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DEC 12 2013

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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION: GENERAL EQUITY
ESSEX COUNTY
DOCKET NO. ESX-C-_____

JOHN J. HOFFMAN,
Acting Attorney General of New Jersey,
on behalf of AMY KOPLETON,
Acting Chief of the New Jersey Bureau of
Securities,

Plaintiff,

v.

GEORGE JOHN BUSSANICH,
a/k/a George John Bussanich, Sr.,
Individually and as President, Chief
Executive Officer and Managing Member
of Metropolitan Ambulatory Surgical
Center LLC;
GEORGE BUSSANICH, JR.,
Individually and as Member of
Metropolitan Ambulatory Surgical Center
LLC; and
METROPOLITAN AMBULATORY
SURGICAL CENTER LLC,
a New Jersey limited liability company,
f/k/a Metropolitan Medical & Surgical
Center, LLC;

Defendants,

and

VERIFIED COMPLAINT

MELANIE WHITNEY,
Individually;
WILMA MARIE BUSSANICH,
Individually;
KERRY ANN BUSSANICH,
Individually;
BRIDGEVIEW PHYSICAL THERAPY,
LLC,
a New Jersey limited liability company;
NORTHEAST ANESTHESIA
MANAGEMENT GROUP, LLC;
a New Jersey limited liability company,
f/k/a Northeast Anesthesia Group, LLC;
PALISADES REHAB AND SPINAL
CARE GROUP, LLC,
a New Jersey limited liability company;
METROPOLITAN SLEEP AND
DIAGNOSTIC TESTING LLC,
a New Jersey limited liability company;
PALISADES ANASTESIA
ASSOCIATES LLC,
a New Jersey limited liability company;
MGK HOLDINGS, LLC,
a New Jersey limited liability company;
and
MGK ENTERPRISES, INC.,
a New Jersey corporation,

Nominal Defendants.

John J. Hoffman, Acting Attorney General of New Jersey, on behalf of Amy Kopleton, Acting Chief of the New Jersey Bureau of Securities (“Plaintiff”), having offices at 153 Halsey Street, City of Newark, County of Essex, State of New Jersey (“Bureau”), by way of Verified Complaint against the above-named defendants, says:

SUMMARY

1. This case arises from the sale of \$3,500,000.00 in unregistered securities by unregistered agents in a fraudulent manner by defendants George John Bussanich (“Bussanich-SR”),

George Bussanich, Jr. ("Bussanich-JR") and Metropolitan Ambulatory Surgical Center LLC ("MASC") and misuse of at least \$3,372,660.60 of the \$3,500,000.00 of investor funds.

2. From in or about March 2009 through in or about July 2013 (Relevant Time Period"), defendants Bussanich-SR, Bussanich-JR and MASC, which contrary to its name is not a surgical center, through defendants Bussanich-SR and Bussanich-JR, raised approximately \$3,500,000.00 from the sale of unregistered promissory notes issued by defendant MASC ("MASC Notes") to approximately twenty-six (26) New Jersey residents. Defendants Bussanich-SR and Bussanich-JR were not registered with the Bureau to sell the MASC Notes. Investor funds were deposited into MASC's TD Bank account xxx1568 ("MASC Account") and commingled with other funds from medical clinics and businesses controlled by Bussanich-SR. Bussanich-SR considered the MASC Account his "personal slush fund" and, unbeknownst to investors, at least \$3,372,660.60 raised from the sale of the MASC Notes was misused for: (a) the personal expenses of Bussanich-SR and his wife, nominal defendant Wilma Bussanich ("W-Bussanich"); (b) Bussanich-SR and his daughter, nominal defendant Melanie Whitney ("M-Whitney"), to purchase three (3) homes; (c) transfers and/or loans to Bussanich family members for their personal use; and (d) the purchase of luxury automobiles used by the Bussanich family members for personal purposes, including two (2) Maseratis, a Ferrari, Mercedes, Land Rover and a truck. Defendant Bussanich-SR also used the commingled investor funds to make loans to third parties unrelated to the Bussanich family including, but not limited to, loans for mortgage payments.

