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10 **UNITED STATES DISTRICT COURT**
11 **EASTERN DISTRICT OF CALIFORNIA**
12 **SACRAMENTO DIVISION**

14 SECURITIES AND EXCHANGE COMMISSION,
15 Plaintiff,

16 vs.

17 GENDARME CAPITAL CORPORATION, IAN
18 LAMPHERE, EZAT RAHIMI, and CASSANDRA
ARMENTO,
19 Defendants.

Civil Action No. _____

COMPLAINT

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22 Plaintiff Securities and Exchange Commission (“Commission”) alleges:

23 **SUMMARY OF THE ACTION**

24 1. Since early 2008, defendant Gendarme Capital Corporation (“Gendarme”), through
25 its principals Ezat Rahimi and Ian Lamphere, has engaged in an illegal stock distribution
26 scheme. The defendants have illegally sold to the public billions of shares of stock without
27 registering the transactions or having a valid exemption to registration, as the federal securities
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1 laws require. Gendarme acquired the stock from small public companies at 30-50% discounts
2 to the market price in transactions where it falsely represented to the issuers that it purchased
3 the shares for investment purposes only (not for the purpose of resale). Typically within days
4 or weeks of acquiring the shares, Gendarme resold most of the stock in the public markets.
5 Gendarme profited more than \$1.6 million on its unregistered and illegal public distributions of
6 stock.

7 2. Gendarme typically bought shares from companies whose stock price was quoted
8 by Pink OTC Markets, Inc. (“Pink Sheets”), a private electronic inter-dealer quotation and
9 trading system used in the over-the-counter market. Companies quoted on the Pink Sheets are
10 not required to file periodic financial and disclosure statements with the Commission. Thus,
11 when distributions are unregistered, little or no disclosure about the company may exist. In
12 acting as a conduit to dump shares of Pink Sheets companies on the public markets, Gendarme
13 engaged in a lucrative end-run around an important disclosure policy underlying the securities
14 laws.

15 3. Gendarme’s outside counsel for its stock acquisition transactions was Cassandra
16 Armento. Since early 2008, Armento has issued more than 50 opinion letters to stock transfer
17 agents for Pink Sheets companies whose stock Gendarme purchased. The opinion letters falsely
18 claimed that Gendarme was not an “underwriter,” and thus did not intend to distribute the
19 shares. The letters were required for Gendarme to obtain the stock without restrictions on the
20 stock certificates, which allowed Gendarme to easily sell the shares on the public markets.
21 Armento played a necessary and substantial role in Gendarme’s scheme, and thus also violated
22 the securities laws.

23 4. Defendants Gendarme, Lamphere, Rahimi, and Armento (“Defendants”) violated
24 Sections 5(a) and (c) of the Securities Act of 1933 (“Securities Act”) by distributing stock in
25 unregistered transactions for which no exemption applied, or by playing a necessary and
26 substantial role in such distributions. The Commission seeks to enjoin Defendants from further
27 violations of the securities laws, disgorgement of Gendarme, Lamphere, and Rahimi’s ill-gotten
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1 gains, payment of civil money penalties, and an order barring Gendarme, Lamphere, and
2 Rahimi from participating in an offering of penny stock.

3 **JURISDICTION AND VENUE**

4 5. The Commission brings this action pursuant to Section 20(b) of the Securities Act
5 of 1933 (“Securities Act”) [15 U.S.C. § 77t(b)].

6 6. This Court has jurisdiction over this action pursuant to Section 22(a) of the
7 Securities Act [15 U.S.C. § 77v(a)]. Defendants, directly or indirectly, have made use of the
8 means and instrumentalities of interstate commerce or of the mails in connection with the acts,
9 transactions, practices, and courses of business alleged in this complaint.

