PETER C. HARVEY
ACTING ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07101
Attorney for Franklin L. Widmann, Chief
New Jersey Bureau of Securities

By: Priya Doraswamy
Deputy Attorney General
(973) 648-4802

Office of the Superior Court Clerk
By Deputy Clerk of the Superior Court
JUN - 6 2003
Received and Filed
ESSEX

PETER C. HARVEY,
ACTING ATTORNEY GENERAL OF NEW JERSEY
and FRANKLIN L. WIDMANN, Chief of the
New Jersey Bureau of Securities,

Plaintiffs,

v.

WELLESLEY SERVICES, LLC,
a New Jersey Limited Liability Company
f/k/a WS SURVIVOR, L.L.C.;
WELLESLEY ENERGY, LLC,
a New Jersey Limited Liability Company;
WELLESLEY GROUP, INC.,
a New Jersey corporation;
CONSOLIDATE TRANSPORT AMERICA, LLC,
a New Jersey Limited Liability Company;
WINDHAM ASSOCIATES, INC.,
a New Jersey corporation;
WINDHAM INVESTMENT ASSOCIATES, INC.,
a New Jersey Corporation;
SRM ASSOCIATES, INC.,
a New Jersey corporation;
AKB ASSOCIATES, INC.,
a New Jersey corporation;
MARCUS INDUSTRIES, INC.,
a New Jersey corporation;
VILLAS & ESTATE PROPERTIES, LLC,
a New Jersey Limited Liability Company;
ESTATE PROPERTIES, LLC,
a New Jersey Limited Liability Company;
EUROPEAN PROPERTIES, LLC,
a New Jersey Limited Liability Company;

SUPERIOR COURT OF
NEW JERSEY
CHANCERY DIVISION
ESSEX COUNTY
DOCKET NO. C-188-03

Civil Action

**VERIFIED COMPLAINT**

TOWNHOUSE PROPERTIES, LLC,
a New Jersey Limited Liability Company;
KEITH MOODY, individually and as an officer, shareholder and/or managing member of the defendant entities;
ANTHONY BIANCO, individually and as an officer, shareholder and/or managing member of the defendant entities;
THOMAS GIACOMARO, individually;
DORIAN M. HAYES, individually and as an officer and/or shareholder of the defendant entities;
MARK BROWN, individually;
STEPHEN FUNK, individually;
ROSS CAPAWANA, individually; and
KATHERINE CAPAWANA, individually,

Defendants.

Plaintiffs, Peter C. Harvey, Acting Attorney General of New Jersey on behalf of Franklin J. Widmann, Chief of the New Jersey Bureau of Securities ("Bureau"), allege:

1. At all relevant times, defendant Wellesley Services, LLC was a New Jersey limited liability company located at 75 Chestnut Ridge Road, Montvale, New Jersey.

2. Defendant Wellesley Services, LLC was established by defendants Thomas Giacomaro, Anthony Bianco and Keith Moody for the purpose of assisting in the formation and consolidation of regional, full service, nonhazardous, solid waste management companies.

3. At all relevant times, defendant Wellesley Services, LLC specialized in consulting, developing, and the promotion and preparation of packages of mergers and acquisition transactions

involving privately-held companies in various industries including solid waste, recycling, commercial and residential fuel oil, energy, transportation and trucking.

4. Defendant Wellesley Services, LLC was formerly known as WS Survivor, L.L.C., the successor by merger with Wellesley Services, Inc., a New Jersey corporation formed in 1995.

5. At all relevant times, defendant Wellesley Energy, LLC was a New Jersey limited liability company located at 75 Chestnut Ridge Road, Montvale, New Jersey.

6. At all relevant times, defendant Wellesley Energy, LLC was in the business of facilitating and assisting in the acquisition and consolidation of fuel oil delivery companies by Wellesley Energy, Inc., an affiliate of Wellesley Energy, LLC.

7. At all relevant times, defendant Wellesley Group, Inc. was a New Jersey corporation located at 75 Chestnut Ridge Road, Montvale, New Jersey.

8. At all relevant times, defendant Wellesley Group, Inc. was in the business of acquiring and consolidating non-hazardous, solid waste companies.

9. At all relevant times, Defendant Consolidate Transport America, LLC ("CTA") was a New Jersey limited liability company located at 75 Chestnut Ridge Road, Montvale, New Jersey.

10. At all relevant times, defendant CTA was in the business of assisting in the consolidation of freight and logistics

companies.

11. On or about January 1, 2001, Wellesley Services, LLC purchased the assets and assumed the liabilities of defendants CTA and Wellesley Energy, LLC.

12. At all relevant times, defendant Windham Associates, Inc. was a New Jersey corporation located at 75 Chestnut Ridge Road, Montvale, New Jersey.

13. Windham Associates, Inc. was intended by defendants Thomas Giacomaro, Keith Moody and Anthony Bianco to be the entity that would hire employees, lease office space and pay business expenses for the business activity of Wellesley Services, LLC, Wellesley Energy, LLC and CTA.

14. At all relevant times, defendant Windham Investment Associates, Inc. was a New Jersey corporation located at 75 Chestnut Ridge Road, Montvale, New Jersey.

15. Defendant Windham Investment Associates, Inc. was formed for the sole purpose of taking title to 75 Chestnut Ridge Road, Montvale, New Jersey.

16. Defendants Wellesley Services, LLC and Windham Associates, Inc. initially conducted business from 139 South Washington Avenue, Bergenfield, New Jersey.

17. The businesses later relocated to 75 Chestnut Ridge Road, Montvale, New Jersey, the office building owned by defendant Windham Investment Associates, Inc.

18. At all relevant times, defendant SRM Associates, Inc. ("SRM") was a New Jersey corporation located at 205 Woodside Avenue, Franklin Lakes, New Jersey.

19. Defendant SRM was formed on behalf of defendant Keith Moody for the sole purpose of receiving compensation for services performed by Keith Moody.

20. At all relevant times, defendant AKB Associates, Inc. ("AKB") was a New Jersey corporation located at 291 Jefferson Street, Paterson, New Jersey.

