FILED
U.S. DISTRICT COURT
DISTRICT OF COLORADO

2011 MAR -7 PM 12: 11

GREGORY C. LANGHAM
CLERK

BY__________DEP. CLK

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No. '11 - CV - 0 0 5 5 8 WJM-MJW

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

LARRY MICHAEL PARRISH,

Defendant.

COMPLAINT

Plaintiff, United States Securities and Exchange Commission ("SEC"), states and alleges as follows against Defendant Larry Michael Parrish ("Parrish" or "Defendant"):

SUMMARY OF THE CASE

1. Larry Michael Parrish is a habitual fraudster. His most recent fraud, the subject of this Complaint, is a Ponzi scheme that raised about $9.2 million from at least 70 investors in 3 states, including Colorado, since 2005 from the sale of unregistered securities. Parrish lured investors by guaranteeing 30% annual returns. Parrish claimed that these returns would be paid monthly from his proprietary trading company, IV Capital, Ltd. ("IV Capital"), which he said operated a profitable trading program. Parrish told investors that the securities were "extremely low risk" because investor funds would be placed safely in escrow and used to secure a line of credit that would be used for the trading program.

2. Parrish's claims were fiction: in classic Ponzi scheme fashion, Parrish's early investors were paid the exorbitant returns he guaranteed, and about $5 million in total "profit" payments were made to investors. But all or nearly all of these payments were from investor

deposits, not profitable trading. Parrish also misappropriated at least $780,000 from investors for his personal benefit, including hundreds of thousands of dollars in cash, luxury vacations, a motorcycle, shopping, and other extravagances. The remaining investor funds were lost in a limited amount of high-risk trading or are presently uncategorizable, and may include additional funds misappropriated by Parrish. No investor funds remain. Parrish and IV Capital's known bank accounts are empty.

3. Parrish often convinced his victims to invest significant portions of their life savings with him, placing their financial futures in Parrish's hands. In one egregious case, a Colorado man dying of cancer invested his and his wife's life savings with Parrish, to provide for the man's wife after his death. Parrish, after receiving the couple's life savings, visited them in the hospital in Colorado, where Parrish promised the dying man that the investment would provide for his wife for the rest of her life. That money is now gone.

4. As for his habit of fraud, while brokering and dealing his Ponzi scheme securities, Parrish was subject to a bar from such conduct resulting from a previous SEC action against him, which involved another fraudulent high-yield investment scheme. Some investors, using the Internet, found out about the SEC's prior action against Parrish. But when the investors confronted Parrish, he claimed that he was not the same Larry Michael Parrish from the prior SEC action.

5. In June 2009, Parrish stopped providing "profit" payments to investors, and his scheme began to collapse. From that time until at least January 2010, Parrish made false and misleading excuses to investors about delayed payments and the status of their funds, to try to lull them into complacency and delay the disclosure of his fraudulent scheme. Since then, Parrish has virtually disappeared and refused to cooperate with the SEC during its investigation.

6. Parrish intentionally deceived investors into buying Ponzi-scheme securities through numerous misrepresentations and omissions of material fact. Parrish lied by claiming that the securities would pay high rates of return based on low risk, profitable trades, when in fact he was operating a Ponzi scheme. In doing so, Parrish violated the anti-fraud provisions of federal securities laws, offered and sold unregistered securities, acted as an unregistered broker-dealer, and defrauded his clients while acting as an investment adviser. Additionally, he violated a prior order barring him from being associated with a broker or dealer.

7. The SEC brings this civil enforcement action seeking permanent injunctions, disgorgement plus prejudgment and postjudgment interest, and civil penalties for violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)]; Sections 10(b), 15(a), and 15(b)(6)(B)(i) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b), 78o(a), and 78o(b)(6)(B)(i)]; Rule 10b-5 [17 C.F.R. §240.10b-5]; Sections 206(1) and (2), Section 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§80b-6(1) and (2) and 80b-6(4)]; and Rule 206(4)-8 [17 C.F.R. §275.206(4)-8].

