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Southern District of New York*

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U.S. CHARGES TWO MEN IN "MISDIRECTED" HOAX FAX
PUMP-AND-DUMP STOCK SCHEME

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today the arrests of MICHAEL O. PICKENS and JOSHUA YAFA on securities fraud charges, based on their involvement in separate schemes to manipulate stock prices by distributing hoax "misdirected" faxes purporting to contain stock tips. The faxes, addressed to "Dr. Mitchel" from "Chris," a "financial planner," were allegedly made to appear as if they had been accidentally sent to the recipients' fax numbers, and were sent throughout the United States. PICKENS is expected to be presented today in federal court in Dallas, Texas, and YAFA is expected to be presented today in federal court in Miami, Florida.

According to two criminal complaints unsealed today, in late 2004 both YAFA and PICKENS distributed thousands of copies of handwritten letters by fax across the United States in attempts to pump up the trading volume in four stocks, AVL Global, Infinium Labs, Soleil Film, and Data Evolution Holding,

which were traded on the "Pink Sheets" over-the-counter stock market or the Over-the-Counter Bulletin Board stock market. For example, according to the YAFA complaint, YAFA caused the following fax, addressed to "Dr. Mitchel," to be sent on or about December 15, 2004:

I have a stock for you that will tripple [sic] in price just like the last stock I gave you 'SIRI' did. I can't get you on either phone. Either call me, or call Linda to place the new trade.

The message continued, "We need to buy 'AVLL' now." A copy of this fax was received at a fax machine at the United States Attorney's Office for the Southern District of New York. PICKENS caused the distribution of similar faxes in mid-December 2004 regarding stock in Infinium Labs, Soleil Film, and Data Evolution Holding.

According to the complaints, both YAFA and PICKENS then sold shares in the respective stocks into the trading volume generated by the faxes, reaping a total of more than \$100,000 in illegal profit.

YAFA is charged with one count of securities fraud, and PICKENS with two counts. Each face a maximum sentence of 20 years in prison and a \$5 million fine on each securities fraud count.

Mr. KELLEY praised the work of the Securities and Exchange Commission and the investigative efforts of the Federal

Bureau of Investigation. He said the investigation is continuing.

Assistant United States Attorney STEVEN D. FELDMAN is in charge of the prosecutions.

The charges contained in the criminal complaints are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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