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SUPERIOR COURT OF NEW JERSEY
MONMOUTH COUNTY
CHANCERY DIVISION: GENERAL EQUITY

DOCKET NO. _____

ANNE MILGRAM,)
Attorney General of New Jersey,) Civil Action
on behalf of VINCENT J. OLIVA,)
Chief of the New Jersey) **VERIFIED COMPLAINT**
Bureau of Securities,)
)
Plaintiff,)
)
v.)
)
MICHAEL D'ANGELO, Individually)
and as a Member of CMR MNGT.)
GROUP LLC;)
DIANA D'ANGELO, Individually and)
as Vice President of CMR)
MNGT. GROUP LLC;)
RICHARD SLADEK, Individually and)
as a Member of CMR MNGT.)
GROUP LLC;)
CHARLES T. BARBERO, Individually)
and as a Member of CMR MNGT.)
GROUP LLC;)
CMR MNGT. GROUP, LLC, a New)
Jersey limited liability company;)
)
Defendants.)

Anne Milgram, Attorney General of New Jersey, with offices located at 124 Halsey Street, Newark, New Jersey, on behalf of Plaintiff, Vincent P. Oliva, Chief of the New Jersey Bureau of Securities ("Plaintiff"), having offices at 153 Halsey Street in the City of Newark, County of Essex, State of New Jersey, by way of Verified Complaint, says:

JURISDICTION

1. Plaintiff is the principal executive of the New Jersey Bureau of Securities (the "Bureau").
2. The Bureau is a state regulatory agency charged with administration and enforcement of the New Jersey Uniform Securities Law (1997) N.J.S.A. 49:3-47 et seq. ("Securities Law").
3. Plaintiff brings this action under the Securities Law for violations of: N.J.S.A. 49:3-52(a) (employing a device, scheme, or artifice to defraud); N.J.S.A. 49:3-52(b) (making false statements of or omitting material facts); N.J.S.A. 49:3-52(c) (engaging in an act, practice or course of business that operates as a fraud or deceit); N.J.S.A. 49:3-60 (selling unregistered securities); N.J.S.A. 49:3-56(a) (acting as an agent without registration); and N.J.S.A. 49:3-56(h) (employing unregistered agents).
4. This securities fraud action is brought in response to a Ponzi scheme operated by certain of the defendants, all of

whom are New Jersey residents and/or entities, who received more than \$3,260,000 from 26 investors, 24 of whom are New Jersey residents. The conduct primarily involved the making material misrepresentations and omissions of material information in connection with an offer or sale of unregistered securities by persons who were not registered to sell securities in the State of New Jersey, and misapplication of the investors' money to personal use.

PARTIES

5. Defendant Michael D'Angelo ("D'Angelo") is an individual residing in Perrineville, New Jersey.
6. Perrineville, New Jersey is also known as Millstone Township, New Jersey.
7. Defendant D'Angelo was a member and President CMR Mngt. Group, LLC ("CMR") from the time of its formation.
8. Defendant Diana D'Angelo is an individual residing in Perrineville, New Jersey.
9. At all relevant times, Diana D'Angelo was married to D'Angelo.
10. Defendant Richard Sladek ("Sladek") is an individual residing in Plainsboro, New Jersey.
11. At all relevant times, Defendant Sladek was a member of CMR.
12. Defendant Charles T. Barbero ("Barbero") is an individual residing in Parlin, New Jersey.

13. At all relevant times, Defendant Barbero was a member of CMR.
14. Defendant CMR is a New Jersey limited liability company, which was formed on or about November 18, 2004.
15. Defendant CMR maintained offices: first, in Clark, New Jersey; next in Parlin, New Jersey; and later at D'Angelo's home at 3 Emory Court, Perrineville, New Jersey.
16. The acronym "CMR" represents the first initial of the first names of Barbero, D'Angelo and Sladek.
17. At the time of the formation of CMR, D'Angelo, Sladek and Barbero were equal members of CMR.
18. The membership interests changed on August 5, 2005 pursuant to an arrangement where D'Angelo held a 95% interest in CMR and Sladek and Barbero each owned a 2-1/2% interest.