10 7. Venue in this District is proper pursuant to Section 22 of the Securities Act [15
11 U.S.C. § 77v] because Defendants are found, inhabit, transact business, or engaged in acts or
12 transactions constituting securities laws violations, within the Eastern District of California. In
13 particular, Rahimi, Gendarme’s President and CEO, operated Gendarme from his home in Elk
14 Grove, California, and his prior home in Galt, California, both of which were located within the
15 Eastern District of California. Lamphere was an officer of Gendarme at all relevant times, and
16 regularly communicated with Rahimi regarding the transactions at issue in this complaint.
17 Armento represented Gendarme as its counsel, and communicated with Rahimi and Lamphere
18 regarding the transactions alleged in this complaint. Also, in exchange for drafting the warrant
19 agreements and opinion letters at issue in this complaint, Armento received money by several
20 wire transfers from Gendarme’s bank in Galt, California. Assignment to the Sacramento
21 Division is appropriate pursuant to Local Rule 3-120(d) because this case arises from acts,
22 practices and courses of conduct that occurred within Sacramento County, California.

23 **DEFENDANTS**

24 8. Defendant Gendarme Capital Corporation is a Minnesota corporation owned by
25 Lamphere and Rahimi, with its principal places of business in Elk Grove, California and
26 Lawrenceville, Vermont.

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1 9. Defendant Ian Lamphere, age 33, resides in Lawrenceville, Vermont. Lamphere is
2 Gendarme's Vice President and Secretary and controls Gendarme along with defendant Ezat
3 Rahimi.

4 10. Defendant Ezat Rahimi, age 26, resides in Elk Grove, California. Rahimi is
5 Gendarme's President and Chief Executive Officer ("CEO") and controls Gendarme along with
6 Lamphere.

7 11. Defendant Cassandra Armento, age 40, resides in Greenwich, New York. Armento
8 is an attorney licensed in Vermont and Massachusetts and owns the Law Offices of Cassandra
9 Armento. Armento represented Gendarme in its acquisitions of stock from companies quoted
10 on the Pink Sheets.

11 **FACTUAL ALLEGATIONS**

12 12. Section 5 of the Securities Act of 1933 ("Securities Act") requires the sale of
13 securities to be registered with the Commission, or qualify for a statutory exemption from
14 registration. If the sales are unregistered, and if no statutory exemption applies, the sales violate
15 Section 5. Registering the sales includes providing disclosures to investors of financial and
16 business information about the company issuing shares.

17 13. Rule 504 of Regulation D of the Securities Act exempts from registration certain
18 limited offerings and sales of securities that do not exceed \$1,000,000. But a person who has
19 purchased shares from an issuing company with a view to distributing the securities is an
20 "underwriter" under the Securities Act, and any public resales in the short term (within one year
21 for shares of non-reporting issuers) by that purchaser are not exempt from registration.

22 14. Gendarme claimed on its website to be an accredited investor that bought stock
23 available for sale in offerings under Rule 504 of Regulation D of the Securities Act. In truth,
24 Gendarme's primary business has been buying stock in unregistered transactions from small
25 publicly-quoted companies who could not directly issue the stock to the public without
26 registration (and the required disclosure that goes with registration) then quickly dumping most
27 of the shares on the public market.
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1 15. Companies that issue publicly-traded stock use transfer agents to keep track of the
2 individuals and entities that own their stock. Transfer agents are regulated by the Commission
3 and are required to be registered with the Commission. A transfer agent’s core function is to
4 issue and cancel a company’s stock certificates to reflect changes in ownership. Generally, with
5 certain exceptions, transactions in stock issued in a registered public offering are “unrestricted,”
6 meaning that the shares can be traded without restriction. On the other hand, transactions in
7 stock issued in an exempt offering may require restrictive language in the form of a stamped
8 legend on the stock certificates. Stock certificates bearing restrictive legends cannot be traded
9 as easily as stock without restrictive language. Before transfer agents will issue unlegended
10 share certificates in the absence of registration, many require a lawyer’s opinion explaining why
11 it would be legal for them to do so.

12 **Gendarme was Incorporated in Minnesota to Facilitate Unregistered Distributions**

13 16. In approximately March 2007, Gendarme was founded as a Minnesota corporation
14 by Lamphere and a former co-owner.

15 17. Shortly after its founding, the co-owner sold his share of the business to Ezat
16 Rahimi.

17 18. Neither Gendarme’s founders nor Rahimi have lived in Minnesota. Rahimi has
18 never even been to Minnesota. Gendarme purports to have a Minnesota “office,” which is
19 actually a “virtual office” service that takes telephone messages and forwards company mail to
20 Lamphere or Rahimi.

