

2. The Complaint named three defendants— Petters, Gregory M. Bell (“Bell”), and Lancelot Investment Management, LLC (“Lancelot”) and five relief defendants. The Complaint alleged generally, among other things, that defendant Petters ran a massive Ponzi scheme and the defendants Bell and Lancelot funneled investor funds into Petters’s massive fraud. The Complaint further alleged that the relief defendants held assets related to the scheme. (*Id.*)

3. In its Complaint, the Commission sought judgments against defendants consisting of permanent injunctions against future violations of the securities laws, as well as monetary relief in the form of disgorgement, prejudgment interest, and civil penalties. (*Id.*)

4. Separately, on October 3, 2008, the criminal authorities arrested Petters. Soon thereafter, the U.S. Attorney’s Office for the District of Minnesota filed a criminal action against Petters and his affiliates and seized all of their assets. *See United States v. Petters*, 08-cr-364 (RHK-AJB).

5. On December 2, 2009, Petters was convicted of multiple counts of wire fraud and money laundering. *United States v. Petters*, 08-cr-364 (RHK-AJB)(Docket No.361)

6. On March 26, 2010, the Court in the criminal action entered a forfeiture order which, among other things, entered a money judgement against Petters in the amount of \$3,522,880,614.10. *United States v. Petters*, 08-cr-364 (RHK-AJB)(Docket No. 395). In two separate actions, a court-appointed receiver and a bankruptcy trustee were charged with marshalling all of Petters’ known assets. *United States v. Petters*, 08-

cv-364 (ADM-JSM) (Docket No. 12), *In re Polaroid*, Bky. No. 08-46617 (Bankr. D.Minn.)

7. On April 8, 2010, Petters received a fifty-year prison sentence which he is currently serving. He is not scheduled to be released from prison until approximately 2060. *United States v. Petters*, 08-cr-364 (RHK-AJB)(Docket No. 400).

8. In light of the criminal sanctions imposed against Petters, which include a fifty-year prison sentence and a monetary forfeiture order in excess of \$3.5 billion, the Commission wishes to dismiss its claims against Defendant Petters. Because of the criminal sanctions imposed against Petters, no material benefit would be achieved for the public interest by the continued prosecution of this action as to Petters.

WHEREFORE, the Commission requests that the Court grant its motion and dismiss its claims as to Defendant Petters.

Dated: August 19, 2015

Respectfully submitted,

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