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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. GEORGE GEORGIOU, Defendant.	:	Civil Action No. 09-cv-616-MMB

COMPLAINT

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

SUMMARY

1. From at least the spring of 2004 through September 17, 2008, George Georgiou (the "Defendant") engaged in a series of fraudulent schemes to manipulate the market for the common stock of four microcap companies – Avicena Group, Inc. ("Avicena"), Neutron Enterprises, Inc. ("Neutron"), Hydrogen Hybrid Technologies, Inc. ("Hydrogen Hybrid"), and Northern Ethanol, Inc. ("Northern Ethanol").

2. Georgiou, a Canadian citizen, controlled a large percentage of the unrestricted stock of these companies. In separate but related schemes, he orchestrated and directed manipulative trading in these stocks by using numerous nominee accounts held at offshore broker-dealers, and using a variety of traditional manipulative techniques, including executing or directing matched trades, wash sales, or other prearranged trades, marking-the-close, and paying illegal kickbacks in exchange for purchases.

3. Georgiou conducted these manipulations with the intent to artificially inflate each company's stock price and to create the false impression of an active and liquid market for these otherwise thinly traded stocks.

4. Georgiou profited from his scheme by selling inflated shares at a substantial profit, and defrauding offshore broker-dealers by obtaining margin loans, using the manipulated stocks as collateral, that further funded his manipulations and allowed him to withdraw cash that he wired to offshore bank accounts. Through his illegal conduct, Georgiou realized at least $20.9 million in ill-gotten gains.

VIOLATIONS

5. As a result of the conduct described in this Complaint, Georgiou 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)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder.

JURISDICTION AND VENUE

6. 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 Defendant from engaging in the acts, transactions, practices and courses of business alleged in this Complaint.

7. The Commission seeks a final judgment ordering Georgiou to disgorge his ill-gotten gains, together with prejudgment interest thereon.

8. The Commission seeks a final judgment ordering Georgiou 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)].

9. The Commission seeks a penny stock bar pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)] against Georgiou.

10. 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].

11. 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 acts, practices, and courses of business constituting the violations alleged herein occurred within the Eastern District of Pennsylvania. For example, an individual who is now a Cooperating Witness (the "CW"), whose role is described more fully below, was involved in each manipulation, and was at all times communicating with Georgiou and placing trades from within this district, and had at least one in-person meeting with Georgiou within the district.

12. Defendant, directly or indirectly, has 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.

DEFENDANT AND RELEVANT ISSUERS

13. **George Georgiou**, age 39, and a Canadian citizen, is a resident of Toronto, Ontario. Georgiou was previously a registered representative in Canada with a broker-dealer. In 2000, Georgiou was disciplined by the Investment Dealers Association of Canada ("IDAC") for engaging in unauthorized trading in client accounts and providing a client with false and misleading information. Georgiou was fined and suspended from acting in any registered capacity with any

member of IDAC for ten years, which commenced January 31, 1995. On September 17, 2008, the FBI arrested Georgiou in Philadelphia based on some of the conduct alleged in this Complaint, and he is currently on house arrest in Long Island, New York.

14. **Avicena Group, Inc.** is a Delaware company headquartered in Palo Alto, California. It purportedly develops pharmaceuticals for the treatment of neurological and neuromuscular diseases. Avicena's common stock is quoted on the Pink Sheets, an inter-dealer electronic quotation and trading system in the over-the-counter securities market which is operated by Pink OTC Markets, Inc., ("Pink Sheets") under the ticker "AVCE" (formerly "AVGO"). Avicena's securities are registered with the Commission pursuant to Section 12(g) of the Exchange Act and the company files periodic reports. In Avicena's most recent Form 10-QSB for the quarter ended March 31, 2008, the company reported assets of $832,553, revenue of $127,894, and a net loss of $2,741,956.

15. **Northern Ethanol, Inc.** is a Delaware corporation headquartered in Toronto, Ontario. The company's stated objective is to become a low cost leader in the production of ethanol and its co-products in industrial zoned areas. Northern Ethanol is headquartered in a building owned by Georgiou and his associates. Northern Ethanol's common stock is dually quoted on the over-the-counter bulletin board ("OTCBB") and the Pink Sheets under the ticker symbol "NOET." The company's securities were registered with the Commission under Section 12(g) of the Exchange Act and the company filed periodic reports. In Northern Ethanol's most recent Form 10-QSB for the quarter ended September 30, 2008, the company reported assets of $1,312,832, revenue of $0, and a net loss of $25,635,543. On December 31, 2008, Northern Ethanol deregistered its common stock.

16. **Hydrogen Hybrid Technologies, Inc.** is headquartered in Pickering, Ontario and incorporated in Nevada. Hydrogen Hybrid purportedly sells and distributes on-board hydrogen generating and injection systems for use in cars and light trucks to increase fuel efficiency and reduce air pollution. Hydrogen Hybrid's common stock has been quoted on the OTCBB and Pink Sheets since June 26, 2007 under the trading symbol "HYHY" and is listed on the Frankfurt Stock Exchange. Hydrogen Hybrid's securities are registered with the Commission under Section 12(g) of the Exchange Act and the company files periodic reports. In its most recent Form 10-K for the fiscal year ended September 30, 2008, the company reported intangible assets valued at $2.2.million, revenue of $291,000 and a net loss of $3.1 million.

17. **Neutron Enterprises, Inc.** was a Nevada company headquartered in Montreal, Quebec until January 2008 when the company changed its name to Stock-Trak Group, Inc. and its business model to one promoting online skill-based stock market simulation contests. It previously purported to be in the business of event marketing through the use of giant light emitting diode (LED) screens to advertise products and services. Neutron's common stock was quoted on the OTCBB and the Pink Sheets under the ticker "NTRN." Stock-Trak currently trades under the ticker "STKG." Stock-Trak's securities are registered with the Commission under Section 12(g) of the Exchange Act and the company files periodic reports. In Stock-Trak's most recent Form 10-Q for the quarter ended September 30, 2008, the company reported assets of $6,089,082, revenue of $3,471,157, and a net loss of $3,072,298.

FACTS

BACKGROUND

18. As detailed below, Georgiou implemented comprehensive and sophisticated schemes to manipulate four companies' stock: Avicena, Neutron, Hydrogen Hybrid, and Northern

Ethanol. Although the manipulations of each of these stocks occurred during different but overlapping time periods, the manner and means employed to conduct the schemes were similar.

