UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION, 450 Fifth Street, N.W., Washington, D.C., 20549, Plaintiff, v. PETER N. BRANT, Defendant.	Civil Action: **COMPLAINT**

Plaintiff Securities and Exchange Commission (the "Commission") for its complaint against defendant Peter N. Brant ("Brant") alleges:

NATURE OF THE ACTION

1. Between December 1998 and May 2000, Brant, in violation of a previous Commission order barring him from the securities industry, acted as an investment adviser to six customers of Deutsche Banc Alex Brown, Inc. ("Deutsche Banc"). While engaged as an investment adviser in violation of the terms of the Commission order, Brant engaged in numerous fraudulent activities in these customers' accounts. Brant misappropriated client funds for his personal use, made unsuitable and unauthorized investment decisions, traded in speculative stocks and churned accounts. As a result of his fraud, Brant obtained at least $173,402.80 and caused his clients' accounts to drop dramatically in value.

2. By knowingly or recklessly engaging in fraudulent conduct, Brant directly or indirectly violated the antifraud provisions of the federal securities laws, specifically, Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1) and 2 of the Investment Advisers Act of 1940 ("Investment Advisers Act") [15 U.S.C. §§ 80-b-3(f) and b-6(1)and (2)].

3. The Commission brings this action for an order permanently enjoining Brant from future violations pursuant to Section 20(b) of the Securities Act [15 U.S.C. §§77t(b)], Section 21(d)(1) of the Exchange Act [15 U.S.C. §§78u(d)(1)], and Section 209 of the Investment Advisers Act [15 U.S.C. §80b-9], an order of disgorgement of at least $173,402.80 in illegal profits, plus prejudgment interest, and civil penalties. Unless enjoined, Brant will continue to engage in transactions, acts, practices and courses of business similar to those described herein.

JURISDICTION

4. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. §§ 77v(a)], Section 27 of the Exchange Act [15 U.S.C. § 78aa], and Sections 209 and 214 of the Investment Advisers Act [15 U.S.C. §§ 80b-9 and 80b-14].

5. Defendant, directly or indirectly, has made use of the means and instrumentalities of interstate commerce, or of the mails, in connection with the acts, practices, and courses of business alleged herein.

THE DEFENDANT

6. Defendant, Peter N. Brant, was at all relevant times a resident of Palm Beach, Florida.

7. In 1984, Brant pled guilty to two counts of securities fraud and one count of conspiracy, as a result of his involvement in an insider-trading scheme while he was employed as a registered representative at Kidder Peabody & Co. In 1988, he was sentenced to eight months in jail, fined $10,000, required to perform 750 hours of community service, and placed on probation for five years.

8. In July 1984, in a civil action brought by the Commission based on the same conduct described above, Brant was permanently enjoined from further violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder. At the same time, Brant submitted an offer of settlement in administrative proceedings brought by the Commission pursuant to Section 15(b)(6) of the Exchange Act. By an order entered on July 12, 1984, Brant was permanently barred from association with any broker, dealer, investment adviser, or investment company. Brant has never sought relief from this bar from the Commission or any court.

STATEMENT OF FACTS

9. In 1995, at the request of Brant, The Langtry Trust Group ("Langtry Trust"), an offshore trust and financial services firm located in Jersey, Channel Islands, acquired two Panamanian shell corporations, Gendal Corporation ("Gendal") and Dalzel Holdings, S.A. ("Dalzel") for Brant's use. Thereafter, Langtry opened a bank account for Brant in the name of The Max Trust at a bank in St. Helier, Jersey. Langtry

also set up a separate bank account in the name of Dalzel at another bank in St. Helier, Jersey.

10. Sometime in 1998, Brant contacted his old friend and former work colleague, Richard DeBoe, whom he had met in the 1970's while both men were registered representatives of Kidder Peabody & Co. in New York. DeBoe was now a registered representative at Deutsche Banc in New York. Brant requested that DeBoe open a brokerage account in the name of The Max Trust at Deutsche Banc.

11. At Brant's direction, on March 3, 1998, a brokerage account at Deutsche Banc was opened in the name of The Max Trust with DeBoe as the broker. After the account was opened, Langtry, at Brant's direction, wired $250,000 of Brant's money into the Max Trust account and Brant began to trade securities in the account through DeBoe. Soon after opening the account, Brant began to actively trade the account and trade heavily on margin. By July 1999, the account held just one stock, 53,800 shares of Global Telesystems, Inc. ("GTSG"), of which 75% were purchased on margin. That month, the account carried a margin debit of $1,280,937.75 and had a net value of $433,937.25. Over the next couple of months, the margin debit increased and the account went negative as the price of GTSG plummeted.

