

05 CV 5411

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

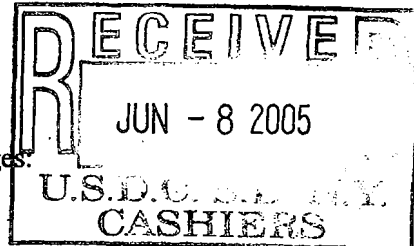
v.

GARY D. FORCE,

Defendant.

05 Civ. ____ ()

COMPLAINT



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

NATURE OF THE ACTION

1. Defendant Gary D. Force ("Force"), the owner of automobile dealerships in Kentucky and Tennessee, engaged in highly profitable, unlawful securities trading based on recommendations from a securities broker who was unlawfully in possession of material non-public information. Force knew, or was reckless in not knowing, that his broker's recommendations were based on confidential information about merger and acquisition transactions that had been misappropriated from investment banking firms in New York City. Based on his broker's advice, Force made substantial investments in the securities of seven companies that were involved in merger and acquisition transactions, purchasing as much as \$1 million in a single transaction. On these transactions, Force reaped more than \$1.5 million in profits, often obtaining high returns in a matter of days or weeks (occasionally, reaping fifty-to-seventy percent returns in a few days). Force also shared the recommendations from his broker with his daughter, who purchased securities in advance of four merger and acquisition transactions, thereby earning more than

\$220,000 in profits (with one return of more than fifty percent in a week). Force compensated his broker's source of information, in part, by permitting the source to place a securities transaction in Force's account. Force subsequently authorized his broker to make a \$20,000 payment to the source out of Force's account, representing the profits from that transaction. Force also arranged for a bank to loan his broker's source \$100,000 on two occasions, and \$50,000 thereafter, enabling the source to trade on the information provided to Force's broker.

2. Force's trading was part of a wide-ranging insider trading scheme that was launched on the Internet and ultimately involved more than twenty people located in and around New York City and Bowling Green, Kentucky. The SEC previously brought a civil enforcement action against nineteen people who had been involved in the scheme, *SEC v. John Freeman, et al.*, Civil Action No. 00-1963 (VM) (S.D.N.Y. filed March 14, 2000).

3. The insider trading scheme began when John Freeman, a temporary employee at Goldman Sachs & Co., Inc. ("Goldman Sachs") and later Credit Suisse First Boston Corporation ("CS First Boston"), tipped several individuals about upcoming mergers and acquisitions that Freeman had learned about while working at these investment banks. In a chat room in cyberspace, Freeman "met" James Cooper ("Cooper"). During these chat room sessions, Freeman tipped Cooper about soon-to-be announced mergers and acquisitions. Cooper then tipped his friends, relatives, and broker, who in turn, tipped other people.

4. Among the people that Cooper tipped was his broker, Chad Conner, who in turn, tipped at least five of his clients concerning a number of these upcoming deals. Force was one of the clients that Conner tipped.

5. In early June 1998, Force opened an account at Morgan Keegan & Co., Inc. ("Morgan Keegan"), for which Conner served as Force's account representative. Force authorized Conner to use nearly the entire account's value, roughly \$1 million (including margin), to purchase shares of DSC Communications Corp. ("DSC"), which days later made an announcement that it would be acquired. Within two days, Force had recognized a profit of more than 55% on this transaction. From June 1998 through December 1999, Conner continued to recommend transactions to Force based on misappropriated, material non-public information. Based on Conner's recommendations, Force made highly profitable trades in six of those transactions, which shortly after Force's purchases were the subject of merger and acquisition announcements. Based on the size, timing, and circumstances of these transactions, Force knew or was reckless in not knowing that he was trading based on inside information from Conner. Force also recommended to his daughter that she invest in four of these transactions, which she did, while Force knew, or was reckless in not knowing, that he was trading based on inside information from Conner.

6. By engaging in insider trading as described herein, Force violated 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]. In addition, Force violated Section 14(e)

of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3] by trading based on inside information relating to one security for which a tender offer had been made. The SEC seeks injunctive relief, disgorgement of Force's ill-gotten gains (including his trading profits and the profits of his daughter), civil monetary penalties, and other appropriate relief.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action, and venue is proper in this district, pursuant to Sections 21(d) and (e), Section 21A and Section 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and (e), 78u-1 and 78aa].

