

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

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**SECURITIES AND EXCHANGE COMMISSION,  
100 F. Street, N.E.  
Washington, DC 20549**

**Plaintiff,**

v.

**MICHAEL R. DROGIN, CPA  
8 Hunt Court, Apt # 202  
Jericho, NY 11753-1135**

**Defendant.**

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Civil Action No. \_\_\_\_

**COMPLAINT**

Plaintiff Securities and Exchange Commission (the "SEC" or "Commission"), for its Complaint alleges as follows:

**SUMMARY OF THE ACTION**

1. This case involves multiple violations by Michael R. Drogin, CPA ("Drogin") of an Order issued against him by the SEC on May 6, 2003 ("the SEC Order"), which bars him from appearing or practicing as an accountant before the SEC. Beginning no later than the fall of 2005 and continuing through late 2008, Drogin violated the SEC Order by performing audit, review, and other accounting services for three companies in connection with filings they made with the SEC. In addition to violating the SEC Order, Drogin issued three fraudulent audit reports that were included in annual reports and in a registration statement filed with the SEC in the spring of 2008. Accordingly, Drogin also violated antifraud provisions of the federal securities laws and aided and abetted violations of the reporting provisions of the federal securities laws.

2. The SEC seeks (a) an order permanently enjoining Drogin from further violations of the SEC Order and securities laws; (b) disgorgement of all ill-gotten gains based upon the conduct alleged herein, together with prejudgment interest, and (c) such further relief as the Court deems appropriate.

### JURISDICTION AND VENUE

3. This Court has jurisdiction over this matter pursuant to Sections 20(b) and 22(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77t(b) and 77v(a)] and pursuant to Sections 21(d), 21(e) and 27 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

4. Drogin, directly or indirectly, made use of the means or instrumentalities 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.

5. Venue lies in the District of Columbia pursuant to Section 22(a) of the Securities Act and Section 27 of the Exchange Act [15 U.S.C. §§ 77v(a), 78aa]. The SEC Order that bars Drogin from appearing or practicing before the SEC as an accountant was issued by the SEC in the District of Columbia. The numerous instances in which Drogin violated the SEC Order and violated or aided and abetted violations of the securities laws, occurred in connection with filings made with the SEC in the District of Columbia.

### THE DEFENDANT

6. **Michael R. Drogin**, age 66, is licensed as a Certified Public Accountant in New York and New Jersey. During the period relevant to this complaint, Drogin was one of three partners in the accounting firm of Liebman Goldberg & Drogin LLP (“LGD”), which had its

offices in Garden City, New York. As alleged below, the SEC barred Drogin on May 6, 2003, from appearing or practicing before it as an accountant.

### **RELATED ENTITIES**

7. **Alternative Construction Technologies, Inc.** (“Alternative Construction”) was, during the period relevant to the conduct described herein, a Florida corporation in the business of manufacturing and distributing panels used to construct buildings. Beginning in September 2005, Alternative Construction’s common stock was registered with the SEC pursuant to Section 12(g) of the Exchange Act and traded on the OTC Bulletin Board under the symbol “ACCY.OB.” As of the date of the Complaint, Alternative Construction was listed by the Florida Department of State as administratively dissolved. Alternative Construction did not file an annual report with the SEC for 2008 or 2009 and has not filed any quarterly reports since the third quarter of 2008.

8. **Accelerated Building Concepts, Corp.** (“Accelerated Building”) is a Delaware corporation and was, during the period relevant to the conduct described herein, engaged in the construction business in Florida. The company’s predecessor, K2 Digital, Inc., filed a Form 8-A12(b) in 1996, which registered its common stock under Section 12(b) of the Exchange Act. That registration was terminated in 1998. Further, the predecessor had an insufficient number of shareholders of record and assets to have its securities deemed to be registered under Section 12(g). Accordingly, Accelerated Building has no class of securities registered with the Commission under Section 12 of the Exchange Act. On September 10, 2007, Accelerated Building began trading on the OTC Bulletin Board under the stock symbol ABCC.OB. Effective May 6, 2009, Accelerated Building’s common stock was delisted from the OTC Bulletin Board

and now trades on the Pink Sheets. Although not required to do so, Accelerated Building made periodic filings with the Commission during the relevant period.

9. **Organa Technologies Group, Inc.** (“Organa Technologies”) was, during the period relevant to the conduct described herein, a Delaware corporation with its offices in Melbourne, Florida. Organa Technologies was a holding company with operating subsidiaries in the areas of retail sales (swords and weapons memorabilia), internet services, and hardware/software solutions. Beginning in September 2007, Organa Technologies had its common stock registered with the SEC pursuant to Section 12(g) of the Exchange Act. Organa Technologies did not file an annual report with the SEC for 2008 or 2009 and has not filed any quarterly reports since the third quarter of 2008. On April 28, 2009, Organa Technologies filed a Form 15-12G with the Commission, which became effective 90 days later, terminating the registration of its common stock under Section 12 of the Exchange Act. Organa Technologies’ common stock trades on the OTC Grey Market.

