

1 JOHN B. BULGOZDY, Cal Bar No. 219897
 Email: bulgozdyj@sec.gov
 2 NICHOLAS S. CHUNG, Cal Bar No. 192784
 Email: chungni@sec.gov
 3 MORGAN B. WARD DORAN, Cal. Bar No. 246107
 Email: warddoranim@sec.gov

4 Attorneys for Plaintiff
 5 Securities and Exchange Commission
 Rosalind R. Tyson, Regional Director
 6 Andrew G. Petillon, Associate Regional Director
 John M. McCoy III, Regional Trial Counsel
 7 5670 Wilshire Boulevard, 11th Floor
 Los Angeles, California 90036-3648
 8 Telephone: (323) 965-3998
 Facsimile: (323) 965-3908
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 11 **UNITED STATES DISTRICT COURT**
 12 **CENTRAL DISTRICT OF CALIFORNIA**
 13 **SOUTHERN DIVISION**

14 SECURITIES AND EXCHANGE
 COMMISSION,

15 Plaintiff,

16 vs.

17 MEDICAL CAPITAL HOLDINGS,
 18 INC.; MEDICAL CAPITAL
 CORPORATION; MEDICAL
 19 PROVIDER FUNDING
 CORPORATION VI; SIDNEY M.
 20 FIELD; and JOSEPH J.
 LAMPARIELLO,

21 Defendants.
 22

Case No. SA CV09-0818 DOC(RNBx)

**TEMPORARY RESTRAINING
 ORDER AND ORDERS: (1)
 FREEZING ASSETS; (2)
 APPOINTING A TEMPORARY
 RECEIVER; (3) PROHIBITING
 THE DESTRUCTION OF
 DOCUMENTS; AND (4)
 REQUIRING ACCOUNTINGS;
 AND ORDER TO SHOW CAUSE
 RE PRELIMINARY INJUNCTION
 AND APPOINTMENT OF A
 PERMANENT RECEIVER**

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1 This matter came to be heard upon the *Ex Parte* Application of Plaintiff
2 Securities and Exchange Commission ("Commission") for a Temporary
3 Restraining Order and Orders: (1) Freezing Assets, (2) Appointing a Temporary
4 Receiver, (3) Prohibiting the Destruction of Documents, (4) Granting Expedited
5 Discovery, and (5) Requiring Accountings; and Order to Show Cause re
6 Preliminary Injunction and Appointment of a Permanent Receiver (the
7 "Application").

8 The Court, having considered the Commission's Complaint, the Application,
9 the supporting Memorandum of Points and Authorities, Declarations and Exhibits,
10 Plaintiffs' Opposition, the Commissions' Reply, and other evidence and argument
11 presented regarding the Application, finds that:

12 A. This Court has jurisdiction over the parties to, and the subject matter
13 of, this action.

14 B. Good cause exists to believe that defendants Medical Capital
15 Holdings, Inc. ("MCHI"), Medical Capital Corporation ("MCC"), Medical
16 Provider Funding Corporation VI ("MP VI), Sidney M. Field ("Field"), and Joseph
17 J. Lampariello ("Lampariello"), and each of them, have engaged in, are engaging
18 in, and are about to engage in transactions, acts, practices and courses of business
19 that constitute violations of Section 17(a) of the Securities Act of 1933 ("Securities
20 Act"), 15 U.S.C. §§ 77q(a), Section 10(b) of the Securities Exchange Act of 1934
21 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §
22 240.10b-5.

23 C. The Commission has demonstrated a probability of success on the
24 merits in this action and the possibility of dissipation of assets.

25 D. Good cause exists to believe that defendants will continue to engage
26 in such violations to the immediate and irreparable loss and damage to investors
27 and to the general public unless they are restrained and enjoined.

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I.

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IT IS HEREBY ORDERED that the Commission's Application for a Temporary Restraining Order and Orders: (1) Freezing Assets, (2) Appointing a Temporary Receiver, (3) Prohibiting the Destruction of Documents, and (4) Requiring Accountings; and Order to Show Cause Re Preliminary Injunction and Appointment of a Permanent Receiver is GRANTED.

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II.

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IT IS FURTHER ORDERED that defendants MCHI, MCC, MP VI, Field, and Lampariello, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are temporarily restrained and enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

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A. employing any device, scheme or artifice to defraud;

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B. obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

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C. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser;

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in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

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III.