3. Investor funds were commingled with other monies in the MASC Account from the medical clinics and other businesses owned and/or controlled by defendant Bussanich-SR: (a) Bridgeview Physical Therapy LLC (“Bridgeview”); (b) Northeast Anesthesia Management Group, LLC (“Northeast”); (c) Palisades Rehab and Spinal Care Group, LLC (“Palisades Rehab”); (d) Metropolitan Sleep and Diagnostic Testing LLC (“Metropolitan Sleep”); and (e) Palisades Anastesia Associates LLC (“Palisades Anastesia”) [sic] (collectively, “Bussanich Clinics”), and MGK Holdings LLC (“MGK Holdings”) and MGK Enterprises, Inc. (“MGK Enterprises”) (together with the Bussanich Clinics, collectively, “Bussanich Entities”).
4. By this conduct, defendants Bussanich-SR, Bussanich-JR and MASC violated the New Jersey Uniform Securities Law (1997) N.J.S.A. 49:3-47 et seq. (“Securities Law”). The Nominal Defendants, which includes the Bussanich Entities and Bussanich family members, benefitted from the use of investor funds without having a legitimate claim to such funds, and equity demands that such funds be disgorged by those who were or may have been unjustly enriched.

JURISDICTION AND VENUE

5. The Bureau is the state regulatory agency charged with the administration and enforcement of the Securities Law.
6. Plaintiff brings this action against defendants Bussanich-SR, Bussanich-JR, and MASC pursuant to the Securities Law for violations of:
 - a. 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);

- b. 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);
 - c. N.J.S.A. 49:3-56(a) (acting as an unregistered agent);
 - d. N.J.S.A. 49:3-56(h) (employing an unregistered agent); and
 - e. N.J.S.A. 49:3-60 (selling unregistered securities).
7. Plaintiff also brings this action against defendants Bussanich-SR, Bussanich-JR and MASC and nominal defendants M-Whitney, W-Bussanich, Kerry Ann Bussanich (“K-Bussanich”), Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises seeking:
- a. a finding that defendants Bussanich-SR, Bussanich-JR, and MASC engaged in the acts and practices alleged in the Verified Complaint;
 - b. a finding that such acts and practices constitute violations of the Securities Law;
 - c. temporary restraints and preliminary and permanent injunctions against defendants Bussanich-SR, Bussanich-JR and MASC from violating the Securities Law, among other injunctive relief;
 - d. an assessment of civil monetary penalties against defendants Bussanich-SR, Bussanich-JR and MASC for each violation of the Securities Law;
 - e. restitution and/or disgorgement from defendants Bussanich-SR, Bussanich-JR, and MASC and nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises of all profits and/or funds gained through violations of the Securities Law;

- f. the option of rescission for each purchaser of securities issued by defendant MASC;
 - g. appointment of a receiver for and over defendants Bussanich-SR, Bussanich-JR, and MASC and nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises; and
 - h. a freeze of the assets of defendants Bussanich-SR, Bussanich-JR and MASC, and nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises.
8. Jurisdiction is proper over defendants and nominal defendants pursuant to N.J.S.A. 49:3-51 for violations of the Securities Law that are the subject of this Verified Complaint because each alleged violation originated from this State.
9. Venue is proper pursuant to R. 4:3-2(a) because it lies where the cause of action arose.

PARTIES

10. The Chief of the Bureau is the principal executive of the Bureau.
11. Defendant Bussanich-SR is a resident of Park Ridge, New Jersey. He is the father of defendant Bussanich-JR and nominal defendants K-Bussanich and M-Whitney. During the Relevant Time Period, defendant Bussanich-SR was a member, Chief Executive Officer and President of defendant MASC. He had and continues to have full control over defendant MASC's finances. Defendant Bussanich-SR has never been registered with the Bureau in any capacity.

12. Defendant Bussanich-JR is a resident of Upper Saddle River, New Jersey. He was last registered with the Bureau from October 4, 2006 through December 31, 2011 as an agent of a broker-dealer, Kovack Securities, Inc. ("Kovack"). Defendant Bussanich-JR was terminated from Kovack on December 31, 2011 for failing to disclose an outside business activity.
13. Defendant MASC, formerly known as Metropolitan Medical & Surgical Center, LLC, is a New Jersey limited liability company formed on or about April 19, 2007. During the Relevant Time Period, defendant MASC was located in Cliffside Park, New Jersey. Contrary to its name, defendant MASC is not a surgical center. MASC's purported business purpose is to act as "a holding company for all of the managing of medical clinics" owned by defendant Bussanich-SR, which includes managing the staffing and billing for the Bussanich Clinics. MASC's purported purpose also includes funding the Bussanich Entities. Defendant MASC has never been registered with the Bureau in any capacity.
14. Nominal defendant M-Whitney is a resident of Upper Saddle River, New Jersey. She has never been registered with the Bureau in any capacity.
15. Nominal defendant W-Bussanich is a resident of Park Ridge, New Jersey. She is the wife of defendant Bussanich-SR and the mother of defendant Bussanich-JR and nominal defendants M-Whitney and K-Bussanich. Nominal defendant W-Bussanich has never been registered with the Bureau in any capacity.
16. Nominal defendant K-Bussanich is a resident of Park Ridge, New Jersey. She has never been registered with the Bureau in any capacity.