19. Georgiou sought to artificially inflate the prices of, and the apparent demand for, the four stocks listed above to allow Georgiou and his associates to profit on their significant holdings of the stocks by (1) using the artificially inflated values of the stocks as collateral to obtain margin (i.e., the ability to borrow money from a broker to purchase stock or withdraw cash) in brokerage accounts and (2) selling their holdings at inflated prices.

20. Georgiou asserted direct control over several nominee accounts for which he was able to issue trading and wiring instructions directly to broker-dealers. Some of those accounts were held at three Bahamian broker-dealers: Alliance Investment Management ("Alliance"); Accuvest Limited ("Accuvest"); and Caledonia Corporate Management Group Limited ("Caledonia"). Throughout this Complaint, Georgiou-controlled accounts held at these brokers are referred to as the "Alliance accounts" the "Accuvest account" and the "Caledonia account." Georgiou conducted a significant portion of the manipulative trading through these accounts.

21. Georgiou, along with an associate, opened the Alliance accounts, the Accuvest account, and the Caledonia account, and Georgiou personally directed the trading decisions in these accounts. Although Georgiou opened these accounts, he never used his own name on any account records.

22. Georgiou also had indirect control over certain nominee accounts. For those accounts, he communicated trading instructions to nominees who, in turn, executed Georgiou's trading instructions. At least one of the accounts that Georgiou indirectly controlled was held at Temple Securities. Others were held at various broker-dealers in the name of Fercan Developments, Starport Landing, Inc. ("Starport") and in the names of individuals identified herein

as RB, JA, and KG. These were among the most active accounts in placing manipulative trades in the stocks mentioned above.

23. Georgiou compensated the nominees for allowing him or his associates to dictate their trading. At times, Georgiou directly paid nominees. Other times, he allowed them to sell shares at specified times in order to profit in exchange for entering trades at Georgiou's direction.

24. Georgiou attempted to conceal his association with the nominee accounts that he directly and indirectly controlled as much as possible. He also sought to minimize records of communications. For example, Georgiou often directed the manipulative trades only by cell phone or sent and received messages by way of BlackBerry PIN. When he did use e-mail, he often used e-mail accounts in other people's names to disguise his identity. Moreover, he avoided U.S. financial institutions and moved cash in and out of his foreign accounts via wire transfers to minimize any "paper trail."

25. Through these accounts, and others, Georgiou was able to engage in numerous manipulative practices and techniques including controlling the trading volume through promises of profits to nominees, marking-the-close, arranging for wash sales and matched trades, and paying illegal kickbacks in exchange for purchases.

26. "Marking-the-close" is a form of market manipulation that involves attempting to influence the closing price of a security by executing purchase or sale orders at or near the close of normal trading hours. Such activity can artificially inflate or depress the closing price for the security and can affect the price of "market-on-close" orders.

27. A wash sale is an order to buy or sell securities resulting in no change of beneficial ownership for the purpose of (1) creating a false or misleading appearance of active trading in any

publicly traded security; or (2) creating a false or misleading appearance with respect to the market for any such security.

28. A matched trade is an order to buy or sell securities that is entered with knowledge that a matching order on the opposite side of the transaction has been or will be entered for the purpose of (1) creating a false or misleading appearance of active trading in any publicly traded security or (2) creating a false or misleading appearance with respect to the market for any such security.

AVICENA GROUP, INC.

29. Between March 24, 2006, when Avicena began publicly trading, and November 6, 2007, Georgiou manipulated the market for Avicena's stock.

30. Georgiou undertook this manipulation to increase the value of his own holdings, and inflate the stock price with the intent to increase investor interest that might result in the acquisition of Avicena by a private investor or a larger public biotech company, or allow the company to become listed on the AMEX (now "Alternext"). He further sought to use the inflated value of Avicena stock to allow him to take out large amounts of margin loans.

31. As described below, Georgiou asserted his control over Avicena when it was still a private company and then orchestrated the company's public offering. In anticipation of his manipulation scheme, Georgiou required the company to "lock-up" all other shareholders so that only he controlled the non-restricted stock; he demanded, and received shareholder position reports on a continuing basis and press releases in advance of public disclosure; he appointed three consecutive board members, who routinely leaked confidential information to him; and he virtually controlled any and all corporate decisions relating to future financing to protect against the dilution of his control over non-restricted Avicena stock.

Georgiou Prepares to Manipulate the Market

32. In April 2004, Avicena, a privately-held company at the time, needed financing to continue its development of its biotechnology products.

33. Georgiou agreed to invest $3 million in the company with the understanding that Avicena would be taken public and that he would control all non-restricted stock.

34. Georgiou formed AVN Acquisition Corp. ("AVN"), to provide financing to Avicena and to acquire, through a merger, 40 percent (or 21 million) of the 51 million outstanding shares of Avicena's common stock at a cost basis of approximately 14 cents a share. To ensure that the 21 million shares acquired through AVN remained as the only non-restricted stock after the merger, Georgiou required, as part of the financing agreement, that the company enter into lock-up agreements with Avicena's remaining shareholders who held the other 30 million shares to prevent them from having the ability to freely trade their shares.

35. After the merger that resulted in taking the company public, Georgiou distributed the 21 million shares of Avicena to 15 entities and individual AVN shareholders. Nearly all of these shareholders were associated with, and/or nominees for, Georgiou.

36. Georgiou then obtained authority to appoint members to the board of directors. Those board members were linked to Northern Ethanol and Neutron – other companies whose stock he manipulated. Each was loyal to Georgiou and routinely gave him confidential information about Avicena. In particular, his appointees alerted Georgiou to any management plans to seek alternate financing – plans which created a risk of diluting Georgiou's position in the company. Based on this information, Georgiou was able to scuttle at least two alternative financing deals, which enabled him to maintain his control over the stock.

37. Georgiou also required that Avicena's management send him the Depository Trust Company Reports ("DTC Reports") on a continuing basis so he could monitor trading activity. 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. Georgiou threatened to withhold funding if he did not receive copies of the reports. With these reports in hand, Georgiou was able to monitor the control of the stock and ensure that his nominees carried out his trading instructions.

38. Georgiou also ensured that he had access to Avicena press releases in advance of their issuance so he could coordinate his trading with any corporate news. With advanced knowledge of press releases, Georgiou was able to time his manipulative trades to give the appearance of increased public interest in Avicena. Management allowed him to dictate when releases would be issued, and indeed, gave Georgiou significant input into the content of releases.

