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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEBRASKA

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U.S. DISTRICT COURT  
DISTRICT OF NEBRASKA

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SECURITIES &  
EXCHANGE COMMISSION,

Plaintiff,

vs.

BRYAN S. BEHRENS and  
NATIONAL INVESTMENTS, INC.,

Defendants.

Case No.: 8:08CV13

JURY TRIAL DEMANDED

**COMPLAINT**

Plaintiff United States Securities & Exchange Commission (“the Commission”) for its Complaint against Bryan S. Behrens (“Behrens”) and National Investments, Inc. (“National”), (collectively, “the defendants”), alleges as follows:

**SUMMARY**

1. This matter involves the fraudulent Ponzi-like scheme perpetrated by Behrens and the entity he controls, National. Through this scheme, operating since at least year 2002, defendants raised at least \$6.5 million from approximately twenty investors, some of whom are senior citizens, and defrauded them by diverting their investments to fund Behrens’ own lavish lifestyle.

2. Behrens solicited investors from acquaintances and clients he had at 21<sup>st</sup> Century Financial Group, Inc., a financial planning and insurance firm that also operated as a branch office for Sunset Financial, a broker-dealer registered with the Commission.

3. Behrens represented to investors that National was an investment opportunity for them to receive regular, monthly income.

4. Behrens materially mislead investors by telling them that National would lend the investors' money out to others at a higher interest rate in order to generate profits, though National did not operate or generate profits in this way.

5. Behrens failed to disclose to investors that he paid old investors with the money from new investors, and used their funds for his personal use.

6. Behrens misappropriated more than \$3.5 million of investor funds for his personal use including purchasing a Lexus automobile, a Cadillac Escalade SUV, and a small "Husker" bus that he apparently used to transport clients to tailgating parties at University of Nebraska home football games. He also misappropriated investor funds to renovate his two homes and transfer money to another business entity he owns, Bryan Behrens Company, Inc.

7. Behrens has continued to solicit and convert funds against the advice of his counsel.

8. By engaging in the conduct described in this Complaint, defendants, directly and indirectly, are now and have been engaged in, and unless restrained and enjoined by this Court will continue to engage in, transactions, acts, practices, and courses of business that violate Section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule 10b-5 thereunder (17 C.F.R. § 240.10b-5) and Section 17(a) of the Securities Act of 1933 (15 U.S.C. § 77q(a)).

9. Accordingly, the Commission seeks an order permanently restraining and enjoining defendants and granting other equitable relief.

## JURISDICTION AND VENUE

10. This Court has jurisdiction over this action pursuant to Sections 20(d)(1) and 22(a) of the Securities Act of 1933 (15 U.S.C. §§ 77t(d)(1) and 77v(a)) and Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78u(d), 78u(e), and 78aa). Defendants, directly or indirectly, have made use of the means in instrumentalities of interstate commerce or of the mails in connection with the acts, transactions, practices and courses of business alleged in this Complaint.

11. Venue in this Court is proper pursuant to Section 22(a) of the Securities Act of 1933 (15 U.S.C. § 77v(a)) and Section 27 of the Exchange Act of 1934 (15 U.S.C. § 78aa), because certain of the conduct alleged in this Complaint took place within the District of Nebraska.

## DEFENDANTS

12. Bryan S. Behrens: Defendant Behrens is a resident of Omaha, Nebraska. He is the president of National and appears to be the only person exercising control over it. Behrens was recently a principal for Sunset Financial Services, a broker-dealer based in Kansas City, Missouri, but was terminated when compliance officials learned of his activities with National.

13. National Investments, Inc.: Defendant National is a private, Nevada company based in Omaha, Nebraska that had its corporate status revoked by the Nevada Secretary of State on December 1, 2006.

## FACTS

14. From at least year 2002 through at least December 2007, defendants engaged in a Ponzi-like scheme.

15. Through this scheme, defendants raised at least \$6.5 million from approximately twenty investors, some of whom are senior citizens.

16. Behrens solicited the investors from acquaintances and clients he had at 21<sup>st</sup> Century Financial Group, Inc., a financial planning and insurance firm that also operated as a branch office for Sunset Financial, a broker-dealer registered with the Commission.

17. Behrens represented to investors that National was an investment opportunity for them to receive regular, monthly income.

18. Through National, Behrens offered and sold Notes to investors promising a rate of approximately 9% interest per annum.

19. Behrens memorialized the Notes in writing stating the amount invested, the interest rate, and a term of typically five years.