THE CMR CAPITAL ENHANCEMENT PROGRAM

19. From approximately January 27, 2004 through January 2006, defendants, D'Angelo, Sladek, Barbero, and CMR after its formation, offered and sold securities in the form of investment contracts from and within New Jersey.
20. The securities sold by defendant CMR through defendants D'Angelo, Sladek and Barbero were not registered with the Bureau nor were they exempt from registration with the Bureau.
21. Neither CMR, D'Angelo, Sladek nor Barbero were registered

- with the Bureau in any capacity.
22. The securities offered for sale by D'Angelo, Sladek, and Barbero and later by CMR were referred to by D'Angelo, Sladek and Barbero as the "Capital Enhancement Program" (the "Program").
 23. The securities offered for sale were sold to investors by D'Angelo, Sladek and Barbero,
 24. D'Angelo, Sladek and/or Barbero falsely represented to investors that the Program guaranteed a return of between 5% and 12% interest per month on the principal investment (depending on the investor) and return of the principal at the end of twelve (12) months.
 25. A second investment program was offered to investors that guaranteed a higher monthly interest rate of 15% and return of the principal at the end of twelve (12) months.
 26. D'Angelo, Sladek and/or Barbero falsely represented to investors that the second investment program guaranteed a return of 15% per month and return of the principal at the end of twelve (12) months.
 27. D'Angelo, Sladek and Barbero solicited neighbors, friends, business acquaintances and people they knew through relatives to invest in the CMR program.
 28. When potential investors were identified, D'Angelo, and at times Barbero and/or Sladek, communicated the details of the

Program to the investors.

29. Potential investors were, at times, given a tour of D'Angelo's lavish home in the upscale town of Perrineville, New Jersey, and shown the luxury cars driven by D'Angelo and Barbero, and told by D'Angelo that potential investors could live a similar upscale lifestyle if they invested in the Program.
30. D'Angelo showed investor Richard Felicetti the details of D'Angelo's bank account on a computer screen.
31. D'Angelo showed a currency trade on a computer screen to investor Glenn Silbert ("Silbert") and told Silbert the trade was with the King of Brunei.
32. Barbero told Silbert and Patti Shea of the purported financial success he enjoyed from his business relationship with D'Angelo.
33. D'Angelo controlled and maintained the books, records and accounts of CMR.
34. D'Angelo issued the interest checks to investors on behalf of CMR.
35. D'Angelo responded to investor inquiries about the status of their investments in the Program.
36. Prospective investors were told by D'Angelo, Sladek and Barbero that investors had to be "invited" into the Program.
37. Investors were told by D'Angelo, Sladek and Barbero not to

discuss the solicitation with other people.

38. D'Angelo, Sladek and/or Barbero falsely represented to investors that:

(A) their money was safe - that it would be placed in a "non-depletion account" from which it could not be withdrawn - and that while deposited in the "non-depletion account," the investors' money would serve as a guarantee of capital behind the profit-making activity;

(B) at the end of a 12-month period, or sooner in some cases, the principal would be repaid to the investor or rolled over into a new investment program.

39. D'Angelo falsely represented to investors the way in which CMR would generate the profit to pay the monthly interest rate including foreign currency trading or currency swaps, unspecified activity involving Switzerland, U.S. federal government money manipulation, and trading in large blocks of bank notes.

40. D'Angelo falsely represented to investors Richard Felicetti and Joanne Felicetti that:

(A) that Bill Clark's father-in-law, who D'Angelo described as trading with the big guys, was involved in the profit-making activity;

(B) D'Angelo was paying \$5,000 a day to an attorney in

Switzerland who was engaged in an unexplained profit-making trading that was only being performed by four traders in the world; and

(C) the book The Creature from Jekyll Island would help the Felicettis understand what was happening.

41. D'Angelo falsely represented to investor Debra Emanuel that the profit making end of the investment was secretive and involved the government doing something with the investment money which generated a great return.
42. D'Angelo falsely represented to investors Saverio Iosue and Elizabeth Iosue that CMR sought to make a profit from secret U.S. federal bond programs, and that the bonds were to be sold and resold, with the money eventually ending up in Switzerland.
43. D'Angelo and Barbero also encouraged the Iosues to read The Creature from Jekyll Island.
44. D'Angelo falsely represented to investors James Murray and Karen Laible that CMR invested in large-volume blocks of bank notes (\$50,000 minimum) which guaranteed a 5% return per month, CMR made money by investing overseas, and their money would not be invested directly, but placed into secure "non-depletion bank accounts" and used as collateral by individuals who traded large blocks of bank notes.
45. D'Angelo recommended that Murray and Liabile read The

Creature from Jekyll Island.

