

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.

01-9111
CIV - HURLEY

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Genesis Leasing IX, Inc.,
Kadie Corp.,
George Robert Hoffman,
Lisa Klinger Paonessa,
Brian Dominick Paonessa,
Rainwater Investment Group
Holdings XI LLC,
Excalibur Investment Group
PAIF II, Inc.,
Excalibur Investment Group
Holdings, Inc.,
Excalibur Investment Group, Inc.,
Trident/KD Investment Group, Inc.,
and Endeavor Investment Group, Inc.,

Defendants.

MAGISTRATE JUDGE
LYNCH

JM

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

It appears to Plaintiff, Securities and Exchange Commission ("Commission"), and it alleges that:

OVERVIEW

1. The plaintiff brings this action to enjoin violations of the federal securities laws by the defendants, and for other relief.

2. This case involves an ongoing scheme pursuant to which the defendants have conducted at least 21 fraudulent tender offers made for the securities of five publicly traded limited partnerships since 1997. The tender offers are made by means of separate, but substantially similar three-page offering circulars. For example, on the first page of materials currently in use, set off in large, bold print, the circulars state that Genesis Leasing IX, Inc. ("Genesis Leasing") will purchase units of the respective limited partnership for \$72.00 per unit "in accordance with the terms and conditions" on the second page of the circular. The stated purchase price is greater than the current market price of the securities. On the second page, the circulars state a full page of "terms and conditions" in very small, closely spaced print. In most cases, these hidden deductions reduce the offering price to nothing and require the investor to pay Genesis Leasing money.

From 1997 through the present, Hoffman, Klinger and Paonessa have controlled and caused 11 related corporations, defendants in this case or subsidiaries of such defendants, to make fraudulent mini-tender offers as described in this complaint. As a result of the fraudulent mini-tender offers, Hoffman, Klinger and Paonessa, or corporations controlled by them, have fraudulently obtained

over 80,000 units of five limited partnerships from more than 4,000 investors.

3. The defendants, by virtue of their conduct, directly and indirectly, have engaged, and unless enjoined will engage, in transactions, acts, practices and courses of business that have constituted and will constitute violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. 78j(b) and 14n(e)] and Rule 10b-5 [17 C.F.R. 240.10b-5] promulgated thereunder.

JURISDICTION AND VENUE

4. The Commission brings this action pursuant to Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. 78u(d) and 78u(e)], to enjoin the defendants from engaging in the transactions, acts, practices and courses of business alleged in this complaint, and transactions, acts, practices and courses of business of similar purport and object, for disgorgement of illegally obtained funds and other equitable relief, and for civil money penalties.

5. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. 78u(d), 78u(e) and 78aa].

6. The defendants, directly and indirectly, made use of the mails and the means and instrumentalities of interstate commerce in connection with the transactions,

acts, practices and courses of business alleged in this complaint.

7. Certain of the transactions, acts, practices and courses of business constituting violations of the Exchange Act have occurred in the Southern District of Florida. Defendants Hoffman, Klinger and Paonessa reside in the Southern District of Florida. The corporate defendants have offices in the Southern District of Florida. Investors have been solicited to sell units in the Southern District of Florida.

8. The defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices and courses of business alleged in this complaint, and in transactions, acts, practices and courses of business of similar purport and object.

DEFENDANTS AND RELATED PARTIES

Defendants

9. Genesis Leasing IX, Inc. is a Florida corporation that has made at least three mini-tender offers for units of Polaris II and Polaris III since October 5, 2000, including two that are ongoing.

10. Kadie Corporation is a Florida corporation and the sole shareholder of Genesis Leasing. Kadie Corp. also

is the sole shareholder of Kinetic Investment Holdings, Inc., Signet Group, Inc., Rainwater Investments, Inc., and EM/KD Investment Group, Inc. Kadie Corp. has two shareholders, Klinger and Paonessa.

11. George Robert Hoffman, Esq. is the president, director, and corporate counsel of Genesis Leasing. He also is a director and corporate counsel of Kadie Corp. Hoffman is the director, president, and corporate counsel of Rainwater Investments, Inc. Hoffman is the managing partner of Rainwater Investment Group Holdings XI LLC. Hoffman also serves as corporate counsel for Kinetic Investments Holdings, Inc.; Signet Group, Inc.; Endeavor Investment Group Inc.; Trident/KD Investment Group, Inc.; EM/KD Investment Group, Inc.; Excalibur Investment Group, Inc.; Excalibur Investment Group Holdings Inc.; and Excalibur Investment Group PAIF II, Inc. Hoffman lives in West Palm Beach, Florida.

