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BY ERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

BY:

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9 **UNITED STATES DISTRICT COURT**  
10 **SOUTHERN DISTRICT OF CALIFORNIA**

11 **SECURITIES AND EXCHANGE**  
12 **COMMISSION,**

13 Plaintiff,

14 vs.

15 **MOHIT A. KHANNA and MAK 1**  
**ENTERPRISES GROUP, LLC,**

16 Defendants,

17 and

18 **FIRST OPPORTUNITIES**  
19 **MANAGEMENT GROUP, INC., and**  
**SHARANJIT K. KHANNA aka**  
20 **SHARANJIT K. GREWAL,**

21 Relief Defendants.

Case No. **'09 CV 1784 BTM** **WMC**

**COMPLAINT FOR VIOLATIONS**  
**OF THE FEDERAL SECURITIES**  
**LAWS**

*[Handwritten mark]*

1 Plaintiff Securities and Exchange Commission ("Commission") alleges as  
2 follows:

3 **JURISDICTION AND VENUE**

4 1. The Court has jurisdiction over this action pursuant to Sections 20(b),  
5 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§  
6 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the  
7 Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1),  
8 78u(d)(3)(A), 78u(e), and 78aa.

9 2. Venue is proper in this district pursuant to Section 22(a) of the  
10 Securities Act, 15 U.S.C. § 77v(a) and Section 27 of the Exchange Act, 15 U.S.C.  
11 § 78aa because certain of the transactions, acts, practices, and courses of conduct  
12 constituting the violations alleged herein occurred within the Southern District of  
13 California, the entity defendant is located in this district, and the individual  
14 defendant resides in this district.

15 3. The defendants, directly and indirectly, have made, and are making,  
16 use of the means and instrumentalities of interstate commerce and of the mails or  
17 of the facilities of a national exchange in connection with the acts, practices, and  
18 courses of business alleged herein in the Southern District of California and  
19 elsewhere.

20 **SUMMARY**

21 4. This matter concerns an unregistered fraudulent offer and sale of  
22 securities by defendant Mohit A. Khanna and the entity he controls, defendant  
23 MAK 1 Enterprises Group, LLC ("MAK 1") (collectively, the "Defendants").  
24 From 2003 to the present, Defendants claim to have raised \$70 million from 300  
25 investors located in multiple states including Texas, California, Missouri,  
26 Kentucky, New York and several others. Khanna represented that MAK 1 pools  
27 investor funds to invest in various investment programs including foreign currency  
28 products, commercial paper, and other guaranteed investments.

1           5.     To entice investors, Khanna falsely promised exorbitant and  
2 guaranteed returns ranging from 17% to 27% per year and 40% to 55% for shorter  
3 periods of time. He also assured investors that their investments were insured,  
4 when in fact they were not. Additionally, he falsely held MAK 1 out as a member  
5 of "NASD/SIPC" and failed to disclose that he was barred by Financial Industry  
6 Regulatory Authority (FINRA) in 2004 from being associated in any capacity with  
7 any FINRA member.

8           6.     In just the first quarter of 2009, Khanna misappropriated at least  
9 \$274,000 of investor funds for his personal expenses, including transfers to his  
10 other company, relief dendant First Opportunities Management Group, Inc. ("First  
11 Opportunities"). Khanna also transferred \$90,000 to an offshore account in  
12 Singapore and, from April 2009 to July 2009, made over \$54,000 in payments on  
13 behalf of his wife, Sharanjit Khanna. Sharanjit Khanna also currently owns  
14 luxurious real properties that may have been purchased with investor funds.

15           7.     Khanna stopped paying investors in February 2009, but continued  
16 soliciting new investors. As recently as July 2009, Khanna raised almost \$150,000  
17 from a family associated with a charitable foundation in Texas, including one 81-  
18 year old individual.

19           8.     Starting at least from February 2009, Khanna also began lulling  
20 investors with false claims. As an example, he enlisted an accountant to obtain a  
21 bank account balance verification letter, which Khanna then disseminated to  
22 investors. However, Khanna obtained this letter by providing the accountant with  
23 a phony computerized "screen shot" of MAK 1's purported bank activity showing  
24 that MAK 1 had more than \$50 million in its bank account. In fact, the average  
25 daily balance in that account during this period never exceeded \$117,000.

