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CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
SANTA ANA

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13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA
15 SOUTHERN DIVISION

16 SECURITIES AND EXCHANGE
17 COMMISSION,

18 Plaintiff,

19 vs.

20 SUN EMPIRE, LLC, ECAM, LLC a/k/a
21 EMPIRE CAPITAL ASSET
22 MANAGEMENT, DELILAH A.
23 PROCTOR and SHAUNTEL A.
24 MCCOY,

25 Defendants,

26 SUN COMMERCE AND
27 INVESTMENT, INFINITY
28 INVESTMENT CLUB, LLC, and
SUNLAND INVESTMENT CLUB, LLC,

Relief Defendants.

Case No. SACV09 -399 DOC (RNBx)
COMPLAINT

1 Defendants expend investor funds for their own personal use or for use by other
2 entities they control. These other entities are not disclosed to potential investors.

3 6. The Defendants, by engaging in the conduct described in this
4 complaint, have violated, and unless enjoined will continue to violate, the antifraud
5 provisions of the federal securities laws. By this complaint, the Commission seeks
6 emergency relief against the Defendants, including a temporary restraining order,
7 an asset freeze, the appointment of a receiver, accountings, an order expediting
8 discovery, and an order prohibiting the destruction of documents, as well as
9 preliminary and permanent injunctions, disgorgement with prejudgment interest,
10 and civil penalties.

11 DEFENDANTS

12 7. Sun Empire, LLC was incorporated in Nevada in 2000. Delilah A.
13 Proctor is the manager of Sun Empire. Sun Empire's business address is 631 West
14 Katella Avenue, Suite 500, Anaheim, California, which is the address for the
15 Desert Palms Hotel and Suites.

16 8. ECAM, LLC a/k/a Empire Capital Asset Management was
17 incorporated in California on December 10, 2008. Delilah Proctor is the manager
18 of ECAM. ECAM's business address is 5820 Miramar Rd, Suite 210, San Diego,
19 California 92121-2556. Since about January 2009, ECAM has been soliciting
20 investors from the Desert Palms Hotel and Suites.

21 9. Delilah A. Proctor, age 57, resides in Corona, California. Proctor is
22 the manager of ECAM and Sun Empire. Proctor was associated with two
23 registered broker-dealers between April 2003 and June 2006. She holds licenses as
24 an Investment Company Products/Variable Contracts Limited Principal, but is not
25 currently associated with any broker-dealer.

26 10. Shauntel A. McCoy, age 36, resides in Fontana, California. McCoy
27 makes investor presentations on behalf of ECAM and is a manager of at least two
28 Sun Empire and/or ECAM investment clubs. From March 2007 through February

1 2008, McCoy was associated with a registered investment adviser headquartered in
2 Georgia. Her prior employment includes positions as a loan originator, a youth
3 counselor for the California Youth Authority, and a parole agent with the
4 California Department of Corrections. McCoy is not currently associated with any
5 registered broker-dealer or investment adviser.

6 RELIEF DEFENDANTS

7 11. Sun Commerce and Investment is believed to be incorporated in
8 Panama and doing business in Milpitas, California. According to the website of
9 Sun Investment Savings and Loan, Sun Commerce is “a fully registered, licensing
10 [sic] financial institution, and is a subsidiary of the Sun Group and functions as a
11 management and processing entity operating in support of Sun Investment Savings
12 and Loan.” Approximately \$2,356,000 was transferred from proposed defendants
13 to Sun Commerce and Investment.

14 12. Infinity Investment Club, LLC is a Wyoming limited liability
15 corporation with its principal place of business at the Desert Palms Hotel and
16 Suites in Anaheim, California. Approximately \$185,000 was transferred from
17 proposed defendants to Infinity Investment Club, LLC.

18 13. Sunland Investment Club, LLC is a Wyoming Limited Liability
19 Company with its principal place of business in Murietta, California. At least
20 \$33,000 was transferred from proposed defendants to Sunland Investment Club,
21 LLC.

