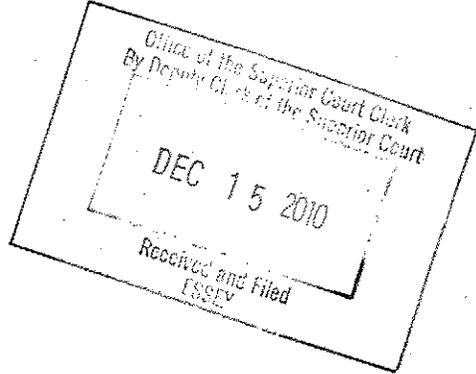


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 Counsel for Plaintiff



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PAULA T. DOW,	SUPERIOR COURT OF NEW JERSEY
Attorney General of New Jersey	: ESSEX COUNTY
on behalf of	: CHANCERY DIVISION
MARC B. MINOR, Chief of the	: GENERAL EQUITY
New Jersey Bureau of Securities,	: Civil Action
Plaintiff,	: Docket No. ESX-C-288-10
v.	: VERIFIED COMPLAINT
EVERETT CHARLES FORD MILLER,	:
Individually and as President	:
of Carr Miller Capital LLC;	:
RYAN JUDE CARR,	:
Individually and as a Member	:
of Capital Markets Advisory	:
Limited Liability Company f/k/a	:
Carr Miller Capital Investments	:
LLC;	:
BRIAN PATRICK CARR,	:
Individually and as a Member	:
of Capital Markets Advisory	:
Limited Liability Company f/k/a	:
Carr Miller Capital Investments	:
LLC;	:
CAPITAL MARKETS ADVISORY	:
LIMITED LIABILITY COMPANY f/k/a	:
CARR MILLER CAPITAL INVESTMENTS	:
LLC, a New Jersey limited	:
liability company;	:
CARR MILLER CAPITAL LLC,	:
a New Jersey limited liability	:
company;	:
Defendants,	:
and	:

CARR MILLER CARE LIMITED  
 LIABILITY COMPANY, A New Jersey :  
 limited liability company;  
 CARR MILLER CHARITY FOUNDATION :  
 INC., a New Jersey non-profit :  
 corporation; :  
 CARR MILLER COMMERCIAL :  
 TRANSPORTATION, LLC, :  
 a New Jersey limited liability :  
 company :  
 CARR MILLER COMMODITIES LIMITED :  
 LIABILITY COMPANY, :  
 a New Jersey limited liability :  
 company; :  
 CARR MILLER CONSTRUCTION LIMITED :  
 LIABILITY COMPANY, :  
 a New Jersey limited liability :  
 company :  
 CARR MILLER ENTERTAINMENT LLC, :  
 a New Jersey limited liability :  
 company; :  
 CARR MILLER INSURANCE :  
 MANAGEMENT, LLC, :  
 a New Jersey limited liability :  
 company; :  
 CARR MILLER MAKIBA LIMITED :  
 LIABILITY COMPANY, :  
 a New Jersey limited liability :  
 company; :  
 CARR MILLER-OCTO, LLC, a New :  
 Jersey limited liability company; :  
 CARR MILLER PREMIUM FINANCE LLC, :  
 a New Jersey limited liability :  
 company; :  
 CARR MILLER REAL ESTATE :  
 INVESTMENT FUND, LP, a New :  
 Jersey limited partnership; :  
 CARR MILLER REAL ESTATE :  
 INVESTMENTS LIMITED LIABILITY :  
 COMPANY, a New Jersey limited :  
 liability company; :  
 ICA INVESTMENT ADVISORS LLC, :  
 a New Jersey limited liability :  
 company; :  
 INDIGO-ENERGY INC., a Nevada :  
 corporation; :  
 JPEM LIMITED LIABILITY COMPANY, :

A New Jersey limited liability :  
 company;  
 OCTO WATERFRONT GRILLE CO., :  
 a Pennsylvania company  
 PACTOLUS GROUP LLC, a New :  
 Jersey limited liability  
 company; :  
 PM HOLDINGS, LLC, a New Jersey :  
 limited liability company; and :  
 SURVEILLANCE FILM GROUP LLC, :  
 a New Jersey limited liability :  
 company; :  
 :  
 Nominal Defendants. :  
 \_\_\_\_\_ :