12. Lisa Klinger Paonessa ("Klinger") is a director, president, treasurer, and one of two shareholders of Kadie Corp. Klinger is the president, secretary, and a 20 percent shareholder of Excalibur Investment Group Inc.; president of Excalibur Investment Group Holdings Inc.; president of Trident/KD Investment Group Inc.; and manager of the collections department of Endeavor Investment Group Inc.

Klinger lives with her husband Paonessa in West Palm Beach, Florida.

13. Brian Dominick Paonessa is one of two shareholders of Kadie Corp., and a 20 percent shareholder of Excalibur Investment Group, Inc., a related corporation that has made fraudulent mini-tender offers by the same means as Genesis Leasing. In 1996, the Commission ordered Paonessa to cease and desist committing or causing any violation or future violation of the antifraud provisions of the federal securities laws; barred him from association with any broker-dealer or investment adviser with the right to reapply after four years, based upon violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 in connection with the purchase and sale of units of the Polaris limited partnerships that also are involved in this matter.

14. Rainwater Investment Group Holdings XI, LLC is a Florida limited liability company that made mini-tender offers for units of Polaris III in 2000. Hoffman is the managing partner of this entity.

15. Excalibur Investment Group PAIF II, Inc. is a Florida corporation that made mini-tender offers for units of Polaris II in 1999 and 2000; and Polaris III in 1999.

16. Excalibur Investment Group Holdings, Inc. is a Florida corporation that made mini-tender offers for units of Polaris II in 2000; and Polaris III in 1999 and 2000. Klinger is its president.

17. Excalibur Investment Group, Inc. is a Florida corporation that made mini-tender offers for units of Polaris III in 1999. Klinger is its president. Klinger, Paonessa and Hoffman's wife own 60 percent of this entity.

18. Trident/KD Investment Group, Inc. is a Florida corporation that made mini-tender offers for units of Polaris II in 1997 and 1998. On December 22, 1999, the State of Missouri issued a cease-and-desist order against Trident/KD, Klinger and another person for engaging in the same conduct involved in this matter. Klinger has been its president during some of the relevant period.

19. Endeavor Investment Group, Inc. is a Florida corporation that made mini-tender offers for units of Polaris VI in 1997 and 1998. Hoffman has been identified as corporate counsel and has paid for tendered partnership units out of his trust fund.

Related Parties

20. Polaris Aircraft Income Funds II, III, V and VI ("Polaris II" etc.) are limited partnerships organized under the laws of California in 1984. The units of Polaris II and

Polaris III are registered under Section 12 of the Exchange Act. Polaris V and VI were liquidated subsequent to the tender offers by the defendants. The business of both Polaris II and Polaris III is to lease used commercial jet aircraft and distribute the income to the partners in quarterly distributions.

21. Uniprop Manufactured Housing Communities Income Fund II ("Uniprop II") is a limited partnership organized under the laws of Michigan in 1986. Uniprop II has 4,750 limited partners who own 3,303,387 issued and outstanding limited partnership units. The units are registered under Section 12 of the Exchange Act. The business of Uniprop II is to operate and sell manufactured housing communities.

FACTS

22. Since at least 1997, corporations controlled by defendants Hoffman, Klinger and Paonessa have been making tender offers for units of publicly traded limited partnerships, including Polaris II, III, IV, and VI, and Uniprop II.

23. The defendants have made the tender offers through eleven corporations, including Genesis Leasing; Rainwater Investment Group Holdings XI, LLC; Excalibur Investment Group PAIF II, Inc.; Excalibur Investment Group Holdings, Inc.; Excalibur Investment Group, Inc.; Trident/KD Investment

Group, Inc.; and Endeavor Investment Group, Inc.; and four subsidiaries of Kadie Corp., a holding company wholly owned by Klinger and Paonessa. The tender offers include the following.

24. From June 1, 1997 until an unknown date, Endeavor Investment Group, Inc., made a tender offer for units of Polaris VI.

25. From November 10, 1997 until at least December 1, 1997, Trident/KD Investment Group, Inc., made a tender offer for units of Polaris V. Klinger signed the offering materials used to solicit the sales.

26. From September 15, 1998 until at least December 31, 1998, EM/KD Investment Group, Inc., made a tender offer for units of Polaris II.

27. From September 15, 1998 through at least December 31, 1998, EM/KD Investment Group made a tender offer for units of Polaris III.

