

**PBT**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

NATIONAL LAMPOON, INC.,  
DANIEL S. LAIKIN,  
DENNIS S. BARSKY,  
EDUARDO RODRIGUEZ and  
TIM DOUGHERTY,

Defendants.

Civil Action No.

08-5790

**COMPLAINT**

Plaintiff Securities and Exchange Commission (the "Commission") alleges as follows:

**SUMMARY**

1. From at least March 2008 through June 2008, National Lampoon, Inc. ("National Lampoon"), its Chief Executive Officer ("CEO") Daniel S. Laikin, Dennis S. Barsky, Eduardo Rodriguez and Tim Dougherty (collectively the "Defendants") engaged in a fraudulent scheme to manipulate the market for the common stock of National Lampoon.

2. Specifically, Laikin, along with Barsky, a National Lampoon consultant and significant stockholder, paid kickbacks in exchange for generating or causing purchases of National Lampoon stock to Rodriguez, a corrupt stock promoter, and the Cooperating Witness ("CW"), an individual whom they believed had connections to corrupt registered representatives. In reality, the CW was, at all times, cooperating with the Federal Bureau of Investigation ("FBI"). As part of this scheme, Dougherty generated purchases of National Lampoon stock in exchange for a portion of the kickbacks.

3. Laikin and Barsky paid at least \$68,000 to Rodriguez, Dougherty, and the CW collectively to cause the purchase of at least 87,500 shares of National Lampoon stock for the purpose of creating the appearance of an active and liquid market, inducing other investors to purchase stock, and ultimately increasing the stock's trading price. Through these efforts, Laikin and Barsky sought to artificially push National Lampoon's stock price from under \$2.00 a share to at least \$5.00 a share, in part, to keep the company's stock price above the minimum listing requirements of the American Stock Exchange ("AMEX," now known as NYSE Alternext), and to increase National Lampoon's ability to enter into possible strategic transactions and/or acquisitions.

4. National Lampoon and Laikin never publicly disclosed this manipulative scheme, and made materially misleading statements in a July 17, 2008 tender offer.

#### **VIOLATIONS**

5. As a result of the conduct described in this Complaint, defendant National Lampoon violated, and unless restrained and enjoined by the Court will continue to violate, Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], and Sections 9(a)(2), 10(b), and 13(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78i(a)(2), 78j(b), and 78m(e)], and Rules 10b-5 and 13e-4 [17 C.F.R. §§ 240.10b-5 and 240.13e-4], thereunder.

6. As a result of the conduct described in this Complaint, defendant Laikin violated, and unless restrained and enjoined by the Court will continue to violate, Section 17(a) of the Securities Act, and Sections 9(a)(2) and 10(b) of the Exchange Act and Rule 10b-5, thereunder, and aided and abetted violations of Section 13(e) of the Exchange Act and Rule 13e-4, thereunder.

7. As a result of the conduct described in this Complaint, defendants Barsky, Rodriguez, and Dougherty violated, and unless restrained and enjoined by the Court will continue to violate, Sections 9(a)(2) and 10(b) of the Exchange Act and Rule 10b-5, thereunder.

## JURISDICTION AND VENUE

8. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], seeking permanently to enjoin the Defendants from engaging in the acts, transactions, practices and courses of business alleged in this Complaint.

9. The Commission seeks a final judgment ordering Laikin, Barsky, Rodriguez and Dougherty to disgorge their ill-gotten gains, together with prejudgment interest thereon.

10. The Commission seeks a final judgment ordering Laikin to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)], and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

11. The Commission seeks a final judgment ordering Barsky, Rodriguez and Dougherty to pay civil money penalties pursuant to Section 21(d)(3) of the Exchange Act.

12. The Commission seeks a final judgment barring Laikin 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)].

13. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d) and 77v(a)], and Sections 21(d) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and 78aa].

14. Venue in this District is proper pursuant to Section 22(a) of the Securities Act and Section 27 of the Exchange Act, because certain of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within the Eastern District of Pennsylvania. For example, the CW was present within the Eastern District of Pennsylvania for

some, if not all of the telephone calls described below, and certain defendants wired kickback payments to bank accounts within the Eastern District of Pennsylvania.

