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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 MOJAVE VALLEY RESORT, INC. and
18 MARK A. TEMPLE,

19 Defendants.

Case No.

COMPLAINT

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

22 **JURISDICTION AND VENUE**

23 1. The Commission brings this action pursuant to Sections 20(b) and
24 20(d) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §77t(b) and
25 77t(d)] and Sections 21(d) and 21(e) of the Securities Exchange Act of 1934
26 ("Exchange Act") [15 U.S.C. §§ 78u(d) and 78u(e)]. This Court has jurisdiction
27 over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. §77v(a)]
28 and Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa].

2. Mojave Valley Resort, Inc. and Mark A. Temple directly or
indirectly, have each made use of the means and instrumentalities of interstate
commerce, of the mails, or of the facilities of a national securities exchange, in

1 connection with the acts, practices, and courses of business and transactions
2 alleged herein.

3 3. This district is an appropriate venue for this action under Section
4 22(a) of the Securities Act [15 U.S.C. §77v(a)] and Section 27 of the Exchange Act
5 [15 U.S.C. § 78aa], because defendant Temple lives in Palm Springs, California.

6 **SUMMARY OF THE ACTION**

7 4. Defendants Mojave Valley Resort, Inc. (“MVRI”) and Mark A.
8 Temple (“Temple”) made fraudulent misrepresentations to municipal bond
9 investors who funded Defendants’ Nevada construction project.

10 5. MVRI, a Nevada corporation owned and managed by Temple, is
11 the developer of a casino and housing project on Indian land near Laughlin,
12 Nevada. To construct the development, MVRI obtained a long-term lease on the
13 Indian property. MVRI and Temple (collectively “Defendants”) falsely stated in
14 the offering materials that the \$12.75 million in bonds being issued to fund this
15 development were secured by deeds of trust on MVRI’s leasehold interest in the
16 Indian property. In fact, the developer had not taken the necessary steps to create
17 valid deeds of trust and therefore the deeds did not provide any security to
18 bondholders in the event of default. MVRI has defaulted on its obligation to
19 make timely payments on the bonds, and investors are owed approximately \$11
20 million.

21 6. Defendants knew or were reckless in not knowing that the Official
22 Statement’s representation to investors that there was a valid security interest in
23 MVRI’s leasehold interest in the Indian lands was false and misleading.
24 Accordingly, MVRI and Temple violated the antifraud provisions of the federal
25 securities laws.

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27 //

28 **THE DEFENDANTS**

1 Development Finance Agreement, an exhibit to the Official Statement, that it had
2 the power and authority to execute the deeds of trust. The developer was a party to
3 the Master Lease, which set forth the requirement that approvals be obtained from
4 the tribe and the BIA.

5 **Defendants Default**

6 18. In fall 2002, the Indian tribe notified MVRI that it was in default
7 under the lease for failing to build a casino. On February 13, 2003, in its
8 Continuing Secondary Disclosure Report, MVRI disclosed that the bonds were not
9 secured because the tribe and the BIA never approved the deeds securing the
10 bonds. Currently, MVRI is in default on the bond and interest payments.

11 **FIRST CLAIM FOR RELIEF**

12 *Violation of Section 10(b) of the Exchange Act*
13 *and Rule 10b-5*

14 19. The Commission realleges and incorporates by reference
15 Paragraphs 1 through 18 above.

16 20. During the relevant period, MVRI and Temple directly or
17 indirectly, in connection with the purchase or sale of securities, by the use of
18 means or instrumentalities of interstate commerce, or of the mails, with scienter:

19 (a) employed devices, schemes, or artifices to defraud;

20 (b) made untrue statements of material facts or omitted to state
21 material facts necessary in order to make the statements made, in the light of the
22 circumstances under which they were made, not misleading; and

23 (c) engaged in acts, practices, or courses of business which
24 operated or would operate as a fraud or deceit upon other persons, including
25 purchasers and sellers of securities.

26 21. MVRI and Temple have violated and, unless restrained and
27 enjoined, will continue to violate Section 10(b) of the Exchange Act, 15 U.S.C.
28 §78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5.

1 **SECOND CLAIM FOR RELIEF**

2 *Violation of Section 17(a) of the Securities Act*

3 22. The Commission realleges and incorporates by reference
4 Paragraphs 1 through 18 above.

5 23. During the relevant period, MVRI and Temple directly or
6 indirectly, in the offer or sale of any security, by the use of means or
7 instrumentalities of interstate commerce, or of the mails, with scienter:

8 (a) employed any device, scheme, or artifice to defraud;

9 (b) obtained money or property by means of any untrue
10 statement of a material fact or any omission of a material fact necessary in order to
11 make the statements made, in light of the circumstances under which they were
12 made, not misleading; or

13 (c) engaged in any transaction, practice, or course of business
14 which operates or would operate as a fraud or deceit upon the purchaser.

15 24. MVRI and Temple have violated and, unless restrained and
16 enjoined, will continue to violate Section 17(a) of the Securities Act, 15 U.S.C. §
17 77q(a).

18 **PRAYER FOR RELIEF**

19 WHEREFORE, the Commission respectfully requests that this Court:

20 I.

21 Permanently enjoin defendants MVRI and Temple from violating Sections
22 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the
23 Securities Act.

24 II.

25 Order defendants MVRI and Temple to disgorge any ill-gotten gains.

26 III.

27 Order defendants MVRI and Temple to pay civil penalties.

28 IV.

1 Retain jurisdiction of this action in accordance with the principles of equity
2 and the Federal Rules of Civil Procedure in order to implement and carry out the
3 terms of all orders and decrees that may be entered, or to entertain any suitable
4 application or motion for additional relief within the jurisdiction of this Court.

5 V.

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

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11 Dated: _____, 2004

Respectfully submitted,

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15 Sheila E. O'Callaghan
16 Attorney for Plaintiff
17 SECURITIES AND EXCHANGE
18 COMMISSION
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