21 19. Opinion letters issued by Armento to transfer agents asserted that Minnesota state
22 law purportedly satisfies the requirements of Rule 504(b)(1)(iii) of Regulation D of the
23 Securities Act, thereby supposedly permitting the issuance of “unrestricted” securities that can
24 be freely resold, assuming Gendarme was not, among other things, an underwriter.

Gendarme Generated Income by Purchasing Billions of Shares of Pink Sheets Stocks from the Issuers at a Discount to the Market Price and Quickly Distributing Them to the Public in Violation of the Securities Act

20. From early 2008 to at least May 2010, Gendarme bought stock from many Pink Sheets companies at a 30-50% discount to the market price. Rahimi and Lamphere jointly developed and executed Gendarme's business strategy. Sometimes jointly, and other times individually, they made the decisions to purchase stock on Gendarme's behalf. Each signed numerous agreements on Gendarme's behalf to purchase issuer stock. Most of the agreements gave Gendarme warrants for up to one year in which Gendarme could elect to purchase the company's stock. Other agreements were outright purchases of issuer stock. Within days or weeks of purchasing the stock, Rahimi or Lamphere caused Gendarme to resell most of the stock on the public market.

21. When it purchased shares from Pink Sheets issuers, Gendarme intended to, and did, sell shares to the public within a year. For those sales, Gendarme was an underwriter, and had no valid exemption from registration for the transactions.

22. For example, from March to September 2008, Gendarme entered into at least 11 warrant agreements with WGL Entertainment Holdings, Inc. ("WEHI"), which gave Gendarme the right to buy WEHI shares at a 30% discount to the market price at the time of purchase. The warrants represented that Gendarme would buy the WEHI shares for "investment purposes." For each warrant, Armento wrote an opinion letter to WEHI's stock transfer agent. Among other representations, the opinion letters asserted that the shares were issued to Gendarme in "an offering exempt from registration" and that Gendarme was not "an underwriter of the issuer." From March to September 2008, Gendarme paid WEHI more than \$615,000 for more than 6 billion shares purchased under the warrants. As Gendarme obtained WEHI shares, it sold most of them within days or weeks for gross sales of more than \$780,000 and a profit of more than \$165,000 through September 2008.

23. In March 2009, WEHI changed its name to Heathrow Natural Food & Beverage, Inc. ("HRNF"). From then until March 2010, Gendarme purchased more than a billion HRNF

1 shares, and, during the same time, repeated the process of regularly dumping the shares on the
2 market, for gross sales of more than \$430,000 and a net profit of more than \$230,000.

3 24. From early 2008 to at least May 2010, Gendarme bought stock from at least 12
4 different issuing companies and distributed more than 15 billion shares in the public markets.
5 None of the transactions was registered with the Commission. The transactions are summarized
6 below.

- 7 a. **HRNF, formerly known as WEHI:** From March to September 2008, Gendarme
8 acquired WEHI shares from the issuer. During the same period, Gendarme sold
9 more than 6 billion of these WEHI shares for more than \$780,000. From March
10 2009 to March 2010, Gendarme acquired HRNF shares from the issuer. During the
11 same period, Gendarme sold more than 1 billion of these HRNF shares for over
12 \$430,000.
- 13 b. **Macada, Inc. (“MCDA”), formerly known as Tri-Star Holdings, Inc.**
14 **(“TSHL”), formerly known as Rapid Fitness, Inc. (“RPDI”):** From June to
15 August 2008, Gendarme acquired RPDI shares from the issuer. From July to
16 September 2008, Gendarme sold more than 250 million of these RPDI shares for
17 more than \$145,000. From September 2008 through February 2009, Gendarme
18 acquired TSHL shares from the issuer. Through August 2009, Gendarme sold more
19 than 2.1 billion of these TSHL shares for more than \$540,000. In September 2009,
20 Gendarme acquired MCDA shares from the issuer. From September to December
21 2009, Gendarme sold more than 635,000 of these MCDA shares for more than
22 \$12,000.
- 23 c. **Magellan, Inc. (“MGLG”):** From May to June 2009, Gendarme acquired MGLG
24 shares from the issuer. During July 2009, Gendarme sold 500 million of these
25 MGLG shares for more than \$355,000.
- 26 d. **Perihelion Global, Inc. (“PHGI”):** From March to June 2008, Gendarme acquired
27 PHGI shares from the issuer. From March 2008 through March 2009, Gendarme
28 sold almost 1.8 billion of these PHGI shares for more than \$320,000.