21. Defendant AKB was formed on behalf of defendant Anthony Bianco for the sole purpose of receiving compensation for services performed by Anthony Bianco.

22. At all relevant times, defendant Marcus Industries, Inc. ("Marcus Industries") was a New Jersey corporation located at 637 Wyckoff Avenue, Suite 165, Wyckoff, New Jersey and 75 Chestnut Ridge Road, Montvale, New Jersey.

23. Defendant Marcus Industries was formed for the benefit of defendant Thomas Giacomaro as his consulting company.

24. At all relevant times, defendant Villas & Estate Properties, LLC ("Villas & Estate") was a New Jersey limited liability company located at 637 Wyckoff Avenue, Wyckoff, New Jersey.

25. Defendant Villas & Estate was formed on behalf of defendants Thomas Giacomaro, Dorian M. Hayes and Anthony Bianco for

the sole purpose of holding title to the real property located at 91 Fox Hedge Road, Saddle Brook, New Jersey.

26. At all relevant times, defendant Estate Properties, LLC ("Estate Properties") was a New Jersey limited liability company located at 637 Wyckoff Avenue, Wyckoff, New Jersey.

27. Defendant Estate Properties was formed for the purpose of paying invoices for renovations to real property located at 78 and 85 Fox Hedge Road, Saddle Brook, New Jersey, and to own real estate located at 16 Penney Court, Hawthorne, New Jersey.

28. At all relevant times, defendant European Properties, LLC ("European Properties") was a New Jersey limited liability company located at 637 Wyckoff Avenue, Wyckoff, New Jersey.

29. Defendant European Properties was formed for the sole purpose of holding title to real property located at 85 Fox Hedge Road, Saddle Brook, New Jersey.

30. At all relevant times, defendant Townhouse Properties, LLC ("Townhouse Properties") was a New Jersey limited liability company located at 637 Wyckoff Avenue, Wyckoff, New Jersey.

31. Townhouse Properties was formed for the purpose of holding title to real property located at 2125 Gunston Court, Mahwah, New Jersey.

32. At all relevant times, defendant Keith Moody ("Moody") resided at 205 Woodside Avenue, Franklin Lakes, New Jersey.

33. At all relevant times, Moody was:

(a) a managing member, Chairman of the Board of Directors, President and Chief Operating Officer of defendant Wellesley Services, LLC;

(b) managing member and officer of defendant Wellesley Energy, LLC;

(c) managing member and officer of defendant CTA;

(d) officer and shareholder of defendant Windham Associates, Inc.;

(e) officer and shareholder of defendant Windham Investment Associates, Inc.;

(f) officer and sole shareholder of defendant SRM Associates, LLC;

(g) officer and shareholder of defendant Marcus Industries, Inc.; and

(h) Chairman of the Board of Directors and President of defendant Wellesley Group, Inc.

34. At all relevant times, defendant Anthony Bianco ("Bianco") resided at 291 Jefferson Street, Paterson, New Jersey.

35. At all relevant times, Bianco was:

(a) a managing member, Co-Chairman of the Board, Executive Vice President, Secretary and Vice President of defendant Wellesley Services, LLC;

(b) managing member and officer of defendant Wellesley Energy, LLC;

(c) managing member and officer of defendant CTA;

(d) officer and shareholder of defendant Windham Associates, Inc.;

(e) officer and shareholder of defendant Windham Investment Associates, Inc.;

(f) officer and sole shareholder of defendant AKB Associates, LLC;

(g) officer and shareholder of defendant Marcus Industries, Inc.;

(h) a Director, Executive Vice President, Secretary and Treasurer of defendant Wellesley Group, Inc.;

(i) sole owner and member of defendant Villas and Estates;

(j) sole owner and member of defendant European Properties;

(k) sole owner and member of defendant Estate Properties; and

(l) sole owner and member of defendant Townhouse Properties.

36. Defendant Thomas Giacomaro ("Giacomaro") is presently imprisoned at the Federal Correctional Institution in Fort Dix, New Jersey as the result of a guilty plea in an unrelated matter. However, Giacomaro is scheduled to enter guilty pleas to conduct related to certain of the allegations in this Complaint on Friday,

June 6, 2003 in New Jersey federal and state courts. It is anticipated he will enter guilty pleas to accusations of mail fraud and tax evasion (federal), and money laundering (state).

37. Giacomaro was an undisclosed principal of defendants Wellesley Services, LLC, Wellesley Energy, LLC, CTA, Windham Associates, Inc., Windham Investment Associates, Inc., Villas and Estate Properties, European Properties, Estate Properties, Townhouse Properties and Marcus Industries.

38. At all relevant times, Defendant Dorian M. Hayes ("Hayes") was Giacomaro's wife and resided at 78 Fox Hedge Road, Saddle Brook, New Jersey.

39. In or about January 1997, Hayes was the President, Secretary and Treasurer of defendant Marcus Industries.

40. At various times, defendant Hayes was a managing member and/or officer of defendants Villas & Estates, Estate Properties and European Properties.

41. At all relevant times, defendant Mark Brown ("Brown") resided at 30 Deerhill Drive, Ho-Ho-Kus, New Jersey.

42. At all relevant times, defendant Stephen Funk ("Funk") resided at 196 Fern Avenue, Litchfield, Connecticut.

43. Defendants Brown and Funk sold unregistered securities issued by defendants Wellesley Services, LLC, Wellesley Energy, LLC and CTA to investors.

44. At all relevant times, Defendants Ross Capawana and

Katherine Capawana resided at 174 Tennis Court, Wall Township, New Jersey (the "Capawana Residence").

45. Defendant Katherine Capawana is the owner of record of the Capawana Residence.

## THE CORPORATE PARTICIPANTS IN THE WASTE PROJECT, ENERGY PROJECT AND FREIGHT/APPAREL PROJECT

### Wellesley Services, LLC and the Waste Project

46. In or about 1995, Giacomaro, Moody, and Bianco devised a business plan whereby the principals of small solid waste companies in the New Jersey, New York and Connecticut area would be solicited to sell their interests in their businesses. The businesses would be consolidated and acquired by defendant Wellesley Group, Inc. (the "Waste Project").