28. From February 8, 1999 through at least March 30, 1999, Signet Group, Inc., made a tender offer for units of Polaris II.

29. From March 2, 1999 through an unknown date, Signet Group, Inc., made a tender offer for units of Polaris III.

Group, Inc.; and Endeavor Investment Group, Inc.; and four subsidiaries of Kadie Corp., a holding company wholly owned by Klinger and Paonessa. The tender offers include the following.

24. From June 1, 1997 until an unknown date, Endeavor Investment Group, Inc., made a tender offer for units of Polaris VI.

25. From November 10, 1997 until at least December 1, 1997, Trident/KD Investment Group, Inc., made a tender offer for units of Polaris V. Klinger signed the offering materials used to solicit the sales.

26. From September 15, 1998 until at least December 31, 1998, EM/KD Investment Group, Inc., made a tender offer for units of Polaris II.

27. From September 15, 1998 through at least December 31, 1998, EM/KD Investment Group made a tender offer for units of Polaris III.

28. From February 8, 1999 through at least March 30, 1999, Signet Group, Inc., made a tender offer for units of Polaris II.

29. From March 2, 1999 through an unknown date, Signet Group, Inc., made a tender offer for units of Polaris III.

30. From an unknown date in 1999 through an unknown date, Kinetic Investment Holdings, Inc., made a tender offer for units of Polaris III.

31. From July 9, 1999 through at least December 30, 1999, Excalibur Investment Group, Inc., made a tender offer for units of Polaris III. Klinger signed the offering materials used to solicit the sales.

32. From July 9, 1999 until at least December 31, 1999, Excalibur Investment Group PAIF II made a tender offer for units of Polaris II. Klinger signed the offering materials used to solicit the sales.

33. From July 9, 1999 until at least December 31, 1999, Excalibur Investment Group Holdings, Inc., made a tender offer for units of Polaris III. Klinger signed the offering materials used to solicit the sales.

34. From March 2000 until an unknown date, Excalibur Investment Group PAIF II made a tender offer for units of Polaris II. Klinger signed the offering materials used to solicit the sales.

35. From an unknown date in 2000 until an unknown date, Excalibur Investment Group Holdings, Inc., made a tender offer for units of Polaris III. Klinger signed the offering materials used to solicit the sales.

36. From an unknown date in 2000 until an unknown date, Rainwater Investments, Inc., made a tender offer for units of Polaris III. Hoffman signed the offering materials used to solicit the sales.

37. From January 31, 2000 until at least March 30, 2000, Rainwater Investment Group Holdings XI, LLC made a tender offer for units of Polaris III. Hoffman signed the offering materials used to solicit the sales.

38. From March 1, 2001 until at least April 30, 2001, Rainwater Investment Group Holdings XI, LLC made a tender offer for units of Uniprop II. Hoffman signed the offering materials used to solicit the sales.

39. From an unknown date in 2000 until an unknown date, Rainwater Investments, Inc., made a tender offer for units of Polaris III. Hoffman signed the offering materials used to solicit the sales.

40. From May 10, 2000 until at least August 31, 2000, Rainwater Investments, Inc., made a tender offer for units of Polaris II. Hoffman signed the offering materials used to solicit the sales.

41. From October 5, 2000 until at least December 30, 2000, Rainwater Investments, Inc., made a tender offer for units of Polaris II. Hoffman signed the offering materials used to solicit the sales.

42. From October 5, 2000 until at least December 30, 2000, Genesis Leasing IX, Inc. made a tender offer for units of Polaris III. Hoffman signed the offering materials used to solicit the sales.

43. From November 6, 2000 until at least December 30, 2000, Rainwater Investments, Inc. made a tender offer for units of Polaris II. Hoffman signed the offering materials used to solicit the sales.

44. From March 15 2001 until the present, Genesis Leasing IX, Inc., has been making a tender offer for units of Polaris II.

45. From March 15, 2001 until the present, Genesis Leasing IX, Inc., has been making a tender offer for units of Polaris III. Hoffman signed the offering materials used to solicit the sales.

46. To effectuate each tender offer, the defendants have delivered or mailed to persons holding units in the public partnership a written solicitation, generally three pages long. The solicitation offers to purchase the units from the unit holder. The solicitation features a price per unit purportedly to be paid, in bold print on the first page. The purported price is greater than the current market price for the securities.

