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10
11 IN THE UNITED STATES DISTRICT COURT
12 FOR THE DISTRICT OF ARIZONA

13 Securities and Exchange)
14 Commission,) No.
15 Plaintiff,)
16 vs.) Complaint
17 Mario A. Pino,)
18 Defendant.)

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20 Plaintiff Securities and Exchange Commission (“SEC”) alleges as follows:

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22 I. Summary

23 1. Beginning in early 2005, defendant, Mario A. Pino (“Pino”) usurped the
24 “corporate identity” of Bancorp International Group, Inc. (“BCIT”). At the time, BCIT was an
25 over-the-counter pink sheet company that traded as a shell and was deficient in its filings
26 with the SEC. Pino fabricated false share certificates of BCIT, issued and disseminated
27 these shares and traded in these BCIT shares while knowing these actions were fraudulent.

28 To facilitate a market for the fraudulent shares, Pino also issued multiple false press
releases about BCIT between May 2 and July 13, 2005, and issued millions of shares of
fraudulent BCIT stock to himself and others. Pino sold his stock in unregistered, non-

1 exempt transactions into the resulting inflated market. Pino sold 145,000,000 shares,
2 earning profits of \$269,033.

3 2. As a result of this conduct, Pino, directly and indirectly, has engaged in and
4 unless restrained and enjoined by this Court will in the future engage in, transactions, acts,
5 practices and courses of business that violate Sections 5(a), 5(c), and 17(a) of the
6 Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), and 77q] and
7 Section 10(b) of the Securities Exchange Act of 1934 as amended ("Exchange Act") [15
8 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

9 3. The SEC brings this action pursuant to the authority conferred upon it by
10 Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange
11 Act [15 U.S.C. § 78u(d)], seeking a permanent injunction restraining and enjoining Pino
12 from all the alleged violations, requiring him to disgorge ill-gotten gains, including pre-
13 judgment and post-judgment interest, and granting other equitable relief.
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16 4. The SEC seeks an order requiring Pino to pay civil penalties pursuant to
17 Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the
18 Exchange Act [15 U.S.C. § 78u(d)(3)].

19 5. The SEC seeks an order barring Pino from acting as an officer or director of
20 any issuer that has a class of securities registered pursuant to Section 12 of the Exchange
21 Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act,
22 pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of
23 the Exchange Act [15 U.S.C. § 78u(d)(2)] and pursuant to the equitable powers of the
24 court.
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1 13. Carter Care Inc. ("Carter Care") is a privately held nursing care business
2 located in California.

3 V. FACTS

4 A. **False Statements and Fraudulent Stock Sales in Connection with Carter** 5 **Care**

6 14. In February 2005, Pino devised a fraudulent scheme to assume the identity of
7 BCIT and to profit from the sale of BCIT stock. Pino began his BCIT caper with the
8 knowledge that BCIT's SEC filings had been delinquent since November 2000, and that
9 there was no trading in BCIT's common stock.

10 15. Between February and April 2005, Pino convinced the president of Carter
11 Care, to take Carter Care public through a purported reverse merger with BCIT.
12

13 16. Pino fraudulently represented to Carter Care that he owned or controlled
14 BCIT and that he could enter into a reverse merger with BCIT and thereby take Carter Care
15 public.

16 17. On or about February 9, 2005, Pino drafted a Stock Purchase Agreement
17 under which BCIT would purchase Carter Care in exchange for 20,000,000 shares of BCIT
18 stock, which Pino stated, represented approximately 60% of the issued and outstanding
19 stock of BCIT. Pino knew at the time that he had not seen any corporate documents that
20 verified the number of current outstanding shares of BCIT. In reality, the issued shares of
21 BCIT did not exceed 4,890,000 and bore the legend March Indy Corporation.
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23 18. Pino arranged to have blank BCIT stock certificates printed, bearing the
24 same CUSIP number as the legitimate BCIT.

25 19. Pino directed his associate to prepare and fax false documents to the Nevada
26 Secretary of State that purported to change BCIT's registered agent and corporate officers.
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1 This filing with Nevada essentially hijacked BCIT and designated Pino's nominee as the
2 sole officer and director of the corporation.

3 20. Pino directed his associate to follow up by sending a letter to BCIT's transfer
4 agent authorizing his associate to gather and receive all information held by the transfer
5 agent relating to BCIT.

6 21. At the end of April 2005, Pino issued or caused to be issued, 41 certificates in
7 connection with the Carter Care bogus transaction. The certificates represented over 249
8 million shares, including over 20 million shares issued to Pino.

9 22. On May 2, 2005, Pino issued a press release falsely announcing that BCIT
10 and Carter Care had engaged in a reverse merger. By May 3, BCIT's stock price had
11 jumped to \$0.08 per share. Prior to April 29, 2005, there had been no market for trading in
12 BCIT's stock.