47. The acquisition of the small solid waste companies by Wellesley Group, Inc. required financing which Wellesley Services, LLC, Giacomaro, Moody and Bianco intended would be raised through an initial public offering of the common stock of Wellesley Group, Inc. (the "Wellesley Group IPO").

48. The Wellesley Group IPO did not occur and thereafter, in 1998, the said defendants sought third party financing or merger with an existing publicly held entity.

49. In 1998, Wellesley Services, LLC, acting as an

intermediary/broker, entered into an agreement with American Disposal Company, which was later acquired by Allied Waste Systems, Inc., for the acquisition of approximately 11 small solid waste companies.

50. Wellesley Services, LLC closed the sale of the small solid waste companies to Allied Waste Systems, Inc. in late December 1998 ("12/98 Closing") and received a fee of $17,719,000 for its services.

51. On or about February 2, 1999, Wellesley Services, LLC received additional revenues of approximately $8,000,000 from Allied Waste which Wellesley characterized as a deposit toward a second closing that was expected to occur in the Summer of 1999.

52. Because Wellesley Services, LLC was successful in facilitating the brokering of the sale of the consolidated group of small solid waste companies, similar plans were subsequently devised by Giacomaro, Moody, and Bianco for the acquisition of small companies in the heating oil industry (the "Energy Project") and the freight transportation/retail apparel industry (the "Freight/Apparel Project") to be rolled up and acquired by a third party (collectively, the "Projects").

**Wellesley Energy, LLC and the Energy Project**

53. Defendant Wellesley Energy, LLC was formed in 1999 to

facilitate and assist in the consolidation of commercial and residential heating oil companies for acquisition by a related entity, Wellesley Energy, Inc. (the "Energy Project") similar to the manner in which Wellesley Services, LLC facilitated and assisted in the consolidation of solid waste companies for the intended acquisition by Wellesley Group Inc.

54. Bianco was the sole shareholder of Wellesley Energy, Inc. yet he and Moody owned and managed Wellesley Energy, LLC.

55. Moody was the President and Director of Wellesley Energy, LLC and Bianco was the Treasurer and Secretary.

**CTA and the Retail/Transportation Project**

56. Defendant CTA was formed in 2000 to assist in the formation and consolidation of regional freight transportation and logistics companies for merger with a publicly owned transportation company (the "Freight/Apparel Project") similar to the manner in which Wellesley Services, LLC facilitated and assisted in the consolidation of solid waste companies for the intended acquisition by Wellesley Group Inc.

57. Moody and Bianco, the sole owners and managers of CTA, were the Chairman/Chief Executive Officer and Treasurer/Secretary, respectively.

## Windham Associates, Inc.'s Role in the Projects

58. Windham Associates, Inc., an entity in which Moody and Bianco were the sole officers and shareholders, was intended by Moody and Bianco to be the entity that would hire employees, lease office space and pay business expenses for the Projects.

59. The sole source of income to Windham Associates, Inc. was monies paid to it by Wellesley Services, LLC, Wellesley Energy, LLC and CTA and fees received from the 12/98 Closing and subsequent deposit fees paid by Allied Waste Systems, Inc.

60. Virtually all of the operating funds needed by Wellesley Services, LLC, Wellesley Energy, LLC and CTA were raised by the sale of unregistered securities to investors and fees from the transactions with Allied Waste Systems, Inc.

## KEY PARTICIPANTS IN THE PROJECTS

### Thomas Giacomaro

61. Thomas Giacomaro was the "point man" for negotiations with the small solid waste companies packaged by Wellesley Services, LLC because he had the attention of the small waste companies, Allied Waste and American Disposal.

62. Giacomaro found investors for the Projects and attracted approximately 100 companies that could be acquired for any one of the Projects.

63. Giacomaro negotiated with the principals of the targeted companies for the Projects as well as handled the marketing work with the small companies, assisted in the "pro formas" with auditors Ernst & Young, coordinated the handling of documents to counsel for all sides of the transactions, and negotiated employment contracts between Allied Waste and the principals of the small solid waste companies for retention of the principals and key employees after the 12/98 Closing.

**Keith Moody**

64. Moody's role in the Projects was raising money for the Projects from potential investors, communicating with legal counsel, completing the sale of the unregistered securities to investors, and communicating with investors regarding the unregistered securities.

**Anthony Bianco**

65. Bianco's role in the Projects was handling the financial aspects of the business and analyzing the financial documents of target companies.

66. Bianco was the signatory on all the bank accounts of defendants Wellesley Services, LLC, Wellesley Energy, LLC, CTA, Marcus Industries, Windham Associates, Inc., including one he shared with Hayes, in 1999, which was funded with $2 million.

## CONCEALMENT OF THOMAS GIACOMARO'S CRIMINAL BACKGROUND

67. Moody and Bianco were aware of Giacomaro's criminal background in early 1997; that is, that he plead guilty in 1996 to (a) conspiring to embezzle monies of an employee pension benefit plan contrary to 18 U.S.C. § 664 in violation of 18 U.S.C. § 371, and (b) conspiracy to defraud creditors of Imperial Air Freight, Inc. contrary to 18 U.S.C. § 1341. Giacomaro was sentenced on January 14, 2002 to 18 months imprisonment for these crimes.

68. Giacomaro, Moody, Bianco and Wellesley Services, LLC, Wellesley Energy, LLC, CTA, and Marcus Industries through their officers, directors, employees, agents and attorneys, knew that Giacomaro's criminal background would have to be disclosed to investors in the Projects if Giacomaro was an officer or director in any of their business entities relating to the Projects.

69. To avoid the need to disclose Giacomaro's criminal background, Giacomaro, Moody, Bianco, and Wellesley Services, LLC, Wellesley Energy, LLC, CTA, and Marcus Industries, through their officers, directors, employees, agents and attorneys, designated Giacomaro a "consultant", a role with which Giacomaro was familiar from his prior work in mergers and acquisitions.

70. As a consultant, Giacomaro conducted business under his trade name, Marcus Industries. However, he distributed Wellesley Services, LLC business cards to third parties.