26           9.     During the summer of 2009, Khanna's assistant, who was in reality  
27 Khanna's lawyer's law clerk, continued deceiving investors by falsely claiming  
28 that the Commission's action had prevented repayments to investors. The same

1 person later openly ridiculed the investors as being “nutcases,” “whiners” and  
2 “losers.”

3 10. The Defendants, by engaging in the conduct described in this  
4 Complaint, have violated, and unless enjoined will continue to violate, the  
5 antifraud provisions of the federal securities laws.

6 **THE DEFENDANTS**

7 11. **Mohit A. Khanna**, age 32, is a resident of San Diego, California.  
8 Khanna is the sole owner and the CEO of MAK 1. In addition, Khanna is the  
9 owner of relief defendant First Opportunities and the spouse of relief defendant  
10 Sharanjit K. Khanna.

11 12. **MAK 1 Enterprises Group, LLC** is a Nevada limited liability  
12 company located in San Diego, California. It is not registered with the  
13 Commission in any capacity and it has not registered any offering of its securities  
14 under the Securities Act or a class of securities under the Exchange Act. MAK 1 is  
15 controlled by Khanna, who is its sole owner and officer.

16 **THE RELIEF DEFENDANTS**

17 13. **First Opportunities Management Group, Inc.** is a Nevada  
18 corporation, owned and controlled by Khanna. First Opportunities is also MAK  
19 1’s manager.

20 14. **Sharanjit K. Khanna**, also known as Sharanjit K. Grewal, aged 36,  
21 resides in San Diego, California and is defendant Mohit Khanna’s wife. Sharanjit  
22 K. Khanna filed a divorce petition on July 9, 2009.

23 **FACTUAL BACKGROUND**

24 **The Defendants Are Conducting an Unregistered Offering of Securities**

25 15. From about 2003 to the present, Khanna has raised at least \$5 million,  
26 and potentially as much as \$70 million, from approximately 300 investors.  
27 Khanna told investors orally and through MAK 1’s prospectus, that he pools their  
28 funds to initially invest in “high yielding, guaranteed commercial paper and other

1 guaranteed investments.” At least since April 2008, he changed his strategy to  
2 invest the pooled funds in a series of “individual currency CD units,” issued by  
3 MAK 1, that purport to trade currency in the U.S. and on foreign currency markets  
4 (the “CD Units”).

5 16. MAK 1 currently receives a 1% annual management fee, reduced  
6 from 4% as stated in a 2003 prospectus. Khanna is the sole owner of MAK 1 and  
7 the signatory on its bank accounts. Sharanjit Khanna also held signatory authority  
8 on one MAK 1 account. Khanna and MAK 1 created and disseminated monthly  
9 statements and occasional letters to investors containing representations about  
10 MAK 1’s purported investments. Investors could also access their account detail  
11 through MAK 1’s website.

12 17. Khanna initially operated this business through a California entity  
13 called MAK Enterprises, LLC and later through defendant MAK 1. He cancelled  
14 the California entity after he was barred by FINRA from being associated in any  
15 capacity with any FINRA member. The bar was the result of certain false  
16 representations by Khanna while he was previously employed at a broker-dealer.

17 18. Khanna and MAK 1 solicited investors from multiple states  
18 principally by placing the company’s prospectus on its website which could be  
19 accessed by the public without any password protection. Some investors were  
20 solicited through word of mouth referral. Khanna and MAK 1 made no effort to  
21 determine whether investors were “accredited” as defined by the securities laws, or  
22 otherwise sophisticated, and did not provide investors with financial statements.

23 19. Along with their subscription, investors were typically required to  
24 sign a “confidentiality agreement,” which required investors to maintain certain  
25 information confidential for 10 years. Investors also signed a separate investment  
26 agreement, which, similar to a promissory note, identified the principal amount  
27 invested, the guaranteed rate of return, and the date for any interest and principal  
28 payments. Some of these agreements (hereinafter, the “Notes”) had terms ranging

1 from 14 to 30 days with rollover options; others were essentially demand notes,  
2 requiring a 30-day notice.

3 20. Khanna raised money as recently July 2009 from a family associated  
4 with a charitable foundation, which itself is an investor.

