

**IN THE CIRCUIT COURT
FOR THE TWENTIETH JUDICIAL CIRCUIT
IN AND FOR LEE COUNTY, FLORIDA**

**STATE OF FLORIDA, ex rel.
ROBERT A. BUTTERWORTH,
Attorney General of Florida,
Individually and in His Representative or
Parens Patriae Capacity,**

Plaintiff,

v.

CASE NO:

**SAUL & CO.,
COAST ASSET MANAGEMENT CORPORATION,
GULF GROUP HOLDINGS, INC., et. al.**

Defendants.

COMPLAINT AND DEMAND FOR JURY TRIAL

(Permanent Injunctive Relief Sought)

Plaintiff, the State of Florida, Office of the Attorney General, by and through its Attorney General, Robert A. Butterworth (hereinafter, the “State of Florida”), sues Defendants, SAUL & CO., COAST ASSET MANAGEMENT CORPORATION, GULF GROUP HOLDINGS, INC., M. CREDIT, INC.¹, TBC TAX I, INC., TBC TAX II, INC., TBC TAX III, INC., BANK UNITED, FSB, BANK UNITED FINANCIAL CORPORATION, BU VENTURES, INC., T&D PROPERTIES OF SOUTH FLORIDA, INC., BANKATLANTIC, (f/k/a/ BankAtlantic, A Federal Savings Bank), HEARTWOOD 88, LLC (f/k/a Heartwood 88, Inc.), TRANSAM TAX CERTIFICATE CORPORATION, TRANSAM TAX CERTIFICATE, L.L.C., TRANSAM

¹M CREDIT, INC. was formerly known as Transamerica Business Credit Corporation (“TBCC”). Accordingly, all references to M. CREDIT, INC. herein also encompass TBCC.

FINANCIAL SERVICES, INC., DESTINY 98, ADVANTAGE 99, CAPITAL ASSET RESEARCH CORPORATION, LTD, FUNDCO, INC., MUNICO, INC., and PROPCO, INC., and alleges:

I.
SUMMARY OF COMPLAINT

1. This is a civil antitrust enforcement action against several companies for bid-rigging at a June 1998 auction of tax certificates conducted by the Tax Collector of Lee County, Florida. Bid-rigging is a form of price fixing, which is a “per se” violation of Florida and federal antitrust laws.

2. Tax certificates are legal documents issued by county tax collectors against specific parcels of real property. Tax certificates represent unpaid delinquent property taxes, special assessments, and certain other charges.

3. Bidders at the auction conspired and agreed to coordinate their bids and thereby increase, maintain, and stabilize the interest rates at which tax certificates were to be sold. As a result of the unlawful conduct described in this Complaint, interest rates on many of the tax certificates sold during the auction were set at artificially high levels, causing injury to the owners of property against which those tax certificates were issued and who have redeemed their tax certificates or who redeem their tax certificates by June 1, 2005.

II.
JURISDICTION AND VENUE

4. Count I of this Complaint is a civil antitrust enforcement action brought pursuant to the Florida Antitrust Act of 1980 (chapter 542, Florida Statutes), and particularly sections

542.27(2), 542.21, and 542.23, Florida Statutes. The State of Florida seeks treble damages, costs, and attorneys' fees, under section 542.22, Florida Statutes, as well as civil penalties under section 542.21, Florida Statutes, based upon the violations of section 542.18 alleged herein.

5. Count II of this Complaint is an action brought pursuant to the Florida Deceptive and Unfair Trade Practices Act (Chapter 501, Part II, Florida Statutes), for actual damages, civil penalties, costs, and attorneys' fees. The violations of the Florida Deceptive and Unfair Trade Practices Act alleged herein have occurred in or affected, and are occurring in or affecting, more than one judicial circuit of the State of Florida.

6. Count III of this Complaint seeks injunctive relief pursuant to Sections 542.23 and 501.207, Florida Statutes.

7. All conditions precedent to this action have been performed or have occurred. The unlawful conduct alleged herein is likely to recur unless the relief requested is granted.

8. A substantial part of the events giving rise to the State of Florida's claims occurred in Lee County, Florida. Lee County has the greatest nexus to this case. Among other things, the 1998 Auction (defined below) was held in Lee County, and all the real property against which Tax Certificates (defined below) were issued as a result of the 1998 Auction is located in Lee County. Furthermore, one or more of the Defendants that are corporations may be found in, or transact business in Lee County, Florida. Jurisdiction and venue in this Court is proper pursuant to Florida Statutes Sections 26.012, 47.011, 501.207, 542.23, and 542.30.

