

Exhibit: A

No. of Pages....12

Theft Victim on Disability Exposes Mobster Control of Multi-Million \$\$\$ Investment Scam

Salt Lake City mobster Peter Buffo made a serious mistake that cost him dearly with time behind bars when he allowed thieves working for him to rob the neighbor living next door to his used car sales lot. Angry at having about \$10,000 worth of personal property and building materials stolen from him, Fred Mauney aka The Phoenix began his own personal investigation that eventually mushroomed into the exposure of Buffo's control over a multi-million dollar international Ponzi scheme to defraud thousands of elderly investors of their hard earned savings.

In 1996, while on disability, Mauney had moved to Salt Lake City from Charlotte, North Carolina. During the previous 3 years he had spent a large portion of the time recovering from a rare disease called transverse myelitis, related to multiple sclerosis, that had temporarily taken away the use of his legs. Normally this disease results in permanent incapacitation, and even led to diagnoses from several respected neurologists that he would never ever be able to walk again, so his recovery was viewed as miraculous by medical authorities.

While living in the back of an old junk van, with nothing but a drop cord for electricity, no shower, phone, computer, fax or car, Mauney did a variety of odd jobs to bring in some income. In early 1997 he had begun taking T'ai Chi courses given by a Chinese man named Lu, and later entered into an agreement with him to repair and renovate a vacant neglected warehouse property behind the studio in exchange for free rent for one year, intending to use it as an office.

Buffo's troubles began several months later on Labor Day weekend when Mauney had been planning to be gone out of town for several days, and had told others of his plans. Apparently aware of this, one of Buffo's subordinates had arranged to break into his place during his absence, unashamedly bringing along his 6-year old daughter. But Mauney had to change his plans and returned just in time to see him finishing off the job of loading up the stolen property in one of Buffo's company pick-up trucks. Remaining hidden, Mauney called the police and also was able to take some photographs of the event as evidence of his complicity.

Despite this proof, the thief and his boss Buffo were able to get off the hook by claiming that Mauney had been given an eviction notice, even though no documentation supporting such claims existed. When Mauney protested this was not the case, the police told him not to interfere or he would be charged with trespassing. The local police let the thief continue loading up the stolen materials on the truck and Mauney had to stand by and watch while his personal possessions were loaded up and the thief drove away with it. Mauney believes that Buffo apparently pressured and paid off Mr. Lu to support him in this claim, because a short time later Lu and his wife took a trip to his native land of Taiwan, although he had never before visited there since his arrival in the USA many years earlier. For a couple of months Mauney made no progress in recovering his stolen property. Then acting on a confidential tip from an insider friend who was not a member of the mob, Mauney was able to locate the place where his property was taken, and discovered that some of it was still there.

Little did Buffo know that Mauney had formerly been a paralegal investigator for more than 30 years and, angry and frustrated at not receiving adequate satisfaction from the local police authorities, he decided to begin research to conduct his own personal investigation into Buffo's background.

From making some discrete enquiries, he was informed that Buffo had been under indictment by the US Justice Dept. He then contacted the lead Justice Dept. attorney, and was told to contact the agent-in-charge of the Salt Lake City FBI office to obtain further information. There he learned that Buffo had been under Federal indictment for conspiracy, fraudulent concealment, false statements, transportation of forged securities and securities taken by fraud, wire fraud and money laundering and forfeiture on transactions involving the US Air Force going back to October of 1995. Consequently, he had been locked up for 2 weeks until being released on bail.

While out on bail, the authorities had later learned that Buffo was involved in a Ponzi scheme to defraud investors for the sale of unregistered securities involving a company named Laser Leasing, which was supposedly in the business of purchasing laser eye surgery equipment that would be leased to clinics in the United States and Mexico. These illegal pyramid sales operations, named for the man who had originally perfected this type of scam, involve offering investors high rates of return for putting their money into some project which may or not exist. Then arrangements are made to pay off early investors from the money received from later investors to build credibility and get references, while the operators skim off unusually high commissions and move on when the scheme eventually collapses.

When the authorities became aware of Buffo's additional illegal activities, the charges against him were changed to racketeering, a much more serious criminal offense. An order of detention was issued on May 24, 1996 and Buffo was sent back to jail. One month later, on June 24, the Justice Dept. filed a recommendation that he should not be released, but 2 days later his lawyer was able to make a deal and the judge allowed him to be again released on bail.