13 23. In early May, 2005, Pino was contacted by the president of the legitimate
14 BCIT, Thomas Megas. BCIT's president told Pino that the Carter Care transaction was not
15 authorized. Notwithstanding that Pino knew that BCIT's president did not authorize any of
16 the actions Pino was taking, Pino sold shares.

17 24. Thereafter, on May 12, 2005 Pino sent out a press release stating that the
18 reverse merger was cancelled after due diligence. This press release was materially false
19 and misleading because it did not disclose that BCIT never had been negotiating with
20 Carter Care and the transaction never had been authorized in the first place, but instead
21 stated that the transaction had been cancelled.

22 25. Notwithstanding full knowledge that the Carter Care transaction was not
23 authorized, Pino sold his 20,005,000 million shares into the inflated market between April
24 29 and May 15, 2005, and reaped gains of \$108,120.

1 26. No registration statements were filed in connection with the issuance or sale
2 of these BCIT stock certificates.

3 **B. Continued False Statements and Fraudulent Stock Sales in Connection**
4 **with the Business of BCIT**

5 27. Notwithstanding the Carter Care debacle, Pino continued undeterred. Pino
6 told the president of BCIT that he would make restitution and pay damages for his attempt
7 to hijack BCIT. Unbeknownst to BCIT's president, Pino's plan was to generate money from
8 the continued sale of unregistered shares of his hijacked BCIT, and use the proceeds to
9 pay the legitimate BCIT. Pino continued to issue false press releases and disseminate
10 false information about BCIT, which continued to facilitate a market in the shares. Pino
11 continued to trade fraudulent BCIT securities.
12

13 28. On May 25, 2005, Pino ordered, or caused to be printed new BCIT stock
14 certificates, again bearing the same CUSIP number as the real BCIT. Pino did this without
15 permission or direction from BCIT's president, the only person with authority to print new
16 stock certificates. Pino paid the printing cost for these certificates and received them on or
17 about May 26, 2005.
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19 29. From at least May 26 through July 13, 2005, Pino engaged in an information
20 campaign to condition the market for his stock sales. Pino issued false press releases in
21 this time period, to wit:

- 22 a. On May 31, 2005, Pino issued a press release announcing that BCIT
23 "is currently negotiating with an exciting business it hopes to acquire." The
24 statement was materially false and misleading.
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1 b. On May 31, 2005, Pino issued a press release announcing that "BCIT
2 is to close on a monumental deal with keen competition from competitors."
3 These statements were materially false and misleading.

4 c. On June 2, 2005, Pino issued a press release announcing that "BCIT
5 is presently involved in an active negotiation to acquire gold deposit rights
6 with an approximate value of one billion (USD)." These statements were
7 materially false and misleading.

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9 d. On June 13, 2005, Pino issued a press release announcing that "BCIT
10 has entered into an exclusive agreement with CVG (Corporacion
11 Venezuela de Guayana) of the Venezuelan Government to commercially
12 develop gold deposits at a site in the State of Bolivar. This agreement is
13 for concessions No. 32. There has already been infrared testing done on
14 the property and Bancorp will be sending down a team of geologists for
15 additional testing." These statements were materially false and misleading.
16 At the time Pino issued this press release, BCIT did not have any
17 employees, let alone geologists and had no agreement to develop gold
18 deposits in Venezuela.

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20 e. On July 11, 2005, Pino issued a press release announcing that "BCIT
21 is a high growth, diversified mining company that is presently operating in
22 multiple regions in Venezuela." This statement was materially false and
23 misleading; BCIT had no operations whatsoever, including no operations in
24 Venezuela.

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26 30. During this time BCIT's president emailed Pino reiterating that Pino had no
27 authority to act for BCIT and that only he, Thomas Megas, had authority to act for BCIT.

1 He directed Pino not to issue any releases or other documents without specific
2 authorization from BCIT's president.

3 31. Pino continued undeterred and issued press releases and distributed false
4 information about BCIT, including those described above, and others.

5 32. Pino also orchestrated a fax blasting operation touting mining contracts, and
6 email spam campaign announcing the status of BCIT's mining operations.

7 33. In addition, Pino directed the creation of a purported BCIT website,
8 bancorpinc.com/newsite, that falsely described BCIT as a multinational mining company
9 that mined precious metals and diamonds.

10 34. During this time period, Pino issued new BCIT certificates to himself and to
11 promoters to, in his words, "get the market moving," because "we needed liquidity and the
12 dollar volume of the stock to be higher." In all, Pino issued over 238 million shares of these
13 new BCIT stock certificates bearing forged signatures of BCIT's president and former
14 secretary.
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16 35. No registration statements were filed with respect to these stock issuances.