III.
TRADE OR COMMERCE

9. The business activities of the Defendants and their co-conspirators which are the subject of this Complaint were within the flow of, and substantially affected, interstate and intrastate trade and commerce in that, during the period in which the claims asserted in this Complaint arose and relating to the transactions with respect to which these allegations are made:

(a) One or more of the Defendants had its principal place of business or primary residence outside the State of Florida and came into Florida and into Lee County, Florida to perpetuate the conspiracy;

(b) One or more of the Defendants also, as part of its business, purchased tax certificates in jurisdictions in a State other than Florida, as well as in Lee County and other counties in Florida;

(c) One or more of the Defendants applied for and received financing for the purchase of tax certificates from sources outside of Florida, including national banking, investment, and brokerage firms, all engaged in interstate commerce, and the funds and letters of credit from such sources were transferred into the State of Florida;

(d) Various devices were used by Defendants to arrange financing, and to transfer funds from Defendants' financing sources to the Defendants and from Defendants to the Lee County Tax Collector, including the United States Mail, interstate commerce, and interstate telephone lines.

10. Defendants engaging in business within the State of Florida as alleged herein constitutes "trade or commerce" within the meaning of sections 501.203(8), 542.17(4), and 542.18, Florida Statutes.

IV.

PARTIES

11. Plaintiff is the State of Florida, as described above. Section 542.27, Florida Statutes, authorizes the Attorney General to institute civil proceedings seeking the full range of relief afforded by chapter 542, Florida Statutes, and by federal laws pertaining to antitrust and restraints of trade, on behalf of units of Florida government and natural persons in the State of Florida.

12. The State of Florida brings the antitrust claims made herein pursuant to section 542.22(2), Florida Statutes, as *parens patriae* on behalf of natural persons residing in Florida to recover on behalf of those persons three-fold the actual damages sustained by them as a result of the violations of section 542.18, Florida Statutes, alleged herein.

13. Additionally, the Attorney General brings this action as an “enforcing authority” designated under the Florida Deceptive and Unfair Trade Practices Act (Chapter 501, Part II, Florida Statutes, and particularly sections 501.207 and 501.203(2), Florida Statutes) on behalf of all “consumers” (as defined in section 501.203(7), Florida Statutes) to recover on behalf of those persons and entities the actual damages sustained by them as a result of the violations of section 501.204, Florida Statutes, alleged herein.

14. Defendant Saul & Co. is a general partnership governed under the laws of North Carolina, formed to act as nominee of First Union Bank, the principal place of business is Philadelphia, PA.

15. Defendant Coast Asset Management Corporation (CAMC) is an investment advisor registered with the Securities and Exchange Commission. CAMC retained Defendant

Gulf Group Holdings, Inc. to bid on and purchase tax certificates on behalf of CAMC during the 1998 Auction. Coast Asset Management is a Delaware corporation with its principle place of business at 725 Arizona Avenue, Suite 400, Santa Monica, Ca.

16. Defendant Gulf Group Holdings, Inc., is a Florida corporation with its principal place of business at 999 Brickell Bay Drive, Suite 1801, Miami, Florida. Gulf Group Holdings, Inc. was retained by Coast Asset Management Corporation to bid on and purchase tax certificates on behalf of CAMC at the 1998 Auction.

17. Defendant M Credit, Inc. is a Delaware corporation with its principal place of business at 7711 North Military Trail, Suite 200, Palm Beach Gardens, Florida.

18. TBC Tax I, Inc. is a Delaware corporation with its principal place of business at 7711 North Military Trail, Suite 200, Palm Beach Gardens, Florida.

19. TBC Tax II, Inc. is a Delaware corporation with its principal place of business at 7711 North Military Trail, Suite 200, Palm Beach Gardens, Florida.

20. TBC Tax III, Inc. is a Delaware corporation with its principal place of business at 7711 North Military Trail, Suite 200, Palm Beach Gardens, Florida.

21. Defendant BankUnited, FSB is a federal savings bank with its principal place of business at 255 Alhambra Circle, Coral Gables, Florida.

22. Defendant BankUnited Financial Corporation is a Florida corporation with its principal place of business at 255 Alhambra Circle, Coral Gables, Florida.