46. D'Angelo falsely represented to investor Glenn Silbert that the CMR investment money would be placed in a pool of money to function as a bank, CMR would use that money to access U.S. federal funds and create financial leverage to swap currencies overseas, reaping large profits in the process, and that D'Angelo was involved with large dollar investors, through the access provided by Bill Clark's father.
47. D'Angelo, Sladek and Barbero assisted certain investors in obtaining the cash needed to invest in the Program through mortgage refinancing.
48. Investors were provided with the contact information at certain mortgage lenders and a particular law firm who would assist the investors in using the equity in their homes to invest in the Program by refinancing their homes or refinancing their mortgage loans.
49. D'Angelo attended some of the investor mortgage refinancing and home equity transactions, and at times left as soon as the money was transferred.
50. Investors included a widowed mother of two children, who used the insurance proceeds from her husband's life insurance policy to invest in the purported CMR Program, and an elderly, retired couple who worked in a factory throughout their lives, bought two homes and sold one so the

- sale proceeds could be invested in the purported Program.
51. D'Angelo falsely represented to investor Saverio Iosue that the money he withdrew from his union's annuity fund would be invested in the CMR Mngt. Group LLC Annuity Fund.
 52. In truth and fact, the Iosue annuity money was deposited into CMR's business checking account.
 53. Certain other investors used the proceeds from home equity loans to invest in the Program.
 54. D'Angelo, Sladek and Barbero raised more than \$3,260,000 from their solicitation of investors.
 55. Some investors received two to three payments purporting to represent the monthly interest from the Program.
 56. D'Angelo then lured investors into "rolling over" their investment and/or investing additional money into the second program which purported to pay 15% monthly interest on the principal.
 57. Payments to most investors by CMR eventually ceased.
 58. CMR, through D'Angelo, Sladek and Barbero, falsely represented to investors that the monthly payments could not be made or the principal returned, for a variety of reasons, including:
 - (A) the CMR money was invested in JTA Enterprises, Inc. ("JTA"), a firm controlled by Bill Clark located in Denville, New Jersey, and was frozen by litigation

- commenced by the United States Securities and Exchange Commissions ("SEC") against Travis Correll and others;
- (B) the State of New Jersey had frozen D'Angelo's assets, making investor money unavailable;
 - (C) the CMR money was sent to Singapore where it was invested in a solar panel business;
 - (D) the "Securities Commission" seized the money;
 - (E) a man in Switzerland broke his leg going to the bank;
 - (F) the program had not yet started;
 - (G) the program will not start until a later date;
 - (H) the next check will arrive before Christmas;
 - (I) a man in New Zealand was causing the delay;
 - (J) the package was accidentally sent to Swaziland instead of Switzerland;
 - (K) the banks are closed;
 - (L) there was a waiting period for the program to start;
 - (M) the New Jersey Attorney General froze the money;
 - (N) Bill Clark had taken the money;
 - (O) the money had been seized;
 - (P) the money had financed a failed project;
 - (Q) all the money had gone to "Steve;"
 - (R) after the September 11, 2001 attacks, it became increasingly difficult to move money into the United States from overseas, and the heightened scrutiny was

holding up their payment;

(S) the Swiss banks involved had not received the money to be used for the currency swaps due to difficulties in moving large amounts of money from the United States to Switzerland; and

(T) the first CMR investment program had been liquidated and all the investment money rolled into a second program.

59. D'Angelo falsely told the Iosue investors that if there were no payments back to them by the end of January, CMR would go to an entity called "the Monetary Commission."

60. D'Angelo told some investors not to complain to anybody, including the New Jersey Attorney General, or they would not get their money back.

61. CMR, through D'Angelo, coerced investors into signing forms indicating that the money was a loan and not an investment, and falsely represented to investors that if they did sign, the New Jersey Attorney General would release CMR funds for distribution.

62. Little documentation existed at all regarding investments made in the Program.

63. The CMR investors did not participate in the purported profit-making activity of CMR.

64. Investors were not provided with any documents regarding the

use of investment proceeds or risk disclosures, such as a prospectus, by CMR, D'Angelo, Sladek or Barbero.

65. After the defendants CMR, D'Angelo, Sladek and Barbero became aware of the Bureau's investigation, investors were offered money in exchange for signing releases.
66. Releases were sent to investors by counsel for CMR and D'Angelo.
67. The releases falsely stated that CMR, D'Angelo, Sladek, Barbero and others did not engaged in fraud, misrepresentation or wrongdoing of any kind in regarding any matter involving the investor.
68. Additional releases included additional provisions that falsely stated that CMR, D'Angelo, Sladek, Barbero and others and the investor "have not had any dealings whatsoever in securities, stocks, mutual funds or unit investment trusts."
69. In consideration for signing the release, monies totaling \$1,946,100 were paid from the trust account of counsel for CMR and D'Angelo.
70. After signing the release, some investors were paid the entirety of their principal investment in the Program from the trust account of counsel for CMR and D'Angelo. In other instances, investors only received a partial payment or no payment at all of their principal investment in the Program

from the trust account of counsel for CMR and D'Angelo.