JURISDICTION AND VENUE

8. The Court has jurisdiction pursuant to Securities Act Sections 20(b) and 22(a) [15 U.S.C. §§ 77t(b) and 77v(a)], Exchange Act Sections 21(d) and (e), and 27 [15 U.S.C. §§ 78u(d) and (e) and 78aa], and Advisers Act Section 209(e) [15 U.S.C. §80b-9].

9. In connection with the acts described in this Complaint, Parrish has used the mails, other instruments of communication in interstate commerce, and means or instrumentalities of interstate commerce.

10. Venue lies in this Court pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)], Exchange Act Section 27 [15 U.S.C. § 78aa], and 28 U.S.C. § 1391(b)(1) and (2). During the period of conduct alleged herein, Parrish engaged in the offer and sale of securities in the District of Colorado, many investors purchased Parrish's securities from him in the District of Colorado and reside in the District of Colorado, and many of the acts and practices otherwise described in this Complaint occurred in the District of Colorado.

DEFENDANT

11. **Larry Michael Parrish** resides in Walkersville, Maryland and is the president and sole director of IV Capital, which was incorporated in 2005 in Nevis.

FACTUAL BACKGROUND

I. Parrish's Offer and Sale of Securities

12. From about November 2005 through at least October 2009, Parrish solicited investors to purchase interests in IV Capital investment contracts, which were securities. Investors typically learned about IV Capital's trading program from earlier investors who had received what they believed to be monthly distributions of profits from IV Capital, or from "finders" or "brokers" who were agents of Parrish, received commissions from Parrish through IV Capital, and promoted Parrish's securities at his instruction. One of these brokers is Richard Dalton, who is a resident of Colorado, acted as an agent of Parrish, offered and sold Parrish's securities to investors in Colorado, and is also a defendant in a lawsuit by the SEC in this District based upon his operation of a separate Ponzi scheme. See SEC v. Richard Dalton, et al., No. 10-cv-2794-REB-KLM (D. Colo. filed Nov. 16, 2010).

13. As part of soliciting investors for his trading program, Parrish falsely told prospective investors – during in-person meetings in different states and by telephone – that their

invested funds would be held safely in an escrow account, and that IV Capital would use the value of that account, but not the actual funds, to obtain a line of credit to engage in profitable trading of financial instruments. According to Parrish, the trading was profitable enough that he was able to ***guarantee returns of 2.5% per month – or 30% per year –*** to investors. He assured investors that IV Capital had made as much every month since 1996. All of these statements were false.

14. Parrish required investors to sign a "Structured Investment and Joint Venture Agreement" ("Investment Agreement"), which he would transmit by facsimile or e-mail, which contained numerous material misrepresentations and omissions, and which represented that investors' money would be placed into an escrow account. The Investment Agreement stated that its purpose was to allow for profitable trading of financial instruments:

> The purpose of this Joint-Venture shall be to enter into a Trading Agreement from various financial institutions as determined by IV Capital, to generate profits from the Trading of Financial Instruments of which IV Capital and Investors equally share costs, distributing profits to IV Capital of 50% and the remaining 50% to be distributed to Investors proportionally to its investment on every transaction. Distribution of profits is to be made monthly.

15. The Investment Agreement also stated "Minimum Performance: The Parties and IV Capital have established a minimum gross profit margin per month of 5%[,]" which would be evenly split between Parrish and the investor. The Investment Agreement further stated that the trading program had "extremely low risk." In addition, it stated that "IV Capital's account management is re-enforced by the evaluation of top professional and licensed Third Party services in investment and trade transactions." The Investment Agreement did not disclose that Parrish was operating a Ponzi scheme.

16. The Investment Agreement further stated: "Upon 30 days written notice an Investor can cancel this Joint Venture at any time and request that all monies as principal

investment and all other proceeds derived from profits be returned." After his scheme began to collapse in June 2009, Parrish did not honor such requests.

17. Parrish did not provide current or prospective investors with material, accurate information about IV Capital's finances or about the profits and losses of IV Capital's purported trading. Parrish also did not provide current or prospective investors with an audited balance sheet for IV Capital, the trading program, or any other accurate, material financial disclosures. Parrish did not keep investors' funds separate but instead pooled the funds in various bank accounts. Investors did not have any duties or management roles in the operation of the trading program. Parrish represented that all profits were dependent on his efforts and those of IV Capital.

