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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

COADUM ADVISORS, INC.,
MANSELL CAPITAL PARTNERS III, LLC,
JAMES A. JEFFERY,
THOMAS E. REPKE,
COADUM CAPITAL FUND 1, LLC,
COADUM CAPITAL FUND II, LP,
COADUM CAPITAL FUND III, LP, and
MANSELL ACQUISITION COMPANY LP.

Defendants.

CIVIL ACTION FILE NO.

1 08-CV-0011

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

The plaintiff, Securities and Exchange Commission ("Commission" or the "Plaintiff"), files this Complaint and alleges the following:

SUMMARY

1. Plaintiff brings this action to enjoin violations of the federal securities laws by, and to obtain other relief from, Defendants Coadum Advisors, Inc. ("Coadum"), Mansell Capital Partners III, LLC ("Mansell"), James A. Jeffery ("Jeffery"), Thomas E. Repke ("Repke"), Coadum Capital Fund

II, LP ("Coadum II"), Coadum Capital Fund III, LP ("Coadum III"), Mansell Acquisition Company LP ("MAC") and Coadum Capital Fund 1, LLC ("Coadum 1").

2. From at least early 2006 through the present, Coadum and Mansell have fraudulently raised approximately \$30 million from investors who purchased interests in Coadum 1, and three limited partnerships, Coadum II, Coadum III and MAC. Two of the offerings are ongoing. Jeffery and Repke control Coadum and Mansell and are directing the offerings.

3. The defendants represent to investors that the investors will receive a return of from 3 to 6 percent per month (or 2.5 to 8 percent for Coadum 1). In addition, the defendants have misrepresented to investors that their principal is protected and never leaves the escrow account, or is secured by collateral. A Coadum sales brochure makes a similar statement.

4. Coadum and Mansell have invested the majority of the funds through Exodus Equities, Inc. ("Exodus") a Malta based "investment platform" which in turn appears to have invested the funds in the Exodus Platinum Genesis Fund, Ltd. ("Exodus Platinum Fund"), a Bermuda hedge fund which has yet to begin operation, and in "Pre-REIT convertible bonds" which have yet to provide any return.

5. In the meantime, the defendants have falsely represented in monthly account statements to investors that the investors have been earning approximately four percent per month and that all or most of their principal is in escrow.

6. Without disclosure to investors, Coadum and Mansell have also "borrowed" in excess of \$3 million of, or against, the investors' funds and have disbursed approximately an additional \$5 million to apparently related parties.

7. Defendants Coadum, Mansell, Jeffery and Repke, Coadum I, Coadum II, Coadum III and MAC, by virtue of their conduct, directly or indirectly, have engaged and, unless enjoined, will engage in violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Coadum, Mansell, Repke and Jeffery have violated, and unless enjoined will continue to violate, Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. 15 U.S.C. §§ 80b-6 (1) and (2)].

8. The Commission seeks a temporary restraining order, preliminary and permanent injunctions, an accounting, disgorgement and pre-judgment interest, and civil penalties against all of the defendants. On an interim basis, the

Commission also seeks an asset freeze as to all defendants and seeks the appointment of a Receiver for Coadum, Mansell, Coadum I, Coadum II, Coadum III and MAC.

JURISDICTION AND VENUE

9. The Commission brings this action pursuant to Sections 20(b), (c) and (d) of the Securities Act [15 U.S.C. §§ 77t(b)-(d)], Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d)-(e)], and Sections 209(d) and 209 (e) of the Advisers Act [15 U.S.C. §§ 80b-9(d)-(e)] to enjoin the Defendants from engaging in the transactions, acts, practices and courses of business alleged in this Complaint, and transactions, acts, practices and courses of business of similar purport and object, for an accounting, disgorgement of illegally obtained funds and other equitable relief, and for civil money penalties.

10. This Court has jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v], Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa], and Section 214 of the Advisers Act [15 U.S.C. § 80b-14].

11. The Defendants, directly and indirectly, have made use of the mails, the means and instruments of transportation and communication in interstate commerce, and the means and instrumentalities of interstate commerce, in connection with

the transactions, acts, practices, and courses of business alleged in this Complaint.

12. Venue lies in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27 of the Exchange Act [15 U.S.C. § 78aa], and Section 209 of the Advisers Act [15 U.S.C. § 80b-9] because certain of the transactions, acts, practices and courses of business constituting violations of the Securities Act, the Exchange Act and the Advisers Act have occurred within the Northern District of Georgia. Among other things, investors' funds in excess of \$20 million were wire transferred to an escrow account within the Northern District. At the instruction of and through the efforts of the defendants, the investors' funds were then wire transferred from the account in the Northern District to various offshore accounts. Further, defendant Mansell is a Georgia company with its principal place of business located within the Northern District.

