Officer (“CFO”) during most of the relevant period from 2003 through 2005, participated in the improper accounting. Hulse oversaw the improper adjustments to the health and dental reserve and signed false SEC filings (including the 2004 Form S-8 registration statement) and Sarbanes-Oxley

certifications. Abod, who was Sunrise's Treasurer during most of the relevant period, participated in the improper accounting. Hulse and Abod directed Sunrise employees to make improper adjustments to the bonus accrual account. Hulse and Abod are both certified public accountants.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Sections 21(e) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(e) and 78aa.

5. Defendants, directly and indirectly, have made use of the means and instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the transactions, acts, practices and courses of business alleged herein.

6. Venue lies in the District of Columbia pursuant to Section 27 of the Exchange Act because Sunrise filed materially false or misleading reports on Forms 10-K and 10-Q with the Commission in this District.

THE DEFENDANTS

7. **Sunrise** is a Delaware Corporation headquartered in McLean, Virginia. Its securities are registered pursuant to Section 12(b) of the Exchange Act, and its common stock trades on the New York Stock Exchange under the symbol SRZ. Sunrise is a provider of residential communities and services for the elderly. The Company has a fiscal year end of December 31.

8. **Hulse**, 54, who is a licensed CPA in Maryland, became Sunrise's CFO in March 2000. On August 4, 2005, Sunrise announced that it had replaced Hulse as CFO

and Hulse became chief executive of Sunrise's captive insurance company. On December 20, 2007, Sunrise announced the separation of Hulse from the Company.

9. **Abod**, 45, who is a licensed CPA in Virginia, was Sunrise's Treasurer from 2001 until December 1, 2005, when he resigned from the Company. As Treasurer, he was responsible for maintaining corporate forecasts, facilitating the budget process, and managing Sunrise's cash position. He was also in charge of Sunrise's investor relations department from mid-2004 until December 1, 2005.

BACKGROUND

10. From the fourth quarter of 2003 through the third quarter of 2005, Sunrise made a number of improper adjustments to the Company's accrual for corporate bonuses and its health and dental reserve. These improper adjustments enabled Sunrise to achieve previously announced EPS forecasts. Several of the adjustments were made as post-closing adjustments.

11. Sunrise's corporate bonus accrual account was used to record the liability for discretionary bonuses expected to be paid to executives, corporate management, and regional management. During the second half of 2003, and all of 2004 and 2005, there were standard monthly entries to the account and management made quarterly adjustments to the account. Bonus payouts flowed through the account.

12. Sunrise's health and dental reserve was related to the Company's self-insurance program for providing medical and dental benefits to Sunrise employees. Sunrise estimated its program costs -- which included annual claims, administrative fees, network provider fees and insurance premiums -- annually on a calendar year basis with the assistance of a third-party benefit consultant. Monies collected from the Sunrise

communities and participating employees were used to pay program costs. The reserve consisted of Sunrise's estimated program costs that had been incurred but unpaid as of the balance sheet date. Prior to 2003, Sunrise had estimated a lag of three months of claims to determine the reserve balance.

SUNRISE'S EARNINGS GUIDANCE TO THE PUBLIC

13. During the period from 2003 through 2005, Sunrise regularly issued public guidance for expected quarterly and annual EPS. As the year progressed, Sunrise senior management reviewed and revised its guidance in quarterly earnings announcements and analyst calls. Sunrise closely monitored its earnings guidance and tracked individual analyst EPS forecasts. Sunrise personnel, including Hulse and Abod, were aware of the EPS guidance and analyst forecasts.

ANNUAL INCENTIVE BONUSES

14. During the first quarter of both 2003 and 2004, the Sunrise Compensation Committee adopted annual performance goals that would then be used to set target bonuses and equity-based compensation awards for Sunrise senior officers. Under the resolutions, senior officers would be eligible for an annual incentive bonus if the performance goals established by the Compensation Committee were achieved. In 2003 one of the performance goals was the achievement of financial targets. Hulse received a 2003 bonus based, in part, on Sunrise achieving that year's financial targets.