15. The Defendants, directly or indirectly, have made use of the means or instruments of transportation or communication in interstate commerce, or of a means or instrumentality of interstate commerce, or of the mails, or of the facilities of a national securities exchange, in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

### DEFENDANTS

16. **National Lampoon, Inc.** is incorporated in Delaware, with its headquarters in Los Angeles, California.

17. **Daniel S. Laikin**, age 46, is a resident of Los Angeles, California and has been the CEO of National Lampoon since 2005. He previously served as National Lampoon's Chief Operating Officer from 2002 until he became the CEO.

18. **Dennis S. Barsky**, age 60, is a resident of Las Vegas, Nevada. In National Lampoon's Form 10-KSB for the fiscal year ended July 31, 2007, the company disclosed that, in August 2006, it entered into an agreement with Barsky to provide consulting services and that Barsky was compensated through the issuance of 44,000 shares of restricted common stock which had a value of \$79,230.

19. **Eduardo Rodriguez**, age 49, resides in Livingston, New Jersey. He owns and operates an entity named Cheetah Consulting Group LLC. Rodriguez is a stock promoter.

20. **Tim Dougherty**, age 29, resides in Webster, New York. He is a stock promoter and principal of OTC Advisors, Inc., a stock promotion company. Dougherty is associated with the following entities: Clear Stock, Inc., Expedite Ventures, Inc., and Expedite Holdings, Inc.

## FACTS

### Background

21. At all times relevant to the facts alleged in this Complaint, defendant National Lampoon acted by and through defendant Laikin.

22. National Lampoon is a media and entertainment company that develops, produces and distributes media projects including feature films, television programming, online and interactive entertainment, home video, and book publishing. The company produced such widely known films as National Lampoon's Animal House, and the National Lampoon Vacation series. National Lampoon also operates a college television network and humor website. National Lampoon's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and the company files periodic reports. National Lampoon's common stock is listed on the NYSE Alternext, a national securities exchange, under the ticker symbol "NLN." National Lampoon is also listed on the Berlin Stock Exchange. According to National Lampoon's public filings, as of May 16, 2008, there were approximately 8.6 million shares of common stock outstanding. National Lampoon's fiscal year ends July 31st.

### National Lampoon's Financial Situation in Early 2008

23. In early 2008, several factors influenced Laikin to embark on a scheme to manipulate the market for National Lampoon stock.

24. National Lampoon's financial health was not good. In its Form 10-QSB filed with the Commission on March 17, 2008, National Lampoon reported that "The Company's current net loss of \$2,016,290 for the six months ended January 31, 2008 along with the prior two years net losses of \$2,504,170 and \$6,859,085 as well as negative working capital of \$8,490,642 and

shareholders' deficiency of \$4,644,014 at January 31, 2008, raises substantial doubt about its ability to continue as a going concern.”

25. National Lampoon's financial difficulties had also threatened its ability to remain listed on the AMEX. On February 27, 2008, National Lampoon received a letter from the AMEX indicating that the company did not meet certain continued listing standards and could be subject to delisting proceedings if did not become compliant by August 27, 2008.

26. According to Laikin, National Lampoon's stock price was preventing the company from engaging in strategic transactions or acquisitions that could have helped the company.

27. National Lampoon's financial situation also personally impacted Laikin and his partners. Laikin owned or controlled approximately 40 percent of National Lampoon's voting stock. Together, with partners, he owned or controlled significantly more. For example, according to Laikin, Barsky controlled more than three million shares through a group of investors he advised. Thus, Laikin had a significant personal financial stake tied to National Lampoon's stock price and continued viability.

28. Faced with the financial difficulties of National Lampoon, Laikin sought to artificially inflate the price of National Lampoon stock.

### **The Manipulative Scheme**

29. Together with Barsky, and ultimately engaging the services of Rodriguez, Dougherty, and the CW, Laikin and the other Defendants orchestrated a scheme to manipulate the market for National Lampoon stock. They did this in various ways, including: a) entering into illegal agreements to orchestrate trading activity to create the false impression of increased market activity and demand for National Lampoon stock; b) engaging in, directing, or causing manipulative and deceptive securities transactions through the payment of illicit kickbacks to artificially increase

National Lampoon's stock price and trading volume; and c) causing National Lampoon to issue press releases coordinated with the fraudulent trading activity to provide a false pretext for the increased trading volume and to induce public investors to also make purchases of National Lampoon stock.

