

[Home](#) | [Previous Page](#)

## U.S. Securities and Exchange Commission

### U.S. SECURITIES AND EXCHANGE COMMISSION

#### Litigation Release No. 21313 / November 24, 2009

#### ***SEC V. TREVOR G. COOK, PATRICK J. KILEY, ET AL, Case No. 09 CV 3333 (D. Minn., filed November 23, 2009)***

On November 23, 2009, the Honorable Michael J. Davis of the U.S. District Court for the District of Minnesota issued an Asset Freeze Order against all assets of Trevor G. Cook (Cook), Patrick J. Kiley (Kiley), both Minnesota residents, and UBS Diversified Growth LLC, Universal Brokerage FX Management LLC, Oxford Global Advisors LLC, and Oxford Global Partners LLC (the Defendant Companies), four shell companies owned or controlled by them. The court also issued an asset freeze order against several Relief Defendant Companies: Basel Group LLC, Crown Forex LLC, Market Shot LLC, PFG Coin and Bullion, Oxford FX Growth L.P., Oxford Global FX LLC, Oxford Global Managed Futures Fund L.P, UBS Diversified FX Advisors LLC, UBS Diversified FX Growth L.P., and UBS Diversified FX Management LLC. The court also entered a freeze order against certain assets of relief defendants Clifford and Ellen Berg, who received investor funds from Cook. In addition, Judge Davis issued an order appointing a receiver over all of these assets. The court issued the freeze and receivership orders under seal while the assets were being secured, and the seal has now been lifted.

The SEC alleges that from at least July 2006 through at least July 2009, Cook and Kiley, through the Defendant Companies, raised at least \$190 million from at least 1,000 investors through the sale of unregistered investments in a purported foreign currency trading venture by misrepresenting that they would deposit each investor's funds into a separate account in the investor's name to trade in foreign currencies and generate annual returns of 10 percent to 12 percent. They also misrepresented that their foreign currency trading program involved little or no risk and that investors' principal would be safe and could be withdrawn at any time. The SEC alleges that Cook and Kiley did not place each investor's money into a segregated account in the name of the investor. Instead, they pooled the investors' funds in bank and trading accounts in the names of entities that they controlled, including the Defendant and Relief Defendant companies. The SEC alleges that Cook and Kiley misappropriated \$42.8 million of investors' money, including \$18 million that Cook used to buy ownership interests in two trading firms; \$12.8 million that Cook and Kiley transferred to Panama to purportedly finance the construction of a casino; \$2.8 million that Cook used to acquire the Van

Dusen Mansion and \$4.8 million that Cook lost through gambling. Cook and Kiley also misspent approximately \$51 million to make Ponzi-like payments to earlier investors. The SEC further alleges that Cook and Kiley placed \$108 million of investors' funds into banking and trading accounts in the names of their various shell companies and used some of this money to trade foreign currencies, resulting in losses of at least \$48 million.

The SEC's complaint charges Cook, Kiley, and the Defendant Companies with violating Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. In addition to the emergency relief already obtained, the complaint seeks preliminary and permanent injunctions and disgorgement from all defendants as well as financial penalties from Cook and Kiley, and disgorgement of ill-gotten gains from the relief defendants. A hearing on the SEC's motion for preliminary injunction has been set for December 4, 2009 at 9:30 a.m. at 300 South Fourth Street, 202 U.S. Courthouse, Minneapolis, MN.

None of the entities named in this action using the UBS name are affiliated with UBS, AG, the Switzerland-based global financial services firm.

The SEC acknowledges the assistance of the Commodity Futures Trading Commission, the Swiss Financial Market Supervisory Authority, the National Futures Association, and the Minnesota Attorney General in this investigation.

▶ [SEC Complaint in this matter](#)

<http://www.sec.gov/litigation/litreleases/2009/lr21313.htm>

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[Home](#) | [Previous Page](#)

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