5 **The Defendants Operated a Fraudulent Scheme**

6 **Defendants Falsely Promised Inflated and Guaranteed Returns**

7 21. From 2003 to the present, Khanna falsely promised his investors,  
8 orally and in writing, exorbitant returns on their investment. During this period,  
9 Khanna represented different annual rates of returns ranging from 17% to 27% per  
10 year and 40% to 55% for terms ranging from 14 to 30 days. In some instances, he  
11 promised an additional 10% annual dividend. Khanna promised investors orally  
12 and through the prospectus that these returns were guaranteed. He even confirmed  
13 the inflated returns and the fact that they were guaranteed in each of the Notes  
14 given to investors.

15 22. Khanna further deceived investors by highlighting MAK 1's positive  
16 performance history in the prospectus which showed MAK 1's purported monthly  
17 returns between 17% and 26% for mid-2004 to the present (with a cumulative  
18 return of 321% in 2008 alone). The prospectus also boasted MAK 1's "proven"  
19 performance record over the past six years and particularly, its consistent double-  
20 digit returns, even during down markets.

21 23. Contrary to Khanna's representations, several investors never received  
22 these returns. For some other investors, Khanna rolled over their ostensible returns  
23 upon expiration of the term of the Note. In early 2009, Khanna stopped making  
24 the promised payments to investors.

25 **Defendants Misrepresented that the Investments were Insured**

26 24. Khanna told investors that their investments were insured.  
27 Specifically, MAK 1's 2003 prospectus stated that investors' accounts had FDIC  
28 and SIPC insurance which guaranteed the original principal as well as any other



1 future deposits. The same prospectus also stated that a portion of MAK 1's annual  
2 management fee was for MAK 1's payments for "FDIC/SIPC insurance." In fact,  
3 MAK 1 has never been a member of FDIC, nor has its investments ever been  
4 insured by FDIC or SIPC.

5 25. From 2003 to the present, Khanna also orally misrepresented to  
6 investors that MAK 1 had purchased policies insuring the investors' principal.  
7 Additionally, MAK 1's 2008 and 2009 prospectuses included language that misled  
8 investors into believing that their investments were insured. Specifically, the  
9 prospectus stated that "the insurances [*sic*] purchased by MAK 1 and the bundling  
10 of the investments in CD form along with insurance underwriting gives [*sic*] the  
11 investor a guaranteed investment."

12 26. To corroborate his false statements, Khanna requested his insurance  
13 agent to send a certificate of liability insurance to at least 70 individual investors in  
14 multiple states specifying that the investor was the certificate holder. In fact, the  
15 insurance policy referenced in the certificates related to MAK 1's professional  
16 liability policy, which did not insure MAK 1's obligations to its investors.

17 **Defendants Concealed Information Relating to Khanna's FINRA Bar**

18 27. The prospectus touted MAK 1's years of business experience and  
19 track record and boasted that MAK 1 was the general partner and "sole trading  
20 advisor" for the series of currency trading accounts. MAK 1's website made  
21 similar touts about the company and its performance.

22 28. These specific representations are false and misleading and blatantly  
23 omit material facts. Specifically, Defendants failed to disclose that (a) in 2004,  
24 Khanna, the owner and CEO of MAK 1, was barred by FINRA from associating in  
25 any manner with a FINRA member; and (b) Khanna was found by FINRA in 2004  
26 to have made false representations to investors of his then firm. In fact, MAK 1's  
27 prospectus and its website did not even mention Khanna's name despite the fact  
28 that he held himself out as the CEO of MAK 1.

**The Defendants Misappropriated Investor Funds**

29. MAK 1 and Khanna did not invest investor monies as represented. MAK 1's Prospectuses represented that MAK 1's CD Units, with acronyms "CSFSB," "DBALXB," and "BGTUSA," traded in the U.S. and in foreign currency markets. Additionally, some investors were provided with two other similar acronyms. All of these representations were false. In fact, these acronyms are not valid identification numbers for securities nor are they officially recognized foreign currency "pairs." These CD Units are fictional and non-existent.

30. Just in the first three months in 2009, Khanna transferred approximately \$344,000 of investor funds to himself and \$70,000 to First Opportunities, that he controls. Khanna used these monies to pay for his personal expenses including luxury cars and residential mortgages. Additionally, between April and July 2009, Khanna used more than \$55,000 of investor funds to pay for his wife's luxury cars and other expenses. The fact of the transfers and their purpose were never disclosed to the investors.

31. Finally, Defendants used investor funds to purchase real properties in San Diego and Los Angeles counties, some of which were held in the name of Khanna's wife, Sharanjit Khanna. Neither Khanna nor the prospectus disclosed that investor funds would be used in this manner.