47. In March 2001, Genesis Leasing, a corporation controlled by Hoffman, Klinger and Paonessa, began making two mini-tender offers, one for units of Polaris II and another for units of Polaris III. Genesis Leasing made these offers by means of two separate three-page offering circulars, the layout and terms of which are substantially similar to those used in the other tender offers described above.

48. On the first page of the Genesis Leasing offering circulars, set off in large, bold print, the circulars state that Genesis Leasing will purchase units of the respective Polaris limited partnership for \$72.00 per unit "in accordance with the terms and conditions on the second page."

49. At the time Genesis Leasing began the tender offers, the weighted average secondary market price was \$55.25 per unit for Polaris II and \$42.77 per unit for Polaris III.

50. The second page of the Genesis Leasing circulars contain a full page of very small, closely-spaced print. In the middle of the second page, the circulars state that Genesis Leasing will deduct "transfer fees paid to the General Partner" and a "per unit offering charge" of \$50.00.

51. The circulars do not disclose the amount of the transfer fees paid to the General Partner. In the middle of the second page, the circulars also state that Genesis

Leasing will deduct all distributions the investor receives from the Polaris limited partnership after the "effective date," which is defined elsewhere on the second page as January 1, 2001.

52. The Genesis Leasing circulars are signed by Hoffman as president of Genesis Leasing. It appears that the solicitations are made only to unit holders with 200 or fewer units.

53. As of October 30, 2001, at least 239 investors have tendered units of Polaris II and at least 487 investors have tendered units of Polaris III pursuant to the current Genesis Leasing mini-tender offers.

54. As a result of the deductions applicable to the ongoing Genesis Leasing tender offers, at least 209 (87 percent) of the Polaris II investors selling their units will be required to pay Genesis Leasing money, and the remainder of the investors in Polaris II who tendered their units will receive less than three percent of the offering price on the first page of the circular. In addition, as a result of the deductions, all of the tendering investors in Polaris III will be required to pay Genesis Leasing money.

55. Hoffman, Klinger and Paonessa have caused at least eleven corporations to make the 19 other mini-tender offers described in paragraphs 24 through 46, above. The offering

circulars used in those offerings were misleading in the same way as the Genesis Leasing circulars described above, albeit with different prices.

56. In every mini-tender offer, the defendants have hidden similar deductions in the circular. The defendants have deliberately designed the offering circulars to be fraudulent and deceptive and to conceal from the unit owners the true price which the unit owners will receive for tendering their units. The defendants paid the investors who tendered their units pursuant to such mini-tender offers only a small fraction of the offering price stated on the first page of the offer because of the deductions buried on the second page of the offer. The investors, therefore, received significantly less than they had expected to receive, and significantly less than the prevailing market price.

57. In addition to burying the deductions, Genesis Leasing and the other corporations controlled by Hoffman, Klinger and Paonessa have been making affirmative misrepresentations with respect to the mini-tender offers at issue.

58. For example, in October 1998, Robert Bodzin, who is 74 years of age, received a mini-tender offer from EM/KD Investment Group, Inc., ostensibly to purchase his 10 units of Polaris II for \$88.20 per unit. The print on the second

page on the offer was so small that Mr. Bodzin had to use magnifying glasses to read it.

59. On November 2, 1998, Mr. Bodzin called EM/KD Investment Group to ask about the deductions associated with the offer. Paonessa told Mr. Bodzin that the deductions were "negligible."

60. After speaking to Paonessa on November 2, 1998, Mr. Bodzin accepted the offer based upon Brian Paonessa's representation. EM/KD, however, deducted more than 99 percent of the offer price of \$88.20 and paid Mr. Bodzin only \$0.80 per unit.

61. Genesis Leasing and the other corporate defendants controlled by Hoffman, Klinger and Paonessa also have refused to rescind sales and have threatened investors.

62. For example, in early 2001, George Main, who is 75 years of age, received a mini-tender offer from Rainwater Investment Group Holdings XI, LLC to purchase his 500 units of Uniprop II for \$10.00 per unit.

63. On March 29, 2001, Mr. Main accepted the offer by signing it and returning it to Rainwater Investment Group Holdings XI, LLC. A few days later, Mr. Main received a letter from the general partner of Uniprop II, which informed him that the offer was "extremely misleading" and

that he would receive less than one-half of the informal secondary market price of \$9.24 per unit. Shortly thereafter, Mrs. Main attempted to rescind the sale by telephone.

64. A representative of Rainwater Investment Group Holdings XI told her that it would put a lien on the Main's home and sue Mr. Main if he did not tender the certificate for his units.