17. Nominal defendant Bridgeview is a New Jersey limited liability company formed on or around September 14, 2005.
18. Nominal defendant Northeast is a New Jersey limited liability company formed on or around September 27, 2011 under its former name, Northeast Anesthesia Group, LLC.
19. Nominal defendant Palisades Rehab is a New Jersey limited liability company formed on or around April 15, 2009. Its purported business purpose is pain management.
20. Nominal defendant Metropolitan Sleep is a New Jersey limited liability company formed on or around January 18, 2008.
21. Nominal defendant Palisades Anastesia [sic] is a New Jersey limited liability company formed on or around May 14, 2009.
22. Nominal defendant MGK Holdings is a New Jersey limited liability company formed on or around May 20, 2010 to act as a holding company. Its purported business purpose is lawsuit pre-settlement funding.
23. Nominal defendant MGK Enterprises is a revoked New Jersey corporation formed on or around September 4, 1997. Its purported business purpose is lawsuit pre-settlement funding.

FACTUAL BACKGROUND

A. The Offer and Sale of the MASC Notes

24. During the Relevant Time Period, defendants Bussanich-SR, Bussanich-JR, and MASC through defendants Bussanich-SR and Bussanich-JR, raised approximately \$3,500,000.00 from the fraudulent offer and sale of the MASC Notes.
25. The MASC Notes were sold to approximately twenty-six (26) New Jersey investors, some of whom made multiple investments in the MASC Notes.

26. The MASC Notes state, in relevant part, that:
 - a. they mature at the end of a five (5) year period, with one note maturing at the end of one (1) year;
 - b. they offer annual interest rates ranging from 6% to 8%;
 - c. interest payments shall be paid on a monthly schedule, beginning the first month after the date of the note; and
 - d. in the event of “a misrepresentation by the Borrower to the Lender for the purpose of obtaining or extending credit[.]” the MASC Note and other obligations of the Borrower to the Lender shall be due immediately.
27. The MASC Notes are securities as defined in N.J.S.A 49:3-49(m) of the Securities Law.
28. The MASC Notes were unsecured -- whether by real or valuable collateral or otherwise -- and uninsured.
29. The MASC Notes were not registered with the Bureau, not “federally covered” nor exempt from registration.
30. Defendants Bussanich-SR and Bussanich-JR, jointly or singularly, and defendant MASC through defendants Bussanich-SR and Bussanich-JR, offered and/or sold the MASC Notes to investors, including certain of defendant Bussanich-JR’s clients at Kovack when he was employed there.
31. In or about October 2012, MASC issued an Addendum to the MASC Notes reflecting the transfer of the investors’ accounts from a self-directed individual account custodian in Texas (“Texas Custodian”) to one located in New Jersey (“New Jersey Custodian”). The terms of the MASC Notes were also amended in that interest would be paid quarterly rather than monthly as previously paid.

32. Defendants Bussanich-SR and/or Bussanich-JR, and MASC through defendants Bussanich-SR and/or Bussanich-JR, made materially false and/or misleading statements to investors in connection with the offer and sale of the MASC Notes including, but not limited to, that investor funds would be used for:
- a. cash flow;
 - b. equipment and construction costs;
 - c. day-to-day expenses;
 - d. salaries;
 - e. different ways of business;
 - f. different business areas;
 - g. business expansion;
 - h. various projects; and/or
 - i. cars for transporting patients.

B. Misuse of Investor Funds

33. Investor funds were used for purposes other than those disclosed to investors.
34. Defendant Bussanich-SR controlled MASC's finances.
35. Defendant Bussanich-SR and nominal defendant W-Bussanich were the only authorized signers on the MASC Account, and the only persons with debit cards for the MASC Account.
36. Investor funds were deposited into the MASC Account and commingled with other funds deposited into the MASC Account --- including funds transferred from the Bussanich Entities. There were numerous transfers of the commingled investor funds between

MASC and the Bussanich Entities to the point that investor funds lost their identity except a few instances where investor funds could be distinctly identified.