Paula T. Dow, Attorney General of New Jersey, on behalf of Plaintiff Marc B. Minor, Chief of the New Jersey Bureau of Securities ("Bureau Chief" or "Plaintiff"), having offices at 153 Halsey Street, City of Newark, County of Essex, State of New Jersey, by way of Verified Complaint against the above-named defendants, says:

PRELIMINARY STATEMENT

1. As detailed below, from at least 2007, defendants have engaged in a multimillion dollar, New Jersey based Ponzi scheme, which has been fed by fraudulent securities sold to investors throughout the country. The scheme is now unraveling.
2. As part of the scheme, defendants sold investors unregistered promissory notes that purported to pay between 10% and 15% annually. Instead of the investors' funds being used for investment purposes, defendants moved the money in

and amongst the accounts of related entities, many of which are named herein as nominal defendants. Defendants Ponzi used some of the funds to pay existing investors; millions more paid personal and other expenses in a manner never disclosed to purchasers of the notes.

3. In late November 2010, Plaintiff learned that defendants had stopped returning calls from investors and vacated their New Jersey offices. These circumstances compel the Bureau Chief to file this action and on an ex parte basis seek to freeze defendants' assets, impound defendants' records and enjoin further violations, and, ultimately, obtain restitution, disgorgement and civil monetary penalties.

#### JURISDICTION AND VENUE

4. The New Jersey Bureau of Securities (the "Bureau") is a state regulatory agency charged with the administration and enforcement of the New Jersey Uniform Securities Law (1997) N.J.S.A. 49:3-47 et seq. ("Securities Law").
5. Plaintiff brings this action pursuant to the Securities Law for violations of: N.J.S.A. 49:3-52(a) (employing any device, scheme or artifice to defraud); N.J.S.A. 49:3-52(b) (making materially false and misleading statements or omitting facts necessary to make the statements made not misleading); N.J.S.A. 49:3-52(c) (engaging in any act or practice, or course of business which would operate as a

fraud or deceit upon any person in connection with the offer, sale or purchase of securities); N.J.S.A. 53(a) (1) (employing any device, scheme or artifice to defraud the other person); N.J.S.A. 49:3-56(a) (acting as an unregistered agent); N.J.S.A. 49:3-56(h) (employing unregistered agents); and N.J.S.A. 49:3-60 (selling unregistered securities).

6. Plaintiff also brings this action for disgorgement of funds from the nominal defendants who were unjustly enriched by the defendants' actions, and freezing of assets of the defendants and nominal defendants, as well as appointment of a receiver over the defendants and nominal defendants.
7. Jurisdiction is proper over defendants for violations of the Securities Law that are the subject of this Verified Complaint because each alleged violation originated from this State. Therefore, pursuant to N.J.S.A. 49:3-51, all sales and offers to sell securities originated from New Jersey, whether or not either party was then present in this State.
8. Venue is proper pursuant to R. 4:3-2(a) because it lies where the cause of action arose.

#### PARTIES

9. Plaintiff is the principal executive of the New Jersey Bureau of Securities ("Bureau").

10. Defendant Everett Charles Ford Miller ("Miller") is an individual who, at all relevant times, resided in Marlton, New Jersey and/or Henderson, Nevada. Miller was registered with the Bureau as an investment adviser representative of Capital Markets Advisory Limited Liability Company ("Capital Markets Advisory LLC") from on or about April 2, 2008 to on or about October 22, 2009. Miller was a member and 5% owner of defendant Capital Markets Advisory LLC. At all relevant times, Miller was and is a principal, managing member and sole owner of defendant Carr Miller Capital LLC and controlled the finances of defendant Carr Miller Capital LLC.
11. Defendant Brian Patrick Carr ("Brian Carr") is an individual who resides in Chatham, New Jersey. Brian Carr was registered with the Bureau as an investment adviser representative and agent of New England Securities from on or about 2003 through on or about March 2008. On or about April 1, 2008, Brian Carr became registered with defendant Capital Markets Advisory LLC. Brian Carr is a principal of defendant Capital Markets Advisory LLC, its managing member and 95% owner. Brian Carr has held himself out as a certified financial planner or "CFP."
12. Defendant Ryan Jude Carr ("Ryan Carr") is an individual who resides in Franklinville, New Jersey. Ryan Carr was

registered with the Bureau as an agent of New England Securities from on or about February 2005 through on or about September 2006. Since that time, he has not been registered with the Bureau in any capacity, nor is he exempt from registration.

