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CENTRAL DIST. OF CALIF.  
LOS ANGELES

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8  
9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 SECURITIES AND EXCHANGE  
12 COMMISSION,

13 Plaintiff,

14 v.

15 LADP ACQUISITION, INC.;  
16 WILLIAM A. GOLDSTEIN and  
MARC E. BERCOON,

17 Defendants.  
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Case No. **CV10 6835**  
COMPLAINT

**RGK JCG** X

1 Plaintiff Securities and Exchange Commission (“Commission”) alleges as  
2 follows:

3 **JURISDICTION AND VENUE**

4 1. This Court has jurisdiction over this action pursuant to Sections 20(b),  
5 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C.  
6 §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of  
7 the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
8 78u(d)(3)(A), 78u(e) & 78aa. Defendants have, directly or indirectly, made use of  
9 the means or instrumentalities of interstate commerce, of the mails, or of the  
10 facilities of a national securities exchange, in connection with the transactions,  
11 acts, practices, and courses of business alleged in this Complaint.

12 2. Venue is proper in this district pursuant to Section 22(a) of the  
13 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.  
14 § 78aa, because certain of the transactions, acts, practices, and courses of conduct  
15 constituting violations of the federal securities laws occurred within this district,  
16 and the Defendants transact or have transacted business in this district.

17 **SUMMARY**

18 3. From about mid-2009 through the present, the Defendants have raised  
19 at least \$3.2 million from approximately 110 investors in the United States, in an  
20 unregistered securities offering. The Defendants, through their sales agents, cold-  
21 call investors, offering and purporting to sell shares in L.A. Digital Post, Inc.  
22 (“L.A. Digital”), a television and film production company with offices in Los  
23 Angeles and New York, purportedly to grow the business of L.A. Digital. Among  
24 other representations, the Defendants and their agents tell investors that L.A.  
25 Digital will conduct an initial public offering (“IPO”) of its stock within two to six  
26 months, and that its shares will soon trade on the New York Stock Exchange or the  
27 American Stock Exchange. In fact, the Defendants have been employing a “bait-  
28 and-switch” scheme whereby purchasers of the shares have received stock

1 certificates stating that they own shares in Defendant LADP Acquisition  
2 (“LADP”), rather than in L.A. Digital. No public offering of L.A. Digital stock has  
3 occurred. Moreover, the Defendants have not distributed any monies raised in the  
4 LADP offering to L.A. Digital. Instead, Defendants Goldstein and Bercoon, who  
5 control LADP’s bank accounts, have misappropriated for their own use and the use  
6 of other companies they control at least \$874,289 of the \$3.2 million in investor  
7 funds raised.

8 4. The Defendants have violated and are violating the securities  
9 registration provisions of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C.  
10 §§ 77e(a) & 77e(c), and the antifraud provisions of Section 17(a) of the Securities  
11 Act, 15 U.S.C. § 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. §  
12 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5. By this action, the  
13 Commission seeks a temporary restraining order and preliminary and permanent  
14 injunctions prohibiting future such violations, an order freezing the Defendants’  
15 assets, an order prohibiting destruction of documents, an accounting, disgorgement  
16 of the Defendants’ ill-gotten gains, and civil penalties.

#### 17 THE DEFENDANTS

18  
19 5. **LADP Acquisition, Inc.** is a Delaware corporation located in Atlanta,  
20 Georgia. On January 8, 2010, the State of Pennsylvania issued a cease and desist  
21 order against LADP to halt the unregistered offering of LADP shares. It has no  
22 business operations.

23 6. **William A. Goldstein** resides in Atlanta, Georgia. He purports to be  
24 an investor and entrepreneur and claims to be a founding member of WebMD.  
25 Goldstein owns, directly or indirectly in conjunction with Bercoon, a substantial  
26 interest in L.A. Digital, a television and film production company with offices in  
27 Los Angeles and New York. He represents that he is the Chairman of L.A. Digital  
28 and/or LADP, but he in fact is not involved in the daily operations of L.A. Digital.

1 Together with Bercoon, Goldstein controls Defendant LADP and has signatory  
2 authority over its bank accounts, including at least one account in the name of  
3 "LADP, LLC," where investor monies are deposited. In the past, Goldstein has  
4 held various positions with public companies, including:

- 5 a. Chairman of the Board and CEO of RCG Companies, Inc. (now  
6 known as OneTravel Holdings, Inc.) during the period February  
7 1, 2004, to June 6, 2006, and April 28, 2005, to June 6, 2006,  
8 respectively;
- 9 b. A Director of Market Central, Inc. (now known as Scientigo,  
10 Inc.) during the period February 2003 to November 2004; and
- 11 c. The Company and Investor Relations contact for Generation  
12 Zero Group as of June 14, 2010.