30. Through these activities, Defendants created artificial trading activity in National Lampoon stock, *injected artificial information into the marketplace, and created a false impression of supply and demand for National Lampoon stock.*

### **The March 2008 Manipulation**

31. In March 2008, Laikin and Barsky engaged the services of Rodriguez to manipulate National Lampoon stock through purchases of the stock in an effort to increase share price.

32. Rodriguez is a stock promoter who, in exchange for a fee, facilitated purchases of publicly traded stock with the objective of illegally manipulating the market for that stock by artificially creating demand.

33. Laikin and Barsky agreed to pay Rodriguez an advance cash kickback payment of \$60,000 in exchange for generating future purchases of National Lampoon stock. Laikin, Barsky, and Rodriguez agreed that Rodriguez would use most of the money to pay bribes to others to generate or cause purchases of National Lampoon stock and that Rodriguez would retain a portion of the money as his fee. The parties agreed to a "1-for-6" deal in which Rodriguez was supposed to generate purchases equal to roughly six times the amount of the kickback payment.

34. On or about March 19, 2008, Laikin and Barsky paid Rodriguez the \$60,000 kickback. These funds were transferred by wire from a bank account in Indianapolis, Indiana to Rodriguez's bank account in Blue Bell, Pennsylvania.

35. Laikin also emailed Rodriguez National Lampoon's Depository Trust Company Reports ("DTC Reports") so they could use them in the future to corroborate that Rodriguez generated the agreed upon amount of purchases of National Lampoon stock. DTC Reports contain information that reflects ownership positions of the issuer's securities in DTC accounts at the moment in time the report was produced. DTC does not make the reports publicly available as they are only provided to issuers upon request.

36. Around the same date, Rodriguez contacted Dougherty, a principal of Rochester, New York based OTC Advisors. Dougherty agreed to generate or cause purchases of National Lampoon stock in exchange for a fee.

37. Rodriguez sent Dougherty's kickback payment in advance of the purchases. Rodriguez wired \$40,000 of the \$60,000 he had received from Laikin and Barsky from an account in Blue Bell, Pennsylvania to Dougherty's account in New York, New York. Rodriguez kept \$20,000 as his fee.

38. The very next day, March 20, 2008, Dougherty began purchasing or causing the purchase of National Lampoon stock through various accounts he controlled.

39. As detailed in the following chart, on ten trading days between March 20, 2008 and April 28, 2008, Dougherty purchased, or caused to be purchased, approximately 62,500 shares through at least ten separate transactions. Dougherty spread the purchases among different accounts that he controlled:



| Date      | Name                   | Purchase Price | Quantity | Amount    | % Total Volume |
|-----------|------------------------|----------------|----------|-----------|----------------|
| 3/20/2008 | Expedite Holdings Inc. | \$ 1.80        | 5,000    | \$ 9,000  | 12 %           |
| 3/24/2008 | Clear Stock Inc.       | \$ 1.89        | 5,000    | \$ 9,450  | 23 %           |
| 3/25/2008 | Clear Stock Inc.       | \$ 2.05        | 5,000    | \$ 10,250 | 24 %           |
| 3/26/2008 | Expedite Ventures Inc. | \$ 2.03        | 5,000    | \$ 10,150 | 38 %           |
| 3/27/2008 | Expedite Holdings Inc. | \$ 2.02        | 10,000   | \$ 20,200 | 27 %           |
| 3/28/2008 | Expedite Ventures Inc. | \$ 2.05        | 2,500    | \$ 5,125  | 5 %            |
| 3/31/2008 | Expedite Holdings Inc. | \$ 2.07        | 5,000    | \$ 10,350 | 40 %           |
| 4/2/2008  | Expedite Ventures Inc. | \$ 2.09        | 10,000   | \$ 20,850 | 41 %           |
| 4/7/2008  | Expedite Holdings Inc. | \$ 2.00        | 10,000   | \$ 20,000 | 59 %           |
| 4/28/2008 | Expedite Holdings Inc. | \$ 1.55        | 5,000    | \$ 7,750  | 5 %            |

40. On March 25, 2008, in connection with the 5,000 share purchase by the Clear Stock account, Dougherty also caused the sale of 5,000 shares of National Lampoon stock from an Expedite Holdings account.