23. Defendant BU Ventures, Inc. is a Florida corporation with its principal place of business at 255 Alhambra Circle, Coral Gables, Florida.

24. Defendant T & D Properties of South Florida, Inc. is a Florida corporation with its principal place of business at 550 Biltmore Way, Coral Gables, Florida. T&D Properties is a wholly owned operating subsidiary of BankUnited that invests in tax certificates and holds title to, maintains, manages and supervises the disposition of real property acquired through tax deeds.

25. Defendant BankAtlantic, (f/k/a BankAtlantic, A Federal Savings Bank), is incorporated under the laws of the United States with its principal place of business at 1750 Sunrise Blvd, Ft. Lauderdale, Florida.

26. Defendant Heartwood 88, LLC, (f/k/a Heartwood 88, Inc.), is a Florida corporation with its principal place of business at 1750 East Sunrise Boulevard, Fort Lauderdale, Florida.

27. Defendant TransAm Tax Certificate Corporation is a Florida corporation with its principal place of business at 1101 North Lake Destiny Road, Suite 225, Maitland, Florida.

28. Defendant TransAM Tax Certificate, L.L.C. is a Florida Corporation with its principal place of business at 4601 Ponce De Leon Blvd, Suite 20, Coral Gables, FL.

29. Defendant Trans Am Financial Services, Inc. is a Florida Corporation with its principal place of business at 1101 North Lake Destiny Rd. Maitland, FL 32751.

30. Defendant Destiny 98 is a registered Florida Fictitious Name with its principal place of business at 1101 North Lake Destiny Rd. Maitland, FL 32751.

31. Defendant Advantage 99 is a registered Florida Fictitious Name with its principal place of business at 1101 North Lake Destiny Rd. Maitland, FL 32751.

32. Defendant Capital Asset Research Corporation, Ltd., is a Florida limited partnership, with its principal place of business at 7108 Fairway Dr., Palm Beach Gardens, Florida.

33. Defendant Fundco, Inc. is a Delaware corporation with its principal place of business at 3950 RCA Blvd., Palm Beach Gardens, Florida..

34. Defendant Munico, Inc. is a Delaware corporation with its principal place of business at 3950 RCA Blvd., Palm Beach Gardens, Florida.

35. Defendant Propco, Inc. is a Delaware corporation with its principal place of business of at 3950 RCA Boulevard, Suite 5001, Palm Beach Gardens, Florida.

36. Defendants (themselves or through agents) were bidders for Tax Certificates that were offered or to be offered for sale at the 1998 Auction, actual or potential buyers of such Tax Certificates, or persons who acted in concert with others who were bidders for or actual or potential buyers of such Tax Certificates. Each Defendant engaged in the business of buying or bidding on Tax Certificates in the State of Florida offered for sale at the 1998 Auction.

V.
CO-CONSPIRATORS

37. In conceiving and carrying out the antitrust violations alleged in this Complaint, Defendants have combined with other persons and entities who have performed acts and made statements in furtherance of the combination and conspiracy to restrain trade.

VI.
DEFINITIONS

38. Unless otherwise indicated, the capitalized terms used in this Complaint shall have the following meanings:

(a) “1998 Auction” means the sale of Tax Certificates conducted by the Lee County Tax Collector during the period June 1, 1998 through June 10, 1998.

(b) “Property Appraiser” means the county officer charged with determining the value of all property within the county, with maintaining certain records connected therewith, and with determining the tax on taxable property after taxes have been levied.

(c) “Property Tax” means a tax on real property based upon the assessed value of the property. In this Complaint, the term “Ad Valorem Tax” is used interchangeably with the term “Property Tax.”

(d) “Tax Certificate” means a legal document, representing unpaid delinquent real property taxes, non-ad valorem assessments, including special assessments, interest, and related costs and charges, issued pursuant to chapter 197, Florida Statutes, against a specific parcel of real property and becoming a first lien thereon, superior to all other liens, except as otherwise provided by law. The term also means such a tax certificate issued electronically (i.e., through entry on a list prepared by the Tax Collector containing the name of the purchaser, the amount of each certificate purchased, the property identification number, and percentage bid).

(e) “Tax Collector” means the county officer charged with the collection of ad valorem taxes levied by the county, the school board, any special taxing districts within the county, and all municipalities within the county.