## MARCUS INDUSTRIES

### Control of Marcus Industries

71. Giacomaro controlled Marcus Industries and referred to it as "his company" although Moody and Bianco were the officers and shareholders of Marcus Industries.

72. Giacomaro, Hayes, Moody and Bianco were signatories on bank accounts in the name of Marcus Industries.

73. Millions of dollars were transferred from Windham Associates, Inc. to the Marcus Industries accounts to the detriment of investors of Wellesley Services, LLC, Wellesley Energy, LLC and CTA.

### Giacomaro's Compensation

74. Giacomaro directed Bianco to pay Giacomaro's compensation for the Projects to Marcus Industries.

75. Giacomaro believed he was entitled to 20% of the total broker fee received by Wellesley Services, LLC. Thus, since Wellesley Services, LLC received a fee of approximately $17 million when it closed the deal with Allied Waste Systems, Inc. in December 1998, Giacomaro believed he should have received 20% of that amount as his fee.

76. Giacomaro's compensation was not a fixed amount or based

upon any formula. Instead, it was determined by what Giacomaro believed he deserved for his work.

77. During 1998 and 1999, approximately $35,386,216 was diverted from Wellesley Services, LLC's money market account and Windham Associates, Inc. account to pay for Giacomaro and Hayes' personal expenses, purchase real property for the benefit of Giacomaro, Hayes and Giacomaro's family, and provide compensation to Giacomaro and direct payments to Hayes.

## THE SALE OF UNREGISTERED SECURITIES IN THE FORM OF PROMISSORY NOTES, LIMITED LIABILITY COMPANY INTERESTS OR A COMBINATION THEREOF FOR A COMMON SCHEME AND BUSINESS ENTERPRISE

### The Unregistered Securities Were Sold by Unregistered Agents

78. Between October, 1995 and August, 2001, defendants Wellesley Services, LLC, Wellesley Energy, LLC and CTA, through Giacomaro, Moody, Bianco and Funk, solicited, issued and sold unregistered securities to investors in the form of promissory notes and/or limited liability interests in the aggregate principal amount of approximately $80 million.

79. Investors were solicited by a variety of people including but not limited to defendants Giacomaro, Moody, Funk and Brown.

80. Defendant Funk solicited investors from a client base he

had when employed with Merrill Lynch in the financial services industry.

81. Defendant Brown was a realtor whom Moody recruited to find investors.

82. Defendants Giacomaro, Funk and Brown were compensated with finders' fees for each investor they brought to defendants Wellesley Services, LLC, Wellesley Energy, LLC and CTA who actually invested.

83. Giacomaro, Moody, Funk and Brown were not registered as agents with the Bureau in connection with the sale of unregistered securities.

**Unregistered Securities Issued and Sold by Wellesley Services, LLC**

84. Beginning in October, 1995 and continuing through August, 2001, Wellesley Services, LLC issued and sold unregistered securities in the form of:

(a) promissory notes guaranteeing 15% return with maturity dates that would come due on (i) the consummation of the Wellesley Group IPO or (ii) alternative maturity dates such as the earlier of a fixed date or a specified transaction relating to the Waste Project ("15% Promissory Notes");

(b) limited liability interests in Wellesley Services, LLC

(c) a combination of a limited liability interest in Wellesley Services, LLC and promissory notes.

85. The 15% Promissory Notes issued pursuant to certain offerings dated December 12, 1998 and June 15, 1999, described as Bridge Loan Agreements, guaranteed interest at 15% per annum plus a premium payment equal to 50% of the principal amount of the note resulting in a 65% return on the investment.

86. Defendant Wellesley Services, LLC failed to provide investors who purchased the 15% Promissory Notes prior to March 1997 with written information advising of the risks of the investment, corporate history, corporate finances, key personnel and other material information.

87. Wellesley Services, LLC's offering documentation for the unregistered securities sold between March, 1997 and December, 1998 falsely represented to investors:

(a) that the operations of defendant Wellesley Services, LLC were dependent on the continued efforts of its executive officers;

(b) that Wellesley Services, LLC would offer the securities exclusively to "accredited investors"

within the meaning of Securities and Exchange Commission Rule 501;

(c) the manner in which the proceeds from the sale of the unregistered securities would be used;

(d) that pending the use of the proceeds described in the documents provided to investors, the net proceeds of funds from the sale of the unregistered securities were to be invested in short-term, investment grade, interest bearing securities; and

(e) that Wellesley Services, LLC was controlled by the Managers, Moody and Bianco.

**Unregistered Securities Issued and/or Sold by Wellesley Energy, LLC**

88. In or about March, 1999 and continuing thereafter, Wellesley Energy, LLC offered, issued and sold unregistered securities in the form of Special Membership Interests of Wellesley Energy, LLC and promissory notes promising a return of 15% per annum.

89. The promissory notes described in Wellesley Energy, LLC's March 1, 1999 offering document entitled "Bridge Loan Private Placement Memorandum" provided that the notes would mature on the first to occur: (i) December 31, 2000, or (2) after the

acquisition of certain companies.

90. In addition, note holders were entitled to receive an additional Special Membership Interest for its stated value, without interest, ten business days after the later of (i) the Combination or (ii) the first anniversary of the issuance of the notes.

91. Wellesley Energy, LLC's offering documentation for unregistered securities sold in and after March, 1999 falsely represented to investors:

(a) that the operations of defendant Wellesley Energy, LLC were dependent on the continued efforts of its executive officers;

(b) that Wellesley Energy, LLC would offer the securities exclusively to "accredited investors" within the meaning of Securities and Exchange Commission Rule 501;

(c) the manner in which the proceeds from the sale of the unregistered securities would be used;

(d) that pending the use of the proceeds described in the documents provided to investors, the net proceeds of funds from the sale of the securities would be invested in short-term, investment grade,

interest bearing securities; and

(e) that investors would receive a promissory note from Wellesley Energy, LLC, when, in fact, the note was signed on behalf of CTA.

**Unregistered Securities Issued and Sold by CTA**

92. In or about September, 2000 and continuing thereafter, CTA offered, issued and sold unregistered securities in the form of promissory notes offering a return of 15% per annum.