<u>Georgiou Begins to Manipulate the Market for Avicena</u>

39. On March 24, 2006, Avicena's stock started publicly trading on the OTCBB and Georgiou immediately began his manipulation of the stock price. Georgiou continued to manipulate the price of Avicena stock through November 6, 2007.

40. Georgiou manipulated the price of Avicena stock through "marking-the-close," and directing matched trades, wash sales, and other prearranged trades. Georgiou directed these trades through nominee accounts for the purpose of artificially inflating Avicena's stock price or to create the false appearance of an active and liquid market.

41. On the first day of trading, Fercan Developments, a Georgiou nominee, sold 50,000 shares to an Avicena market maker at $2.75 per share.

42. That same day, Georgiou contacted an individual who agreed to trade at Georgiou's direction and to enlist other nominees to do the same in exchange for cash payments and guaranteed trading profits. That individual, who later became a cooperating witness, was significantly involved in each of the manipulations described in this Complaint and placed numerous manipulative trades at Georgiou's direction. Throughout the complaint, he is referred to as the "CW."

43. Georgiou sent the CW an e-mail asking him if he had been able to "muster some activity" for Avicena and stating that it "would be great to get as many people involved as possible."

44. Over the period from March 24, 2006 to November 6, 2007, trading at Georgiou's direction accounted for as much as two-thirds of all trades in Avicena stock. On certain of the trading days, it accounted for 100 percent of the trading volume.

45. Avicena's stock price reached $5.00 per share by mid-May 2006 and traded consistently at levels ranging from $5.00 to more than $6.00 per share.

46. During this period, Georgiou, using several nominee accounts, directed hundreds, and likely thousands, of manipulative trades using various techniques. A few of the techniques are described in the paragraphs that follow.

Georgiou's Manipulative Trading through the CW

47. Georgiou directed and controlled every purchase and sale of Avicena by the CW. Georgiou dictated when the CW bought, at what price, and how long he would hold, or "park" the stock. Georgiou also frequently ordered the CW to buy at the end of the day so the stock looked "strong" and to "maintain its momentum."

48. Georgiou and the CW occasionally discussed their arrangement during telephone calls and over e-mail.

49. For example, in an e-mail on May 11, 2006, Georgiou told the CW not to be "sold out," and the CW replied that he would not let that happen. One day later, the CW e-mailed Georgiou that he was working hard to help Georgiou by not selling stock and having the nominees he had recruited buy, but he needed to sell some soon – he needed Georgiou to "take" shares. Such sales would have provided cash to the CW. The following week, on May 21 and May 22, there were a series of e-mail exchanges in which the CW sought updates as to the trading activities of the nominees he had recruited, and forwarded that information to Georgiou. The CW then e-mailed one nominee and told him to "hold" Avicena, because "it will appreciate more," and forwarded that e-mail to Georgiou.

50. The CW executed various manipulative trades at Georgiou's direction, including matched orders, wash sales and trades to mark-the-close. Specifically, during the manipulation period, the CW matched orders or entered into other prearranged trading at Georgiou's direction on at least 42 occasions; conducted wash sales on at least 7 occasions; and marked-the-close at least 16 times. For example:

- On May 9, 2006, at Georgiou's direction, the CW executed a wash sale for 100,000 shares between two of his accounts.

- On January 12, 2007, Georgiou called the CW at 3:46 p.m. and directed him to purchase 28,500 shares at $6.00 a share from a Georgiou nominee, RB, in order to mark-the-close. That order was executed at 3:51 p.m. and 58 seconds.

- On January 20, 2007, Georgiou sent an e-mail to the CW in which he told the CW, "I need you to have 25 people buy 100 shares this week – no matter what. We need 400 shareholders and have 150." Georgiou orchestrated multiple trades in relatively small lots around the same time period that are consistent with his statements in the e-mail.

- On January 31, 2007, Georgiou called the CW and directed him to purchase 25,000 shares at $6.00 a share from a Georgiou nominee, RB, in order to mark-the-close. The order was executed at 3:59 p.m. and 15 seconds – just 45 seconds before the market closed.

- On April 3, 2007, Georgiou called the CW and directed him to purchase 8,000 shares at $5.45. Georgiou then directed the RB account to place a sell order to match that trade. The CW knew when Georgiou was matching orders on the other side of the transaction because Georgiou had given him specific instructions on the time, price, and size of the order.

51. Georgiou persuaded the CW and others to allow him to direct their trading by promising them a quick profit. For example, he would instruct investor "A" to buy a specified number of shares at a specific price and that investor A could sell at a $0.10 profit at a date in the future. When this date arrived, Georgiou then used investor "B" to buy investor A's shares. Georgiou orchestrated this process through various people, ensuring each secured a quick profit while simultaneously walking up the price of Avicena stock.

52. Specifically, for example, on April 25, 2006, Georgiou directed the CW to purchase Avicena stock from a Fercan Developments account at $3.60 and then to sell shares to the RB account at $3.76 the next day. In another example, Georgiou directed the account of Georgiou's Bahamian counsel to buy Avicena stock from the CW and the account of RB at $4.90 and $4.99 on June 21, 2006 and to then sell those shares to the Temple Securities account at $5.10 on June 29, 2006. Georgiou later acknowledged that this "A to B to C" tactic was effective early on in the Avicena manipulation.

Georgiou Used Other Nominee Accounts to Manipulate Avicena

53. During the same time period that Georgiou directed trading through the CW and the nominees he had recruited, Georgiou also directed trading in Avicena among and between various other nominee accounts at broker-dealers located in Canada, the Bahamas, and the Turks and Caicos

– the same accounts he used in his manipulation of Northern Ethanol, Neutron, and Hydrogen Hybrid.

54. Georgiou directed, at a minimum, 31 prearranged trades, matched orders and/or wash sales and marked-the-close on at least four occasions through these various accounts.

55. For example, on January 22, 2007, Georgiou called his nominee with trading authority over the RB account and directed that a 50,000 share prearranged trade and/or matched order at $6.06 per share take place with the nominee account at Temple Securities. Georgiou also controlled the Temple Securities account through a nominee and received e-mailed copies of account statements reflecting trading. This trade accounted for 100 percent of the Avicena trading volume that day.

56. On March 19, 2007, Georgiou telephoned the CW and directed him to purchase 5,000 shares at $5.93 per share at the end of the trading day in order to mark-the-close. The CW's trade was executed at 3:59 p.m. and 24 seconds – only 36 seconds before the close of trading.