12. As his Max Trust account lost significant value, Brant enticed six people to open accounts with DeBoe at Deutsche Banc. Brant had several of the new customers unknowingly guarantee his Max Trust account so that he could avoid margin calls and eventually sell his GTSG shares. Each of the new customers also granted Brant discretionary trading authority over their account, five of them agreed to pay Brant for his investment advice, and four of the five actually paid him for his advice.

13. During the next two years, Brant engaged in fraudulent, unauthorized and unsuitable trading activities in these customers' accounts. In addition to duping several customers into guaranteeing his Max Trust account, he also had them guarantee the Gendal account so as to avoid margin calls on that account as well. Brant also misappropriated certain client funds for his personal use.

Investor A

14. Investor A is a citizen of Trinidad and Tobago who wanted to invest $500,000 of his family savings in the U.S. securities markets. In December 1998, Brant orally agreed to act as Investor A's investment adviser and recklessly guaranteed Investor A a 20% return on his investment.

15. Investor A verbally agreed to pay Brant 20% of the annual net gain on his investments as compensation for Brant's investment advice. Brant and Investor A agreed that the compensation would be paid at the end of the calendar year, after Investor A reviewed the account's performance. If the account lost money, Brant would not be compensated for his advice.

16. In December 1998 and January 1999, at Brant's direction, Investor A wired $500,000 -- $300,000 followed by $200,000 – to the Langtry Trust. Based upon Investor A's instructions and agreed to by Brant, all these funds were to be sent from the Langtry Trust to Deutsche Banc and invested in an account in the name of Investor A. Contrary to the agreement, no account was opened in Investor A's name at Deutsche Banc.

17. Brant falsely told Investor A that the funds had to be wired off-shore to the Langtry Trust to ensure that Investor A did not pay U.S. capital gains taxes on the account.

18. On December 21, 1998, ignoring Investor A's instructions, Brant directed the Langtry Trust to open a brokerage account in the name of "The Langtry Trust Group re: Gendal" at Deutsche Banc, rather than an account in the name of Investor A. Investor A's money was then placed in the Gendal account under the control of Peter Brant.

19. On December 21, 1998, without Investor A's knowledge or permission, Brant directed the Langtry Trust to transfer $5,000 of Investor A's money to Brant's Gendal bank account in Jersey. Brant then misappropriated the money for his own use.

20. Investor A had told Brant to invest the money safely and Brant agreed to invest the money in "renowned" companies. From January 1999 through June 1999, disregarding Investor A's instructions, Brant excessively traded the account on margin and traded in speculative technology stocks. For instance, from March 16, 1999 to March 22, 1999, Brant made 16 trades in Bottomline Technologies, Inc. in blocks of 1,000 to 2,700 shares. By the end of 1999, the account had a 77% margin debit and in January 2000, the margin debit reached 140%.

21. From January through June 1999, Brant churned Investor A's account by turning it over approximately 13 times or 25 times on an annualized basis.

22. From March 1999 to June 1999, without Investor A's knowledge or permission, Brant misappropriated $100,000 from the Gendal account at Deutsche Banc by transferring these funds to his off-shore Dalzel bank account. Brant then used

this money to fund his living expenses, including travel to The Drake Hotel in New York, The Bellagio Hotel in Las Vegas, and Claridge's in London. Brant also used the funds for luxury shopping sprees at London stores such as Gucci, Hermes, Harrod's of London, and several expensive tailors and antique shops. Brant also spent $26,100 of Investor A's money on his daughter's prep school tuition.

23. Brant's activities violated his agreement with Investor A because he had agreed to pay Brant just 20% of the annual net gain on the account and only after Investor A had reviewed the account activity. In 1999, the account lost money and at no time did Investor A review any account activity.

24. In July 1999, contrary to his agreement with Investor A, Brant invested all of Investor A's remaining funds in one stock, GTSG. In that month, the account held 23,400 shares of GTSG, then priced at $31.875 per share. 75% of these shares were purchased on margin. During the remainder of the year, Brant did not sell the stock as the price of the stock declined. By the end of 1999, the net value of the account dropped to $207,938.88. At the end of January 2000, the net value of the account was negative $219,449.58. By January 2002, GTSG dropped to $0.003 per share and the net value of Investor A's account was negative $851,338.82. Brant never told Investor A that his account had a negative balance.

