


JUN 26 2009

1 GEORGE E. SCHULMAN (State Bar No. 064572)
gschulman@dgdk.com
2 KATHY BAZOIAN PHELPS (State Bar No. 155564)
kphelps@dgdk.com
3 STEVEN J. SCHWARTZ (State Bar No. 200586)
sschwartz@dgdk.com
4 DANNING, GILL, DIAMOND & KOLLITZ, LLP
2029 Century Park East, Third Floor
5 Los Angeles, California 90067-2904
Telephone: (310) 277-0077
6 Facsimile: (310) 277-5735

BY 
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES
2009 JUN 26 PM 1:19

FILED

7 Attorneys for David A. Gill, Receiver

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10 CV09-04630 JSL (SSx)

11 DAVID A. GILL, solely in his capacity as)
Permanent Receiver in the matter of)
12 Securities and Exchange Commission vs.)
Diversified Lending Group, Inc.; Applied)
13 Equities, Inc.; Bruce Friedman and Tina)
M. Placourakis, U.S.D.C. Case No. CV)
14 09-01533-R-JTLx,)
15 Plaintiff,
16 vs.
17 KEVIN M. KELLER,
18 Defendant.

Case No.
**COMPLAINT TO AVOID AND
RECOVER FRAUDULENT
TRANSFERS, FOR UNJUST
ENRICHMENT, CONSTRUCTIVE
TRUST AND EQUITABLE LIEN**

20 Plaintiff David A. Gill, Receiver, for his complaint against Defendant, says:

21 **PARTIES, JURISDICTION AND VENUE**

- 22 1. David A. Gill is the duly appointed Permanent Receiver (the
23 "Receiver") for Diversified Lending Group ("DLG"), Applied Equities, Inc. ("AEI"),
24 and their subsidiaries and affiliates.
25 2. Defendant Kevin M. Keller (the "Defendant") is, and at all times
26 mentioned herein was, a resident of Los Angeles County, California.
27 3. This Court has jurisdiction over this proceeding under 15 U.S.C.
28 § 77v(a), 15 U.S.C. § 78aa, and Cal. Civ. Code § 3439.04 because the proceeding is

1 ancillary to the case Securities and Exchange Commission vs. Diversified Lending
2 Group, Inc.; Applied Equities, Inc.; Bruce Friedman and Tina M. Placourakis,
3 presently pending before the United States District Court as Case No. CV 09-01533-
4 R-JTLx (the “SEC Action”).

5 4. Venue is proper in this Court pursuant to 28 U.S.C. § 1391.
6

7 GENERAL ALLEGATIONS

8 A. The SEC Action.

9 5. On March 4, 2009, the Securities and Exchange Commission (“SEC”)
10 filed a Complaint (the “Complaint”) in the SEC Action, alleging two fraud claims for
11 relief against DLG, AEI, and Bruce Friedman (“Friedman”), as well as Relief
12 Defendant Tina M. Placourakis (“Placourakis”).

13 6. The Complaint alleged, among other things, that DLG, AEI and
14 Friedman perpetrated an ongoing fraudulent investment scheme whereupon DLG
15 raised at least \$216 million by offering and selling securities in the form of one or
16 five year “Secured Investment Notes” to numbers of investors nationwide, many of
17 whom are older Americans. The Complaint further alleged that DLG did not invest
18 DLG investor money as represented; rather, it diverted a substantial amount of
19 investor money to undisclosed business ventures or investments, as well as to
20 Friedman’s family members and friends.

21 7. At the time it filed the Complaint, the SEC also filed in the SEC Action
22 an ex parte application (the “TRO Application”) for a temporary restraining order
23 and for orders: (1) freezing assets, (2) appointing a temporary receiver, (3)
24 prohibiting the destruction of documents, (4) granting expedited discovery, and (5)
25 requiring accountings, and for an order to show cause re preliminary injunction and
26 appointment of a permanent receiver.

27 8. On March 4, 2009, this Court granted the TRO Application and, among
28 other things, appointed David A. Gill as Temporary Receiver. Mr. Gill received the

1 Temporary Restraining Order appointing him as Temporary Receiver early on March
2 5, 2009, and, within the hour, with his counsel, accountants and field personnel, took
3 possession of the business premises of the DLG and AEI in Sherman Oaks,
4 California. The order was amended and superseded by two additional orders of the
5 Court. One, entered on March 10, 2009, appointed Mr. Gill as Permanent Receiver
6 and another, entered on or about April 3, 2009, clarified the earlier orders by
7 specifically naming certain wholly owned subsidiaries and their assets as subject to
8 administration in the receivership (AEI, DLG, and their wholly owned subsidiaries
9 are collectively referred to as the "Receivership").