71. Defendants still owe approximately \$690,000 in principal to investors, excluding any promised interest payments.

MISAPPROPRIATION OF CMR INVESTOR MONEY

72. Investor funds were deposited directly into the bank accounts of CMR, D'Angelo and D'Angelo's wife, Diana.
73. The investor funds that were deposited directly into the bank accounts of CMR, D'Angelo and D'Angelo's wife, Diana were commingled with other funds in those accounts.
74. The commingled funds were used to pay D'Angelo and Diana D'Angelo's personal expenses, among other things.
75. D'Angelo transferred a portion of the investor funds to JTA.
76. JTA is a New Jersey entity operated by Bill Clark but owned by his wife, Linda Clark, who was the officer and shareholder of JTA.
77. Linda Clark was also the sole signatory on JTA's bank accounts.
78. In or about December 2005, D'Angelo learned from Bill Clark that JTA was named as a relief defendant in SEC v. Travis E. Correll, Individually and d/b/a Horizon Establishment, Gregory Thompson, Dwight J. Johnson, Harry Robinson "Robbie" Gowdey, Individually and d/b/a Atlas and Jericho Productions, Grant Cardno, Neulan D. Midkiff, Travis Correll & Company, Inc., The Liberty Establishment, Inc., Sovereign

Capital Investments, S.A., TNT Office Supply, Inc., The Net Worth Group, Inc. and Joshua Tree Group LLC, Defendants, and Banner Shield, LLC Hospitality Management Group, Inc., Creative Wealth Ventures, LLC and JTA Enterprises, Relief Defendants, Civil Action No. 4:05CV472, United States District Court, Eastern District of Texas, Sherman Division (the "Correll Litigation").

79. The SEC alleged that Correll was operating a prime bank scheme.
80. The litigation resulted in the freezing of Correll's accounts by the court.
81. D'Angelo shared this information with Sladek and Barbero.
82. Notwithstanding this information, CMR through D'Angelo, continued to operate the CMR investment scheme by the sale of CMR securities to investors Alice and Dominic Caliguiri.
83. On or about July 25, 2007, the SEC brought suit directly against Bill Clark, Lucre Fund and JTA, among others, in SEC v. Global Finance & Investments, Inc., Charles R. Davis, William F. Dippolito, Lucre Fund, LLC, JTA Enterprises, Inc., William H. Clark, Level Park Investments, LL, Kelley G. Rogers, Sterling Meridian, LLC, Ronald J. Linn and Glenn Maske, Defendants, and USAsset & Funding Corp., Nevada Sentry Service Corp., Wells Ventures, LLC, Triguestra Management Corp. And CMR Mgmt. Group, LLC, Defendants Solely

for Purposes of Equitable Relief, Civil Case No. 4:07CV346,
United States District Court, Eastern District of Texas,
Sherman Division.

84. The SEC alleges violations of federal securities laws and that Bill Clark conducted a fraudulent, high yield investment Ponzi scheme paying monthly returns of 18% to 20%.
85. CMR was named as a relief defendant in that case for receiving the proceeds of the alleged fraudulent activity but was later dismissed from that litigation.
86. In addition to transferring investor funds to JTA, investor funds were used to:
 - (A) make payments to existing investors;
 - (B) pay personal expenses; and
 - (C) purchase luxury items.
87. On or about February 1, 2006, after D'Angelo learned of the Correll Litigation, investor Alice Caliguiri's principal investment of \$120,000 in the Program was deposited into Diana D'Angelo's Commerce Bank account #xxx9698.
88. Between February 1, 2006 and February 24, 2006, \$76,281.99 of Alice Caliguiri's \$120,000 was used to pay existing investors, Sladek and Barbero, and D'Angelo's personal expenses.
89. D'Angelo personal expenses paid, in part, by Alice

Caliguiri's \$120,000 investment in the Program included, but are not limited to, payments to financial institutions for automobiles, credit cards and mortgage payments totaling \$15,293, insurance premiums totaling \$6,522, and utilities including phone and cable totaling \$3,257.