37. Investors had no control over how their funds would be used.
38. The commingled investor funds were treated by Bussanich-SR as his personal slush fund.
39. Specifically, the commingled investor funds were used:
 - a. by defendant Bussanich-SR and nominal defendant W-Bussanich for shopping, dining, airline travel, and entertainment, among other things, through the MASC Account debit card;
 - b. to fund checks payable to defendants Bussanich-SR and Bussanich-JR, and nominal defendants W-Bussanich, K-Bussanich and M-Whitney totaling \$257,882.55;
 - c. to fund checks payable to "Cash" totaling \$257,637.43, many of which were cashed by defendants Bussanich-SR and Bussanich-JR, and nominal defendants W-Bussanich, K-Bussanich and M-Whitney;
 - d. to fund cash withdrawals at the teller totaling \$815,172.21;
 - e. to fund loans to patients of the Bussanich Clinics and to defendant Bussanich-JR, nominal defendant M-Whitney, family members and others;
 - f. to fund loans for mortgage payments;
 - g. to fund transfers totaling \$29,610.41 to TD Bank account xxx6228 held in the name of Sofia MB LLC ("Sofia MB Account"), an account for which defendant Bussanich-JR and his wife were the authorized signers, purportedly created to benefit defendant Bussanich-JR's young daughter, which defendant Bussanich-JR and his wife used like a personal account;

- h. to fund transfers of funds to TD Bank Account xxxx2091 held in the name of defendant Bussanich-JR's two (2) year old daughter and for which defendant Bussanich-JR is the authorized signer;
- i. to fund a loan to nominal defendant M-Whitney in the amount of \$854,853.80 to purchase a home in Surf City, New Jersey;
- j. to fund a loan to nominal defendant M-Whitney in the amount of \$191,037.05 to purchase a home in Upper Saddle River, New Jersey;
- k. to fund a loan to defendant Busanich-SR for \$420,000 to use as a down payment for his home in Surf City, New Jersey; and
- l. to purchase the following cars for the personal use of the Bussanich family members:
 - (1) 2006 Mercedes ML350;
 - (2) 2007 Maserati Quattroporte;
 - (3) 2007 Ford Pick-Up;
 - (4) 2008 Range Rover;
 - (5) 2008 Ferrari F430 Spyder;
 - (6) 2009 Maserati Quattroporte; and
 - (7) 2010 Land Rover Sport.

40. Certain of the commingled investor funds in the MASC Account were transferred to the Bussanich Entities.

41. There were repetitive transfers of funds amongst the Bussanich Entities.

42. Defendants Bussanich-SR and/or Bussanich-JR, and MASC through defendants Bussanich-SR and/or Bussanich-JR, omitted material information to investors in connection with the offer and sale of the MASC Notes including, but not limited to:
- a. the MASC Notes were not registered with the Bureau nor exempt from state or federal regulation;
 - b. defendant Bussanich-SR was not registered with the Bureau to sell securities;
 - c. defendant Bussanich-JR was not registered with the Bureau to sell the MASC Notes;
 - d. investor funds would be commingled with other funds;
 - e. the commingled investor funds would be used by the Bussanich family for their personal use and benefit;
 - f. the commingled investor funds would be used to make loans to third parties;
 - g. the commingled investor funds would be used to purchase high end vehicles for the personal benefit of the Bussanich family members;
 - h. the commingled investor funds would be treated by defendant Bussanich-SR as his personal slush fund; and
 - i. the transfer of the MASC Notes to the New Jersey Custodian was prompted by the Texas Custodian's concern that the MASC Notes might be unregistered securities, and demand that defendant MASC make the appropriate federal or state filings or produce an opinion letter from an attorney stating that the MASC Notes were not securities before processing any further MASC Note transactions.