Suspecting that Buffo's used car business was just a front for laundering money and other illegal activities, Mauney kept on digging. He was told by another insider friend who was uninvolved in the mob, but had access to Buffo's computer systems, that the used car businesses were apparently linked up with a series of another 30 to 40 incorporated businesses, including several from outside the country. From the County Recorder's office, Mauney searched to find out who was the registered owner of the property where his stolen property had been stored, which Buffo had claimed was his own, and discovered that it was listed as a Bahamian corporation named Capital Investments, so he passed on this information to the FBI.

A few months later, in December 1997, Mauney read a story in the Salt Lake City Tribune reporting that the SEC (Securities and Exchange Commission) had filed a complaint against a Wayne Notwell and other individuals for defrauding investors by operating a Ponzi scheme. In this particular case investors were told that their money would be used to buy oil and gas leases in Kansas and California. While speaking with an executive friend about these types of schemes, Mauney was told that Salt Lake City had the reputation of being the fraud capital of the world for telemarketing schemes.

Knowing that Notwell was a business partner of Buffo's who worked in the office right next to him, Mauney began searching the records at the federal courthouse to obtain

documentation on the Notwell case. Some of the records he located showed that Notwell was running a corporation named Capital Acquisitions, which was listed as a subsidiary of a Bahamian corporation named Capital Investments. Remembering that the land on which Buffo's men had stored his stolen property was listed as belonging to Capital Investments, Maaney began to put two and two together.

From further enquiries and personal observations of what was going on next door, combined with gossip provided from friendly insider sources, Maaney found out that Buffo had somehow gotten permission to leave the country while out on bail, supposedly to go to Italy for a so-called niece's wedding. He knew that it was virtually unheard of for a formerly convicted felon who has afterward been indicted on federal charges and was released on bail to be able to obtain such permission, and realized that someone very powerful had to have been involved. From this he deducted that it was more likely that Buffo really went not to Italy, but to Switzerland, so as to arrange for the transfer of money from a hidden account there to another offshore account elsewhere for the financing of his scam operations.

Maaney also learned that Buffo's used car business, UTE-CAL, was buying up several empty lots throughout the Salt Lake valley region supposedly for selling used cars and was even planning on continuing to expand further because the Olympics were coming to Salt Lake City soon, but he suspected that it was instead most likely probably being used for money laundering or some other illegal activities. He also discovered that there was a hidden 'boiler room' in the back of UTE-CAL's main office from where a team of telemarketers were conducting their illegal phone scam.

Some time later in February 1998 Maaney went to visit the local SEC office to continue his research, and by coincidence while standing at the outside reception desk he bumped into Robin Shipman, who was the lead attorney in its Enforcement Division of the Denver office which was handling the Notwell case. He told her that he had some insider information about it, explaining that Buffo and Notwell were in fact business partners running their phone scam out of UTE-CAL's main office. He also told her that he suspected that a portion of the money they hauled in from it was being channeled into a concealed Swiss bank account, and that Buffo had somehow gotten permission to leave the country to go to Europe some time earlier while he was out on bail. Shipman was flabbergasted at hearing this news and initially really angry to discover that the FBI had not kept her informed of this, but at the same time she was tickled pink that such damning information was forthcoming from this unexpected source, and she promised Maaney she would immediately take action to verify and follow through on it.

Meanwhile Buffo's trial on the indicted charges was proceeding and Maaney was following it carefully. Even though he had been providing information about Buffo's illegal activities to several federal agencies, none of it apparently ever came to light in front of the presiding judge. He had learned through the grapevine that Buffo's lawyers had arranged for a plea-bargain deal of a 2-year sentence for supposed cooperation and due to his age (he was 60 at the time), and realized that if this happened he would practically be getting off with a minimum sentence. So he decided to personally intervene in the case.

Knowing well how the judiciary system operated, Maaney understood that even if the information was provided under ordinary circumstances Buffo's lawyers and political connections might be able to find a way to help him get off him lightly. So he waited

until just the last moment to take action so that the information he provided would not be derailed. (A)

According to his original indictment, Mauney learned that Buffo's sentencing hearing was scheduled to take place on April 28, 1998 in front of Judge David Sam. So on the afternoon before, at about 4:45, Mauney filed an amicus (friend of the court) brief in the Buffo case with the court, outlining his information and alleging that Buffo had been operating an ongoing criminal enterprise during the past 2 years, including while out on bail. He also indicated that it was evident that Wayne Notwell was Buffo's business partner because they had offices next to each other in the same building. Then early next morning at 7:45 before the sentencing hearing began he arrived at the court house and told that bailiff that he wanted to speak with the judge before the sentencing because he had filed an amicus brief the night before with relevant information on the case that he felt the judge should hear.