**The Defendants Continue Lulling Investors**

32. Starting in or about February 2009, Defendants stopped making payments of returns to investors. Despite investor complaints and requests for redemptions, Khanna has continued, as recently as July 2009, to solicit new investors. He failed to repay MAK 1 investors and instead adopted a number of strategies to discourage withdrawals and to lull them into believing that their investments were safe and secure:

(a) In February 2009, Khanna enlisted an accountant to verify in writing that MAK 1 had more than \$50 million in its bank account, when the average



1 daily balance in this account at that time never exceeded \$117,000. For this  
2 purpose, Khanna faxed a fabricated “screen shot” of MAK 1’s purported account  
3 activity at a bank, showing a fictitious ledger balance of over \$52 million.  
4 Khanna then disseminated the accountant’s false written verification to investors  
5 to mislead them into believing that MAK 1 was “\$50 million strong” and had  
6 sufficient funds to repay them. In July 2009, Khanna approached the accountant  
7 for yet another verification letter.

8 (b) In or about June 2009, Khanna asked the same accountant to “audit”  
9 certain transactional trading documents for MAK 1’s purported account at a  
10 foreign currency trading firm. For this purpose, Khanna provided the accountant  
11 with fictitious trading records for one month. In fact, Khanna and MAK 1 have  
12 no accounts at that firm, and the trading records appear to have been generated  
13 from a tutorial/ demonstration page from the firm’s website.

14 (c) Defendants or their agents continue to promise investors that their  
15 money is safe, that Defendants have ample funds to repay them, and that the  
16 Commission had filed an action which prevented Defendants from repaying  
17 investors. This information is false.

18 **FIRST CLAIM FOR RELIEF**

19 **FRAUD IN THE OFFER OR SALE OF SECURITIES**

20 **Violations of Section 17(a) Of the Securities Act**

21 **(Against All Defendants)**

22 33. The Commission realleges and incorporates by reference paragraphs 1  
23 through 32 above.

24 34. Defendants Khanna and MAK 1, and each of them, by engaging in the  
25 conduct described above, directly or indirectly, in the offer or sale of securities by  
26 the use of means or instruments of transportation or communication in interstate  
27 commerce or by use of the mails:

28 a. with scienter, employed devices, schemes, or artifices to

1 defraud;

- 2 b. obtained money or property by means of untrue statements of a  
3 material fact or by omitting to state a material fact necessary in  
4 order to make the statements made, in light of the  
5 circumstances under which they were made, not misleading; or  
6 c. engaged in transactions, practices, or courses of business which  
7 operated or would operate as a fraud or deceit upon the  
8 purchaser.

9 35. By engaging in the conduct described above, Defendants Khanna and  
10 MAK 1, and each of them, violated, and unless restrained and enjoined will  
11 continue to violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

12 **SECOND CLAIM FOR RELIEF**

13 **FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES**

14 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**  
15 **(Against All Defendants)**

16 36. The Commission realleges and incorporates by reference paragraphs 1  
17 through 32 above.

18 37. Defendants Khanna and MAK 1, and each of them, by engaging in the  
19 conduct described above, directly or indirectly, in connection with the purchase or  
20 sale of a security, by the use of means or instrumentalities of interstate commerce,  
21 of the mails, or of the facilities of a national securities exchange, with scienter:

- 22 a. employed devices, schemes, or artifices to defraud;  
23 b. made untrue statements of a material fact or omitted to state a  
24 material fact necessary in order to make the statements made,  
25 in light of the circumstances under which they were made, not  
26 misleading; or  
27 c. engaged in acts, practices, or courses of business which  
28 operated or would operate as a fraud or deceit upon other

1 persons.

2 38. By engaging in the conduct described above, Defendants Khanna and  
3 MAK 1, and each of them, violated, and unless restrained and enjoined will  
4 continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and  
5 Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

6 **THIRD CLAIM FOR RELIEF**

7 **UNREGISTERED OFFER AND SALE OF SECURITIES**

8 **Violations of Sections 5(a) and 5(c) of the Securities Act**

9 **(Against All Defendants)**

10 39. The Commission realleges and incorporates by reference paragraphs 1  
11 through 33 above.

12 40. Defendants Khanna and MAK 1, and each of them, by engaging in the  
13 conduct described above, directly or indirectly, made use of means or instruments  
14 of transportation or communication in interstate commerce or of the mails, to offer  
15 to sell or to sell securities, or to carry or cause such securities to be carried through  
16 the mails or in interstate commerce for the purpose of sale or for delivery after  
17 sale.