93. The promissory notes described in CTA's September 19, 2000 offering document entitled "Bridge Loan Private Placement Memorandum" provided that the notes would mature on the first to occur: (1) June 1, 2001, or (2) the conclusion of the Combination.

94. In addition, note holders were to receive additional cash or marketable securities of a strategic partner equal to 50% of the principal amount of the note.

95. CTA's offering documentation for securities sold during and after September, 2000 falsely represented to investors:

(a) that the operations of defendant CTA were dependent on the continued efforts of its executive officers;

(b) that CTA would offer the securities exclusively to

"accredited investors" within the meaning of Securities and Exchange Commission Rule 501;

(c) the manner in which the proceeds from the sale of the unregistered securities would be used;

(d) that pending the use of the proceeds described in the documents provided to investors, the net proceeds of funds from the sale of the securities were to be invested in short-term, investment grade, interest bearing securities; and

(e) that CTA was founded in March, 2000.

**Additional Unregistered Securities Issued by Wellesley Services, LLC, Wellesley Energy, LLC and/or CTA**

96. Wellesley Services, LLC, Wellesley Energy, LLC and/or CTA issued another five "Private Placement Memoranda" for investors, dated September 10, 1997, June 15, 1998, December 1, 1998, June 11, 1999 and November 15, 1999.

97. The goals of the Energy Project and the Freight/Apparel Project as represented to investors were not achieved.

**USE OF INVESTMENT PROCEEDS BY WELLESLEY SERVICES, LLC, WELLESLEY ENERGY, LLC AND CTA**

**Commingling of Investor Funds**

98. Defendants Wellesley Services, LLC, Wellesley Energy, LLC and CTA raised, in the aggregate, approximately $80 million from the sale of the above-described unregistered securities.

99. Funds raised from the sale of the unregistered securities sold by defendants Wellesley Services, LLC, Wellesley Energy, LLC and CTA to investors were initially deposited into a bank account labeled as a "funding account" for the entity issuing the security and receiving the investor funds; that is, Wellesley Services, LLC Funding Account, Wellesley Energy, LLC Funding Account, and CTA Funding Account.

100. Thereafter, the investor funds in each of the said "funding accounts", in whole or part, were transferred to other accounts for each respective entity and to the account of Windham Associates, Inc.

101. The transfer of the investor funds into the Windham Associates, Inc. account resulted in the commingling of investor funds.

102. The commingling of investor funds resulted in investor funds being used to pay expenses relating to projects in which they did not invest and investors failing to receive any returns on their investment or return of their principal investment.

103. Defendants Wellesley Services, LLC, Wellesley Energy, LLC, CTA, Giacomaro, Moody and Bianco authorized the commingling of

investor funds in the Windham Associates, Inc. bank accounts.

**Funding for Giacomaro and Hayes' Personal Expenses**

104. The funds in the Windham Associates, Inc. bank accounts became a source of payment for Giacomaro and Hayes' personal expenses with Moody and Bianco's knowledge and consent.

105. Bianco issued checks on Windham Associates, Inc.'s bank accounts and made wire transfers to and from those accounts.

106. Hayes was a signatory on the Marcus Industries bank accounts. Giacomaro used a signature stamp with Hayes' signature for withdrawals from those accounts and to sign other documents.

107. During the relevant period herein, Windham Associates, Inc. made restitution payments on Giacomaro's behalf to the victims of the crimes to which Giacomaro plead guilty. The restitution payments totaled $1,081,968 and were transmitted by bank checks naming Windham Associates, Inc. as the remitter and paid to a pension fund and its administrator.

108. Payments were made by Windham Associates, Inc. to third parties who provided personal services to Giacomaro and Hayes. The services include, but are not limited to, attorneys, child care, physicians, schools, summer camps, a tennis club, a pool and spa maintenance company, housekeepers, and a beach resort in Delray Beach, Florida.

109. Windham Associates, Inc. also paid Hayes' and Marcus Industries' credit card bills and retail store expenses to entities including, but not limited to, Visa, American Express, Bloomingdale's, Nieman Marcus, Sachs Fifth Avenue, Papillon and Bergdorf Goodman.

110. Windham Associates, Inc. provided small amounts of cash similar to an allowance, on a regular basis to Giacomaro's three adult children from a prior marriage.

111. In or about January or February 1999, Windham Associates, Inc. transferred funds to European Properties, LLC, an entity in which Bianco was the named managing member but was controlled by Giacomaro.

112. The transferred funds were used to purchase real property at 85 Fox Hedge Road, Saddle River, New Jersey ("85 Fox Hedge Road") for the personal benefit of Giacomaro and Hayes.

113. Defendants Estate Properties and Windham Associates, Inc. also paid in excess of $2.6 million for renovations at 85 Fox Hedge Road.

114. In January 1999, Giacomaro used part of his fees from the 12/98 Closing to purchase 78 Fox Hedge Road, Saddle River, New Jersey, which is Giacomaro and Hayes' residence.

115. Renovations were made to 78 Fox Hedge Road prior to

title being conveyed to Hayes. The renovations cost in excess of $3.3 million and were paid for by Windham Associates, Inc. and/or defendant Estate Properties.

116. On or about May 25, 1999, defendant Villas & Estates purchased real property located at 91 Fox Hedge Road, Saddle River, New Jersey for $2 million for the personal benefit of Giacomaro and Hayes.

117. Defendant Villas & Estates is an entity in which Bianco was the sole owner and manager but was controlled by Giacomaro.

118. The funds used to pay for the purchase of the 91 Fox Hedge Road property were investor funds and fees from the 12/98 Closing and subsequent deposit fees received from Allied Waste Systems, Inc. by Wellesley Services, LLC and the other corporate defendants.

119. Villas & Estates conveyed title to 91 Fox Hedge Road to Hayes by deed dated August 12, 1999 for consideration of $1 million.

120. Hayes conveyed title back to Villas & Estates by deed dated December 16, 1999 for consideration in the amount of less than $1.00.

121. Defendant Estate Properties is an entity in which Bianco was the sole owner and member but was controlled by Giacomaro.