Puzzled at this last minute intervention, the judge agreed to review the brief. He took his time to review Mauney's brief in this criminal case while Buffo and his lawyers were kept waiting outside in ignorance. Judge Sam, who was known as a fair but no-nonsense judge and described by colleagues as "a kind, gentle, perceptive man. As he read more and more from Mauney's brief, the judge got angrier and angrier until by the end he went ballistic, because by coincidence he was also the judge assigned to the civil Notwell case and didn't realize they were connected. He wanted to know what the hell was going on, and why nobody from the Justice Dept., the FBI, the SEC or his own pre-sentencing people had informed him of this information, and he also realized that if he had proceeded as planned, he himself might have become caught up in the scandal if that information had ever got out, and in the end the good reputation he had worked so long to build might have been damaged.

So he called in all the lawyers waiting outside and postponed the sentencing hearing, then angrily called up the offices of the federal authorities involved, insisting that they immediately send someone down to his private chambers in the courthouse to talk to him and give him an explanation of what was going on. The agents came literally running, and were embarrassingly obliged to give an explanation of the situation. Judge Sam then assigned US probation officer Kevin McKenna to coordinate the investigation and question Mauney for him. In a 3-hour interview Mauney then told McKenna that Buffo had stolen his property, and proceeded to give him all the details he knew about Buffo's involvement in the Notwell investor scam.

From this information the judge realized that this was another typical case of government bureaucratic foul-up where there had apparently been no inter-agency coordination or sharing of information whatsoever between these competing departments because each wanted to handle the case on their own so as to try to earn all the fame and glory. Meanwhile because of this bungling, had he proceeded as planned the criminal would have gotten off with a relatively light sentence. Judge Sam then ordered the FBI to take action on the information Mauney had provided and immediately conduct a comprehensive follow-up on the case.

Following this the FBI hurriedly assigned a large team of 30 or more agents to continue the investigations. From these efforts they eventually learned that Capital Investments had bilked more than 1,000 elderly investors of more than \$33 million on the oil and gas scheme, in addition to the Laser Leasing scheme. Their broadened

investigations took them all around the USA and also internationally to several different countries abroad as they attempted to untangle the complicated scheme.

Meanwhile, at the end of May 1998 Buffo was brought back in front of Judge Sam for sentencing on the US Air Force case, for which he received a sentence of 41 months active plus 3 years probation with significant fines in lieu of the 2 years that had previously been arranged in the plea-bargain. In addition, in September 1998 his name was added to the SEC's Notwell fraud complaint. (1)

By the time it was through in September 1998, several other companies in addition to Capital Acquisitions and Laser Leasing were added in the SEC complaint, including Somerset Group, Laser Equipment Inc., Fund Line International Inc., Capital Investment Partners Inc., Chaparral Petroleum Inc., K&B Gas Company, Donna Lee Petroleum Inc., and Capital Kansas Inc. On top of this, entities named in the complaint as "relief defendants" which allegedly received funds from investors in both scams included Surety Investigators and Control Corp., Spectrum International Inc. UTE-CAL Auto Sales Inc., Best Rent-a-Car Inc., High-Line Medical Instruments Inc., Genie Total Products Inc. and Fund Line International Inc.

The government investigators discovered that although many of the companies involved were legitimate, many individuals involved had sold off their oil and gas leases to Buffo and his associates at prices that were much higher than their value, so they should have known that something was fishy. As the investigation expanded, pressure was also mounting on Buffo's mob superiors to get it shut down before it got too much out of hand and possibly spread elsewhere throughout the USA and even overseas.

The federal government then confiscated and capped the oil and gas wells and sold off the other properties belonging to Buffo and his associates (at a considerable loss as compared to the prices they had paid for them), and fined them a penalty of \$52 million for their involvement in racketeering activities. (2)

Normally in cases such as these when investors are defrauded they lose all or most of their money. But in this case investigators finally discovered that the 2 scam companies were actually insured by a company named New England International Surety based in Belgium. So in February 1999 a settlement was reached in a class action lawsuit against this insurance company under which the investor victims obtained a rare refund of more than \$28 million, or almost all of their money back, a situation which is normally almost unheard of. (3)