8. Force, directly or indirectly, made use of the means or instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the transactions, acts, practices and courses of business alleged herein. Certain of the alleged transactions, acts, practices, and courses of business occurred in the Southern District of New York, including Force's transactions in those tipped securities that were executed on the New York Stock Exchange.

9. Unless restrained and enjoined by this Court, Force will continue to engage in acts, practices, and transactions similar to those described herein.

DEFENDANT

10. Defendant **Gary D. Force**, age 64, resides in Bowling Green, Kentucky. Force owns and operates automobile dealerships located in Kentucky and Tennessee. At the time Force began trading on Conner's recommendations, which were based on inside

information; Force was an experienced investor who had been trading stocks for approximately twenty years and options for eight years.

OTHER RELEVANT PEOPLE AND ENTITIES

11. During the relevant period, **Goldman Sachs & Co., Inc.** was the investment banking subsidiary of Goldman Sachs Group, Inc, and had offices in New York, New York.

12. During the relevant period, **Credit Suisse First Boston Corporation** was the investment banking subsidiary of Credit Suisse Group, and had offices in New York, New York.

13. During the relevant period, **Morgan Keegan & Company, Inc.** was a broker-dealer registered with the SEC pursuant to Section 15 of the Exchange Act. The brokerage firm had its headquarters in Memphis, Tennessee during the relevant period, and had several branch offices including Bowling Green, Kentucky.

14. **John Freeman**, age 38 and a Brooklyn, New York resident, was a full-time employee at Philip Morris. He also was an employee of a temporary employment agency, Custom Word Processing, Inc. ("Custom"). Through Custom, Freeman obtained a temporary position at Goldman Sachs, where he worked from November 1997 through June 1998. He later obtained a temporary position at CS First Boston, where he worked from October 1998 until January 2000. While working at these investment banks, Freeman learned about upcoming deals and tipped numerous people who traded in

advance of these deal announcements. In January 2000, Freeman was arrested and subsequently pled guilty to insider trading.

15. **James Cooper**, age 45 and a resident of Bowling Green, Kentucky, was an insurance agent prior to his arrest in February 2000 for his role in this insider-trading scheme. Cooper tipped several people about these upcoming deals, including his broker, Chad Conner. Subsequent to his arrest, Cooper pled guilty to insider trading.

16. **Chad Conner**, age 39 and a resident of Bowling Green, Kentucky, was a registered representative at the Bowling Green branch office of Morgan Keegan until the time of his arrest in March 2000. Cooper tipped Conner on at least nine deals, and in turn, Conner tipped several clients. Conner recommended that Force trade in the stocks on which Conner had inside information. Based on his role in this scheme, Connor was convicted of insider trading.

**COMPANIES WHOSE SECURITIES WERE TRADED
BY DEFENDANT FORCE BASED ON INSIDE INFORMATION**

17. Force purchased securities of each of the seven companies listed below based on inside information. Each company was the subject of a merger or acquisition transaction in which either Goldman Sachs or CS First Boston provided investment banking advice, financing or underwriting services. Each company is described as it existed just prior to the merger or acquisition transaction on which Goldman Sachs or CS First Boston worked:

(a) **DSC Communications Corp.** ("DSC") was a Delaware corporation with its headquarters in Plano, Texas. The common stock of DSC was registered with the SEC

pursuant to Section 12(g) of the Exchange Act and was traded on the National Market System of the Nasdaq Stock Market, Inc. ("NASDAQ"). DSC's options were traded on the American Stock Exchange ("AMEX");

(b) **United States Satellite Broadcasting Company ("USSB")** was a Minnesota corporation with its headquarters in Minneapolis, Minnesota. The common stock of USSB was registered with the SEC pursuant to Section 12(g) of the Exchange Act and was traded on NASDAQ;

(c) **SmarTalk Teleservices, Inc. ("SmarTalk")** was a California corporation with its headquarters in Dublin, Ohio. The common stock of SmarTalk was registered with the SEC pursuant to Section 12(g) of the Exchange Act and was traded on NASDAQ;

(d) **Fingerhut Companies ("Fingerhut")** was a Minnesota corporation with its headquarters in Minneapolis, Minnesota. The common stock of Fingerhut was registered with the SEC pursuant to Section 12(b) of the Exchange Act and was traded on the NYSE. Fingerhut's options were traded on the Chicago Board Options Exchange ("CBOE");