13 Goldstein is also an officer of Ibar Management Group, LLC, a company located in  
14 Atlanta, Georgia.

15 7. **Marc E. Bercoon** resides in Atlanta Georgia, and owns, directly or  
16 indirectly in conjunction with Goldstein, a substantial interest in L.A. Digital, a  
17 television and film production company with offices in Los Angeles and New  
18 York. Bercoon is, in fact, the Chairman of L.A. Digital, but he is not involved in  
19 its daily operations. Together with Goldstein, Bercoon controls Defendant LADP  
20 and has signatory authority over its bank accounts, including at least one account  
21 in the name of "LADP, LLC," where investor monies are deposited. Bercoon is an  
22 attorney who was licensed to practice law in the State of Illinois until at least 2008.  
23 Bercoon has also held himself out either as a Certified Public Accountant, or as  
24 having passed the CPA examination. In the past, Bercoon has held various  
25 positions with public companies, including:

- 26 a. General Counsel and Secretary of the Broadway Stores, Inc.  
27 from February 1993 to February 1994, and Senior Vice  
28 President beginning in February 1994;



1 “Certificate” certifying that the investor is the holder of a certain number of shares  
2 of LADP, not L.A. Digital. The cover letter and Certificate bear Goldstein’s  
3 signature.

4 11. From mid-2009 through the present, the Defendants have raised at  
5 least \$3.2 million from approximately 110 investors in the United States, in the  
6 unregistered offering in L.A. Digital described in this Complaint.

7 **B. The Defendants Make Material Misrepresentations About The**  
8 **Investment And Misappropriate Investor Monies**

9 12. The Defendants, through their sales agents, orally represent to potential  
10 investors that L.A. Digital is “going public” or going to be the subject of an initial  
11 public offering (IPO) within a short period of time, such as sixty or ninety days, and  
12 that its shares will be traded on the American Stock Exchange (“AMEX”), or some  
13 other public exchange such as the New York Stock Exchange or NASDAQ. The  
14 Defendants further represent through their sales agents that L.A. Digital has only a  
15 limited number of shares for sale, that the potential investor needs to act quickly to  
16 be included in this opportunity, that the company will be worth \$160 million, and  
17 that investors who bought shares prior to the IPO will make substantial profits.

18 13. In some cases, these oral representations are followed by an email from  
19 the sales agent making further similar representations, including that the projected  
20 return on investment (“ROI”) is “in the 200-300% range conservatively,” but that  
21 “we feel that the market will support a 300-500% return. . . ,” and that L.A. Digital  
22 “is scheduled to enter the AMEX!” These emails also include a link to the website  
23 of L.A. Digital and a description of its post-production business.

24 14. In addition to the oral and email representations made by the  
25 Defendants’ sales agents, the “Confidential Investor Information Memorandum”  
26 authored by Defendants Bercoon and Goldstein makes representations about “L.A.  
27 Digital Post” that are materially misleading, in that the “shares” in fact sold to  
28 investors are stock of LADP, not L.A. Digital. Among other representations, the

1 Memorandum:

- 2 a. Prominently features the logo of "L.A. Digital Post" and its  
3 website address on the first page;
- 4 b. Includes a detailed description of L.A. Digital's post-production  
5 business, history and reputation, and lists prominent motion  
6 picture studios and television networks which have, in fact, been  
7 clients of L.A. Digital, as well as a "Partial Client List" setting  
8 forth highly rated television shows and a list of movies for which  
9 L.A. Digital has provided post-production services;
- 10 c. Prominently features descriptions of Goldstein, described as  
11 "Chairman," and Bercoon, described as "Vice Chairman and  
12 Chief Financial Officer," of L.A. Digital, asserting that under  
13 Goldstein's leadership, a physician staffing company he founded  
14 named Nationwide Medical Services, Inc. grew "at a rate in  
15 excess of 200% per year for its first six years, achieving \$18  
16 million in sales by 1998"; and touting Bercoon's legal and  
17 accounting background, including that he graduated from UCLA  
18 School of Law, and passed the Illinois CPA and bar exams in  
19 1982 and 1985 respectively. In fact, neither Goldstein nor  
20 Bercoon have any current involvement in the day-to-day  
21 operations of L.A. Digital.
- 22 d. Sets forth "Financial Highlights," including that "LA Digital's  
23 revenues for fiscal year end were \$13.375 million," and that  
24 "There are also several acquisition targets that management has  
25 identified," notwithstanding that L.A. Digital in fact does not  
26 presently intend to acquire any companies. Additionally, the  
27 Memorandum does not disclose that L.A. Digital is not currently  
28 a profitable company, and that it is in default with its secured



1 lender.

2 15. In order to induce one investor, S , who had invested  
3 \$50,000, to invest an additional \$950,000 in or about December 2009, Defendants  
4 Goldstein and Bercoon executed a "Put Agreement," in which they agreed to buy  
5 back the 950,000 in additional shares purchased by Dr. S at the \$1 per share  
6 price at which he purchased them, at any time during the period from November 4,  
7 2010, through February 2, 2011.

8 16. In fact, no public offering has been held for L.A. Digital Post. Instead,  
9 in a "bait and switch," investors receive worthless certificates representing "shares"  
10 in Defendant LADP, and Defendants Goldstein and Bercoon steal their money.