- 1 e. **Bederra Corp. (“BEDA”)**: From May 2009 to March 2010, Gendarme acquired
2 BEDA shares from the issuer. Through April 2010, Gendarme sold more than 370
3 million of these BEDA shares for more than \$610,000.
- 4 f. **Z Com Networks, Inc. (“ZCMN”)**: From September 2008 to January 2009,
5 Gendarme acquired ZCMN shares from the issuer. From September 2008 to June
6 2009, Gendarme sold more than 765 million of these ZCMN shares for almost
7 \$260,000.
- 8 g. **RCC Holdings, Inc. (“RCCH”)**: From September 2008 through January 2009,
9 Gendarme acquired RCCH shares from the issuer. From September 2008 to June
10 2009, Gendarme sold more than 2.1 billion of these RCCH shares for more than
11 \$210,000.
- 12 h. **141 Capital, Inc. (“ONCP”)**: From April 2009 to May 2010, Gendarme acquired
13 ONCP shares from the issuer. From April 2009 to February 2010, Gendarme sold
14 more than 710 million of these ONCP shares for almost \$340,000.
- 15 i. **RBID.com, Inc. (“RBID”)**: In May 2009, Gendarme acquired RBID shares from
16 the issuer. From May 2009 to February 2010, Gendarme sold more than 400
17 million of these RBID shares for more than \$65,000.
- 18 j. **Brownstone Resources, Inc. (“BWNR”)**: From March to April 2009, Gendarme
19 acquired BWNR shares from the issuer. From March to July 2009, Gendarme sold
20 more than 110 million of these BWNR shares for more than \$110,000.
- 21 k. **Russell Industries, Inc. (“RUSL”)**: From May to June 2008, Gendarme acquired
22 RUSL shares from the issuer. From May to October 2008, Gendarme sold more
23 than 3 million of these RUSL shares for almost \$19,000.
- 24 l. **TidalWave Holdings, Inc. (“TWVH”)**: From June to October 2008, Gendarme
25 acquired TWVH shares from the issuer. From December 2008 to January 2009,
26 Gendarme sold more than 1.6 million of these TWVH shares for more than
27 \$30,000.
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1 25. In written communications, Rahimi revealed that the real purpose of Gendarme’s
2 stock acquisitions was to quickly sell the shares. In negotiating a possible investment in one
3 company, Rahimi represented to the company’s CEO that Gendarme would “try to find a life in
4 your stock” and “help get the stock trading.” He also told the CEO that “if your stock starts
5 trading with our help, you will have a liquid stock on your hands.” Once Gendarme acquired
6 the shares at a 50% discount to the market price, it began selling them the next day. Within
7 four months, Gendarme sold all of the company’s shares for a profit.

8 26. From March 2008 through May 2010, Gendarme generated more than \$1.6 million
9 of profits on sales of shares acquired from issuing companies in unregistered transactions.
10 During the same time period, Gendarme paid more than \$1.3 million to Rahimi and Lamphere.

11 27. Armento, Gendarme’s outside counsel throughout its activities, substantially
12 participated in Gendarme’s illegal stock distributions. From at least early 2008 to at least mid-
13 2010, Armento drafted approximately 35 or more warrant agreements for Gendarme, which
14 gave Gendarme the right to purchase an issuing company’s shares. The warrant agreements
15 typically gave Gendarme the right to purchase up to a specified amount of an issuing
16 company’s stock at a 30% or 50% discount to the market price for the company’s stock. The
17 warrant agreements represented to issuers, among other things, that Gendarme was purchasing
18 shares for investment purposes only – a term commonly understood to mean not for the purpose
19 of resale. Armento expected Gendarme to exercise the warrants and purchase the shares, but
20 drafted the warrant agreements without determining what Gendarme intended to do with the
21 shares it would purchase.

