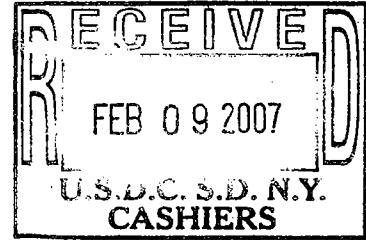


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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

RAVI V. KOTHARE,
STERLING CAPITAL PLANNERS, INC.,
S.F. ADVISORS, LLC D/B/A AFFINITY CLUB
NETWORK, LLC, and
PLAYERS CHOICE CLUB, LLC,

Defendants.
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COMPLAINT

Plaintiff Securities and Exchange Commission, for its Complaint against defendants Ravi V. Kothare ("Kothare"), Sterling Capital Planners, Inc. ("Sterling"), S.F. Advisors, LLC d/b/a Affinity Club Network, LLC ("Affinity") and Players Choice Club LLC ("Players Choice" or the "Club") (collectively the "Defendants") alleges:

SUMMARY

1. The Commission brings this emergency action to obtain relief including asset freezes and an accounting of at least \$1.75 million that Kothare (through Sterling) misappropriated from about 18 Sterling investment advisory clients and invested in Players Choice, a web-based sports club that Kothare controls. Kothare is the chairman and sole owner of Sterling, a registered investment advisory firm. Kothare is also one of the founders of Players Choice and the chairman of its board of managers. In breach of his fiduciary duty to his advisory clients, Kothare transferred Sterling clients' funds to Players Choice without obtaining the clients' written consent and without disclosing significant conflicts of interest. At some point, Kothare disclosed the "investments" in the Club on the clients' Sterling account statements but failed to disclose that he controls Players Choice, and that, with no reasonable basis, he set the purported market value for the Players Choice units that appeared on clients' statements. Also, in another scheme, Kothare fraudulently transferred assets from a deceased client's custodial brokerage account to entities he controls, including his own law practice.

2. Kothare and Players Choice have failed to disclose, and are continuing to fail to disclose, that the Club has lost its most significant asset -- a two-year license from the Major League Baseball Players Association ("MLBPA") that allowed Players Choice to use the likenesses and names of players to, among other things, market and sell certain products. This license is critical to the Club's business. Among other things, Club membership entitled individuals to attend "meet and greet" events with major league baseball players. Having lost its license, Players Choice has no saleable assets and is likely worthless. Despite this, Kothare and Sterling have continued to misrepresent the

market value of Players Choice units on investors' account statements and have otherwise failed to disclose the loss of the license in conversations with investors.

3. Defendants have defrauded, and are continuing to defraud, Sterling clients by failing to provide all of the material facts concerning the Players Choice investment to investors before or after transferring their money to the Club.

4. Kothare and Sterling, fiduciaries to the Sterling clients invested in Players Choice, have also violated, and are continuing to violate, the custody provisions of the Investment Advisers Act of 1940 ("Advisers Act"). Had Kothare and Sterling complied with the custody provisions, Sterling clients would have known the true value of their investments, including that the investments are now worthless.

5. Specifically, as investment advisors with control over client assets, Kothare and Sterling are required, among other things, to have the Sterling accounts invested in Players Choice verified annually by surprise examination by an independent accountant. As a result of Kothare's and Sterling's failure to comply with this requirement, no independent accountant has been able to verify the Sterling clients' investments in the Club since its inception, in or about January 2005. In addition, the Defendants have refused to provide an accounting regarding the Club's use of investor funds to the Commission.

6. By Kothare's own admission, the Club's assets have dwindled from approximately \$3 million in cash to as little as \$200,000 in fewer than six months.

7. Through this abuse of trust by the Defendants, about \$1.75 million in client funds are now unaccounted for.