90. In March 2005, investor Denise Geraghty's \$100,000 principal payment in the Program was deposited into Diana D'Angelo's personal Commerce Bank account #xxx9698.
91. In March 2005, investor Christopher D'Angelo, D'Angelo's brother, made a \$10,000 principal payment into the Program, which was also deposited into Diana D'Angelo's account.
92. On or about March 29, 2005, \$23,100 and \$60,000 was transferred from Diana's D'Angelo's account #xxx9698 to CMR's Commerce Bank account #xxx8249.
93. On or about March 30, 2005, the \$23,100 transferred to CMR's Commerce Bank account #xxx8249 was transferred to investor Debra Emanuel.
94. In transferring the \$23,100 to Debra Emanuel, CMR used investor money from Denise Geraghty and Christopher D'Angelo to pay investor Debra Emanuel.
95. On or about March 30, 2005, \$60,000 was transferred from CMR's Commerce Bank account #xxx8249 to JTA.
96. The remaining \$26,900 of investor funds in Diana D'Angelo's Commerce Bank account #xxx9698 was used towards paying

personal expenses, including credit card bills (Bank of America for D'Angelo's Visa card, and Capital One), Cranbury Municipal Court, Max Clean, World Savings Mortgage, Mercedes Benz, Iotto Funeral Home, Iotto Funeral Home, D'Angelo, Barbero and D'Angelo's daughter.

97. Money received by CMR from JTA on or about February 1, 2005 in the amount of \$6,000 ultimately ended up in Diana D'Angelo's Commerce Bank account #xxx9698.
98. The \$6,000 received by CMR from JTA on or about February 1, 2005 was used with other money toward payment of personal expenses including a grocery store, utility bills (Borough of Sayreville Water Department, JCPL, PSEG), credit cards (Citibank, Chase, BankOne), mortgage payment, finance payment for cars and to Harley Davidson Credit.
99. Investors were not told that their principal investment monies would be used in this way.

COUNT I

**EMPLOYING ANY DEVICE, SCHEME OR ARTIFICE TO DEFRAUD
IN VIOLATION OF N.J.S.A. 49:3-52(a)**
(As to defendants CMR, D'Angelo, Sladek and Barbero)

100. Plaintiff repeats the allegations in the preceding paragraphs as if fully set forth herein.
101. Defendants CMR, D'Angelo, Sladek and Barbero, individually and/or through their directors, officers, employees, agents and attorneys, acting in concert with each other, employed a

scheme to defraud investors by engaging in the conduct described in this Verified Complaint.

102. Defendants' scheme included, but was not limited to:
- (A) misrepresenting the nature and risks of the investments to investors;
 - (B) offering a purported investment that was guaranteed;
 - (C) failing to return investor funds;
 - (D) misappropriating investor funds for personal benefit and use; and
 - (E) misappropriating investor funds to and in a Ponzi scheme.
103. Each violation of N.J.S.A. 49:3-52(a) by each defendant upon each investor is a separate violation of the statute and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

COUNT II

**MAKING MATERIALLY FALSE AND MISLEADING STATEMENTS AND/OR
OMITTING MATERIAL FACTS IN VIOLATION OF
N.J.S.A. 49:3-52(b)**

(As to defendants CMR, D'Angelo, Sladek and Barbero)

104. Plaintiff repeats the allegations in the preceding paragraphs as if fully set forth herein.
105. Defendants CMR, D'Angelo, Sladek and Barbero, individually and/or through their officers, directors, employees, agents,

attorneys, successors, subsidiaries directly and/or indirectly, made materially false and misleading statements and/or omitted material facts to investors in connection with the offer and sale of securities.

106. Among the false and misleading statements were:

- (A) the Program guaranteed a return of between 5% and 12% interest per month on the principal investment (depending on the investor) and return of the principal at the end of twelve (12) months;
- (B) the second investment Program guaranteed a return of 15% per month and return of the principal at the end of twelve (12) months;
- (C) the investors' money was safe;
- (D) the investors' money would be placed in a "non-depletion account" from which it could not be withdrawn - and that while deposited in the "non-depletion account," the investors' money would serve as a guarantee of capital behind the profit-making activity;
- (E) at the end of a 12-month period or sooner, the principal would be repaid to the investor or rolled over into a new investment program;
- (F) that CMR would generate the profit to pay the monthly interest rate through foreign currency trading or currency swaps, unspecified activity involving

Switzerland, U.S. federal government money manipulation, and trading in large blocks of bank notes;