13. Defendant Capital Markets Advisory LLC is a New Jersey limited liability company located in Short Hills, New Jersey and Little Rock, Arkansas. Defendant Capital Markets Advisory LLC is registered with the Bureau as an investment adviser.
14. Defendant Carr Miller Capital LLC is a New Jersey limited liability company located in Marlton, New Jersey.
15. Nominal defendant Carr Miller Care Limited Liability Company is a New Jersey limited liability company.
16. Nominal defendant Carr Miller Charity Foundation Inc. is a New Jersey non-profit corporation.
17. Nominal defendant Carr Miller Commercial Transportation, LLC is a New Jersey limited liability company.
18. Nominal defendant Carr Miller Commodities Limited Liability Company is a New Jersey limited liability company.
19. Nominal defendant Carr Miller Construction Limited Liability Company is a New Jersey limited liability company.
20. Nominal defendant Carr Miller Entertainment LLC is a New Jersey limited liability company.

21. Nominal defendant Carr Miller Insurance Management, LLC is a New Jersey limited liability company.
22. Nominal defendant Carr Miller Makiba Limited Liability Company is a New Jersey limited liability company.
23. Nominal defendant Carr Miller-Octo, LLC is a New Jersey limited liability company.
24. Nominal defendant Carr Miller Premium Finance LLC is a New Jersey limited liability company.
25. Nominal defendant Carr Miller Real Estate Investment Fund, LP is a New Jersey limited partnership.
26. Nominal defendant Carr Miller Real Estate Investments Limited Liability Company is a New Jersey limited liability company.
27. Nominal defendant ICA Investment Advisors LLC is a New Jersey limited liability company.
28. Nominal defendant Indigo-Energy Inc. is a Nevada corporation.
29. Nominal defendant JPEM Limited Liability Company is a New Jersey limited liability company.
30. Nominal defendant Octo Waterfront Grille Company is a business located in Pennsylvania.
31. Nominal defendant Pactolus Group LLC is a New Jersey limited liability company.
32. Nominal defendant PM Holdings LLC is a New Jersey limited

liability company.

33. Nominal defendant Surveillance Film Group LLC is a New Jersey limited liability company.
34. Upon information and belief, defendants Miller and Brian Carr are principals of certain corporate nominal defendants and partners in the partnership nominal defendants. The nominal defendants received money from defendant Carr Miller Capital LLC to which the nominal defendants had no legal right.

#### FACTUAL BACKGROUND

35. Since in or about 2007, defendants Carr Miller Capital LLC and/or Capital Markets Advisory LLC, through defendants Miller, Brian Carr and Ryan Carr, sold and continue to sell securities in the form of promissory notes issued by defendant Carr Miller Capital LLC (the "Carr Miller Notes").
36. The Carr Miller Notes had a term of nine months and promised returns of between 10% and 15% per annum and return of the principal investment at the end of the nine month period.
37. The Carr Miller Notes were not registered with the Bureau, nor were they exempt from registration.
38. The investors to whom the Carr Miller Notes were sold included, but were not limited to, clients of defendant Capital Markets Advisory LLC.

39. The investors were located in New Jersey, Texas, Arkansas and North Carolina.
40. Defendants Carr Miller Capital LLC and Capital Markets Advisory LLC, through defendants Brian Carr and Ryan Carr, falsely represented to investors that their money would be invested in certain funds.
41. Investors were not provided with material information or were misled about the risk of the investments.
42. The purported monthly interest payments were often paid late to investors and subsequently ceased.
43. Upon inquiry by investors demanding their interest payments, defendants Brian Carr and Ryan Carr referred investors to Miller.
44. Investors' efforts to locate defendant Miller were unsuccessful.
45. In or about October 2010 and November 2010, defendant Carr Miller Capital LLC shut down without notice to investors.
46. In truth and in fact, Carr Miller Capital LLC investor money was commingled with other investor funds in multiple accounts that Carr Miller Capital LLC controlled. The investor money was also transferred to and from Carr Miller Capital LLC-related bank accounts and to the nominal defendants.
47. Defendants Miller, Ryan Carr, Brian Carr, and Carr Miller

Capital LLC misappropriated investor funds by wrongfully using the funds for their personal benefit and the benefit of the nominal defendants; in a Ponzi scheme to pay existing investors with money from new investors.

