

UNITED STATES DISTRICT COURT  
for the  
SOUTHERN DISTRICT OF FLORIDA

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S.D. OF FLA.-MIAMI

\_\_\_\_\_  
SECURITIES AND EXCHANGE COMMISSION,  
  
Plaintiff,  
  
v.  
  
GLOBAL CURRENCY MANAGEMENT, INC. and  
ANTHONY BALDWIN,  
  
Defendants.  
\_\_\_\_\_

CIVIL ACTION NO.  
**99-2621**

CIV-MORENO  
MAGISTRATE JUDGE  
DUBÉ

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff, Securities and Exchange Commission ("SEC"), alleges as follows:

1. The SEC brings this action for injunctive and other relief to prevent Defendants Global Currency Management, Inc. ("GCM") and Anthony Baldwin ("Baldwin") from continuing to violate the federal securities laws they violated in connection with the offer, purchase and sale of securities in GCM's foreign currency trading program. Between approximately June 1997 and March 1999, Baldwin and GCM raised over \$1 million from investors by making fraudulent claims. Baldwin and GCM falsely described GCM's trading program as safe and profitable, and made false claims about Baldwin's experience and acclaim as a trader, in unsolicited telephone calls to potential investors and in promotional material and in account statements Baldwin prepared.

**THE DEFENDANTS**

2. Defendant GCM was incorporated in Florida in December 1996. During the time of the events complained of herein, GCM was registered with the Secretary of State of the State of Florida, with a registered office at Baldwin's home in Miami, Florida. Also during the time of the acts complained of herein, GCM sent investors documents with an address that is a mailbox drop at a private mailbox company in Miami.

3. Defendant Baldwin is GCM's president, and GCM told investors that he is GCM's chief trader. Baldwin was previously associated with International Capital Management, Inc., which was the subject of an emergency injunctive action filed by the United States Securities and Exchange Commission in September 1998. During the time of the events complained of herein, Baldwin resided in Miami, Florida.

**JURISDICTION AND VENUE**

4. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d) and 77v(a), and Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d), 78u(e) and 78aa.

5. Certain of the acts and transactions constituting violations of the Securities Act and the Exchange Act have occurred within the Southern District of Florida. The principal office of GCM was located within the Southern District of Florida. During the events described in this complaint, Baldwin resided in the Southern District of Florida.

6. GCM and Baldwin, directly and indirectly, have made use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails, in connection with the acts, practices, and courses of business complained of herein.

### FACTS

7. Between approximately June 1997 and March 1999, GCM and Baldwin, with the assistance of telemarketers, sold over \$1 million of investment contracts to members of the general public. At Baldwin's instruction, the telemarketers made unsolicited telephone calls to potential investors. Interested investors were then mailed a sales brochure, prepared by Baldwin, containing representations regarding GCM and Baldwin. The telemarketers, as instructed by Baldwin, told investors that Baldwin, as GCM's president and chief trader, would pool their money and then trade the money in the foreign currency exchange market.

8. Investors signed an account agreement with GCM, which informed them that their funds would be credited to the trading account of GCM. In late 1997 and early 1998, investors received monthly account statements on GCM letterhead purporting to advise them of the status of their investment. These statements consistently represented that their investment was earning very profitable returns. In fact, their investments were suffering devastating losses. In the summer of 1998, Baldwin admitted to some GCM investors that their investments had not only not earned a profit, but that their entire invested principal was gone.

9. In at least one instance, Baldwin forged the letterhead of a foreign currency brokerage and created and sent to a GCM investor an account statement showing that his trading

account was safe and generating a profit. In fact, the investor had no account with the brokerage whose letterhead Baldwin had forged. Furthermore, Baldwin subsequently admitted that the investor's principal was gone. At about this time Baldwin and GCM vacated their office.

10. In the fall of 1998 Baldwin and GCM relocated their office, hired a small sales staff, and opened an account with a foreign currency trading brokerage. From the fall of 1998 through early 1999, Baldwin's sales staff, at Baldwin's direction and with the aid of a script Baldwin prepared, made material misrepresentations in unsolicited phone calls to potential investors. Specifically, GCM told investors and potential investors that Baldwin had earned, through trading GCM investors' funds, returns in excess of 5% per month, and 60% per year, and that Baldwin was consistent and conservative in his trading. In fact, by this time Baldwin's trading had already led to a virtually total loss of GCM's prior investors' funds. Baldwin knew that his sales force was reciting these statements to potential investors, and he knew that the statements were false.