SUNRISE'S IMPROPER ACCOUNTING

Fourth Quarter 2003

15. On November 4, 2003, as part of its earnings call for Sunrise's 2003 third quarter ended September 30, 2003, Sunrise stated publicly that it estimated its EPS would

be between \$2.63 to \$2.65 per share for its 2003 fiscal year (between \$.66 to \$.68 per share for the 2003 fourth quarter).

16. On December 15, 2003, approximately two weeks before Sunrise's 2003 fiscal year-end, Sunrise internally projected that its EPS for the 2003 fourth quarter would be \$.57, nine cents less than the low end of the earnings guidance Sunrise gave to the public during the November 4 earnings call. The next day, December 16, 2003, Hulse, who was aware of the internal projection, directed his accounting staff to eliminate the balance in Sunrise's 2003 bonus accrual account. However, before February 26, 2004, the date that Sunrise issued its earnings release for the 2003 year, Sunrise management, including Hulse, decided that Sunrise would in fact pay 2003 bonuses but do so in 2004. Thus, even though Sunrise decided to pay bonuses related to its 2003 year in 2004, and ultimately did, Sunrise and Hulse failed to establish a liability for the bonuses on Sunrise's financial statements as of Sunrise's 2003 fiscal year-end.

17. The failure to properly accrue for the bonuses at Sunrise's 2003 fiscal year-end had the effect of improperly increasing Sunrise's after-tax earnings by \$1,180,000 (approximately \$.05 per share) and did not comply with GAAP, because it was probable that Sunrise was going to pay the bonuses and could reasonably estimate the amounts. Statement of Financial Accounting Standards No. 5 ("FAS 5") requires that "[a]n estimated loss from a loss contingency . . . shall be accrued by a charge to income" if it is probable that a liability has been incurred and the amount of loss can be reasonably estimated.

18. In addition, on January 12, 2004, Sunrise management, including Hulse, received an email showing that Sunrise's expenses were still more than \$2 million over

budget for the 2003 fiscal year. Three days later, on January 15, 2004, Hulse directed Sunrise employees to reduce the health and dental reserve as of December 31, 2003 by \$2 million, setting the reserve at an amount equal to an estimate of three months of claims, which historically had been used to set the reserve. The next day, January 16, 2004, however, Hulse directed Sunrise employees to reduce the reserve by an additional \$250,000, improperly increasing Sunrise's after-tax earnings by \$160,000 (approximately \$.01 per share) and enabling it to hit the low end of its EPS guidance. This adjustment violated GAAP because Sunrise failed to apply a consistent method for estimating its health and dental reserve.

19. On March 12, 2004, Sunrise filed its fiscal 2003 annual report on Form 10-K with the Commission, reporting EPS of \$2.63 per share for the 2003 year (\$.67 per share for the fourth quarter). Hulse signed Sunrise's 2003 Form 10-K and the Sarbanes-Oxley certification included therewith. Without the improper adjustments made for the fourth quarter of 2003, Sunrise would have fallen short of its previously forecasted EPS guidance. The improper accounting had the following effect on Sunrise's earnings and EPS for its 2003 fiscal year.

	Earnings (in thousands)	Earnings per share
Earnings Reported in Form 10-K	\$66,763	\$2.630
Improper accounting for Bonus Accrual	(1,180)	(0.046)
Improper accounting for Health and Dental accrual	(160)	(0.006)
Earnings without improper adjustments	\$65,423	\$2.578

Fourth Quarter 2004

20. On November 4, 2004, Sunrise issued a press release reporting its earnings for the third quarter of 2004, and projecting its earnings for the fourth quarter of 2004. In the press release Sunrise publicly stated that it estimated its EPS would be between \$.55 to \$.59 per share for the 2004 fourth quarter.