41. As reflected in the above chart, Dougherty purchased, or caused to be purchased, these shares at prices ranging from \$1.55 to \$2.09 per share. Each day's purchases represented from five to 59 percent of that day's total trading volume. In the 90 days prior to March 20, 2008, the average trading volume of National Lampoon stock was 21,500 shares per day.

42. These transactions, made as a direct result of the payment of the kickback by Laikin, Barsky, and Rodriguez, injected artificial information into the marketplace and created a false impression of supply and demand for National Lampoon stock.

43. However, according to Rodriguez, these purchases were insufficient. He claimed that Dougherty fell well short of generating the volume of purchases Dougherty originally promised to deliver in exchange for the \$40,000 kickback.

44. In April 2008, Rodriguez and Dougherty engaged in a series of contentious email exchanges in which they argued over the volume of National Lampoon stock that Dougherty agreed to purchase, as well as the terms of the kickback agreement. During the exchange Dougherty

explicitly acknowledged his role in the kickback scheme. For example, he wrote to Rodriguez that “I bought the shit out of NLN for what I was paid for.”

45. Laikin was similarly not satisfied with the amount of purchases generated from the kickback he had paid. He wanted more. Thus, Laikin began to put pressure on Rodriguez to seek others who would generate purchases of National Lampoon stock.

46. On April 8, 2008, Laikin emailed Rodriguez and told him that he would “have to get some buyers in here ASAP.” As a result of Laikin’s email, Rodriguez contacted the CW, whom he knew from previous business deals, to engage him to generate more purchases in National Lampoon stock in exchange for kickback payments.

#### **The May 2008 Manipulation**

47. On or about April 22, 2008, Rodriguez met with the CW, an individual whom he believed had connections to corrupt registered representatives, in Newtown, Pennsylvania, to recruit him to join in the manipulative buying campaign in National Lampoon stock. Rodriguez explained that he was being paid by Laikin and others to artificially inflate the trading volume in National Lampoon stock in exchange for a fee. He proposed that the CW join the effort and share in the kickback. Later that day, Laikin emailed the National Lampoon DTC Reports to Rodriguez, who emailed them on to the CW.

48. The following day, on or about April 23, 2008, Rodriguez and the CW spoke with Laikin about entering into a kickback arrangement for generating purchases of National Lampoon stock.

49. During this conversation, Laikin explained some of his motivation for manipulating the stock price. He told the CW that he needed two things – “revenue for my business” and “a stock

that actually trades and at a value I'm happy with." This agreement with Rodriguez and the CW was supposed to take care of the latter.

50. Laikin specifically discussed his need to have the stock trading at higher levels, stating that "there are some small acquisitions that I want to make and I can make those with stock and they will drive revenue and profitability." He also told the CW that he had turned down acquisition offers by every major media company because he did not think that National Lampoon would get a fair public valuation based on the current stock price.

51. Laikin also told the CW that he controlled the public float of the stock and that there were less than one million shares for which he could not account. The float is the total number of shares publicly owned and available for trading.

52. On or about May 1, 2008, the CW and Rodriguez met Laikin at National Lampoon's corporate offices in California. During this meeting, Laikin again proposed making kickback payments to the CW in exchange for generating purchases of National Lampoon stock.

53. Laikin also further explained his reasons for wanting to drive up National Lampoon's stock price. He expressed his concern that National Lampoon had fallen below AMEX listing standards due to the decline in its stock price and insufficient market capitalization. Laikin explained that he wanted to push National Lampoon's stock price (then trading at \$1.86 per share) to \$3.00 and then eventually to \$5.00. Laikin also claimed that if they were able to manipulate the stock price higher, it could be more attractive for strategic partnerships or acquisitions.

54. Also during the meeting, Laikin shared confidential information with the CW about National Lampoon's yet undisclosed revenues and recent business developments for National Lampoon's fiscal quarter ended April 30, 2008. He said that on June 15, 2008, the company was going to report a "big jump" in revenue for the recent quarter on sales of movies released on video

along with the announcement that National Lampoon had reached an agreement with Warner Brothers' studios on movie royalty payments. Laikin explained how they could coordinate the upcoming positive press announcements with the generated purchases in order to induce trading momentum in the stock.