- (G) D'Angelo was paying \$5,000 a day to an attorney in Switzerland who engaged in an unexplained profit-making trading that was only being performed by four traders in the world;
- (H) the profit making end of the investment was secretive and involved the government doing something with the investment money which generated a great return;
- (I) the profit-making activity was from secret U.S. federal bond programs, and that the bonds were to be sold and resold, with the money eventually ending up in Switzerland;
- (J) CMR invested in large-volume blocks of bank notes (\$50,000 minimum) which guaranteed a 5% return per month, CMR made money by investing overseas, and their money would not be invested directly, but placed into secure "non-depletion bank accounts" and used as collateral by individuals who traded large blocks of bank notes;
- (K) the CMR investment money would be placed in a pool of money to function as a bank, and CMR would use that money to access U.S. federal funds and create financial

leverage to swap currencies overseas, reaping large profits in the process, and that D'Angelo was involved with large dollar investors, through the access provided by Bill Clark's father;

(L) the monthly payments could not be made or the principal returned, because:

- i. The CMR money was invested in JTA was frozen by litigation commenced by the SEC in the Correll Litigation;
- ii. the State of New Jersey had frozen D'Angelo's assets, making investor money unavailable;
- iii. the CMR money was sent to Singapore where it was invested in a solar panel business;
- iv. the "Securities Commission" seized the money;
- v. a man in Switzerland broke his leg going to the bank;
- vi. the program had not yet started;
- vii. the program will not start until a later date;
- viii. the next check will arrive before Christmas;
- ix. a guy in New Zealand was causing the delay;
- x. the package was accidentally sent to Swaziland instead of Switzerland;
- xi. the banks are closed;
- xii. there was a waiting period for the program to

start;

- xiii. the New Jersey Attorney General froze the money;
- xiv. Bill Clark had taken the money;
- xv. the money had been seized;
- xvi. the money had financed a failed project;
- xvii. all the money had gone to "Steve;"
- xviii. after the September 11, 2001 attacks, it became increasingly difficult to move money into the United States from overseas, and the heightened scrutiny was holding up their payment;
- xix. the Swiss banks involved had not received the money to be used for the currency swaps due to difficulties in moving large amounts of money from the United States to Switzerland; and
- xx. the first CMR investment program had been liquidated and all the investment money rolled into a second program.

107. Among the omitted facts to investors were:

- (A) that their investment monies would be used to pay personal expenses from Diana D'Angelo's account;
- (B) that their investment monies would be used to pay existing investors;

(C) that their investment monies would be transferred to a third party who was purportedly operating a Ponzi scheme;

(D) That the securities offered for sale by CMR were not registered with the Bureau; and

(E) That D'Angelo, Sladek and Barbero were not registered with the Bureau to sell securities.

108. Each omission or materially false or misleading statement in violation of N.J.S.A. 49:3-52(b).

109. Each violation of N.J.S.A. 49:3-52(b) by each defendant upon each investor is a separate violation of the statute and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

COUNT III

ENGAGING IN ANY ACT OR PRACTICE WHICH WOULD OPERATE AS A FRAUD OR DECEIT UPON ANY PERSON IN CONNECTION WITH THE OFFER, SALE OR PURCHASE OF SECURITIES IN VIOLATION OF N.J.S.A. 49:3-52(c)

(As to defendants CMR, D'Angelo, Sladek, and Barbero)

110. Plaintiff repeats the allegations in the preceding paragraphs as if fully set forth herein.

111. Defendant CMR's course of business, as engaged in by D'Angelo, Sladek and Barbero, including, among other things, misrepresenting the nature and risks of the investments, failing to return investor funds while misappropriating

investor funds for personal expenses and use, using new investor money to pay old investors, operated as a fraud and/or deceit upon the investors and others, in violation of N.J.S.A. 49:3-52(c).

112. Each violation of N.J.S.A. 49:3-52(c) by each defendant upon each investor is a separate violation of that statute and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

COUNT IV

ACTING AS A BROKER-DEALER WITHOUT REGISTRATION
IN VIOLATION OF N.J.S.A. 49:3-56(a)
(As to defendant CMR)

113. Plaintiff repeats the allegations in the preceding paragraphs as if fully set forth herein.

114. All offers and sales originated from New Jersey.

115. Defendant CMR effected or attempted to effect transactions in securities from, in or within New Jersey and, thus acted as a broker-dealer, as defined in Section 49:3-49(c) of the Securities Law without being registered with the Bureau.

116. Defendant CMR was not exempt from registration with the Bureau as a broker-dealer.

117. Defendant CMR violated N.J.S.A. 49:3-56(a) which requires, among other things, that only persons and entities registered with the Bureau may lawfully act as broker-

dealers.