48. From in or about 2007 through in or about 2009, defendants Miller, Ryan Carr, Brian Carr, Carr Miller Capital LLC and the nominal defendants received deposits in certain accounts totaling approximately \$40 million. Approximately \$36 million of those deposits was from individuals and individual retirement accounts ("IRAs"), and approximately \$4 million was from Carr Miller Capital LLC employees.
49. The approximately \$36 million from individuals and IRAs was transferred either directly to or through escrow accounts established by defendant Miller into accounts controlled and operated by Miller, all while he was in control of the Carr Miller Capital LLC accounts.
50. Approximately \$16 million of the approximately \$40 million was transferred, often without investors' knowledge, into businesses purportedly operated by the nominal defendants.
51. Approximately \$8 million of the approximately \$40 million was paid to certain investors, at times, and characterized as interest payments.
52. Approximately \$2.5 million of the approximately \$40 million was transferred into Carr Miller-related bank accounts.

53. The remainder of the approximately \$40 million and/or the aggregated commingled funds were, unbeknownst to investors, misused in various ways, including the following:
- a. transferred to Miller's personal account;
  - b. withdrawn as cash;
  - c. spent on:
    - i. automobile payments and purchases;
    - ii. bank fees and credit cards;
    - iii. payments to a former Carr Miller Capital LLC employee and a member of the New Jersey bar, who was at all relevant times a Board member of nominal defendant Indigo-Energy Inc. and a member of nominal defendant PM Holdings LLC;
    - iv. payments to employees of Carr Miller Capital LLC;
    - v. payments to an online university;
    - vi. access to New Jersey Devils arena sky box;
    - vii. decorative concrete flooring;
    - viii. meals and entertainment;
    - ix. retail shopping, including online retailers and home improvement stores;
    - x. groceries;
    - xi. tickets to entertainment events;
    - xii. satellite television equipment; and
    - xiii. travel, lodging and luxury vacations.

54. The following allegations are examples of investor experiences. The examples are in no way intended to be limiting and Plaintiff reserves the right to introduce proofs of additional losses as the investigation continues and as revealed through discovery.

Investor I.J.

55. In or about February 2009 and May 2009, defendant Brian Carr misrepresented to Investor I.J. and his wife that their money would be invested in a hedge fund, Jefferson Smith Trading Company ("JSTCO"), with a minimum return of 8% and a maximum return of 12%, as a safe and less risky investment than if the monies were not invested in JSTCO because they were guaranteed a return on the investment.

56. Based upon defendant Brian Carr's misrepresentations, I.J. and his wife invested \$450,000 on or about February 9, 2009 and \$15,000 on or about May 15, 2009, respectively, with defendant Carr Miller Capital LLC for investment in JSTCO.

57. Defendant Carr Miller Capital LLC, through defendant Brian Carr, made subsequent misrepresentations to investor I.J. through the use of fabricated monthly statements that falsely stated the purported returns on the purported investment, and oral statements that I.J.'s monies were with JSTCO and accounted for properly.

58. In truth and in fact, I.J. and his wife's monies were never

invested with JSTCO.

Investor J.M.

59. In or about August 2008, defendant Brian Carr misrepresented to investor J.M. that: (1) his investment in a nine month Carr Miller Note was safe; (2) it would pay 15% interest per annum over the nine months but any risk was only in the interest rate; and (3) the principal was secure and would be returned at the end of the nine month period; and (4) his monies would be used as a reserve for banks because banks need to show a certain amount of money on reserve that never gets used in order for the banks to operate.
60. Based upon Brian Carr's misrepresentations, J.M. invested approximately \$200,000 in a Carr Miller Note through defendant Brian Carr.
61. Investor J.M. received the purported monthly interest payments totaling approximately \$57,500 through August 2010, when the purported interest payments ceased.
62. J.M. repeatedly called defendant Carr Miller Capital LLC to inquire about the payments but was unable to reach anybody.
63. On or about November 24, 2010, J.M. visited the Marlton, New Jersey office of defendant Carr Miller Capital LLC and found it vacated.
64. To date, J.M. has not received back his principal investment in full.

Investor R.K.