11. After receiving an indication of interest from a prospective investor, the GCM salesperson gave the name and address of the prospect to Baldwin, who personally mailed to the prospective investor a GCM information packet. These packets, prepared by Baldwin, contained materially false and misleading information, including the misrepresentations described below.

12. Baldwin mailed to prospective investors documents that falsely described Baldwin's GCM trading record as "profitable." These documents included a monthly "track record" for the period January 1997 to December 1998, showing an average monthly return of 4.8%, ranging as high as 9.18% per month, and representing that only two months showed a

negative return (averaging -2.3% for those two months). In fact, at the time of these mailings, prior investors in GCM had lost their entire investment in GCM.

13. In his cover letter accompanying GCM's brochure and account agreement, Baldwin falsely claimed that GCM accounts with values in excess of \$25,000 were protected by underwriting insurance "similar to FDIC insurance."

14. GCM's promotional material featured an alleged excerpt from a newspaper containing the following plaudit: "Tony has developed a reputation as one of the foremost currency traders -- with an amazing track record in excess of 5% average net monthly returns in the Foreign Exchange Market (FOREX)." The quoted plaudit, however, had never appeared in the newspaper.

15. Between approximately June 1997 and March 1999, investors invested more than \$1 million in GCM. Baldwin used some of those investor funds to pay his personal expenses.

### **COUNT I**

#### **FRAUD IN VIOLATION OF SECTION 17(a)(1) OF THE SECURITIES ACT**

17. The SEC incorporates and realleges herein paragraphs 1 through 15 of this Complaint.

18. Since a date unknown but since at least June 1997 to approximately March, 1999, Defendants GCM and Baldwin, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described herein, have been, knowingly, willfully or recklessly employing devices, schemes or artifices to defraud.

19. By reason of the foregoing, Defendants GCM and Baldwin, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

**COUNT II**

**FRAUD IN VIOLATION OF  
SECTIONS 17(a)(2) AND 17(a)(3) OF THE SECURITIES ACT**

20. The SEC incorporates and realleges herein paragraphs 1 through 15 of this Complaint.

21. Since a date unknown but since at least June 1997 to approximately March 1999, Defendants GCM and Baldwin, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, in the offer or sale of securities, as described herein, have been: (i) obtaining money or property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; and (ii) engaging in transactions, practices and courses of business which are now operating and will operate as a fraud or deceit upon purchasers and prospective purchasers of such securities.

22. By reason of the foregoing, Defendants GCM and Baldwin, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77(q)(a)(2) and 77(q)(a)(3).

**COUNT III**

**FRAUD IN VIOLATION OF  
SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5**

23. The SEC incorporates and realleges herein paragraphs 1 through 15 of this Complaint.

24. Since a date unknown but since at least June 1997 through approximately March 1999, Defendants GCM and Baldwin, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of any facility of any national securities exchange, in connection with the purchase or sale of the securities, as described herein, have been, knowingly, willfully or recklessly: (i) employing devices, schemes or artifices to defraud; (ii) making untrue statements of material facts and omitting 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 (iii) engaging in acts, practices and courses of business which have operated, and will operate as a fraud upon the purchasers of such securities.

25. By reason of the foregoing, Defendants GCM and Baldwin, directly or indirectly, have violated and, unless enjoined, will continue to violate 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.

**RELIEF REQUESTED**

**WHEREFORE**, the SEC respectfully requests that the Court:

**I.**

**Declaratory Relief**

(a) Declare, determine and find that Defendants GCM and Baldwin have committed the violations of the federal securities laws alleged herein; and

(b) Declare, determine and find that Defendants GCM and Baldwin received ill-gotten gains through their violations of the federal securities laws, as described herein.

**II.**

**Permanent Injunctive Relief**

Issue a Permanent Injunction, restraining and enjoining Defendants GCM and Baldwin from violating:

- 1) Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1);
- 2) Sections 17(a)(2) and (3) of the Securities Act, §§ 77q(a)(2) and (3); and
- 3) 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.

**III.**

**Accounting and Disgorgement**

Issue an Order requiring an accounting by Defendants GCM and Baldwin of all proceeds and benefits received by them, directly or indirectly, pursuant to the misconduct described in this Complaint, and awarding disgorgement, jointly and severally, against the Defendants, in an



amount to be determined by the Court, of all ill-gotten gains that they received as a result of the acts and/or courses of conduct complained of herein in violation of Section 17 of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, with prejudgment interest.