THE DEFENDANTS

13. Coadum Advisors, Inc. is a Delaware limited liability company. Coadum is a general partner to Coadum II.

14. Mansell Capital Partners III, LLC, a Georgia company organized on February 12, 2005, serves as the General Partner to the MAC Income Opportunity Fund. Mansell is not

currently and has never been a Delaware company as claimed in MAC's PPM.

15. James A. Jeffery, of Belleville, Ontario, Canada, is the president and a director of Coadum and Mansell. Jeffery is also currently employed with Puritan Securities, Inc.

16. Thomas E. Repke, of Holladay, Utah, is the secretary and treasurer and a director of Coadum and Mansell. Repke is a graduate of C.W Post College of Long Island University with a degree in accounting and finance.

17. Coadum Capital Fund II, LP, is a Delaware limited partnership. Coadum is its general partner.

18. Coadum Capital Fund III, LP is a Delaware limited partnership. Its PPM lists Coadum Advisors I, LLC as the general partner. Coadum Advisors I, LLC is described as a Delaware limited liability company. No such LLC is registered in Delaware.

19. Mansell Acquisition Company, LP, is a Delaware general partner. Mansell is its general partner.

20. Coadum Capital Fund 1 LLC, is a Delaware limited liability company. Jeffery has been its president.

FACTS

A. The Securities Offerings

21. Between January and May 2006, Coadum solicited residents of Canada and the United States to invest in Coadum 1.

22. Sales representatives promised investors a "perfect blend" of a secure principal and earnings of 2.5-8% per month.

23. In May 2006, the Alberta Securities Commission brought an administrative proceeding against Coadum, Coadum 1, Jeffery, Repke and others, alleging fraud and other violations. That matter remains pending.

24. Shortly thereafter, Coadum ceased promoting Coadum 1, rolled the investors into Coadum II, and began an offering in the United States and Canada of limited partnership interests in Coadum II.

25. The Coadum II offering took place between July 2006 and July 2007.

26. In April 2007, Coadum began selling limited partnership interests in Coadum III. That offering is continuing.

27. On August 31, 2007, Mansell began selling interests in MAC. That offering is also continuing.

28. In excess of 150 investors, located throughout the United States and Canada, bought interests in Coadum 1, Coadum II, Coadum III and MAC.

29. Coadum and Mansell have raised approximately \$30 million from investors who purchased limited partnership interests in the three offerings.

30. Coadum is general partner and investment adviser to Coadum II and Coadum III, while Mansell is general partner and investment adviser to MAC.

31. An entity denoted Coadum Advisors I, LLC is listed as the general partner of Coadum III. Coadum Advisors I, LLC is described as a Delaware limited liability company. Jeffery and Repke are described as the co-managing members. However, no such entity is registered in Delaware. An entity denoted Coadum Advisors LLC is registered in Delaware and may be the actual general partner. Regardless, Coadum is functionally conducting the offering and receiving the proceeds.

32. The limited partnerships and Coadum 1 (an LLC) have offered and sold their securities to the public through Jeffery, Repke and Coadum's vice president of marketing, and certain registered representatives associated with a registered broker-dealer.

33. The PPMs describe an investment objective involving the general partner or its team of investment

managers pursuing a series of "risk-controlled" strategies. Those strategies allegedly consist of purchasing AA or better rated securities at one price, and simultaneously selling the securities at a higher price, generating a profit on the price difference, which the PPMs refer to as "commercial trading programs."

34. At least some of the investors have been assured of at least 3% and at most 6% return per month (in the case of Coadum 1, 2.5%-8%) on their initial investments and can take accrued earnings in cash at the end of each quarter or roll them over into the limited partnership.

35. The PPMs disclosed that the general partner is allocated, subject to a "hurdle" rate, a performance share equal to 85% of the appreciation credited to the capital account of each limited partner.

36. The PPMs also provide that the partnerships will reimburse the respective general partner for certain reasonable formation and investment related expenses.

37. Through oral and written communications and meetings with investors, and through power point presentations to representatives associated with broker-dealers, the promoters and at least one salesman solicited potential investors to invest in the limited partnerships by depositing a minimum of \$100,000 into an escrow account held by Mayer and

Associates, PC. ("Mayer PC") or another escrow account held by CFO Escrow Services, LLC, which transferred all deposits to Mayer PC.

38. The "escrow agent" is Mayer PC, a law firm operated by Melanie Mayer, an Atlanta area attorney.

39. Mayer did not apply any escrow criteria to the funds, but forwarded them to Coadum and others as directed by Repke and Jeffery.

