

U.S. Securities & Exchange Commission – Washington DC

August 5, 2009

Attn: [REDACTED], Public Affairs Office

For the Record

Tel: [REDACTED] E-mail: [REDACTED]

Complainant: Stephen Taufen

Cc: [REDACTED], Division of Enforcement,

RE: Request to Investigate Possible Violation of Michael R. Milken and Lowell Milken, & the Milken Institute re 1991 SEC Order Banning Future Association with Investors, et al.

The purpose of this communication is to log a **for-the-record formal public citizen (non-investor) based complaint** requesting an investigation by the Commission of the participation of the Milken brothers and their “non-profit think tank” in an April of 2009 global investment seminar & event in Los Angeles, CA. The event seminar was **regarding future investment opportunities within a “gifting pyramid” – with returns promised from 400% to 2,000%** by seminar speakers – **as United States fisheries head toward privatization (asset commoditization)** under new Dept. of Commerce, NOAA Fisheries Director’s plans to widely enact Catch Share systems.

The highly controversial new Catch Share “fishery management programs” (FMPs) would expand existing “tradeable quota” systems of rationalization already in place in Alaska and on the West Coast. These FMPs have already had negative economic impacts on major United States fisheries and their existing fishermen. It is important that any potential expansion of these “tradable quota” resource privatization programs remain untainted by any wrongdoing.

If the United States of America is going to embark on a commodity privatization program of such grand dimensions, as evidenced by NOAA Director Jane Lubchenco’s comments and multi-million dollar budget reassignments for this Catch Share purpose (which may not be legal in their own right), **then there should be some regulatory oversight by various agencies, or by the newly proposed Macro-Prudential Supervisor, of all national tradable fisheries quota rights.** Already, in Alaska and on the West Coast, several billion dollars of once public commonwealth fisheries has been “gifted” to specific and few individuals who gained those rights by riders in Congress by the ex-senator Ted Stevens and congressman Don Young, and others.

I have already shared thoughts with the Commission about —and am preparing diagrams to illustrate— the Ponzi-like “pyramid” nature of how such FMPs and related regulations are transferring wealth disproportionately to the disadvantage of the public and other potential investors. Since that is a complex topic, let’s leave off there by saying that there is an identifiable pyramid pattern as government loan guarantees are being used as financial leverage to subsequently bleed off revenues from government established “community banks” to pay off original round (gifted pyramid level) and subsequent players at the starting layer(s) of schemes in Alaska, and the same pattern will likely follow for other regional fisheries.

Under the new programs, investors have in advance the prospect to learn from the Alaska gifted pyramids to leapfrog across several layers to extract higher returns in subsequent quota opportunities. We already have “front-running” type reports that by June 2009 investors and their representatives were attempting to buy-in, by acquiring fishermen’s qualifying catch histories, before the New England federal regional fishery management council abode by Director Lubchenco’s new push for Catch Shares and moved forward its FMP amendment regulatory package to emplace “sectors” — which undoubtedly will, within a few years, become “individual transferable quotas” (ITQs – i.e. tradable commodity quotas).

In accordance with this request to investigate further (if you do not already have this matter in investigative mode), the following general information helps identify the parties under the complaint, which I trust is taken over from this point forward officially by the SEC in regards to matters under its specific jurisdiction. I will work with other appropriate agencies on the remaining matters.

This nation cannot afford more Ponzi-schemes and especially where a select investor group is front-running before others have a snowball’s chance to become aware. Especially since these quotas are not listed commodities futures. Having long been an industry insider on IRS criminal cases involving “transfer pricing” schemes, I appreciate the workload and commend the SEC for concluding 15 Ponzi-type cases last year, and look forward to your further assistance to the Public in protecting a national Commonwealth.

Original Discovery by Complainant:

In the SEC Digest of April 24, 1990, re SEC v. Michael R. Milken, Lowell J. Milken, et al, 88 Civ 6209 (MP) (SDNY 1988), ref. LR-12454, it stated that Milken pleaded guilty to six felonies, and **"the Commission will order that Milken(s) be permanently barred from association with any broker, dealer, investment adviser, investment company, or municipal securities dealer."**

News Reports on an Event of Potential Violation:

A partial list of relevant news, extracted from files and articles previously forward to the Commission's Public Affairs office.

The 12th Milken Institute Global Conference in Los Angeles, April 27 -29 at The Beverly Hilton.

Among the over 3,000 attendees were major global investors – specifically mutual and hedge fund managers. Lowell Milken was in attendance, per news reports.

The audio file of the April investors meeting is available at

<http://www.milkeninstitute.org/events/gcprogram.taf?function=detail&EvID=1599&eventid=GC09>

NB: At the end of the audio on the fisheries Catch Share opportunities, seminar attendees/investors were invited to a partnership meeting the following day (if I heard correctly).

“The Milken Institute is a nonprofit, independent economic think tank whose mission is to improve the lives and economic conditions of diverse populations around the world by helping business and public policy leaders identify and implement innovative ideas for creating broad-based prosperity. It is based in Santa Monica, CA. (www.milkeninstitute.org)”

Extract from Lexis file provided by the Commission to Complainant:

In the Matter of MICHAEL R. MILKEN; Admin. Proc. File No. 3-7461

March 11, 1991 — 1991 SEC LEXIS 515

SECURITIES EXCHANGE ACT OF 1934, Release No. 28951

ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTION 15(b)(6) OF THE SECURITIES EXCHANGE ACT OF 1934 AND FINDINGS AND ORDER OF THE COMMISSION

“IT IS HEREBY ORDERED that Michael Milken be, and hereby is, barred from association with any broker, dealer, investment adviser, investment company, or municipal securities dealer.”

C. On November 21, 1990, Respondent was convicted, in the action styled United States v. Michael R. Milken SS 89 Cr. 0041 (KMW) (S.D.N.Y. plea entered April 24, 1990), of the felony counts of conspiracy to violate the laws of the United States in violation 18 U.S.C. § 371; aiding and abetting the failure to file a truthful and accurate Schedule 13D with the Commission, in violation of 15 U.S.C. [*3] §§ 78m(d) and 78ff, 17 C.F.R. §§ 240.13d-1 et seq. and 18 U.S.C. § 2; securities fraud, in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5 and 18 U.S.C. § 2; aiding and abetting the violation by a registered broker-dealer of the Commission's reporting requirements, in violation of 15 U.S.C. §§ 78q(a) and 78ff, 17 C.F.R. § 240.17a-5(a) and 18 U.S.C. § 2; mail fraud, in violation of 18 U.S.C. §§ 1341 and 2; and assisting the filing of a false tax return, in violation of 26 U.S.C. § 7206(2).

I trust that your investigation will be into the conduct of both brothers, although I am unaware if a separate bar applies to Lowell Milken, and into related parties. I am aware that the SEC has 4,500 or more pending investigations, and appreciate the attentions given to these matters to date. [REDACTED]

[REDACTED] is to be commended for his assistance and diligence. Thank you, again.

Sincerely,

Stephen Taufen, [REDACTED] Kodiak, AK 99615