In an incredible coincidence, some later, on Aug. 12, 1999, Mauney went to lunch at a Quizno's restaurant near the courthouse when Buffo came in with another man and sat down at the table just in front of him, unaware of who Mauney was. A few moments later he took out his cellphone and made a call, then began speaking in a loud enough voice for Mauney, sitting just 7-8 feet away, to be able to overhear all of his private conversation. Mauney just couldn't believe his ears when he realized that Buffo was stupid enough to be speaking out loud in public while he was telling the person on the other end of the line that he needed to have some money sent to him, as well as assistance in selling some other personal property, because the authorities had somehow found out about his ownership of some other property and confiscated it. Keeping his head turned away to avoid being recognized, Mauney was even able to dig out a disposable camera he had in his bag and take a photo of Buffo without being noticed, and later followed Buffo and his companion outside taking more photos along the way. He then rushed to the

courthouse to file another amicus brief reporting on and detailing what he had seen and heard. (B) Consequently, other accomplices were charged in these activities. (4)

Because of his crucial role in making this happen, some time later Mauney was speaking to the FBI agent in charge of the original Buffo case, and the agent told him "Freddy, it looks like you've just won the lottery." Mauney wanted to know what he was talking about, and he consulted with his lawyer, who told him that because the information given to the BBI and the SEC had proven to be correct, he apparently was entitled to, under the Qui Tam provision of the law, a portion of any and all monies received from both the investors and the government, and that the investors would be the ones who would be the most thankful.

In the end, Buffo's lawyers were able to plea bargain and arrange for a sentence of 5 years because of his cooperation in informing on Notwell and others involved and because the insurance company agreed to make reimbursement and penalty payments.

While all of this was going on, many people were aware of what Mauney was doing, and while some of them admired him for his perseverance and courage, others thought he was crazy or just wasting his time, because it was apparently quite well known by many in the community that Buffo and his mob had been conducting their illegal activities and cheating people in the Salt Lake valley region for more than 20 years.

During all of this, although Mauney was regularly providing them with relevant information, no one connected with these cases, neither the government agencies, or the lawyers of the firm appointed by the court, or the lawyers representing the investors, ever took action to contact him about the proceedings, or did anything to give him any credit for his initiatives which resulted in the convictions and reimbursements, although they should have had an ethical obligation to do so. He is now filing with the lawyers of the investors and those of the government to claim a large portion of these refunds as his own, and could be entitled to as much as 50% of the almost \$80 million recovered.

Finally, Mauney later spoke to the agent supervisors from the various government agencies involved asking them how they thought Buffo could have gotten permission to leave the country while he was out on bail. Although they admitted that knew about it, they all insisted that their particular agency was not involved. But they all told him that they were convinced that only someone in a very powerful political position could have done this, not just anyone like their department heads or the local judge, and that it must have been someone at the highest levels, such as a US senator. Several of the people that he spoke to told him that they thought that the only person in Utah who could have had the kind of power to make that kind of decision was Orrin Hatch. Senator Orrin Hatch of Utah is the head of the US Senate Judiciary Committee.

By: Ray Carrier © October 9, 2003

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References: A-B: Amicus Briefs

1-4: Newspaper articles

(A)

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APR 27 1998

CLERK OF COURT
DISTRICT COURT

FILED

CLERK OF COURT
DISTRICT COURT
SALT LAKE CITY, UTAH

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

PETE J. BUFFO,

Defendant.

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AMICUS BRIEF

95-CR-2085

Now comes Fred Mauney, petitioner,
to this Honorable Court, with
documentation as to why he should
be heard and that this Court should
weigh said documents and arguments
at Peter Buffo's sentencing.

ORIGINAL

(A)

(B)

Fred Mauney, Pro Se
235 South Rio Grande
Salt Lake City, Utah 84111

COURT, DISTRICT

AUG 12 1999

MARKUS B. ZIMMERMAN
BY DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

PETE J. BUFFO,

Defendant.

AMICUS BRIEF

95-CR-2085

AND

99-CR-634

2:97-CV-09

PLEASE
Exped.

Now come Fred Mauney, petitioner,
to these Honorable Courts, with a
statement and documentation as to
why he should be heard and that
these Courts should act on said
information to recover monies
Pete Buffo has hidden from invest
and these courts.

(B)

Group of Utah firms faces new complaints from SEC

By Max B. Knudson
Deseret News business editor

New civil complaints were filed Wednesday by the U.S. Securities and Exchange Commission against a group of Utah-based companies and their principals alleging that the businesses are nothing more than Ponzi schemes that have defrauded as many as 600 investors.

Last December, the SEC filed a complaint charging that a firm called Capital Acquisitions and its principals Clelon B. Mann and Wayne C. Notwell, and another entity called The Somerset Group Inc., defrauded investors by operating a Ponzi scheme.