VII. OVERVIEW OF THE PROPERTY TAX AND TAX CERTIFICATES

39. In Florida, a Property Tax is levied annually, on a calendar year basis, by units of local government such as cities, counties, school boards, and special taxing districts. Property Tax revenues support vital local government services, such as law enforcement, fire protection, and public school education.

A. THE LEVY AND COLLECTION OF PROPERTY TAXES AND SPECIAL ASSESSMENTS.

40. The Property Appraiser for each county determines the taxable value, as of January 1 of the tax year at issue, of all real property located within the county. The governing boards of the taxing units (e.g., city councils, boards of county commissioners, and school boards), set the millage rates for, and levy, their respective Property Taxes on property located within their respective taxing jurisdictions.

41. The Property Appraiser then determines the tax on each parcel of taxable property by multiplying the millages by the parcel's taxable value. The Property Appraiser prepares a tax roll known as the "real property assessment roll." The Property Appraiser submits the roll to the Florida Department of Revenue for approval and then "certifies" the roll to the Tax Collector.

42. Generally, Property Taxes become due and payable on November 1 of each year and become delinquent on April 1 following the year in which they were levied. The Tax Collector of a county has the authority and obligation to collect delinquent Property Taxes on real property located within the county, and to collect interest and costs, by sale of Tax Certificates.

43. Some units of local government have authority to impose non-ad valorem "special assessments" against real property located within their respective taxing jurisdictions. Under certain circumstances, special assessments may be collected by the Tax Collector in the same manner as Property Taxes.

B. SALES OF TAX CERTIFICATES FOR UNPAID TAXES AND ASSESSMENTS.

44. Chapter 197, Florida Statutes, and Rule 12D-13.045, Florida Administrative Code, require Tax Collectors to sell Tax Certificates on those lands within their respective counties on

which taxes have not been paid. Tax Collectors distribute proceeds from Tax Certificate sales to the units of local government that have imposed the taxes and assessments, thereby providing funds those units can use to provide services.

45. Sales of Tax Certificates are conducted at least once each year, through public auctions. Each sale is advertised in advance in a local newspaper. The advertisement lists the certificates in the order in which they are to be auctioned. A sale is continued from day to day until each certificate is sold to pay the taxes, interest, costs, and charges on the parcel described in the certificate.

46. During the auction sale, each Tax Certificate must be “struck off” (i.e., sold and issued) to the person who will pay the taxes, interest, costs, and charges, and will demand the lowest rate of interest, not in excess of eighteen percent (18%) per annum. Thus, bidding on each certificate begins at 18%, and the interest rate is to be bid down, in increments not smaller than one-quarter of one percent, until the certificate is sold.

47. If there is no buyer for a particular certificate, the certificate must be issued to the county at an annual interest rate of 18%. However, the county makes no payment of taxes or interest. Thus, no taxes or assessments are collected through the issuance of a Tax Certificate to the county.

48. Auction systems of this type are designed to protect property owners by ensuring that interest on Tax Certificates issued against their properties will accrue at the lowest competitive rates. A lower interest rate means the property owner will not have to pay as much interest in order to redeem the certificate.

49. Tax Certificates may be issued on paper or in electronic form. The Tax Certificates sold during the 1998 Auction (described below) were issued in electronic form. Buyers were given certified printouts of certificates issued to them.

C. REDEMPTIONS OF TAX CERTIFICATES.

50. Generally, a property owner may redeem a Tax Certificate issued against his property at any time after the Certificate is issued but before a tax deed is issued or the property is placed on the list of lands available for sale for taxes. The person redeeming a Tax Certificate must pay to the Tax Collector the face amount of the Certificate, interest accrued at the rate established through the bidding process, and applicable costs or charges.

51. Interest on Tax Certificates accrues on a monthly basis. The full amount of the interest to accrue for a month is earned on the first day of the month. Tax Certificates sold during the 1998 Auction were issued as of June 1, 1998, the first day of the sale.

52. When a Tax Certificate is redeemed and the interest earned on the tax certificate is less than 5 percent of the face amount of the certificate, a mandatory charge of 5 percent is to be levied upon the tax certificate. The person redeeming the tax certificate must pay the interest due on the certificate or the flat 5 percent mandatory charge, whichever is greater.

53. When a Tax Certificate has been redeemed, the Tax Collector pays the owner of the Tax Certificate the amount received by the Tax Collector, less service charges.