22 28. From at least early 2008 to at least mid-2010, Armento drafted more than 50
23 opinion letters for Gendarme. In the letters, Armento opined to transfer agents that Gendarme
24 had acquired the shares in transactions exempt from registration under Rule 504 of the
25 Securities Act and share certificates could be issued to Gendarme without a restrictive legend.
26 Although Armento made no inquiry into whether Gendarme intended to hold the stock, the
27 opinion letters falsely represented that Gendarme was not “an underwriter of the issuer with
28 respect to the shares as defined in Section 2(11) [sic] of the Securities Act.” Armento sent the

1 opinion letters to companies' stock transfer agents, which relied on the opinion letters in issuing
2 share certificates without restrictive legends to Gendarme.

3 29. At the time she drafted and issued the opinion letters, Armento understood that a
4 purchaser who bought shares from an issuer intending to distribute them to the public was an
5 underwriter. In preparing and issuing the opinion letters, Armento did not ask Gendarme, or
6 otherwise make any effort to determine, what it intended to do with the shares it was acquiring.
7 Armento had no reasonable basis for opining that Gendarme was not an underwriter. Armento
8 knew that, as a result of her opinion letters, Gendarme was obtaining shares without a restrictive
9 legend, and thus would have the ability to quickly sell the shares to the public, even if doing so
10 violated Section 5 of the Securities Act.

11 30. In late 2008 and early 2009, Armento obtained and reviewed documents that
12 showed it was likely that Gendarme was selling the shares of TSHL (f/k/a RPDI) shortly after it
13 had acquired shares from the company. In fact, Gendarme *was* selling the shares. Before
14 issuing additional opinion letters for Gendarme to purchase more of the company's stock,
15 Armento failed to determine if Gendarme was selling the shares.

16 31. Since first representing Gendarme, Armento has also issued at least 35 similar
17 opinion letters for purchasers other than Gendarme for other unregistered purchases of stock
18 offered under purported Rule 504 exemptions.

19 **CLAIM FOR RELIEF**

20 **(Violations of Securities Act**
21 **Sections 5(a) and 5(c) by all Defendants)**

22 32. The Commission incorporates and realleges here paragraphs 1 through 31,
23 above.

24 33. During the relevant period, Defendants, directly or indirectly, made use of
25 the means or instruments of transportation or communication in interstate commerce or of the
26 mails to offer and to sell securities through the use or medium of a prospectus or otherwise
27 when no valid registration statement had been filed or was in effect as to such offers and sales
28 of such securities and no exemption from registration was available.

1 34. Defendants engaged in or participated in the unlawful distribution of
2 securities as described above.

3 35. By reason of the foregoing, Defendants, directly or indirectly, violated, and
4 unless enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C.
5 §§ 77e(a) and 77e(c)].

6 **PRAAYER FOR RELIEF**

7 WHEREFORE, the Commission respectfully requests that the Court:

8 I.
9 Permanently enjoin and restrain Defendants from, directly or indirectly, engaging in
10 conduct in violation of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and
11 77e(c)].

12 II.
13 Order defendants Gendarne, Lamphere, and Rahimi to provide an accounting and to
14 disgorge their ill-gotten gains in an amount according to proof, plus prejudgment interest thereon.

15 III.
16 Order Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities
17 Act [15 U.S.C. § 77t(d)].

18 IV.
19 Impose a bar on defendants Gendarne, Lamphere, and Rahimi from participating in an
20 offering of penny stock pursuant to Securities Act Section 20(g) [15 U.S.C. § 77t(g)].

21 V.
22 Retain jurisdiction of this action in accordance with the principles of equity and the Federal
23 Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees
24 that may be entered, or to entertain any suitable application or motion for additional relief within
25 the jurisdiction of this Court.

