

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI
OXFORD DIVISION**

SECURITIES AND EXCHANGE :
COMMISSION, :
 :
Plaintiff, :
 :
v. :
 :
STEPHEN M. STRAUSS, :
 :
Defendant :

Civil Action No. *2:08cv0206-PS*

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

The plaintiff, Securities and Exchange Commission ("Commission" or the Plaintiff"), files its complaint and alleges that:

SUMMARY

1. This case involves false press releases put out by the Chairman and Chief Executive Officer of a publicly traded company in order to fraudulently inflate the market price for its shares.
2. In November and December 2006, Defendant Stephen M. Strauss ("Strauss" or "Defendant"), then Chief Executive Officer and Chairman of the Board of Directors of Chilmark Entertainment Group, Inc. ("Chilmark"), issued six false and misleading press releases.
3. In the press releases, Strauss claimed that Chilmark's announced merger partner, Integrated Bio-Energy Resources, Inc. ("Integrated"), was on the verge of manufacturing biofuel from palm oil. In truth, when Strauss issued the press releases,

neither Chilmark nor Integrated had secured any funding, purchased the land to build a refinery, or begun building the refinery to manufacture the biofuel.

4. The misstatements in these false press releases were material.

5. The misstatements significantly inflated both the daily trading volume and price for Chilmark shares.

6. Strauss drafted the press releases and knew, or was reckless in not knowing, that they contained materially false and misleading claims.

JURISDICTION AND VENUE

7. The Commission brings this action pursuant to Sections 21(d) and 21(e) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d) and 78u(e)], to enjoin Defendant 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 disgorgement of illegally obtained funds together with prejudgment interest thereon, civil money penalties, a penny stock bar, an officer and director bar, and other equitable relief.

8. This Court has jurisdiction over this action pursuant to Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)].

9. Defendant, directly and indirectly, made use of the means and instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange in connection with the transactions, acts, practices, and courses of business alleged in this complaint.

10. Certain of the transactions, acts, practices, and courses of business constituting violations of the Exchange Act occurred in the Northern District of

Mississippi. In addition, Chilmark's principal place of business was located within the Northern District of Mississippi; and Strauss was a resident of the Northern District of Mississippi during the relevant period.

11. Strauss, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and courses of business alleged in this complaint, and in transactions, acts, practices, and courses of business of similar purport or object.

THE DEFENDANT

12. Stephen M. Strauss, age 55, is a resident of Southaven, Mississippi, and lived there during November and December 2006. Strauss was Chairman and CEO of Chilmark from 2002 until early 2007. From January 2001 until at least February 2008, Strauss owned between ten and twenty-five percent of Malory Investments, LLC, a broker-dealer then registered with the Commission.

RELATED ENTITIES

13. Chilmark Entertainment Group, Inc. was a corporation headquartered in Southaven, Mississippi. It had been incorporated in Nevada on February 10, 1988, and purported to engage in the business of entertainment, record production, music publishing, talent management, marketing and concert production. Between January 2006 and March 2007, Chilmark's shares were quoted on the Pink Sheets quotation service operated by Pink OTC Markets, Inc.

14. During the time Strauss was affiliated with Chilmark, it had no employees, only a single independent contractor, and generated no income.

15. Integrated Bio-Energy Resources, Inc. was a privately held company ostensibly involved in the production of biofuels. Integrated became publicly traded through a reverse merger with Chilmark, which was publicly announced beginning in November 2006, but finalized in March 2007. Integrated is now quoted on the Pink Sheets under the symbol IBIE.

FACTUAL BACKGROUND

16. Strauss and his family members owned approximately 208,714 Chilmark shares during the relevant time period, or nine percent (9%) of the total shares outstanding.

17. In early November 2006, Chilmark announced its intention to acquire Integrated, an unrelated company that was not publicly traded. Integrated was purportedly in the business of manufacturing biofuel from palm oil.

18. In November and December 2006, Strauss artificially inflated the price and volume of the trading in Chilmark stock by publishing a series of six false and misleading press releases about Integrated.

19. The press releases were disseminated over the internet, in English and Spanish, through services including Market News Publishing, Inc., PR Newswire, PR Newswire Europe, The Associated Press, Knobias.com, and Investrend.

