

create the illusion of legitimate stock purchases, returned relatively small sums of money to some investors.

JURISDICTION

2. This court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act of 1933 [15 U.S.C. § 77v(a)] and Sections 21(d)(3), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(3)(A), 78u(e), and 78aa].

3. Defendants, directly or indirectly, have made use of the means and instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange in connection with the acts, practices, and courses of business alleged herein.

4. By engaging in the conduct alleged in this complaint, the defendants each violated the antifraud provisions of the federal securities laws. BryCar also violated the broker-dealer registration provisions of the Exchange Act. Unless restrained and enjoined by this Court, they will likely continue to engage in this type of violative conduct. The SEC accordingly seeks (a) temporary and permanent injunctions against future violations by the defendants; (b) a verified accounting from the defendants and relief defendant Carol A. Egan (a/k/a Carol A. DeSalvio) of the receipt and disbursement of investors' funds; (c) disgorgement of all proceeds that the defendants have received from their unlawful activities with prejudgment interest; (d) a freeze of the defendants' assets pending the resolution of this action; (e) a freeze of the relief defendant's assets to the extent she has received such assets from Egan or BryCar; and (f) statutory money penalties from the defendants.

DEFENDANTS

5. BryCar Financial Corporation is a Nevada corporation with offices located in Las Vegas, Nevada. It is not, and has never been, registered with the SEC as a broker-dealer and, therefore, is prohibited by the federal securities laws from selling, offering to sell, or inducing the sale of securities.

6. Bryan J. Egan ("Egan"), age 27, is the president, treasurer and registered agent of BryCar. He is neither registered as a broker-dealer nor licensed as a salesperson of securities with the SEC, National Association of Securities Dealers, or the Secretary of State of the State of Nevada. He resides in Las Vegas, Nevada.

RELIEF DEFENDANT

7. Carol A. Egan a/k/a Carol DeSalvio ("Carol Egan"), age 56, is the secretary of BryCar and resides with Egan in Las Vegas, Nevada.

FACTS

8. Egan incorporated BryCar under Nevada law in December 1998. Until recently, BryCar's sole place of operation was the Las Vegas residence of Bryan and Carol Egan. Egan and BryCar currently maintain an office at 7390 West Sahara Avenue, Las Vegas, Nevada.

9. Although neither defendant is registered to deal in securities, Egan purports to offer long- and short-term investment programs to consumers in several states through BryCar. Under BryCar's "long-term" program, investor funds are to be pooled for the purchase of securities from three sources: initial public offerings, commonly known as "IPOs"; "pre-IPO shares," and shares of private placements. The defendants require a minimum investment of \$2,500 for participation in this program.

10. Under BryCar's "short term" program, investor funds are to be pooled and used

for day trading, in a practice in which publicly-traded securities are held for a limited time in an attempt to profit on market swings. The defendants require a minimum investment of \$1,000 for investment in this program.

11. Throughout this year, the defendants have held seminars at Las Vegas hotels, during which prospective customers were given dinner and then exhorted by Egan to invest in the BryCar programs. Egan's sales pitch contained numerous false and misleading statements concerning BryCar and its purported investment programs. In at least one such presentation, which took place on June 21, 2000 at the Mandalay Bay Hotel, Egan repeatedly told prospective customers that BryCar guaranteed its investments, that investors cannot lose money, and that BryCar's investments are both "risk free" and "tax free."

12. Egan also disseminated, or caused dissemination of, promotional literature that contained false claims of BryCar's ability to provide risk-free, high-yield investments. For example, one brochure promises investors "an average return of 500% in an 8 -12 week period, without the RISK to you" Similarly, Egan's business card proclaims BryCar's investment programs "risk free."

13. In addition, the defendants have operated a website at <http://www.brycar.com> on which the phony investment programs were promoted and which allowed customers to access equally fictitious account information. In one BryCar posting, titled "A word from our President," Egan describes BryCar as "[a]n Investment Firm that provides "Risk Free" investing, high returns and structuring the investment around our most important asset ... you."

14. The misrepresentations about the defendants and their investment programs were both relevant and material to the customers' decision to invest with BryCar. Neither defendant could lawfully deal in securities. Securities transactions involve risk and are generally subject to

taxation.

15. On information and belief, Egan deposited at least some investors' funds in a checking account maintained in BryCar's name at a BankAmerica branch in Las Vegas. At all times since opening this account in May 2000, Bryan and Carol Egan have had sole authority to withdraw funds from BryCar's checking account at BankAmerica.

16. On numerous occasions, the Egans have looted investor funds from BryCar's checking account to pay for consumer purchases, repeatedly transferred substantial sums from BryCar's account into bank and trading accounts in Bryan Egan's name, and made ATM withdrawals.

17. On September 14, 2000, at or around 9:00 a.m. (PDST), Egan ordered BankAmerica to wire transfer \$380,000 from the BryCar's account to a personal account maintained in his name at WingspanBank.com. This transaction left BryCar's account with a zero balance.

FIRST CLAIM
Fraud in Connection With the
Purchase or Sale of Securities in Violation of
Section 10(b) of the Exchange Act and Rule 10b-5

20. Paragraphs 1 to 17 are realleged and incorporated by reference.

21. By reason of the foregoing, defendants BryCar and Bryan J. Egan violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. §78j(b) and 17 C.F.R. § 240.10b-5].

SECOND CLAIM
Fraud in the Offer or Sale of Securities in Violation
of Section 17(a) of the Securities Act

22. Paragraphs 1 to 17 are realleged and incorporated by reference.

23. By reason of the foregoing, the defendants violated Section 17(a) of the Securities Act [15 U.S.C. §§ 77q(a)].

THIRD CLAIM
Unregistered Broker-Dealer in Violations
of Exchange Act Section 15(a)

24. Paragraphs 1 to 17 are realleged and incorporated by reference.

25. BryCar has made use of the means and instrumentalities of interstate commerce and of the mails to effect, induce, and attempt to induce the purchase and sale of securities without being registered with the SEC as a broker or dealer in accordance with Section 15(b) of the Exchange Act, and when no exemption from registration was available.

26. By reason of the foregoing, BryCar violated and is continuing to violate Section 15(a) [15 U.S.C. §78o(a)] of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that this Court enter a judgment:

(i) permanently enjoining defendants BryCar and Bryan J. Egan from violating Section 17(a) of the Securities Act [15 U.S.C. 77q(a)] and 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];

(ii) permanently enjoining BryCar from violating Section 15(a) of the Exchange Act [15 U.S.C. §78m(a)] Section 10(b) of the Exchange Act;


(iii) ordering defendants BryCar and Bryan J. Egan and relief defendant Carol A. Egan (a/k/a Carol A. DeSalvio) to provide an accounting and disgorge all ill-gotten gains from the conduct alleged herein, plus prejudgment interest;

(iv) ordering the defendants to pay civil money penalties pursuant Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 77t(d) and 78u(d)(3)]; and

(v) granting such other relief as this Court may deem just and appropriate.

Dated: September 18, 2000
Washington, D.C.

Respectfully submitted,


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