21. On January 21, 2005, just hours after Sunrise had determined that its fourth quarter 2004 GAAP earnings would fall short of its November 4 forecast, Sunrise increased its pre-tax earnings by \$2.5 million by reducing its health and dental reserve by that amount. Hulse reviewed the reserve calculation and there was no documentation to support the adjustment. The adjustment left the health and dental reserve approximately \$5 million higher than it would have been if Sunrise used its historical three month lag to determine the reserve. As a result, the adjustment violated GAAP, allowing Sunrise to improperly calibrate its earnings and leaving \$5 million excess in the reserve that could be used to increase earnings in future periods.

22. Sunrise also improperly accounted for approximately \$2.8 million of 2004 bonuses so they could meet 2004 earnings guidance. Of the \$2.8 million, Sunrise failed to accrue at all for approximately \$1 million as of December 31, 2004. Sunrise also paid approximately \$1.8 million of bonuses in December 2004 but netted the expense associated with those bonuses against a 2004 gain from a real estate investment trust ("REIT") on Sunrise's income statement. Netting the expense related to the bonus payments against the REIT gain caused Sunrise to understate its general and administrative expenses and was improper under GAAP because the bonus payments were not directly related to the gain on the REIT. Hulse engaged in improper accounting

because he knew or should have known that Sunrise had improperly offset \$1.8 million of bonus expense against the gain associated with the REIT transaction to reduce its reported general and administrative expenses. In addition, Hulse was aware that Sunrise was planning to pay \$1 million in 2004 bonuses in 2005 but had failed to accrue for them at 2004 fiscal year-end. Abod helped determine the amount of the year-end bonus accrual and was aware that Sunrise was planning to pay \$1 million in 2004 bonuses in 2005 but had failed to accrue for them at 2004 fiscal year-end.

23. On March 16, 2005, Sunrise filed a fiscal 2004 annual report on Form 10-K with the Commission, reporting fourth quarter EPS of \$.57 per share. The failure to treat the approximately \$1 million in bonuses paid in 2005 as a 2004 expense overstated Sunrise's EPS for the 2004 fourth quarter by approximately \$.03 (approximately 5%). Without the improper adjustment related to bonuses, Sunrise would have reported fourth quarter EPS of \$.54, \$.01 per share short of its fourth quarter EPS guidance. Although Sunrise did expense the remaining \$1.8 million in bonuses as of December 31, 2004, it was improper to net the expense against the gain associated with the REIT transaction in Sunrise's 2004 year-end income statement included in the Form 10-K. Hulse, who participated in the accounting for these items, signed Sunrise's 2004 Form 10-K and the Sarbanes-Oxley certification included therewith.

First Quarter 2005

24. On April 19, 2005, approximately two weeks after Sunrise's March 31, 2005 quarter ended, Abod prepared a spreadsheet entitled "Analysis of Q1 2005." The spreadsheet listed a number of adjustments "[n]eeded" to increase Sunrise's pre-tax income for the March 31 quarter by \$2.8 million. The spreadsheet reflects that the

adjustments would allow Sunrise to increase EPS from \$.29 to \$.37, the low end of its EPS forecast made on March 7, 2005. The spreadsheet included an adjustment to eliminate the 2005 year-to-date corporate bonus accrual. That same day, Abod instructed Sunrise employees to eliminate the 2005 corporate bonus accrual then reflected on Sunrise's books and records, improperly boosting Sunrise's earnings by \$725,000. Hulse knew about the adjustment and both he and Abod knew or should have known that the bonus accrual adjustment was improper because it was not the result of a determination that the payment of 2005 corporate bonuses was not probable and reasonably estimable. If Sunrise had not improperly reversed the bonus accrual, it would have missed its EPS forecast for the quarter by approximately \$.02 per share.

25. On April 19, 2005, Sunrise, with Hulse's knowledge, made a second adjustment on the spreadsheet, reducing the health and dental reserve balance as of March 31, 2005 by \$775,000. Hulse reviewed the amount of the reserve reduction and the method used to calculate the reserve was not consistent with the prior method used to determine the reserve. There was no justification for the adjustment which, as reflected on the spreadsheet, provided a needed boost to Sunrise's earnings, while leaving \$5.8 million excess in the reserve account that could be used to increase earnings in future periods.