20. Because Chilmark announced the merger with Integrated at the beginning of the series of press releases, all of the misrepresentations regarding Integrated impacted the market for Chilmark shares.

21. In the press releases, Strauss claimed that Integrated was on the verge of manufacturing biofuel from palm oil. In truth, when Strauss issued the press releases,

neither Chilmark nor Integrated had secured any funding, purchased the land to build a refinery, or begun building the refinery to manufacture the biofuel.

November 1, 2006 Release

22. On November 1, 2006, Strauss issued a press release on behalf of Chilmark, announcing that Chilmark had acquired Integrated. The press release stated: “Integrated Bio-Energy is a consortium of Palm Oil Growers who have pooled their assets with the assistance of various Caribbean Governments to produce Bio-Gasoline and Bio-Diesel. A refinery the company currently has under construction is anticipated to have the capacity to produce 1 million barrels per week of Bio-Fuel.”

23. The claim that Integrated had a refinery under construction at the time of the release was false and/or misleading.

24. In fact, Strauss knew that neither Chilmark nor Integrated had begun building a refinery when Strauss issued this press release. Moreover, Strauss lacked a reasonable basis to project that the refinery could produce one million barrels of biofuel per week. In fact, at the time of the press release, there were no definitive plans in place to build a particular refinery, and thus it was virtually impossible to project any particular production capacity.

25. Accordingly, Strauss knew that the claim that Integrated had a refinery under construction with the specified capabilities was false and/or misleading, or was reckless in not so knowing.

November 3, 2006 Release

26. On November 3, 2006, Strauss issued a press release on behalf of Chilmark announcing that, as part of its agreement with Integrated, Chilmark had sold all of its music assets, including artist contracts, music licensing agreements, and Chilmark's music library, to Zoomoozik, LLC.

27. The release went on to state:

Chilmark Entertainment Group, Inc. as part of their [sic] agreement with Integrated Bio-Energy Resources has also spun out the remaining assets and liabilities into a private company Chilmark Music, Inc. The assets are the 50% ownership in Video B Gone, LLC, [and] the financial interest the company has in See More Golf, LLC. The liabilities will be paid as part of the agreement with Integrated Bio-Energy Resources by January 15, 2007. The entire entity will therefore be Integrated Bio-Energy Resources with approximately \$5,000,000 in net assets and less than [sic] \$125,000.00 in liability [sic].

28. The November 3, 2006 press release went on to state:

The Chilmark Entertainment Group's present affiliate-partners are Chilmark Media Ltd, Chilmark Artist Development LLC, and Chilmark Music LLC, and Video B Gone, LLC. Chilmark Entertainment Group, Inc. holds or has an equity stake of a minimum of fifty percent (50%) in each affiliate. These affiliate companies are variously engaged in distributing mobile entertainment product, record production and sales, music publishing, blocking digital piracy, talent management, consulting,

marketing and concert production. The Company's business model provides an ideal working environment for the present entrepreneur-affiliates. The affiliate's time, energy and creative skills can be focused on their projects and not on financing or other administrative matters.

29. The claim that Integrated Bio-Energy Resources would have approximately \$5,000,000 in net assets and less than \$125,000 in liabilities by January 15, 2007 was false.

30. The claim was false because, on information and belief, neither Chilmark nor Integrated had assets at the time of the November 3, 2006 press release which would have enabled the two of them, after merging, to have approximately \$5,000,000 in net assets and less than \$125,000 in liabilities by January 2007.

31. As Chilmark's sole officer, Strauss was intimately familiar with its financial situation. Having been in a position on behalf of Chilmark to negotiate a merger transaction with Integrated, Strauss also had the opportunity to learn about Integrated's financial situation.

32. Strauss either knew that the claim concerning the assets and liabilities Integrated Bio-Energy Resources would have in January 2007 was false or misleading at the time that he made it, or was reckless in not so knowing.

November 21, 2006 Release

33. On November 21, 2006, Strauss issued a press release on behalf of Chilmark and Integrated, announcing that the latter company's management had returned from meetings in the Caribbean and South America. The release stated that: "[t]he

meetings were designed to finalize plans with the governments, palm growers and engineers that are all part of the team that will realize the goal of making Bio-Diesel Fuel from the abundant palm oil resources in the region.”