65. R.K. and his family members had an investment advisory relationship with defendant Ryan Carr since in or about August 2004.
66. At the beginning of their investment advisory relationship, defendant Ryan Carr advised R.K. to invest in established companies and in purportedly less risky, long-term investments such as a defined benefit plan and annuities.
67. In or about late 2007 or early 2008, defendant Ryan Carr approached R.K. and his family members about investing in renewable commercial notes (the Carr Miller Notes) offered by defendant Carr Miller Capital LLC.
68. Defendant Ryan Carr misrepresented to R.K. that the Carr Miller Notes would be for a term of nine (9) months, yielding returns between 10% and 13% monthly.
69. Based on Ryan Carr's misrepresentations, between in or about 2007 and 2009, R.K. gave approximately \$1,528,410.86 in investment funds to defendant Carr Miller Capital LLC. At least approximately \$958,472 of these funds were for Carr Miller Notes.
70. R.K.'s investment funds were almost always initially deposited into one of his two Carr Miller Capital LLC accounts.
71. The investment funds were subsequently transferred to other

Carr Miller Capital LLC accounts and to accounts of third parties and used for purposes unrelated to R.K.'s investments, including business, travel and entertainment expenses.

Transaction 1

72. Specifically, on or about January 14, 2008 and on or about January 16, 2008, deposits totaling approximately \$225,761.14 were credited to R.K.'s Carr Miller Capital LLC account #xxx1159.
73. On or about January 25, 2008, a total of approximately \$225,761.14 were transferred from R.K.'s account #xxx1159 to defendant Carr Miller Capital LLC account #xxx1350, where the approximately \$225,761.14 was commingled with other funds.
74. On or about the same day, approximately \$380,000, which included R.K.'s commingled funds, was wire transferred from defendant Carr Miller Capital LLC account #xxx1350 to account #xxx7333, which was an account held by nominal defendant Indigo Energy, Inc. Defendant Miller is President and a director of Indigo Energy, Inc.
75. On information and belief, no defendant informed R.K. that his money would go to Indigo Energy, Inc., nor did R.K. authorize such transfer.

Transaction 2

76. Additionally, on or about March 27, 2008, R.K. wrote a check for approximately \$43,906 to defendant Carr Miller Capital LLC.
77. On information and belief, R.K. intended and expected that these funds would be transferred to the Hartford Life Insurance Company, Inc. for R.K.'s defined benefit plan.
78. Instead, the funds were first deposited into R.K.'s Carr Miller Capital LLC account #xxx1314.
79. One day later, or about March 28, 2008, approximately \$43,900 was transferred from R.K.'s Carr Miller Capital LLC account #xxx1314 into defendant Carr Miller Capital LLC account #xxx1350 and commingled with other funds.
80. On or about the same day, two debits totaling approximately \$40,000 of commingled funds were made from defendant Carr Miller Capital LLC account #xxx1350. The first debit was a wire transfer of approximately \$30,000 to the account of a third party entity. The second debit was an approximate \$10,000 cash transfer of the commingled funds to defendant Carr Miller Capital LLC account #xxx1053.
81. On information and belief, no defendant informed R.K. that his money would go to the third party entity, or as a cash transfer to Carr Miller Capital LLC account #xxx1053, nor did R.K. authorize such transfers.

Transaction 3

82. Furthermore, in or about December 2008, R.K. authorized a wire transfer of approximately \$635,000 to Carr Miller Capital, LLC account #xxx1350.
83. On or about December 12, 2008, approximately \$635,000 was wire transferred to defendant Carr Miller Capital LLC account #xxx1350 and commingled with funds existing in that account.
84. On or about December 16, 2008, R.K.'s commingled money was used, in whole or in part, to fund a wire transfer of approximately \$600,000 to nominal defendant Indigo Energy, Inc.'s account #xxx7333 and a cash transfer to defendant Carr Miller Capital LLC account #xxx1053 of approximately \$50,000.
85. The funds transferred to Carr Miller Capital LLC account #xxx1053 were used for several transactions, including transfers to other Carr Miller Capital LLC accounts, and business, travel and entertainment expenses.
86. On information and belief, no defendant informed R.K. that his money would go to Indigo Energy, Inc. or as a cash transfer to Carr Miller Capital LLC account #xxx1053, nor did R.K. authorize such transfers.