18. In fact, Parrish was solely responsible for the trading program he ran through IV Capital. Other than a small amount of trading done by one other individual, which resulted in a near total loss, Parrish was the sole trader for IV Capital, though he falsely told investors that IV Capital employed 10 to 15 traders. Parrish engineered and operated the purported trades that were to generate profits, managed the trading program, accepted and invested investors' funds, and provided updates on the progress of the trading program to prospective and current investors. Parrish was also the sole person responsible for ensuring that investors' funds were safeguarded and returned to them and that IV Capital paid investors' promised profit payments.

19. Parrish did not take any steps to assure that the offering and sale of his securities were directed to only a small number of sophisticated investors. Nor did Parrish take any steps to determine potential investors' net worth, or that that they had the knowledge, experience, or business acumen to qualify as sophisticated or accredited investors. Many of Parrish's investors were unsophisticated, did not understand the risks of the investments, and invested a significant

portion of their entire savings in the programs. Some investors invested funds from their self-directed IRA retirement accounts. At least one investor, the woman mentioned above whose husband died of cancer, will likely lose her home and has had to return to work after retiring.

II. Parrish's Ponzi Scheme

20. Parrish's trading program through IV Capital was a Ponzi scheme. IV Capital's bank records demonstrate that all or nearly all of the $5 million in "profit" payments to investors were made from investors' own funds, rather than from any profitable trading.

a. Lack of Actual Profits

21. Parrish represented to investors that the money raised through the sale of interests in his trading program would be used to secure a line of credit, and that line of credit, not the investors' funds, would be used to engage in the trading program. Parrish claimed that investors' money would be held safely in escrow, with guaranteed profits of at least 2.5% per month. Parrish's claims were false.

22. Prior to filing this lawsuit, the SEC conducted an investigation of Parrish. The investigation revealed no evidence that Parrish and IV Capital engaged in any significant amount of profitable trading. Parrish and IV Capital engaged in a limited amount of high-risk trading for nearly a complete loss. Although served with a subpoena by a process server, Parrish failed to appear for testimony. During its investigation, the SEC also issued document subpoenas to Parrish and IV Capital, which required them to provide the following documents to the SEC:

> All documents relating in any way to IV Capital, including without limitation all communications and/or bank records relating to IV Capital.
>
> All of your personal and/or business bank records from 2005 to the present.
>
> All of your monthly, quarterly, and/or yearly statements relating to any investment held by you from 2005 to the present.

> All of your credit card statements from 2005 to the present.
>
> All of your tax returns from 2005 to the present.
>
> All documents relating to any other investments other than IV Capital that you have marketed, sold, managed, organized, offered, recommended, solicited, advertised, and/or played any other role with from 2005 to the present.

23. Neither Parrish nor his company IV Capital produced any documents to the SEC, or any evidence whatsoever that Parrish's trading program was a legitimate investment program. Rather, evidence collected from bank records, investors, and other sources shows that Parrish's trading program was neither profitable nor legitimate. It was a Ponzi scheme.

b. Ponzi Payments to Investors

24. Parrish raised approximately $9.2 million from at least 70 investors and made monthly payments to investors from approximately January 2006 through June 2009.

25. The vast majority of funds that came into IV Capital were from investor money, not from any actual profitable trading. Investors received a total of about $5 million in "profit" payments between 2005 and 2009, all or nearly all of which were Ponzi payments, that is, payments from funds provided by other investors. The remaining investor funds were lost in a limited amount of high-risk trading or are presently uncategorizable. Parrish and IV Capital's known bank accounts are now empty.

III. Parrish's Misappropriation of Investor Funds

26. From at least March 2006 through January 2010, Parrish knowingly or recklessly misappropriated investor funds for his personal benefit. Parrish used the IV Capital bank accounts, which contained investor deposits, to misappropriate at least $780,000 for his personal benefit, including:

- Wire transfers to Parrish's personal accounts of nearly $600,000;

- Vacations and travel to tropical resorts and luxury hotels totaling over $40,000;
- Purchase of a $16,823 Harley Davidson motorcycle;
- Shopping at Best Buy totaling over $5,500;
- A $4,799 purchase from Amazon.com; and
- Living expenses, travel, event tickets, electronics, furniture, and other extravagances.