34. The November 21, 2006 release went on to quote Integrated CEO and President Scott Wagman as stating: “The meetings couldn’t have gone better and we are definitely on track to be in Bio Fuel production by third quarter 2007. We will have many more releases in the next few days that will more fully explain our totally integrated plan to be the regions [sic] largest Bio Diesel Fuel producer.”

35. The claim that Integrated was “definitely on track to be in Bio Fuel production by third quarter 2007” was false. At the time, Integrated had not acquired the land on which to build a refinery, begun building the refinery or even secured the requisite financing to fund the purchase of the land or the refinery.

36. Strauss knew that the claim in the November 21, 2006 press release that Integrated was “definitely on track to be in Bio Fuel production by third quarter 2007” was false and/or misleading at the time that he made it, or was reckless in not so knowing. Strauss simply had no reasonable basis for making that projection.

November 27, 2006 Release

37. On November 27, 2006, Strauss issued, on behalf of Chilmark and Integrated, a press release stating:

Scott Wagman CEO and President – Integrated Bio-Energy Resources, Inc. [] announced today as the result of the Company’s trip to the Caricom region that the Company has entered into an agreement to immediately purchase a 25% interest in 6,000 acres of palm oil farms. The 6,000 acres are part of a

400,000 acre tract designated by the governments of the region for palm oil farming for Bio-Diesel Fuel. Upon completion of the building of the first plant and refinery, the additional 75% will be owned by Integrated. The agreement allows for the balance of the 400,000 acres to be purchased as production requirements are needed to meet the operational needs of the refineries [sic] capacities. The Company plans to manage the entire process from farming through refining to control the quality and the price of the refined Bio-Diesel fuel. This is one of the first steps in our plan to work closely with the governments and the growers in the region so that we can produce our goal of over 3 million gallons of Bio-Diesel fuel per day by the year 2012.

38. The claim that Integrated had entered into an agreement to purchase a 25% interest in 6,000 acres of palm oil farms was false.

39. The purported agreement, as discussed below, was not actually entered into until later, on December 6, 2006. Moreover, even when it was finalized, the agreement was preliminary in nature and was not an agreement to purchase a parcel of land as described in the press release.

40. Strauss knew that the claim that Integrated had entered into an agreement to purchase a 25% interest in 6,000 acres of palm oil farms was false at the time that he made it, or was reckless in not knowing that the claim was false because he had no reasonable basis for the claim.

November 29, 2006

41. On November 29, 2006, Strauss issued, on behalf of Chilmark and Integrated, a press release stating:

Integrated Bio-Energy Resources, Inc. [] announced today that the company will own and operate two refineries in the Caricom region by the 3rd quarter of 2008. The first refinery with a capacity of 2,000,000 gallons of Bio-Diesel fuel monthly and [sic] is slated and be completed by the third quarter of 2007. A larger custom-built refinery that will be located in a different part of the region with a capacity of 240 million gallons annually is slated for opening in the 3rd quarter of 2008. The Company on its recent trip to the region met with several Government officials and potential buyers of the Bio-Diesel fuel who have expressed their intent to place pre-purchase orders in support of the project as soon as they come on line.

42. Strauss's claim that Integrated would own two refineries with the capabilities specified in the release by the 3rd quarter of 2008 was false and misleading.

43. In fact, at the time of the press release, Integrated had not begun construction of the refineries or even secured the requisite financing to fund that construction. Indeed, on information and belief, Integrated has never obtained the financing required to proceed with the construction of these refineries.

44. Strauss knew at the time of the press release that the claim that Integrated would own two refineries with the capabilities specified in the release by the 3rd quarter of 2008 was false and misleading, or was reckless in not so knowing.

December 11, 2006

45. On December 11, 2006, Strauss issued another press release on behalf of Chilmark and Integrated, announcing that Integrated had secured a signed agreement with the government of Guyana. In relevant part, the press release stated that:

The agreement provides for the commencement of farming and the creation of the first plant and refinery. As part of the plan, Integrated will have a 100 acre parcel with Atlantic Ocean access for the building of the first plant and refinery. Bio-Energy officials will return to Guyana accompanied by the engineering team within the first two weeks of January to begin the project.

46. Strauss's claims concerning Integrated's agreement with Guyana were false, and he had no reasonable basis for making them.