57. On April 25, 2007, Georgiou orchestrated significant trading volume between various accounts in coordination with an Avicena press release announcing that a pharmaceutical publication identified Avicena's lead Huntington's disease drug candidate as one of the "100 great investigational drugs of 2007."

58. Avicena sent Georgiou the release in advance of its publication. Once issued, Georgiou then staged the market reaction to the release through his manipulative trading. The trading data on the date of the release showed a dramatic increase in trading activity by and among the nominee accounts associated with Georgiou.

59. In particular, Georgiou orchestrated a purchase and sale of 400,000 shares for $2.2 million between his Caledonia account and the account at Temple Securities. Total reported

volume on this day increased to 2,088,100 from the previous day's volume of 500 shares. 1,103,100 (or 53 percent) of the volume of shares traded that day was through accounts associated with Georgiou. Later in the day on April 25, 2007, Georgiou e-mailed Avicena's director of marketing and said, "GREAT GREAT release today."

60. On July 9, 2007, in a conversation with the CW, Georgiou acknowledged that he had directed individuals to buy and sell Avicena stock, often having them engage in matched trades with each other. Georgiou further acknowledged that this activity created the false impression of market interest through increased trading volume in the stock.

61. In an e-mail dated July 18, 2007, JA, an individual who Georgiou recruited to trade as his nominee, explicitly set forth the agreement he reached with Georgiou to manipulate Avicena. The e-mail stated:

> [P]ursuant to our numerous phone calls and discussions, I send this email to outline the agreement that we reached . . . with respect to a series of executed transactions that you asked me to make on your behalf over the course of the last 2 days;
>
> I was to, and did, buy 51,000 shares of Avicena Group (AVGO.OB) at various limit order prices that you provided me with. Subsequently, you acknowledged the quantities and prices of all the shares purchased and were satisfied with such.
>
> I am to hold these shares for you until no later than Monday the 23rd of July, 2007 during which day you shall tell me if and when to dispose of the 51,000 shares (at what prices and at what quantities).

In addition to the above, JA stated that he was to be paid a fee to execute the transactions.

62. Georgiou replied: "Never send anything like this ever ever again."

63. JA placed the July 17, 2007 trades as described in his e-mail. In addition, Georgiou matched purchases in JA's account with sales from Fercan Developments and Starport accounts.

64. On July 23, 2007, in accordance with the agreement detailed in the e-mail, at Georgiou's direction, JA sold his shares, which Georgiou in turn, matched with a purchase in an Alliance account.

65. By June 2007, Georgiou's manipulation scheme started losing momentum and the stock began a steady decline from $5.40 per share on June 5th to $0.88 on November 6, 2007.

66. A variety of factors began to impede Georgiou's ability to maintain the price at the levels he had been able to sustain during the prior year. Significantly, he lost his ability to support Avicena's stock price through purchases in his Caledonia account after the firm issued a margin call and prevented him from buying additional shares.

67. In addition, a least one associate of Georgiou who had been assisting in the manipulation began liquidating his Avicena shares from his various nominee accounts in the summer and fall of 2007. Georgiou was frustrated by this, and tried to recruit the CW to purchase those shares so Georgiou could maintain control.

68. In addition, around that same time, the original shareholders' extended lock-up periods were set to expire. Other individuals to whom Georgiou had promised compensation for holding the shares also wanted Georgiou to buy them out. In July 2007, Georgiou explained to the CW, "We put some people in about a year ago, made them promises . . . stock going down, you have to take them out." The CW replied, "And I guess you could have A buying from B buying from C," to which Georgiou responded, "Yeah, but eventually you run out."

69. Despite the difficulties in maintaining the manipulated price, Georgiou continued to try to inflate it. On or about July 5, 2007, Georgiou spoke on the telephone to the CW. He complained that the stock price was declining which was hurting Avicena's ability to close a $10 million financing deal that he thought could help the company. He asked the CW for "a little bit of

help" with the stock and told him that the purchase of only "a couple hundred thousand shares" would get the stock back to $5.50 or $6.00 per share. Georgiou agreed to meet the CW in New York in a few days to discuss the deal in more detail.

70. On or about July 9, 2007, Georgiou met the CW in New York City at the Four Seasons Hotel and discussed both his historical and current plans to manipulate the price of Avicena stock. Specifically, Georgiou acknowledged that he had directed individuals to buy and sell the stock at certain times, often having them engage in matched trades with each other. Georgiou and the CW agreed that this activity created the false impression of volume in the stock which was "good for borrowing against it."

71. Georgiou and the CW discussed various ways to continue manipulating Avicena stock including (a) finding additional individuals who could each buy "a couple hundred thousand shares" of Avicena stock with the understanding that Georgiou and his associates were willing to "cover" any losses that these individuals incurred from purchasing Avicena stock; and (b) using another individual, who purported to have access to a network of corrupt brokers, to bribe brokers to buy Avicena stock and "park" or hold the stock in their unknowing clients' accounts. Georgiou and the CW discussed the importance of making sure that that individual was "not a cop." Unbeknownst to Georgiou, the individual was, in fact, an undercover FBI agent (the "UA"). Georgiou and the CW also agreed that Georgiou would pay the CW hundreds of thousands of dollars for his participation in this ongoing stock manipulation activity.

72. On or about August 7, 2007, Georgiou and the CW met with the UA who Georgiou believed could assist with the manipulation. In the meeting, Georgiou discussed his control over Avicena stock and his need to manipulate it. He said that when he was not "supporting the stock" it substantially declined in value. He said that he needed the UA's services because he and his

associates owned $40 million in Avicena stock, including $20 million on margin. Georgiou said that he wanted the UA to get the stock to $6.00 or $7.00 per share with significant volume so that they could encourage others to buy the stock and Georgiou could reduce his holdings and sell his shares for a good price. Georgiou and the UA discussed that Georgiou would pay the UA and corrupt brokers he could enlist a kickback for buying substantial quantities of Avicena stock. They also discussed that the purchases would be made in such a way as to avoid regulatory scrutiny.

73. Georgiou also tried to arrange new financing to fund the company and the manipulation, but was unsuccessful. Eventually his Avicena scheme collapsed.