18 41. No registration statement has been filed with the Commission or has  
19 been in effect with respect to the offering alleged herein.

20 42. By engaging in the conduct described above, Defendants Khanna and  
21 MAK 1, and each of them, violated, and unless restrained and enjoined will  
22 continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§  
23 77e(a) and 77e(c).

24 **PRAAYER FOR RELIEF**

25 WHEREFORE, the Commission respectfully requests that the Court:

26 **I.**

27 Issue findings of fact and conclusions of law that the Defendants committed  
28 the alleged violations.

1 **II.**

2 Issue judgments, in a form consistent with Rule 65(d) of the Federal Rules  
3 of Civil Procedure, temporarily, preliminarily, and permanently enjoining  
4 Defendants Khanna and MAK 1, and their officers, agents, servants, employees  
5 and attorneys, and those in active concert or participation with any of them, who  
6 receive actual notice of the order by personal service or otherwise, and each of  
7 them, from violating Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§  
8 77e(a) and 77e(c), Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a) and  
9 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder,  
10 17 C.F.R. § 240.10b-5.

11 **III.**

12 Issue, in a form consistent with Rule 65 of the Federal Rules of Civil  
13 Procedure, a temporary restraining order and a preliminary injunction freezing the  
14 assets of each of the Defendants and any entity affiliated with any of them,  
15 appointing a receiver over MAK 1, prohibiting each of the Defendants from  
16 destroying documents, granting expedited discovery, repatriating funds, requiring  
17 accountings from each of the Defendants, and requiring Khanna to surrender his  
18 passport temporarily and prohibiting him from traveling outside the United States  
19 Khanna.

20 **IV.**

21 Order the Defendants and the Relief Defendants to disgorge all ill-gotten  
22 gains from the illegal conduct alleged herein, together with prejudgment interest  
23 thereon.

24 **V.**

25 Order Defendants Khanna and MAK 1 to pay civil penalties pursuant to  
26 Section 20(d) of the Securities Act, 15 U.S.C. §77t(d) and Section 21(d)(3) of the  
27 Exchange Act, 15 U.S.C. §78u(d)(3).  
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**VI.**

Issue, in a form consistent with Fed. R. Civ. P. 65, an order appointing a receiver over Defendant MAK 1 and the assets thereof.

**VII.**

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

**VIII.**

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: August 15, 2009



Alka N. Patel  
Attorney for Plaintiff  
Securities and Exchange Commission

JS 44 (Rev. 12/07)

**CIVIL COVER SHEET**

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.)

**I. (a) PLAINTIFFS**

**SECURITIES AND EXCHANGE COMMISSION**

(b) County of Residence of First Listed Plaintiff \_\_\_\_\_  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

David S. Brown (323) 965-3998  
Securities and Exchange Commission  
5670 Wilshire Boulevard, 11th Floor, Los Angeles, CA 90036

**DEFENDANTS**

MOHIT A. KHANNA and MAK 1 ENTERPRISES GROUP, INC. and RELIEF DEFENDANTS FIRST OPPORTUNITIES MANAGEMENT GROUP, LLC and SHARANJIT K. KHANNA aka SHARANJIT K. GREWAL

County of Residence of First Listed Defendant San Diego County

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

Gustav G. Bujkovsky (888) 509-1688  
2175 Valley Rim Glen  
Escondido, CA 92026

**09 CV 1 784 BTM** **WMC**

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |                                         |                            |                            |                                                               |                            |                            |
|-----------------------------------------|----------------------------|----------------------------|---------------------------------------------------------------|----------------------------|----------------------------|
|                                         | <b>PTF</b>                 | <b>DEF</b>                 |                                                               | <b>PTF</b>                 | <b>DEF</b>                 |
| 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 |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury  <b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability  <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability  <b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other  <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act  <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157  <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark  <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))  <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

**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):  
15 U.S.C. §§ 77e(a), 77e(c) and 77q(a); 15 U.S.C. § 78j(b), and 17 C.F.R. § 240.10b-5

Brief description of cause:  
The Complaint alleges violations of the federal securities laws.

**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

Benitez

DOCKET NUMBER

09CV1783

DATE

August 17, 2009

SIGNATURE OF ATTORNEY OF RECORD

*[Signature]*

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

*CR*