55. Before the meeting ended, Laikin confirmed the details of the agreement. Laikin and the CW agreed that the CW would make a \$50,000 purchase of National Lampoon stock very soon and that Laikin would pay a "1-for-6" kickback (\$8,333) for the purchase, with several \$100,000 buys thereafter, each with the same "1-for-6" kickback (\$16,666). Laikin also discussed the possibility of further stock incentives if the stock price hit certain benchmarks. Laikin repeatedly expressed a desire for the CW to start buying immediately.

56. Although Barsky was not present during this meeting, he was working in conjunction with Laikin and was involved in the manipulative scheme involving the May purchases. Laikin told the CW that the kickback payment would come from Barsky or one of Laikin's other partners. Laikin also claimed that, if necessary, he could contact Barsky to ensure that none of the three million shares of National Lampoon that Barsky controlled would trade when the CW began purchasing shares.

57. On or about May 14, 2008, Laikin, through Rodriguez, emailed a Non-Objecting Beneficial Owner's List ("NOBO List") to the CW so that they could corroborate that the CW generated the agreed upon amount of purchases of National Lampoon stock in the future. A non-objecting beneficial owner means a person with beneficial ownership in a security who gives permission to a financial intermediary (usually a broker-dealer or bank) to release his name and address to the issuer of the security. NOBO Lists, similar to DTC Reports, disclose to the issuer the

names of beneficial owners who are not otherwise known to the issuer because these investors are not directly registered on the issuer's records.

58. On or about May 19, 2008, Rodriguez and the CW confirmed the details of the kickback arrangement and that a \$50,000 trade would be placed the next day. Rodriguez also told the CW that Laikin intended to have National Lampoon issue a press release announcing the premier of the company's online show "Lemmings" before the market opened in the morning. As Laikin promised in the May 1, 2008 meeting with the CW, he intended to coordinate positive news with the planned purchases, and, in turn, generate positive trading momentum.

59. On or about May 20, 2008, National Lampoon did issue a press release announcing the premier of "Lemmings." Shortly thereafter, in accordance with the agreement with Laikin, Barsky and Rodriguez, and in what appeared to them to be purchases caused or generated by the CW, the FBI placed a market order to purchase 25,000 shares of National Lampoon stock.

60. The FBI's order was executed that day through 16 separate transactions for an average purchase price of \$2.03 and total sale price of \$50,715. The trade represented 60 percent of National Lampoon's reported volume of 41,500 shares on May 20th.

61. The following day, the CW, Rodriguez and Barsky discussed the trade and other details concerning the kickback arrangement.

62. Barsky confirmed his involvement in the kickback scheme and also that he and Laikin were "looking for volume" in the stock through the CW's purchases. Barsky proceeded to discuss National Lampoon's upcoming news, business plans, and the public float of the stock.

63. Barsky, however, told the CW that he was disappointed with the execution of the trades because Barsky and Laikin could not see the purchases when they were reported to the market. Barsky told the CW that if he wanted to proceed with future manipulative trading in

National Lampoon they would have to “flatten out the procedure.” Barsky indicated that he wanted future orders to end in “8” so he would know it was “them” when it was reported to the market.

64. Barsky told the CW that he did not want to pay the kickback for the trade until the CW executed another trade in accordance with the new procedure. When the CW insisted that the payment be made in accordance with the original agreement, Barsky told the CW that if he paid him now, then Laikin would not want to go through with any additional trading.

65. On or about May 22, 2008, the day after this conversation, Barsky, at Laikin’s direction, caused approximately \$8,333 to be paid to Rodriguez as a kickback for the May 20, 2008 purchase of 25,000 shares. Barsky wired \$8,333 from a Las Vegas bank account to the account in Blue Bell, Pennsylvania. That same day, Rodriguez wired \$6,625 to an account in Philadelphia that Rodriguez believed to be for the benefit of the CW, but which actually was maintained by the FBI. Rodriguez kept the remainder of Barsky’s payment as his fee.

66. Approximately a month after the May 20, 2008 purchase, Barsky contacted Rodriguez and discussed the possibility of again manipulating the price of National Lampoon stock through the payment of kickbacks. During this conversation, Barsky expressed frustration with how much time and money he had spent trying to artificially inflate the price of National Lampoon stock.