**IV.**

**Civil Money Penalties**

Issue an Order directing Defendants GCM and Baldwin to pay civil fines and/or penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78(d)(3).

**VI.**

**Further Relief**

Grant such other and further relief as may be necessary and appropriate.

**VII.**

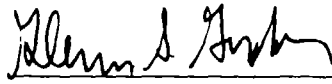
**Retention of Jurisdiction**

Further, the SEC respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may hereby be entered,

or to entertain any suitable application or motion by the SEC for additional relief within the jurisdiction of this Court.

Respectfully submitted,

DATE: September 29, 1999



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Assistant Regional Director  
Florida Bar No. 0052744

Jennifer S. Byrne  
Senior Counsel  
Massachusetts Bar No. 643156

Attorneys for Plaintiff  
**SECURITIES AND EXCHANGE  
COMMISSION**  
1401 Brickell Avenue, Suite 200  
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Telephone: (305) 982-6360

# CIVIL COVER SHEET 99-2621

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**

**DEFENDANTS**  
**GLOBAL CURRENCY MANAGEMENT INC. and ANTHONY BALDWIN**

**CIV-MORENO**  
DUBÉ  
Miami-Dade  
CLERK OF COURT  
99-2621

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

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT (IN U.S. PLAINTIFF CASES ONLY)

*Adade 99 co 2621 moreno Dube*

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

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)  
**Glenn Gordon (305) 982-6360, Jeffrey Cohen Jennifer Byrne (305) 982-6361 SEC, 1401 Brickell Ave., Suite 200, Miami, FL 33131**

ATTORNEYS (IF KNOWN)  
**Allan Lerner, Esq., Lerner & Pearce, PA 2888 East Oakland Park Blvd., Ft. Lauderdale, FL 33306**

(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)  
 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)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)  
Citizen of This State  1  1  
Citizen of Another State  2  2  
Citizen or Subject of a Foreign Country  3  3  
Incorporated or Principal Place of Business in This State  4  4  
Incorporated and Principal Place of Business in Another State  5  5  
Foreign Nation  6  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