27. Many other withdrawals and transfers from IV Capital's bank accounts do not have an obvious business purpose, and may represent significant additions to the amount of funds misappropriated by Parrish. Parrish did not disclose to investors that he used their funds to live a lavish lifestyle.

IV. <u>Parrish's Misrepresentations and Acts of Fraud and Deceit</u>

28. As a part of his Ponzi scheme, Parrish knowingly or recklessly made numerous false and misleading statements about IV Capital and his trading program and engaged in acts of fraud and deceit on prospective and existing investors. Perhaps most critically, Parrish never disclosed to investors that all or nearly all of their "profit" payments were actually just payments made from other investors' funds, making the trading program a Ponzi scheme.

29. Parrish falsely claimed that:

- His trading program would generate profits from the trading of financial instruments.
- His trading program would result in a guaranteed minimum gross profit margin per month of 2.5%.
- His trading program had "extremely low risk."
- IV Capital account management was re-enforced by the evaluation of top professional and licensed third party services in investment and trade transactions.

- Investors’ money could be returned at any time.

- Investors’ money would be held in escrow and never used or transferred to another account.

- Investors’ money would be used as leverage to secure a line of credit, which would be used for trading.

- IV Capital had several partners and had $22 million under management.

- IV Capital employed 10-15 traders in the United States and London who traded in commodities, stocks, and options.

- Parrish had been successfully running his trading program since 1996 and the program was profitable every single month during that time.

- Investors’ money would be completely safe.

30. In fact, those claims were false because:

- The trading program did not generate any significant profits from the trading of financial instruments.

- The trading program did not result in a gross profit margin per month of 2.5%, as it did not generate any significant profits.

- The trading program had extremely high risk.

- IV Capital account management was not re-enforced by the evaluation of top professional and licensed third party services in investment and trade transactions.

- Investors’ money could not be returned at any time, due to insufficient funds.

- Investors’ money was not held in escrow and was used and transferred to other accounts.

- Investors’ money was not used as leverage to secure a line of credit with which trades were executed.

- Parrish did not work with other partners or 10-15 traders who generated any significant profits from trading.

- Parrish had not been successfully running the trading program since 1996.

- IV Capital did not have $22 million under management.
- Investors' money was not safe.

31. Parrish did not disclose that his actual name was Larry Michael Parrish and that he was previously a defendant in an action brought by the SEC involving another high-yield investment fraud. When expressly asked by investors, Parrish denied that he was the named defendant. In fact, Parrish is the same Larry Michael Parrish who was a defendant in SEC v. Larry Michael Parrish, et al., 05 Civ 1031 (D. Md., filed April 14, 2005). He is also the same Larry Michael Parrish who was the defendant in the SEC's administrative proceeding in which he consented to an administrative order barring him from associating with any broker-dealer with a right to reapply for association after five years. In re Larry Michael Parrish, SEC Release No. 55779 (May 17, 2007).

32. Parrish knew that his statements to, and omissions from, prospective and existing investors were materially false or misleading because he knew that: (1) investor payments were not from profitable trading, but rather were made from new investor funds; (2) his trading program did not operate or exist as described by Parrish; (3) his trading program did not generate sufficient profits to pay the claimed investor returns; (4) investors' money was not kept in escrow, but rather was used to pay other investors and for Parrish's lifestyle; (5) investors' money was not safe and could not all be returned due to insufficient funds; and (6) Parrish had not successfully run his trading program since 1996, but rather operated a Ponzi scheme since 2005.

V. Parrish's Lulling Activities

33. Parrish stopped making "profit" payments to investors in about June 2009. Subsequently, Parrish made numerous verbal and written misrepresentations to investors in

response to their requests for "profit" payments and return of their investments. Over a period of about seven months, he sent at least three letters, held conference calls, and scheduled a meeting in New York with two investors.