Named for the man who first perfected the scams, Ponzi schemes involve investors being offered high rates of return for putting their money into some project that may or may not exist. Early investors are paid back with money from later investors to build credibility. The pyramid grows until it eventually collapses and the operators move on.

Following the filing, Capital Acquisitions, purported to be in the oil and gas business, was put under a freeze order by the court, but not before the operators had raised \$24 million from investors.

But according to the SEC amended complaint filed Tuesday, the same people running Capital Acquisitions started up a new operation, called Laser Leasing Inc.

Don Hoerl, associate regional director for the SEC in Denver, said Laser Leasing was supposedly in the business of purchasing laser eye surgery equipment that it would lease to clinics in the United States and Mexico, but little of that was done, he said.

The complaint alleges that some \$9 million in investments was misapplied by the company's officers or used in a Ponzi scheme. It also says they failed to disclose high

commissions they charged investors.

The amended complaint adds Pete J. Buffo as a defendant, alleging he controlled both operations.

U.S. District Chief Judge for Utah David Sam also granted the SEC's application for a receiver for Capital Acquisitions — Salt Lake attorney Robert G. Wing — and expanded it to include Laser Leasing and other entities affiliated with the defendants.

The SEC has asked the court for an injunction against the individuals involved and request that they pay back the funds collected from investors. The agency also is asking for civil penalties ranging up to \$100,000 per violation by each of the corporate entities and \$25,000 per violation by each of the individuals involved.

Companies named in the complaint as affiliated with Capital Acquisitions and Laser Leasing include Laser Equipment Inc., Fund Line International Inc., Capitol Investment Partners Inc., Chaparral Petroleum Inc., K&B Gas Company Inc., Donna Lee Petroleum Inc., and Capital Kansas Inc.

Entities named in the complaint as "relief defendants," which allegedly received funds from investors in both Capital Acquisitions and Laser Leasing, include Surety Underwriters and Control Corp., Capitol Investment Partners Inc., Spectrum International Inc., Ute Cal Auto Sales Inc., Best Rate Rent-A-Car Inc., High-Line Medical Instruments Inc., Genie Total Products Inc. and Fund Line International Inc.

LOST MONEY IN STOCKS?

Former owner of full service stockbrokerage firm, now attorney, can possibly help you recover investment losses.
Free Consultation — No Loss Too Small
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The Salt Lake Tribune UTAH Sunday, February 21, 1999

C5

Judge Orders \$52 Million Fine in Alleged Ponzi Scheme

THE ASSOCIATED PRESS

A judge has slapped a \$52 million fine on the operators of an alleged Ponzi scheme that defrauded 600 investors across the country.

U.S. District Chief Judge David Sam signed a judgment last week after the defendants failed to respond to a complaint filed last year by a court-appointed receiver.

The case began in 1997 with a U.S. Securities and Exchange Commission civil complaint.

The complaint alleged that a group of companies and people raised more than \$20 million by

promising investors a 20 percent return on three-year notes. The money was purportedly earmarked for oil and gas drilling projects in Kansas and California.

At the SEC's request, Sam earlier made Salt Lake attorney Robert Wing receiver for Capital Acquisitions Inc., Laser Leasing Inc., Fund Line International Inc., Capitol Investment Partners Inc., Chaparral Petroleum Inc., K&B Gas Company Inc., Donna Lee Petroleum Inc., and Capital Kansas Inc.

In his order, Sam ordered Pete J. Buffo, Wayne C. Notwell, the Somerset Group and Surety Un-

derwriters and Control Corp. pay \$50 million and \$2 million interest.

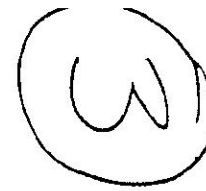
A message left at Wing's office Saturday wasn't immediately returned and the relationships between those fined and those in receivership wasn't clear.

According to the SEC, the principals behind Capital Acquisitions and Laser Leasing operated a classic Ponzi scheme, where early investors are paid with money collected from later investors to build up credibility. Eventually, the pyramid can no longer be sustained, and new investors are left with nothing.