65. Hoffman, Paonessa and Klinger controlled all of the companies making the tender offers.

66. Hoffman drafted at least two of the offering circulars.

67. Hoffman, Klinger or in two cases, nominees of theirs, signed the offering circulars.

68. Paonessa, one of two shareholders of Kadie Corp., manned the phones.

69. Hoffman has been paying for the units out of his law firm trust account.

70. The defendants have resold most, but not all, of the units they have purchased. The Commission has not determined the exact amount raised by the resales. As a result of the fraudulent mini-tender offers, Hoffman and the Paonessas, or corporations controlled by them, have fraudulently obtained over 80,000 units of five limited

partnerships from more than 4,000 investors.

71. Based on amounts which the defendants are paying for the units, and the contemporary market price of the units, the defendants have profited by an undetermined amount, but at least \$2 million.

72. The limited partnership units being purchased pursuant to the tender offers described above are securities, as that term is defined in the Exchange Act.

73. The conduct of Paonessa described in this complaint constitutes a violation of the cease-and-desist order entered against him by the Commission in 1996.

COUNT I

FRAUD

**Violations of Section 10(b) of the Exchange Act
[15 U.S.C. 78j(b)] and Rule 10b-5 Thereunder
[17 C.F.R. 240.10b-5]**

74. Paragraphs 1 through 73 are hereby realleged and are incorporated herein by reference.

75. At various times from in or about 1997 through the present, defendants Genesis Leasing IX, Inc., Kadie Corp., Hoffman, Klinger, Paonessa, Rainwater Investment Group Holdings XI LLC, Excalibur Investment Group PAIF II, Inc., Excalibur Investment Group Holdings, Inc., Excalibur Investment Group, Inc., Trident/KD Investment Group, Inc., and Endeavor Investment Group, Inc., in connection with the

purchase and sale of securities, by the use of means and instrumentalities of interstate commerce and by use of the mails, directly and indirectly:

(a) employed devices, schemes, and artifices to defraud;

(b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and

(a) engaged in acts, practices, and courses of business which operated as a fraud and deceit upon persons, all as more particularly described above.

76. Said defendants knowingly, intentionally and/or recklessly engaged in the above-described conduct.

77. By reason of the foregoing, all of the defendants have violated, and, unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5] Further, Paonessa's conduct constitutes violations of the cease-and-desist order entered against him by the Commission in 1996, which ordered him to cease and desist from committing or causing violations of Section 10(b) and Rule 10b-5.

COUNT II

FRAUDULENT TENDER OFFER

**Violations of Sections 14(e)
of the Exchange Act [15 U.S.C. 78n(e)]**

78. Paragraphs 1 through 73 are hereby realleged and are incorporated herein by reference.

79. From a date unknown, but since at least in or about January 1997 continuing through the present, defendants Genesis Leasing IX, Inc., Kadie Corp., Hoffman, Klinger, Paonessa, Rainwater Investment Group Holdings XI, LLC, Excalibur Investment Group PAIF II, Inc., Excalibur Investment Group Holdings, Inc., Excalibur Investment Group, Inc., Trident/KD Investment Group, Inc., and Endeavor Investment Group, Inc., singly and in concert, have made use of the means or instrumentalities of interstate commerce or of the mails, in connection with tender offers, to make untrue statements of material facts or omit to state material facts necessary to make the statements made, in the light of the circumstances under which they are made, not misleading, and have engaged in fraudulent, deceptive and manipulative acts or practices.

80. By reason of the foregoing, all of the defendants, directly and indirectly, singly and in concert, have

violated, and unless enjoined, will continue to violate Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Securities and Exchange Commission respectfully prays for:

I.

Findings of Fact and Conclusions of Law pursuant to Rule 52 of the Federal Rules of Civil Procedure, finding that the defendants committed the violations alleged herein.

II.

A temporary restraining order, preliminary and permanent injunctions, restraining and enjoining defendants, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the order of injunction, and each of them, whether as principals or as aiders and abettors, from violating Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. 78j(b) and 78n(e)] and Rule 10b-5 [17 C.F.R. 240.10b-5] promulgated thereunder

III.

An order requiring accountings by defendants of the use of proceeds of the purchases and any resales of the securities described in this Complaint and the disgorgement

of all ill-gotten gains or unjust enrichment with prejudgment interest, to effect the remedial purposes of the federal securities laws, and an order freezing the assets of the defendants, to preserve the status quo.

IV.

