

JOHN B. BULGOZDY
Email: bulgozdyj@sec.gov
VICTORIA A. LEVIN
Email: levinv@sec.gov
DOHOANG T. DUONG
Email: duongdo@sec.gov

Attorneys for Plaintiff
Securities and Exchange Commission
Rosalind R. Tyson, Regional Director
Andrew G. Petillon, Associate Regional Director
John M. McCoy III, Regional Trial Counsel
5670 Wilshire Boulevard, 11th Floor
Los Angeles, California 90036
Telephone: (323) 965-3998
Facsimile: (323) 965-3908

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

FEB 18 2009
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SUE BEITIA, CLERK

UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

CV 09-00068 JMS LEK

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

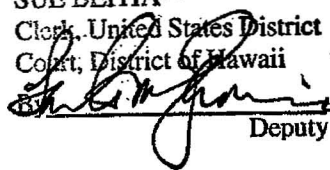
vs.

BILLION COUPONS, INC. (aka BILLION
COUPONS INVESTMENT) and MARVIN
R. COOPER,

Defendants.

Case No.

COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES
LAWS: SUMMONS

ATTEST: A True Copy
SUE BEITIA
Clerk, United States District
Court, District of Hawaii

Deputy

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

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e), and 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e), and 78aa. Defendants have, directly or indirectly, made use of the means or instrumentalities of interstate commerce, 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.

2. Venue is proper in this district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa, because certain of the transactions, acts, practices and courses of conduct constituting violations of the federal securities laws occurred within this district, and all of the defendants reside and/or are located in this district.

SUMMARY

3. This matter involves the ongoing fraudulent offer and sale of more than \$4 million of securities by defendants Marvin R. Cooper (“Cooper”) and Billion Coupons, Inc. (“BCI”) (collectively, “Defendants”). From September 2007 through at least January 2009, BCI, a Hawaiian corporation, and its CEO Cooper, raised more than \$4.4 million from at least 125 investors in the United States and Japan, many of whom are members of the Deaf community.

4. BCI and Cooper represented to investors that BCI pooled investor funds to engage in foreign currency (“Forex”) trading, that investors would receive returns of up to 25% compounded monthly from such trading, and that their investments were safe.

5. In fact, BCI and Cooper used only a net of approximately \$800,000 (cash deposits minus cash withdrawals) of the \$4.4 million of investor funds for Forex trading and lost more than \$750,000 of that \$800,000 from the Forex trading. Contrary to their representations to investors, BCI and Cooper used investor funds to pay more than \$1.4 million of Cooper’s personal expenses and to operate a Ponzi scheme by using approximately \$1.6 million of new investor funds to pay purported returns to old investors. Moreover, it appears that the Ponzi scheme is collapsing and/or on the verge of collapse. As of the filing of this Complaint, BCI and Cooper are seeking to withdraw all funds from the remaining Forex trading account.

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

DEFENDANTS

7. **Billion Coupons, Inc.** is a Hawaii corporation located in Honolulu, Hawaii. It has never registered an offering of securities under the Securities Act or a class of securities under the Exchange Act.

8. **Marvin R. Cooper**, age 32, of Honolulu, Hawaii, is the chief executive officer (“CEO”) of BCI, its Forex trader, and the sole signatory on BCI’s bank account. Cooper is not registered as, and is not associated with, a registered broker-dealer or investment adviser.

THE BCI OFFERING

A. Overview and Structure of the Investment Program

9. Since at least September 2007, BCI and Cooper have raised more than \$4.4 million from at least 125 investors, purportedly to engage in Forex trading. BCI and Cooper raised money from investors nationwide and in Japan through personal contacts, seminars, and BCI’s website “billioncoupons.com,” which was publicly available until approximately early spring 2008, when an “under construction” notice appeared.

10. BCI and Cooper also raised money through a nationwide network of seven entities (the “Fundraising Entities”), which were owned and operated by BCI investors. Like BCI, the Fundraising Entities solicited investors through personal contacts, seminars, and password protected websites (access was given to potential

and existing investors). BCI promised the Fundraising Entities a 5% or 10% referral commission for bringing in new investors.

11. BCI and Cooper pooled all of the investor funds in BCI's bank account. Investors solicited by BCI wrote checks to BCI or wired their funds directly into BCI's bank account. Investors solicited by the Fundraising Entities wrote checks to the Fundraising Entities or wired their funds into the bank accounts of the Fundraising Entities, which then transferred the funds to BCI.

12. Most of BCI's investors are members of the Deaf community. Some of the investors wrote the following investment goals on their BCI account opening paperwork:

- "To improve the quality of life for my family and for secur[e] financials";
- "\$10 MILLION TO ESTABLISH A NEW DEAF COMMUNITY CENTER" (all capitals in original);
- "We want to invest for our retirement"; and
- "Grow enough funds to support my family and contribute to Deaf organizations nationwide."

B. BCI and Cooper's Fraudulent Misrepresentations

13. BCI and Cooper made material misrepresentations to investors on their website and in their Client Agreement (contracts signed by investors).

14. Defendants represented that they would use investor funds to engage in Forex trading. BCI's "Acknowledgement of Receipt" sent to at least one of its Fundraising Entities also explicitly stated that "[t]hese funds have [been] deposited at [BCI's bank] solely for the forex investment."