34. On August 17, 2009, Parrish wrote to his investors to explain the "delay in the payment of past earnings." The letter claimed that some investors in IV Capital had not paid taxes on earnings which "triggered a bank audit for the entire group." He stated that IV Capital was able to continue trading but could not currently receive new funds or pay interest to existing clients. Parrish assured the investors that once the tax deficiencies were corrected, IV Capital would continue business as usual. He further assured investors that they would receive the missed payments once the tax issue was resolved. As part of its investigation, the SEC did not find – and Parrish and IV Capital did not provide – any evidence that there ever was a bank audit that resulted in Parrish being unable to make payments to the investors.

35. On October 20, 2009, Parrish sent a letter to investors to explain that there were still four members who were out of tax compliance. Parrish further represented that the purported IV Capital partners "would like this matter to be resolved as quickly as possible and without further delay." He assured investors the partners were cooperating fully with all bank requests and "therefore we continue to operate with some regularity." He also stated that IV Capital was "aggressively pursuing two new relationships with additional banks" and that would provide further flexibility. Parrish promised that interest continued to accrue and that investors would be paid once the matter came to a close. As part of its investigation, the SEC did not find – and Parrish and IV Capital did not provide – any evidence that there ever was a bank audit, that Parrish pursued new relationships with banks, or that IV Capital had any partners other than Parrish.

36. Parrish wrote investors again on December 10, 2009 and indicated that only three members were still out of tax compliance. He again assured investors IV Capital was able to "continue business with some regularity" but was facing additional challenges including administrative work and time traveling and meeting with non-U.S. clients. As part of its investigation, the SEC did not find – and Parrish and IV Capital did not provide – any evidence that any of Parrish's lulling statements was true.

37. In February 2010, two investors scheduled a meeting in New York where Parrish and another purported partner in IV Capital were to meet to discuss missed payments and current status of IV Capital. The night before the two investors were to fly from Colorado, where they reside, to New York, Parrish contacted them to say the purported partner was unavailable to meet. As part of its investigation, the SEC did not find – and Parrish and IV Capital did not provide – any evidence that Parrish had any partner in IV Capital.

VI. Parrish's Offers and Sales of Unregistered Securities

38. Section 5 of the Securities Act prohibits any offers, directly or indirectly, to sell a security unless a registration statement for that security has been filed with the SEC. A registration statement is transaction specific. Each sale of a security must either be made pursuant to a registration statement or fall under a registration exemption.

39. The interests in Parrish's trading program were investment contracts, which are securities under federal law. At the time of the offers and sales of the securities in Parrish's trading program, there were no registration statements filed and in effect for them. No registration exemption applied to the trading program securities. Parrish offered and sold unregistered securities totaling about $9.2 million in his trading program to at least 70 investors in 3 states.

VII. Parrish's Actions as an Unregistered Broker-Dealer

40. Section 15(a)(1) of the Exchange Act prohibits a broker or dealer from using jurisdictional means such as the telephone or mails to effect transactions in securities unless the broker or dealer is registered with the SEC. Section 3(a)(4) of the Exchange Act defines a "broker" as any person who is engaged in the business of effecting transactions in securities for the accounts of others. Section 3(a)(5) of the Exchange Act defines a "dealer" as any person engaged in the business of buying and selling securities for the person's own account through a broker or otherwise.

41. Parrish participated in securities transactions of a broker-dealer with respect to the sale of interests in his trading program. Parrish and agents or other brokers acting on his behalf actively solicited investors to purchase securities via e-mail, telephone, and the U.S. mail. Parrish had conversations with prospective investors on the telephone and met in person in different states with prospective investors. Parrish used the telephone, e-mail, facsimile, and the U.S. mail to effect purchases and sales of the securities in his trading program for the accounts of the investors. He solicited existing investors to make additional investments by sending them payments made from fictitious profits. Parrish was not affiliated with a broker-dealer registered with the SEC during the time in which he offered and sold his trading program securities to investors.

42. Parrish received transaction-based compensation in that Parrish had sole control of the bank accounts containing investors' funds and misappropriated at least $780,000 of those funds for his own personal use. Parrish organized IV Capital's securities sales operations, solicited investors, and used finders, brokers, and other investors to solicit investors to purchase interests in the trading program securities. He was the only employee at IV Capital and thus was

solely responsible for communicating with investors, effecting the securities transactions, and paying transaction-based compensation to finders and brokers in the form of a monthly commission. Neither Parrish nor IV Capital were registered as broker-dealers nor affiliated with any broker-dealers at the time of the offers and sales of the interests in Parrish's trading program.

