

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO.**

**SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street, N.W.
Washington, D.C. 20549-0911**

Plaintiff,

v.

**EMISSION CONTROLS CORPORATION
3150 SW 42nd Avenue
Palm City, Florida 34990**

**SYD COOKE
5035 Fairways Circle
Vero Beach, Florida 32967**

Defendants.

COMPLAINT

SUMMARY

Plaintiff Securities and Exchange Commission (the “Commission”) alleges:

1. This case involves fraud by Emission Controls Corporation (“Emission Controls” or “the company”), a small publicly traded corporation located in Palm City, Florida, and its President and Chief Executive Officer, Syd Cooke.

2. From December 2002 through January 2003, defendants Emission Controls and Cooke engaged in a scheme to defraud investors by claiming to have developed a device that could decrease harmful vehicle emissions while increasing vehicle fuel efficiency – a claim which they knew was false. In furtherance of their fraudulent plan, in December 2002, Emission Controls

invited a group of investors and stockbrokers to view a product demonstration of what was purported to be its newly developed emission control device. During the demonstration, Cooke pressured the contractor who was assisting him with the tests to manipulate the testing mechanism so that it generated materially deceptive test results, which Cooke used to convince the investors and stockbrokers that the emission control device was capable of lowering vehicle emissions to near-zero levels. Based on the erroneous results from the December 2002 product demonstration, Cooke and Emission Controls issued a fraudulent press release on January 3, 2003 in which they falsely claimed that Emission Controls had developed a device that was capable of increasing vehicle fuel efficiency while decreasing harmful emissions.

3. After Emission Controls issued the false press release on January 3, 2003, the company's stock price increased, and the company profited from increased sales of its stock at inflated stock prices through offerings made pursuant to Regulation S, which sets forth conditions under which securities offerings may take place outside of the United States without registration under the Securities Act of 1933. Cooke profited from the proceeds of Emission Controls' stock sales while the fraud was ongoing through salary and expense reimbursements.

4. By engaging in this conduct, Cooke and Emission Controls violated Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5].

JURISDICTION

5. This Court has jurisdiction over this action pursuant to Sections 21(d) and (e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(3)(A), 78u(e) and 78aa].

6. Venue lies in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa] because offers and sales of the securities at issue in this case took place in this judicial district, the Defendants are inhabitants of this judicial district, and certain of the acts and courses of conduct constituting the violations in this case occurred within this judicial district.

7. Defendants, directly or indirectly, have made use of the means and instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange in connection with these acts, practices, and courses of business alleged in the complaint.

8. The defendants will, unless restrained and enjoined, continue to engage in the acts and practices alleged herein, or in acts and practices of similar purport and object.

DEFENDANTS

9. EMISSION CONTROLS CORPORATION is a Delaware corporation located in Palm City, Florida, whose common stock is quoted on the Pink Sheets (Symbol: EMCS). During the relevant period Emission Controls had just three employees, including the President and Chief Executive Officer, Syd Cooke.

10. SYD COOKE is a resident of Vero Beach, Florida. During the relevant period, Cooke was the President and Chief Executive Officer of Emission Controls. Cooke organized and conducted Emission Controls' December 2002 demonstration and testing of the company's emission control device and authored the company's January 3, 2003 press release. As of February 2003, Cooke owned approximately 26% of all outstanding Emission Controls stock.

At various times, Cooke has been known as Sydney Cooke and William Cooke, and has used at least two social security numbers.

CLAIM FOR RELIEF

**[Material Misrepresentations]
Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5
thereunder [17 C.F.R. § 240.10b-5]**

11. Paragraphs 1 through 10 are realleged and incorporated by reference.
12. In December 2002, a group of investors and stockbrokers went to Emission Controls' Palm City, Florida offices for a demonstration of the company's emission control device.
13. During the December 2002 demonstration, Cooke, with the assistance of a contractor hired by Emission Controls to develop products, including the company's emission control device, tested the device on a 1999 Ford Expedition using a testing mechanism called a dynamometer, which Cooke knew did not accurately measure the level of vehicle emissions. Cooke pressured the contractor to manipulate the testing mechanism so that it generated results that appeared to show that the company's emission control device was causing the Expedition's engine to produce near-zero emissions, when its emissions were actually higher. Cooke used these results to convince the investors and stockbrokers that the company's device was capable of significantly decreasing vehicle emissions. Emission Controls and Cooke knew, or were reckless in not knowing, that the results of these tests were materially false and misleading.
14. On January 3, 2003, Cooke authored, and caused Emission Controls to issue, a press release over Business Wire entitled "Emission Controls Corp. Completes Initial Testing on the Mini-Natural Resources Fuel Reformer." In the press release, Emission Controls referred to its emission control device as the "Mini-Natural Resources Fuel Reformer" or "MNRFR." The press release

falsely stated that the results of the company's December 2002 tests of the MNRFR on a 1999 Ford Expedition indicated "substantial reductions in toxic emissions and pollutants." In addition, the release contained the false and misleading claim that the MNRFR had increased the Expedition's fuel efficiency from 16.447 to 39.28 miles per gallon. Emission Controls and Cooke knew, or were reckless in not knowing, that these statements were materially false.

15. After Emission Controls issued the false press release, its stock price on January 3, 2003 rose by more than 13% from \$6.25 per share to \$7.07 per share, which, at that time, was a 52-week high for the stock. Additionally, the volume of Emission Controls shares that were traded on January 3, 2003 increased to 63,100 shares, which was triple the volume traded on January 2, 2003. In the week following the issuance of the press release, Emission Controls' stock price continued to climb, reaching an all time high of \$8.78 per share on January 10, 2003.

16. Emission Controls profited from increased sales of its stock at stock prices inflated by the scheme through offerings made pursuant to Regulation S. Cooke received a salary and expense reimbursements from Emission Controls while committing the fraudulent conduct at issue.

17. Emission Controls and Cooke, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce or of the mails, directly or indirectly: (a) employed devices, schemes or artifices to defraud; (b) 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 (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon other persons, including purchasers and sellers of such securities, in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

18. By reason of the foregoing, Emission Controls and Cooke have violated, and unless restrained will violate, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter Judgments:

A. Permanently enjoining all defendants, and each of them, and their agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice by personal service or otherwise, from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

B. Ordering payment of disgorgement and pre-judgment interest from Emission Controls;

C. Ordering payment of disgorgement, pre-judgment interest from, and imposing civil monetary penalties on Cooke pursuant Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

D. Barring Cooke, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l], or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)];

E. Granting such other relief as this Court may deem just and proper.

Date: July 21, 2004

Respectfully submitted,

s/

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