22 THE FRAUDULENT OFFERING

23 14. Defendants are soliciting hundreds of investors in a multi-level
24 marketing scheme conducted from the Desert Palms Hotel and Suites in Anaheim,
25 California. Defendants offer investors several investments which purportedly
26 generate high-yield returns. Relief defendants, Sun Commerce and Investment,
27 Infinity Investment Club, and Sunland Investment Club are recipients of some of
28 the investor funds raised by the defendants.

1 **A. Sun Empire Solicitation in June 2008**

2 15. Sun Empire has been soliciting investors to attend “invitation only”
3 presentations at the Desert Palms Hotel and Suites. One such investor was invited
4 by a friend to one of these presentations in June 2008, which included
5 approximately 70 potential investors. This investor witnessed two other similarly-
6 sized groups meeting with Proctor immediately before and after his group met with
7 Proctor. Proctor introduced herself as the CEO of Sun Empire and presented the
8 Sun Empire investment opportunity.

9 16. In June 2008, Sun Empire, through Proctor, told investors they would
10 receive at least \$35,000 per month on a \$4,995 investment and that their
11 investments were guaranteed to be safe. She represented that the funds from each
12 investment group or “club” were pooled with other investment clubs’ funds
13 together into one “super corporation” and invested in secure offshore investments.
14 Prospective investors received a flyer entitled “Super Million Dollar Program,”
15 detailing how an investor would earn a return of \$35,000 per month on a \$4,995
16 investment. Prior to investing, each investor was required to provide his social
17 security number, purportedly to allow Sun Empire to obtain the FICO score for the
18 investor. Proctor told investors that the better their FICO scores, the higher the
19 rate of return they would receive.

20 17. Proctor promised investors that their investments were guaranteed by
21 Sun Investment Savings and Loan. Proctor claimed that she had invested \$1
22 million in Sun Investment Savings and Loan and received high rates of return on
23 her investment. She told investors that she founded Sun Empire so that other
24 investors could take advantage of these high returns. Proctor told investors that the
25 identity of the bank’s owner was a secret, but she provided investors with the
26 website address for the bank. As of March 30, 2009, Sun Investment Savings and
27 Loan’s website advertised certificates of deposit with returns as high as 19.30%.
28 The website also provided investors with information regarding high return private

1 placement programs, savings accounts, and international project development
2 funding.

3 18. On October 7, 2008, the California Department of Financial
4 Institutions (“DFI”) issued a cease and desist warning to Sun Investment Savings
5 and Loan because it was operating without a license from the DFI. The DFI sent
6 an examiner to Sun Investment Savings and Loan, but the location was the office
7 of a software company. The individual who occupied the office told the DFI
8 examiner that the software company and Sun Investment Savings and Loan might
9 be indirectly related. On October 15, 2008, in response to the DFI’s cease and
10 desist warning, an attorney for Sun Investment Savings and Loan wrote “this
11 company is not doing any banking business . . . this is merely a U.S.
12 Administrative Office . . . the company is actually located in Sweden.” Despite
13 these facts, the website for Sun Investment Savings and Loan solicited investments
14 as recently as March 30, 2009.

15 19. In or about November 2008, one Sun Empire investor was told by his
16 group leader that his funds had never been invested offshore as represented. This
17 investor eventually received a refund of his principal after he complained to the
18 Better Business Bureau and the California Attorney General. He never received
19 any of the promised profits.

20 20. After this investor received his refund, Sun Empire solicited him to
21 invest in other programs offered by Sun Empire. The solicitation included a flyer
22 from Sun Empire entitled “Sun Group to the Rescue.” This flyer describes two
23 different investment options purporting to be fully “guaranteed for the Original
24 Investment and Profit.”

25 21. Option one purported to be a one year investment opportunity
26 requiring an investor to form an investment club and raise a minimum of \$100,000.
27 The leader of the investment club was promised 3% commissions per year of the
28 amount raised. Further, each participant in the club was guaranteed 12% per year

1 returns. The flyer indicated that the investment was fully guaranteed for “the
2 original investment and profit.”