COUNT I

EMPLOYING ANY DEVICE, SCHEME OR ARTIFICE TO DEFRAUD  
IN VIOLATION OF N.J.S.A. 49:3-52(a)

(As to defendants Miller, Ryan Carr, Brian Carr,  
Carr Miller Capital LLC)

87. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
88. Defendants Miller, Ryan Carr, Brian Carr, and Carr Miller Capital LLC, directly and/or indirectly, employed a device, scheme or artifice to defraud investors, in violation of N.J.S.A. 49:3-52(a).
89. The defendants' scheme included the unauthorized use and application of investors funds contrary to the representations made to investors, fabricating of account statements, misappropriating investor funds to their personal benefit and employing a Ponzi scheme whereby new investors were paid with money from existing investors.
90. Each violation of N.J.S.A. 49:3-52(a) by defendants Miller, Ryan Carr, Brian Carr, and Carr Miller Capital LLC upon each investor is a separate violation 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 Miller, Ryan Carr, Brian Carr,  
Carr Miller Capital LLC)

91. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
92. Defendants Miller, Ryan Carr, Brian Carr, and Carr Miller Capital LLC, 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.
93. Among the materially false and misleading statements was that the investment funds would be invested in certain funds offered by Carr Miller Capital LLC, the investments were safe, and the investments balances were accurate as set forth in the purported account statements.
94. Among the omitted facts to investors were as follows;
  - a. Carr Miller Capital LLC investor money was commingled with other funds in multiple accounts controlled by defendant Carr Miller Capital LLC,
  - b. investor money was transferred to and from Carr Miller Capital LLC-related bank accounts and to the nominal

defendants;

- c. defendants Miller, Ryan Carr, Brian Carr, and Carr Miller Capital LLC misappropriated investor funds by wrongfully using the funds for their personal benefit and the benefit of the nominal defendants in a Ponzi scheme to pay existing investors with money from new investors; and
  - d. the true nature and risk of the investments.
95. Each omission or materially false or misleading statement was in violation of N.J.S.A. 49:3-52(b).
  96. Each violation of N.J.S.A. 49:3-52(b) by defendants Miller, Ryan Carr, Brian Carr, and Carr Miller Capital LLC 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 Miller, Ryan Carr, Brian Carr, and Carr Miller Capital LLC)

97. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
98. Defendants Miller, Ryan Carr, Brian Carr, and Carr Miller Capital LLC engaged in an act, practice and course of

business that operated as a fraud and/or deceit upon the investors and others, by commingling investor money with other funds in multiple accounts controlled by defendant Carr Miller Capital LLC, transferring investor money to and from Carr Miller Capital LLC-related bank accounts and to the nominal defendants, misappropriating investor funds, and wrongfully using the funds for their personal benefit and the benefit of the nominal defendants by employing a Ponzi scheme to pay existing investors with money from new investors in violation of N.J.S.A. 49:3-52(c).

99. Each violation of N.J.S.A. 49:3-52(c) by defendants Miller, Ryan Carr, Brian Carr, and Carr Miller Capital LLC upon each investor is a separate violation 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

EMPLOYED ANY DEVICE, SCHEME OR ARTIFICE TO  
DEFRAUD THE OTHER PERSON  
IN VIOLATION OF N.J.S.A. 49:3-53(a)  
(As to defendant Capital Markets Advisory LLC)

100. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
101. Defendant Capital Markets Advisory LLC employed a device, scheme or artifice to defraud its clients.
102. Such device, scheme or artifice to defraud included the sale

of Carr Miller Notes by investment adviser representative Brian Carr to investment advisory clients knowing that the investment money would not be used as represented to the investors in violation of N.J.S.A. 49:3-53(a).

103. Each violation of N.J.S.A. 49:3-53(a) by defendant Capital Markets Advisory LLC upon each investor is a separate violation 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 V

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

104. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
105. Defendant Carr Miller Capital LLC employed or engaged agents in effecting or attempting to effect transactions in securities from and in New Jersey.
106. Defendant Carr Miller Capital LLC's employees, Brian Carr and Ryan Carr, acted as agents as defined in Section 49:3-49(b) of the Securities Law, without being registered with the Bureau.
107. Defendant Carr Miller Capital LLC's conduct constituted employing agents who were not registered with the Bureau to sell the Carr Miller Notes in violation of N.J.S.A. 49:3-

56(h).