VIII. Parrish's Broker-Dealer Bar Violations

43. Section 15(b)(6)(B)(i) of the Exchange Act makes it unlawful for any person as to whom a broker or dealer bar is in effect to willfully "become, or to be, associated with any broker or dealer in contravention of such order." Section 3(a)(18) of the Exchange Act defines the term "person associated with a broker dealer" to include 'any person directly or indirectly controlling, or controlled by, or under common control with such broker or dealer."

44. In 2007, Parrish consented to the entry of an administrative order barring him from associating with any broker-dealer with a right to reapply for association after five years. Despite that bar, Parrish acted as a broker by offering and selling securities, participating in securities transactions, and engaging in the business of effecting transactions in securities for the accounts of others, as detailed above. By acting as an unregistered broker, Parrish "controlled" a broker (himself) and therefore was a "person associated with a broker dealer," in violation of his bar.

IX. Parrish's Violations of the Advisers Act

45. Parrish pooled the funds invested in his Ponzi scheme and transferred the comingled funds to brokerage accounts for trading. He provided investment advice for compensation with respect to securities, and specifically recommended that investors purchase securities in his trading program. Thus, Parrish acted as an investment adviser as defined by Section 202(1)(11) of the Advisers Act. As such, he is subject to the antifraud provisions of the

Advisers Act Section 206 which applies to "any investment adviser" whether registered with the SEC or not.

46. Section 206(1) and (2) of the Advisers Act prohibit an investment adviser from employing any device, scheme, or artifice to defraud clients or from engaging in any transaction, practice, or course of business that defrauds clients.

47. Section 206(4) of the Advisers Act provides that it shall be unlawful to engage in any act, practice, or course of business defined by the Commission to be fraudulent, deceptive, or manipulative. Under Rule 206(4)-8, a person violates Section 206(4) if that person "[m]ake[s] any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle, or . . . [o]therwise engage[s] in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle."

48. By operating the Ponzi scheme described above while acting as an investment adviser, Parrish knowingly or recklessly violated the antifraud provisions of the Advisers Act.

FIRST CLAIM FOR RELIEF
Fraud - Violations of Securities Act Section 17(a)
[15 U.S.C. § 77q(a)]

49. The SEC incorporates the allegations of paragraphs 1 through 48 as if fully set forth herein.

50. Parrish, directly or indirectly, with scienter, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, employed a device, scheme, or artifice to defraud, in violation of Section 17(a)(1) of the Securities Act.

51. Parrish, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of Section 17(a)(2) of the Securities Act.

52. Parrish, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which have been or are operating as a fraud or deceit upon the purchasers of securities, in violation of Section 17(a)(3) of the Securities Act.

53. Parrish violated, and unless restrained and enjoined will in the future violate Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Fraud – Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder
[15 U.S.C. §§ 78j(b) and 17 C.F.R. § 240.10b-5]

54. The SEC incorporates the allegations of paragraphs 1 through 48 as if fully set forth herein.

55. Parrish, acting with scienter, by use of means or instrumentalities of interstate commerce or of the mails, or of any facility of a national securities exchange, used or employed, in connection with the purchase or sale of a security, a manipulative or deceptive device or contrivance in contravention of the rules and regulations of the SEC; employed devices, schemes or artifices to defraud; made untrue statements of material fact 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 engaged in acts, practices or courses of business which operated

or would operate as a fraud or deceit upon any person, in violation Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

56. Parrish violated, and unless restrained and enjoined will in the future violate Exchange Act Sections 10(b) and Rule 10b-5 [15 U.S.C. §§ 78j(b) and 17 C.F.R. § 240.10b-5].

THIRD CLAIM FOR RELIEF
Sale of Unregistered Securities – Violations of Sections 5(a) and 5(c) of the Securities Act
[15 U.S.C. §§ 77e(a) and 77e(c)]

57. The SEC incorporates the allegations of paragraphs 1 through 48 as if fully set forth herein.

58. Parrish, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer and sell securities through the use or medium of a prospectus or otherwise, and carried or caused to be carried through the mails, or in interstate commerce, by means or instruments of transportation, such securities for the purpose of sale or for delivery after sale, when no registration statement had been filed or was in effect as to such securities.