40. Since July 2006, investors deposited approximately \$30 million into the escrow account for limited partnership interests in Coadum and Mansell.

41. Mayer, as escrow agent, and at the direction of Coadum and Jeffery, wire transferred a substantial majority of that amount to offshore accounts controlled by Exodus Equities, Inc. a Malta based entity.

42. The funds were purportedly invested in the Exodus Platinum Fund, and through Soleil Group Holdings Limited ("Soleil") at banks in Switzerland and on Malta.

43. Exodus Platinum Fund is a Bermuda exempted mutual fund company.

44. Exodus Platinum Fund never launched, never actively traded, and never paid any earnings.

45. Soleil is also controlled by Exodus.

46. Like Exodus Platinum, Soleil has no active investment program and has had no earnings.

47. Soleil is purportedly in the "pre REIT process" of collecting funds to establish a REIT in the Netherlands.

48. Once the REIT is established, it ostensibly plans to issue convertible bonds for shares in the trust.

49. The remainder of the investors' funds were transferred to Coadum and appear to have been distributed to various entities affiliated with the defendants.

50. The defendants have been providing investors with monthly statements reflecting returns of four percent per month.

51. Based apparently on those statements, most investors have been rolling over their "profits" or "earnings," or adding new investments.

52. Some investors have withdrawn money.

53. Approximately \$1.7 million has been paid out.

54. In addition, Coadum has borrowed \$1 million from Coadum 1, \$1 million from Coadum II and \$1.355 million from investor funds held by Mayer PC.

55. Repke and Jeffery, acting as the board of directors of the respective partnerships or LLC, passed resolutions authorizing the "loans."

B. Material Misrepresentations and Omissions

Fictitious Returns

56. Coadum and Mansell have falsely represented in monthly account statements to investors that all or most of their principal is in escrow and that they have been earning approximately four percent per month.

57. The investors generally roll over their "profits" or invest additional funds.

58. As noted above, there have been no earnings on the funds invested with Exodus.

Undisclosed Loans

59. During 2007, Jeffery and Repke, despite their fiduciary duties to the investors, failed to disclose to investors that they borrowed a total of approximately \$3.4 million for three loans to Coadum.

60. On October 30, 2006, Repke and Jeffery executed a Resolution of the Board of Directors for Coadum 1 to authorize Exodus Platinum to transfer \$1 million to Coadum Advisors as a bridge loan against funds held by Exodus Platinum Fund for "the purpose of liquidity for our projects."

61. On November 2, 2006, bank records show that Exodus deposited by wire transfer \$1 million into Coadum's bank account.

62. On March 26, 2007, Repke and Jeffery, acting as the board of Coadum II, executed another resolution for a \$1 million bridge loan against Coadum II's funds held by Exodus for "the purpose of liquidity for our projects."

63. Coadum Advisors' bank account shows this \$1 million loan from Exodus Platinum Fund deposited by wire transfer on March 30, 2007.

64. Another undisclosed loan of investors' funds occurred on October 10, 2007, upon Jeffery's direction to the escrow agent to transfer \$1.355 million from the escrow account to Coadum's bank account.

65. Those funds have been used to fund the operations of Coadum and Mansell, and have also been used to make distributions to related entities.

66. The PPMs make no mention that the general partners might loan partnership funds to themselves.

Principal Preservation

67. The defendants and their agents misrepresent to investors that the investors' principal will be protected. The defendants have orally misrepresented to investors that their principal is protected and never leaves the escrow account. A Coadum sales brochure and other written materials make similar statements.

68. One document offers "Principal Preservation," which is purportedly achieved by leaving client funds on deposit at an escrow company, pledging those funds to an asset manager which provides a U.S. Treasury security equal to the principal amount. The asset manager also establishes a line of credit against the principal which is used for trading purposes. The providers of the line of credit purportedly have no recourse against the Treasury security. According to the representations, this procedure guarantees that the funds are never at risk.

69. Similar representations are reflected in Coadum II's client account statements. The account statements are entitled, "PRINCIPAL PRESERVED ALTERNATIVE INVESTMENTS FOR GROWTH-ORIENTED CLIENTS" and report the client's total amount of investment funds as "Ending Principal Balance In Escrow Account."

70. The statements also include a Capital Enhancement Program ("CEP") earnings activity report that shows the earnings rolled over (assuming the purported earnings have been rolled over).

71. Accordingly, "the ending principal balance in the escrow account" amounts to the investment funds and purported cumulative earnings.