74. The last of his large matched orders occurred on November 6, 2007. That day, Avicena closed at $0.88, an 87 percent decrease from its high just 11 months earlier. By the end of 2008, much of Georgiou's trading had substantially ceased, resulting in the decline of Avicena's stock price to $0.21 per share.

75. Several months later, in April 2008, Georgiou admitted during a conversation with the CW that he had manipulated the market for Avicena stock. Georgiou stated: "[Avicena was] an artificial market – the moment I walk away, this is a $0.50 stock."

76. The price ultimately fell to $0.01 in early 2008 when Georgiou stopped trading altogether.

NEUTRON ENTERPRISES, INC.

77. From approximately spring 2004 through October 2007, Georgiou orchestrated and directed a manipulation of the stock of Neutron that was contemporaneous with, and nearly identical to, his manipulation of Avicena. Georgiou directed the same types of manipulative trading in many of the same accounts with many of the same nominees. Through this trading, Georgiou artificially inflated the price of the stock, and fraudulently enriched himself and others.

78. Georgiou had ties to Neutron's management. As mentioned above, two individuals involved with Neutron's management were the same two individuals who Georgiou appointed to Avicena's board of directors. One of these individuals, the CEO, essentially served at Georgiou's direction. Through these connections, Georgiou was able to receive DTC Reports and press releases in advance as he did with Avicena.

79. In the spring or summer of 2004, Georgiou told the CW about his plans to manipulate Neutron. Georgiou told the CW that they could make a lot of money by illegally pumping up the value of Neutron stock through manipulative devices such as match trades, wash sales (or "crosses"), and e-mail blasts (electronic mailings sent to induce purchases).

80. Georgiou also told him that he controlled the company and that he and his group were buying up the entire float. He further stated that he planned to run promotional campaigns to increase the volume and price of the stock. Based on Georgiou's promises to the CW to issue non-restricted shares and to provide him with a discount in a private placement, the CW agreed to participate in the manipulation, to get others involved, to have them buy and "park" the stock, and then to sell when directed to do so.

<u>Georgiou Manipulates Neutron's Stock Price</u>

81. In the spring and summer of 2004, Georgiou succeeded in artificially raising Neutron's stock price to the $2 to $3 range from approximately $1.30 per share only two months earlier. He maintained the stock price in the $2 to $3 per share range for nearly three years. To achieve this price and give the false appearance of an active market and customer interest, directly, or indirectly through nominees, Georgiou directed at least 28 matched orders, 11 wash sales, and 7 trades which marked-the-close. Many of these trades were executed by the CW at Georgiou's direction.

82. For example, on November 3, 2005, the CW executed a wash sale involving approximately 69,150 shares. On February 16, 2006, the CW purchased 45,000 shares at $2.69 per share at 3:59 p.m. and 13 seconds in order to mark-the-close. This purchase coincided with a sale by the Alliance account. Also, on February 28, 2006, the CW purchased 8,000 shares at $2.50 per share at 3:57 p.m. and 54 seconds in order to mark-the-close. This was also a wash sale, as the CW sold those same shares from another account. Each of these transactions was directed by Georgiou.

83. On or about March 21, 2006, Georgiou e-mailed the CW and told him that he had two million shares of buying coming into Neutron stock and that he would inflate the share price to $3.50.

84. On June 1, 2006, Georgiou directed the sale of approximately 500,000 shares of Neutron stock from an Alliance account. Approximately half of those shares were purchased by the CW for a cost of $475,000, and approximately half were purchased by KG, Georgiou's wife. Both purchases were directed by Georgiou. On June 6, 2006, consistent with their arrangement, the CW wired Georgiou with instructions about where Georgiou could wire the $475,000 to cover the cost of his purchases.

85. Aside from the CW, Georgiou also directed manipulative trades through the other nominees that he used to manipulate Avicena. For example, on May 15, 2006, the Fercan Developments account purchased 100,000 shares from the Alliance account for $190,000; on July 18, 2006, the Alliance account purchased 525,000 shares from the account held at Temple Securities for $1,155,000; and on August 10, 2006, KG's account purchased 100,000 shares from the Alliance account for $240,000 which was executed at 3:59 p.m. and 38 seconds, thereby marking-the-close for the day. Georgiou directed each side of these transactions for all of these trades.

86. To further maintain control of the market, Georgiou closely monitored his nominees' trading activity to ensure that they followed his instructions. For example, in an e-mail during this time, Georgiou asked the CW for the names of the brokerage houses holding his Neutron stock so that he could "better tell what others are doing without having to second guess." In addition, Georgiou admonished his nominees when he found out that they did not follow his orders. Notably, in an e-mail on May 28, 2006 from Georgiou to one of the same nominees Georgiou used to manipulate Avicena, Georgiou stated:

> I just received the NTRN trading logs [sic] for the week and I was somewhat shocked to see you sold 36,500 shares last week – it might surprise you that I have access to this level of detail but please appreciate I can track most buys and sells.

87. Georgiou also engaged in numerous promotional campaigns and directed the company to issue press releases throughout the manipulation period in an attempt to bolster the effect of the trades and increase trading volume. Georgiou also used promotional spam e-mails in an attempt to support his manipulation.

<u>Georgiou Stops Directing Manipulative Trades and Neutron's Stock Price Plummets</u>

88. By using all of the manipulative tactics described above, Georgiou was able to inflate Neutron's stock price from $1.30 to around $2.00 to $3.00 a share with a highly variable volume of zero to 1.5 million shares per day and maintain it for approximately three years.

89. Around March 2007, the price of Neutron's stock started to decline. On July 9, 2007, Georgiou explained to the CW that he had been spending all of his time sorting out various issues with Avicena. He then stated that the price of Neutron was "slipping" because "[he couldn't] give it any focus." Georgiou further stated that, "Neutron would be easy to get back to $2. Easy."

90. Without Georgiou's continued manipulation, Neutron's price continued to decline until October 2007 when the Alliance account – the primary account that Georgiou used to manipulate Avicena and the most significant trader in Neutron – was liquidated and stopped trading

Neutron altogether. Without the support of Georgiou's manipulation, by November 2007 the stock closed at $0.28 on 90-day average volume of 60,000 shares and most recently closed at $0.015 on February 6, 2009 with a 90-day average volume of 2,300 shares per day.

HYDROGEN HYBRID, INC.

91. Between May 23, 2008 and September 19, 2008, Georgiou orchestrated a pump and dump scheme in the stock of Hydrogen Hybrid and reaped millions in ill-gotten gains.