67. Neither Laikin nor National Lampoon publicly disclosed any of the above stated efforts of Laikin to manipulate the market for National Lampoon by paying kickbacks in exchange for generating purchases of National Lampoon stock, and coordinating National Lampoon press releases with the requested purchases to further generate trading momentum. These efforts by the CEO, and his use of company press releases to assist the scheme, would have been clearly material to a reasonable investor.

### Misstatements in the July 17, 2008 Self Tender Offer

68. On July 17, 2008, National Lampoon filed a self tender offer (the “Exchange Offer”) pursuant to Rule 13e-4 of the Exchange Act. This Exchange Offer proposed an exchange whereby certain warrant holders were offered a two-year extension on the exercise date of their warrants for purchasing no less than ten percent of the common shares covered by their warrants. National Lampoon proposed this offer to raise cash for its operations and as part of its plan that it submitted to the AMEX to regain compliance with its continued listing standards.

69. Laikin signed the Exchange Offer on behalf of National Lampoon.

70. The majority of the warrant holders accepted the offer and the company issued 522,590 shares of common stock, which resulted in proceeds of \$927,598. Laikin, and three other board members, together controlling a majority of the shares of National Lampoon, took advantage of this offer as well and exercised warrants.

71. In the Exchange Offer, National Lampoon made misleading statements regarding the fair market value and trading range of the company’s stock.

72. The Exchange Offer indicated that for the third quarter ended April 30, 2008, National Lampoon stock traded in a range of \$1.52 to \$2.18 per share, and for the fourth quarter through July 16, 2008, in a range of \$1.48 to \$2.05 per share. The Exchange Offer also stated that National Lampoon’s common stock “has fluctuated widely in the past and is expected to continue to do so in the future, as a result of a number of factors, some of which are outside our control.” As discussed in this Complaint, during each of these quarters, Laikin directed manipulative trading in the stock.

73. The statements pertaining to National Lampoon’s common stock were misleading because National Lampoon failed to disclose in the Exchange Offer Laikin’s efforts to artificially

inflate the price and volume of the company's stock. Specifically, National Lampoon did not disclose that Laikin, National Lampoon's CEO, had caused others to generate purchases of National Lampoon stock in exchange for at least \$68,333 in kickback payments, or that he had used National Lampoon press releases in an effort to bolster the impact of those purchases.

74. In addition, the Exchange Offer made misleading statements in a section of the filing titled "Questions and Answers About The Offer" where the following question was posed: "Is there any information regarding National Lampoon, Inc. that I should be aware of." The purpose of this question was to provide investors with any information they would need to know about the company before deciding whether they should purchase ten percent of the shares covering their warrants. In response to this question, the Exchange Offer directed potential investors to the risks set forth in portions of other public filings, none of which disclosed Laikin's kickback payments or other efforts to artificially inflate the price and volume of the stock.

75. Among other things, the fact that the company's CEO had been engaged in a manipulation of the company's stock based upon the payment of kickbacks and the coordination of National Lampoon press releases, and the fact that the then current stock price may have been the product of artificial demand, were material. This information needed to be disclosed in order to make the above statements in the Exchange Offer not misleading.

#### **FIRST CLAIM FOR RELIEF**

##### **Violations of Section 17(a) of the Securities Act by National Lampoon, Inc. and Daniel S. Laikin**

76. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 75, inclusive, as if the same were fully set forth herein.

77. As described in this Complaint, in connection with the July 17, 2008 Exchange Offer, National Lampoon and Laikin, directly or indirectly, in the offer and sale of securities, by the



use of any means or instruments of transportation or communication in interstate commerce, or by the use of the mails:

- (a) employed devices, schemes or artifices to defraud;
- (b) obtained money or property by means of any untrue statements of a material fact, or have omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or
- (c) engaged in transactions, practices, or courses of business which operated, or would operate as a fraud or deceit upon the purchasers of securities.

78. By engaging in the foregoing conduct, National Lampoon and Laikin violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

### **SECOND CLAIM FOR RELIEF**

#### **Violations of Section 10(b) of the Exchange Act and Rule 10b-5, thereunder, by All Defendants**

79. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 78, inclusive, as if the same were fully set forth herein.