(e) **Mercantile Bancorporation, Inc. ("Mercantile")** was a Missouri corporation with its headquarters in St. Louis, Missouri. The common stock of Mercantile was registered with the SEC pursuant to Section 12(b) of the Exchange Act and was traded on the NYSE. Mercantile's options were traded on the AMEX;

(f) **RailTex Inc.** ("RailTex") was a Texas corporation with its headquarters in San Antonio, Texas. The common stock of RailTex was registered with the SEC pursuant to Section 12(g) of the Exchange Act and was traded on NASDAQ. RailTex's options were traded on the Philadelphia Stock Exchange; and,

(g) **Medco Research, Inc.** ("Medco") was a North Carolina corporation with its headquarters in Research Triangle Park, North Carolina. The common stock of Medco was registered with the SEC pursuant to Section 12(b) of the Exchange Act and was traded on the NYSE. Medco's options were traded on the AMEX.

Freeman Misappropriated Material Nonpublic Information Concerning Merger And Acquisition Transactions

Freeman's Duties to Goldman Sachs and its Clients

18. While working at Goldman Sachs, Freeman acquired material nonpublic information concerning a number of impending business deals, including the acquisition described below (the "DSC Deal") in which Goldman Sachs provided financial services and advice to DSC:

GOLDMAN SACHS CLIENT	TARGET OR OFFEROR	ANNOUNCEMENT	ANNOUNCEMENT DATE
DSC Communications Corp.	Alcatel	Alcatel to acquire DSC Communications for \$4.4 billion.	06/04/98

19. Freeman owed fiduciary or similar duties of trust and confidence to both Goldman Sachs and its client, DSC, which required that he maintain the confidentiality of

all material nonpublic information about potential and actual business transactions involving Goldman Sachs' clients, including DSC.

Freeman's Duties To CS First Boston And Its Clients

20. While working at CS First Boston, Freeman acquired material nonpublic information concerning each of the merger, acquisition, and tender offer transactions described below (the "CS First Boston Deals"), in which CS First Boston provided financial services and advice to the clients listed below (the "CS First Boston Clients"):

CS FIRST BOSTON CLIENT	TARGET OR OFFEROR	ANNOUNCEMENT	ANNOUNCEMENT DATE
U.S. Satellite Broadcasting	Hughes Electronics	Hughes agreed to acquire U.S. Satellite.	12/14/98
SmarTalk Teleservices, Inc.	AT&T	SmarTalk signed a definitive agreement to sell substantially all of its assets to AT&T for up to \$192.5 million.	01/19/99
Federated Department Stores, Inc.	Fingerhut Cos.	Federated agreed to buy Fingerhut for about \$1.7 billion in cash and assumed debt (tender offer).	02/11/99
Firstar Corporation	Mercantile Bancorporation Inc.	Firstar agrees to acquire Mercantile through an exchange of shares valued at \$10.6 billion.	04/30/99
RailAmerica Inc.	RailTex Inc.	RailAmerica to acquire RailTex, creating world's largest short line regional freight railroad operator.	10/14/99

CS FIRST BOSTON CLIENT	TARGET OR OFFEROR	ANNOUNCEMENT	ANNOUNCEMENT DATE
King Pharmaceuticals	Medco Research Inc.	King Pharmaceuticals announces it has signed a definitive agreement with Medco Research Inc.	12/01/99

21. Freeman owed fiduciary or similar duties of trust and confidence to both CS First Boston and its clients, which required that he maintain the confidentiality of all material nonpublic information about potential and actual business transactions involving the CS First Boston Clients.

Freeman's Breaches Of Duty

22. In breach of his duties to Goldman Sachs, DSC, CS First Boston, the CS First Boston Clients, and Custom, Freeman communicated material nonpublic information regarding the DSC Deal and each of the CS First Boston Deals to James Cooper and a number of other people.

23. Freeman's tips to Cooper regarding these contemplated merger and acquisition transactions typically included information such as the name and/or stock symbol of the issuer whose securities Cooper should purchase, the nature of the anticipated transaction, and the likely time frame for the completion of the transaction.