72. Another document provided to investors is entitled "A Summary of Codium [sic] Capital Fund 1, LLC Capital Enhancement Program." That document represents that the investor's money will be locked into an escrow account in the investor's name on a "non-recourse" basis and that no one but the investor will have the ability to remove the principal amount. The promoters then claim that they will obtain a "non-recourse leveraged margin account" which will be used for trading, at no risk to the investor.

73. In fact, no such risk free investment exists. Investors' funds have not been held in escrow as represented but have been borrowed by the defendants, disbursed to related entities, and invested in various overseas investments.

COUNT I--FRAUD
Violations of Section 17(a) (1) of the Securities Act
[15 U.S.C. § 77q(a) (1)]

75. Paragraphs 1 through 73 are hereby realleged and are incorporated herein by reference.

76. At various times from at least January 2006 through the present, Defendants Coadum, Mansell, Jeffery, Repke, Coadum I, Coadum II, Coadum III and MAC, in the offer and sale of the securities described herein, by the use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly,

a) obtained money and property by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

b) engaged in transactions, practices and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities, all as more particularly described above.

82. By reason of the foregoing, the Defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT III--FRAUD
Violations of Section 10(b) of the Exchange Act
[15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §
240.10b-5]

83. Paragraphs 1 through 73 are hereby realleged and are incorporated herein by reference.

84. At various times from at least July 2006 through the present, Defendants Coadum, Mansell, Jeffery, Repke, Coadum I, Coadum II, Coadum III and MAC, in connection with the purchase and sale of securities described herein, by the use of the means and instrumentalities of interstate commerce and by use of the mails, directly and indirectly:

a) employed devices, schemes, and artifices to defraud;

b) made untrue statements of material facts and 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; and

c) engaged in acts, practices, and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities,

all as more particularly described above.

85. The Defendants knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud, made untrue statements of material facts and omitted to state material facts, and engaged in fraudulent acts, practices and courses of business. In engaging in such conduct, the Defendants acted with scienter, that is, with intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

86. By reason of the foregoing, the Defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

COUNT IV—FRAUD BY INVESTMENT ADVISER
Violations of Sections 206(1) and 206(2) of Advisers Act
[15 U.S.C. § 80b-6(1), (2)]

87. Paragraphs 1 through 73 are hereby realleged and are incorporated herein by reference.

88. Coadum, Mansell, Jeffery and Repke were at all relevant times "investment advisers" within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)].

89. Coadum, Mansell, Jeffery and Repke, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce: (a) have acted knowingly or recklessly, have employed devices, schemes, or artifices to defraud; or (b) have engaged in transactions, practices, or courses of business which operated as fraud or deceit upon a client or prospective client.

90. By reason of the transactions, acts, omissions, practices and courses of business set forth herein, Defendants Coadum, Mansell, Jeffery and Repke have violated, and unless enjoined will violate Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2)].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Commission respectfully prays for:

I.

Findings of Fact and Conclusions of Law pursuant to Rule 52 of the Federal Rules of Civil Procedure, finding that the Defendants named herein committed the violations alleged herein.

II.

A temporary restraining order, preliminary and permanent injunctions enjoining all of the Defendants, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the order of injunction, by personal service or otherwise, and each of them, whether as principals or as aiders and abettors, from violating, directly or indirectly, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder; and further enjoining defendants Coadum, Mansell, Jeffery and Repke from Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. 15 U.S.C. §§ 80b-6 (1) and (2)].

III.

An order requiring an accounting by the Defendants of the use of proceeds of the sales of the securities described in this Complaint, as well as the disgorgement of all ill-gotten gains or unjust enrichment by defendants.

IV.

An order appointing a Receiver for Coadum, Mansell, Coadum 1, Coadum II, Coadum III and MAC.

V.

An order directing the Defendants to pay prejudgment interest on the amount ordered to be disgorged, to effect the remedial purposes of the federal securities laws.

VI.

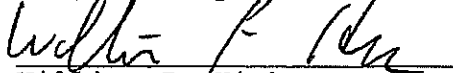
An order pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and, with respect to Coadum, Mansell, Repke and Jeffery, Section 209 of the Advisers Act [15 U.S.C. 80b-9] imposing civil penalties against the Defendants.

VII.

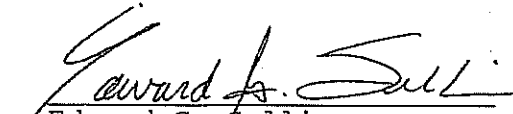
Such other and further relief as this Court may deem just, equitable, and appropriate in connection with the enforcement of the federal securities laws and for the protection of investors.

Dated: January 2, 2008.

Respectfully submitted,



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