92. In a series of conversations occurring before, during, and after the manipulation period, Georgiou told the CW his intent to manipulate the price and market for Hydrogen Hybrid's stock, the manner and methods by which he would implement his scheme, such as matched orders, wash sales and other trading coordinated with a promotional campaign, and accurately predicted, and ultimately took credit for, the increase of Hydrogen Hybrid's stock price.

Georgiou Sets Out to Manipulate the Price and Market for Hydrogen Hybrid

93. On April 17, 2008, Georgiou first told the CW that he intended to manipulate Hydrogen Hybrid and attempted to recruit the CW to participate in the scheme. In this conversation, Georgiou described how the stock was "perfect for a promo" and how a mail campaign "could move the entire position."

94. Georgiou also told the CW that there were 21 million shares of non-restricted stock and that he had control of all but 400,000 of those shares. Georgiou further admitted that he controlled management and, in turn, the company's press releases, and had access to the company's DTC Reports. Georgiou also predicted that through promotion and issuing a stream of press releases he could "whip the deal into a frenzy like you've never seen before" and make a "fortune with this stock."

95. Finally, he told the CW that he intended to begin the campaign in the near future and, in the short term, wanted to move the stock from $.40 to $1.80 per share.

96. At the time of his conversation with the CW, two accounts controlled directly or indirectly by Georgiou (the Accuvest and Starport accounts) held 5,888,000 shares and 3,385,925 shares of Hydrogen Hybrid, respectively, nearly one half of the non-restricted Hydrogen Hybrid stock.

97. Georgiou also recruited others to participate in the Hydrogen Hybrid manipulation. On May 29, 2008, Georgiou told the CW that he had hired a "group" to participate in the manipulation. He further stated that they began their campaign on May 23, 2008 and would be going "full force" the following week.

98. Immediately before the manipulation started, from March 19 through May 22, 2008, Hydrogen Hybrid traded mostly in the $0.40 to $0.50-range on average volume of approximately 40,000 shares a day.

Georgiou Manipulates Hydrogen Hybrid

99. Georgiou, through primarily the same nominee accounts he used to manipulate Avicena, Neutron and Northern Ethanol, directed matched orders, wash sales and/or other manipulative trades to generate volume, create the false appearance of an active and liquid market and to artificially inflate the stock price.

100. Georgiou began manipulating the price of Hydrogen Hybrid on or about May 23, 2008. On that day, Hydrogen Hybrid closed at $0.77 per share on volume of 123,000 shares. This closing price represented an almost 100 percent increase from the previous day's close with the volume representing more than a 600 percent increase.

101. On May 30, 2008, Georgiou told the CW that he and his group intended to drive the price up to $3 per share. That same day, Hydrogen Hybrid's trading volume increased by more than 1 million shares from the previous day to approximately 1,470,000 shares (an increase of 362 percent) and the stock price increased to $1.31 per share (a 19 percent increase from the previous day's closing price).

102. On certain trading days during the manipulative period, Georgiou not only orchestrated trading among three of his nominee accounts, but also dominated the trading volume that day. For example, on May 30, 2008, at Georgiou's direction, the Starport account sold 232,000 shares, the Accuvest account sold 664,500 shares, and an Alliance account bought 775,500 and then sold 157,500 shares. Georgiou directly controlled the Accuvest and Alliance accounts, and made five telephone calls that day to his nominee with trading authority on the Starport account.

103. The total Hydrogen Hybrid volume for the three accounts on May 30th was 1,829,500 shares, which represented virtually all of the trading volume that day.

104. After the trading on May 30th, the trading continued to gain momentum and the stock price continued to rise – almost exactly as Georgiou described to the CW during their conversations.

105. To maintain the momentum in the stock, during June 2008, Georgiou also devoted substantial resources to publicly tout the stock through a private mailing, while at the same time he coordinated with the company to issue multiple press releases.

106. Georgiou arranged for the creation of a Hydrogen Hybrid tout sheet (the "mailer") and had it mailed to 7,000,000 addresses across the United States.

107. The mailer was colored, glossy and eight pages long, and purported to be published by "Global Energy Investor" with a reference to it being the "Summer 2008 Special Edition."

Across the top of the front page written in large font, it stated "GAS CRISIS!" and claimed that one could reap "500% gains" and "Green Fuel Technology is Set to Soar!"

108. The mailer sought to exploit concerns relating to "skyrocketing fuel costs" and made claims that Hydrogen Hybrid could generate alternative green energy technology that would drastically increase fuel efficiency. Throughout the document it repeatedly urged the reader to invest in Hydrogen Hybrid and was rife with statements such as: "get in on the ground floor" because you can "make huge profits investing green" and you "will be helping to save the planet."

109. The mailer contained a disclaimer written in small print stating that an entity identified as Green First Capital compensated Global Investor Energy for the costs associated with the dissemination of the mailer. However, the mailer failed to disclose that Georgiou had paid for most, if not all, of the costs of the mailer.

110. On June 3 and 9, 2008, Georgiou wired at least $2.2 million from the Accuvest account to Corporate Printing Services, the Canadian-based company that printed and disseminated the Hydrogen Hybrid mailer.

111. On or about June 18, 2008, Georgiou directed that 289,000 shares of Hydrogen Hybrid stock be sold from the Accuvest account at $2.50 per share, for a total of approximately $721,321.

112. The Hydrogen Hybrid tout sheet created by Georgiou was false and misleading. It misrepresented who was hired or otherwise was the source of the compensation paid for the creation and dissemination of the mailer. The mailer stated that Green Street paid these costs, when in fact, Georgiou did. Nowhere in the mailer was Georgiou mentioned.

113. Similarly, Georgiou never disclosed his own role in the creation and dissemination of the mailer or the fact that he was selling while simultaneously suggesting that other investors purchase the shares, or that he had been manipulating the stock price.

114. As Georgiou predicted would be done as part of the manipulative scheme, during this same time period, Hydrogen Hybrid also issued at least five press releases making announcements about deals it had made to sell and install its patented emissions reducing technology on school buses, fishing vessels, ambulances, and long-haul trucks.

Georgiou Continues to Manipulate Hydrogen Hybrid Stock
to Maintain Value While Dumping His Inflated Shares

115. Through early-to-mid June 2008, Georgiou not only relied on his promotional campaign to generate buying in the stock, but he also continued to use matched orders and/or other manipulative trading to generate volume and, in turn, create the false appearance of positive trading momentum in the stock. These efforts allowed Georgiou to maintain the artificially inflated price while dumping his shares for profit.