20. Behrens pooled investor funds into at least two bank accounts.

21. Behrens did not create any written offering documents or other materials, other than the Notes.

22. Behrens communicated the manner in which he would invest the money orally to the investors.

23. Behrens knowingly and materially misled investors by telling them that National would lend the investors' money to others at a higher interest rate in order to generate profits, though Behrens and National did not operate or generate profits in this manner.

24. Instead, defendants paid old investors with the money from new investors. They also used investors' funds for Behrens' personal use, including purchasing luxury vehicles, renovating Behrens' two homes, and capitalizing other businesses he owned.

25. Behrens failed to disclose to investors that defendants paid old investors with the money from new investors.

26. Behrens failed to disclose to investors that defendants would use, and did use, their funds for Behrens' personal use.

27. Behrens knowingly misappropriated more than \$3.5 million of investor funds for his personal use including purchasing a Lexus, a Cadillac Escalade, and a small bus that he apparently used to transport clients to tailgating parties at University of Nebraska home football games. Defendants also knowingly misappropriated investor funds to renovate Behrens' two homes and transfer money to another business entity Behrens owns, Bryan Behrens Company, Inc.

28. Shortly after the Commission contacted Behrens to conduct an investigation, Behrens, against the advice of his counsel, solicited an additional \$500,000 from an investor, a retired widow, when it appeared that his operation would be shut down. Behrens's counsel represented that Behrens intended to use this money to pay down the mortgage on his two homes, pay his employees, and pay investors.

29. Behrens, through National, has acted and is acting with *scienter*.

30. The defendants' knowing fraudulent conduct is ongoing and there is a high likelihood that it will continue if they are not enjoined.

### **FIRST CLAIM FOR RELIEF**

#### **(Violations of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934)**

31. Plaintiff repeats and re-alleges paragraphs 1 through 30.

32. Defendants, with *scienter*, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce or of the mails, directly or indirectly:

(a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of

the circumstances under which they were made, not misleading; or (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities.

33. By reason of the forgoing, defendants violated Section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule 10b-5 thereunder (17 C.F.R. § 240.10b-5), and unless restrained and enjoined will continue to do so.

**SECOND CLAIM FOR RELIEF**

**(Violations of Section 17(a) of the Securities Act of 1933)**

34. Plaintiff repeats and re-alleges paragraphs 1 through 33.

35. Defendants directly or indirectly, knowingly, recklessly, or negligently, in the offer or sale of securities, by use of means or instruments of transportation or communication in interstate commerce or by use of the mails: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in transactions, practices or courses of business which operated or would have operated as fraud or deceit upon purchasers of securities.

36. By reason of the forgoing, defendants violated Section 17(a) of the Securities Act of 1933 (15 U.S.C. § 77q(a)) and unless restrained and enjoined will continue to do so.

## PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court:

### I.

Enter judgment in favor of the Commission finding that the defendants committed the violations alleged in this Complaint.

### II.

Issue, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, Orders temporarily restraining and preliminarily and permanently enjoining the defendants and their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the Order by personal service or otherwise, and each of them, from engaging in the transactions, acts, practices and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule 10b-5 thereunder (17 C.F.R. § 240.10b-5), and Section 17(a) of the Securities Act of 1933 (15 U.S.C. § 77q(a)).

### III.

Issue, in a form consistent with Rule 65(e) of the Federal Rules of Civil Procedure, an Order freezing defendants' assets, an Order expediting discovery, an Order preventing the destruction or alteration of documents, and an Order for accountings of investor funds and other assets.

### IV.

Enter an Order enjoining defendants from accepting, taking control of, or depositing in any financial institution additional funds from actual or potential investors.

V.

Enter an Order directing defendants to disgorge all ill-gotten gains from the illegal conduct alleged in this Complaint, together with prejudgment interest thereon.

VI.

Enter an Order directing the defendants to pay civil fines and/or penalties pursuant to Section 20(d) of the Securities Act of 1933 (15 U.S.C. § 77t(d)), and Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)).

VII.

Retain 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.

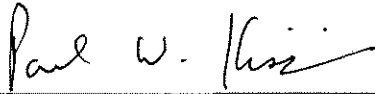
VIII.

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: January 10, 2008

Respectfully submitted,

Of Counsel:  
Scott Friestad  
John S. Polise  
Christopher C. Ehrman  
Alexis Palascak

  
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Paul W. Kisslinger  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-4030  
Telephone: 202-551-4427  
Facsimile: 202-772-9246