59. Parrish violated, and unless restrained and enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

FOURTH CLAIM FOR RELIEF
Unregistered Broker-Dealer – Violations of Section 15(a)(1) of the Exchange Act
[15 U.S.C. § 78o(a)(1)]

60. The SEC incorporates the allegations of paragraphs 1 through 48 as if fully set forth herein.

61. Parrish, directly or indirectly, made use of the mails or means or instrumentalities of interstate commerce to effect transactions in or to induce or attempt to induce the purchase or sale of a security without being registered in accordance with Section 15(b) of the Exchange Act.

62. By engaging in the conduct described above, Parrish violated Section 15(a)(1) of the Exchange Act by acting as an unregistered broker-dealer in connection with his offer and sale of securities.

63. By reason of the foregoing, Parrish violated, and unless enjoined will continue to violate, Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

FIFTH CLAIM FOR RELIEF
Violation of Broker-Dealer Bar – Violations of Section 15(b)(6)(B)(i) of the Exchange Act
[15 U.S.C. § 78o(b)(6)(B)(i)]

64. The SEC incorporates the allegations of paragraphs 1 through 48 as if fully set forth herein.

65. In 2007, Parrish consented to an order barring him from association with a broker or dealer, with the right to reapply for such association after five years. Parrish, without the consent of the SEC, willfully became, or became associated with, a broker or dealer in contravention of that order.

66. By engaging in the conduct described above, Parrish violated Section 15(b)(6)(B)(i) of the Exchange Act by becoming, or becoming associated with, a broker or dealer.

67. By reason of the foregoing, Parrish violated, and unless enjoined will continue to violate Section 15(b)(6)(B)(i) of the Exchange Act [15 U.S.C. § 78o(b)(6)(B)(i)].

SIXTH CLAIM FOR RELIEF
Fraud – Violations of Advisers Act Section 206(1), (2), and (4) and Rule 206(4)-8 Thereunder
[15 U.S.C. § 80b-6(1), (2), and (4) and 17 C.F.R. § 275.206(4)-8]

68. The SEC incorporates the allegations of paragraphs 1 through 48 as if fully set forth herein.

69. Parrish, while acting as an investment adviser, directly or indirectly, with scienter, employed devices, schemes, or artifices to defraud clients or prospective clients; engaged in transactions, practices, or courses of business which operated or operate as a fraud or deceit upon any client or prospective client; and engaged in acts, practices, or courses of business which are fraudulent, deceptive, or manipulative.

70. Among other things, Parrish made untrue statements of material facts and omitted to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in pooled investment vehicles; and Parrish otherwise engaged in acts, practices, or courses of business that are fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle.

71. Parrish violated and unless restrained and enjoined will in the future violate Advisers Act Section 206(1), (2), and (4) and Rule 206(4)-8 [15 U.S.C. § 80b-6(1), (2), and (4) and 17 C.F.R. § 275.206(4)-8].

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that the Court:

1. Enter an Order finding that Parrish committed the violations alleged in the First through Sixth Claims for Relief in this Complaint;

2. Enter Injunctions, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently restraining and enjoining Parrish, and any officers, agents, servants, employees, attorneys, fictitious trade name entities, and those persons in active concert or participation with him who receive actual notice by personal service or otherwise, from violating or any of the violations alleged;

3. Order that Parrish disgorge all ill-gotten gains, together with pre-judgment and post-judgment interest;

5. Order that Parrish pay civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)], Exchange Act Section 21(d) [15 U.S.C. § 78u(d)], and Advisers Act Section 206(9)(e) [15 U.S.C. § 80b-9(e)], with post-judgment interest; and

6. Order such other relief as this Court may deem just or appropriate.

Dated: March 7, 2011

Respectfully submitted,

s/ Dugan Bliss

Dugan Bliss
Barbara T. Wells
James A. Scoggins
John H. Mulhern
Teresa Thomson Walsh
Attorneys for Plaintiff
U.S. Securities and Exchange Commission
1801 California Street, Suite 1500
Denver, CO 80202
(303) 844-1000