**Additional Compensation to Moody and Bianco**

133. Wellesley Services, LLC, Wellesley Energy, LLC, CTA, Giacomaro, Moody and Bianco failed to disclose to investors the full amount of compensation and bonuses that was paid to officers, including Moody.

134. Moody and Bianco received compensation over and above what was disclosed to investors in the offering documents provided to investors.

135. Payments were made by Wellesley Services, LLC and Windham Associates, Inc. to Moody's consulting company in which he was the sole shareholder; SRM, and to Bianco's consulting company in which he was the sole shareholder, AKB.

136. These payments were denoted as "consulting fees" but were, in fact, additional compensation to Moody who was the only employee of SRM and to Bianco who was the only employee of AKB.

**Payments for Apartment Leases, Child Care, for Employees**

137. In or about 1999 and 2000, Windham Associates, Inc. entered into residential leases for apartments provided to employees Dale Nolder, Robert Deak, Anthony Ciofalo and Thomas Kehoe.

138. Funds from the Windham Associates, Inc. account were used to pay child care expenses for the child of a secretary, Tina

acquisition by Wellesley Group, Inc. of certain companies, which never occurred, were given a preference over other investors by wrongfully being paid their principal, interest and/or 50% principal premium totaling $873,604.

**FAILURE TO RETURN INVESTORS PRINCIPAL AND/OR INTEREST**

143. Rather than pay investor notes that were due or coming due when the $17 million in fees were received from the 12/98 Closing, defendants Giacomaro, Moody, Bianco, and Wellesley Services, LLC and Wellesley Energy, LLC through their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, used the fees along with investor funds in the manner described in this Verified Complaint.

144. Defendants Giacomaro, Moody, Bianco, and Wellesley Services, LLC, Wellesley Energy, LLC and CTA through their directors, officers, employees, agents and attorneys failed and/or refused to return to other investors their original principal investment, interest and/or principal premium.

145. All the aforementioned conduct including the use of investor proceeds for the personal benefit of Giacomaro, Hayes, Moody and Bianco has rendered Wellesley Services, LLC, Wellesley Energy, LLC and CTA insolvent to the detriment of investors.

## OMISSIONS AND/OR MISREPRESENTATIONS OF MATERIAL INFORMATION

146. Defendants Giacomaro, Moody, Bianco and Wellesley Services, LLC, Wellesley Energy, LLC, and CTA through their directors, officers, employees, agents and attorneys omitted and/or misrepresented or failed to disclose material information to investors including, but not limited to:

(a) Giacomaro was an undisclosed principal and/or the alter ego of Wellesley Services, LLC, Wellesley Energy, LLC, CTA, Windham Associates, Inc. and Marcus Industries and that these entities served as vehicles to raise money on an as-needed basis for the integrated use of the aforementioned entities as well as to fund the lavish expenditures of Giacomaro and Hayes, and the bank accounts of Bianco and Moody, directly, and through their entities, SRM and AKB, respectively;

(b) the success of the Projects was almost wholly dependent upon Giacomaro's efforts and that Giacomaro was one of, if not the only, "key personnel" on which the operations of Wellesley Services, LLC, Wellesley Energy, LLC and CTA were dependent;

(c) Giacomaro plead guilty to federal crimes in 1996;

(d) Giacomaro was paid millions of dollars from investor funds through Marcus Industries;

(e) the investor funds were used in the manner described in preceding paragraphs of this Verified Complaint;

(f) the securities were sold by unregistered individuals in violation of the New Jersey Uniform Securities Law;

(g) persons not registered with the Bureau as "agents" were paid finder's fees in connection with the sale of the unregistered securities;

(h) the unregistered securities were sold to persons who were not "accredited" contrary to representations in the offering documents issued by Wellesley Services, LLC, Wellesley Energy, LLC and CTA;

(i) the funds invested were commingled with funds from investor funds from other projects in Windham Associates, Inc. accounts;

(j) Bianco, Moody and Hayes were serving as "fronts" or figureheads for Giacomaro;

(k) Giacomaro and Hayes had their personal expenses for

themselves and their children paid from investor funds;

(l) offering documents setting forth accurate and complete information for investors;

(m) broker-dealers were not used to effectuate the sale of the unregistered securities as represented in certain offering documents;

(n) the existence of earlier offerings and unregistered securities sold to investors;

(o) the existence of subsequent offerings by way of amendment to earlier investors;

(p) that the Wellesley Group IPO would not occur;

(q) that investor funds would be used to purchase real estate for investment property owned by entities owned by Bianco but considered by Giacomaro as his companies and for the personal benefit of Giacomaro and his family members;

(r) the full amount of Moody's compensation including payments to his consulting company, SRM, for Moody's services;

(s) the full amount of Bianco's compensation including

payments to his consulting company, AKB, for Bianco's services;

(t) all the corporate officers' compensation;

(u) how the investor funds were actually used; and

(v) that Wellesley Services, LLC was formerly known as WS Survivor, L.L.C. which was the successor by merger with Wellesley Services, Inc., a New Jersey corporation formed in 1995.

**FIRST COUNT**

**Fraud In Connection With the Offer, Sale or Purchase of Securities**

**N.J.S.A. 49:3-52(a)**

**(Against Defendants Wellesley Services, LLC, Wellesley Energy, LLC, Consolidate Transport America, LLC, Wellesley Group, Inc., Windham Associates, Inc., SRM Associates, Inc., AKB Associates Inc., Marcus Industries, Inc., Villas & Estate Properties, LLC, Estate Properties, LLC, European Properties, LLC, Townhouse Properties, LLC, Thomas Giacomaro, Dorian M. Hayes, Keith Moody, Anthony Bianco)**

147. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.

148. Defendants Giacomaro, Hayes, Moody, Bianco, and Wellesley Services, LLC, Wellesley Energy, LLC, CTA, Wellesley Group, Inc., Windham Associates, Inc., SRM, AKB, Marcus Industries, Villas &

Estate Properties, Estate Properties, European Properties, and Townhouse Properties, through their directors, officers, employees, agents and attorneys, acting in concert with each other and the other defendants named in this Verified Complaint, employed a scheme to defraud investors by engaging in the conduct described in this Verified Complaint.