VIII.
RELEVANT MARKET

54. The relevant market is Tax Certificates sold or offered for sale in Lee County during the 1998 Auction.

IX.
PREPARATION FOR THE 1998 AUCTION

55. During the months of May and June 1998, the Lee County Tax Collector gave notice through newspaper advertisements of a sale of Tax Certificates to commence on June 1, 1998.

56. In order to participate in the 1998 Auction, a buyer was required to register with the Tax Collector and put up a deposit. The amount of the deposit was to be 10% of the total dollar amount of all the Tax Certificates each buyer anticipated buying at the 1998 Auction.

57. The Lee County Tax Collector issued each registered buyer a single “paddle” (i.e., a small cardboard sign mounted to a wooden stick) bearing the registered buyer’s assigned identification number. In order to obtain multiple paddles for use in bidding, some buyers registered under the names of multiple subsidiaries, partnerships, or other entities.

58. Some of the buyers who participated in the 1998 Auction did their own bidding, for their own accounts. Other buyers had employees or non-employee agents bid for them. Some of the buyers who had others bid for them provided training and instruction to their bidders before the 1998 Auction began.

59. Most of the buyers who sent employees or non-employee agents to do their bidding gave the bidders “bid books” or other instructions that identified those Tax Certificates on which the bidders were authorized to bid and the ranges of interest rates they were authorized to bid for those certificates. Generally, buyers authorized their bidders to bid lower interest rates on Tax Certificates of higher quality.

X.
ANTICOMPETITIVE CONDUCT DURING THE 1998 AUCTION

60. The Lee County Tax Collector held a sale of Tax Certificates beginning on or about Monday, June 1, 1998, and ending on or about Wednesday, June 10, 1998. The sale was held at the Lee County Constitutional Complex in Fort Myers, Lee County, Florida.

61. From shortly after the beginning of the 1998 Auction and continuing through its conclusion on or about June 10, 1998, the Defendants and unnamed co-conspirators entered into and engaged in one or more unlawful contracts, combinations, or conspiracies in restraint of intrastate and interstate trade or commerce.

62. The contracts, combinations, and conspiracies consisted of continuing agreements, understandings, and concert of action among the Defendants and their unnamed co-conspirators, the substantial terms of which were to coordinate bids and thereby artificially increase, maintain and stabilize the interest rates at which Tax Certificates offered at the 1998 Auction were to be sold.

63. During the 1998 Auction, Tax Certificates generally were auctioned off in the order set forth in the newspaper advertisement. The auctioneers for the Tax Collector began the bidding for each Tax Certificate at 18% and asked for bids at lower and lower interest rates, with the objective of obtaining the lowest possible interest rate. The successful bidder for each certificate was the one that bid the lowest interest rate.

64. During the first two days of the 1998 Auction, competition in the bidding was fierce. Interest rates on many Tax Certificates were bid down to as low as one-quarter of one percent.

65. On or about the third day of the 1998 Auction, bidders who were or who represented competing buyers, including some of the Defendants, held secret meetings outside the auction room. During these meetings, or otherwise in the course of their exchanges of information before or after such meetings, these bidders conspired and agreed to stop bidding against each other when the bidding reached a certain range of interest rates. The agreed range was higher than the range of interest rates that had been bid on Tax Certificates of similar quality earlier in the auction.

66. Later in the auction some bidders who were, or who represented, competing buyers, including some of the Defendants, held further meetings outside the auction room. During these meetings, or otherwise in the course of their exchanges of information before or after such meetings, these bidders conspired and agreed to refine the scheme for the coordination of bids.

67. Each bidder who was interested in bidding upon a particular tax certificate would hold his or her paddle up when the bidding began. When the auctioneer selected a bidder at 18%, all other bidders would drop their paddles; generally, no bidder would bid below 18%. The auctioneer then could be expected to award the Tax Certificate to the bidder selected at 18%. This process would be repeated over and over again. Bidders who were being compensated on the basis of the volume of Tax Certificates they purchased would be allowed to obtain additional Tax Certificates.