Freeman Tipped Cooper Via The Internet

24. In mid-1997, Freeman and Cooper "met" in an AOL chat room. After he informed the chat room participants that he worked at Goldman Sachs, Freeman, Cooper, and two other individuals began to "meet" on AOL in a private chat room. In this private

chat room, Freeman offered to provide tips on Goldman Sachs merger and acquisition deals in return for a share of the trading profits. Freeman and Cooper agreed that Freeman would provide confidential information concerning transactions planned by clients of Goldman Sachs in exchange for 10 percent of the profits realized from purchases of securities by Cooper made on the basis of Freeman's tips.

25. Pursuant to this arrangement, Freeman provided material nonpublic information to Cooper for over two years.

26. Following tips from Freeman, Cooper purchased the securities of sixteen companies in advance of public announcements that those companies were involved in merger and acquisition transactions. In exchange for Freeman's tips, Cooper sent Freeman cash payments, totaling \$2,500 to \$4,000, which were contained in birthday cards.

Cooper Tipped Conner

27. At or about the time Freeman began providing inside information to Cooper, Cooper tipped Chad Conner, a stockbroker who worked at the Bowling Green, Kentucky office of Morgan Keegan, to much of the material nonpublic information he had received from Freeman. Cooper told Conner of his arrangement with Freeman and further informed Conner of the nature and source of the material nonpublic information that Freeman had agreed to provide. According to Cooper, in response to learning about Cooper's source, Conner became excited and replied:

[T]his is a gold mine, this is information that is extremely valuable, not everybody can have access to this type of information, this can make you wealthy, we don't need to tell everybody about it, we need to keep this to ourselves, but I can show

you how to trade that information, help you to make money on it and also keep it where no one knows what we are doing.

28. As Cooper received additional tips from Freeman, he provided the majority of them to Conner, who told Cooper to keep the source of the tips "happy."

Conner Tipped Force To Obtain His Brokerage Business

29. On or about June 2, 1998, Conner recommended that Force purchase DSC securities. Conner had learned from Cooper, based on inside information from Freeman, that an acquisition of DSC was impending. On June 2, 1998, Force opened a brokerage account with Conner at Morgan Keegan, and on that day, purchased almost \$1 million of DSC stock. Two days later, on June 4, DSC announced that it would be acquired and Force realized a \$500,000 profit in only two days—a return of 57 percent.

30. Subsequently, from December 1998 through December 1999, Conner tipped Force on six additional deals that he learned about from Cooper. Specifically, Conner recommended Force buy stocks in the following companies, all of which would soon be involved in a merger or acquisition: USSB, SmarTalk, Fingerhut, Mercantile, RailTex, and Medco. As with DSC, Force knew, or was reckless in not knowing, that Conner's tips were based on misappropriated, material non-public information about each one of these upcoming mergers or acquisitions. **EXHIBIT A** to this Complaint reflects all of Force's trading in these securities, based on inside information. As Exhibit A demonstrates, Force purchased these securities just prior to public announcements, sold them immediately after the public announcements, and consistently reaped high returns in a matter of days or weeks.

31. During this period, Force also recommended to his daughter that she purchase shares of the following companies: USSB, Fingerhut, Mercantile, and Medco. Exhibit A to this Complaint also reflects all of the specific trading in these securities by Force's daughter.

Force Purchased USSB Shares For The Coopers In Exchange For Inside Information

32. In late 1998, Conner proposed to Cooper that, in exchange for Cooper providing inside information concerning an upcoming deal involving USSB, Force would purchase USSB shares in his account on behalf of Cooper and his brother. Conner suggested that by buying the shares, rather than options, the Coopers could avoid raising the suspicion of regulators. Cooper agreed to this arrangement.

33. Subsequently, on December 7 and 8, 1998, Force purchased 115,000 shares of USSB based on inside information he received from Conner, who had received it from Cooper. Pursuant to this arrangement, the 115,000 shares that Force purchased included 4,000 shares purchased on behalf of Cooper and his brother.

34. On December 14, USSB announced that it would be acquired, and on that day, Force sold the 115,000 shares of USSB at a profit of \$553,600. Force authorized Conner to pay Cooper and his brother \$20,000 out of Force's account at this time, which represented the profits on the 4,000 shares of USSB that were purchased on behalf of the Coopers in Force's account.

35. At the time of these money transfers, Force had never met or spoken to the Coopers.

Force Obtained And Guaranteed Loans For The Coopers

36. In early February 1999, Cooper received inside information from Freeman that Fingerhut would soon be acquired. Cooper then shared that information with Conner. Conner then told Cooper that he might be able to arrange a loan for Cooper and his brother to use to purchase shares in the companies tipped by Freeman, which, as Conner explained, would draw less attention from regulators than buying options in those companies.