17 36. Pino's false press releases and trading activities facilitated a market for the
18 fraudulently issued BCIT certificates. Pino sold 125,000,000 shares in open market
19 transactions between June 2 and July 21, 2005, earning profits of \$160,913.
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21 37. All of the information Pino disseminated about BCIT was false. BCIT never
22 entered into any mining contracts and never was in the mining business. On August 1,
23 2005, BCIT's president issued a press release on behalf of BCIT, which stated that BCIT
24 had never issued any shares bearing the legend Bancorp International Group, Inc.; BCIT
25 had never entered into a reverse merger with Carter Care; BCIT had never been in
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1 negotiations with Carter Care; BCIT did not sign or enter into any agreements relating to
2 any gold or diamond mining venture and never made any announcements to that effect.

3 38. Pino's actions involved fraud and resulted in substantial losses or created a
4 risk of substantial losses to other persons.

5 **VI. Claims for Relief**

6 **First Claim for Relief**

7 (Violation of Sections 5(a) and (c) of the Securities Act)

8 [15 U.S.C. § 77e(a) and (c)]

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10 39. Paragraphs 1 through 38 are hereby re-alleged and incorporated by
11 reference.

12 40. Pino, directly or indirectly (a) made use of any means or instruments of
13 transportation or communication in interstate commerce or of the mails to sell securities as
14 to which no registration statement was in effect through the use or medium of any
15 prospectus or otherwise; (b) carried or caused to be carried through the mails or in
16 interstate commerce, by any means or instruments of transportation, securities as to which
17 no registration statement was in effect for the purpose of sale or for delivery after sale; or
18 (c) made use of any means or instruments of transportation or communication in interstate
19 commerce or of the mails to offer to sell or offer to buy through the use of medium of any
20 prospectus or otherwise securities as to which no registration statement was in effect, or
21 while the registration statement was the subject of a refusal order or stop order or (prior to
22 the effective date of the registration statement) and public proceeding of examination under
23 Section 8 of the Securities Act [15 U.S.C. § 77h].

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26 41. By reason of the foregoing, Pino violated, and unless restrained and enjoined,
27 will violate Section 5(a) and (c) of the Securities Act.

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Second Claim for Relief

(Violation of Section 17(a) of the Securities Act)

[15 U.S.C. § 77q(a)]

42. Paragraphs 1 through 38 are hereby re-alleged and incorporated by reference.

43. Pino, directly or indirectly, in the offer or sale of BCIT securities, by use of any means or instruments of transportation or communication in interstate commerce or of the mails, while acting with scienter (a) employed a devise, scheme, or artifice to defraud, (b) obtained money or property by means of untrue statements of material fact or 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; or (c) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchasers of BCIT securities.

44. By reason of the foregoing, Pino violated, and unless restrained and enjoined, will violate Section 17(a) of the Securities Act.

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Third Claim for Relief

(Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder)

[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]

45. Paragraphs 1 through 38 are hereby re-alleged and incorporated by reference.

46. Pino, directly or indirectly, with scienter, in connection with the purchase or sale of BCIT securities, by use of any means or instrumentalities of interstate commerce or by use of the mails, employed a device, scheme, or artifice to defraud; made an untrue statement of material fact or omitted to state a material fact necessary in order to make the

1 statements made, in light of the circumstances under which they were made, not
2 misleading; or engaged in an act, practice, or course of business which operated or would
3 operate as a fraud or deceit upon the purchasers or sellers of such securities.

4 47. By reason of the foregoing, the Pino violated, and unless restrained and
5 enjoined, will violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

6 **VII. Prayer for Relief**

7 **Wherefore**, the SEC respectfully requests that the Court:
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9 A.

10 Find that Pino committed the violations alleged.

11 B.

12 Enter a permanent injunction, in a form consistent with Rule 65(d) of the Federal
13 Rules of Civil Procedure, enjoining Pino from violating, directly or indirectly, each of the
14 provisions of law and rules alleged in this Complaint.
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16 C.

17 Order that Pino be ordered to disgorge all ill-gotten gains together with pre-judgment
18 and post-judgment interest, resulting from the violations alleged herein.
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20 D.

21 Order Pino to pay civil penalties pursuant to Section 20(d) of the Securities Act and
22 Section 21(d)(3) of the Exchange Act in an amount to be determined by the Court.
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24 E.
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1 Order that Pino be barred from acting as an officer or director of any issuer that has
2 a class of securities registered pursuant to Section 12 of the Exchange Act or that is
3 required to file reports pursuant to Section 15(d) of the Exchange Act, pursuant to Section
4 20(e) of the Securities Act and Section 21(d)(2) of the Exchange Act and the Court's
5 equitable powers.

6 F.

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8 Order that Pino be barred from participating in an offering of penny stock pursuant to
9 Section 20(g) of the Securities Act and Section 21(d)(6) of the Exchange Act.

10 G.

11 Grant such other relief as this Court may deem just or appropriate.

12 Dated this 25th day of February, 2008.

13 s/ Nancy Gegenheimer
14 NANCY GEGENHEIMER

15 ATTORNEY FOR PLAINTIFF
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