116. The table below shows three matched orders and/or wash sales orchestrated by Georgiou during this time period:

Date	**Shares**	**Price**	**Amount**	**Buyer**	**Seller**	**Buy Time**	**Sell Time**
6/4/08	250,000	$1.40	$ 350,000	Starport	Accuvest	9:23 AM	9:49 AM
6/6/08	500,000	$1.50	$ 750,000	Starport	Accuvest	11:29 AM	11:12 AM
6/19/08	200,000	$2.59	$ 518,000	Accuvest	Starport	9:50 AM	9:13 AM
	950,000		$1,618,000				

117. The above trades were ordered close enough in time to ensure they matched and were entered in an equivalent manner. For example, the trade on June 6, 2008 was entered as a limit order with a price of $1.50 for both sides of the trade. In addition, Georgiou called Accuvest and his nominee with trading authority in the Starport account on most of the trading days near the time of the trades.

118. As a result of Georgiou's illegal efforts during this period, Hydrogen Hybrid's volume and stock price continued to climb, and by June 19, 2008, the stock closed at its all time high of $2.55 with its second highest volume day of more than 3.5 million shares. That same day, Georgiou told the CW that the "machine is oiled" in Hydrogen Hybrid.

119. Taking advantage of the inflated stock price, Georgiou reaped millions in profits by dumping his inflated Hydrogen Hybrid stock through the Accuvest and Starport accounts. The Accuvest and Starport accounts began to gradually increase selling in Hydrogen Hybrid in early June and then rapidly sold a significant majority of their shares by mid-to-late June. These two accounts were the largest sellers of Hydrogen Hybrid during the entire manipulation period. The Starport account sold 3,316,180 shares of Hydrogen Hybrid for $6,203,230 and the Accuvest account sold 2,427,000 shares for $3,806,627. Georgiou directly profited from the sales by the Accuvest account, and may have received a portion of the proceeds from the Starport sales. The trading by these accounts comprised 22 percent of the total trading volume during the manipulation period.

120. As a result of this massive amount of selling, the stock started a precipitous decline beginning on June 23, 2008 until it closed at $0.85 on September 19, 2008. Georgiou continued to liquidate his Hydrogen Hybrid positions throughout the summer and early fall. Since then, the price has fluctuated mostly in the $0.10 to $0.85 range until dropping as low as $0.025 on January 27, 2009**.**

121. On August 13, 2008, Georgiou told the CW and the UA, who was posing as a corrupt financial consultant, about his manipulation of Hydrogen Hybrid. Georgiou bragged about moving the stock from $0.50 to $2.50 per share.

122. Georgiou also told the CW and the UA that he needed help on his next manipulation, which was already underway, and which he said would "dwarf [Hydrogen Hybrid]" This conversation led to plans for manipulating Northern Ethanol. Georgiou knew that his manipulative actions were fraudulent and illegal. He ended the conversation by saying, "Nobody is wearing a wire, right?"

NORTHERN ETHANOL, INC.

123. Georgiou began discussing the possibility of manipulating Northern Ethanol stock as early as July 2007, when he met with the CW in New York City at the Four Seasons Hotel. At that time, Georgiou stated that he would "walk up" the share price from $1.00 to $2.00 after the stock started trading and that, because of his significant holdings in the stock, he would make at least $25 million, and up to $150 million in profit on a "decent move" in the stock.

124. Although Georgiou and the CW took no apparent immediate steps to effectuate that fraud, from at least April 9, 2008 through September 18, 2008, Georgiou did actively manipulate Northern Ethanol by coordinating an illicit kickback scheme with an individual who, unbeknownst to Georgiou, was the UA, and conducting matched orders.

The Kickback Scheme

125. In April 2008, Georgiou began outlining to the CW his plan to manipulate the market for Northern Ethanol stock.

126. Georgiou had the ability to orchestrate a successful manipulation because he had control of management, the corporate news, and nearly all of the outstanding shares, and admitted as much to the CW.

127. He explained that his goal was to push the price from approximately $1 per share to $3 per share by the spring of 2009. The CW told Georgiou during these conversations that he knew

an individual who might be interested in participating in his scheme and that this person had connections to corrupt registered representatives who could make purchases of Northern Ethanol in customer accounts. Unbeknownst to Georgiou, this individual was an undercover FBI agent.

128. On August 13, 2008, Georgiou traveled to Philadelphia to meet with the CW and the UA to discuss the details of his scheme. During the meeting, Georgiou stated that he would pay a 25 percent kickback to the UA in exchange for generating retail purchases of Northern Ethanol. Georgiou proposed that the UA commence a $10 million buying campaign into which Georgiou could simultaneously sell his holdings.

129. Georgiou stated he would use one half of the proceeds to fund the company's operations and keep the other half as repayment for his initial investment in the company. He explained that he was not concerned about "spillage" (i.e., that the agent would buy stock from sellers other than Georgiou) because Georgiou and his group owned virtually all of Northern Ethanol's shares.

130. Georgiou also described how he intended to simultaneously promote the stock through corporate press releases and tout sheets. When the buying campaign moved into "high gear" in late October, Georgiou claimed that he would have the company release major news announcing various milestones. In conjunction with these announcements, Georgiou told the UA that he would send additional promotional materials to 20 million mailing addresses and bribe research analysts to issue reports that would state that Northern Ethanol's stock had a valuation of $4.00 per share.

131. In late-August 2008, the CW and the UA agreed to Georgiou's proposal for the UA to buy Northern Ethanol stock in exchange for cash kickbacks. The parties agreed that the UA would initially place a small trade and Georgiou would then wire back the kickback in order to test

the process before proceeding with more significant trading. They agreed that the test trade would occur on September 3, 2008. Georgiou also told the CW and UA that he would have the company release corporate news on the morning of the trade as proof that he controlled the company.

132. As Georgiou had promised, Northern Ethanol issued a news release on the morning of September 3, 2008 announcing that it had acquired land to locate its ethanol plant in Niagara Falls, New York. Later that same day, the FBI purchased 16,000 shares of Northern Ethanol at an average price of $1.11 per share. The 16,000 share order was executed through six separate transactions during the day. Northern Ethanol's stock price on that day ranged from $1.10 to $1.15, on a volume of 30,500 shares.