80. From at least March 2008 through June 2008, Defendants knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of a national securities exchange:

- (a) employed devices, schemes or artifices to defraud;
- (b) made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or

(c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person in connection with the purchase or sale of any security.

81. By engaging in the foregoing conduct, Defendants violated, and unless restrained and enjoined will continue to violate, 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.

### **THIRD CLAIM FOR RELIEF**

#### **Violations of Section 9(a)(2) of the Exchange Act by All Defendants**

82. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 81, inclusive, as if the same were fully set forth herein.

83. From at least March 2008 through June 2008, Defendants directly or indirectly, effected, alone or with one or more other persons, a series of transactions in securities registered on a national securities exchange, creating actual or apparent active trading in such securities, or raising or depressing the price of such securities, for the purpose of inducing the purchase or sale of such securities by others.

84. By engaging in the foregoing conduct, Defendants violated, and unless restrained and enjoined will continue to violate, Section 9(a)(2) of the Exchange Act [15 U.S.C. § 78i(a)(2)].

### **FOURTH CLAIM FOR RELIEF**

#### **Violations of Section 13(e) of the Exchange Act and Rule 13e-4, thereunder, by National Lampoon, Inc.**

85. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 84, inclusive, as if the same were fully set forth herein.

86. National Lampoon, Inc. as an issuer of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l], knowingly or recklessly, directly or indirectly, in connection with the Exchange Offer described above:

(a) employed devices, schemes or artifices to defraud;

(b) made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or

(c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person.

87. By engaging in the foregoing conduct, National Lampoon, Inc. violated, and unless restrained and enjoined will continue to violate, Section 13(e) of the Exchange Act [15 U.S.C. § 78m(e)], and Rule 13e-4 [17 C.F.R. § 240.13e-4], thereunder.

#### **FIFTH CLAIM FOR RELIEF**

##### **Aiding and Abetting Violations of Section 13(e) of the Exchange Act and Rule 13e-4, thereunder, by Daniel S. Laikin**

88. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 87, inclusive, as if the same were fully set forth herein.

89. By engaging in the foregoing conduct, Daniel S. Laikin knowingly provided substantial assistance to National Lampoon in its violations of Section 13(e) of the Exchange Act [15 U.S.C. § 78m(e)] and Rule 13e-4, thereunder [17 C.F.R. §240.13e-4], and thereby aided and abetted, and unless restrained and enjoined will continue to aid and abet violations of these provisions of the federal securities laws.

**WHEREFORE**, the Commission respectfully requests that this Court enter a final judgment:

**I.**

Permanently restraining and enjoining National Lampoon, Inc. and Daniel S. Laikin from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

**II.**

Permanently restraining and enjoining National Lampoon, Inc., Daniel S. Laikin, Dennis S. Barsky, Eduardo Rodriguez and Tim Dougherty from violating 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.

**III.**

Permanently restraining and enjoining National Lampoon, Inc., Daniel S. Laikin, Dennis S. Barsky, Eduardo Rodriguez and Tim Dougherty from violating Section 9(a)(2) of the Exchange Act [15 U.S.C. § 78j(b)].

**IV.**

Permanently restraining and enjoining National Lampoon, Inc. from violating Section 13(e) of the Exchange Act [15 U.S.C. § 78m(e)], and Rule 13e-4 [17 C.F.R. § 240.13e-4], thereunder.

**V.**

Permanently restraining and enjoining Daniel S. Laikin from aiding and abetting violations of Section 13(e) of the Exchange Act [15 U.S.C. § 78m(e)], and Rule 13e-4 [17 C.F.R. § 240.13e-4], thereunder.

**VI.**

Ordering Daniel S. Laikin, Dennis S. Barsky, Eduardo Rodriguez and Tim Dougherty to disgorge any and all ill-gotten gains, together with prejudgment interest, derived from the activities set forth in this Complaint.

**VII.**

Ordering Daniel S. Laikin to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

**VIII.**

Ordering Dennis S. Barsky, Eduardo Rodriguez and Tim Dougherty to pay civil money penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

**IX.**

Prohibiting Daniel S. Laikin, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and 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)].

**X.**

Granting such other and further relief as the Court may deem just and appropriate.

Respectfully submitted,

s/ Scott A. Thompson

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