10 **B. The Transfers.**

11 9. The Receiver is informed and believes, and on that basis alleges that on
12 or about January 16, 2008, the Defendant, funded by DLG, purchased a parcel of real
13 property improved by a single family dwelling commonly known as 8102
14 Willoughby Avenue, Los Angeles, CA 90046 (the "Property"). The legal description
15 of the Property is: Lot 22 in Block "D" of Tract No. 5763, in the City of Los
16 Angeles, County of Los Angeles, State of California, as per map recorded in Book
17 62, Page(s) 17 of Maps, in the office of the County Recorder of said County.

18 10. The Receiver is informed and believes, and on that basis alleges that the
19 Property was paid for by DLG from investor funds, in the total amount of
20 \$1,318,447.22.

21 11. The Receiver is informed and believes, and on that basis alleges that
22 DLG wired on December 7, 2007, and January 15, 2008, \$50,000.00 and
23 \$1,268,447.22, respectively, to West Coast Escrow for the purchase of the Property.

24 12. The Receiver is informed and believes, and on that basis alleges that
25 title to the Property was recorded on or about January 16, 2008, in the name of
26 "Kevin M. Keller, a single man." The wire transfers for the purchase of Property,
27 recorded in the name of the Defendant, are hereinafter referred to as the "Transfers."

28 ///

1 **SEVENTH CLAIM FOR RELIEF**

2 **(For Imposition of Equitable Lien)**

3 31. The Receiver repeats and re-alleges the allegations contained in
4 paragraphs 1 through 26, inclusive, hereof and incorporates the same herein by this
5 reference.

6 32. Based upon the above-mentioned conduct, the Receiver is entitled to
7 impress upon the Property with equitable liens to prevent unjust enrichment, to do
8 justice in equity and to prevent unfair results.

9 WHEREFORE, Receiver prays Judgment as follows:

10 FOR THE FIRST, SECOND, THIRD AND FOURTH AND FIFTH CLAIMS FOR
11 RELIEF:

12 33. That a judgment be entered in favor of the Receiver recovering either
13 the Property or the value thereof for the benefit of the Receivership, plus interest
14 thereon at the legal rate;

15 FOR THE SIXTH CLAIM FOR RELIEF:

16 34. For a judgment imposing a constructive trust on the Property and
17 determining that the Defendant holds said Property in trust for the Receiver;

18 FOR THE SEVENTH CLAIM FOR RELIEF:

19 35. For a judgment imposing an equitable lien upon the Property;

20 FOR ALL CLAIMS FOR RELIEF:

21 36. For interest on the sums recovered;

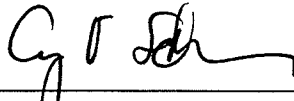
22 37. For costs of suit incurred herein; and

23 38. For all other and further relief as the Court deems just and proper.

24 Dated: June 25, 2009

DANNING, GILL, DIAMOND & KOLLITZ,
LLP

25
26
27 By: _____


George E. Schulman
Attorneys for David A. Gill, Receiver

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge J. Spencer Letts and the assigned discovery Magistrate Judge is Suzanne H. Segal.

The case number on all documents filed with the Court should read as follows:

CV09- 4630 JSL (SSx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

The United States District Judge assigned to this case will review all filed discovery motions and thereafter, on a case-by-case or motion-by-motion basis, may refer discovery related motions to the Magistrate Judge for hearing and determination

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

Western Division
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

Southern Division
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

Eastern Division
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

GEORGE E. SCHULMAN (SBN 064572)
gschulman@dgdk.com
KATHY BAZOIAN PHELPS (SBN 155.)
kp1 alp8@dgdk.com
STEVEN J. SCHWARTZ (SBN 200586)
DANNING, GILL, DIAMOND & KOLLITZ, LLP
2029 CENTURY PARK EAST, THIRD FLOOR
LOS ANGELES, CA
Telephone: (310) 277-0077
Facsimile: (310) 277-5735
Attorneys for David A. Gill, Receiver

ORIGINAL

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

(SEE ATTACHED) **DAVID A. GILL**
PLAINTIFF(S)

v.

KEVIN M. KELLER,
DEFENDANT(S).

CASE NUMBER CV09-04630-R-SSx

SUMMONS

TO: DEFENDANT(S): Kevin M. Keller

A lawsuit has been filed against you.