### **FACTUAL ALLEGATIONS**

**A. The SEC Order Barring Drogin from Appearing or Practicing Before the Commission**

10. On May 6, 2003, the SEC issued an order pursuant to Rule 102(e)(1)(ii) of the Commission’s Rules of Practice, which denies Drogin the privilege of appearing or practicing before it as an accountant. *In the Matter of Michael R. Drogin, CPA*, Admin. Proc. No. 3-10762 (May 6, 2003). The order found that Drogin failed to exercise due professional care because he failed to obtain sufficient competent evidential matter for his audit report on the 1999 financial statements of a small telecommunication company. The order originally gave Drogin the ability to request that the Commission consider his reinstatement after two years. The SEC has not reinstated Drogin’s privilege to appear or practice before it. On January 11, 2011 in response to

the violations alleged herein, the Commission amended the SEC Order to remove Drogin's ability to request that the Commission consider his reinstatement after two years. *In the Matter of Michael R. Drogin, CPA, Admin. Proc. No. 3-10762 (May 6, 2003) as amended (Release No. 34-63690 January 11, 2011).*

**B. Audit and Other Work Performed by Drogin in Violation of the SEC Order**

11. Beginning no later than the fall of 2005 and continuing into late 2008, while he was a partner of LGD, Drogin performed audit, review, and other accounting work for Alternative Construction, Accelerated Building, and Organa Technologies in violation of the SEC Order.

12. For example, Drogin participated in the audit of the financial statements and provided guidance and comments on various disclosures made in the following two registration statements filed with the SEC: a Form SB-2 filed by Alternative Construction in September 2005 and a Form SB-2 filed by Alternative Construction in August 2007.

13. Further, Drogin performed audit work in connection with the audit of the financial statements in Alternative Construction's 2006 annual report on Form 10-K-SB filed with the SEC in April 2007, and in connection with a subsequent restatement of the financial statements to properly reflect the classification of stock warrants receivable in Alternative Construction's amended 2006 annual report on Form 10-K-SB/A filed with the SEC on November 16, 2007.

14. Drogin also reviewed quarterly reports on Form 10-Qs and the various reports on Form 8-K made by those companies and filed with the SEC. In several instances, Drogin advised the companies' management regarding disclosures contained in those filings.

15. In addition to performing audit and review work, Drogin assisted Alternative Construction and Organa Technologies in responding to the comments made by the staff of the

SEC's Division of Corporation Finance on (i) the resale registration statements on Form SB-2 filed by Alternative Construction with the SEC, and (ii) the registration statement on Form 10-SB filed with the SEC by Organa Technologies.

16. During this period, Drogin periodically provided advice to all three companies concerning accounting and disclosure issues, which was then reflected in the financial statements and disclosures included in various filings that these companies made with the SEC.

**C. Issuance of Fraudulent Audit Reports in 2008**

17. In March and April 2008, Drogin issued audit reports on behalf of LGD for the financial statements of Alternative Construction, Accelerated Building, and Organa Technologies. Each of these companies incorporated the respective audit reports into the 2007 annual reports on Form 10-K that they filed with the SEC. Alternative Construction also included its respective audit report in an amended securities registration statement on Form S-1 that it filed with the SEC and which became effective in April 2008.

18. In each instance, neither Drogin nor anyone else at LGD had completed an audit of the company's financial statements. Drogin nevertheless represented in each report that an audit had been done of the respective company's financial statements in accordance with applicable auditing standards and that the audit provided a reasonable basis for the opinion that the financial statements had been prepared in conformity with Generally Accepted Accounting Principles and fairly presented the financial position of the respective companies. Moreover, Drogin's audit reports represented that the amounts and disclosures in the financial statements had been examined on a test basis and that the accounting principles used and significant estimates made by management had been assessed.

19. In early March 2008, at about the time that he issued the audit report for Alternative Construction, Drogin requested and received from senior management for the company a payment of \$10,000 sent to his residential address as opposed to LGD.

**FIRST CLAIM FOR RELIEF**  
**Violations of the SEC Order**

20. The SEC realleges and incorporates herein by reference paragraphs 1 through 19 above.

21. Section 21(e) of the Exchange Act provides in relevant part that: “Upon application of the Commission the district courts of the United States . . . shall have jurisdiction to issue writs of mandamus, injunctions, and orders commanding . . . any person to comply with the provisions of this title, the rules, regulations, and orders thereunder. . . .” [15 U.S.C. § 78u(e)]

22. As described above, beginning no later than the fall of 2005 and continuing into late 2008, Drogin engaged in numerous and repeated instances of conduct that constituted appearing or practicing before the SEC as an accountant within the scope of the SEC Order. He performed audit, review, and other accounting work for three companies in connection with their filings with the SEC of annual reports, quarterly reports, and registration statements. Drogin assisted two of those companies in responding to comments of the staff of the SEC’s Division of Corporation Finance on various filings they had made with the SEC. Drogin periodically provided advice to all three companies concerning accounting and disclosure issues involving filings that they then made with the SEC. In March and April 2008, Drogin issued three fraudulent audit reports that were included in filings made with the SEC.

