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Securities and Exchange Commission
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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

MILAN CAPITAL GROUP, INC., :

Defendant, :

and :

IRA A. MONAS and RITA A. MONAS, :

Relief Defendants. :

00 Civ. No. []
S. D. OF N.Y.
JAN 9 9 27 AM '00
FILED
DISTRICT COURT

Plaintiff Securities and Exchange Commission (the "Commission") alleges:

NATURE OF THE ACTION

1. Defendant Milan Capital Group, Inc. ("Milan") is an unregistered broker-dealer that is offering or that purports to sell securities to investors in several states. Its

president -- relief defendant Ira A. Monas ("Monas") -- is currently incarcerated in an upstate New York prison for grand larceny. Since October 1999, Milan has received funds from dozens of investors based on representations that Milan would use the funds to purchase shares in initial public offerings. On information and belief, Milan lacked access to, and failed to obtain, any IPO shares for these investors.

2. By engaging in the conduct alleged in this complaint, Milan violated the broker-dealer registration provision of the Securities Exchange Act of 1934 (the "Exchange Act"). Unless restrained and enjoined by this Court, Milan will likely continue to engage in this type of violative conduct. The Commission accordingly seeks (a) temporary and permanent injunctions against future violations by Milan; (b) a verified accounting from Milan and the relief defendants of the receipt and disbursement of investors' funds; (c) disgorgement of all proceeds that Milan has received from its activities as an unregistered broker-dealer with prejudgment interest; (d) a freeze of Milan's assets pending the resolution of this action; and (e) statutory money penalties from Milan.

JURISDICTION

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

DEFENDANT

4. Milan Capital Group, Inc. is a New York corporation with offices located in Melville, New York. It is not, and has never been, registered with the Commission as a

broker-dealer and, therefore, is prohibited by the federal securities laws from selling, offering to sell, or inducing the sale of securities.

RELIEF DEFENDANTS

5. Ira A. Monas (“Monas”), age 45, is the president of Milan. He is in the custody of the New York Department of Corrections at the Adirondack Correctional Facility in Ray Brook, New York. Monas is serving a two-to-four year sentence for grand larceny.

6. Rita A. Monas is the secretary of Milan and resides in Massapequa, New York. She is, or was, married to Monas.

FACTS

7. In November and December 1999, United Parcel Service, Inc., FreeMarkets, Inc., and Fogdog, Inc. offered their securities to the public for the first time in initial public offerings, commonly known as IPOs. These stock offerings were widely reported in the media as “hot” IPOs, meaning that they were oversubscribed and difficult to purchase.

8. Milan offered to sell, and purportedly sold, IPO shares of these companies to investors in several states, including Pennsylvania, Ohio, Texas, and North Carolina.

9. Milan sent account statements and hand-written confirmations to the putative purchasers of IPO shares.

10. Investors’ payments for these purported sales were deposited in Milan’s account at HSBC Bank USA (formerly known as Marine Midland Bank). At least some of these funds passed through HSBC’s branch office at 140 Broadway in Manhattan.

11. Monas and Rita Monas have sole authority to withdraw funds from Milan's HSBC account.

12. Milan has commingled investors' funds in its HSBC account and, on information and belief, has used funds from this account to pay Milan's operational expenses. Funds have also been transferred from this account to persons and entities other than the investors in the IPOs.

13. From at least October 1999 to the present, Milan 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 Commission as a broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)], and when no exemption from registration was available.

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

PRAYER FOR RELIEF

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

(i) permanently enjoining Milan from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)];

(ii) ordering Milan, Ira Monas and Rita Monas each to provide a verified accounting of their books, records, and accounts relating to the receipt and disbursement of investors' funds by Milan;

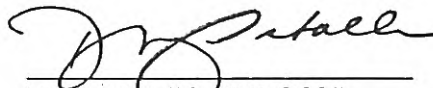
(iii) ordering disgorgement of all proceeds that Milan has received from its activities as an unregistered broker-dealer with prejudgment interest;

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

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

Dated: January 6, 2000
Washington, D.C.

Respectfully submitted,



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