37. Subsequently, Conner told Cooper that Force, in recognition of the profitable recommendations that Cooper had provided to Conner, had obtained and guaranteed a \$100,000 loan from Force's bank for Cooper and his brother, enabling the Coopers to continue trading on the inside information. Conner and Cooper then agreed that Cooper would continue sharing the inside information from Freeman with Conner so Force could benefit from it.

38. Force did, in fact, guarantee a \$100,000 loan for Cooper and his brother from Force's bank. Cooper and his brother received the loan and used the \$100,000 to buy securities (including shares in Fingerhut). When the loan came due in 90 days, the Coopers paid it off and asked Conner to arrange for another loan from Force. Subsequently, Force guaranteed two more loans for the Coopers, one for \$100,000, and another for \$50,000. As the guarantor of these loans, Force was responsible for paying

the loans if Cooper and his brother failed to repay the loans. Following Cooper's arrest, Force paid off the outstanding balance on these loans.

39. At the time that Force arranged these loans for Cooper and his brother, Force had never met or spoken to the Coopers.

FIRST CLAIM FOR RELIEF

Violations 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]

40. Paragraphs 1 through 39 are realleged and incorporated herein by reference.

41. Force, directly or indirectly, by use of the means or instruments of interstate commerce, or of the mails, or of a facility of a national securities exchange, knowingly or recklessly (a) employed devices, schemes and artifices to defraud; (b) made 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 acts, transactions, practices, and courses of business which operated or would operate as a fraud or deceit upon the purchasers of securities and upon other persons, in connection with the purchase or sale of a security.

42. Force knew, or was reckless in not knowing, that the information Connor provided to him concerning the seven aforementioned securities was non-public, and that it had been obtained in breach of a fiduciary or similar duty of trust and confidence. Force also knew or was reckless in not knowing that when he recommended that his

daughter purchase shares of USSB, Fingerhut, Mercantile, and Medco, he was using information that had been communicated to him in breach of duties not to communicate that information to others. Force intended for his daughter to purchase these securities and to profit from them.

43. By reason of the foregoing, Force violated 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].

SECOND CLAIM FOR RELIEF

**Violations of Section 14(e) of the
Exchange Act [15 U.S.C. § 78n(e)] and
Rule 14e-3 [17 C.F.R. § 240.14e-3]**

44. Paragraphs 1 through 43 are realleged and incorporated herein by reference.

45. At the time of Force's tipping and trading in the securities of Fingerhut described above, Federated Department Stores, Inc. had taken a substantial step or steps toward commencing a tender offer for Fingerhut securities.

46. Force purchased, or caused the purchase of, securities of Fingerhut while in possession of material information relating to the tender offer, and while knowing or having reason to know the information was nonpublic and had been acquired directly or indirectly from Federated Department Stores, Inc. or Fingerhut, or a person acting on behalf of either, including CS First Boston.

47. Force communicated information to his daughter which he knew or had reason to know was material, nonpublic information relating to the Federated Department

Stores, Inc. tender offer, under circumstances in which it was reasonably foreseeable that such communications were likely to result in the purchase of the securities of Fingerhut by his daughter.

48. By the conduct described above, Force violated Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] promulgated thereunder.

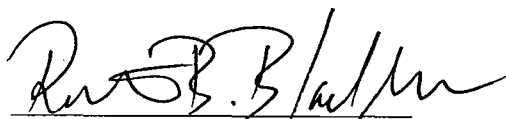
PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that this Court:

- (i) Permanently restrain and enjoin Force and his agents, servants, employees, attorneys-in-fact, and assigns and those persons in active concert or participation with them, and each of them, from violating Sections 10(b) and 14(e) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78n(e)] and Rules 10b-5 and 14e-3 [17 C.F.R. §§ 240.10b-5 and 240.14e-3] promulgated thereunder;
- (ii) Order Force to disgorge his trading profits from each of his illegal trades, including prejudgment interest thereon;
- (iii) Order Force to disgorge all profits realized by the persons to whom he unlawfully communicated material, nonpublic information or on whose behalf he traded securities or otherwise caused the purchase of securities while in possession of material, nonpublic information, and to pay prejudgment interest thereon;
- (iv) Order Force to pay civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

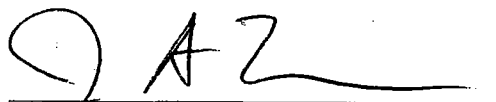
(v) Grant such other relief as this Court may deem just and appropriate.