25. In December 1999 and January 2000, while Investor A's account held GTSG stock as it declined, Brant sold his entire holding of 53,800 shares of GTSG stock from his Max Trust account. Specifically, on December 23, 1999, Brant sold 5,000 shares of GTSG at $30.3125 per share. On January 12, 2000, he sold 40,000

shares of GTSG at $30 per share. He sold the remaining 8,800 shares of GTSG on January 19, 2000 at a price of $27.5 per share.

26. Despite Investor A's repeated requests, Brant never gave him any account statements and stopped returning Investor A's phone calls.

Investors B and C

27. On August 24, 1998, a married couple (hereafter "Investors B and C"), opened a brokerage account at Deutsche Banc with Brant's longtime friend, DeBoe, as their broker. Investors B and C gave Brant discretionary trading authority over their account.

28. Towards the end of 1999, the husband (hereafter "Investor B") and Brant verbally agreed that they would pay Brant 2% of Investor B and C's account value for his investment advice. On December 30, 1999, Investors B and C paid Brant $13,758, which represented approximately 2% of $687,980.16, the net value of the Investors B and C's account in December 1999.

29. On February 2, 2000, at Brant's urging and based upon his advice, Investors B and C guaranteed two accounts maintained at the Deutsche Banc. The first account, called "The Langtry Trust Group re: Gendal" now contained funds belonging to Investor A, the cousin of a friend of Investor B. A second account, called "The Langtry Trust Group re: The Max Trust," belonged to Brant himself. To induce Investor B to guarantee the accounts, Brant falsely told Investor B that both Langtry Trust accounts belonged to Investor A. Brant did not disclose to Investors B and C that the Max Trust account actually belonged to him. In February 2000, the Max Trust account carried a margin debit balance of $973,502.76, which was also not disclosed to

Investors B and C. By signing the guarantee, Investors B and C unknowingly became liable to Deutsche Banc for Brant's margin debt.

30. By February 2000, the Gendal account containing Investor A's money carried a margin debit of $739,931.58. Brant did not disclose this amount to Investors B and C. By signing the guarantee, Investors B and C also became liable to Deutsche Banc for this debt.

31. When Brant became Investors B and C's investment adviser, Investor B told Brant that the money in their brokerage account was their nest egg for retirement and that they could not afford to lose it. He instructed Brant to be careful with this money. Brant assured Investor B that he would invest in "brand name" stocks. In February 2000, contrary to Investor B's instructions, Brant actively traded the account, bought heavily on margin, and purchased unsuitable investments. During that month, the net value of the account was $573,480. Brant turned over the account approximately 9 times, by buying $4,871,286.35 of securities and selling $5,044,939.02 of securities in the same month. By the end of the month, the once-diversified account held just three stocks – Broadcom Corp., Ciena Corp., S1 Corp., all technology stocks. By March 2000, the net value of the account dropped to $152,078.34 from $573,480 in February 2000 and the account had a 79% margin debit. In April 2000, the account was negative $21,552.47 with a margin debit of 115%.

Investor D

32. On July 7, 1999, on Brant's advice, Investor D opened an account at Deutsche Banc and transferred $200,000 to the account. She gave Brant discretionary trading authority over her new Deutsche Banc account.

33. On July 7, 1999, at Brant's insistence, Investor D guaranteed "The Langtry Trust Group re: Gendal" account and an account in the name of "The Langtry Trust Group re: The Max Trust." Brant had asked Investor D to guarantee "his accounts" for a short period of time until the accounts recovered from a temporary "slump." Brant falsely told Investor D that both accounts belonged to him. In fact, only the Max Trust account belonged to Brant and the other account held funds belonging to Investor A, a complete stranger to Investor D.

34. During this month, the Gendal account containing Investor A's funds held just one stock, 23,400 shares of Global Telesystems. Unknown to Investor D, the account carried a margin debit of $561,765.61. By signing the guarantee, Investor D assumed responsibility for the margin debit and any future losses in the account. In July 1999, Brant's Max Trust account held just one stock, 53,800 shares of Global Telesystems, 74% of these shares were purchased on margin. Unknown to Investor D, the account carried a margin debit of $1,280,927.75. By signing the guarantee form, Investor D, Brant's client, became liable for his debt to Deutsche Banc.