133. On September 11, 2008, Georgiou wired a $5,000 kickback from a Canadian account held in the name of Starport to an FBI-controlled bank account for the September 3rd 16,000 share trade.

Matched Orders

134. From April 9, 2008 through August 28, 2008, Georgiou also matched orders in Northern Ethanol on several occasions. The chart below provides examples of such matched orders.

Date	Shares	Price	Amount	Buyer	Seller	Buy Time	Sell Time
4/09/08	200,000	$1.45	$ 290,000	Starport	Accuvest	9:09 AM	10:59 AM
4/23/08	150,000	$1.50	$ 225,000	Starport	Accuvest	9:11 AM	9:22 AM
5/14/08	100,000	$1.48	$ 148,000	Starport	Accuvest	9:22 AM	9:31 AM
8/28/08	500,000	$1.10	$ 550,000	Accuvest	Starport	10:22 AM	9:13 AM
	950,000		$1,213,000				

135. On the four occasions described in the chart above, the orders were entered by the Starport and Accuvest accounts at substantially the same time, for substantially the same price, and for substantially the same amount.

136. In addition, the matched trades typically represented the entire day's trading volume. Specifically, on April 9, 2008 and on May 14, 2008, the trades above were the only trades on those

days. And, from February 18, 2008 through September 18, 2008, the trading volume on the days of the matched trades was the highest daily trading volumes for Northern Ethanol stock. During this seven month period, Northern Ethanol traded on an average daily volume of 27,000 shares, compared to an average daily volume of 674,125 shares on the days the matched trades were placed. Moreover, Northern Ethanol is a very thinly traded stock and there was little or no trading in Northern Ethanol stock in between the dates of the matched orders. Northern Ethanol traded on only 50 of 148 of the trading days during the seven month period. Furthermore, other than days on which the matched trades were placed, the stock traded more than 50,000 shares on only four other trading days during the seven month period.

137. Georgiou executed these orders through the same brokerage accounts he used to conduct his manipulative trading in Avicena. Georgiou directed trading in the accounts and told Accuvest representatives to place limit orders at specific prices and for specific quantities. Further, Georgiou called Accuvest and the nominee with authority over the Starport account on most of the trading days.

GEORGIOU OBTAINS FRAUDULENT MARGIN LOANS FROM CALEDONIA AND ACCUVEST USING THE INFLATED VALUE OF MANIPULATED STOCKS

The Caledonia Fraud

138. In December 2006, Georgiou convinced representatives of Caledonia to allow him to trade on margin with a pledge of $15 million worth of Avicena and Neutron stock as collateral. In entering into this margin agreement, Georgiou never disclosed that the value of these securities was artificially inflated as a result of his manipulative activities. By securing margin loans based, at least in part, on collateral he knew was artificially valued, Georgiou defrauded Caledonia.

139. In furtherance of his manipulative schemes, Georgiou, between December 22, 2006 and March 31, 2008, used the leverage created by the artificially inflated stock to purchase on margin $6,326,337 worth of Avicena stock and $957,885 worth of Neutron stock.

140. In March 2007, Georgiou also used the leverage created by the artificially inflated stock to obtain $6,194,000 in cash margin loans from Caledonia, some of which was wired to offshore bank accounts.

141. During this period, Georgiou falsely represented to Caledonia representatives that he was acquiring large blocks of Avicena and Neutron on margin to sell them to institutional clients in large quantities and that he would soon transfer funds into the account to cover the increasing debit balance. Georgiou never sold, or intended to sell, the shares to institutional clients. Moreover, Georgiou never transferred, or intended to transfer, funds to cover the debit balance.

142. As a result of the decline in Avicena and Neutron's stock prices throughout the latter part of 2007, along with other trading losses in the account, Georgiou's margin debit balance (or outstanding loan balance) grew to approximately $20,000,000. Georgiou repeatedly made false promises to Caledonia representatives that he would cover the deficit, but he never transferred assets into the account.

143. Georgiou's total ill-gotten gains from his stock purchases in, and cash withdrawals from, the fraudulently obtained margin account at Caledonia was at least $13,478,222.

144. Ultimately, Caledonia's clearing firm liquidated Caledonia customer accounts to cover the debit balance associated with Georgiou's trading, which resulted in average customer losses of approximately 50 percent to other Caledonia clients.

The Accuvest Fraud

145. Georgiou also used the manipulated stock prices to secure margin loans from Accuvest during the relevant period without disclosing that the stock prices had been artificially inflated. As with the Caledonia account, by securing margin loans based, at least in part, on collateral he knew was artificially valued, Georgiou defrauded Accuvest.

146. In September 2007, Georgiou opened a margin account at Accuvest to enable him to (1) purchase securities without using his own funds in furtherance of his Avicena, Hydrogen Hybrid and Northern Ethanol manipulation schemes and (2) withdraw and misappropriate cash for his own personal benefit that he deposited in offshore bank accounts, or to otherwise fund these manipulations.

147. At all relevant times hereto, the margin account was collateralized by, among other stocks, Avicena, Hydrogen Hybrid and Northern Ethanol. Georgiou never disclosed to representatives of Accuvest, that at all times, the value of at least one or more of these stocks held in the margin account was artificially inflated as a result of Georgiou's manipulative activities.

148. Between January 30, 2008 and September 12, 2008, Georgiou made several cash withdrawals on margin based on the inflated value of one or more of these stocks and ultimately obtained ill-gotten gains of at least $3,672,443.

149. Georgiou falsely represented to representatives of Accuvest that his investment "group" would be transferring in significant assets to cover the margin deficit. Georgiou never repaid the cash he withdrew and Accuvest was left with only illiquid securities, which included Hydrogen Hybrid and Northern Ethanol.

FIRST CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act

150. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 149, inclusive, as if the same were fully set forth herein.

151. As described in this Complaint, Georgiou, knowingly or recklessly, 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.

152. By engaging in the foregoing conduct, Georgiou 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

153. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 152, inclusive, as if the same were fully set forth herein.

154. As described in this Complaint, Georgiou 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.

155. By engaging in the foregoing conduct, Georgiou 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.

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

I.

Permanently restraining and enjoining Georgiou from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and 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.

II.

Ordering Georgiou to disgorge any and all ill-gotten gains, together with prejudgment interest, derived from the activities set forth in this Complaint.

III.

Ordering Georgiou 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)].

IV.

Prohibiting Georgiou from participating in any offering of penny stock pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

V.

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

Respectfully submitted,

________s/_David S. Horowitz____________________

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