26 VI.
27 Grant such other and further relief as this Court may deem just, equitable, and necessary.

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1 Dated: January 6, 2011

Respectfully submitted,

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4 /s/ Jeremy E. Pendrey

Jeremy E. Pendrey

Attorney for Plaintiff

5 SECURITIES AND EXCHANGE COMMISSION
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The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

<p>I. (a) PLAINTIFFS SECURITIES AND EXCHANGE COMMISSION</p> <p>(b) County of Residence of First Listed Plaintiff _____ (EXCEPT IN U.S. PLAINTIFF CASES)</p> <p>(c) Attorney's (Firm Name, Address, and Telephone Number) Securities and Exchange Commission, 44 Montgomery St., Suite 2600, San Francisco, CA 94104 (415) 705-2500</p>	<p>DEFENDANTS GENDARME CAPITAL CORPORATION, IAN LAMPHERE, EZAT RAHIMI, and CASSANDRA ARMENTO</p> <p>County of Residence of First Listed Defendant Sacramento (IN U.S. PLAINTIFF CASES ONLY)</p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.</p> <p>Attorneys (If Known) Sam P. Israel, Esq., Sam P. Israel, P.C. 1 Liberty Plaza, 23rd Floor, New York, NY 10006</p>
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<p>II. BASIS OF JURISDICTION (Place an "X" in One Box Only)</p> <p><input checked="" type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p>III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th>PTF</th> <th>DEF</th> <th></th> <th>PTF</th> <th>DEF</th> </tr> <tr> <td>Citizen of This State</td> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td><input type="checkbox"/> 4</td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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IV. NATURE OF SUIT (Place an "X" in One Box Only)				
<p>CONTRACT</p> <p><input type="checkbox"/> 110 Insurance</p> <p><input type="checkbox"/> 120 Marine</p> <p><input type="checkbox"/> 130 Miller Act</p> <p><input type="checkbox"/> 140 Negotiable Instrument</p> <p><input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment</p> <p><input type="checkbox"/> 151 Medicare Act</p> <p><input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)</p> <p><input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits</p> <p><input type="checkbox"/> 160 Stockholders' Suits</p> <p><input type="checkbox"/> 190 Other Contract</p> <p><input type="checkbox"/> 195 Contract Product Liability</p> <p><input type="checkbox"/> 196 Franchise</p>	<p>TORTS</p> <p>PERSONAL INJURY</p> <p><input type="checkbox"/> 310 Airplane</p> <p><input type="checkbox"/> 315 Airplane Product Liability</p> <p><input type="checkbox"/> 320 Assault, Libel & Slander</p> <p><input type="checkbox"/> 330 Federal Employers' Liability</p> <p><input type="checkbox"/> 340 Marine</p> <p><input type="checkbox"/> 345 Marine Product Liability</p> <p><input type="checkbox"/> 350 Motor Vehicle</p> <p><input type="checkbox"/> 355 Motor Vehicle Product Liability</p> <p><input type="checkbox"/> 360 Other Personal Injury</p>	<p>PERSONAL INJURY</p> <p><input type="checkbox"/> 362 Personal Injury - Med. Malpractice</p> <p><input type="checkbox"/> 365 Personal Injury - Product Liability</p> <p><input type="checkbox"/> 368 Asbestos Personal Injury Product Liability</p> <p>PERSONAL PROPERTY</p> <p><input type="checkbox"/> 370 Other Fraud</p> <p><input type="checkbox"/> 371 Truth in Lending</p> <p><input type="checkbox"/> 380 Other Personal Property Damage</p> <p><input type="checkbox"/> 385 Property Damage Product Liability</p>	<p>FORFEITURE/PENALTY</p> <p><input type="checkbox"/> 610 Agriculture</p> <p><input type="checkbox"/> 620 Other Food & Drug</p> <p><input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881</p> <p><input type="checkbox"/> 630 Liquor Laws</p> <p><input type="checkbox"/> 640 R.R. & Truck</p> <p><input type="checkbox"/> 650 Airline Regs.</p> <p><input type="checkbox"/> 660 Occupational Safety/Health</p> <p><input type="checkbox"/> 690 Other</p>	<p>BANKRUPTCY</p> <p><input type="checkbox"/> 422 Appeal 28 USC 158</p> <p><input type="checkbox"/> 423 Withdrawal 28 USC 157</p> <p>PROPERTY RIGHTS</p> <p><input type="checkbox"/> 820 Copyrights</p> <p><input type="checkbox"/> 830 Patent</p> <p><input type="checkbox"/> 840 Trademark</p>