35. During 1999, Investor D, on the advice of her legal counsel, sought to limit the duration and scope of the guarantees. However, Brant, acting contrary to her best interests, repeatedly asked Investor D, who subsequently agreed, to extend the time period and scope of the guarantee, thereby increasing her exposure to losses from those accounts.

36. During August 1999, Brant convinced Investor D to transfer the remainder of her assets from her existing brokerage account by telling her that her account would perform better at Deutsche Banc. He also falsely told her that she could

participate in IPOs. At the time her holdings were transferred, Investor D's account had a net value of $1,852,405.35. The account was well diversified and was 20% on margin. Investor D had told Brant that all of the money she had was invested in the account and she wanted to preserve it. She also instructed Brant to trade no more than 20% on margin. Beginning in November 1999, ignoring Investor D's instructions, Brant began day trading technology stocks in Investor D's account and the margin debit increased to 45%.

37. Brant continued day trading Investor D's account through February 2000, when the trading volume reached $22.7 million. By March 2000, the account value dropped to $802,779.21 and the account carried a 60% margin debit. By that time, Brant had sold Investor D's holdings in companies like Coca Cola, Pfizer, Exxon, and Gillette, and the account held only five stocks: Ciena Corp., Global Telesystems, Inc., Incyte Pharmaceuticals, Inc., Nokia Corp. and Veritas Software.

38. In April 2000, the net value of the account dropped to $257,350.97 and in May, it dropped to $69,247.50. By that time, the account held only one stock, Bookham Technology, PLC.

39. From November 1999 through April 2000, Brant churned Investor D's account by turning it over approximately 22 times or 44 times on an annualized basis.

40. Brant and Investor D orally agreed that each year Investor D would pay him 2% of her account value for his investment advice. On January 1, 2000, Investor D paid Brant $48,019.80 for his investment advice.

Investor E

41. In December 1999, on Brant's advice, Investor E, a 70-year-old retiree and the mother of Investor D, opened three brokerage accounts at Deutsche Banc. Investor E gave Brant discretionary trading authority over her accounts.

42. In December 1999, Investor E informed Brant that she was a conservative investor, could not be "caught with a loss right now," and did not want to trade on margin.

43. In January 2000, Investor E instructed Brant not to sell her Exxon stock, which she had inherited from her father.

44. From January through May 2000, Brant ignored Investor E's investment instructions. In January 2000, the net value of her account was $1,093.021.88 and the account had a margin debit of 50%. By March 2000, the margin debit on her account reached 62% and the net value of the account dropped to $568,011.72. During that month, Brant ignored Investor E's instructions and shorted all 4,800 shares of her Exxon stock. At the end of May 2000, the net value of Investor E's account was $331,848.47. From January through March 2000, Brant churned Investor E's account by turning it over approximately 5 times or 21 times on an annualized basis.

45. On or about February 15, 2000, without Investor E's knowledge or permission, Brant forged, caused to be forged, or knew that Investor E's signature on a guarantee form was forged and thereby led to Investor E's account guaranteeing the Gendal and Max Trust accounts at Deutsche Banc. In February 2000, the Gendal account carried a margin debit of $739,931.58 and the Max Trust account carried a

margin debit of $973,502.76. By signing Investor E's name on these guarantee forms, Brant sought to make her liable for these accounts' margin debts.

Investor F

46. In 1999, Investor F, a former teacher who is unable to work due to a head injury, agreed to let Brant manage a $200,000 inheritance then held in a money market account. Because she is unable to work, Investor F lives on social security disability payments.

47. At the end of 1999, Investor B, the brother of Investor F, and Brant verbally agreed that Brant would be paid 2% of the value of Investor F's account for his investment advice. On December 30, 1999, Investor F paid Brant $6,625.00.

48. On March 18, 2000, Investor F transferred her account to Deutsche Banc and gave Brant discretionary trading authority over her account. Due to her disabilities, her brother handled all of her affairs at Deutsche Banc.

49. Because of her inability to work, Investor F's brother had instructed Brant to invest Investor F's account in "really safe securities" and to avoid putting the account at "great risk." In April 2000, contrary to the brother's instructions, Brant began actively trading Investor F's account. The trading volume was nearly $1.2 million. During this month, Brant turned over her account approximately 4 times. As a result of Brant's trading, the net value of her account dropped from $350,470.95 in March 2000 to $145,940.03 in April 2000.