Within 20 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached complaint _____ amended complaint counterclaim cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, George E. Schulman, whose address is Danning, Gill, Diamond & Kollitz, LLP, 2029 Century Park East, 3rd Fl., Los Angeles, CA 90067. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

Dated: 2 - JUL 2009

By: Shia Bouzina
Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

SUMMONS (attachment)
CV-01A (12/07)

DAVID AK GILL, solely in his capacity as
Permanent Receiver in the matter of
Securities and Exchange Commission vs.
Diversified Lending Group, Inc.; Applied
Equities, Inc.; Bruce Friedman and Tina
M. Placourakis, U.S.D.C. Case No. CV
09-01533-R-JTLx,

Plaintiff

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I (a) PLAINTIFFS (Check box if you are representing yourself)
David A. Gill in SEC v. Diversified Lending Group, Inc.; Applied Equities, Inc.;
Bruce Friedman and Tina M. Placoursakis

DEFENDANTS
Kevin M. Keller

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)

Attorneys (If Known)

George E. Schulman, Danning, Gill, Diamond & Kollitz, LLP, 2029 Century
Park East, Third Floor, Los Angeles, CA 90067
Telephone: (310) 277-0077 Facsimile: (310) 277-5735

II. BASIS OF JURISDICTION (Place an X in one box only.)

- 1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party)
- 2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only
(Place an X in one box for plaintiff and one for defendant.)

- | | | | | | |
|---|---------------------------------------|---------------------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input checked="" type="checkbox"/> 1 | Incorporated or Principal Place of Business in this State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. ORIGIN (Place an X in one box only.)

- 1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from another district (specify): 6 Multi-District Litigation 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: Yes No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: Yes No

MONEY DEMANDED IN COMPLAINT: \$ 1,318,447.22

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
AVOIDANCE OF RECOVERY OF FRAUDULENT TRANSFER

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES	CONTRACT	TORTS	TORTS	PRISONER PETITIONS	LABOR
<input type="checkbox"/> 400 State Reapportionment	<input type="checkbox"/> 110 Insurance	PERSONAL INJURY	PERSONAL PROPERTY	<input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus	<input type="checkbox"/> 710 Fair Labor Standards Act
<input type="checkbox"/> 410 Antitrust	<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 310 Airplane	<input checked="" type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 530 General	<input type="checkbox"/> 720 Labor/Mgmt. Relations
<input type="checkbox"/> 430 Banks and Banking	<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act
<input type="checkbox"/> 450 Commerce/ICC Rates/etc.	<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 540 Mandamus/Other	<input type="checkbox"/> 740 Railway Labor Act
<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 330 Fed. Employers' Liability	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 790 Other Labor Litigation
<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations	<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 340 Marine	BANKRUPTCY	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 791 Empl. Ret. Inc. Security Act
<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans)	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158	FORFEITURE/PENALTY	PROPERTY RIGHTS
<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 820 Copyrights
<input type="checkbox"/> 810 Selective Service	<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	CIVIL RIGHTS	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 830 Patent
<input type="checkbox"/> 850 Securities/Commodities/Exchange	<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 840 Trademark
<input type="checkbox"/> 875 Customer Challenge 12 USC 3410	<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 362 Personal Injury-Med Malpractice	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 630 Liquor Laws	SOCIAL SECURITY
<input type="checkbox"/> 890 Other Statutory Actions	<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 365 Personal Injury-Product Liability	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 861 HIA (1395ff)
<input type="checkbox"/> 891 Agricultural Act	REAL PROPERTY	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 444 Welfare	<input type="checkbox"/> 650 Airline Regs	<input type="checkbox"/> 862 Black Lung (923) (405(g))
<input type="checkbox"/> 892 Economic Stabilization Act	<input type="checkbox"/> 210 Land Condemnation	IMMIGRATION	<input type="checkbox"/> 445 American with Disabilities - Employment	<input type="checkbox"/> 660 Occupational Safety/Health	<input type="checkbox"/> 863 DIWC/DIWW (405(g))
<input type="checkbox"/> 893 Environmental Matters	<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 462 Naturalization Application	<input type="checkbox"/> 446 American with Disabilities - Other	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 864 SSID Title XVI
<input type="checkbox"/> 894 Energy Allocation Act	<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 463 Habeas Corpus-Alien Detainee	<input type="checkbox"/> 440 Other Civil Rights		<input type="checkbox"/> 865 RSI (405(g))
<input type="checkbox"/> 895 Freedom of Info. Act	<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 465 Other Immigration Actions			FEDERAL TAX SUITS
<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice	<input type="checkbox"/> 245 Tort Product Liability				<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)
<input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 290 All Other Real Property				<input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

FOR OFFICE USE ONLY: Case Number: _____

CV09-04630

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? No Yes
If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? No Yes
If yes, list case number(s): CV 09-1533-R-JTLx

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) A. Arise from the same or closely related transactions, happenings, or events; or
 B. Call for determination of the same or substantially related or similar questions of law and fact; or
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
 Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
 Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved.

X. SIGNATURE OF ATTORNEY (OR PRO PER):  Date June 25, 2009

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))