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BUSINESS

THURSDAY, FEBRUARY 25, 1999



CHINA TRADE
Espionage probe hurts
computer industry/B-7

Victims of Alleged Scheme Get Rare Refund

Legitimate firm guaranteed
payment on promissory notes

BY STEVEN OBERBECK
THE SALT LAKE TRIBUNE

Nearly 1,000 mostly elderly investors who lost about \$33 million in two alleged Utah-based Ponzi schemes will get most of their money back. Third District Judge Timothy R. Hanson approved settlement of a class-action lawsuit that will return \$28 million to investors over the next four years. "When we first took this case, it did not look like investors would be getting much back at all," said Jonathan Hafen, who along with Robert Lochhead and Robert Clark represented investors in Utah-based Capital Acquisitions Inc. and Laser Leasing.

The two companies, which were run by the same group of alleged promoters, promised investors returns of as much as 20 percent annually.

In the case of Capital Acquisitions, the money was to be invested in oil-and-gas leases in Kansas and California. Laser Leasing's alleged scheme involved leasing laser eye-surgery equipment in the United States and Mexico.

Both companies were typical Ponzi schemes, according to the U.S. Securities and Exchange Commission, which last year succeeded in getting a receiver appointed to take over the two companies.

Ponzi — or pyramid — schemes involve offering investors high rates of return. Investors who put money in the scheme in the early stages are paid from funds collected from investors who come in later.

But in setting up their alleged schemes, Capital Acquisitions and Laser Leasing promoters actually got a legitimate company — New England International Surety Inc. — to guarantee payment on the promissory

"I have to pinch myself every once while because you just do not hear recoveries of this magnitude in these kinds of cases."

Dan Bryant

Son of Capital Acquisitions investors

notes that were being peddled to investors. "When we got into the case and found out that England International Surety had guaranteed payment of the investors, we could not have been pleased," Hafen said.

New England International, based in Belgium

See INVESTORS, 2A1

Investors
Will Get Most of
\$33 Million Back

Continued from B-5

agreed to make two \$5 million payments to investors this year, with an additional payment of \$6 million due in each of the following three years.

"Without the benefit of the settlement agreement with New England, investors likely would have received less than 10 cents on the dollar from the liquidation of the remaining assets of the two companies," Hafen said.

Dan Bryant of Richmond, Va., was trying to get back money invested by his elderly parents in Capital Acquisitions. He called the settlement "a truly incredible recovery."



"I have to pinch myself every once in a while because you just do not hear of recoveries of this magnitude in these kinds of cases," he said.

The SEC also has lawsuits pending against Capital Acquisitions and Laser Leasing in which they are asking that company ex-

ecutives, Utahns Wayne Notwell, Peter Buffo and Cleason Mann, be barred from future violations of securities laws.

As part of that effort, the SEC last year was successful in getting Utah attorney Robert Wing appointed as a receiver for the two companies. Wing had served as a special agent in the SEC's investigation of the two companies.

Wing also has filed legal actions against the trio alleging they misappropriated money from the company. His lawsuit alleges Buffo and Notwell each received nearly \$500,000 from the two companies. It says Mann received more than \$700,000.

BUSINESS

SECTION
E
THURSDAY

■ BUSINESS GLANCE, E-3 ■ DILBERT, E-2

OCTOBER 7,

Market

Indicators

Dow
Industrials

10,588.34
+187.75

NYSE

609.90
+10.60

S&P 500

1,325.40
+24.05

NASDAQ

2,857.21
+57.54

Utah's Top Performers

174.28
+1.01

The Bloomberg
Utah Index
measures the
stock performance
of the state's
major publicly-
held companies.

Analysis:

Stocks soared Wednesday as investors cast aside interest rate concerns and turned upbeat about third-quarter earnings. Financial and Internet issues once again led the gainers.

SEC Claims Utahn Violated Court Order

The Securities and Exchange Commission has filed a motion in U.S. District Court seeking a contempt citation against Utahn Clealon Mann for allegedly violating a court-ordered asset freeze.

Mann, a Salt Lake City resident, was a defendant in a 1997 SEC lawsuit involving two energy companies, Capital Acquisitions Inc. and The Somerset Group. The SEC contended the two companies were involved in a \$20 million Ponzi scheme that promised investors a 20 percent return on their money through oil and gas investments.

The SEC said that U.S. District Judge David Sam ordered Mann's assets frozen as part of a preliminary injunction in January 1998. Its request for the freeze was made with the expectation that Mann eventually could be required to forfeit ill-gotten gain if the SEC prevails in the lawsuit.

Mann has violated the asset freeze by ordering the sale of stock owned by a company he controls, according to the SEC. He allegedly ordered the sale, worth more than \$77,000, though a Bahamas trust he controls.

Along with the request for a contempt citation, the SEC is asking the court to order Mann to provide an accounting for his personal living expenses.