68. In further refinement of the scheme some bidders who were, or who represented, competing buyers, including some of the Defendants, conspired and agreed to attempt to dissuade new bidders entering the auction room from driving rates down to previously low levels. Some conspiring bidders would “discipline” new bidders who made competitive bids below 18% on any

Tax Certificate. This was accomplished by purposely driving down the interest rates on any such Tax Certificate to very low levels. Ultimately, the conspiring bidders succeeded in getting new bidders to go along with the scheme for the coordination of bids and thereby join the unlawful conspiracy.

69. Most of the Defendants instructed their lead bidders to report periodically to supervisors or other persons employed by the Defendants. Pursuant to these instructions, bidders at the 1998 Auction periodically reported information on such things as the total dollar amounts of Tax Certificates the bidders had purchased on behalf of the buyers since the last report, the average or weighted average of interest rates for such purchases, and developments -- including interest rate trends -- at the auction. Some Defendants gave their bidders bidding instructions based in part upon the information so reported.

XI. **ACTS IN FURTHERANCE OF THE CONSPIRACY**

70. From shortly after the beginning of the 1998 Auction and continuing through its conclusion on or about June 10, 1998, the Defendants and unnamed co-conspirators entered into and engaged in one or more unlawful contracts, combinations, or conspiracies in restraint of intrastate and interstate trade or commerce.

71. The contracts, combinations, and conspiracies consisted of continuing agreements, understandings, and concert of action among the Defendants and their unnamed co-conspirators, the substantial terms of which were to artificially increase, maintain, and stabilize the interest rates at which Tax Certificates offered at the 1998 Auction were to be sold through the coordination of bids.

72. In furtherance of the contracts, combinations, and conspiracies alleged above, Defendants and co-conspirators did those things which they contracted, combined, and conspired to do, including, among other things:

(a) Meeting and communicating about refraining, and agreeing to refrain, from bidding below a certain interest rate or certain ranges of interest rates;

(b) Meeting and communicating about not competing, and agreeing not to compete, for certain Tax Certificates;

(c) Refraining from bidding on, or dropping out of the bidding for, certain Tax Certificates;

(d) Soliciting and coercing buyers, including Defendants, to join the conspiracy;

(e) Bidding aggressively against bidders who initially failed to act in accordance with the conspiracy, thereby coercing such bidders and others into joining; and

(f) Bidding aggressively against bidders who failed to adhere to the conspiracy in order to coerce those bidders to bid in conformance with the scheme.

XII. **ANTICOMPETITIVE EFFECTS, INJURY, AND DAMAGES**

73. The purposes or effects of the contracts, combinations, and conspiracies as alleged herein have been to restrain competition and injure owners of property against which Tax Certificates were issued in one or more of the following ways, among others:

(a) Vigorous competition among Defendants, and among buyers generally, at the 1998 Auction was impeded;

(b) Persons delinquent in the payment of taxes and assessments imposed on their property have been deprived of the benefits of free and open competition in the sale of Tax Certificates issued with respect to their property;

(c) Competition on interest rates among Defendants in the bidding for and purchase of Tax Certificates was restrained; and

(d) Interest rates on Tax Certificates sold during the 1998 Auction increased, maintained and stabilized at levels higher than the levels that would have resulted under natural conditions of competition in the absence of such conduct.

74. As a result of the unlawful conduct alleged herein on the part of Defendants and their co-conspirators, Tax Certificates were issued against real property owned by the persons and entities on whose behalf this action has been brought at interest rates higher than the rates that would have resulted under natural conditions of competition in the absence of such conduct. Among other things, owners of real property against which said Tax Certificates were issued have paid or will have to pay greater amounts of money as interest in order to redeem such certificates. Thus, the persons and entities on whose behalf this action has been brought have been injured and suffered damages as a result of Defendants' unlawful conduct.

COUNT I
(Violation of Florida Antitrust Act of 1980)

75. The State of Florida incorporates and realleges paragraphs 1 through 74 above as if fully set forth herein

76. Sections 542.22(2) and 542.27(2), Florida Statutes, authorize the Attorney General to institute and maintain antitrust actions on behalf of natural persons in Florida.

77. In connection with the 1998 Auction, Defendants and unnamed co-conspirators entered into a contract and engaged in a combination and conspiracy in restraint of trade or commerce within the State of Florida and elsewhere with effects in the State of Florida in violation of section 542.18, Florida Statutes.

78. The contract, combination, and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendants and unnamed co-conspirators to increase, maintain and stabilize the interest rates on Tax Certificates offered for sale at the 1998 Auction.