11 17. Specifically, from July 9, 2009 to July 12, 2010, undisclosed to  
12 investors, Defendants Goldstein and Bercoon have misappropriated for their own  
13 use and the use of other companies they control at least \$874,289 of the \$3.2 million  
14 in investor funds raised and deposited into Wachovia Bank accounts in the name of  
15 LADP and "LADP, LLC," which they control, and on which they are signatories, as  
16 follows:

- 17 a. Goldstein received at least \$1,000 by check, received a total of  
18 \$22,000 in transfers to a Wachovia Bank account in his name, and  
19 withdrew \$107,600 from the LADP, LLC account.
- 20 b. Bercoon withdrew a total of \$171, 589 from the LADP, LLC bank  
21 account and the LADP Acquisition bank account.
- 22 c. Goldstein and/or Bercoon caused at least \$510,800 in transfers to  
23 be made from the LADP, LLC bank account to another Wachovia  
24 Bank account in the name of HMRZ Consulting LLC, for which  
25 account Bercoon is a signatory.
- 26 d. Goldstein and/or Bercoon caused at least \$61,300 in transfers to  
27 be made from the LADP, LLC bank account to an account in the  
28 name of Ibar Management Group, an entity for which both



1 Goldstein and Bercoon are officers.

2 18. In response to repeated inquiries by investor S regarding the  
3 failure of L.A. Digital to go public, Defendant Goldstein and his sales agent, Alan  
4 Weiner, met with Dr. S in Fort Lauderdale, Florida in or about June or July  
5 2010. At this meeting, Goldstein falsely reassured Dr. S that he had made a  
6 sound investment, and Goldstein and Weiner described Goldstein's prior success at  
7 bringing other companies public. In order to lull Dr. S into believing his \$1  
8 million investment was safe, Goldstein and Weiner falsely assured Dr. S that  
9 they were working on multiple avenues to take L.A. Digital public and that he  
10 would profit from his investment.

11 19. Subsequently, on or about August 23, 2010, in response to further  
12 inquiries from Dr. S as to the status of his investment, Defendants Goldstein  
13 and Bercoon falsely told Dr. S in a telephone conversation that everything  
14 was fine, and that while two smaller investors had complained to the Commission,  
15 there was nothing to worry about.

16 20. In response to inquiries by Gary Migdal, the president of L.A. Digital,  
17 regarding calls he was receiving from investors inquiring why a promised "public  
18 offering" of L.A. Digital stock that Migdal knew nothing about had not taken place,  
19 Bercoon falsely represented to Migdal that the situation involved "identity theft,"  
20 and that he was "handling" or "dealing with" it.

21 **FIRST CLAIM FOR RELIEF**

22 **OFFER AND SALE OF UNREGISTERED SECURITIES**

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

24 **(Against All Defendants)**

25 21. The Commission realleges and incorporates by reference paragraphs 1  
26 through 20 above.

27 22. Defendants LADP, Goldstein and Bercoon, by engaging in the  
28 conduct described above, directly or indirectly, made use of means or instruments

1 of transportation or communication in interstate commerce or of the mails, to offer  
2 to sell or to sell securities, or to carry or cause such securities to be carried through  
3 the mails or in interstate commerce for the purpose of sale or for delivery after  
4 sale.

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

7 24. By engaging in the conduct described above, Defendants LADP,  
8 Goldstein and Bercoon have violated, and unless restrained and enjoined will  
9 continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§  
10 77e(a) and 77e(c).

11 **SECOND CLAIM FOR RELIEF**

12 **FRAUD IN THE OFFER OR SALE OF SECURITIES**

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

14 **(Against All Defendants)**

15 25. The Commission realleges and incorporates by reference paragraphs 1  
16 through 20 above.

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

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

1 purchaser.

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

5 **THIRD CLAIM FOR RELIEF**

6 **FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES**  
7 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**  
8 **(Against All Defendants)**

9 28. The Commission realleges and incorporates by reference paragraphs 1  
10 through 20 above.

11 29. Defendants LADP, Goldstein and Bercoon, and each of them, by  
12 engaging in the conduct described above, directly or indirectly, in connection with  
13 the purchase or sale of a security, by the use of means or instrumentalities of  
14 interstate commerce, of the mails, or of the facilities of a national securities  
15 exchange, with scienter:

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

24 30. By engaging in the conduct described above, Defendants LADP,  
25 Goldstein and Bercoon violated, and unless restrained and enjoined will continue  
26 to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5  
27 thereunder, 17 C.F.R. § 240.10b-5.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, the Commission respectfully requests that the Court:

3 **I.**

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

6 **II.**

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

16 **III.**

17 Issue in a form consistent with Fed. R. Civ. P. 65, a temporary restraining  
18 order and a preliminary injunction freezing the assets of Defendants LADP,  
19 Goldstein and Bercoon; prohibiting each of the Defendants from destroying  
20 documents; and ordering accountings by each of the Defendants.

21 **IV.**

22 Order Defendants LADP, Goldstein and Bercoon to disgorge all ill-gotten  
23 gains from their illegal conduct, together with prejudgment interest thereon.

24 **V.**

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

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**VI.**

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

**VII.**

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

DATED: September 14, 2010

  
\_\_\_\_\_  
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Jason P. Lee  
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Securities and Exchange Commission