COUNT I

MAKING UNTRUE STATEMENTS OF A MATERIAL FACT OR OMITTING TO STATE A MATERIAL FACT NECESSARY IN ORDER TO MAKE THE STATEMENTS MADE IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY ARE MADE, NOT MISLEADING IN VIOLATION OF N.J.S.A. 49:3-52(b)

(As against defendants Bussanich-SR, Bussanich-JR and MASC)

43. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
44. Defendants Bussanich-SR, Bussanich-JR and MASC through defendants Bussanich-SR and Bussanich-JR, made materially false and misleading statements and/or omitted to state material facts necessary in order to make the statements made in light of the circumstances under which they were made, not misleading to investors in connection with the offer and sale of the MASC Notes.
45. Among the materially false and misleading statements were that investor funds would be used for:
 - a. cash flow;
 - b. equipment and construction costs;
 - c. day-to-day expenses;
 - d. salaries;
 - e. different ways of business;
 - f. different business areas;
 - g. business expansion;
 - h. various projects; and/or
 - i. cars for transporting patients.

Among the omitted facts not disclosed to investors were:

- a. the MASC Notes were not registered with the Bureau nor exempt from state or federal regulation;
 - b. defendant Bussanich-SR was not registered with the Bureau to sell securities;
 - c. defendant Bussanich-JR was not registered with the Bureau to sell the MASC Notes;
 - d. investor funds would be commingled with other funds;
 - e. the commingled investor funds would be used by the Bussanich family for their personal use and benefit;
 - f. the commingled investor funds would be used to make loans to third parties;
 - g. the commingled investor funds would be used to purchase high end vehicles for the personal benefit of the Bussanich family members;
 - h. the commingled investor funds would be treated by defendant Bussanich-SR as his personal slush fund; and
 - i. the transfer of the MASC Notes to the New Jersey Custodian was prompted by the Texas Custodian's concern that the MASC Notes might be unregistered securities, and demand that defendant MASC make the appropriate federal or state filings or produce an opinion letter from an attorney stating that the MASC Notes were not securities before processing any further MASC Note transactions.
46. Each omission of a material fact and each materially false or misleading statement is a violation of N.J.S.A. 49:3-52(b).
47. Each violation of N.J.S.A. 49:3-52(b) by each of defendants Bussanich-SR, Bussanich-JR and MASC through defendants Bussanich-SR and Bussanich-JR, upon each investor is a

separate violation and is cause for the imposition of a civil monetary penalty pursuant to N.J.S.A. 49:3-70.1.

COUNT II

ENGAGING IN ANY ACT, PRACTICE, OR COURSE OF BUSINESS WHICH OPERATES OR WOULD OPERATE AS A FRAUD OR DECEIT UPON ANY PERSON IN VIOLATION OF N.J.S.A. 49:3-52(c)

(As against defendants Bussanich-SR, Bussanich-JR and MASC)

48. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
49. Defendants Bussanich-SR, Bussanich-JR and MASC through defendants Bussanich-SR and Bussanich-JR, engaged in an act, practice and course of business that operated as a fraud and/or deceit upon the investors and others, in violation of N.J.S.A. 49:3-52(c) by, among other things:
- a. the offer and sale of the MASC Notes through the use of false and misleading statements and omissions;
 - b. use of investor funds to enrich and otherwise benefit the Bussanich family members;
 - c. commingling investor funds with the Bussanich Entities' funds and using such funds for purposes other than those disclosed to investors.
50. Each violation of N.J.S.A. 49:3-52(c) by defendants Bussanich-SR, Bussanich-JR and MASC through defendants Bussanich-SR and Bussanich-JR, upon each investor is a separate violation and is cause for the imposition of a civil monetary penalty pursuant to N.J.S.A. 49:3-70.1.

COUNT III

ACTING AS AN AGENT IN THIS STATE WITHOUT REGISTRATION
IN VIOLATION OF N.J.S.A. 49:3-56(a)

(As against defendants Bussanich-SR and Bussanich-JR)

51. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
52. Defendant Bussanich-SR and Bussanich-JR represented defendant MASC in effecting or attempting to effect transactions in securities from or in New Jersey and, thus, acted as agents, as defined in N.J.S.A. 49:3-49(b) of the Securities Law, without being registered with the Bureau to sell the MASC Notes.
53. Defendants Bussanich-SR and Bussanich-JR 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 an agent.
54. Each sale of the MASC Notes 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 IV

EMPLOYING AN UNREGISTERED AGENT
IN VIOLATION OF N.J.S.A. 49:3-56(h)

(As against defendant MASC)

55. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
56. Defendant MASC employed or engaged agents in effecting or attempting to effect transactions in securities from and in New Jersey.