47. Strauss either knew that the claims he made in the December 11, 2006 press release concerning Integrated's purported agreement with Guyana were false and/or misleading, or he was reckless in not so knowing.

48. A Memorandum of Understanding between Integrated and certain Guyanese government officials was executed on December 6, 2006. However, the MOU was not an agreement to sell land and did not specify any purchase price or lease amount. Instead, the MOU specified certain conditions that Integrated had to meet before the Guyanese government would "make available for lease or purchase" arable land that could be used to grow palm oil fruit. The MOU required Integrated to provide the Guyanese officials with a feasibility plan and its corporate financials; however, Integrated did not fulfill either condition.

The False Press Releases Created Demand for Chilmark Stock and Inflated its

Market Price

49. The misstatements detailed above were material. The press releases created the erroneous impression that Chilmark had already merged with Integrated, that the merged companies had significant assets, and that they were on the verge of beginning a large bio-fuel production venture. Chilmark actually had no substantial assets or business. Thus, the misstatements would have led a reasonable investor to believe Chilmark shares were worth far more than they actually were.

50. The price and trading volume for Chilmark shares jumped dramatically in response to Strauss's false and misleading press releases.

51. For example, on October 30 and 31, 2006, the daily trading volume for Chilmark shares averaged 715 shares and the price closed at \$.01 per share.

52. On November 1, 2006, the day of the first press release, the trading volume spiked to 1.8 million and Chilmark shares closed at \$0.15 per share.

53. The subsequent press releases sustained the artificially high price and trading volume for Chilmark shares.

54. Between November 1, 2006 and December 11, 2006, the date of the last press release, the daily trading volume averaged 267,600 shares and the price closed as high as \$0.22 per share.

55. In contrast, during the three months prior to these press releases, the daily trading volume for Chilmark's shares averaged only 13,600 shares and the price never closed above \$0.01 per share.

56. Chilmark and Integrated were ultimately combined in March 2007, when Integrated executed a reverse merger with Chilmark. At that point, Chilmark changed its name to Integrated and Integrated began to be quoted on the Pink Sheets under the stock symbol "IBIE." Around the time of the merger, Strauss resigned his positions as chairman and CEO and Integrated's management assumed control of the Company.

COUNT I – FRAUD

Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 77j(b)]
and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]

57. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 55 above.

58. As described above, Strauss, in connection with the purchase or sale of securities, directly or indirectly employed devices, schemes, or artifices to defraud; made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in acts, practices, or courses of business which operated as a fraud or deceit.

59. Strauss knowingly, intentionally, and/or recklessly engaged in the conduct described above. In engaging in such conduct, Strauss acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severely reckless disregard for the truth.

60. While engaging in the above course of conduct, Strauss, directly or indirectly, made use of a means or instrumentality of interstate commerce or of the mails, or of a facility of a national securities exchange.

61. By reason of the foregoing, Strauss directly and indirectly violated, and unless permanently restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 77J(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

PRAYER FOR RELIEF

WHEREFORE, the 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 Strauss committed the violations alleged herein.

II.

A permanent injunction enjoining Strauss, his agents, servants, employees, and attorneys, and each of them, from violating, directly or indirectly, 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.

III.

An order requiring disgorgement of all ill-gotten gains from Strauss's illegal conduct, with prejudgment interest.

IV.

An order pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 78u] imposing civil penalties upon the Strauss.

V.

An order permanently prohibiting Defendant from participating in any offering of penny stock pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

VI.

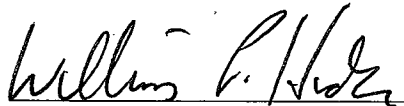
An order pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] permanently enjoining Strauss from acting as a director or officer of any issuer having a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781] or required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

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. Further, the Commission respectfully prays that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that are entered or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of the Court.

Dated: September 24, 2008

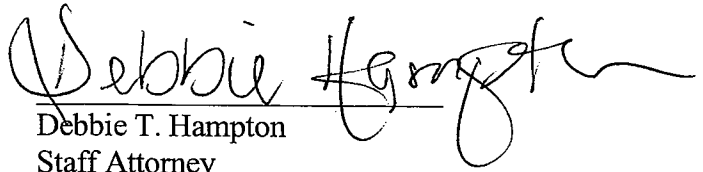
Respectfully submitted,



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