149. The scheme included:

(a) identifying Giacomaro as a consultant either directly or through his company, Marcus Industries, so his criminal background could be concealed from investors;

(b) failing to register the securities with the Bureau and failing to advise investors that the securities were required to be registered but were not;

(c) failing to disclose the manner in which investor proceeds were used and were to be used; and

(d) representing to investors that Wellesley Services, LLC, Wellesley Energy, LLC, CTA, Windham Associates, Inc. and Marcus Industries were separate entities when, in fact, they were part of a common scheme designed to raise money on an as-needed basis for the integrated use of the aforementioned entities as well as to fund the

lavish expenditures of Giacomaro and Hayes, and the bank accounts of Moody and Bianco, directly, and through their entities, SRM and AKB, respectively.

150. Each violation of N.J.S.A. 49:3-52(a) 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.

**SECOND COUNT**

**Making Materially False and Misleading Statements and Omitting Material Facts Necessary to Make Statements Made Not Misleading**

**N.J.S.A. 49:3-52(b)**

**(Against Defendants Wellesley Services, LLC, Wellesley Energy, LLC, Consolidate Transport America, LLC, Thomas Giacomaro, Keith Moody and Anthony Bianco)**

151. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.

152. Defendants Giacomaro, Moody, Bianco and Wellesley Services, LLC, Wellesley Energy, LLC and CTA through their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, acting in concert with each other and the other defendants named in this Verified Complaint, directly and/or indirectly, omitted material facts and made materially false and misleading statements to investors in connection with the offer

and sale of securities.

153. Among the omitted material facts and materially false and misleading statements were:

(a) that Giacomaro plead guilty to federal crimes in 1996;

(b) that Giacomaro was paid from investor funds through Marcus Industries;

(c) that the investor funds were used improperly, in the manner described in preceding paragraphs of this Verified Complaint;

(d) that the securities were sold by unregistered individuals in violation of the New Jersey Uniform Securities Law;

(e) that persons not registered with the Bureau as "agents" were paid finder's fees in connection with the sale of the securities;

(f) that the securities were sold to persons who were not "accredited" contrary to representations in the offering documents issued by Wellesley Services, LLC, Wellesley Energy, LLC and CTA;

(g) that Bianco, Moody and Hayes were serving as

"fronts" or figureheads for Giacomaro;

(h) that the funds invested were commingled with funds from investor funds from other projects in Windham Associates, Inc. accounts;

(i) that Giacomaro and Hayes had their personal expenses for themselves and their children paid from investor funds;

(j) that broker-dealers were not used to effectuate the sale of the securities as represented in certain offering documents;

(k) that the Wellesley Group IPO would not occur;

(l) that investor funds would be used to purchase real estate for investment property owned by entities owned by Bianco but considered by Giacomaro as his companies and for the personal benefit of Giacomaro and his family members;

(m) that the full amount of Moody's compensation included payments to his consulting company, SRM; and

(n) that the full amount of Bianco's compensation included payments to his consulting company, AKB.

154. Each materially false or misleading statement is a

violation of N.J.S.A. 49:3-52.

155. Each violation of N.J.S.A. 49:3-52 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.

**THIRD COUNT**

**Fraud In Connection With the Offer, Sale or Purchase of Securities**

**N.J.S.A. 49:3-52(c)**

**(Against Defendants Wellesley Services, LLC, Wellesley Energy, LLC, Consolidate Transport America, LLC, Windham Associates, Inc., Thomas Giacomaro, Keith Moody and Anthony Bianco)**

156. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.

157. Each payment by defendants Wellesley Services, LLC, Wellesley Energy, LLC, CTA and Windham Associates, Inc. through their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, acting in concert with each other and the other defendants named in this Verified Complaint, of funds received by defendants Wellesley Services, LLC, Wellesley Energy, LLC and CTA from or on behalf of investors through the sale of unregistered securities, to a third party for use other than that set forth in the offering documents, is an act,

practice and course of business which operates as a fraud or deceit upon the investors and others, in violation of N.J.S.A. 49:3-52(c).

158. Each violation of N.J.S.A. 49:3-52 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.

**FOURTH COUNT**

**Offering and Selling Unregistered Securities**

**N.J.S.A. 49:3-60**

**(Against Defendants Wellesley Services, LLC, Wellesley Energy, LLC, Consolidate Transport America, LLC, Thomas Giacomaro, Keith Moody and Anthony Bianco)**

159. Plaintiffs repeat the allegations set forth in the preceding paragraphs as if fully set forth herein.

160. The promissory notes and/or limited liability interests sold by defendants Giacomaro, Moody, Bianco, Wellesley Services, LLC, Wellesley Energy, LLC and CTA, through their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, acting in concert with each other and the other defendants named in this Verified Complaint, were securities as defined in N.J.S.A. 49:3-49(m) of the New Jersey Uniform Securities Law, N.J.S.A. 49:3-47 et seq. ("Securities Law").

161. Defendants Giacomaro, Moody, Bianco, Wellesley Services,

LLC, Wellesley Energy, LLC and CTA, through their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, acting in concert with each other and the other defendants named in this Verified Complaint, offered or sold unregistered securities to, from or within New Jersey.

162. The securities offered or sold to, from or within New Jersey by defendants Giacomaro, Moody and Bianco, Wellesley Services, LLC, Wellesley Energy, LLC and CTA, through their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, acting in concert with each other and the other defendants named in this Verified Complaint, were not registered securities with the Bureau as required by N.J.S.A. 49:3-60 or exempt from registration.

163. The securities offered or sold to, from or within New Jersey by defendants Giacomaro, Moody and Bianco, Wellesley Services, LLC, Wellesley Energy, LLC and CTA, through their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, acting in concert with each other and the other defendants named in this Verified Complaint, were required to be registered.

164. Each offer to sell and sale by defendants Wellesley Services, LLC, Wellesley Energy, LLC and CTA, through their officers, directors, employees, agents, attorneys, successors,

subsidiaries and affiliates, acting in concert with each other and the other defendants named in this Verified Complaint, of unregistered securities were made in violation of N.J.S.A. 49:3-60.