118. Each act by defendant CMR as an unregistered broker-dealer constitutes a separate violation of N.J.S.A. 49:3-56(a).

COUNT V

EMPLOYING UNREGISTERED AGENTS
IN VIOLATION OF N.J.S.A. 49:3-56(h)
(As to defendant CMR)

119. Plaintiff repeats the allegations in the preceding paragraphs as if fully set forth herein.
120. Defendant CMR employed or engaged agents in effecting or attempting to effect transactions in securities from, in or within New Jersey.
121. Defendant CMR's employees acted as agents as defined in Section 49:3-49(b) of the Securities Law, without being registered with the Bureau.
122. Defendant CMR's conduct constituted employing agents who were not registered with the Bureau in violation of N.J.S.A. 49:3-56(h).
123. Each violation of N.J.S.A. 49:3-52 was a separate violation of that statute and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

COUNT VI

ACTING AS AN AGENT WITHOUT REGISTRATION

IN VIOLATION OF N.J.S.A. 49:3-56(a)

(As to defendants D'Angelo, Sladek and Barbero)

124. Plaintiff repeats the allegations set forth in the preceding paragraphs as if fully set forth herein.
125. Defendants D'Angelo, Sladek and Barbero represented CMR in effecting or attempting to effect transactions in securities from, in or within New Jersey and, thus, acted as agents, as defined in section 49:3-49(b) of the Securities Law, without being registered with the Bureau.
126. Defendants D'Angelo, Sladek and Barbero violated N.J.S.A. 49:3-56(a) which requires, among other things, that only persons registered with the Bureau may lawfully act as agents.
127. Each sale to investors constitutes a separate violation of N.J.S.A. 49:3-56(a) and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

COUNT VII

SELLING UNREGISTERED SECURITIES

IN VIOLATION OF N.J.S.A. 49:3-60

(As against defendants CMR, D'Angelo, Sladek and Barbero)

128. Plaintiff repeats the allegations set forth in the preceding paragraphs as if fully set forth herein.
129. Defendants CMR, D'Angelo, Sladek and Barbero sold securities

that were not registered with the Bureau.

130. The securities were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.
131. Each sale of unregistered securities constitutes a separate violation of N.J.S.A. 49:3-60 and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

COUNT VIII

FREEZING OF ASSETS

(As to defendants CMR, D'Angelo and Diana D'Angelo)

132. Plaintiff repeats the allegations set forth in the preceding paragraphs as if fully set forth herein.
133. Pursuant to N.J.S.A. 49:3-69(a)(2), the assets, real and personal, of defendants CMR, D'Angelo and Diana D'Angelo, including, but not limited to, the D'Angelo residence at 3 Emory Court, Perrineville, New Jersey, should be frozen in that such assets should not be disposed of, transferred, dissipated, encumbered, or withdrawn pending further order of this Court.

COUNT IX

UNJUST ENRICHMENT

(As to defendant Diana D'Angelo)

134. Plaintiff repeats the allegations set forth in the preceding paragraphs as if fully set forth herein.
135. The transfer of investor funds to the accounts of defendant Diana D'Angelo and payment of personal expenses have caused Diana D'Angelo to be unjustly enriched to the detriment of investors.
136. Pursuant to the equitable power of this Court, Diana D'Angelo should be required to disgorge all funds improperly transferred to her accounts and any property, personal and real, obtained from such funds.

DEMAND FOR RELIEF

WHEREFORE, plaintiff respectfully request the entry of a judgment pursuant to N.J.S.A. 49:3-47 et seq.:

- (A) Finding that defendants engaged in the acts and practices alleged above;
- (B) Finding that such acts and practices constitute violations of the Securities Law;
- (C) Enjoining defendants D'Angelo, Sladek, Barbero and CMR from violating the Securities Law in any manner;
- (D) Enjoining the issuance, sale, offer for sale, purchase, offer to purchase, promotion, negotiation, advertisement or distribution from or within New Jersey of any securities by or on behalf of defendants

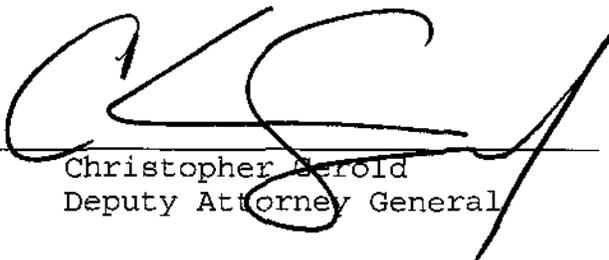
D'Angelo, Sladek, Barbero and CMR, their officers, directors, employees, agents, brokers, partners, stockholders, attorneys, successors, subsidiaries and affiliates;