| A CONTRACT  |  | A TORTS   |  | FORFEITURE/PENALTY   | A BANKRUPTCY   | A OTHER STATUTES   |
|---|--|---|--|--|--|--|
| <input type="checkbox"/> 110 Insurance  | <input type="checkbox"/> 310 Airplane                        | <input type="checkbox"/> 362 Personal Injury - Med. Malpractice         | <input type="checkbox"/> 370 Other Fraud                       | <input type="checkbox"/> 610 Agriculture                                 | <input type="checkbox"/> 422 Appeal 28 USC 158                     | <input type="checkbox"/> 400 State Reapportionment                                     |
| <input type="checkbox"/> 120 Marine   | <input type="checkbox"/> 315 Airplane Product Liability      | <input type="checkbox"/> 365 Personal Injury - Product Liability        | <input type="checkbox"/> 371 Truth in Lending                  | <input type="checkbox"/> 620 Other Food & Drug                           | <input type="checkbox"/> 423 Withdrawal 28 USC 157                 | <input type="checkbox"/> 410 Antitrust   |
| <input type="checkbox"/> 130 Miller Act   | <input type="checkbox"/> 320 Assault, Libel & Slander        | <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability | <input type="checkbox"/> 377 Other Personal Property Damage    | <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 | <b>A PROPERTY RIGHTS</b>   | <input type="checkbox"/> 430 Banks and Banking   |
| <input type="checkbox"/> 140 Negotiable Instrument                              | <input type="checkbox"/> 330 Federal Employers Liability     | <b>PERSONAL PROPERTY</b>  | <input type="checkbox"/> 380 Other Personal Property Damage    | <input type="checkbox"/> 630 Liquor Laws                                 | <input type="checkbox"/> 820 Copyrights                            | <input type="checkbox"/> 450 Commerce/ICC Rates/etc                                    |
| <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment  | <input type="checkbox"/> 340 Marine                          | <input type="checkbox"/> 370 Other Fraud                                | <input type="checkbox"/> 385 Property Damage Product Liability | <input type="checkbox"/> 640 R.R. & Truck                                | <input type="checkbox"/> 830 Patent                                | <input type="checkbox"/> 460 Deportation   |
| <input type="checkbox"/> 151 Medicare Act                                       | <input type="checkbox"/> 345 Marine Product Liability        | <input type="checkbox"/> 371 Truth in Lending                           |  | <input type="checkbox"/> 650 Airline Regs                                | <input type="checkbox"/> 840 Trademark                             | <input type="checkbox"/> 470 Racketeer influenced and Corrupt Organizations            |
| <input type="checkbox"/> 152 Recovery of Defaulted Student Loans Excl. Veterans | <input type="checkbox"/> 350 Motor Vehicle                   | <input type="checkbox"/> 377 Other Personal Property Damage             |  | <input type="checkbox"/> 660 Occupational Safety/Health                  |  | <input type="checkbox"/> 810 Selective Service   |
| <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits      | <input type="checkbox"/> 355 Motor Vehicle Product Liability | <input type="checkbox"/> 380 Other Personal Property Damage             |  | <input type="checkbox"/> 690 Other                                       | <b>B SOCIAL SECURITY</b>   | <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange                |
| <input type="checkbox"/> 160 Stockholders Suits                                 | <input type="checkbox"/> 360 Other Personal Injury           | <input type="checkbox"/> 385 Property Damage Product Liability          |  | <b>A LABOR</b>   | <input type="checkbox"/> 861 HIA 1395f                             | <input type="checkbox"/> 875 Customer Challenge 12 USC 3410                            |
| <input type="checkbox"/> 190 Other Contract                                     |  |   |  | <input type="checkbox"/> 710 Fair Labor Standards Act                    | <input type="checkbox"/> 862 Black Lung (923)                      | <input type="checkbox"/> 891 Agricultural Acts   |
| <input type="checkbox"/> 195 Contract Product Liability                         |  |   |  | <input type="checkbox"/> 720 Labor Mgmt. Relations                       | <input type="checkbox"/> 863 DIWC DIWW (405)g                      | <input type="checkbox"/> 892 Economic Stabilization Act                                |
| <b>A REAL PROPERTY</b>  | <b>A CIVIL RIGHTS</b>  | <b>PRISONER PETITIONS</b>   |  | <input type="checkbox"/> 730 Labor Mgmt. Reporting & Disclosure Act      | <input type="checkbox"/> 864 SSID Title XV                         | <input type="checkbox"/> 893 Environmental Matters                                     |
| <input type="checkbox"/> 210 Land Condemnation                                  | <input type="checkbox"/> 441 Voting                          | <input type="checkbox"/> 510 Motions to vacate Sentence                 |  | <input type="checkbox"/> 740 Railway Labor Act                           | <input type="checkbox"/> 865 RSI (405)g                            | <input type="checkbox"/> 894 Energy Allocation Act                                     |
| <input type="checkbox"/> 220 Foreclosure  | <input type="checkbox"/> 442 Employment                      | <b>HABES CORPUS:</b>  |  | <input type="checkbox"/> 790 Other Labor Litigation                      |  | <input type="checkbox"/> 895 Freedom of Information Act                                |
| <input type="checkbox"/> 230 Rent Lease & Ejectment                             | <input type="checkbox"/> 443 Housing Accommodations          | A <input type="checkbox"/> 535 Death Penalty                            |  | <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act                | <b>FEDERAL TAX SUITS</b>   | <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice |
| <input type="checkbox"/> 240 Torts to Land                                      | <input type="checkbox"/> 444 Welfare                         | B <input type="checkbox"/> 540 Mandamus & Other                         |  |  | A <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) | <input type="checkbox"/> 950 Constitutionality of State Statutes                       |
| <input type="checkbox"/> 245 Tort Product Liability                             | <input type="checkbox"/> 440 Other Civil Rights              | B <input type="checkbox"/> 550 Civil Rights                             |  |  | A <input type="checkbox"/> 871 IRS Third Party 26 USC 7609         | <input type="checkbox"/> 890 Other Statutory Actions                                   |
| <input type="checkbox"/> 290 All Other Real Property                            |  | B <input type="checkbox"/> 555 Prison Condition                         |  |  |  | A OR B   |

**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)

15 U.S.C. § 77q(a)(1); 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3); 15 U.S.C. § 78j(b) and 17 C.F.R. 240.10b-5. Violations of the federal securities laws in connection with the offer, purchase and sale of securities.

**VII. REQUESTED IN COMPLAINT:** CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23  DEMAND \$ Permanent Inj., Disg., JURY DEMAND:  YES  NO

**VIII. RELATED CASE(S) IF ANY** (See instructions). JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE: 9/30/99 SIGNATURE OF ATTORNEY OF RECORD: Jeffrey Cohen

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_