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IT IS FURTHER ORDERED that defendants MCHI, MCC, MP VI, Field, and Lampariello, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with

1 any of them, who receive actual notice of this Order, by personal service or
 2 otherwise, and each of them, be and hereby are temporarily restrained and enjoined
 3 from, directly or indirectly, in connection with the purchase or sale of any security,
 4 by the use of any means or instrumentality of interstate commerce, or of the mails,
 5 or of any facility of any national securities exchange:

6 A. employing any device, scheme or artifice to defraud;

7 B. making any untrue statement of a material fact or omitting to state a
 8 material fact necessary in order to make the statements made, in the
 9 light of the circumstances under which they were made, not
 10 misleading; or

11 C. engaging in any act, practice, or course of business which operates or
 12 would operate as a fraud or deceit upon any person;

13 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule
 14 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

15 **IV.**

16 **IT IS FURTHER ORDERED** that defendant MCC and its officers, agents,
 17 servants, employees, attorneys, subsidiaries and affiliates, and those persons in
 18 active concert or participation with it, who receive actual notice of this Order, by
 19 personal service or otherwise, and each of them, be and hereby are temporarily
 20 restrained and enjoined from, directly or indirectly, in connection with the
 21 purchase or sale of securities, by the use of means or instrumentalities of interstate
 22 commerce, or the mails, or of any facility of any national securities exchange,
 23 aiding and abetting any person to:

24 A. employ any device, scheme or artifice to defraud;

25 B. make any untrue statement of a material fact or omitting to state a
 26 material fact necessary in order to make the statements made, in the
 27 light of the circumstances under which they were made, not
 28 misleading; or

1 C. engage in any act, practice, or course of business which operates or
 2 would operate as a fraud or deceit upon any person;
 3 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule
 4 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

5 V.

6 IT IS FURTHER ORDERED that, except as otherwise ordered by this
 7 Court, defendants MCHI, MCC, MP VI, Field, and Lampariello and their officers,
 8 agents, servants, employees, attorneys, subsidiaries and affiliates, and those
 9 persons in active concert or participation with any of them, who receive actual
 10 notice of this Order, by personal service or otherwise, and each of them, be and
 11 hereby are temporarily restrained and enjoined from, directly or indirectly:

12 A. transferring, assigning, selling, hypothecating, changing, wasting,
 13 dissipating, converting, concealing, encumbering, or otherwise
 14 disposing of, in any manner, any funds, assets, securities, claims, or
 15 other real or personal property, wherever located, of defendants
 16 MCHI, MCC, MP VI, Field, and Lampariello, or their subsidiaries or
 17 affiliates, owned by, controlled by, managed by or in the possession or
 18 custody of any of them;

19 B. transferring, assigning, selling, hypothecating, encumbering, or
 20 otherwise disposing of any securities, including, but not limited to,
 21 any investment contracts or other securities of defendants MCHI,
 22 MCC, MP VI, Field, and Lampariello, or any of their subsidiaries or
 23 affiliates.

24 VI.

25 IT IS FURTHER ORDERED that, except as otherwise ordered by this
 26 Court, an immediate freeze shall be placed on all monies and assets (with an
 27 allowance for necessary and reasonable living expenses to be granted only upon
 28 good cause shown by application to the Court with notice to and an opportunity for

1 the Commission to be heard) in all accounts at any bank, financial institution or
 2 brokerage firm, all certificates of deposit, and other funds or assets, held in the
 3 name of, for the benefit of, or over which account authority is held by MCHI,
 4 MCC, and MP VI, or any entity affiliated with any of them, including, but not
 5 limited to, the accounts set forth below:

Defendant	Account Number	Bank Name
MCC	[REDACTED] 5853	Bank of America
MCC	[REDACTED] 2461	Comerica Bank
MCC	[REDACTED] 6714	Bank of America
MCC	[REDACTED] 7484	Bank of America
MCC	[REDACTED] 9331	Bank of America
MCC	[REDACTED] 9988	Bank of America
MCC	[REDACTED] 7764	Bank of America
MCC	[REDACTED] 9935	Bank of America
MCC	[REDACTED] 9948	Bank of America
MCC	[REDACTED] 5440	Bank of America
MCC	[REDACTED] 7805	Bank of America
MCC	[REDACTED] 7818	Bank of America
MCC	[REDACTED] 7561	Bank of America
MCHI	[REDACTED] 1812	Comerica Bank
MCHI	[REDACTED] 0426	Bank of America
MCHI	[REDACTED] 1450	Bank of America
MPFC Funds Account	[REDACTED] 6771	Wells Fargo Bank
MPFC VI	[REDACTED] 3384	City National Bank
MPFC VI	[REDACTED] 4860	City National Bank
MPFC VI	[REDACTED] 3415	Bank of New York
MPFC VI	Unknown	California Bank & Trust
MPFC VI	Unknown	Comerica Bank
MPFC VI	Unknown	Wells Fargo Bank
MPFC VI	Unknown	Zions First National Bank

VII.