57. Defendants Bussanich-SR and Bussanich-JR acted as an agent as defined in N.J.S.A. 49:3-49(b) of the Securities Law, without being registered with the Bureau.
58. Defendant MASC's conduct constituted employing agents who were not registered with the Bureau to sell the MASC Notes in violation of N.J.S.A. 49:3-56(h).
59. Each sale to investors is a separate violation of N.J.S.A. 49:3-56(h) 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

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

(As against defendants Bussanich-SR, Bussanich-JR and MASC)

60. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
61. Defendants Bussanich-SR, Bussanich-JR, and MASC through defendants Bussanich-SR and Bussanich-JR offered and sold securities in the form of the MASC Notes that were not registered with the Bureau, not "federally covered," nor were the securities exempt for registration.
62. The securities were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.
63. Each offer and sale of unregistered securities by each of defendants Bussanich-SR, Bussanich-JR and MASC constitutes a separate violation of N.J.S.A. 49:3-60 and is cause for the imposition of a civil monetary penalty pursuant to N.J.S.A. 49:3-70.1.

COUNT VI

UNJUST ENRICHMENT

(As against defendants Bussanich-SR, Bussanich-JR, and nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises)

64. Plaintiff repeats the allegations in the preceding paragraphs as if more fully set forth herein.
65. Defendant MASC through defendant Bussanich-SR, directly and indirectly, transferred the commingled investor funds from the MASC Account to himself, defendant Bussanich-JR and/or nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises, whom were or may have been unjustly enriched with the commingled investor funds, to which they had no legal right.
66. As such, defendants Bussanich-SR and Bussanich-JR and nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises were or may have been unjustly enriched at the expense of the MASC investors.
67. Each unauthorized transfer of commingled investor funds from the MASC Account is cause for a judgment requiring disgorgement of the funds.

COUNT VII

FREEZING OF ASSETS

(As against defendants MASC, Bussanich-SR Bussanich-JR, and nominal defendants W-Bussanich, K-Bussanich , M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises)

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

69. MASC and the Bussanich Entities' funds were transferred between each other to such an extent that the investor funds in the MASC Account lost their identity and cannot be distinctly identified with few exceptions.
70. Those investor funds that are traceable were used for defendant Bussanich-SR and nominal defendant M-Whitney's purchases of three (3) residences and for the personal benefit of the Bussanich family.
71. Pursuant to N.J.S.A. 49:3-69(a)(2), the assets, real and personal, of defendants Bussanich-SR, Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastasia [sic], MGK Holdings and MGK Enterprises should be frozen in that such assets should not be disposed of, transferred, dissipated, encumbered, or withdrawn pending review by a receiver and further order of this Court.

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 Bussanich-SR, Bussanich-JR, and MASC engaged in the acts and practices alleged above;
- b. Finding that such acts and practices constitute violations of the Securities Law;
- c. Permanently enjoining defendants Bussanich-SR, Bussanich-JR, and MASC from violating the Securities Law in any manner;
- d. Permanently enjoining defendants Bussanich-SR, Bussanich-JR, and MASC 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. Permanently 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, by or on behalf of defendants Bussanich-SR, Bussanich-JR, and MASC, their officers, directors, employees, agents, brokers, partners, stockholders, attorneys, successors, subsidiaries and affiliates;
- f. Permanently enjoining defendants Bussanich-SR and Bussanich-JR from controlling, managing and/or supervising employees of any issuer as that term is defined in N.J.S.A. 49:3-49(h);
- g. Freezing the assets, real and personal, of defendants Bussanich-SR, Bussanich-JR and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises and enjoining defendants Bussanich-SR, Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises, and any and all bank and/or brokerage accounts under their direct or indirect control, jointly or individually;
- h. Enjoining defendants Bussanich-SR, Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia sic], MGK Holdings, MGK Enterprises 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 Bussanich-SR Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises, and any and all bank and/or brokerage accounts under their direct or indirect control, jointly or individually;