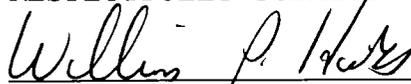
An order pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. 78u(d)(3)] imposing civil penalties against defendants, including, in addition to penalties based upon the violations of law, a civil penalty against Paonessa based upon his violation of the cease-and-desist order entered against him by the Commission.

V.

Such other and further relief as this Court may deem just, equitable, and appropriate in connection with the enforcement of the federal securities laws and for the protection of investors.

DATED: December 27, 2001

RESPECTFULLY SUBMITTED,



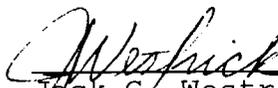
William P. Hicks

District Trial Counsel

Florida Bar No. 337641

Telephone: (404) 842-7675

Fax: (404) 842-7666



Jack G. Westrick

Senior Counsel

Georgia Bar No. 423430

Telephone: (404) 842-7616

Counsel for Plaintiff
Securities and Exchange
Commission
3475 Lenox Road, N.E., Suite
1000
Atlanta, Georgia 30326-1232

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

2001 DEC 27 11:10:05

DEFENDANTS

Genesis Leasing IX, Inc.; Kadie Corp.; George Robert Hoffman; Lisa Klinger Paonessa; Brian Dominick Paonessa; Rainwater Investment Group Holdings XI LLC; Excaltur Investment Group; PAIF II, Inc.; Excaltur Investment Group Holdings, Inc.; Excaltur Investment Group, Inc.; Endeavor Investment Group, Inc. W. Palm Beach

CIVIL - HURLEY

MAGISTRATE JUDGE LYNCH

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF: (EXCEPT IN U.S. PLAINTIFF CASES)

(IN U.S. PLAINTIFF CASES ONLY)

A-WPB / OLC 9111 / Hurley / Lynch

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

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)
 William P. Hicks
 3475 Lenox Road, N.E., Suite 1000
 Atlanta, GA 30326-1232 Tel. No. 404-842-7675

ATTORNEYS (IF KNOWN)

(d) CIRCLE COUNTY WHERE ACTION AROSE: DADE, MONROE, BROWARD, PALM BEACH, MARTIN, ST. LUCIE, INDIAN RIVER, OKEECHOBEE HIGHLANDS

II. BASIS OF JURISDICTION (PLACE AN "X" IN ONE BOX ONLY)

III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- 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)

- | | | | | | | | |
|---|---------------------------------------|----------------------------|---------------------------------------|---|----------------------------|---------------------------------------|---------------------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | PTF DEF | <input checked="" type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | PTF DEF | <input checked="" type="checkbox"/> 4 | <input checked="" type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <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 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. 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

V. NATURE OF SUIT (PLACE AN "X" IN ONE BOX ONLY)

A CONTRACT	A TORTS	FORFEITURE/PENALTY	A BANKRUPTCY	A OTHER STATUTES
<input type="checkbox"/> 116 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 126 Miller Act <input type="checkbox"/> 146 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input checked="" 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	PERSONAL INJURY <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	PERSONAL INJURY <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	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 480 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 440 Commerce/ICC Rates/etc <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <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"/> 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 <input type="checkbox"/> 899 Other Statutory Actions A OR B
A REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Tons to Land <input type="checkbox"/> 245 Ton Product Liability <input type="checkbox"/> 250 All Other Real Property	A CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodation <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 448 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence HABEAS CORPUS: <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	A LABOR <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"/> 750 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	A PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark
			B SOCIAL SECURITY <input type="checkbox"/> 881 HIA (1395B) <input type="checkbox"/> 882 Black Lung (923) <input type="checkbox"/> 883 FVWC/DVWW (405(G)) <input type="checkbox"/> 884 SSID Title XVI <input type="checkbox"/> 885 RSI (408(G))	FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS Third Party 26 USC 7809

VI. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE BRIEF STATEMENT OF CAUSE. DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY.)
 Action by the SEC pursuant to violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934, 15 U.S.C. 78j(b) and 14n(e) and Rule 10b-5 thereunder.

LENGTH OF TRIAL: _____ days estimated (for both sides to try entire case)
 accounting, disgorgement, prejudgment interest, Temporary restraining order, preliminary and permanent injunctions.

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ _____ civil penalties. CHECK YES only if demanded in complaint. **JURY DEMAND:** YES NO

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

DATE: 12/26/01 SIGNATURE OF ATTORNEY OF RECORD: William P. Hicks