26. Shortly after Sunrise made the improper adjustments to the bonus accrual and health and dental reserve, Sunrise management, including Hulse, learned that Sunrise would have to defer some earnings, causing it to once again fall short of its previously forecasted earnings. In response, even though Sunrise had closed its books, on April 24,

2005, Hulse sent an email to his accounting staff, stating that if Sunrise had to defer the earnings, they should try to get to the lower end of the forecasted earnings range.

27. As a result of Hulse's email, just after 12 p.m. the next day, April 25, 2005, Sunrise made two improper post-closing adjustments, decreasing Sunrise expenses by \$150,000. There was no supporting documentation associated with either adjustment and without the two adjustments Sunrise would have fallen short of the low end of its EPS forecast for the quarter by \$.01 per share. During its restatement process, Sunrise corrected for these two adjustments.

28. On May 10, 2005, Sunrise filed a quarterly report for its quarter ended March 31, 2005 on Form 10-Q with the Commission. The financial statements included in the Form 10-Q contained the improper accounting for the bonus accrual and the health and dental reserve, and the two improper post-closing adjustments. Hulse, who participated in the accounting for these items, signed Sunrise's Form 10-Q for the period ended March 31, 2005 and the Sarbanes-Oxley certification included therewith.

Second Quarter 2005

29. On July 7, 2005, Hulse directed his subordinates to reduce the health and dental reserve as of June 30, 2005 by \$3.185 million, based on a calculation of the reserve using a 3 1/2 month claim lag assumption and including, for the first time, an inflation factor of 10%. Approximately one week later on July 15, 2005, after learning of a shortfall in Sunrise's forecasted earnings for the second quarter of 2005, Hulse directed his subordinates to reduce the health and dental reserve calculation, changing several assumptions to the model and eliminating the inflation factor. By changing the inputs and assumptions to the model used to calculate the health and dental reserve, Sunrise and

Hulse were able to further reduce the reserve as of June 30, 2005 by approximately \$4.4 million to fully offset the earnings shortfall. As Hulse knew or should have known, there was no justification, other than the need to offset the earnings shortfall, for Sunrise to make the second adjustment on July 15.

30. On August 9, 2005, after Hulse was no longer CFO, the Company filed a Form 10-Q quarterly report with the Commission for its quarter ending June 30, 2005, reporting EPS of \$.46 cents after having forecast EPS of \$.36-\$.38 for the second quarter of 2005. The financial statements included in the Form 10-Q contained the improper accounting for the health and dental reserve. Sunrise's EPS would have been \$.35, one cent short of the forecast, if Sunrise had not made the second improper adjustment to the health and dental reserve.

Third Quarter 2005

31. On October 17, 2005, Hulse (who was then chief executive of Sunrise's captive insurance company) directed Sunrise employees to reduce Sunrise's health and dental reserve as of September 30, 2005 by \$1.8 million. As Hulse knew or should have known, there was no justification for the adjustment other than it provided a needed boost to Sunrise's earnings while leaving an excess of approximately \$2 million in the reserve account that could be used to increase earnings in future periods. A few weeks later, the day before it was to announce its third quarter 2005 earnings, Sunrise learned that its outside auditor, Ernst & Young, was insisting that Sunrise defer \$2 million in third quarter revenue until a later period. Sunrise employees then tried to increase Sunrise's income by further reducing the health and dental reserve by \$2 million to offset the income deferral, but Ernst & Young objected and Sunrise did not make the adjustment.

THE MARCH 24, 2008 RESTATEMENT

32. On March 24, 2008, Sunrise filed a Form 10-K for the year ended December 31, 2007. The filing included restated audited financial statements for fiscal years 2004 and 2005, audited financial statements for fiscal year 2006, and unaudited quarterly financial information for fiscal years 2005 (restated) and 2006. The restatement corrected the improper accounting for the bonus accruals, the health and dental reserve, and the two improper post-closing adjustments made in the first quarter of 2005.