108. Each violation of N.J.S.A. 49:3-56(h) is a separate violation 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 Brian Carr and Ryan Carr)

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

110. Defendants Brian Carr and Ryan Carr represented Carr Miller Capital LLC in effecting or attempting to effect transactions in securities from or in 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 to sell the Carr Miller Notes.

111. Defendants Brian Carr and Ryan Carr 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.

112. 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 both defendants and nominal defendants)

113. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
114. Defendants Miller, Ryan Carr, Brian Carr, Carr Miller Capital LLC and Capital Markets Advisory LLC sold securities that were not registered with the Bureau.
115. The securities were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.
116. 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 all defendants)

117. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
118. Pursuant to N.J.S.A. 49:3-69(a)(2), the assets, real and personal, of defendants and nominal defendants 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 all nominal defendants)

119. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
120. Defendants Miller, Ryan Carr, Brian Carr, Capital Markets Advisory LLC and Carr Miller Capital LLC directly and indirectly transferred funds to the nominal defendants to which the nominal defendants had no legal right.
121. Such funds belonged to Capital Markets Advisory LLC and Carr Miller Capital LLC's investors to be properly invested and/or returned to them.
122. As such, the nominal defendants have been unjustly enriched.
123. Each unauthorized transfer of funds is cause for a judgment requiring disgorgement of the funds.

PRAYER FOR RELIEF

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

- a. Finding that defendants Miller, Ryan Carr, Brian Carr, Capital Markets Advisory LLC and Carr Miller Capital LLC engaged in the acts and practices alleged above;
- b. Finding that such acts and practices constitute violations of the Securities Law;
- c. Enjoining defendants Miller, Ryan Carr, Brian Carr,

- Capital Markets Advisory LLC and Carr Miller Capital LLC from violating the Securities Law in any manner;
- d. Enjoining defendants Miller, Ryan Carr, Brian Carr, Capital Markets Advisory LLC and Carr Miller Capital LLC from engaging in the securities business in New Jersey in any capacity including, but not limited to, acting as a broker-dealer, investment adviser, investment adviser representative, agent or otherwise;
- e. Enjoining the issuance, sale, offer for sale, purchase, offer to purchase, promotion, negotiation, solicitation, advertisement or distribution from or within New Jersey of any securities to or from New Jersey, by or on behalf of defendants Miller, Ryan Carr, Brian Carr, Capital Markets Advisory LLC and Carr Miller Capital LLC, their officers, directors, employees, agents, brokers, partners, stockholders, attorneys, successors, subsidiaries and affiliates;
- f. Preliminarily freezing the assets of the defendants and nominal defendants, and enjoining the defendants and nominal defendants, 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 all

defendants, except that they may pay ordinary and necessary business and/or living expenses which have been approved in advance by Plaintiff or, the Court appointed Receiver, or if Plaintiff or the Receiver 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.;

- g. Enjoining the defendants and nominal defendants 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 the defendants and nominal defendants, their successors, subsidiaries or affiliates;
- h. Requiring the defendants and nominal defendants to provide Plaintiff with an accounting, at their expense, performed in accordance with Generally Accepted Accounting Principles, of the business records and accounts of defendants and all underlying documents and information used to prepare the accounting;
- i. Affording each purchaser of securities issued by or on behalf of defendants Miller, Ryan Carr, Brian Car,

Capital Markets Advisory LLC and Carr Miller Capital LLC, the option of rescinding such purchase and obtaining a refund of monies paid, plus interest and expenses incident to effecting the purchase and rescission;

- j. Affording each purchaser of securities issued by or on behalf of defendants Miller, Ryan Carr, Brian Carr, Capital Markets Advisory LLC and Carr Miller Capital LLC, the option of receiving restitution of losses incurred on disposition of the securities, plus interest and expenses incident to effecting the purchase and restitution;
- k. Assessing civil monetary penalties against defendants Miller, Ryan Carr, Brian Carr, Capital Markets Advisory LLC and Carr Miller Capital LLC, for each violation of the Securities Law in accordance with N.J.S.A. 49:3-70.1;
- l. Requiring defendants Miller, Ryan Carr, Brian Carr, Capital Markets Advisory LLC and Carr Miller Capital LLC to pay restitution and disgorge all profits and/or funds gained through violations of the Securities Law;
- m. Appointment of a Receiver for and over the defendants and nominal defendants pursuant to N.J.S.A. 49:3-69, to serve without bond, and who shall:

- i. immediately take into possession and take title to all of the real and personal property of the defendants and nominal defendants including, but not limited to, holdings and interests in all bank, brokerage, and trading accounts, causes of action and all such assets obtained in the future, and undertake all actions necessary or appropriate to maintain optimal value of these assets, including the liquidation of any such assets;
- ii. review all the books and records of and pertaining to the defendants and nominal defendants, and report to the Court within ninety (90) days of this Order:
  - (1) the identities of all investors and creditors of the defendants and nominal defendants, past and present, and the status of their accounts;
  - (2) the financial condition of the defendants and nominal defendants, their successors, subsidiaries and affiliates; and
  - (3) a preliminary plan to distribute the assets of the defendants and nominal defendants to investors and creditors.
- iii. determine the necessity of retaining professionals

including, but not limited to, accountants and attorneys, to assist the receiver in fulfilling the responsibilities as ordered by the Court, and upon making a determination of necessity and obtaining Plaintiff's 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 the defendants and nominal defendants, their successors, subsidiaries and affiliates, and/or such funds as the Receiver may recover;
- vi. be permitted to resign upon giving written notice to the Court and Plaintiff of the Receiver's intention to resign, which resignation shall not

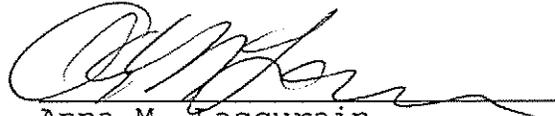
become effective until appointment by the Court of a successor which shall be subject to Plaintiff's approval;

- vii. have the full statutory powers to perform the Receiver's duties, including the powers delineated in N.J.S.A. 49:3-69 (c) and (d) and Title 14 of the New Jersey Statutes, Corporation, 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;
- n. Impounding, from the business premises of Capital Markets Advisory LLC and Carr Miller Capital LLC, wheresoever they may be located, all documents, files, records, computers, keyboard, monitors, printers, and any other tangible item relating to the personal and business affairs of the defendants and nominal defendants, and permitting Plaintiff to retain such documents, files, records, computers, keyboard, monitors, printers, and any other tangible item, until the further order of this Court;
- o. Affording Plaintiff and affected third parties any additional relief the court may deem just and

equitable.

PAULA T. DOW  
ATTORNEY GENERAL OF NEW JERSEY

By:



Anna M. Lascurain  
Deputy Attorney General

Dated: 12-15-2010

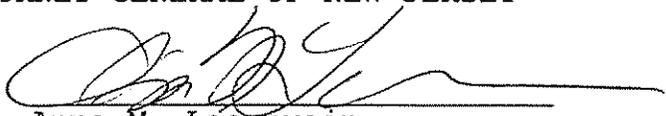
RULE 4:5-1 CERTIFICATION

Pursuant to Rule 4:5-1, the undersigned certifies that the matter in controversy is not the subject of any pending or contemplated actions.

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

I certify that the foregoing statements made by me are true. I am aware that if any of those statements are willfully false, I am subject to punishment.

PAULA T. DOW  
ATTORNEY GENERAL OF NEW JERSEY

By: 

Anna M. Lascurain  
Deputy Attorney General

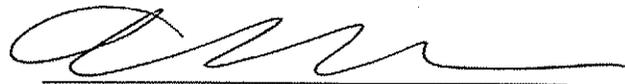
Dated: 12-15-2010

DESIGNATION OF TRIAL COUNSEL

Deputy Attorney General Anna Lascurain is hereby designated as trial counsel for this matter.

PAULA T. DOW  
ATTORNEY GENERAL OF NEW JERSEY

By:



Anna M. Lascurain  
Deputy Attorney General

Dated: 12-15-2010

VERIFICATION

ARLENE S. FERRIS-WAKS, of full age, certifies as follows:

I am a Supervising Investigator with the New Jersey Bureau of Securities. I have read the foregoing Verified Complaint and on my own personal knowledge from review of documents in possession of the Division, I know that the facts set forth herein are true and they are incorporated in this certification by reference, except for those alleged upon information and belief.

I certify that the above statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated:

12/15/10



Arlene S. Ferris-Waks  
Supervising Investigator  
New Jersey Bureau of Securities