25 IT IS FURTHER ORDERED that Thomas A. Seaman is appointed as
 26 temporary receiver of MCHI, MCC, and MP VI, and their subsidiaries and
 27 affiliates, with full powers of an equity receiver, including, but not limited to, full
 28 power over all funds, assets, collateral, premises (whether owned, leased,

1 occupied, or otherwise controlled), choses in action, books, records, papers and
2 other property belonging to, being managed by or in the possession of or control of
3 MCHI, MCC, MP VI, and their subsidiaries and affiliates, and that such receiver is
4 immediately authorized, empowered and directed:

5 A. to have access to and to collect and take custody, control, possession,
6 and charge of all funds, assets, collateral, premises (whether owned,
7 leased, occupied, or otherwise controlled), choses in action, books,
8 records, papers and other real or personal property, wherever located,
9 of or managed by MCHI, MCC, and MP VI, and their subsidiaries and
10 affiliates, with full power to sue, foreclose, marshal, collect, receive,
11 and take into possession all such property (including access to and
12 taking custody, control, and possession of all such MCHI, MCC, and
13 MP VI property, and that of their subsidiaries and affiliates;

14 B. to have control of, and to be added as the sole authorized signatory
15 for, all accounts of the entities in receivership, including all accounts
16 at any bank, title company, escrow agent, financial institution or
17 brokerage firm (including any futures commission merchant) which
18 has possession, custody or control of any assets or funds of MCHI,
19 MCC, and MP VI, and their subsidiaries and affiliates, or which
20 maintains accounts over which MCHI, MCC, and MP VI, and their
21 subsidiaries and affiliates, and/or any of their employees or agents
22 have signatory authority;

23 C. to conduct such investigation and discovery as may be necessary to
24 locate and account for all of the assets of or managed by MCHI,
25 MCC, and MP VI, and their subsidiaries and affiliates, and to engage
26 and employ attorneys, accountants and other persons to assist in such
27 investigation and discovery;
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- 1 D. to take such action as is necessary and appropriate to preserve and
- 2 take control of and to prevent the dissipation, concealment, or
- 3 disposition of any assets of or managed by MCHI, MCC, and MP VI,
- 4 and their subsidiaries and affiliates;
- 5 E. to make an accounting, on or before August 12, 2009 at 12:00 p.m., to
- 6 this Court and the Commission of the assets and financial condition of
- 7 MCHI, MCC, and MP VI, and to file the accounting with the Court
- 8 and deliver copies thereof to all parties;
- 9 F. to make such payments and disbursements from the funds and assets
- 10 taken into custody, control, and possession or thereafter received by
- 11 him or her, and to incur, or authorize the making of, such agreements
- 12 as may be necessary and advisable in discharging his or her duties as
- 13 temporary receiver;
- 14 G. to employ attorneys, accountants, and others to investigate and, where
- 15 appropriate, to institute, pursue, and prosecute all claims and causes of
- 16 action of whatever kind and nature which may now or hereafter exist
- 17 as a result of the activities of present or past employees or agents of
- 18 MCHI, MCC, and MP VI, and their subsidiaries and affiliates; and
- 19 H. to have access to and monitor all mail, electronic mail, and video
- 20 phone of the entities in receivership in order to review such mail,
- 21 electronic mail, and video phone which he or she deems relates to
- 22 their business and the discharging of his or her duties as temporary
- 23 receiver.

VIII.

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25 IT IS FURTHER ORDERED that defendants MCHI, MCC, MP VI, Field,

26 and Lampariello, their subsidiaries and affiliates, including all of the other entities

27 in receivership, and their officers, agents, servants, employees and attorneys, and

28 any other persons who are in custody, possession or control of any assets,

1 collateral, books, records, papers or other property of or managed by any of the
2 entities in receivership, shall forthwith give access to and control of such property
3 to the temporary receiver.

4 IX.

5 IT IS FURTHER ORDERED that no officer, agent, servant, employee or
6 attorney of MCHI, MCC, MP VI, Field, and Lampariello shall take any action or
7 purport to take any action, in the name of or on behalf of MCHI, MCC, and MP
8 VI, without the written consent of the temporary receiver or order of this Court.