REGISTRATION STATEMENT

33. Sunrise filed a Form S-8 registration statement on November 24, 2004, related to its Employee Stock Purchase Plan. The registration statement incorporated by reference Sunrise's Form 10-K for 2003 and the misstated financial statements contained therein. As CFO, Hulse signed the registration statement and knew or should have known that the financial statements contained therein were misstated.

FIRST CLAIM FOR RELIEF

Sections 17(a)(2) and 17(a)(3) of the Securities Act (Hulse)

34. The Commission realleges and incorporates by reference herein the averments of paragraphs 1 through 33 of the Complaint.

35. In the offer or sale of Sunrise securities covered by the November 24, 2004 registration statement, Hulse, by the use of the means or instruments of transportation or communication in interstate commerce, or by the use of the mails, directly or indirectly has: (a) obtained money or property by means of untrue statement of a material fact or omitted to state material facts necessary to make the statement made, in light of the circumstances under which they were made, not misleading; and (b) engaged in transactions, practices, or a course of business which operated or would operate as a fraud

or deceit upon purchasers of Sunrise securities and upon other persons, in violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

SECOND CLAIM FOR RELIEF

**Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13
(Sunrise, Hulse, and Abod)**

36. The Commission realleges and incorporates by reference herein the averments of paragraphs 1 through 33 of the Complaint.

37. Sunrise filed with the Commission materially false and misleading financial statements as part of its annual reports for fiscal years 2003 and 2004 on Forms 10-K and as part of its quarterly reports for the periods ending March 31, 2005 and June 30, 2005 on Forms 10-Q.

38. By reason of the foregoing, Sunrise violated Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13.

39. Hulse and Abod knowingly provided substantial assistance to Sunrise in connection with its violations of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13.

40. By reason of the foregoing, Hulse and Abod, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t], aided and abetted Sunrise's violations of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13.

THIRD CLAIM FOR RELIEF

**Sections 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Exchange Act and Rule 13b2-1
(Sunrise, Hulse, and Abod)**

41. The Commission realleges and incorporates by reference herein the averments of paragraphs 1 through 33 of the Complaint.

42. Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] requires public companies to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect the Company's transactions and dispositions of its assets. Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] requires public companies, among other things, to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that the Company's transactions were recorded as necessary to permit preparation of financial statements conforming with GAAP.

43. By reason of the foregoing, Sunrise violated Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B), and Rule 13b2-1, 17 C.F.R. § 240.13b2-1.

44. Hulse and Abod violated Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5), and Rule 13b2-1, 17 C.F.R. § 240.13b2-1 by knowingly circumventing a system of internal accounting controls required by Section 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(B), and falsifying or causing to be falsified certain books, records, and accounts.

45. Hulse and Abod knowingly provided substantial assistance to Sunrise in connection with its violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B).

46. By reason of the foregoing, Hulse and Abod, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t], aided and abetted Sunrise's violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B).

FOURTH CLAIM FOR RELIEF
Violation of Rule 13a-14 of the Exchange Act
(Hulse)

47. The Commission realleges and incorporates by reference herein the averments of paragraphs 1 through 33 of the Complaint.

48. Hulse as the CFO of Sunrise, was required to, and did, sign certifications to be included in each report filed under section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), stating, in relevant part, among other things, that based on his knowledge, the report did not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report.

49. By reason of the foregoing, Hulse violated Rule 13a-14 of the Exchange Act, 17 C.F.R. § 240.13a-14.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully prays that the Court grant Final Judgments:

(a) issuing permanent injunctions enjoining Sunrise and Hulse, and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, and each of them from violating the provisions they are alleged above to have violated.

(b) ordering Hulse to pay a \$50,000 civil penalty 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), and to disgorge a bonus amount of \$83,333, plus interest accrued thereon in the amount of \$31,660;

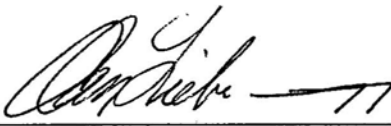
(c) ordering Abod to pay a \$25,000 civil penalty pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3); and

(d) granting such other and further relief as this Court deems just and proper.

Dated: July 23, 2010

Washington, D. C.

Respectfully submitted,

By: 

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