<p>REAL PROPERTY</p> <p><input type="checkbox"/> 210 Land Condemnation</p> <p><input type="checkbox"/> 220 Foreclosure</p> <p><input type="checkbox"/> 230 Rent Lease & Ejectment</p> <p><input type="checkbox"/> 240 Torts to Land</p> <p><input type="checkbox"/> 245 Tort Product Liability</p> <p><input type="checkbox"/> 290 All Other Real Property</p>	<p>CIVIL RIGHTS</p> <p><input type="checkbox"/> 441 Voting</p> <p><input type="checkbox"/> 442 Employment</p> <p><input type="checkbox"/> 443 Housing/Accommodations</p> <p><input type="checkbox"/> 444 Welfare</p> <p><input type="checkbox"/> 445 Amer. w/Disabilities - Employment</p> <p><input type="checkbox"/> 446 Amer. w/Disabilities - Other</p> <p><input type="checkbox"/> 440 Other Civil Rights</p>	<p>PRISONER PETITIONS</p> <p><input type="checkbox"/> 510 Motions to Vacate Sentence</p> <p>Habeas Corpus:</p> <p><input type="checkbox"/> 530 General</p> <p><input type="checkbox"/> 535 Death Penalty</p> <p><input type="checkbox"/> 540 Mandamus & Other</p> <p><input type="checkbox"/> 550 Civil Rights</p> <p><input type="checkbox"/> 555 Prison Condition</p>	<p>LABOR</p> <p><input type="checkbox"/> 710 Fair Labor Standards Act</p> <p><input type="checkbox"/> 720 Labor/Mgmt. Relations</p> <p><input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act</p> <p><input type="checkbox"/> 740 Railway Labor Act</p> <p><input type="checkbox"/> 790 Other Labor Litigation</p> <p><input type="checkbox"/> 791 Empl. Ret. Inc. Security Act</p>	<p>SOCIAL SECURITY</p> <p><input type="checkbox"/> 861 HIA (1395ff)</p> <p><input type="checkbox"/> 862 Black Lung (923)</p> <p><input type="checkbox"/> 863 DIWC/DIWW (405(g))</p> <p><input type="checkbox"/> 864 SSID Title XVI</p> <p><input type="checkbox"/> 865 RSI (405(g))</p> <p>FEDERAL TAX SUITS</p> <p><input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)</p> <p><input type="checkbox"/> 871 IRS—Third Party 26 USC 7609</p>
<p>OTHER STATUTES</p> <p><input type="checkbox"/> 400 State Reapportionment</p> <p><input type="checkbox"/> 410 Antitrust</p> <p><input type="checkbox"/> 430 Banks and Banking</p> <p><input type="checkbox"/> 450 Commerce</p> <p><input type="checkbox"/> 460 Deportation</p> <p><input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations</p> <p><input type="checkbox"/> 480 Consumer Credit</p> <p><input type="checkbox"/> 490 Cable/Sat TV</p> <p><input type="checkbox"/> 810 Selective Service</p> <p><input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange</p> <p><input type="checkbox"/> 875 Customer Challenge 12 USC 3410</p> <p><input type="checkbox"/> 890 Other Statutory Actions</p> <p><input type="checkbox"/> 891 Agricultural Acts</p> <p><input type="checkbox"/> 892 Economic Stabilization Act</p> <p><input type="checkbox"/> 893 Environmental Matters</p> <p><input type="checkbox"/> 894 Energy Allocation Act</p> <p><input type="checkbox"/> 895 Freedom of Information Act</p> <p><input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice</p> <p><input type="checkbox"/> 950 Constitutionality of State Statutes</p>				

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from another district (specify) 6 Multidistrict Litigation 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Securities Act of 1933 Sections 5(a), and 5(c), 15 U.S.C. §§ 77e(a), 77e(c).

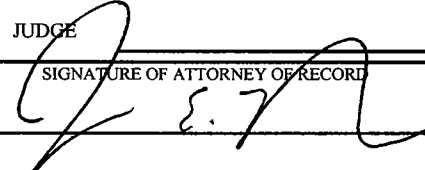
Brief description of cause:
Securities registration violation

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 **DEMAND \$** _____

CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE _____ DOCKET NUMBER _____

DATE: **01/06/2011**

SIGNATURE OF ATTORNEY OF RECORD: 

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____