9 X.

10 IT IS FURTHER ORDERED that, except by leave of this Court, during the
11 pendency of this receivership, all clients, investors, trust beneficiaries, note
12 holders, creditors, claimants, lessors and all other persons or entities seeking relief
13 of any kind, in law or in equity, from MCHI, MCC, MP VI, Field, and
14 Lampariello, or their subsidiaries or affiliates, and all persons acting on behalf of
15 any such investor, trust beneficiary, note holder, creditor, claimant, lessor,
16 consultant group or other person, including sheriffs, marshals, servants, agents,
17 employees and attorneys, are hereby restrained and enjoined from, directly or
18 indirectly, with respect to these persons and entities:

- 19 A. commencing, prosecuting, continuing or enforcing any suit or
20 proceeding (other than the present action by the Commission or any
21 other action by the government) against any of them;
- 22 B. using self-help or executing or issuing or causing the execution or
23 issuance of any court attachment, subpoena, replevin, execution or
24 other process for the purpose of impounding or taking possession of
25 or interfering with or creating or enforcing a lien upon any property or
26 property interests owned by or in the possession of MCHI, MCC, and
27 MP VI; and
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1 C. doing any act or thing whatsoever to interfere with taking control,
2 possession or management by the temporary receiver appointed
3 hereunder of the property and assets owned, controlled or managed by
4 or in the possession of MCHI, MCC, and MP VI, or in any way to
5 interfere with or harass the temporary receiver or his or her attorneys,
6 accountants, employees, or agents or to interfere in any manner with
7 the discharge of the temporary receiver's duties and responsibilities
8 hereunder.

9 XI.

10 IT IS FURTHER ORDERED that defendants MCHI, MCC, MP VI, Field,
11 and Lampariello, and their subsidiaries, affiliates, officers, agents, servants,
12 employees and attorneys, shall cooperate with and assist the temporary receiver
13 and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise
14 interfere with the temporary receiver or his or her attorneys, accountants,
15 employees or agents, in the conduct of the temporary receiver's duties or to
16 interfere in any manner, directly or indirectly, with the custody, possession,
17 management, or control by the temporary receiver of the funds, assets, collateral,
18 premises, and choses in action described above.

19 XII.

20 IT IS FURTHER ORDERED that defendants MCHI, MCC, MP VI, Field,
21 and Lampariello, and their subsidiaries and affiliates, shall pay the costs, fees and
22 expenses of the temporary receiver incurred in connection with the performance of
23 his or her duties described in this Order, including the costs and expenses of those
24 persons who may be engaged or employed by the temporary receiver to assist him
25 or her in carrying out his or her duties and obligations. All applications for costs,
26 fees, and expenses for services rendered in connection with the receivership other
27 than routine and necessary business expenses in conducting the receivership, such
28 as salaries, rent, and any and all other reasonable operating expenses, shall be

1 made by application setting forth in reasonable detail the nature of the services and
2 shall be heard by the Court.

3 **XIII.**

4 **IT IS FURTHER ORDERED** that no bond shall be required in connection
5 with the appointment of the temporary receiver. Except for an act of gross
6 negligence, the temporary receiver shall not be liable for any loss or damage
7 incurred by any of the defendants, their officers, agents, servants, employees and
8 attorneys or any other person, by reason of any act performed or omitted to be
9 performed by the temporary receiver in connection with the discharge of his or her
10 duties and responsibilities.

11 **XIV.**

12 **IT IS FURTHER ORDERED** that representatives of the Commission and
13 any other government agency are authorized to have continuing access to inspect
14 or copy any or all of the corporate books and records and other documents of
15 MCHI, MCC, MP VI, Field, and Lampariello, and the other entities in
16 receivership, and continuing access to inspect their funds, property, assets and
17 collateral, wherever located.

18 **XV.**

19 **IT IS FURTHER ORDERED** that, except as otherwise ordered by this
20 Court, defendants MCHI, MCC, MP VI, Field, and Lampariello, and their officers,
21 agents, servants, employees, attorneys, subsidiaries and affiliates, including any
22 other entities in receivership, and those persons in active concert or participation
23 with any of them, who receive actual notice of this Order, by personal service or
24 otherwise, and each of them, be and hereby are temporarily restrained and enjoined
25 from, directly or indirectly: destroying, mutilating, concealing, transferring,
26 altering, or otherwise disposing of, in any manner, any documents, which includes
27 all books, records, computer programs, computer files, computer printouts,
28 contracts, correspondence, memoranda, brochures, or any other documents of any

1 kind in their possession, custody or control, however created, produced, or stored
2 (manually, mechanically, electronically, or otherwise), pertaining in any manner to
3 defendants MCHI, MCC, MP VI, Field, and Lampariello, and their subsidiaries
4 and affiliates.