3 22. Option two purported to be a four-year investment opportunity
4 requiring an investor to form an investment club and raise a minimum of \$100,000.
5 The flyer stated that the investors in the club would double their money in four
6 years and the club leader would receive 3% of the amount raised each year.

7 **B. Presentation by ECAM, Proctor, and McCoy to a Group of Potential**
8 **Investors**

9 23. On January 19, 2009, Proctor and McCoy on behalf of ECAM, made
10 a presentation to a group of potential investors. During this presentation, Proctor
11 told investors this presentation was the grand opening of ECAM, which was
12 designed to help investors enter the high-yield investment market in a safe and
13 consistent manner. McCoy stated that Proctor founded ECAM, and also started an
14 entity called “Sun Capital,” which is still purportedly operating and supposedly
15 providing 250 investors with returns.

16 24. McCoy’s presentation outlined several programs offered by ECAM.
17 McCoy described the first program as the College Advantage Program (“CAP”),
18 which allows an investor to invest \$5,000 and, in the case of an investor who does
19 so on behalf of a child who is between the ages of one (1) and nine (9) years old,
20 allows the investor to receive \$1,000,000 by the time the investor’s child enters
21 college. McCoy further explained that if the child is older, then the investor would
22 need to invest \$10,000 to have \$1,000,000 by the time the child enters college.
23 McCoy further stated that an investor’s money doubles every year and the invested
24 principal never fluctuates.

25 25. McCoy also described a retirement account similar to an IRA or
26 401K, which, McCoy explained, is a “roll-over” program and does not require
27 taxes to be paid on the appreciation until retirement. McCoy stated that this
28 program had an investment return of 4% every month, equaling an annual return

1 rate of 48%.

2 26. McCoy also described Certificates of Deposits that the organization
3 could offer that have returns five to ten times higher than those available through
4 banks. McCoy added that these returns are “guaranteed.”

5 27. McCoy stated that the money invested never leaves the account of
6 ECAM. McCoy claimed ECAM was able to obtain favorable rates for the money
7 it invested because Proctor uses the large amount of money pooled together from
8 various investors and obtains better returns as a result. McCoy explained that
9 Proctor has access to financial vehicles otherwise only available to extremely
10 wealthy individuals because of the pooled money.

11 28. McCoy explained that individuals interested in ECAM could obtain
12 one of 125 positions that Proctor has set up in the organization by accumulating
13 funds to invest in the program. The positions are directly related to the amount of
14 money a person can obtain from other investors. For example, an “Investment
15 Club Leader” would need to provide \$250,000 for investment. As a result, the
16 “Investment Club Leader” would receive 1.75% every month of the \$250,000
17 brought into ECAM. Other positions include “Branch Manager” (requiring the
18 “Branch Manager” to bring in \$1,000,000) and “Regional Branch Manager.”

19 29. McCoy stated that the return on investments is at least 36% per year
20 and that the invested assets are protected. She further assured that nothing could
21 happen to the investments and that the investments are never at risk.

22 30. McCoy explained the requirements necessary to join ECAM. She
23 stated that an investor must be invited to join, and that currently, the minimum
24 investment amount is \$10,000. McCoy then stated that this minimum amount is
25 likely to go up.

26 31. During her presentation, McCoy also stated that the scheme was
27 legitimate based upon registration pursuant to “Regulation D of the Securities Act
28 of the 1930s and 1940s.”

1 32. McCoy then introduced Proctor as the next speaker. Proctor stated
2 that the retirement program was currently open and that the program could fill up
3 at any time, as investors are coming in quickly. Proctor claimed that the retirement
4 program has a return of 4% per month, which could only be taxed if the money is
5 removed from the program. Proctor further stated that the minimum investment
6 amount for the retirement program was \$50,000.

7 **C. The Defendants Misrepresented Promised Returns And Use Of Investor**
8 **Proceeds**

9 33. The Defendants promised returns such as \$35,000 per month or 36%
10 per year, which are virtually impossible to guarantee through legitimate
11 investments. In fact, investors did not receive these returns.