- i. Requiring defendants Bussanich-SR, Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises to provide Plaintiff and the receiver with an accounting, at defendants' and the nominal defendants' expense, of the business and personal records and accounts of defendants Bussanich-SR Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises and all underlying documents and information used to prepare the accounting;
- j. Affording each purchaser of securities issued by MASC the option of rescinding such purchase and obtaining a refund of monies paid, plus interest and expenses incident to effecting the purchase and rescission, with funding for the rescission acceptable to Plaintiff;
- k. Assessing civil monetary penalties against defendants Bussanich-SR, Bussanich-JR, and MASC for each violation of the Securities Law in accordance with N.J.S.A. 49:3-70.1;
- l. Requiring defendants Bussanich-SR, Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises to

pay restitution and/or disgorgement of all profits and/or funds gained through violations of the Securities Law;

m. Appointing a receiver for and over defendants Bussanich-SR, Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises with the same powers and responsibilities as a receiver appointed pursuant to N.J.S.A. 49:3-69, to serve without bond, and who shall:

1. immediately take into possession and take title to all of the real and personal property of the defendants Bussanich-SR, Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises including, but not limited to, 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;
2. review all the books and records of and pertaining to the defendants Bussanich-SR Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises, and any and all bank and/or brokerage accounts under their direct or indirect control, jointly or individually, and report to the Court within ninety (90) days of this Order:
 - i. the identities of all investors and/or creditors of the defendants Bussanich-SR, Bussanich-JR, and MASC, and nominal defendants W-Bussanich, K-

- Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises, past and present, and the status of their accounts;
- ii. the financial condition of the defendants Bussanich-SR Bussanich-JR, and MASC and nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises, their successors, subsidiaries and affiliates, and any and all bank and/or brokerage accounts under their direct or indirect control, jointly or individually; and
 - iii. a preliminary plan to distribute the assets of the defendants Bussanich-SR Bussanich-JR, and MASC and nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises, and any and all bank and/or brokerage accounts under their direct or indirect control, jointly or individually, to their investors and/or creditors.
3. 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 in accordance with the Rules of Court, for an order permitting the retention of such professionals by the receiver;
 4. 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;

5. be compensated out of the estate of the defendants Bussanich-SR, Bussanich-JR, and MASC, nominal defendants W-Bussanich, K-Bussanich, M-Whitney, Bridgeview, Northeast, Palisades Rehab, Metropolitan Sleep, Palisades Anastesia [sic], MGK Holdings and MGK Enterprises ,their successors, subsidiaries and affiliates, and/or such funds as the receiver may recover;
 6. 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 receiver's approval;
 7. 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. Affording Plaintiff and affected third parties any additional relief the court may deem just and equitable.

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff

Dated:

12/12/2013

By:


Stacy-Ann T. Davy
Deputy Attorney General

RULE 4:5-1 CERTIFICATION

Pursuant to Rule 4:5-1, I certify to the best of my knowledge that the matter in controversy is the subject of the following contemplated action:

The New Jersey Bureau of Securities will issue a Summary Order against George John Bussanich, George Bussanich, Jr. and Metropolitan Ambulatory Surgical Center LLC pursuant to its administrative powers under the New Jersey Uniform Securities Law (1997) N.J.S.A. 49:3-47 et seq.

I further 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 R. 1:38-7(b).

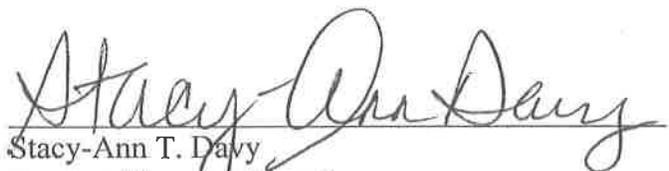
I certify that the foregoing statements made by me are true. I am aware that if any of those statements are willfully false, I am subject to punishment.

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff

Dated:

12/12/2013

By:


Stacy-Ann T. Davy
Deputy Attorney General

DESIGNATION OF TRIAL COUNSEL

Deputy Attorney General Stacy-Ann Davy is hereby designated as trial counsel for this matter.

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff

Dated: 12/12/2013

By: 
Stacy-Ann T. Davy
Deputy Attorney General

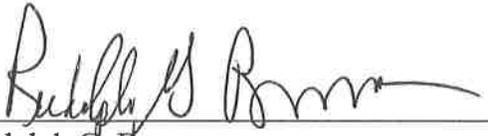
VERIFICATION

RUDOLPH G. BASSMAN, of full age, certifies as follows:

I am the Chief of Enforcement 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 New Jersey Bureau of Securities, 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: 12/12/13



Rudolph G. Bassman
Chief of Enforcement
Bureau of Securities
New Jersey Bureau of Securities