5 **XVI.**

6 IT IS FURTHER ORDERED that defendants Field, and Lampariello shall,
7 within five days of the issuance of this Order, prepare and deliver to the
8 Commission a detailed and complete schedule of all of their personal assets,
9 including all real and personal property exceeding \$5,000 in value, and all bank,
10 securities, futures and other accounts identified by institution, branch address and
11 account number. The accounting shall include a description of the source(s) of all
12 such assets. Such accounting shall be filed with the Court and a copy shall be
13 delivered to the Commission's Los Angeles Regional Office. After completion of
14 the accounting, defendants Field, and Lampariello shall produce to the
15 Commission's Los Angeles Regional Office, at a time agreeable to the
16 Commission, all books, records and other documents supporting or underlying
17 their accounting.

18 **XVII.**

19 IT IS FURTHER ORDERED that defendants MCHI, MCC, MP VI, Field,
20 and Lampariello, and their officers, agents, servants, employees, attorneys,
21 subsidiaries and affiliates, including the other entities in receivership, shall, within
22 24 hours of the issuance of this Order, cause to be prepared and delivered to the
23 temporary receiver, a detailed and complete schedule of all desk top computers,
24 laptop computers and/or personal digital assistants ("PDA") owned and/or used by
25 them in connection with their business. In the case of defendants Field, and
26 Lampariello, they shall, within 24 hours of the issuance of this Order, prepare and
27 deliver to the temporary receiver, a detailed and complete schedule of all desk top
28 computers, laptop computers and/or PDA's owned, controlled or used by them for

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1 any purpose. The schedules required by this section shall include at a minimum
2 the make, model and description of each computer and/or PDA, along with its
3 location, the name of the person primarily assigned to use the computer and/or
4 PDA, all passwords necessary to access the computer and/or PDA, and all
5 passwords necessary to access and use the software contained on the computer
6 and/or PDA. The temporary receiver shall be authorized to make an electronic,
7 digital or hard copy of all of the data contained on the computers and/or PDAs.

8 **XVIII.**

9 IT IS FURTHER ORDERED that defendants MCHI, MCC, MP VI, Field,
10 and Lampariello, and their officers, agents, servants, employees, attorneys,
11 subsidiaries and affiliates, including the other entities in receivership, shall, within
12 24 hours of the issuance of this Order, cause to be prepared and delivered to the
13 temporary receiver, a detailed and complete schedule of all passwords, usernames,
14 and identification numbers for all web sites, email accounts, and all accounts at any
15 bank, financial institution or brokerage firm operated by or to which MCHI, MCC,
16 and MP VI has access.

17 **XIX.**

18 IT IS FURTHER ORDERED that this Temporary Restraining Order shall
19 expire at 11:59 a.m. on August 17, 2009, unless, for good cause shown, it is
20 extended or unless the parties against whom it is directed consent that it may be
21 extended for a longer period.

22 **XX.**

23 IT IS FURTHER ORDERED that at **8:30 a.m. on August 17, 2009**, or as
24 soon thereafter as the parties can be heard, the defendants, and each of them, shall
25 appear before the Honorable David O. Carter, Judge of the United States District
26 Court for the Central District of California, to show cause, if there be any, why a
27 preliminary injunction should not be granted and a permanent receiver not
28 appointed in accordance with the prayer for relief contained in this Complaint filed

1 by the Commission. Any declarations, affidavits, points and authorities, or other
 2 submissions in support of, or in opposition to, the issuance of such an Order shall
 3 be filed with the Court and delivered to the Commission's Los Angeles office and
 4 the offices of the defendants and/or their attorneys no later than 12:00 p.m. on
 5 August 10, 2009. Any reply papers shall be filed with the Court and delivered to
 6 opposing counsel no later than 12:00 p.m. on August 13, 2009. Service of all such
 7 papers shall be by electronic mail, facsimile, or personal service.

8 **XXI.**

9 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over
 10 this action for the purpose of implementing and carrying out the terms of all orders
 11 and decrees which may be entered herein and to entertain any suitable application
 12 or motion for additional relief within the jurisdiction of this Court.

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14 IT IS SO ORDERED.

15
16 DATED: August 3, 2009

17 TIME: 8:25 a.m.
18

19
20 *David O. Carter*

21 UNITED STATES DISTRICT JUDGE

22 Presented by:
23

24 _____
 25 John B. Bulgozdy
 26 Nicholas S. Chung
 27 Morgan B. Ward Doran
 28 Attorneys for Plaintiff
 Securities and Exchange Commission