50. On April 5, 2000, Investor F executed a guarantee form, guaranteeing the Gendal and Max Trust accounts. Brant falsely told her brother that the accounts belonged to Investor A, a cousin of a friend of Investor B. In April 2000, the Gendal

account had a net value of negative $371,306.61 and carried a margin debit of $749,941.61 and Brant's Max Trust account carried a margin debit of $42,474.87. By signing the guarantees, Investor F unknowingly became liable for these margin debts.

FIRST CLAIM FOR RELIEF
FRAUD IN THE OFFER AND SALE OF SECURITIES
(Violations of Section 17(a) of the Securities Act)

51. Plaintiff repeats and realleges Paragraphs 1 through 50 above.

52. By reason of the foregoing, defendant Brant, directly and indirectly, intentionally, knowingly or recklessly, in the offer or sale of securities by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails: (a) employed, or is employing devices, schemes, or artifices to defraud; (b) has obtained, or is obtaining money or property by means of untrue statements of material fact or omissions 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 (c) has engaged, or is engaging in transactions, acts, practices, or courses of business which operate, are operating or are about to operate as a fraud upon purchasers of securities as set forth above, in violation of Section 17(a) of the Securities Act [15 U.S.C. §77q(a)].

SECOND CLAIM FOR RELIEF
FRAUD IN CONNECTION WITH THE PURCHASE AND SALE OF SECURITIES
(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder)

53. Plaintiff repeats and realleges paragraphs 1 through 50 above.

54. By reason of the foregoing, defendant Brant, directly or indirectly,

intentionally, knowingly or recklessly, by the use of means or instrumentalities of interstate commerce or of the mails: (a) has employed, or is employing devices, schemes, or artifices to defraud; (b) has made, or is making untrue statements of material facts or have omitted, or is omitting to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) has engaged, or is engaging, in acts, practices, or courses of business which have operated, or are operating as a fraud or deceit upon persons, in connection with the purchase or sale of securities as set forth above, in violation of Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 [17 C.F.R. §240.10b-5] thereunder.

THIRD CLAIM FOR RELIEF
(Section 21(e) of the Exchange Act)

55. Plaintiff repeats and realleges paragraphs 1 through 50 above.

56. By acting as an investment adviser as alleged above, defendant Brant willfully violated the Commission Order entitled "In the Matter of Peter N. Brant, Admin. Proc. File No. 3-6382" 1984 SEC LEXIS 1155 (July 12, 1984).

FOURTH CLAIM FOR RELIEF
(Violations of Sections 206(1) and (2) of the Investment Advisers Act)

57. Plaintiff repeats and realleges paragraphs 1 through 50 above.

58. Defendant Brant acted as an investment adviser by use of the mails or the means or the instrumentalities of interstate commerce, and, directly and indirectly, with scienter, employed devices, schemes and artifices to defraud advisory clients, and engaged in transactions, practices, and courses of businesses, which operated as a fraud and deceit upon the clients.

59. By reason of the foregoing, defendant Brant, directly and indirectly, violated Sections 206(1) and (2) of the Investment Advisers Act [15 U.S.C. § 80b-6(1) and (2)].

PRAYER FOR RELIEF

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

I.

Permanently enjoining defendant Brant from violating, directly or indirectly, 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 defendant Brant from violating, directly or indirectly, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)];

III.

Permanently enjoining defendant Brant from violating, directly or indirectly, Sections 206(1) and (2) of the Investment Advisers Act [15 U.S.C. § 80b-6(1) and (2)];

IV.

Permanently enjoining defendant Brant from violating, directly or indirectly, the Order entitled "In the Matter of Peter N. Brant, Admin. Proc. File No. 3-6382" 1984 SEC LEXIS 1155 (July 12, 1984);

V.

Ordering defendant Brant to disgorge the ill-gotten gains in the amount of $173.402.80 that he received as a result of his wrongful conduct, and to pay prejudgment interest thereon;

VI.

Ordering defendant Brant to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], and Section 209 of the Investment Advisers Act [15 U.S.C. §80b-9];

VII.

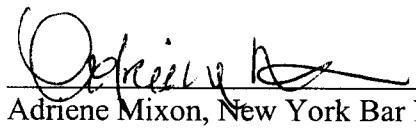
Granting such other relief as this Court may deem just and proper; and

VIII.

Retaining 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.

Dated: March 3, 2005
Washington, D.C.

Respectfully submitted,



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