

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SUSAN GAFFNEY, in her official capacity
as Inspector General, U.S. Department of
Housing and Urban Development,
451 7th Street, S.W.
Washington, D.C. 20410,

Petitioner,

v.

THE HAMILTON SECURITIES
GROUP, INC. and HAMILTON
SECURITIES ADVISORY
SERVICES, INC.,
7 Dupont Circle, N.W.
Washington, D.C. 20036,

Respondents.

Misc. No. _____

FILED UNDER SEAL

PETITION FOR SUMMARY ENFORCEMENT OF
ADMINISTRATIVE SUBPOENAS

Susan Gaffney, in her official capacity as the Inspector General of the United States Department of Housing and Urban Development ("HUD"), by her undersigned attorneys, hereby respectfully petitions the Court to issue an Order requiring The Hamilton Securities Group, Inc. and Hamilton Securities Advisory Services, Inc. (collectively the "Hamilton Entities") to comply with the administrative subpoenas duces tecum served upon them by HUD's Office of the Inspector General (the "OIG"). In support of this petition, the Inspector General states as follows:

1. Jurisdiction is conferred on this Court by Section 6(a)(4) of the Inspector General Act of 1978, as amended, 5 U.S.C., App. 3, § 6(a)(4), and by 28 U.S.C. § 1345.

2. OIG was established within HUD pursuant to Section 2 of the Inspector General Act. See 5 U.S.C. App. 3, §§ 2, 11

3. The OIG is authorized to exercise the powers provided by the Inspector General Act, 5 U.S.C., App. 3, § 6(a)(4), and to issue the subpoenas at issue in this case.

4. The Hamilton Entities are corporations which at all relevant times conducted business in the District of Columbia. The Hamilton Entities are affiliates in connection with their financial and proprietary interests, as well as regarding their control and direction. The last known business address for the Hamilton Entities is 7 DuPont Circle, N.W.; Washington, D.C. 20036-1108. According to District of Columbia corporate records, C. Austin Fitts is the registered agent for The Hamilton Securities Group, Inc. in the District of Columbia, and the official address for The Hamilton Securities Group, Inc. in the District of Columbia is 1410 Q Street, N.W.; Washington, D.C. 20009. No reference to Hamilton Securities Advisory Services, Inc. could be located in the District of Columbia corporate records.

5. Under the Inspector General Act, the Inspector General is given broad powers to investigate possible fraud, waste and abuse, including the power to subpoena information "necessary in the performance of the functions assigned by this Act" 5 U.S.C. App. 3, § 6(a) (4).

6. The Inspector General Act provides that "in the case of contumacy or refusal to obey, [a subpoena] shall be enforceable by order of any appropriate United States district court." 5 U.S.C § 6 (a) (4).

7. On August 8, 1996, August 22, 1996, and October 24, 1997, the OIG issued subpoenas to the Hamilton Entities. Those subpoenas require each of the Hamilton Entities to provide OIG with various records relating to the Hamilton Entities' involvement in HUD's mortgage

sales program, and to possible conflicts of interest in connection with the Hamilton Entities' role as a financial advisor to HUD.

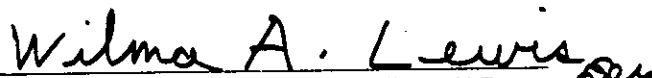
8. The Hamilton Entities have acknowledged that they maintain and have possession of records responsive to the subpoenas which they have failed to provide to the OIG.

9. The OIG has made good faith efforts to address the concerns expressed by the Hamilton Entities about the subpoenas so as to resolve this matter without resort to the Court. Those efforts have been unsuccessful.

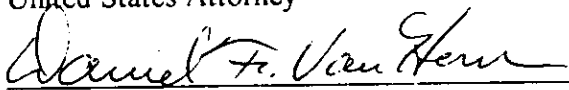
Additional grounds for this motion are set forth in the accompanying memorandum of points and authorities

A proposed Order consistent with the requested relief is attached hereto.

Respectfully submitted,


WILMA A. LEWIS, D.C. Bar #358637

United States Attorney


DANIEL F. VAN HORN, D.C. Bar #924092
Assistant United States Attorney

OF COUNSEL:

JUDITH HETHERTON
Counsel to the Inspector General
BRYAN P. SADDLER
Assistant Counsel to the Inspector General
U.S. Department of Housing and Urban Development
451 7th St., S.W. -- Room 8260
Washington, D.C. 20410
(202) 708-1613