12 34. Investor proceeds were not used for the promised purposes. First,
13 Defendants' promises of investments involving Sun Investment Savings and Loan
14 were false. According to the California Department of Financial Institutions, Sun
15 Investment Savings and Loan does not exist at the business location alleged by
16 defendants and was not authorized by the state to do business as a financial
17 institution. As a result, investor proceeds were not likely to have been invested as
18 promised.

19 35. Second, an investor was told by his group leader in November 2008
20 that his funds had never been invested offshore as represented.

21 36. Third, money from investors went into accounts in the name of
22 Empire Club, Inc. – a Proctor-controlled entity – instead of going into foreign
23 investments, CD's, or other promised forms of investment. Based on a review of
24 Empire Club's bank records, Sun Empire investor funds were wired to Empire
25 Club's bank account. Proctor is a signatory on the Empire Club account.

26 37. Funds in the Empire Club account did not go to promised investments,
27 but instead were at least partially disbursed to related companies owned and
28 controlled by Proctor. Some disbursements from the Empire Club account went to

1 Sun Empire and ECAM. Other disbursements went to unrelated Proctor-controlled
2 entities.

3 38. For example, the Empire Club account disbursed \$1,421,572 to an
4 account in the name of D'Quadrant Strategies, a Nevada LLC managed by Proctor
5 and another individual. Proctor is a signatory on the D'Quadrant Strategies bank
6 account. Records from the D'Quadrant bank account for the same period indicate
7 that 100% of the deposits into the D'Quadrant bank account were from the Empire
8 Club account and almost 50% of the disbursements from the D'Quadrant bank
9 account were made to Baja Sand and Gravel, an apparent construction company
10 managed by Proctor and another individual and located at the same address as
11 D'Quadrant.

12 **FIRST CLAIM FOR RELIEF**

13 **Fraud in The Offer or Sale of Securities**

14 **Violations of Section 17(a) of the Securities Act**

15 **(Against All Defendants)**

16 39. The Commission realleges and incorporates by reference paragraphs 1
17 through 38 above.

18 40. The Defendants, and each of them, by engaging in the conduct
19 described above, in the offer or sale of securities by the use of means or
20 instruments of transportation or communication in interstate commerce or by use
21 of the mails directly or indirectly:

- 22 a. with scienter, employed devices, schemes, or artifices to
23 defraud;
- 24 b. obtained money or property by means of untrue statements of a
25 material fact or by omitting to state a material fact necessary in
26 order to make the statements made, in light of the
27 circumstances under which they were made, not misleading; or
- 28 c. engaged in transactions, practices, or courses of business which

1 **PRAYER FOR RELIEF**

2 WHEREFORE, the Commission respectfully requests that the Court:

3 **I.**

4 Issue findings of fact and conclusions of law that the Defendants committed
5 the alleged violations.

6 **II.**

7 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
8 Civil Procedure, temporarily, preliminarily and permanently enjoining the
9 Defendants and their officers, agents, servants, employees, and attorneys, and those
10 persons in active concert or participation with any of them, who receive actual
11 notice of the judgment by personal service or otherwise, and each of them, from
12 violating Sections 5(a), 5(c), and 17(a) of the Securities Act, 15 U.S.C. §§ 77e(a),
13 77e(c), and 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and
14 Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

15 **III.**

16 Issue, in a form consistent with Rule 65 of the Federal Rules of Civil
17 Procedure, a temporary restraining order and a preliminary injunction freezing the
18 assets of each of the Defendants and Relief Defendants and any entity affiliated
19 with any of them, appointing a receiver over Sun Empire and ECAM, prohibiting
20 each of the Defendants from destroying documents, granting expedited discovery,
21 and requiring accountings from each of the Defendants.

22 **IV.**

23 Order each of the Defendants to disgorge all ill-gotten gains from their
24 illegal conduct, together with prejudgment interest thereon.

25 **V.**

26 Order each of the Defendants to pay civil penalties under Section 20(d) of
27 the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act,
28 15 U.S.C. § 78u(d)(3).

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VI.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VII.

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: April 2, 2009



MOLLY M. WHITE
Attorney for Plaintiff
Securities and Exchange Commission