23. By engaging in the conduct described above, Drogin violated the SEC Order.

**SECOND CLAIM FOR RELIEF**  
**Violations of Section 17(a) of the Securities Act**  
**[15 U.S.C. § 77q(a)]**

24. The SEC realleges and incorporates herein by reference paragraphs 1 through 23 above.

25. Section 17(a) of the Securities Act prohibits a person, in the offer or sale of any securities, from (1) employing any device, scheme, or artifice to defraud, (2) obtaining money or property by means of any untrue statement of a material fact or any omission 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 (3) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

26. During the period September 2005 through April 2008, registration statements to offer and sell securities of Alternative Construction were on file and in effect.

27. In March 2008, Drogin issued a fraudulent audit report for Alternative Construction which he knew the company would include in its 2007 annual report. He also knew it would be included in Alternative Construction's amended registration statement Form S-1/A. Drogin received a payment of \$10,000 from Alternative Construction in connection with the issuance of the March 2008 audit report.

28. By engaging in the conduct described above, Drogin knowingly or recklessly, violated Section 17(a) of the Securities Act.

**THIRD CLAIM FOR RELIEF**

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

29. The SEC realleges and incorporates herein by reference paragraphs 1 through 28 above.

30. Section 10(b) of the Exchange Act and Rule 10b-5 thereunder prohibit any person, in connection with the purchase or sale of securities, from (a) employing any device, scheme, or artifice to defraud, (b) making any untrue statement of material fact or to omit 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) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

31. In March and April 2008, Drogin issued fraudulent audit reports for Alternative Construction, Accelerated Building, and Organa Technologies which were included in filings that the companies made with the SEC.

32. By engaging in the conduct described above, Drogin knowingly or recklessly violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

**FOURTH CLAIM FOR RELIEF**

**Aiding and Abetting Violations of Section 13(a) of the Exchange Act  
[15 U.S.C. §78m(a)] and Rules 12b-20 and 13a-1  
[17 C.F.R. §§240.12b-20 and 240.13a-1]**

33. The Commission realleges and incorporates herein by reference paragraphs 1 through 32 above.

34. Section 13(a) of the Exchange Act and Rule 13a-1 thereunder require that issuers with securities registered under Section 12 of the Exchange Act, such as Alternative Construction and Organa Technologies, file annual reports with the Commission that are complete and accurate in all material respects. Exchange Act Rule 12b-20 requires that, in addition to the information expressly required to be included in a statement or report, an issuer must add such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

35. The 2007 annual reports on Form 10-K for Alternative Construction and Organa Technologies filed in March and April 2008 contained fraudulent audit reports issued by Drogin. As described above, each of those audit reports contained material misrepresentations about the

purported performance of an audit of the respective financial statements and the results of those purported audits. As a result, each of those 2007 annual reports contained material misrepresentations in violation of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder.

36. By engaging in the conduct described above, Drogin knowingly provided substantial assistance to, and therefore, aided and abetted Alternative Construction's and Organa Technologies' violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder.

#### **PRAYER FOR RELIEF**

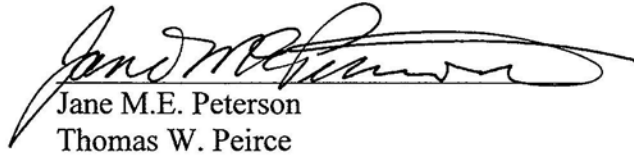
The Commission respectfully requests that this Court enter a final judgment against Defendant Drogin:

- A. permanently enjoining Defendant Drogin from violating the SEC Order as amended on January 11, 2011;
- B. permanently enjoining Defendant Drogin 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 thereunder [17 C.F.R. §§ 240.10b-5] and from aiding and abetting violations of Section 13(a) of the Exchange Act [15 U.S.C. §§ 78m(a)] and Rules 12b-20 and 13a-1 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1];
- C. ordering Defendant Drogin to disgorge all ill-gotten gains and prejudgment interest thereon;
- D. ordering Defendant Drogin to pay an appropriate civil penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 78(u)(d)(3)];
- E. retaining jurisdiction over this action to implement and carry out the terms of all

orders and decrees that may be entered; and

F. granting such other and additional relief as this Court deems just and proper.

Dated: Jan 11, 2011



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