15. Defendants represented to investors that, depending on the dollar amount of their investment, they would earn returns of 10% to 25% interest per month. BCI's website promised similar returns "possibly as high as 25%," depending on market fluctuations. BCI offered investors the option to: (1) reinvest

their returns to generate higher compounded returns over 12 months or (2) receive their returns each month. At its seminars, BCI provided potential investors with an “Investment Chart” for each option. BCI’s “Investment Chart” for the first option represented that an investment of \$10,000, for example, would earn 15% interest compounded monthly and grow to \$100,255 after 12 months, and an investment of \$100,000 would earn 25% interest compounded monthly and grow to over \$1.4 million in 12 months. BCI’s “Investment Chart” for the second option represented that an investment of \$10,000, for example, would earn 15% interest, allowing withdrawals of \$1,500 in interest each month.

16. Defendants warranted the safety of investors’ funds in BCI’s Client Agreement. Specifically, BCI’s Client Agreement stated that BCI “warranties the safety of the funds the Client invests as well as the payment of the minimal daily profit.”

17. BCI and Cooper’s representations were false. BCI and Cooper only used approximately a net \$800,000 (cash deposits minus cash withdrawals) of investor funds, or 18% of the more than \$4.4 million raised, for Forex trading. Moreover, the Forex trading was unprofitable. BCI and Cooper’s two Forex trading accounts had overall negative performances of around negative 98% and negative 78%. BCI and Cooper lost approximately a total of \$758,000 in Forex trading. They also used \$100,000 in investor funds to trade in futures.

18. Cooper misused investor funds to pay his personal expenses and to operate a Ponzi scheme. Cooper used BCI’s bank account (into which all the investor funds were deposited) as his personal piggy bank. Cooper is the sole signatory on BCI’s bank account. From September 2007 through the present, Cooper made numerous withdrawals directly from that account and has spent over \$1.4 million of investor funds on his personal expenses.

19. BCI and Cooper were operating a Ponzi scheme because investor funds were used to pay other investors the purported interest on their investment. BCI and

Cooper also used investor funds to return investors' principal (upon request) and to pay commissions and/or referral fees to its salespeople. BCI and Cooper distributed approximately \$1.6 million to investors.

20. Defendants Cooper and BCI acted with scienter.

C. The Scheme's Collapse

21. In late 2008, after months of negative Forex trading results and personal spending by Cooper, Defendants' scheme began to collapse. In November 2008, BCI and Cooper lowered December's rate of return to 8% and suspended investor withdrawals.

22. In a January 20, 2009 letter to investors, Cooper informed investors of a governmental investigation into BCI and represented that BCI "has nothing to hide because its activities are lawful." Nevertheless, Cooper represented that BCI had "suspended taking new investments."

23. In a January 25, 2009 e-mail to investors, BCI and Cooper, citing government investigations, informed investors that BCI had decided to discontinue the investment program and to return investor funds but that it was "not in a position to distribute any gains to our investors at this time." The January 25 e-mail went on to say that "[w]e do hope to *resume our business* after the current investigations of Billion Coupons by the governmental authorities are resolved and we restructure our operations in accordance with the advice of legal counsel. At that time, we will attempt to generate the gains for you that you expected from us." (Emphasis added.)

24. Cooper continued to cause new investor funds to be deposited into BCI's bank account through at least late January 2009.

25. BCI and Cooper continued to use investor funds for Forex trading through February 6, 2009. However, on January 22, 2009, Cooper requested the withdrawal of all remaining funds from the last active trading account.

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FIRST CLAIM FOR RELIEF

Unregistered Offer And Sale Of Securities

Violations of Sections 5(a) and 5(c) of the Securities Act

(Against All Defendants)

26. The Commission realleges and incorporates by reference paragraphs 1 through 25 above.

27. The Defendants, and each of them, by engaging in the conduct described above, directly or indirectly, made use of means or instrumentalities of transportation or communication in interstate commerce or of the mails, to offer to sell or to sell securities, or to carry or cause such securities to be carried through the mails or in interstate commerce for the purpose of sale or delivery after sale.

28. No registration statement has been filed with the Commission or has been in effect with respect to the offering alleged herein.

29. By engaging in the conduct described above, each of the Defendants violated, and unless restrained and enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

SECOND CLAIM FOR RELIEF

Fraud In The Offer Or Sale Of Securities

Violations of Section 17(a) of the Securities Act

(Against All Defendants)

30. The Commission realleges and incorporates by reference paragraphs 1 through 25 above.

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

- a. with scienter, employed devices, schemes, or artifices to defraud;

- b. obtained money or property by means of untrue statements of a material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- c. engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

32. By engaging in the conduct described above, the Defendants violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

THIRD CLAIM FOR RELIEF

Fraud In Connection With The Purchase Or Sale Of Securities Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Against All Defendants)

36. The Commission realleges and incorporates by reference paragraphs 1 through 25 above.

37. The Defendants, and each of them, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:

- a. employed devices, schemes, or artifices to defraud;
- b. made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- c. engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

38. By engaging in the conduct described above, the 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 thereunder, 17 C.F.R. § 240.10b-5.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

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

II.

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

III.

Issue, in a form consistent with Fed. R. Civ. P. 65, a temporary restraining order and a preliminary injunction freezing the assets of each of the Defendants and any entity affiliated with any of them, appointing a receiver over Billion Coupons, Inc., prohibiting each of the Defendants from destroying documents, granting expedited discovery, and requiring accountings from each of the Defendants.

IV.

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

V.

Order each of the Defendants to pay civil penalties under 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).

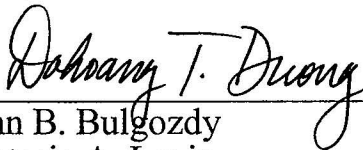
VI.

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

VII.

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

DATED: February 13, 2009



John B. Bulgozdy
Victoria A. Levin
DoHoang T. Duong
Attorneys for Plaintiff
Securities and Exchange Commission