- (E) Preliminarily freezing the assets of and enjoining defendants CMR, D'Angelo, and Diana D'Angelo and all persons who receive actual or constructive notice of this order from directly or indirectly disposing of, transferring, selling, dissipating, encumbering, liquidating, or withdrawing any assets or property owned or controlled by said defendants except that they may pay ordinary and necessary business and/or living expenses which have been approved in advance by plaintiff or, if plaintiff objects, the Court. These assets shall include, but are not limited to, accounts in any and all financial institutions, brokerage and trading accounts, real property, personal property, pension and retirement accounts, etc.;
- (F) Enjoining defendants D'Angelo, Diana D'Angelo, Sladek, Barbero and CMR, and each and every person who receives actual or constructive notice of this order, from destroying or concealing any books, records and documents relating in any way to the business, financial and personal affairs of all defendants, their

- successors, subsidiaries or affiliates;
- (G) Requiring defendants D'Angelo and CMR to provide plaintiff with an accounting, at their expense, performed in accordance with Generally Accepted Accounting Principles, of the business records and accounts of CMR and all underlying documents and information used to prepare the accounting;
 - (H) Affording each purchaser of securities issued by or on behalf of defendants the option of rescinding such purchase and obtaining a refund of monies paid, plus interest and expenses incident to effecting the purchase and rescission;
 - (I) Affording each purchaser of securities issued by or on behalf of defendants the option of receiving restitution of losses incurred on disposition of the securities, plus interest and expenses incident to effecting the purchase and restitution;
 - (J) Assessing defendants D'Angelo, Sladek, Barbero and CMR civil monetary penalties for each violation of the Securities Law in accordance with N.J.S.A. 49:3-70.1;
 - (K) Requiring all defendants to pay restitution and disgorge all profits and/or funds gained through violations of the Securities Law;
 - (L) Declaring that any release and settlement agreements

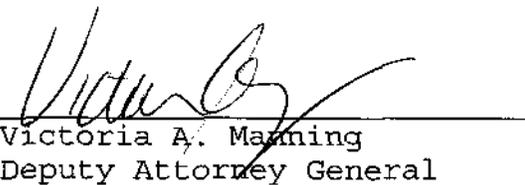
between investors and the defendants are null and void;
(M) Affording Plaintiff and affected third parties any
additional relief the court may deem just and
equitable.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
Christopher Gerold
Deputy Attorney General

Dated: March 5, 2008

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
Victoria A. Manning
Deputy Attorney General

Dated: March 5, 2008

VERIFICATION

I, Richard Smullen, certify as follows:

As an Investigator for the New Jersey Bureau of Securities, I am an authorized representative of Plaintiff. I have read the foregoing Complaint and certify of my own personal knowledge that the facts contained therein are true based upon the Bureau's investigation. I am aware that if the foregoing statements are willfully false, I am subject to punishment.


Richard Smullen
Investigator
New Jersey Bureau of Securities

Dated: March 5, 2008

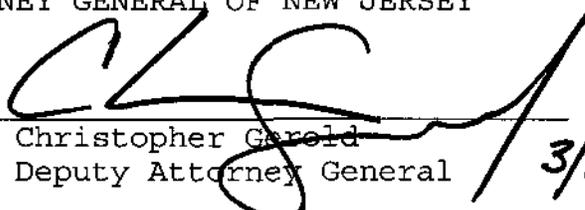
R. 4:5-1(C) DESIGNATION OF TRIAL COUNSEL

Deputy Attorneys General Christopher Gerold and Victoria A. Manning are hereby designated as trial counsel on behalf of Plaintiff in this matter.

R. 4:5-1 CERTIFICATION

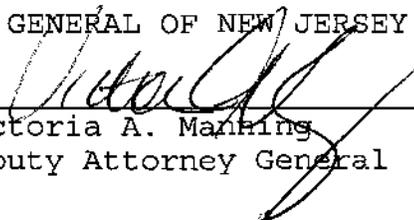
I certify that to the best of my knowledge, this matter is not the subject of any other contemplated civil action or arbitration proceeding, and that there is no other party who should be joined in this action at this time although the Bureau's investigation is continuing.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
Christopher Gerold
Deputy Attorney General

3/5/08

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: 
Victoria A. Manning
Deputy Attorney General

Dated: March 5, 2008