79. The unlawful conduct described in paragraphs 60 through 74 of this Complaint constitutes one or more violations of section 542.18, Florida Statutes.

80. The persons on whose behalf this action has been brought have been injured and damaged as a result of Defendants' conduct.

COUNT II
(Florida Deceptive and Unfair Trade Practices Act)

81. The State of Florida incorporates and realleges paragraphs 1 through 74 above as if fully set forth herein.

82. This action is brought pursuant to the Florida Deceptive and Unfair Trade Practices Act, Florida Statutes, Section 501.201 et seq.

83. The acts and practices described in Paragraphs 60 through 74 constitute "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce" within the meaning of section 501.204(1), Florida Statutes, and are violations of that section.

84. Defendants' conduct was "willful" within the meaning of sections 501.2075 and 501.2077, Florida Statutes, relating to civil penalties.

85. The persons and entities on whose behalf this action has been brought have been injured and damaged as a result of Defendants' conduct.

COUNT III
(Injunctive Relief)

86. The State of Florida incorporates and realleges paragraphs 1 through 74 above as if fully set forth herein.

87. In connection with the 1998 Auction, Defendants and unnamed co-conspirators entered into a contract and engaged in a combination and conspiracy in restraint of trade or commerce in violation of Section 542.18, Florida Statutes and Section 501.201, et. seq., Florida Statutes.

88. The contract, combination and conspiracy consisted of a continuing agreement, understanding and concert of action among Defendants and unnamed co-conspirators to increase, maintain and stabilize the interest rates on Tax Certificates offered for sale at the 1998 Auction.

89. Defendant's agreement caused substantial harm to the State of Florida and those persons and entities on whose behalf this action has been brought. The State of Florida is entitled to injunctive relief pursuant to Sections 542.23 and 501.207, Florida Statutes.

90. The State of Florida requests that Defendants, their officers, directors, agents, employers, and successors and all other persons acting or claiming to act on their behalf be permanently enjoined and restrained from, in any manner, directly or indirectly, continuing, maintaining or renewing the alleged combination or conspiracy, or from entering into,

maintaining, or taking any action in furtherance of, any contract, agreement, understanding, arrangement, plan, program or combination to increase, maintain, and/or stabilize interest rates on Tax Certificates sold at any auction in the State of Florida.

PRAYER FOR RELIEF

WHEREFORE, the State of Florida requests:

1. That upon trial the State of Florida, for the benefit of the natural persons on whose behalf this action has been brought, recover from Defendants, jointly and severally, three times the amount of the jury's verdict, as allowable under section 542.22, Florida Statutes, for violations of section 542.18, Florida Statutes;

2. That Defendants, their officers, directors, agents, employees, and successors and all other persons acting or claiming to act on their behalf be permanently enjoined and restrained from, in any manner, directly or indirectly, continuing, maintaining, or renewing the alleged combination and conspiracy, or from entering into, maintaining, or taking any action in furtherance of any agreement, understanding, arrangement, plan, program, combination or conspiracy to increase, maintain and/or stabilize interest rates on Tax Certificates sold at any auction in the State of Florida as requested in Count III above;

3. That the Court adjudge and decree that Defendants have violated section 542.18, Florida Statutes, and further that the Court impose against each Defendant a civil penalty in the maximum amount permitted by section 541.21, Florida Statutes, for each violation of section 542.18 found by the Court in this case;

4. That each Defendant be ordered to pay the State of Florida's costs and attorney's fees pursuant to sections 542.22 and 542.23, Florida Statutes;

5. That, pursuant to section 501.207, Florida Statutes, the court adjudge and decree that Defendants have violated the Florida Deceptive and Unfair Trade Practices Act and award the State of Florida, for the benefit of the consumers on whose behalf this action has been brought, the actual damages caused by the acts or practices in violation of said Act;

6. That the Court impose against each Defendant a civil penalty in the maximum amount permitted by section 501.2075 or 501.2077, Florida Statutes, as appropriate, for each violation of section 501.204, Florida Statutes, found by the Court in this case;

7. That the State of Florida recover its costs and attorney's fees from Defendants in accordance with section 501.2105, Florida Statutes; and

8. Such other relief as the nature of the case may require and the Court may deem just and proper.

DEMAND FOR JURY TRIAL

The State of Florida demands a trial by jury of all issues triable by a jury.

Dated: May 23, 2002.

Respectfully submitted,

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