Dated: June 7, 2005



Robert B. Blackburn (RB 1545)

Local Counsel for Plaintiff
Securities and Exchange Commission
3 World Financial Center, Rm. 4300
New York, NY 10281-1022
Phone: (212) 336-1050
E-mail: BlackburnR@SEC.GOV
Fax: (212) 336-1317



Antonia Chion
Yuri B. Zelinsky
Jordan A. Thomas
Michael A. Ungar
Ivonia K. Slade

Attorneys for Plaintiff
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
(202) 551-4475 (Thomas)
(202) 772-9245 [FAX]

EXHIBIT A

GARY D. FORCE'S TRADING AND TIPPING BASED ON INSIDE INFORMATION

DSC COMMUNICATIONS CORP. (GOLDMAN CLIENT)

- 6/4/98 Alcatel to acquire DSC for \$4.4 Billion

Date	Transaction	Amount	Price	Debit	Credit
6/2/98	B	50,000 shares	18 7/16	921,875	
6/4/98	Announcement				
6/4/98	S	25,000 shares	28 13/16		720,313
6/5/98	S	25,000 shares	29		725,000
			Profit		\$523,438
			Return		57%

U.S. SATELLITE BROADCASTING COMPANY, INC. (CS FIRST BOSTON CLIENT)

- 12/14/98 Hughes Electronics agreed to acquire U.S. Satellite

Date	Transaction	Amount	Price	Debit	Credit
12/7/98	B	25,000 shares	7.25	181,250	
12/14/98	Announcement				
12/14/98	S	25,000 shares	11.25		281,250
			Profit		\$100,000
			Return		55%

Date	Transaction	Amount	Price	Debit	Credit
12/7/98	B	60,000 shares	7.25	435,000	
12/8/98	B	30,000 shares	7.13	213,900	
12/14/98	Announcement				
12/14/98	S	90,000 shares	12.25		1,102,500
			Profit		\$453,600
			Return		70%

Force's Daughter's trading:

Date	Transaction	Amount	Price	Debit	Credit
12/07/98	B	10,000 shares	7.25	72,500	
12/07/98	B	10,000 shares	7.25	72,500	
12/13/98	Announcement				
12/17/98	S	20,000 shares	12.75		255,000
			Profit		\$110,000
			Return		76%

SMARTALK TELESERVICES, INC. (CS FIRST BOSTON CLIENT)

- 1/19/99 SmarTalk announced it had signed a definitive agreement to sell substantially all of its assets to AT&T for up to \$192.5 Million (SmarTalk also filed for bankruptcy that day)

Date	Transaction	Amount	Price	Debit	Credit
1/19/99	B	100,000 shares	2.0208	202,080	
1/19/99	Announcement				
3/12/99	S	85,000 shares	.20529		17,450
1/29/00	Delisted	15,000 shares	0		0
			Loss		(\$184630)
			Return		-90%

FINGERHUT COMPANIES (CS FIRST BOSTON CLIENT)

- 2/11/99 Federated Dep't Stores, Inc. agreed to buy Fingerhut for about \$1.7 Billion in cash and assumed debt.

Date	Transaction	Amount	Price	Debit	Credit
2/5/99	B	10,000 shares	20.225	202,250	
2/10/99	B	20,000 shares	17.688	353,760	
2/11/99	Announcement				
2/18/99	S	30,000 shares	24.438		733,140
			Profit		\$177,130
			Return		21%

Date	Transaction	Amount	Price	Debit	Credit
2/09/99	B	5,000 shares	19.625	98,125	
2/11/99	Announcement				
2/11/99	S	5,000 shares	24.5		122,500
			Profit		\$24,375
			Return		25%

Date	Transaction	Amount	Price	Debit	Credit
2/9/99	B	5,000 shares	19.875	99,375	
2/9/99	B	15,000 shares	19.875	298,125	
2/11/99	Announcement				
2/19/99	S	7,800 shares	24.5		191,100
2/19/99	S	12,000 shares	24.5		294,000
2/19/99	S	200 shares	24.5		4,900
			Profit		\$92,500
			Return		23%

Force's Daughter's trading:

Date	Transaction	Amount	Price	Debit	Credit
2/9/99	B	16,500 shares	19.875	327,938	
2/11/99	Announcement				
3/19/99	security tendered	16,500 shares	25.00		412,500
			Profit		\$84,562
			Return		26%

MERCANTILE BANCORPORATION, INC. (CS FIRST BOSTON CLIENT)

- 4/30/99 Firstar Corp. agrees to acquire Mercantile through an exchange of shares valued at \$10.6 Billion

Date	Transaction	Amount	Price	Debit	Credit
4/30/99	B	50 May 55 calls	4.0	20,000	
4/30/99	B	4,500 shares	56.688	255,096	
4/30/99	Announcement				
05/03/99	S	50 May 55 calls	4.25		21,250
05/03/99	S	2,000 shares	57.375		114,750
05/03/99	S	2,500 shares	59.31		148,275
			Profit		\$9,179
			Return		5%

Date	Transaction	Amount	Price	Debit	Credit
4/30/99	B	2,000 shares	56.625	113,250	
4/30/99	Announcement				
5/3/99	S	2,000 shares	59.375		118,750
			Profit		\$5,500
			Return		4%

Force's Daughter's trading:

Date	Transaction	Amount	Price	Debit	Credit
4/30/99	B	2,000 shares	56.75	113,500	
4/30/99	Announcement				
5/3/99	S	2,000 shares	61.00		122,000
			Profit		\$8,500
			Return		5%

RAILTEX, INC. (CS FIRST BOSTON CLIENT)

- 10/14/99 RailAmerica to acquire RailTex.

Date	Transaction	Amount	Price	Debit	Credit
9/27/99	B	20,000 shares	15.365	307,300	
10/14/99	Announcement				
11/12/99	S	1,300 shares	15.875		20,638
11/15/99	S	5,700 shares	15.89		90,573
2/2/00	S	5,000 shares	18 3/8		91,875
2/14/00	Funds Received / Cash & Stock Merger				108,000
2/16/00	S RailAmerica after exchange	5,333 shares	8 1/8		43,331
2/16/00	S Rail America	33 shares	8.125		268
			Profit		\$47,385
			Return		15%

Date	Transaction	Amount	Price	Debit	Credit
9/27/99	B	1,000 shares	15 1/8	15,125	
9/28/99	B	1,500 shares	15 1/8	22,688	
10/14/99	Announcement				
	Unknown				

MEDCO RESEARCH, INC. (CS FIRST BOSTON CLIENT)

- 12/1/99 King Pharmaceuticals Announces Acquisition of Medco Research Inc.

Date	Transaction	Amount	Price	Debit	Credit
11/08/99	B	15,300 shares	23.494	359,458	
11/12/99	B	10,000 shares	26.039	260,390	
11/12/99	B	5,000 shares	26.375	131,875	
12/01/99	Announcement				
12/01/99	S	500 shares	28		14,000
12/02/99	S	29,800 shares	27.094		807,401
			Profit		\$69,678
			Return		9%

Date	Transaction	Amount	Price	Debit	Credit
11/15/99	B	10,000 shares	26.253	\$262,530	
12/1/99	Announcement				
12/2/99	S	500 shares	26.875		13,438
12/2/99	S	1,000 shares	27.4375		27,438
12/2/99	S	1,000 shares	27.625		27,625
12/2/99	S	400 shares	27.5		11,000
12/2/90	S	500 shares	27.5625		13,781
12/2/99	S	1,000 shares	27.4375		27,438
12/2/99	S	1,000 shares	27.375		27,375
12/2/99	S	1,000 shares	27.5		27,500
12/2/99	S	1,000 shares	27.75		27,750
12/2/99	S	1,000 shares	27.75		27,750
12/2/99	S	1,000 shares	27.2125		27,213
12/2/99	S	600 shares	27.75		16,650
			Profit		\$12,428
			Return		4%

Force's Daughter's trading:

Date	Transaction	Amount	Price	Debit	Credit
11/16/99	B	1,900 shares	26	49,400	
11/16/99	B	400 shares	26	10,400	
11/16/99	B	3,700 shares	26	96,200	
12/1/99	Announcement				
12/2/99	S	3,000 shares	28.5		\$85,500
12/3/99	S	3,000 shares	29.5		\$88,500
			Profit		\$18,000
			Return		11.5%