165. Each violation of N.J.S.A. 49:3-60 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.

**FIFTH COUNT**

**Acting as Agents without Registration**

**N.J.S.A. 49:3-56(a)**

**(Against Defendants Thomas Giacomaro, Mark Brown Keith Moody and Stephen Funk)**

166. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.

167. Defendants Giacomaro, Moody, Funk and Brown, acting in concert with each other and the other defendants named in this Verified Complaint, represented Wellesley Services, LLC, Wellesley Energy, and/or CTA in effecting or attempting to effect transactions in unregistered 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.

168. Said defendants 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.

169. Each instance of said defendants so acting constitutes a separate violation of N.J.S.A. 49:3-56(a).

**SIXTH COUNT**

**Employing Unregistered Agents in Violation of N.J.S.A. 49:3-56(h)**

**(Against Defendants Wellesley Services, LLC, Wellesley Energy, LLC and Consolidate Transport America, LLC)**

170. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.

171. Defendants Wellesley Services, LLC, Wellesley Energy, LLC and CTA, acting in concert with each other and the other defendants named in this Verified Complaint, had agents including Giacomaro, Moody, Funk and Brown representing them in effecting or attempting to effect transactions in unregistered securities from, in or within New Jersey.

172. Giacomaro, Moody, Funk and Brown acted as agents as defined in Section 49:3-49(b) of the Securities Law, without being registered with the Bureau.

173. Wellesley Services, LLC, Wellesley Energy, LLC and CTA's engaging of Giacomaro, Moody, Funk and Brown constituted employing

agents who were not registered with the Bureau in violation of N.J.S.A. 49:3-56(h).

**DEMAND FOR RELIEF**

**WHEREFORE**, Plaintiffs petition this Court for an order:

(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 all defendants 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 Wellesley Services, LLC, Wellesley Energy, LLC, Wellesley Group, Inc., CTA, Windham Associates, Inc., Windham Investment Associates, Inc., SRM, AKB, Marcus Industries, Villas & Estate Properties, Estate Properties, European Properties, Townhouse Properties, their officers, directors, employees, agents, brokers, partners,

stockholders, attorneys, successors, subsidiaries and affiliates, and Moody, Bianco, Giacomaro, and Hayes including their agents and anyone acting on their behalf;

(E) Freezing the assets of and enjoining Wellesley Services, LLC, Wellesley Energy, LLC, Wellesley Group, Inc., CTA, Windham Associates, Inc., Windham Investment Associates, Inc., SRM, AKB, Marcus Industries, Villas & Estate Properties, Estate Properties, European Properties, Townhouse Properties, their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, Moody, Bianco, Giacomaro, Hayes, Katherine Capawana and Ross Capawana 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 expenses which have been approved in advance by the receiver described below. 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 Wellesley Services, LLC, Wellesley Energy, LLC,

Wellesley Group, Inc., CTA, Windham Associates, Inc., Windham Investment Associates, Inc., SRM, AKB, Marcus Industries, Villas & Estate Properties, Estate Properties, European Properties, Townhouse Properties, their officers, directors, employees, agents, attorneys, successors, subsidiaries and affiliates, Moody, Bianco, Giacomaro, Hayes, Katherine Capawana and Ross Capawana and all persons who receive 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) Pursuant to N.J.S.A. 49:3-69, appointing a receiver, to serve without bond, who will:

(i) immediately take into possession all of the assets of defendants whose assets are frozen including, but not limited to, holdings and interests in all financial institutions, brokerage and trading accounts, and undertake all actions necessary or appropriate to maintain optimal value of the assets, including the liquidation of any such assets;

(ii) review all the books and records of and pertaining to all defendants whose assets are frozen and report to the Court within 90 days of the requested Order:

(a) the identities of all investors of defendants

Wellesley Services, LLC, Wellesley Energy, LLC, CTA, and creditors of all defendants whose assets are frozen, past and present, and the status of their accounts;

(b) the financial condition of all defendants whose assets are frozen, their successors, subsidiaries and affiliates; and

(c) a preliminary plan to distribute the assets of defendants to investors and creditors including the Bureau;

(iii) determine the necessity of retaining professionals including, but not limited to, accountants and attorneys, to assist the receiver in fulfilling the receiver's responsibilities as ordered by the Court, and upon making a determination of necessity and obtaining plaintiffs' consent, make application to the Court for an order permitting the retention of such professionals by the receiver;

(iv) be held harmless from and against any liabilities, including costs and expenses of defending claims, for which the receiver may become liable or incur by reason of any act or omission to act in the course of performing the receiver's duties, except upon a finding by this

Court of gross negligence or willful failure of the receiver to comply with the terms of this or any other order of this Court, irrespective of the time when such claims are filed;

(v) be compensated out of the estate of all defendants whose assets are frozen, their successors, subsidiaries and affiliates;

(vi) be permitted to resign upon giving written notice to this Court and plaintiffs of the receiver's intention to resign, which resignation shall not become effective until appointment by the Court of a successor which shall be subject to plaintiffs' approval; and

(vii) have the full statutory powers to perform the receiver's duties delineated in N.J.S.A. 49:3-69 (c) and (d) and Title 14 of the New Jersey Statutes, Corporations, General, including, but not limited to, those set forth at N.J.S.A. 14a:14-1 et seq. or so far as the provisions thereof are applicable.

(H) Affording each purchaser of securities issued by or on behalf of Wellesley Services, LLC, Wellesley Energy, LLC and CTA, 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 Wellesley Services, LLC, Wellesley Energy, LLC and CTA 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 civil monetary penalties for each incident of violating the Securities Law in accordance with N.J.S.A. 49:3-70.1;

(K) Requiring defendants to pay restitution and disgorge all profits and/or funds gained through violations of the Securities Law; and

(L) Affording plaintiffs and affected third parties any additional relief the Court may deem just and equitable.

PETER C. HARVEY
ACTING ATTORNEY GENERAL OF NEW JERSEY
On behalf of Franklin L. Widmann
Chief of the New Jersey Bureau
of Securities

By: Priya Doraswamy
Priya Doraswamy
Deputy Attorney General

Dated: 6/4/03